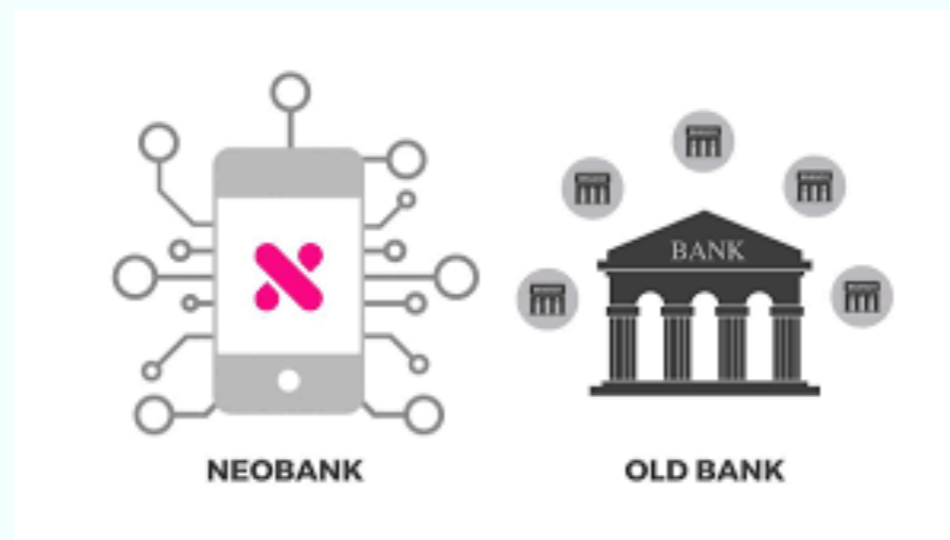


Neo Banks – a trend that's fast catching up

- fully online (web, mobile based), no physical presence
- quick and simple banking; focus on user convenience and control
- offers transaction based services: current/savings accounts, payments, money transfer, investments
- strategic partnerships with traditional banks
- aimed at tech savvy Gen Y and Gen Z users



What's cool about it?

- instant account opening, virtual and seamless on-boarding
- free international debit cards
- no ATM transaction fee, no forex markups
- 24/7 customer support
- value added tools: real time currency converter, global ATM locator



What's behind the coolness?

- tech enabled, platform based, agile architecture
- design-led thinking for superior UX
- secure and transparent operational layer
- low-cost, integrated model that is scalable and flexible



Neo banks: players and data points

- RazorpayX, Niyo, Open, Instant Pay, Finin, Payzello
- global market to grow at CAGR 46.5% 2019-2026 (PwC)
- Total funding raised by Indian neo banks: USD200-250 million in 2019 and 2020

Top Neo-Banks in India



Institutional Investors Funding India's Neo-Banks

Company	Institutional Investors
Niyo Solutions	Horizons Ventures, Tencent, JS Capital, Social Capital and others
Open	Tiger Global Management, Tanglin Venture Partners, ICICI Bank, and others
PayZello	Axilor Accelerator and Iii Consulting
InstaDApp	Pantera Capital, IDEO CoLab, Robot Ventures and Coinbase Ventures
0.5Bn FinHealth	Matrix Partners India, Omidyar Network, Fair Finance Fund and AngelList

Source: Tracxn Technologies Pvt Ltd

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Few caveats

- limited regulations; minimal or no legal support for frauds
- uninsured deposits; run a check if neo bank deposits are DICGC covered
- lacks human touch, not suited for complex transactions

