August 11, 2026

To

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

SYMBOL: POLICYBZR

BSE Limited
Department of Corporate Services/ Listing
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001

SCRIP CODE: 543390

Sub: Transcript of the Earnings Call conducted on August 05, 2026

Dear Sir/Madam,

In furtherance to our earlier communication dated July 31, 2026, August 05, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of the Earnings Call conducted on August 05, 2026.

The transcript of Earnings Call is also available on the website of the Company at https://www.pbfintech.in/investor-relations/.

You are requested to kindly take the same in your records.

Yours Sincerely,
For **PB Fintech Limited**

Bhasker Joshi
Digitally signed by Bhasker Joshi
Date: 2026.08.11 19:43:08 +05'30'

Bhasker Joshi
Company Secretary and Compliance Officer

Encl.: A/a

PB FINTECH LIMITED

Q1 FY 2026-27

Earnings Call

August 05, 2026

Management: Hello everyone. A very good evening and a very warm welcome to PB Fintech Limited Earnings Conference Call for Q1 FY27. Today, we have with us:

- Mr. Yashish Dahiya, Chairman & Group CEO, PB Fintech
- Mr. Alok Bansal, Executive Vice Chairman, PB Fintech
- Mr. Sarbvir Singh, Joint Group CEO, PB Fintech
- Ms. Santosh Agarwal, CEO, Paisabazaar
- Mr. Mandeep Mehta, Group CFO, PB Fintech, and
- Mr. Mohit Khobragade, Head, Investor Relations, PB Fintech

I now request Yashish for his introductory note.

Management: Thanks, Mohit.

Good evening everybody and thank you for joining us. We've started FY27 on a strong note, with healthy growth across most of our insurance and credit businesses, actually all. The overall insurance premium, is now at ₹8,372 Cr, it's grown at 41% year-on-year. Importantly, this growth continues to be led by the protection categories, which is our focus. New health and term insurance grew at 53%, with new health growing at 59% year-on-year, for the core business. This is an important indicator of both the opportunity in the market and the strength of our platform. Health and term both remain significantly under-penetrated as categories, and for our large and growing middle class, social security is very critical. That's sort of our big problem to solve.

Our consolidated operating revenue grew 40% to ₹1,888 Cr, with core insurance revenue growing at 46% and core credit revenue growing at 25% year-on-year. The consolidated PAT increased 92% year-on-year, (which is, again, both going to the new business as well as the renewal business), to ₹163 Cr, while PAT margin improved from 6% to 9% year-on-year. Just to put it in perspective, that also means, for the last 12 months, our PAT would be just about ₹750 Cr +/-, right now. So, starting to kind of inch towards our target number for the year.

Our core online total premium grew 41% year-on-year, for the quarter. Core new insurance premium, including savings, grew at 39%, excluding savings is 48% YoY growth. This is amongst the highest we've ever had. If you remember, for the last 13 quarters now, we have been upwards of 35% for our total new premium growth, excluding savings. The quality of the growth is also visible in our renewal and trail revenue. While our renewal revenue has grown at 55% to ₹1,003 Cr for the last 12 months, but now we're getting to a stage when you will see higher and higher growth in renewals, because this is the previous 3 years of fresh growth starting to pay off. So you will see higher and higher numbers in renewal growth, here onwards.

Building trust beyond the point of sale is important. Insurance is clearly not about just helping customers buy a policy. Actually, the customer gets nothing when he buys a policy. The real test comes when they use that policy, which is at the point of claims. Basically, both in getting the policy, as well as in claims. We now are at above 90% in terms of CSAT. We have supported ~70,000 claims in this quarter that just went by, for health insurance. We are increasingly using technology and claim-related information to make customers' conversations more transparent. Our advisors can demonstrate real-time, real claims outcomes. So, when a customer comes to us, we're able to explain to the customer in and around their area, how many claims we have settled. And should the customer be willing, we can even connect them to those customers for referral calls, etc. All this is very powerful in convincing new customers to buy from us. And this is being done at scale using tech.

In our credit business, the core revenue grew 25%, while, as I said, the core disbursals grew 33%. So the good news is credit is also back into growth now. The total credit disbursal is now at ₹4,366 Cr for the quarter. The business continues to focus on customers with all different credit profiles. If you really think about it, there is a high-end customer, there's a middle-end customer, and there is a customer who cannot really get credit. We are helping all three, we solve their problems, and all three obviously have very different problems.

PB Partners is expanding, clearly, across all areas. Now, 78% of the GWP comes from Tier 2 and Tier 3 cities. We now have more than 500,000 advisors, with the active partner count increasing 55% year-on-year to 1.13 lacs for this quarter that's gone by. Our strategy has been to increasingly work with smaller, higher quality advisors, and equip them with technology, product access, training, and service support. We, of course, cover 99% of India's PIN codes, more than 19,000 PIN codes. Our quarterly premium grew 46% year-on-year to ₹1,637 Cr, while revenue grew 47% to ₹561 Cr. A few data points which we are starting to share now. The share of employee benefit expenses was about 15% of the revenue for the quarter. It was 12% in the previous quarter, but that is because it was seasonally a bigger quarter, but it's 15% of revenue right now. Our top 100 partners' share of premium is 16%. We will further work actively in reducing this. We are very good in this; once we track something, we really get it sorted. But it is 16% right now. We believe PB Partners can play an important role in increasing insurance access across India by combining local relationships with Policybazaar's technology, product breadth and service capabilities.

Now, this actually has quite astounded me, because I don't think anybody expects this. Because there's a lot going on in the UAE, but growth is not one of those things. Our UAE insurance premium grew 31% year-on-year for this quarter. Most of what we do is health and life insurance, similar to evolution of our India business. Again, cross-border is a big part, so people who retire, need health insurance in India, people need to plan for their children's education, etc. So that business has done well and has been very resilient in tough times. Our new initiatives continue to scale forward across the board.

To conclude, we are seeing strong momentum across the group. As you know, insurance premium grew 41%, revenue grew 40%, PAT grew 92%, PAT margin improved to 9%. The interesting part is to look at this over time. Over the last 5 years, from Q1FY22 to Q1FY27, our quarterly revenue has grown from ₹238 Cr to ₹1,888 Cr, which is a CAGR of 51%. Some quarters, something has worked, some quarters, something else has worked, but overall, CAGR of our growth has been 51% over a 5-year period, which is quite astounding. At the same time, our PAT margin has improved from -47% to 9%, and for those of us who track financial numbers better than I do, the best is just starting to come. So, thank you, and I'll start looking forward to questions.

Management: Thank you Yashish. I request everyone to raise their hands for Q&A. We will wait for 1 minute, and then we will start the Q&A.

Management: The first question is from the line of Sachin from BofA. Sachin, please unmute your mic and proceed.

Sachin Salgaonkar: Thanks Mohit. Hi, management. Congrats once again, a great set of numbers. I have 3 questions. Let me go one by one.

Sachin Salgaonkar: First question, Yashish, clearly it's a very strong, insurance premium growth once again, and thank you for helping us understand from where the growth is coming. But when I look at the industry, particularly health and term, they are not growing as fast, and you guys on that high base continue to show anywhere between a 53% to 59% of growth for health and term. Where is this growth coming from? Is it mainly coming from Tier 2, Tier 3 cities, or it's still the urban areas which are contributing to most of the growth? And is there a slightly different set of users versus, let's say, what most manufacturers are looking at it, and hence your growth looks so better as compared to them?

Management: Sachin, I would say two things. I think we've been consistently saying the same thing, that our growth ahead of the market is coming from two or three key areas. One is that we definitely spend a lot of money and invest in creating demand. I think that we've been doing over a long time. Step two, when people come to our platform, they see very attractively priced and very well-featured products, which are tailored to their segmentation, and which are tailored to their needs very specifically. They find them to be very relevant. And the number three, and I think most important point, is that we have made a huge uplift in our service level and our support at the time of claims. I think it works when you put these three things together. Increasingly we get emails from people saying – Please port my policy to Policybazaar; I have not bought from you, but I want to use your services. And I think that is an indication of the kind of the work that has been going on. And I feel that it's still early days. I think there is a lot more to go, and I think we can continue to grow faster than the market. What the level will be, time will tell. But I think these three things take a long time to put in motion, and I think right now they are continuing to drive our growth ahead of the market.

I also want to give you one or two examples of things that I think Policybazaar does, which many others don't want to do. One is, like, the use of monthly mode. So, if you see, in health insurance, largely, I think we are the only platform that really sells any scale on monthly mode. And almost over 30% of our business now comes on monthly mode. We collect all those monthly payments, we ensure persistency, we ensure renewal, and that's an investment. I mean, you have to put in the investment to do all these things. But I think there's a lot of discussion about missing middle, affordable products. This makes the product affordable, it allows people who are not very high income to get things. Similarly, I'll just explain another product that we've been doing for a while, which is maternity. Typically, maternity has, like, a 1-year or a 2-year waiting period. We have a product where we are offering 3-month waiting period. Now, there's a structure over there, but this gives a lot of young families a reason to buy health insurance, and then, of course, they stay, and then they renew. Now, again, this is a little bit of investment upfront into something that pays off. I think these are the two things we take a long-term view. We look at customer acquisition on a lifetime value basis. And number two, as I said, we have really worked on the three things that matter. Bringing traffic; good products and then offering very high level of service and claim support.

Management: And just so there's no misunderstanding on this, 82% of our business that's coming in, is new, in the sense they've never had an insurance policy in the past. Because port was mentioned as one thing, so port is still a small fraction of the people coming in.

Sachin Salgaonkar: Thank you both, very clear. My second question is, clearly, now, there are two elements on the revenue, which have both become big. Number one, Yashish, as you indicated, renewals and going ahead, a higher part of the growth should come from renewals. And second is as Sarbvir just indicated in the answer, health and term, should continue to show a sort of a strong growth. Health in particular in the initial years, has low margins, so when we look at the blend of two, how should we think about margins? Now that renewals is becoming bigger and bigger, directionally margins should continue to improve going ahead, right?

Management: See, I think, two things here. First of all, I think over the next 12 months at least. And Sarbvir can correct if he thinks differently, but I don't think he'll think differently. I think renewals growth will beat fresh growth, just because renewals growth is so high now. It's gonna be quite high. Renewals growth is gonna be upwards of 50% for some time now. And I don't think our fresh growth will be that high. So that's one. But the second thing is, see, I've always said one thing. We are not here for the short run, and we are not here to deliver short-term efficiency. We are actually increasing our acquisition spends. We are going even more aggressive than ever before. So, Sarbvir, you might want to answer this question, in terms of margins.

Management: Yeah, I think Sachin, again, very consistently, theoretically, yes, you can make more money as renewal percentage goes up, and as Yashish said, the growth rate could be higher. We don't know that yet. But I think the point, which is more important, is to say that if you are thinking of it at a lifetime value basis, then we can actually still continue to reinvest and, drive growth, rather than just taking it to the bottom line and showing higher profits. So, it's not about FY27, I think it's really about, I don't know, FY37 or FY47. And hence, we need to keep pushing that whole thing. So, I mean, again, it would be more pleasing if we grow our fresh business at a higher rate, than, honestly, if we grow our margin.

Management: And you're consistently hearing the same thing from management across the board, that our P1 is growth, efficiency will come, it'll be for later. But we will get enough from our growth here. If you really think about it, we crossed 1% at some point. I was just looking. Right now, we're at 2%. And so the 3% number that we've sort of broadly indicated as a percentage of premium is not very far off. So, we will hit our numbers, we will hit, I think, more than you expect, but let it come from growth rather than from expansion of margin at lower growth.

Sachin Salgaonkar: Thank you again, very articulate and clear. And last question, Yashish, when we look at some of the interviews given by the regulator, he's talking about an effort-based commission change. And to some, it is also getting interpreted as, it's more on the lines of perhaps an asymmetric cut for different channels. So, Banca might have a different cut vs aggregators vs manufacturers. Just wanted to understand, how you guys are looking at this. And I also saw one of the interviews you had given in the past, which talked about, in a worst-case scenario, PB Fintech might become a manufacturer. So, want to understand from you what is that worst-case scenario, and, how should we think about that?

Management: Yeah, I would say don't even think about the worst-case scenario. Let me come to the very basic thing. Legally, as defined by the regulator, the largest amount of effort in any sale needs to be put by a broker, more than any other channel. And that is as legally defined, in terms of tasks to be undertaken, by the regulator. In terms of customer support, in terms of sales, in terms of claims support, in terms of everything. So it's a very difficult position to take that the entity that is supposed to put the maximum effort is somehow meant to do the less effort. So, these things are legal at the end of it, and I would kind of leave it there. I think there's been way too many statements and way too many things, and I'm sure wisdom is developing. I use that word very carefully. And I think it'll develop more. And I think we will see the result of it as it happens. I don't anticipate anything. Sometimes when you do these media interviews, it's very strange, and that's why I stopped doing media interviews, thankfully. I wasn't very pleased about doing them in the first place, but sometimes, you come under pressure and you do them because your own PR team is saying you need to do them, etc, etc. Now what actually happens is, you say 10 things. And one of those things is the one they pick up, and that thing you said at point number 9, and they make it the headline. And look, that's the reason, I guess, a lot of people in the regulated industry don't do interviews. It doesn't make any sense here. You're just kind of exaggerating something which is a side point.

Management: First of all, I want to make it clear that none of us want to say anything about the regulator. I think that is an independent process, and, we have nothing to do with it. I think the point I just want to explain, Sachin to you and everyone on the call, is that, we've had two instances in the last five years. I've only been in this business for a short time. Where we have seen that; you had COVID, you had a great run, increase in demand for health and term insurance. The minute COVID finished, and it was like the mother of all epidemics the world has ever seen, it was across the world; immediately, the demand went away. Right now, we are in the middle of this GST thing. We saw Q3, very big; Q4, big. Now in Q1, it has already started to fade, and I think we'll be lucky if it goes through in Q2. So, the point I'm trying to make is that demand for insurance is extremely low. So, anyone who's selling insurance, by definition, has to make a significant effort to get there, and I think for a platform like ours, that effort is very, very visible in terms of the marketing spend that we have to do, the conversion, the resources that we have to deploy, the focus on service and claims. I just want to just put out that this is the level of effort that is required. So it's not easy. I mean, the trend doesn't last more than even two quarters, really.

Management: What are the four or five things anybody who wants to sell insurance needs to do. You need to generate enquiries. You need to convert those enquiries. You need to have some mechanism to technically do this, whether you do it through paper, whether you do it through technology, etc, etc. Then, after the customer has paid for the policy, you need to get it issued. There is a process in that, document collection, medicals, etc, etc. There's a process, that needs to happen. After all this, you need to be there at the point of claims. These are the 5 things anybody needs to do. In this, a bulk of the cost actually goes in generating enquiries and converting enquiries. The platform part, while it seems like a big thing, is actually the easy part. There are about 300 platforms in this country on which you can go and transact insurance for most insurers, for 20+ insurers. I don't think platform is the problem. The problem is generating an enquiry costs a lot of money, converting an enquiry costs a lot of money. And then, to bring goodwill by supporting customers in getting issuance and getting claims settled costs a lot of money. And someone like us, who's been there for 18 years, is just about getting to a point where they're making 1-2% of their premium as profits, and that too with interest income. If you take away interest income, it is still less than 1%, right? Maybe it's a weak quarter, maybe for the year it would be more than 1%. It's a weak quarter in the sense of the first quarter. So, it's a strong quarter, but a weak quarter. But the point is, look, if anybody can do it for less; most welcome, yeah, like, be our guest, but I don't think it's feasible.

Sachin Salgaonkar: Thank you very much.

Management: Thank you, Sachin. We will now take next question from the line of Prayesh Jain from Motilal. Prayesh, please unmute your mic.

Prayesh Jain: Yeah, hi everyone, and congrats on a great set of numbers. Firstly, I think you mentioned about 70,000 claims on the health insurance front that were supported by PB. And if I recollect well, you have mentioned in the past about 3,000 Feet on street on the ground with regards to this. So, trying to understand this. I think we can probably do this ratio, it should be much better, right? So, what kind of effort that we'll need to kind of increase this. An extension to that would be, in the quarter, in the policies that we are servicing and the number of claims that we are getting, how much are we kind of supporting the claims? That just helps us concretize even more the amount of effort that you're putting.

Management: See, whatever comes to us, we're supporting 100%. And, basically, why wouldn't we. And, essentially, if you think about it, typically of our total policy base, roughly 1.25% to 1.67% or so would claim every quarter. And of course, there are high claim quarters and low claim quarters, depending on whatever, but about 6% of your base, claims every year. I guess, it's not 3,000 people, it's a lot less than that. Yeah, those numbers make sense. It takes a lot of effort to settle a single claim also. It takes a huge amount of effort to get a claim sorted.

Management: Prayesh, I think you should understand that the flow is; the customer typically goes to a doctor, or somebody recommends you go to a hospital, and then they may sometimes call us before they go to the hospital, sometimes they call us after they're in the hospital. So, it's a mixture of things, and actually settling a claim or holding somebody's hand through a claim process is actually quite complex and time-consuming. So, the good news is that a lot of claims actually go through largely on their own. It's those claims that get stuck, or there is some deduction which the customer doesn't understand, etc, which come to us. So, we are a fallback. It's not like, at this point, everyone is starting from us.

Prayesh Jain: Right, right, right. Interesting. The second question was on the motor piece, how do you see this part of the business? Health and term have been growing phenomenally well. And motor, as an industry, also has gone through slowdown, and what is the kind of growth that you would expect in the motor business? And again, on the health front, just want to understand some recognition. How do you kind of account for, say a 3-year policy. So, entire premium is accounted in the total premium, or it is just the one-year premium that gets accounted. The reason I ask this question is, when the renewal time comes, whether we'll have the long-term renewals contributing or not. Those are two questions.

Management: I think on the motor front, we actually had a good quarter. Our motor plus two-wheeler direct business grew over 30%. Our motor business in POSP grew close to 50%, almost. So, I think both parts in motor, we've been continuing to do well. I think we don't have necessarily a huge view on the motor business. It's dependent on new car sales, new bike sales, and then over a period of time, those policies come to us, because typically we are not a big player in the new market, and then we take care of the rollover and renewals. I think that will continue. We gain share modestly every quarter, and we have the infrastructure in place to keep doing that. On the health side, the way we do it, we report premium on a collection basis, so the 3-year premium is part of our base, or the number that is reported to you. And, of course, on a renewal basis, we measure by number of policies. Our focus is not on premium, but on number of policies. And based on whatever base is due for renewal, we compare how much we are able to renew. And I'm happy to report that both in the first year renewal and in the second year and beyond renewals, we are at all-time high renewal rates at Policybazaar.

Management: And just to clarify, on the multi-year versus single-year kind of plans, etc., we track our number internally. We call it indexed growth, which means annualized health insurance growth. That is not very different. There would be a gap of 100 basis points this quarter between index growth and overall growth. So, multi-year is not pushing a big element in that.

Prayesh Jain: Okay, Yashish, last question, on the PB Health, whatever you can share more, and every quarter we can ask this to you.

Management: One minute before this thing started, we just got the approval to start billing in our second hospital. So, yeah, we're moving step by step. See, revenues are there. As you can see, our total loss for the quarter is about ₹7 Cr or so. We are also doing preventive health. We had acquired Fitterfly last year. Since we acquired them, their monthly revenue is up four times. See, we are eventually an operational workhorse here. Now we've gotten behind a new category. So you'll see us deliver stuff, right? We have our internal numbers, they are actually quite impressive if we look at our targets. Actually, I speak my mind, so I don't care what you think about it, or whether I'm speaking ahead of time. By March next year, we will have an annual run rate of about ₹500 Cr. We would be break-even. I'm talking about Mar'27, not Mar'28. So yeah. Now, we may not achieve it, we may achieve it, but that's our target. That's our internal target. We might be slightly ahead, we might be slightly behind. And I think opening hospitals is not an easy business. We are about one year into this, and we've got two going, and one from scratch, and quite a few in the pipeline. I think we are coming into this sector. See, think about it from a very simple perspective. What percentage of hospitals' billing is coming from insurance? Give or take 30/35/40%, depending on which hospital you're talking about. Let's take this number 10-years ahead. And just ask yourself a very simple question, what percentage of Indian hospital billing, corporate hospital billing, will come from insurance? And what percentage of Indian health insurance will Policybazaar be and its friends be. I don't say just Policybazaar; Policybazaar and friends, and that's all the insurance companies. We have all friends everywhere. So, I think, healthcare, and the interdependence of these two is not very well understood by most. People think this is a kind of a relationship where, if you get more, I get less. No, it is not. Healthcare will develop if insurance is sustainable and if claims are good, that is how healthcare will develop across the country. Otherwise, we're limited to these seven cities. Who can afford healthcare, who can afford hospitals today? Either you are rich, or you have a government job, so ECHS, CGHS, something, or you have insurance. Nobody else can afford hospitals. Now, how many people in the country are rich, and how many have government jobs, and will that grow alone or will health insurance grow? So, health insurance will enable healthcare. And good aligned healthcare will enable insurance, so I actually don't understand the complexity here. It's, of course, tough. It's not easy. And by the way, I don't like healthcare, Alok likes it. But, it's working, is all I would say. It's all good.

Prayesh Jain: Great. Thank you so much, and wish you all the best. Thanks.

Management: Thanks, Prayesh. We would now take next question from the line of Dipanjan Ghosh. Dipanjan, please unmute your mic.

Dipanjan Ghosh: Good evening. A few questions from my side. First, if I look at your savings business. Despite relatively favorable and low base, I mean, it continues to be a little bit on the softer side. Now, I understand you've previously articulated that, you're normally a platform business, and a lot of the customers are pull in nature, especially on the savings side. So, is that the reason for this softness? And also, I think, over the last one to two years, you have been focusing on developing the children's plan and some of the pension categories. So what would be the mix, within the savings business of those categories, and how would that be kind of growing at this current juncture? So that's my first question. Second, on Paisabazaar, you have mentioned that you'll be starting the daily SIPs from Aug'26, if I understood correctly. So what would be the monetization strategy, and has there been any pilot, in terms of understanding the addressable market? And also, ex of credit, what is the sort of monetization or revenue pool that you think you can build on Paisabazaar, let's say, over the next 2 to 3 years? Yeah, so those were my two questions.

Management: Yeah, on the savings side, Dipanjan, we grew over 20% in the fresh business in Q1. You're right in saying that it doesn't seem so great if you look at it versus last year. I mean, in the sense that you would have expected more, but then, the two years before this, we had very big year. I think, given the state of the markets; markets are kind of choppy, they go up and down almost every day, so it's a little difficult for people to build confidence, but I think beneath this 21%, there are two interesting developments that I would like to touch upon. First is, I think we have expanded the concept of Waiver of Premium (WOP). So, what you're referring to in Child plans, the main story there was that not only can you set your goals, but you can protect your goals. Because if you buy a mutual fund, you are saving for a goal, but if something happens to you, that goal and the money will disappear. You'll only get whatever you've invested. Whereas in Waiver of Premium plans, you can be assured that whatever plan you have bought, that entire amount of money will be invested, and you will get a return. So we have expanded this category beyond just children to say that every goal should be protected. And, I think every month, we have been expanding the percentage of our business that is coming from Waiver of Premium. And actually, I'm very encouraged by that, and I feel that in the next few quarters, this will help drive the business, and it's kind of talking about insurance plus investment now. We are not just talking of investment. I think that's an interesting and positive development. And the second point that I want to make is GIFT City. In GIFT City, we started last September, and we have very soon become, frankly, the dominant and only player in retail insurance sales from GIFT City, and savings, we are doing a very good job. We are being able to sell dollar plans. So very interestingly, non-residents who have bought plants from us in the past, they are buying them again, and of course, we are selling to new customers who are coming. And I think the good news in this GIFT City side is that it opens up the entire spectrum of global investing. So it's no longer just India, we can sell technology-based funds, we can sell other countries, etc. So I think these two developments give me a lot of hope. We only sell certain types of products, the products have to be very efficient, etc. There is a limitation in terms of how fast we can go, I think these two developments will definitely take us forward. Yashish is saying that we should talk about WOP as a percentage of the business. In domestic business, in some centers, it has crossed 60% now in July. I think WOP is the dominant story, and we are quite encouraged by that.

Management: We are launching a daily SIP platform. Look, this industry is growing at about 20-22% year-on-year, and I think, salaried consumers already have enough options to buy mutual funds. And salaried consumers are people who have a monthly visibility of their income. And hence, committing to a monthly SIP doesn't hurt them. But I think a large part of India, which is self-employed, and work on businesses where the visibility of monthly income may not be that high, for them to commit monthly is very hard. So a lot of self-employed people still are not in this category. I think our aim is to get those people in the mutual fund area and help them start their savings journey. We've not really done a pilot, to say, in the daily SIP category. Of course, I've had experience of building savings within Policybazaar. So with that, there's a lot of cross-learning that's possible, and I feel self-employed is a category that today remains very low. Penetration is very low of any kind of savings products there, so there is a lot of scope.

Management: From a 1-2 year perspective, actually, a lot of the Savings that is being done in Paisabazaar are not a revenue-building activity, they are a stickiness-building activity.

Management: I would say, just to answer the second question, I don't think they'll be more than 5-10% of overall Paisa's revenue in the next two years or so. There are a lot of things that we're doing to build engagement on our app, and, savings, mutual funds, bonds, and a lot of work on the payments side, which is basically bill payments, etc. So a lot of work is happening on that side to basically build engagement. I think it's a loop. You get more data around a consumer, some people want to want loans, some people want savings, so I think being able to see that and give these products to both of these kind of consumers, that's the attempt. But of course, very hard to say on where we'll be, but I don't think it'll be more than 10-15% at best, in the next two years.

Dipanjan Ghosh: Got it. Maybe one small follow-up to Sarbvir. You know, given the numbers you mentioned, would it be fair to assume that savings would be, like 30% of your fresh business now, more or less? And second question is, in this regard, I mean, you have historically not talked about it, but could you get some color on the margin profile of savings in the first year versus, let's say, your ex-Health overall fresh margins? Any color on that would be helpful. Thank you.

Management: I think the economics of saving business, I think, is not necessary to be discussed. I think it's fine, we do life insurance, we do term, and we do market-linked products, and overall, we are a very good combination from an insurance company's perspective. We get very high-quality customers, and these customers are good for us, as well as for the insurance company.

Dipanjan Ghosh: Got you. Thank you, everyone, and all the best.

Management: Thank you, Dipanjan. Next question is from the line of Supratim Datta. Please unmute yourself.

Supratim Datta: Hi, thanks for the opportunity. I'll start maybe with the health piece. A few quarters back, you had talked about, the combined operating model that you are running. Just wanted to understand, how many insurers are now covered under this model, and how would the economics change under this regime versus what the previous regime was. So, if you could give us some color around that, that would be very helpful. And then on the second bit, just wanted to understand what proportion of your motor insurance comes from motor third party, currently, and the Supreme Court yesterday passed a verdict saying that the TP period is going to be extended, so just wanted to understand how would that impact your business, because yours is largely renewals, and now renewals will take longer to come in. So that's my second bit. And lastly, on the POSP side of the business, thanks for the additional details that you have provided and, an interesting comment that you made was, the top 100 currently contribute somewhere around 16% of your premiums, and you plan to bring that down. So, just wanted to understand how do you plan that? And on the POSP side of the business, what is your focus? Is it scale or is it profitability over the next 3-4 years? Yeah, that would be my three questions. Thank you.

Management: I think, Supratim, I think in terms of the COR model, I think the best way to understand it is that we have aligned ourselves with what Chairman Sir has also said, that channels should be paid as per the quality of business that they do, not just the volume of business that they do. So if you see, we have aligned ourselves. Rather than getting into the details of the model, I would urge and encourage you to think along these lines, that it's really alignment of Policybazaar, with the quality of business that we are bringing, and then overall economics that the whole ecosystem is getting, rather than just looking at us and insurance companies separately. As you can imagine, that is a welcome step from an insurance company's perspective also. And from our perspective also, it encourages us to focus on the right things, which is double down on disclosure, making sure that the risk is well understood, making sure that we are focused on preventive healthcare, and now with PB Health coming online, I think that is going to be a big focus area for us. So, the COR model is really around that stuff, and I think directionally, I would say it is well received, and so far, it's going in the right direction. And I think that's the only sustainable way for a platform and for an insurance company to work, because in the long run, both of us have to focus on the right things, making sure the customer does well, making sure that the insurance company does well, and etc. So I think that that's kind of on the health side.

On the TP side, on the retail, direct-to-consumer, in value terms, it's about 25% of our premium. It's more in terms of number of policies. On the POSP front, it's almost half; so half our motor business would be TP. I will let Dhruv talk about the top 100, how he's going to reduce the percentage of business coming from the top 100, but I just want to tell you that in terms of profitability versus scale, we are totally focused on scale. I think we are happy to invest money behind the business, as long as it's an investment. I think, investment versus expense are two different things. As long as we are investing in capabilities and serving our partners better, that's something that we will continue to do, and we definitely believe that scale is the most important criteria for our POSP business. Over to Dhruv.

Management: I think reducing the dependence on the top 100, which is currently at about 16%. The only way to do it is spread more and more. Today, if we look at and I'm not sure if the numbers were published, there are roughly about, give or take, about 12 Lacs GI agents, and we cater to roughly about 1.2 Lac to 1.4 Lac in a quarter, and we have to take this higher. We have to increase the number of partners working with us. But yes, it's a slow process, because the productivity of the partners is lower. It will take time, but the whole idea is that how can we capture a large share of the market, as well as go towards more Tier 3, Tier 4, where the productivity may be lower, but the number of partners are higher. So I think, to add to what Sarbvir is saying, I think the focus is increasing scale.

Management: The focus is clearly increasing scale. I think both our core business and our overall business benefit from that scale, and we would keep the focus on that.

Supratim Datta: Thanks a lot, and, Sarbvir if possible, could you give us some color around the impact that there could be on the motor TP business because of this extension of the policy period?

Management: I think, Supratim, let's see how it goes. As you can imagine, what'll happen is that the brand new ticket sizes will go up because of this. That will help people who sell more brand new insurance. For us, the really big opportunity could be what was in the judgment around the enforcement. So, if tomorrow the enforcement goes up, so as we saw in 2019, when the Motor Vehicle Act was enacted, those particular two months, I think the businesses went through the roof. And, if the enforcement is super high, as per the judgment, I'm sure you've read the details. If those cameras.. and fuel is not sold to people without third-party insurance, etc, then that could be a very meaningful jump for our business, but I think let's wait and see. I wouldn't say anything on that yet.

Supratim Datta: Got it. Thank you.

Management: Thank you, Supratim. Next question is from the line of Jayan Kharote from Axis Capital. Please unmute your mic.

Jayant Kharote: Thank you for the opportunity. First question is on the Tier 2, Tier 3 opportunity, in the online business, not the POSP business. How has the mix of Tier 2, Tier 3 markets grown in our online business over the last few years? And what would be the strategy to sort of accelerate that mix over the next 3 to 5 years? That is the first question. I'll come with the second and the third.

Management: Jayant, we are going the same way as the country is going, and I think Tier 2, Tier 3 now, depending on the business, on the direct side, account for somewhere between 65% and 70% of the business, and this part is growing faster than the bigger cities. Having said that, for us, the bigger cities also continue to grow, so it's not that one is growing and the other is declining or something. Both are growing, the growth rate is faster. Actually, if you ask me, the dynamic that has played out for us on the B2C business in the last 3 years is a different one, which is that the South has grown much faster than the North and the West. So, yes, Tier 2 to Tier 3 have grown, but the more dominant narrative, or the trend, has been the South growing.

Management: Which was a bit specific to us, also, because we were over-indexed to the north in the beginning.

Jayant Kharote: And when you say 60-65%, your B30, right, not B10?

Management: I'm not familiar with this terminology, but basically, I'm saying if you leave out the top 10 cities, after that, we consider Tier 2, Tier 3. Those cities are about 65-70% of our businesses.

Jayant Kharote: Understood. So, second question was on Paisabazaar, and sorry to bring this question up every quarter. If you can help us how the EBITDA has fared this quarter, because the full year, expectation that we had in our analyst meet discussions was fairly sizable number, so how are we faring on that one in Q1?

Management: If you can remind me, what did we say would be the annual number, approximately?

Jayant Kharote: Approximately ₹100 Cr

Management: I don't think it'll be ₹100 Cr. I think we'll be, maybe, at about half of that.

Jayant Kharote: Okay, but in this quarter, are you breaking even?

Management: In the big scheme of things, quite immaterial, but yes, it'll be about half of that. Yeah, we broke even.

Jayant Kharote: Great, great. And last question is around AI. Anything on that early harvest gains that you've identified, have you allocated more costs to tokens? If you can help us understand, have you drafted a strategy? How will you use AI over the next couple of quarters, or next one or two years?

Management: In the same meeting that you referenced, we spoke that we are changing our operating system, and when I say operating system, it means not just technology, but our business processes, etc, to take maximum advantage of AI, and that is going extremely well. Roughly we handle 10 Cr customer interactions in a month, calls, emails, etc, etc. Of those 10 Cr, 30-40% are now being touched by AI, and that number is growing. I think we've had some very big wins in terms of improving our sales productivity, in terms of our advisors, seeing information that is relevant to them at the right time, when they're talking to a customer, what their questions are, what objections are being raised, how do they respond to them. If they get a second call, knowing what happened in the previous call, etc., brochures being sent, documents being sent, so I think a lot of improvement on the sales productivity side.

On the risk side, I think we've spoken in the past also, we've done a lot of work on risk. I think last year we saved roughly ₹10,000 Cr of sum assured, and I think our risk models continue to evolve.

On the customer service side, I would say that that is one area where in the last two quarters, we made a lot of progress, a lot remains. But 20-30% of all our interactions now are being, sort of automatically handled. A lot of single collection of documents, given updates, a lot of those are being done by bots rather than by human beings. And I think this is freeing up human beings to focus on quality interactions with customers, whether those are claims, those are service issues, those are issuance problems. I think we are freeing up our team to do more, I would say, meaningful work while AI is handling the rest.

In terms of tokens, etc., Jayant, in my opinion, it's a bit shallow to look at things in terms of saying, how many tokens are we burning? Because if we were to set that benchmark, our team would burn our entire EBITDA in tokens. But I think that's not what we want to encourage. I think we want to encourage outcomes. The whole focus is on outcomes, when I say efficiency, how many percentage less people do we need to hire, so that we can deliver the same amount of sales; how many fewer customer service people are needed as we grow our business? I think that's what we really want to focus on. And finally, if you ask me, the real game is to give A+ customer experience to our customer. Because if we can do that, the value of that is just enormous, and that's something that we really would like to drive.

Jayant Kharote: Great, great. Thanks, Sarbvir, thanks Yashish and congrats on a great set of quarter.

Management: Thank you, Jayant. Next question is from the line of Manas Agarwal from Bernstein.

Manas Agrawal: Hi, team, am I audible?

Management: Absolutely.

Manas Agrawal: Perfect. Thank you for the opportunity. Great numbers, but I'm sorry to pull you back to regulations. I hear your comment. There was also a separate discussion around dark patterns. So, wanted to understand how much of our sales on the core side would be coming from follow-ups that we get from the numbers that we collect. That is one. The second question is more on H2 base, on the new would be very high, I suppose. So, what is the right way to think of it? Because insurers seem to be guiding towards a softer H2. But, want to understand how you guys are thinking about it. And third, I'll come back, after you've answered these two, that is on the AI side. Just wanted to get some more numbers. I think your analyst presentation gave a 40% productive use time at the call center level, and the aspiration was to go to 90%. I think Sarbvir also talked about some of this, but wanted more clarity, because if you go from 40% to 90%, the number of people at your call center required just stagnates. So, want to understand what's happening, and when should we expect something like that to happen?

Management: Something will definitely happen. But, first of all, a dark pattern, almost by definition, requires some form of deception. We're not deceiving any person. We're saying we need your number. That's it. It's as simple as that. We need your number. And we're not saying that in a deceptive manner. It's right out there on the first page. If you open the page, it's right out there. I don't see what the dark pattern is. Opinions are a plenty. But eventually, this will be decided in courts at some point. I said in the beginning, there are two primary parts. One is generating enquiries and second is converting enquiries. And both of those are heavy efforts. And at this moment, if Phone numbers are not collected, generating enquiries will become far more expensive. Yes, converting enquiries might actually become easier. First of all, let's hold our horses, right? Let this come to some conclusion, we have way too many conversations in our industry. Eventually, things move at their own pace, and in the right direction. And globally, if you look, if you look in the UK, there is nobody who is providing insurance quotes at scale, even in products like motor insurance, without collecting a mobile number. MoneySuperMarket does not do it, Confused.com does not do it, Compare the Market, and they have all dark patterns and DPDP, whatever. Europe is, I'm assuming, ahead of us in all those things. I guess, let this play out. On H2 base, I think Sarbvir should answer this, but clearly, Q3 was a very special quarter last year.

Management: Manas, I mean, there's not much to say. I mean, clearly, the demand that we saw in Q3 last year was above average, above trend, etc, etc. I would not call it a slowdown. See, we've always said that 30% is our target. If we grow 60%, and if we from 60% we come down somewhere, then I'm not sure how to think about it. I think our goal is to make sure that we try and maintain above-market growth rates, and I think that's what we are focused on, and the math will fall where it will.

On the AI side, if I can take that question, I'm not sure about the 40-90% kind of number, Manas, but we are definitely seeing improvement in productivity, and yes, that will mean that perhaps we need to hire less number of people for the same amount of business. Having said that, we are an ambitious lot. I don't think we are trying to optimize for people. We are trying to grow our business, and that's why I said that for me, the real test of AI is not cost efficiency, the real test of AI is to increase the conversion, is to increase our business level. And I'm really hopeful that our team, we have a very talented team, and they are focused on it, and we'll find ways, and that will allow us, both to grow the number of people and the number of business, while implementing AI.

Management: See, from a 3-year targeting perspective, internally, when we have set targets for our business, like, of course, there are detailed targets, but the P1 target is fresh business growth. And everybody is told, look, if fresh business growth doesn't happen, then everything else is a bit meaningless. Of course, efficiency can be driven very rapidly, but that's a very clear communication, and we don't have two communications. It's the same one to the investors, there's the same one to the employees, there's the same one to everybody amongst us, and to our partners. So, that's the phase we are in. I guess what I would like to believe in that is that we're, like, a young company, which is still not at a mature stage where we are growing at a 10-12% per year kind of story. We are still very aspirational, we want to grow, and if that means we hire more people, and some of that is actually wastage. Look, please appreciate, we're not wasteful people, but that is better to do that did not grow because we did not have people, for whatever reason.

Manas Agrawal: Got it. Thank you, guys.

Management: Thank you, Manas. Next question is from the line of Shreya Shivani, from Nomura. Shreya, please unmute your mic.

Shreya Shivani: Thank you for the opportunity. I have two questions. My first question is on the expense bit. So, usually, I mean, this was the trend last year, that your expenses outside contribution as percentage of revenue was at 61% or so. And then through the remaining three quarters, it kept declining and stuff. So, this year, Q1, you have started at 58%, that means there has been some cost measures that have taken place. What are those, anything you'd like to highlight over there, and how should be the trajectory for the next three quarters? My second question is a bit on the call center employees. I wanted to understand where does the cost for that entire thing goes? Is it in the employee benefit expenses or the other expenses? Some clarity around that will be useful. And sorry, last one more question, just a data-keeping point on either the POSP premiums, if you can give, or the corporate premiums that you can share, and PB Connect revenue for the quarter. The same was about ₹43 Cr in Q1FY26. It'll help me understand how is that book moving, as of now. Thank you.

Management: So, first thing, Shreya, 61%, moving to 58%. See, our revenue grew 41%, 46%, etc., depending on which business you look at, grew in the 40% range. It just means the costs grew 3% overall less, instead of being 1.4, the cost will go like 1.35. So, what I want to clarify, because that communication is very, very clear, there was no particular intent to reduce the cost. It is just the cost grew at 35%, and the revenue grew at 40%, that's all. There was a statement I read long back, I have a habit of connecting things with the Indian Army - “I haven't started to fight yet”. So all I'm explaining is we haven't started efficiency yet. That will come at some point, but it's not time for that yet. I guess on call center, Mandeep, can you explain this?

Management: All employees' costs are in employee benefit expenses.

Management: On PB Connect, we made a strategic decision to no longer do the consolidation part of the business, so it is 73% down. But that's because we have cut out one part of the business. Other part of the business is growing very well, exactly what we expected. See, in POSP, there's no good doing consolidated business. It's very good to do retail, small partners' business. So we just stopped the consolidated business last year, and while there's 73% down, that might have been 90% of the business then.

Management: It was zero in Q1FY27.

Shreya Shivani: Right, okay, I got the part that we had backed out. So, this PB Connect revenue, for that matter, incrementally, it's not something that's not an area we would want to scale up at all, right?

Management: We are gonna scale up the retail side. So, these are the retail and wholesale side. We don't want to do wholesale, we're doing retail.

Shreya Shivani: Right, so any revenue numbers you can share?

Management: It's ₹12 Cr right now, from the retail side.

Shreya Shivani: From the retail, because the entire wholesale is out, for now?

Management: Entire wholesale is gone. We stopped it altogether.

Shreya Shivani: Right, right. And just a clarity, all your call center, every expense from that is in the employee cost line item only right? That, I've understood correctly, right?

Management: Yes. All the employee related, if you talk about the rental of the call center, this would be a different line item. So, qualifying that all employee costs are in employee benefits.

Shreya Shivani: Understood.

Management: About call centers, see, there are a lot of other moving parts. There is AI and product improvements, there are mix change, there are change in mix between new & renewals, different verticals. How many people you need in servicing, how many people you need in renewals, all that stuff combines. Just to give you an example, we have talked about this in past also. At the time of IPO, each health transaction was about 2 hours talk time, today, it will be about 35-40 minute talk time. So, lots and lots of small, small things have to happen, and you obviously try to do everything, but the impact will be incremental every time. And, since we are adding new people, sometimes that incremental effort will not be reflected in the numbers immediately. Suppose we are trying to build out the South India, or some new city, or we are trying to build out the physical teams. Day one, they will not be efficient. So, it's not a very easy answer in a single number.

Management: Shreya, just to give you a clarification on this. This is for everybody, Q1 is obviously the weakest quarter in the year, and Q4 is the biggest quarter in the year. There is really no reason to expand employees, if you're going for efficiency, the first thing you would do is, you would hire nobody whatsoever in Q1. That's an obvious one. We hired, at a gross level, 5,000 people in Q1. That explains to you how much we are trying to reduce cost. Because most of those 5,000 will not be productive in Q1, for sure.

Management: So, even in a quarter like Q1, we are expanding employees. And, we are also expanding what we are doing in terms of marketing. You guys saw we tied up with Amitabh Bachchan. This is all happening in Q1, right? So, we're not holding back in terms of growth.

Shreya Shivani: Got it. This is useful. Just any of those numbers, either corporate books insurance premium, or POSP premium.

Management: Yeah, yeah, of course we can give you that. POSP we declared as well. Corporate is about ₹500 Cr, POSP is about ₹1,600 Cr. Dubai is about ₹500 Cr.

Shreya Shivani: Right, right. Thank you so much, all the best.

Management: Thank you, Shreya. We would now take the next question from the line of Nidhesh Jain. Nidhesh, please unmute your mic.

Nidhesh Jain: I have two questions. First question is if you can share EBITDA margin and contribution margin for the quarter of the Paisabazaar business.

Management: Paisabazaar business has just broken even on the operating basis. On the contribution side, it's 41%. So it's pretty much as high as Policybazaar on the contribution side.

Nidhesh Jain: Sure. The second question is on savings business. So, in the life insurance savings business, the growth has been slightly subdued, but my question is actually on the reputation risk that the platform has. Because in case the investment product that we are selling, where the performance is bad in future, and customer loses money, how do we see reputation risk for Policybazaar? Because that experience could, impact future business for our platform and experience for the customer.

Management: Nidhesh, obviously, if there is some kind of dramatic downturn or something, one can't talk about that, but last two years have been interesting. The markets haven't done much, and if you see our persistency, that tells you the answer. The persistency has been about 100 basis points lower than at its best, but that's all. And there's a reason for that. The reason it happens is that the person who buys from Policybazaar buys very clearly. We first, in the sales process, tell them that it's an equity-linked product. Secondly, we have a verification process, so all policies that we sell, an independent team calls the customer and ensure that they have understood the product that they have bought. So, that’s from a product perspective, and then the third thing, which is equally important, we sell the lowest cost ULIPs in the market. So, actually many of our ULIPs, and I feel that they're so poorly understood, actually, even by the financial community. But many of the ULIPs that we sell have lower cost structures than mutual funds, despite the mortality expense that they have. In many cases, the mortality expense is paid back. All ULIPs below ₹2.5 lacs have a tax advantage. So, actually, the products that we are selling, and I say that responsibly as the owner of many ULIPs, are very, very good products actually, and I think you guys should talk more about it because I think we do ourselves a disservice that ULIPs have a problem in the past, but today, at least on Policybazaar, they don't have a problem. So, we sell very good products, and yes, we depend on our customers' understanding of the product, and yeah, and I feel that they understand what they are buying, and hence, we are less likely to have any kind of challenges because of that.

Nidhesh Jain: Sure, and last question is on PB Money. If you can share the number of active users or total users on PB Money platform.

Management: I think there are two things. PB Money is a PFM product that we had launched. There are roughly about 11 lacs consumers on that platform right now. It was basically a platform that told people about their entire savings in one place. We have also now launched an entity that's called PB Money. We have taken a licence to do the Bonds business and that entity is called PB Money. That is yet to be launched.

Management: So, end of August, a lot of things are gonna get launched. The bonds, the daily SIPs, a lot of things are going to get launched. We've always already been doing bonds in partnership with somebody, but now we're going to do it on our own platform. And as we do bonds, our strategy is one, of making sure that, because there are bonds in which customers can lose money, of diversifying their investments, so that we help them choose 10 bonds or something of that sort. That's the broad strategy, to kind of make sure there's some level of protection beyond the bond they're investing in.

Nidhesh Jain: Sure. Thank you.

Management: Thank you, Yashish. With this we conclude our Q1 Earnings conference call. Thank you everyone, for joining us. For further queries, if you have anything, please reach out to Investor Relations. Thank you so much.