



#BrandIndia

**Welcome to India Brand Equity Foundation**

**India's Resilient Growth: Innovation, Progress, and Opportunity**



# Are Economic Growth and Banking Transformation Moving in Sync in India?

Unpacking the relationship between two powerful engines of progress.

# Indian Banking Sector

Blazing a growth trail for Indian Economy



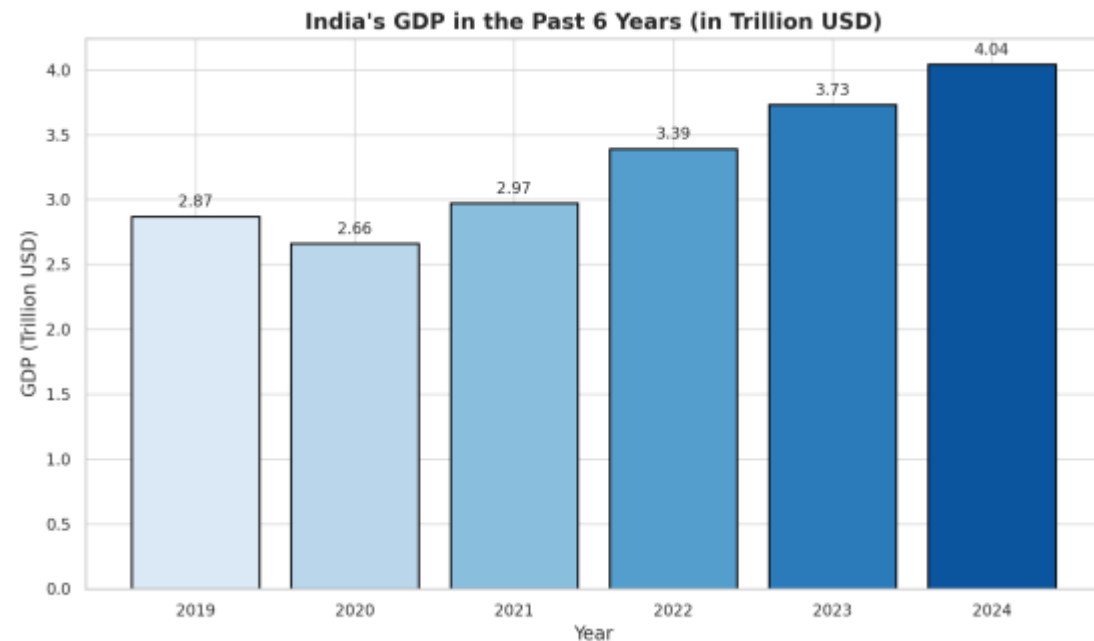
## Introduction

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- Banking plays a key role in shaping the [Indian GDP](#) by supporting industries, trade, and investment.
- A strong Indian banking system ensures money reaches businesses and people when needed.
- As the economy grows fast, Indian banks must adapt to meet rising credit and digital service demands.
- Better banking services help boost savings, investments, and job creation.
- The Indian banking sector must modernize to keep up with the speed of Indian GDP growth.
- A transforming banking sector can support long-term economic stability and growth.

# Indian Economy – A Quick Snapshot

- The [Indian economy](#) reached a GDP of US\$ 3.73 trillion in FY24.
- It grew at a strong rate of 8.2% in FY24, making it one of the fastest-growing major economies in the world.
- This growth reflects steady improvement across industries, services, and exports.
- With ongoing reforms and investments, the Indian economy is on track for long-term progress.
- India aims to become a US\$ 5 trillion economy by FY27, showing a clear vision for future development and global influence.



# Key Drivers of Economic Growth

- High consumption and strong government spending are key drivers of India's economic growth.
- Growth in the services and manufacturing sectors is boosting jobs and overall development.
- Rising foreign direct investment and a young workforce are adding to the country's economic strength.
- Expanding digital infrastructure and the rise of digital banking in India are supporting business and financial access.



# Banking Sector in India – Current Status

- The banking sector in India has grown strongly, with total banking assets crossing US\$ 2.5 trillion.
- Over 200 fintech companies are playing a key role in making banking more digital and user-friendly.
- There is steady credit growth, especially in the retail and MSME (Micro, Small & Medium Enterprises) sectors.
- These changes show how technology is improving access to financial services across the country.
- The [Indian Fintech industry](#) is helping modernize banking and supporting the overall growth of the financial system.



# Digital Banking Transformation – What’s Changing?

- [Digital banking in India](#) is changing fast with new technology and customer needs.
- Over 117 billion UPI transactions were recorded in FY24, showing the growing use of cashless payments.
- Public and private banking sector are improving their systems to offer better online services and faster customer support.
- Fintech companies are leading the way with new ideas like neobanking, Buy Now Pay Later (BNPL), and AI-based credit scoring.
- These changes are making digital banking in India more efficient, secure, and user-friendly.



# Are Growth and Banking in Sync?



The banking system in India supports credit-led growth by offering loans to individuals, businesses, and farmers.



This access to credit helps boost investment and spending, which drives the Indian economy forward.



Indian Banks are also playing a big role in financial inclusion, helping people in rural areas open bank accounts and access basic financial services.



With digital banking and UPI, digital finance is growing fast, aligning well with the Digital India mission to make services easy and paperless.

# Gaps and Challenges



- The public banking sector is facing challenges like rising Non-Performing Assets (NPAs), which affect financial health and slow down lending.
- There are concerns about capital adequacy, meaning banks may not have enough capital to cover potential losses.
- A big urban-rural digital divide still exists, making it hard for rural people to access banking services.
- Cybersecurity and data privacy risks are growing due to increased online banking.
- These gaps can affect the strength and growth of the Indian economy if not addressed soon.



## Government & Regulatory Push

- The RBI introduced digital lending norms to make online lending more secure and transparent.
- Under the Jan Dhan Yojana, over 500 million bank accounts were opened, improving financial access.
- GIFT City (Gujarat International Finance Tec-City) was developed to boost India's global financial presence.
- These steps are part of ongoing banking sector reforms in India that aim to modernize the system.
- Overall, these government initiatives help improve digital banking, global competitiveness, and financial inclusion.

# Future Outlook



The future of India's economy looks strong, with growth expected to stay above 7%.



Banks will continue to support big projects, especially in areas like roads, railways, and clean energy.



The Indian Fintech industry is expected to grow alongside traditional banks.



Together, they will improve access to financial services across cities and villages.



Digital tools, mobile banking, and online payments will become even more common.



This growth will create more jobs and make India's financial system more efficient.

# Conclusion

- The Indian economy and banking sector are moving in the same direction, supporting each other's growth.
- Banking reforms are helping make the system stronger and more transparent.
- Digital changes in banking are making services faster and easier for people and businesses.
- These improvements are important to keep the Indian economy growing steadily.
- When [Indian banking](#) and the economy work together, they create a strong foundation.
- This teamwork will help India move closer to becoming a \$5 trillion economy.



# Contact us

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**Thanks  
For  
Watching**