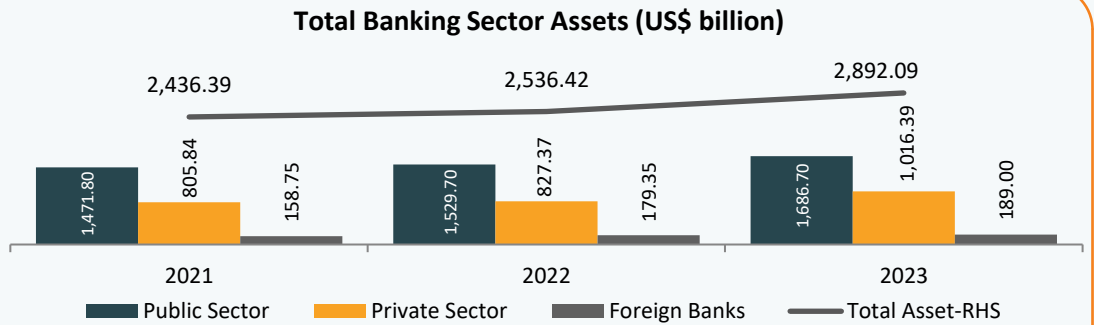




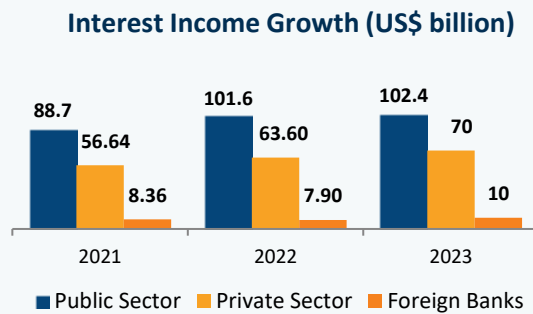
BANKING



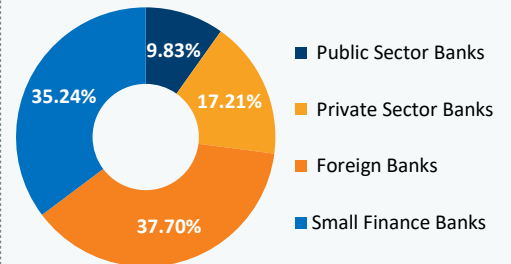
MARKET SIZE



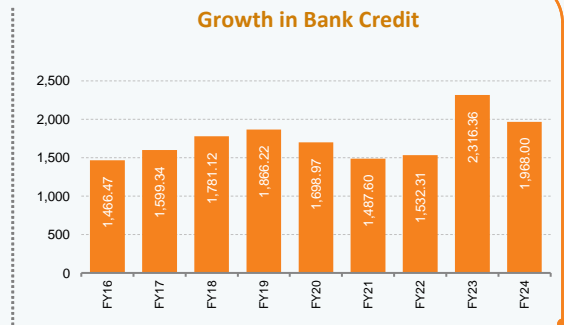
SECTOR COMPOSITION



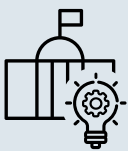
Breakup of Banks in India (FY23)



KEY TRENDS



Note: * Until March 2024



GOVERNMENT INITIATIVES



Atal Pension Plan



Pradhan Mantri Suraksha Bima Yojana (PMSBY)



Pradhan Mantri Jeevan Jyoti Bima Yojana



ADVANTAGE INDIA

- Robust demand:** Demand seems particularly strong when it comes to the critical need of protecting consumer data, where incumbent banks have a trust advantage. India has the 3rd largest FinTech ecosystem globally. BCG predicts that the proportion of digital payments will grow to 65% by 2026. Indian Fintech industry is estimated to be at US\$ 150 billion by 2025. India has the 3rd largest FinTech ecosystem globally.
- Innovation in Services:** In November 2022, RBI launched a pilot project on central bank digital currency (CBDC). In Union Budget 2023, the KYC process will be streamlined by using a 'risk-based' strategy rather than a 'one size fits all' approach.
- Business Fundamentals:** Digital modes of payments have grown by leaps and bounds over the last few years. As a result, conventional paper-based instruments such as cheques and demand drafts now constitute a negligible share in both the volume and value of payments. As on April 2024, there were 581 banks actively using UPI. The total number of digital transactions during this period amounted to 15.08 billion, with a total value of Rs. 2.1 trillion (US\$ 25.27 billion).
- Policy Support:** The RBI has launched a pilot to digitalize KCC lending in a bid for efficiency, higher cost savings, and reduction of TAT. This is expected to transform the flow of credit in the rural economy. In Union Budget 2023, a national financial information registry would be constructed to serve as the central repository for financial and ancillary data.