



February 06, 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**

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

SYMBOL: POLICYBZR

SCRIP CODE: 543390

Sub: Transcript of the Earnings Call conducted on February 02, 2026

Dear Sir/Madam,

In furtherance to our earlier communication dated January 27, 2026, February 02, 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 February 02, 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
Company Secretary and Compliance Officer**

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PB FINTECH LIMITED

Q3 FY 2025-26

Earnings Call

February 02, 2026



Management: A very good evening, everyone and a very warm welcome to PB Fintech Limited Earnings Conference Call, Q3 FY26. 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: Thank you, Mohit.

As I start, a very clear thing which is becoming crystal clear to almost everyone and specifically to us, is that people will buy insurance from the person who can help them at the point of claims. This is becoming super clear, and specifically in the Indian market. I think Policybazaar, with the efforts that it has put over the last 3-4 years, is clearly outstanding in that space, and that is leading to a huge amount of positive PR, and I really want to commend the entire team on that before I start this, and that's the primary reason why we are growing. Now, one more thing I would add. The right to settle these claims, the right to help people at the point when you settle their claims comes from the fact that you have done the right disclosure up front. Because without that right disclosure, you, we or anybody loses that right. And we retain that right because we stay very good at disclosure capture.

As far as the Q3FY26 results go, our total premium grew 45% YoY, led by new protection premium at 68% YoY. Within this, health was at 79% YoY. PAT grew 165% YoY, to ₹189 Cr. From a scale perspective, now net of GST, our insurance premium is almost ₹8,000 Cr (₹7,965 Cr), up 45% YoY. The core online insurance premium is up 44%. And I've already explained the health and term leading this. Lending disbursements are up 84% YoY; this is the overall disbursements. The Core online Disbursement is up 8% QoQ. From a financials perspective, our operating revenue is at ₹1,771 Cr, which is also up 37% YoY. Just wanted to break this up for you. Core insurance is 42% up, Paisabazaar is 4% down YoY, but QoQ, it's 8% up. All the new initiatives are 41% up YoY. Adjusted EBITDA grew 154% YoY to ₹199 Cr, and the margin is up from 6% to 11%. PAT grew 165% from ₹71 Cr to ₹189 Cr. For those who are watching that particular number, our Core renewal trail revenue on a 12-month rolling basis is now ₹841 Cr. Of this, the insurance renewal revenue is at an ARR of ₹863 Cr, up from ₹538 Cr in the same quarter, last year, when you do the ARR, and what that means is an increase of ₹325 Cr over the year. This is obviously a key driver of long-term profit and growth. However, given our life business is also growing and our term business is also growing, that is also a significant driver of growth. Growth accelerated for the Core new insurance premium, net of savings. See, this number has been between 35% to 45% over the last 11 quarters, which itself is a very high number, but this



quarter is 56%, so it's clearly accelerated from where it was. We continue to improve our customer onboarding and claim support service and the insurance CSAT has consistently been above 90%. Our credit revenue for the quarter is ₹115 Cr, and Disbursal is ₹2,470 Cr. We continue to strengthen our leadership in the new initiatives. With revenue growth of 41% and adjusted EBITDA margin moving to -3% from -7%, with a 6% contribution margin. As I see the new initiatives part of our business, I think here onwards, we should be break-even or profitable. So, I think, as you look at the P&L overall, what's starting to happen is, of course, Policybazaar is doing what it's doing and Paisabazaar, here onwards, is profitable, and New initiatives here on are going to be at break-even or profitable. So, overall, from a profit perspective, we seem to have very sound ground. And of course, the growth continues across the board. PB Partners, our agent aggregator platform has been consolidating its leadership and accelerated growth momentum. It is clearly the number one player, and far ahead of whoever the number two would be. We have moved the business increasingly towards smaller and high-quality advisors, and this is really driving growth in Tier 4 & Tier 5 towns now, and we have the most diversified portfolio across the business. Our UAE insurance premiums grew 62% YoY. Aligning more and more towards health and life. This is another interesting thing, when we entered the UAE, the entire market was just motor insurance. Today, more than half of our premiums come from health and life. And that is a change we've driven, and today we are the market leader in the UAE as well. We have a unique value proposition of cross-border health insurance products and claims assured program. Both for motor insurance and for health. This business is now consistently profitable for the last 4 quarters. Our PAT at ₹189 Cr is 2.38% of the insurance premium, and overall, it's an 11% margin on the revenue. To summarize our performance since our public listing in November 2021, our revenue has grown at a CAGR of 48%, from ₹367 Cr in Q3FY22 to ₹1,771 Cr in Q3FY26. Our PAT margin grew from -81% in Q3FY22 to 11% in Q3FY26. With that, I'll open up to questions, please.

Management: Thank you, Yashish. We will now take the first question from the line of Sachin Salgaonkar from Bofa. Sachin, please unmute yourself.

Sachin Salgaonkar: Thanks, Mohit. Hi, management. Congratulations on a great set of numbers. I have three questions. First question is about the QIP announcement. Would love to understand how management is thinking in terms of investments, particularly on the lines of international markets, and which area could be of interest for you guys from an international market point of view?

Management: You want to finish the other two questions, and then we can take them up?

Sachin Salgaonkar: Okay, sure. So, second question, again, wanted to understand, some impact, or, if management could give a clarity in terms of impact from transitioning towards a COR-based model for health and term. I understand the impact will be seen in subsequent quarters on the P&L. Anything you guys could help in terms of allowing us to model that



properly would be helpful, so that's the second question. And third question, wanted to understand, generally, how the premium growth has been since the quarter, because part of a growth in the last quarter was largely driven on expectations of a price increase in premiums. So, something changed out there, from an expectation point of view? And Yashish would love to understand your thoughts on multiple media articles which talk about potential commission cuts happening in the sector. Thanks.

Management: On the QIP, we have asked for a board meeting on the 5th of this month. Assuming we get that time from all the board members, that'll be happening. And then we will go to shareholders to take approval. Our approach in this has been a long-drawn one. We have spent the last 3-4 years looking across markets, Middle East, Southeast Asia, European markets. As you would appreciate, when we look at these, we look at size of market, and we look at our ability to transform that market. This has two components: what is that we have done in India and how does it apply in that market, and how could we bring that to bear? But more importantly, our comfort with that market as well. And so, when we look at these three, we seem to be zoning in on certain market areas, which we think are very interesting for us. We have not identified any target as of now, and that's what we mentioned in our note. It's an area we want to definitely work towards, and I'm fairly convinced that it's the right thing for the company to do at its stage, where our Indian business is very, very strong. We have arguably 93% market share, and it's growing the way we are growing. One thing is very clear. See, our health business, let's say, is growing at 60%, and once GST came, it grew at 80%. I think it's becoming crystal clear that we are growing at about 40% more than the rest of the market, and it's being driven by a very fundamental force. I think the India business is in a very, very strong position, and thus, it's the right time. I will request Sarbvir to come in on the Core premium growth and, on commission cuts, maybe both of us can pitch in, but that's fine.

Management: Sachin, I think, in terms of transitioning, I would say two things. One is that we have always worked with insurance companies based on the quality of our business. And I think what is happening is, especially in health insurance, as the size of the book has increased, it has become very important for, obviously, both insurer and Policybazaar to look at it that way. I would say that it's not like something is dramatically going to change next quarter, or two quarters from now, or something like that. This has been a journey that we have been on, and I think we have continued to go down that journey. I think the reason it got discussed this time, perhaps more than what it has been in the past is because of this whole lot of questions around GST and, how commission would be handled based on GST, etc. And I'll say the same thing that we said last quarter, that we work closely with our partners. It is truly a partnership, and, we have figured out solutions, which are win-win for both sides. I think you've seen that the amount of business that is happening has gone up post-GST, so that is obviously helpful. I think the quality of our business is there, so that gives you room, even as an insurance company, to share more with Policybazaar. And then, there are a bunch of such things which



we have been able to do, and I think things have worked themselves out, if you see in Q3 so far. As far as price increase, etc, is concerned, that is a very, very small, or I would say a very tactical thing, right. Prices do go up from time to time, etc, and as they have not gone up at all, right, in health insurance for the last 4 months. So, there is a tailwind, because GST got cut, and there was a lot of discussion about health insurance, a lot of people came to search for health insurance, and obviously, we were able to convert a fair share of them. But I don't think that there's something inorganic that happened, beyond this extra 20-30 points that we got. We have been growing fairly rapidly, and I think it is on the back of what Yashish explained, that we have good disclosure, and we provide support at the time of claims. So, customers can buy with confidence. If you see, the whole point in insurance is trust, and if you can build that trust, and obviously we have a long way to go, we've just got started. But I think as we go down this journey of trust, it really helps. So yeah, I think that's kind of what I would like to say.

Management: Coming to various debates that have been going on in commission, etc. Look, I can't comment on the debates and what's going on there. See, we as an industry graduated about, I would say 33 months ago, into what I would call, the EoM framework. The EoM framework basically says that – because what matters from a customer's perspective is how much expense is going in. And for General insurance industry it's 30% and for Health insurance, it's 35%. This is largely in line with global norms. It's not different from global norms. And I think this is a great framework, and I'll explain why. Because there are different companies at different stages. Some company wants to put money in its own marketing, its own call center, its own employees, and get sales. Perfectly fine. You can do that within 30% or 35%, please go ahead and do it. Some companies would pay somebody on a variable basis, the same amount. It's actually fungible. Some companies may have a hybrid model. They may use somebody to attract data, etc, and they put their own call center or their own people to make those sales happen. But whatever you do, whichever hybrid model or single model you follow, you have to stay within the 30% or 35%. Secondly, I'll tell you where my heart lies in this. I would always welcome anything that reduces the EoM across the industry. I would also welcome anything that reduces take rates. As long as the benefit actually goes to the consumer, which is the right thing to happen. Please do understand where we stand in this situation. Because our quality of book and our efficiency is mostly higher than most other people, in that situation, that leads to a disproportionate market share gain towards us. Suppose let's just say, argument's sake, tomorrow commissions are X, and they are equal for everybody, and our quality of business is much better. What would happen is we would request for a discounted price for our customers, which would mean that price may not be available anywhere else. Because other people are not able to operate at the same price point. That's what I tried to explain to you guys. You have now seen us over 17 years. You have seen the point when there were commission controls, but that is nothing. You have seen us at a point when Life insurance commissions were zero for us. Till 2018, our life insurance



commissions were meant to be zero. You've seen us through all these stages. Our take rates have never changed. There is a particular reason why that solidity has stayed, because we add value. We actually bring in customers, and we bring in good quality customers, and do good quality disclosures. You've now got the last 10-12 quarters of recordings and every time I've said I would always welcome reduction in take rates as long as the benefit does get passed on to the consumer. Sarbvir, if you have anything specific to add on that.

Management: Only thing I want to say is, EoM framework was introduced about 2 years and 9 months ago. I think it's just been less than 3 years. I think it's playing out. We should, hopefully see how it plays out into the future. And the fact that it makes costs fungible is a very powerful point. It allows different companies to choose different routes to market, as Yashish explained, and I think we are very happy to work within that framework, and, whatever number that comes out, we will work towards it.

Sachin Salgaonkar: Thanks, guys. Just maybe one quick follow-up out here. You see, typically we've found Indian companies going out of India in search of growth when the growth in the core market starts slowing down. But for you guys, it's the opposite. If anything, the growth in India is accelerating, and clearly there is a huge runway from a growth point of view. I was just trying to understand, is it something really great in an international market that makes you guys look at an international market? Or is it just that, whatever you guys are looking to do in India, trying to replicate that in other markets? What is that area of expertise which you guys have been looking to bring into the international market?

Management: I think, it would be fair to say that Policybazaar is perhaps the most evolved insurance distribution model across the world. We add a huge amount of value to the consumers and a huge amount of value to our insurance partners. We bring them profitable business, lots of business, and to the consumers, we make sure that the price stays controlled, but also that their claims are settled. If you actually walk around the world, you will not find too many distribution players doing all of this. If you look at certain markets. The US is, I think, 50 times bigger than the Indian market; Europe is 15 times bigger than the Indian market; and genuinely, we have been observing, like, I have been particularly observing. Please do appreciate in 2006, I was meant to lead Confused.com. I'm just saying, that was the offer I had, that is where Policybazaar started from. We've been observing those markets for the last 20 years very, very closely. They are very profit-rich markets, but they have almost zero innovation. Almost zero. And, of course, they are crying for innovation. So, I do think we will add a lot of value. If we did not think so, we wouldn't want to expand globally. And many of the people who've operated worldwide in financial services will agree with this that diversification has its advantages. Clearly. You want to be in multiple countries, and also, I think it's time for India to have its own MNCs. Why should only Google and Facebook operate in India? Why would companies with their head offices here not operate abroad and serve international customers or international partners. I see many reasons why this is a good thing.



Let's hope our board agrees, let's also hope our shareholders agree, let's hope we get all the regulatory approvals, and then, let's see where we head.

Sachin Salgaonkar: Alright, very clear. Thanks a lot.

Management: Thank you, Sachin. We will now take next question from the line of Sachin Dixit from JM Financials. Sachin, please unmute your mic.

Sachin Dixit: Hi, Yashish & team, congratulations on a great set of results again. My first question is on the growth, basically, on Core insurance side, new business premium. Obviously, you have highlighted the reasons why you should get the growth, but if we try to look into these contours of this growth, where is it coming from? Because most of the industry data does talk about a much lower growth, some of the partners who work with you more closely have grown faster, but still, probably half of what you have grown at. So, can you give more color on what is happening? How are you driving this growth?

Management: I think Sarbvir is the best person to answer that.

Management: The first point, Sachin, which has been written in the press release also, is that we've grown our protection business 68%. If you see, protection is over half our business and if you're over half of your business is going at 68%, then, at least mathematically, you can get to the numbers, that we are talking about. Now, coming to the how of this whole thing, I think protection or risk products have a unique property, which is that, actually, in the end, they cannot be sold on commission alone. Risk products have to be sold on the basis of disclosure, and the fact that, in general insurance especially, that you are able to produce or help a person at the time of claim, because that's the only way that that person will renew the policy again, will stay with you, etc, etc. I think the point that comes through, in risk products, is that it takes a while to build capability. One is in sourcing. One is to attract customers, which you see, Policybazaar has spent 18 years of solid advertising, talking about why you should buy health insurance and term insurance. We are not talking about just why you should buy from Policybazaar, but we are talking about the genuine need for these products. Because of which, obviously, customers come here, and because they come on their own, they have a tendency to disclose more. We deploy, state-of-the-art models, whether it's GenAI now, ML earlier, etc, etc, to make sure that we capture that disclosure, make sure that we have a sales culture which ensures disclosure, which is captured, which is communicated, etc, etc. This allows the insurance company to price the risk appropriately. Once the risk is priced appropriately, you are able to then, obviously, pay the claim and move forward. It's a virtuous circle. This circle takes a long time to set up. I think what we are seeing today is the benefit of decades plus of effort that Policybazaar has put into the market. And I think that effort is today paying off, and that takes, as I said, it takes a while to get going, this cycle, and once the cycle gets going, obviously, then if you can run it properly, it should go to your favour. So I think that's exactly what is happening. If you see, when the industry grows stronger, we also grow ahead of that,



and when growth is not so great in the market, we still are able to find the growth. So this is the core reason in risk businesses, you have to get this virtuous cycle going, and at this point, touch wood, I would say we have it going. That is, I would say, the key reason.

Sachin Dixit: Right, thanks for that. My second question is on the commissions that we are effectively getting. Let me know if I'm doing the wrong math. So, if I'm looking at your business YOY, health and term, which are probably the highest commission product in year one, have grown fastest. So ideally, it should have gone up. In this quarter in particular, your new business premium has also grown at almost a similar rate to renewal. So, again, don't see any dilution from that. Still, they were roughly flat. Are we reading too much into it, or as Yashish used to mention in earlier calls that this is more of a quarterly thing?

Management: Sachin, you might be reading too much into it. There are various pieces that move. We have different products. See, one of our highest-selling products, and I will refrain from talking about a particular company, etc. on such a large forum. In health, our largest selling product is also our lowest commission product. Why is that? It is a product in which we give disproportionate benefit to the consumer. Disproportionate benefit. And we do that because it's the right thing to do. And we do that because the insurance companies agreed to pass that benefit on to the consumer. Usually what happens, the insurance company struggles with something like this, because they say, hey, you can do it but others simply can't, because they don't have the ability to do that level of whatever, diagnostic, etc, and that causes issues. But I'm just telling you where our heart lies. That is the product that we sell, pretty much the most. And yes, because the company allows us to sell that product, that company also grows faster. So, we've laid our heart out quite clearly here, and I don't know, how else we can convince you guys that we are not commission-centric, we are consumer-centric, and we make ourselves so efficient in risk, exactly what Sarbvir said, in risk capture and, disclosure capture, so that at the point of claim, we are standing there to do that. And I think what has happened over the last 4 years, the discipline in the claim support has become very high and the ethos and the culture is very, very strong. So that is leading to positive outcomes.

Sachin Dixit: Got it. Thanks for the clarity, Yashish there. My final question is on the size of this potential QIP that we are looking at. We already have ₹5,000 odd Cr of cash and we are looking to add more. Are we looking at, something very sizable, or this is more of multiple acquisitions that you're looking at?

Management: Let's see, I think in 3 days time, we go to the board. I don't have the permission to talk about it till I have board approval.

Sachin Dixit: Sure, sure, alright. Thank you and all the best.

Management: Thank you, Sachin. We will now take next question from the line of Manas Agrawal from Bernstein. Manas, please unmute your mic.



Manas Agrawal: Hi, team, thanks for the opportunity. This COR approach on health; is it right way to say that this is a defensive move against any potential regulations on commission? The question I'm asking is, will the non-commission part of the total take rate be outside any potential commission cap? That is question number one. Question number two, in case there are commission cuts or deferrals in whatever way; what are the levers that you have? Can you touch call center costs, or it'll be marketing only that you can play with? And third, from a capital allocation perspective, so I see there is a chunk of cash on the balance sheet. If you guys are looking at some potential acquisitions and talking about a QIP, how should one think about, future cash deployment, and then other income is a meaningful part of the bottom line today? So those are the questions.

Management: Manas, I'm gonna let Sarbvir answer most of that question, but I will just say a very simple thing to you, which we've been saying again and again. I think we are very, very comfortable within the EoM. Also, our take rates are not extremely high. They are actually quite moderate. We're at, whatever, 16-17%, which is fairly average for the industry. At our scale specifically, you would struggle to find anybody there. Look, first of all, whatever you've been hearing in the news, etc, these things take time to fructify. I think we, some time ago, moved to the EoM model, which is a far more evolved model. You tell me, when the insurance company is being told you manage everything in 30%, maybe the 30% becomes 25% over time, maybe it becomes 20% over time, that's fine. That's acceptable. What is the advantage of saying, no, 15% will be for this, 15% will be for that? What if a company does not want to do 15% of operating costs because it has a different model, it has a distribution-led model. I think that just forces wrong outcomes. At a very fundamental level, we are a more efficient player. The reason we went to Combined Operating Ratio with our partners is because we wanted to ensure we settled higher percentage of claims for our customers and gave better products to our customers, which others are unwilling to, because we do better quality disclosure. We wanted to take the advantage of our disclosure capture. That is the reason we went there. We did not go into it to make more money. That is not our intent. I don't know how to say it; we actually don't want to make more money. We don't want to. I know that sounds stupid, because this business is meant to be more mission than just creating profits. It is creating profits as a byproduct of that mission, but it is not running to make more and more money. That's not what we are here for objectively. We are here just here to make the highest possible impact on the customer. If you are the most efficient player in the market, or let's say you're the top quartile of efficiency and you're the most efficient player at risk disclosure capture; anything that makes the market condition harder plays to your benefit in terms of market share gains. And you may anyways be below that threshold. I'll kind of let Sarbvir answer the more detailed part, because I'm talking more theory, and mission and all that stuff.

Management: I think, Manas, Yashish explained everything, I'm not sure what detail I can add, but I just give you one or two nuances. I think the first thing is that this defence versus offense



kind of thing comes from a thinking around, as if you're trying to defend a profit pool or something. See, we're not trying to defend anything. I mean, we are a company which barely made any money some time back, and, we've started, making some money, and I don't know if you were there at that time, but I think we very consistently said one thing, that the way we will make money is because our premium will go up, our revenue will go up, our contribution will go up, and our fixed costs will go slower than that. And this will be done because we have a large renewal revenue stream that is building up. If you think about it, you can actually see the numbers. This is exactly how it has played out. It is not that we have cut call center spending. In fact, Yashish has a heart attack every second and third quarter, because we add so many people, and, then he gets scared that, what will those people do, etc, etc, because you have to add those people in advance of demand. And that's a risk we take every year, because there is no other way to do it. Let's say we get it wrong, which we do from time to time, we can't do anything. We have to add those people ahead of that. So, we are not driving to a business model number. We are driving to serving more and more customers. If you just think, I'll just throw one number at you. In the IRDAI annual report, retail health insurance added 40 lakh new lives in 2024-25. We estimate that Policybazaar accounted for somewhere around 40% of those new lives. So, there is something that we are doing which is kind of working, and I think that's what we are doubling down on. We are trying to increase the number of people we cover; we are trying to increase the number of people we can serve by giving, obviously, unbeatable propositions. I think that's our goal always, to create unbeatable propositions. And when we do that, I think profit is a byproduct, and obviously it may go up and down here and there, but that's where we are headed, and honestly, I think it's working, so that's what we are trying to do.

Manas Agrawal: Understood. Thanks for that. On the capital allocation piece, if you can put some colour around that as strategy?

Management: On capital allocation, all of our businesses, from here onwards, whichever new initiatives we have, are generating money. We may think around investing, once we get the Pension model right, we may think about investing a bit there. But again, as I said, that'll be minuscule compared to the overall organization in terms of profit capability, etc. Yes, if we get board approval and shareholder approval and everything goes ahead, we would, over time, like to diversify both in India and internationally, and so some of the capital allocation might go in that direction. I would like to make one statement, just to kind of allay some fears here. I think whatever we do, would be significantly EPS accretive, or PE accretive. So, I don't think, we are going to just, throw money at something just like that. I think we should be quite fine. It would be something bought as a value investment, which we can transform and make far, far stronger than it is, and make those entities more competitive in their home markets, and we would leverage our Indian skill base and our Indian skill pool, while also leveraging what those entities might have. I think we'll do a good job on this.



Management: Hi, this is Alok here. Whenever we get these questions around the growth rates, and are we doing something very different from the market. Now the real fact is, this is an execution-led business. You have to keep on doing it day in and day out. There's no secret sauce. You just put customer at the center of everything that you are doing, and, try to do the best that you can at that particular point of time. A lot of times market may think that it's insurance company versus us. That's not the case. We are not a distributor only; we are a partner. We work very closely with them, to serve the same customer. So, aim for both of us, whether it's insurance company or whether it's us, it's absolutely same. There's no tussle going on between two entities in terms of how I can do better than the other. We are here to serve the customer, and we are very, very focused on that. And there is no single one thing that, okay, you do this, and suddenly you can become another Policybazaar. There are hundreds of small, small things. You keep on doing it slowly, slowly, slowly, slowly; improve every quarter, every month and eventually, we get to where we are, but it takes 18 years. And on the other side, now that we are talking about capital allocation. See, just think about it. We have gone deeper and deeper into the value chain. When we think of going deeper, what does that mean? We've got into the insurance brokerage, we've got into garage networks, now getting into PB Health, PB pay. There are so many different little parts that we are now trying to do, claims servicing, physical meetings, all that stuff, funded from our own accruals, internal accruals. Similarly, we have also gone wider. We have started bonds, we have started pensions, we have started a lot of stuff. So, both depth and width, you can see that we have tried in India, we have been, hopefully, doing okay job there. We tried one experiment with Dubai and Middle East, which seemed to work quite okay over the last 5-6 years; in terms of growth, in terms of transforming that market, in terms of profits. And now, those learnings potentially can be taken to other markets, whether it's Southeast Asia, whether it's in Middle East, whether it's in Europe, we don't know yet 100%, but be very, very sure, as Yashish said, it has to be strategically somewhere fit with what we want to do; a great opportunity, large market, ecosystem in terms of customer dynamics, distributor dynamics, regulatory dynamics have to be somewhere aligned to what we want to do. And yes, the financials & the team have to be something which we are comfortable with. We look at everything before we decide, but, we are just requesting the shareholders and board to give us that freedom right now.

Manas Agrawal: Got it, got it. Thanks for the detailed answer. We'll await details on whatever Potential acquisitions are around.

Management: Thank you, Manas. We will now take the next question from the line of Dipanjan Ghosh from Citi. Dipanjan, please unmute your mic.

Dipanjan Ghosh: Hi, I hope I'm audible. So, just a few questions from my side. First, when you studied some of this international markets. Just wanted to get some sense, in case if you were to go for an international expansion, is there a possibility that some of the cost base can be shifted to India or domiciled in India? I mean, does the regulations in some of those developed



markets really allow for that? And if yes, would you kind of consider that, in case you were to go for an international expansionary strategy?

The second question is on the POSP side of the business. I think there's a lot of consolidation that has been going on in the industry over the past few, quarters or years, and I think that has benefited you guys, both in terms of growth and margin profile. But, if you have to look at the B2B2C business in some of the other sectors, like, let's say, mutual funds, we see that the margin profile on a steady state tends to be far higher than where we are currently. So, given this consolidation, do you envisage the path to profitability in the POSP business, let's say, over the next 2 to 3 years to be, let's say, tad better than what you guys would have been anticipating, let's say, 2 years back?

The third question, in some of your conference calls previously, you've mentioned that you are focusing on expanding your hybrid strategy into newer locations. So just wanted to get some colour on the progress on that front.

And finally, one last question on Paisabazaar. Alok mentioned in the answer to the previous participant's question that you have introduced bonds. Previously you had also stated that you might kind of want to go into regular distribution of mutual funds, or even broking at a certain point of time. So, holistically thinking more from a long-term perspective, what do you think could be, the overall product suit of Paisabazaar out there? Those were my questions.

Management: When we think about international markets, I think, many markets and India both have a lot of talent, and sometimes talent for somewhat different sides of things. Clearly, technology, finance processes, etc, etc, India does tend to have a very significant advantage. And, even in product thinking, etc, specifically when you think about products like Health, Life, Policybazaar brings a lot to bear in those. There is clearly going to be a lot of integration opportunities, as you point out, and cost synergies, for sure. On the POSP profitability, Insurance, mutual funds, credit business, all are slightly different. Insurance is a high-level push sale. If I look at insurance agent, he would spend about 95% of his effort trying to make a sale, and then maybe 5% of his effort trying to coordinate things. The back-end payments, etc, are quite smooth in the insurance industry. People just get paid on time, various things happen. And that's not the biggest pain point, because insurance companies are also quite keen to issue those policies, so it's a demand generation problem. That is the biggest problem in the insurance industry. You appreciate it, right. It's not as big a problem in many other areas. And that is why, in insurance, the person who brings in the business takes a disproportionate share of the value. And, obviously, now we are all fairly scaled-up players. We are doing maybe ₹7,000-₹8,000 Cr ARR. The number two may be doing ₹4,000-₹5,000 Cr, etc. Does that mean at ₹20,000 Cr, we will make ₹100 Cr of profit? The margins are very, very thin. The margins just tend to be, maybe, a small sliver of the revenue, and the revenue itself is, let's say, 20% of the premium. If you had 5% of that also as your profit, you make 1%. That is, if you had no



fixed cost at all as you realize in these businesses, you have fixed costs as well. I genuinely don't think they are supremely profitable. They do get you scale.

Management: Can I just add something? I think on the POSP, I just want to explain to you, since you asked about other B2B2C profile, and I think Yashish was alluding to this. If you think about it, in POSP, we sell motor insurance. Whereas the area that you are thinking of, where profitability is high in India at least, is mutual funds, where people have been able to build an AUM over a long period of time, and now they are able to attack or get the economics from that. And mutual fund is a pull product, where a customer wants to buy a mutual fund. Whereas here, we are selling motor insurance, which does not have that same AUM concept over a long period of time, because it is largely being bought for the commission that was being given. So, I think the two businesses could not be more separate, and I also want to just give you a little bit of caution on this whole word of consolidation that, is being discussed. But the reality of life is that the number of insurance agents in India is fixed. See, the same agents are available everywhere, and they work with those platforms where things are smoother, where they get paid properly, etc, etc. So, consolidation in this business is actually not as valuable as it may seem at first blush, because the underlying people are not that different. You don't necessarily buy anything. You buy management, which obviously can be very valuable, but beyond a point, the people they're working with is roughly the same. I think what we are trying to do in PB Partners, and I think it will take a long time to make meaningful money for sure, is really build scale. This year, let's say we do ₹7,000 odd Cr in premium. Our goal next year and the years after that is to increase the scale of this business, not necessarily to extract profit right away. I think profits will come when they come, when the structure, etc, when our servicing is very good. But our goal is to drive scale in this business, because it allows us to be meaningful partners for our insurance companies, especially general insurance companies, and that's a position that Policybazaar finds very valuable. I just want to explain the nature of the product is very different in the two B2B2C scenarios that you spoke about, and secondly, our goal from our B2B2C business is different. We want to drive scale, and we want to drive efficiencies from that.

Management: It also does not make big losses. Because, the fixed costs in this business are very small. It is mostly a variable cost. Now, the variable cost comes in many forms. You could be paying a commission, you could be paying somebody marketing fees, you could be paying somebody something else. You could also have your own employees who are actually managing those people, but those people can only manage 10 or 20 agents per employee. So everything is a variable cost in this. And the fixed cost is very limited, so what that means is there's no big marketing cost, there's no big tech cost, so what that implies is you essentially can scale up quite rapidly, and that's what you see. Anybody who's had money has succeeded at this business, till the money runs out. Once the money runs out, the business fails. It's as



simple as that. You look across the board, who has failed? Whoever had money, nobody failed at this business. Now, coming to a new location.

Management: So, in health insurance, we continue to expand. We are up to, almost 300 cities now, where we have a presence, where if a person wants to meet somebody from Policybazaar, they will come and meet them in their home, explain the process, etc. In savings, we have started a new model about a couple of quarters ago, where we are now going to mid-sized cities. And we are setting up smaller offices, or smaller centers, where our advisors not only take calls, but they also go out and meet people. It's a slightly different model. We've always maintained that in life insurance, it helps a lot if you can have the same person, talk to the customer throughout the process, whether on the phone or in person, etc. We are taking this model out to these, next level of cities. I think we are now in about 20-odd cities, and I would say that we are very delighted with the results of this model. It's very early days, but if this model starts to work, then I think it will open up a whole new set of, cities and opportunities for our savings business.

Management: On Paisa, I will let Santosh answer that question on how she's thinking about building out the different services alongside credit. But I just want to remind everybody, Santosh is the one who built our life insurance business, which was selling ₹5,000 Cr odd of savings products before she left, so she obviously knows a little bit about building the savings businesses.

Management: Thank you, Yashish. See, the idea for Paisabazaar is to become a full financial platform that is able to manage both assets and liabilities for customers. We get a lot of middle-class Indians, we help them discover credit and help them borrow money. They also need to save; and savings and investments are a natural extension of what we are doing. We were very deep into loan discovery, cards discovery, and also building healthy credit for consumers. We then scaled into secured credit, and I think this is just coming to the circle of helping them now invest and save. And I think bonds, was a very exciting time to enter, it's a new market in India, it's taking shape, and I think we are entering it at the right time. Also, it's a pull product, so both fixed deposits and bonds are something we've launched, and we are seeing it build up, reasonably well. Mutual funds will also be added to the portfolio, maybe a quarter later. But yes, we want to, over time, I would say, improve LTV for our customer and, instead of being just a transaction-led platform, we want to maximize engagement, so that we are available across the lifecycle, and that will improve stickiness and engagement, and that's the reason for, adding some of these products.

Dipanjan Ghosh: Sure. Thanks everyone for the answers, and all the best.

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



Nidhesh Jain: Hi Team, thanks for the opportunity. So, my first question is that the GST impact is behind us, and whatever we have seen in this quarter, that should sustain incoming quarter. Is that a right takeaway?

Management: I think, Nidhesh, that's a very optimistic takeaway. I think, yes, we got good bump from GST. But things always even themselves out over a period of time. Customers will get used to the new price level. It is incumbent upon us and our team to continue to drive the fundamentals of why insurance is needed, and how it works, and how it helps people. So, yes, it was good. I think, the JFM is normally a strong season for insurance, etc. But I would definitely not say that it would continue forever or something.

Nidhesh Jain: I was talking more about from a take-rate perspective and economics perspective. There were negotiations with the partners, so all of that is behind us, or is it still ongoing?

Management: I think we've always maintained that our negotiations are always very cordial, and as Yashish explained to you in a lot of detail, we work towards maximizing customer value. And I think we continue to do that, and GST is yet another example where we've been able to work with our partners and come to, what I would call, win-win kind of outcome. And yes, I agree with you, that part is behind us, and we are proceeding with confidence.

Management: Nidhesh, but in Sarbvir's answer, you should have picked up how the mind thinks, because that was more important. You asked a question about impact of GST, and Sarbvir spoke about volume while you were actually talking about Take rates. It's just that in the mind, we are all tuned to think volume. It's just how we are. And I think the quicker that sinks into investors, the better it is, because that's just our reality. It won't change ever. It's just the take-rate is the outcome.

Nidhesh Jain: Sure, sure. Second question is on, how should we think about customer acquisition costs going forward? So, we are showing very strong growth, but from a cost-efficiency perspective, specifically in terms of new customer acquisition and cost of, let's say, doing the entire transaction. What are the steps we are taking to improve the cost efficiencies?

Management: Nidhesh, our teams work very hard, day in and day out. As I just reflect, over the last many years: On television, we were TV, then we went to regional television, we did OTT; we learned how to deal with the new reality that TV is a fragmented medium and we are on connected TVs now. On the paid side, we used to be a lot of non-brand search, which is Google. We've now started doing a lot more from Facebook or Meta. We've started doing a lot of influencer marketing. We've learned a lot on getting our app downloaded by customers. So, I think every year, if you ask me, our teams come up with newer and newer strategies to acquire customers. And to explain the value of insurance. So that keeps going ahead. Yeah, so



I don't see any major change in customer acquisition costs. I think they are continuing to do well. Actually, the spend over revenue has gone down in the last 3 years.

Management: That's not like there was a strategic intent to bring it down or anything, it's an outcome. Yeah, so again, I would say that the biggest problem in insurance sales is demand generation.

Management: There is no doubt about that. So, marketing is the key thing, and, you have to keep thinking of where the customer is, and how do you get in front of the customer and explain your proposition. And I would congratulate our marketing teams. I think we don't talk about them enough. I think they do a great job in bringing customers to the platform.

Nidhesh Jain: Sure, and last question is on PB Health, any update on PB Health? When is our first hospital going live, etc?

Management: So, again, that's more of execution business. There are a few moving parts there. We are building physical capacity, so we've taken up a hospital in Noida, we are going live with one small hospital in Gurgaon in another 3 months, maybe. Really interesting part is the way tech is shaping up, with the huge amount of focus on making tech more easy for both consumers and medical professionals to use. And, as much as possible, use AI from day one. Also, think from a lot of customer experience, customer interactions with that system and the physical infrastructure, and that is one part. But the whole aim about PB Health was to keep people out of hospital. So, hospital, yes, we'll do what we have to do, but we are focusing a lot on building services which can keep people out of hospital, whether it is OPD services, whether it is digital GP(General Practitioner), whether it is preventive services, chronic disease management, all those sort of things. So, yeah, it takes its own time, it's building up, but, happy with the progress, the way it's happening right now.

Management: Nidhesh, so, I'll just take the time to kind of explain it, because a lot of people are confused. If think about PB Health, they think of it as some kind of hospital chain and that leads to a lot of confusion. See, at heart, there are 14,000-odd hospitals in the country. What we are saying is, if you had to work with maybe 500 of them, and break them down into secondary, tertiary, and route your customers to a smaller set, you would be able to control quality better, and you would be able to control experience better. That's the first thing that's happening. There's a network, which is PB Health. It is not very different from what we do in PB Wheels, which is the garage network, right. Then what we say is, because hospitals are a little more complicated than garages, some of these capacities, maybe 15-20% of it is self-owned. And in that, we have deployed some level of tech experience, which is quite differentiating, so consumers have a better experience when they visit those. But that's the second part of it, right? And the third element is the preventive part that Alok spoke about. But from an insurance perspective, the biggest benefit actually comes from when the customer comes in, can you point him down to the care pathway, so that a person with malaria



does not end up at a tertiary care hospital, but instead ends up at a care hospital which is right for them. So, right treatment for the right situation. And that changes incidence rates. And that changes your cost per incidence. And of course, because you have so many customers, you are able to fill up capacity. And because you are able to fill up capacity, you work with them, so I think it's a that is what PB Health is about. PB Health is about integrated healthcare at some level, just exactly like PB Garages. So, I'd say things are progressing quite well. We have done a very good job of building the network. We now, from a hospital's perspective, I think now we have action on four different properties where something is happening. One is fully acquired and ready hospital, one is at some level of development, one is at a point where in 3-4 months it should go live. But that's just the infrastructure part.

Nidhesh Jain: Sure. Thanks, Yashish and team. Thank you.

Management: Thank you, Nidhesh. We will take the next question from the line of Supratim Datta from Jefferies. Supratim, please unmute your mic.

Supratim Datta: Thanks for the opportunity. My first question is on the acquisition, and the QIP. So, just wanted to understand what would be the boxes that an acquisition would need to take for it to be, a lucrative opportunity for you. I do understand you can't talk about, which are the target, or things in acquisitions that you're looking at, but if you could give us a checklist of what that acquisition would need to take for it to be, an opportunity that you would consider, that would be helpful. And secondly, on MGAs now being allowed in the new Insurance Act, I just wanted to understand how are you looking at that as an opportunity, and would you, use that to underwrite policies under PB's own name? So, basically, PB-led policies, is that a road that you will go down? If you could give us some colour on these two, that would be helpful. Thank you.

Management: Sure, so as we look at the international expansion opportunities, our criteria are large market, stable player. So, there is not much damage we can do to it through the acquisition. That's number one.

Management: Because that is sometimes a big problem, right? The second part is, can we transform it to the better? And what does that mean? Our skills here have something that we can add, and more importantly, our familiarity with the market is high. I'll give you a very simple example. Suppose I went into Indonesia, and I don't know how to operate in Indonesia. I think it'll be tough, and that is what I would call a low of familiar market. On the other hand, if you kind of think of UK, it is like the back of my hand. So, all I'm saying is, there are different familiarity levels, and I guess we'll work through things as we go through. Now, on an MGA side, I believe, MGA is the single most transformational move that can happen in the Insurance industry. And I believe that at not just a Policybazaar level, but at a strategic level. And why do I say that? See, when the distributor, who's in touch with the consumer, who understands the consumer, at that point, becomes responsible for both the underwriting and the claim



settlement, and at a wholesale level, is working with the insurance company. This is exactly what NBFCs were to banking. Imagine where our banking services would be if there were no NBFCs in the country. So, NBFC is exactly what the MGA is, and Sarbvir, if you want to add something here, but otherwise, I think MGA is the biggest transformation that can happen in the insurance sector, if allowed.

Management: Absolutely. I think we have been talking about this for a long time. If you think about it, it neatly ties into our model of focusing on the customer from the beginning till the end. And it allows us the freedom to basically make the underwriting as well as the claims decisions at the Policybazaar level. As far as the brand is concerned, you are selling a product which belongs to an insurance company, and we are very comfortable with that. I don't think at this point that is a very big attraction for us. I think the main attraction is the fact that we would have the flexibility, the freedom, and as Yashish said, overall, I think the concept of MGAs will really drive insurance distribution in India, and it will help, that's what we want. We want penetration of insurance to go up, we want more and more Indians to have health and term insurance, and I think the only way you can do that is by empowering distribution. See, insurance is a distribution business. 95-98% of insurance is sold by intermediaries, of one kind or the other. So, it's up to you. You want to double down on your strength, or you want to move that 3% to 5%, right? You can try both, but I think the right thing to do is to double down on your strength always, and I think the strength of insurance is distributors, and giving them the freedom and flexibility will take this whole thing to a next level.

Supratim Datta: Thanks a lot for the answers. I have just one follow-up. On the opportunity and possibility of any acquisition. On that bit, just wanted to understand, are you looking at only insurance-focused platforms, or could it be insurance plus, other products as well.

Management: Let's wait and see. I have to first get board approval. Already I'm speaking a bit out of turn here. I have to first get board approval, then we have to get shareholder approval. Let's see if we get those two. And once we get those two, let's then get the money in the bank, and then let us see what all we can approach and how we can do it.

Supratim Datta: Sure, okay, no problem, I don't want to get you in trouble. Thank you.

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

Prayesh Jain: Hi, just trying my luck here, on the acquisition bit. If you stay within insurance, would you also look at insurance manufacturing, or it would be restricted to insurance distribution?

Management: I don't think we are going into manufacturing quite yet.



Prayesh Jain: Got that, that's helpful. Second is on the health insurance growth. There are multiple things that would have played out. One would be your existing customers going for, higher sum assured. Second would be the number of people taking long-term policies that would have gone up, and then, obviously, new lives coming into the segment. How would you say that each of these parameters would have contributed in the growth?

Management: If you think about it, mathematically, nobody can deliver the kind of growth we are delivering over the last 12 quarters, by any of those means. It's just impossible, it's mathematically impossible. So, there is something else that has to be happening there. There is something else is very, very simple and it's the hardest thing to achieve in the insurance industry. People believe when they buy from Policybazaar, they will get a better claims experience. Simple. Of course, there's a lot of other things we are segmenting, we are working hard, our marketing is better, our people are working better, their training is more, we are creating new products. But if you ask the core answer, it is that. We have the right to settle claims because our disclosures are better. Because of that, we get the right to settle claims, and we put a huge amount of effort in settling claims. So, and that's what plays up.

Management: I just want to add that each of the points that you mentioned, see, these are new customers, so the 79% is the new fresh growth. So, if they take more sum-insured, that only increases the ticket size. So that is a small factor, yes, ticket sizes, I mean, sum insured have been going up in the industry. As far as the second thing is concerned, multi-year policy for us has not changed, so the proportion of multi-year policy last year and this year is roughly the same. Portability, I just want to say, you didn't say that but let me address that elephant in the room also. Portability this year is lower than portability last year. So, actually, we have, if you look at the contribution of Fresh Lives to our business is at its highest. And again, I think that you'll find in the industry also that portability has gone down a little bit. But for us, it was always lower, and it has become lower, this year.

Prayesh Jain: Right. And just the last question, generally when we talk about health insurance, you've been talking about new health insurance being a drag on contribution margins. But if you look at the core online insurance business, it's kind of margins have remained flattish. And that's just scale, or is it something else to be read into it as well?

Management: Prayesh, in health, you mostly make your profits from renewals. In life, you mostly make your profits from fresh business. Because both term and health are growing, it's become like a double-engine contributor. For a while, term growth was lower, health growth was higher, but now both are contributing. See, for 12 quarters, you have been growing at a rate of, let's say, 60% on health, then your renewals also start to grow at the same rate, which is what is starting to happen now. The renewals growth is really speeding up.

Prayesh Jain: Got that. That's helpful. Thank you so much.



Management: Thank you, Prayesh. We would now take the last question from the line of Nischint Chawathe from Kotak.

Nischint Chawathe: Thanks. You said that term and health are around, half your business, and that's grown around 70-odd percent. So, I was just curious if you could explain, some color around it. Is it that, number of customers have gone up 70%, number of policies have gone up, or is it the ticket size increase? What is it that has driven this growth? Longevity of the growth, I think it was it's very fair to say that, it can't consistently continue at this pace, but, is the new normal sort of, somewhere between this quarter and what we saw in the previous quarters? Or do you think this is just preponing of growth?

Management: Nischint, me and Sarbvir were joking today morning, because we were saying one day this growth won't be there, and we said that doesn't seem like an immediate problem. So, all I would say is, let's just leave it there. We seem to be doing quite well. It's pretty hard for us to say that, we are going to be at 30% growth on health, anytime soon, but it might happen, yeah, because that's what we've always said, that long-term growth, 30% is sufficient. But it just seems hard right now.

Nischint Chawathe: And any color in terms of, what has grown, whether it's ticket sizes, it's number of customers?

Management: It's largely number of customers. I think health, a little bit of ticket size has also grown, year on year, but that's a smaller contribution to the overall story.

Nischint Chawathe: Sure. And, just on the international foray, if you could give some financial texture. We understand how you think in terms of new markets, but are there any threshold ROCEs, or any of the other financial benchmarks that one needs to keep in mind when you're looking at these applications.

Management: I would say I don't want to bore all of you with the same answer again and again. I think we've said everything that we know. I'm usually known to be saying more than what I'm allowed to say anyway. So, I think we've said everything we know. We don't know more than this.

Nischint Chawathe: Okay, sure, great. Thank you very much, and all the best.

Management: Thank you so much. With this, we will end this conference call for today.