



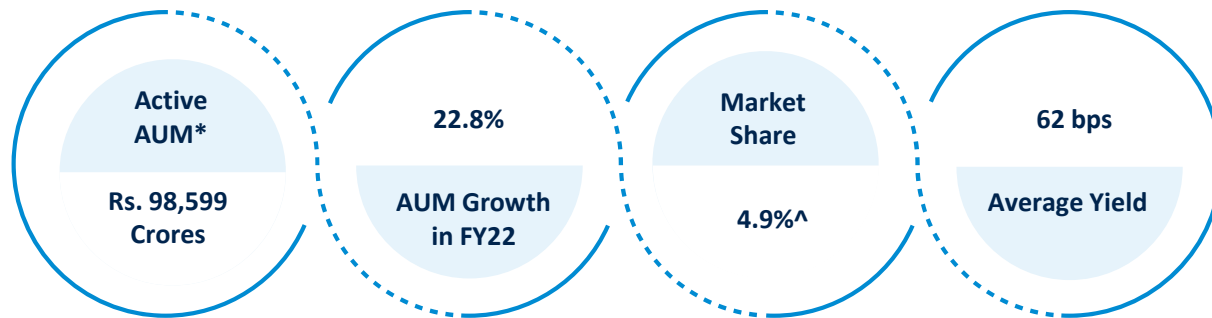
Wealth and Digital Marketing



WEALTH

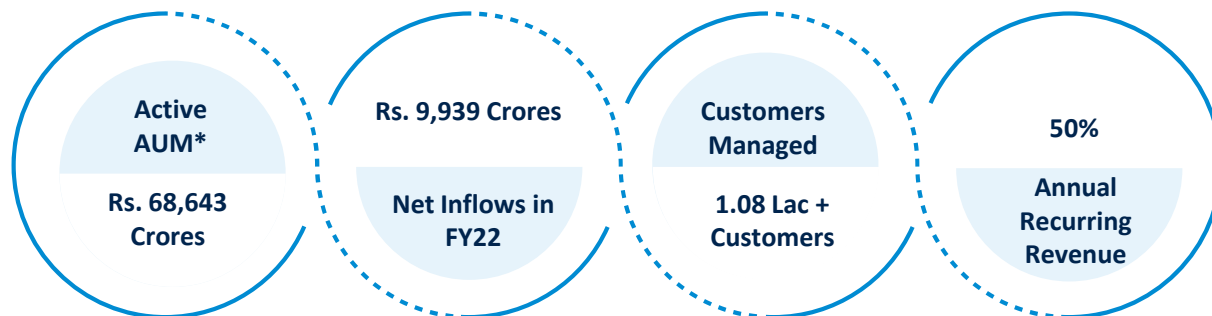
Business Snapshot

Key Indicators – Bank



- Ranked 2nd in MF Distributor-led AUM
- 70% of the Mutual Fund AUM is Equity
- 6% of Active AUM is from Alternates

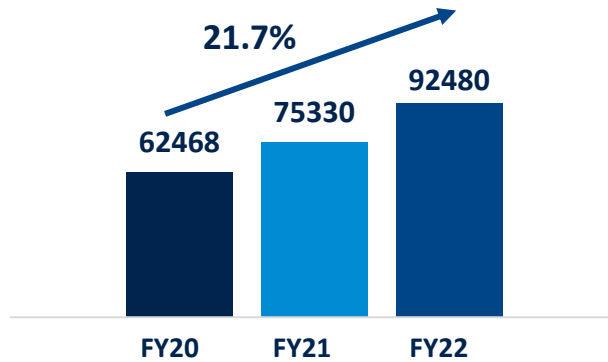
Key Indicators – Wealth



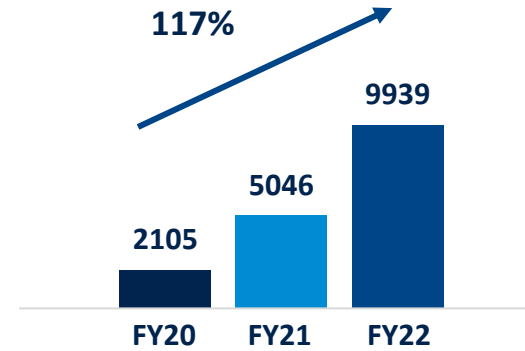
- Net Inflows growing YoY due to focus on recurring revenues and bringing held away AUM from competition
- 13.2% CAGR growth in Annual Recurring Revenue

Business Performance – Year on Year

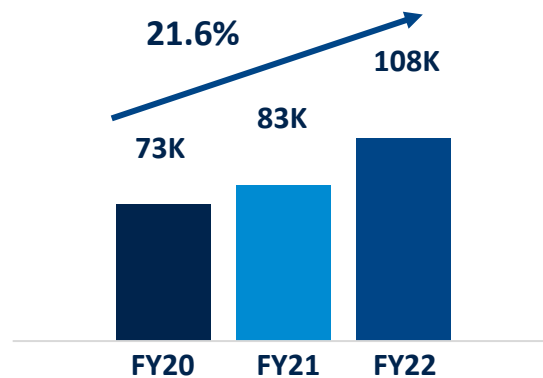
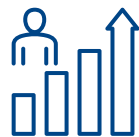
Bank Active MF AUM



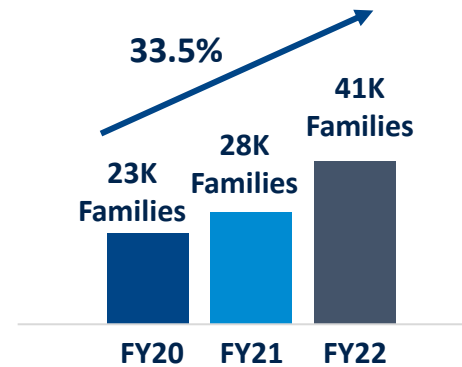
Wealth Net Inflows



Wealth Customers

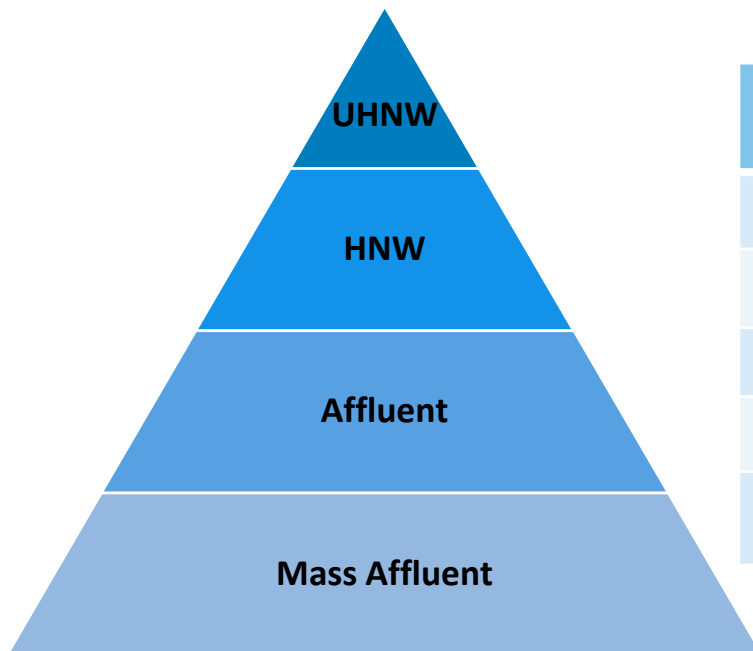


Wealth Households



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Asian Wealth Management Industry Post-Covid



Customer Category	2019 AUM (\$ Billion)	Incremental AUM by 2025		Incremental Revenue by 2025	
		Muted Recovery	Virus Contained	Muted Recovery	Virus Contained
> 25M	~ 850	~ 550	~ 750	~ 1 - 2	~ 3 - 4
1M - 25M	~ 2700	~ 1150	~ 1550	~ 4 - 5	~ 8 - 9
250K - 1M	~ 1300	~ 900	~ 1300	~ 5 - 6	~ 10 - 12
100K - 250K	~ 600	~ 650	~ 1000	~ 5 - 6	~ 8 - 10
Total	~ 5500	~ 3250	~ 4600	~15 - 19	~ 29 - 35

Customer mix expected to evolve with affluent & mass affluent segments driving 50-60% of onshore incremental revenue

Source: Mckinsey Private Banking Survey, Mckinsey Banking Pools, Mckinsey Analysis

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HDFC Bank Wealth – Growth Strategy



Knowledge Capital

Expansion & Hiring

- Focus to reach B30 Cities that have immense potential to gain market leadership
- Relationship Team increased from 384 to 542 in FY22 and aim to reach a team of 1000

Skill Building

- Lack of talent availability tackled by growing in-house talent through intensive training across skill-sets



Client Centricity

- 100% reach to top tier of our Managed Programs – 14 million customers having HNW potential in bank base
- Portfolio Management Approach through Recurring Revenue Monitoring to eliminate churn & Transactional Approach
- Complete Potential Assessment and recommendation through Asset Allocation
- Quarterly Portfolio Review & Rebalancing



Technology Leverage

- Working with Finacle and Valuefy on new Wealth Platform
- Platform under development enabled for scale expected to be rolled out in Q2 FY23
- Focus on agile STP client journeys to help cater to customers across the country with mass personalisation
- Advanced Analytics and AI-driven recommendations and review mechanism

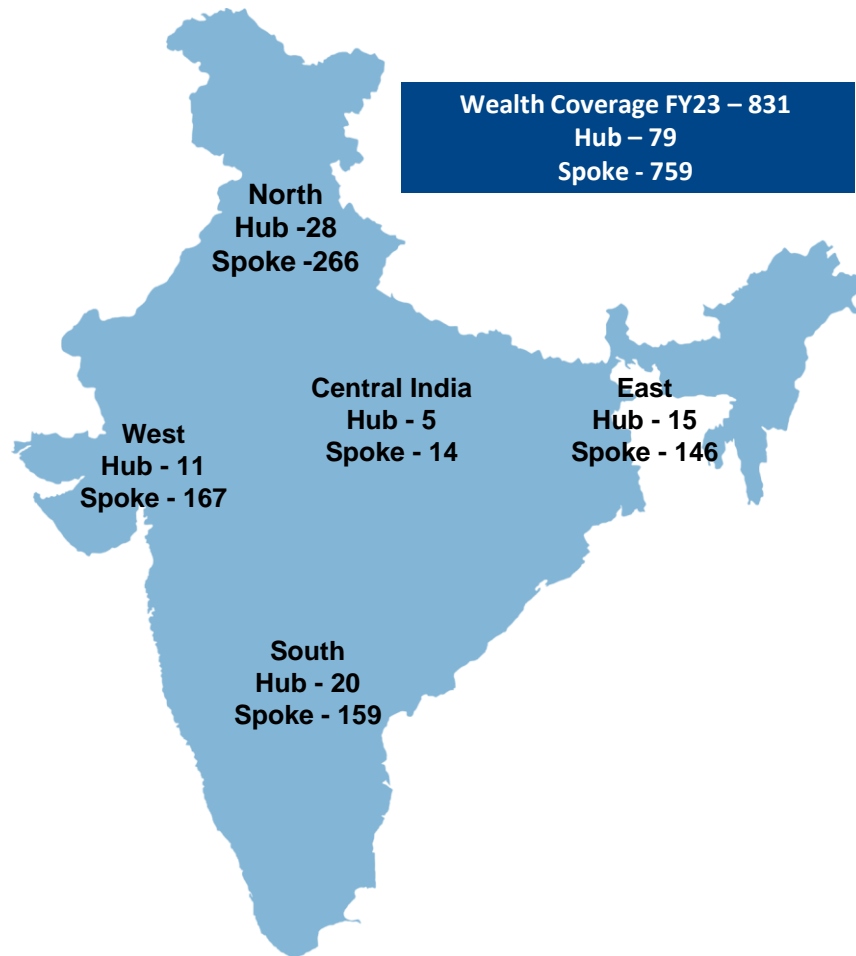


Service Offering

- Open Architecture & Non-proprietary framework to safeguard customer interests
- Right Client - Right Product Offering basis risk profile and asset allocation
- Super Affluent & Ultra HNI Clients to have Managed Wealth Platform with digital records
- Advanced Analytics and AI-driven recommendations and review mechanism

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Knowledge Capital & Expansion



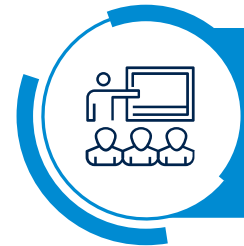
Increase Wealth Relationship Team in existing & newer markets to unlock market potential



Expansion Plan from 149 Hub & Spoke Locations in FY21 to 800+ Locations in FY23



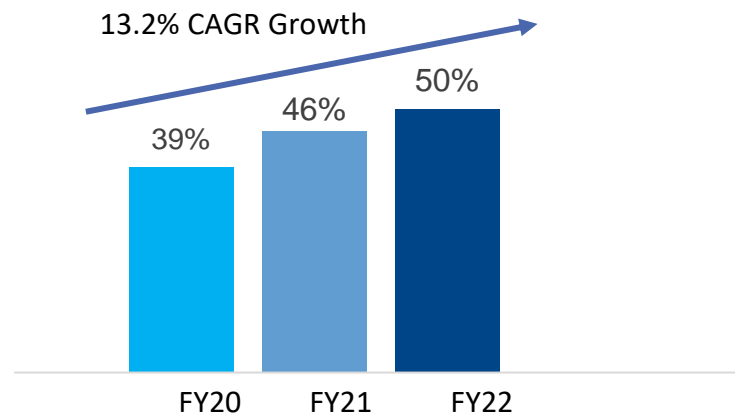
Cluster level engagement with Retail Team to extend offering to top tier retail clients



Intensive training across fundamental, technical & soft-skills building to develop in-house talent

Customer Centricity – Need Based Sales through ARR

ARR as a percentage of total income



Annual Recurring Revenue (ARR) adopted as core philosophy in line with best wealth firms globally



Successful transition from Transactional Approach to Portfolio Management Approach to eliminate churn



Relationship Team focused on periodic reviews to ensure portfolio health and growth to improve ARR



Focus on building recurring revenue to make the business more resilient to market volatility



Annual Recurring Revenue = Trail Income from Mutual Funds & Alternates AUM + Broking Income

Technology Leverage – Digital Wealth Management Solution

India's wealth management landscape is a massive opportunity

India has the lowest MF penetration globally, with **16% AUM to GDP ratio** Vs **63%** global average



Nearly **90%** of Indian households and **62%+** of wealth is in tier 2 cities and beyond



50%+ of the Indian population is under **25 years** of age. **'Mobile First'** millennials to be the power users of wealth tech apps



Increase in household **investments** & digitization of paper-based documentation is driving digital wealth adoption



Democratize
Wealth Management



by making it simpler
for **68mn**
Customers

Wealth App by HDFC Bank offers a Mobile first, Next Gen, Holistic digital Wealth Management solution



Invoking the network across **6000+ branches & 3000 cities** to serve customers on their Wealth Management needs



Digital first platform to drive accessibility and penetration **within tier 2+ Cities**



End to end digital onboarding, risk profiling & Investment experience enabling customer to start investing from Day One.



Personalized experience through **Intuitive UI/UX, Goal based Investing, Model portfolios & DIY journey** for Mutual Funds



Understanding Customer adding breadth to products to encourage diversification beyond Real Estate, FDs & Gold

Source: Industry Research Report on Wealth Management by Care Advisory – Oct 2021

Key highlights of Wealth App



Engage to Acquire

Customers can experience App features in Pre-login, without registration.



Digital On-boarding to Acquire

Seamless onboarding for New to Bank and Existing to Bank customers enabling them to invest from day one



Risk Profiling

Select Risk profile or answer a simple questionnaire-based risk assessment to offer suitable products to customers



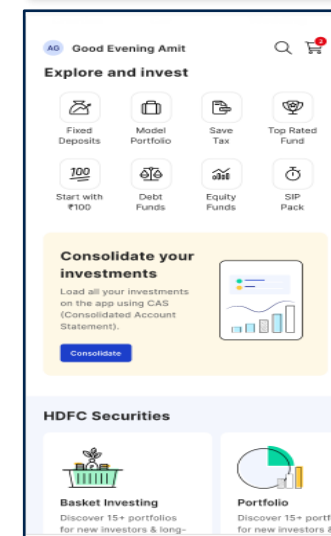
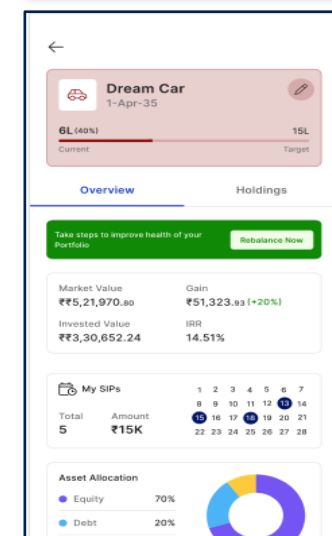
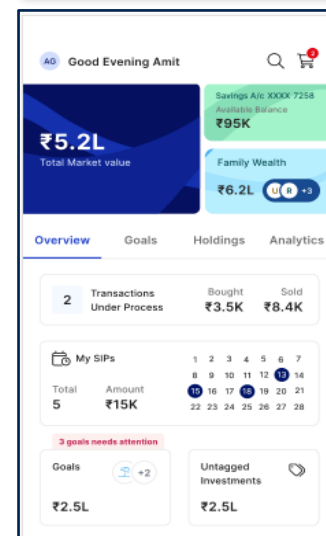
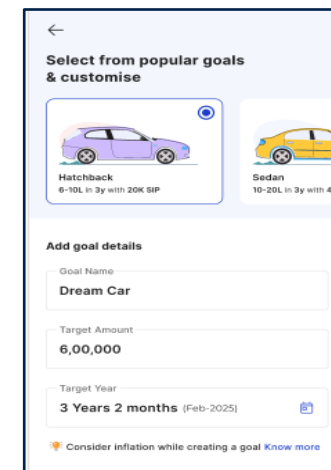
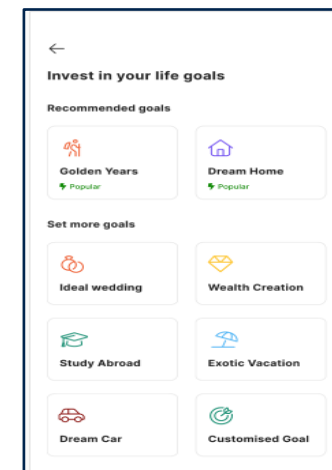
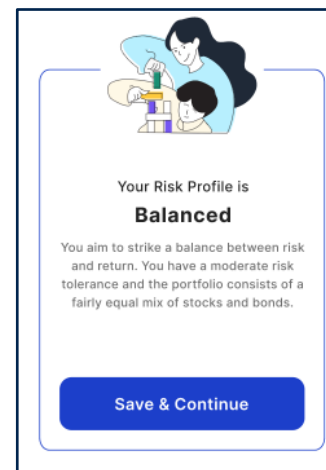
Goal Based Investing

Customized approach to help investors achieve their financial objective including measuring their progress, tracking & rebalancing recommendations.



Customer-centric Experience

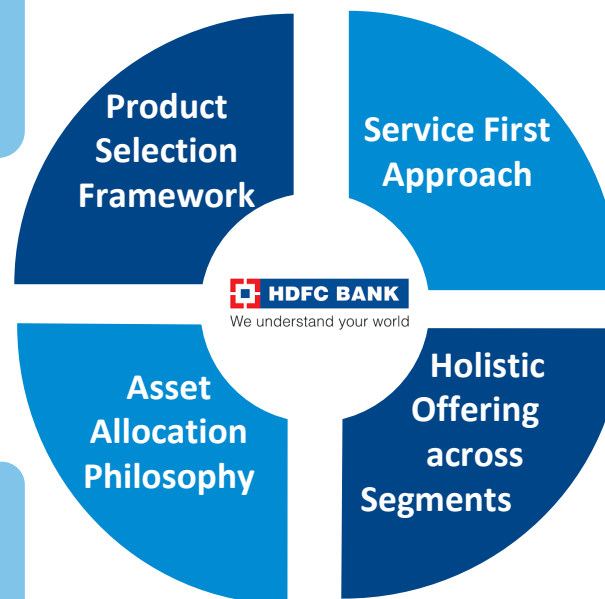
Product-Marketing-Engagement-Support is all amalgamated into one to provide customers the VOW experience.



Service Offering – Right Client – Right Product

- Screening Mutual Funds on quantitative and qualitative parameters including rolling returns, risk & return ratios in our FAMA Model
- Wealth Product Approval Committee (WPAC) – Third Party audited model framework for Alternate product selection

- Category allocation in equity & fixed income curated basis risk profile and client suitability
- Open Architecture (Multiple Partners across Life, Health & General Insurance) and Non-proprietary framework to keep customer interests in focus

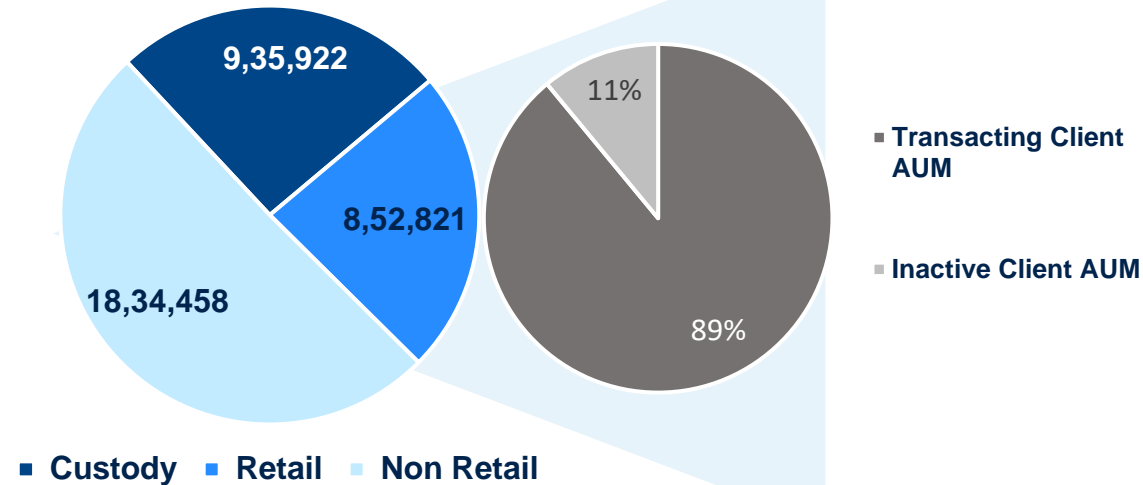


- Focus on building dedicated service team to cater to all financial needs
- Quarterly Portfolio Reviews by Wealth Relationship Managers for regular interventions according to market movements and customer's requirements

- Relationship Manager led Wealth Offering along with Digital platform for Super Affluent & Ultra HNI Customers
- State-of-the-art Digital Platform for Mass Affluent Customers to be rolled out by Q2 FY23

Service Offering – Complete Solutions for Clients

HDFC Bank Demat AUM – in Rs. Crores



Direct Equity - a critical part of Retail Portfolio

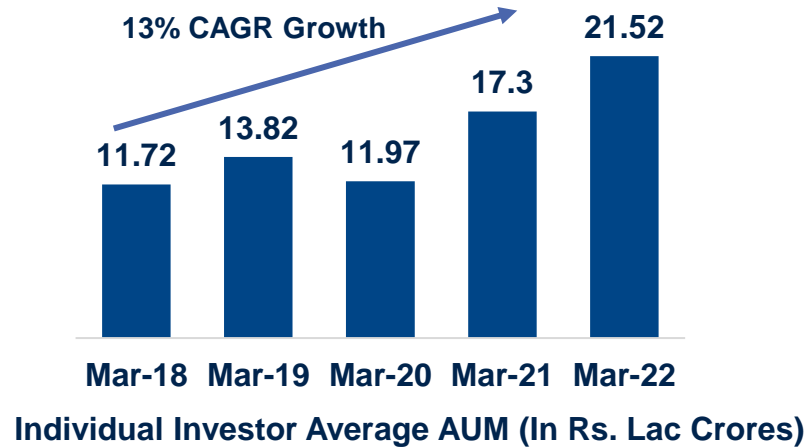
89% Retail AUM held by Transacting Investors

Efficient Digital Onboarding & Transaction Journeys

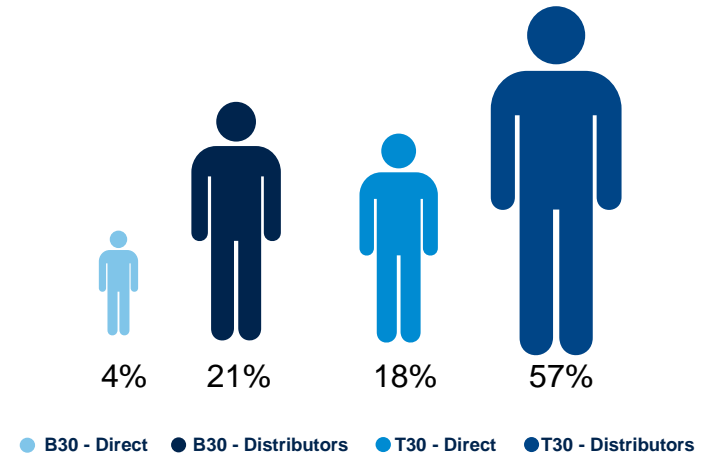
Transacting Client = Client with Minimum one transaction in FY22

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Distributor AUM Trends



Individual Investor Distributor AUM has grown from 11.2 Lac Crores (81% of Total Individual Investor AUM) in Sep 2019 to 16.8 Lac Crores (78% of Individual Investor AUM) in Apr 2022



High growth potential in B30 locations where Mutual Penetration is lower

Thank You