Building a successful retail franchise

How digitalisation is changing user experience
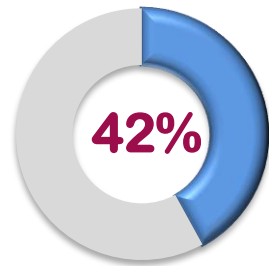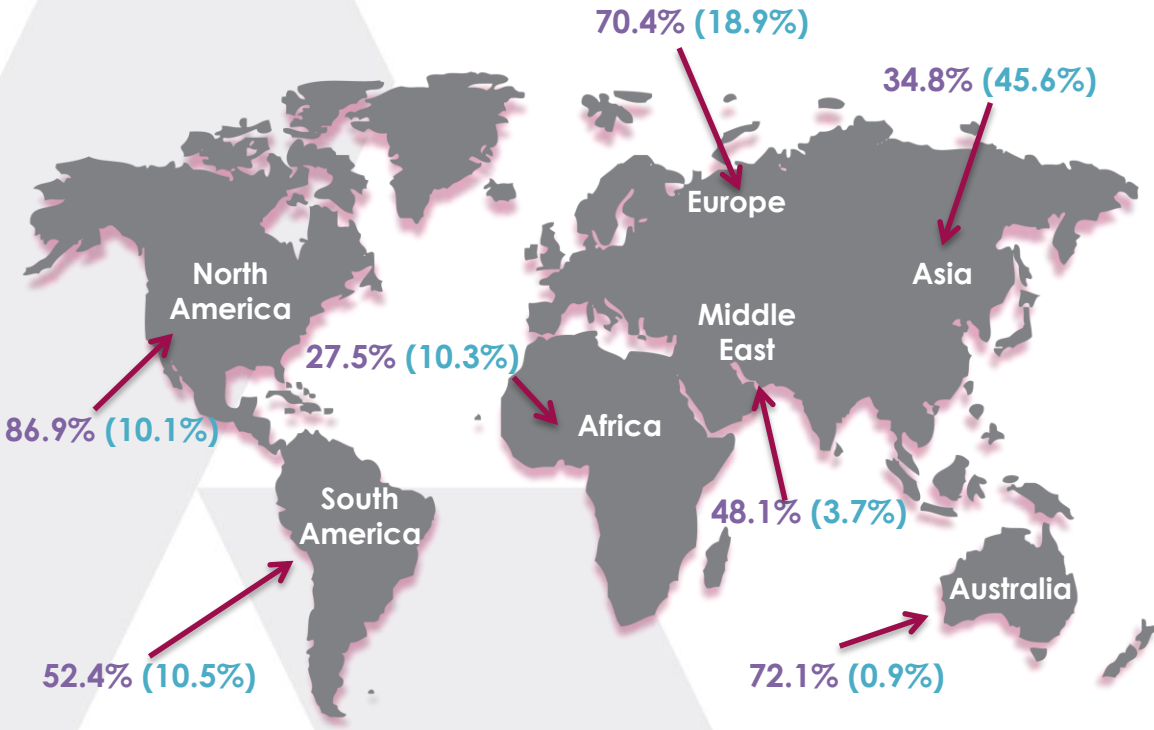
Safe Harbor

Except for the historical information contained herein, statements in this release which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will achieve", "propose to", "target", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements".
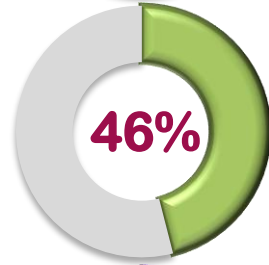
These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, changes in political, economic, regulatory and social conditions in India, our exposure to market risks as well as other risks.

Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.
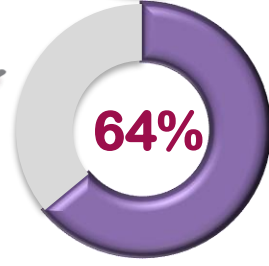
AXIS BANK

We are living in an increasingly *connected* World…

70.4% (18.9%)

34.8% (45.6%)

Europe

Asia

North America

27.5% (10.3%)

Middle East

86.9% (10.1%)

Africa

South America

48.1% (3.7%)

Australia

52.4% (10.5%)

72.1% (0.9%)

Global Internet penetration

42%

Contribution of Asia to Global

46%

Contribution of China & India to Asia

64%

Internet Penetration (Contribution to Internet users)

AXIS BANK

Source: http://www.internetworldstats.com as on 31Dec'14

… with *Internet usage through mobiles* expected to keep increasing

Medium Internet accessed through (%)

79

60

34

16

6

5

Jul-13   Jun-14   May-15
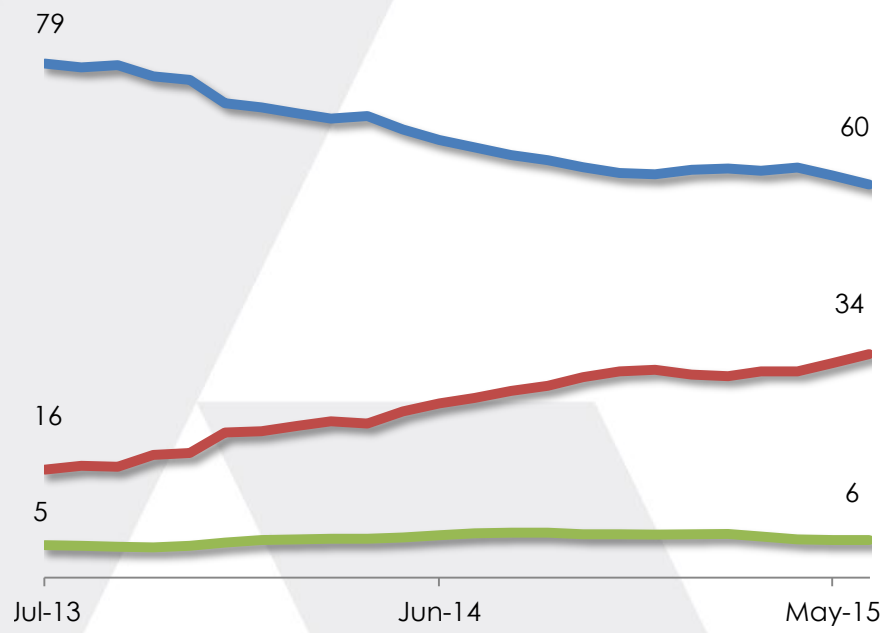
Desktop   Mobile   Tablet

India (Jul'15)   **30%**   **69%**   **1%**

Primary medium for Internet access

Desktop
Mobile

Data for Jun'15

Source: StatCounter
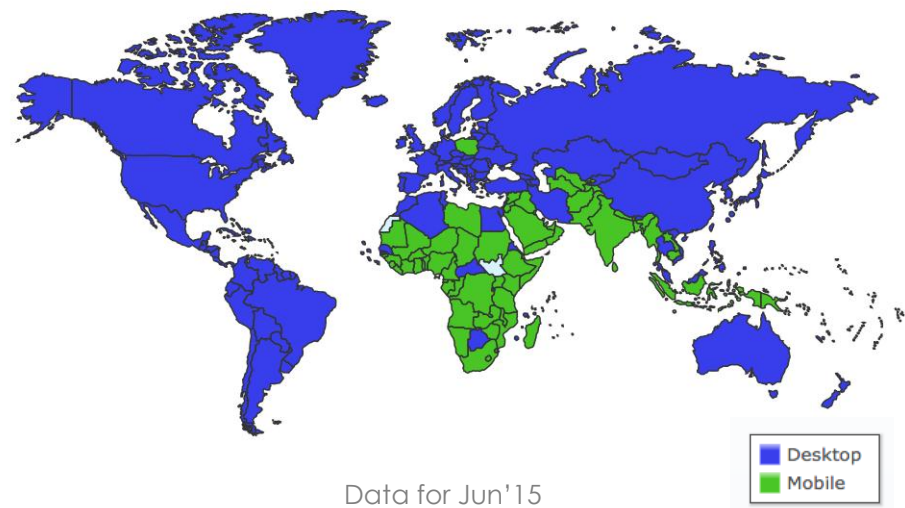
Customers expect rich interactive experience *seamlessly integrating* their banking needs to their digital lives
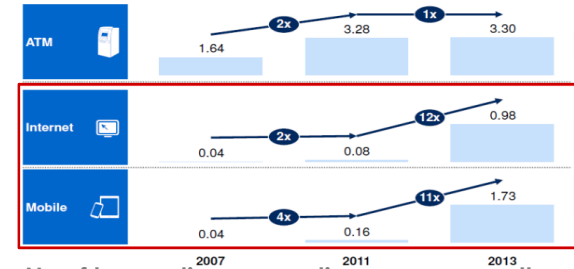
Digital natives expect more

- Boundaries are fast blurring between physical and virtual world
- Driven by experience outside banking
- Trust their peers, have choices
- Have a voice - single consumer voice amplified

Connected rural customers

- Mobile internet usage
- Decrease in cost of smart devices
- Decrease in cost of high-speed access

Digital adoption

	2x	3.28	1x	3.30
ATM				
	1.64			

| | 2x | | 12x | 0.98 |
| Internet | 0.04 | 0.08 | | |

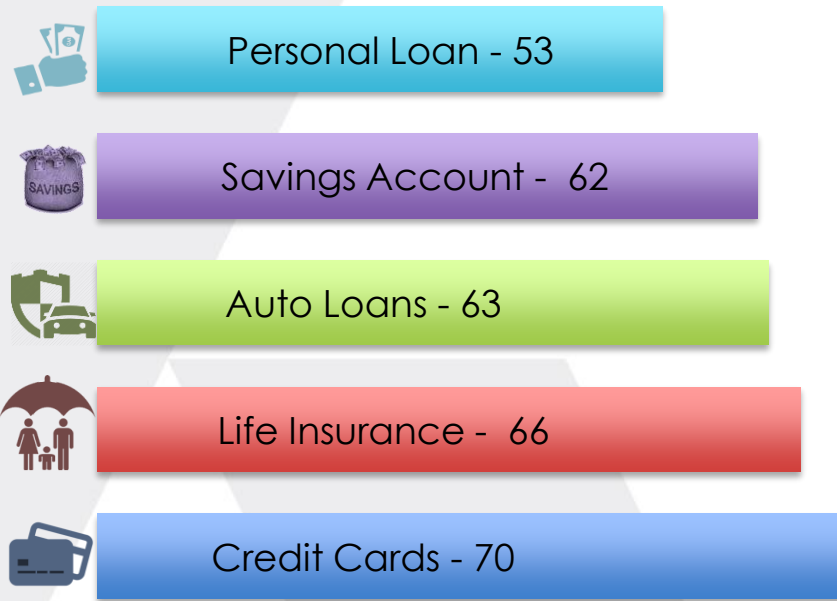| | 4x | | 11x | 1.73 |
| Mobile | 0.04 | 0.16 | | |

2007   2011   2013

No of transactions per active user per month
Source: McKinsey Bank Benchmarking Survey

- Pricing is not King, User experience is
- Pace of digital adoption has increased dramatically in the last 2 years
- Partner ecosystem – co-creation compounds value creation

AXIS BANK

Almost 2/3rd of product decisions are influenced by the Internet and hence we are focusing on social media as well

Customers researching online pre-purchase (%)

- Personal Loan - 53
- Savings Account - 62
- Auto Loans - 63
- Life Insurance - 66
- Credit Cards - 70

66% changed their mind about product & brand after online research

Source: Google McKinsey partnership

Axis Bank footprint on social media

Twitter 75,270 Followers

Facebook 3,035,931 Fans

YouTube 43,79,681 Views

Axis Bank on Social Media

LinkedIn 79,864 Followers

Google + 33,034 Followers

Instagram 143 Followers

3rd largest bank on Facebook worldwide

1st Indian BFSI brand on Instagram

Data as on Mar 31, 2015, Ranking as per www.thefinancialbrand.com

The future of banking is digital and *Mobile Banking will redefine transaction banking* paradigm

% share of banking channels

- POS payment by mobile
- P2P remittance/transfer
- Bill and utility payments
- Ticket bookings
- Mobile top-ups
- Insurance premiums
- Shopping on mobile
- Government payouts
- Cash management instructions (business)

Legend:
- Mobile Other
- Online
- ATM Cards
- Cash and Cheque
- Mobile PoS
- PoS (card)
- Call Centre

	2003 ~30%	2010 ~45%	2020 (base) ~65%	2020 (optimistic) ~80%
Mobile Other			9	13
Mobile PoS			13	21
Online			7	14
PoS (card)			7	6
ATM Cards		42	45	32
Cash and Cheque	94	49	16	13

Financial Inclusion Level

Source: Being Five Star in Productivity, Report by BCG in association with FICCI and IBA

Mobile Banking Users

- 🇨🇳 **364mn**
- 🇺🇸 **95mn**
- 🇮🇳 **36mn**

AXIS BANK

Banks in China

Each of Top 3 banks have >100mn users

Market Growth 2020
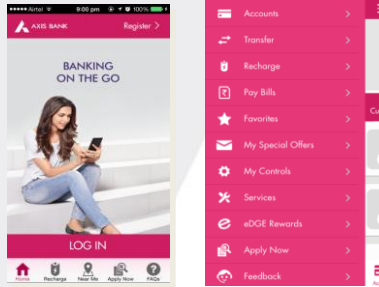
Smartphone users
117mn to 500mn — **4X**

Mobile bankers
36mn to 250mn — **7X**

Source: CLSA estimates for India

Enhanced customer experience with mobile-led simple digital *anytime anywhere banking*

Branch in a Mobile

- All banking services on mobile with personalised experience
- Ease of use for Youth – mobile to mobile money transfer, pull funds
- Single view of all relationships
- Digital Loan fulfillment

Instant gratification

- Instant credit assessment & loan approvals
- Instant account opening
- Business Intelligence enabled Push notifications
- Self service for debit/credit cards

Rural integration

- SMS banking
- IMT enabled card-less withdrawal
- USSD for low connectivity areas
- MFI & Agri loans on tablet – location aware app

AXIS BANK

The Axis Bank approach has been to design for *Moments of Truth*

Analyse
results to monitor performance& optimize outcomes

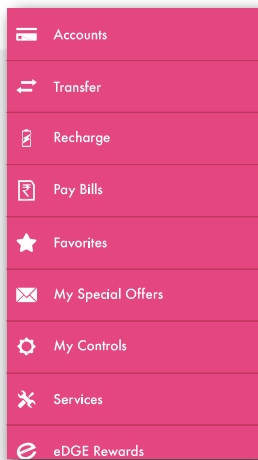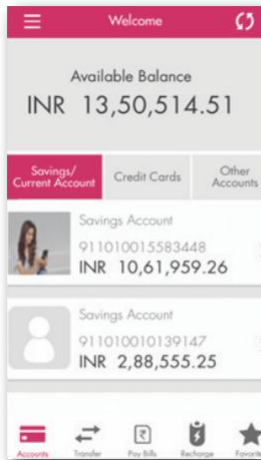**Identify**
the moments and context

start small with a platform to extend

Engineer
our platforms and processes

Design
the engagement

AXIS BANK

1. Our work on digital focuses on a *Mobile First* strategy
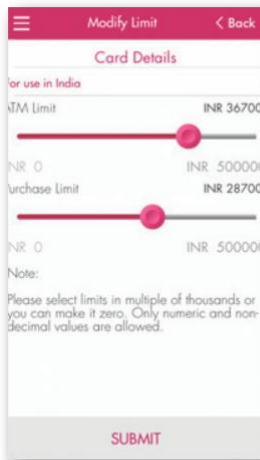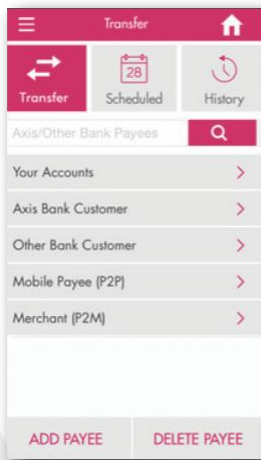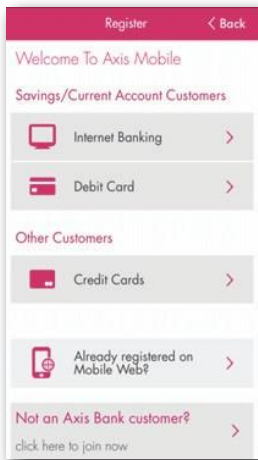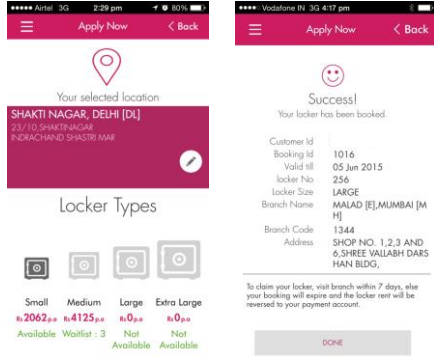

- **Multiple registration options**
- **Add beneficiaries & transfer funds instantly**
- **Highly secure – SIM, Device lock**
- **Personalisation options**
- **Instant conversion to EMI**
- **Instant redemption of Rewards**
- **Unique control options – Debit / Credit Cards**
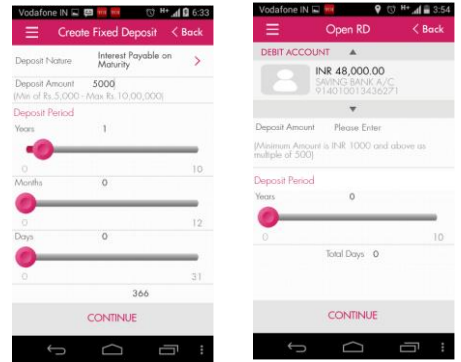
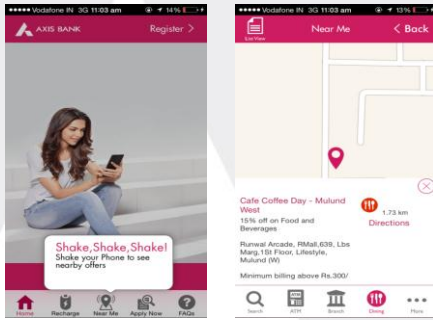# …with customer centricity as the bedrock

Instant Personal Loan
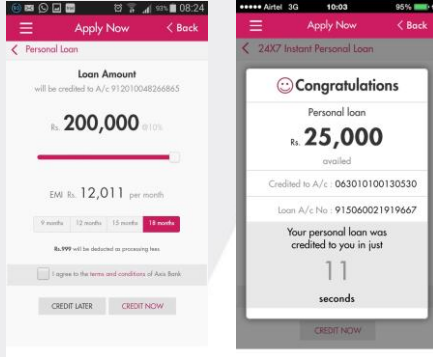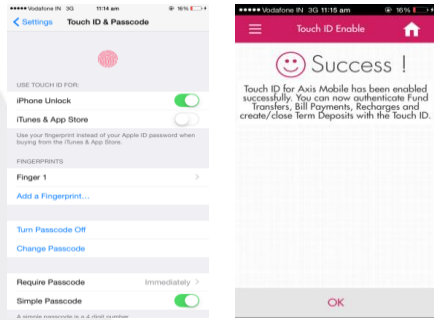

Book Locker on Mobile Phone

FD & RD on Mobile

Shake for Offers

Touch ID for iPhone users
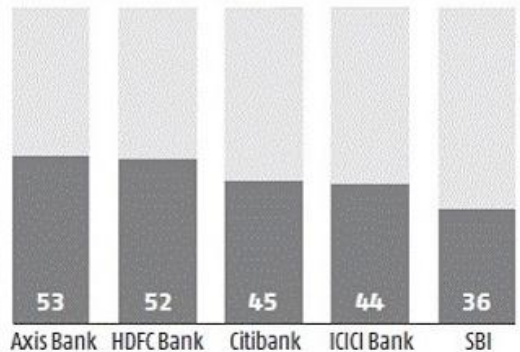

Apple Watch

AXIS BANK

… and ranked India's best by Forrester Research Inc.

AXIS BANK MOBILE APP TOPS OTHER BANKS: FORRESTER

The mobile application of Axis Bank, the country's third largest private sector lender, has fared better than other mobile banking applications, says a Forrester report. The applications were rated on the basis of range of touch points, enrolment and login, account information, transactional functionality, service features, cross-channel guidance, and marketing and sales. Though the apps score well on other parameters, they lag in marketing and sales and servicing features. The report said the country's smartphone base increase from about 220 million in 2014 to 870 million in 2019, thus giving a boost to mobile banking. Here's how the apps fared:
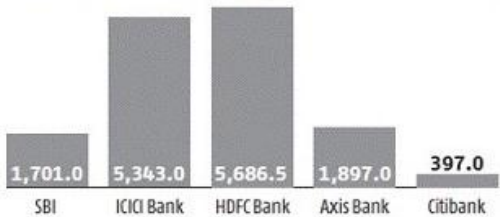
BANKS SCORED BY CATEGORY

Bank	Axis Bank	HDFC Bank	Citibank	ICICI Bank	SBI	Average
Range of touch points	83	98	98	93	83	91
Enrolment and login	68	38	30	70	0	41
Account and money management	65	54	46	40	36	48
Transactional features	79	45	55	40	53	54
Service features	9	28	21	14	24	19
Cross-channel guidance	19	56	6	19	0	20
Marketing & sales	8	18	3	5	0	7

(out of 100)

MOBILE BANKING TRANSACTIONS IN APRIL

(in ₹ cr)

SBI	ICICI Bank	HDFC Bank	Axis Bank	Citibank
1,701.0	5,343.0	5,686.5	1,897.0	397.0

KEY DRIVERS FOR MOBILE PAYMENTS

- Smartphone adoption and 3G/4G penetration
- IMPS enabling low-cost provisioning of infrastructure
- User-friendly application increasing convenience and ability to use

BANKS' OVERALL SCORES

(out of 100)

Axis Bank	HDFC Bank	Citibank	ICICI Bank	SBI
53	52	45	44	36

FEATURES & SERVICES

SBI	ICICI Bank	HDFC Bank	Axis Bank
Over 13 transactions allowed	Over 100 transactions allowed	Over 75 transactions allowed	Over 60 transactions allowed
Allows fund transfer, bill pay, cheque book request	Allows booking of movie tickets; can manage demat account	Allows to apply for loan; customisable menu, can access demat and mutual fund accounts	Can apply for loans, cards; can switch off card temporarily; can locate ATMs/offers
Going to launch mobile wallets	Mobile wallet Pockets comes with a physical shopping card; can also open accounts	PayZapp app allows one to link one's card, shop and pay bills	With PingPay, one can send or ask for money via WhatsApp, Facebook, Twitter, e-mail or SMS

Sources: Forrester, banks, RBI & Motilal Oswal

...reflected in the explosive growth in spends and registrations

1.76 Mn
Overall mobile registrations

75%
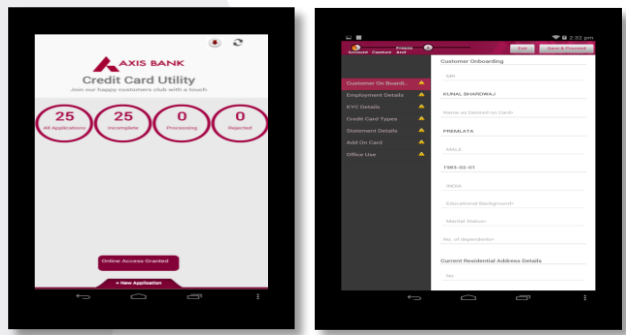Growth in Axis Mobile users

₹12,636 Cr
Overall Spends

324%
growth in spends

76%
growth in transaction count

Growth in FY15 over FY14

AXIS BANK

… and at the same time increasing digitisation at branches

Self Servicing Capabilities

Electronic Branches

Cash Recyclers

Cheque Deposit Kiosks

WiFi at Branches

NOW, GET FREE WiFi WHEN YOU DOWNLOAD THE AXIS MOBILE APP

Enhanced Fulfillment Capabilities

Universal KYC

Single set of documents for all customer's relationship across Accounts, Loans and Cards

Insta PIN generation

Real time generation of PIN via ATM or IVR for new and existing cards

Instant Debit Cards

Instant Debit Cards for Replacement Requests and new customers

2. Enabling the sales team with *Digital tools*

Instant Credit Card on tablet

Instant Deposit Account on tablet

CRM / Lead Management System
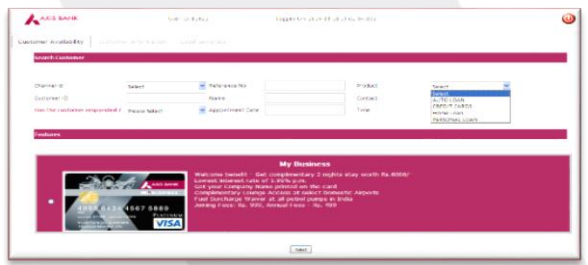
Mobile Apps with geo-tagging

AXIS BANK

… with a focus on enhanced customer experience

NFC Contactless

First bank to issue NFC cards on MasterCard

Debit card (Domestic/ International)

Fast, easy and secure way to pay by card for purchases

Agri Loans on Tablet

Image based processing

Lead fulfillment through tablet app

Lead Generation in CRM

Shikhar View for TAT calculation

Payment Gateway

License & own a Payment Gateway for the Bank

MERCHANT

AXIS BANK

INTERNET, WEB SERVER

BANK

WEBSITE CUSTOMER

Reduce costs of operations

Increased revenue via onboarding new merchants

AXIS BANK

Collections Automation

Tallyman collections management software

URGENT LEGAL ACTION

FINAL DEMAND

PAST DUE

Automated allocation of collections cases to Field agency

Mobile app for collectors capturing actions & geo-location

3. Process Digitisation

Electronic data capture at source

Automated processing & checks

System driven communication with customer / vendor

Workflows & escalations

Image based document movement

Zero offline data files

Digitisation themes

1
2
3
4
5
6

… leading to *dramatic reduction in TATs, errors, complaints and costs*
across Savings / Current Account opening, cards issuance, home loan disbursals etc

AXIS BANK

4. Leveraging Big Data for customer acquisition – direct online and X-sell

BIG DATA & ANALYTICS

- Spending patterns
- Channel Usage
- Bank Interactions
- Social Media
- Behavior
- Product Portfolio
- Credit Information
- Customer Profitability
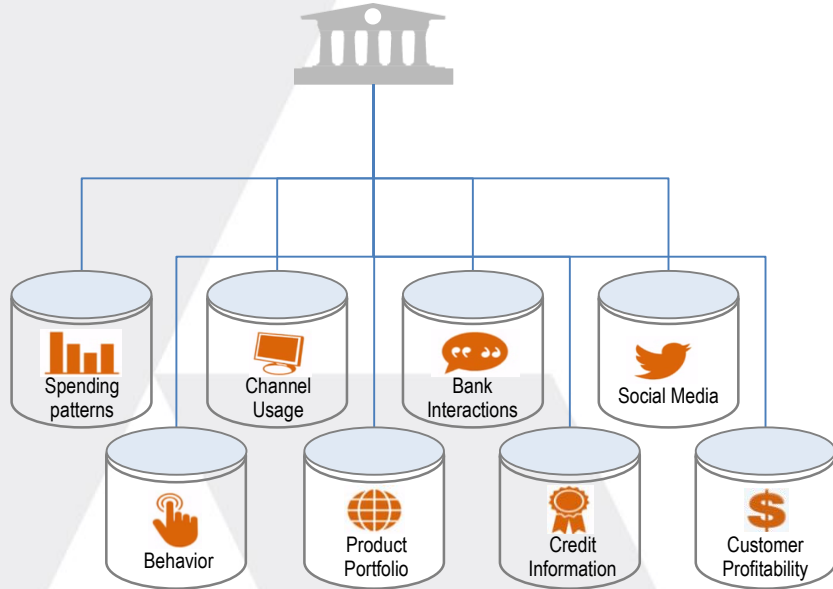
Opening an Account Online is now very simple and easy. Just follow these **3 steps** to open a new account with Axis Bank.

1 Fill the Form
2 Verify the Details
3 Get your Welcome Kit

APPLY FOR CREDIT CARD   YOUR APPLICATIONS   TRACK YOUR APPLICATION   Sign In

Select the card which you wish to apply for

Get Your Axis Bank Credit Card in 2 Easy Steps

5. Employee Engagement

Branch Analytics

RM Performance Monitor

Salesforce Tracker

AXIS BANK

… **culminating in the implementation of** an *end-to-end digital agenda*

1 **Customer engagement** digital transactions/ services to drive retention, balances

2 **Sales team** digital tools to enhance sales productivity

3 **Operations** paperless, STP to reduce TAT, complaints and risk

4 **Customer acquisition** direct online sales & Big Data for cross-sell to boost sales

5 **Employee engagement** digital tools to improve personal productivity

6 **Digital disruption** innovate to take digital leadership

Large scale transformation to ready the Bank's IT for digital banking

AXIS BANK

6. Digital Innovation with launches like PingPay – *India's first multi-social payment app*

Send and Ask money instantly

Register from your mobile

Beneficiary details not needed

PING PAY

Integrate with Social connects

Attach video, audio & images

AXIS BANK

… Lime - The first integrated mobile money platform

SAME **MONEY.**
FRESH **NEW TWIST.**

SHOP

Seamless shopping experience

PAY

Simplified payments & transfers

WALLET

Multi-purpose wallet

BANK

Completely digitised bank

AND MUCH MORE…

AXIS BANK

Thank You