February 18, 2026

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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 February 12, 2026, post declaration of unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2025, is enclosed.

The same has also been uploaded on the website of the Company at https://maxfinancialservices.com/static/uploads/financials/earnings-call-transcript-q3-fy26.pdf

You are requested to kindly take the aforesaid on record.

Thanking you,

Yours faithfully
For **Max Financial Services Limited**

SIDDHI SUNEJA

Digitally signed by SIDDHI SUNEJA
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Siddhi Suneja
Company Secretary & Compliance Officer

Encl: as above

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Max Financial Services Limited
Q3 & 9M FY '26 Earnings Conference Call
February 12, 2026

Moderator: Ladies and gentlemen, good morning, and welcome to the Max Financial Services Limited Q3 and 9M FY '26 Earnings Conference Call. As a reminder, all participant lines will 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 the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Nishant Kumar, Chief Financial Officer of Max Financial Services Limited for opening remarks. Thank you, and over to you, sir.

Nishant Kumar: Good morning, everyone, and thank you for joining Max Financial's earnings call for the quarter ended December 31, '25. We are pleased to present our quarter 3 FY '26 results, which are now available on our website as well as on the stock exchanges. Joining me today are Mr. Sumit Madan, Managing Director and CEO; and Mr. Amrit Singh, Chief Financial Officer of Axis Max Life Insurance. With that, I would like to invite Sumit to share the key developments and performance highlights from the third quarter of financial year '26. Thank you and over to you, Sumit.

Sumit Madan: Sure. Thank you, Nishant. Thank you very much. Good morning, everyone and thank you for taking the time out. I will start with a quick summary first. In quarter 3, the Insurance Act amendments were approved through the Sabka Bima Sabka Raksha Act 2025. These amendments, of course, aim to attract additional capital into the sector by increasing the FDI limit from 74% to 100%, while also enhancing ease of doing business and strengthening policyholder protection.

As part of this reform, Section 35 was amended to permit the merger of an insurer with a non-insurer subject to IRDAI approval. This is a positive development for Axis Max Life. Accordingly, we have received in-principle approval from our Board to initiate the process for the proposed amalgamation of Axis Max Life and MFSL. As we progress on the journey, we will continue to provide regular updates on the progress we are making on this.

Moving forward, let me now take you through the key developments across our strategic focus areas for the first 9 months of FY '26.

1. Sustainable and predictable growth

To begin with, number one, sustainable and predictable growth. At Axis Max Life, our strategy is to deliver consistent and broad-based outcomes. Continuing our strong trajectory, individual adjusted first year premium grew by 20% in 9 months FY '26, led by 18% growth in the number of policies.

Our sales growth is twice the overall industry growth of 10%, translating into a private market share expansion of 53 basis points, taking our share now to 9.8%. Over a longer horizon of 3 years, we delivered a CAGR of 21%, which is well ahead of the private sector's 15% and is more than double the industry growth of 10%, underscoring the durability and resilience of our franchise.

Growth momentum, in fact, accelerated further in quarter 3 FY '26 with retail APE growing a strong 30%, led by our proprietary channel. Proprietary channels delivered 52% growth in the quarter, driven by secular expansion across agency, online and cross-sell engines. Agency growth was fuelled by improved activation rates among new advisers and top distributors alongside some very steady gains in productivity.

Direct sales force growth was driven by both capacity expansion and improved productivity. Overall, off-line proprietary channels grew by 43% while online business grew an impressive 75% during the quarter. Even on the partnership side, our business continued to gain traction, delivering 13% growth in APE terms in quarter 3, driven by the scaling up of the partnerships established over the last 2 years.

New partnerships in the banking and broking segments now contribute around 5% of our individual APE, backed by strong execution, our competitive product suite and technological capabilities, we have ensured a counter share exceeding 25% across all new banca partnerships. On group credit life business also grew by strong 45% in Q3 FY '26, driven by the pickup within MFI segment, scaling of partnership built over the last couple of years and launch of the newer group product, Group Smart Health Insurance Plan in Q2 of FY '26.

The NRI segment remains another strategic growth pillar, contributing approximately 12% of individual adjusted first year premium and delivering consistent performance. To further strengthen our presence, we have received all the requisite regulatory approvals to establish an office in the GIFT City.

This will act as a strategic hub to enhance access, improve service delivery and capture growing opportunities in this segment. To broaden our reach and further diversify our distribution footprint, we added 51 new partners across retail and group segments during the first 9 months of FY '26. Going ahead, we remain focused on deepening of our existing partnerships while scaling newly onboarded relationships to further accelerate the growth in this segment.

Before we move ahead, happy to note that our growth trajectory continues in the month of January as well. Our sales grew by 29% at a company level with proprietary and partnership channels growing at equal growth rate with a very significant contribution coming from a leading bank partner, Axis Bank.

2. Product innovation to drive margins

Second point which we want to emphasize is around the product innovation to drive margins.

At Axis Max Life, product innovation remains a key strategic lever in creating sustainable value for our customers, partners, employees, investors and of course, the broader ecosystem. Our focus continues to be on building a well-balanced product portfolio aligned with long-term protection, retirement and savings needs.

During Q3, our protection franchise delivered strong growth supported by GST-related tailwinds and a targeted execution approach. Retail protection grew by 99% in Q3 with pure protection growing by 95% and riders by over 100%. In addition, our group credit protection business continued to scale steadily, recording 45% growth in Q3 ahead of the industry average, reflecting increasing penetration and a very strong partner engagement.

Our annuity business also reported healthy momentum, growing 141% in Q3 FY '26 and by 107% during 9 months FY '26. This performance was driven by consistent execution across both retail and corporate annuity pools as well as growing customer demand for guaranteed retirement income solutions.

We also strengthened our product suite during the quarter through the launch of several customer-centric propositions. We introduced the Online Savings Plan Plus which offers 0 premium allocation charges, unlimited free switches and premium redirections along with some exclusive benefits for existing Axis Max Life customers.

In the Corporate segment, we launched Corporate Advantage and Retirement and Employee Benefit Smart Plan, which is a comprehensive solution addressing end-to-end employee saving needs, including superannuation, gratuity, leave encashment and postretirement medical benefit schemes. We also launched a new participating proposition in Q3, supporting portfolio rebalancing and diversification.

Due to all these actions, our Q3 APE product mix stood at approximately par at 20%, non-par savings at 18%, protection at 15%, annuity at 10% and ULIP at 38%, all this reflecting a balanced and resilient portfolio aligned with the long-term value creation objectives.

3. Customer-centric approach

The third pillar, which I want to highlight is around the customer-centric approach that we have always followed at AMLI.

At Axis Max Life, customer centricity remains central to how we build and grow the franchise. Our approach is anchored in trust, transparency and consistent service excellence with a clear focus on fostering long-term customer relationship. This discipline continues to translate into some very superior customer outcomes and strong operating metrics.

We continue to lead the industry on persistency. As per Q2 FY '26 rankings, we remain the top ranked insurer on the 13-month persistency by number of policies and hold a second position on both 25-month and 37-month persistency on the same measure. Our performance strengthened further this year. In Q3 FY '26, 13-month persistency stood at 85% while 25-month persistency improved to an all-time high of 76%, which reflects a nearly 420 basis point year-on-year improvement.

These trends underscore the quality of our customer acquisition and the effectiveness of our engagement and servicing capabilities. Customer advocacy has also continued to improve. Our Net Promoter Score increased to 58, up from 52 at FY '25 exit. Touchpoint NPS improved to 16 from 55 while relationship NPS increased from 50 to 55, all this indicating a very deep engagement and stronger customer confidence across the life cycle.

In parallel, we have made meaningful progress on service responsiveness. Grievance incident rate improved to 36 in quarter-3 FY '26 from 42 in quarter-3 FY '25, reflecting sustained focus on resolution quality and turnaround times. Taken together, these metrics reaffirm our commitment to building a high-quality customer-led life insurance franchise. Customer trust and persistency remain foundational to our strategy and continue to support sustainable long-term growth for Axis Max Life.

4. Digitization for operational efficiency

The fourth pillar we really want to focus and we have been working very hard towards it is on digitization for operational efficiency. At Axis Max Life, digital innovation, AI and data engineering are deeply embedded across the value chain, enhancing customer experience, strengthening underwriting and persistency and improving operational efficiency, along with acceleration in sales productivity.

These investments are not incremental. They are, in fact, foundational to improving franchise quality and long-term competitiveness, sharing some progress made in various areas during this quarter. In the area of customer experience and service efficiency, we have materially improved digital service efficiency and customer engagement enhancements to our GenAI-powered e-mail bot have doubled 1-day ticket closures from 20% to 40%, significantly improving the turnaround times.

Our customer app continues to scale strongly with about 6 lakh downloads and 3 lakh monthly active users only within a few months of its launch. The app currently holds a 4.8 star rating, and cumulative transactions have already exceeded INR 50 crore. Website digital NPS reached a record 74, up by 9 points, reflecting improved customer satisfaction.

Our transition from maxlifeinsurance.com to axismaxlife.com was a strategic brand shift. While it temporarily, of course, impacted the SEO rankings, we have successfully restored visibility. We are now ranked number one in term insurance across the top 50 keywords and number two in savings, strengthening our digital-led customer acquisition in SEO.

In the area of persistency and renewal strengthening, we deployed voice AI-led transcription analytics, enabling 100% automated audits and deeper customer insight. This has further strengthened governance around renewal collection efficiency. In the area of claims and operational excellence, the straight-through processing, STP as it is called, has reached 36% for non-early claims, surpassing industry benchmarks for claims up to INR 7.5 lakhs.

This enables faster settlement and reinforces customer trust at crucial moments. For the sales enablement, we continue to scale our mSales app across channels. mSpace is a one-stop solution for a sales frontline employee. We launched ELY, a conversational HRBP copilot within the app supporting over 17,000 sales employees with instant HR assistance. ELY also leverages predictive analysis to identify attrition risk, enabling some very targeted retention interventions.

Concluding on our digital strength, our investments are delivering measurable improvements across customer experience, sales productivity, persistency, underwriting quality, claims efficiency and workforce effectiveness. These capabilities are central to building a technology-enabled customer-centric life insurance franchise.

I think overall, in summary, I just want to say that in the ever-changing geopolitical environment and uncertainty, we remain focused on some very disciplined expansion and strengthening our competitive positioning while creating long-term value creation for our stakeholders. With this, I now want to hand over to Amrit to take you all through the financial performance for the quarter.

Amrit Singh: Thank you, Sumit, and good morning, everyone. A quick update on key financial metrics.

- At the MFSL level, the revenue, excluding investment income now stands at INR 24,625 crore. a strong growth of 18% in 9 months FY '26. Consolidated profit after tax is at INR 137 crore. It is largely lower than last year due to fair value chain impact and GST expense impact at MFSL level.

- At Axis Max Life, gross written premiums experienced a healthy growth of 18%, reaching INR 25,195 crore. And more importantly, the renewal premium is also seeing a strong momentum growing at 17% to INR 15,591 crore. Individual new business, Sum assured which is a very critical parameter for us, grew by 41% to now reach INR 3.6 lakh crore.

- Embedded value as at 31st December 2025 stands at INR 28,110 crore, a growth of 16% year-on-year. Annualized operating RoEV stood at 16.9% in 9 months FY '26. Even though for this quarter, we do not do detailed analysis of movement, at a higher level, we have experienced almost marginally positive operating variance during the quarter.

- On policyholder opex to GWP, the ratio stands at 15.8% during 9 months FY '26 and the policyholder opex has grown by 25%, largely due to the GST disallowance, which actually sits in the operating expense and also onetime gratuity provision, which we had to take because of labor code changes. The GST disallowance was around INR 295 crore and the labor code change around gratuity was INR 60 crore. Adjusting for this, the opex has only grown at 14% level.

- Solvency position is healthy at 201% as we end 31st December 2025.

- Assets under management have now reached INR 1.93 lakh crore, a growth 12%.

- For 9 months FY '26, as Sumit also highlighted, retail product mix is very well balanced with participating products at 16%, annuities at 9%, non-participating savings signed at 24%, Protection & Health at 14% and ULIP at 37%. Each of these categories are experiencing healthy growth with the exception of ULIP, where some moderation was also intentional, which was driven by a series of targeted initiatives to improve overall quality and profitability.

- In 9 months FY '26, margins have now expanded from 21.9% last year to 23.6% in current year, leading to a growth of 30% in VNB despite the pressures which we experienced due to GST. Quarter 3 FY '26 margins also stands at 24.1%, an improvement of 90 bps from last year quarter 3 FY '25.

- As we had guided earlier, in the first half call, the gross impact on margins is close to around 350 basis points due to GST, though through a series of cost actions, commercial conversations, product mix tweaks, we have been able to mitigate almost one-third of this impact in quarter 3 FY '26.

And more importantly, in the run rate, we are kind of experiencing that we have been able to mitigate almost 70% to 80% of this impact. And we are fairly confident that over a few quarters, we will be able to mitigate this completely. We continue to reinforce our guidance, which we had set out at the start of the year that -- which is for FY '26, the NBMs will land in the range of 24% to 25%, along with now stronger sales outcome that we are experiencing. I will pause now and I will request the moderator to open the floor for questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use their handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of Shreya Shivani from Nomura. Please go ahead.

Shreya Shivani: Yes. Hi, good morning. Thank you for the opportunity and congratulations on a good set of numbers. I have two questions. My first question is on the VNB margins itself. Now you have mentioned, obviously, the product mix and opex ratio, et cetera, have helped you in mitigating one-third of the impact that you had spoken about. But however, I thought the distributor negotiation was yet not completed or was it completed enough to bring about such a big impact because the margins between 2Q to 3Q is very much far away from 300 or 350 bps that we had spoken about.

So some understanding on how much of the mitigation happened due to cost action, product mix and distributor negotiation. That is my first question. My second question is on some of the regulatory changes that are happening, and there was an RBI document as well last night. Can you highlight what sort of impact do you expect in your banca channel going ahead? And this conversation actually started for the banca channel back in November '24 itself. So, what all changes do you expect going ahead or were the processes at the bank level already changed back in 2025?

Amrit Singh: Thanks. I will take the first one and then I will request Sumit to get in on the regulatory one. I think on the distribution conversation as we mentioned in the last call, we have taken a very balanced approach when we had approached the challenge that we were faced with, with respect to the impact coming on GST. And we had indicated in the product categories where this is more structural in nature, we will have those dialogues and conversations with the distributors.

We have, to a fairly large extent, actually executed some of those things. And on the categories which are more critical and important in our assessment, that has largely, it is kind of achieved and done. Beyond this, I think the recovery and recouping would be more the product structure changes, management and navigation of product variants within the product per se. to mitigate the impact that kind of came across.

Sumit Madan: Yes, Shreya, I think on the second one, you mentioned about the circular, which came in yesterday also some of the changes that have happened since November 2024. In all our interactions and whatever we have seen so far of the circular, I think these are all steps in the right direction. Eventually, they build more customer confidence.

They help us improve the penetration because of that. And I think industry largely is positive towards some of the changes that have happened. So, I see the circular which came in a very positive light with some of the changes, which will only help us build long-term customer confidence as far as insurance is concerned.

Shreya Shivani: Just a follow-up on that. So, there were a lot of changes which were being taken in, November '24 already. So, is there anything which you can highlight which is incremental, which again Axis Bank by whatever, whichever of our banca channel, we will have to go and make some more changes with that regard? Because I remember in our conversations back in 2025 also, there were changes being implemented at the bank level?

Amrit Singh: Yes. So, this is Amrit here. With some of the banks that we work with are really the leading banks in the country. And they also have very heightened sensitivity towards overall misselling, grievances, which kind of come along some of these things. Using a lot of analytics and checks in our journeys, what we had and this is largely implemented in all our large bank relationships, that each and every sale that is done, it is assessed for its suitability.

And also, there is a very smart verification process to independently assess whether the quality of sale is adequate and understood by the customer. So, some of these steps, I mean, even it predates this November '24 journey, I can only say that we have now moved more if there was only X percentage coverage of the portfolio, that portfolio from a new business perspective, now almost under 100% kind of levels.

So, we have progressed quite healthy both at least in the top 2 banks that we work with on some of these elements. So, I do not think we in our assessment, it is a little early for us to also understand the circular in full detail. But some of this from a mis-selling perspective, I think the safeguards have been in play for some point in time.

There is always room for further improvement. But as Sumit said, I mean, anything which curb mis-sell might appear on a short-term basis from a sales perspective, a bit negative. Over a longer horizon, all of this is very positive. It is as we internally call it a froth in a sales perspective, it gets eliminated, which is always a healthy sign for any industry.

Shreya Shivani: All right. Okay. This is useful. Thank you and all the best.

Sumit Madan: Thank you.

Moderator: Thank you. We take the next question from the line of Avinash Singh from Emkay Global. Please go ahead.

Avinash Singh: Yes. Hi, thanks for the opportunity and great set of performance. The first question would be more on growth. So right now, if I see, of course, on an APE basis, the growth is extraordinarily strong even on that individual rated premium, the growth is strong. Now looking forward, I mean, because in the last 1 year or so, there have been some mathematics around the monthly premium paying terms coming in between earlier. So of course, right now, the APE versus to, I would say, strong.

Now looking at growth, where do you see your anchor to be? I mean more like the 20% plus where your IRP is growing or you can still grow faster than that? I mean, particularly, I am asking this question because in the recent months, there could have been some tailwinds in terms of the GST and all and that at some point, we start to stabilize. So, some bit of a guidance on growth?

And second, I mean, again, more from the industry any perspective, of course, your non-par growth has come good in Q3. But looking ahead, given the scenario where kind of a bond yields are rather sticky, where deposit rates have seen a significant decline. Is it kind of a typically a very, conducive environment for non-par sales. Do you see that non-par sales to kind of accelerate? Because I mean, your non-par sales is good, but overall industry has not done that greatly non-par in an environment that would be likely a conducive non-par. So, these are my two questions? Thanks.

Amrit Singh: So, thank you, Avinash ji. I think from a growth perspective, our momentum has been quite strong. As Sumit also mentioned, on the individual adjusted basis, we were growing at 20%. The private industry is at 13%. So good solid differential, and we have seen that trends to actually continue through. And also on APE basis, now for the full 9 months period, the growth is back to, in line with individual adjusted growth that you see of around 21%. So, there is only a small differential.

Very frankly setting in 9 months right now, we are very confident. I think we will be able to continue through this momentum, which may be an upward revision to certain guidances that we provided at the start of the year. So at least on sales, the teams are quite confident with the momentum that we are experiencing.

Over longer horizons, we have always maintained that from a market growth perspective, from the industry's overall growth that happens in experiences, we will always try to aspire for a 300 to 500 basis points faster growth than the market. And that remains that we hold on to. On non-par sales, I think sometimes it is also about product launches and introductions this quarter specifically saw an introduction of the participating product.

So, we saw some support kind of come through. But if you step out from quarterly introductions, etcetera, I think a non-participating design with the long-term guarantee proposition that it offers is a very important product, which the consumers can have as part of their asset allocation decisions. We will, this is an important category. We will we always we never want to have overdependence on any single category. So we will keep the overall product mix balance and you will keep seeing from our products teams innovations coming in this specific area. So it is, I think it has it is there is a demand component to it, which always remains structurally intact given the inherent role long-term guarantee proposition provides. And there are some supply dynamics, which is around protection, which can keep varying from quarter-to-quarter.

Avinash Singh: Got it. Thank you.

Moderator: Thank you. We take the next question from the line of Swarnabh Mukherjee from B&K Securities. Please go ahead.

Swarnabh Mukherjee: Hi, sir. Thank you for the opportunity and congrats on a great set of numbers. Sir, 2-3 questions. First, on VNB margin. So, you if you could give some color on the VNB walk because what I was trying to understand was that had this impact of GST and labor law not been here? What would at a core level or margin? So, you mentioned that out of that 300-odd basis points kind of 100 bps you have mitigated this year.

So is it fair to think that like margins would have been 200 bps higher because if this was not there. So, some color on that? And also labor law, what is the impact? And I am assuming that would be onetime. And so going forward, like you said that you have reduced 70%, 80% of the impact now on a 100 basis will carry kind of 50, 60 bps ahead into next year. Some quantification or granularity in this figure from the current margin perspective and how do we see it in the next year would be very helpful. That is the first one.

Secondly, sir, I think commendable execution on the protection piece. On the partnership channel also the mix has kind of gone up. So is this do you think this is sustainable? Or is it like an immediate tailwind of the GST scenario and maybe normalize to a 70% level, which we have seen in the earlier quarters? So what is the trend you are seeing in this last maybe 40 to 45 days, if you could say it?

And on the 13th month persistency, so I just wanted to clarify that on the 8-month basis number that you have provided in the presentation, the drop that we have seen is similar to what you have reported on a one-eight basis also, I think. So, what is the reason for that? And anything specific that has incrementally played out in 9 months if you could highlight?

Amrit Singh: Okay. Lots of questions here. I will take a few. So your observation that if there was no change on GST, I mean, though these are a bit theoretical in nature because we should always understand that the change in GST in which we welcome the change because it kind of provided our category almost in essential goods status created a positive flip around demand duration on protection business.

But assuming that, that also stays and GST impact was not there, your observation is right. The margins could have been 200 basis points higher than what we have reported, for sure. And largely, a significant a reasonable portion of this is also coming from the yield curve support that we are experiencing for ourselves.

On labour law impact on the P&L, the impact is around on the gratuity provisions, an impact of around INR 60 crore that we had to take. This is a onetime hit which we had to provide for. This is actually routed not through the margins, but through the EV because it is a onetime and a one-off margins anyways will over time horizons kind of bake in, let us say, this increase outflows, but obviously, certain actions at our end will also happen in restructuring overall compensation philosophy, so that some mitigation is also provided to these.

On 13 months, again, your observation is correct. We have experienced certain pressure on this particular 13-month persistency largely coming from certain product category, which is in play for the last year, especially post the surrender regulations also. This the proportion of that also in the book is kind of reducing and some bit of likely drop in persistency was also baked into our thinking when we were pricing some of these products.

So this impact has come through, but all actions at our end will be taken to ensure that we are on an improvement journey towards 13 months as we have been across other cohorts of products because eventually, this is a reflection of whether we have sold product which the customer has understood and is willing to kind of continue to that commitment. On the growth momentum and partnerships are request Sumit to this.

Sumit Madan: Sure. I think on, Swarnabh, on protection specifically, we have been observing the numbers since 22nd of September. And on a daily basis, we have seen our traction improving as far as protection is concerned. When we were looking at the numbers, other than the exception of Diwali, 1 day prior to Diwali and 1-day post-Diwali, we have seen some very healthy growth as far as protection numbers are concerned. So I think there is a good momentum. And the momentum still continues.

So to your question, whether it is sustainable, at least right now, the momentum still holds good. So we do not see much of a concern. We may be slightly better than the market. And also we are growing pure protection by 95%. Some of our marketing efforts in quarter 4 actually are specifically focused around protection. And that is the impact that we have seen coming from across partners, including Axis where we have a story moving around as far as the protection business is also concerned.

Amrit Singh: I think his question was also generic on overall sales.

Sumit Madan: On overall sales, Swarnabh, we have an exceptionally good mix as far as quarter 3 is concerned, like we mentioned in the beginning, growth has come across proprietary and partnership channels. All the banks are firing well. Even the current momentum continues in the month of January. As we were discussing some of the large players like an Axis Bank have seen some exceptionally good growth in the month of January as well on the life insurance side.

Swarnabh Mukherjee: Right sir Understood. I mean just a follow-up like in Axis, vis-a-vis, say, third quarter, what has changed why you were I mean, I think what I understood was that Ulip was a drag in terms of the growth also in the partnership channel. So, what has changed which is leading to this growth? And just another question I just wanted to use any color on terms of the time line for the amalgamation?

Sumit Madan: Yes, I think, to answer the first question first. Some of the work we have done over the last 3, 4, 5 quarters is now actually taking shape as far as Axis Bank is concerned. In Axis banks, we have been focusing not only on branch banking, but some of the other channels as well. So what you see in the numbers now is some of the emerging channels really firing exceptionally well for us other than branch banking.

So I think the growth coming from some of the asset verticals on the life insurance side is again very healthy. Some of the tech initiatives that we took, Swarnabh, on the Axis Bank side, again, those are making some of the productivity improvements as far as our sales people are concerned. So the productivity numbers have also gone up.

So I think it is a momentum of a lot of hard work which has been put on the ground over the last few quarters, and I think it is all coming together now as far as Axis Bank is concerned. To your next question, Amrit, do you want to take that?

Amrit Singh: Yes, Sumit actually spoke about that post the amendment in the act, we have from both the Boards at MFSL and Axis Max Life Board taken in principle approval to start preparing for the amalgamation steps. Now you should understand that the act has been passed now.

Obviously, there will be a regulatory framework which needs to get created. We await guidance and clarity and direction from the regulator on that aspect. As in once that is closed, from the date of filing of the scheme, we do not expect it to be more than 12 to 14 months kind of a time frame.

Swarnabh Mukherjee: Okay. Understood.

Amrit Singh: But we will update all of you as and when there is more progress on it, and we will keep providing periodic updates here.

Swarnabh Mukherjee: Sure, sure, sir. Thank you. Thank you for all the answers. All the best. Thank you.

Sumit Madan: Thank you

Moderator: Thank you. We take the next question from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit Patil: Good morning to your team. I have two questions. My first question to sir, Mr. Sumit is, looking ahead, what will be the key priority guiding Max Financial's tactics to strengthen the profitability while sustaining growth in the life insurance business?

How do you see or how do you plan to balance expansion, product innovation and margin protection over the next few quarters? I just want to understand your point of view on this particular thing. That is my first question. I will ask my second question afterwards.

Sumit Madan: I think, Sucrit, it is a very relevant question. As we look ahead, we have a very good sales momentum. But I think like you rightfully pointed out, for sustainable growth. One of the key priorities, Sucrit, if you look at the numbers also is how some of the new partnerships are shaping taken shape for us. We have been working very hard on acquiring some new relationships, and we specifically called out that some of the new partnerships actually now add up to 5%, 5.5% as far as the overall number contribution is concerned.

In every quarterly update, we have been also updating in terms of the progress as far as new partnerships are concerned. So if you look at the number we have disclosed in this report has been. We have had 51 new partnerships as far as those numbers.

Sumit Madan: , Sucrit, in terms of growth from a future lens perspective, new partnerships from a key part of the discussion, the earlier gentleman also asked us how we are doing against some of the large partnerships at Axis. We have really focused on some of the larger relationships as well. There is a big transformation project we are running along with Axis, which is helping us reach the last mile some of the productivity improvement areas.

That transformation project now is really coming into its true avatar, giving us benefits along with it. Even at some of the other large counters like YES Bank, we remain in terms of counter share the largest player. If you look at some of the newer bank partnerships, it is never easy to be the fourth, fifth or the sixth player. But in the recent partnership that we have acquired, we have already become the number 1 in terms of counter share across new partnerships.

I think number 2 is around the quality of the sales. I think there is a lot of work being done towards the quality of sales. That is the reason why you see some of the numbers around 13, 25 and further ahead. Those numbers are improving. And some of the circulars also which recently came out, there was a question earlier, I think, again, we look at some of these changes in a very positive direction. They all come and help the customer.

There has been a lot of automation at the sales, Sucrit. There are various tools now which have just made the governance much more effective with the help of data today, the propensity to buy insurance for a customer is a much sharper analysis, so as a company, we have really invested a lot not only on digital but even on data because we feel that could be one defining moment for us.

So, I think it is a combination of all these things, which are leading to this kind of a growth because even if you look at the agent activation, even if you look at the productivity increase as far as proprietary channels are concerned, so I think it is a good mix coming across. So, I am actually very confident as far as the future ahead is concerned.

Sucrit Patil: Thank you. My second question to Mr. Singh. The profitability has come under some pressure in this particular quarter. But as you plan ahead, what financial signals will guide your decision-making process on cost control, capital allocation and margin protection? How will these particular signals shape the long-term earnings stability and shareholder value creation? Just want to understand your plan of action on this.

Amrit Singh: Yes. Thank you, Sucrit. Firstly, I think being financially disciplined is one of the key priorities internally that we drive as well, and we have always committed that we are anchored to maintaining the margin profile in the range of 25% plus/minus. With the bias towards distribution expansion, given the severe underpenetration, the country has and the opportunity that lies in front of us. So we will keep the growth momentum going, but always ensuring that the margin is also maintained in a steady position.

If here that the margins will run up, it could either be passed on to the consumers or further accelerated towards distribution investments. But at no point in time, you will see that we are deteriorating the margins only at the expense of sales. So this is one of the guiding principles that we have been at it, and we will remain committed to that in time. In cost, definitely, there is a significant opportunity.

I think some of these digital tools and AI interventions that are in various stages of some in POC and some in execution is providing significant uplift not only in the back-end part of the journeys but even from a sales productivity enhancement programs as well. So the task is very cut out for us that leveraging some of these tools and developments, rationalize overall cost structures and work towards enhancing overall consumer value and shareholder value.

Sucrit Patil: Thank you and best wishes going ahead.

Sumit Madan: Thank you.

Amrit Singh: Thank you.

Moderator: Thank you. We take the next question from the line of Vinod Rajamani from Nirmal Bang Securities. Please go ahead.

Vinod Rajamani: Yes. Thank you for taking my questions. So, I had three questions. So firstly, on this Axis channel, so the Axis channel has delivered kind of stable growth, but there has been a significant improvement in the mix. So, should we assume that this is a little more permanent in nature? Or is it just, is it just temporary in terms of some of the ULIPs coming off and some of the other more higher-margin products doing better? So that is the first question on the Axis Bank .

Second was on margins, again, at an overall level, because of the improvement in the product mix, margins have come to a very healthy 24.1%. So I just wanted to know what is this sustainable? Or is it how do we kind of see, say, Q4 playing out? Is it sustainable? Or is just that this quarter was much better in terms of the product mix?

And thirdly, just on this group credit life that is already gone up by around 45% in Q3. So, if there is, for example, if this Axis Bank, this reported inorganic microfinance ambitions crystallize, are you ready for a step-function jump in rural volume in terms of access to credit access, micro finance book and so on? So, I just wanted to know around that. So, these are the three questions.

Amrit Singh: Yes. So, thanks Vinod. On the first one, the mix change, which has happened at the bank. You would recall, at the start of the last year in January of last year itself, we had started indicating that along with bank we are working towards navigating the product mix in a more balanced nature rather than overdependence on a single product form.

And we are very happy to see that actually, that navigation, we have been able to execute that did mean for the first 9 months, the numbers to be steady. But as Sumit updated in the month of January itself now on full cycle has kind of come through, the momentum is picking up. We remain quite confident that along with the balanced mix, which the bank and us run, the sales momentum will be maintained going forward as well.

On margins, I think your question is what is causing it and what is the sustainability around some of these things. So, if you really see from a last year walk to this year walk perspective, there is almost 1.5% due to mix in 1.5% due to margins broadly, getting lifted has aided the margins. But obviously, the GST impact, which is still residual in the business kind of brought those numbers down.

In this mix is fairly sustainable. Those opportunity of protection, annuity continues to be long-term opportunities. We are seeing a positive clip there. There could be some moderation over long horizons, but overall, on those categories, we remain fairly bullish.

With respect to margins getting lifted due to yield curve, as and when the yield curve also changes, there is always a repricing opportunity available in the industry in the market. So we do think these are some things, these are not one-offs that you will experience in this quarter and they will disappear, nothing like that at all.

On GCL, firstly, I think we are not in any position to comment on the speculative aspect that you were asking around what our parent bank is actually having a dialogue on or not having a, we have absolutely no idea to that. But we are definitely seeing strong disbursement trends across product categories, not just MFI, but even home loans and other personal loans that we run portfolios across our partners, not just 1 specific partner, across our partners.

With respect to our readiness capability of writing any product from we have been in this business for a very long period of time. So there should be no doubt that we have that capability to write some of these product forms.

Vinod Rajamani: Yes. Thank you. That answers all my questions. Thanks so much.

Moderator: Thank you. Ladies and gentlemen, in the interest of time and fairness to others, we request you to restrict to two questions per participant. We take the next question from the line of Prayesh Jain from Motilal Financial Services Limited. Please go ahead.

Prayesh Jain: Yes, hi. Good morning and congrats on good set of numbers. Just a couple of questions. Firstly, what does mean the product-level margins change that you would have seen, say, 9 months this year versus 9 months last year? And the reason I am asking this is in spite of the fact that we had such a strong flip to protection, we have increased attachment rates, credit protection has seen a growth.

Still the margin profile obviously has been impacted by the GST. But product level margins, if you could allude to whether there are other protection margins that are weaker than what we had seen last year? Or how should we think about those product level margins? That will be the first one.

And second would be, on brand d Axis Max Life was at Max Life earlier, that benefit how it has been kind of rolling out and the kind of growth that we have seen. So basically, that would hold, reflect in more growth coming in from Tier 2, Tier 3 towns. And what is the kind of profitability or any risks in those areas? Those are my two questions.

Amrit Singh: Yes, I will take the first one, and I will request Sumit to kind of speak on the brand aspect. Prayesh, we obviously do not disclose product level margins. But from a directional trend perspective, I can provide you certain inputs to get some better sense. Look, par margins are stable. So there is not like a big change happening these 9 months as compared to previous 9 months.

On protection, your observation is right, there is an improvement in the margin profiles, which kind of comes through. The nonpar savings business as compared to last year, you will recall this full year, we have run through the surrender regulations impact as well. So there also, there is not like any large improvement, some pressure only on those specific individual margins in that particular product category.

Unit-linked margins because now as part of the selling process, overall increase in sum assured in unit linked, has become almost like a muscle that we have developed. The unit-linked margins have also seen some improvement. Credit line margins are largely stable, but that is an overall layoff plan. On the brand aspects and the benefits, Sumit?

Sumit Madan: Yes, Prayesh, I think...

Prayesh Jain: Sumit, before that just. So, Amit, on the, so where is the impact maximum in margins on from a GST standpoint, if you could allude to that?

Amrit Singh: Where is the impact maximum? Look, there are some counterbalancing elements also which are happening. The support in the interest environment is also supported so the maximum impact, if you really ask me where mitigation is accelerated and required more is generally in the unit-linked segment.

Prayesh Jain: Got that, thanks.

Sumit Madan: Yes, I think on the awareness side, Prayesh, there is a clear impact. So while when you meet the agents, when you meet the partners, you can touch and feel. But even if you look at some quantifiable numbers, there is a certain parameter that we observed.

In terms of total awareness in Tier 2 and Tier 3, our score has actually improved from 85 to 90. What is also more important in Tier 2 and Tier 3 is that our consideration score has also gone up from 78% to 82%. Before the merger or let us say, before the brand refresh happened with Axis, some of the weaker markets used to be South and East, and we have seen a clear shift towards positive as for these markets are also concerned.

We have seen our total awareness score in these 2 markets, moving from an 85 now to 90. Even the considerations score from a 77 has actually moved to 80. So I think it is been a very positive impact for us, and some of those changes is clearly being reflected in the growth numbers that we have.

Moderator: Thank you. We take the next question from the line of Madhukar Ladha from JP Morgan. Please go ahead.

Madhukar Ladha: Hi, morning. Congratulations on a very good set of numbers. So just going back on the partnership channel. And there, actually, Axis Bank growth, if I look at 9 months number is just about 7.5% year-over-year. Now even within that, I am assuming that, obviously, there will be some bit of group credit life also where you would have seen higher growth. So what is the organic individual business growth? And that seems to be a little bit sluggish.

On the other hand, if you look at the other partnerships, their growth is much better. So can you also talk a little bit about - who are the key sort of partnerships or and what is the growth runway available in those key partnerships. I understand that we are also adding a lot of partnerships right now. So if you could speak a little bit about that.

And the other thing I wanted to know was the merger process, how this is like you have to get Axis Max Life listed and however, Max Financial is listed right now, which is also the holding company.

So what are you thinking in terms of the structure of the reorganization that will happen on this. Any thought process? I understand that the guidelines are yet to come out. But those two would be my questions. Thanks.

Sumit Madan: Yes, Madhukar, thank you for all the three. We will try our best to answer all the three questions. I think on question number one, around Axis, the growth here is at around 7% or so for the 9-month period. When we go out since you spoke about some of the other partners also, there is a clear realization that it is a privilege to have a large bank like Axis because just in terms of volume, that is the kind of change that we can see as far as a large bank like Axis is concerned.

And I think it is clearly getting reflected Madhukar, like I said earlier, some of the actions we had taken earlier. So if you look at the month of January also, I think, clearly, the changes are now coming into shape. When you do a comparison with some of the other channels, the growth that we have in the month of January from Axis looks steady.

Amrit also mentioned that the last quarter has also been about balancing some of the product mix at Axis. Today, for example, the ULIP mix is largely in control. We follow a very segmented approach as far as Axis is concerned, where we look at online, the bank RMs accordingly. So I think some of those changes are there, which have helped us grow profitably as far as Axis is concerned.

I also mentioned earlier, Madhukar, in terms of the emerging channel, the kind of scope that a large bank like Axis has. So I think some of those stories are now only playing out that the growth momentum even at Axis, I am very confident that it is going to be much higher. Our projection around this quarter also are reasonably aggressive, Madhukar. And I do not see any challenge the way the momentum at this point of time it Axis is.

Some of the other partnership in my opening pitch also, Madhukar, I mentioned that we observe it very closely in terms of how the business is coming across new partners. They have already started making and adding to the numbers to the tune of 5%. Some of the new banks that we have added other than YBL also, whether it is a CSB, whether it is an SIB, whether it is a TMC. So I think some of those banks clearly are adding value along with some marquee brokers that we have reengaged and started the business now to flow as far as those discussions are concerned.

If you look at the overall split also, Madhukar, between a partnership and the proprietary side of the business, I think we are one of the few companies which has a very good spread between the 2 without being overdependent on any. So I think that way is it looks good moving ahead as well because there is momentum there is wind beneath our wings. So the story looks good. As far as the last question around merger is concerned, I will ask Amrit to just elaborate on that.

Amrit Singh: So Madhukar, I think it is a little premature for me to comment on the exact and the specific structure. But needless to say, our, collapse of the structure is a very fairly simplistic thing, we have MFSL where large portions of their asset is nothing but the equity that they own in the underlying entity. And at MFSL level on the balance sheet, both on the asset and liability aspects, there isn't anything which is which is very significant or material. So, it will be a fairly simplistic collapse, but please allow us time for the specifics and associated details to come.

Moderator: Thank you. We take the next question from the line of Sanketh Godha from Avendus Spark. Please go ahead.

Sanketh Godha: Thank you for the opportunity. My first question is, again, probably on the growth, the Prop channel you made investments, it led to a very strong growth. And now you have a meaningful base. So to deliver the same kind of a growth of around 15, 20 in that range, then your bank, especially Axis should do well.

So I just wanted to understand a bit of color that the Prop channel growth, which is around 29 percentage will continue for how long or how underutilized it is still given you have increased the capacity and maybe a mid-teen growth or high-teen or low-teen growth in Axis when we can expect it to happen? So that is some on growth.

And second point was on annuity, given it has done very well in either quarter or on 9 months. Just can you give a color whether it is individual led or a lumpy group led to just to understand how sustainable this growth is. Sir, these are my two questions.

And lastly, on 13-month persistency, Amrit, did you allude, I missed that answer a bit. You said the 13-month position was under a bit of pressure also because of the new surrender rules? Or it is just a base effect?

Sumit Madan: Yes. We take all the questions and get one by answer. So, Sumit this side. On the growth I just want to highlight, we have had some very consistent quarters as far as our growth numbers are concerned. So not only this quarter, but if you look at the previous few quarters also, we have been very consistent with our growth as far as partnership and proprietorship channel is concerned.

If you really break down the numbers even on the proprietary side, whether it is agency, whether it is DSF, whether it is E-com, whether it is other businesses, there has been very healthy growth. Agency, in fact, in quarter-3, we came in amongst the top 4 agency channels in terms of sales after almost a gap of 5 or 6 years. So, I think a lot of work has happened behind that today to come at those kind of levels on the core agency side.

Some of the new initiatives that we had taken on agency of moving to Tier 2, Tier 3 locations in the form of a specific initiative, we have called Arohan, that is also working out well for us. And that is the reason why you see the kind of growth that we have had as far as the agency channel is concerned.

Our DSF continues to grow very healthy, on the E-comm side, both on savings, protection, we are the number 1 player as far as some of the larger aggregates are concerned. We take great pride in the D2C channel that we have built on the E-comm side because now, of course, it is the number 1 channel as well as the industry on the D2C side is also concerned. So, I think it is a very good mix on the Prop side.

On the partnership side, if you really break the numbers, I think Axis is doing well because like I said, we wanted to correct the product mix. We have taken those corrections. And despite that, Axis is now growing at almost 7%, 8%, 9%. And I have been saying January looks even better. So I am actually very optimistic as far as quarter 4 is concerned.

Whether it is high teens, whether it is some other number, very difficult to come in once at this point of time. But all that I can tell you is from an Axis growth perspective, quarter 4 looks quite good. You want to answer the question on annuity and persistency?

Amrit Singh: I think my annuity, Sanketh, first is it is very broad-based. It is not lumpy. It is not associated to any specific deal. Actually, on the retail side, the annuity numbers are growing upwards of 100%. And

Group annuity momentum is also strong in the ranges of 40%-odd. So, it is firstly not lumpy, and it is fairly retail in its nature, this growth.

On persistency, what I indicated was, yes, there is some pressure because of 13 months. There are certain specific designs where we are experiencing that pressure. And post post-surrender revision, as you are aware, that there was a surrender value which was accruing immediately. So some of that element also creates some bit of a pressure. But needless to say, I think all actions being taken to mitigate some of these things.

But more importantly, for that particular product, you will recall during these investor conversations, we did bake in a certain impact in persistency, that we might experience, because of the surrender value is being available in the first year.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we take the last question from the line of Dipanjan Ghosh from Citi Group. Please go ahead.

Dipanjan Ghosh: Hi, good morning sir. Just taking cues from one of the previous participants question. On your partnership business, we have already seen, you counter share across all the new partnerships going up to 25% plus, which obviously has benefited you over the past few quarters.

Now in terms of scope for onboarding new large partnerships or let us say, this counter share increasing further, which could support the growth trajectory? What sort of visibility do we have on that? And also in line with that, can you break up your or at least give us some color on your product need between Axis or non-Axis channels, I mean, the non-Axis partnership channels.

Sumit Madan: Yes. I think 2 large banks one to begin with, whether it is Axis or Yes Bank. We are number 1 as far as a counter share is concerned. And both the businesses, in terms of some of the approach that we have taken, those have given us some very sustained results over the last 4 to 5 quarters. We have been consistently maintaining this position. So from that perspective, yes, we are in a bit of a good zone.

The new banks, like I mentioned, across 7 banks, that we have acquired recently in all the 7 banks, we have a counter share of more than 25%. In 3 of those 7 banks, we have already become, the number 1 player as far as counter share is concerned. I think whenever you enter into a new bank, it is not easy, really to make your presence felt, because there is an existing relationship between the 2 teams.

There are these products that every team is familiar with of the previous company. I think their credit to our tech platform, credit to our integration, to create to some of the training modules that we have, that we have been able to make a difference in a very short span of time. And like I mentioned, 3 banks, we already are number 1 across all banks. Other banks, we are already at 25% plus. So I think there is a good story going.

As far as new partnerships are concerned, I have to say, there is a lot of opportunity as far as the market is concerned. We are in advanced discussions, as far as some of those businesses are also concerned with the various banks across. It would be a little premature to mention, but the opportunity exists across many of the PSU, private banks. So very optimistic in the further growth coming in.

If you look at our growth in the overall new banks channel, the growth is actually already 103% over last year. So good story going along, a lot of discussions happening across new players. So partnership is a channel which we are exceptionally bullish about.

Amrit Singh: On the product mix between Axis and Non- Axis bank channels, the non-Axis bank channels are actually are more towards traditional designs than unit-linked designs. So there the mix is a little bit more biased actually I would say towards the traditional designs and anything else.

Moderator: Thank you. Ladies and gentlemen, with that, we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Nishant Kumar: Thank you, ladies and gentlemen, for being part on Max Financials earnings call. We look forward for more interactions in the future. Thank you once again. Goodbye. Thank you.

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

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