



Neo Bank Application

Use cases for UPI TPAP

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1. About Finvasia

Finvasia is a multi-disciplinary, multinational organisation that owns and operates over a dozen brands across financial services, technology, real estate, and healthcare verticals.

Business Presence

In the last 13 years, Finvasia has catered to a few million clients in over 180 countries directly or via one of our subsidiaries. Some of the notable brands owned by Finvasia are:

- **Shoonya (CDSL Depository Participant and SEBI approved Research Analyst)** It offers financial services ranging from zero brokerage, zero clearing, zero account opening, zero AMC to name a few. The company has advised institutional clients on their investments in fourteen countries while also acting as a one-stop shop for Foreign Portfolio Investors (FPI) Who seek to invest in the Indian markets.
- **Finvasia Capital Ltd (Regulated by Financial Service Commission, Mauritius)** - Investment bank based in Ebene, Mauritius
- **Finvasia Financial Services (regulated by Reserve bank of India - NBFC)**
- **Sebi approved Investment Advisory services (applied)**
- **ZuluTrade** - One of the most innovative Social Trading and Wealth Management platform in the world. It offers a smooth and simplified Copy Trading and Social Trading experience across multiple instruments.
- **Fxview (Regulated by Cyprus securities and exchange commission – CySec)** -It provides clients an exhaustive trading experience by offering ultra-low commissions, tight spreads, multiple trading platforms along with various trading tools, cutting-edge technology, great client support and a clutter-free trading environment.
- **ActTrader** - Act Trader offers wide range of products and services of leading technology, liquidity management solutions and outstanding client service.
- **AAAFx** - AAAFx is an online electronic communications network (ECN) brokerage
- Insurance Corporate agent -
- GiniHealth, BodyLoop, Stackflow, Finvasia Estates and portfolios.com.

1. India's first next-generation banking app, empowered by Cognitive AI

We are working towards offering the users a comprehensive product that is one stop solution to all the financial needs. Our AI powered super app also known as the NEO Banking app would cater to the technology driven population and propose a solution that fulfils the banking, trading and saving needs of the individuals. It would facilitate:

1. Savings account offerings along with fixed deposits (FD) and recurring deposits (RD)

Opening of zero balance savings bank account with the leverage to open the recurring deposits (RD) and fixed deposits (FD) at the stipulated rates of interest as prescribed by the bank.

- When a customer opens a zero balance savings account, AI will suggest suitable RD and FD options based on their financial profile and aspirations.
- AI-powered chatbots or virtual assistants will guide customers through the account opening process, answering queries and providing step-by-step instructions. This ensures a smooth on-boarding experience for users.
- AI will assess a customer's risk tolerance and recommend appropriate RD and FD options based on their risk appetite.
- AI shall automate the process of renewing or withdrawing from RDs and FDs based on customers' instructions, ensuring they maximize their earnings without missing out on opportunities.
- AI shall monitor market interest rates and notify customers when favourable rates for FDs or RDs are available, empowering them to lock in higher returns.
- AI shall send customers personalized alerts about upcoming RD and FD maturity dates, helping them manage their finances more effectively.

By integrating AI into the process of opening zero balance savings accounts and utilizing RDs and FDs, we are poised to offer customers a seamless, personalized, and efficient experience that enhances their financial well-being and satisfaction

2. Virtual Debit card

The customer shall be able to use all the features of the card without this being physically present. The card to be capable of making payments online, shop and transact.

For All transactions made on virtual debit cards:-

- AI will automatically categorize transactions helping customers track their spending and budget more effectively.
- AI will generate dynamic Card Verification Values (CVVs) and virtual card numbers for each transaction, minimizing the risk of card data theft and unauthorized use.
- AI will assign risk scores to transactions based on various parameters, allowing the system to prioritize higher-risk transactions for additional scrutiny.
- AI will analyse users' shopping habits and preferences to recommend relevant products and services from partner merchants.

3. Demat account for trading in Indian and US stocks

The app offers the customer to open a demat account to trade and invest in stocks pertaining to India and the US. The customer would be able to buy and sell stocks and even trade at a regular basis.

- AI will analyse customers' financial goals, risk appetite, and market trends to provide personalized stock recommendations, helping users make informed investment decisions.
- AI-powered tools will automatically rebalance customers' portfolios based on market fluctuations and investment goals, ensuring optimal performance.
- AI will analyse news, social media, and market sentiment to provide insights on how news and events might impact specific stocks, aiding in decision-making.
- AI will assess the risk associated with specific stocks or trades, helping customers make well-informed decisions that align with their risk tolerance.
- AI-powered chatbots can assist customers with stock-related queries and trading instructions using natural language interactions.

By integrating AI into the Demat account trading process, we will empower customers with sophisticated tools that not only simplify trading but also offer them data-driven insights and strategies, ultimately enhancing their trading experience and increasing their potential for success.

4. Investments using Mutual funds

The customer has the option to choose mutual funds as one of the avenues to carry on investments. The app also provide option to compare two mutual funds to make informed decisions.

- AI will evaluate the risk profile of different mutual funds and match them to customers' risk tolerance, helping them choose funds that suit their comfort level.
- AI-powered predictive models can forecast the potential future performance of mutual funds based on historical data and market trends.
- AI will help customers build diversified portfolios by suggesting a mix of mutual funds that align with their investment goals and risk appetite.
- AI will analyse social media and news sentiment related to specific mutual funds, providing insights into public perception that could influence investment choices.

5. Personal finance management:

The feature offers the customer to:

- a. Link other bank accounts/Equity/MF/PF/NPS to this app
- b. View CIBIL score

As a future vision, the customer to be able to:

- a. Analyse the earning and expenses
- b. Get a 360-degree view of the spends and draw analysis on the same
- c. Manage goals on the basis of recommendations
- d. To provide a holistic view of the how expenses can be managed based on the funds available

- AI will automatically link and aggregate data from various sources, such as bank accounts, investments, and credit cards. It then will visualize this data in a unified dashboard for a comprehensive view of a user's financial landscape.
- AI will categorize and analyse expenses across various accounts, providing users with an overview of where their money is being spent. This data-driven analysis will help users identify trends and areas for potential savings.
- AI will analyse spending and saving patterns to provide users with insights into their financial behaviours, highlighting habits that might impact their overall financial health.
- AI shall offer a holistic view of users' spending patterns across accounts, helping them identify overlaps, unnecessary expenses, and opportunities for optimization.
- AI will analyse users' financial goals, income, and spending patterns to offer personalized recommendations on how to allocate funds towards different goals, whether it's saving for a vacation or retirement.
- AI will offer suggestions on how to optimize available funds across various accounts to maximize returns and minimize debt.
- AI will track progress towards financial goals and provide users with regular updates on how close they are to achieving each goal.
- AI will simulate different financial scenarios, helping users understand the impact of decisions like major expenses or changes in income on their overall financial outlook.

6. Personal loans and loans against securities:

The customer to be able to opt for loans in three ways:

- a. Personal Loan
 - b. Pre-Approved Loan
 - c. Loan against shares (Innovative feature): Customer to be able to subscribe to loans based on the equities held by them.
- AI will analyse various factors to offer personalized interest rates that reflect customers' creditworthiness and financial standing, increasing transparency and fairness.
 - AI-powered algorithms will expedite the loan approval process by automating the verification of documents and financial information, minimizing the waiting time for customers.

- AI will assess the equity portfolio of customers to determine the loan amount they're eligible for, ensuring a quick and accurate evaluation process. It will monitor the market value of shares in real-time and adjust the loan terms accordingly, offering flexibility while maintaining collateral coverage.

7. Transfer of funds using UPI:

The customer through UPI will be able to make seamlessly make payments round the clock using UPI ID. The payments could be made to the merchants and the peers as well.

- AI-powered biometric recognition will enhance user authentication, ensuring that only authorized users can initiate UPI transactions.
- AI will analyse users' transaction history and offer suggestions for optimizing their payments, such as using cashback offers or choosing cost-effective payment methods.

8. Bill payments:

The bills can be paid using the bill payments feature in the app. The customer to be able to pay the utility bills including telecom, gas pipeline, electricity, FASTag recharge and DTH/Cable.

- AI will predict upcoming bill due dates and send personalized reminders to users, ensuring they never miss a payment deadline.
- AI will analyse users' historical spending patterns and predict future bill amounts, helping them budget and plan for upcoming expenses.
- AI will recommend the best times to schedule bill payments based on factors like cash flow, upcoming expenses, and available funds to avoid overdrafts or insufficient fund situations.

Entities Involved

The application is a comprehensive solution being developed to ease the access to financial services for the users. The app would allow the users to save, trade & invest, make payments.

The entities involved in facilitating the modules for the are:

1. **NBFC** – A Non Banking Financial Company (NBFC) to be responsible in extending credit to the customer of the neo banking application. The type of loan products being offered are:
 - a. Personal Loan
 - b. Pre- Approved Loan
 - c. Loan against shares
2. **SEBI licensed Pvt Ltd company** – Responsible for facilitating the investments for the customers mainly:
 - a. Indian Stocks
 - b. Mutual Funds
3. **Advisory** – An entity responsible to facilitate Personal Finance management module along with the investment in US Stocks.

Numbers that we project

Target audience

India 1 (earning approx. 10L pa)

- Tier 1 Cities +
- English fluent
- Digital savvy
- Convenience over cost
- Regular transactor
- Most startups here and limited to this audience

India 2 (Approx. 2.5L pa)

- Tier 2 and Tier 3 cities
- Occasional transactor
- Not English comfortable
- Voice and vernacular e commerce catering to this segment
- Startups here aiming to move to India 1 much harder.

India 3 (Approx. 1.2L PA)

- Less educated
- Engaged in informal and manual labour
- Unmonetizable and non-users

2. How payments are going to look like in the AI based Super app

The above-mentioned services will further facilitate UPI payments in the following ways:

Scan and Pay

The customers will be able to make payments and accept as well, through the unique QR code that is very secure. This saves the user, the time to fill in merchant details and can carry on without having the pain of doing so.

Customizable QR Codes can also be created to accept a certain amount of payment by the merchant or a peer.

Payment using mobile number/Beneficiary VPA

The Peer-to-Peer transactions can happen by just entering the mobile number and Virtual Payment Address/UPI ID. The same can be done only when the receiver has the mobile number or UPI ID registered on the UPI.

Linking multiple bank accounts

The customers can link multiple bank accounts to a single UPI ID and use any of the account as the Primary account.

Round the clock availability

UPI provides leverage to transfer or accept funds anytime. Available 24x7, it allows the customers to make payments day in and day out irrespective of the time.

Adding Funds

The users will be able to add funds using UPI in the following:

1. Saving bank account opened through the neo bank app
2. Trading/Demat account in the application

Payment of Bills

The customers on the application will be able to pay the utility bills, network operator, LPG and other relevant bills using UPI. The BBPS integration in the application will facilitate the customers to pay all the bills using the same application through UPI only.

3. Additional business cases that make this AI based super app special

Rupay Credit card against Fixed Deposits

The users will be offered credit cards with pre-defined limits based on the fixed deposits (FDs) held by them in the super app.

The default credit card network would be RUPAY which would further facilitate payments through UPI.

Setting up UPI Mandates

The customers will be able to set up UPI mandates as per their convenience to pay for the following:

- a. **Loan Repayments:** Customers who have been extended credit through the super app will be able to make the repayments by setting up UPI mandates
- b. **Mutual Funds:** The payments through mutual funds can be made by setting up UPI mandates accordingly.

International Payments

It would allow the users to send funds abroad even receive payments from NRIs. UPI international includes the following:

- a. Global Scan & Pay

This feature allows the Indian users to pay by scanning the QR code of the local merchants abroad. This is being developed keeping in mind the plight of Indian travellers who are accustomed to using the UPI services for every payment.

- b. Foreign Inward Remittance (FIR)

This would allow the international users to send money to users in India. The UPI app can be registered with the international number and other relevant details. Post this, the funds can be transferred easily using the UPI ID.

For the Indian user, the account to which the funds are to be transferred can be a normal savings bank account and not necessarily be an NRE or NRO account.

- c. Foreign Outward Remittance (FOR)

This would allow the users in India to send funds abroad.

- d. NRE/NRO Accounts

EXAMPLE:

People Migrating abroad need a foolproof and quick way to send and accept payments to and from the friends and family.

Countries where UPI is present

Singapore

US

Australia

Canada

Hong Kong

Oman

Qatar

Saudi Arabia

UAE

Loan Against Shares

The users have the leverage to be provided with loans against the shares that are owned by them. This loan against shares amount will be credited to the user's account by NBFC which further can be linked to UPI to transact.

Overdraft – Credit on UPI

The users will have the leverage to link their overdraft account to the UPI to make payments and utilise credit.

- a. The user will link their personal loan account to the UPI (irrespective of the fact that they are merchants or general users) and the same account can be used like any other account to make payments through UPI.
- b. The NBFC will facilitate credit through the “Credit on UPI” feature which will further allow the users to avail credit through the UPI ID owned by them.

Long term Vision

Voice and Vernacular instructions

The AI based application to introduce voice commands across all vernaculars to help the people from India 3 segment to start transacting online.

The voice commands will facilitate users to make payments with easy and clear voice instructions.

Conversational payments

The AI based super app will promote payments powered by AI to facilitate the offline payments or the payments where the internet/telecom connectivity is weak ensuring minimal transaction declines.

Credit Score Improvement Strategies:

We offer users personalized strategies for improving their credit scores, including recommendations for credit utilization, timely payments, and debt management.

Bill Negotiation Service: (**This is too much for asking...may be debatable)

We will harness AI to negotiate lower bills with service providers on behalf of users. The app will analyse historical bills, identify opportunities for negotiation, and manage the negotiation process.

Automatic Savings Algorithm:

We have implemented an AI-driven algorithm that analyses users' spending patterns and automatically transfers small amounts to a savings or investment account, promoting consistent saving habits.

Education Savings Planner:

We have a tool that helps users plan for their children's education expenses by estimating future costs, recommending investment options, and tracking progress towards their savings goals.

Loan Consolidation Optimization:

We also offer users insights into optimizing loan repayments and consolidating loans for better interest rates and reduced monthly payments.