# Wealth Management Maximizing the opportunity with a unified platform

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# **Indian Wealth Management Opportunity**





## Favorable macro indicators...

- Continued GDP growth of 6-7%, Inflation expected to remain benign
- Various policy measures taken by Government to formalize the economy and improve ease of doing business to encourage entrepreneurship



\*HNI Individual with > \$1M in assets. Individual wealth includes financial and physical assets, onshore and offshore. # CAGR over FY15 to FY18 Source: Karvy Wealth Reports, Capgemini Wealth Reports

## ... are driving greater investment appetite

- Continued investments in financial assets vis-à-vis physical assets
- Increasing focus on growth oriented assets with higher risk-return profile
- Rise of HNIs in Tier2 cities, along with continued growth in Tier1 cities

HNI wealth pool in India is over USD 1 Tn

## **Indian Mutual Fund Industry**



- The total AUM of Mutual fund Industry as on September 2019 was Rs 24,50,787 crores (USD 346 Bn).\*
- The proportionate share of equity-oriented schemes in the total AUM is growing steadily and is now at 42.1%, a 11.71% Y-o-Y growth.
- Individual investors(HNIs and others) account for more than 54% of the total AUM, a 12.84% Y-o-Y growth.



# **Indian Alternates Industry**

AXIS BANK

(Managed Accounts, Advisory Mandates & Alternate Investment Funds)

Managed & Advisory PMS AUM stands at 1,631,764 crore (USD 230bn) as on June 2019.





## Note:

- Listed Equity portfolio is Rs.132,420.61 Crore (USD 18.6 Bn) of the total AUM.
- 2. Of the total AUM Rs.1,186,486 crore is contributed by funds from EPFO/PFs.

As on June 2019, total commitments raised across AIF Cat I, Cat II and Cat III stood at Rs 290339 crores (USD 40 bn).





<sup>\*</sup> Includes funds from EPFO/PFs | <sup>#</sup>Value of Assets for which Advisory Services are being given Reference Exchange rate \$ = INR70.875

## Axis Bank – 3<sup>rd</sup> Largest Private Sector Bank



Shareholding Pattern (Sep 2019)



\*Reference Exchange rate \$ = INR70.875

## Large branch network.....and growing



23%

19%

Domestic Branch Network\*



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4,284

Very well distributed branch presence across regions and categories – well positioned to benefit from the growing wealth in India

Our network has been completely organic, built over last 25 years

Employee strength increased from 59,614 as at end of fiscal 2018

Total no. of domestic branches\* as on 30th Sept 2019 stood at

to 61,940 as at the end of fiscal 2019.



North East West South Central

19%

14%

# Leading player in India's Wealth Management space



Launched in 2014, Burgundy is positioned well to ride the projected growth in HNIs and their wealth

43%

16%



Specialist team of over 650 AUM\* of over Rs 1,40,711 Crores (\$20 Bn) Burgundy Performance (Apr'14 – Sep'19) AUM^ Fee Revenue~ 28% **Touch Points Customer Base** 

27%

(RMs & Wealth Specialists)

Relationship Management and Wealth

# 4<sup>th</sup> Largest in Wealth Management Industry



Axis Bank AUM of Managed Accounts and Alternate Investment Funds is an incremental ~Rs. 5,000 Crores, growing at a CAGR of 83% from Mar'15 - Mar'19.

\* As of 30th Sept. 2019 | ^ CAGR growth for 3.5 years, since Apr'16

~ CAGR for FY14-FY19 | Reference Exchange rate \$ = INR70.875

## Challenges for the bank at the outset



System	Business	Customer	Operations
<ul> <li>Multiple systems used by different business units</li> <li>System limitation on sustainability &amp; scalability</li> <li>Poor system performance</li> <li>Frequent maintenance issues</li> </ul>	<ul> <li>Incorrect data</li> <li>Inability to consolidate total client relationship value</li> <li>Lack of internal MIS &amp; trackers to evaluate performance</li> <li>Customer confidence at a low</li> </ul>	<ul> <li>Reports with incorrect data.</li> <li>Lack of multi-channel experience to view or execute transactions</li> </ul>	<ul> <li>Managing multiple systems with no scope for reconciliation.</li> <li>Most activities were manual and prone to error &amp; omission.</li> <li>Focus on resolving daily issues instead of improving user efficiency &amp; business needs.</li> <li>No solution on data quality.</li> </ul>

## Key requirements of a robust Wealth Management System





## An integrated and open architecture





# **Challenges in the Migration Process**



# Merge customer base from different systems

- **NO** common customer identifier
- Missing or Incorrect Customer details
- **Inconsistency** in historical data with mismatch in holdings & valuations
- Difference in logic on Investment return calculations (Simple vs CAGR vs XIRR vs Time weighted) Inconsistency in Data format by RTA
- **Regulatory Changes** consolidation of schemes, changes in tax computation

# Sales Team equipped with Customer on-boarding tools



**AXIS BANK** 

## **Customer Reporting**



AXIS BANK		Burgundy
		Wealth Management   Axis Bank
Landline: X000000X , X00000000X Mobile No.: If Undelivered, please return to :	Cust ID : PAN : E-mail ID:	
Landline: XXXXXXX , XXXXXXXXX		
Mobile No.: If Undelivered, please return to : HOME BRANCH - Axis Bank Ltd, WORL, MUMBAI (MH), GRND FLR, A CHAMBERS, OPP. NEW PASSPORT, OFFICE: VERS SAVARKAR MARG, PRABHADEVI, , MUMBA-400025, MAHAR, IN	AMAN	

#### Relationship Statement for the period from:

Relationship Type	Account Type	Currency	Assets	Liabilites
	Savings Account(s)	INR		
Operative Accounts	RFC Savings Account(s)			
	Current Account(s)			
Deposits	Deposit(s) ^			
	FCNR Deposit(s) ^			
Investments	Demat Account(s)			
	Investments	INR		
nsurance	Life Insurance Policies*			
	Overdraft Account(s)			
Loans & Overdrafts	Loans Outstanding			
Cards	Credit Cards <sup>#</sup>			
Caras	Forex Card			
Retirals	PPF**			

**Consolidated Relationship Statement** 

Burgundy				AXIS BANK
Wealth Management   Axis B	lank	PORTFOLIO STATEMENT		
PRIMARY A/C HOLDER NAME				
MAILING ADDRESS				
CONTACT NO	a.			
EMAIL	1			
RELATIONSHIP MANAGER		CONTACT NO :	EMAIL ID :	
CUSTOMER ID	:			
PREFERRED RISK PROFILE*				
INIVERTMENT ID-				

#### PORTFOLIO SUMMARY - ASSET ALLOCATION AS ON

ASSET CLASSES		CURRENT VALUE		ALLOCATION %	SUGGESTED ALLOCATION AS PER RISK PROFILE
Equity Oriented Investments	]				
Fixed Income Oriented Investments	1		1		
Alternate Investments	1		1		
Equity and Equity Oriented Investments	1		1		
Fixed Income and Fixed Income Oriented Investments	1		1		
TOTAL	1		1	100.00	100.00

\*Includes Liquid Funds and Ultra Short Term Funds.

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## **Investment Portfolio** Statement

# Leveraging Analytics to help customers chose the Right Product



- Going beyond what is available
- Making sense of data
- Partnership with Data Sciences team



Model Variables



# **Prudent Risk Management**

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### Education

To help organisations communicate rules, protocols, guidelines, regulations, procedures and policies.

#### Detection

To detect instances of likely fraud or error in information and transactions.

## Visualisation and management

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To help the organisation measure whether regulations and compliance requirements are being followed.

## Reporting

To integrate, and even perform analysis, across various data sources.

## Building capability

To help deliver training and elevate the skills of the user.

## Assessing risk

To support obligation-management activities.

## Notification and workflow

To flag violations and escalate problems for remediation.

#### Validation

To enable users to check whether regulations or policies have been complied with, before finalising the activity. The wealth management sector has lagged other financial services sectors in adopting digital technology. However, this has changed in the last few years, largely due to

- increased regulation
- downward pressure on fees
- increased scope and complexity of asset classes and assets under management
- changing client behaviors (such as demand for more personalized advice and access to realtime analytics).

# **Building Confidence Through System Transformation**





Seamless Integration with the Core banking system.



Simple front end for all Investment Products for Branch / RM & Customers.



Data Repository with ability to generate reports with minimum manual intervention.



Digitization - paperless registration and multi-channel access for transaction execution & portfolio view.



Consolidated Portfolio for each customer.



System monitoring on suitability of products.



Tools to facilitate sales and regular review of investment portfolios.



Seamless access to all internal & external users to review

## **Awards & Recognition**





## On our way towards becoming the Bank of the future



	A Compelling Brand			
Customer Centricity	A Future ready distribution model	Technology & Operational Excellence		
Simplified Journey	Multi Channel Delivery	Integrated IT architecture		
Personalised Offerings	Team of Experts	Digital Capability		
Investment Solutions	Holistic Product Suite	Process Automation		
Digital & Analytics				
Financial & Risk Control				





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