May 19, 2025

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
**Mumbai – 400 021**

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
**Mumbai – 400 051**

**Scrip Code: 500271**

**Scrip Code: MFSL**

Dear Sir/Madam,

Sub: **Transcript of Investors & Analysts Conference Call**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transcript of Investors & Analysts Conference Call held on May 14, 2025, post declaration of audited Financial Results of the Company for the quarter and financial year ended March 31, 2025, is enclosed.

The same has also been uploaded on the website of the Company at https://maxfinancialservices.com/static/uploads/financials/q4fy25-earnings-call-transcript.pdf.

You are requested to kindly take the aforesaid on record.

Thanking you,

Yours faithfully

for **Max Financial Services Limited**

PIYUSH SONI

Digitally signed by PIYUSH SONI
Date: 2025.05.19 19:50:53 +05'30'

**Piyush Soni**
**Company Secretary & Compliance Officer**

Encl: As above

# Max Financial Services Limited

## Q4 & FY'25 Earnings Conference Call Transcript
## May 14, 2025

---

**Moderator:** Ladies and gentlemen, good day and welcome to Max Financial Services Limited Q4 FY '25 Earnings Conference Call.

As a reminder, all participant lines should be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nishant Kumar - CFO from Max Financial Services Limited. Thank you and over to you, Mr. Kumar.

**Nishant Kumar:** Thank you. Good morning, everyone and thank you for joining Max Financial Earnings Call for the Quarter-Ended March 31st, 2025.

Our Results along with the Investor Presentation and Press Release have been made available on our website and stock exchanges. Joining me today are Mr. Prashant Tripathy - Managing Director and CEO; Mr. Amrit Singh - Chief Financial Officer and Mr. Sumit Madan - Chief Distribution Officer of Axis Max Life Insurance.

I will now request Prashant to walk us through the key developments and insights for FY '25.

**Prashant Tripathy:** Thank you, Nishant, and warm welcome to all of you.

As you all know, FY '25 was marked by substantial product regulatory changes and market volatility that challenged many players across the life insurance industry. But I am very proud to say that despite all these headwinds, Axis Max Life Insurance remained resilient and emerged stronger, regaining our rank number 4 for the full year and more importantly, achieving rank number 3 for the second-half of the year as well as Quarter 4. Following the implementation of new surrender regulations, our agility, strong distribution capabilities, disciplined execution and unwavering customer focus enabled us to adapt and continue delivering consistent growth and value.

Let me now take you through the key developments across 3 or 4 parameters that I always do, which are the strategic areas for the year.

**Sustainable and Predictable Growth:**

In FY '25, our Individual adjusted first year premium grew by 20%, surpassing private sector growth of 15% and overall industry growth of 10%. On a 2-year CAGR basis, we delivered 18% growth, significantly ahead of the 12% CAGR for the private sector and 8% for the total industry. Notably, this also marks the fastest growth among the top 10 private insurers over the past 2 years.

Our Prop Channels have been key drivers of these 2 years growing by 27% with e-commerce maintaining its leadership position across the Protection and Savings segment. Our Bancassurance channels delivered steady growth of 12% despite headwinds of open architecture.

Back in FY '22, we had outlined our aspirations for FY '26. Internally, we call that mission “Uday” with clear objectives of becoming leaders in online acquisition, growing Prop Channels, leadership in Protection and Annuity and adding more distribution partners, I am proud to say that we have performed well and are on track to achieve these ambitious targets or be very close to them while navigating all the external challenges.

You may want to refer to Slide no.16 of the presentation for very detailed progress and you will notice that across all these vectors, we are marching ahead very confidently and tracking close to the plan that we had laid out or the ambitions that we had laid out for ourselves. We have continued to add new partners and have added 44 new partners across Retail and Group channels in FY '25. Overall, these partnerships and our direct expansion with new offices provide deeper penetration into Tier-2 and Tier-3 cities, which will add impetus to our growth in the medium term.

**Product Innovation to Drive Margins:**

Axis Max Life remains committed to leading in product innovation with a clear focus on stakeholder value creation, be it customers, employees, partners, investors and communities. In FY '25, we rolled out 80 product interventions and this is a large number predominantly because we had to pretty much change all the products in view of the surrender guidelines.

In Quarter 4, we actually launched 2 very innovative new product propositions:

1. STAR ULIP combining life coverage with market-linked returns which offers high sum assured multiples and flexible add-ons such as accidental disability coverage plus diverse investment strategies.
2. The second one was smart-term plan plus featuring and auto rebalancing life cover, maternity benefits for women and the lifeline plus option providing top up cover in case of the spouse’s demise with 7 flexible variants it meets diverse Protection needs.

Together with SEWA 2.0 which is our “Flagship Health Product” introduced in Quarter 3, these launches helped grow our Protection business by 35% in FY '25 and Individual New business sum assured by 31% maintaining rank #3.

Additionally, from the presentation, you will notice that we with a lot of agility added riders, and our rider APE grew by 300%, contributing significantly to our margin performance, cushioning the impact of surrender regulations.

Anticipating a question that might come our way in terms of the impact of surrender guidelines on the overall margins, I am very happy to share with you that the overall impact because of these actions that we took have quite substantially reduced and in my expectations there will be less than 50 basis points for Quarter 4. As a result, Quarter 4 margin stood at 28.1% despite the higher share of ULIP. And you will notice that the business actually took various steps to work on margins as we had communicated earlier and it is only marginally lower than last year's margin of 28.6% despite having high ULIPs. And for the full year, margins were 24%. We had communicated a range of 23-24%. I am very happy to share that we are on the outer range of the expectations that we had set for ourselves. Though the margins are lower by 250 basis points compared to last year, it is primarily due to a lower proportion of non-PAR and higher proposition of ULIPs in our product mix. Our ULIP is 44% versus 36% last year.

If we had not taken the actions of increasing the penetration of riders or our action on Protection as well as Health, the impact would have been more so by taking this quick actions to a great extent, we were able to negate the impact of product categories which inherently have lower margins.

To rebalance our product mix, we are set to launch many interesting product innovations in FY '26, one of which is our recently launched non-PAR Savings Proposition Smart Buy. This product provides options such as multiple premium payment terms and policy term combinations, the choice between an early wealth variant and a long-term income variant, flexible income benefits and the option to accumulate survival benefits, policy continuance benefits and settlement periods death benefits.

I am very happy to also share with you that as we start the New Year, we are seeing the product mix getting rebalanced and we are very satisfied with the progress that we are making towards our commitment to have a balanced product mix having ULIP proportion which is acceptable in the acceptable range as well as increase in traditional, especially non-PAR design.

**Customer-Centric Approach:**

Axis Max Life Insurance has made significant strides in customer centric metrices underscoring its unwavering commitment to customer satisfaction and retention. We are pleased to announce that for the third consecutive year, we have retained rank 2 in customer satisfaction as for as syndicated NPS study by Hansa Research and we have also consolidated our position as rank 2, just one point behind rank 1.

Our brand strength continues to show notable improvements with 7% increase in our brand consideration scores. We also maintained our rank 3 in brand search queries consistently rising throughout FY '25, even as the industry experienced a decline in Quarter 4 of FY '25.

You may also recall that we had rebranded ourselves from Max Life Insurance to Axis Max Life Insurance. We did measure our brand awareness and brand considerations scores before the exercise and after the exercise in the month of March. I am very happy to share that across all vectors of awareness and consideration, we have seen a jump which is beyond the expectations that we had, and I am very happy that this particular exercise bearing fruits as per the anticipation that we had with the rebranding exercise.

Furthermore, we achieved 6-point increase in our Net Promoter Scores which rose from 56-62 in March '25 versus March '24. This improvement is reflected across both

Touchpoint NPS and Relationship NPS indicating strong customer sentiments and the success of our customer engagement strategy.

Additionally, we reached an all-time high in regular pay premium 13th month persistency which increased by about 100 basis points from 86.6-87.6%. We saw a remarkable increase in the 25th month's persistency which saw an increase of 380 basis points, rising from about 70-74%.

In terms of NOP, Axis Max Life Insurance has emerged as the industry leader in 25th month persistency ranking in the top 2 across all cohorts according to the 9 months disclosure.

Finally, Axis Max Life has made considerable progress in improving grievance handling with GIR now reducing to 38 in FY '25, down from 44 in FY '24.

**Digitization for Operational Efficiency:**

Axis Max Life Insurance has made substantial progress in enhancing its digital capabilities during FY '24-25 with a focus on operational efficiency, customer experience and business growth. Key initiatives include the launch of mSpace, a super app that aims to streamline the insurance sales process by providing our frontline staff with easy access to policy information customer data and performance analytics with a long-term view of integrating training, intelligent nudges and a backend powered by Generative AI, thereby improving productivity and customer engagement.

We as management of Axis Max Life Insurance have strong conviction in this particular digital design for our sales staff, which has the potential to substantially increase productivity in our field force. In the agency, we have achieved 90% adoption already for supervisor roles and 100% adoption for the direct sales force and these are two channels where it has been launched. Eventually, by the end of this year, it will be launched across all channels.

To further improve customer experience, the scheduled callback feature on WhatsApp led to a 100 basis points increase in our NPS. Additionally, Axis Max Life upgraded its core systems, facilitating same day claim settlements, enhancing operational efficiency and system availability. We also introduced innovative solutions like mPulse Medical Vital Face Scan, a tool for Health Assessment for Non-Invasive Underwriting which has further advanced our digital underwriting particularly for NRI customers.

By leveraging AI, we have launched products that enable in-journey financial underwriting decision making, utilizing alternative data such as CIBIL, PAYU, and bank statements for income estimation. Furthermore, our risk analytics engine, including tools like Shield, MediCheck and GoVern have helped identify and mitigate potential claim risk exceeding about Rs. 1,500 crores in FY '25. All these tools are developed within Axis Max Life Insurance, really showing the strength of the business analytics team at Axis Max Life Insurance.

To bolster employee engagement, we introduced the ELY People Engagement platform 14.04 powered by Gen AI to proactively engage with employees, assess sentiments, predict attrition and deliver personalized HR support. Collectively, these initiatives have strengthened Axis Max Life's digital infrastructure driving enhanced efficiency, greater customer and employee satisfaction and reinforcing our competitive edge in the market. Looking at the business from people's lens, I feel very proud to share that last year we stood rank28 on great place to work survey.

We were also rated for being top 100 for 10 years with special recognition as well as we are rated top 50 for women, millennials and top company for ESG and CSR. That really powers all the success that we are seeing because people are our biggest strength.

**In summary,**

Geopolitical developments continue to influence market dynamics, rising uncertainty around global conflicts and trade policies may impact growth across the sector. Nevertheless, given the strong performance we have delivered in the year coupled with our current momentum give us great confidence to remain ahead of the industry and drive sustained value for all the stakeholders.

I am going to hand it over to Amrit – our CFO who will provide an update on our financial performance.

**Amrit Singh:** Thank you, Prashant, and good morning, everyone.

Quickly, some update on key financial metrics, though most of them you will find in the Investor Deck as well:

- The MFSL at our consolidated revenue excluding investment income stands at Rs. 32,620 crore, a growth of 12% in FY '25

  Consolidated PAT stands at Rs. 403 crore.

- For Axis Max Life, renewal premiums have grown by 14% to reach Rs. 21,049 crore and gross premiums have grown by 13% to Rs. 33,223 crore.

- The value of new business written over the period stands at Rs. 2,107 crore for FY '25 at NBM of 24% and the VNB growth during the year has been 7%.

- Embedded value as we end 31st March 2025 is now Rs. 25,192 crore. It is an annualized total return on EV of 29%, though the annualized operating RoEV, which reflects the health of the business, stands at 19.1%, which also includes the marginally positive operating variance of Rs. 5 crore and a positive non-operating variance of Rs. 356 crore, arising both from debt and equity.

  Embedded value results have been reviewed this time by Willis Towers Watson and the certificate for that effect has also been published along with our results.

- Policyholder OPEX to GWP stands at 13.6% and total cost to GWP at 23.1%. Policyholder OPEX has grown at the rate of 11% for FY '25.

- Axis Max Life 12-month FY '25 profit before tax was Rs. 448 crore, a growth of 20%.

- Also during the quarter, we raised Rs. 500 crore of subordinate debt with a credit rating of AA+ and as a result, as we have ended the year, our solvency stands at 201%, up from 172% last March.

- Overall assets under management are around about Rs. 1.75 lakh crore, a growth of 16%.

So we will be now happy to take any questions that you may have and I will hand over to the moderator to open the floor for questions.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes on the line of Avinash Singh with Emkay Global Financial Services Limited. Please go ahead.

**Avinash Singh:** Good morning. Thanks for the opportunity. Very strong set of numbers. Couple of questions. The first one is more, if I see the growth in April, I mean your growth is very impressive, so can you and that is a bit of I would say or not in line with industry that is better struggling for growth. So what is driving this growth in this current year, this month, more into Protection or it is a kind of a balance across products. And in that backdrop, how do you see the growth in this FY '26 and margins, would you be kind of guiding for FY '26 margin by and large stable or sort of an improvement, so that some sort of growth and margin guidance in FY '26 and what is driving currently your growth? That is one. Second question again, I am not sure that I am going to get answered yet. So on this regulatory noise, of course, this regulated sector is never free from regulatory changes, but over the last, I would say a year or so, the frequency of noise is too much, and now once again, time and again this, the new noise around bancassurance is coming. So as a participant in this industry are sort of you kind of a part of any formal discussions in the past or informal discussion in past that you have heard anything that is kind of a currently being debated around this bancassurance as well? So these are my two questions. Thank you.

**Prashant Tripathy:** Thank you, Avinashji, and thank you for asking these questions. My day actually began by reading your report on April, and I am not surprised you asked this question because you have written about Axis Max Life Insurance's performance. Yes, I was very pleased with how April went. We grew close 24% as against private growth of around 2%. So that is a good upside. And to answer your question, it is across all lines of business, across all channels, for example, even our agency clocked good results versus competition and there would be a delta of 20% even in agency performance in my sense. So it was a good month as far as we are concerned. But I would just like to underscore that April is generally the smallest month of the year and hence we shouldn't read too much into the performance. Of course, the desire of Axis Max Life Insurance is to continue the momentum that we have seen in last 2 years and continue to work hard. We have made efforts to rebalance our product mix and hence the ULIP mix that you saw for the full year of last year should come down and of course, April was directionally moving in that trajectory.

Coming to the guidance, it is really giving absolute guidance is not the best idea. However, I will peg ourselves to where the industry moves. One would desire to maintain at least 300-400 basis points upside versus how the private industry grows and just going by your data only. You talk about 13%-14% growth of private industry. So I think you should add 300 basis points more to that. That will be at least the aspiration with which we will operate. On margins, we finished 24% and I have been repeatedly saying that we should be in a number which is slightly higher than that. But at the same time, we are not aspiring to have phenomenally higher margins at the cost of growth. So the way we are going to maneuver this year is to try NP in the range of 24%-25% and try to grow faster than the industry. That will be the desire.

Coming to question no.2, the regulatory noise, I confirm that basis all the meetings that we have had and have been a part of some, I have not heard any formal communication about any changes in Bancassurance. I know there are many people or there are many sound bites that keep coming, but I have not officially got any sense from any sources about where is it coming from or is there anything coming or not? On the contrary, some of the sound bites that I have heard actually confirm that the expected regulatory posture should be consistent should not be changing a lot so that it gives more and more confidence to industry players, customers as well as investors. So for the time being, my suggestion and request will be we don't give much heed to these sound bites that keep coming. Thank you.

**Avinash Singh:** Thank you.

**Moderator:** Thank you. Next question comes from the line of Manas Agrawal with Sanford C Bernstein. Please go ahead.

**Manas Agrawal:** Couple of questions, sir. One, I think all players in the private space have been able to attach riders in this year, want to understand what has really changed and why is it working now versus not 3 years ago and why it should work in the next 3 years? That is part 1. Second is, you talked about the rebranding helping in building up the brand. Have we started to take any action on pricing to reflect brand strength? And just one more piece on timelines for reverse merger? That will be the questions.

**Prashant Tripathy:** The first question is more evolutionary, Manas to be honest, if you went back 10 years, the industry didn't sell Protection either. Now it sells a lot of Protection. Maybe 10 years ago, there were not many people selling annuities, but now many people do sell. So I think it is a part of General evolution, and I must also say that as competitive forces as well as regulatory forces put pressure on ability to generate margins, the industry is definitely looking for product categories, which could potentially create more margins. So the same applies to us. However, I must also highlight that it is also a question of execution. While everybody wants to sell or attach riders, to what extent one is able to attach is a question of execution, understanding and flexibility in the processes to do that. And I am very happy and proud that we have been able to do. The customers are also evolving and seeking more and more value and that is something which we can't ignore. As customer is becoming aware, customer is looking for value, customer is looking for unmet needs or products which could satisfy their unmet needs and I must highlight that all these categories, Protection, riders, Health as well as annuities address those needs which have pretty much remained quite unmet over last maybe 20-30 years. So that is the reason why the industry is moving in that direction.

Have we taken any pricing action to reflect brand strengths? The answer is no. We will like to create our brand strength in Tier-2 and Tier-3 cities. In terms of pricing, we are competitive. I wouldn't say we are the best or we are the worst, we are somewhere in the middle and that really augurs well with what we are trying to drive. Also, it has been only 4 months that the brand got added. I would ideally give it about a year's time to see the full provision and benefit of brand strength and then we will consider any decisions about changing the pricing if required.

The timeline or reverse merger, I must highlight to you, and you would have seen our Board message to Stock Exchanges, we are very desirous to do the reverse merger. However, we are just waiting for clarity. I think we are hoping that the clarity would have come from the change in the act which is expected or which was expected or is expected during monsoon session, which will pave the path for reverse merger in our case giving relief on section 35 and being listed organization, Max Financial Services, we want to keep all the stakeholders along as we do that, so hopefully, when it comes and I am quite hopeful that it will come in the month of August-September timeframe. We will immediately begin the exercise.

**Manas Agrawal:** Thank you, sir.

**Prashant Tripathy:** Thank you, Manas.

**Moderator:** Thank you. Next question comes from the line of Shreya Shivani with CLSA. Please go ahead.

**Shreya Shivani:** Hi, thank you for the opportunity and congratulations on a good set of numbers. Just on the harping on the reverse merger, just one question that I had that another company which had won the case against IRDAI in NCLAT, ideally one would have expected that that should also have paved the path for you, has there been any discussion post that you have had with the regulator? That is my first question on the reverse merger bit and second is on the EV walk. Can you help us understand the operating variance that we have of 0.05 billion, how much of it is, can you give a breakup between how much was there in persistency or how much was there, across the different line items that we have within the operating variance, those are my 2 questions. Thank you?

**Prashant Tripathy:** I will take the first question, and I would request somebody to take the second one. On the reverse merger, your observation is right. Of course, there is some decision, however, I must highlight at this point of time that we reviewed the performance or our company with respect to the company which actually went through that process. We are a listed organization. There are multiple regulators involved, and we do want to make sure that we keep all the stakeholders along and hence our decision is to wait for the act to change. Of course, that path is available, and if there are significant delays in the change through act that comes our way, we will definitely consider that, because we are just talking for about 2 or 3 months, it is our decision internally to wait for the act change to happen before we begin this exercise. So right now, all the options are available. We will consider when the time comes. Over to you, Amrit for the second.

**Amrit Singh:** On operating variants, there is Rs. 5 crore positive. And as practice, we do our assumptions, recalibrations and also the experience variants etc., and we have done our assumption recalibration. So there isn't like a material positive or material negative there. It has been largely in line. With respect to variants, there are some positives on the mortality and expense side and some marginal negative on the persistency and lapse side. So that is where I will leave it at.

**Shreya Shivani:** That is very useful. Thank you so much.

**Moderator:** Thank you. Next question comes from the line of Supratim Datta with Ambit. Please go ahead.

**Supratim Datta:** Thanks for the opportunity. My first question is on the Bancassurance channel. Could you give us this split of what is the contribution from Axis Bank during this quarter and what has been the performance there because we have seen that the growth in this channel has slowed in the 4th quarter versus the 3rd quarter, so just wanted to understand, despite the synergies, why is the growth slowing and what are you doing to improve growth there? That is my first question. The second one was on the slide where you layout some of your aspirations, slide 16. Now, if I look at your expectation from the Protection of business that suggests that you are building in a 25% CAGR over the next 5 years. Now, I just wanted to understand, what do you think will drive 25% growth in Protection business because this business has seen a bit of volatility growth being subdued, then coming back and then again being subdued. So it has been a bit volatile. So just wanted to understand why do you expect growth here to grow 3x at the bottom end in the next 5 years? That is my second question. Thank you.

**Prashant Tripathy:** So I am requesting Amrit to take the first one and then I will take the second one.

**Amrit Singh:** Supratim, the Axis Bank growth for Quarter 4 was around 7% and the full year number as we shared is around 10%. And this slowdown actually you would have seen all across. In Quarter 4, the growth not just for us, but even from an industry perspective did moderate and we grew at around 11% for Quarter 4 on an adjusted FYP basis. Wherein even Axis at 7%, I would say it is kind of mirroring the broader trend across all channels with respect to the growth slowdown that was witnessed.

**Prashant Tripathy:** Yes, but we are very satisfied with the progress that we are making in the banca space or partnership space. At Axis Bank, you would have noticed that our counter share remains stable at around 66% when on Yes Bank the counter was about 54%. So we are making good progress. It is the fact that in the second-half of the year, the industry growth actually slowed down, in the first half of the year, the industry grew substantially better than in the second-half. If I remember correctly, private industry grew 21% in the first half and only about 8% or 9% in the second-half. So there was a reduction and that was across all channels including banker channels. At a total level, our Banca contributes now about 55%-56%, of that absolute 48% is from Axis Bank and it remains a solid number and we are very hopeful that with the relationship that we have with Axis Bank, they are being our largest distributor as well as promoter and the kind of discussions that we have engaged in terms of planning for FY '26, very optimistic about the outcomes, not just on sales growth, but also on margin growth. Coming to the slide on Protection growth of 25%, I will just refer back to the analysis that we perform every year, which is called India Protection Quotient. We go to 25 top cities and great representation from Metros and Tier-1 and Tier-2 and ask people about questions on their Protection ownership and that ownership is only 34% versus an overall ownership, life insurance ownership of close to 78%, so significantly lower ownership of Protection and when we dig deeper and ask people questions saying are you happy with the level of Protection or is it good enough for you in the circumstances that something wrong happens to you, is it good enough for your family to manage about half of them say no, which means the real penetration in top 25 cities in the Sec A & B category is only 17%-18%. That is a very small number. So our firm belief is that Protection in form of either pure Protection or Health or rider is an area which is under-penetrated, and it will continue to grow. If you were to look at our growth over the last 4-5 years, very happy to share with you that we have seen growth of this kind. So it is not unusual and hence our belief in Protection as a category remains. By the way, we have called that out as one of the top areas of strategy for Axis Max Life Insurance. We also firmly believe that the largest purpose that life insurance companies serve is to provide Protection and hence you will notice that our sum assured growth, 31% last year and while our market share may be lower on the total sales basis, but on sum assured basis, our market share is substantially high. We, in fact are number 3 player for last many quarters.

**Amrit Singh:** And also I think just on the aspirational chart that was put out, that was somewhere in FY '21 that we kind of gave out 5-year aspirations. The reality is that obviously, we couldn't have envisaged COVID and associated impact. So there was a period of time of tightening of demand which affected growth in FY '22-23, but as we look forward, even in this particular year, we have grown Healthy at 35% levels in Protection, and we are quite confident that we will keep marching forward on this.

**Supratim Datta:** Got it. And I have just one follow up on the first question and the answer that you gave, you are expecting that margins to improve in the Banca channel. So just wanted to understand what would be driving that? Is it that you are looking at a product mix change in that channel or is there something else that you are focusing on?

**Amrit Singh:** Yes. I think you are absolutely right. It is the mix of product mix as we are under seeing the volatility, which is affecting ULIP, the traditional products are becoming more in favor and some of the trend as Prashant kind of mentioned in his opening remarks are even evident in the months that you just started for FY '26.

**Supratim Datta:** Thank you, sir.

**Moderator:** Thank you. Next question comes from the line of Madhukar Ladha with Nuvama Wealth Management Limited. Please go ahead.

**Madhukar Ladha:** Hi, good morning. Thank you for taking my question. First on the Axis Bank channel, not only about the last quarter, so last quarter I think across the channels there has been a little bit of a slower growth number, but even if we look at the number over the last couple of years, the growth is about 10% last year and before that, I think one of their other partners was growing in that channel. So there were some challenges as a result of that. But even after that, growth from that channel continues to be just about 10%. While you maintain your counter share, but I would have expected the channel to grow faster, so what is really troubling that and in your plans, then how do you see FY '26 panning out in terms of Axis Bank channel in particular, what sort of growth can we expect over there? So that would be my first question. Second question, on the surrender value changes, so what has happened is that these were implemented in the second-half, so there is only sort of half a year's impact. So my question is, how should we think about it in terms of FY '26, would there still be sort of more impact left to come through in this year and just 50 basis points is on a blended basis, but on an overall product portfolio of traditional products, what would be the margin decline over there as a result of this, if you could help me understand and provide some clarity on how should we think about this? Thanks.

**Prashant Tripathy:** Thank you, Madhukar. As always, very sharp questions. Thank you for asking the very important ones. Let me first answer the Axis Bank question. Yes, it is a fact that last year, we grew 9%. This year, we have grown 10%. Our growth pretty much mirrors the growth at the bank level and this is not only for Axis Bank, overall Banca as a channel has not been growing significantly faster and most of the players have had faster growth coming from their Prop Channels. And the reason for that is quite evident to everybody. Over the last couple of years, banks have focused on building their deposits, which were under stress and that has been the reason why some of the effect on Life Insurance sales has come up. Axis Bank is a very large bank partner, so they do close to about Rs. 4,000 crore of sales for us. So there is a large base effect also that we need to be aware of. If I were to look at last 5 years growth number from Axis Bank, it is there in our presentation, it is about 12%. So as we move forward, we have had series of discussions with the bank, senior officials as well as people who handle this area of business and we are very optimistic that we will be able to pick up from here, very aware that the Axis Bank growth is going to be instrumental in realizing the overall potential that Max Life Insurance has and the aspirations that we want to achieve. However, we will not really guide you to a 20% kind of growth number, but definitely more closer to the range of 13%-14% which is our expectation. If anything extra comes, we will be quite delighted with that. So in our plan, whenever we talk about guidance of numbers etc., there is no discontinuous assumption on Axis Bank sales from where we have been in the last 5 years on a CAGR basis. But I am going to just invite Sumit Madan who leads entire distribution to talk about some of the initiatives that we have taken in Axis Bank which gives us confidence that we will be more towards 14%-15% than 10%-11%.

**Sumit Madan:** Sure, thank you, Prashant. Madhukar, I think just to add to what Prashant said, there is an increased focus across all channels of Axis now in this financial year. There is a specific layer laid out strategy in some of the other businesses like assets, emerging verticals, so on and so forth. I think that should add some kind of fill-up to this greater than 10% of a number that Prashant highlighted. There is also realization from a customer need analysis, insurance and specifically we spoke about Protection also is becoming a key part of their portfolio. I think it is a combination of these strategies which should give us a further push as far as the growth of 10% for the last 2 years is concerned.

**Prashant Tripathy:** Thank you, Sumit. Talking about the surrender value question that you asked, the issue impact of whatever I spoke less than 50 basis points, I am going to invite Amrit Singh to give us, maybe the item, but I must call out that H2 generally does about 60%-65% of the sales. So it is not equal, and I wish I knew the number. In my business, I don't even look at what is the net impact of surrender value. Generally, the way management works is if you have a negative impact, you deploy mechanisms to actually course correct and in our mind that is to grow faster, to have the leverage, advantage, to drive product mixes which are of a superior category, to look at variants in the products which deliver higher margin. So when I say the impact is less than 50 basis points, it was on a net basis. That is the number I know. I don't know the gross number which is coming from if you know

**Amrit Singh:** Yes, Madhukar, I just want to confirm to you that sequentially, Quarter 3 to Quarter 4 movements in this particular Financial Year. We were impacted in Quarter 3, but a series of actions were taken in Quarter 4, which included changing variants, some thematics around riders, some pricing actions, some design constructs being tweaked and being changed actually, and we have almost neutralized the entire effect actually in Quarter 4 as what you witnessed in Quarter 3. So as in the run rates of products and their margin profiles, as we move forward, we don't really see anything coming in FY '26 for us.

**Madhukar Ladha:** Understood. That helps a lot. Thank you and all the best.

**Moderator:** Thank you. Next question comes from the line of Nidhesh Jain with Investec. Please go ahead.

**Nidhesh Jain:** Thanks for the opportunity and congratulations for the good set of numbers. Sir, firstly, if you look at the growth in this year, we have done extremely well in the e-commerce channel. So what is driving the growth in that channel and how sustainable do you think that growth rate that we are putting out in that channel is there?

**Prashant Tripathy:** Yes, we feel very proud of our achievement in the e-commerce channel and for last many years, the growth will be more than 50% CAGR. Before FY '24 or around FY '24, we were the largest player in the Protection area and we have been no. 1 in Protection on e-commerce for many years, actually. However, we realized that just being Protection, we are not playing in a very quickly rising Savings area and we started to participate in the Savings area and some of the new things that you saw around index-linked fund designs, etc., have been instrumental. But for more details, I am just going to invite my colleague, Sumit Madan to talk about.

**Sumit Madan:** Yes. I think specifically on the e-com channel, 1) we are very it is a crowning glory for us; we have been very proud of the channel. The way we work on both, data and the integration, I think those have been the key differentiators for us. The way data drives numbers for us in the e-com channel, I think we are slightly superior from that perspective. 2) I think there is a lot of segment focus that we have been able to bring in as far as the e-com channel is concerned. So there are the specific strategies as far as self-employed or let us say the HNIs or the Gen Z or the younger population is concerned. Similarly, for example, like Prashant earlier also highlighted, products are also being designed and the offtake of these products, especially the segmented products have been exceptionally good for us. I think the organization is very nimble, very agile as far as some of the thinking around e-com is concerned and I think that has kept us in the leading spot in this business, which I am sure will continue to be the case.

**Prashant Tripathy:** Yes, but just to summarize, I think presence in a very innovative way in the Savings area, especially ULIP and index-linked, which we were the innovators and first ones to come up with has been the core reason of our growth. Of course, the base effect is going to kick in, which we are hugely aware of. So I wouldn't quite guide that next year also, we are going to grow like 60% but yes that has been a big driver, of course.

**Nidhesh Jain:** And sir, what percentage of e-commerce business is coming from our own website, of the Rs. 1,000 crore premium?

**Amrit Singh:** Yes. So I think from customers that have kind of come to us, around 40% of those customers have come from our own efforts and 60% from aggregators. But when you kind of break it into sales, the number kind of comes down to 30-70 kind of a ratio. And again, we are over indexing Protection there and under-indexed in Savings from a direct perspective in that channel.

**Nidhesh Jain:** Secondly, in the other Bancassurance partnership also we have done reasonably well. So earlier, we were largely dependent on Yes bank, so how is the diversification in the other Bancassurance partnership, what is the share of largest bank in this Rs. 54 crores of premium for FY '25?

**Sumit Madan:** Yes, I think the other bank story has been exceptionally good for us. So in some of the new partnership that we have been able to be a part of one, it is important to be present across some various banks. But I think the tougher task obviously is to make your presence felt in most of the new bank partnerships, whether it is TMB, SIB, DCB, so on and so forth. We are actually among the top 2, top 3 players in terms of our counter share. And again, I think this has mainly been led by some excellent team we have on the ground coupled with some of the great product innovation we have been able to have. One of the things which actually make a difference on the ground is actually a very strong distribution capability center, which is the entire training hub. We have been doing a lot of training, not only for the internal teams, so that many of the banks, given our strength around DCC has also invited us to arrange some training program for their SP's. So I think it is a combination of all and like you rightly mentioned, the new banks, the contribution for us is actually on an upward swing.

**Prashant Tripathy:** One of the ways I measure our performance also, Nidhesh, is of the new initiatives that we have taken in Prop channel or building new businesses or acquiring new banks, etc., how much of that as a percentage of total sales is. And I am very happy to share that we generally shoot for about 10% number and we were actually 11% last year. So, everything that we have done in building new channels, Prop, within Prop, within DSF, within new banks, GCL all put together, they are around 10%-11% of last year, number one. Number two, the business development engine has been working really well, like we highlighted to you, we acquired 44 new partners, three of them are banks. So I am very hopeful that as we go long, we will not be impacted by the base effect of same banks. We will have new banks to work on and hence this will continue to remain a growth area for us for multiple years to come.

**Nidhesh Jain:** And lastly, if you can break the non-operating variants in terms of equity and debt?

**Prashant Tripathy:** Yes, I am asking Amrit actually to share those numbers.

**Amrit Singh:** So in the non-operating variants, there is a negative of around Rs. 41 crore because of the brand, onetime brand change that we did. There is a positive of Rs. 219 crore around equities and debt around Rs. 170 crores.

**Nidhesh Jain:** That is it from my side. Thank you.

**Moderator:** Thank you. Next question comes from the line of Shreya Shivani with CLSA. Please go ahead.

**Shreya Shivani:** Hi, thank you for the follow up question. Sir, just wanted to clarify, on your dividend strategy, you had mentioned 1 or 2 years back that you will not be paying out dividends. So this strategy does not change till Axis Max Life gets listed. Is that a correct understanding? And second is on the persistency, so I know Y-o-Y trend, you have shown us whatever trends have been there. However the formula for calculating the persistency seems to have changed, it changes from the regulator. Just for my understanding how regularly does this happen? And I believe this will be for the entire industry, right?

**Prashant Tripathy:** So maybe, I will take the first one and Amrit could take the second. Our dividend strategy will remain firm; we actually need a lot of capital. So as we go along, we will need capital for growth and hence paying out dividend at this point of time is not recommended because the business is actually going to ask shareholders to give capital. The other one is, you might know that for many years, actually we declared dividend for the purpose which is quite well known to all of you. So we like to preserve it and have the positive impact on our embedded value as we go along. On persistency formula, Amrit, do you want to just?

**Amrit Singh:** Yes, so this does not happen very frequently actually. In FY '24, there was a specific guidance which the regulator kind of provided around full year persistency disclosures to be undertaken. And if I see in the last 10 years, it has happened in FY '10, FY '14 and FY '24, I think 3 times, so it is not like a periodic phenomena, but they did change it in this financial year and to that effect we have restated both the current year and the previous numbers to make it comparable and in line with what the regulation now ask us to do.

**Shreya Shivani:** Yes. Great. That answers. Thank you so much.

**Moderator:** Thank you. Next question comes from the line of Mohit Mangal with Centrum. Please go ahead.

**Mohit Mangal:** Thanks for the opportunity. I was looking at slide 39 of your presentation deck and basically, I was looking at the case size. So what was a little surprising is that ULIP has actually declined and so is Annuity. Can you just specify the reasons for that?

**Amrit Singh:** So Annuity is a bit of a shift from single premium business to regular premium business and that also is an underlying reason why you see a weak Annuity numbers that you have reported. Though on regular premium, actually the growth has been very robust. On ULIP, it is a bit of a choice of customer segments and where you are kind of going and you would have also noticed that in proprietary channels and especially in e-commerce and we spoke of the focus towards Savings products in e-commerce, there the ticket size typically which is originated on ULIP is actually much lower than what the offline channels typically originated.

**Mohit Mangal:** Fine, that is helpful. Second is, in terms of number of policies, while I understand the non-PAR was not kind of a flavor in Financial Year '25 and we saw decline from 1,97,000-1,80,000 odd. But going forward, now that maybe ULIP may not grow as fast as maybe other segments, so can we assume that the number of policies in the non-PAR Savings should increase?

**Prashant Tripathy:** Yes, that will be a good assumption to make.

**Mohit Mangal:** Thanks and wish you all the best.

**Prashant Tripathy:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I would now like to hand the conference over to Nishant Kumar for closing comments.

**Nishant Kumar:** Thank you everyone for being part of Max Financial Earning Call. We look forward to more such interactions in the future. Thank you once again. Have a good day.

**Prashant Tripathy:** Thank you.

**Moderator:** Thank you. On behalf of Max Financial Services Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

*Disclaimer: This is a transcription and may contain errors. While the transcript has been edited for clarity and efforts have been made to ensure a high level of accuracy, the Company assumes no responsibility for any errors.*