



Next-Gen Banking for A Viksit Bharat

A Blueprint for more Inclusive, Resilient,
and Sustainable Banking





Preface

India's vision of becoming a Viksit Bharat, a developed nation by 2047—marks a bold national ambition. Achieving this goal requires the financial sector to transform not incrementally, but exponentially. This is not just about serving over a billion citizens; it's about shaping a future where banks are not mere intermediaries but architects of inclusive growth, trust, and innovation.

Today, India stands as the world's fifth-largest economy with a GDP of \$3.73 trillion as of 2023. However, to achieve its Viksit Bharat vision and transform into a developed nation by 2047, the country must sustain an average annual growth rate of 8% over the next two decades, as outlined in the Economic Survey 2024–25. Meeting this target will require the financial sector to significantly expand its scale, deepen its reach, and build greater resilience. According to BCG, banking assets must expand nearly fifteenfold from \$3.1 trillion today to \$45 trillion by 2047, while broader financial assets should grow from \$6.4 trillion to \$120 trillion.

Fortunately, India has laid a strong foundation. Over 531 million Jan Dhan accounts have advanced basic financial inclusion. In January 2025, the Unified Payments Interface (UPI) processed over 16.99 billion transactions, amounting to a transaction value exceeding ₹23.48 lakh crore, setting a new monthly record. The banking sector is showing strong performance, with 15% credit growth in FY24 and record net profits of ₹3 lakh crore (approximately \$35 billion). Government-led initiatives such as PM SVANidhi, Mudra, and CGTMSE are helping catalyze MSME and entrepreneurial credit.

The role of India's banking sector in realizing the Viksit Bharat vision is pivotal and multifaceted. Banks should also embrace AI and data-centric banking

to deliver hyper-personalized, efficient, and secure services at scale. Scaling next-generation deposits is critical to funding the credit boom. Banks must fuel MSME and agri lending with new risk models and digital underwriting, addressing the persistent \$530 billion MSME credit gap.

Reimagining intelligent payments will be key to making transactions seamless, safe, and invisible. Banks must also advance digital tokens and unified ledgers, in line with the RBI's plans for a retail Central Bank Digital Currency (CBDC). At the same time, banks need to embed ESG principles across lending, investments, and operations, supporting India's net-zero targets by 2070.

Elevating financial inclusion and literacy remains a cornerstone priority. Finally, enhancing digital engagement will define the future of Viksit banking.

The government has outlined a clear framework for Viksit Bharat, centered on inclusive development, economic growth, environmental sustainability, and robust infrastructure. The financial sector will be instrumental in delivering on this agenda. **This report outlines nine strategic priorities to guide the sector's transformation.**

For Indian banks, the path to 2047 isn't about catching up with the world—it's about leading it, responsibly and intelligently. The following pages unpack these priorities—highlighting where the industry stands today, current challenges, strategic imperatives, the way forward, and case in point examples. We hope this report serves as a guideline as you shape your bank's strategies to realize this vision.

References:

[DD NEWS](#)

[ET Government](#)

[ETBFSI](#)

[Government of India | Press Information Bureau](#)

1 Scaling Next-Gen Deposits

Shaping the Future of Savings and Wealth Journeys

India's bank deposits grew by 13% year-on-year in FY24, yet credit growth outpaced this at 16.3%, leading to rising loan-to-deposit ratios and intensifying the need for stable funding sources. Meanwhile, retail investors lost nearly ₹60,000 crore in equity derivatives (F&O) in FY23–24, prompting a rethink of the shift from traditional savings to riskier capital market instruments.

To remain central in customers' wealth and financial well-being journeys, financial institutions should look at re-imagining deposits, not just as products. This means innovating across product design, digital processes, policy frameworks, and delivery, while using technology to embed savings into everyday life.

India's ambition to become a \$30 trillion economy by 2047 necessitates a resilient deposit base to fund growth. Financial institutions have a pivotal role in channeling this capital into the formal economy. **By creating relevant and tailored deposit products delivered at the right place & time, building robust deposit marketplaces, and personalizing and gamifying deposits, financial institutions can expand reach and strengthen long-term foundations.**

References:

[The Hindu BusinessLine](#)

[ThePrint](#)

[The Economic Times](#)

[Triodos Bank](#)



Deposits Reinvented

Ideas That Moved the Needle

1 Triodos Bank Netherlands

offers “*impact driven savings accounts*” where depositors can choose to support sectors like renewable energy, social housing, or sustainable agriculture. Customers can view exactly where their money is being invested, building transparency and trust.

3 Emirates NBD Dubai

created Game on Deposit, a gamified fixed deposit that offered a higher interest rate to customers who correctly predicted the best-performing teams in a major football tournament.

Finacle powers next-gen deposits with faster product launches, real-time insights, and hyper-personalization capabilities.

2 Hatton National Bank Sri Lanka

launched Fitness App that unites banking with the customers' lifestyle, incentivizing customers to lead a healthy life. Customers that achieve their health goals get up to 8% additional interest.

Key Imperatives to Drive Innovative Deposit Models

1. **AI-Driven Deposit Syndication** – Anchor banks can use AI to allocate deposits across institutions in real time, optimizing returns and managing risk across NBFCs, SFBs, and PSBs.
2. **Gamified Micro-Savings** – Drive daily saving habits with apps that reward users for consistency through credit points and small goals.
3. **Digital Gullak Banking** – Digitize the traditional gullak by auto-routing savings into goal-based pockets like education, travel, or emergencies.
4. **Smarter Customer Data Use** – Use data-driven insights to personalize offerings, cross-sell effectively, and retain high-value depositors.
5. **Bundled Deposits** – Create hybrid offerings combining FDs, gold, and ETFs for risk-averse savers seeking steady, diversified returns.
6. **Segmented Products** – Offer tailored deposit plans for youth, seniors, women, gig workers, and rural users—e.g., ₹100 micro-deposits for female laborers.
7. **Generational Wealth Retention** – Strengthen family banking and succession engagement to retain deposits across generations.
8. **Social Impact Credits (SICs)** – Let customers earn credits for social contributions, redeemable for benefits or held in high-yield accounts.
9. **Cause-Linked Deposits** – Enable savers to support causes like clean energy or education while earning returns, with regulatory support for higher-yield impact deposits.

In shaping the future of savings, Indian banks are poised not just to compete globally but to inspire it.

2 Fueling MSME and Agri Lending

Force Multipliers for Holistic Growth

Micro, Small and Medium Enterprises (MSMEs) and agriculture together employ nearly half of India's workforce. Yet, agriculture contributes just 18% to GDP, and MSMEs around 30%, revealing a significant gap between potential and productivity. Unlocking the true value of these sectors is key to achieving the \$30 trillion economy target by 2047.

Government initiatives, such as PM-Kisan, e-NAM, Agriculture Infrastructure Fund, PM Mudra Yojana, and Udyam Assist, have laid the foundation for formal credit access and infrastructure. However, persistent issues remain: a \$530 billion MSME credit gap, limited agri-finance reach, and risk-averse lending practices.

Financial institutions need to move beyond traditional lending roles to become ecosystem orchestrators and play the role of strategic partners. **With AI, analytics, and modern risk frameworks, they can unlock granular insights into MSME and farmer cash flows, enabling more accurate credit scoring, tailored underwriting, and dynamic loan lifecycle management. Further, blockchain-enabled trade networks that integrate suppliers, buyers, GST systems, and financiers can streamline credit delivery, reduce fraud, and support MSMEs at scale in a cost-effective manner.**

References:

The Financial Express
[ET.CFO.com](#)
FICCI
The Hindu
NABARD Research Study



Lending Reimagined

Transformation Stories that Inspire

1 Union Bank of Philippines Philippines

provides a digital platform for SMEs that gives them access to a variety of banking and non-banking services, such as financial and business consulting services at an affordable cost. The bank generated close to 90 MUSD in revenue in a short time of launch.

2 Leading North American Bank USA

powers an e-commerce giant's small business credit line with business financing options extended to eligible sellers with 100% digital application process. Small businesses who sell on the platform can avail revolving credit lines from e-commerce player, powered by the bank.

3 M-Shwari Kenya

offers microloans to first-time borrowers based on telecom data like airtime usage and mobile money activity, thereby helping thousands of MSMEs manage cash flow and grow their businesses.

Finacle brings rich experience in digital lending transformation with 480+ lending deployments globally through its next-gen lending platforms.

Key Imperatives to Drive Next-Gen Lending

Access to Credit

India's MSME sector faces a credit gap of ₹20–25 lakh crore, with nearly half of credit demand unmet and only 14% accessing formal finance. In agriculture, just 28% of farmers avail credit schemes, despite 58% being aware—largely due to collateral hurdles and procedural complexity.

The way forward:

- **Use GST and Cash Flow Data:** Encourage MSME GSTN registration to enable digital, cash-flow-based credit scoring.
- **Adopt OCEN and ULI Frameworks:** Streamline data exchange and enable tailored, fast credit through open protocols.
- **Embed Finance in Marketplaces:** Offer invoice discounting, flexible loans, and value-added services via digital B2B and agri platforms.
- **Tokenize Physical Assets:** Use DPI and asset tokenization to convert informal assets into credit-worthy digital records, expanding underwriting potential.

Access to Markets

In India, farmers' income varies across states and crops, and MSMEs often face fragmented supply chains and uneven geographic distribution. Climate risk, price volatility, and migration compound the challenge.

The way forward:

- **Build Digital Marketplaces:** Enable transparent price discovery and embedded credit through agri and SME commerce platforms.
- **Offer Multilingual AI Assistance:** Use voice-enabled, local-language AI to share real-time market info, weather alerts, and financial literacy content.

By reimagining access and ecosystems, Indian banks can lead the world in inclusive, productivity-led credit innovation

3 Reimagining Intelligent Payments

Making Transactions Secure, Intuitive, and Inclusive

In 2024, UPI processed around 172 billion transactions, marking a 46% increase from 117.64 billion in 2023. This sets a global benchmark in real-time, low-cost, and secure digital payments. This rapid scale brings new challenges: sustaining infrastructure reliability, ensuring transactional trust, and expanding access to every citizen.

As India aspires to become a \$30 trillion economy, financial institutions have a critical role in shaping a next-generation payments ecosystem—one that is intelligent, secure, and universally accessible.

To drive the Viksit Bharat 2047 vision, financial institutions need to focus on four areas strengthening digital payments infrastructure to handle surging volumes, enhancing cybersecurity, promoting digital literacy, and designing inclusive, intuitive experiences that serve every Indian, effortlessly and securely.

References:

[Press Information Bureau](#)

[Forbes](#)

[Financial Review](#)



Payments Reinvented

What's Working Around the World

1 Project Aber

KSA + UAE

A collaborative initiative between the central banks of Saudi Arabia and the UAE, supported by six commercial banks, explored the feasibility of a dual-issued digital currency for domestic and cross-border settlements using distributed ledger technology. The project demonstrated enhanced efficiency, reduced costs, and improved security.

3 A US-based Bank

USA

In August 2024, Switzerland's SIC Instant Payments (SIC IP) went live. Powered by Finacle Payments, one of the world's largest banks in the US and the world achieved this milestone, enabling real-time payments across the country.

Finacle Payments Suite empowers financial institutions to successfully transform and modernize their payments landscape to deliver real-time, frictionless payments experiences – anytime, anywhere.

2 PayPal

USA

launched voice-enabled payments to offer a seamless, secure experience using voice commands. This innovation reduces transaction times and enhances accessibility.

Key Imperatives to Revolutionize the World of Payments

1. **Accelerating Adoption of Invisible Payments:** Implement invisible payments through wearables, IoT devices, biometrics, and voice-activated systems, like auto payments and checkout-free options to enhance convenience and efficiency. These methods simplify transactions, expanding financial service access to rural and underserved populations. By catering to varying digital literacy levels, they ensure inclusivity.
2. **Smart and Embedded Payments:** Offer a unified card, like Hong Kong's Octopus card, for secure and accessible payments, enabling transactions for transport, utilities, shopping, dining, and hospital bills. This fosters digital inclusion, particularly in underserved regions, by integrating IoT devices.
3. **Cross-Border Payments Settlement:** Central Bank Digital Currencies (CBDCs) and advanced payment technologies can foster economic growth and innovation. Leveraging efficient cross-border payment systems, banks can reduce costs and speed up transactions, promoting smoother financial flows between nations. This will position India as a leader in cross-border payments, supporting international trade and economic integration.
4. **Digital Currencies to Serve the Underserved:** CBDCs can bridge the financial access gap for underserved population by offering secure, accessible alternatives to traditional banking.

With India already setting the pace, the next leap in payments will not come from catching up but by building ahead.

4 Advancing Digital Tokens and Unified Ledgers

Building Trust in a Tokenized Future

The retail pilot for Central Bank Digital Currency (CBDC) reached 5 million customers by early 2024, signaling early momentum in tokenized finance. The Reserve Bank of India is also exploring tokenized deposits and unified ledgers—cornerstones of a new financial infrastructure.

However, scaling these innovations poses significant challenges. Fragmented legacy systems, regulatory uncertainties, and limited interoperability slow progress.

To realize the Viksit Bharat 2047 vision, financial institutions need to move beyond pilots.

This includes issuing digital tokens across asset classes to unlock wealth, adopting unified ledgers, embedding smart contracts, and ensuring guaranteed transaction finality. Also, financial institutions must collaborate on regulatory modernization to ensure trust, clarity, and seamless token-based commerce.

References:

Business Standard
[diadata.org](https://www.business-standard.com)
Cointelegraph



Beyond Cash

Real-World Breakthroughs

1 Pax Gold (PAXG) USA

Pax Gold (PAXG) is a regulated digital token issued by Paxos Trust Company, where each token represents one fine troy ounce of a London Good Delivery gold bar. These physical gold bars are securely stored in LBMA-approved vaults. Investors have the flexibility to redeem their tokens for physical gold or fiat currency, thereby avoiding traditional settlement delays.

2 Project Agora Global

led by the Bank for International Settlements (BIS), tests a unified ledger for wholesale cross-border payments using tokenized commercial bank deposits and central bank money. It aims to cut costs, speed up settlements, and boost transparency. With backing from seven central banks, it marks a key move toward global interoperability in tokenized finance.

Finacle empowers financial institutions to responsibly explore, adopt, and scale digital asset solutions aligned with India's regulatory and innovation priorities.

Key Imperatives for Building a Tokenized Financial System

1. **Digital Tokens for Inclusive Asset Ownership** – Tokenize assets like real estate, IP, and virtual goods to unlock liquidity, especially for asset-rich but cash-poor populations. These tokens can serve as collateral or investment instruments, expanding market access.
2. **Unified Ledgers for Trust and Transparency** – Use distributed ledgers to ensure real-time, tamper-proof transaction records, enabling instant audits and reducing fraud without legacy intermediaries.
3. **Finality and Pre-Verified Execution** – Build systems with irreversible transactions and embedded fraud checks to reduce disputes and enhance trust.
4. **Smart Contracts for Automation** – Deploy pre-coded, regulatory-aligned smart contracts to streamline and enforce financial agreements.
5. **Scalable Infrastructure** – Overhaul legacy systems to support tokenization and interoperable, high-volume digital transactions.
6. **Clear Legal and Regulatory Standards** – Define rules around ownership, liability, and control to protect participants and ensure systemic integrity.
7. **Global Regulatory Alignment** – Foster international cooperation for seamless, compliant cross-border digital transactions.

India has the regulatory vision and digital backbone to define how tokenized finance works for the world, not just within it.

5 Cloud & Infrastructure Modernization

Building Muscle for India's Growth

India's aspiration to become a developed nation by 2047 hinges on a robust, secure, and scalable digital foundation—and cloud computing lies at the heart of this transformation. As the backbone of India's DPI, cloud technology enables inclusive growth, resilient service delivery, and innovation at scale. The momentum is evident: India's public cloud services market is expected to triple from \$8.3 billion in 2023 to \$24.2 billion by 2028, fueled by rising digital demand, fintech innovation, and the rapid expansion of DPI platforms such as Aadhaar, UPI, DigiLocker, and ONDC.

To scale effectively, financial institutions need to co-create cloud-ready microservices with DPI custodians, build multilingual apps for last-mile inclusion, and open cloud-based APIs to integrate fintechs, NBFCs, and insuretechs under a Banking-as-a-Service model. Securing this future demands zero-trust security frameworks, phased cloud adoption strategies anchored in India-based infrastructure, and regulatory-first governance aligned with RBI, MeitY, and DPDP guidelines. Equally vital is the creation of a cloud-fluent workforce equipped to drive innovation and resilience in line with the Viksit Bharat vision.

To realize the Viksit Bharat Vision, financial institutions must view cloud not merely as a cost lever but as a value multiplier.

References:

IDC: Indian Public Cloud Services Market to Reach \$25.5 Billion by 2028, Growing at a CAGR of 24.3%



Embracing Cloud

Innovation Stories from around the world

1 Mizuho Financial Group Japan

developed a digital marketing platform on cloud, aimed at delivering hyper-personalized customer experiences. By integrating behavioral data across multiple channels, the bank enhanced its ability to provide timely and tailored communications to customers. This initiative is part of Mizuho's broader digital transformation strategy to meet evolving customer needs in the digital era.

2 Banco Sabadell Mexico

pioneered a 100% digital banking model by migrating its infrastructure to public cloud. This strategic move enabled the bank to modernize applications, ensuring scalability, flexibility, and compliance with local regulations.

Finacle partners with financial institutions on their cloud journeys, balancing compliance, scale, and resilience with India's unique needs

Key Imperatives to Successfully Leverage Cloud

1. **Develop Cloud-Ready DPI-Native Service Blueprints:** Engage with custodians of India's DPI to jointly develop cloud-deployable microservices for key platforms such as the Unified Payments Interface (UPI), Open Credit Enablement Network (OCEN), Aadhaar, and the Account Aggregator (AA) framework, enabling seamless, plug-and-play integration into banking systems.
2. **Integrate Fintech Ecosystems via Cloud APIs:** Open cloud-based API gateways to onboard fintechs, NBFCs, and insuretechs under the Banking-as-a-Service (BaaS) model.
3. **Institutionalize a "Zero Trust" Cloud Security Model:** Implement zero-trust principles with cloud-native identity management, encrypted traffic, and AI-driven anomaly detection.
4. **Establish a Regulatory-First Cloud Governance Framework:** Establish an internal Cloud Governance Board to define cloud policies, ensure that cloud adoption aligns with the requirements set by regulatory bodies and frameworks such as the Digital Personal Data Protection (DPDP) Act, Reserve Bank of India (RBI) guidelines, and Ministry of Electronics and Information Technology (MeitY) regulations, and to oversee risk management across the cloud lifecycle.
5. **Embrace a Phased Approach to Cloud Adoption:** Start with hybrid models - migrate non-core workloads first; containerize and migrate core workloads gradually using private cloud. Partner with cloud providers offering India-based data centers and architect for geo-redundancy, data localization, and operational resilience.
6. **Transition To Cloud-Native Digital Banking Platforms:** Re-architect legacy systems holistically into microservices with containerized deployments, API-first design, and CI/CD pipelines.
7. **Create a cloud-fluent, innovation-ready Banking Workforce:** Establish internal cloud CoEs and training programs to skill employees in DevOps, cloud security, and emerging tech.

As India's DPI scales, banks have a unique chance to demonstrate how cloud-first innovation delivers real-world resilience.

6 Humanizing Banking

Driving 'Experience Democracy'

While technology has unified and accelerated banking across the country—evident in the rise of UPI, mobile banking, and digital KYC—it has also brought a new challenge: preserving the personal touch in an increasingly standardized system.

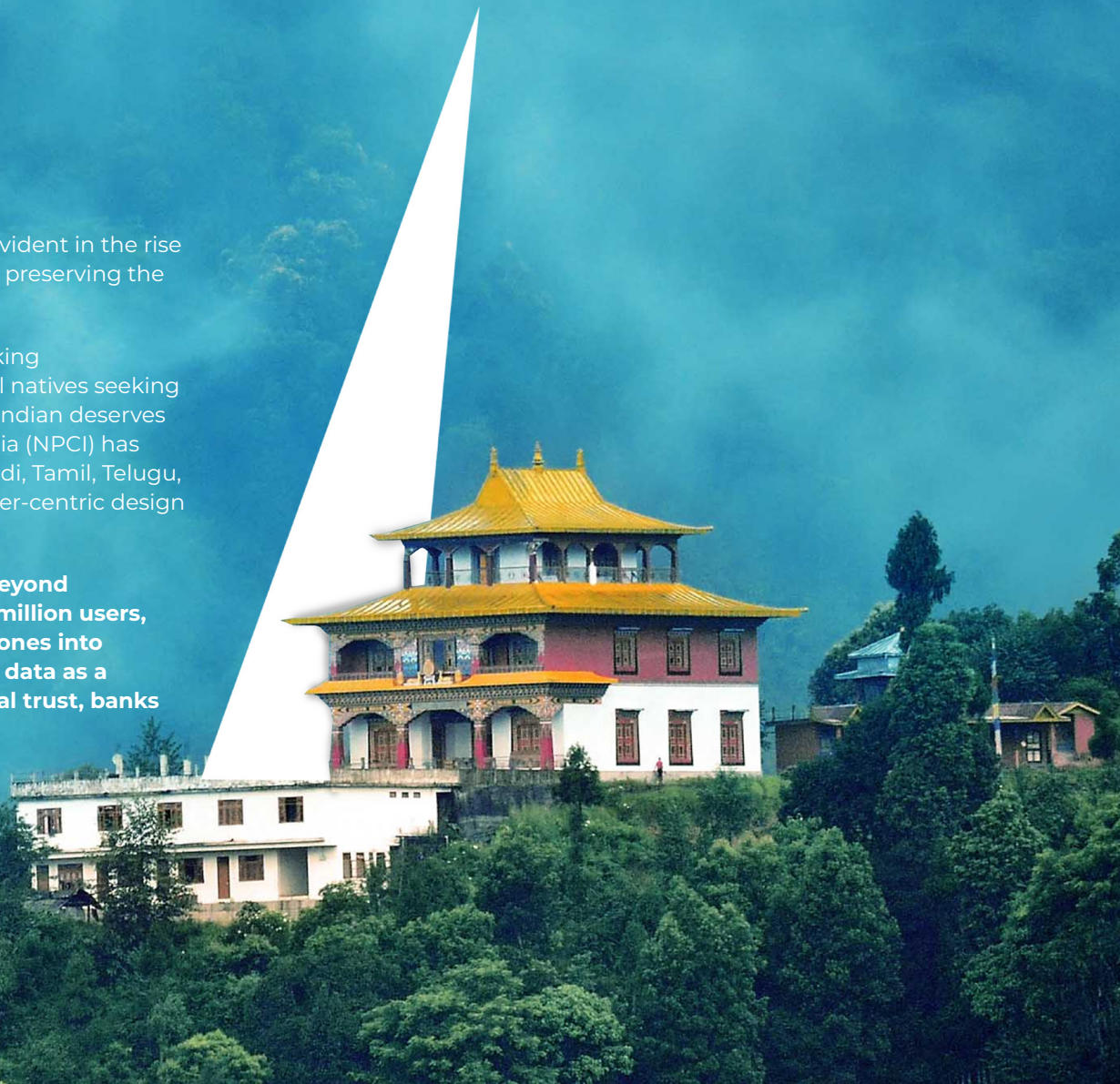
The Viksit Bharat vision calls for a new paradigm: personified diversity in banking experiences. From those who value face-to-face branch interactions, to digital natives seeking personalization online, and the unbanked still waiting to be included – every Indian deserves a system that feels uniquely theirs. The National Payments Corporation of India (NPCI) has introduced voice-enabled UPI payments in multiple regional languages—Hindi, Tamil, Telugu, Malayalam, Kannada, and Bengali—underscoring the need for hyper-local, user-centric design in financial services.

To build this experience democracy, financial institutions need to move beyond uniformity. This means scaling personalized experiences for the next 100 million users, designing modular, self-configuring products, and transforming smartphones into intuitive financial companions. By embedding language inclusivity, using data as a personal asset, reducing bureaucratic friction, and institutionalizing digital trust, banks can make every interaction relevant, inclusive, and truly human.

References

DBS

[Fidor Bank](#)



Banking Experience Reimagined

Global Success Stories

1 Nequi by Bancolombia

Colombia

issued more than 96,000 lifesaver loans seamlessly, valued at COP 19.4 billion to more than 35,000 unique customers. The loan, required no documentation, co-debtors or guarantees, is credited within 5 minutes through the Nequi app and has a maximum repayment period of a month.

3 Fidor Bank

Germany

introduced 'Fidor Smart Current Account' which integrates social media features, allowing users to interact, share, and save together. The bank's online community enables customers to ask questions, provide feedback, and even vote on product development decisions.

Finacle provides a versatile platform for banks to blend digital efficiency with meaningful human engagement experiences for an emerging India.

2 Nav Planner, by DBS Bank

Singapore

provides personalized, advisory for retirement planning, investment strategies, and ongoing expense tracking, all within DBS Bank's mobile app. It uses AI to adapt its recommendations based on a user's financial behavior.

Key Imperatives to Streamline Customer Journeys

1. **Scale Personalized Banking** - Harness data-driven insights, open data models (like account aggregators), and conversational interfaces to deliver tailored products and services at scale.
2. **Design Products for the User** - Shift from one-size-fits-all to "build-your-own" offerings, atomic, modular products that self-assemble based on user needs, usage, and context. Enable "pay-as-you-go" financial tools.
3. **Turn Personal Devices into Banking Agents** - Leverage pre-set preferences, voice and video interfaces, and AI-driven recommendations to create deeply personal and intuitive experiences.
4. **Leverage Data as a Personal Asset and Digital Collateral** - Position banks as custodians of personal data, going beyond money management to enable identity verification, alternative creditworthiness, and intelligent guidance across financial and non-financial life events.
5. **Embed Language Inclusivity through AI** - Democratize access by enabling local language interactions across digital channels. Use GenAI to support multi-lingual, voice-first interfaces that adapt to regional dialects, without compromising the developer ecosystem's reliance on English as a common backend standard.
6. **Eliminate Bureaucratic Friction with Mission-Mode Precision** - Remove productivity-draining steps across the banking journey, bridging physical-digital divides, curbing irrelevant digital noise, and promoting opt-in, privacy-first engagement models.
7. **Institutionalize Trust through Cyber Vigilance** - Scale awareness and infrastructure to combat cyber threats, supporting digitized law enforcement, cybercrime tracking, and Online Dispute Resolution (ODR).

From vernacular UIs to personalized journeys, India can make inclusive, human-centered banking a global benchmark.

7 Championing AI and Data-Centric Banking

Intelligence That Powers Banking Excellence

India's banking sector stands at the edge of a transformative leap, from digital enablement to systemic intelligence. The launch of India Stack 2.0 and RBI's pilots with AI-powered conversational payments on UPI reflect a national ambition to embed intelligence into public digital infrastructure. Yet, sector-wide AI maturity remains nascent as adoption is often siloed. Further, legacy systems and fragmented data ecosystems continue to constrain the shift to scalable, real-time intelligence.

As India charts its path to Viksit Bharat, financial institutions need to move from transactional legacy cores to intelligent, event-driven, and API-first platforms. **They should deploy full-stack AI—across customer experience, compliance, credit, and treasury—and adopt explainable, ethical models that inspire trust. Personalization must go beyond access, using behavioral data, alternate data models, and vernacular interfaces to serve India's underserved with precision.** The future of banking in India hinges not just on using AI but on reimagining banking through it.

References

Finextra
HSBC
BBVA
Scotiabank
Forbes

Banking Reimagined with AI

Success Stories Beyond the Hype

1 JPMorgan Chase USA

is re-architecting the enterprise with an LLM Suite - a solution designed to serve as a research analyst, enhancing productivity and supporting decision-making.

3 BBVA Spain

is developing AI-enabled products and services for its corporate clients, including financing solutions for SMEs and small businesses that are tailored to their POS billing data.

Finacle empowers financial institutions to embed responsible AI across the value chain, grounded in trust, compliance, and contextual intelligence

2 HSBC United Kingdom

has made a bold shift to a cloud-based, machine-learning-powered system as its main defense against money laundering.

4 Scotiabank Canada

has expanded its focus on data ethics, ensuring responsible use, management, and protection of customer data guided by principles of accountability, transparency, and security.

Key Imperatives to Become an AI-First Enterprise

1. **Re-architect the enterprise around data and AI** – Adopt an AI-native posture across the organization by embedding machine learning and GenAI into lending, risk, operations, and compliance. Prioritize explainability, bias mitigation, and regulatory alignment while exploring shared utilities for cost-effective AI enablement.
2. **Modernize IT infrastructure** – Accelerate the shift to cloud-native cores, event-driven architectures, and composable platforms. This unlocks scale, agility, and faster time-to-market especially critical for innovation with fintechs and embedded finance partners.
3. **Design Inclusion 2.0 with intelligence and empathy** – Leverage AI-driven segmentation, alternate data, and behavioral models to serve the informal workers, rural customers, and micro-enterprises, with tailored, human-centric financial solutions.
4. **Unlock capital access through AI-powered open finance platforms** – Use consent-driven data and predictive intelligence to streamline customer journeys, automate credit delivery, and widen access to capital for underserved segments.
5. **Strengthen risk and compliance with AI-driven surveillance and decisioning** – Deploy intelligent systems to detect anomalies, flag non-compliance, and automate decision-making.
6. **Ensure enterprise resilience with unified data governance** – Implement robust data governance, privacy engineering, and lineage tracking to support trustworthy AI, mitigate risk, and meet evolving regulatory standards.
7. **Institutionalize learning, ethics, and innovation** – Establish AI and data CoEs to foster responsible design, upskill teams on AI fluency and data storytelling, and create industry-wide sandboxes for innovation in areas like digital lending.

India's diverse digital public infrastructure is enabling the development of responsible and impactful AI applications in banking.

8 Embedding ESG at the Heart of Banking

Driving Purpose-Led, Sustainable Growth

To realize the Viksit Bharat 2047 vision, it demands a transformative approach to economic growth—one that is sustainable, inclusive, and resilient. Achieving a \$30 trillion economy while committing to net-zero emissions by 2070 underscores the critical role of Environmental, Social, and Governance (ESG) principles in the financial sector.

Financial institutions are uniquely positioned to catalyze this transformation by integrating ESG considerations into their core operations, thereby unlocking new markets, fostering innovation in green finance, reimaging business models, promoting responsible lending, and creating value-driven services. This shift transcends regulatory compliance; it is a strategic imperative that aligns financial performance with societal progress. As climate risks intensify and social inequalities persist, the banking sector must embrace ESG not merely as a framework, but as a foundational ethos driving India's journey toward a sustainable and prosperous future.

References

Financial Express
BNP Paribas
The Straits Times
Vancity

ESG in Action

Inspiring Stories from around the world

1

BNP Paribas

France

has championed sustainability for over 20 years, embedding ESG-focused approaches across its business strategy. They have a dedicated global sustainability center that promotes over 40 ESG initiatives, including financing renewable energy projects and has committed 350 billion euros of sustainable bonds and loans by 2025.

2

DBS

Singapore

has committed SGD 89 billion to sustainable financing and has set science-based decarbonization targets for its Scope 3 financed emissions, addressing even the indirect environmental impact of its lending activities.

3

Vancity

Canada

achieved carbon neutrality in 2008, becoming the first North American-based financial institution to do so. It has long been a pioneer in using financial tools to drive social and environmental progress.

Finacle supports financial institutions in embedding ESG into operations and offerings, enabling impact with integrity.

Key Imperatives to Embed ESG in Banking Operations

1. **Make ESG Integral to Business Strategy** – By dedicating resources, banks can unlock lucrative revenue streams like green loans, bonds, carbon trading, and green supply chain financing, driving sustainable growth and long-term profitability.
2. **Sustained ESG Integration** – Implement a holistic approach across lending, embedded finance, and insurance to maximize ESG's full potential, ensuring consistent revenue growth while meeting the global demand for sustainable finance.
3. **Tailored ESG Strategies** – By assessing banks' unique market context and aligning initiatives with business priorities, banks can create a customized ESG plan that enhances impact, drives revenue, and strengthens competitive edge.
4. **Bridging the Climate Finance Gap** – With India facing a potential \$6 trillion economic loss by 2050 if the climate change is not contained, banks have a massive opportunity to lead. ESG-focused lending products can help bridge this gap, creating a new revenue stream and benefiting from the growing demand for climate-conscious finance.
5. **Tech-Driven Emission Reduction** – Digitalization, paperless operations, real-time payments, AI, and cloud migration do more than reduce emissions, they unlock significant cost savings. Invest in these technologies to lead in sustainability and innovation, delivering value for both customers and shareholders.
6. **ESG Investments and Added Incentives** – Banks should offer competitive, high-return ESG investment products to attract more customers. Push for tax incentives (like STCG and LTCG cuts) to further drive capital into sustainable finance, boosting both environmental progress and economic growth.

By aligning purpose with performance, Indian banks can lead the world in embedding sustainability at the core of growth.

9 Elevating Financial Inclusion and Literacy

Taking Banking into Homes and Everyday Lives

Financial inclusion is an economic imperative central to India's Viksit Bharat vision. While initiatives like Jan Dhan, have brought over 500 million people into the formal financial ecosystem, gaps persist.

The challenge now is not just access, but active utilization—ensuring that every citizen actively uses financial services to save, invest, borrow, and protect. Financial institutions need to go beyond traditional models, leverage technology, gain data-driven behavioral insights, and build hyper-local strategies to create profitable, scalable solutions that bring underserved communities into the financial mainstream.

To drive the next wave of financial inclusion, financial institutions need to harness technology to create hyper-local, affordable, and accessible solutions. From vernacular voice UIs to gamified financial literacy and microfinance models, innovation must meet people where they are. Strategic partnerships and data-led personalization will be key to scaling impact sustainably.

References

<https://live.theasianbanker.com/video/tymebank-becomes-south-africas-first-profitable-digital-bank/>

Banking for All

Stories of Impact and Inclusion



is accelerating financial inclusion with DiskarTech, the first multi-lingual digital banking super app in Taglish and Cebuano. With features like 6.5% savings interest, fund transfers, insurance, and more, it brings banking to the Filipino mass market. Backed by QR Ph and Negosyantech, RCBC empowers communities and small entrepreneurs.



enables seamless account opening through kiosks and in-store locations, allowing customers to easily access banking services without visiting a branch. This tech-driven approach brings financial inclusion to underserved communities, simplifying account creation and offering greater accessibility.

Finacle's open architecture empowers financial institutions to weave in financial services seamlessly into the everyday lives of their customers.

Key Imperatives to Drive Financial Inclusion

1. **Vernacular Voice and Visual UIs:** Integrate voice-first, vernacular UX, and intuitive visual interfaces to make banking accessible for the unbanked and differently-abled customers.
2. **Affordable, Low-Cost Products:** Offer zero-balance accounts, no-frills accounts, micro loans, and micro deposits to make banking accessible and affordable for low-income individuals and small businesses.
3. **Automatic, Emotion-Aware Deposits:** Round up daily purchases to the nearest rupee, automatically transferring the difference into micro FDs or RDs, promoting effortless savings.
4. **Human+Tech for the Last Mile:** Combine fintech with on-ground models like assisted kiosks and BC networks, along with mobile banking vans, to extend services to remote and underserved regions.
5. **Segmented Products:** Offer tailored financial products for specific demographics like gig workers, women entrepreneurs, and migrant laborers, addressing unique needs.
6. **Pension and Insurance Inclusion:** Simplify access to pension schemes and insurance products, increasing financial security for underserved groups.
7. **Gamified Financial Literacy:** Engage younger customers and first-time earners with gamified financial education via mobile apps, OTT platforms, and regional language content.
8. **Trust and Consent Infrastructure:** Build a transparent, consent-based data-sharing ecosystem to foster customer trust and broaden digital banking participation.
9. **Cross-Industry Bundling:** Partner with AgriTech, EdTech, and telecom sectors to integrate banking services within trusted ecosystems, increasing adoption, and accessibility.
10. **Microfinance and Community Banking:** Strengthen microfinance institutions and community banks to provide localized solutions and credit facilities in rural and underserved areas.

India's financial inclusion initiatives have empowered millions, fostering a more inclusive and secure society through access to financial services.

A Viksit Bharat rises on the foundation of a Viksit Banking Platform

Enabling Aspirations of Billions with a Composable, Next-Gen Banking Platform

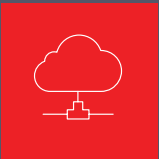
Infosys Finacle stands ready to support the Viksit Bharat vision with a modern, composable banking platform built to fuel India's next wave of growth. Finacle empowers banks with a cloud-native, API-first architecture that is agile, scalable, and secure, capable of supporting everything from real-time payments to inclusive lending, and from regulatory readiness to embedded finance.

Every solution is crafted with modular, fit-for-purpose components that allow banks to evolve at their own pace. These components—honed by over two decades of global banking innovation—can be independently deployed, scaled, or upgraded. This flexibility is crucial for banks navigating the diverse needs of Bharat and India alike—from urban digital-first consumers to underserved rural populations, from large universal banks to agile NBFCs.

With this composable foundation, Indian banks can confidently drive digital transformation across retail, SME, wealth, and corporate segments unlocking new opportunities for financial inclusion, operational resilience, and sustainable growth.

In this defining moment for Indian banking, Finacle offers not just technology but a trusted platform and partner to help financial institutions reimagine what's possible and shape a thriving financial ecosystem for a truly Viksit Bharat.

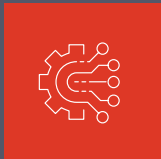
Architectural Highlights



Cloud-native,
cloud-neutral



Layered design,
polyglot stack



Automation-first
process design



Event-driven,
API-first



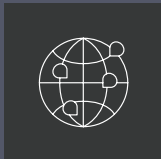
Strong data foundations
for AI infusions



Scalability, performance
and resilience



DevSecOps
and CI/CD



Configurability, localization
and extensibility



Headless, decoupled
experience stack

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Viksit Bharat needs Viksit Banking

Lead the Change

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