November 10, 2026

Ref: NIVABUPA/EQ/2026-27/58

To,

National Stock Exchange of India Limited	**BSE Limited**
Exchange Plaza, C-1, Block G,	Phiroze Jeejeebhoy Towers,
Bandra Kurla Complex,	Dalal Street,
Bandra (E), Mumbai – 400 051	Mumbai – 400 001
Symbol: NIVABUPA	Scrip Code: 544286

Sub: Transcript of the Earnings call
Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

We hereby enclose transcript of the Earnings call on business performance of the Company for the quarter and half year ended September 30, 2026, held with Investors/Analysts on November 04, 2026.

The Transcript of the Earnings call has been made available on website of the Company at www.nivabupa.com.

Kindly take the same on records.

Thanking you,
Yours Sincerely,
For **Niva Bupa Health Insurance Company Limited**

APARNA SHARMA
Digitally signed by APARNA SHARMA
Date: 2026.11.10 12:22:53 +05'30'

Aparna Sharma
Company Secretary and Compliance Officer

“Niva Bupa Health Insurance Company Limited

Q2 & H1 FY27 Earnings Conference Call”

November 04, 2026

MANAGEMENT: **MR. KRISHNAN RAMACHANDRAN – MANAGING DIRECTOR AND CEO**
MR. ANKUR KHARBANDA – EXECUTIVE DIRECTOR AND DEPUTY CEO
MR. VISHWANATH MAHENDRA – EXECUTIVE DIRECTOR AND CFO
MR. BHABATOSH MISHRA – CHIEF OPERATING OFFICER

MODERATOR: **MR. ANSUMAN DEB – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Niva Bupa Q2 & H1 FY '27 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Before we start the call, please note that any statements and comments made in today's call that may look like forward-looking statements are based on the information presently available to the management and do not constitute any indication of any future performance as future involves risks and uncertainties, which could cause results to differ materially from the current view being expressed. I now hand the conference over to Mr. Ansuman Deb from ICICI Securities. Thank you, and over to you, sir.

Ansuman Deb: Yes. Good evening, ladies and gentlemen. It's an honor to host the senior management team of Niva Bupa. From the management, we have Mr. Krishnan Ramachandran, Managing Director and CEO; Mr. Ankur Kharbanda, Executive Director and Deputy CEO; Mr. Vishwanath Mahendra, Executive Director and CFO; and Mr. Bhabatosh Mishra, Chief Operating Officer. I now hand over the call to Mr. Krishnan. Over to you, sir.

Krishnan Ramachandran: Thank you very much, Ansuman, and thank you, everyone, for making time for us this evening, and good evening to all of you. Very briefly to update you on a couple of broad topics. One is at the industry level. And this is in continuation of the update that I usually give and also to give you a sense of the progress that we continue to make as an industry. First is on the awareness campaign. We have gone live with one more edition of the campaign and to update all of you -- there's some background noise. Can you mute everyone else? Possible at your end?

Moderator: Yes, sir. Everyone else is mute. Please continue.

Krishnan Ramachandran: Sure. The creatives that are being used in the industry awareness campaign and about INR150-odd crores is being spent over 3 years to remind all of you, have been recognized as -- and judged as being award-winning ones, and there is impact on awareness of health insurance and specifically the fact that health insurance as an industry pays claims. So I think the KPIs for the campaign are moving in the right direction. And this is something that we are -- we continue to be invested in as an industry.

As far as overall industry growth is concerned, the industry continues to benefit from the GST tailwind as well as the 1/n industry impact. And Niva Bupa specifically for H1, our reported growth on retail health has been 47%. On the industry initiative around standardization, common empanelment, we continue to make great progress under the leadership of Dr. Prakash, who is the CEO of Health Partnering within the Council.

So as we speak, the MOU has been signed with more than 5,000 hospitals under the common empanelment initiative, and we will be going live with 18 standard treatment workflows out of the 154 that ICMR has defined. To remind all of you, this is on top of admission criteria for 8 infectious disease and the position statements that the industry has rolled out for robotic treatments, modern treatments.

So again, lots of progress and work being done on standardization. And again, to remind all of you, a good part of claims cost is captured in the pathway, and that is what the industry is addressing through the standardization initiatives.

Specifically on Niva Bupa, as far as H1 performance is concerned, we've had a very encouraging H1 performance, both on top line as well as bottom line, as far as our overall numbers without 1/n is concerned, we've grown 26% to reach INR5,004 crores in terms of GWP. Retail growth without 1/n is 37% and a number of INR3,800-odd crores. And on this basis, at this point, as of H1, 77% of our book is retail, up from the 75%-odd number that we had at the end of Q1.

Our profit after tax -- and again, to remind all of you, we have transitioned to Ind AS, so our profit after tax on an Ind AS basis closed at INR273 crores, up from INR132 crores same period last year. Our retail market share improved to 11%, up from 9.9% same period last year.

On talent, we are -- we improved our ranking in the Great Places to Work survey to 41st out of the Great Places to Work and we continue to figure in the top 25 in banking and financial services. On NPS, same period last year, we improved our blended NPS to 63, up from 57 last year. And on EoM, we are at 34.7%, well below the requirement of 35% plus allowances in our case.

On claims settlement rate, we closed H1 at 95.6%, up from 94.6%. Our journey on technology, analytics, generative AI, all of those are progressing at pace, and we continue to mature what we do specifically with Gen AI. On PPN, which is a strategic initiative around steering our customers to the right care setup at the right cost.

We are now present in 49 cities, 1,132 hospitals and 22% of cashless claims in those hospitals -- claims in those hospitals are going to PPN setup. And just to remind all of you, the PPN hospitals are 15% to 20% less expensive on a like-to-like basis compared to tertiary, quaternary care facilities. So that's a brief update from my side. Over to Vishwanath on financials, and then we're happy to take your questions.

Vishwanath Mahendra: Thank you, sir. Good evening, everyone. So in terms of few financial KPIs, post-tax return on equity for the last 4 rolling quarters is 13.8%. Combined insurance service ratio for H1 has improved by 365 basis points to 99.5%. Reduction is visible in both expense ratio, which is 78 basis points, and claims ratio, which is 287 basis points, resulting in improvement in CISR.

Retail loss ratio has also improved by 77 basis points to 67.4% in H1. Like Mr. Krishnan mentioned, EoM has improved to 34.7% from 38% last year H1. The allowable EoM, including additional allowances, comes to 36.1%. So we are well within regulatory threshold.

Annual investment yield, excluding ETF for H1, is 7.4% with AUM of close to INR10,500 crores. Solvency ratio is at a healthy level of 2.03x as on 30th September against regulatory minimum of 1.50. So that was the key financial highlights for H1 '27. Happy to take any questions.

Moderator: Thank you very much. The first question is from the line of Shreya Shivani from Nomura. Please go ahead.

Shreya Shivani: I have 2 questions. First is on the loss ratio bit, the improvement that we are seeing on a Y-o-Y basis. Can you probably -- I don't know if you can quantify it or if you can give some color around how much of it is to do with the weaker monsoon, lower seasonal diseases in this quarter versus last year same quarter? Or how much has to do with certain improvement or better efficiencies from our front, maybe the wellness program is helping, etcetera? That's my first question.

My second question is on the working committees that have been -- there were 5 working committees under Dr. S. Prakash. So any -- are there any updates we should be expecting in terms of -- apart from the common empanelment, will there be updates that probably will be shared with the larger public on maybe NHCX or any other development that you can talk about on that front, that would be useful.

Vishwanath Mahendra: Shreya, thanks for the question. So in terms of infection, what we have experienced is it is in line with, let's say, last 3 years' average, which is slightly lower than last financial year. But the loss ratio improvement is driven, one, to some extent by this, but more about our philosophy of writing high LTV, LTV is lifetime value, business.

So it's a contribution of both. But at this point, we can't segregate like how much is the contribution by each of those. But broadly, the business we have written in last 2, 3 quarters, and you have seen the retail health growth. So that's one major factor which is driving improvement in loss ratio.

Shreya Shivani: Right. And wellness program would have a benefit on the loss ratio. That's getting included in, like, there would be some benefit of those, which continues to come in our loss ratios, right?

Bhabatosh Mishra: We do embed and also facilitate -- this is Bhabatosh here, sorry. Facilitate healthy living programs and habits by product design and outside of product as well. Now needless to say, and you would agree, these programs take significant amount of time and sustained intervention to show up in results, especially when we talk of loss ratios. And it is not feasible or easy to delineate the impact of wellness vis-a-vis moderation in infection vis-a-vis better quality business we write. Those colors and delineation is not possible.

But we'll continue to invest in healthy living habits, incentives through product and nonproduct means. Coming to the committees under the council and others. The council, as you know, most common initiative of common empanelment has become meaningful right now with more than 5,000 hospitals having signed MOUs and many thousands in queue and under process right now.

The other big initiative is about adoption of clinical protocols, which is a hugely important consumer-centric initiative to award a clarity of what is the right treatment for them, where 8 infectious disease conditions went live some time back and followed by 18 more going live, which is out of the 157 STWs by ICMR. And in phases in collaboration, more of standardization and transparency in treatment guidelines for consumers will be adopted.

Apart from that, the initiatives around position statements have seen the light of the day. It started with robotic surgeries and modern treatment like immunotherapies and a few others are already underway at a fairly advanced stage of discussion and alignment with relevant stakeholders.

Krishnan Ramachandran: Sorry, just one other point of view. All of these are very well laid out on the GIC website. If you go to the website, all of what Dr. Bhabatosh mentioned are very well captured and described.

Moderator: The next question is from the line of Riddhesh Ram Gandhi from Discovery Capital.

Riddhesh Gandhi: Congratulations on a good H1. We were just doing some amount of on-ground research just on the industry as a whole and speaking to a whole bunch of HNI insurance brokers just to get a sense on their take on the landscape. And one of the consistent feedbacks which we've been receiving is that the claim payments, which are being made by you and maybe Star and Care are really, really low compared to some of the more -- some of the other companies and the feedback from almost all consistently was this was flagged as a actually concern.

And a couple of cases where people actually specifically pointed out where the cases were brought to the ombudsman and there was no argument also from the Bupa side and obviously, it was like ruled in favor of the patient. Just wanted to get your own take on this and what the longer-term implications could be because this is a reputational issue, which we are observing across about 11 brokers we spoke to?

Krishnan Ramachandran: Yes. Look, I mean, I think it's fair to be informed by the voice of brokers. But what I would submit here is we shouldn't mix the anecdote with the statistic. If you looked at publicly available information on settlement rates, on complaint rates, that data is publicly available. That's the statistic.

And I articulated what the settlement rates are. These are -- you can glean this from public information. You can compare this what we have versus competition. And you can also look at complaint rates, and you can also compare -- benchmark us vis-a-vis competition. I think those are the true statistics of our performance and willingness to do a great job on claims.

I think at the end of the day, health insurance company is in the business of paying claims. I think there's 2 other markers that I would draw your attention to. One is retention rates. If you look at our retention rates consistently, they have been improving. Second is, this is a word-of-mouth business.

And on balance, our ability to grow new business is premised on having strong word of mouth around services, specifically claims. And therefore, if you look at business growth for the company, 47% business growth is not possible if on balance, we are not doing a good job on claims. So I think what's important here is, of course, we also examine -- we do our channel checks, we examine feedback from our distribution. But this is what the vast majority of the statistics is telling us. And also we measure NPS on claims, and this is also something that we publicly report.

That NPS number has only been moving up. It's also been significantly assisted by Gen AI. So in terms of consistency and accuracy of decision-making, that has also been consistently improving. So I would say your feedback is important, but the statistic actually says and the results say something else.

Riddhesh Gandhi: So just a question on this NPS aspect. Obviously, NPS obviously takes into account a whole host of other things. And the claims settlement ratio is more of like numbers issue. Is there any data you could share historically on your claims settlement ratio as the rupee value as opposed to in terms of the number of claims because we just want to sort of understand and dig deep a little bit there just to understand that.

Krishnan Ramachandran: Yes. No, look, that data is not publicly available, not for us, not for our competition. What I can tell you is from our own channel checks, we are probably amongst the best, if not the best, "paymaster on that front." That's one. Second is, look, when you talk about brokers, the vast majority of the business that the brokers do is actually B2B business. That business is in the scheme of things, about 7%, 8% of what we do.

And there, if the broker is sort of mixing group or B2B with retail, retail inherently, because of product design, does have terms and conditions, which result in a higher proportion of rejections. But on the corporate side, there's hardly any rejections. Settlement rates would be 98%, 99% for most companies, including us. So I also think that we need to filter out that; corporate from retail, and brokers by and large, do corporate business.

Riddhesh Gandhi: You're just saying that retail will continue to have higher rejection rates and -- but any reason for that?

Krishnan Ramachandran: Because of the product design. The retail products have waiting periods, 2-year exclusions, preexisting waiting conditions. All of those inherently mean that there'll be more claims which are not payable, whereas in B2B policies, these are open policies, close to 99%, 100% of claims get paid.

Riddhesh Gandhi: All right. Okay. I would recommend just doing some amount of work because, look, it's just a startling because all your numbers look good, but this is one aspect, which has stuck out to us, which I think might be worth digging in because obviously, it could have a longer-term actually reputational issues as well?

Krishnan Ramachandran: No, look, happy to engage in a conversation offline. But what I'm telling you is basis many, many, many more data points than perhaps your channel checks have allowed for.

Moderator: The next question is from the line of Prayesh Jain from Motilal Oswal.

Prayesh Jain: A few questions. Firstly, while some bit of claim ratio improvement was discussed earlier, but also there has been a big element of fresh growth that would have come in and that would have also played a part in improvement of loss ratio. So a couple of points there. One, as to how much has fresh growth played in the improvement of losses or anything between fresh growth and the renewal growth, if you can highlight some bit?

Second bit there is, on the fresh business compared to your back book, how different is your fresh book, say, in terms of age, in terms of average ticket size? How is it different? Is it adding to the value or we are getting on a lower ticket size? How is it kind of shaping up?

Krishnan Ramachandran: So Prayesh, on your first question, with respect to improvement in claims ratio, if I break out our cohorts between new and renewal, broadly, the number that we've been consistently talking about with respect to the claims ratio and the renewal book circa is 75%. We continue to run that book in that range only. And in terms of Fresh, there has been some improvement over what we have historically seen. And you would have also seen that our ticket sizes have improved. So the quality of the fresh business that we are writing, if you look at the proportion of higher sum insured policies that has actually gone up quite a bit.

So that book is -- especially on the back of the ReAssure 3.0 product, is even better than what historically we have written. So there's actually been an improvement in the fresh claims ratios. And the renewal has been stable, maybe some marginal improvement. So that's the first question you had. Vish, on the second one.

Vishwanath Mahendra: On second, I think Prayesh had a question whether this book is adding value. So I think that also we have talked about in the past. The combined ratio of renewal book is better than that of new business because of the expenses. So let's say, if new business has 102%, 103% combined ratio, the renewal book has more like 97%, 98%. So just to give you a glimpse of numbers.

Prayesh Jain: Got that. That's pretty helpful. So when I ask about value addition and the quality of the book that's getting added, the other aspect is if you look at higher ticket sizes, then the age generally -- my assumption would be the age also goes up with ticket size because people of higher age would prefer higher ticket sizes than a younger age. So does that kind of bring in more risk to the loss ratios of the back book getting older earlier than what you would have, say, started off, say, about 5, 6 years back and the book maturing, say, after 5 years.

Krishnan Ramachandran: Yes, understood. But I think we've also discussed in the past that age is a rating factor, right? So the fact that we have -- regardless of age, the claims ratio is addressed by having age as a rating factor. So the premiums adjust for claims experience of that age cohort. Of course, the back book does age every year that customers stay with us, but that does get factored into the pricing depending on the age band.

Ankur Kharbanda: And to close this, the new book which is coming in is similar age of what it was earlier ages -- earlier years. It's not very different.

Prayesh Jain: Got it. That's pretty helpful. The other part was while so many things are being discussed at the level of Health General Insurance Council under Dr. S. Prakash, a lot of things are getting developed.

There are still a lot of issues with hospitals. And currently, whatever has been set has been done with the smaller hospitals, not the bigger chains. So -- and the bigger part of the claims would be -- my assumption would be coming from these bigger chain of hospitals rather than the small hospitals. So how do you kind of see this panning out and whether these new -- the large hospital chains will come into this fray and kind of add to the -- help improve the loss ratios on the medium to longer term?

Bhabatosh Mishra: Sure. Thank you, Prayesh. In fact, I would say there are multiple initiatives. Some are the hospital size agnostic. For example, position statements and STWs (standard treatment workflows) apply to all hospitals, large, medium and small alike.

Perhaps what you're referring to in terms of higher number of smaller and medium hospitals is with regard to the common empanelment process. That has started with tremendous focus on smaller and medium hospitals, which have so far been, so to say, outside of the insurance ambit.

And there is tremendous positivity, interest, and spirit of partnership that Council has experienced with these smaller hospitals and medium hospitals, which is reflected in the numbers, 5,000 MOUs done. But going back to the point, as I made, many of -- and this will gradually move on to the other set of hospitals. We started with hospitals which were outside of the ambit of insurance and then gradually, it would encompass others.

The position statement and STWs, STGs apply to all hospitals alike. So there is significant movement, as I mentioned earlier, started with 8, 18 getting added in this phase and more to come, position statement 2 already live, many more under work at advanced stages are hospital size agnostic.

Prayesh Jain: Got that. That's helpful. Last question is on the investment yield that's gone up when we compare it with the full year FY '26; markets, equity markets are flattish, bond yields have gone up, that would have impacted the yields on the bond side, bond values would have been impacted. Still, the yields have gone up. What kind of -- what would you attribute that to? And what should we think about a more sustainable yield?

Vishwanath Mahendra: Prayesh, this, let's say, the one we have given here, it is total AUM yield is 7.4%. As you know, as you mentioned also, the yield is on higher side. So all fresh investment we are making is on high yield. So what that means is since we are investing at higher, so this 7.4%, 7.5% is sustainable in the foreseeable future. And on equity side also, our book is, let's say, around 5.5% as we speak on ETF, 5.5% of AUM. So there also, we feel that, of course, markets will improve. So that will also add to investment income.

Moderator: The next question is from the line of Karan Shah from CWC.

Karan Shah: Two questions, both on solvency because it is one of the few metrics that has moved the other way while most of your numbers have improved consistently. So I understand that solvency is still comfortably above the regulatory minimum, but it's been trending down for the last 7 to 8 quarters. And reading the public disclosures, the reason seems like growth. Your required solvency margin is for the time being driven by net premium. So maybe at the pace of growth at which you've been growing, the ASM or the available solvency margin hasn't kept pace.

Now I understand that under Ind AS, there is deferred acquisition cost, but solvency is still computed on the earlier basis where the costs are recognized upfront. So on that basis, my understanding is that the rapid growth absorbs capital before the book matures. And this ratio has stepped up in the past wherein fresh capital has come in, whereas the internal accruals have largely been absorbed by the pace of growth. So my question is that, is this the right way to read

the decline? And as growth continues at this pace, how do you manage -- how do you plan to manage solvency from here on?

Vishwanath Mahendra: Sure. So you're right, solvency is still on Indian GAAP. And what we understand from various discussion we had with the regulator, at some point in time, it will move to risk-based capital, which will align with Ind AS. And as you know, we have higher net worth on Ind AS. But currently, on H1, we have 2.03 solvency.

So while you are right, it is declining, but it is -- it also has seasonality. Under I-GAAP, the H1 is -- H1 has lower solvency on a like-to-like basis. The profits come in H2, especially on quarter 4. So that seasonality also you need to account for. We have done modeling.

We are very comfortable with this level of solvency, and we don't think there will be any requirement to raise equity capital. We also have approval to raise debt capital up to INR500 crores from Board. We will see if there is requirement, we can always take that. So otherwise, we are very comfortable with our growth and solvency level.

Karan Shah: Understood. And if I understand it correctly, right now, your ASM is calculated on the basis of premium, right, not on the basis of claims?

Vishwanath Mahendra: Yes, yes, that's right. Yes.

Karan Shah: Understood. And my second question is that while we understand the draft distribution norms that have come out cut commissions meaningfully and regulator wants the savings to be passed on to the policyholders. Now what this would mean is either lower premiums or a higher sum insured for the same premium. And today, as your RSM is being driven by premium, but the claims-based RSM, which is calculated on claims is not far behind, right?

So if premiums come down, while claims stay where they are, the claims-based measure, which is the claims-based RSM could take over and beyond that point, price cuts would no longer ease the capital requirement.

And at the same time, if savings in the premium go into a higher sum insured, claims would also rise basis the premium given. So the requirement in solvency would actually go up. Now my question is that as these norms are finalized broadly as they are drafted, how do you expect to pass the benefit through to the policyholders? And what this would entail for your solvency ratio?

Vishwanath Mahendra: So in terms of passing on benefit, yes, whenever these regulations are in place, we will certainly would like to pass on benefit. As we have mentioned earlier also, our target is to have mid- to high-teens ROE. So whatever is excess, we'll pass on to customer. But seeing that claims solvency will trigger in, those kind of things are still, I would say, too premature to talk about those things. I mean, let's say, if tomorrow RBC comes.

So it will have different formula altogether. But we have done a broader modeling on both sides, IGAAP and Ind AS. We are comfortable with the current level of solvency.

Karan Shah: Understood. And if we could just one -- yes, please...

Krishnan Ramachandran: Just to add to what Vishwanath said, I mean, yes, claims is one thing, but expense of management, including acquisition cost, is the other thing. And broadly, the point is CISR of, between claims and cost, 98%, 99% is what you should continue to expect from us.

Karan Shah: Understood. And if you could just help me with the broad understanding on the IFRS-based solvency that you've computed yourself, where does that range lie on RBC or IFRS as you've computed?

Vishwanath Mahendra: So what we understand is there will be some exposure draft of some QIS, which will be released by IRDA. And at that point in time, we will share what is the impact on solvency and capital requirement.

Moderator: The next question is from the line of Srihari from Avendus Spark.

Srihari: Can you hear me?

Moderator: Yes, sir.

Srihari: Sir, just I have 3 questions broadly. One is on loss ratio, there's a substantial improvement H1 to H1, 66 to 63-odd. But if I can see that there's an improvement in your retail claims ratio as well, but that is a little lower from 68% to 67.4%. So broadly, the improvement has come in group health in terms of loss ratio. Is there some -- is it basically because corporate employer employee is something you've foregone to an extent and that is more focused on attachment products. That is what is helping the group loss ratios improving so much, number one.

Second is on the similar line, obviously, if the regulation goes through as is, there is going to be some impact on this attachment business and also potentially on business from PB. So how exactly would you plan to offset any potential growth impact on these 2 lines because the commission capping is going to be a lot stricter and there could be some disincentivization? And three, your investment book, I just want to understand what you're classifying in FVTPL and what you're classifying in FVOCI because if one of your competitors, the listed competitors classify debt as amortized cost. But I think here, there's significant fair value loss in OCI. So how exactly are we classifying between FVTPL and FVOCI on the instrument side? And the OCI loss, is it largely on debt or equity?

Krishnan Ramachandran: So on your first question with respect to group business. So if I look at our group business overall, we have actually experienced flat or degrowth in that business. So it's not for lack of focus, but on the B2B side, specifically, we've always maintained that it's a function of the pricing environment, and we are happy to not get business if the pricing does not support our requirements on combined ratio. So that business has actually been either flat or degrowing. And specifically the B2B one is a smaller proportion of our overall book.

And that's why you have seen the improvement in the overall claims ratio at the company level. On the attachment and PB, I'll request Ankur to...

Ankur Kharbanda: Yes. So on the attachment business, what we have understood is, and I'm sure data is also available, the biggest -- one of the big reasons for delinquency in the loans is hospitalization. So our product of hospitalization, health product is a very relevant and important product for any loan which goes. So from an overall business point of view, we feel that even if the commission goes down, the product remains relevant and an important one for all of them to use that.

Pricing may change, will be more product innovation, et cetera, et cetera, will also happen there. So what we see is business remains as is, volume remains as is. In fact, volume goes up because of this, value probably may go down on this, but we are figuring out aligning all of the partners in terms of ensuring that the consumer is protected.

All the loanees are protected over there. Second, your point on PB, our sense on the PB business is that they are a machine who -- which the customer today in India knows that if he wants to buy a health insurance, he goes to a lot of times to Policybazaar. Their business overall, probably the growth may come down, but their business will still be going on at a market growth rate what it is today.

And hence, our business also stays continues and we work with all our partners, not just PB, but all our partners to ensure that the new business model, how are we coming up with the new business model basis the new regulations, we work with them so that we continue to grow, they continue to grow.

And the overall vision for the regulator is that when the price goes down or if the commission goes down, the price holds for some time, doesn't go up, that would mean the demand goes up, which we have seen in GST. When the demand goes up, overall growth of the insurance goes up. That's how what we are looking at in all our business channels, including the PB as well.

Bhabatosh Mishra: And if I may add, in terms of the employer employee as well, our focus largely has been and our strategy has been to stay prudent, look at financial profitability viability, and thus, a lot of focus and action around SME. Our proportion within the employee-employer groups, the SME groups continues to perform robustly with the growth. That also helps overall in terms of the loss ratios.

Vishwanath Mahendra: On your third question regarding investments, so majorly, it is at fair value. There is very small FD, which is at book value. In terms of where -- how it flows, so all ETF, AIF, liquid mutual funds, they are fair value through P&L. All bonds, which are -- which is sizable, which is a major investment, all government and corporate bonds, that is fair value through OCI, other comprehensive income.

Srihari: Okay. That's helpful, sir. Just one thing. So just to understand the loss ratio improvement, is it the case that the attachment business loss ratio has improved quite substantially then? Or is it more that -- it's just a mix change and there's a higher attachment versus B2B because a good chunk of the loss ratio seems to be driven by this group business only. Just want to understand that.

Krishnan Ramachandran: No, it's more mix. I think the loss ratios have been stable on the group affinity side. It's more mix which is driving this.

Moderator: The next question is from the line of Nischint from Kotak Securities.

Nischint: Actually, I'm just going to start from where we ended the previous participant. The claims ratio in group business seems to have gone up quite sharply this quarter. I'm comparing Y-o-Y and Q-o-Q. So I'm just curious what really happened over here.

Vishwanath Mahendra: It has not gone up, Nischint. Total loss ratio H1 '26 is 65.9%, which has gone down to 63.1%. Slide number 23 of our investment deck.

Nischint: That's right. I'm looking at the group business.

Vishwanath Mahendra: This has gone down by almost 300 basis points. The improvement in retail is 77 basis points. So what means is group has only gone down. Which slide you are referring to?

Nischint: Sure. So the retail is 64.7%, right versus 68% last year?

Vishwanath Mahendra: 67.4%. Retail is 67.4% You mentioned 64.7% ? it's 67.4%.

Nischint: Okay. Got it. Got it. Got it. Just moving on, sir, in terms of trends for October, I was just curious, are we seeing any slowdown given the fact that the benefits of GST exemption are now in the base?

Ankur Kharbanda: From a growth perspective for October, obviously, the base has changed now. Base has changed now because last year, October was very good growth. But we still grew in the 30s in terms of our overall business -- retail business. And I see this trend continuing as well from here.

Nischint: Got it. The other thing is that we've done very well on the claims ratio side. So would you -- for this particular quarter specifically, kind of, give any sort of weightage to lower frequency versus previous years? Or is this kind of more a new normal number where we kind of move up, move whatever from here on? Is there any one-off in this is what I think I'm asking?

Bhabatosh Mishra: As we referred to this earlier, it's a multifactorial thing, which is lower than anticipated. However, in line with last 3 years' infection rates, business growth, ticket size growth on retail growth, higher sum insured proportion going up and so on and so forth. So it's simply not possible to delineate each of the effect because each influences the other. It's a mix of all these factors that I mentioned.

Krishnan Ramachandran: And Nischint, in keeping with broadly what we have said in the past, the idea is to work the retail loss ratio to an overall combined ratio. So our pricing actions will be informed by that. So I would say no one-offs, but steady, I would say, steady portfolio management is what you should continue to expect from us.

Nischint: Got it. And if I look at the acquisition ratio, which is somewhere closer to around 29% today, if I simply input the commission rates that are proposed by the regulator, where would this go to?

Krishnan Ramachandran: It's 21-point-something percent, Nischint, while you get...

Nischint: Okay. So how where will it go to?

Vishwanath Mahendra: It's too early to say because there will be a lot of mix impact in case of some of these channels, there can be price decrease, let's say, et cetera. So where it will end, we will wait for some more clarity from the regulator side and then we'll be able to share with you.

Moderator: The next question is from the line of Ansuman Deb from ICICI Securities.

Krishnan Ramachandran: I guess he has dropped off, so we can take it offline.

Moderator: No problem. As there is no response, I am -- sir, can you please give the closing comments now? Management?

Krishnan Ramachandran: No, I think just in closing, thank you once more, all of you and wishing every one of you a very, very happy Deepavali. I just want to pick up what discussed -- what Ankur also mentioned with respect to the distribution reforms, we have seen through GST that price elasticity of demand is very real. So regardless of where the level comes up with, clearly, we believe that volume growth and expansion of market will get a significant steer from whatever comes out.

And through that, whether it's our distribution partners, whether it's a customer or us as has been the case in the last 1 year, I'm quite confident that we will find an answer that works for all stakeholders. So I just want to close on that note. Happy Diwali, all of you in advance.

Moderator: Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.