Classification - Public

HDFC BANK

Retail Customer Franchise Build Up
Life Cycle Experience & Retail Liabilities

HDFC BANK

Simple Strategy, Immaculate Execution and Big Ambition

Micro market focused multi format distribution science

Institutionalized approach to customer life cycle

AI Analytics driven customer conversations (Next Best Action)

Service First culture

Customer life centric insight led propositions

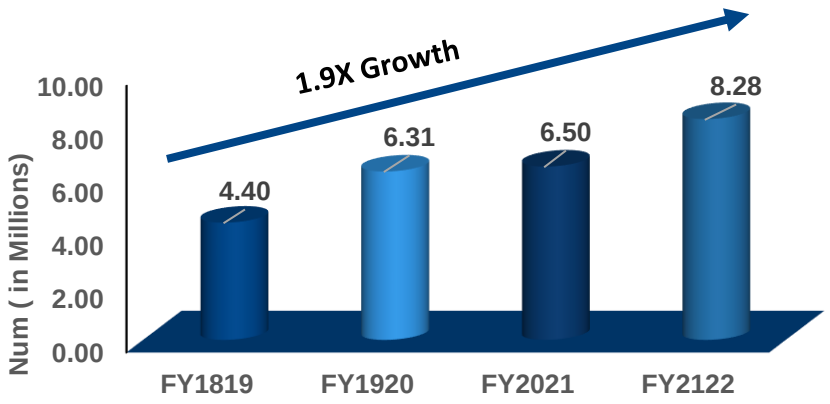
Enabling phygital transformation

Growth segments: Rural, Employee Banking, Government

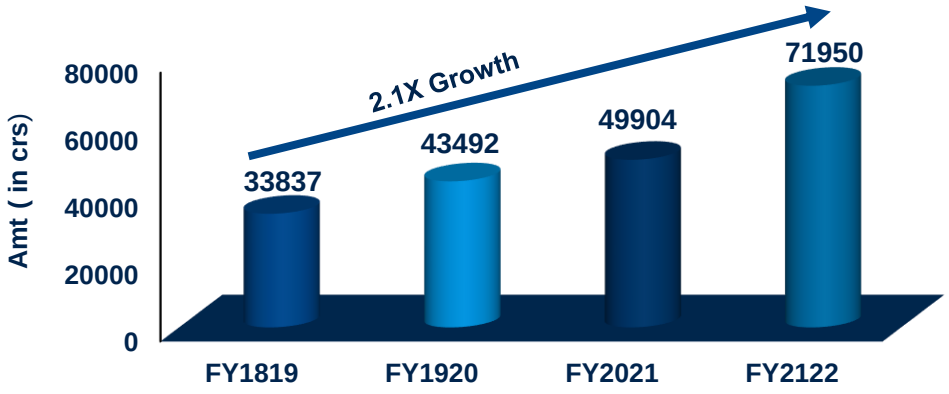
- **Results - 2X Retail CASA in 3 years and 1.9X Retail CASATD + TD in 3 yrs**
- **Ambition - 2X Liability in next 3.5 yrs**

Customer Franchise Build Up

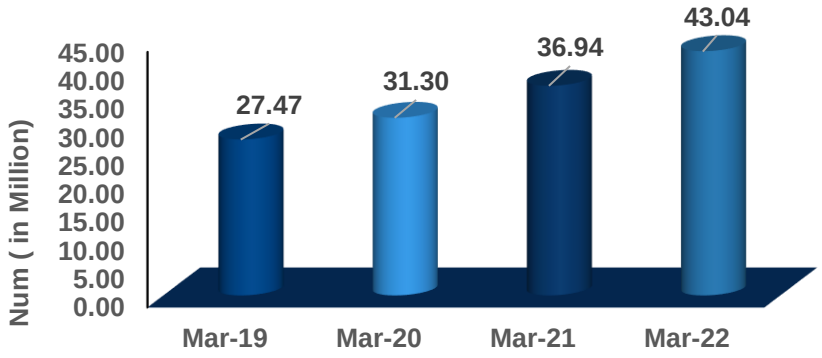
Customer Account Number Acquisitions



New Customer Acquisition Value Trend



Unique Customer Trends



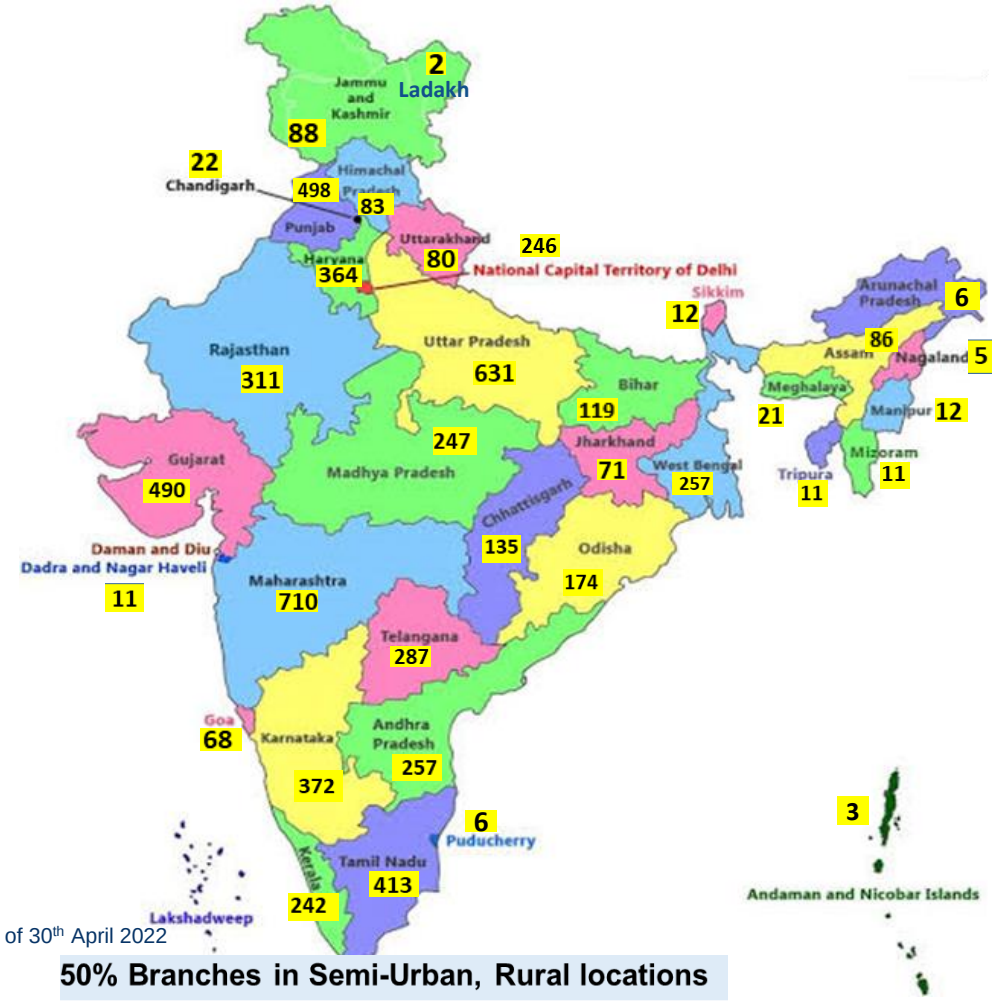
Customer Acquisition Values 2X in three years

Acquisition ambition > 12 Million new customer accounts annualized run rate in 15-18 months FY23 with 1,00,000 Crs+ new acquisition value

CUSTOMER FRANCHISE & LIFE CYCLE MANAGEMENT

HDFC BANK

Multi Format Distribution Network to penetrate & serve diverse communities across India & Bharat



Figs as of 30th April 2022

50% Branches in Semi-Urban, Rural locations

Retail Phygital Branch

- Strategic role : Retail customer franchise build up and lifecycle, extraction ownership
- 6342 Branches present in 3100 Cities
- 2250 Branches planned in 24-30 months – Rural; Phygital Salience & Gold Loan Enabled

Smart Banking Lobby

- Strategic role – Captive (Large Township / University / PSU Campus / Corporates)
- 14 Smart Banking Lobbies rolled
- 200 Planned in 24 months

Digital Banking Units

- Strategic role – Micro Market
- 4 DBUs planned for launch
- 225 Planned in 24 months

Business Correspondents

- Strategic role – Incremental reach, hub & spoke model
- 15000 BCs in 2233 Cities
- 9314 BCs Planned in 18-24mths

- ❑ Intuitive interfaces
- ❑ On-demand
- ❑ Remote accessibility
- ❑ Suitable for routine
- ❑ Generalized needs

- ❑ Emotional connection
- ❑ Trust
- ❑ One-on-One conversations
- ❑ Complex and personalized needs

- ❑ Hyper-Personalized
- ❑ Deeper relationships
- ❑ Brand trust and loyalty

Micro market focused approach for distribution expansion

Bureau Data

- District level retail / Mortgage Loans
- Asset Quality (Delinquency Level)
- Industry Benchmarking

Ecosystem/Per Capita Income

- Main Income Stream in Catchment
- Per Capita Income of District / Census

RBI Deposits & Advances Size

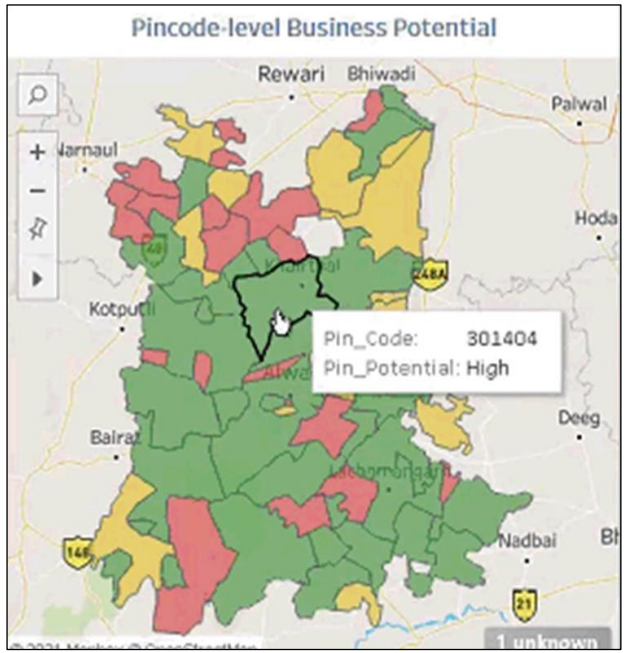
- Center Level RBI Data of Deposits & Advances
- Branch Expansion basis market potential

Population

- Existing and prospective population

Places of Interest Mapping - Google

- Commercial Establishment | Societies
- Institutions – Hospitals | Educational



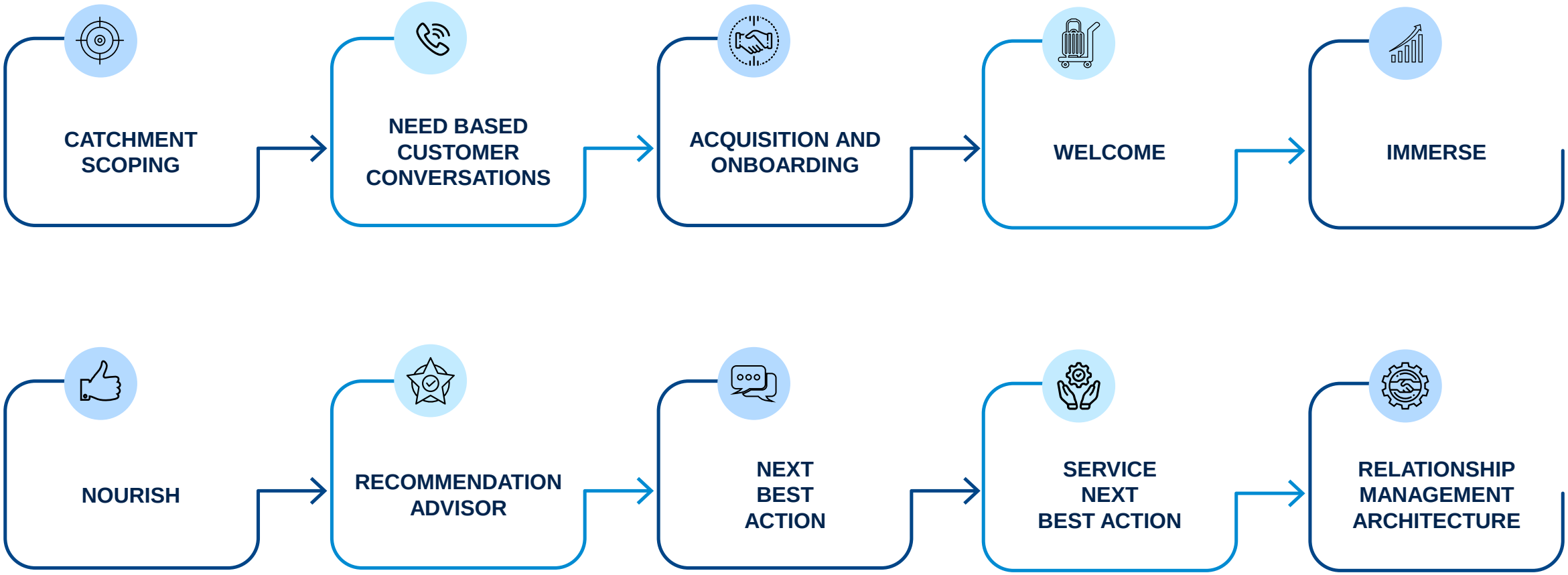
Branches highly relevant for Market Share gains & Customer acquisition and Service, with a evolving role :

- ❑ Neighbourhood Trust
- ❑ Sales & Service Set up with ownership of Customer Lifecycle
- ❑ Personalized conversations
- ❑ Phygital Experience
- ❑ Financial Solution Conversation rather than Transactions

Faster Break Even - Faster Growth

- 55% of the branches broken even within 12 to 24 months against benchmark tenure of 24- 36 months
- Liability market share gain in ~90% of the districts where Bank is present

Customer Lifecycle Management



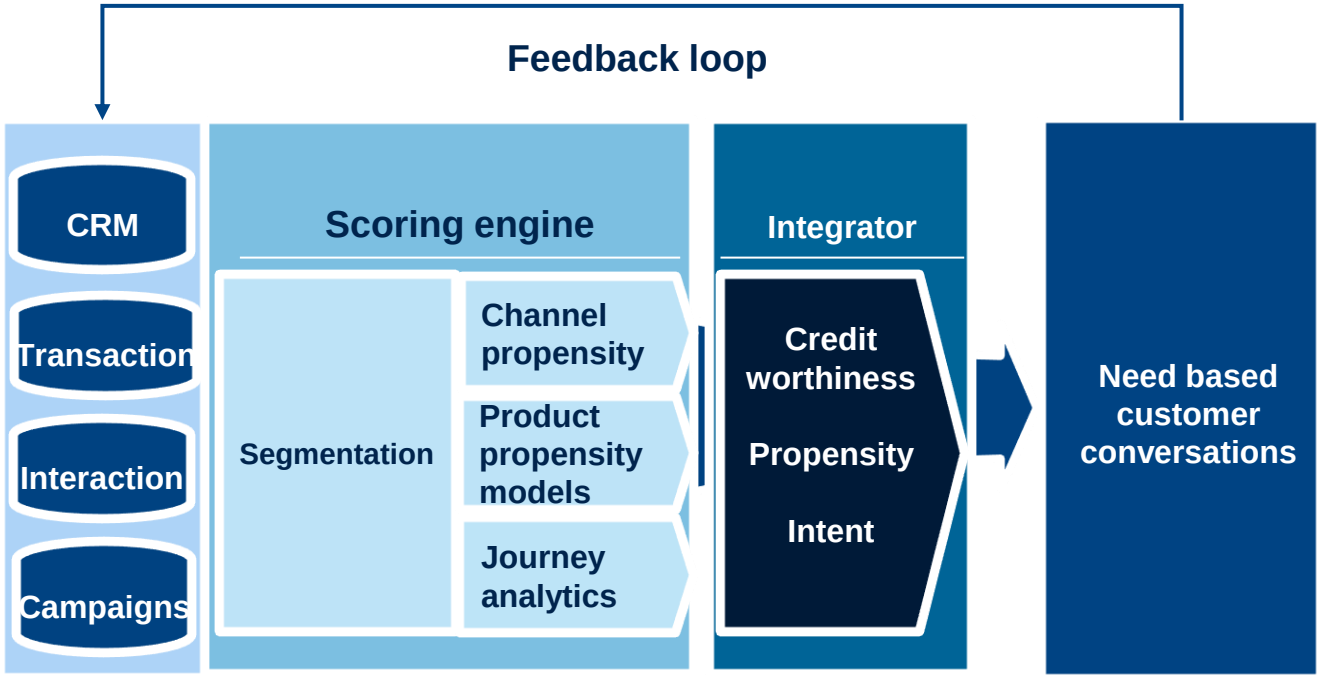
Institutionalised Process for Catchment Scoping & Penetration

Catchment Scoping & Segmentation → **Customer Need Identification** → **Potential Dimensioning** → **Offering Solutions** → **Potential Extraction**

Top Targeted Customer Segments

- **Education**
- **Healthcare**
- **Entertainment & Hospitality**
- **Localised Industry**
- **Merchant & Traders**
- **Rural**
- **Government**
- **Start Up**
- **Trust, Associations, Societies & Clubs**
- **Prominent Individuals**

Analytics led Next Best Action to predict customer interests



Robust feedback loops : Digital footprint and RM interactions incorporated for the first time

Product intent : Multi-way prioritization of intent – updated daily with feedback

Prioritization : Robust arbitration logic to prioritize products for each customer

Productivity : Sharper recommendations and detailed narratives

Frequent updates: Weekly/daily execution versus Monthly execution

- Improved the conversion rates to the tune of 35% ,NBA Rank 123 Conversion 4.9X BAU
- Retail asset disbursal growth of 43% – PL 52%, AL 29%, BL 45%
- Liability change in base book- Rs.16082 cr

Link

- Over 50+ service NBA covering 2.45 Cr customers
- Over 24 NBA for 2.49 cr customers with over 7.7 Cr offer

AI Analytics driven customer liability book growth

Predictive Loss of Relationship

- Likely to drop balances in the coming quarter by a certain threshold
- Surrogates - Low balance, Loan rejections

Attrited loss of relationship

- Dropped balance by more than a certain threshold and is likely to drop further
- Surrogates – Transfers outside the bank, Premature closures, Assets outside the bank

Value Enhancement basis Wallet

- Holding more funds outside the bank than inside basis "Potential Gap Model"
- Surrogates – High Potential gap, Significant change in balances

Self Transfer Vendor outflow mitigation

- Transferring funds to other bank above a threshold to own account and regular vendor payment.
- Surrogates – High Value transfers, Significant drop in balance

A customer sample:-

Objective: Specific actions to either retain money or cross-sell products to expand wallet share. Customer has seen AQB drop of Rs.14L.

Behaviour T1: Self/family transfers to other banks:Rs.16.5L II T3: Cash withdrawals - Rs.10k. Rs55L txn towards EMIs. Other Expenses - Rs.8.1L. II T4: HDFC BANK Card payments Rs.3.6L. Fund transfers for Rs.18k

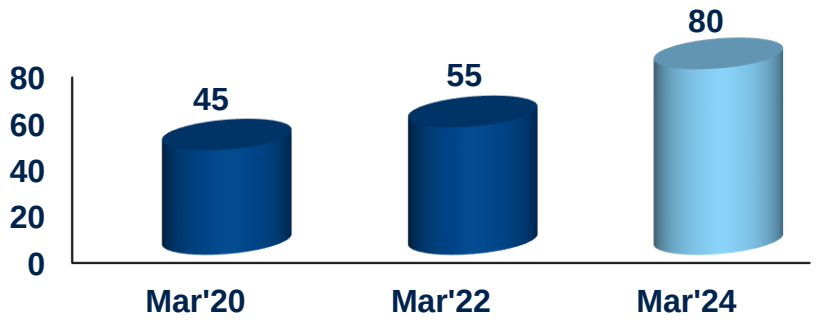
Causation Customer has loan(s) of Rs.4.8Cr outside bank II Customer has a high value Home loan from outside bank II Customer/joint holder are not FATCA compliant to invest in MFs.

Intervention: II *Customer has high propensity and is eligible for AI: Rs.20L. II Cross-sell Home Loan take over, MFs and Home insurance to cover the risk, savings account of family member*

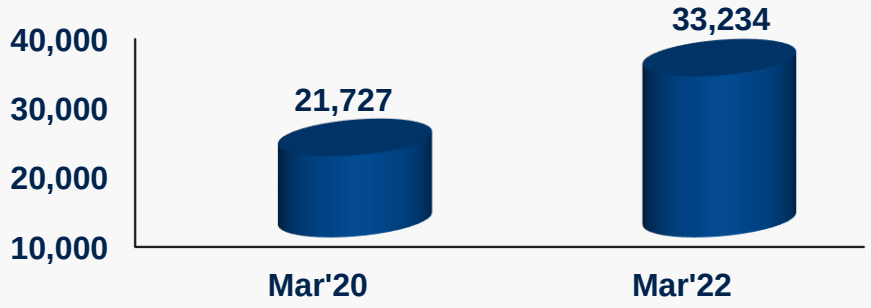
Impact FY 21-22: 4.8 Million customer conversations, 91% engagement, 48% customers built balances, Absolute value growth- 7263 Cr by end of cycle and 16081 Cr by end of year

Relationship Management Architecture

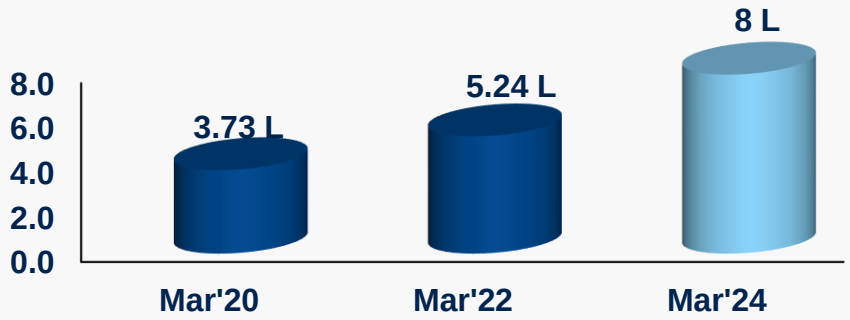
HNW Customers (In Lakhs)



Customer Net Revenue (In Crs.)



Managed Liability Book Size (In Crs.)



- Largest Relationship Management Programme in Industry :
  - 13.5 Million Customers covered (5.5 Million Branch Managed & 8 Million Virtually Managed)
- Competitive Advantages that will Fuel Future Growth
  - Reaching out to The Super Affluent Segments with:
    - Infiniti, Imperia, Preferred, Classic
    - Special Program for Semi Urban & Rural (Vishesh / Vishisht)
    - Virtual RMs extend reach of relationship mgnt. architecture
  - Service First integral part of HNW Relationship Management

Service First Culture – Integral Part of Relationship Management Architecture

You should be the pebble in the pond that creates the ripples for change.

Service First Culture – Integral Part of Relationship Management Architecture

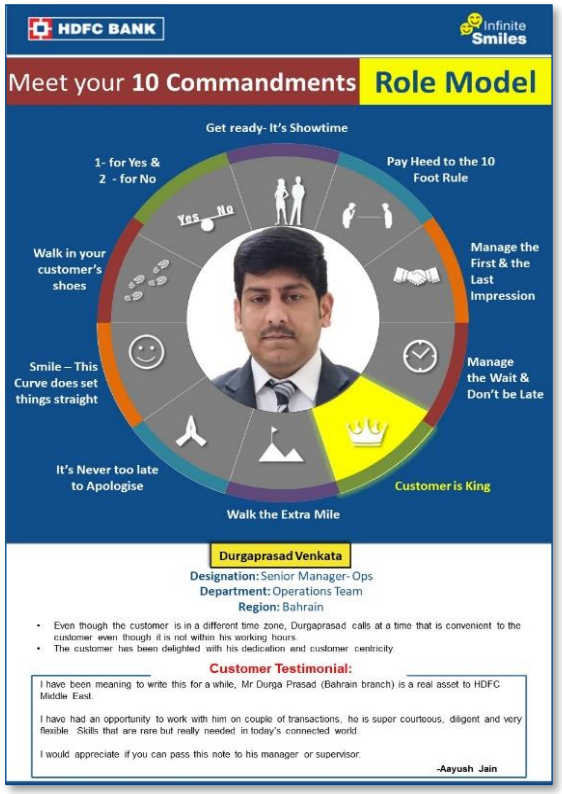
Attitudes and Behaviour

10 Commandments of Customer Experience

Senior Management Videos to Inspire

Interactive eLearning Module with Case Studies

Desktop Re-iteration for Recall



Highlighting Role Models and their customer oriented behaviour.

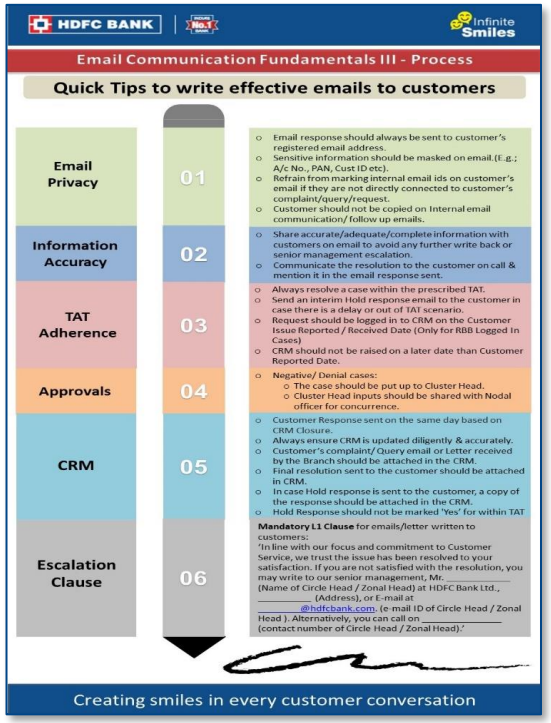
Service First Culture – Integral Part of Relationship Management Architecture

Customer Experience Basics

HR Advisory on Grooming & Etiquette

Contextual Video Based eLearning Module

Email Communication Fundamentals



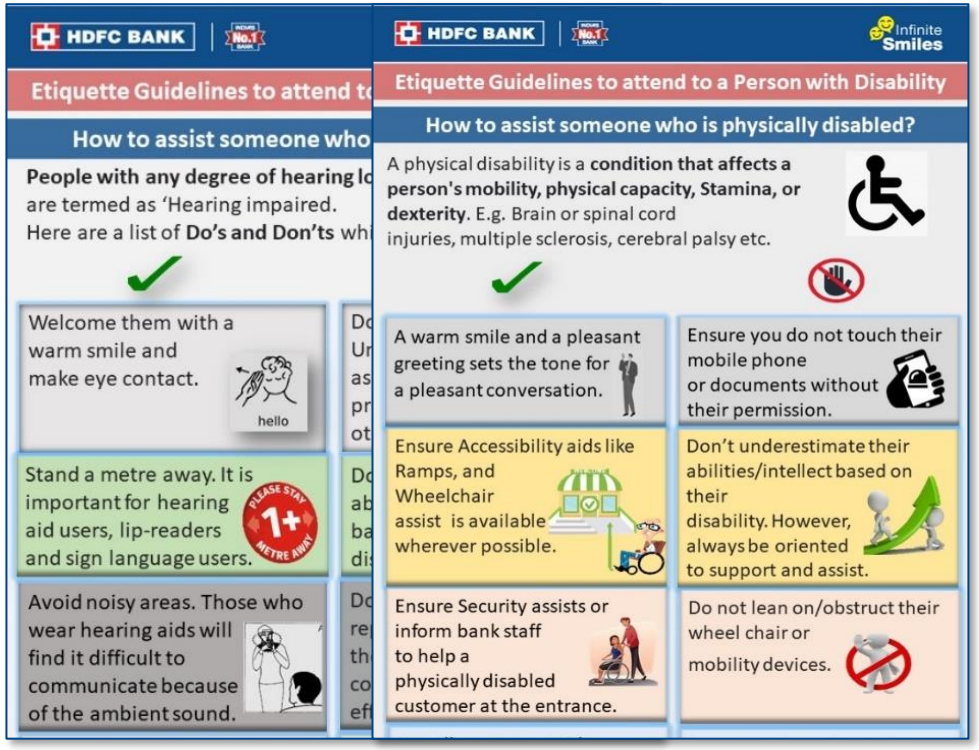
Guide for Professional Emails

Activity based eLearning Module

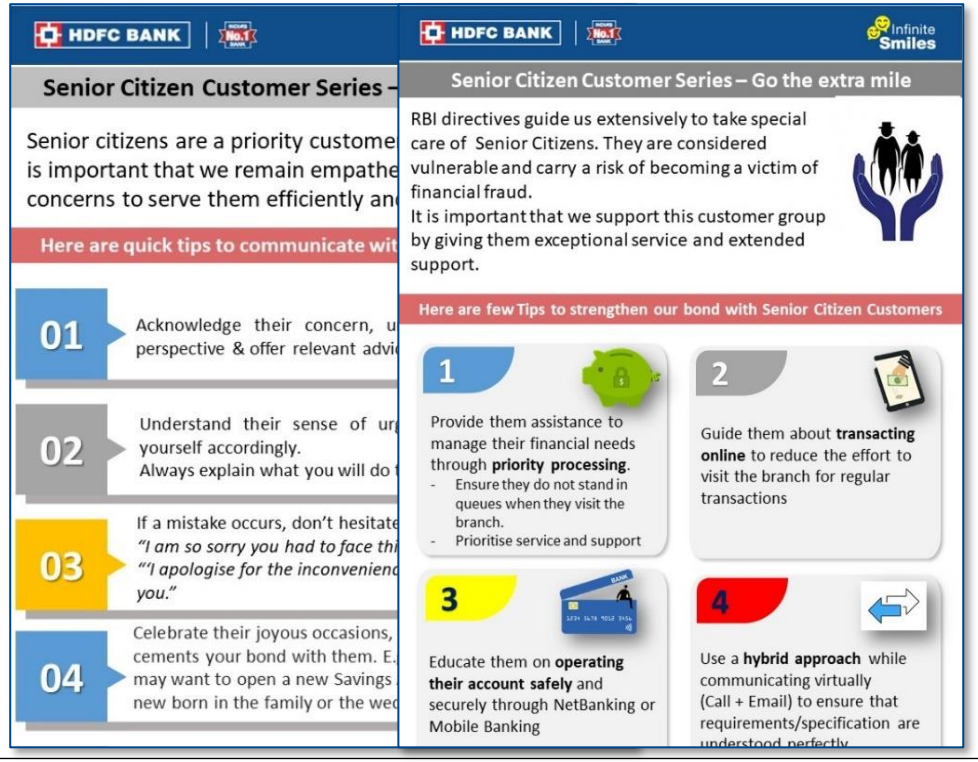
Service First Culture – Integral Part of Relationship Management Architecture

Guidelines to engage with Persons with Disability & Senior Citizens

Guidelines to assist Persons with Disability

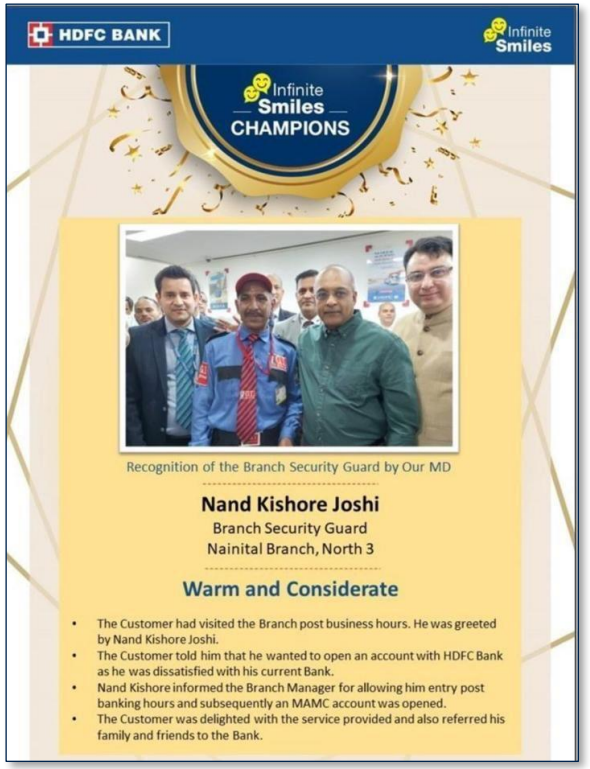


Guidelines to assist Senior Citizens



Service First Culture – Integral Part of Relationship Management Architecture

Recognition Programs



Smiles Champions – Positive Customer Testimonials

Customer Smiles Awards: Outstanding customer orientation.

CX-Xcellence: Best Practices in Customer Orientation

Service First Culture – Integral Part of Relationship Management Architecture

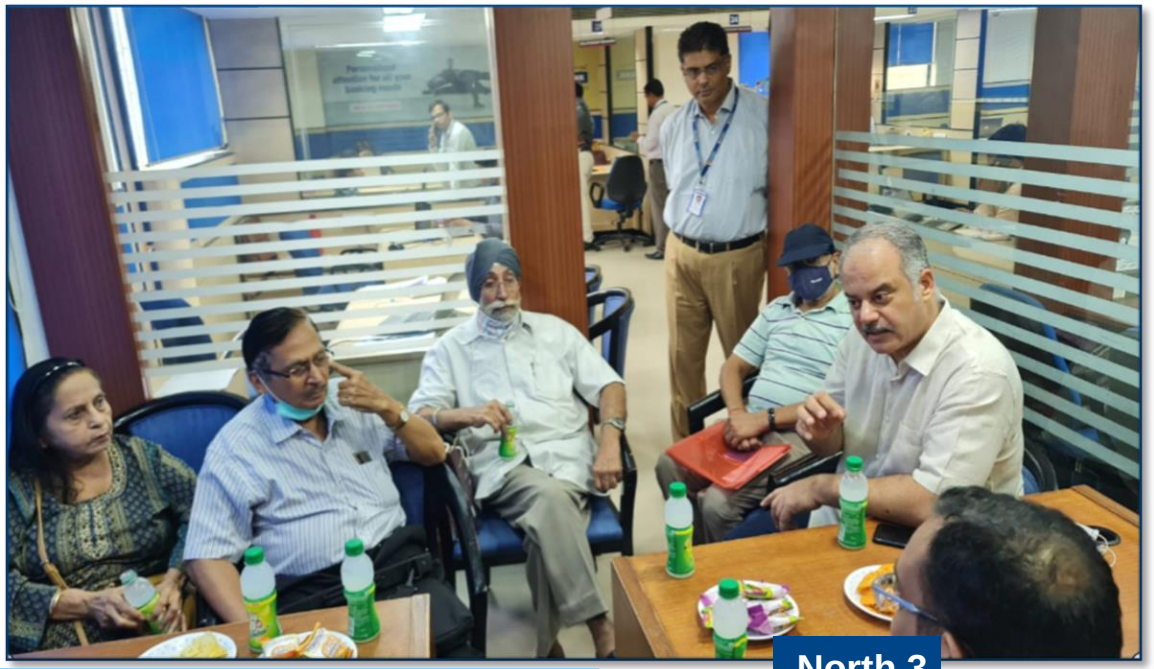
Branch Huddles

Conducting branch huddles to discuss customer concerns, improvement areas and felicitating the right behaviours

West 1

Voice of Customer

Conducting Branch Level Customer Meetings for customer insights



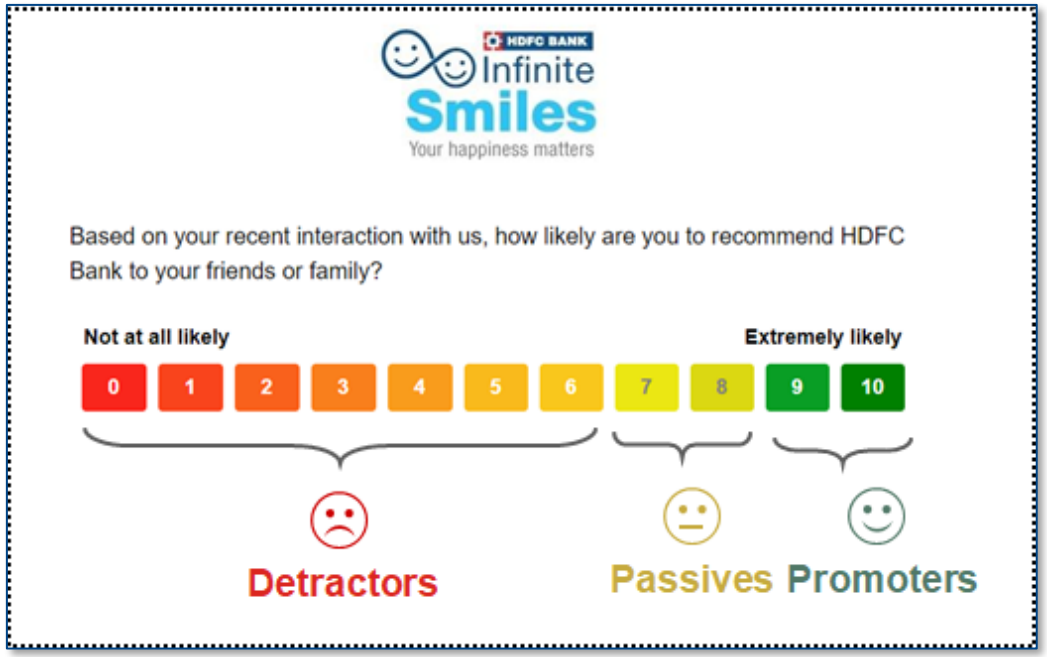
North 3

~51% reduction in complaints per million customer in FY 21- 22 over FY 19- 20.

Service First Culture – Integral Part of Relationship Management Architecture

Infinite Smiles Program - Creating Smiles

1 Infinite Smiles Score starts with a simple question that we ask customers



2 Detractor Engagement & Resolution

- All customer who has given Detractor score (0 to 6 ratings) is called. Customer is engaged & his/her issue is resolved pro-actively

3 Resolution Effectiveness Score

- Feedback is sought again from customers after his/her issue is resolved

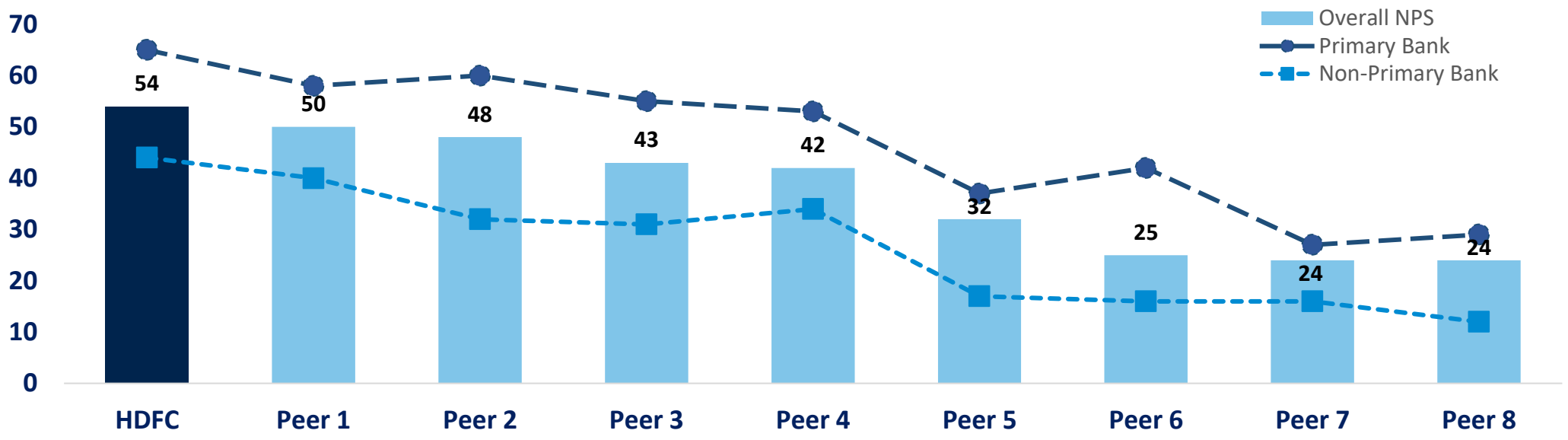
4 Customer feedbacks are discussed at Unit level

- Customer feedbacks are discussed during daily meetings.
- Individual successes are celebrated & Smile Champions are recognized.
- Improvement areas are identified, brainstormed and implemented.

5 Customer feedbacks are analyzed for actions

- Process improvement suggestions based on customer insights are reviewed and implemented to enhance customer experience.

Infinite Smiles – External benchmarking by Prism (Bain & Co.)



	HDFC	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7	Peer 8
% Primary Customers	53%	49%	57%	46%	29%	67%	32%	43%	56%
Delta b/w Primary & Non-primary NPS	21	18	28	24	19	20	26	11	17

Source: NPS Prism survey data, Bain analysis

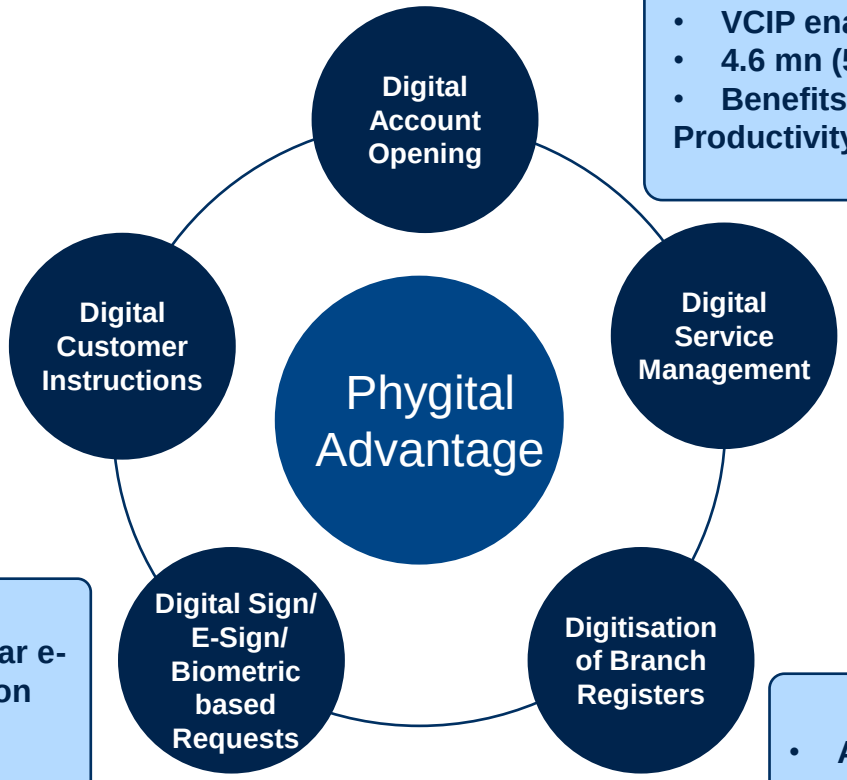
Digital Delivery in Physical Branches- Enabling Phygital

- SmartApp, Insta A/c thru DAP, MB app & Adobe (WIP)
- VCIP enabled for Digital KYC
- 4.6 mn (56%) new a/c opened digitally
- Benefits : Cost: Rs.18 bn ▼

Productivity : 18% ▲ NPS : 23pts ▲

- 6 journeys Gone Live. 31 WIP
- Digital Tracking of deliverables
- Benefits :
- TAT : 90% ▲ | FTNR : 98% ▼

*for live journeys



- Priority Servicing for HNW and Sr Citizens
- TAT Rationalisation
- Digi-Self Care

- 100% branches enabled on Aadhaar e-KYC based biometric authentication capability*
- E-sign for legal documentation

- Automating all branch journeys

Re Imagining CRM / CRM Mobile - On the Go

Power to access all the Offers

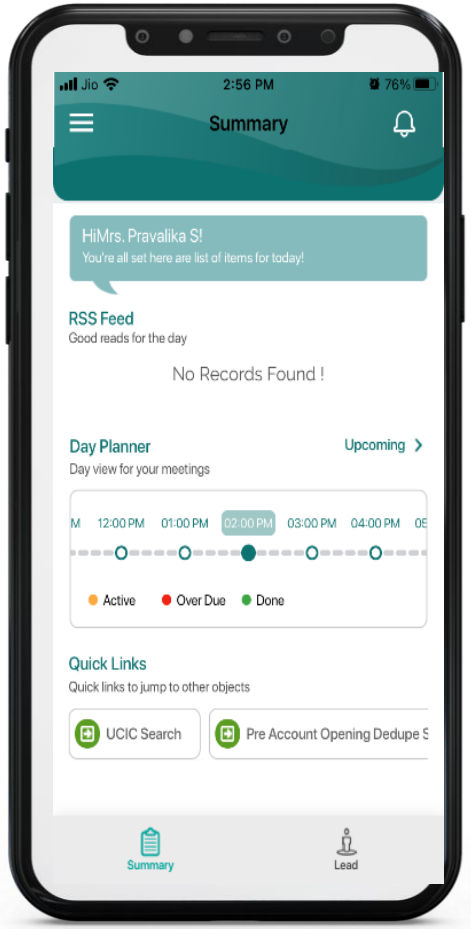
- Single Screen display
- Next best action for all offers available
- Service Enabler can also be seen

Power to Create Quick Interaction

- Interaction can be created in less than 2 minutes
- Leads can be created immediately

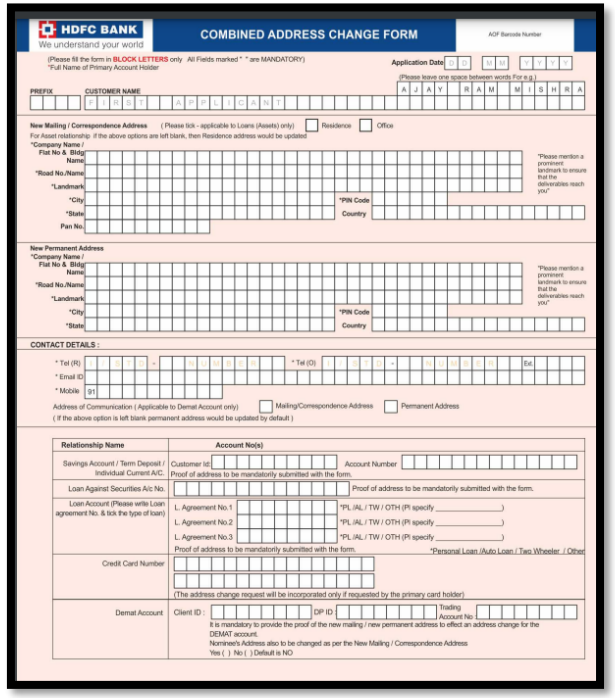
Power to Act quickly

- Service request can be raised on the go
- WoW Journeys can be sent immediately
- 24X7 access
- Improved UI/UX



Straight through processing via Walk Out Working (WOW)

From 3/4 Days → **To Immediate/Realtime**


HDFC BANK
We understand your world

COMBINED ADDRESS CHANGE FORM

(Please fill the form in BLOCK LETTERS only All Fields marked " * " are MANDATORY)
*Full Name of Primary Account Holder

Application Date D D M M Y Y Y Y

(Please leave one space between words For e.g.)

PREFIX | CUSTOMER NAME: F I R S T A P P L I C A N T | A J A Y R A M M I S H R A

New Mailing / Correspondence Address (Please tick - applicable to Loans (Assets) only) Residence Office

For Asset relationship if the above options are left blank, then Residence address would be updated

*Company Name / Flat No & Bldg Name
*Road No./Name
*Landmark
*City
*PIN Code
*State
Country
Pan No.

Please mention a prominent landmark to ensure that the deliverables reach you.

New Permanent Address
*Company Name / Flat No & Bldg Name
*Road No./Name
*Landmark
*City
*PIN Code
*State
Country

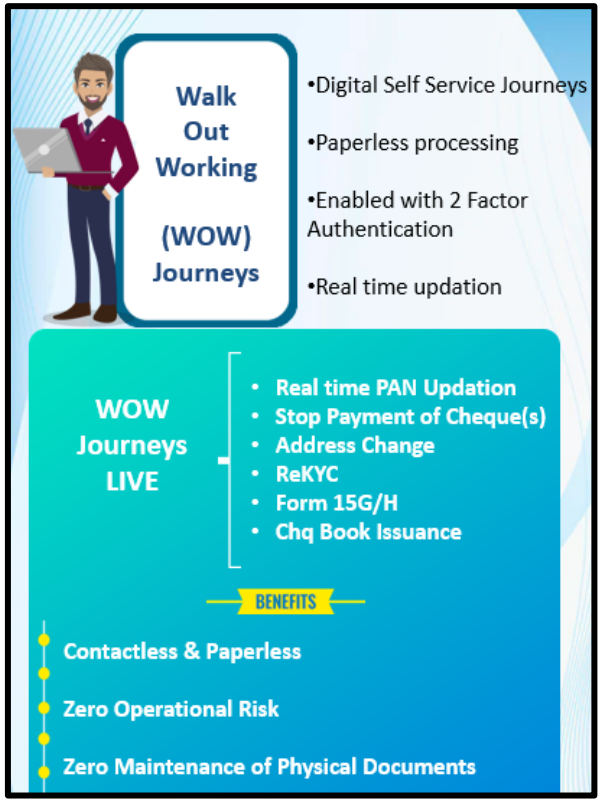
Please mention a prominent landmark to ensure that the deliverables reach you.

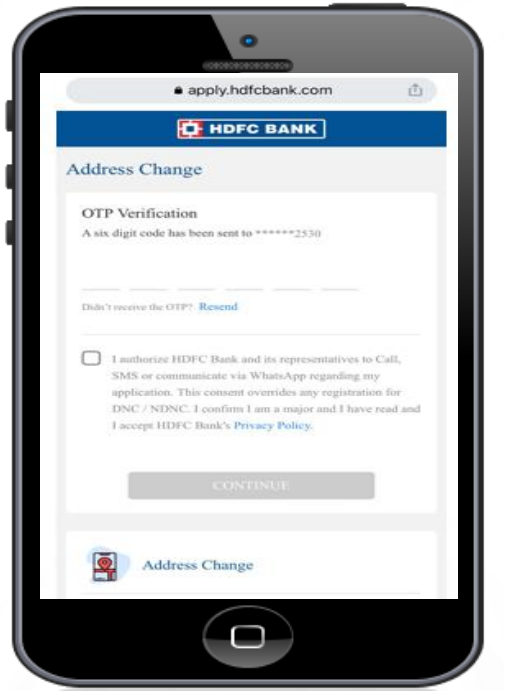
CONTACT DETAILS :

* Tel (R) S T D * N U M B E R * Tel (O) S T D * N U M B E R Ext.
* Email ID
* Mobile 91

Address of Communication (Applicable to Demat Account only) Mailing/Correspondence Address Permanent Address
(If the above option is left blank permanent address would be updated by default)

Relationship Name	Account No(s)
Savings Account / Term Deposit / Individual Current A/C.	Customer Id Account Number Proof of address to be mandatorily submitted with the form.
Loan Against Securities A/c No.	Proof of address to be mandatorily submitted with the form.
Loan Account (Please write Loan agreement No. & tick the type of loan)	L. Agreement No.1 *PL /AL / TW / OTH (Pl specify _____) L. Agreement No.2 *PL /AL / TW / OTH (Pl specify _____) L. Agreement No.3 *PL /AL / TW / OTH (Pl specify _____) Proof of address to be mandatorily submitted with the form. *Personal Loan /Auto Loan / Two Wheeler / Other
Credit Card Number	(The address change request will be incorporated only if requested by the primary card holder)
Demat Account	Client ID : DP ID Trading Account No. It is mandatory to provide the proof of the new mailing / new permanent address to effect an address change for the DEMAT account. Nominee's Address also to be changed as per the New Mailing / Correspondence Address Yes ( ) No ( ) Default is NO





Service Concerns
- **Manual | Back-end Processing | Rejection | Hold | Complaints**

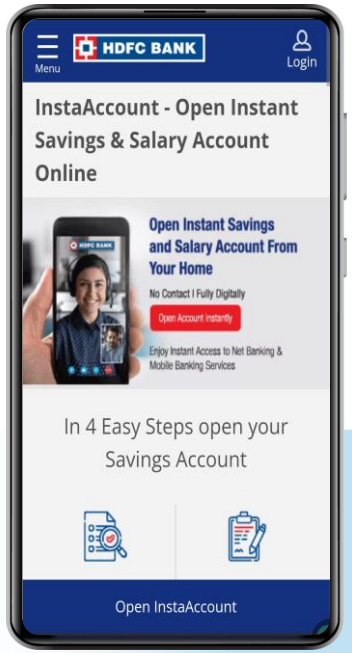
for video click here

Benefits
- **Paperless | Instant | Time & Cost Saving | Higher NPS**

Customer Speak…

Insta-Savings, Insta-Current and Integrated Journeys

Insta Savings Ac



- **Planned Enhancements**

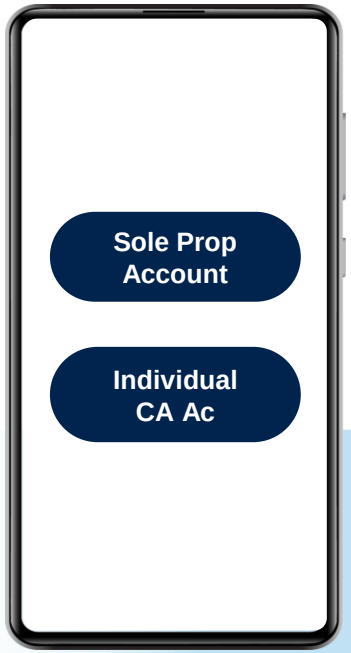
a. **Either or Survivor Ac**

b. **Joint Acs**

c. **Salary Ac with Individual CA Ac**

Digital account Insta app (unassisted) and Smart app (assisted) 56% sourcing digital Targeting 70% in 14-16 months

Insta Current Ac



- **Journeys for Assisted and Non assisted modes being worked upon**

Digital onboarding journey for Current account

Integrated Journey

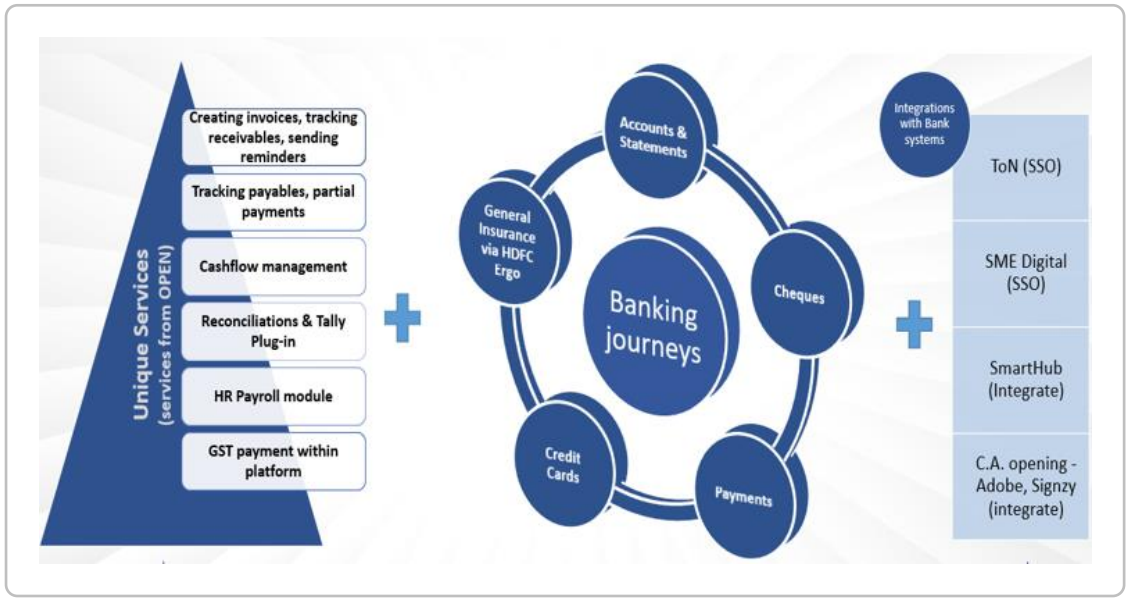
- **D mat and HSL Acs opening journey for existing customers is LIVE**

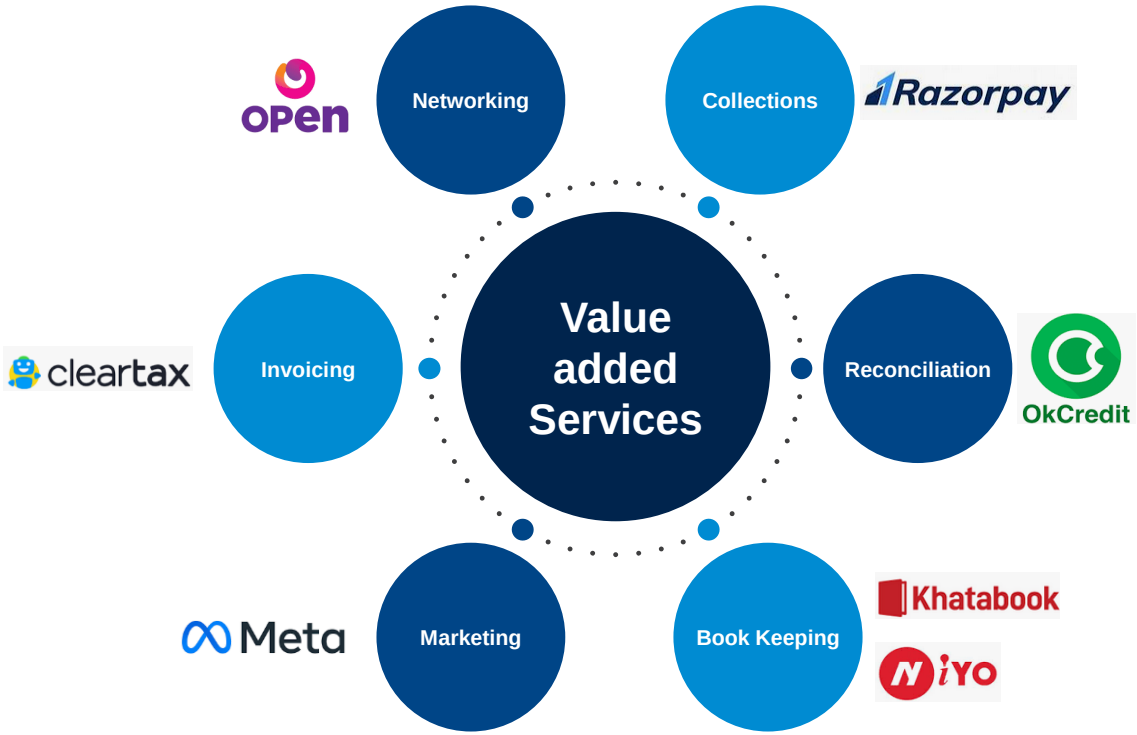
Integrated journeys driving customer convenience and Bank's resource productivity

HDFC BANK

"BizXpress"- One stop shop for business customers & MSMEs

- **BizXpress is Bank's digital initiative for Business Customers.**
- **Planned for both Desktop and App**
- **Its a dedicated platform for simplified business support journeys & services.**





Customer Life Centric Insight based Propositions

My Account My Choice (MAMC)

Personalized Account Number

Customer Insight : Customise ac number
Proposition: Create Account of Own Choice

SPECIALÉ PLATINUM Savings Account

SPECIALÉ GOLD Savings Account

Super Premium Savings Account

Customer Insight : Lifestyle focused
Proposition: Taj Epicure membership, Myntra Voucher

Super Kids Savings Account

1st Super Premium Minor Account in Industry

Customer Insight : Need the BEST for my children
Proposition: Tieups with Jamboree Education, Hamley, Firstcry, Netmeds,

HDFC BANK SureCover FD

Unique Dual Benefits of FD + Insurance

Customer Insight : Safety
Proposition: Addition of Term Cover

HDFC BANK HealthCover FD

1st in Industry - Dual Benefits of FD + Health Insurance – Hospi Cash

Customer Insight : Safety
Proposition: Addition of Hospi Cash

HDFC BANK Switch2Save and Insure

Unique Benefits to Salary Account Customers in the Industry

- Z Care (15K – 25K Net Salary) - Youth focused Times Prime Membership with benefits Upto 60K
- Active Care / Pro Care : Term Cover & Hospi Cash

Differentiated Rural Approach for 2x growth in 18-24 mths

Opportunity

Deposit Opportunity

- Total Rural Mkt : Rs 27.89 Lac Crs
- Rural Mkt with HDFC Bank Presence: Rs 19.5 Lac Crs
- HDFC Bank's Share: 1.8 Lac Crs (9%)

Credit Opportunity

- Total Rural Mkt : Rs 16.7 Lac Crs
- Rural Mkt with HDFC Bank Presence: Rs 11.8 Lac Crs
- HDFC Bank's Share: 2.8 Lac Crs (18%)

The Rural Opportunity

- Deposit : 26 Lac Cr
- Credit : 14.56 Lac Cr

Rural Growth programs

Rural Distribution Expansion

- 50%(3192) Branches & 46%(6971) VLEs in Rural
- 1064 Branches Planned for Rural in next 12-15 months

Rural Relationship Architecture

- Vishesh and Vishisht - Exclusive Rural Managed Programme
- Differentiated offering for Rural Customers

Curated Rural Propositions

- Redesigned Assets & Liability Products
- Customised Credit Surrogates for Rural

Rural Opinion Leader Program

- Agri Universities
- Sarpanch | Pradhan | Teachers

Rural Focus Eco-system

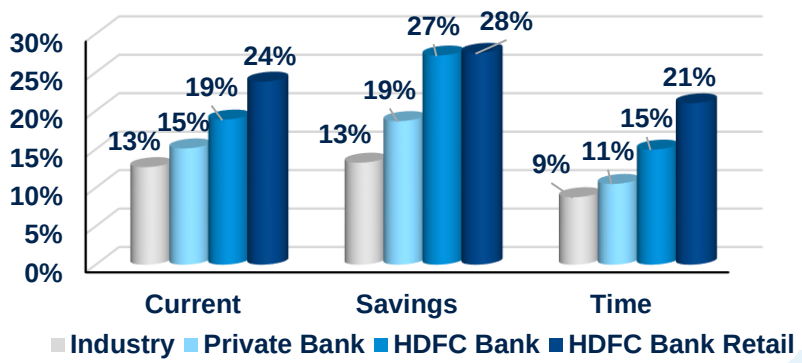
- FPOs | Mandis | Farmers
- Gram Panchayats

Rural Shopper Activation

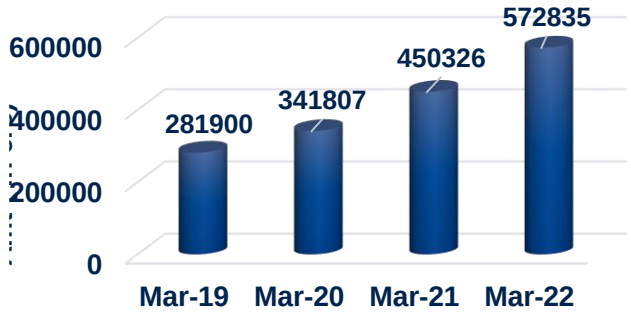
- Bank-On-Wheels
- Kisan Mela | Grameen Mela
- Sarpanch Sammaan Samaaroh

Retail Deposit Growth : > 2X Industry growth

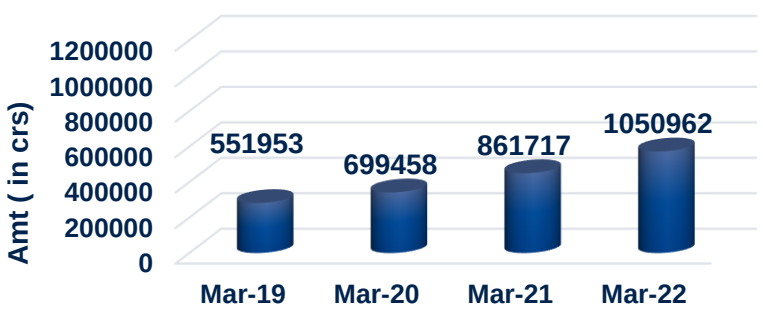
Deposit Growth : Three Year CAGR



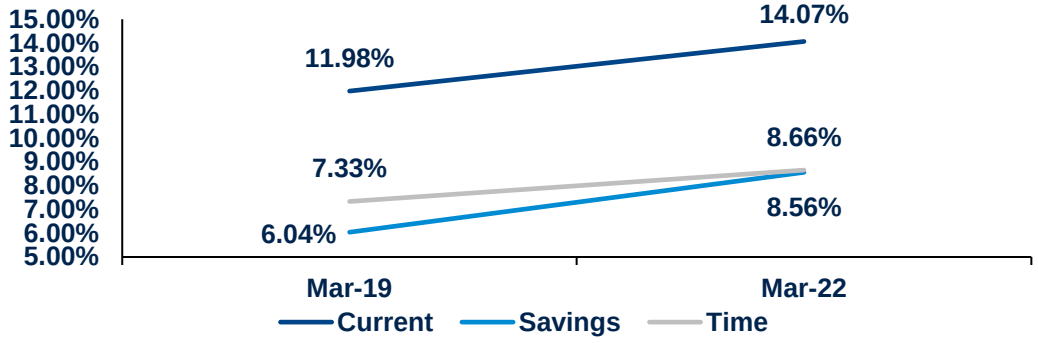
Retail CASA Growth : 2X in Three Years



Deposit Growth : 1.90 X in Three Years



Deposit Market Share Gains



- **Deposit CAGR ~ > 2X Industry growth**
- **Retail Deposits Results**
  - **Retail CASA : 2X in three years**
  - **Retail CASATD: 1.9X in three years(Resi)**
- **Growth dispersion**
  - **Gained Market share in ~ 90% of Districts with Banks Presence (660 districts)**

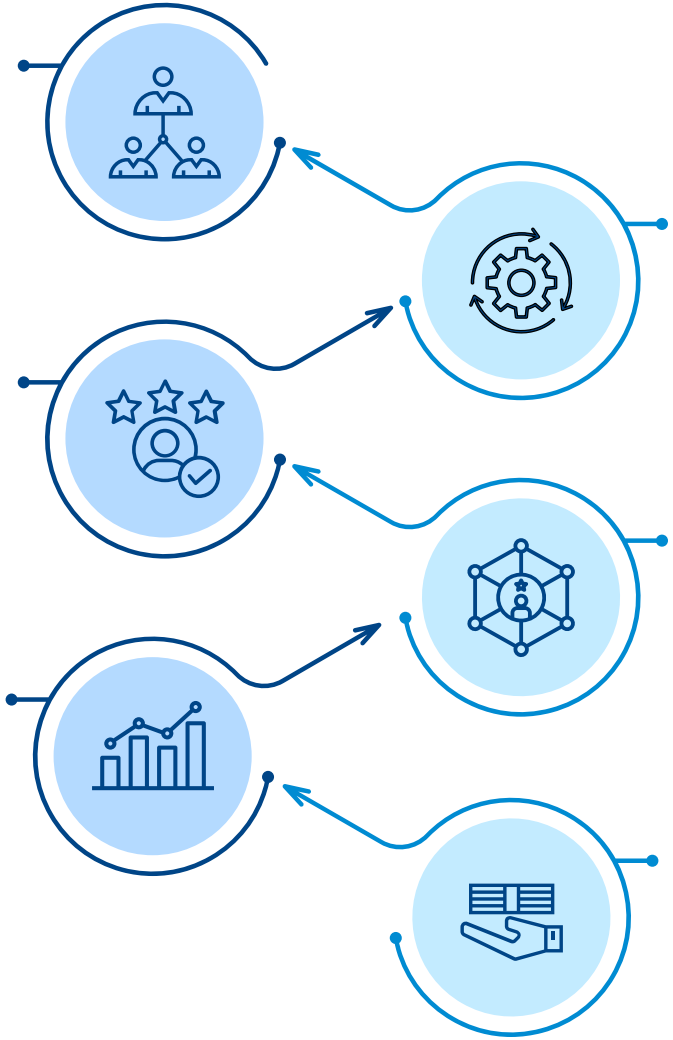
HDFC BANK

Strategy and institutionalised machine in place to deliver ambitious plans

Customer franchise build up to 12 Million + new unique customers annualized run rate in 15-18 months, with 100000 Crs+ new acquisition annualized run rate

Be the best customer experience brand in the financial services industry through phygital enablement and service first culture

2X the Industry growth, 2x Franchise in Semi urban and Rural in 24 to 30 months



Analytics led customer life cycle management and extraction

Phygital transformation

2X Deposit Franchise in next 3.5 years

Thank You

RECOMMENDATION ADVISOR | POWER OF 6 | SUMMARY | COMPLAINTS & SERVICE REQUEST | OFFERS & LEADS | PRODUCT HOLDINGS | BM INSTRUCTION

Recommendation Advisor - View Page

Search | New Recommendation Advisor

Category ✕ Drag a column header here to group by that column

Category	Next Best Action	Product	Enabler	Propensity	Valid Till	Status
Service & Engagement - (3)						
Service & Engagement	1	Due for	Demat FATCA	No Propensity	20/07/2022	New
Service & Engagement	2	Address	Change of address	No Propensity	15/07/2022	New
Service & Engagement	2	Nomination	Demat	No Propensity	20/07/2022	New
Asset and Cards - (4)						
Asset and Cards	1	CDL	Non PA/PQ - High Propensity	No Propensity	09/06/2022	New
Asset and Cards	10	AL	Zipdrive	Top 20 Percentile - On the F...	10/06/2022	New
Asset and Cards	2	Incredible	PL 10 Sec	Top 10 Percentile - On the F...	05/06/2022	New
Asset and Cards	3	HL	Non PA/PQ - High Propensity	No Propensity	09/06/2022	New
Cross Sell - (1)						
Cross Sell	10	Life Insurance	PASA - Pre-Approved Life In...	No Propensity	28/06/2022	New
Investments - (1)						

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Recommendation Advisor

SUMMARY

Offer Details

Objective	Based on customer banking and digital behaviour, it is identified that Customer has 7 times higher chance of taking PL from competition bank as compared to average. (ELIGIBILITY: 400000 /IRR%: 19.00% /FP%: 1500 /TENOR: 60) Risk Banding (A6)
Behaviour	Engagement behaviour: Customer has high CASA vintage i.e. more than 5yrs. Customer has a low product holding (1 to 3 products) with HDFC bank.
Intervention	Why search for a Personal Loan elsewhere when you can get it instantly from HDFC Bank India's No 1 Bank at best rates along with: a) Higher loan eligibility b) Minimum documentation with loan approval in just 10 min c) EMI @just Rs. 2187/lac onwards d) Easy access to additional money via Top up loan on your PL instantly.
Objective Name	Asset and Cards
Product	Incredible
Enabler	PL 10 Sec
Causation	Observed a significant increase in account balance. Indicative of accumulation of money for some planned expense -EMI obligations higher or equal to NRV (money kept with HDFC Bank in Savings A/c RD/FD/Demat etc)
Valid From	11/05/2022
Valid Till	05/06/2022
LastModifiedOn	20/05/2022 8:07 AM
Assign To Code	r18592
Is the Narrative helpful	
Value Expected	

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