

# IndusInd Bank

December 16, 2019

**The Asst. Vice President  
Listing Department  
National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai -- 400 051

**The Deputy General Manager  
Corporate Relationship Dept.  
BSE Ltd.**  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P. J. Towers  
Dalal Street, Fort,  
Mumbai -- 400 001

**NSE Symbol: INDUSINDBK.**

**BSE Scrip Code: 532187**

**Chief Regulatory Officer,**  
India International Exchange.  
1st Floor, Unit No. 101,  
The Signature Building No.13B,  
Road 1C, Zone 1, GIFT SEZ,  
GIFT CITY, Gandhinagar - GJ 382355

**Scrip Code: 1100027**

**Madam / Dear Sir,**

**Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**


In Compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Investor Presentation on "Consumer Bank -- Analyst Day Presentation." held at Hyderabad.

In compliance with the Regulation 46, the Presentation is also being hosted on the Bank's website at [www.indusind.com](http://www.indusind.com).

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,  
**For IndusInd Bank Limited**

  
**Haresh Gajwani  
Company Secretary**



IndusInd Bank Limited, Building No. 7, Solitaire Corporate Park, Andheri-Ghatkopar Link Road,  
Chakala, Andheri E, Mumbai - 400 093, India. Tel: (0022) 66412200

**Registered Office:** 2401 Gen. Thimmayya Road, Pune 411 001, India  
Tel.: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at [www.indusind.com](http://www.indusind.com)  
CIN: L65191PN1994PLC076333

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# Consumer Bank

Analyst Day Presentation

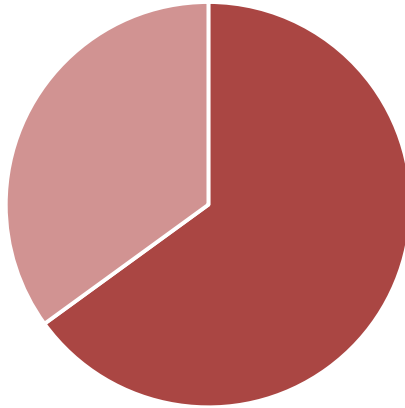
December 13, 2019



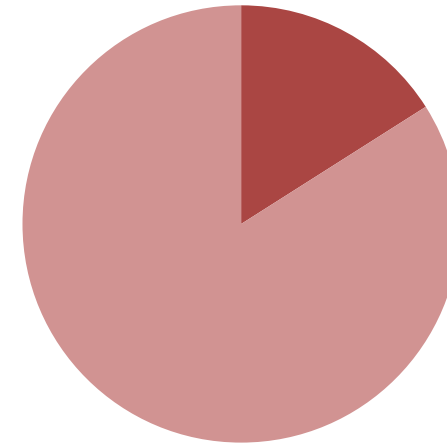
***IndusInd Bank***

# Consumer bank manages a significant part of the Bank...

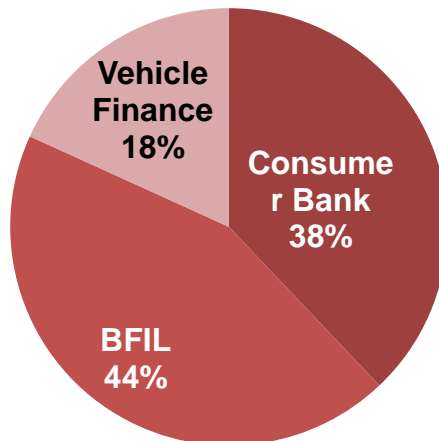
**CASA + Retail TD is 65% of Bank's Deposit**



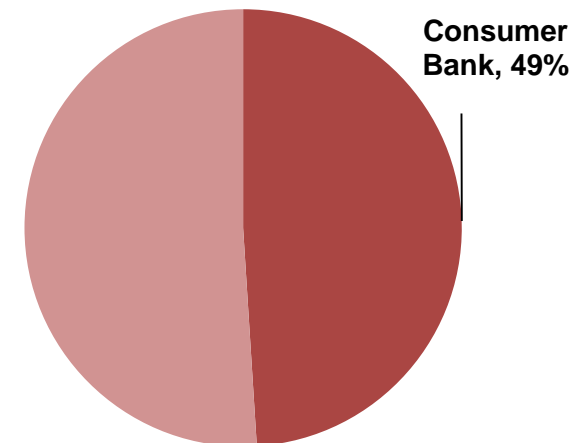
**Non Vehicle Advances are 16% of Bank's Advances**



**Consumer Bank Branch Network is 38% of Bank's Network**

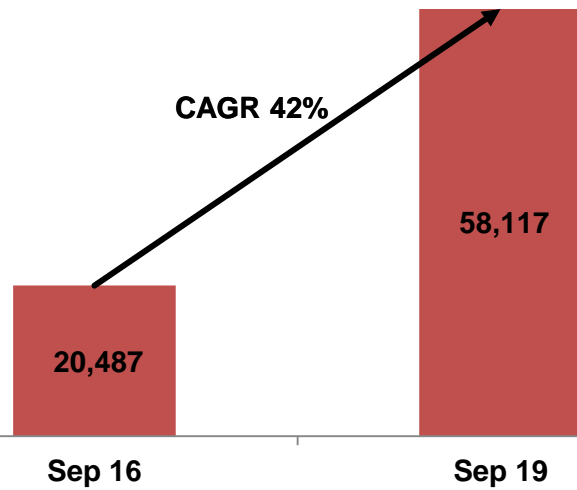


**Consumer Fee is 49% of Bank's Fee Income**

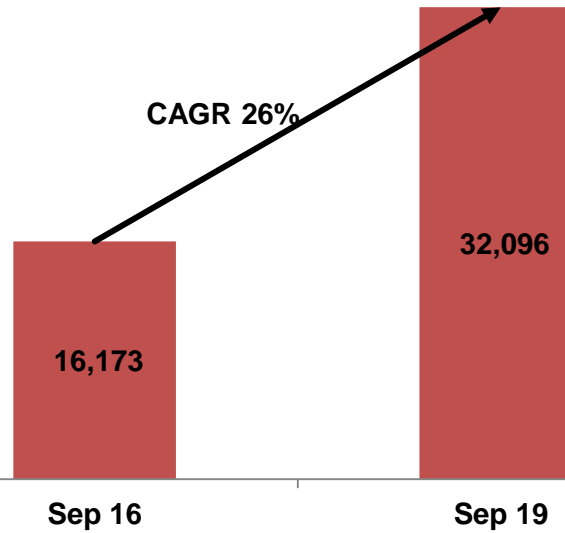


...and is growing at a strong pace !

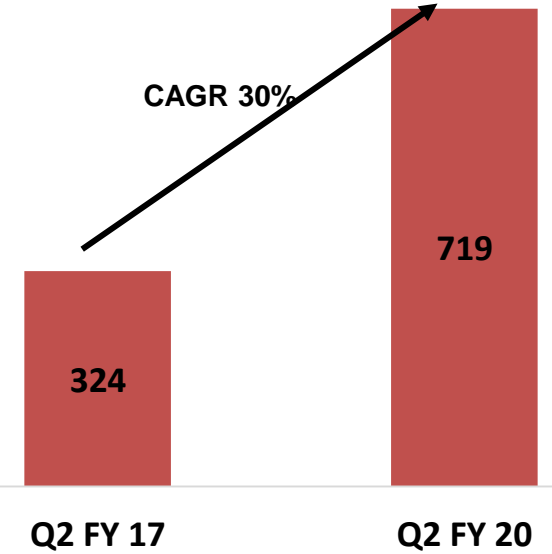
Savings Accounts (Rs cr)



Loans (Rs cr)



Fees (Rs cr)



# Core Beliefs of Consumer Bank

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1. Retailization of liabilities is critical going forward
2. Segmentation drives focus – client segmentation and geographical segmentation
3. The future is “phygital” – while “digital” will provide speed and convenience, “physical” still needed for certain products and to build trust
4. Creating Differentiated client experience will be critical to success – backed by digitization and data analytics
5. Partnerships and alliances will play a key role backed by open platforms
6. Rural Scale up needs low cost last mile reach with technology – BFIL best placed to drive “rural”; need to unlock synergies
7. Time to evaluate decisions: “Distributor” vs “Manufacturer”



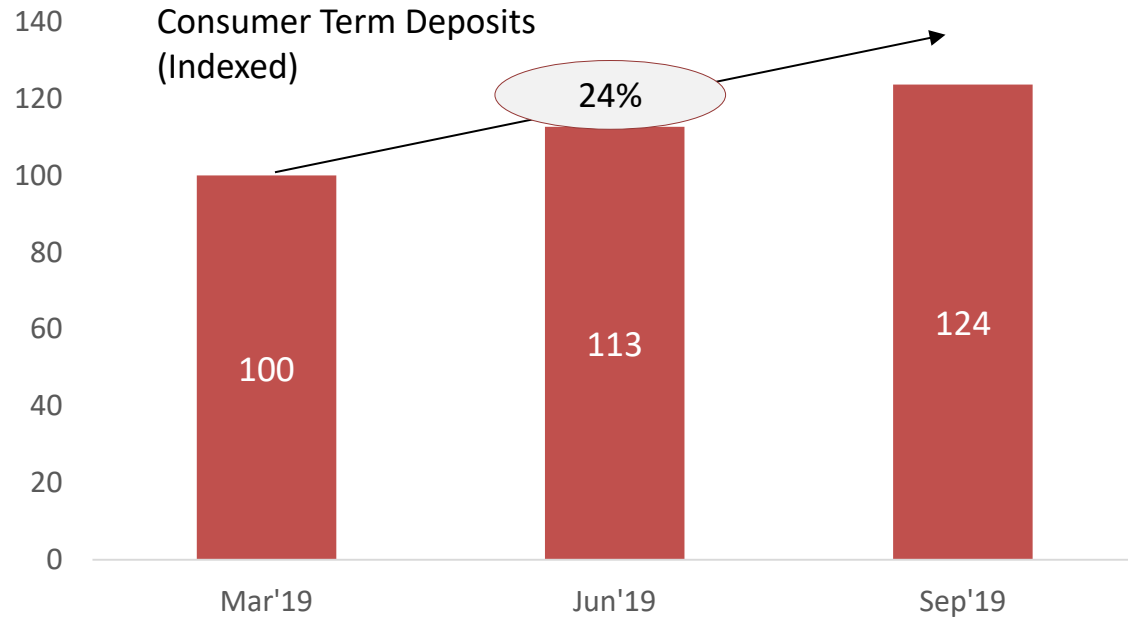
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# CONSUMER LIABILITIES



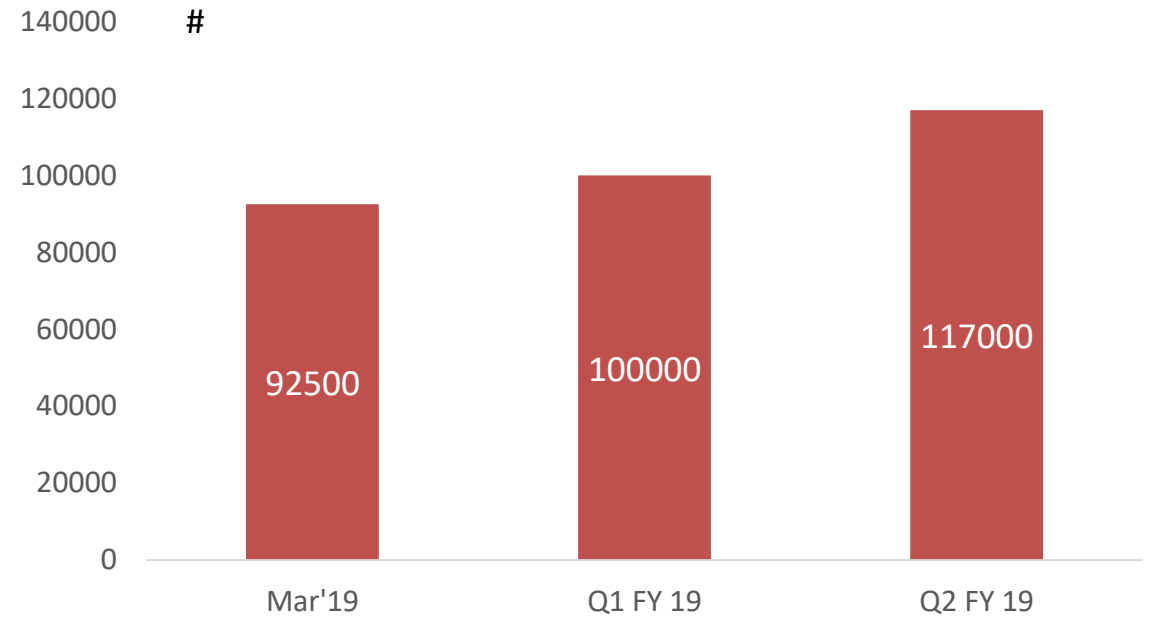
# Retail TD Growing at ~5000 Cr per quarter and # of new clients added scaled up to 1.2L per month

Consumer Term Deposits have grown 24% in H1 backed by strong growth in Retail Term Deposits



Retail TD (<=5 Cr) Growth **9,500**

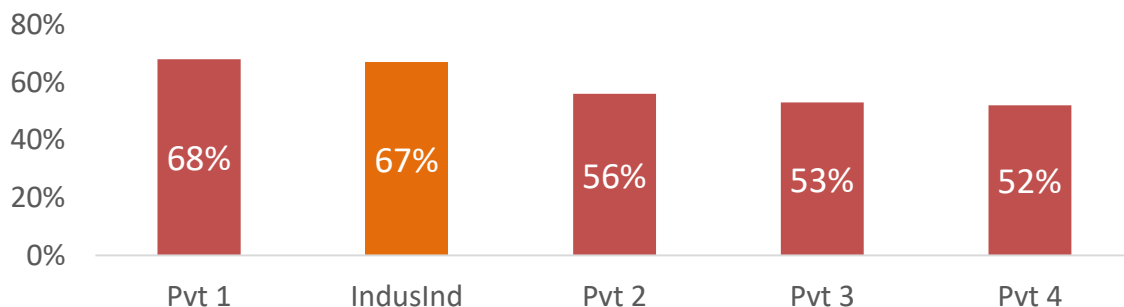
# of new clients added per month scaled up from 92K to 117K



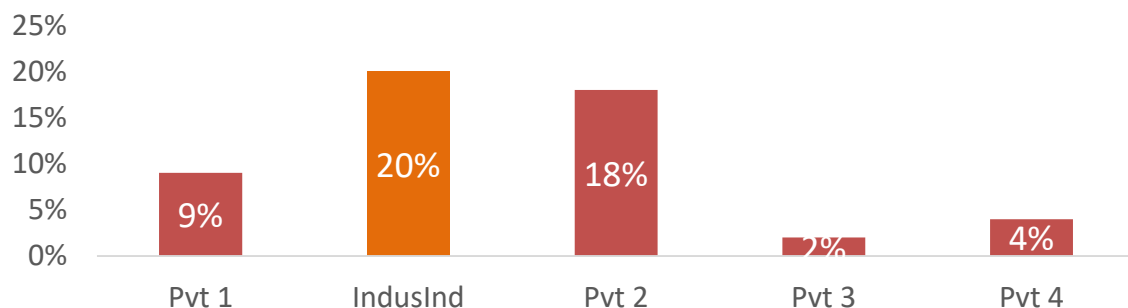
# Transaction volume growth stronger than peers; Retail Deposits per client at par with peers; amongst top 3 in SA growth per branch

**Mobile and Card Transaction Value up YoY & Growing faster than leading banks**

YoY Growth in Mobile Txn Val - Sep'19 / Sep'18



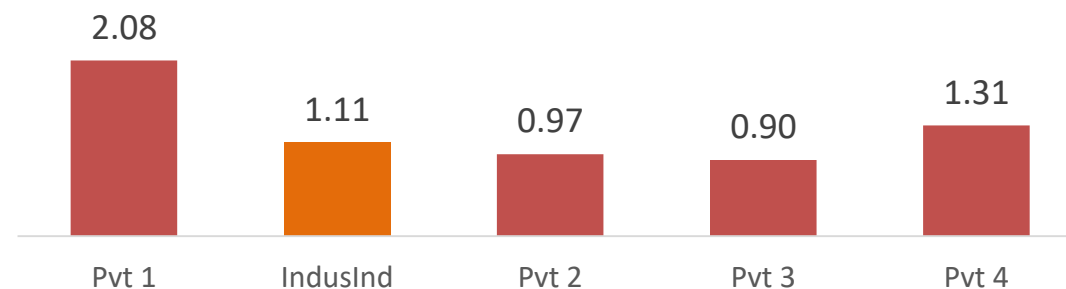
YoY Growth in ATM+POS Txn Val - Sep'19 / Sep'18



**UPI volumes up 3X while market is up 2X**

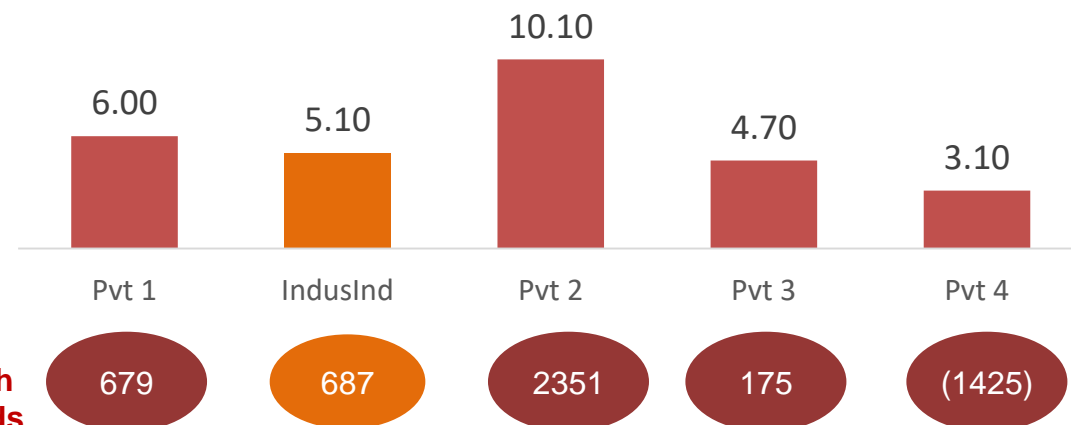
**At par with peers on Retail LCR Deposits per Client**

Rs lac per client as of Sep'19



**Top 3 in terms of YoY Growth in SA / branch or Cards / Branch**

Rs Cr / Branch - Sep'19 / Sep'18



**YoY Growth in cards / branch**

679

687

2351

175

(1425)

Source: RBI, # of branches taken as of Dec'18 for all peers



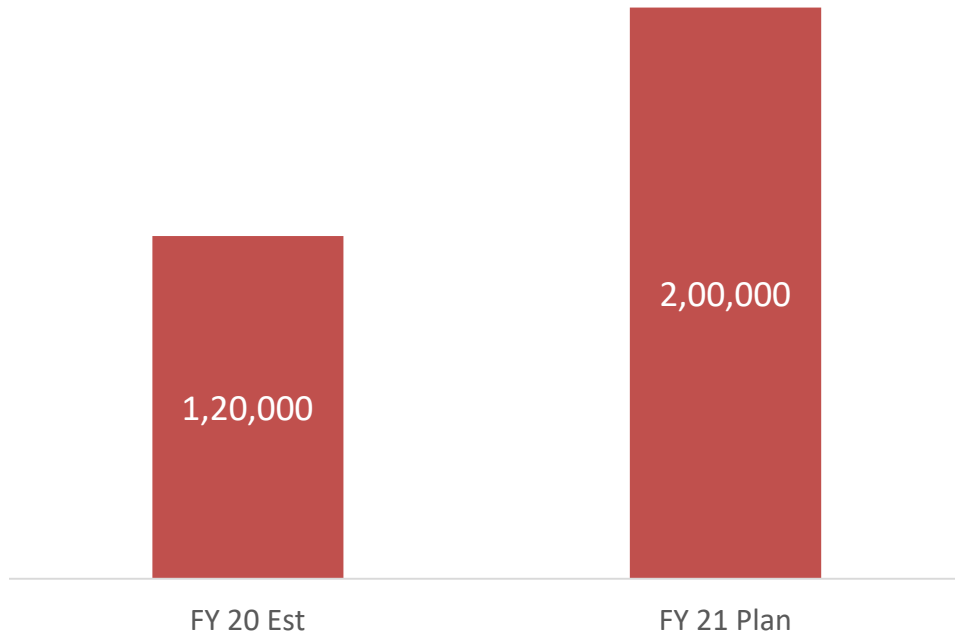
**IndusInd Bank**



# Way Forward: Retail Liability Growth central to consumer bank's growth agenda

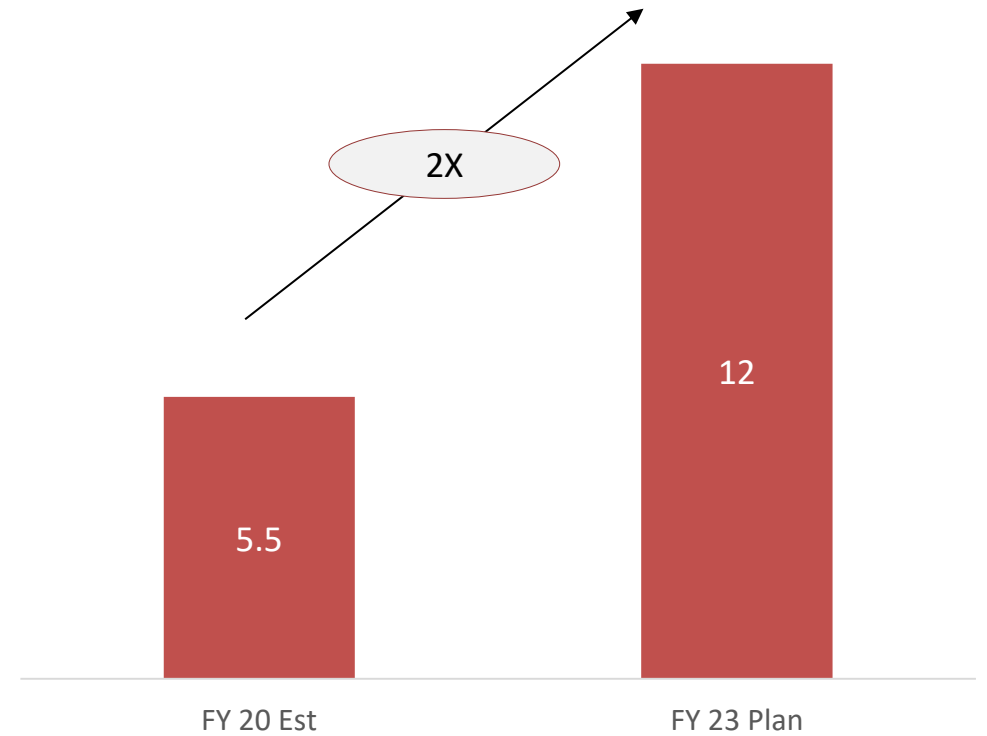
## Acquisition run rate to scale up to 200,000 clients per month

# of new clients acquired / month


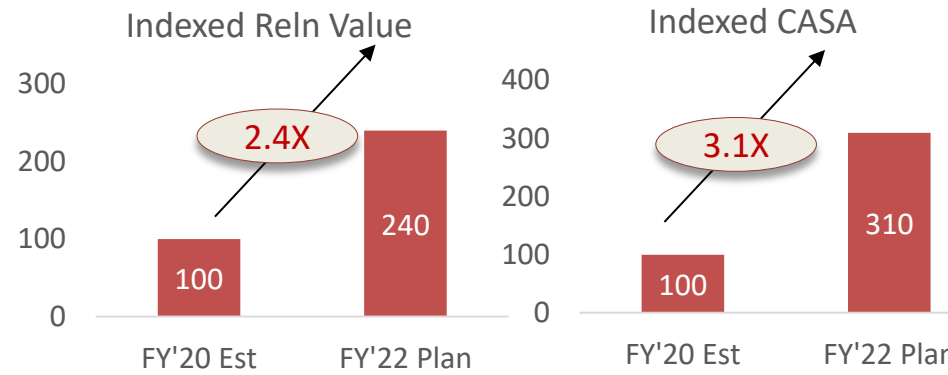


## Number of clients to double over next 3 yrs

# of clients (mn)



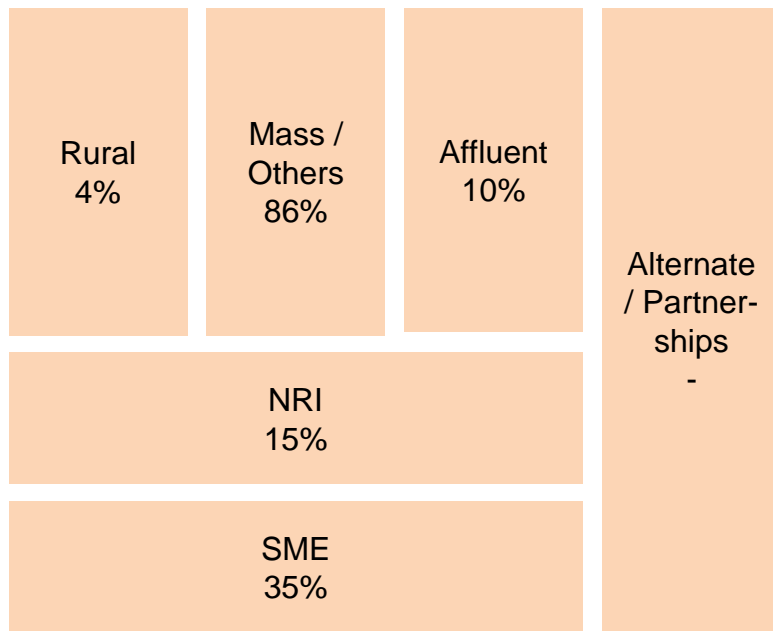
# Key New Initiatives to fuel growth in Liabilities Business

<p><b>Affluent Banking</b></p>		<p><b>To garner 3-5% share of the market</b></p>	
<p><b>NRI Banking</b></p>	<ul style="list-style-type: none"> <li>Focus on top corridors</li> <li>End to end digital frictionless journeys</li> <li>24x7 Specialized Service Team</li> </ul>	<p><b>To garner 5% market share</b></p>	
<p><b>Merchant Acquiring &amp; SME Banking</b></p>	<ul style="list-style-type: none"> <li>Dedicated Team to acquire merchants to drive CA</li> <li>Drive focus in identified SME clusters</li> </ul>	<p><b>Acquire 100,000 merchants / year; Garner 3-5% share of SME business in identified clusters</b></p>	<ul style="list-style-type: none"> <li><i>Merchant Acquiring to be ~25% of Retail CA book by Mar-22</i></li> <li><i>Double acq. run rate on CA, FX &amp; BB</i></li> </ul>
<p><b>Partnerships/ Alliances</b></p>	<ul style="list-style-type: none"> <li>Eg: Indus-Stox 3-in-1 with a new age mobile first brokerage fintech</li> <li>Partnerships with payment soln providers, wealth fintechs, etc</li> </ul>	<p><b>To create an alternate channel for acquiring 1 mn clients / year</b></p>	<ul style="list-style-type: none"> <li><i>To create an alternate bank of the size of current acquisition volume / yr</i></li> </ul>
<p><b>BAU Scale-up</b></p>	<ul style="list-style-type: none"> <li>Branch scale up from 2000 to 3000</li> <li>Scale up corporate salary</li> <li>Expansion of home markets</li> </ul>	<p><b>Nearly Double client acquisition run rate</b></p>	<ul style="list-style-type: none"> <li><i>16-18 Home Markets</i></li> <li><i>Scale up acquisition to 200,000 new clients per month</i></li> </ul>

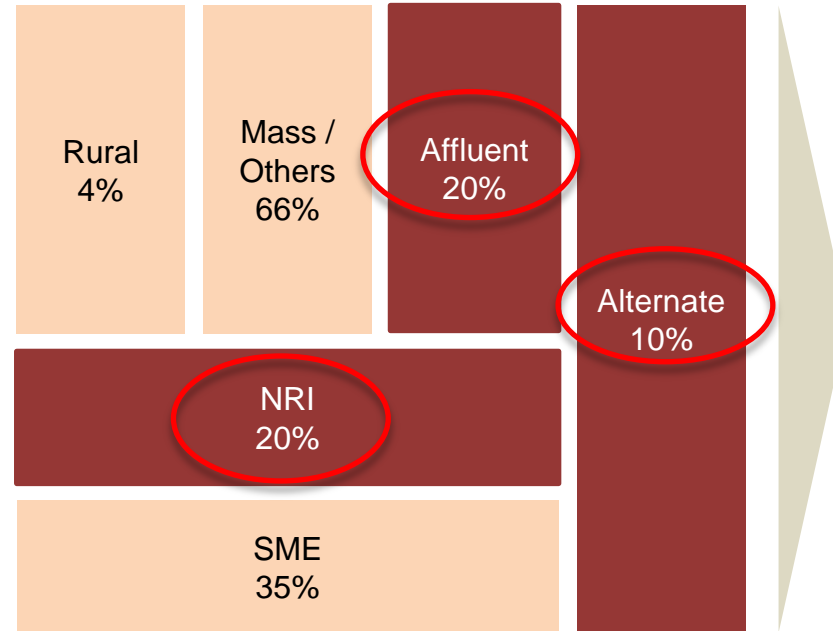


# As a result, we see key new segments playing out in their contribution to business

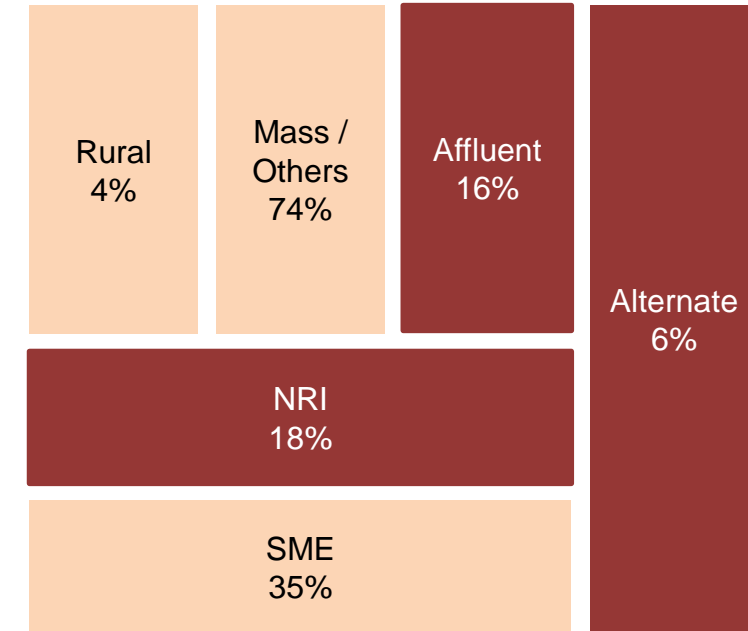
**Segment Wise Current Share of deposits**



**Segment wise Share of incremental business**



**Segment wise Share of deposits in 2-3 yrs**



**New Engines of Growth - Affluent, NR and Alternate - to contribute to 50% of incremental growth in deposits**

*Note : Rural does not include BFIL Synergy here*

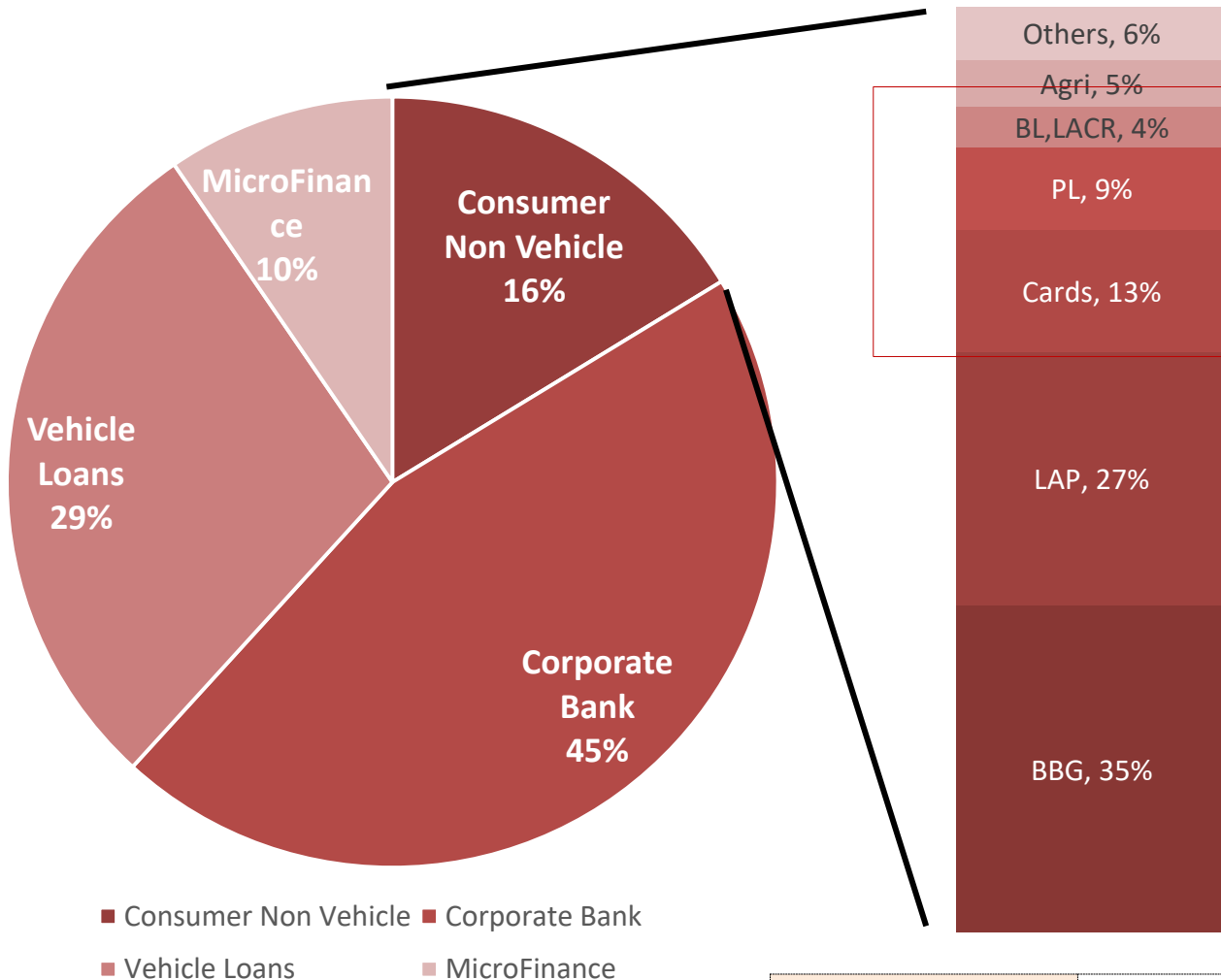


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# CONSUMER ASSETS



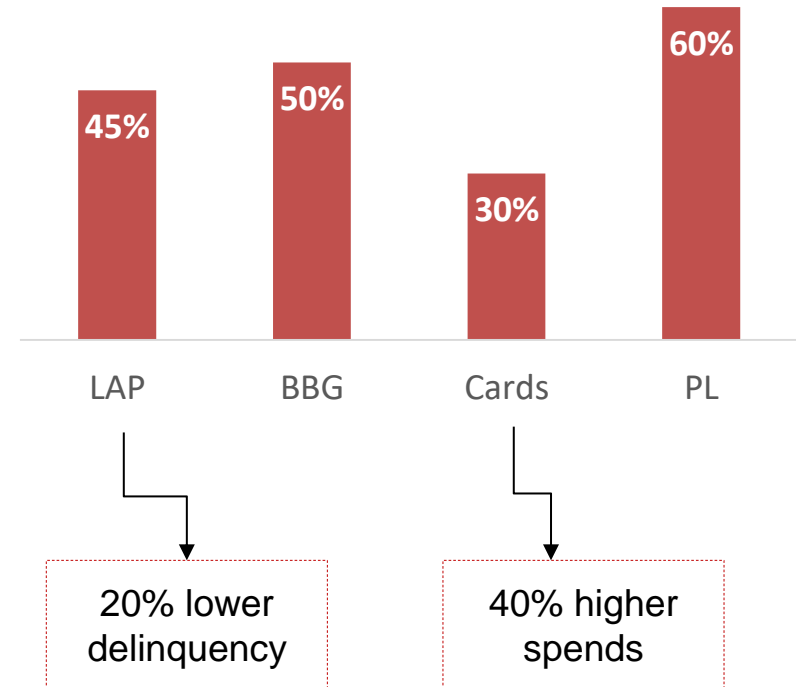
# Consumer Non Vehicle assets well diversified; Unsecured assets at 4% of Bank's overall portfolio



Unsecured is 26% of non vehicle portfolio and 4% of Bank's portfolio

Existing client portfolio contributes to 60% of PL, 45% of LAP, 50% of BBG and 30% of cards

Share of portfolio originated on own clients



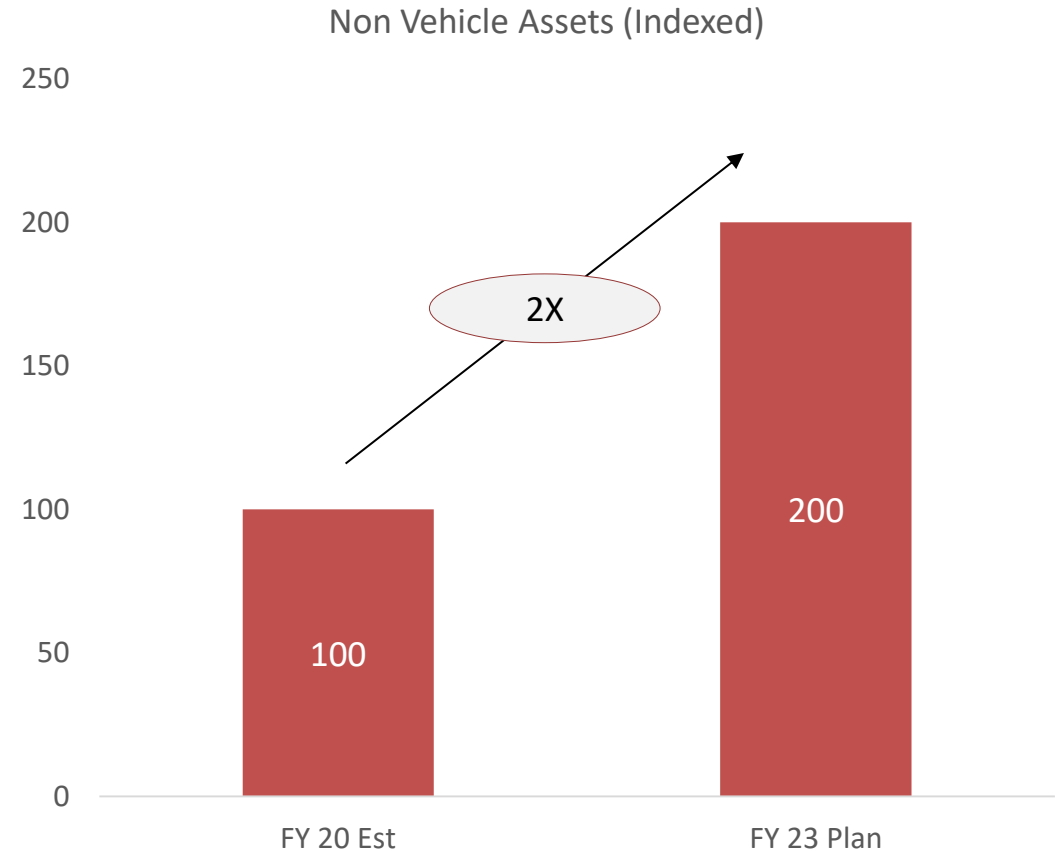
<b>Gross Yield</b>	<b>12.67%</b>
<b>Risk Cost</b>	<b>1%</b>



# Non Vehicle Assets will double over next 3 years

## Principles of Consumer Non Vehicle Scale-up

1. Unsecured Assets to be  $\leq 5\%$  of Bank's overall advances
2. Risk Cost  $\leq 100-110$  bps
3. Drive Scale via **cross-sell** on Bank's internal client base – consumer bank's as well as vehicle finance division's
4. **Partnerships and alliances** will play a critical role in scale of Retail Individual and MSME lending
5. Leverage data from multiple sources (Banking, Bureau, GST, KYC/Fraud Repositories) and advanced analytics to **digitize end to end journeys** and drive scale



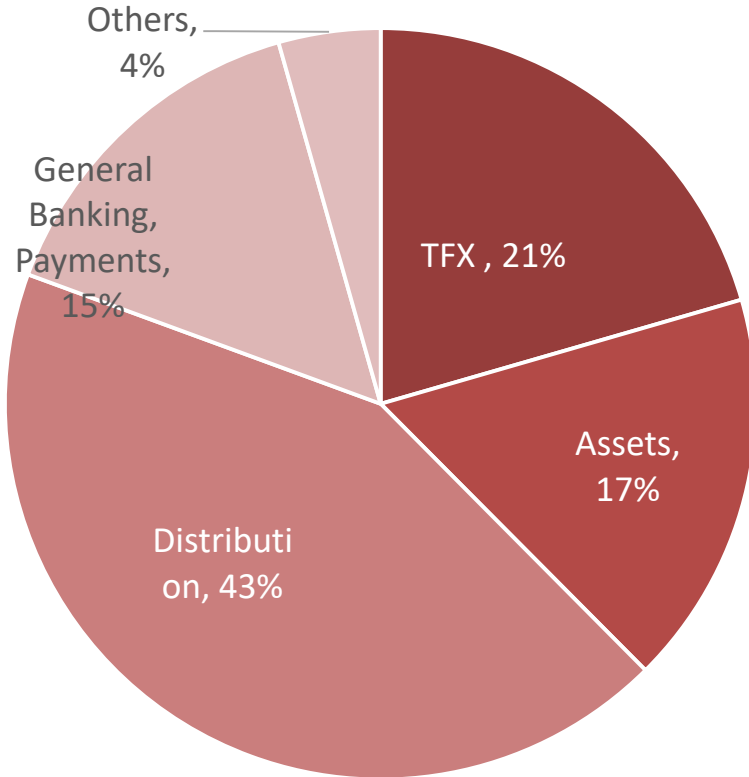
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# CONSUMER FEE

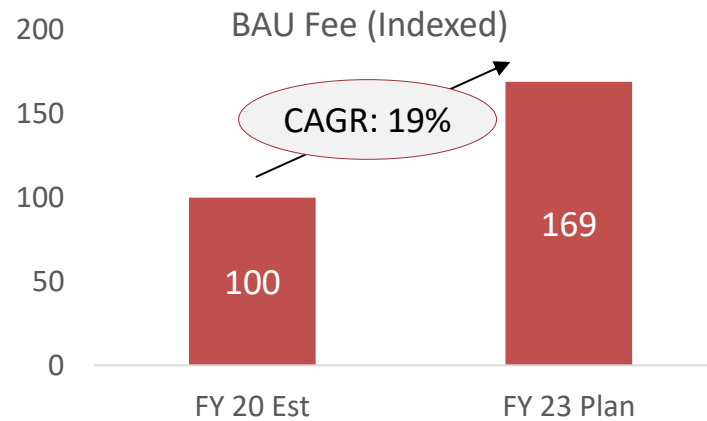
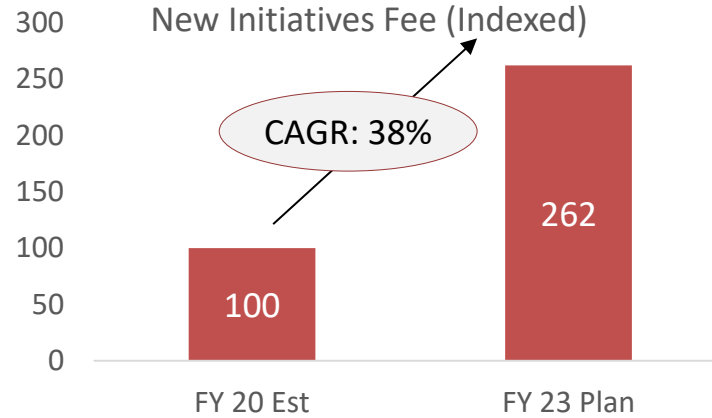


# Consumer Fee Well Diversified and set to grow at 24% CAGR

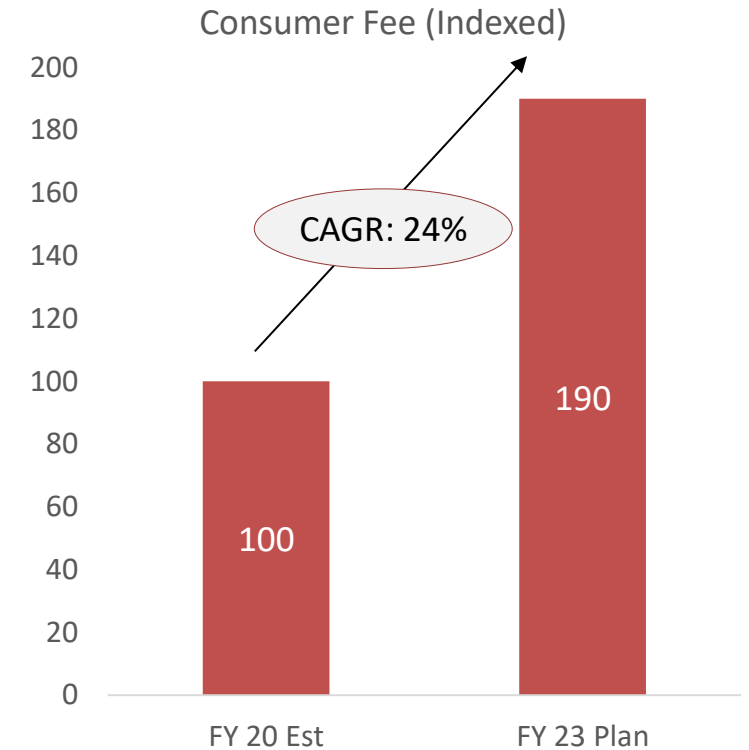
## Consumer Fee Well Diversified



## Identified segments of growth (NR, SME/FX, Affluent) to grow at 38%...



## .. To Grow the Fee at a CAGR of 24% for next 3 years



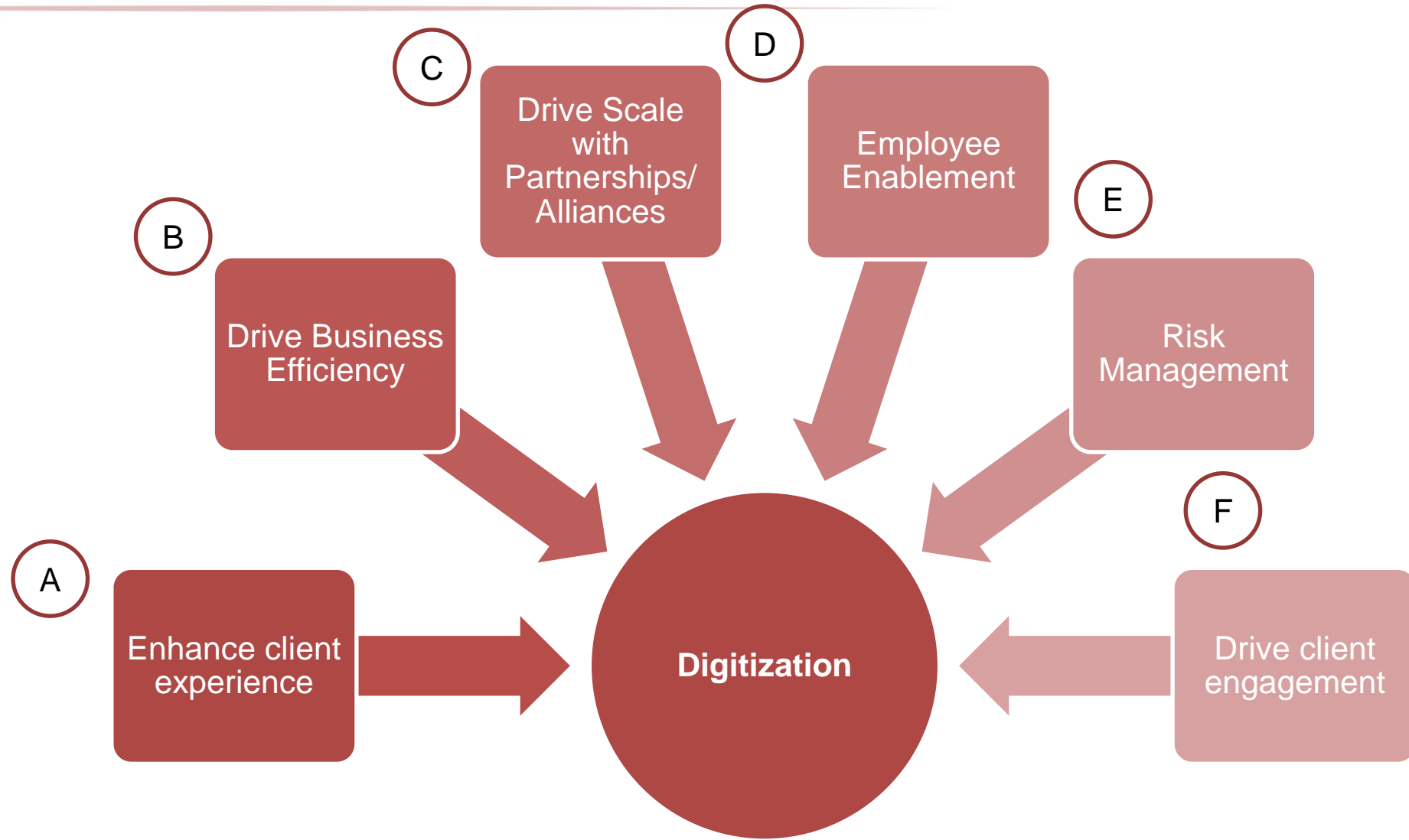


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# **DIGITIZATION**



# Digitization core to driving key business objectives at Consumer Bank



A

# Digitize to Drive Client Experience: Responsive innovations backed by digitization have been core to consumer strategy

Best Digital Integrated Campaign  
– IndusInd Bank DUO CARD  
(CMO Asia Awards 2019)



Product of the Year Award  
2019 – NEXXT Credit Card



IndusInd Bank



Amazon Innovation Award  
2018 – Alexa Banking



PRESENTING  
**INDUSSIST ON ALEXA**

ENJOY THE CONVENIENCE OF VOICE BANKING

Most of the innovations have high degree of salience – 11/16 innovations surveyed with competition bank clients had the potential to induce a switch for more than 50% of respondents\*

Awarded 2<sup>nd</sup> best bank by Meity 2019 on Digital Payments – Issuance & Acquiring



\*Basis Marketing Research conducted by the Bank to assess salience of USPs with an independent research agency

B

# Digitize to Drive Business Efficiency: Digitization has played a key role in growing core businesses and driving efficiency

Completely digital, paperless journeys enabled across key retail businesses ..

.. As a result, almost all of deposits & investments and half of forex & unsecured lending business digitized

**Online Account Opening:** Paperless Digital Journeys to open **Savings Account** – RM Assisted as well as Client Self Initiated – for Domestic as well as NRI

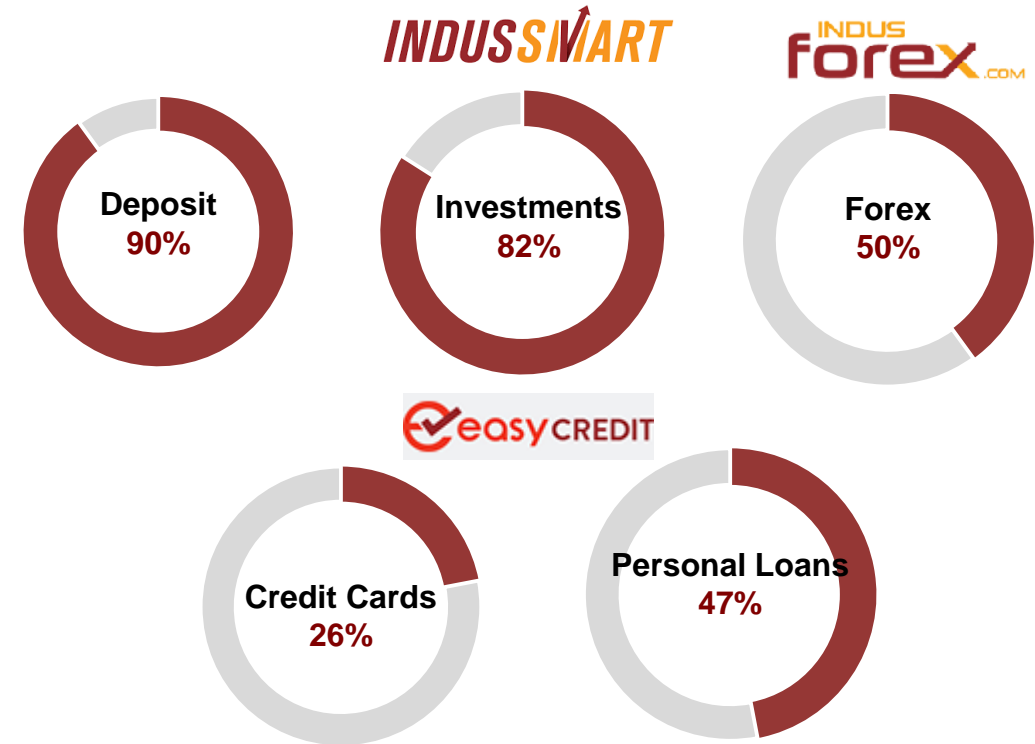
Paperless Digital Journeys to open accounts of **legal entities** real time – sole proprietorships, partnerships, limited companies

**IndusSmart:** Digital platform for **investments** – client self initiated on app / net banking or via RM

**EasyCredit:** End to end digital journey for cross-sell of **personal loans and credit cards** to existing clients of the Bank instantly

Mobile / TAB based digital solution for sale of **personal loans / credit cards** to a new to bank clients with instant decisioning and disbursal

**IndusForex.com:** One stop shop for all forex needs



Processing Cost nearly eliminated (@<10% of original) and instant fulfillment for clients

Additionally, RPA implemented across 95 processes; processing 1 mn+ client transactions per month with TAT reduction of 70%

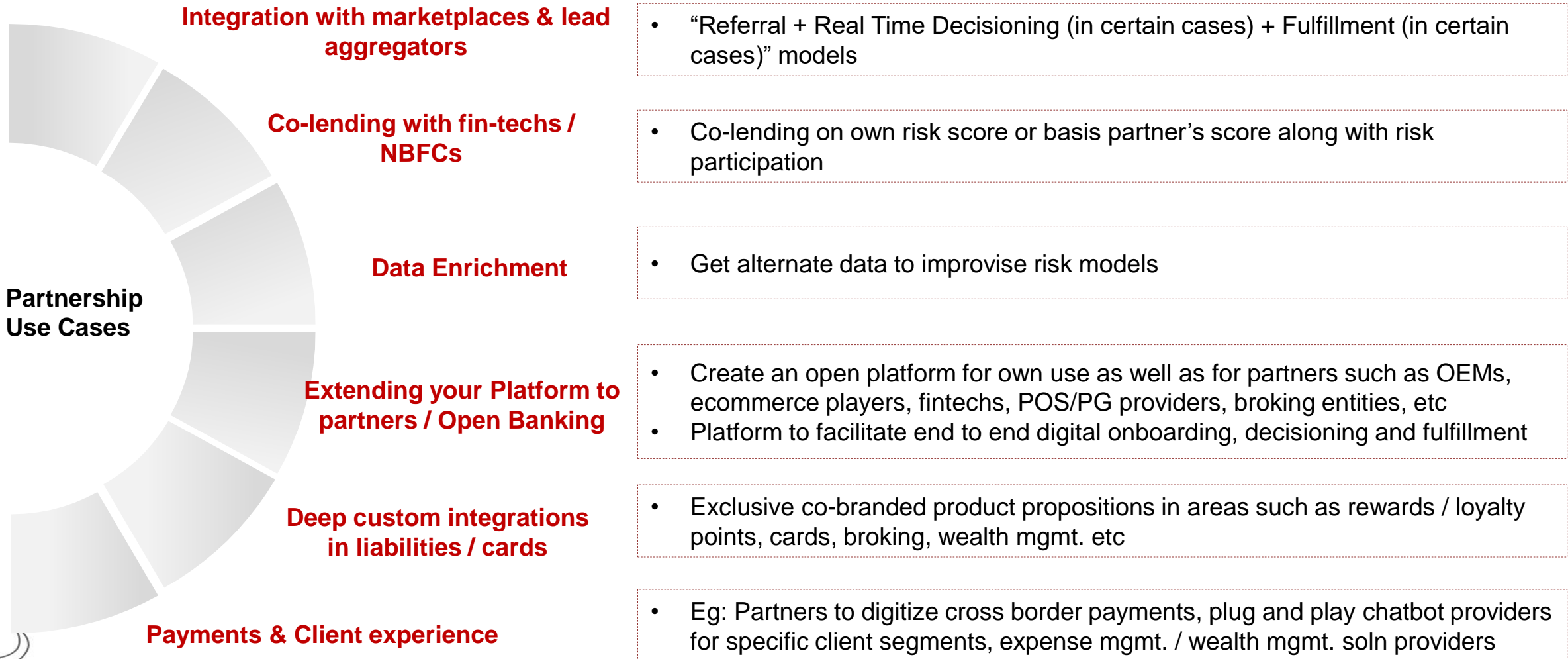
RPA = Robotic Process Automation

**IndusInd Bank**

C

# Digitize to Drive Partnerships: Partnerships and alliances will play a critical role in driving scale across businesses

**Objective** To Acquire 1 mn liability clients / year and originate 20-25% of Business in Individual and SME Lending



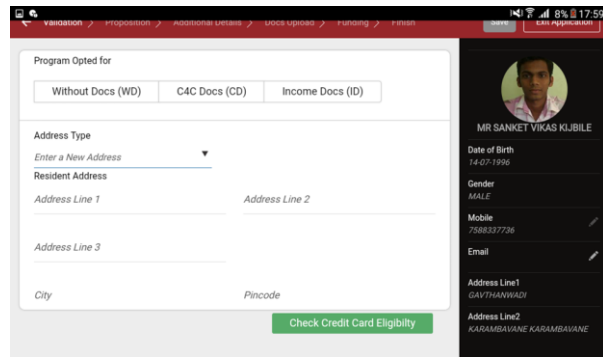
D

# Digitize to Drive Employee Enablement: Enablement of frontline with right tools for review have led to productivity improvement of 15-20%

## TAB / Mobile Based Client Acquisition for Frontline Sales Team

~10,000 Staff pan Bank leverage digitized front-end solutions for opening liabilities accounts

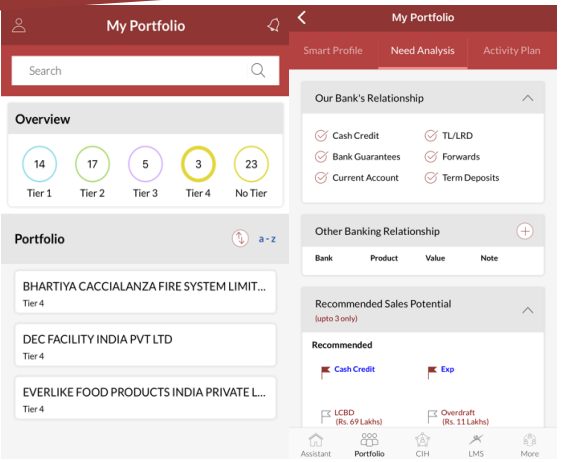
~2000 FTE pan Bank additionally leverage TAB for paperless sourcing of personal loans and credit cards



## RM App for Relationship Management

1000+ RMs on-boarded on the platform:

- View **Portfolio Summary**
- Track **Share of Wallet** for each client and Opportunities to Deepen Relationships
- **Account Profiling and Planning**
- **Triggers / Alerts** to drive engagement



## Power BI for Branches and Supervisors

7000+ Users on-boarded on Power BI platform

- Single Vocabulary of review
- Ability to drill-down to client level / FTE level
- Track both upstream as well as downstream vectors of review

Power BI Report Server

File View Edit in Power BI Desktop Explore Refresh

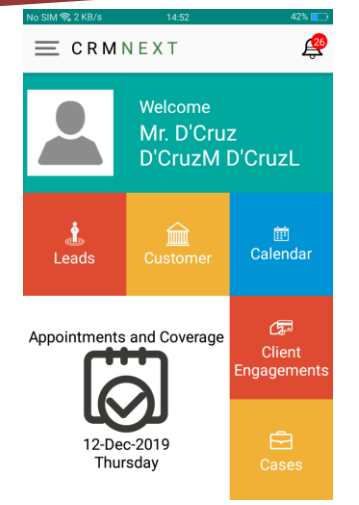
Zone View - Customer Campaign Lead Report | DD - Zone, DT - Distribution

Zone	Called But No Sales	Not Contacted	WIP	Convert	Total Leads	% Called But No Sales	% Not Contacted	% WIP	% Convert
EAST	19028	21543	54878	8857	111104	17.12%	19.39%	48.89%	14.60%
NORTH 1	63967	44828	2151	143368	21268	30.00%	20.82%	0.01%	49.17%
NORTH 2	35197	28867	2855	42523	17489	40.20%	16.28%	0.02%	33.50%
NORTH 3	25392	36664	2782	72412	16249	26.24%	18.85%	0.03%	24.92%
SOUTH 1	45860	1896	110970	2031	2031	22.58%	0.09%	54.33%	18.00%
SOUTH 2	31668	4668	34952	5556	73044	43.36%	6.39%	47.25%	42.99%
WEST 1 MAHAR	4496	4812	228	10712	1987	19.87%	24.60%	0.02%	55.51%
WEST 1 PUNE	14427	15339	1239	40513	18539	40.51%	37.97%	0.03%	11.49%
WEST 2	41797	43244	3837	102201	13460	31.16%	42.18%	0.04%	26.62%
WEST 2 BOMBAY	4299	5649	887	781	19816	21.61%	28.26%	0.04%	49.89%
Querry Zone	38876	10801	921	2001	41799	42.89%	25.82%	0.02%	31.27%
Total	998514	736452	441483	34584	2231372	44.76%	33.96%	0.03%	19.25%

## CRMNext for all customer facing staff Bankwide

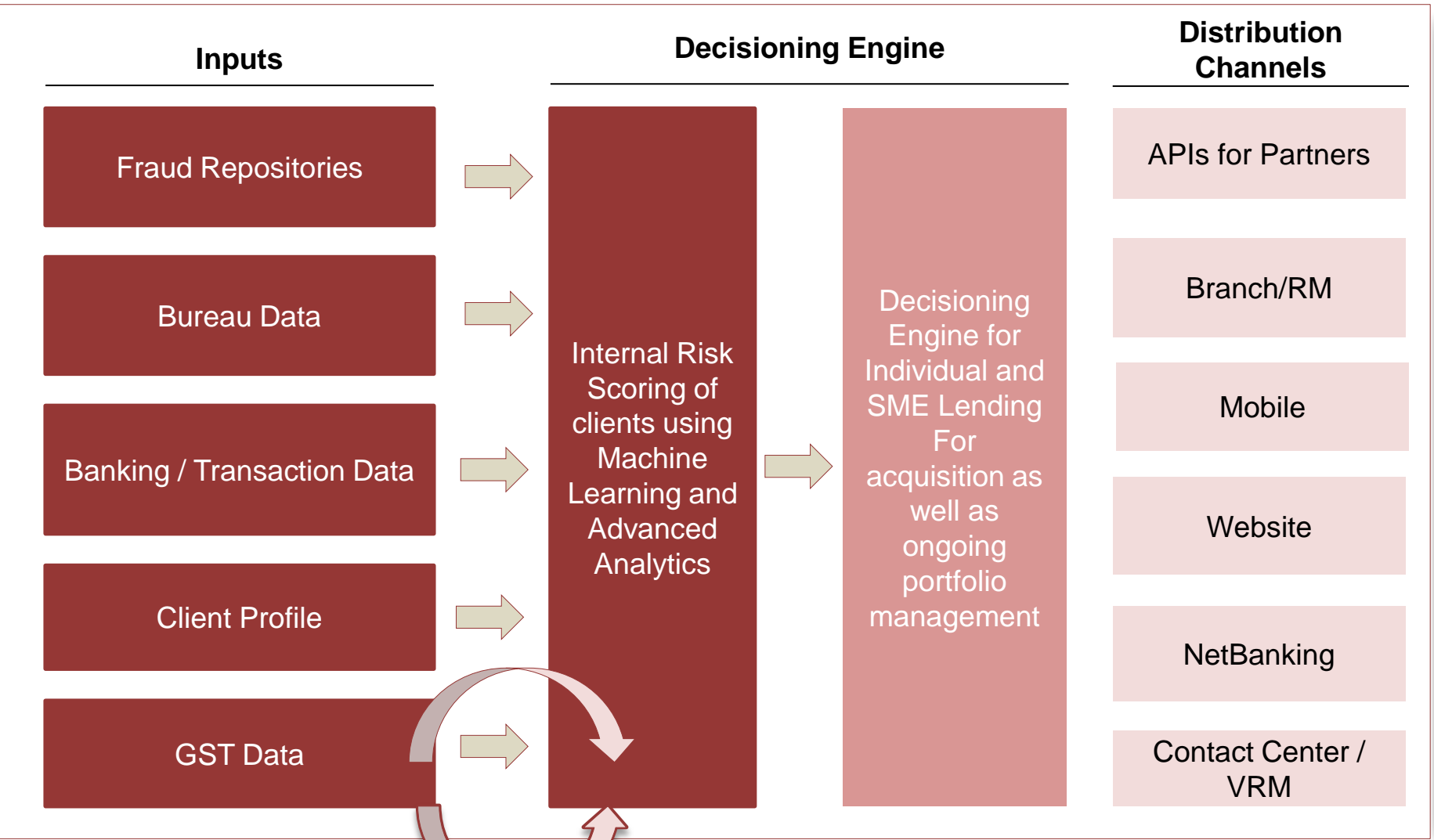
Single unified platform for service, relationship management and sales

- Device agnostic Platform – desktop, mobile, TAB
- 15000+ FTE across branch, contact center, relationship management, operations
- Enables Customer 360 Degree View, STP Capability, Relationship Management & Coverage

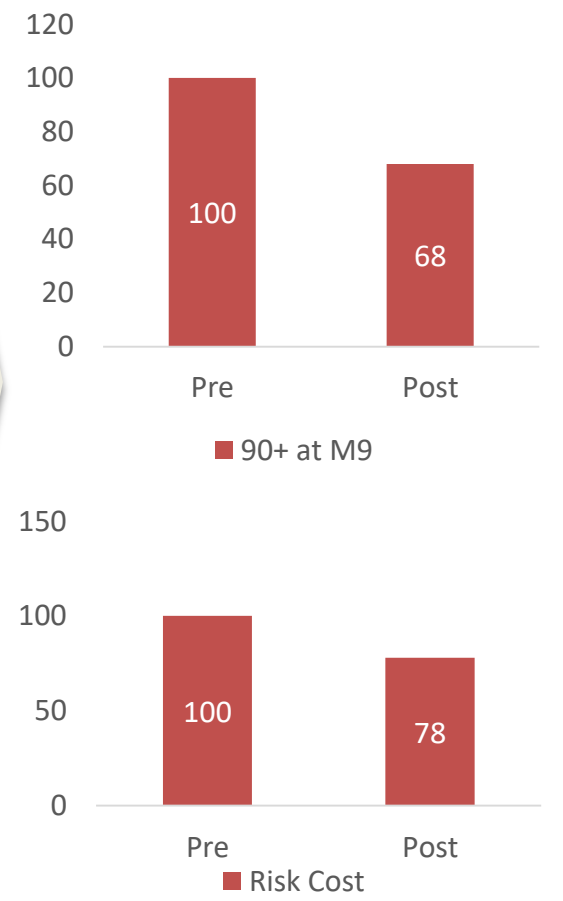


E

# Digitization for Risk Management: Leverage advanced data analytics to manage risk as well drive scale in businesses



20-30% lower risk cost in individual unsecured lending



# Digitize to Drive Client Engagement and Cross-Sell

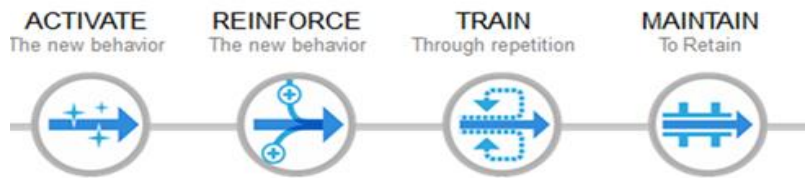
Activate & Engage

Cross-Sell & Deepen

Retain

## Using AI / ML to build & sustain transactions

Leverage deep learning & clustering to predict client behavior and induce relevant behavior



Self learning model to induce spends and transactions

Neural Propensity models for cross-sell

Loan & Card pre-approved models using Machine Learning

**Tiering of clients and share of wallet estimation** basis Value to Bank & Potential to Bank

Leverage Machine Learning (using 300+ variables) to **Predict Attrition**

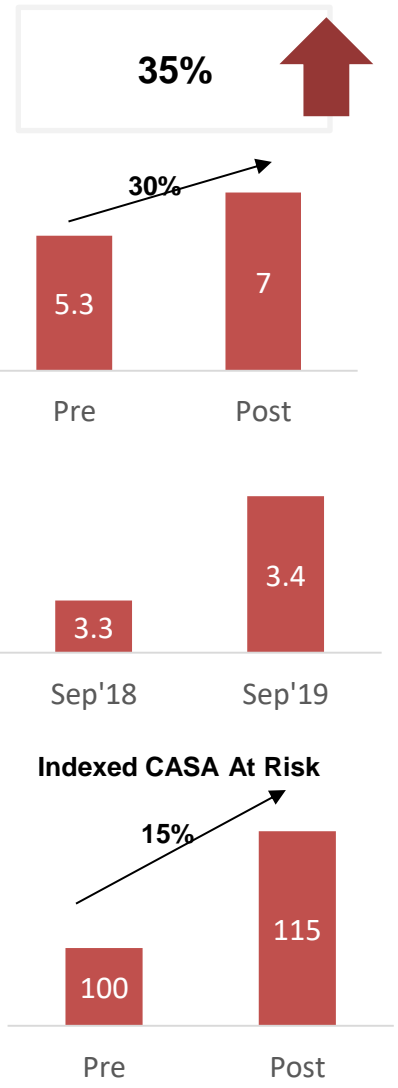
Win back & Reactivate Clients & Txns

Mobile & Net Banking registrations

Mobile Txns / user per month

Product Holding Increase

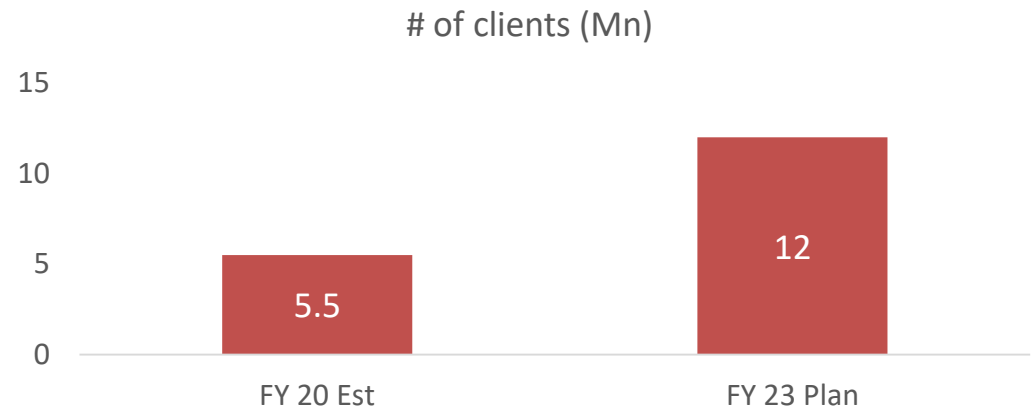
Enables prevent erosion and drive growth on "at risk" base by 15%



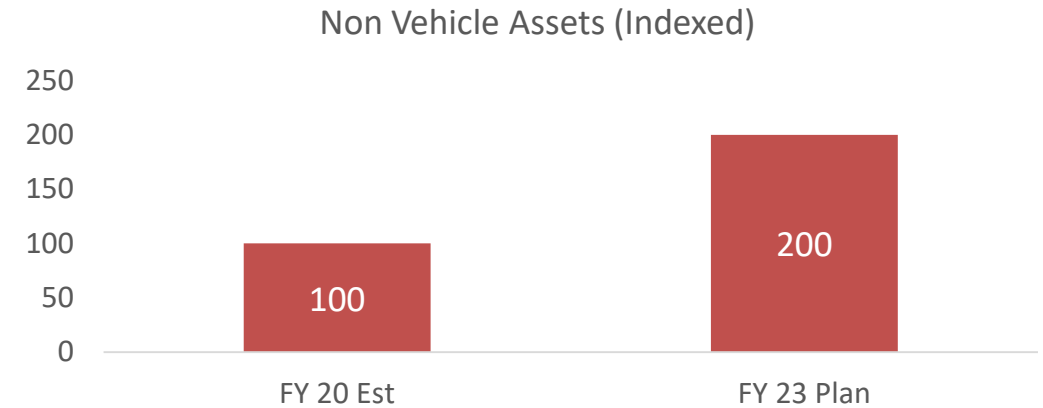


# Summing Up

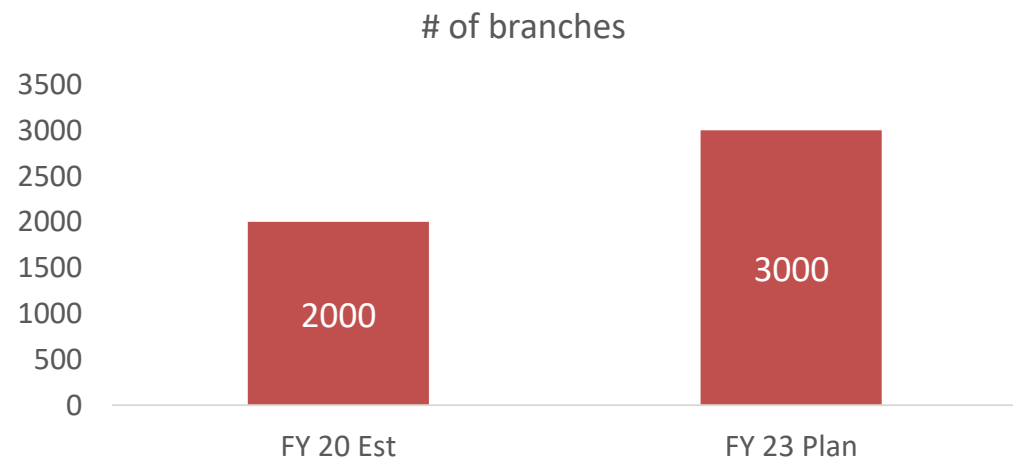
## Double the number of clients



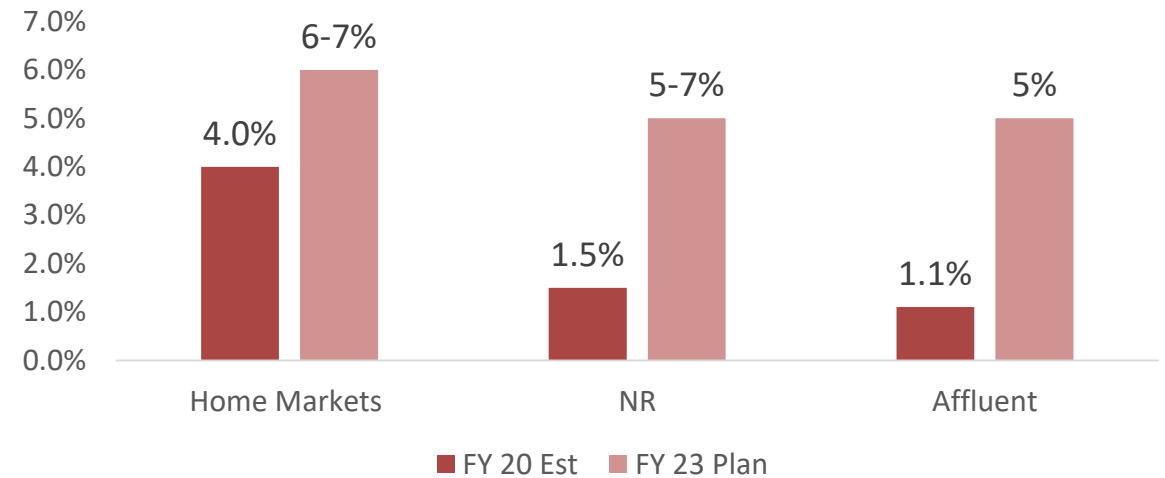
## Non vehicle Assets to Double



## Scale up to 3000 branches



## Drive scale in identified segments



■ FY 20 Est ■ FY 23 Plan

Affluent Segment defined as HHs with Investable Surplus of \$100,000 to \$1Mn

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