



FinEQ

Presents

Executive
Summary

Inroads to
the Future

To-be
TOM

Customer
Strategies

Target
Evaluation

Synergies
Derived

Evolved
Ecosystem

Financial
Projections

WayneX - Neobanking

- The Expansion



We are here

A. Phase I Analysis

B. Phase II Analysis

C. Go-To-Market

Executive Summary	Inroads to the Future	To-be TOM	Customer Strategies
Target Evaluation	Synergies Derived	Evolved Ecosystem	Financial Projections

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WayneX

Trustworthy Banking

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FINANCIAL PROJECTIONS

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Executive Summary

Following is a brief overview for setting up the WayneX Neobanking business in India:

WayneX Key Objectives:

Top line growth

Strategic Acquisition

Technological Capability

Socio-Economic Growth

Path to profitability

Roadmap to Neo-Banking

Envisioned a **3-year action plan** for WayneX to successfully enter the market and **launch** new products

Target operating model

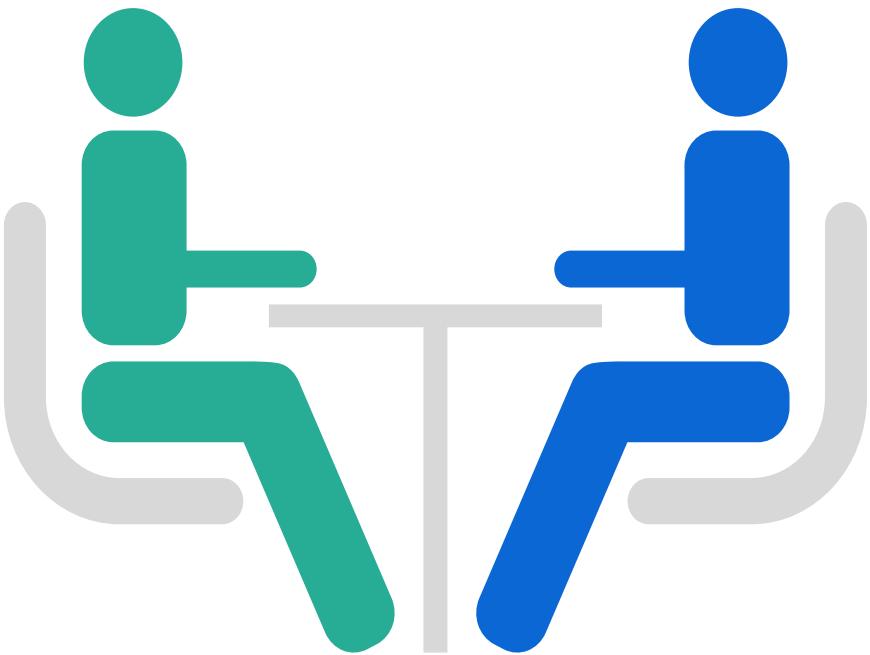
Arrived at the to-be organizational structure considering **emerging focus areas**, **TOM approach** & design principles

Focused customer strategy

In-depth consumer profiling to understand needs; **customized** acquisition, engagement, retention for sustained **customer value**

Formulating dDepth framework

Synthesized a **multi-dimensional framework** taking into account all M&A parameters, weighted by their importance & effect



Assessment of targets

Evaluated all five targets across the **dDepth parameters** & narrowed down on preferred target **objectively**

Deal valuation & execution

Used **multiple valuation techniques** to compute the fair value of targets & substantiate the investment decision

Leveraging the synergies

Identified the **potential synergies** & established the **success pillars** of the entire execution process

Building the ecosystem

Evolution of the WayneX ecosystem to include **full suite of services**, fulfilling company objective & turning profitable

WayneX can inorganically expand into Neo-banking through the acquisition of NeoKhata & establish itself as an all-in-one E-commerce plus fintech player

Executive Summary	Inroads to the Future	To-be TOM	Customer Strategies
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Inroads to the Future

Following is a bird's eye view of the 3-year action plan to successfully venture into the Neobanking space:

Short term ~ 0-12 months

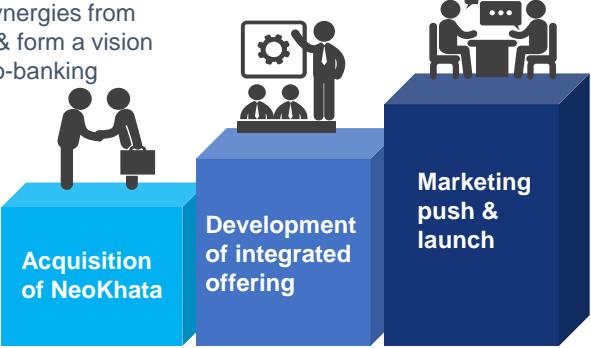
Acquisition of target, Integration of services & Launch



Onboard NeoKhata customers to WayneX & push adoption

Combine NeoKhata value proposition into the WayneX ecosystem to enhance value

Realize synergies from acquisition & form a vision for neo-banking



Medium term ~ 12-24 months

Penetrate the market; acquire capabilities, customers, technology

Brand positioning

Position based on strategic vision & customized for target customers

Tech advantage

Invest resources to build tech superiority relative to industry peers

Group engagement

Actively engage with customer groups to build a long-lasting relationship

Aggressive promotion

Low pricing of services initially to penetrate the market

Lean Operations

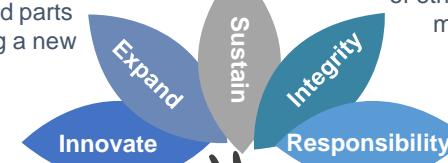
Operate on an asset light model with greater focus on in-house talent

Long term ~ 24-36 months

Sustain customer value; Innovate, Grow & Expand

Keep customers satisfied & retain them over their lifetime extracting maximum revenue

Expand to the unserved and under-served parts of India, targeting a new audience



Continuous innovation for emerging needs of the market

Maintain high standards of ethics, governance & moral compass

Stay environmentally conscious and give back to society for long term trust building

Phase I - Quick Wins



Phase II - Integrated App



Phase III - Full Suite



Others

Note: Please refer "Success Factors", "path to profitability" & "product launch" slides in annexure for more details.

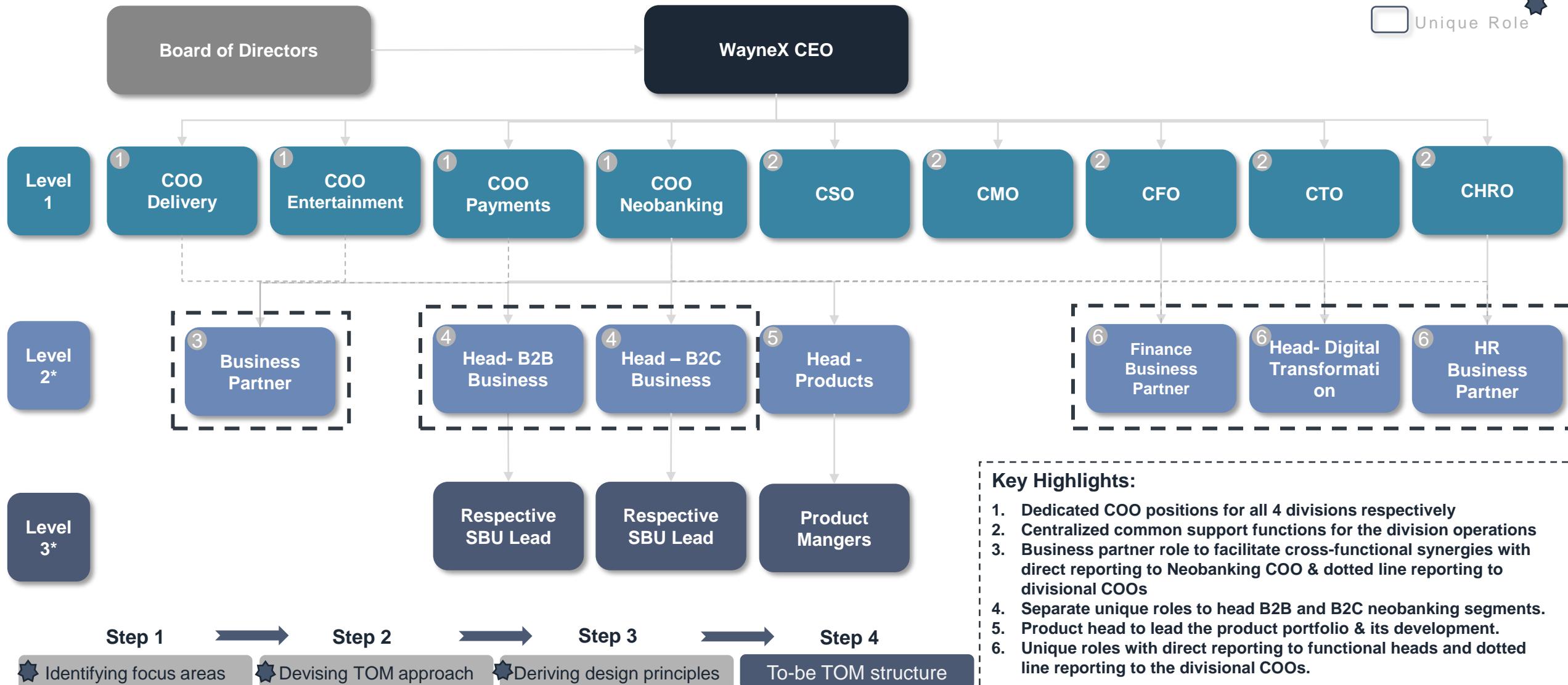
Details ↗

Executive Summary	Inroads to the Future	To-be TOM	Customer Strategies
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Target Operating Model

Following is the high-level view of the proposed target operating model for WayneX:

Details ↗



Note: Please refer annexure for detailed slides on Step 1, 2 & 3.

*Non-Exhaustive Unique roles ~ For the purpose of the study, TOM structure at Level 2 & Level 3 has been limited to a few key roles.

Executive Summary	Inroads to the Future	To-be TOM	Customer Strategies
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WayneX Customer Personas

Following is a categorical analysis of targeted customer cohorts to build effective acquisition strategies:

Financially Pro

- Banking platform: Web, App
- Investing platform: App
- Digital financial footprint trust:



- Monthly salary breakup:



Financially Aware

- Banking platform: App, In-person
- Investing platform: App, Broker
- Digital financial footprint trust:



- Monthly salary breakup:



Financially Novice

- Banking platform: In-person, App
- Investing platform: Broker
- Digital financial footprint trust:



- Monthly salary breakup:



MSMEs

- Volume of transactions: High
- Value of transactions: Low
- Banking penetration:



Pain points:

- Lack of financial advisory
- Loan processing
- CC account terms



Corporates

- Volume of transactions: Medium
- Value of transactions: High
- Banking penetration:



Pain points:

- Payroll management
- Vendor account management
- Corporate card terms



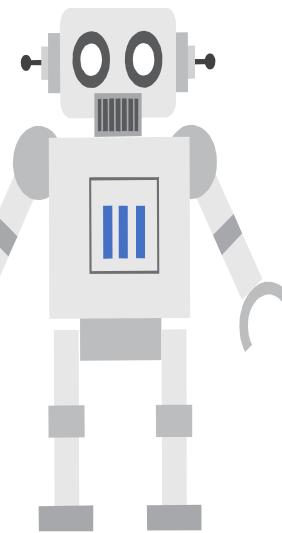
Fintech

- Relevant userbase
- Low-cost retail offerings
- Banking penetration:



Pain points:

- Payroll management
- Market reach
- Seed funding terms



Note: Please refer "B2C & B2B customer journey" slides in annexures for illustrative customer journey.

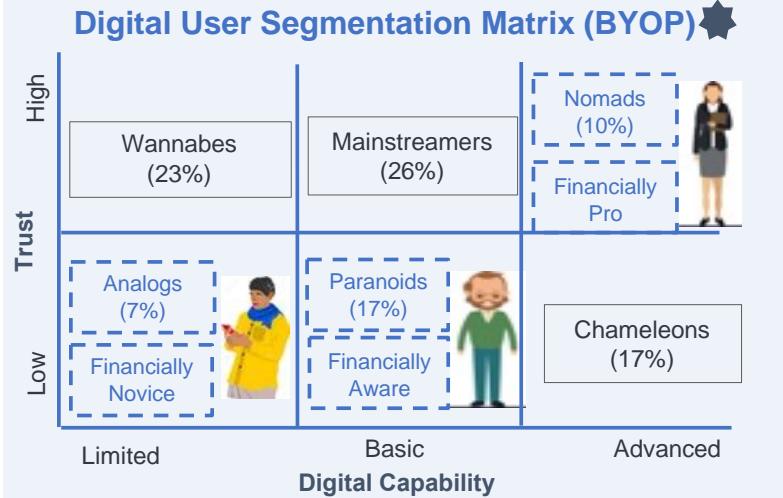
Executive Summary	Inroads to the Future	To-be TOM	Customer Strategies
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Customer Strategies

Following is a brief overview of customized approach devised for targeted customer cohort:

Customer Acquisition



Persona targeting



Targeted advertisement campaigns basis persona behavior & pain points, minimal fees for legacy customers



Awareness & Promotion

Run campaigns of adding trustworthy banking services in the WayneX 360° umbrella across various channels

Customer Engagement



Push & Pull Strategy

- ❖ **Push legacy customers** to avail new neobanking with introductory offers
- ❖ **Pull acquired customers** to e-commerce & entertainment services



B2C strategy

Financially Pro: Value added offerings
Financially Aware: Investment facilities
Financially Novice: Easy banking facilities



B2B strategy

MSME: Financial advisory
Corporate: Vendor & Payroll management
Fintech: Seed funding & easy credit



Engagement strategies

- ❖ **Leverage social media** by providing personalized targeted recommendations via in-product messaging;
- ❖ **CRM software** to drive customer loyalty & overall customer experience

Customer Retention



Acquired CRM skill-set

Utilize CRM software & skillset of NeoKhata as their customer retention rate is 90%, build a dedicated team in a phased manner



Leverage existing position

Build on the existing brand equity to create an ecosystem serving all financial needs of retail as well as business customers



Building the brand

Delivering value to customers by adding more products and services, strengthen our risk assessments for credit & insurance



Customer life stages

Develop customer life stage feature, which allows the customer to enter their new life stage like marriage, family planning, home loan relevant personalized suggestions for wealth management

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dEpth~ Evaluation Framework

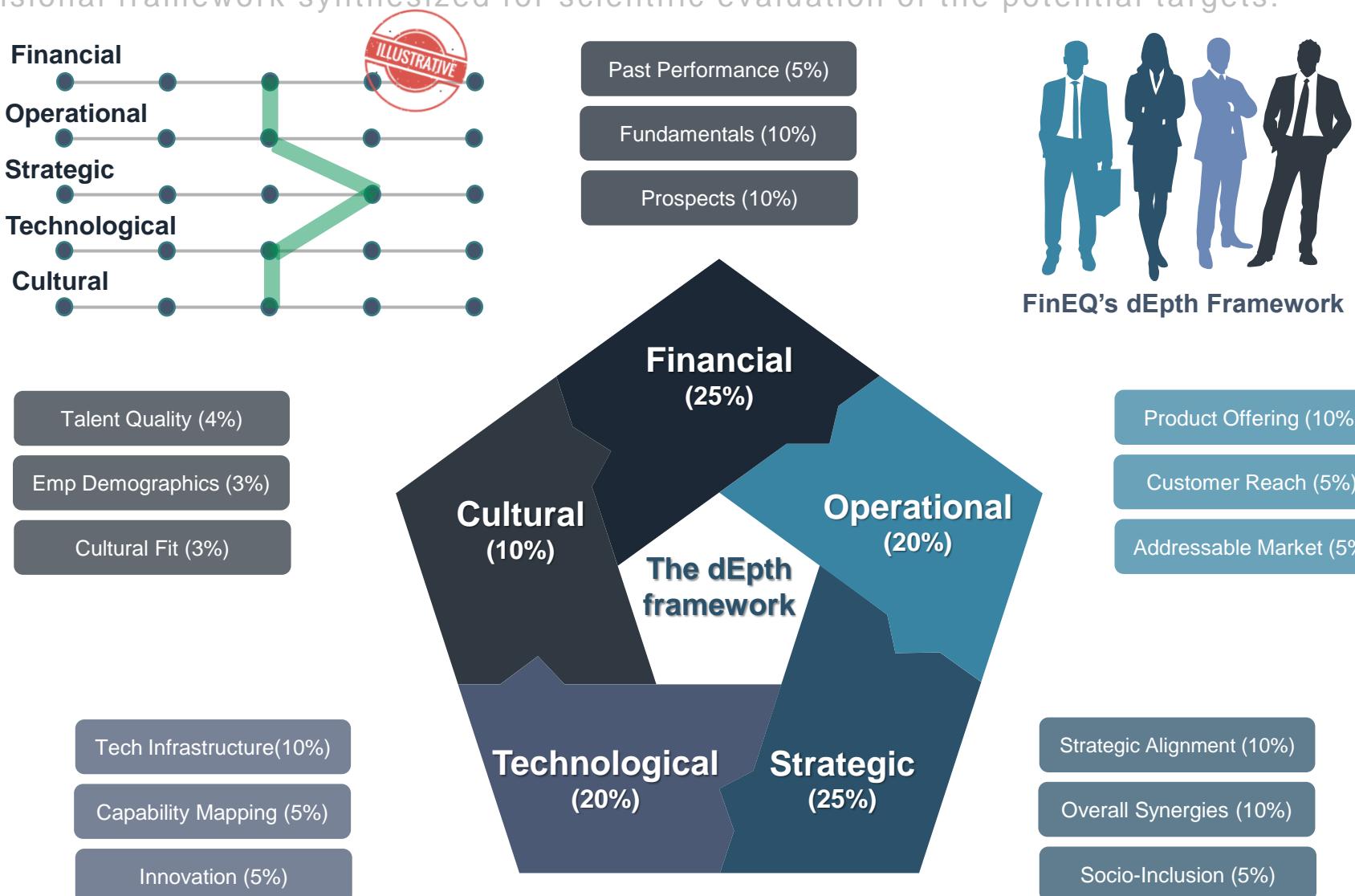
Following is a multi-dimensional framework synthesized for scientific evaluation of the potential targets:

FinEQ's dEpth framework

The dEpth framework has been specifically developed by Team FinEQ to compare and evaluate the set of 5 potential acquisition targets for WayneX in a scientific and rational manner.

The Methodology

- The dEpth framework allocates weightage to 5 parameters & 15 sub-parameters based on the overall strategic alignment
 - ❖ Financial
 - ❖ Operational
 - ❖ Strategic
 - ❖ Technological
 - ❖ Cultural
- The evaluation has been done amongst the five potential acquisition targets to facilitate the management in narrowing down to the target that can bring maximum synergies in future operations for WayneX.



FinEQ's dEpth Framework

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dDepth Evaluation

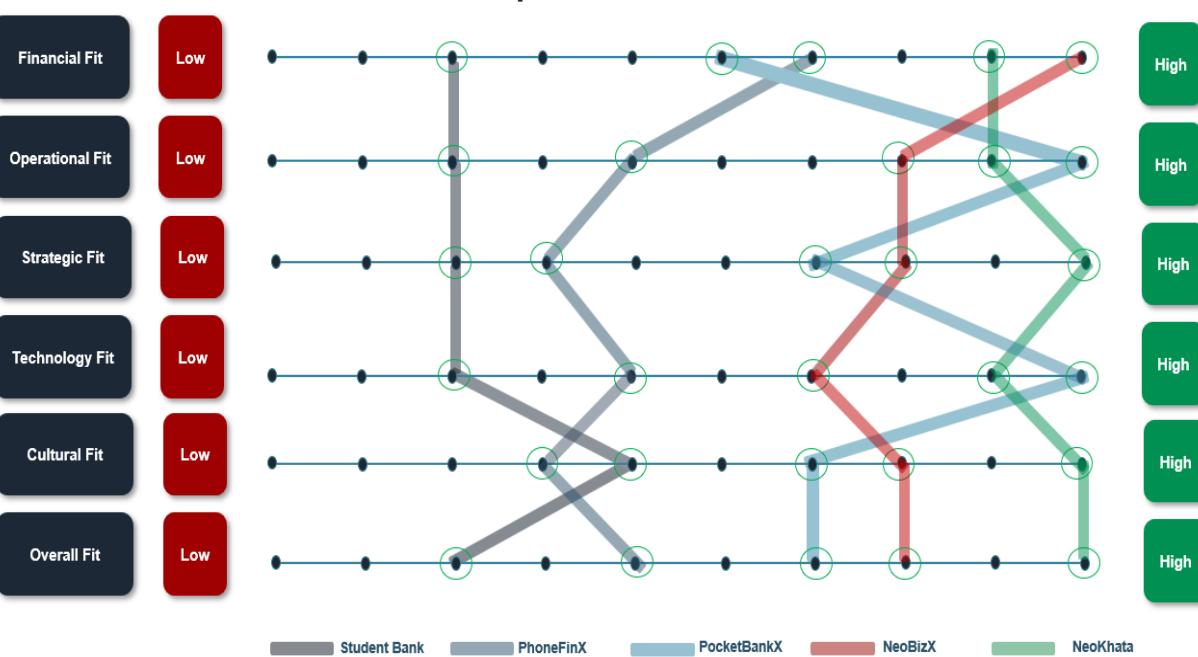
Details ↗

Following is the application of dDepth framework to comparable the proposed targets on a common scale:

dDepth Scoring ⚙

S. No	Parameters	Weight	PhoneFinX	NeoKhata	NeoBizX	Student Bank	PocketBankX
1.)	FINANCIAL SYNERGIES	25%	0.75	1.1	1.15	0.55	0.7
a.	Past Performance	5%	3	4	5	1	2
b.	Fundamentals	10%	3	4	5	2	3
c.	Prospects	10%	3	5	4	3	3
2.)	OPERATIONAL SYNERGIES	20%	0.6	0.85	0.75	0.55	0.9
a.	Product Offering	10%	3	4	4	3	4
b.	Customer Reach	5%	3	4	4	2	5
c.	Addressable Market	5%	3	5	3	3	5
3.)	STRATEGIC SYNERGIES	25%	0.7	1	0.95	0.5	0.9
a.	Strategic Alignment	10%	2	4	4	1	4
b.	Overall Synergies	10%	3	4	3	2	4
c.	Socio-Inclusion	5%	4	4	5	4	2
4.)	TECHNOLOGICAL SYNERGIES	20%	0.65	0.8	0.75	0.45	0.95
a.	Tech Infrastructure	10%	3	4	4	2	5
b.	Capability Mapping	5%	3	4	3	2	4
c.	Innovation	5%	4	4	4	3	5
5.)	CULTURAL SYNERGIES	10%	0.26	0.43	0.39	0.36	0.36
a.	Talent Quality	4%	2	4	3	3	3
b.	Employee Demographics	3%	3	5	5	5	5
c.	Cultural Fit	3%	3	4	4	3	3
Overall Score			2.96	4.18	3.99	2.41	3.81
Ranking			4	1	2	5	3

dDepth Fit Assessment ⚙



Acquisition Target >> NeoKhata

- The 5 potential target acquisitions were evaluated based on dDepth framework comprising of 5 parameters and 15 sub-parameters.
- Scores on the scale of 1 to 5 were assigned to the potential targets for each sub-parameter.
- Different weights were assigned to each sub-parameter based on the overall objective of WayneX.
- Scores calculated in 2. above were multiplied by weights mentioned in 3. to get the weighted average.
- Based on the score & dDepth methodology NeoKhata was ranked 1 with an overall score of 4.18, whereas NeoBankX and PocketBankX were ranked 2 & 3 with 3.99 & 3.81 respectively

Financial Metrics

Particulars	PhoneFinX	NeoKhata	NeoBizX	Student Bank	PocketBankX
Gross Margin	20.24%	11.56%	13.77%	27.73%	15.16%
EBITDA Margin	-31.53%	-27.53%	-26.69%	-47.90%	-33.18%
Net Margin	-34.61%	-29.47%	-28.21%	-52.94%	-36.50%
Revenue CAGR	23.38%	27.35%	52.67%	-17.06%	4.21%
Customer Growth	53.00%	40.00%	50.00%	20.00%	47.00%
Retention Rate	75.00%	90.00%	80.00%	60.00%	85.00%

Ranking III II I V IV

Note: As per financial metrics NeoBizX is ranked #1 & NeoKhata #2 , but on applying the dDepth framework NeoKhata is ranked #1 since it's in overall strategic alignment with WayneX objectives.

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Target Assessment & Valuation

Following is a comparison of potential acquisition targets across key metrics and their estimated valuation:

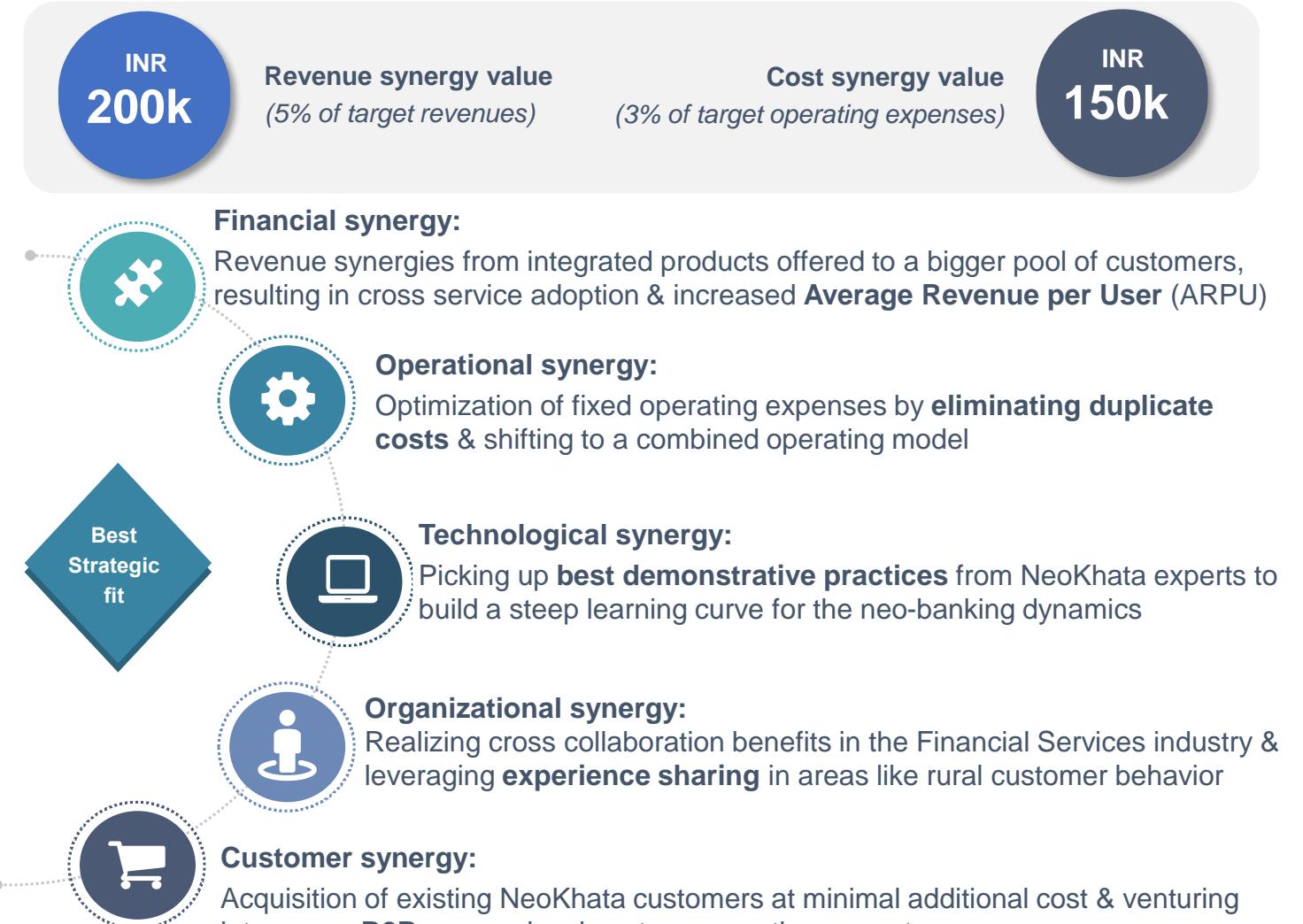
PhoneFinX	NeoBizX	NeoKhata	PocketBankX	Student Bank
<input type="checkbox"/> Business Model: B2C	<input type="checkbox"/> Business Model: B2B	<input checked="" type="checkbox"/> Business Model: B2B + B2C	<input type="checkbox"/> Business Model: B2B + B2C	<input type="checkbox"/> Business Model: B2C
<input type="checkbox"/> Revenue: ₹ 2.37 Bn.	<input type="checkbox"/> Revenue: ₹ 3.28 Bn.	<input checked="" type="checkbox"/> Revenue: ₹ 3.97 Bn.	<input type="checkbox"/> Revenue: ₹ 3.04 Bn.	<input type="checkbox"/> Revenue: ₹ 0.12 Bn.
<input type="checkbox"/> EBITDA Margin: -31.5%	<input type="checkbox"/> EBITDA Margin: -26.7%	<input type="checkbox"/> EBITDA Margin: -27.5%	<input type="checkbox"/> EBITDA Margin: -33.2%	<input type="checkbox"/> EBITDA Margin: -47.9%
<input checked="" type="checkbox"/> Cust. Growth Rate: 53%	<input type="checkbox"/> Cust. Growth Rate: 50%	<input type="checkbox"/> Cust. Growth Rate: 40%	<input type="checkbox"/> Cust. Growth Rate: 47%	<input type="checkbox"/> Cust. Growth Rate: 20%
<input type="checkbox"/> Cust. Retention Rate: 75%	<input type="checkbox"/> Cust. Retention Rate: 80%	<input checked="" type="checkbox"/> Cust. Retention Rate: 90%	<input type="checkbox"/> Cust. Retention Rate: 85%	<input type="checkbox"/> Cust. Retention Rate: 60%
<input type="checkbox"/> B2C CAC: ₹ 224.7	<input type="checkbox"/> B2C CAC: NA	<input type="checkbox"/> B2C CAC: ₹ 534.9	<input checked="" type="checkbox"/> B2C CAC: ₹ 204.4	<input type="checkbox"/> B2C CAC: ₹ 3,111.1
<input type="checkbox"/> CLV: ₹ 13.1 K	<input type="checkbox"/> CLV: ₹ 852.8 K	<input type="checkbox"/> CLV: ₹ 3,199.8 K	<input checked="" type="checkbox"/> CLV: ₹ 125,223.8 K	<input type="checkbox"/> CLV: ₹ 190.4 K
<input type="checkbox"/> Co. Size: 1800	<input type="checkbox"/> Co. Size: 2300	<input checked="" type="checkbox"/> Co. Size: 3000	<input type="checkbox"/> Co. Size: 2500	<input type="checkbox"/> Co. Size: 100
<input type="checkbox"/> Rev. / employee: ₹ 1317.7 K	<input checked="" type="checkbox"/> Rev. / employee: ₹ 1423.9 K	<input type="checkbox"/> Rev. / employee: ₹ 1323.3 K	<input type="checkbox"/> Rev. / employee: ₹ 1216.4 K	<input type="checkbox"/> Rev. / employee: ₹ 1190.0 K
<input checked="" type="checkbox"/> Technology: Proprietary	<input type="checkbox"/> Technology: AI & ML	<input type="checkbox"/> Technology: AI & ML	<input type="checkbox"/> Technology: AI - NLP	<input type="checkbox"/> Technology: Outsourced
<input type="checkbox"/> Social: NA	<input checked="" type="checkbox"/> Social: Tier 3 cities	<input checked="" type="checkbox"/> Social: Tier 3 cities	<input type="checkbox"/> Social: NA	<input type="checkbox"/> Social: Education sector
<input type="checkbox"/> Overall fit: LOW	<input type="checkbox"/> Overall fit: MEDIUM	<input checked="" type="checkbox"/> Overall fit: HIGH	<input type="checkbox"/> Overall fit: MEDIUM	<input type="checkbox"/> Overall fit: LOW
₹ 9.31 Bn.	₹ 21.44 Bn.	₹ 27.98 Bn.	₹ 13.89 Bn.	₹ 1.89 Bn.

Note: The valuation has been derived by taking average of valuations from DCF method, EBTIDA multiple and revenue multiple. Please refer "valuation screenshots" in annexure & "valuation" tabs in the enclosed excel model for more details.

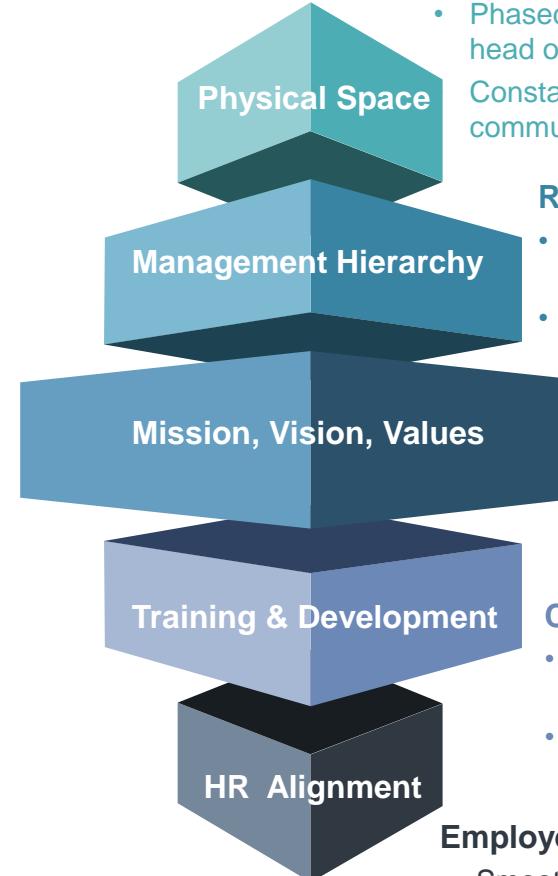
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Synergies from NeoKhata

Following is a brief overview of synergies realized from NeoKhata acquisition and the major pillars of execution:



Post Acquisition Integration



Workplace integration:

- Phased shifting (6-12 months) of NeoKhata head office to a closer proximity
- Constant employee engagement to address commutation issues

Reporting relationships:

- Structuring of job roles to complement domain expertise
- Liaison roles for better collaboration

Policy alignment:

- Clear communication of organizational goals
- Conscious efforts to tackle principal – agent problem

Competency building:

- Training programs for familiarization with WayneX practices
- Debriefings & townhalls for quick & free flow of information

Employee onboarding:

- Smooth transition to new employer considering all legal formalities
- Transparent workings for trust building

Note: Synergies assumed to be realized 50% in Year 1 & 100% in Year 2 after closing of transaction.

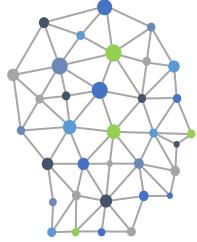
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Evolved WayneX Ecosystem

Following is a snapshot of the WayneX and NeoKhata integrated value proposition with full suite of services:

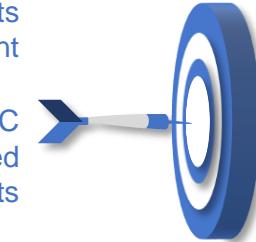
Details 

A. Identified specific customer needs and introduced services to address specific pain points



- Differentiated customer segments based on recognizable **behavioral patterns** to develop targeted products
- In depth research of banking penetration in base markets coupled with **financial awareness & linguistic coverage** to establish personal relationship
- Building a customer perception of '**Financial friend**' and positioning as '**Easy & Trustworthy**' to gain psychological advantage 

B. Launched products strategically in a phased manner based on target population



- Focus on **onboarding customers** through **easy UI**, products ranging from standard banking to advanced wealth management
- Separate mobile apps and desktop solutions for B2B & B2C segments, **personalized service recommendations** based on needs and pain points
- Aggressive marketing & promotional activities for new products at regular intervals to continue customer **interaction, feedback & engagement**

C. Value offerings brought in by NeoKhata; re-branded & launched as WayneX

- NeoKhata mobile app integrated to WayneX **super app** for easier access



- WayneX positioned as **umbrella service** including e-commerce, entertainment, payments & neobanking
- WayneX legacy customers to be pushed towards **adopting** neobanking solution, either **subscription** or **transaction-based** model
- NeoKhata existing users to receive proper step-by-step guide and assistance to **shift** to WayneX interface

Entertainment services
Instant travel, movie & luxury experiential bookings



Delivery services
Grocery, apparel & electronic products with a single click



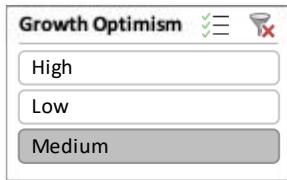
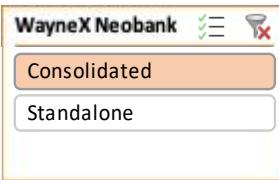
Payment services
UPI, wallet & other secure solutions with great offers

Neo-banking services
Full suite of B2B-B2C services after NeoKhata acquisition

- Compete with industry peers through a **superior and customized offering** rather than indulging in price wars
- Actively contribute to **socio-economic growth** with special focus on increasing digital accessibility & financial literacy
- Expand into un/underserved markets to derive maximum coverage & contribute to the country's \$5 trillion economy vision.

Note: Please refer slides "technological superiority", "differentiating factors", "risk & challenges" & "cyber-threat landscape" for detailed analysis.





Financial Projections

For the year ending March 31, 2022

Financial Model

Details

Growth Optimism



Executive Summary	Inroads to the Future	To-be TOM	Customer Strategies
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WayneX		
Income Statement for the year ended		
2022(Projected)		
Revenue		47.06
Other Revenue		0.00
Total Revenue		47.06
Cost Of Revenue		36.93
Gross Profit		10.14
Selling General & Admin Exp.		8.38
Depreciation & Amortization		0.50
Other Operating Expense/(Income)		0.65
Total Operating Expenses		9.53
Operating Income or loss		0.61
Interest Income/(Expense)		0.80
Net Income Before Taxes		-0.19
Provision for Income Taxes		0.13
Net Income after Taxes		-0.32
Net Income		-0.32

Performance Ratios:

Gross Margin: 21.5%

EBITDA: 1.3%

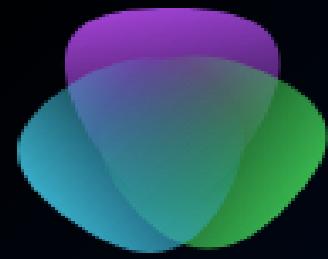
Net Margin: -0.7%

Income Statement	WayneX Target Neobanking Acquisition (NeoKhata)						Low	Medium	High
	Balance Sheet as of Mar-31-2018	Mar-31-2019	Mar-31-2020	Mar-31-2021	Mar-31-2022	Mar-31-2022	Mar-31-2022	Mar-31-2022	Mar-31-2022
Currency (in billion INR)	INR	INR	INR	INR	INR	INR	INR	INR	INR
Revenue	1.92	2.95	3.45	3.97	5.06	4.72	5.40		
Other Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	1.92	2.95	3.45	3.97	5.06	4.72	5.40		
Cost Of Revenue	1.70	2.70	3.15	3.51	3.97	3.87	3.70		
Gross Profit	0.22	0.25	0.30	0.46	1.09	0.85	1.70		
Selling General & Admin Exp.	1.00	1.33	1.47	1.55	2.03	1.55	2.16		
Depreciation & Amortization*	0.09	0.06	0.05	0.08	0.08	0.08	0.08	0.08	0.08
Other Operating Expense/(Income)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Operating Expenses	1.09	1.38	1.52	1.63	2.10	1.64	2.24		
Operating Income or loss	-0.86	-1.13	-1.22	-1.17	-1.01	-0.78	-0.54		
Interest (Income)/Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income Before Taxes	-0.86	-1.13	-1.22	-1.17	-1.01	-0.78	-0.54		
Provision for Income Taxes	0	0	0	0	0.00	0.00	0.00	0.00	0.00
Net Income after Taxes	-0.86	-1.13	-1.22	-1.17	-1.01	-0.78	-0.54		
Net Income	-0.86	-1.13	-1.22	-1.17	-1.01	-0.78	-0.54		

^Three different scenarios has been taken into account on the basis of the level of optimism for NeoKhata performance projects:

- a.) Low ~ The revenue will continue to grow at past CAGR after acquisition
- b.) Medium ~ On the basis of the valuation methodology (Please refer NeoKhata "forecasted financials 5" tab for details)
- c.) High - The revenue will grow at the rate of customer growth * retention rate

Note: A multi-dimensional interactive dashboard has been created to facilitate WayneX management view their projected P&L across dimensions. Please refer "Financial Projections" tabs in the enclosed excel model for more further details.



WayneX

T r u s t w o r t h y B a n k i n g

A n n e x u r e

Success Factors to Drive the NeoBank

Leveraging Assets



Strong brand recognition
High awareness & deep trust



Ecosystem advantage
Wide reach with customer base and platform



Existing financial services
Financial service experience, capabilities

Building & scaling the bank



Customer obsession
Compelling, validated value proposition, commercial, branding



Scalable and flexible technology
Own tech stack, 100% automation and decisioning, strong tech capabilities



Agile org and governance
Digibank as decision maker, accelerated staging

Sustaining success



Data-driven
For relevant pipeline of offerings, marketing and credit risk analytics



Risk Management
Mitigate risks as a bank and tech player



Path to profitability
Product sequencing while balancing income and costs

Path to Profitability

Right product release sequence:

- 3 Phased product portfolio launch
- Capitalising on quick wins to extend market reach straightaway

0-6 Months



7-12 months



Targeted research on customer pain points:

- Analysis of customer clusters & identification of pain points
- Introduction of curated products to match the desires of target clusters

13-18 months



Identification of areas to improve bottom-line:

- Multi-dimensional monitoring of revenue & costs
- Optimizing cost and working capital requirements across processes

19- 24 months



Continued innovation:

- App innovation to maintain customer engagement and daily usage
- Building stronger ecosystem & convenient APIs for users

25-36 months



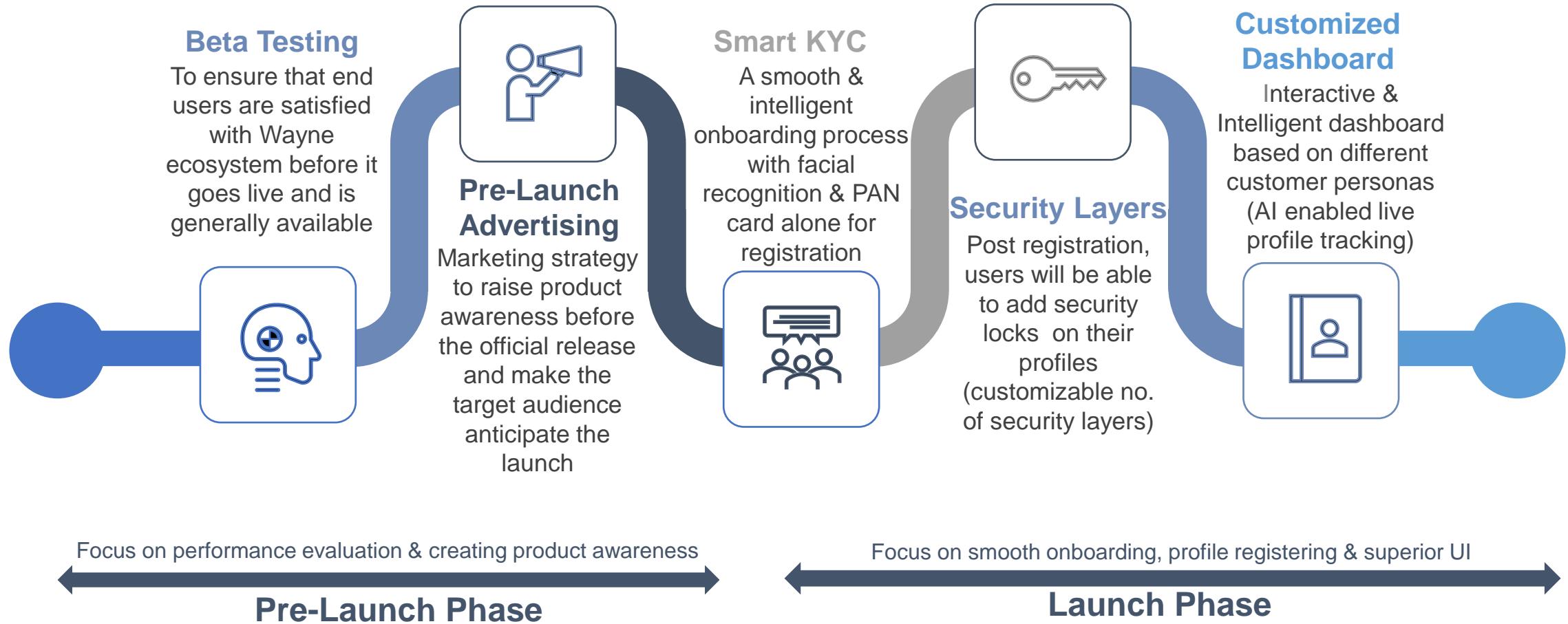
36+ months

Expansion to unserved markets:

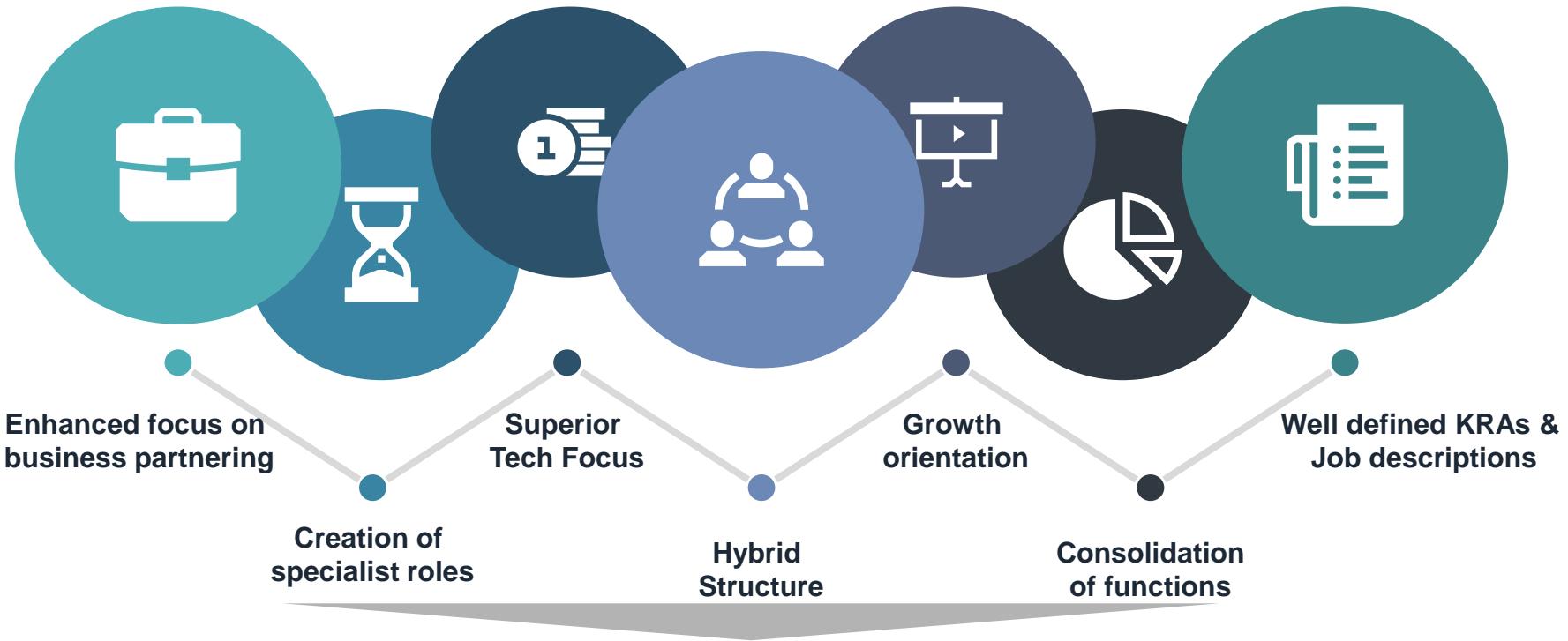
- Consistently offer low-cost services to further penetrate the market than the traditional banks
- Clearly identified revenue sources & their cost implications

Product Launch

Pre-Launch actions in a phased manner, leading to a strategized launch for optimizing the market leverage



Emerging Focus Areas from Phase-1 Analysis



Scalability

- Scalable structure to support future business growth and operations
- System to support quick decision making in dynamic banking business environment

Capabilities

- Roles to leverage existing ecosystem & internal capabilities
- Focus on specialist roles to drive scalability & business development

Future Readiness

- Future ready organization to adapt to the growing scale and fast changing externalities
- Adoption of leading business practices & benchmarking to stay relevant

Tech Enablement

- Focus on increasing adoption of existing tools to support swifter business operations
- Focus on digitalization to establish tech superiority amongst other players

Approach to Derive Design Themes



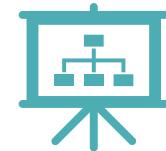
Inputs from Phase I Analysis

- Having understood the strategy, business and as-is benchmarks, FinEQ analyzed the business expectations and identified key focus areas.



Industry Expert Discussions

- FinEQ reached out to professionals working in relevant domains to capture their voice on contemporary business trends & get insights on this case.



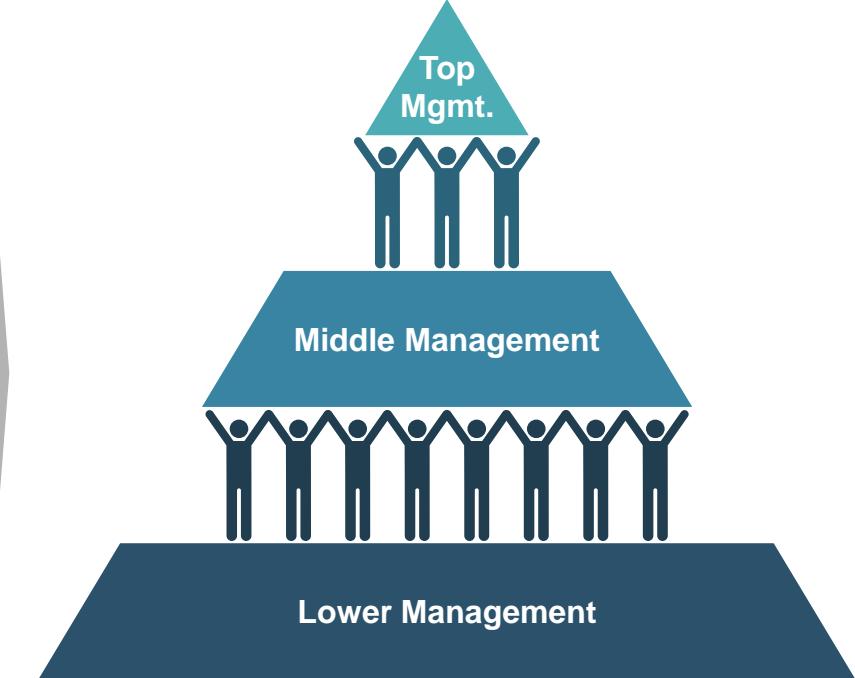
Benchmarking Insights

- Using knowledge repositories, industry best practices were identified and factored into designing TOM for enhanced structural effectiveness.



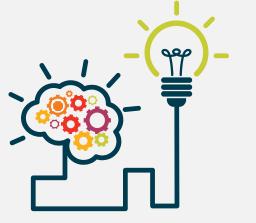
Business Expectations

- FinEQ analyzed the needs and expectations of business heads, identified their key considerations while structuring the target operating model.



Structural Design Principles

Deriving Design Themes

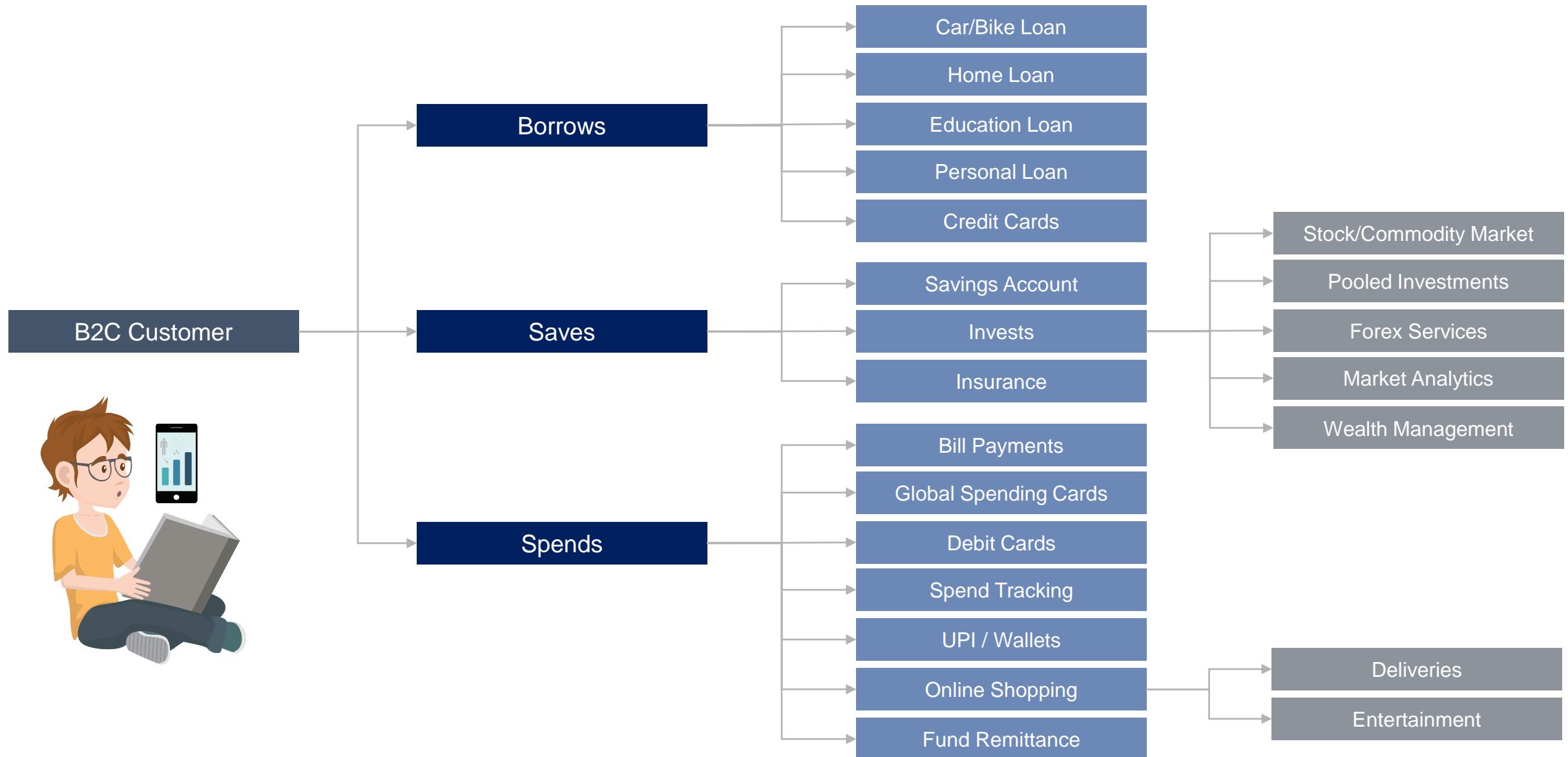
Key Pillars	Priority Areas	Structural Implications	Design Themes
Strategy	Growth Strategy	<ul style="list-style-type: none"> Dedicated business partner roles to facilitate cross-functional business & derive insights 	 <p>Scalable & sustainable</p>
	Enhanced BAU		
People	Change Management	<ul style="list-style-type: none"> Focus on extensive employee engagement planning; Consolidation of non-operations focused functions under functional heads for smooth ; 	 <p>Tech & Digitalization Orientation</p>
	Talent Acquisition & Retention		
Process	Enhanced control	<ul style="list-style-type: none"> Digital transformation role to benchmark internal processes with leading practices and focus on automating manual activities. 	 <p>Realignment of roles with functions</p>
	Digitalization & Automation		
Technology	Tech Superiority	<ul style="list-style-type: none"> Continuous development of WayneX ecosystem and establishing technological superiority amongst competitors to serve the customer better. 	 <p>Dedicated business partneing</p>
	Continuous Innovation		
Governance	Enhanced Control	<ul style="list-style-type: none"> Lean hierarchy under core operations function to facilitate quick decision making; classification into SBUs for greater accountability & control 	 <p>Dedicated business partneing</p>
	Swift decision making		
Service Delivery	Centralization	<ul style="list-style-type: none"> Well defined Standard Operating Procedures and KRAs; consolidation of non-operations focused functions 	 <p>Dedicated business partneing</p>
	Formalization		

Unique Roles ~ Key Responsibilities

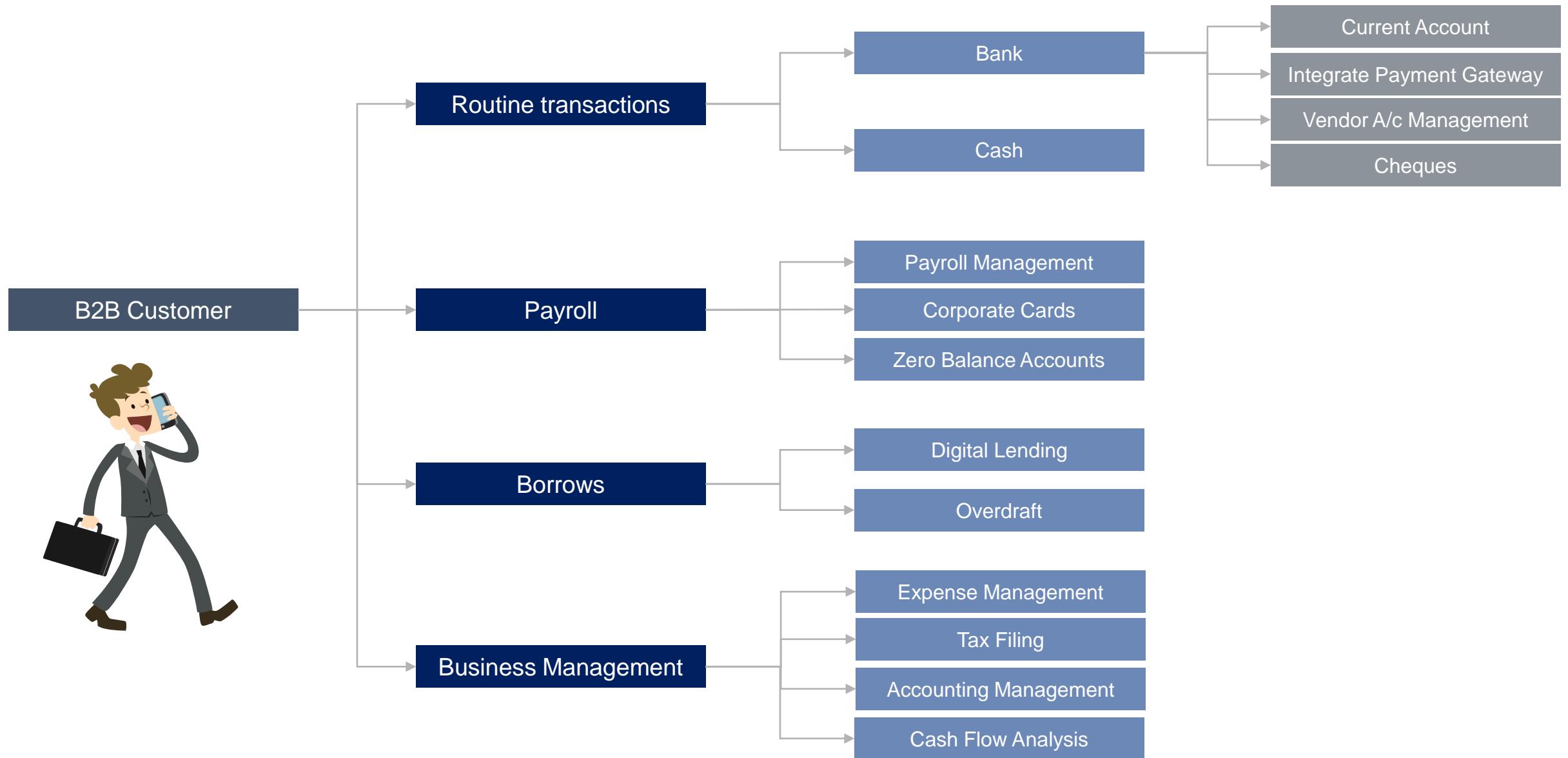
Key Responsibilities

COO	<ul style="list-style-type: none"><input type="checkbox"/> End2End Division Operation<input type="checkbox"/> Business Development<input type="checkbox"/> Risk Management	CSO	<ul style="list-style-type: none"><input type="checkbox"/> Expanding BAU & growth<input type="checkbox"/> Customer Acq. & Retention<input type="checkbox"/> Customer Care & Support	CMO	<ul style="list-style-type: none"><input type="checkbox"/> End2End Marketing Operations<input type="checkbox"/> Building Brand Equity<input type="checkbox"/> Customer Engagement
CFO	<ul style="list-style-type: none"><input type="checkbox"/> Financial Reporting<input type="checkbox"/> Performance Management<input type="checkbox"/> Business Insights	CTO	<ul style="list-style-type: none"><input type="checkbox"/> Leading Tech Practices<input type="checkbox"/> Digitalization<input type="checkbox"/> Future Ready Organization	CHRO	<ul style="list-style-type: none"><input type="checkbox"/> People Management<input type="checkbox"/> Change Management<input type="checkbox"/> Culture Building
Business Partner	<ul style="list-style-type: none"><input type="checkbox"/> Business Partnering<input type="checkbox"/> Cross-functional BD<input type="checkbox"/> Full time COO support	Head – B2B Business	<ul style="list-style-type: none"><input type="checkbox"/> End2End B2B Operations<input type="checkbox"/> Business Development<input type="checkbox"/> Risk Management	Head – B2C Business	<ul style="list-style-type: none"><input type="checkbox"/> End2End B2C Operations<input type="checkbox"/> Business Development<input type="checkbox"/> Risk Management
Head-Products	<ul style="list-style-type: none"><input type="checkbox"/> Product Management<input type="checkbox"/> Product Development<input type="checkbox"/> Portfolio Expansion	Finance Business Partner	<ul style="list-style-type: none"><input type="checkbox"/> Finance Business Partnering<input type="checkbox"/> Cross-functional sales<input type="checkbox"/> Business Insights	Digital Transformation	<ul style="list-style-type: none"><input type="checkbox"/> Automation & digitalization<input type="checkbox"/> Benchmarking Tech Practices<input type="checkbox"/> IT Support
HR Business Partner	<ul style="list-style-type: none"><input type="checkbox"/> HR Business Partnering<input type="checkbox"/> People Management<input type="checkbox"/> Change Management	Respective SBU Leads	<ul style="list-style-type: none"><input type="checkbox"/> End2End SBU Operations<input type="checkbox"/> Performance Reporting<input type="checkbox"/> Business Development	Product Managers	<ul style="list-style-type: none"><input type="checkbox"/> Product Management<input type="checkbox"/> Product Development<input type="checkbox"/> Product Extension

WayneX B2C User Journey



WayneX B2B User Journey



WayneX Customer Funnel

WayneX enjoys a ~20% conversion rate, there exists considerable scope for tapping into the existing white space in the market



~ 900 million customer reach of eCommerce in India (100%)

- *How can WayneX increase the base addressable market in India?*

~ 78% people consider E-commerce space for their transactions

- *What are the potential reasons to be aware and still not consider E-commerce channels?*

~20-21% people purchased from WayneX at some point of time

- *Who are the biggest competitors and what is their brand loyalty?*

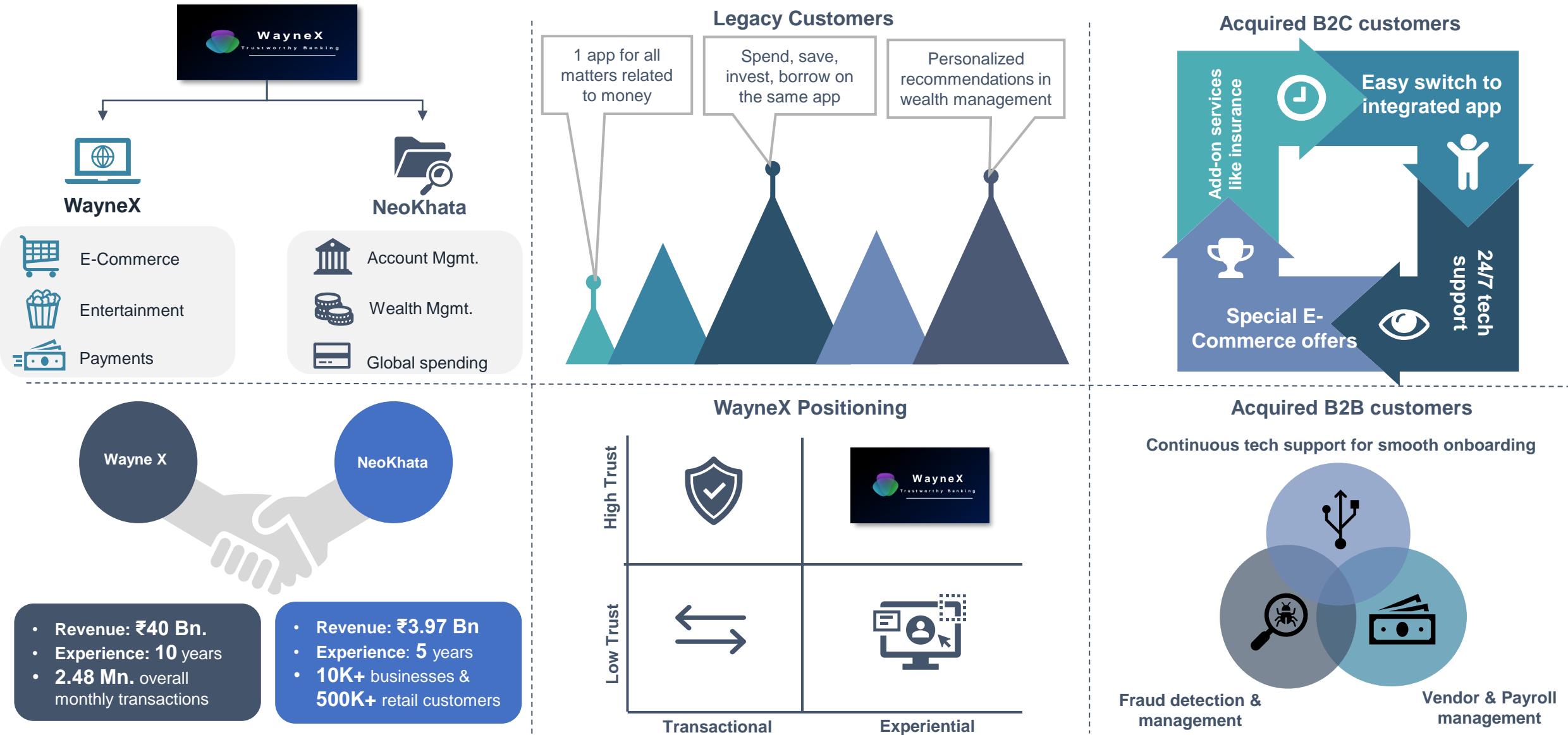
~2-3% people shifted to other competitors after using WayneX

- *Why did WayneX customers switch? Can they be brought back?*

~18% people currently using WayneX services

- *What is the satisfaction level of current users? How can more value be extracted from each?*

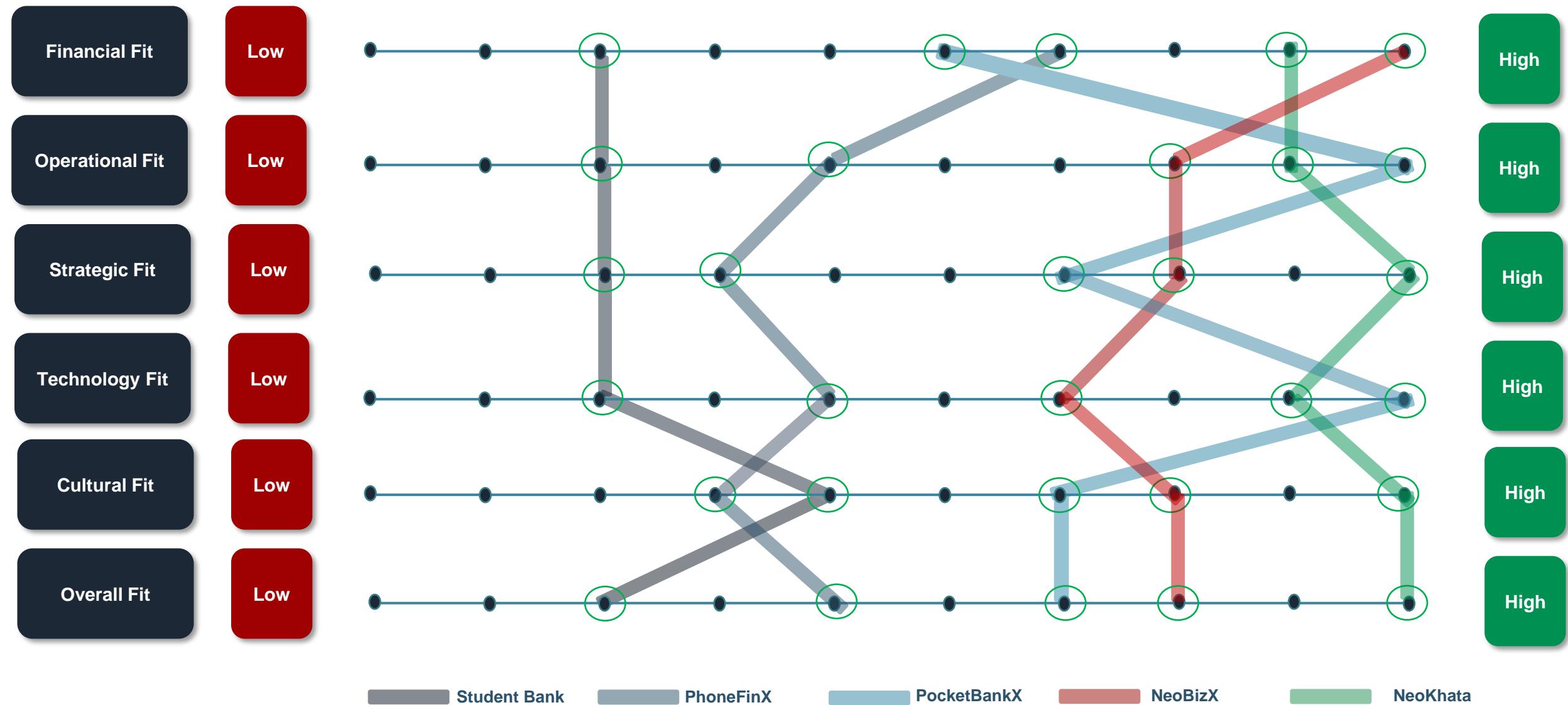
Rebranding



dEpth Scoring

S. No	Parameters	Weight	PhoneFinX	NeoKhata	NeoBizX	Student Bank	PocketBankX
1.)	FINANCIAL SYNERGIES	25%	0.75	1.1	1.15	0.55	0.7
a.	Past Performance	5%	3	4	5	1	2
b.	Fundamentals	10%	3	4	5	2	3
c.	Prospects	10%	3	5	4	3	3
2.)	OPERATIONAL SYNERGIES	20%	0.6	0.85	0.75	0.55	0.9
a.	Product Offering	10%	3	4	4	3	4
b.	Customer Reach	5%	3	4	4	2	5
c.	Addressable Market	5%	3	5	3	3	5
3.)	STRATEGIC SYNERGIES	25%	0.7	1	0.95	0.5	0.9
a.	Strategic Alignment	10%	2	4	4	1	4
b.	Overall Synergies	10%	3	4	3	2	4
c.	Socio-Inclusion	5%	4	4	5	4	2
4.)	TECHNOLOGICAL SYNERGIES	20%	0.65	0.8	0.75	0.45	0.95
a.	Tech Infrastructure	10%	3	4	4	2	5
b.	Capability Mapping	5%	3	4	3	2	4
c.	Innovation	5%	4	4	4	3	5
5.)	CULTURAL SYNERGIES	10%	0.26	0.43	0.39	0.36	0.36
a.	Talent Quality	4%	2	4	3	3	3
b.	Employee Demographics	3%	3	5	5	5	5
c.	Cultural Fit	3%	3	4	4	3	3
Overall Score		2.96	4.18	3.99	2.41	3.81	
<i>Ranking</i>		4	1	2	5	3	

Fit Assessment



Valuation Screenshots

DCF Valuation

EBITDA & Revenue Multiple Valuation

B	C	D	E	F	G	H	I	J	K	L	M		
Valuation method 2: EBITDA multiple >>													
41													
42													
43													
		2022E	2023E	2024E	2025E	2026E							
44		EBITDA (Forecasted)	-0.70	0.09	0.82	1.91	3.46						
45		Estimated value of firm	-	2.71	26.19	60.87	110.24						
46													
47		Estimated value of firm	29.92										
48 *Assumed average of 3 years 2023-2025													
49													
50													
51 Valuation method 3: Revenue multiple >>													
52													
53													
54		2022E	2023E	2024E	2025E	2026E							
55		Revenue (Forecasted)	4.72	5.76	6.87	8.29	10.11						

Financial Forecasting at 2 Levels

Technological Superiority

01 AI POWERED CHATBOX



- Able to complete complex commands
- Authentic digital assistance
- Offers prudent financial advices & literacy
- Coupled with ML, gets smarter with each transaction
- Can communicate in multiple languages (regional + international)

02 OPEN BANKING



- Aggregation of data to identify best banking options (with user consent)
- Secure exchange of data across different institutions
- Scrutinizes transaction history & other information to provide best recommendations

04 SMART CONTRACTS



- Moderates' execution & control of agreements virtually between the buyer & the seller
- Eliminates the presence of lawyers and paper documentation
- Signed through virtual cryptographic keys
- Tamper proof, transparent, irreversible and trackable

BLOCKCHAIN 03



- Single platform to manage finances and to provide real time data
- Seamless interface for payments & investments
- Card based loyalty points
- Augmented marketplace model and real time audit & contract management
- Highly secure and traceable

Differentiating Factors

Parameters	Standard Neo Bank	Waynex Neo Bank
❖ Service Platform	Web & Mobile app	Web., Mobile app & Desktop (PC) software
❖ User Interface	Standard web/app UI with access to service tools	Interactive & smart UI with customer engaging tools like AI enabled chatbot etc.
❖ Client Relations	Short Term	Short Term & Long Term
❖ Customer Support	Office Hours	24x7 service
❖ Operational Efficiency	Standard	Faster (Coupled with XOps and Latest Data management tools)
❖ Security	Less to Moderate	High (Blockchain system & high-end cyber security)
❖ Transparency	Less to Moderate	High (Open Banking)
❖ Value Added Services	Standard neo-banking services	Additional to standard neo-banking services, Waynex also offers Smart Contracts, financial assistance & recommendations
❖ Blockchain enabled lending	X <input type="checkbox"/>	✓ <input type="checkbox"/>
❖ Decentralized Transactions	X <input type="checkbox"/>	✓ <input type="checkbox"/>
❖ AI Powered chatbots	X <input type="checkbox"/>	✓ <input type="checkbox"/>
❖ Open Banking	X <input type="checkbox"/>	✓ <input type="checkbox"/>

Risks & Challenges

Risks

Higher growth vs Credit quality

Neo-banks take pride in offering the fastest approval rates with their flexible loan assessment criteria. This pushes them to somewhat compromising with assessing the creditworthiness.

Digital flexibility and its correlation security risk (cyberattacks)

Hacking is a great potential risk in today's world of online services. The risk of an outside source getting their hands on your money and investments by hacking into your bank account. Depending on how vulnerable your bank is, depends on how big the risk of this happening is.

Onboarding Risks in Banking

One big risk regarding the onboarding process, is the risk of people committing fraud, opening an account with a stolen or fake identity. Online fraud being mostly linked to stolen ID's, which can be bought on online in bulk for the purpose of opening an online bank account.

Technology Failure

While WayneX offers superior tech compared to its competitors, the risk of a technological failure becomes even more crucial. It has serious implications not only on operations but on brand image as well.

Justifying Valuations & Raising Capital

Due to unclear long term business model, low profitability with over projected market valuations is a "war chest", one that makes it difficult to convince investors for subsequent rounds of funding.

Erosion of Differentiators

The technological advantages that a neo bank offers are becoming more and more common now a days. WayneX need to cope up with the pace of everchanging technological advancements to sustain its differentiation.

Challenges

Regulatory Ambiguity

The RBI does not recognize entirely virtual banks and does not regulate neo-banks. Some neo-banks choose to act as business correspondents (BCs) of conventional banks, which are typically viewed as entities furthering financial inclusion in remote areas.

Technology & Security

Conventional banks would expect infrastructure and security practices of WayneX to comply with internationally accepted standards before partnering with them.

Data Privacy

Given the low charges for traditional product offerings, WayneX would depend on customer data and their ability to cross-sell products to stay afloat. Such an ability may be affected by passage of the Personal Data Protection Bill, India's GDPR equivalent.

Convincing Neo-Khata customers to switch

For WayneX to become profitable in neo-banking, they're going to need to build up a large-enough customer base, which means convincing significant Neo-Khata costumers to switch their accounts.

Big Banks own Neo-Banks

Traditional banks' own neo-bank-like offerings, such as Mettle from NatWest. While the big banks may lack the agility of the neo-banks, they far outstrip them when it comes to the levels of resource, they can throw behind these initiatives

COVID Impact

COVID has impacted almost every industry and fintech isn't any exception. WayneX will need to seriously consider the changing customer behavior and their spending patterns to leverage the market.

Cyber-threat Landscape

Particulars	Business Disruption	Information Loss	Revenue Loss	Equipment Damage	Total cost by attack type
Malware (+11%)	\$0.50	\$1.40	\$0.60	\$0.10	\$2.60
Web Based Attacks (+17%)	\$0.30	\$1.40	\$0.60	-	\$2.30
Denial of service (+10%)	\$1.10	\$0.20	\$0.40	\$0.10	\$1.70
Malicious insiders (+15%)	\$0.60	\$0.60	\$0.30	\$0.10	\$1.60
Phishing and social engineering (+8%)	\$0.40	\$0.70	\$0.30	-	\$1.40
Malicious code (+9%)	\$0.20	\$0.90	\$0.20	-	\$1.40
Stolen devices (+12%)	\$0.40	\$0.40	\$0.10	\$0.10	\$1.00
Ransomware (+21%)	\$0.20	\$0.30	\$0.10	\$0.10	\$0.70
Botnets (+12%)	\$0.10	\$0.20	\$0.10	-	\$0.40
Total cost by consequence	\$4.00	\$5.90	\$2.60	\$0.50	\$13.00

Consequences of different types of cyberattacks in Neobanking space

As-is Phase-I Analysis

As-is Industry Landscape

Following is a bird's eye view of the Neo-banking space which continues to attract diverse range of industry players:

Overview:

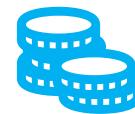
The Neo Banking space continues to grow globally, from incumbent banking operators to emergent new challengers. There are currently 250+ neo banks globally, but just 13 have been successful in generating positive bottom line. Of those 13 successful neo-banks, 10 are based in Asia Pacific region.



\$34.77 billion
approx.



47.7%+
CAGR



\$586.7+ million
funding



60%+ lower cost
of operations



39+ million user
base & counting

Futuristic Model

100% online & easy APIs

The model of neo-bank itself is scalable and futuristic, since it is easy to integrate with technology, low cost, with unbounded accessibility.

Advanced Security

2FA, RBAC, Biometric

Neo-banks offer higher safety and security to its customers, this is because of their inherent nature, a huge amount of investment goes into tech infrastructure.

Low-cost Offering

Wider choice to customers

The substantial growth of neo-banks is driven by low cost offering to customers. Also, its cost of operations is much lower than traditional physical banks.

High Adoption Rate

Omni-channel processing

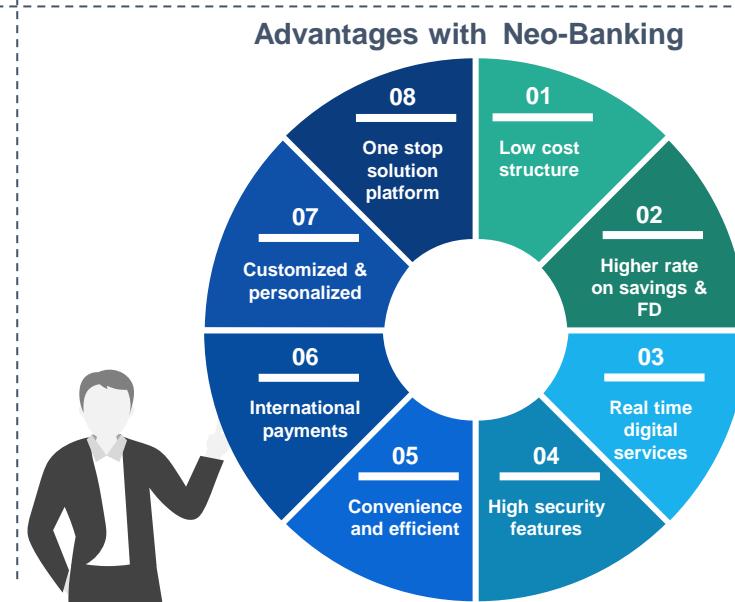
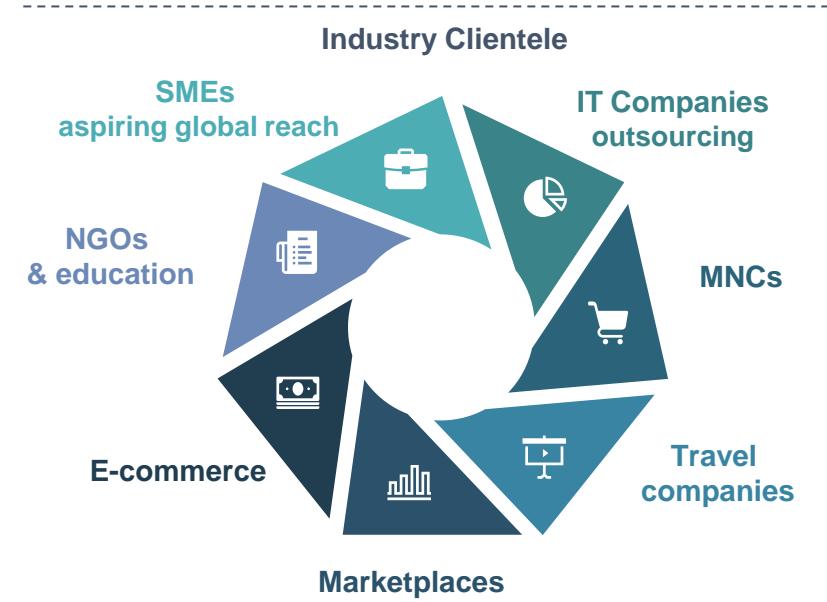
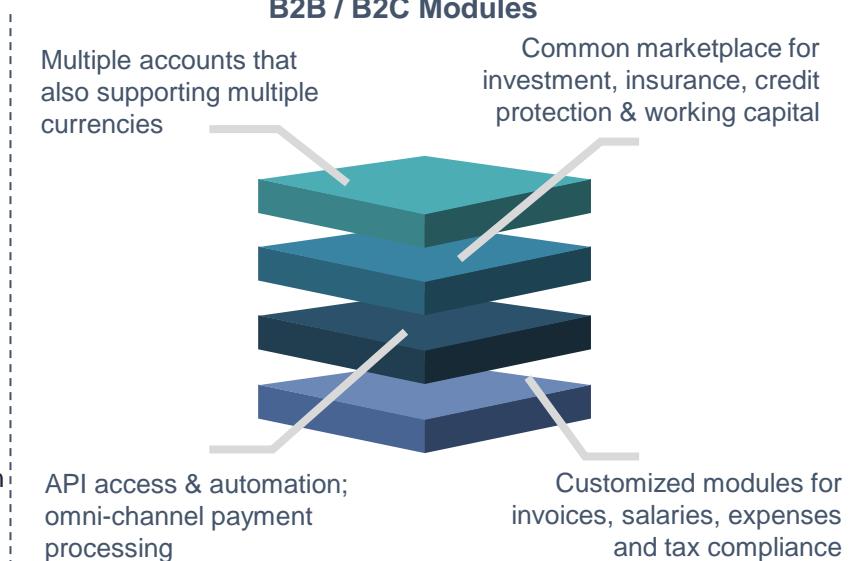
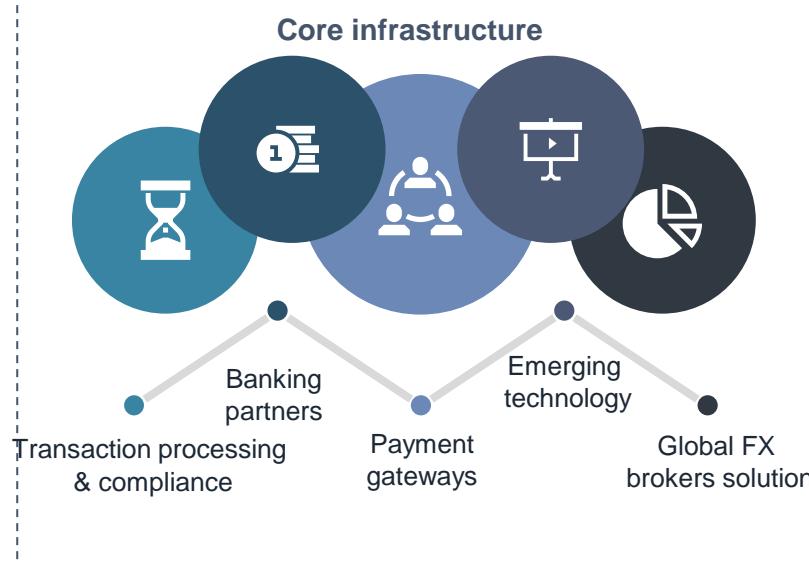
Due to unbounded geographical reach and easy to use API interfaces, the adoption rate of neo-banks amongst consumer market is quite high.

Top industry players



As-is Industry Landscape

Neo-banking market in India is emerging as an attractive opportunity with a strong future-outlook.



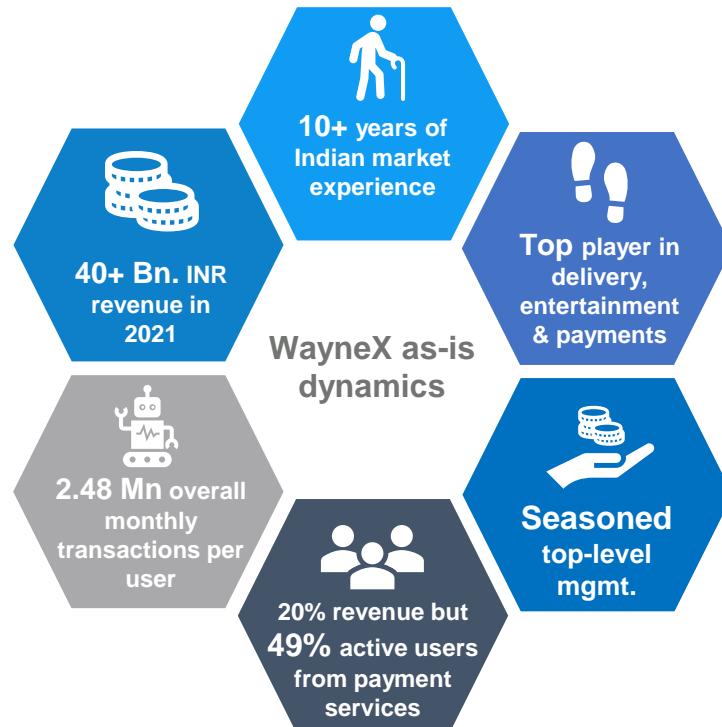
As-is Company Landscape

Following is a bird's eye view of WayneX existing business landscape, aiming to enter the neo-banking space:

Objectives: Customer Monetization

Data Monetization

Finance as-a-service



160M+ user base

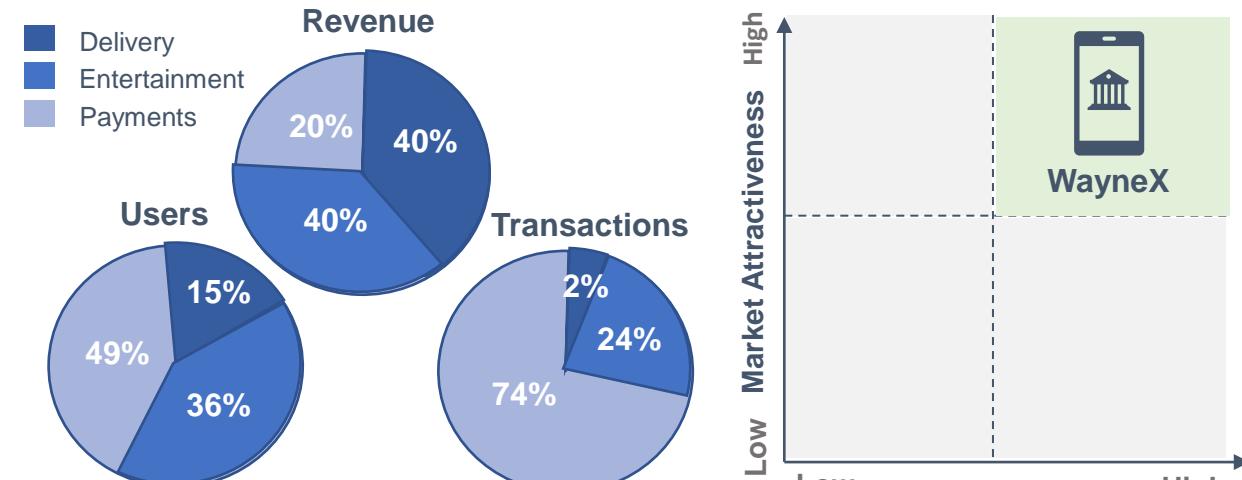
Wide range of services

Strong tech infra.

Strong competition

Disruptive Environment

Longer breakeven



WayneX Ecosystem

E-Commerce

- ❖ Grocery
- ❖ Apparel
- ❖ Electronics

Entertainment

- ❖ - Travel/mobility
- ❖ - Movies/shows
- ❖ - Subscriptions

Payments

- ❖ UPI
- ❖ Wallet
- ❖ Easy pay

Super app / portal

- ❖ Integrated info.
- ❖ All Lifestyle needs
- ❖ Easy to use APIs

Banking

- ❖ Paperless banking
- ❖ Digital credit facility
- ❖ Financial advisory

Communication

- ❖ Financial literacy
- ❖ Digital inclusiveness
- ❖ Social initiatives

Existing Proposed

Product Portfolio

Following is a brief outline of the launch of WayneX neo banking products in a three phased manner:

	B2C					
Target segments	1 Bill Payment	1 Wealth Management	1 Credit & Debit cards	1 Fund remittance	1 Spend tracking	3 Online shopping
B2B	1 Digital lending (including sector targeted credit)	1 Standard banking (current A/C, cheque books, payment collection, etc.)	1 Expense Payments (including vendor account management)	1 Corporate cards	2 Payroll management	3 Financial advisory (add on service)
INVESTMENT SERVICES						
Other services	1 Forex services (Access to currency markets)	2 Stock market (DEMAT account and access to markets)	2 Pooled investments (Mutual funds, ETFs, Hedge funds, etc.)	3 Market analytics (Charts/trends, position tracking, predictive analytics, etc.)	3 Commodity Markets (Access to commodity trading)	3 Insurance (Life, health, travel, and other insurances)

Note: Please refer "Phase wise roll out" plan slide in annexure for more details.

1 Product portfolio Phase I (0-12 Months)

2 Product addition Phase II (12-24 Months)

3 Product addition Phase III (24+ Months)

Feasibility Assessment

Based upon the preliminary understanding, following is the feasibility study for WayneX new business opportunity:

- **PRODUCT FEASIBILITY:** Waynex Banking App takes the digital banking experience to a different level altogether. It incorporates the primary banking services and customized / personalized offerings that add a lot of value to the customer experience. The product has a unique and user-friendly UI that makes it easy to access to all its users.



- **MARKET FEASIBILITY:** Despite a highly competitive environment, Waynex, with its unique offering & user-friendly UI, shows promising potential to tap into the under-penetrated Indian neo-banking market which is still in its nascent phase. Waynex is expected to assume a decent piece of the market, given the strong outlook & untapped market prospects.



- **OPERATIONAL FEASIBILITY:** Waynex already has people from diverse backgrounds, bringing expertise in various domains. Experience in the Indian financial services industry coupled with an organic organization structure catalyzes communication and reduces the risk of operational failures, thereby ensuring a healthy working environment.

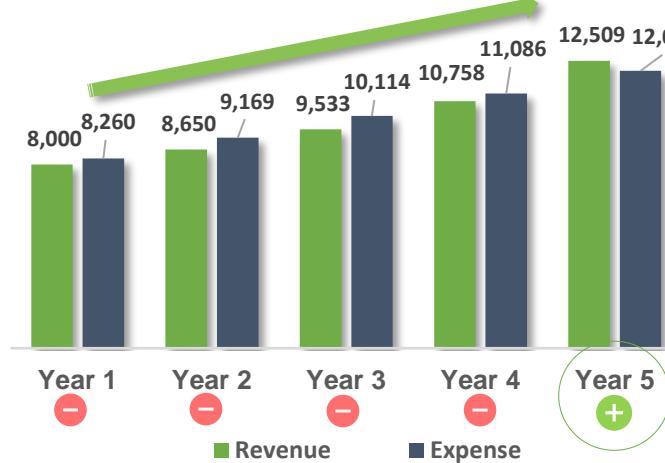


- **FINANCIAL FEASIBILITY:** The exponential growth of neo-banking industry (CAGR ~40%) shows a bright financial future for WayneX. A strong market demand in addition to the capital light model and existing backend infrastructure, paves the way for a financially viable & attractive prospect to add on to the WayneX umbrella of offerings.



Financial Modelling

YoY Revenue vs Expense
(Amount in INR millions)



As per financial modelling

Break-even : 5th year

Financial Metrics

Rev. CAGR: 12%

ARPU: INR 242

Net margin*: 3.5%

Externally
Benchmarked

DuPont: 20%

ROA: 2.5%

Leverage: 7.41

Eq. to Assets: 14%

*Year 5

WayneX has been benchmarked to Greendot Corporation, a public neo-bank in the U.S. for the purpose of this study.

All amount in INR million unless otherwise stated

Particulars	% of Total Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues						
Card revenues & fees	44.4%	3,552	3,891	4,373	5,079	6,143
Processing & settlement services	24.7%	1,972	2,110	2,287	2,518	2,822
Interchange revenues	28.9%	2,312	2,474	2,682	2,952	3,309
Other income	2.1%	164	175	190	209	235
Total Revenues		8,000	8,650	9,533	10,758	12,509
Operating Expenses						
Sales & marketing expenses	44.0%	3,520	4,192	4,871	5,543	6,192
Compensation benefits expenses	18.3%	1,460	1,533	1,610	1,690	1,775
Processing expenses	20.8%	1,660	1,743	1,839	1,950	2,080
Other general administrative expenses	20.3%	1,620	1,701	1,795	1,903	2,030
Total Expenses		8,260	9,169	10,114	11,086	12,077
Gross Profit / Loss						
Total Profit / Loss			-260	-518	-582	-329
						432

Break even in 5th year

Note: Please refer enclosed WayneX excel sheet for detailed financial workings

*Actual numbers might differ from estimates

Source: Annual report, Green Dot Corporation, retrieved 08/21, from <https://ir.greendot.com/static-files/f7f1b5ee-8c72-4a6f-b389-ad7a5c3330d2>

Customer Acquisition Strategy

Following highlights a detailed plan for customer acquisition and engagement during the initial launch phase:

Customer Acquisition	<h2>Eliminated fees</h2>  <ul style="list-style-type: none">Start offering legacy customers with basic banking services at negligible prices to shift them to the neobank products (market penetration strategy)Partner with a traditional bank for transaction accounts and pitch WayneX super app to its customersAccess MSME databases & contact them directly offering integrated services at cheap rates to increase adoption	<h2>Digital marketing</h2>  <ul style="list-style-type: none">Run targeted advertisement campaigns for select customer segments (like LED screen ads in corporate hubs for working professionals)Conduct awareness campaigns for digital banking services in sub-urban and rural areas to explore potential digital FS adoptionConduct SEO/SEM analysis and run social media marketing programs for targeting selected customer profiles based on demography, behavior, etc.	<h2>Leveraging Technology</h2>  <ul style="list-style-type: none">Tie up with advanced data analytics startups to obtain selective profiles of target customer segmentsEffectively use social media & other platforms to identify & approach potential clientsPartner with Fintech companies (e.g., MasterCard) to target their existing customer base through bundled offerings and discounts
Customer Engagement	<h2>Customized offerings</h2>  <ul style="list-style-type: none">Personalized credit / debit cards for retail users for increased bonding with the brandSpecialized payment processing smart cards for corporate client employees to maintain their office identityOption to customize interface of mobile app as per the customer profile (salaried professional / retail investor / business owner / corporate house)	<h2>Nudge online spending</h2>  <ul style="list-style-type: none">Collaborate with major retail chains (Jio Mart, Brand factory, etc.) to offer attractive offers on purchases through the WayneX networkOffer promotional discounts on purchases across leading online spending businesses including Zomato, Flipkart, Uber, etc.Incentivize international spending through all purpose debit cards and	<h2>Financial advisory</h2>  <ul style="list-style-type: none">Use AI technology and predictive analysis model to advise clients on better fund managementProvide expert views on working capital & long-term financial management to B2B clients at subsidized ratesOffer real-time tracking and updates on financial markets and news showing possible impact on financial assets held by customer

Customer Retention Strategy

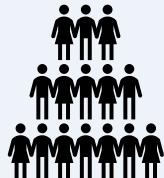
Following outlines the detailed approach of building & maintaining long term relationships with the customers:

Leveraging existing position



Brand reputation

Utilize the awareness of WayneX name to tap into smaller retail segments, initiate engagement campaigns to hype the launch of neo-banking service



Customer ecosystem

Build on the existing user base to create a financial ecosystem serving all financial needs of users from all age groups and socio - political backgrounds



Existing expertise

Leverage best demonstrative practices from current operations in the FS Industry to differentiate service from major competitors

Building the Brand



Customer is priority

Work towards delivering and sustaining customer value with help from research on consumer behavior for market positioning & brand building process



Tech capabilities

In-house tech stacking, data driven decision making & scalability of platform with due emphasis on security and privacy communicated to the user



Modern day organization

Flexible organic structure with limited centralization, ability to scale workforce quickly and clear demarcation of authority

Long term sustainability



Data & Analysis

Keep up with the latest developments in AI-ML space with tangible applicability like credit risk assessment, consumer marketing, performance evaluation, etc.



Risk mitigation

Focus on corporate governance and ethical behavior, use big data to efficiently flag high risk alternatives, scan online buying behavior & social data for red flags

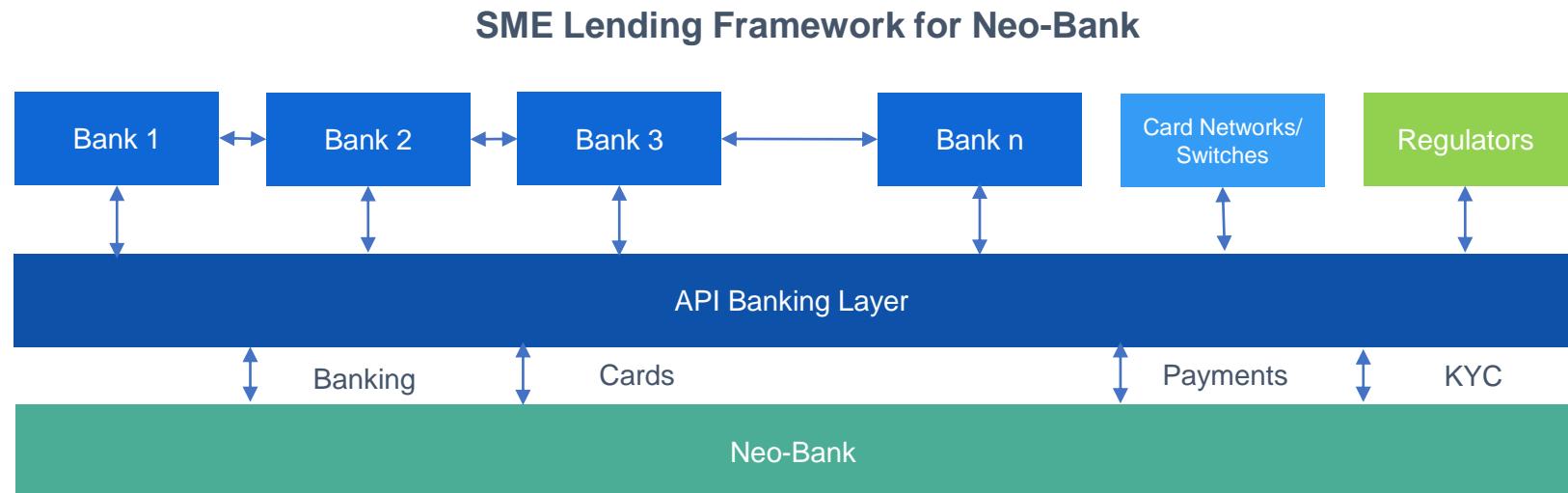
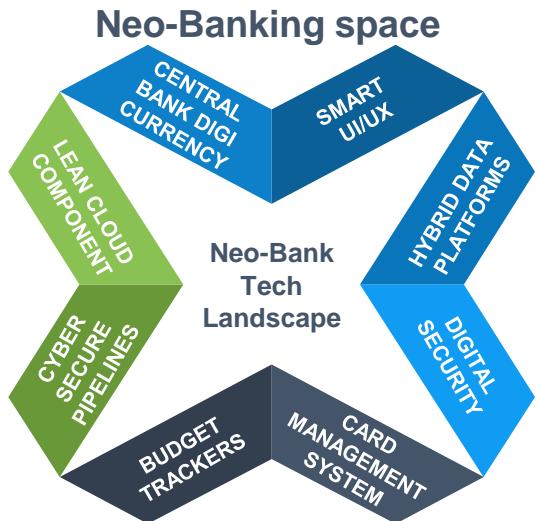
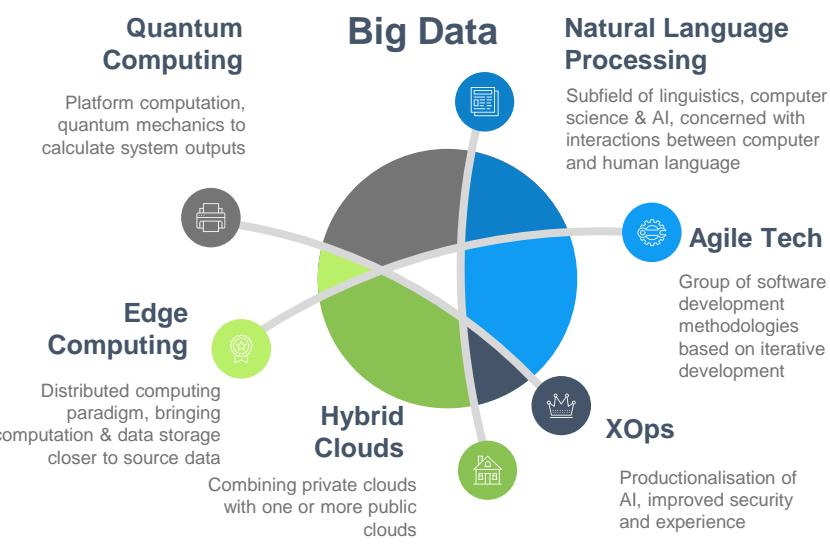
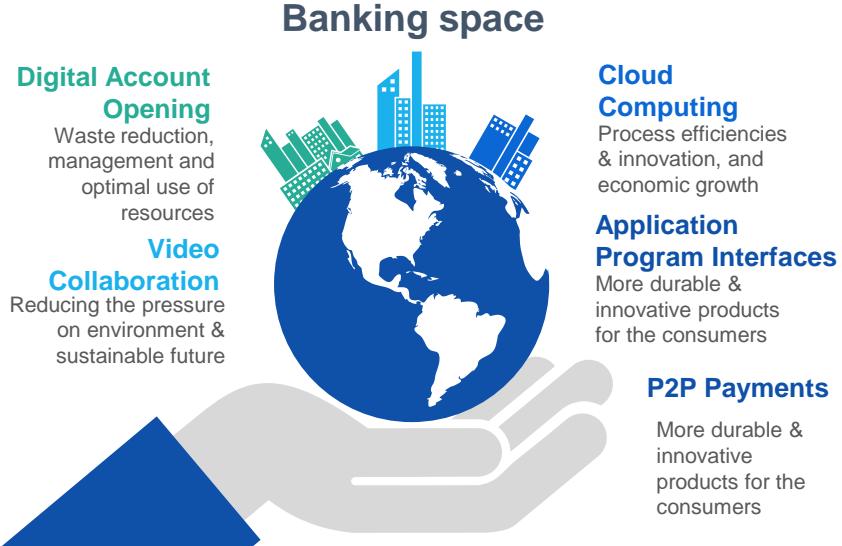
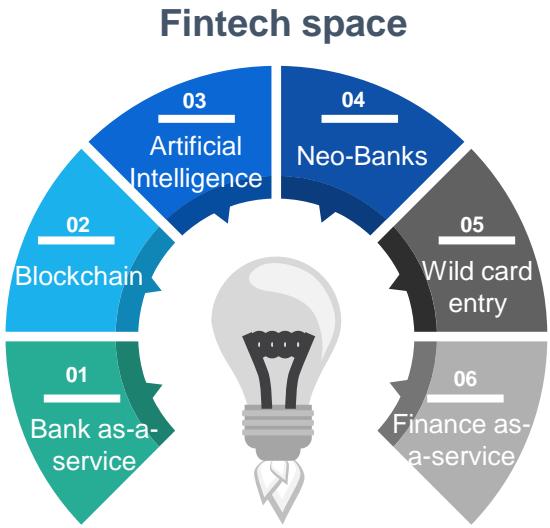


Roadmap to profitability

Consider long term profitability over short term gains, work towards correct sequencing of services, targeting exact pain points

Emerging Technologies

Following is a brief of key technological advancements that can be incorporated in the neo-banking industry:



- Emerging technology in Neo-Banking space
- SME Lending Framework

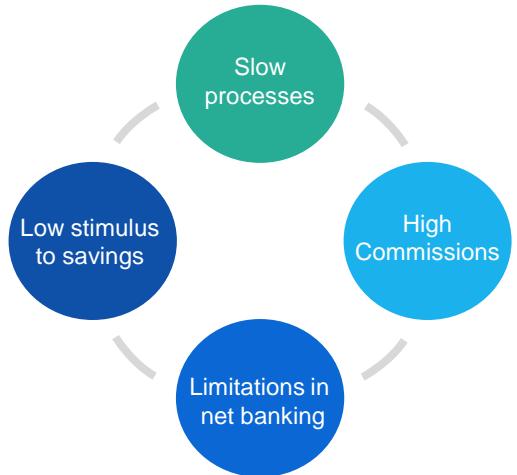
Source: Taneja R., (2021), Rise of neobanks in India, Outlook money, retrieved 08/21 from <https://www.outlookindia.com/outlookmoney/fintech/rise-of-neobanks-in-india-6862>

Note: Please refer "Technological Capabilities" slide in annexure for more details.

Inclusive Growth

Neo-banking industry is going to be a key catalyst to social development and economic growth of India

Problems with traditional banks



Unserved

- No bank A/c
- 190 Mn unbanked Indian adults

Pseudo served

- 80% Indians have bank A/cs but half of them are inactive

Underserved

- People having bank A/cs but less exposure to other fin. Products & services

WayneX for unserved

India is second only to China amongst the developing countries in the number of residents with no bank accounts.

Easy access to the untapped rural market

Lower commissions and higher returns



WayneX for pseudo served

27 out of 36 India's financial inclusion policies implemented between 1991-2014 focused only on a single device need or dual needs

Simplified banking

User-friendly portals

Clear guidance for customers

Robust grievance redressal

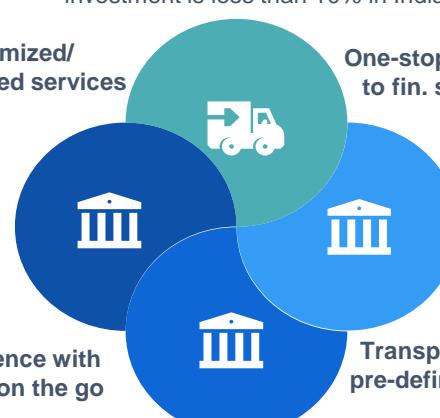


WayneX for Underserved

Penetration of financial services like home loan & stock market investment is less than 10% in India

Customized/personalized services

One-stop solution to fin. services



WayneX for socio-economic growth



Banking for all

Safety & security

Job & wealth creation

Wider choice to customer at lower cost



Access to latest financial products & services



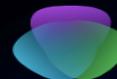
Increased formalization, efficiency & transparency in banking industry

Note: Please refer "Key decisions for management" slide in annexure for more details.

Competitive Landscape



- ❖ B2B
- ❖ Market Share | 1.79%
- ❖ Revenue | INR 500cr. (Approx.)
- ❖ Active Users | 5 Million
- ❖ Strength | Corporate network
- ❖ Weakness | Less customization
- ❖ Sponsorships | Matrix P, Tiger G
- ❖ Future-Outlook | B2C expansion
- ❖ Overall Positioning | High volume transactions leader



- ❖ B2B + B2C
- ❖ Market Share | 5%
- ❖ Revenue | INR 800 cr. (Approx.)
- ❖ Active Users | 5 Million
- ❖ Strength | Existing customer base
- ❖ Weakness | Domain expertise
- ❖ Sponsorships | N.A.
- ❖ Future-Outlook | 360° fin. services
- ❖ Overall Positioning | One stop solution



- ❖ B2C
- ❖ Market Share | 40%
- ❖ Revenue | INR 3281 cr.(Approx.)
- ❖ Active Users | 150 Million
- ❖ Strength | Integrated services
- ❖ Weakness | Poor customer service
- ❖ Sponsorships | Ali Baba
- ❖ Future-Outlook | Going Public
- ❖ Overall Positioning | B2C market leader

Phase-wise rollout plan

High Level Overview

Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	2+ years
Strategy Phase - Building Neo-bank division									
- Product & technology building									
- Operating model establishment									
- Talent acquisition									
- Risk management & process systemization									
- Vendor selection for outsourced processes									
- Go To Market plan mobilization				▲					
Phase I - Go-live									
- Initial portfolio launch									
- Building system capabilities & market integration						▲			
Phase II - Portfolio extension									
- Extending product line in the existing portfolio									
- Brand building & expanding user base							▲		
Phase III - Full integration & sustenance									
- Final roll-out of the end-to-end service portfolio									▲
- Change management & business sustenance									

▲ Phase completion milestone

Financial Model Screenshots

WayneX
Financial modelling & forecasting

Profitability Analysis (Neo-Bank division only):

Customer Level profitability for 5 years <<Unit costing >>

Particulars	% of Total Revenue	Projections					CAGR ('Y1 - 'Y5)
		Year 1	Year 2	Year 3	Year 4	Year 5	
Operating Revenues							
Card revenues & fees	44.4%	107.64	117.90	132.53	153.89	186.15	
Processing & settlement services	24.7%	59.76	63.94	69.31	76.30	85.53	
Interchange revenues	28.9%	70.06	74.96	81.26	89.45	100.27	
Other income	2.1%	4.97	5.32	5.76	6.35	7.11	
Total Revenues		242.42	262.13	288.87	325.99	379.06	
Operating Expenses							
Sales & marketing expenses	44.0%						
Compensation benefits expenses	18.3%						
Processing expenses	20.8%						
Other general administrative expenses	20.3%						
Total Expenses							
Gross Profit / Loss							
Total Profit / Loss							

Overall division level profitability for 5 years

Particulars	% of Total Revenue	Projections					CAGR ('Y1 - 'Y5)
		Year 1	Year 2	Year 3	Year 4	Year 5	
Operating Revenues							
Card revenues & fees	44.4%	3,552	3,891	4,373	5,079	6,143	
Processing & settlement services	24.7%	1,972	2,110	2,287	2,518	2,822	
Interchange revenues	28.9%	2,312	2,474	2,682	2,952	3,309	
Other income	2.1%	164	175	190	209	235	
Total Revenues		8,000	8,650	9,533	10,758	12,509	
Operating Expenses							
Sales & marketing expenses	44.0%	3,520	4,192	4,871	5,543	6,192	
Compensation benefits expenses	18.3%	1,460	1,533	1,610	1,690	1,775	
Processing expenses	20.8%	1,660	1,743	1,839	1,950	2,080	
Other general administrative expenses	20.3%	1,620	1,701	1,795	1,903	2,030	
Total Expenses		8,260	9,169	10,114	11,086	12,077	
Gross Profit / Loss							
Total Profit / Loss		-260	-518	-582	-329	432	

Break Even Point

Year 5	
Key Financial Ratios	Target Year 5
Net return on assets	2.3%
Net return on equity	18.5 - 21.5
Equity to assets	12.5 - 14.5

Revenue & MAU estimation

Particulars	Amount	Reference	Rationale & Assumptions
Estimated Year 1 revenue (Million ₹)*	800.00	Overall revenue * Assumption multiple	Assumed that Year 1 revenue from Neo-baking division will be ~20% of the total WayneX revenue reported in FY20
Estimated Year 1 MAU (Million users)**	33.00	Overall MAU * Assumption multiple	Assumed that Year 1 Neo-baking Monthly Active Users (MAU) will be ~20% of the total WayneX MAU in FY20
Estimated Year 1 ARPU (₹)	242.42	<<Calculated>>	

Estimation of Growth multipliers >>

Stream	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue sources	Card revenues & fees	-	9.5%	12.4%	16.1%	21.0%
	Processing & settlement services	-	7%	8.4%	10.1%	12.1%
	Interchange revenues	-	7%	8.4%	10.1%	12.1%
	Other income	-	7%	8.4%	10.1%	12.1%
Expenses	Sales & marketing expenses	-	19%	16.2%	13.8%	11.7%
	Compensation benefits expenses	-	5.0%	5.0%	5.0%	5.0%
	Processing expenses	-	5.0%	5.5%	6.1%	6.7%
	Other general administrative expenses	-	5.0%	5.5%	6.1%	6.7%

Industry growth rate

47.70%

Notes and Assumptions:

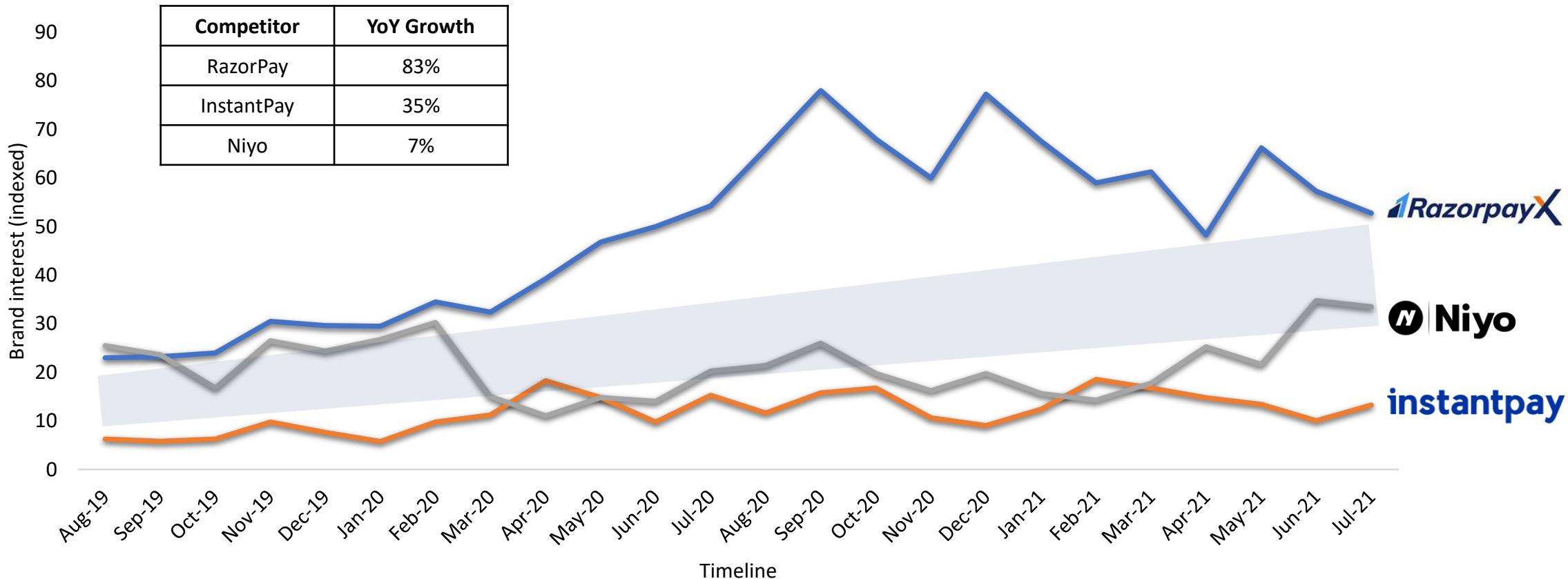
- The industry growth rate has been identified as ~48% CAGR which will be a benchmark for the overall growth rate of WayneX neo-banking division over a period of 5 years
- The numbers for Year 1 have been estimated based on the actual percentages from Green Dot Corporation (Neo-Bank) and current revenue of WayneX as reference points
- Key financial ratios are target estimates based on benchmarking from Greendot Corp, and are only to be used after break-even is achieved in Year 5
- Taxation & other indirect expenses have been ignored from the profitability analysis to maintain simplicity

Note: Please refer enclosed WayneX excel sheet for detailed financial workings

*Actual numbers might differ from estimates

Digital Brand interest

Assessing the trends for the past 24 months, we have identified a **target range** for WayneX's brand interest as a **reference point** for the management to work towards for the next couple of years



Target range for WayneX

Note: Please refer attached WayneX excel sheet for base data & detailed workings.

Digital success factors



Brand Interest and social media buzz

Create media hypes and deploy PR strategies to sustain interest from target consumer groups

Website traffic & App download tracking

Continuously monitor & benchmark digital traffic to peers for better positioning

SEO / SEM performance

Optimize our keywords according to the customer driven searches to enhance visibility on search platforms

Privacy & Security

Ensure complete data integrity and high standards of security for sensitive financial data – building the most important trust factor in the Indian market

Customer sentiment

Collect real time customer feedback and improve services to attain better customer loyalty and lower churn rate



Brand engagement on social handles

Improve engagement on social media through contests, discounts, giveaways, celebrity endorsements, etc.

Share of digital voice

Evaluation of consumer behavior in non-promoted digital posts compared to industry peers

360° customer service

Provide 24x7 customer assistance to encounter any and all issues at the customer's end



Technological capabilities

Neo-Banking emerging technological trends

- **Central Bank Digi Currency**

Once introduced, this can turn out to be a game changer for Neo-banks as it can lead to a drastically increased demand for digital banking & FS services

- **Card Management System**

WayneX can deploy CMS to administer and facilitate the live tracking and real time control of card life cycle – giving a greater sense of belief to its customers

- **Budget Trackers**

WayneX can implement this online money management tool uniquely designed for transaction tracking, also adding a level of financial for customers over their expenses



- **Cyber Secure Pipelines**

This encryption software can be used by WayneX to secure clients' sensitive financial information and transaction history to efficiently mitigate online fraud risks

- **Lean Cloud Component**

Designed to reduce the cost of maintaining a robust backend IT architecture, it can facilitate ease of use & control for the tech team

- **Smart UI/UX**

Option for personalizing user interface (on both app and website) to customers can help WayneX differentiate its offering and deliver a wholesome user experience

Big Data Ecosystem developments

- **Quantum Computing**

WayneX can develop these backend processes to efficiently compute highly complex data interactions & improve predictive analytics

- **Agile Tech**

Highly flexible development and encoding of technical processes that can give WayneX the ability to run pilots for rolling out new features without disrupting the normal flow of services

- **XOps**

WayneX can employ these DevOps for an improved cyber security landscape & build capacity for smooth handling of AI enabled products



- **Hybrid Clouds**

WayneX can use it as a solution to link private clouds with one or more public clouds, ensuring greater privacy & data protection to its customers as well as the banking partners

- **Edge Computing**

WayneX can develop such high end computing capabilities for more accurate risk assessment, credit analytics, financial modelling, etc.

- **Natural Language Processing**

NLP can be applied by WayneX to improve UI interactions and linguistics for users to effectively mitigate communication barriers.

Key decisions for the management

