Eximius Ventures

AI IN FINANCIAL SERVICES

INDIA

A MINI THESIS

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ABOUT US

Eximius Ventures is a dedicated **pre-seed fund** offering smart capital with deep knowledge. As a **sector-differentiated** fund, we invest around $500k in the pre-product/early traction stage, employing a **thesis-driven approach** across **FinTech, Consumer Tech & Enterprise AI, with an AI-first approach across all sectors.**

We strive to support exceptional operators in building groundbreaking solutions for India. A substantial portion of our fund is reserved for follow-on rounds, showcasing our long-term support. Recognising the need for agility in the dynamic startup ecosystem, we've established an efficient and transparent decision-making process, ensuring founders receive capital without unnecessary delays.

Beyond capital infusion, our Eximius Edge Platform extends comprehensive support to founders.

- Strategy
- Network
- Hiring and GTM
- Follow-on Investment

We aim to identify and back exceptional founders leveraging the strong demographic dividend of India to build from India to the world, helping them with a unique value-add.

Our Value-adds

- Founder Centric Approach
- Speed of Decision and Execution
- Sector-specific Knowledge and Expertise
- Functional Support for Business

Our Portfolio

FINTECH

Jar, Finarkein, Quicklend, skydo, vegapay, ASPIRE, BIMAKAVACH, fleek

CONSUMER TECH

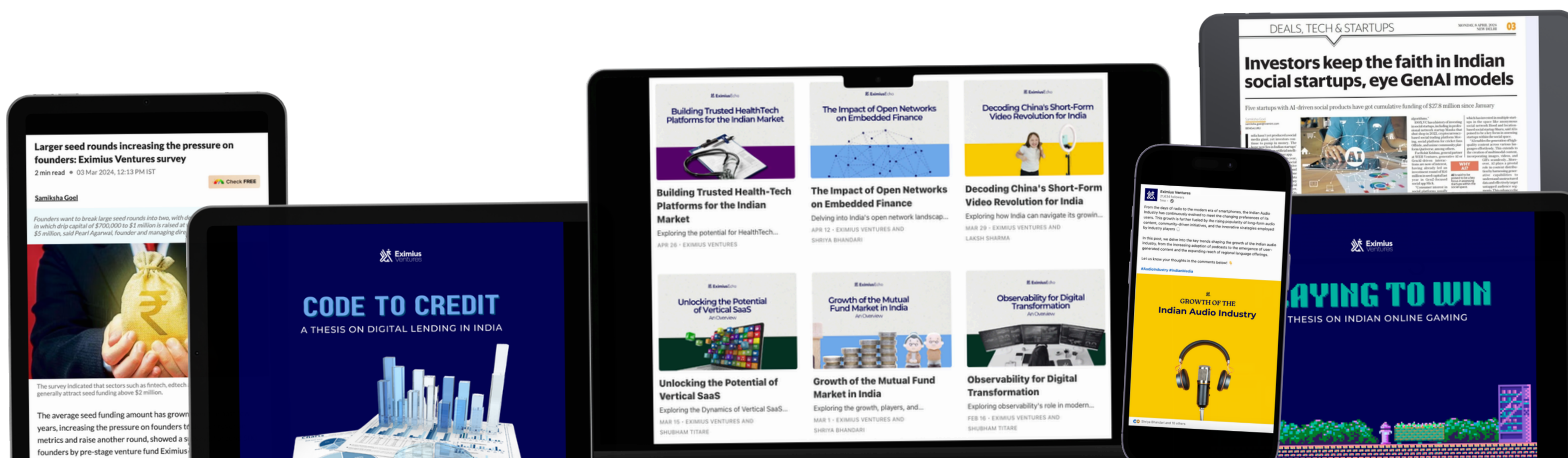
30 sundays, OYELA, SVG, MyNaksh, SHURU, AMICCO, TRIPLE TAP, STAN, eka.care, SPYBIRD, Knot.dating

ENTERPRISE AI

DA, cuepilot.ai, EarthSync, Decover, Omnivio

Strong Brand Presence, But With Value-add

75,000+	200+	4 Mn+
LinkedIn Followers	Hours of content	Likes and Impressions



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Principle 1: Hyper-Personalization

Let's take a look at the structural shift:

USER > INSTITUTION INCENTIVES SHIFT TOWARD USER NEED	**PERSONALIZED JOURNEYS** PRODUCTS ADAPT TO REAL-TIME CONTEXT
STICKIER CUSTOMERS TRUST INCREASES RETENTION AND ENGAGEMENT	**HIGHER MONETIZATION** BETTER FIT IMPROVES ARPU AND LTV

WHAT'S DRIVING HYPER-PERSONALIZATION

- **Real-time user understanding:** Financial institutions are now being pushed to understand individual behavior, financial patterns, and intent in real time, rather than relying on broad customer buckets.
- **Product journeys become adaptive:** AI enables more personalized journeys across financial services, replacing one-size-fits-all offerings with products that are better aligned to user context and need.
- **Trust becomes a growth lever:** As financial tools become more relevant to the user, trust deepens. This increases engagement, strengthens retention, and creates stickier customer relationships over time.
- **B2B copilots improve service quality:** For B2B workflows, AI also enables personalized relationship manager copilots that provide real-time decision and data support to customer-facing staff while reducing human burden.

Principle 2: Services into Agentic-First Software

Let’s take a look at the structural shift:

50%+ OF BFSI BUDGETS LOCKED IN NON-REVENUE WORKFLOWS	**VOICE AGENTS** REPLACE HUMAN TELECALLING
AI UNDERWRITING REPLACES MANUAL DOCUMENT CHECKS	**COMPLIANCE AGENTS** AUTOMATE MONITORING AND REPORTING

WHAT’S DRIVING AGENTIC-FIRST SOFTWARE

- **Operational workflows are ripe for automation:** More than 50% of financial services budgets sit in workflows that are critical to the system but generate limited direct revenue while relying on large human teams.
- **Service layers are becoming software-native:** Functions such as telecalling, credit underwriting, and compliance monitoring have traditionally involved repetitive reviews, document verification, and rule-based checks.
- **AI agents improve speed and consistency:** Voice agents can handle customer interactions, AI-led underwriting can review documents and assess risk instantly, and automated compliance systems can continuously monitor transactions and policies.
- **Software-cost execution changes the economics:** The broader shift is the transformation of labour-intensive service layers into software-native workflows, where intelligent agents execute routine processes at software cost.

Principle 3: Data Analysis

Let’s take a look at the structural shift:

UNSTRUCTURED DATA
CALLS, DOCS, AND TRANSACTIONS

ACCOUNT AGGREGATORS
STANDARDIZED FINANCIAL CONTEXT

BEHAVIORAL CUES
AI SEES WHAT MANUAL REVIEWS MISS

SMARTER DECISIONING
BETTER CONTEXT FOR HUMANS IN THE LOOP

WHAT’S DRIVING DATA ANALYSIS

- **Unstructured data is finally becoming usable:** Financial institutions have long sat on vast amounts of unstructured data across calls, documents, and transaction flows, much of which has remained underutilized.
- **AI turns fragmented inputs into intelligence:** AI makes this data analyzable and actionable, moving institutions beyond static records and manual reviews toward continuously learning systems.
- **Behavioral and fraud signals become clearer:** AI can identify behavioral cues, detect multiple fraud patterns, and surface sharper insights that would otherwise be missed in manual analysis.
- **India’s DPI strengthens the data layer:** When combined with digital public infrastructure such as Account Aggregators, AI can access richer and more standardized financial data, enabling smarter, more contextual human-in-the-loop decision-making at scale.

AI IN FINANCIAL SERVICES SUB-SEGMENTS

How financial services breaks down at the execution layer

LENDING & LENDING INFRASTRUCTURE

PAYMENTS

INSURANCE

WEALTH MANAGEMENT

SUB-SECTOR LANDSCAPE

COMPLIANCE & REG-TECH

Sub-segment maturity will vary widely - from consumer-facing categories like lending, insurance, and wealth, to system-layer categories like payments infrastructure and compliance. Many venture-scale outcomes are likely to emerge where domain workflows, proprietary data, and AI-led decisioning intersect.

STRUCTURAL INSIGHTS SHAPING THE SUB-SECTORS:

17 crore+

Mutual fund folios signal India's shift from a savings economy to an investment economy

~3.7% vs 7%+

India's insurance penetration remains far below global levels, pointing to large room for AI-led expansion

HOW AI IS TRANSFORMING FINANCIAL SERVICES SUB-SEGMENTS

Where AI is beginning to solve across the stack

LENDING, PAYMENTS & INSURANCE

- Underwriting is moving beyond static credit histories to cash-flow, behavioural, and intent-led signals
- Payments are becoming more adaptive through workflow automation, reconciliation, and embedded approvals
- Insurance is shifting toward contextual pricing, faster claims, and real-time risk assessment

Implication: AI improves underwriting, pricing, claims, and distribution across large consumer-facing financial products.

WEALTH MANAGEMENT

- AI enables personalised guidance using goals, risk appetite, tax context, cash flows, and portfolio behaviour
- Wealth is moving from relationship-manager-led advice to agentic systems that monitor, rebalance, and recommend at scale
- This makes high-quality portfolio intelligence more continuous, individualised, and scalable

Implication: Wealth moves from periodic human advice to always-on, scalable portfolio intelligence.

COMPLIANCE & REG-TECH

- Compliance is shifting from manual, fragmented review to always-on monitoring embedded into workflows
- AI can map regulatory changes, monitor activity, and automate alerts, reporting, and policy checks in real time
- This makes compliance more traceable, audit-ready, and responsive at scale

Implication: Compliance becomes embedded directly into operational systems, improving speed, consistency, and responsiveness.

THEMES WE'RE EXCITED TO BACK

Theme 1: AI for Regulations & Compliance

KEY COMPLIANCE PAIN POINTS

- **Rising Regulatory Intensity**
- **High Cost of Compliance**
- **Low Visibility + Reactive Systems**

WHERE THE SYSTEM BREAKS DOWN

Cost Burden:

- ₹100 crore+ in identified annual regulatory penalties
- 5–15% of revenue spent on compliance across tech, talent, and processes
- True cost is higher once remediation and business disruption are included

Operational Weakness:

- Compliance remains fragmented, manual, and people-heavy
- Periodic reviews struggle to keep pace with changing regulations
- Internal workflows, communications, and SOPs are rarely mapped in real time

Regulatory Complexity:

- DPDP and tighter RBI oversight are increasing compliance intensity
- Institutions need continuous monitoring, not point-in-time checks
- Mis-selling, policy breaches, and delayed reporting create compounding risk

WHERE AI CAN SOLVE

1. **Agentic Regulatory Intelligence**
2. **Compliance Copilots**
3. **AI-Native Surveillance**
4. **AI Content Compliance**

THEMES WE'RE EXCITED TO BACK

Theme 2: AI x Insurance

KEY INSURANCE GAPS

- Low Insurance Penetration
- Low Trust + Awareness
- One-Size-Fits-All Products

WHERE THE SYSTEM BREAKS DOWN

Market Gap:

- ~3.7% insurance penetration in India, still far below global levels
- Low awareness and trust continue to suppress adoption
- Relevance often becomes visible only when it is too late

Product Mismatch:

- Insurance is still distributed as standardised, one-size-fits-all coverage
- Products rarely reflect real lifestyle, income, or risk context
- Affordability and clarity remain major barriers

Distribution & Experience Friction:

- Policy discovery and decision-making remain too complex for first-time users
- Claims journeys are still manual, opaque, and friction-heavy
- Weak post-purchase experience limits trust and retention

WHERE AI CAN SOLVE

1. Personalized, Context-Aware Insurance
2. Insurance Copilots for Discovery
3. Embedded & Bite-Sized Insurance
4. Agentic Claims Systems

THEMES WE'RE EXCITED TO BACK

Theme 3: Wealth Management for Bharat

KEY WEALTH GAPS

- Rising Investor Base
- Advice Supply Gap
- High Decision Fatigue

WHERE THE SYSTEM BREAKS DOWN

Macro Tailwinds:
- ~₹1.7 lakh per capita income; middle class headed toward 500–600 million
- Rising discretionary income is expanding the wealth management opportunity
- India is entering a new phase of financial participation

Investor Participation Is Scaling:
- 17 crore+ mutual fund folios
- 13 crore+ DEMAT accounts
- ₹18,000–20,000 crore in monthly SIP inflows

Advice & Product Friction:
- Advice supply has not kept pace with investor demand
- Users face decision fatigue across products and asset choices
- Fintech incentives often lag user aspirations and long-term goals

WHERE AI CAN SOLVE

1. **AI Personal Finance Apps**
2. **Behavioral Wealth Copilots**
3. **Goal-Based Investing Systems**
4. **NRI Wealth Platforms**

KEY CONSIDERATIONS

What builders in AI financial services need to get right

DATA PRIVACY & LOCALIZATION

- Financial data is highly sensitive and subject to strict localization requirements
- AI systems must comply with India-specific norms on data storage, processing, and model training
- Strong consent architecture and auditability will be critical as scrutiny rises

RBI & REGULATORY EVOLUTION

- AI regulation in financial services is still evolving, with RBI taking a cautious, iterative approach
- Companies must stay compliant with existing norms across KYC, AML, lending, and customer protection
- Compliance needs to be built into the core product layer, not added later

LONG SALES & ADOPTION CYCLES

- Financial institutions remain risk-averse, leading to long enterprise sales cycles
- Legacy integrations and workflow complexity can slow deployment materially
- Early traction may come from focused wedges, not full-stack transformation from day one

MOAT & DEFENSIBILITY

- AI alone is not a moat; defensibility comes from workflow integration and decision-system depth
- Proprietary data and feedback loops will improve performance over time
- Trust and regulatory alignment can become durable moats in sensitive categories

The strongest players will combine privacy, workflow depth, proprietary data, and regulatory alignment to build durable advantages in AI-led financial services.

SARDINE AI CASE STUDY

AI-Native Fraud, AML, and KYC Infrastructure

ABOUT

Sardine is a B2B AI platform that helps banks, fintechs, payment processors, and crypto exchanges detect fraud, automate AML compliance, and streamline KYC.

- Headquarters: San Francisco, California
- Raised $240Mn+
- Serves 300+ enterprise clients
- Works across onboarding, payments, and risk monitoring
- Differentiates through behavioral biometrics
- Profiles device and session behavior in real time

WHAT PROBLEM IS SARDINE SOLVING?

- Legacy fraud systems can produce false positive rates as high as 95%
- Alert volumes have risen 800% at many institutions
- Manual reviews can take 25+ minutes per case
- Good customers get blocked while teams drown in alerts
- Fraud and AML teams often still operate in silos

RISK ENGINE (BEHAVIORAL + DEVICE INTELLIGENCE)

- Tracks mouse movement, typing cadence, and session patterns
- Moves beyond static identity checks
- Distinguishes real users from fraudsters and bots
- Scores risk across the full customer lifecycle
- Built on 2.2Bn+ profiled devices

Behavior signals + network data + full-lifecycle risk scoring

HOW AI CHANGES THE EQUATION

- Automates alerts, KYC edge cases, and sanctions checks
- Brings fraud and AML together in one FRAML stack
- Reduces manual review burden materially
- Speeds up risk decisions with richer context
- Uses behavioral biometrics as a differentiated signal layer

NUMBERS THAT MATTER

- 130% ARR growth in 2024
- Customer base nearly 2x
- 300+ enterprise customers
- 88% KYC auto-resolution rate
- Up to 4x ROI on onboarding and alerts

Sardine sits at the intersection of two structural tailwinds: rising AI-powered financial crime and tighter compliance demands. Its moat comes from behavioral data, workflow automation, and a signal layer that rules-based fraud vendors cannot easily replicate.

CONCLUSION

1. AI is beginning to re-architect financial services at the infrastructure layer, not just the interface layer. With 50%+ of BFSI budgets still tied up in operational workflows, the biggest early gains will come from turning labour-heavy service layers into software-native systems.

2. India is especially well positioned for this shift because large financial demand pools already exist, but the product stack is still under-served. Insurance penetration remains at just ~3.7% of GDP, versus 7%+ globally, creating room for AI-led products that improve relevance, discovery, pricing, and claims experience.

3. Wealth is another powerful unlock. India's per capita income has crossed ~₹1.7 lakh, mutual fund folios have scaled from ~6 crore to 17 crore+, DEMAT accounts from ~3 crore to 13 crore+, and monthly SIP inflows now exceed ₹18,000–20,000 crore. The demand for financial advice is growing far faster than the supply of high-quality, personalized guidance.

4. Some of the strongest opportunities sit where AI can improve both economics and trust. Compliance alone is already a major cost center, with identified regulatory penalties running into ₹100 crore+ annually, while institutions spend an estimated 5–15% of revenue on compliance across talent, technology, and processes. This makes compliance a strong category for software-led disruption.

5. The next set of winners will not be defined by models alone. They will pair intelligence with workflow depth, proprietary data, regulatory alignment, and trust. That is especially true in categories like wealth, where the addressable market is expected to exceed $1 trillion in financial assets over the next decade, and in NRI finance, where annual remittance inflows already exceed $125 billion.

IF YOU'RE BUILDING IN THIS SPACE, REACH OUT!

Eximius Ventures

Investing in Founders

From Ideation to Execution

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