

# ***IndusInd Bank***

## ***– Analyst Day***

27<sup>th</sup> July 2022



# IndusInd Bank – Analyst Day

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*Presentation-6*  
*Digital Banking*



# 5 Key Imperatives of Digital Strategy at IndusInd to drive 3 primary Business Objectives

*Human Centred Design Principles – To Drive Differentiated Customer Experience, to build & scale Do It Yourself models*

*Embedded Finance (BaaS\*) models in collaboration with ecosystem players an opportunity*

*Highly Modular, Available, Scalable, Secure by Design*

*Personalization and Decisioning driven by Data & Analytics - a key differentiator*

*Digital Centre of Excellence – a new age organization with relevant skills to drive agility*

*Drive Better Customer Experience & Engagement*



*Daily / Monthly  
Active users*



*Customer  
Rating*



*Customer  
retention*



*Transactions  
per client*

*Transform existing lines of businesses*



*Straight Through  
Processing %*



*Cost of  
processing*



*Turnaround  
time*



*Employee  
Productivity*

*Build new DIY\* and BaaS\*\* led business models*



*% of digital  
business*



*Cost of  
acquisition*



*Number of  
clients*



*Balance  
Sheet*

\*DIY = Do It Yourself ; \*\*BaaS = Banking as a Service

# Digital Sourcing % continues to grow and digital unassisted\* business models gaining momentum



**70,000+ Clients** on-boarded using **VKYC** every month

Live across Savings, Personal Loans, Credit Cards and Current Account



**96%** of **deposits** (savings and fixed deposit) opened digitally

**30%** of savings accounts **digitally unassisted\***

**42%** of fixed deposits **digitally unassisted\***



**90%** of **Cards** sourced digitally

Scaling up **digitally unassisted\*** model with easycredit



**54%** of **personal loans** opened digitally

Scaling up **digitally unassisted\*** model with easycredit



**98%** of **mutual funds** sourced digitally

**100%** of **life insurance** sourced digitally

**85%** of **non life insurance** sourced digitally



**70%** of **current accounts** opened digitally



**40%** of **MSME** loans (exposure upto 2 cr) originated digitally



**57%** of **Retail Forex** digital via indusforex



**33%** of **NR business** originated digitally



Digital Engagement with clients continues to grow: Mobile transactions up 2X YoY, 92% of Bank's transactions digital



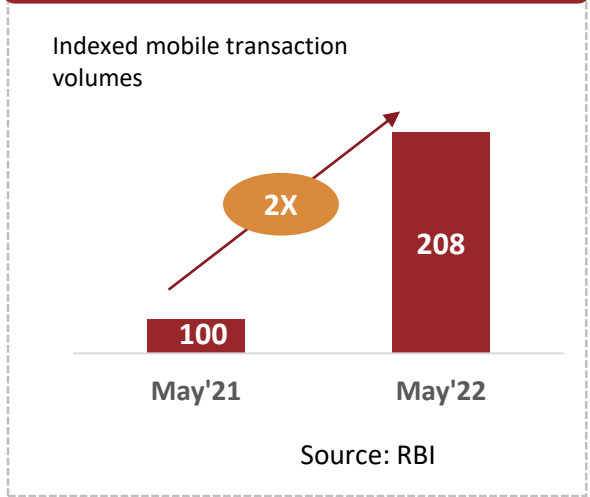
The All In One Banking App

More than 150 services offered on the app

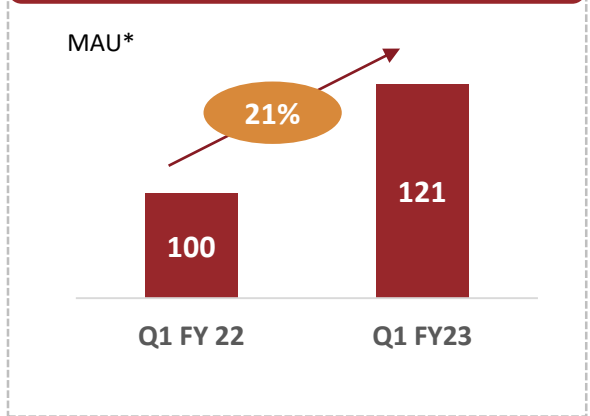
- Open an account & manage deposits
- Manage Payments – Scan & Pay, UPI, Bill Payments
- Manage debit & credit cards
- Manage loans from the app
- Invest and Manage Portfolio
- All account management services

- Coming Soon: Real time event based, context specific client engagement capability
- Coming Soon: Revamped payment capability

Mobile transactions up 2X YoY



Active users up 21% YoY



92% of Bank's transactions are digital

70% of Bank's service requests\* processed straight through digitally via channels as self service

Comprehensive suite of

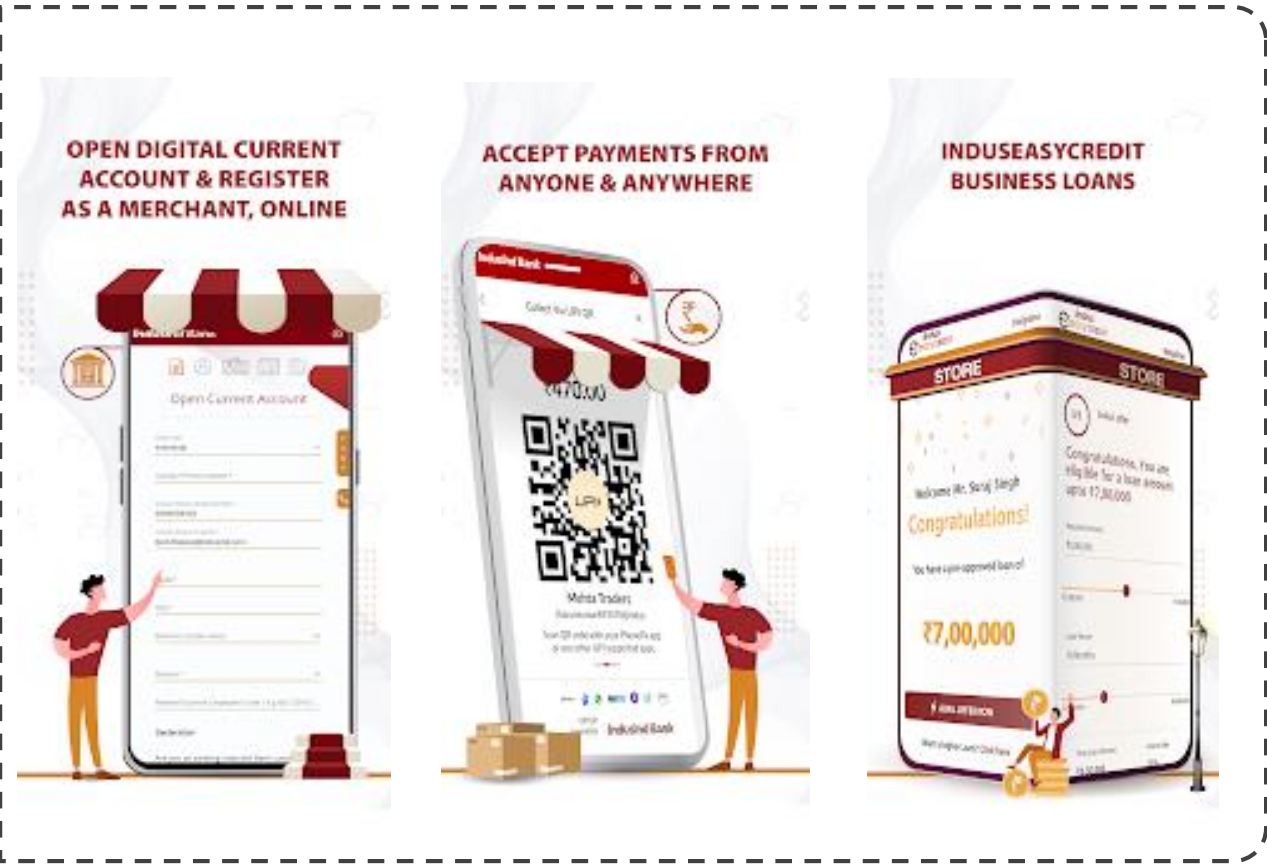
50+ services



5.1 Mn registered users



*An integrated stack for retailers to manage and grow their business better garnered 80,000+ users within first few months of launch & growing*



**Banking**

Open a current account | Make payments | Manage deposits | Statements | Service Requests | ...



**Payment**

Select your POS plan | E-sign MSA | Accept payments via QR, POS, PG | Maintain Digital 'Khata' & send reminders | Track sales and settlements | ...



**Lending**

Pre-approved collateral free small ticket loans | Loan against receivables or advance settlement | ...

Coming Soon



**Multi Lingual Support**

**VKYC Enabled Current Account in <30 min**

Coming Soon

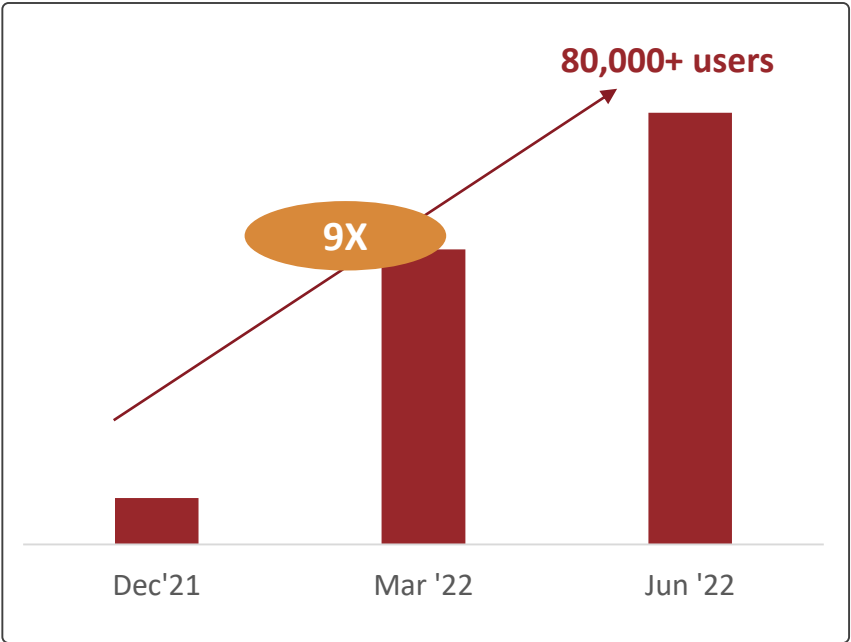


**Bill payments & more ..**

*An integrated stack for retailers to manage and grow their business better garnered 80,000+ users within first few months of launch & growing*

*80,000+ users within first few months of launch*

*Every 2<sup>nd</sup> user on the app is a new customer*

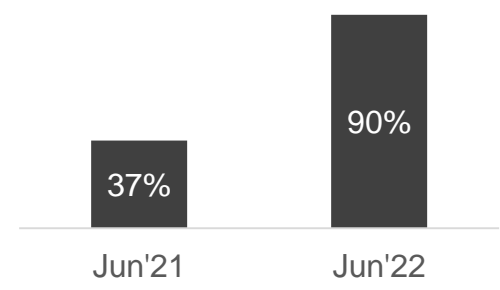


# Driving Customer Experience, Business Transformation and Direct To Client / BaaS led Business Models with IndusEasyCredit

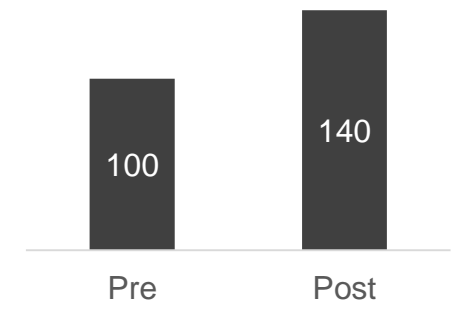
*A case study in enabling holistic transformation of credit cards business model*

- Omni Channel
- Digital Authentication leveraging "India Stack"
- Real Time Decisioning
- Integrated with Enterprise Data Warehouse - BRE test & learn
- Integrated with 'Mar Tech' Stack
- Open Banking Ready / API led, cloud native

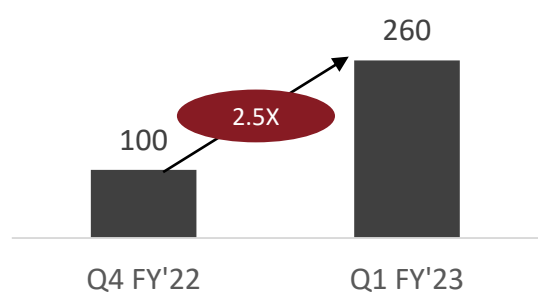
90% of cards business is now digital



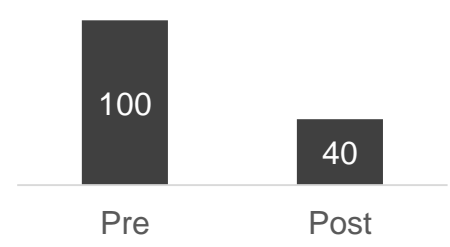
~40% increase in sales productivity



2.5X growth in offline Partner led volumes post platform adoption



Processing cost per unit lower by 60-70%



- TAT to Decision: **Instant**
- STP%: **15-20%**
- Created Direct Digital model of sourcing
- Activated new sales force on cards – 25% of users never sold a card end to end before
- Integrating with 10+ digital partners through API stack

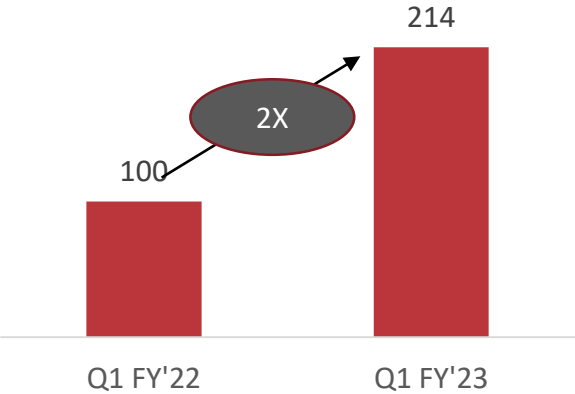
STP % implies end to end until card setup in 3-5 min with no Field Verification / Underwriting



# Scaling up “Do It Yourself” led business models

## Savings Account

Indexed DIY Volume – Savings Account

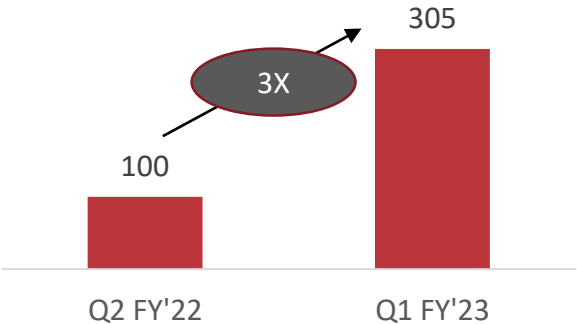


AUM per client	30,000
Income per client as a % of AUM	1.9%
CAC* as a % of AUM	0.9%
% contribution to business	30%

## Personal Loans



Indexed DIY Volume – Personal Loans

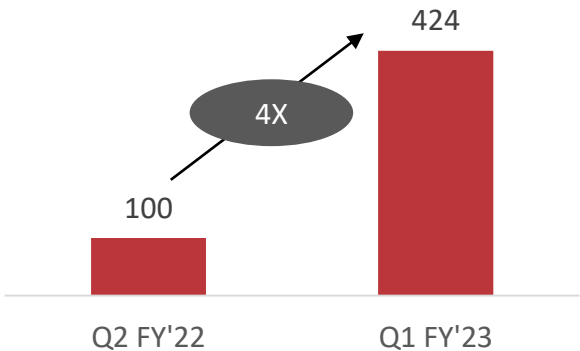


Portfolio Yield	▲ 175 bps
Cost of processing	▼ 60%
Operating Income per client	==

## Credit Cards

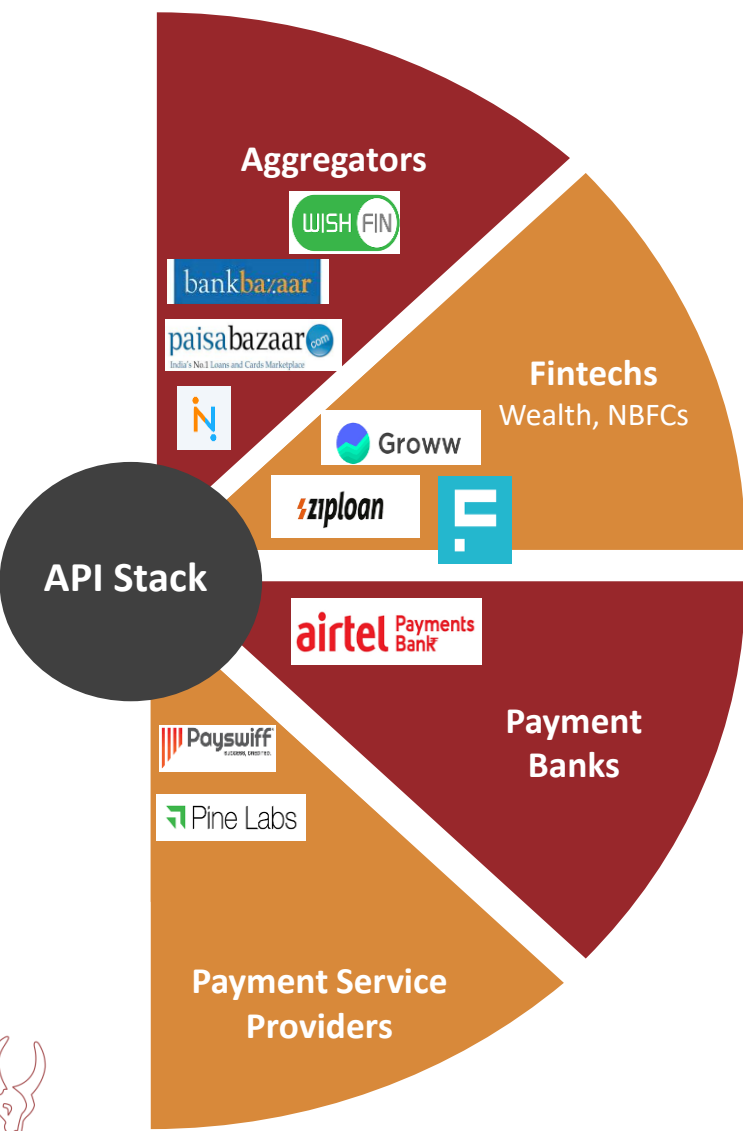


Indexed DIY Volume – Credit Cards



Limit per card	▲ 12%
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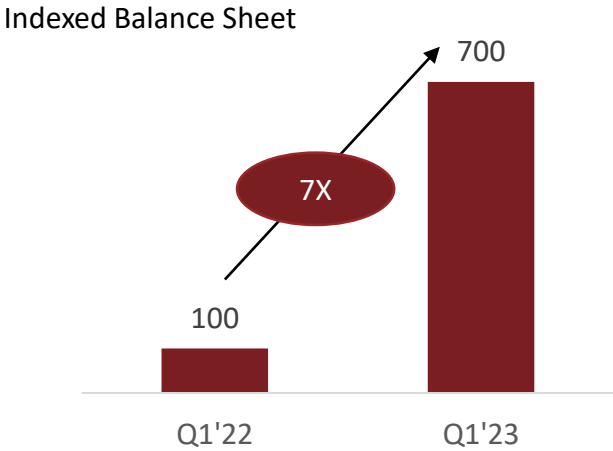
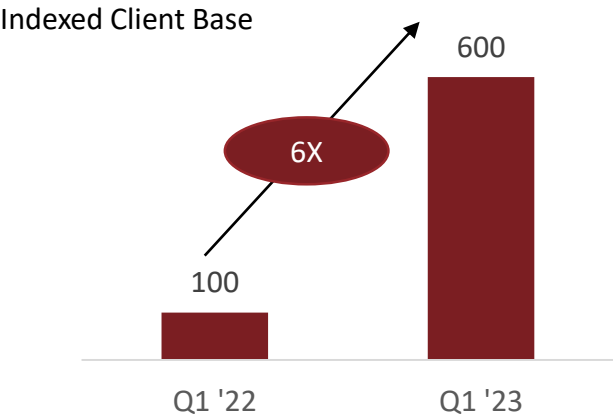
# Building partnership led business models leveraging the API nativeness of the platforms



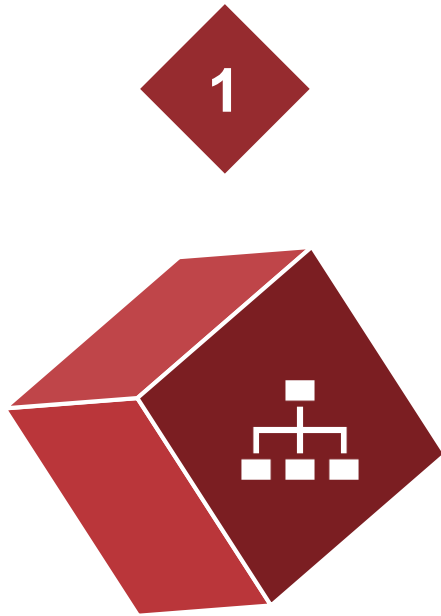
## Partnership Objectives

- Co-create new products
- Acquire new clients at scale
- Offer enriched value propositions to clients

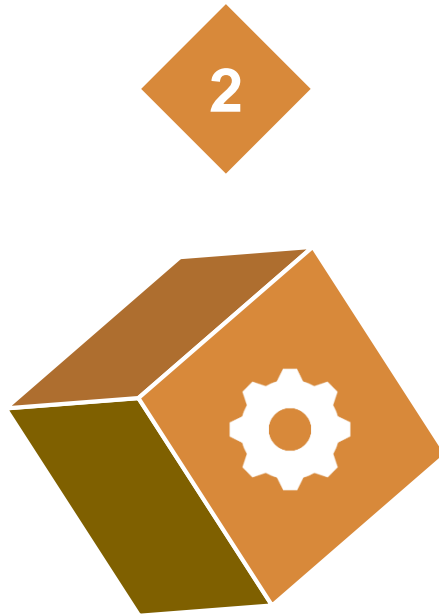
## Partnership led business scaling up well



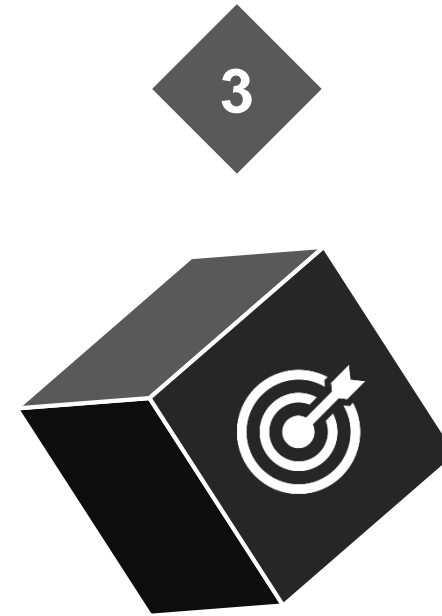
## 3 Key building blocks to the Digital Strategy



***Highly Scalable,  
Resilient, Secure  
by Design***



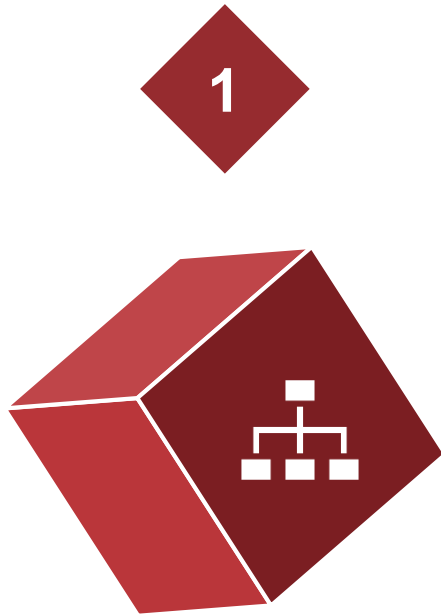
***Data & Analytics  
led Personalised  
Engagement and  
Client Lifetime  
Value***



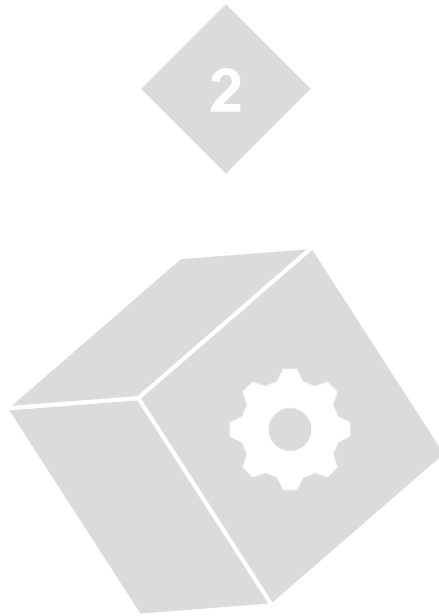
***An Integrated  
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Excellence with  
new age skills to  
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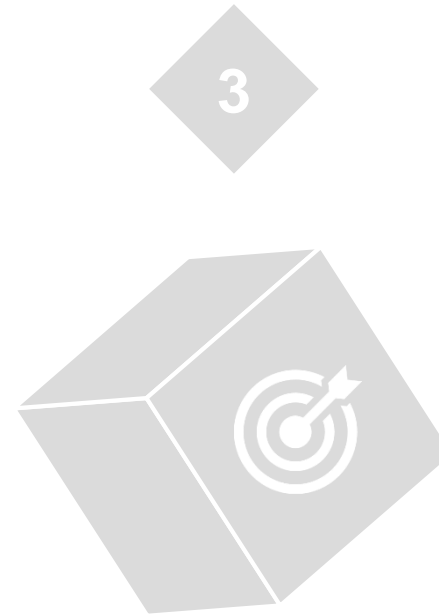
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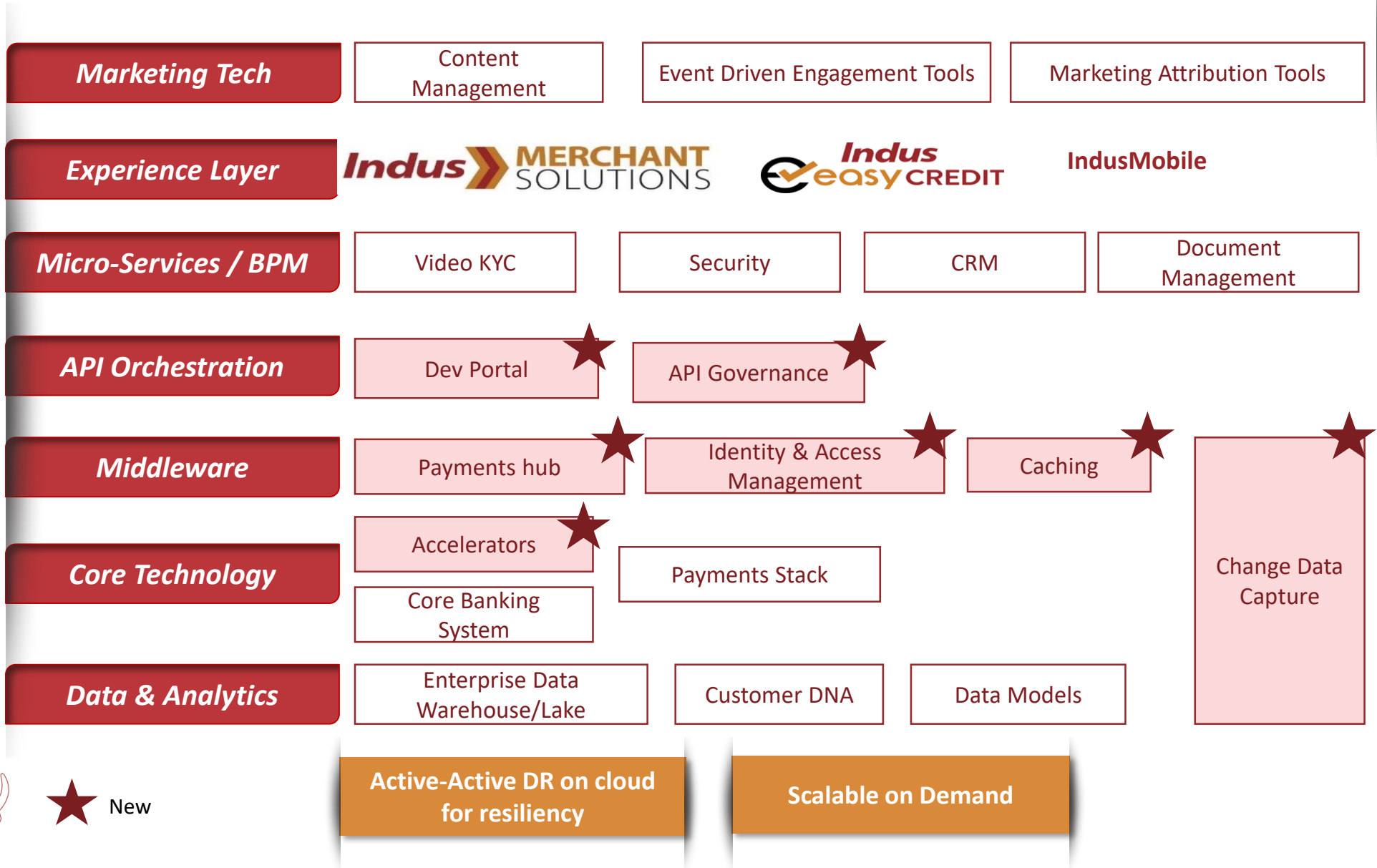
***Data & Analytics  
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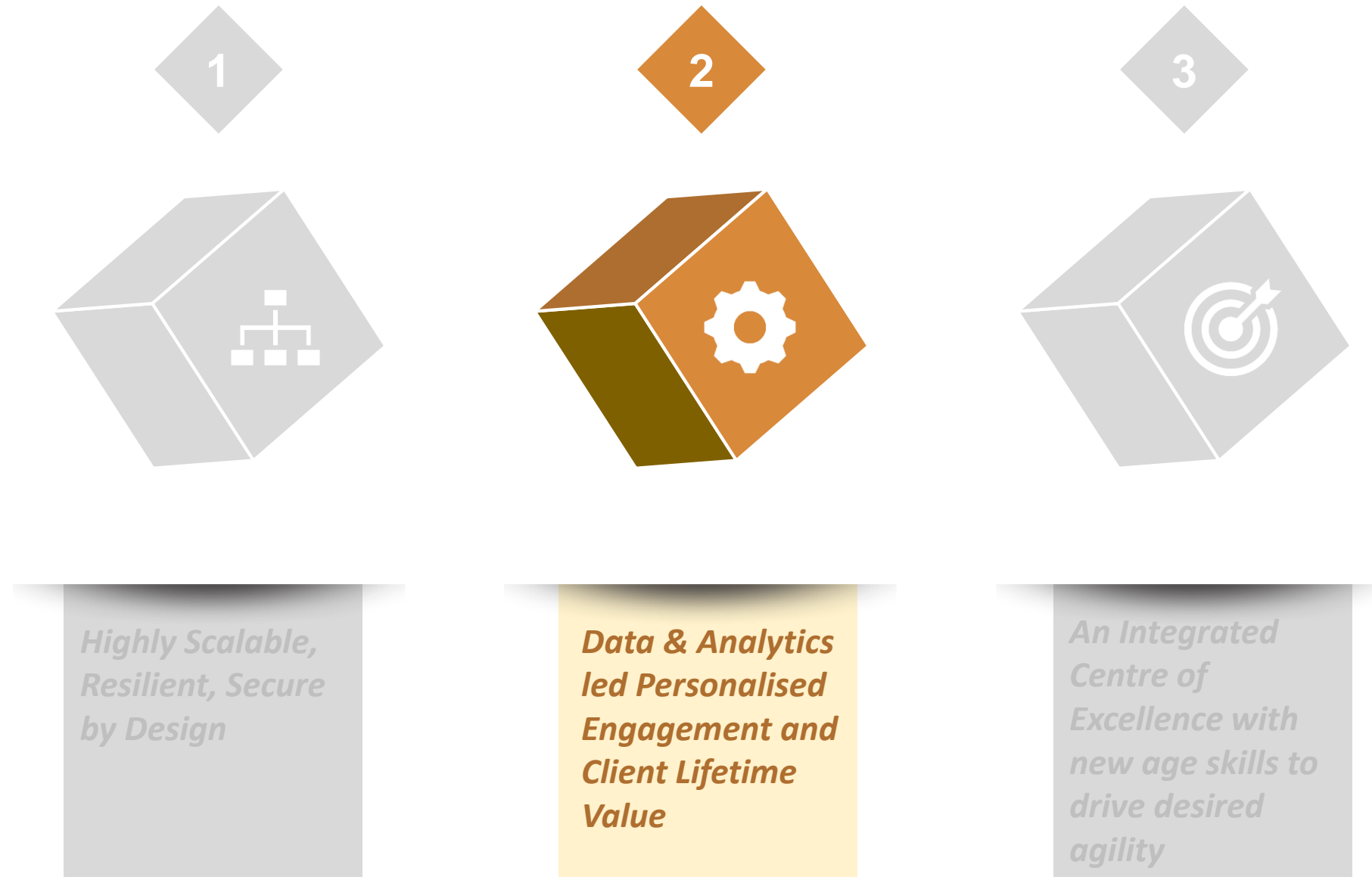


# Creating future ready, resilient, scalable technology architecture



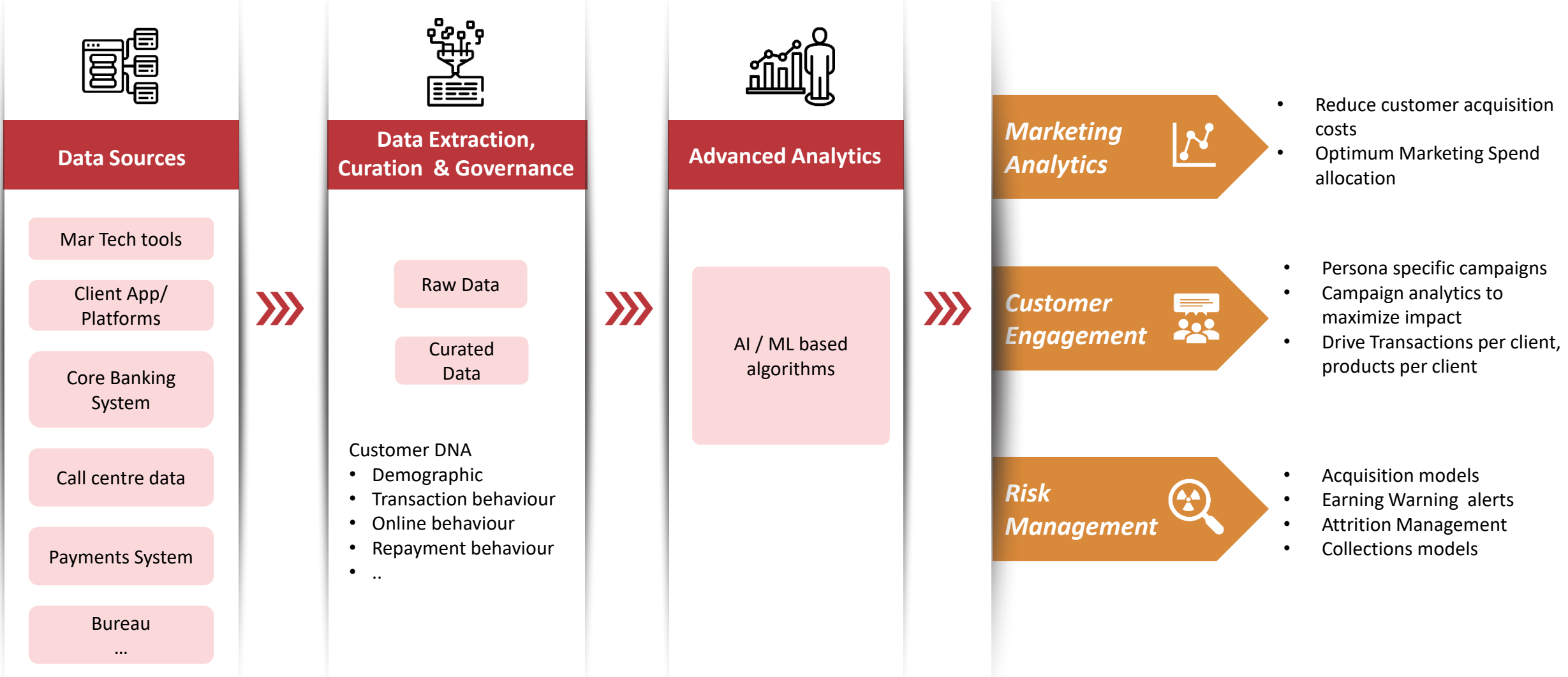
- Agile campaign execution capabilities
- Personalization basis user behavior
- Cloud Native
- Micro-Services based
- API ready
- Highly available and scalable on demand
- API orchestration via cloudpak to ensure scalability & resilience
- “Hollowing” the core
- Accelerators, caching on cloud to drive performance on experience layer
- Moving to new age composable, cloud native payment stacks
- Storage on cloud
- Moving towards compute on cloud

## 3 Key building blocks to the Digital Strategy





# A strong foundation of data and analytics at the heart of creating business impact

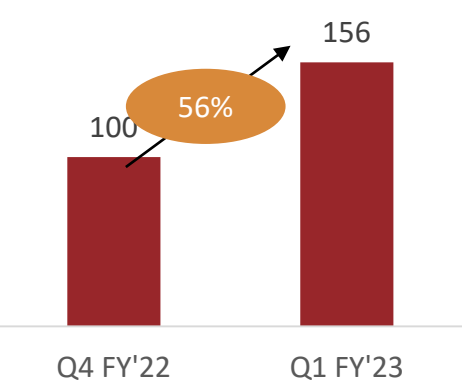


# A strong foundation of data and analytics at the heart of creating business impact

## Illustrative Impact

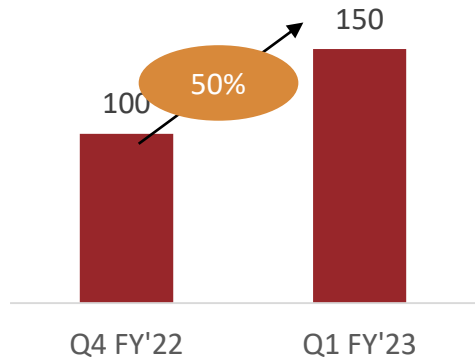
56% increase in transactions of cohorts with low transaction intensity

56% increase in transaction intensity



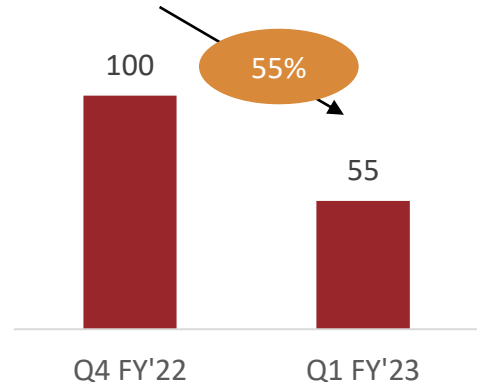
50% Increase in personal loans pre-approved

50% increase in pre-approved personal loans



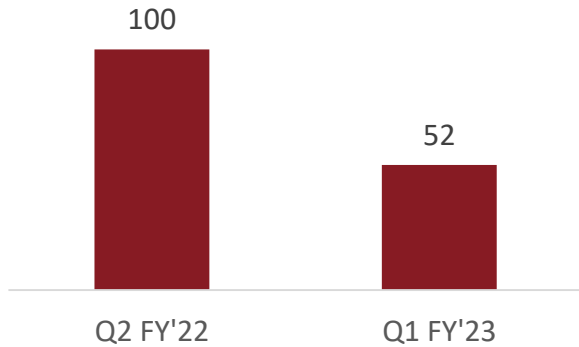
45% reduction in early delinquency metrics in cards

45% reduction on early delinquency in cards



50% reduction in customer acquisition costs in DIY cards

Indexed CAC – DIY Credit Cards



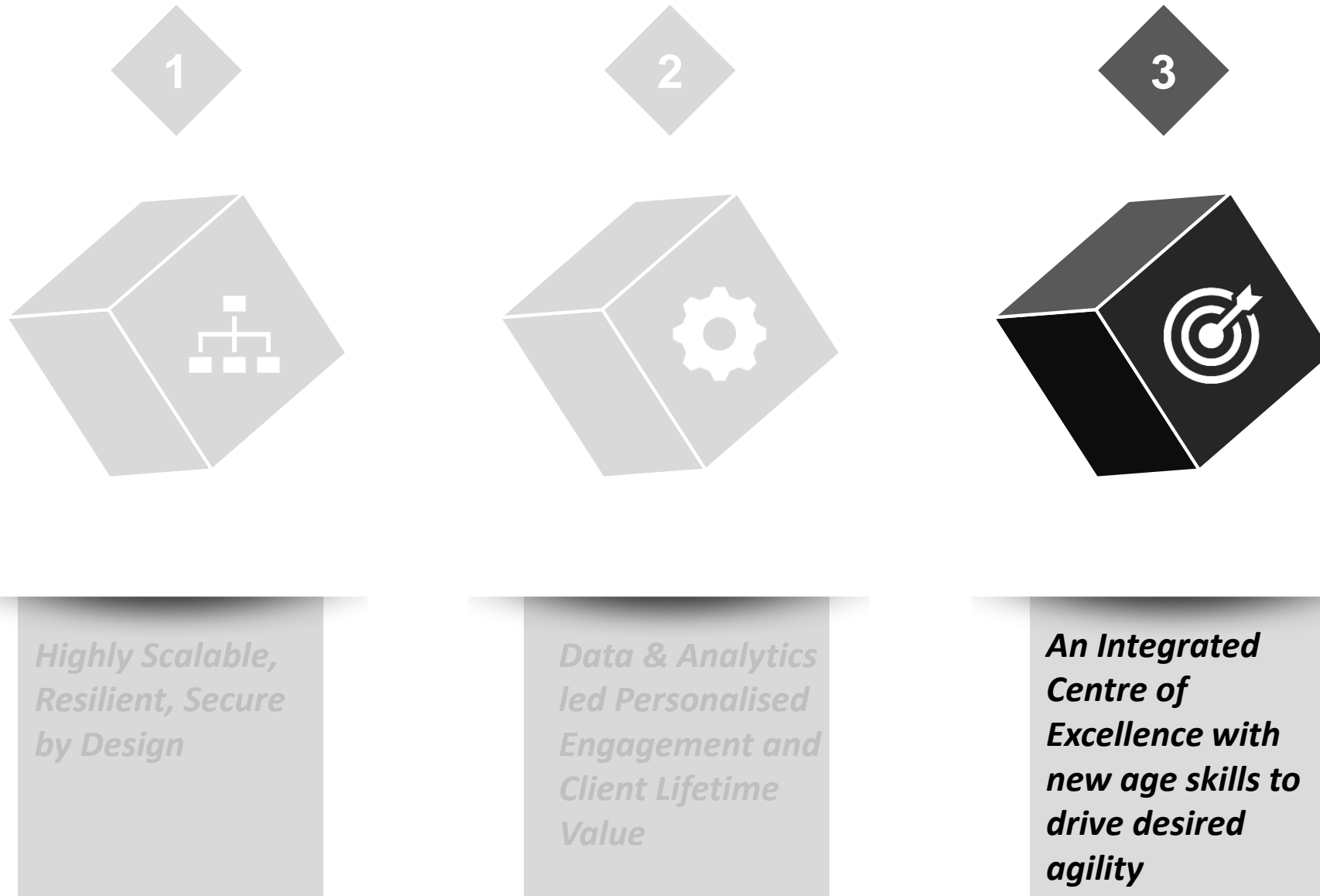
Advanced machine learning based algorithms power instant decisioning across products on easycredit

Customer Engagement Impact

Risk Analytics Impact

Marketing Analytics Impact

## 3 Key building blocks to the Digital Strategy



# An integrated team of 300+ created as *IndusInd Digital Centre of Excellence* – Powering Business Impact and Value Creation

## Decision Science & Analytics

Campaign Analytics  
Segmentation  
Risk Analytics

## Inside Sales

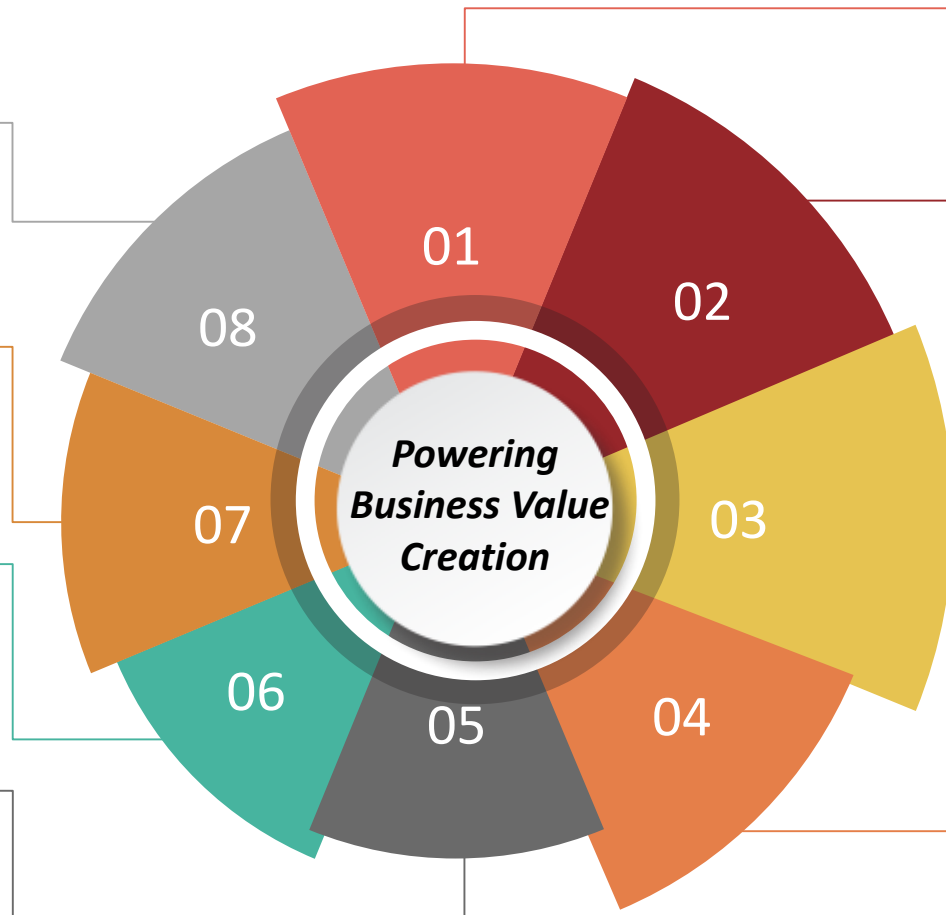
Drop off handling  
Co-browsing

## Content

SEO  
Content Writers  
Creative Managers

## Growth

Product Marketing Managers  
Campaign Managers



## Product Vision

Customer Need Gap Analysis  
Human Centered Design

## UI/UX Research & Design

Wireframes  
Usability testing

## Engineering

Solution Design  
Quality Engineering  
Agile Formats of Delivery  
DevSecOps  
CI / CD Pipeline

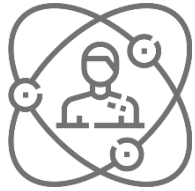
## Digital Marketing

Bring 'relevant' audience to platforms  
Optimize CAC  
A/B Tests



## *A Peek Into the Future*

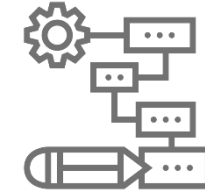
There is a fundamental shift in the way consumers consume financial products



***Convenient,  
Intuitive,  
Personalized  
Experience***



***Digital Ecosystems  
with embedded  
financial products***



***New tech led Business  
Models driving  
Disruptive innovation  
in products & services***

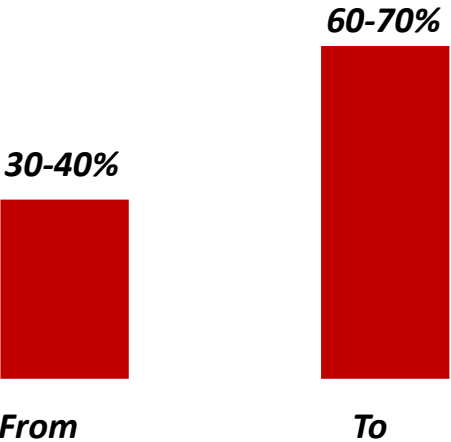


***IndusInd Bank***

# Key Themes for the Future

*Business Model will Evolve:  
From Tech Enabled to Tech Driven*

*60-70% of new client acquisition will  
be tech driven*

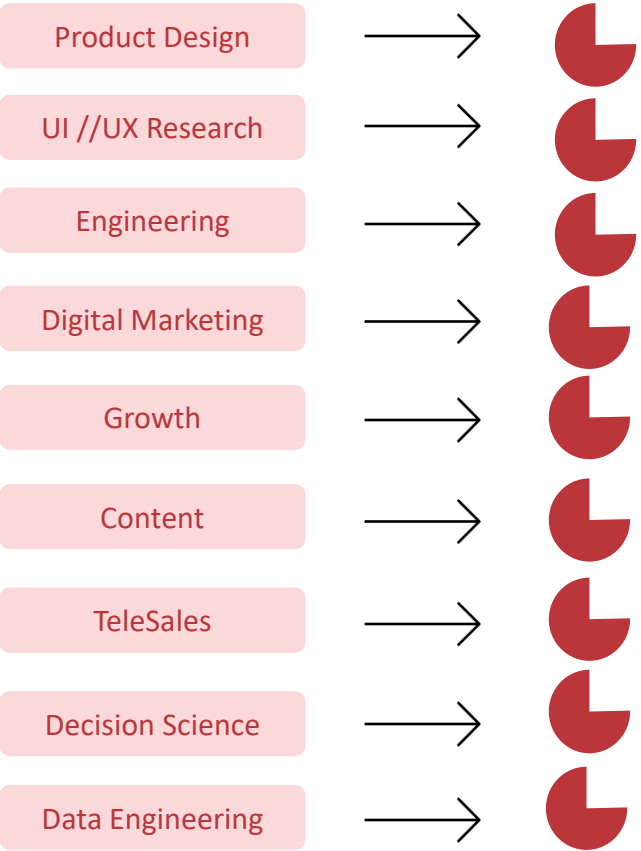


*Plan to acquire 8-10 mn clients  
digitally over next 3 years across  
Individual and MSME*

*Further build capabilities in Data &  
Analytics to create differentiation*

<u>From</u>		<u>To</u>
Persona Specific	»»»	Hyper Personalization
Storage on cloud	»»»	Compute on cloud
Largely structured	»»»	Unstructured (speech, images, etc)

*In-house capabilities in new age  
skills will mature to drive the shift  
to being tech driven*





—  
**THANK YOU**



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