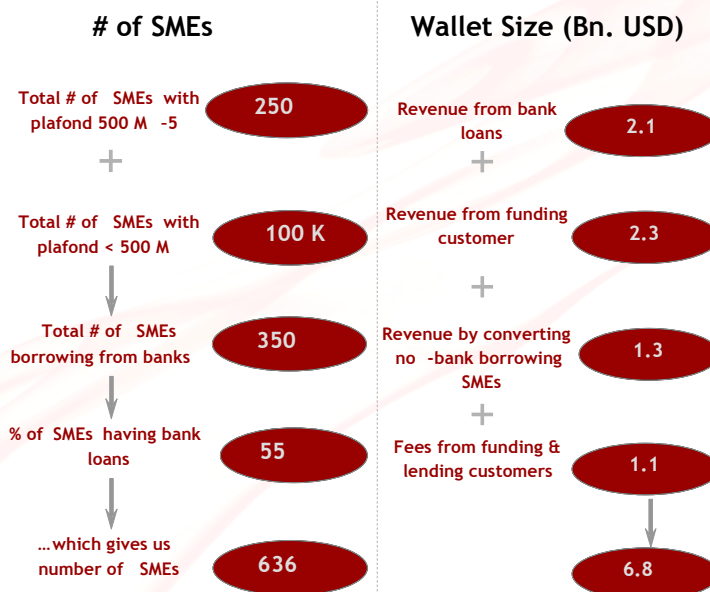


Inward-Outward Segmentation for a Large Indonesian Bank

• Situation & Challenges

Our client, based in Indonesia (largest private bank), is a progressive leader with an aggressive growth record. They wished to target the growing SME market in 2006 but were unable to design strategy because of lack of clarity of data and limited understanding of SME market. We assisted our client in designing the strategy to double their market share over the next 5 years by identifying market and portfolio gaps to define segment specific strategies.

• Our Approach



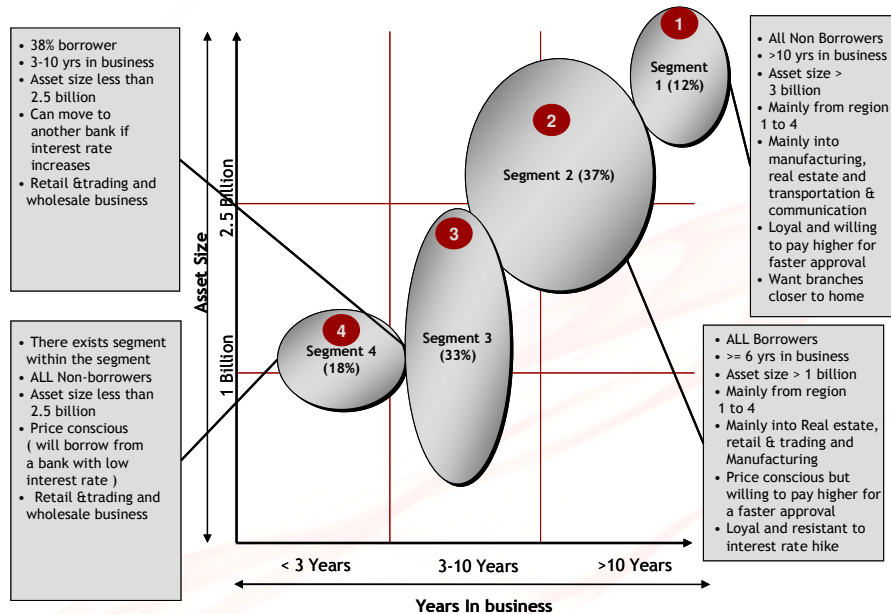
We gathered data available with the client (Roy Morgan Survey Data) as well as data from the central bank to arrive at the number of SMEs in Indonesia. We then undertook detailed analysis to estimate national wallet size currently and projections for the next five years.

Next, we mapped out the growth path for the bank over the next 5 years (keeping in mind the market growth) in order to achieve their target of doubling market share. This was then translated into specific targets for the lending and funding sales teams in terms of:

- New-to-bank customers acquisition
- New-to-lending customer acquisition (x-sell to pure funding customers who did not have lending products)
- Attrition Reduction

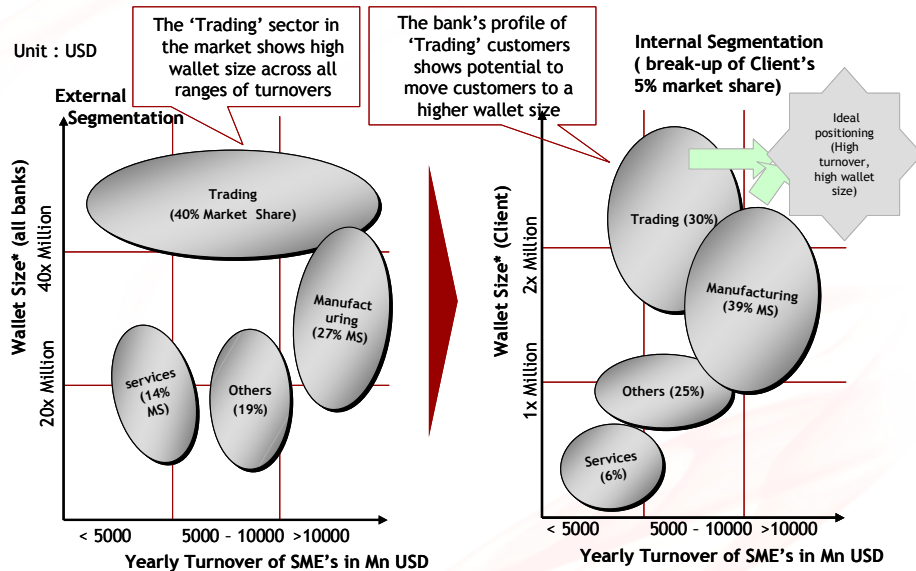
To gain further insights we created detailed cuts to study wallet size across turnover of SME, Borrower/Non-borrower, industry & region.

We identified four key segments in the market.



We then mapped the external segments as per market data with client's presence in those segments and identified gaps. Based on this we developed an action plan to close the gaps.

• **Result**



We redefined the acquisition strategy to focus on increasing share in funding SMEs, specific regions, micro SMEs in trading and business services and large SMEs in manufacturing and trading. We further redefined the credit program to suit the needs of Small SMEs (resistant to rate hike) vis-à-vis large SMEs (faster approval, high credit line) and borrowers (faster approval) vis-à-vis non-borrowers (higher facility at optimum interest rates).