
















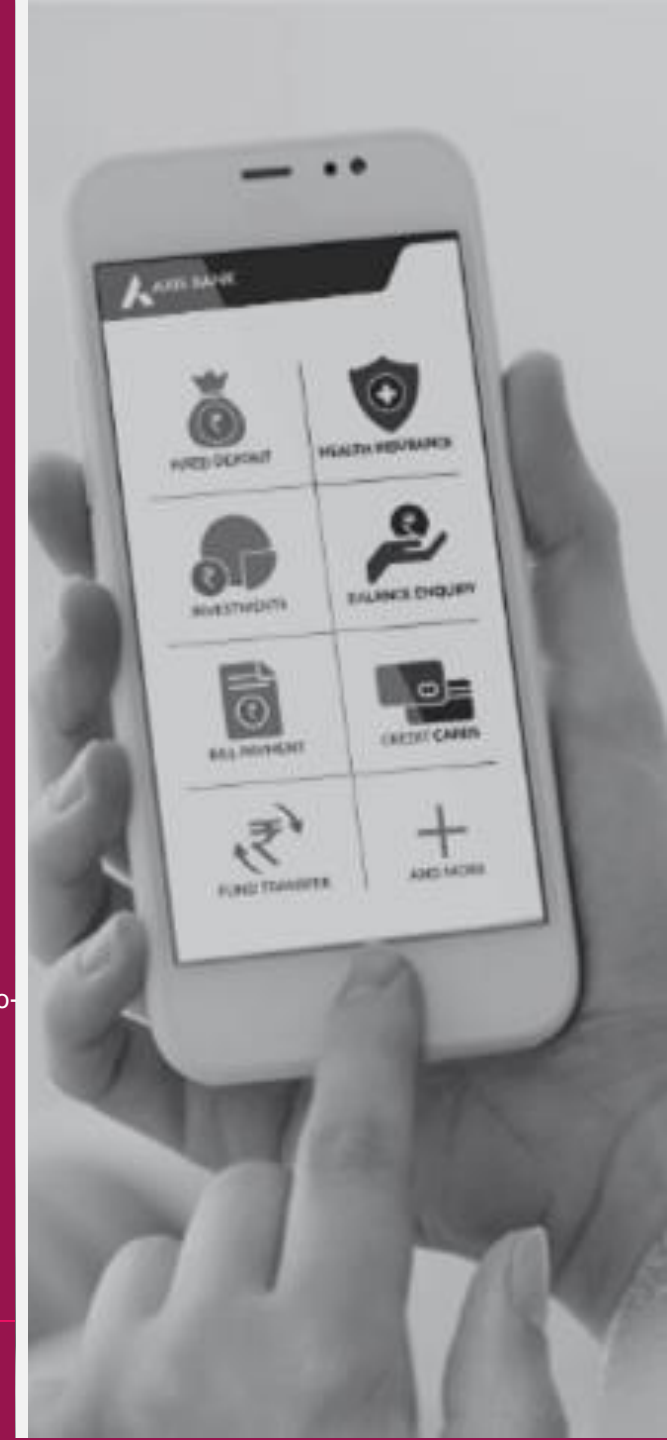


Axis Bank Digital: OPEN

December 2020

Digital Banking – Axis Bank’s “silent revolution”

 <p>D2C products</p>	<p>73% </p> <p>Digitally active customers</p>	<p>73% </p> <p>Fixed deposits opened**</p>	<p>72% </p> <p>New SA acquisition*</p>	<p>58% </p> <p>PL disbursed**</p>	<p>52% </p> <p>Credit cards issued**</p>	<p>48% </p> <p>New MF sales**</p>	<p>4.6 </p> <p>Mobile App ratings</p>
 <p>Transformation</p>	<p>250 </p> <p>Services on digital channels</p>	<p>20% </p> <p>Market share in UPI (Q2FY21)</p>	<p>17% </p> <p>Market share in mobile (Q2FY21^)</p>	<p>87%</p> <p>Digital transactions^</p>	<p>60,000 </p> <p>Staff on BYOD~</p>	<p>250</p> <p>RPA bots in action</p>	<p>300+</p> <p>Employee tool Journeys</p>
 <p>Capabilities</p>	<p>800</p> <p>People dedicated to digital agenda</p>	<p>110 </p> <p>In-house development team</p>	<p>75% </p> <p>New hires from non-banking backgrounds</p>	<p>PB</p> <p>Scale big data Hadoop clusters</p>	<p>120%</p> <p>Lift of bank credit model GINI scores over bureau</p>	<p>100+ </p> <p>AI use cases deployed at scale</p>	<p>Agile</p> <p>Enabled teams with CI/CD, micro-services based architecture</p>



*Digital tablet based account opening process for H1FY21 ^RBI data for Q2FY21 ~ BYOD : Bring your own device

^Based on all financial transactions by individual customers in Q2FY21 ** digitally in H1FY21

Trends shaping the bank of the future



Bank of the future will be **invisible and embedded into the customers journey** – ecosystems and partnerships will become critical



Data, digital and technology will converge to provide **personalized banking**



Public data and Digital infrastructure will enable dramatically different and fully digital business models; **sachetization** of financial services and emergence of **small business ecosystem** are two immediate opportunities



Technology and data will enable significant release in capacity and productivity boost **by reimagination of end-end journeys**



Product differentiation will become as important as **distribution power**

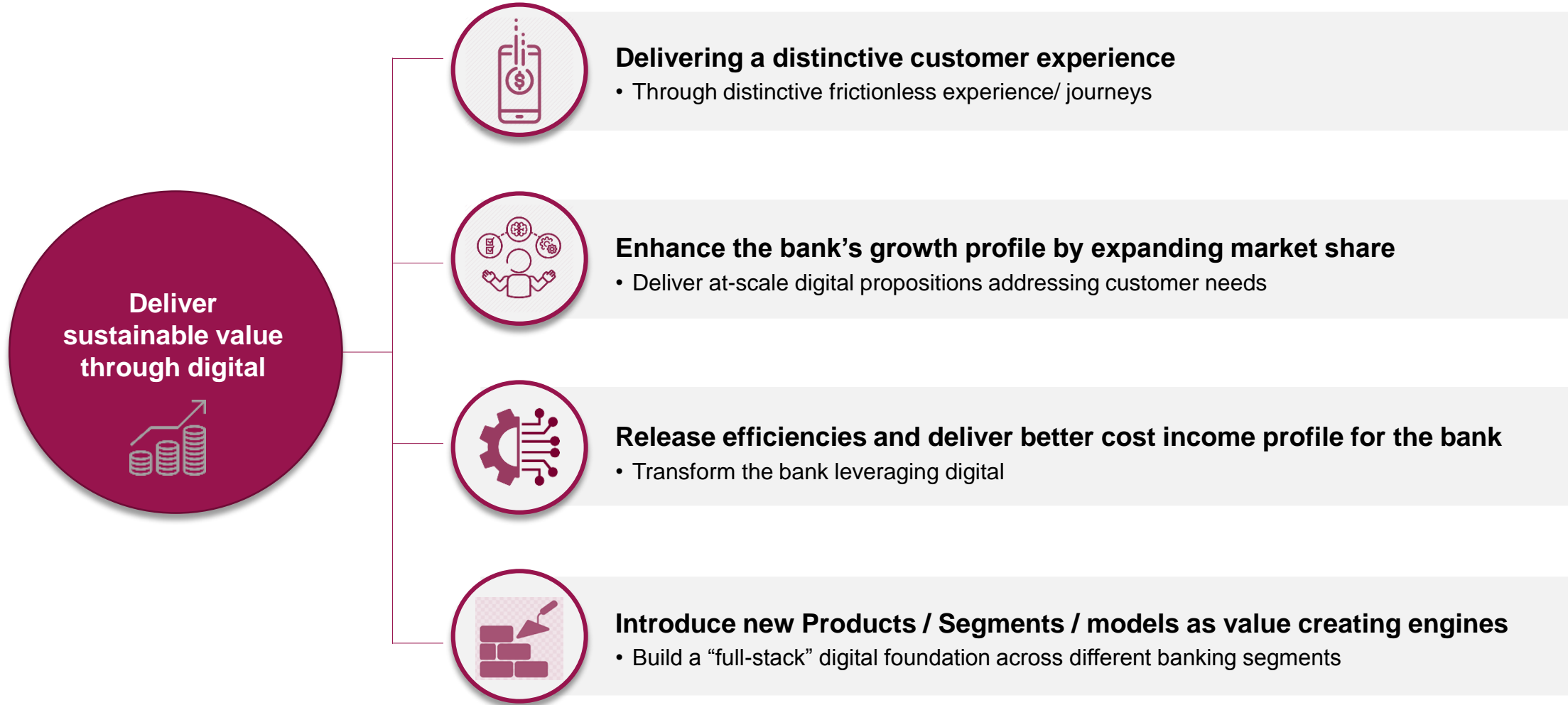


Fundamentally **different people and capability model** will be key to success

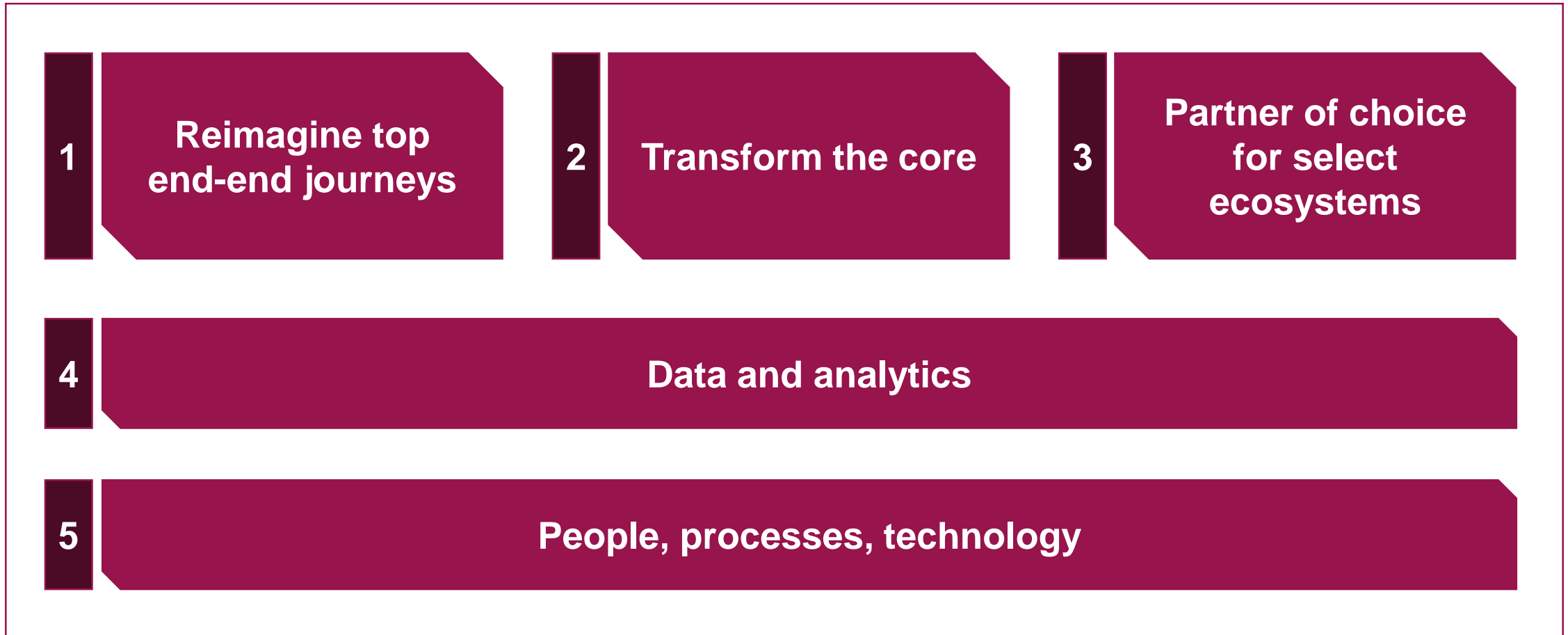


Future trends

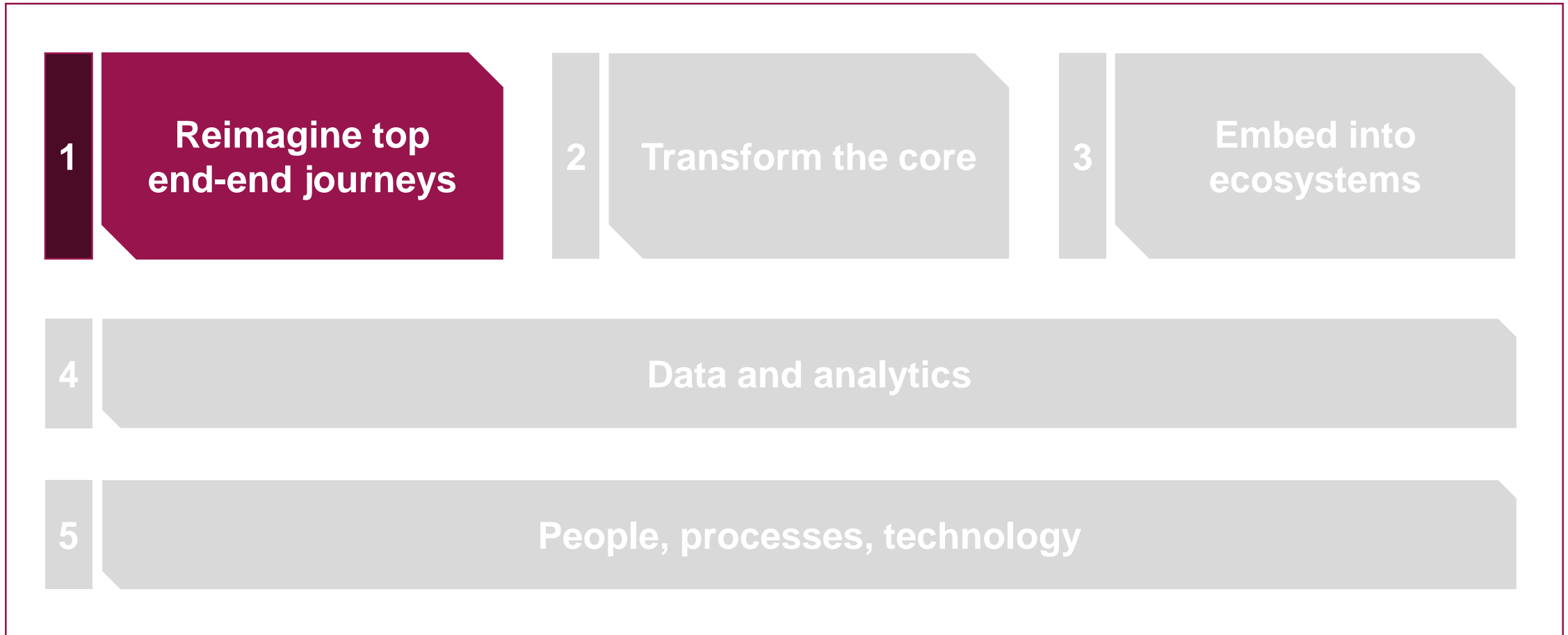
Our aspirations



Our Digital Bank strategy



Our Digital Bank strategy



1 Reimagining customer journeys

Reimagine end-end journeys

Introduce new products/ segments

Build integrated propositions

Details

- ~**100** journeys identified; basis size, profitability and franchise relevance
- **30%** delivered, phased plan to take coverage to **90%** in 18 months
- 4 new areas (products, segments identified)
- Phase wise launches starting Q4 and extending over next 12-15 months
- Customer centric cross-product digital propositions
- 5 areas identified; early stages of design

Impact markers

- Better topline growth
- Improved cost metrics
- Better quality
- New revenue streams
- New customer acquisition
- Customer lifecycle value
- New customer acquisition

1 OPEN: Axis Bank principles for reimagined customer journeys



O

0-based redesign; customer centric, design led and 0-operations

P

Proprietary in-house capabilities

E

Ecosystems capable; built for all Axis and partner channels

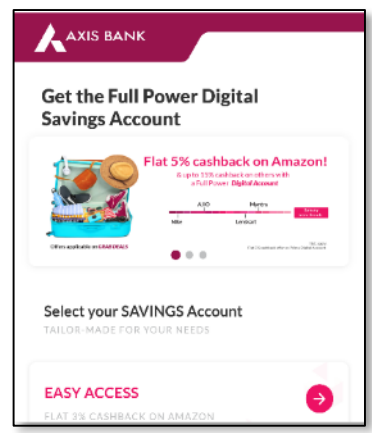
N

Numbers, Numbers, Numbers: Impact led and **metrics driven**

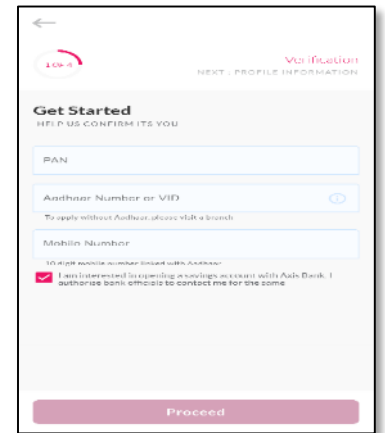
1 Leap: Digital Savings Account onboarding



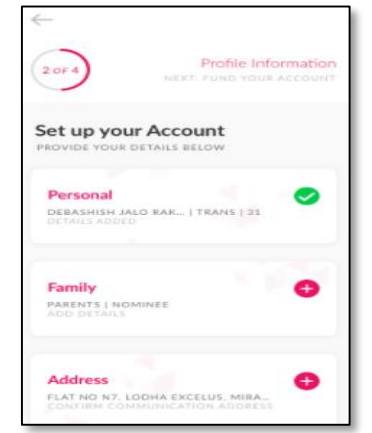
Key steps in the journey



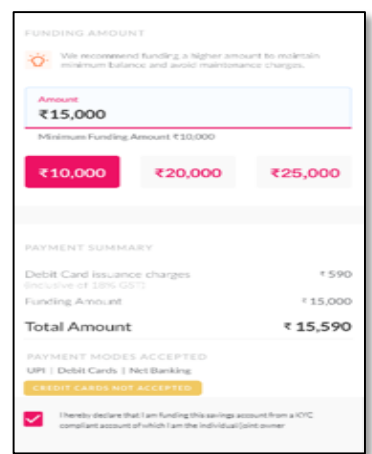
Product Listing Page



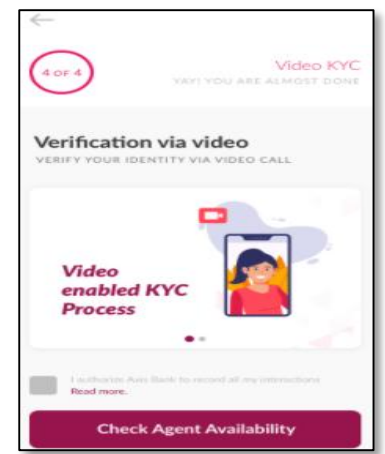
Step1:KYC



Step2:Profile Information



Step3:Funding



Step4:VKYC



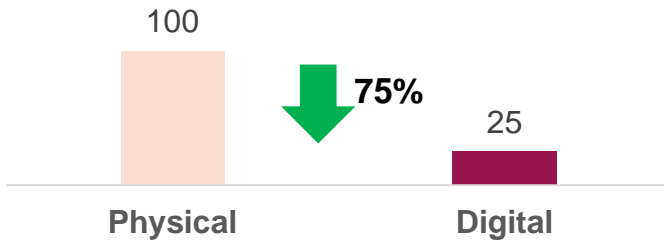
Account creation

O	0 operations; min to no data entry and all checks done by machines; 15% cash back; free Times Prime membership
P	Built fully in-house
E	Built as micro-services; extended to partners
N	Emphasis on quality acquisition, activation and value creation

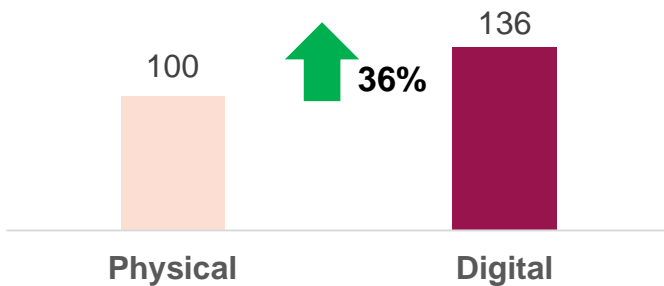
1 Leap: Impact metrics

Customer impact

- Account opening TAT [^]

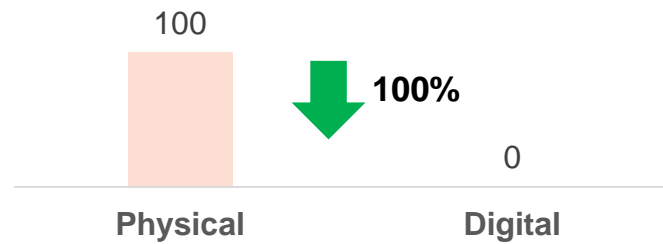


- Customer Satisfaction (top 2 box)

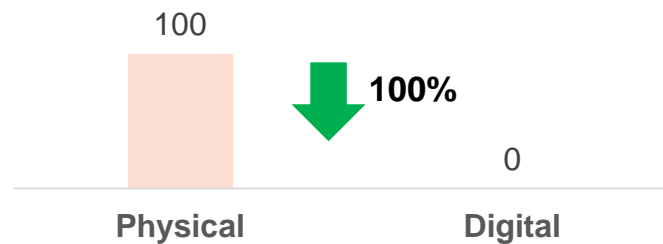


Operational impact

- Physical documents required (in #)



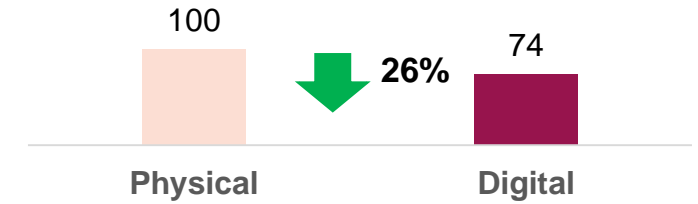
- NFTR ^{**}



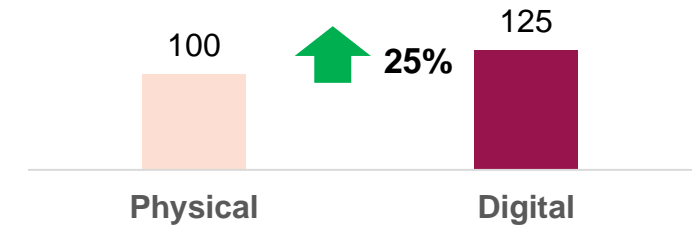
Financial impact

All the figures are Indexed

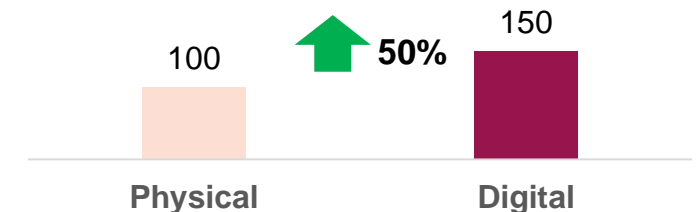
- Cost of acquisition



- True rate



- Digital activation

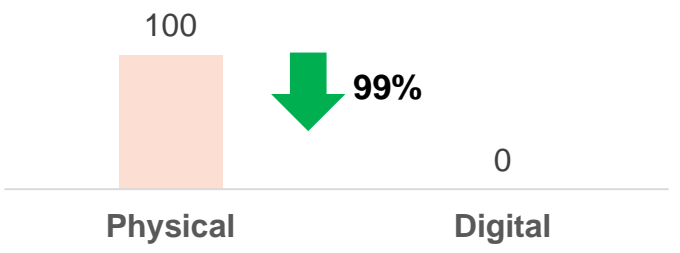


• 3 months post national launch, digital accounts for ~10% of originations*; growing rapidly MOM

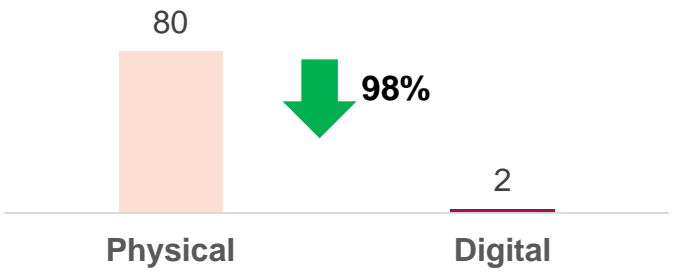
1 Maximus (Digital PL): Impact metrics

Customer impact

- End-end disbursement TAT ^

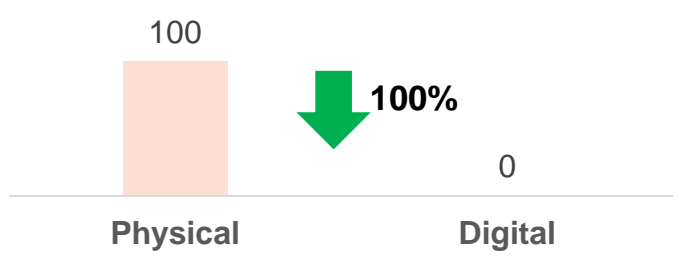


- Fields to be entered (in #)

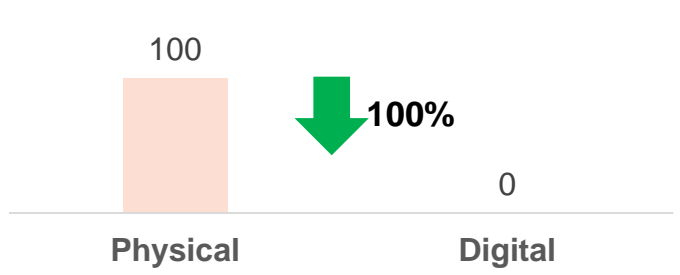


Operational impact

- Physical documents required (in #)



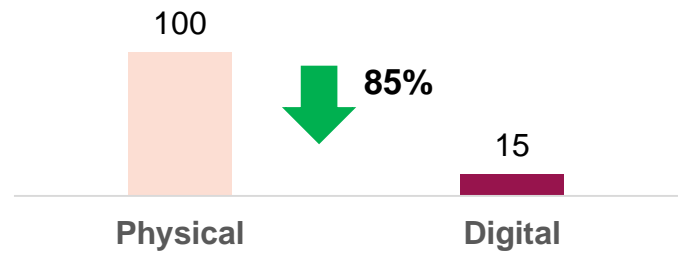
- NFTR **



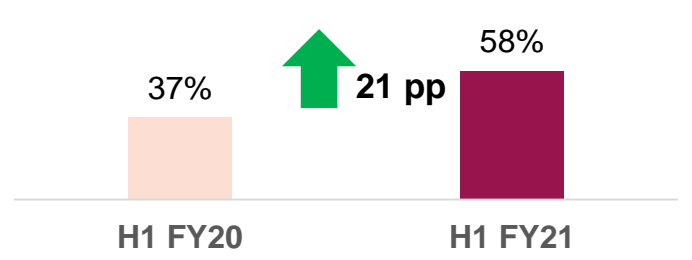
Financial impact

All the figures are Indexed

- Cost of acquisition



- Contribution to overall PL sourcing (%)



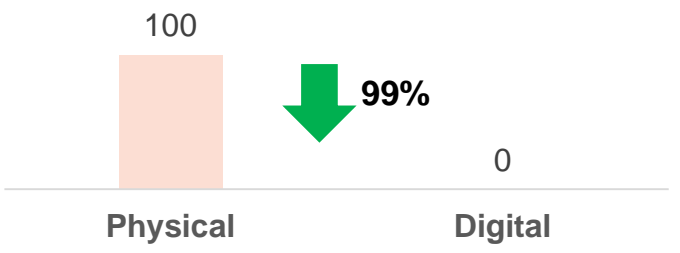
• Digital accounts for **58%** of new sourcing for H1 FY 21

^ TAT - Turn around time ** NFTR - Not First Time Right

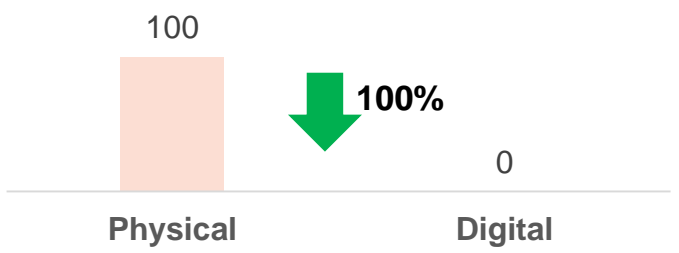
1 Mutual Funds: Impact metrics

Customer impact

- Purchase TAT [^]

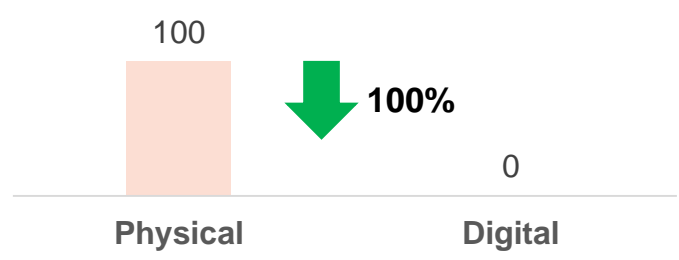


- Physical fields to be entered (in #)

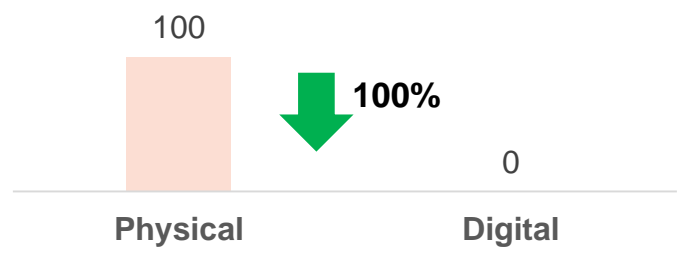


Operational impact

- Physical documents required (in #)

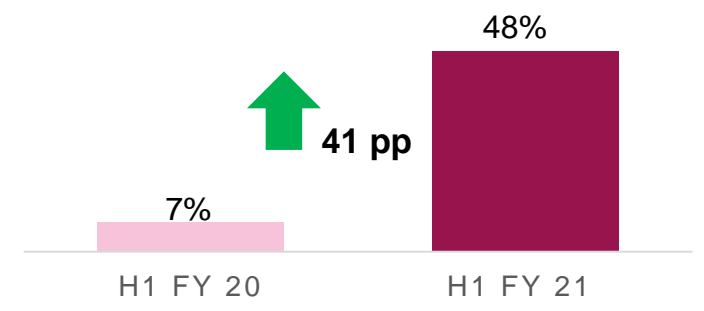


- NFTR ^{**}



Financial impact

- Digital contribution to fresh SIPs



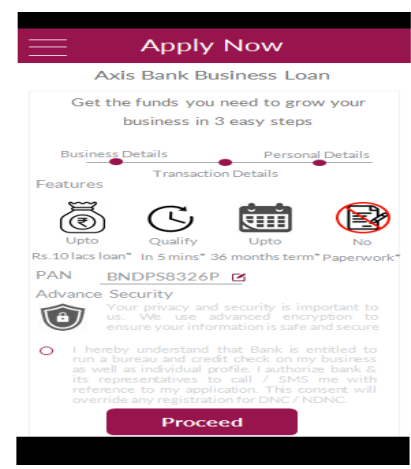
• Non KRA KYC customers enabled for MF transactions

[^] TAT - Turn around time ^{**} NFTR - Not First Time Right

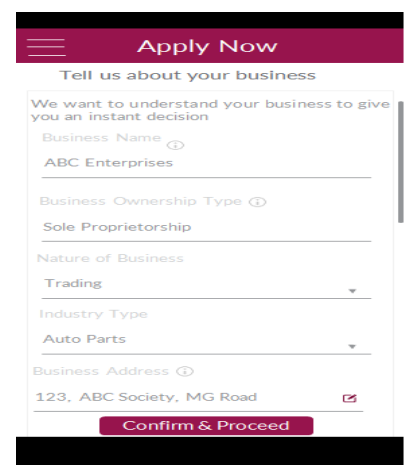
1 Digital Business loan (GST example)



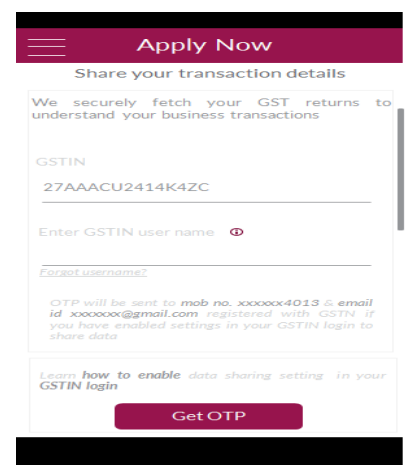
Key steps in the journey



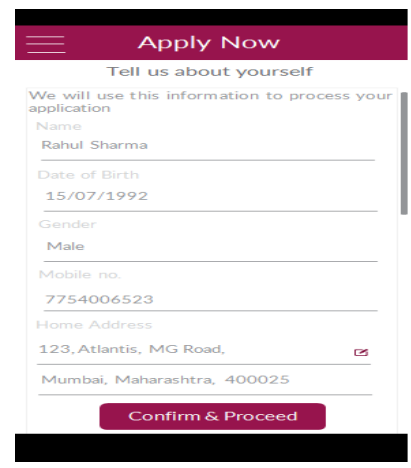
Generic Page



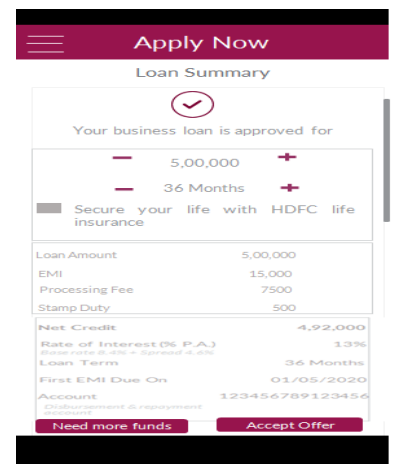
Step1: Business Details



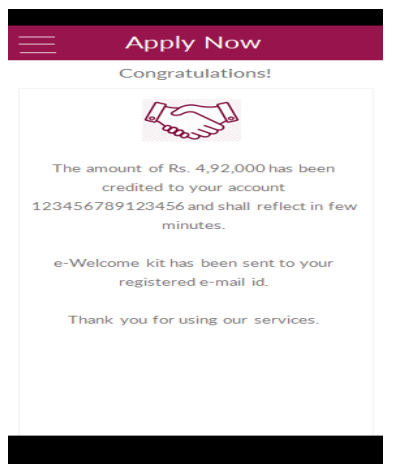
Step2: GST Details



Step3: Personal Details



Offer Page



Disbursement & Account creation

O

5-8 min to disbursal; integrations for data; automated real time underwriting

P

Proprietary underwriting model

E

Built as micro-services; extended to partners

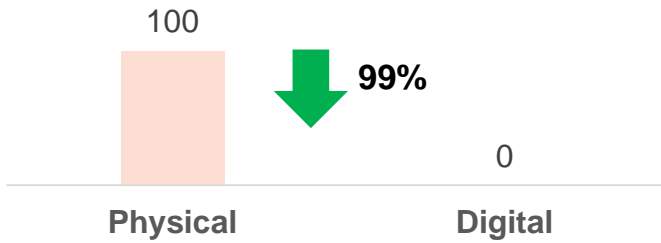
N

Delivering clear bottomline impact from better cost of acquisition

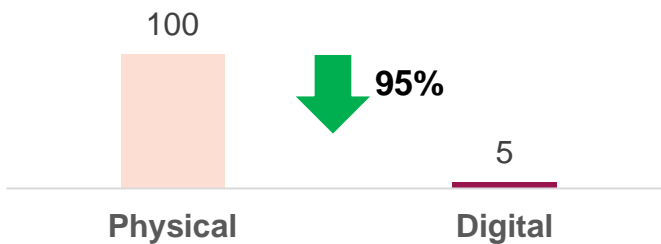
1 Maximus (Digital BL): Impact metrics

Customer impact

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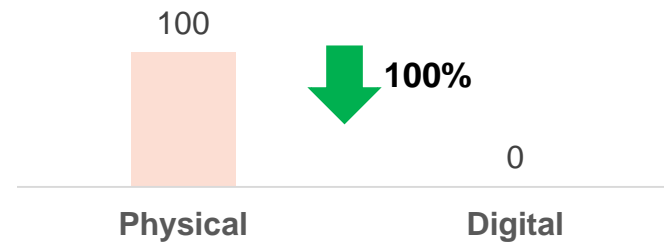


- # Fields to be entered

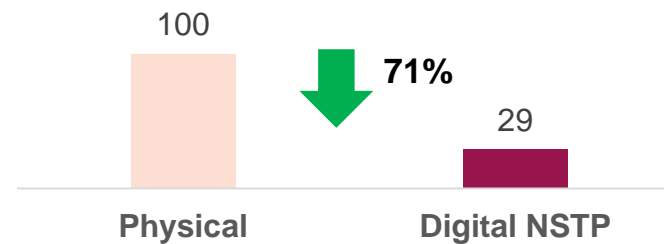


Operational impact

- # Physical documents required

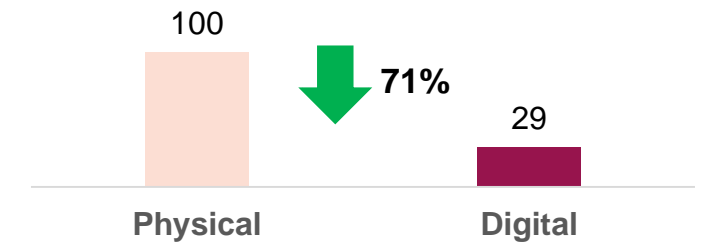


- Non STP^{**}

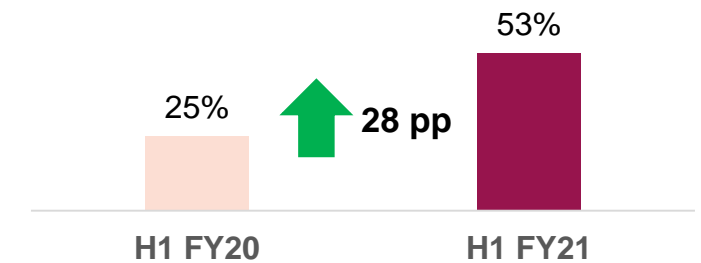


Financial impact

- Cost of acquisition^{*}



- Contribution to overall BL sourcing (%)



- Digital accounts for **64%** of ETB sourcing for H1 FY 21

The Indian retail industry is expected to reach \$2.2 trillion by 2025; ~90% of FMCG retailing is in the form of unorganized *kiranas*
All the major players like Jio, Walmart, Amazon are eyeing the local kiranas to unlock opportunities

The opportunities



Millions of small retail stores ready to embrace technology

- Demand for plug and play Omni channel retail technology
- Adoption of retail best practices



Continued Growth in non-cash payments

- Demand for contactless & other digital payment solutions
- Demand for Hyperlocal ecommerce



Exponential increase in transactional data

- New consumers getting in the electronic mainstream
- Terabytes of data available for mining and analysis

Axis Bank aims to be the bank of choice for kiranas as they make significant decisions around their ecosystem



The Axis Android EDC/POS terminal is designed to be a one-stop solution for kiranas

Following our success in a limited pilot in Lucknow, expanded pilots are planned across the country

Two-phase implementation

- Open market : Pilot with local distributor partners (Live)
- Pilot with an exclusive inventory fulfillment partner* - in advanced stages (Expected go-live: Q4'2021)

Agra, Indore, Bhopal,
Vizag, Warangal,
Lucknow

15,000 merchants
over a 6 month period

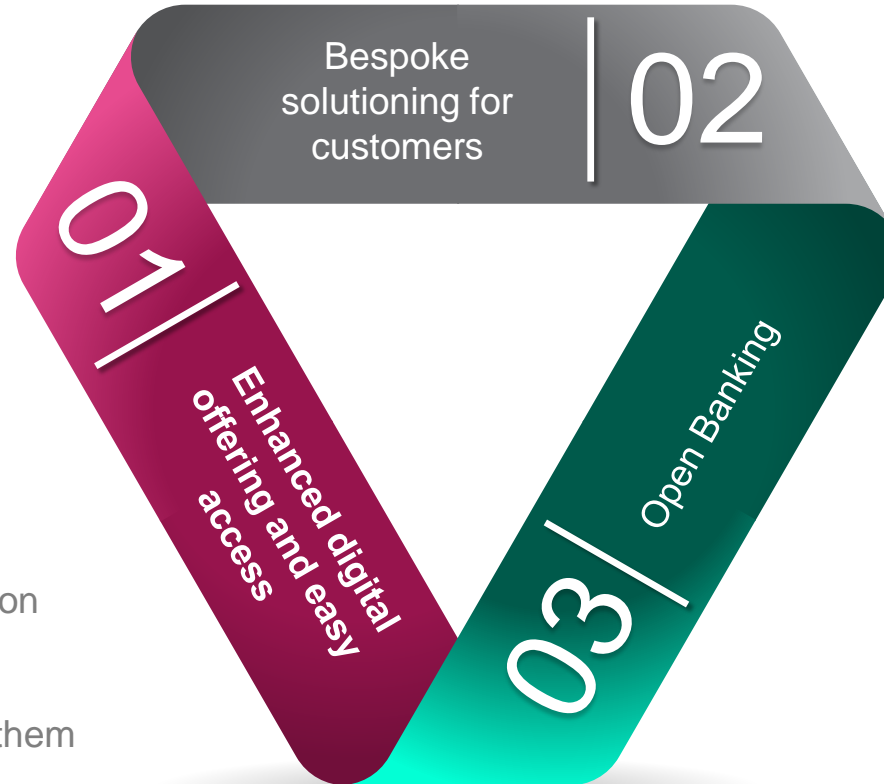
Metrics:

- Throughput
- Activity rate
- Months on board

1 Digital initiatives in Corporate banking are focused across 3 primary vectors



- Drive towards 100% registration across digital properties by digitalizing more processes
- Reimagine journeys to make them more usable



- Focus on sector specific solutions and bespoke needs of large corporates
- Commercialization at scale provides access to significant revenue pools



- Upgrade to an ecosystem play
- Integrations with customers, partners and platforms for an integrated approach

1 We have put into place a comprehensive Internet Banking solution with a wide array of features



Key Features

- A/c Management
- Vendor Payments
- Salary Payments
- Utility Bill Payments
- Statutory Payments
- Trade & Forex
- Supply Chain
- Shopping Mall
- Credit Connect
- Commercial Cards
- Investments

1

At the same time, we have also focused on specialised areas like Trade

- Remittance credited within an hour
- Online rate booking
- A1 / A2 remittances
- Bene addition



- Online platform
- Anywhere 24 X 7
- Authorization on the move with Mobile App

- Paperless
- Digital LC
- Digital BG



Digital Trade



- Templated txns
- Bulk Upload
- Bulk Approval
- Reports
- Dynamic MIS Dashboard

- e-Softex
- 1 stop solution for Software Exports
- Export credit
- Import solutions



- Paperless Imports
- Paperless Exports*

Large and Mid Corporates

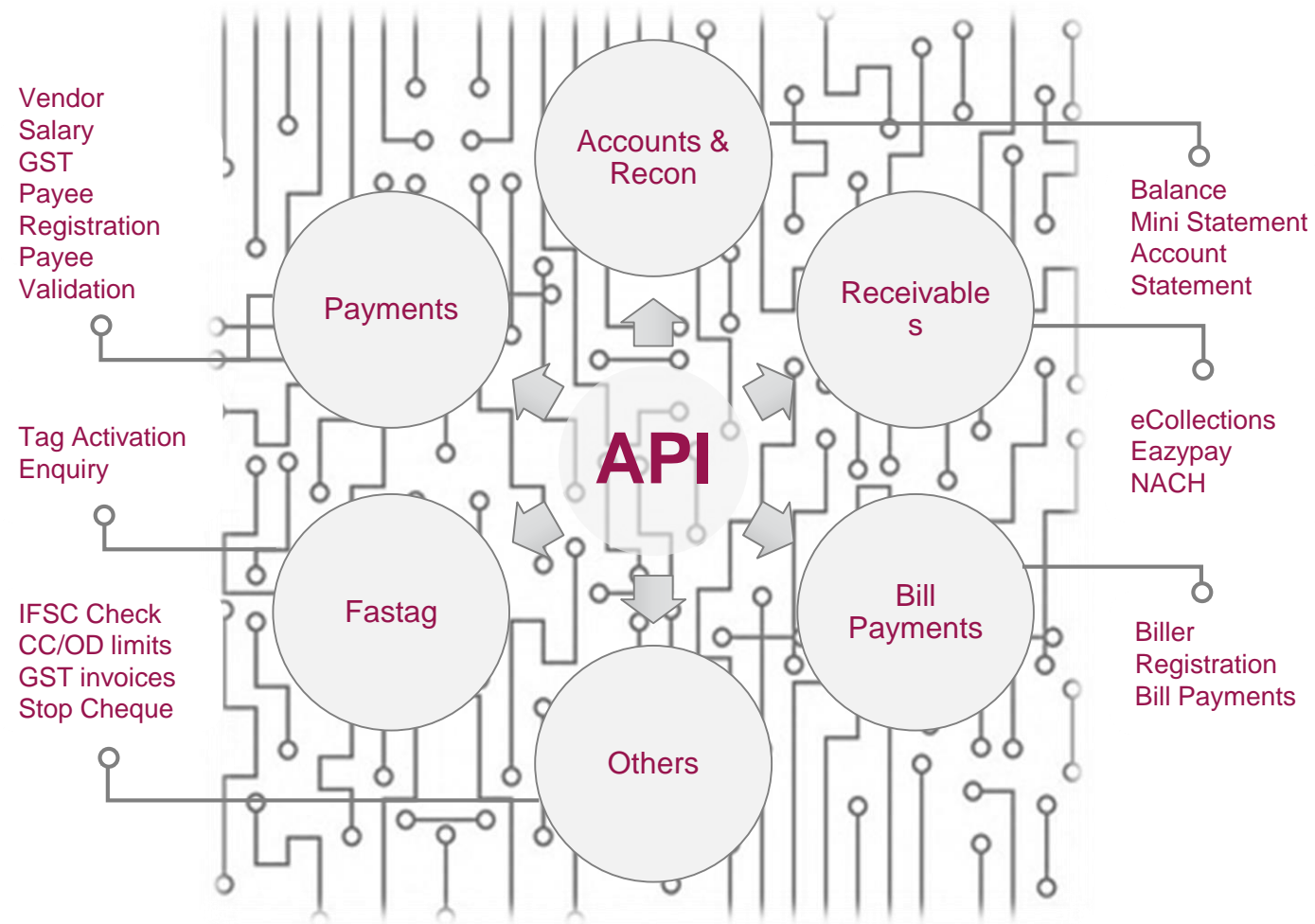
SMEs

MNCs

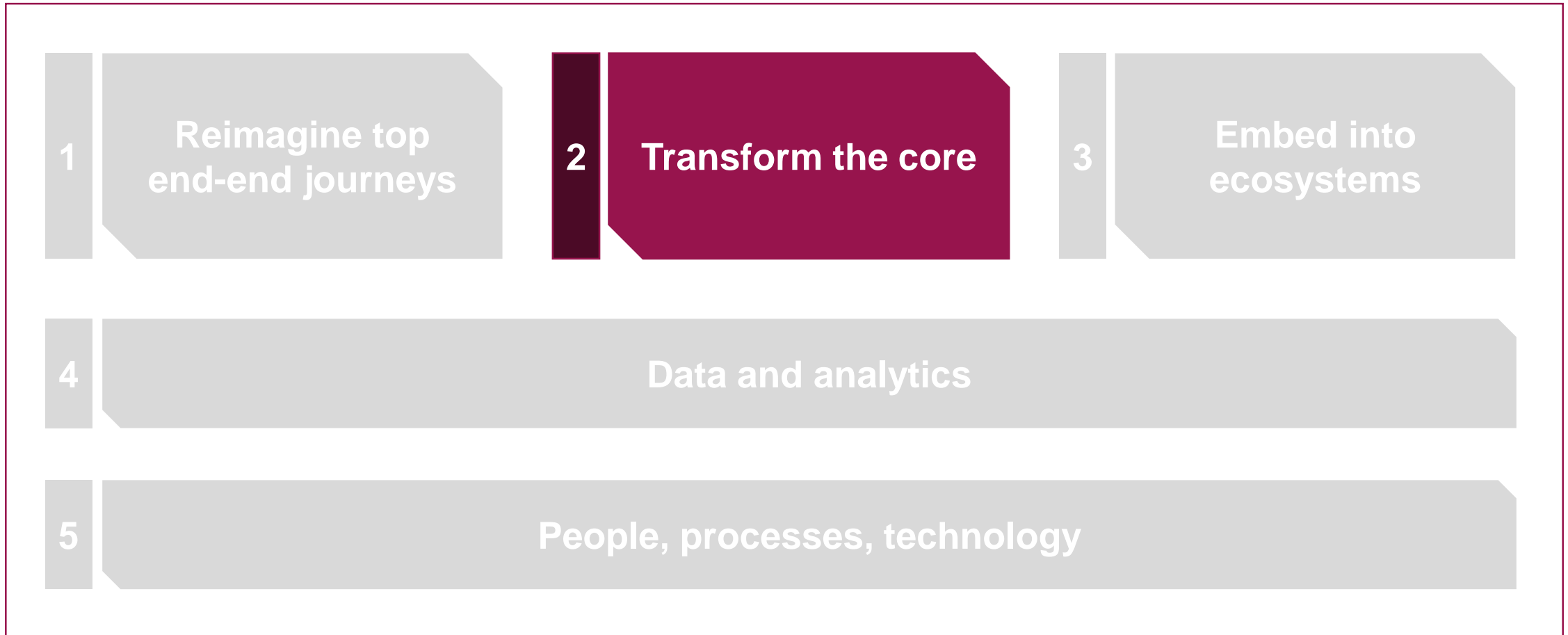
Start-ups

1

We are building a strong and ever expanding API backbone



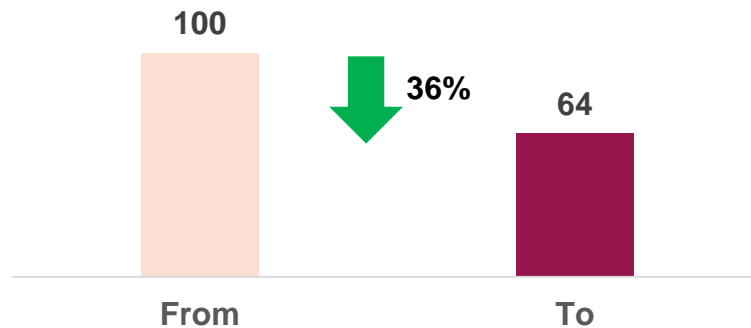
Our Digital Bank strategy



2 Branch of the future: Frontline productivity enhancement

Objective

- Frontline time spent on servicing and operations



- More time for relationship management
- Better customer experience
- Productivity boost

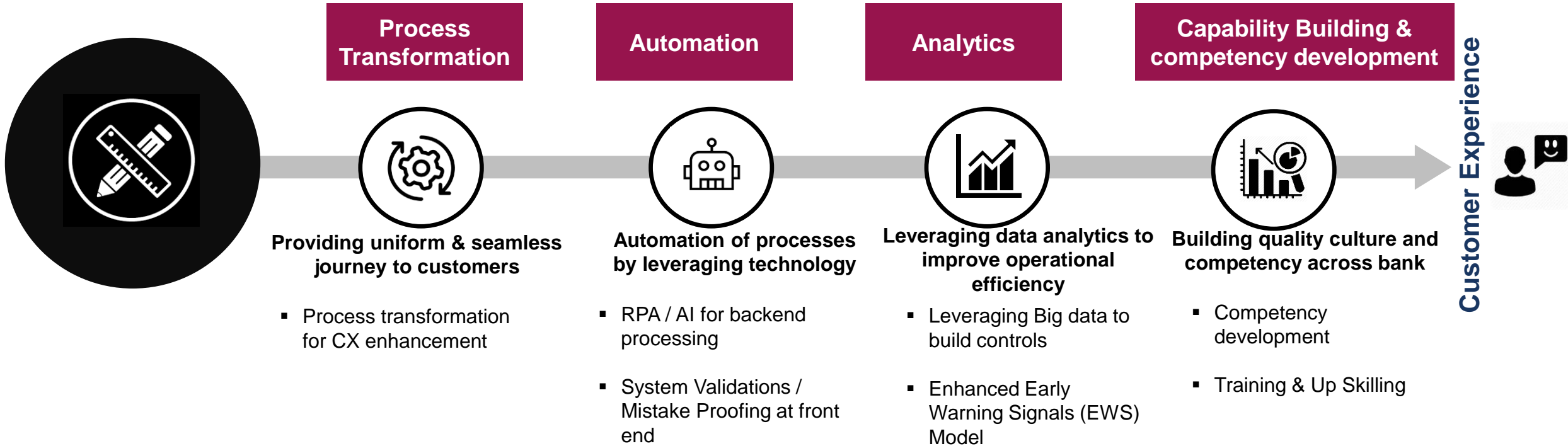


Initiatives

- 1 **Reimagine branch processes** leveraging digital
- 2 **Redefine frontline roles** to focus on relationship management
- 3 **Institutionalise Axis way**; build data and tech enabled operating rhythm
- 4 **Dil Se Open Branch model** – new branch layout to focus on customer experience

50+ Initiatives identified and underway

2 Operations transformation: Back office productivity enhancement



30 large scale Operations Transformation projects have been identified across the customer life-cycle and internal controls (69% completion)

Customer Experience: Expansion of measurement across Retail Bank, Framework for Wholesale Bank being worked out, Measurement for subsidiaries being planned

Intelligent Automation Centre of Excellence (COE) being set-up to manage pan-Bank scale up of RPA and AI

Details

Benefits

Siddhi

- Intelligent, comprehensive, proactive and hyper-personalized employee tool
- Covering **300** journeys across bank and subsidiaries

- Enable meaningful customer conversations via analytics
- Empower managers to have control and meaningful coaching conversations
- Reduce opex and capex for the bank while delivering better frontline productivity

BYOD

- Bring Your Own Device program, enabling staff to use bank apps on their devices
- **60,000** personnel onboarded; average **3.5 lakh** leads delivered per month through **1.4 lakh** activities/interactions

- Enhance staff mobility and enable work from anywhere
- Reduce infrastructure costs significantly
- Higher productivity

Future of work 2.0

- Flexible working arrangements
- **Giga program** launched
- Work from home and work from anywhere

- Structural reduction in costs
- Better employee satisfaction
- Ability to attract new talent pools

Sankalp (SME): Reimagined journeys to deliver better frontline and back office productivity – Credit journey example

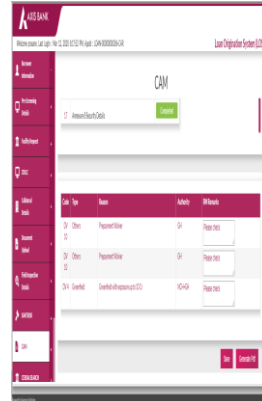
Key steps in the journey



Auto generated CIBIL reports



Digital rating tool



System generated Deviation

What makes the journey distinctive/ best-in class

- Single click pre-screening against knock-off factors in CCP like CIBIL, BQS
- Instant rating for exposures up to ₹5 Cr.
- Auto generation of sanction letter
- One single application for Business/Credit/CBO team

Key capabilities built

- APIs with CIBIL, Hunter, MCA for pre-screening
- Integration with Vendor Platform
- Integration with E-forms
- Real time covenant tracking by CBO



Red flag identification



Auto generated Sanction letter



Auto tagging of Authorities

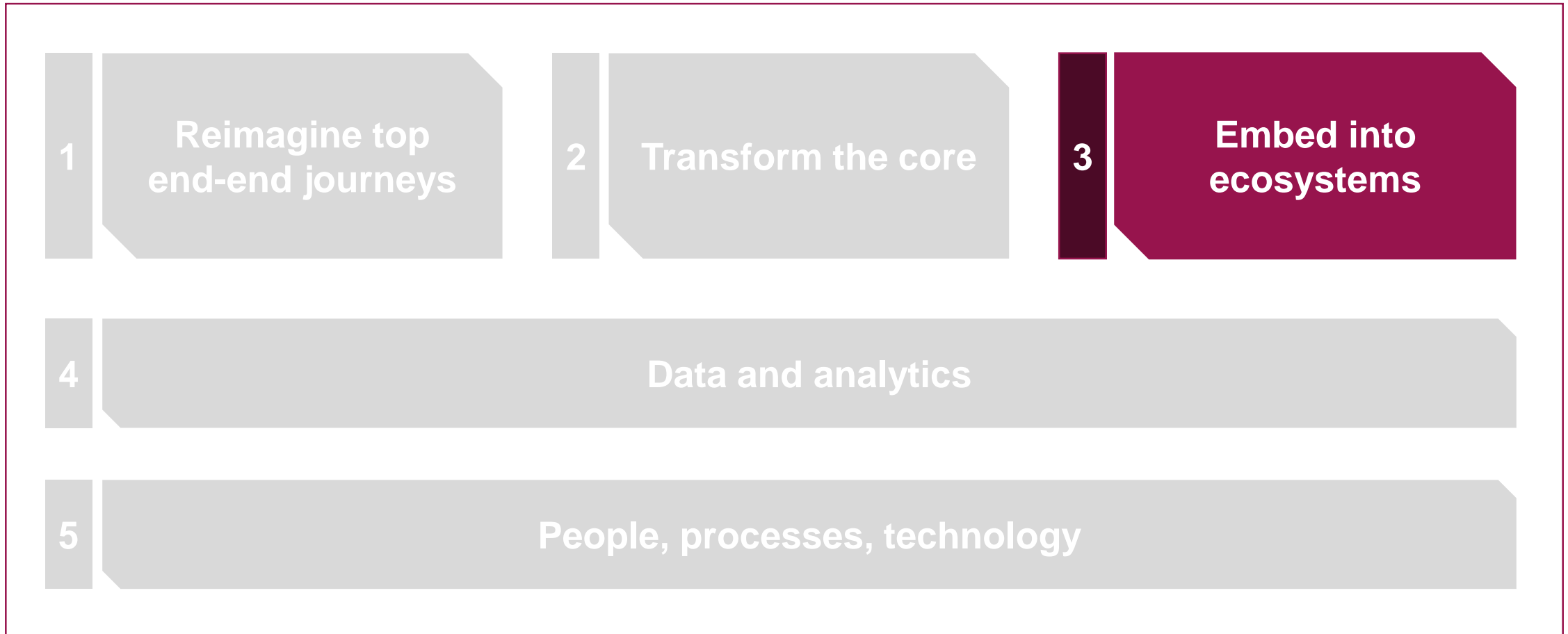
Customer impact

- **50%** reduction in end-end TAT
- Exposure based documentation reduces document requirement for Small ticket loans
- Capability to upload documents directly on customer portal which will reflect automatically against the proposal
- No need to share bank statements; required data can be shared in a secure manner using net banking credentials

Operational impact

- Due diligence TAT reduced by **75%**
- **40%** reduction in effort in creating credit appraisal memo
- Integrated systems – significantly lower manual operational effort required
- Significant reduction in audit observations given automation and system driven tagging

Our Digital Bank strategy



3 We aspire to deeply ingrain into select ecosystems and transform them



	Partnerships	Ecosystem 1.0	Ecosystems 2.0
Details	<ul style="list-style-type: none">• Build organizational capability for working with partners• Product specific partnerships• Focus on acquisitions• Minimal integrations/typically redirections	<ul style="list-style-type: none">• Fully integrated products• Lifecycle services• Typically multiproduct• Deep integration with partners	<ul style="list-style-type: none">• Jointly develop end-end ecosystem solutions• Typically bank + 2 partners• Typically involve multiple products and new product development
Illustration	<ul style="list-style-type: none">• Aggregators• Payments partnerships	<ul style="list-style-type: none">• Flipkart, Google credit card	<ul style="list-style-type: none">• Merchant ecosystem – simplify merchant procurement lifecycle• Healthcare: Make healthcare affordable and frictionless

3 Our API developer portal is live and hosts a full range of APIs

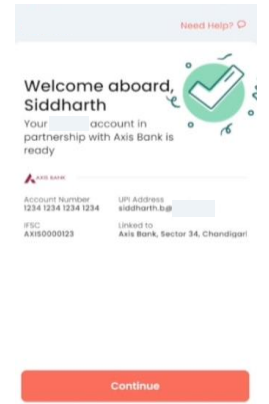



- Adaptability**
 - Integrate with any ERP, App, processing engine
 - Adapters for SAP PI/PO
- Scalability**
 - Ability to handle large volumes
- APIs for all modes**
 - Digital: RTGS, NEFT, IMPS, Fund Transfer
 - Paper-Based: Cash, Cheque & Demand Draft
- Latest Integration Technology**
 - JSON
 - SOAP Based
- Flexibility (STP & NSTP)**
 - Seamless Straight through processing
 - Provision to stage at bank portal for approval
- Implementation Support**
 - Dedicated implementation team for on-boarding
 - Dedicated tech support during development
- 24x7 Tech Support**
 - Round the clock tech support
- Secured**
 - Compatible with advanced encryption methodology
 - Customized encryption logics and MLS supported

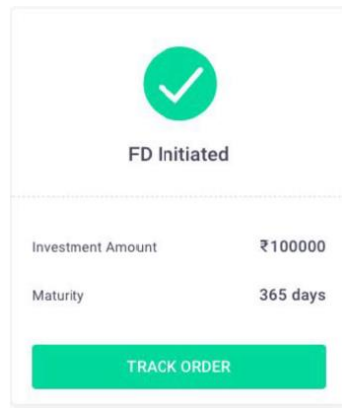
3 We have build multiple products partnerships across multiple partners



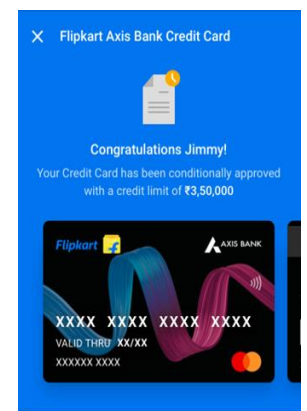
Neo Banking



FD



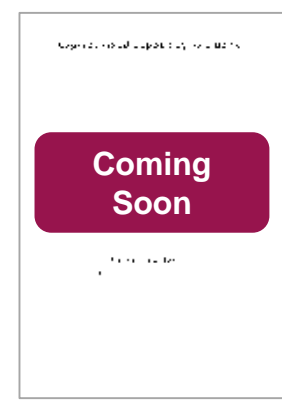
Credit cards



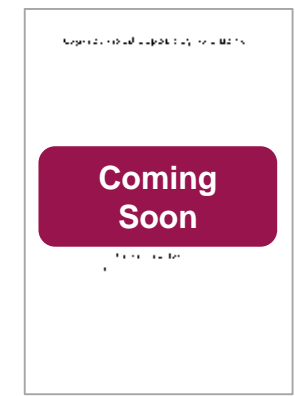
Small ticket loan



Auto loan



Merchant loans



Representative partners



3 We have enabled full lifecycle of products (acquisition and management) on partner platforms – FD example



End-to-end FD acquisition journey, native on partner platform



FD maintenance and servicing on partner platform



Amount and tenure selection

PAN & Bank detail validation



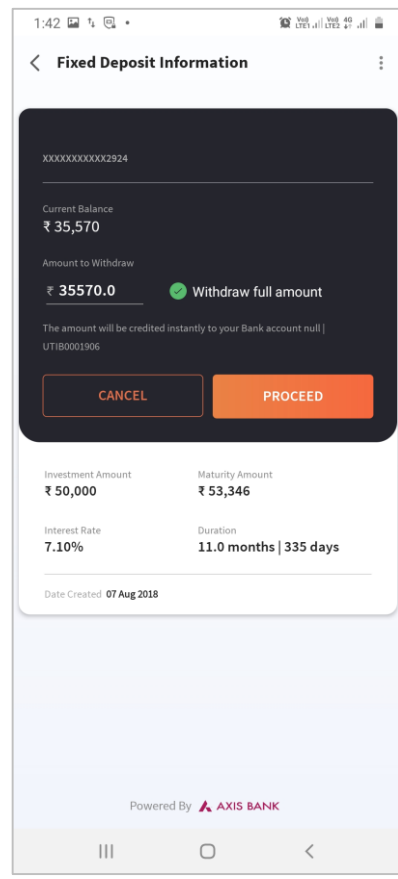
Aadhaar based e-KYC

FD creation success



View FD balance

View FD details – tenure, ROI etc



Email FD Advice

Partial/ Full withdrawal

3 We are moving from ecosystems 1.0 to ecosystems 2.0



Ecosystem 1.0

- 1 Typically product specific
- 2 1-2 products
- 3 Origination journey integration
- 4 Acquisition orientation
- 5 Typically Axis + 1
- 6 Economics driven by financial services product profitability; many times acquisition oriented

Ecosystem 2.0

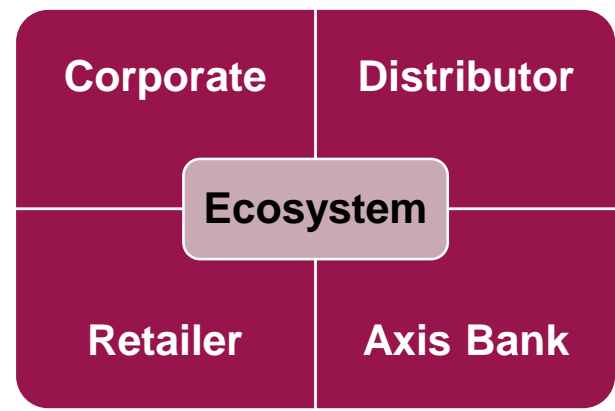
- 1 Focus on customer lifecycle
- 2 Multiproduct
- 3 Creation of new journeys – involving financial product and core product
- 4 Integrated customer solution
- 5 Typically Axis + 2 or more
- 6 Economics driven by customer lifecycle value

4 We are working with partners to build out a merchant ecosystem



The ecosystem will deliver value to each entity

- Improved retailer coverage and shelf space
- Higher sales to distributors
- Improved working capital cycle
- Increased sales to retailers
- Up front payments from merchants



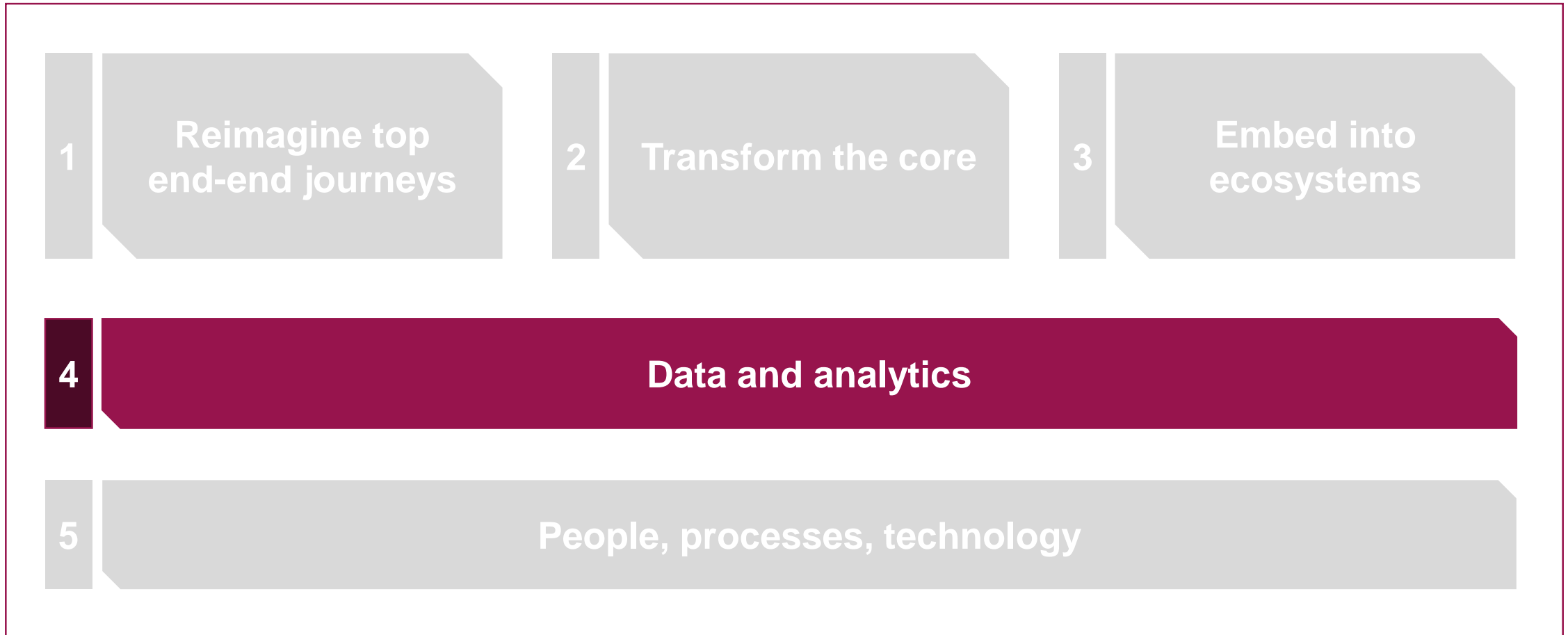
- Ease of access to funding
- Longer payment tenures
- Ease of payment collection from customers
- Low cost funds
- Enhanced underwriting
- Improved risk management with transaction monitoring

Axis bank aims to offer a suite of products delivered through



- **Custom integrated offerings** for all entities
- **Seamless Digital on-boarding** with unified KYC
- **Instant funding** with enhancements linked to business growth
- **Fostering synergies** between ecosystem entities **enabling credit access and flexible payment terms**

Our Digital Bank strategy



Today, Bank leverages analytics at a large scale

Bank covers wide spectrum of analytics ...

Business Analytics

Driving business growth through budget planning, pricing strategy & product engineering

Marketing Analytics

Enhance customer engagement through omni channel marketing campaigns

Digital Analytics

Deliver personalization experience for customer service and cross sell via analytical frameworks

Financial Crime Analytics

Help detect and reduce fraud cases across different products by robust real time rules

Operations Analytics

Increase operational efficiency via better resource allocation & process re-engineering

Business Intelligence

Building dashboards to help teams track business across different segments

... covering most of the organization

Retail Banking

Credit Cards & Payments

Rural Lending

Retail Lending

SBB Lending

Branch Banking

Retail Liabilities & IPG

Corporate Banking

Wholesale Banking Coverage Group

Wholesale Banking Product

Digital Banking

Risk

Underwriting & Policy

Corporate Center

Financial Crime

HR

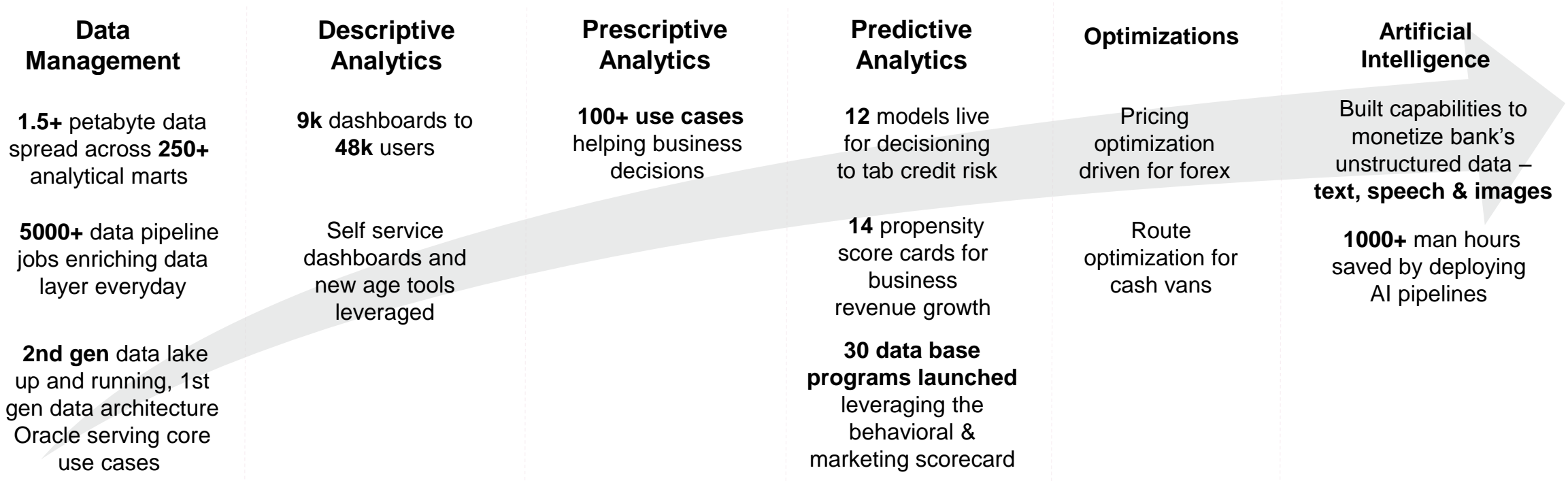
Operations

Audit

4 We are fairly advanced in our analytics maturity curve



Analytics Sophistication



400+ strong techno functional team with comprehensive skill sets

Roles

- Business Analyst
- Data Scientist
- Business Intelligence
- Data Engineer

Tools



Talent

Average employee age of **28.5 years**

50% have Masters and Post Graduate degrees

2000+ man hours of instructor led training

Structured campus hiring programs from **IIT, NIT**

4

Significant business impact been created through data driven decisioning



72% of retails loans are decisioned via proprietary machine learning models



71% of credit card sourcing is done via our database programs



₹4.5k Cr of Home Loan BT stopped in this FY till September end



9000 reports published across **80** verticals and consumed by **48k** employees



₹890 Cr increase in credit limit for **1.8 lakh** cards via our limit management program



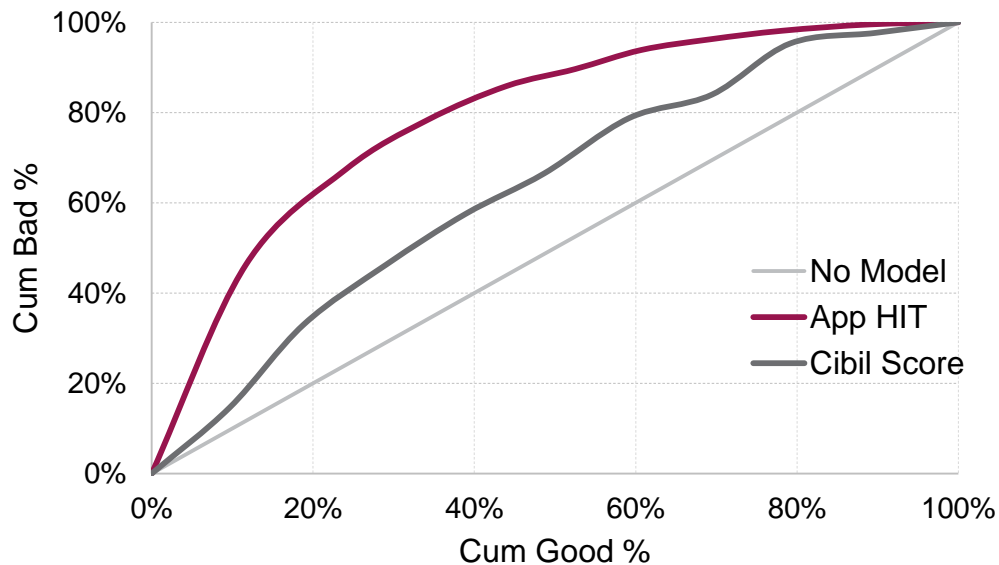
₹43 Cr YTD savings in fraud via robust alerts framework

4 Setting up the right data infrastructure

Superior Machine Learning Models

- Ensemble Machine learning model
- More than 2000 attributes considered
- 120% better GINI than generic bureau score

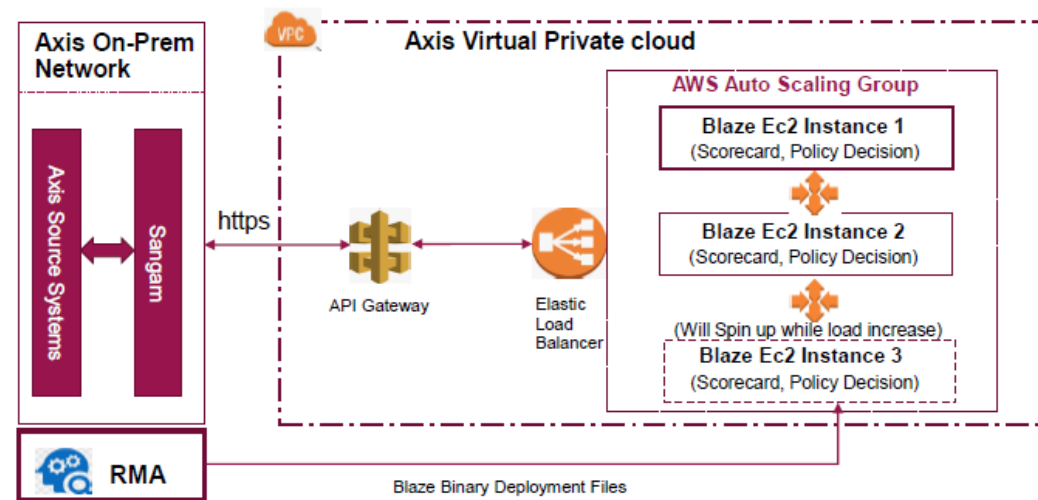
Proprietary Application Score – Lift Chart



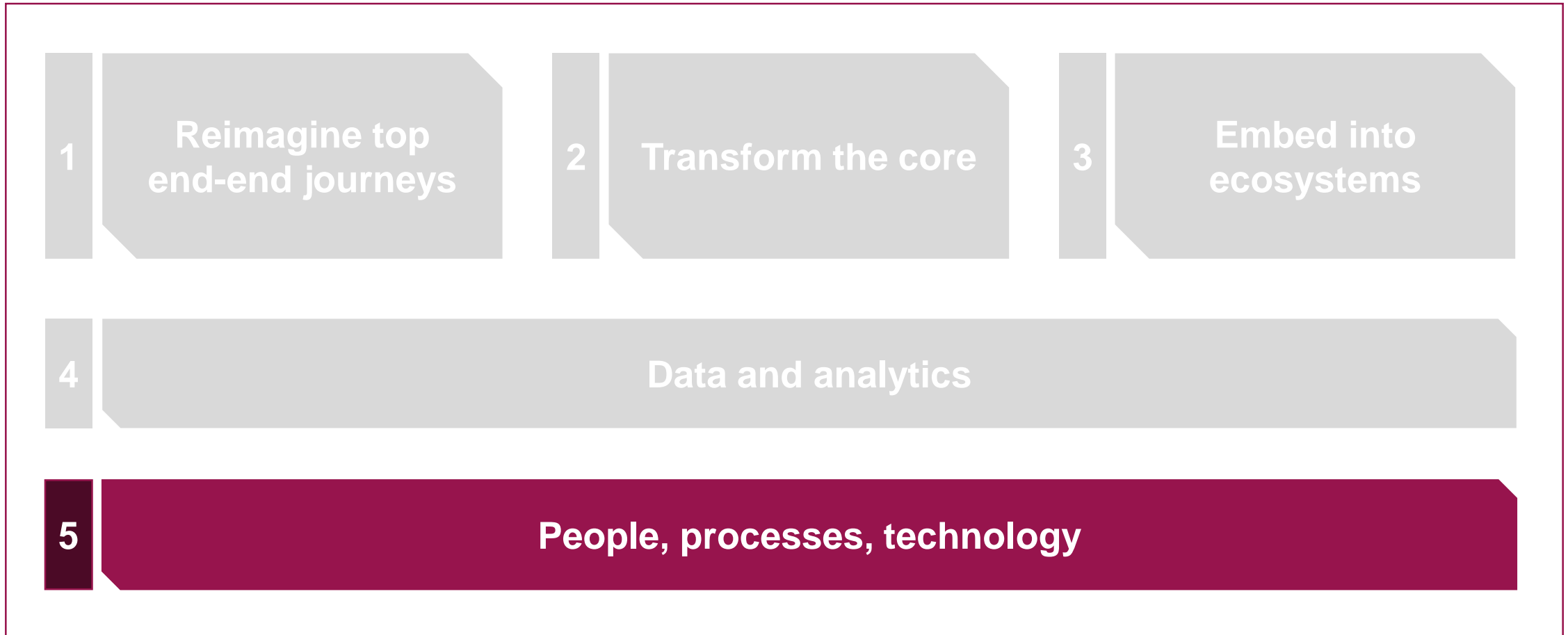
Hadoop Cluster with scale of Petabyte

- Real time big data capability with petabyte scale
- Live with 100's of big data use cases
- Live with cloud decisioning platform

Blaze on cloud live – Decision Management Scaleup



Our Digital Bank strategy



5 Building the right team with right talent



800 +

...people dedicated to digital agenda



110 +

.. member strong in-house tech team

- Design
- Developers – Front-end, back-end, full stack
- Dev-ops



75%

...new hires from non-banking background

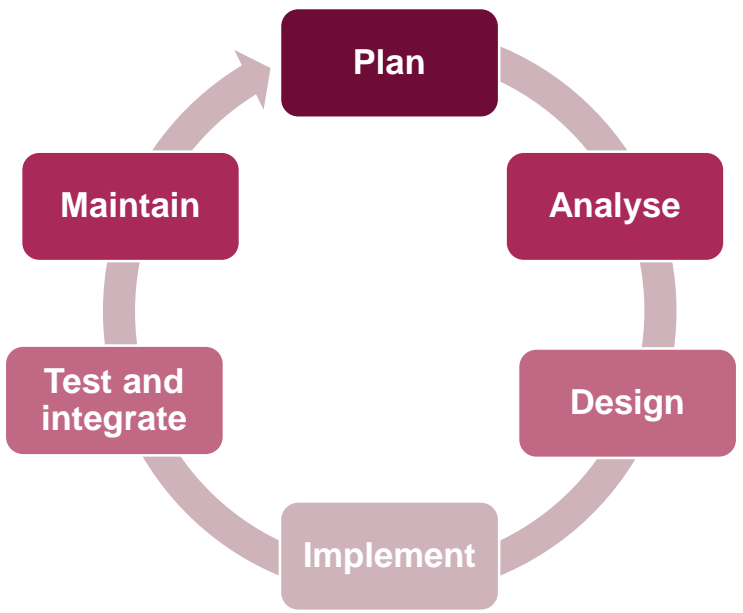
- Fintech's
- E-commerce
- IT
- Consulting
- Campus
- Others

.. across roles forming full service teams

- Product
- Engineering
- Design
- Digital marketing
- Partnerships
- Governance
- Channels
- Others

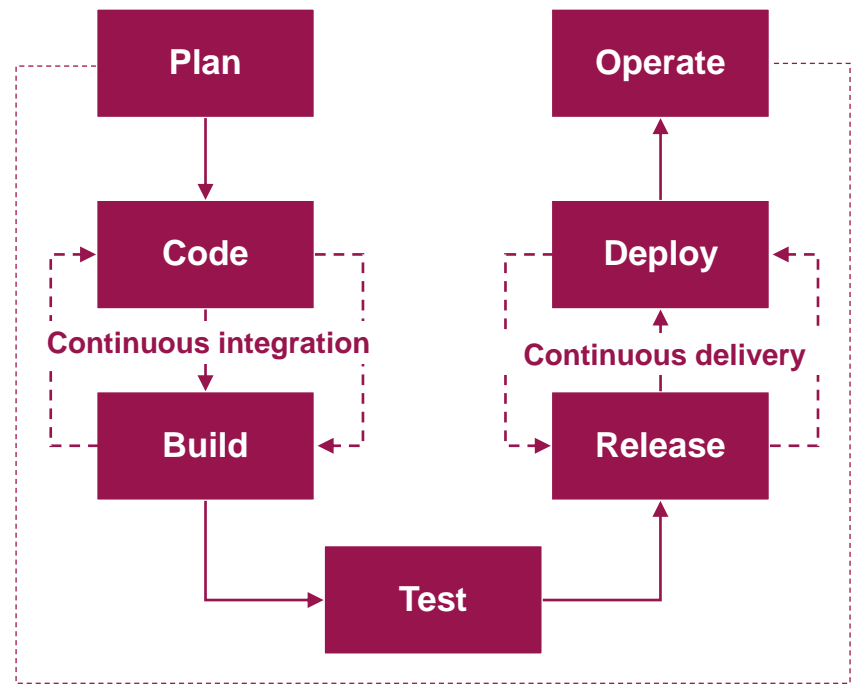
5 Enabling the team through right technology and process

Agile product development lifecycle

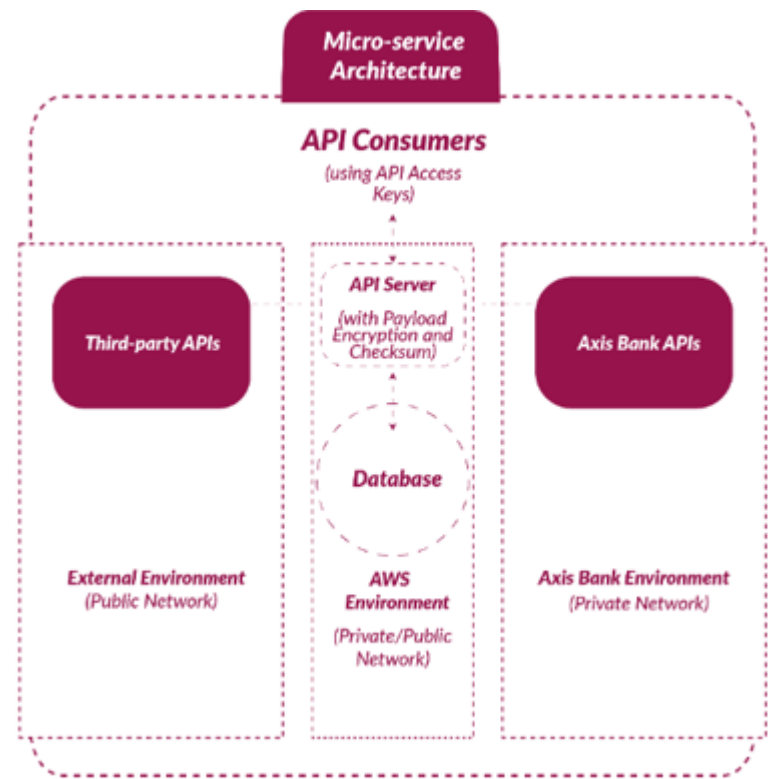


- **Cross-functional teams** with end-end ownership
- **Operating rhythms** across daily huddles, development sprints
- **Automated user testing setup**

Continuous deployment



Micro-services based architecture



Thank you

