

# Retail Liabilities Franchise

***ANALYST DAY 2023***

**November 23, 2023**



# Granularization and Premiumization of Liability franchise continues to make strong progress



## Growth

- ✓ Steady growth in granular deposits
- ✓ Market share gain in deposits across districts
- ✓ New products introduced to enrich the offerings across segments

**81%**

Increase in new liability relationships added since Mar'20

**15%**

CASA deposits CAGR (since Mar'20)

**52%**

Increase in no. of districts\*\* with market share of over 5%

**6.2%**

Incremental deposits market share (last 3 years)

## Profitability

- ✓ Improvement in the quality of the deposit franchise has structurally aided NIMs
- ✓ Sweating existing infrastructure, have clear headroom to improve further

**~ 550 bps**

Improvement in LCR outflow rates in last 2 years

**38%**

CAGR in overall Burgundy AUM (since Mar'20)

**44.4%**

CASA ratio, among the best in industry

**48%**

Improvement in LCR deposits / branch since Mar'19

## Sustainability

- ✓ Focus on rigor and rhythm in execution
- ✓ Delivering superior customer service through omni-channel presence and relationship focus

**1100+**

No. of new branches opened since Mar'19

**71%**

SA accounts opened through tab banking

**~118%**

Avg. LCR during Q2 FY24

**67%**

Of overall customer requests serviced digitally

Multiple transformational projects (Triumph, Siddhi, etc.) to drive higher growth and productivity

Asian Banking & Finance Retail Banking Awards 2023  
'Domestic Retail Bank of the Year - India'

\*\* from 77 in Mar'19 to 114 in Mar'23

^ CASA ratio is basis MEB

LCR: Liquid Coverage Ratio. AUM: Asset under management

# What have we done well?



## Improved the quality of deposits meaningfully

~ **550 bps** improvement in outflow rates in last 2 years, which is the best among large peers\*

**44.4%** CASA ratio, which is among the best in the industry



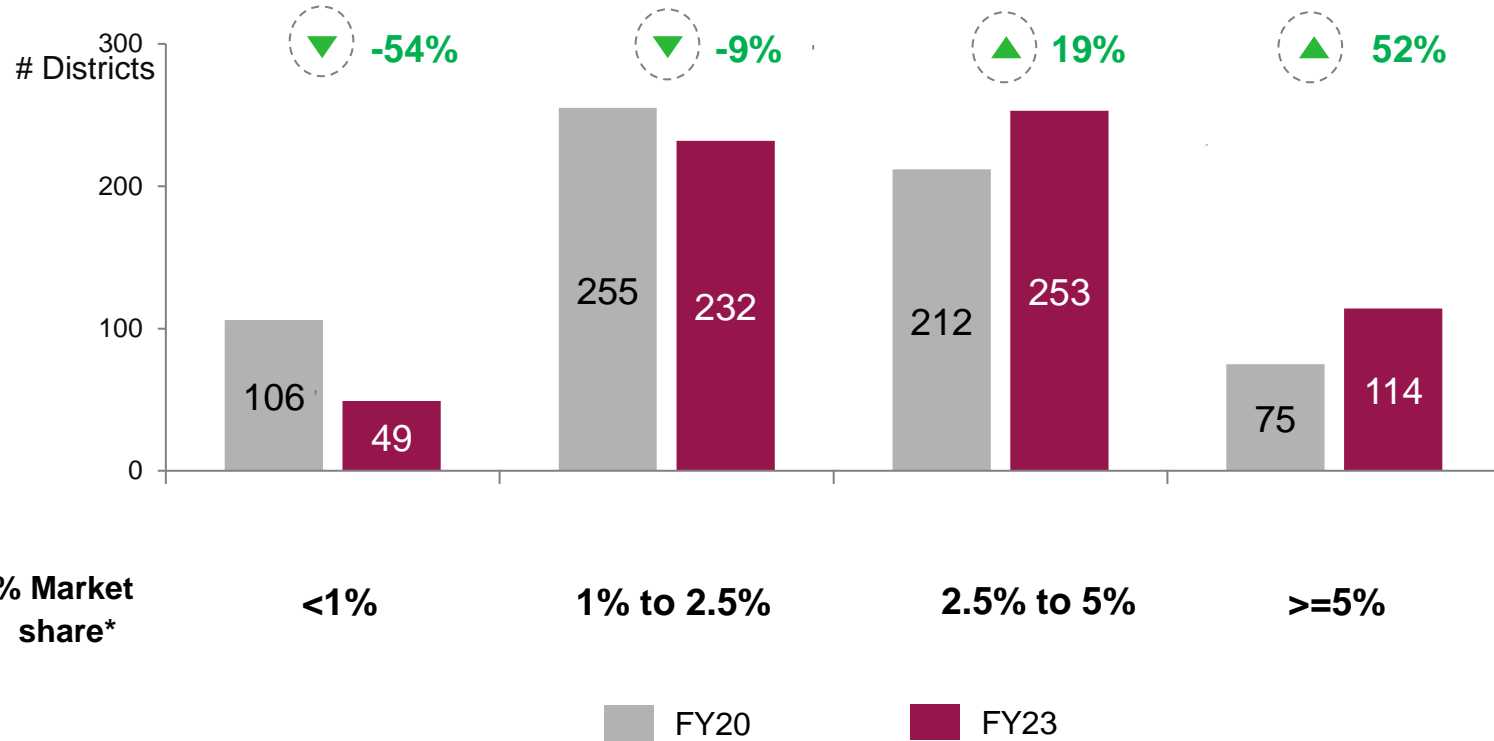
## Deposits growth trends continue to improve steadily

**15%** CAGR in CASA deposits in last 3 years

**15%** YOY growth in Retail term deposits

Steadily gaining share across districts led by our micro market focused approach

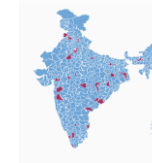
# Steadily gaining share across districts led by our micro market focused approach



**Delivered 52% growth in # of districts with >5% market share over last 3 years**



**Market scoping** at every district with single minded focus for garnering incremental deposits



- Special focus on Top 50 districts#**
- **SA share >= 5%** improved from 23 districts as on March'20 to **34** districts as on Q4FY23
  - **CA share >= 5%** share in **49** out of top 50 districts<sup>1</sup> as on Q4 FY23
  - **74%** of bank's deposits<sup>2</sup> are in Top 50 districts



**One Axis** approach to drive deposits from all segments

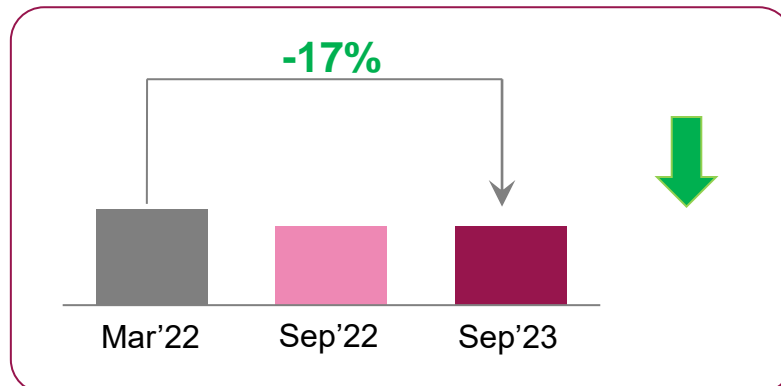
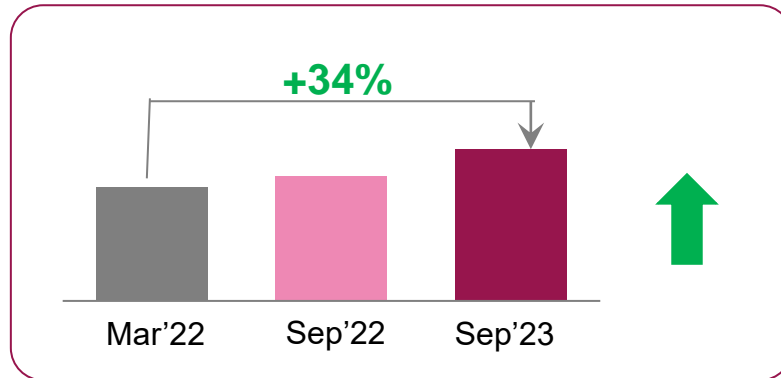
1. 49/50 districts with >=5% share & 1 district with 4.3% CA market share, 2. 61% of industry deposits in Top 50 districts

# Basis deposits book share

\* Market share for ~90 districts not available

# The quality of franchise has seen significant improvement

- Lendable deposits comprise the portion of deposits that can be utilized by the bank for further lending
- Run off rate is defined for each category of deposits by the regulator
- Lower run-off implies higher lendable share from deposit sourced



Indexed to 100

Basis Monthly daily average balance  
Values are as of 28<sup>th</sup> Sept 2023

## Action: Increase lendable deposits

- **Share of Retail + Small Business Customers (SBC)**  
- Increased from 48% as of Mar'22 to 56% as of Sep'23
- **25% growth in non-callable deposits, Q2 FY24 over Q2 FY23**  
- Launched small ticket non-callable TDs

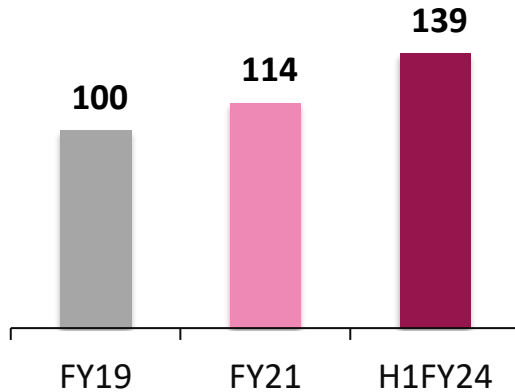
## Action: Decrease non-lendable deposits

- **Reduction of OLE (eg. Trusts, NGOs) callable deposits**

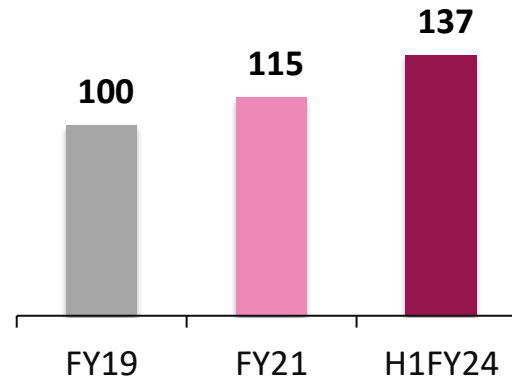
OLE - Other Legal Entities defined as per  
LCR customer categorization by RBI

# We are sweating our franchise; have clear headroom to improve further

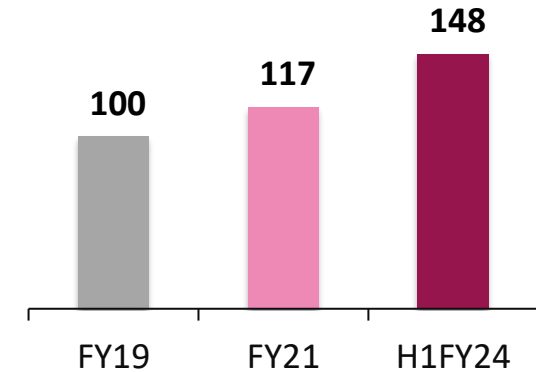
**Total Deposits per branch**  
(indexed to 100)



**CASA Deposits per branch**  
(indexed to 100)



**LCR Deposits per branch**  
(indexed to 100)



Asset led liability strategy & enhancing brand in RuSu markets led by **Bharat Bank**



**Centralized market scoping system in CRM** serve as a repository for all prospects and opportunities



**67%** customer requests serviced digitally as part of **Branch of the Future**

# Five thematic imperatives prioritized into large projects across segments to accelerate deposits growth

## 5 thematic imperatives

**Accelerating NTB engine**

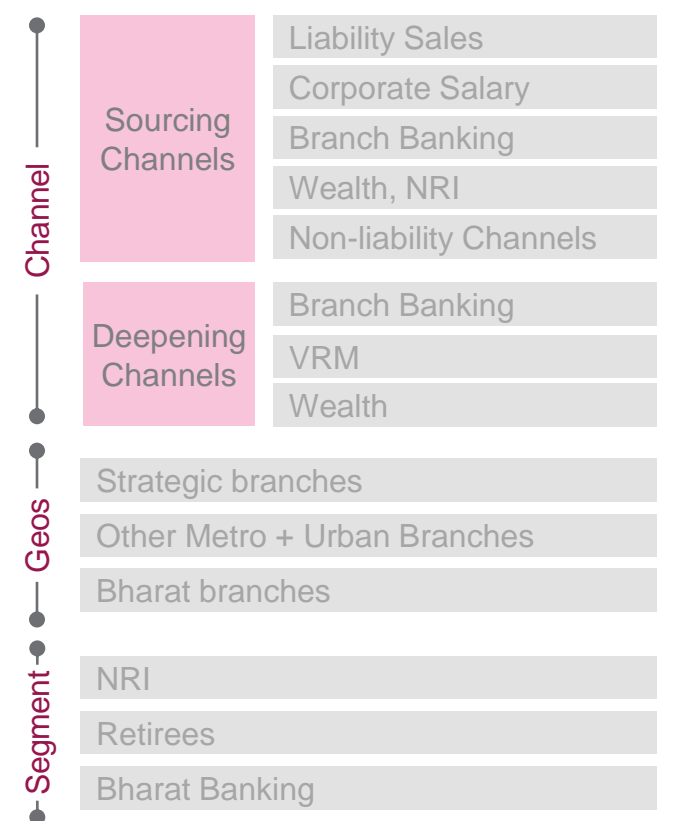
**Maximizing Corporate Salary**

**Enhancing "consideration"**

**Deepening customers & building primacy**

**Emerging / under- penetrated pools**

## Translated into projects across channels / geo / segments



## Key projects

**Driving Retail FD inflows**

**Productivity enhancement**

**Corporate Salary Excellence**

**& others**

**Drive SA attachment through non-liab. channels**

**Emerging pools – Bharat, NRIs, Minors, etc**

*All of this at full scale - 5k branches, 50K employees*

**Sparsh (Customer obsession) | Bharat Banking | Digital**

# Introducing premium propositions to cater to specific segments with health, travel and investment benefits



- New premium savings account variant **Sampann** to cater to Rural and Semi urban locations
- Exclusive offering for **Burgundy** customers to enjoy benefits of a super-premium **Magnus** credit card

**Bharat ki badhti zaroorat ko samjhe**  
 Naya Axis Bank  
**Sampann Savings Account**

- Dedicated RM
- Preferential rates on Loans
- Discounts on Agri tech services




**AXIS BANK**

**Burgundy** X **Magnus**

Wealth Management | Axis Bank




**AXIS BANK**

**Your Life. Your Way**  
 Axis Bank **SILVER LININGS** Program



**AXIS BANK**

**Introducing SUVIDHA**  
 Salary Program  
**A relationship built for your world**



**AXIS BANK**

**Live your success**

Presenting the **PRIORITY** Banking Program  
 Banking excellence coupled with a Complimentary Axis Bank Club Vistara Forex Card.

Elevated experience when you bank as well as when you fly





**AXIS BANK**

**Let's open up to a world of choices**  
 Presenting **LIBERTY** Savings Account

- ₹ Spend or maintain Rs 25000/- per month\*
- 🎁 Choose a gift voucher worth Rs 750\*
- 🔄 Enjoy 5%\* weekend cashback on Debit Card

Scan QR to know more:

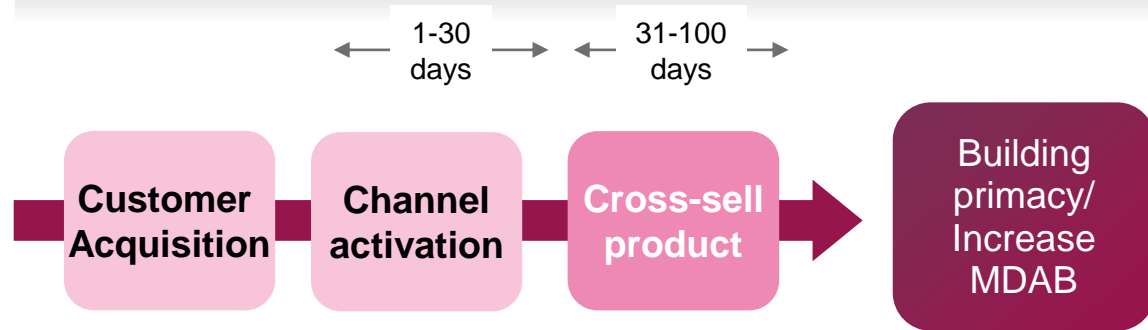



**AXIS BANK**



# Building primacy leveraging both physical & digital channels

## NTB 100-day Onboarding Digital onboarding



Physical

Customer gets mapped to RM on day 1

Calendarized interactions with RM (at pre-defined frequency basis customer persona & potential)

1.2-5X

Lift in conversion seen across operating metrics (UPI activation, DC pin-setup)

6-12%

Lift in balances at 3rd month

## Individual FD D2C targeting

Pre-planned nudges (at defined frequency)

Trigger nudges (on triggers such as large credit etc.)



WhatsApp based journey for Fixed Deposits



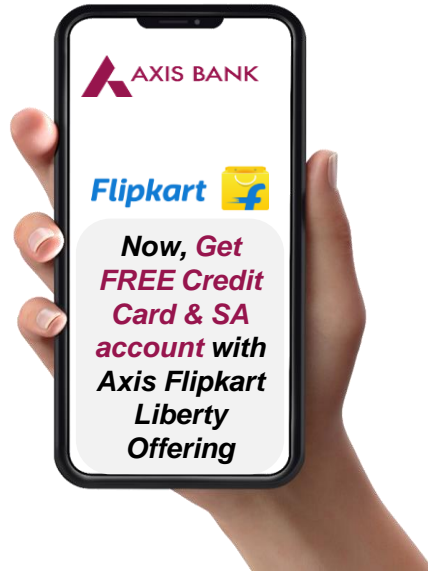
UPI based journey for NTB customers

# Liabilities attachment | Driving attachment on non-liability NTB base

... through capabilities of product bundles and co-origination journey



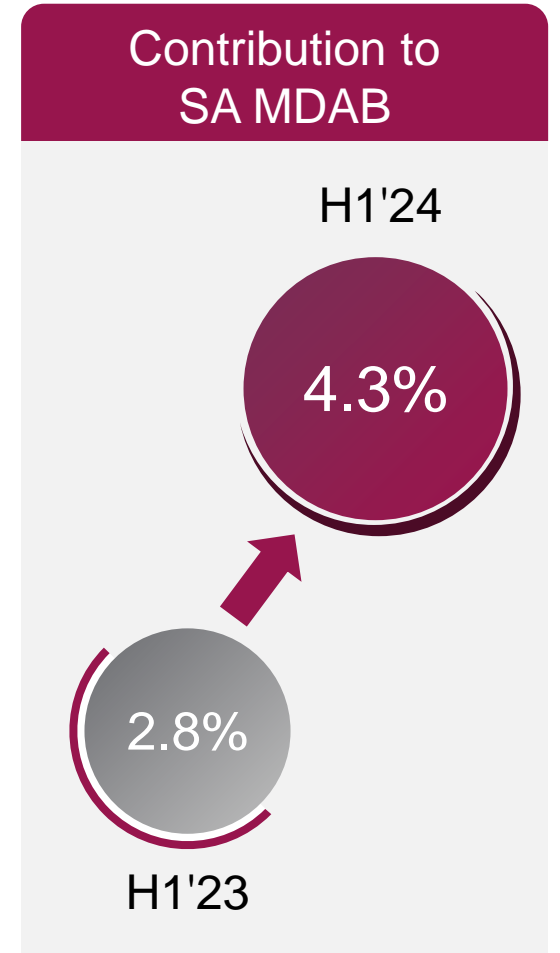
## Product Bundle



New product bundle created –  
Flipkart Card + Liberty SA  
(free card, balance waiver based on spend)

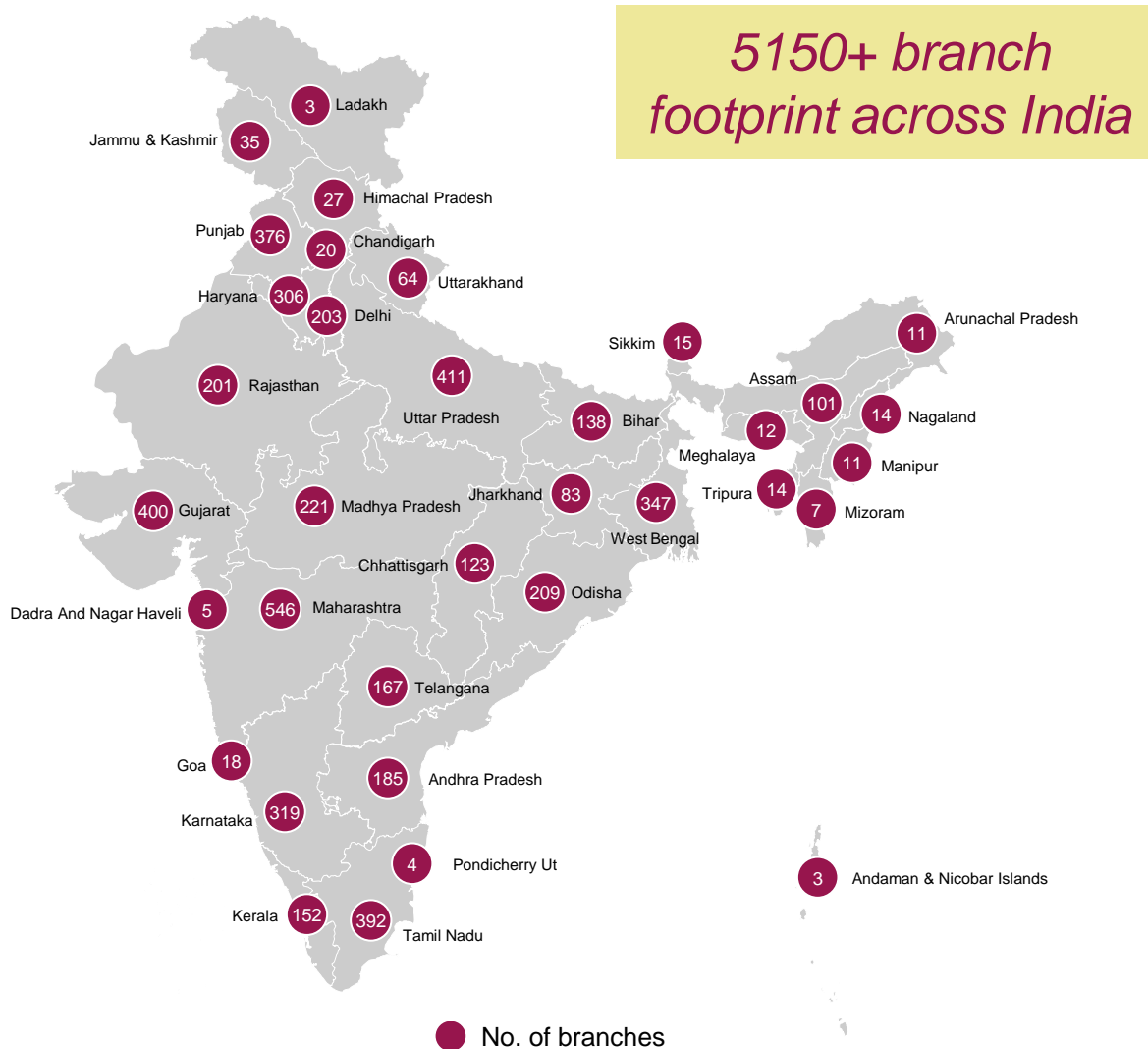
## Co-origination journey

- Customer applies for bundled product (single form, journey)
- Undergoes Credit Card underwriting
- Common KYC process
- Funds SA account
- Card + SA account opened



1. Note: Growth data basis H1 FY24 over H1 FY23  
2. Includes channels such as Credit Card, Retail Assets, Bharat Banking, CBG, Retail Forex etc.

# Strategically expanding our distribution strength



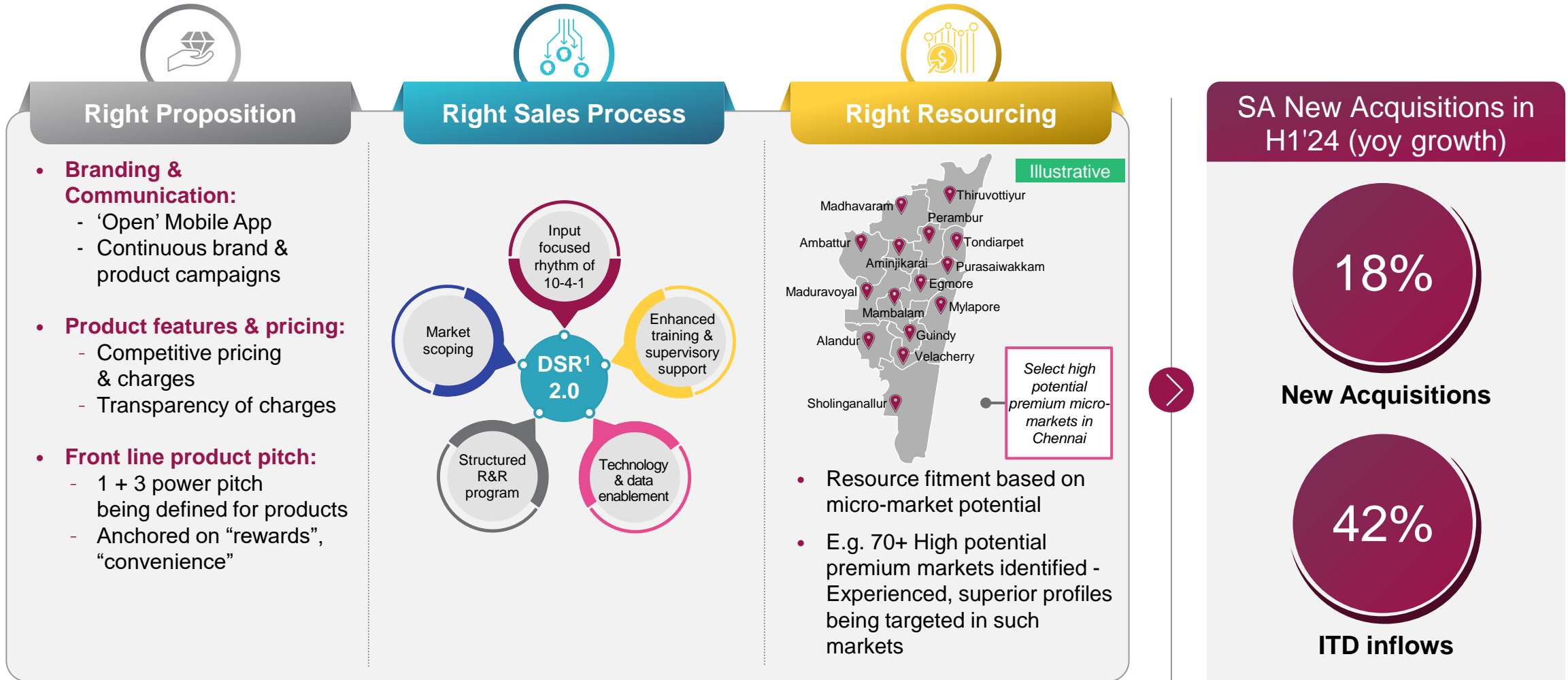
**branches  
opened in H1'24**



**branches opened  
since Mar'19**

**Granular micro-market  
potential based expansion  
strategy**

# Acquisition Excellence: End to end revamp to unlock efficiency



# Corporate Salary: Proposition redesigned to win employer mindshare and employee wallet share

## Enhanced Proposition

**Corporate Value Proposition**

**Employee Value Proposition**

**Corporate servicing architecture set-up**

Dedicated Service RMs - 15 across 600 top corporates

**Introduced hooks to drive behavior**

Account opening vouchers for instant gratification; Debit card spend based rewards to drive salary credits

**Corporate solutions (for employers & employees)**

- Solutions for Corporate – Payroll processing, tax payments, etc
- Corporate solutions for employee benefit – Meal cards, Forex cards, Corporate charge cards, group insurance, etc

**Differentiated offerings for high potential labels**

Upgraded credit card variants for top corporates; Ready credit offering

**Switch-desk for transfer of mandates**

Switch desk solution to seamlessly move auto pay mandates to Salary A/c

Changes introduced

## Superior delivery of proposition

**Delivery team**

**Frontline Sales Enablement**

**Introduced a dedicated team for corporate solutions**

Solution Design Team created focused on tailoring CVP and EVP per corporate needs

**Introduced new tools for sales team**

30-second BDE Pitch focused on 'hooks' and differentiators in the offering

**Systematized worksites and induction events**

Acquisition, Merchandising and Marketing team to centrally organize and manage worksites and events

**Revise salary product under 'Myrtle' branding**

Salary account rebranded from 'Ultima' to 'Suvidha' for better recall

**13%**

YOY growth in NoA acquisition

**15%**

YOY Improvement in average salary credits

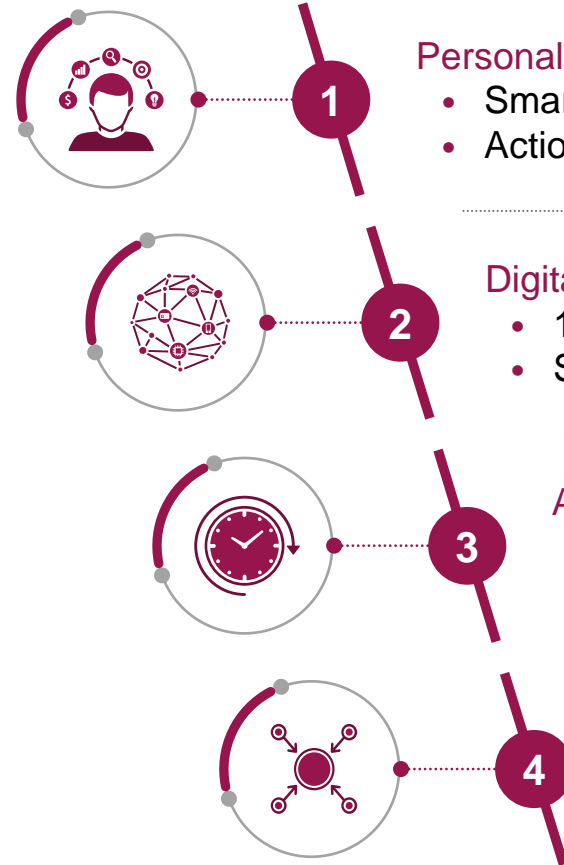
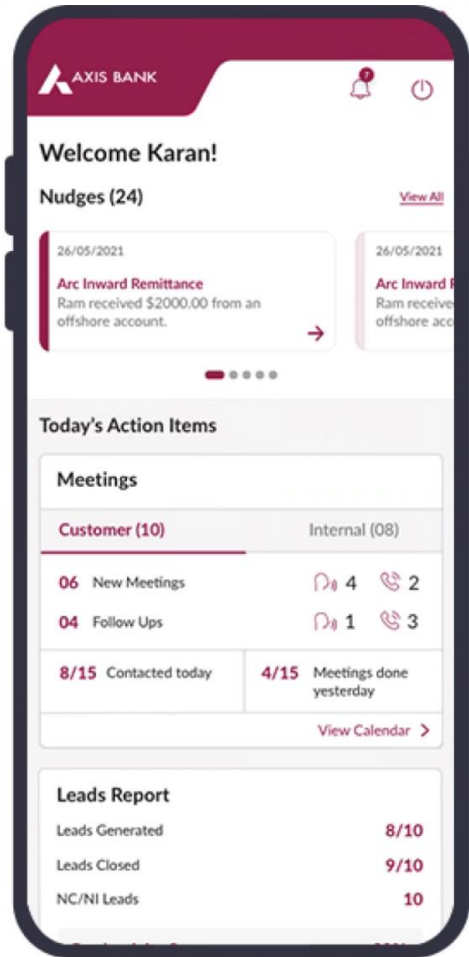
**7%**

YOY growth in premium acquisition

# Embedding Digital | Our front-line team enabled with 'Siddhi' App AXIS BANK

*App provides personalized insights to front-line staff for effective customer connects*

## SIDDHI



### Personalized Insights

- Smart nudges to create client delight
- Actionable insights to improve performance

### Digitally sell products under 60 seconds

- 18 Product journeys and 16 Service journeys are live
- Simplified integrated journeys

### Anytime, anywhere servicing

- Send statements and portfolio reports in two clicks
- Process service requests digitally

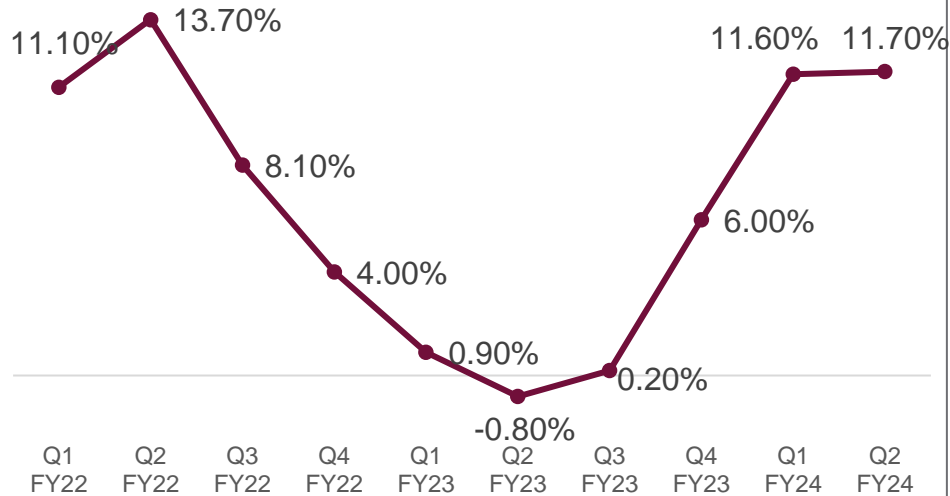
### Structured operating rhythm

- Integrated journeys
- End to end lead mgmt.
- Complete Supervisor review on the go

# We expect the impact of these key projects to reflect in full potential of deposits franchise in next 7-8 quarters



There has been improvement in RTD\* deposit growth trajectory in recent quarters



Premiumisation of Corporate Salary franchise on track

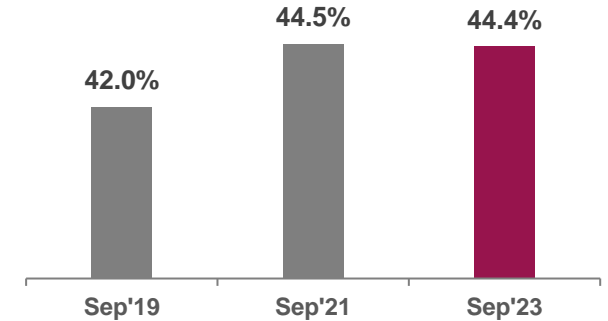
**15%**

YOY Improvement in average salary credits

Access to 1600 'Suvridha' corporate labels to aid salary balances

Focus is to reduce reliance on borrowings as we grow our RTD book supported by healthy CASA

CASA ratio\* (in %)



Focus remains on improving and sustaining the growth in Retail Term deposits going forward

Meaningful balances will build over time

\*On Month end balance basis  
RTD: Retail Term Deposit

# Summary

*Improvement in quality of deposits delivered, aiding the structural NIM journey*

*Improving trend in productivity of branches, have clear room to improve further*

*We have a roadmap in place for next 7-8 quarters to realize the full potential of deposits franchise*



**Thank You**

