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Market Watch

# IDBI sees early synergies with LIC

BY JOEL REBELLO, ET BUREAU | MAY 08, 2019, 07:37 AM IST

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MUMBAI: **IDBI Bank** is targeting Rs 500 crore in revenue this fiscal through [cross-selling](#) opportunities and expects to double that in the next financial year, a top executive said, as the purchase of a majority stake earlier this year by [Life Insurance Corporation \(LIC\)](#) shows signs of success, especially on the retail front.

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The bank is using its network to sell insurance policies and in turn planning to offer [home loans](#) to LIC's customers. In March, **IDBI Bank** sold 26,116 policies worth Rs 160 crore from across 1,800 branches, raising hopes that other retail products of both could be cross-sold to their respective customers.

"We have had a big-bang start in bancassurance. This even surprised LIC and is a kind of a record," said Jorty Chacko, executive director in charge of retail assets and thirdparty distribution at IDBI. "We have identified over 100 such synergies in corporate and retail segments and will slowly roll them out."

IDBI Bank is already offering a 15 basis point discount to LIC employees on their home loans and plans to offer a 10 basis point discount on home loans for LIC policy holders, said Chacko, who heads a special implementation team created by IDBI to look at synergies with LIC and is also the member of a 12-member task force set up to oversee the execution of that process.

IDBI also plans to offer cash management and payroll products to the insurance behemoth. LIC collects Rs 1.35 lakh crore in premium and redeems Rs 1.24 lakh crore worth policies each year, according to the bank's estimates.

"These large withdrawals and disbursements will give us float money. Then, there are 12 lakh LIC agents and crores of policy holders we can tap, besides the more than one lakh employees," Chacko said.

"The synergies are more in retail, which we want to tap to the fullest, but we also can extend our services to the corporate side, like investments and broking." In January, LIC completed the acquisition of a 51% controlling stake in the bank.

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