

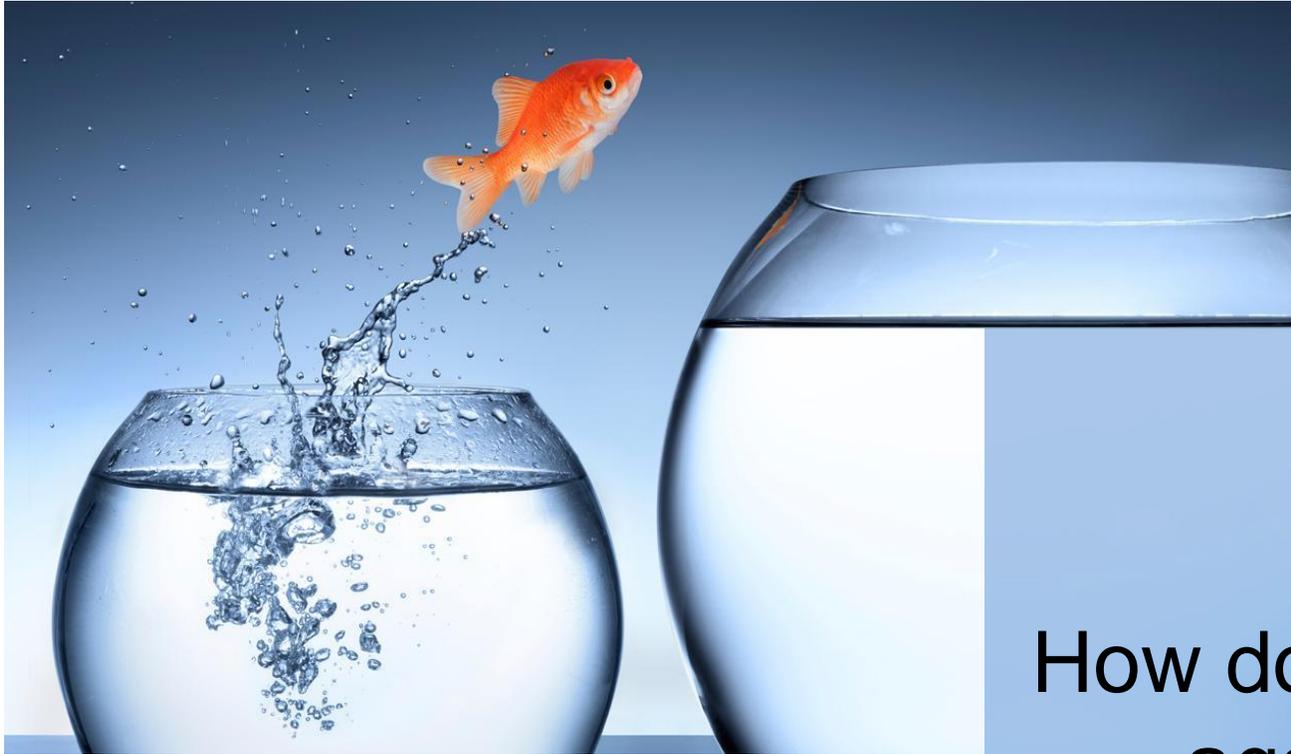


# Digital @ RBL Bank

Presentation at DigitalBCG Asia Pacific Conference



# The RBL Bank Journey



Question in **2011**

How do you rebuild an old bank  
against the backdrop of  
competition that is  
50-100x of who you are?

# Been There, Done That!!



Do it the way the leaders have  
done it for 20 years and have  
created an impressive  
franchises.....  
**but.....**

# Doesn't Work As Well



Challenge for us in **2014**, as we were foreseeing a world of fast pace change but; having no well-established brand, branch network, low-cost deposits.

*How do you build customers and services that can compete effectively with more established banks?*

# Something Was Changing

## Reforms from the Government & RBI

- Changing regulatory framework
- JAM play



Infrastructure  
Development

## Advent of the “Promiscuous” Customer



- Smart Phone users in India have gone up by **~4 times in last 3 yrs**
- 391 mn smartphone users in India; 2nd highest in the world

Demand Side

Fintech

## Developments in Digital Infra



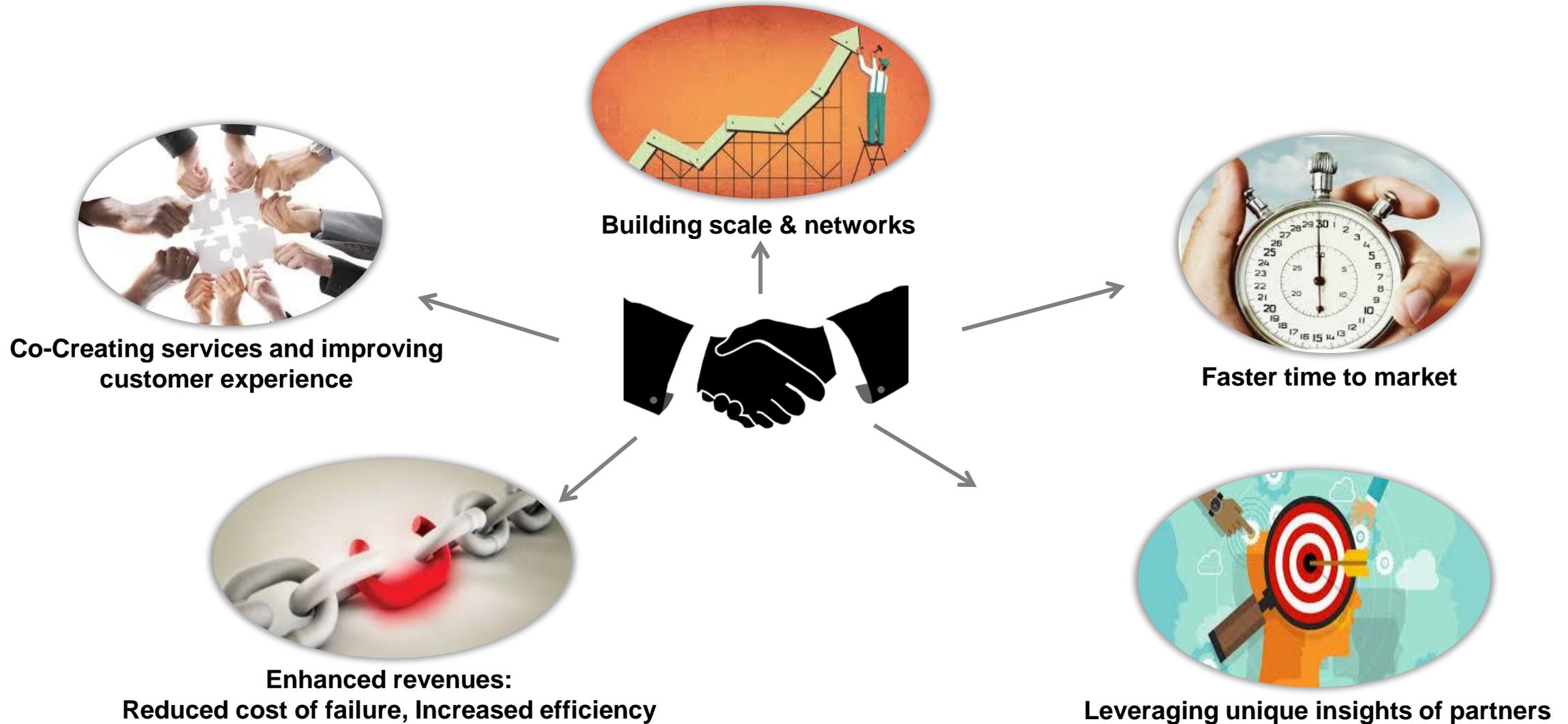
## Fintechs disrupting FS market through innovative solutions

- Across wide range of topics: payments, lending, data analytics, wealth mgmt...

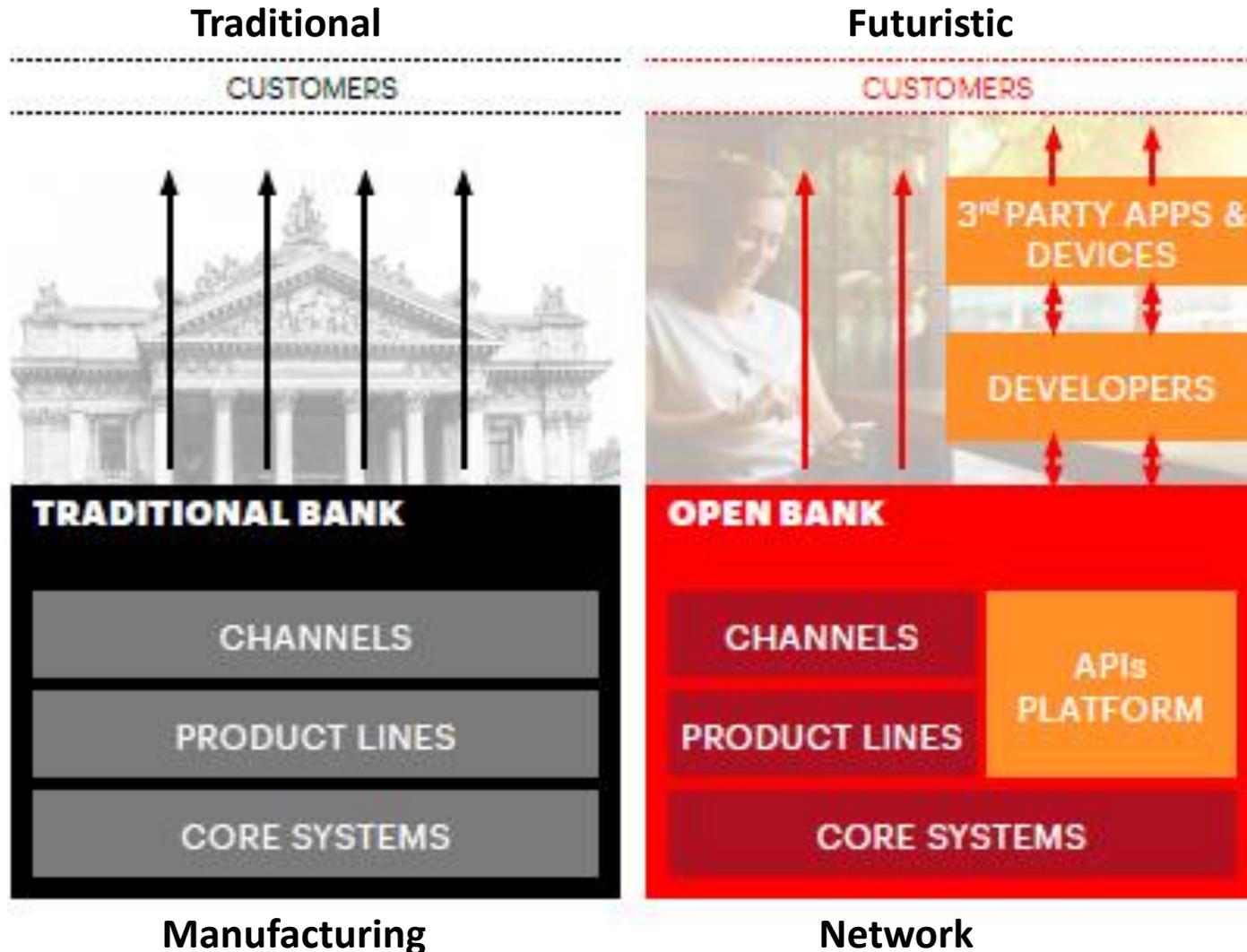
# Let's Try Differently

Don't have the legacy strengths of bigger banks;  
don't have the capital structure of large digital companies,  
and; don't know where this will lead us to

# How Do We Get The Bang For Our Ten Cents?



# Our Two Part Story



2015

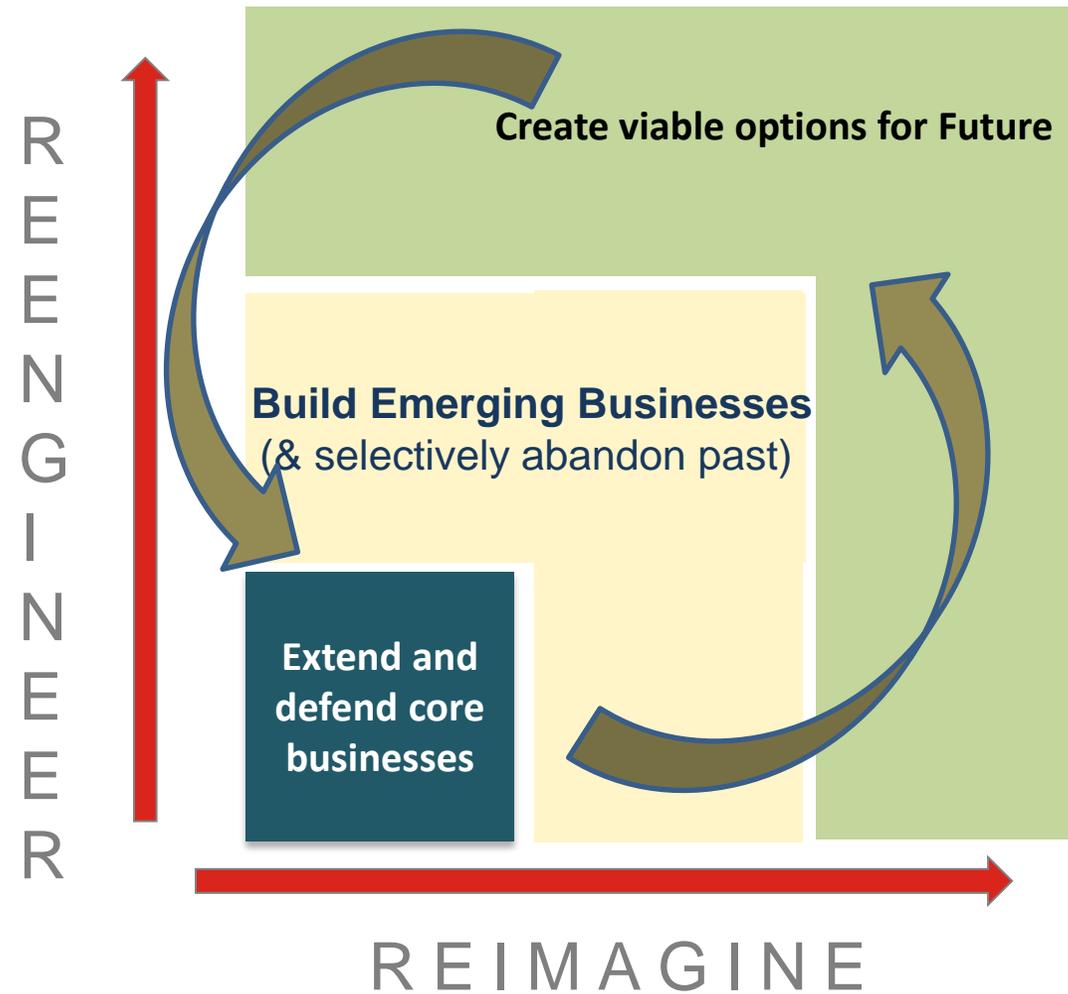
Platform company

New business model

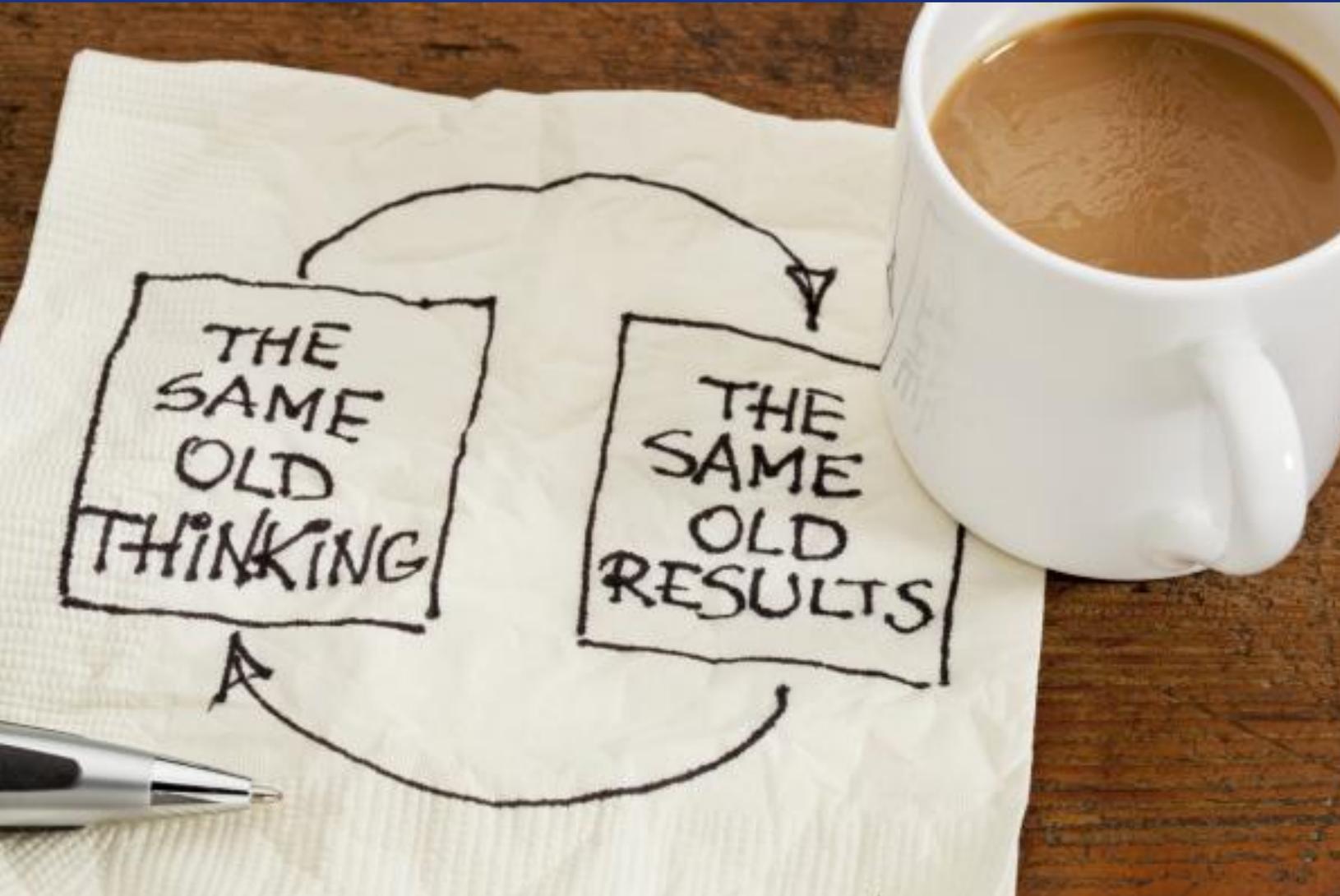
*Technology is undermining the advantage of vertical integration - lower transaction cost, economies of scale*

Diagram source: Accenture Strategy, Open for business report 2017

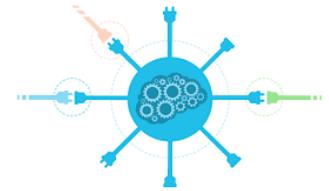
# Re-engineer & Re-imagine



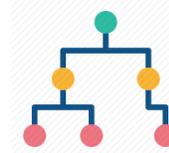
# Mindset More Than Tech



Traditional Bank



API



Hierarchy



Network



Customers



Partners



Bank Control



Shared Control

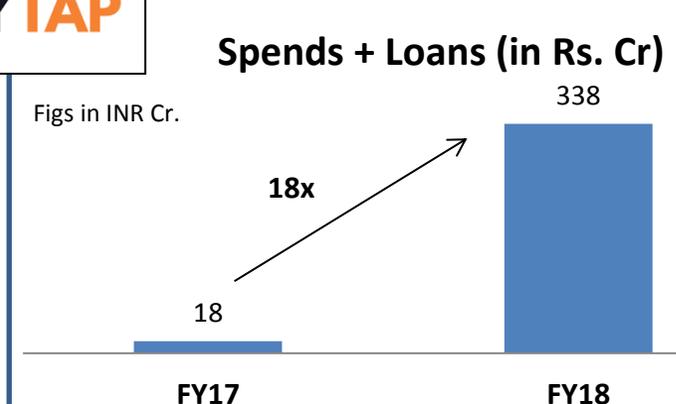
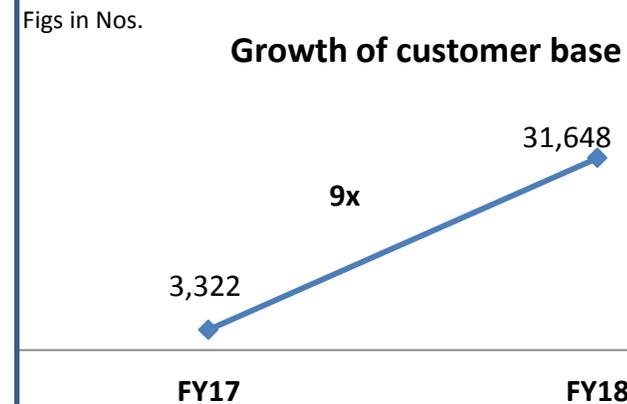
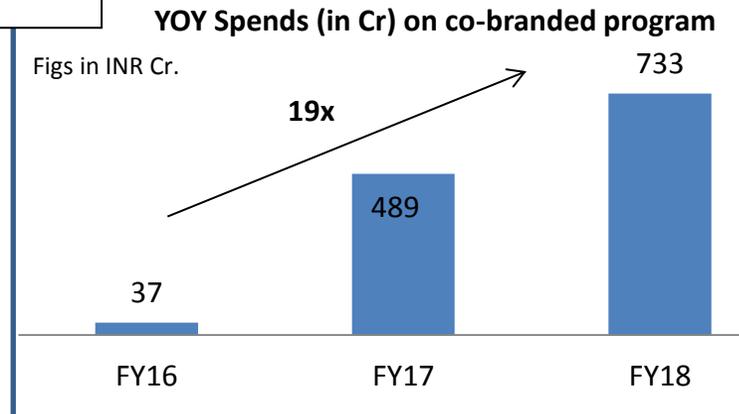
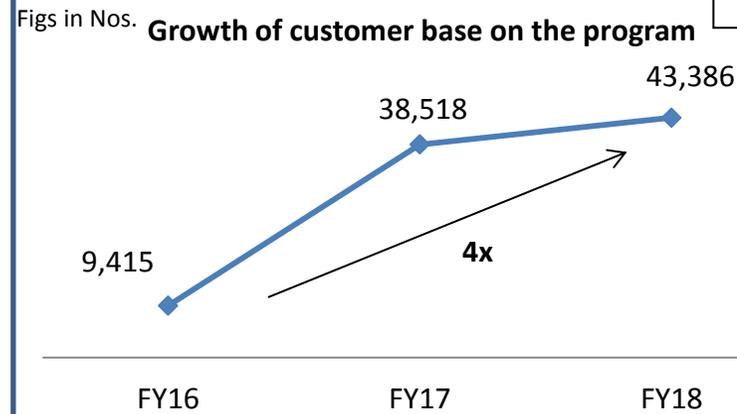
# Case Study 1- Credit Card

## Our Top Partners



### Co-branded Cards

- Loyalty / stickiness for brands looking for loyalty solutions
- Use partner brand to get more customers for the bank



# Case Study 2- Partners



**mSwipe:** India's largest non-bank merchant acquiring platform, providing an end to end card acceptance service.



**Pine Labs:** Key partner in end-to-end digital payment acceptance solutions.

Figure 23: PoS terminals of RBL Bank in tie-up with MSWIPE



Source: RBL, Company

Figure 24: Market share in PoS terminals



Source: RBL, Company



**MONEYTAP**

**Money Tap:** One of India's first consumer finance apps.

*"We are delighted to partner with MoneyTap to launch India's first app based Credit line. We have integrated MoneyTap's technological innovation with our own banking system to provide a never-before 24/7 experience for users without compromising on security and compliance issues."*

**Harjeet Toor, head of Retail, small business lending and credit cards at RBL Bank.**



**Capital Float:** One of the largest digital lending platform

*"While we bring to the table understanding of credit, customer and product segments it is complemented by Capital Float through alternate data credit models or digital ways of reaching out to the customer. This arrangement enables us to create a win-win for both sides and we work with a number of players."*

**Anshul Swami, Head - Retail Inclusion & Rural Products, RBL Bank**

# Bank For The Billion

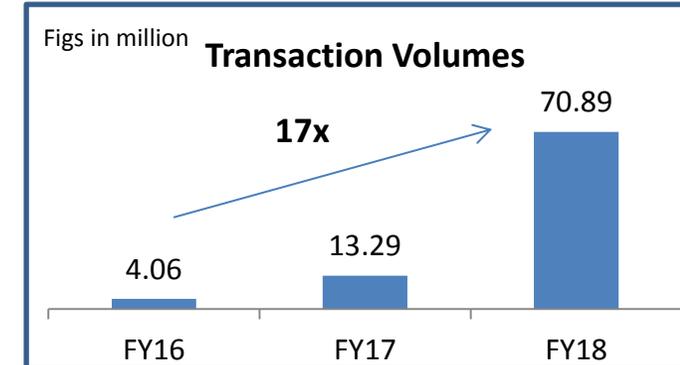
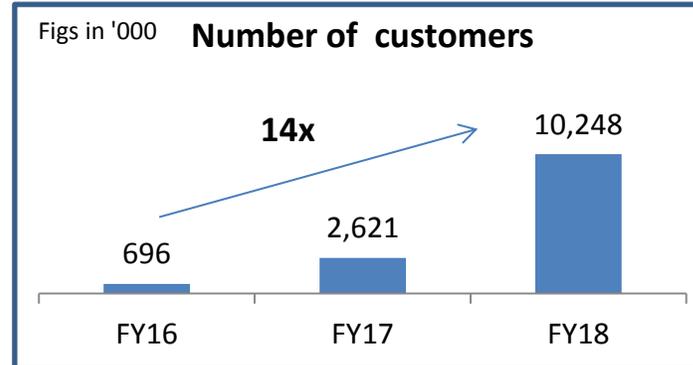
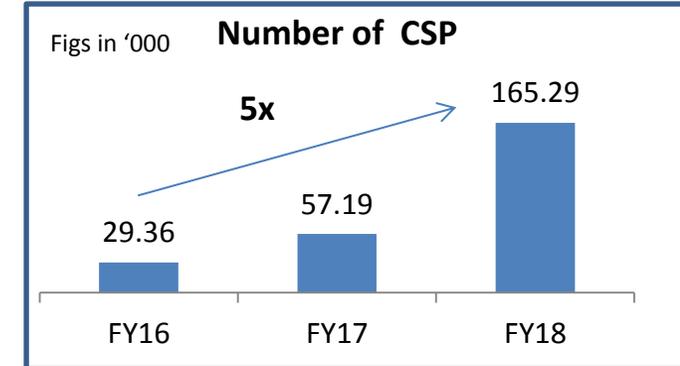
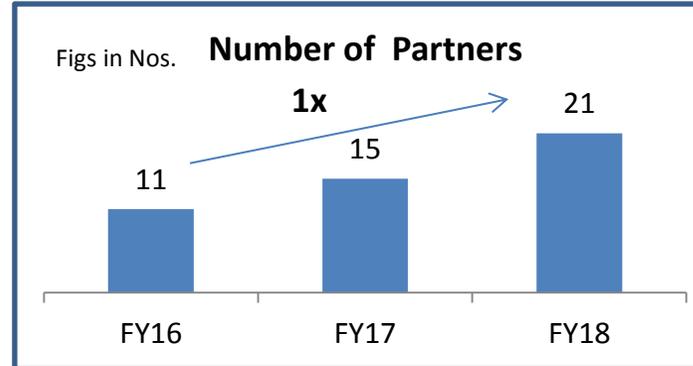
## Our Top Partners



## CSP- Taking Banking to the last mile



## Key Metrics



# Not Without Challenges



Technology scaling up, data ownership?  
Partner or you want to go full-stack;  
Philosophy of partnership severely tested especially when you scale or there are problems.

# What's The Next Act?



Digital-first businesses are still 2-5% of all transactions. Can we embed our ecosystem model learnings into the traditional businesses?

The world is eating software; and how can we help the world?

# Seeing A New Playing Field Emerge



Where traditional investment structures are not very relevant. Margins on traditional services are collapsing as customers are empowered. Unbundling leading to faster attrition;  
But  
costs and mindsets remain entrenched; change at first is seemingly slow lulling us into complacency but then it is quite rapid hurting our overall economics and competitive standing

# Riding The Spirit Of Digital Banking

## RBL Bank Rides Fintech Wave with Startups

Bengaluru: While banks are fighting a bitter turf war with fintech startups, private sector lender RBL Bank has seen value in strategic partnerships. The bank is growing its customer base by almost half annually, largely by partnerships with fintech and tech startups.

While startups such as BookMyShow are helping acquire customers for its credit cards, even its tie up with Bajaj Finserv helped the bank get customers who were never eligible for a credit card previously.

"We have around 6 lakh credit cards disbursed at present. Bajaj Finserv has been so far our partner Bajaj Finserv. When the partnership was formed, we have seen a decoupling of product as well as head of retail, credit cards and financial inclusion. — Pratik Bhakta

## RBL Bank, Startup India join hands to fund startups

Rachel Cheral | TNN | Feb 9, 2018, 17:11 IST

CHENNAI: RBL Bank said it has partnered with the Government of India's Startup India initiative to launch InFinIT20, which is a three-month intensive programme, to fund and mentor 20 promising startups. "As per recent statistics, 55% of funded startups failed last year which indicates that investment is not the primary factor contributing to a successful business - mentorship and good strategy play a critical role as well. Experienced mentors can help startup team address the unique challenges of each stage of growth. RBL Bank and a lot of our own growth and scaling up has been a result of this mentality," said Rajeev Ahuja, executive director.

## RBL Bank ties up with Startup India to mentor and invest in Indian startups

Libza Mannan

India's private sector RBL Bank has joined hands with government's Startup India initiative and Invest India to launch InFinIT20, a three-month intensive programme where RBL Bank will provide funding support and mentorship to 20 promising startups.

RBL Bank highlighted that as per recent statistics, 55 percent of failed startups last year had received funding. This indicates that investment is not the primary factor contributing to a successful business - mentorship and good strategy play a critical role as well. Experienced mentors can help the founding startup team address the unique challenges of each stage of growth.

The initiative hopes to go a long way not only in empowering and educating companies, but also in driving sustainable economic growth and generating employment in various sectors including insurance tech, wealth management, agri-finance, financial inclusion, digital payments, digital contracts, digital lending, artificial intelligence and blockchain among others.



RBL Bank highlighted that as per recent statistics, 55 percent of failed start-ups last year had received funding.

## RBL Bank Taps Tech Startups, NBFCs to Grow Customer Base

## UPI: A Numbers Game

UPI has emerged as a phenomenon about to overhaul India's payments landscape but it may not be creating much value yet. Pratik Bhakta takes a look at the story behind the surge in UPI transactions and what can make it truly transformational.

MONTH	UPI VALUE	UPI GROWTH
Aug-16	92,000	3.1
Nov-16	285,000	208.45
Dec-16	1.06 million	708.16
Jan-17	1.81 million	3,068.76
Feb-17	30.7 million	5,259.4
Mar-17	100 million	3,229.2

**WhatsApp Moment**  
RBL Bank is looking for the right fintech partners to help it grow its customer base. The bank is looking for fintech partners who can help it reach its target market. RBL Bank is looking for fintech partners who can help it reach its target market.

### RBL's Startup Shift

Banks are often judged by the size of their loan books, NPAs and deposits. But RBL is charting a different growth path - startup tie-ups. The bank, which was set up in Maharashtra in 1943, is engaged with over 2,000 startups through various initiatives. Its fintech partnerships are mainly in four areas - payments, merchants, lending and credit cards. It has over 70 partnerships in the payments and lending segments alone.

## BANKING

## RBL Bank's game plan: using fintech to fight fintech

In a business dominated by bruising rivalries, RBL Bank is betting on a different way to grow: If you can't beat them, join them.

Arti Singh  
27 Jun 2018 [Gift this article](#)



In 2010, a new leadership team was trying to transform RBL into a modern bank. Established in 1943 as Ratnakar Bank, it had long been seen as a regional player, known predominantly in Maharashtra. Now, the management was looking to shake things up and go national.

# Where it took us...



**#3 in AEPS**  
among Private players



**#5 in Acquiring**  
~100% growth for the FY18 for merchant acquiring



**#4 Ranking**  
MeitY Digital Performance



**15%** of unsecured loans business is sourced digitally



Over **5000** digitally issued personal line of credits a month



**1 in every 2**  
New accounts are digitally acquired



**70%**  
Lower Cost of Acquisition

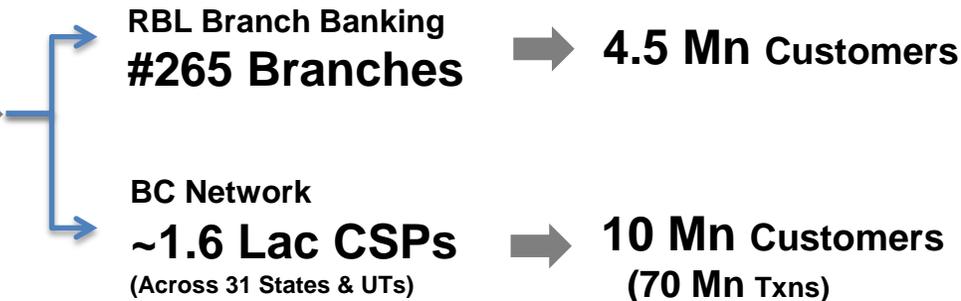


**63%**  
Customer txns\* are through Digital channels



**40%**  
Credit Cards are acquired Digitally

RBL  
Network



# Everyone Has Their Creed

In the next 5 years if you are selling **your *products***, through **your *channels***, to **your *customers***, then you are doomed!

- Speaker at a #FinTech Sessions

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YOU!**

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