

***IndusInd Bank***  
***– Investor Day***

*22<sup>nd</sup> November 2022*

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# IndusInd Bank – Investor Day

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*Presentation-8*  
*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



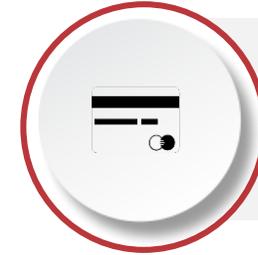
**120,000+ Clients** on-boarded using **VKYC** every month

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



**98%** of **savings** opened digitally

**32%** of new to bank savings **digitally unassisted\***



**92%** of **Cards** sourced digitally

**5%** of new to bank credit cards **digitally unassisted\***



**57%** of **personal loans** opened digitally

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



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

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



**63%** of **current accounts** opened digitally



**46%** of **Small Business Banking** (exposure upto 2 cr) originated digitally



**61%** of **Retail Forex** digital via indusforex



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

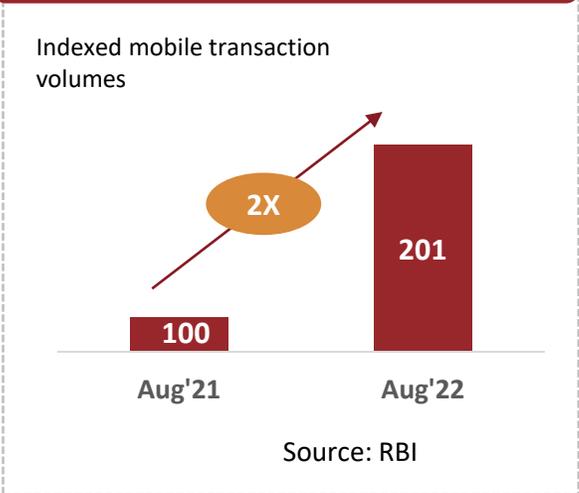


\*Digital Customer **Do It Yourself** journey led – end to end digital journey undertaken by new to bank clients directly through platform marketing; Data as of Q2 FY 23

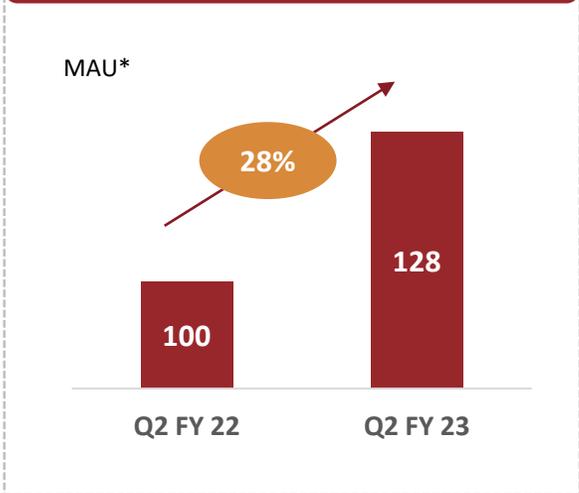
# Digital Engagement with clients continues to grow: Mobile transactions up 2X YoY, 93% of Bank's transactions digital

## Indus Mobile The All In One Banking App

### Mobile transactions up 2X YoY



### Active users up 28% YoY



## Indus >> MERCHANT SOLUTIONS An integrated stack for retailers



### Banking

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



### Payment

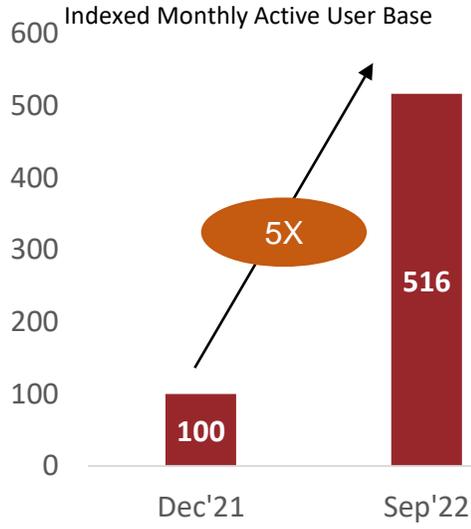
Select your POS | E-sign MSA | Accept payments via QR, POS, PG | Maintain Digital 'Khata' & send reminders | Soundbox | Track sales and settlements | ...



### Lending

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

### Active users up 5X



**93%** of Bank's **transactions** are **digital**

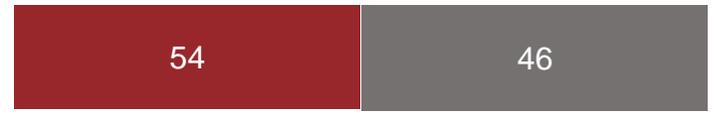
**70%** of Bank's **service requests\*** are **processed straight through digitally** as self service

**50+ services** available

**5.1 Mn** registered users



Every second user on the app is a new to bank customer



\*Service Requests include account maintenance requests such as adhoc statements, PIN set / reset, card hotlisting, updation of address, email ID, etc.

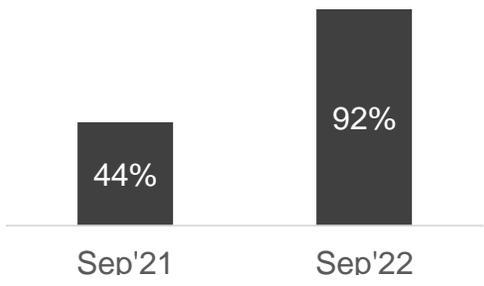


# Driving Customer Experience, Business Transformation and Direct To Client / BaaS\* led Business Models with IndusEasyCredit

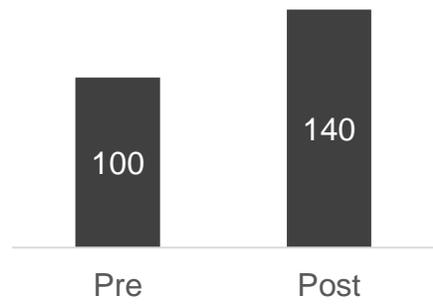
A case study in enabling holistic transformation of credit cards business model

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

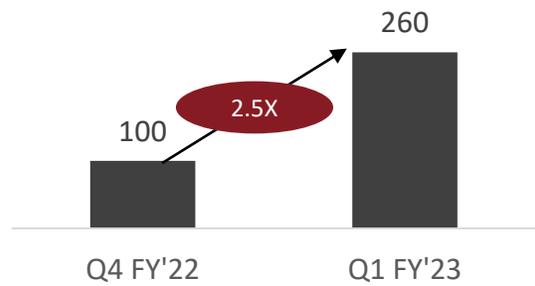
92% of cards business is now digital



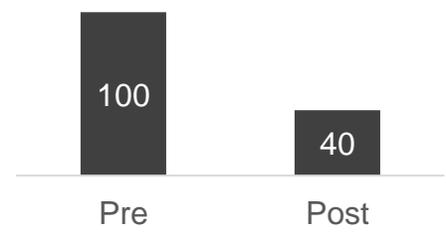
~40% increase in sales productivity



2.5X growth in offline Partner led volumes post platform adoption



Processing cost per unit lower by 60-70%



TAT to Decision  
Instant

STP%  
30%

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



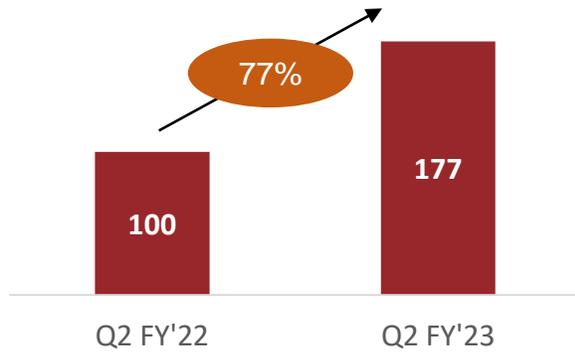
STP % implies end to end until card setup in 3-5 min with no Field Verification / Underwriting; \*BaaS = Banking As A Service

# Scaling up “Do It Yourself” led business models: Focusing on building sustainable, profitable digital unassisted (Customer Do It Yourself led) business models

INDIVIDUAL

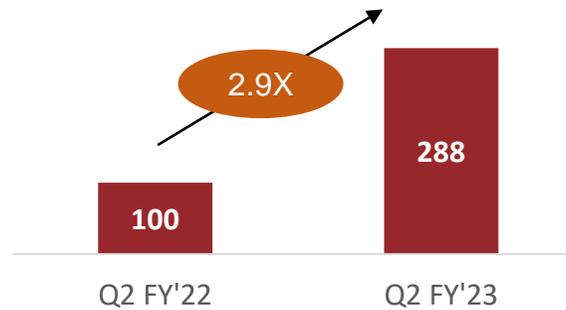
## Savings Account

Indexed DIY Volume – Savings Account



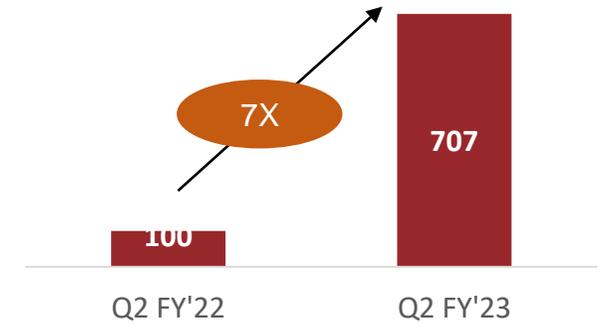
## Personal Loans

Indexed DIY Volume – Personal Loans



## Credit Cards

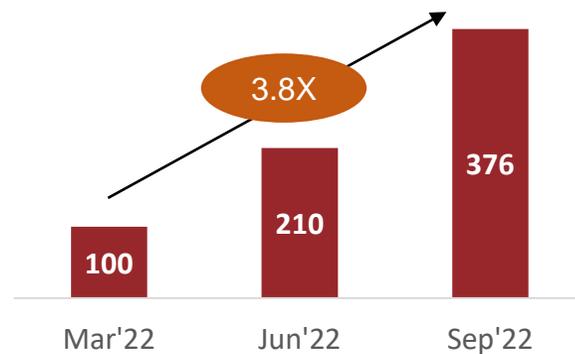
Indexed DIY Volume – Credit Cards



MSME

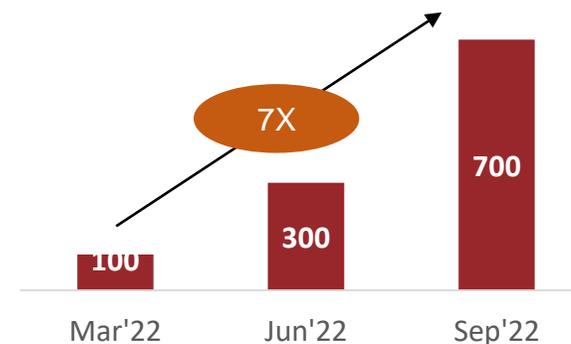
## Current Account

Indexed DIY Volume – Current Account



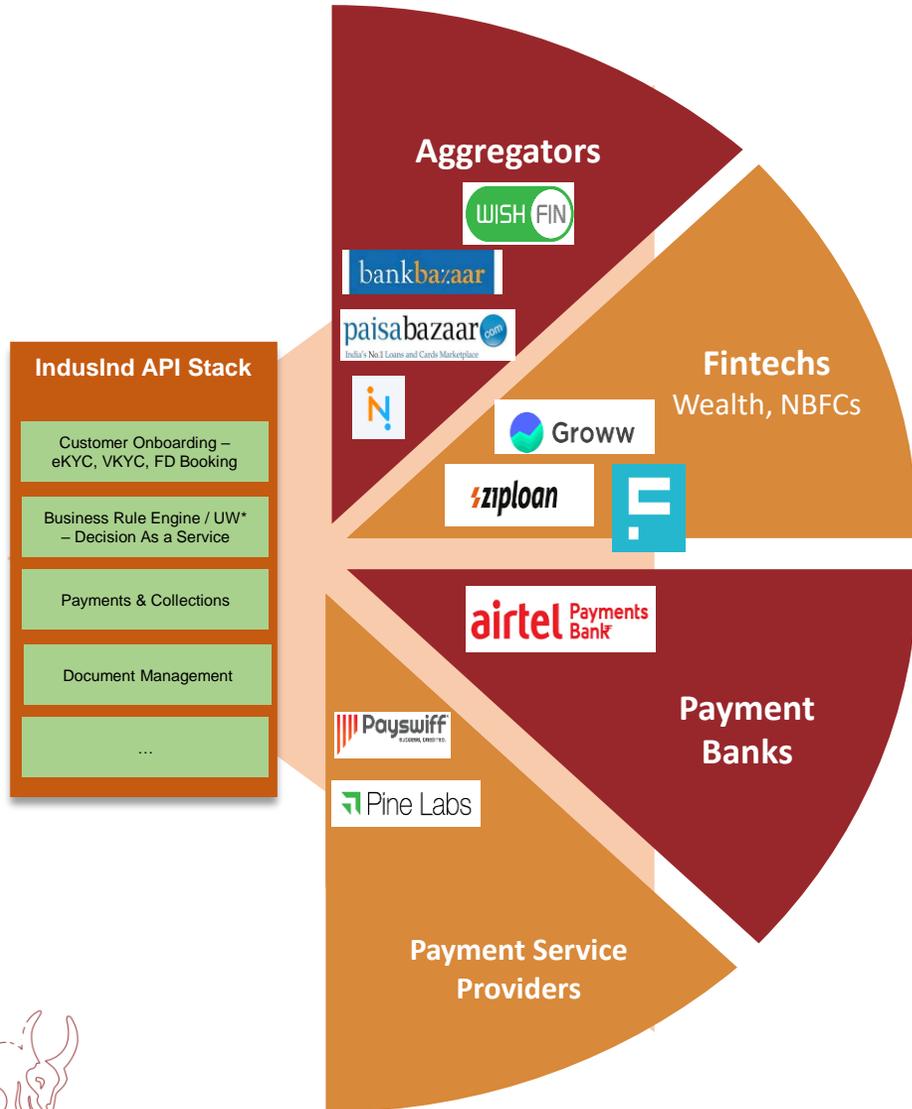
## Small Ticket Business Loans

Indexed DIY Volume – Business Loans



Includes only direct digital unassisted or customer do it yourself (DIY) end to end digital journey led business

# Building partnership led business models leveraging the APIs across platforms through IndusInd's API stack



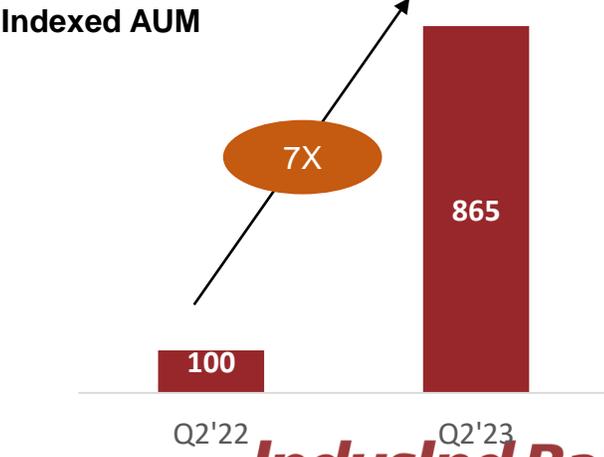
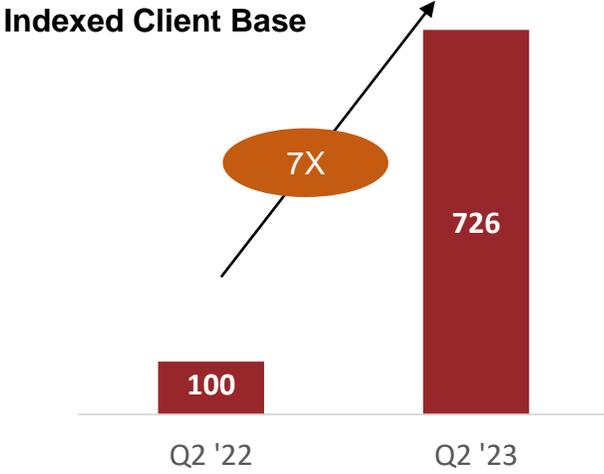
## Partnership Objectives

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

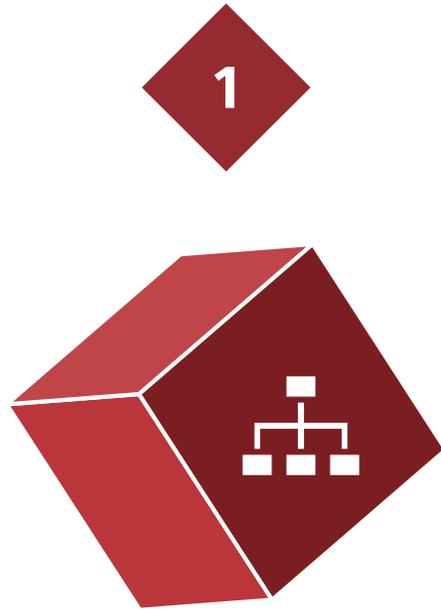
## Robust Governance Framework

- ✓ KYC
- ✓ Customer Consent & Data Privacy
- ✓ Data localization
- ✓ Information Security
- ✓ Digital Lending Guidelines
- ✓ Grievance Redressal
- ✓ Business Continuity

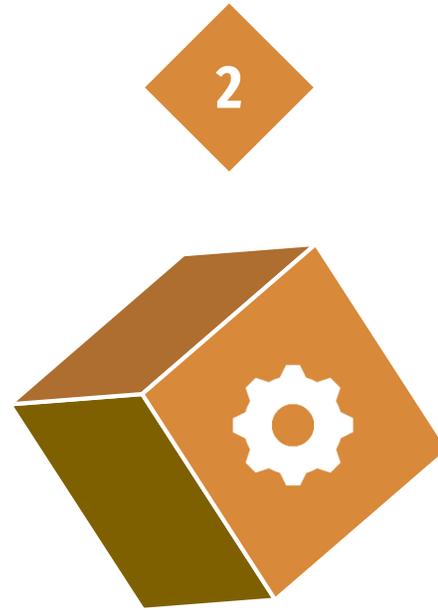
## Partnership led business scaling up well



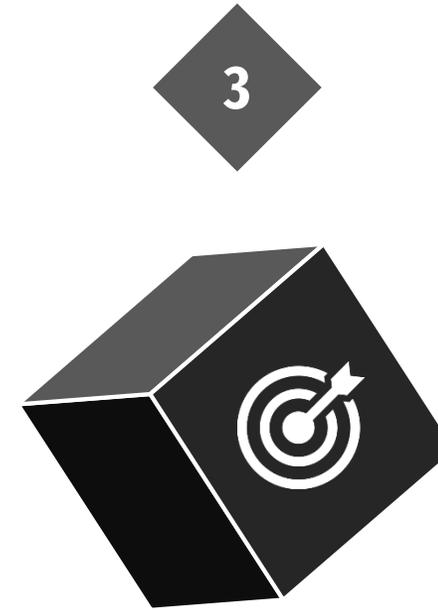
## 3 Key building blocks to the Digital Strategy



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



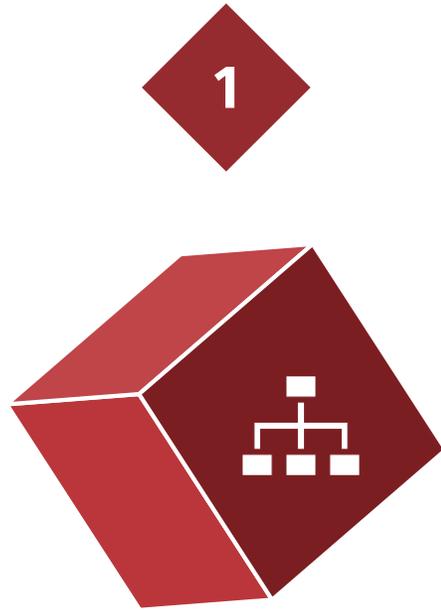
***Data & Analytics  
led Personalised  
Engagement and  
Client Lifetime  
Value***



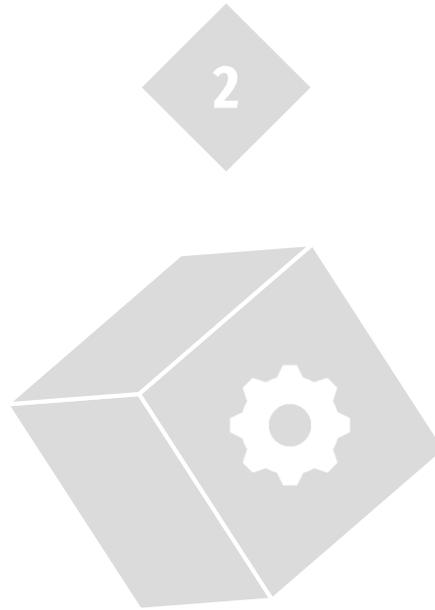
***An Integrated  
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Excellence with  
new age skills to  
drive desired  
agility***



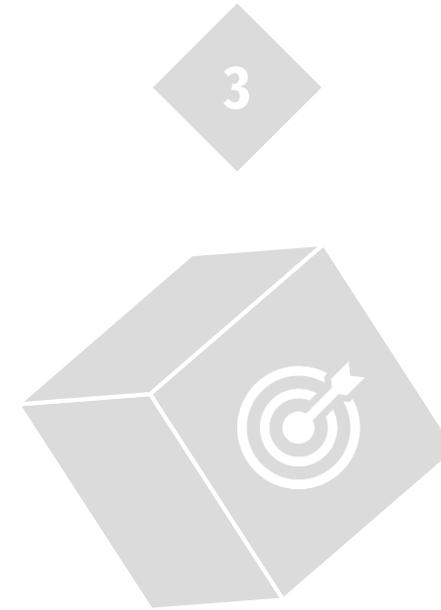
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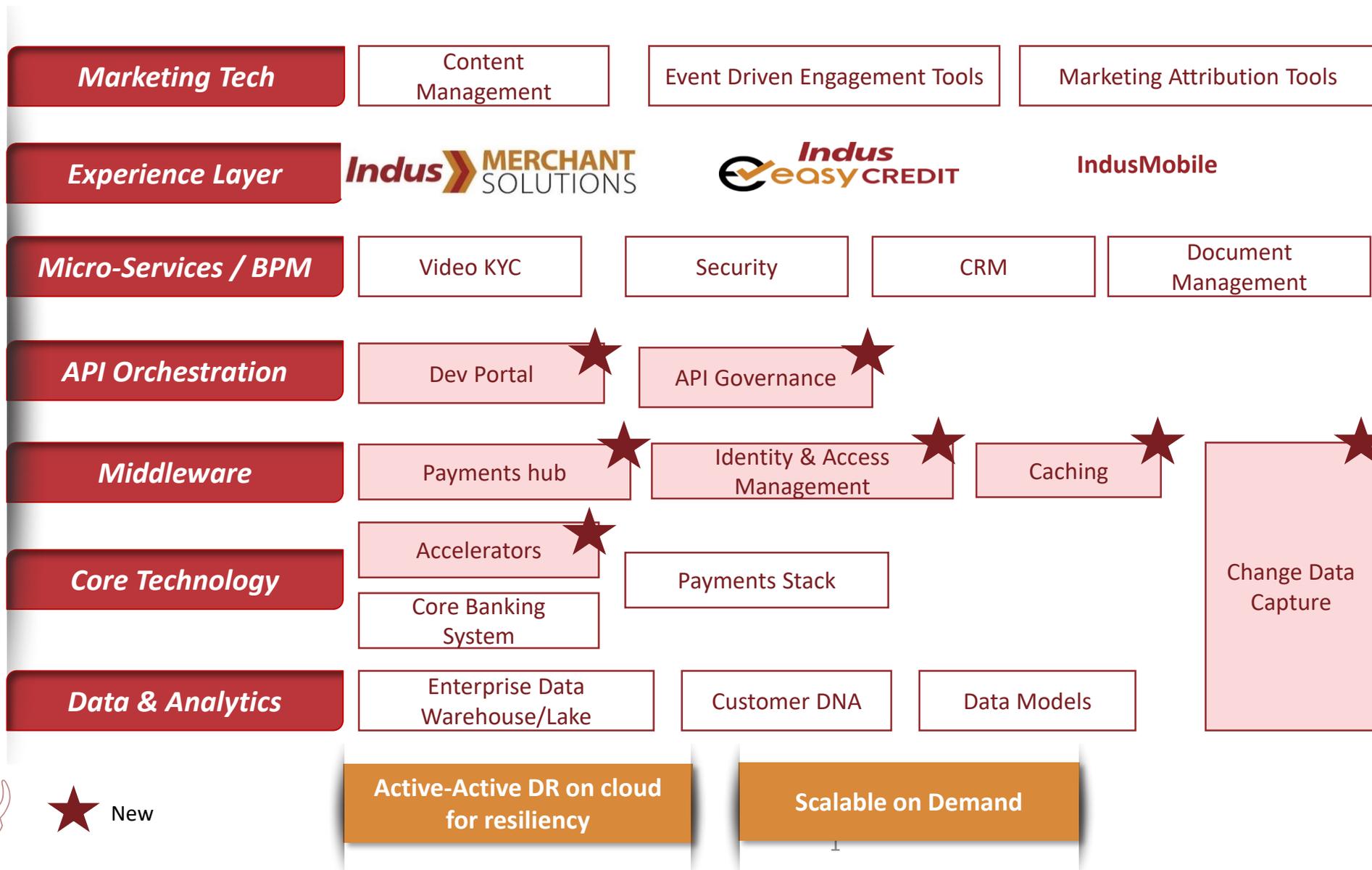
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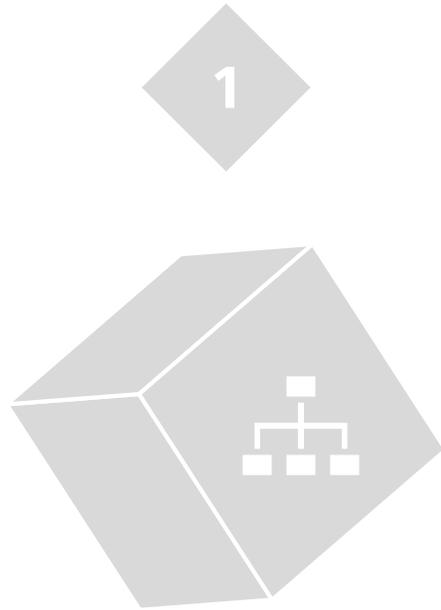


# Creating future ready, resilient, scalable technology architecture

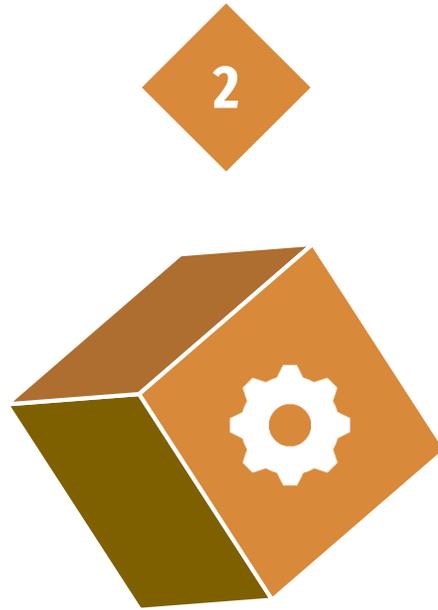


- Agile campaign execution capabilities
- Personalization basis user behavior
- Cloud Native
- Micro-Services based
- API ready
- Highly available and scalable on demand
- API orchestration via cloudpak to ensure scalability & resilience
- “Hollowing” the core
- Accelerators, caching on cloud to drive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

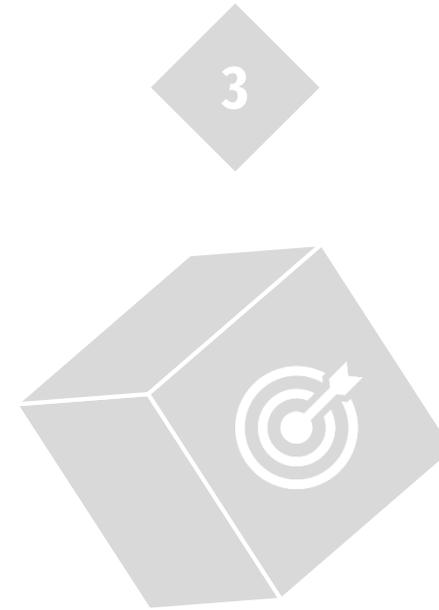
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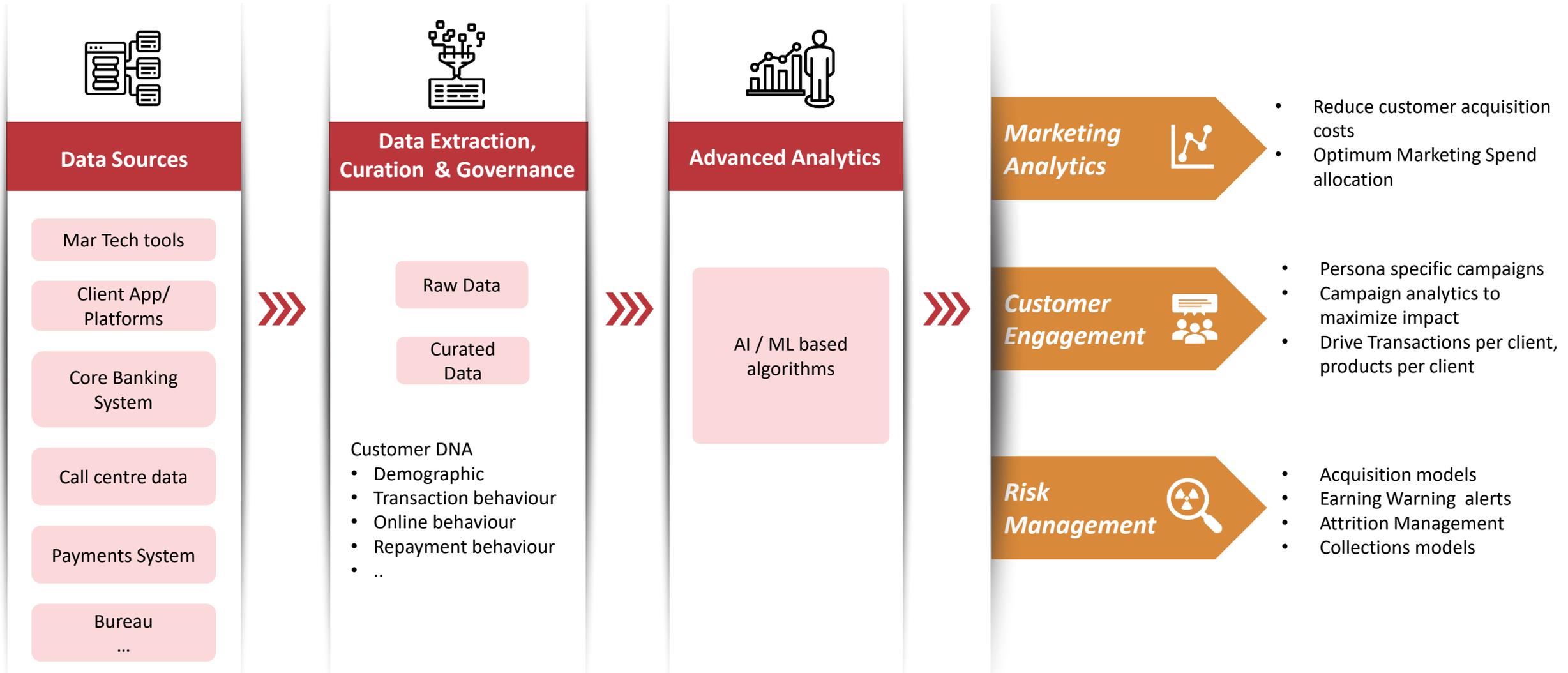
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# A strong foundation of data and analytics at the heart of creating business impact

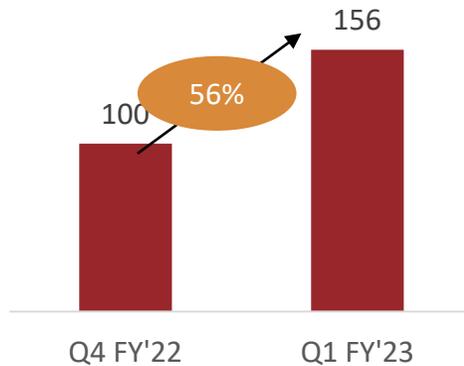


# A strong foundation of data and analytics at the heart of creating business impact

## Illustrative Impact

**56% increase in transactions of cohorts with low transaction intensity**

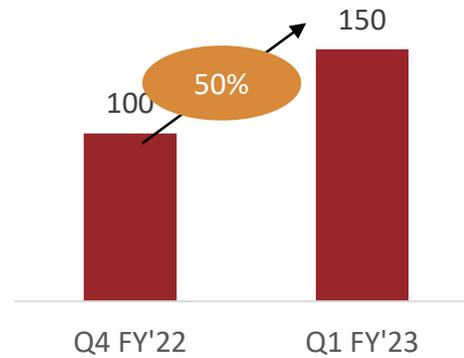
56% increase in transaction intensity



Customer Engagement Impact

**50% Increase in personal loans pre-approved**

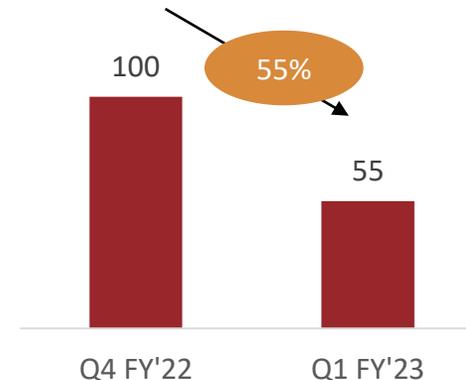
50% increase in pre-approved personal loans



Risk Analytics Impact

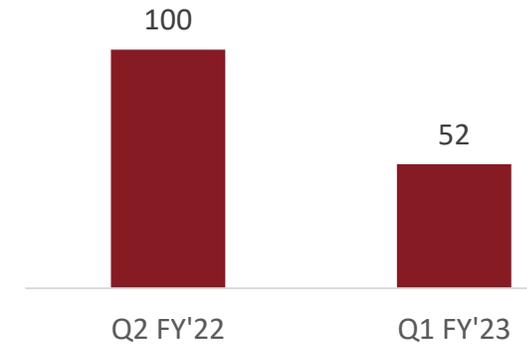
**45% reduction in early delinquency metrics in cards**

45% reduction on early delinquency in cards



**50% reduction in customer acquisition costs in DIY cards**

Indexed CAC – DIY Credit Cards

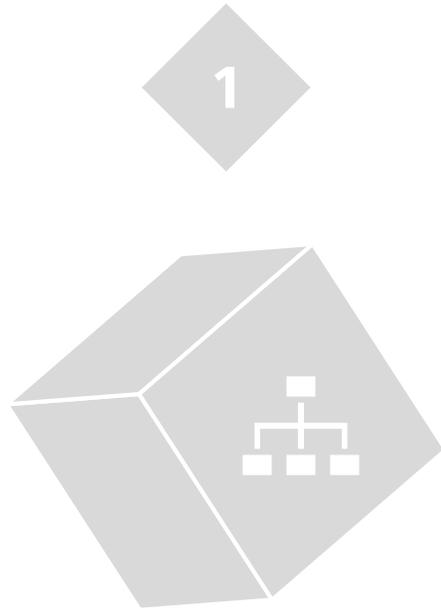


Marketing Analytics Impact

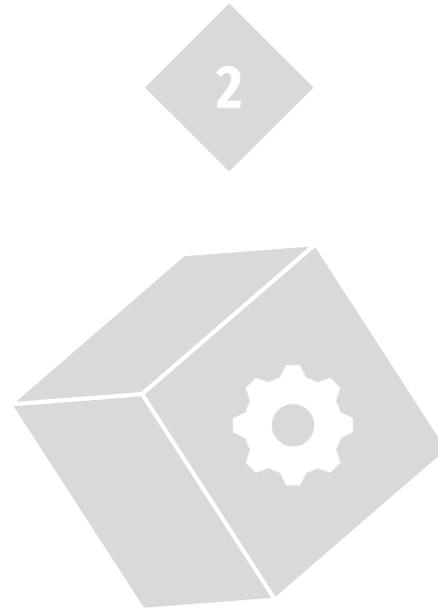


**Advanced machine learning based algorithms power instant decisioning across products on easycredit**

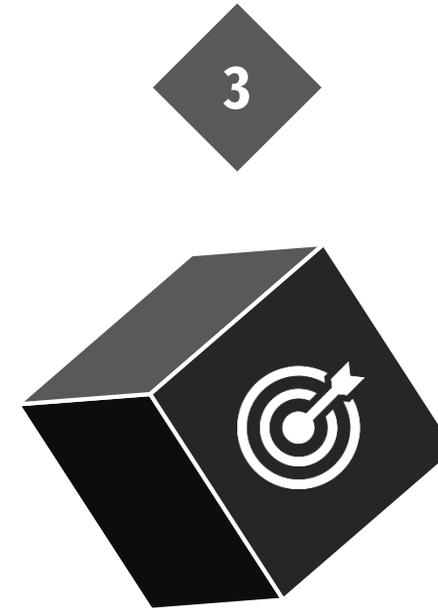
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# An integrated team of 300+ created as *IndusInd Digital Centre of Excellence* – Powering Business Impact and Value Creation

## Decision Science & Analytics

Campaign Analytics  
Segmentation  
Risk Analytics

## Inside Sales

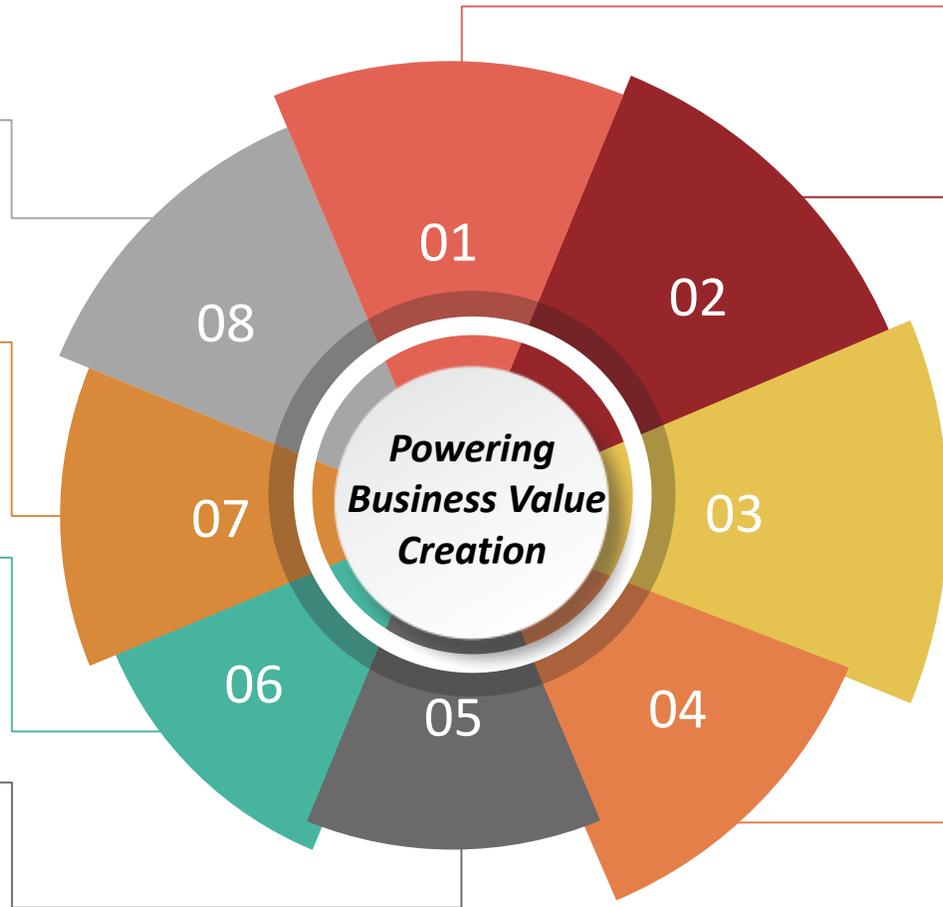
Drop off handling  
Co-browsing

## 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

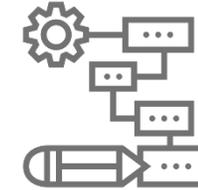
There is a fundamental shift in the way consumers consume financial products



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



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



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



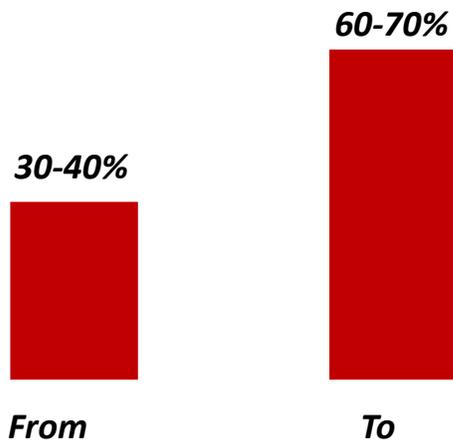
***Robust Customer Consent and Data Privacy Framework***



# 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**

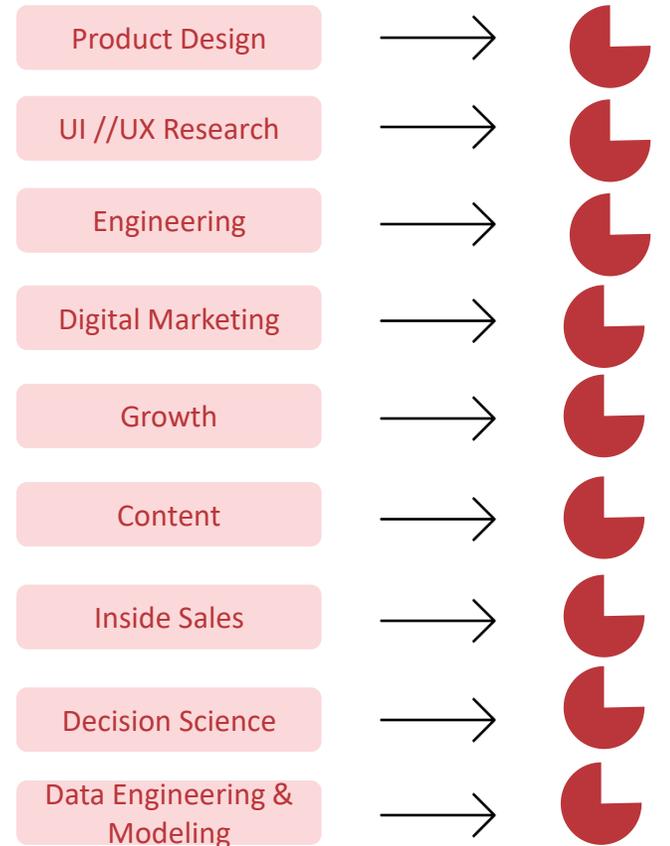


**Plan to acquire 8-10 mn clients  
digitally over next 3 years across  
Individual and MSME**

**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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