

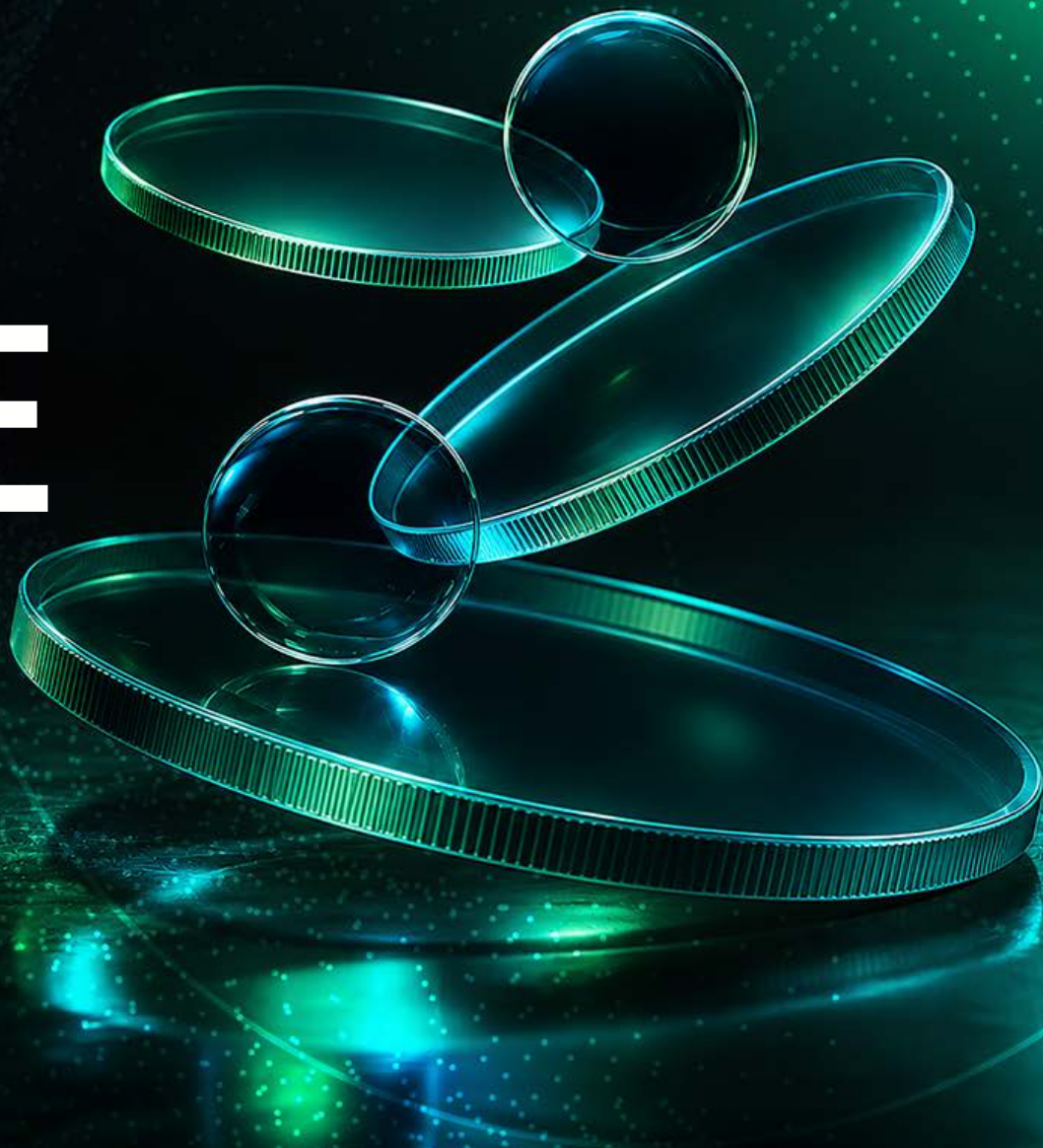


GLOBAL
FINTECH
FEST

BALANCE

Thriving in the Age of AI

SEPTEMBER 2026







Boston Consulting Group bridges the gap between ambition and outcomes for the world's leading companies and organizations. We are built for this era of unprecedented change — bringing strategic clarity rooted in over 60 years of deep domain knowledge, combined with applied AI shaped by our practitioners. BCG works shoulder-to-shoulder with CEOs across industries and geographies to deliver transformative impact at scale: stronger returns, transferred capabilities, and change that sticks.

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Global Fintech Fest (GFF) is the largest fintech conference, jointly organized by the Payments Council of India (PCI), National Payments Corporation of India (NPCI) and the Fintech Convergence Council (FCC). With GFF, the aim is to provide a singular platform for fintech leaders to foster collaborations and develop a blueprint for the future of the industry. Over the past five years, GFF has demonstrated its pivotal role by showcasing a 360-degree view of the fintech ecosystem and its ability to drive sustainable global progress by virtue of its transformative potential. Being an event of global stature, GFF is a platform where policymakers, regulators, industry leaders, academics, and all major Fintech ecosystem stakeholders converge once a year to exchange ideas, share insights, and drive innovation.

BCG is the official thought leadership partner for GFF 2026.

Foreword



Kris Gopalakrishnan

Chairman, Axilor Ventures; Co-founder, Infosys;
and Chair, Advisory Council, GFF 2026

Few industries have been reimagined as completely as finance. In a single decade, technology **improved cost-to-serve**, brought **hundreds of millions into the formal financial ecosystem**, and turned access into an expectation rather than a privilege.

The Global Fintech Fest reflects this spirit of progress. By bringing together policymakers, regulators, financial institutions, Fintechs, investors, academics and technologists, GFF facilitates the discussions needed to convert technological possibility into trusted financial progress. GFF also provides a global platform for India to share our thought leadership and ideas with the world. Today, it stands as one of the most significant gatherings on the global finance calendar

This year's theme,

Potential to Impact: Agentic AI | Tokenisation | Quantum

Trusted, Connected, Global Systems for Inclusive Finance,

focuses on the three convergent forces that are redefining the Future of Finance. This year's Fest will feature a series of future-shaping sessions on these focus topics and the trends transforming the financial sector. The discussions will bring together diverse perspectives and practical insights to help participants navigate what lies ahead and translate emerging opportunities into action.

At the heart of this event is our annual flagship report, designed to drive thought leadership for the BFSI ecosystem. This year, we explore the **Balance** needed to **thrive in the age of AI**.

Financial institutions will be at the forefront of unlocking AI's full potential. AI is already driving efficiencies across the financial value chain: from customer acquisition and underwriting to fraud detection, servicing and collections. As adoption accelerates, it is

important to strike the right **Balance** across three pillars: **Growth & Innovation, Safety, and Ethos**.

This report lays out key imperatives across **6 strategic themes** to ensure rapid adoption, innovation and growth in financial services while managing trust, resilience, effective human-AI collaboration, and sustainable economics: Building AI-native financial institutions, unlocking financial services for underserved segments, strengthening governance and cybersecurity for the age of AI, enabling the human <=> AI workforce and unlocking return on AI investments.

The report also covers the **key enablers** that the ecosystem needs to focus on, to unlock the next wave of technology and AI-led growth in BFSI: stronger capabilities across the AI stack to build innovative solutions for BFSI; deeper research and talent to solve for the distinct needs of India and the Global South (e.g., multi-lingual, multi-modal); next-gen DPI to take solutions to population scale; and tokenized rails to make assets and financial flows programmable and verifiable.

Additionally, the report also gives a detailed view of **key trends shaping Fintech and AI**, globally and in India, and the **voice of BFSI CXOs**. This report captures our shared vision and evolves each year in step with the **emerging priorities of India's financial ecosystem and the economy**.

In conclusion, we extend our sincere thanks to every contributor, partner and leader who has shaped the GFF journey over the years. Let us carry this momentum forward by deepening trust, accelerating innovation and broadening inclusion across the financial ecosystem.

Foreword



Sohini Rajola

Executive Director - Growth, National Payments Corporation of India (NPCI)

The past decade has demonstrated how innovation can transform financial services at scale. Digital technologies have made payments faster, credit more accessible, and financial services more inclusive. **Fintech innovation** has become more than a technology story; it is a **development story**, reshaping how households, merchants and small businesses participate in the formal economy.

Today, India has the **world's third largest fintech ecosystem**, supported by close collaboration across banks, fintechs, policymakers, and investors. Together, they have built an advanced ecosystem that is secure, interoperable, and inclusive. UPI now serves more than 550 million users and processes over 24 billion transactions in a single month. Today, India accounts for nearly one in every two real-time payment transactions by volume globally. RuPay has complemented this journey by building sovereign payment technology designed to operate reliably at population scale.

NPCI International is taking this payment infrastructure global, currently extending UPI acceptance and linkages across Singapore, the UAE, France, Nepal, Bhutan, Cambodia, Mauritius, Sri Lanka, and Qatar, and advising central banks on building sovereign payment systems. Guided by our ethos of **Vasudhaiva Kutumbakam**, we are fostering innovation that is inclusive, responsible, and that benefits **India as well as countries across the globe**.

The financial services ecosystem is now at its next inflection point. The **convergence of AI, tokenization, and quantum technologies** is set to reshape how finance works and how it connects with our economies and everyday lives. GFF 2026 brings us together to shape this next chapter of finance by harnessing these critical and emerging technologies.

I see these emerging technologies with **optimism. AI and Agentic AI are changing the economics** of financial services. They will further reduce cost-to-serve, improve fraud detection, help underwrite thin-file customers, strengthen service quality, and allow financial institutions to reach segments that were previously uneconomical to serve.

But this optimism must be matched with preparation. The **Human-AI convergence** should define India's narrative, with technology augmenting people rather than displacing them. India still has significant headroom in financial penetration; AI can help bridge that gap by making inclusion scalable, efficient, and economically sustainable. That should be the India way: using **AI to expand reach and inclusion**, while **reskilling our workforce** to leverage the maximum potential of these tools.

As we accelerate adoption and move to realise the full potential of these critical and emerging technologies, the key will be to **maintain balance across growth and innovation, safety, and ethos**. This report sets out ten imperatives: **six strategic priorities** and **four enablers** for the financial ecosystem to achieve that balance and thrive in the age of AI.

As we come together once again at the Global Fintech Fest 2026, we have an opportunity to reflect on how far the financial ecosystem has come, and on the possibilities that lie ahead. Over the years, the industry has continued to innovate, adapt and push the boundaries of what financial services can deliver. Looking ahead, our collective task is to convert **potential into impact** by building **trusted, connected and global systems for inclusive finance**.

Introduction



Vipin V

Managing Director and Partner, BCG
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We are thrilled to present this year's flagship report for the Global Fintech Fest. This comprehensive report explores a defining moment for global and Indian financial services. Artificial Intelligence is advancing faster than any prior technology shift, with the potential to power the strongest growth cycle in generations. This year, our report is structured into **four chapters**:

- ① The global AI supercycle and the need for "Balance"
- ② 10 imperatives for "Balance" to thrive in the age of AI
- ③ Voice of the industry
- ④ Global fintech and AI trends

The first chapter establishes why the **AI supercycle** could become a defining economic force of the coming decades. Financial institutions are already among the **front-runners in AI adoption**. For India, the opportunity is particularly significant: a strong financial ecosystem can use AI to compress cost-to-serve by 30–40% and make **400Mn+ additional customers economically addressable**. However, as we accelerate the AI adoption, key would be to strike the right **Balance**.

The second chapter explores priorities across three pillars of **Balance: Growth and Innovation, Safety, and Ethos**:

Growth and Innovation highlights new engines of value creation and inclusion e.g., blueprint for AI-native financial institutions and how AI can help unlock underserved segments. **Safety** calls for AI-ready governance and cybersecurity.

Ethos calls for that ambition to be matched with responsibility, effective human<=>AI collaboration and sustainable business economics at the heart of the AI decade. We also focus on **four critical enablers**: building indigenous capabilities across the AI stack; strengthening capital, research and talent ecosystems to build for India and the Global South; and scaling next-generation DPI and tokenized infrastructure.

The third chapter captures the industry's voice, drawing on founders, CXOs and other key participants across the Indian Fintech and BFSI ecosystem. Innovation remains firmly at the top of their priorities, with many advancing use of AI beyond pilots towards full-scale implementation. What must now keep pace is readiness across **data, infrastructure** and **organizational strategy**; a gap the industry identifies as critical to scaling ambition.

The fourth chapter brings together our annual view on **Global and Indian Fintech Trends** with, for the first time, a **dedicated perspective on the AI landscape**.

We look forward to your feedback and collaboration as we shape the future of finance together.

Executive Summary

The AI supercycle and key imperatives for the ecosystem

The world is in the middle of an AI supercycle

The world is undergoing an Artificial Intelligence supercycle, whose impact could surpass economic growth brought by key historical inflection points like the agricultural, industrial, and digital revolutions.

AI is rapidly reshaping industries and has become a **dominant global funding theme**

- AI's share of global equity funding jumped from 15% in 2022 to 79% in Q1'26, with Q1'26 AI funding reaching ~\$226Bn
- Foundation models and platforms captured ~65% of AI equity funding in 2026 YTD, up from just ~4% in 2022

Financial institutions, Globally and in India, are well-positioned to capture the benefits of this wave

- Financial institutions globally are delivering leading shareholder returns, with 80% of bank equity (ex-China) now trading above book value, up from ~25% in 2022; well-positioned to experiment and unlock the full potential of AI
- India's financial institutions already outperform global peers on key fundamentals (e.g., RoE: 14.9% vs 10.3% global average), yet real productivity gains have been limited with ~1% annual improvement over the past 15 years
- AI can unlock significant benefits for the Indian financial ecosystem by improving productivity and inclusion at scale, enabled by:
 - Cutting the cost-to-serve by 30–40%, lifting productivity by 40–60%, expanding access to 400Mn+ new customers

As AI adoption accelerates, BFSI must strike the right **Balance, built on three pillars: (1) Growth and Innovation, (2) Safety, and (3) Ethos.**

1 Growth and Innovation

Build AI-native financial institutions with fundamentally differentiated economics and customer experience

- FIs of the Future can be built on six tenets: **humans orchestrating AI agents, leaner organizations, context-aware real-time decisioning, always-on service, lifestyle-embedded banking, AI=UI** (conversational-first interfaces to interact and transact)
- An "agentic bank of the future" can **unlock 100 bps of RoA uplift**, shared between institutions and customers; **~2x assets/employee** at a **cost-to-income ratio of 25-30%**

Unlock financial services for underserved segments

- India has **significant headroom in credit penetration vs global peers**; AI can help unlock underserved segments via **improved cost-to-serve** and the **ability to underwrite thin-file customers**, e.g.,
 - For **marginalized farmers**, a **six-lens assessment** (using customer profile, income estimation, digital footprint behavioral modelling, location cues, asset quality and legal history) **can establish creditworthiness**
 - For **migrant workers**, **AI can analyze** cash-flow patterns, remittance data, image-based signals to **expand evaluation beyond formal bureau records**

2 Safety

Strengthen governance frameworks for the age of AI

- AI governance must evolve across **strategy, governance, risk management and processes, people and awareness, tech and tools**
- As models and agents scale, continuous **observability, accountability** and **explainability** are critical for enterprise-wide AI governance
- Imperative for **Indian BFSIs to augment Boards' capabilities for readiness in the age of AI**; opportunity for Indian BFSI to do a self-assessment of Board Readiness based on 3 dimensions: **AI strategic vision, AI oversight and controls, Board AI/tech expertise**

Build "Cyber Fortresses"

- Indian BFSI faces **elevated cyber attack exposure: 1.6x global cyber-attack intensity**; 76% of leaders **rank AI-related attacks as a top issue**, yet **only 38% invest >10% of IT spend in cybersecurity** vs 76% globally
- Cyber resilience requires **5-front synchronicity** across business, cross-functional teams, vendors, employees and customers and the ecosystem and **to leverage AI to defend against AI**

3 Ethos

Enable the workforce of the future: Humans supported by AI

- AI will **reshape roles across the BFSI ecosystem**, automating routine work while augmenting human judgment and creating new roles (e.g., forward-deployed engineers, model risk officers, etc.)
→ need to re-skill the workforce to unlock full potential of humans supported by AI
- As employees increasingly need to use AI effectively, **AI fluency, not just literacy, is critical**: leaders in particular must use AI themselves, hands-on and repeatedly to **embed it in ways of working and lead transformation**

Measure and unlock return on AI investments

- Comprehensive ROAI measurement requires a **two-pronged approach**: tracking value at both the **use-case** and **enterprise-level** (across **economic returns, human effort and token costs**)
- 50-70% potential inference spend optimization leveraging LLMOps at scale**, via smarter routing, caching, governance, user training and minimizing avoidable token spending



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| Key Enablers

Four enablers can unlock the next wave of technology and AI led growth in BFSI:

As tech-sovereignty becomes important, **opportunity for India to create unique answers for each layer of the AI stack.** For example, opportunity to build **leadership position in key emerging AI software and services categories** catering to the BFSI sector (e.g., Voice AI, customer-service agents, etc.). In the model layer, India can differentiate through **domain-specific solutions**, tailored to the needs of India and the Global South (e.g., multi-lingual, multi-modal)

As Indian BFSI accelerates AI adoption, opportunity to **strengthen and scale next-gen DPI and shared infrastructure** to unlock full potential at population scale. For example, shared digital banking platforms can accelerate modernization for smaller banks with limited tech budgets, such as rural cooperative banks (RCBs), revamped CKYC can augment the intelligent, reusable identity layer to enable seamless customer journeys across financial services, etc. India can take the proven DPI playbook to the Global South (e.g., NIPL enabling other countries to build sovereign, interoperable and locally governed payment ecosystems)

Tokenization can make assets and financial flows more **verifiable, programmable and financeable**. For example, **programmable CBDCs** can enable purpose-bound usage, trigger-based disbursement and greater auditability; **BharatTradeNet** can create trusted, verifiable trade records that reduce verification friction and fraud, improve MSME financing and enable streamlined global trade

To build leadership position in frontier technologies (e.g., LLMs, tokenization, quantum, etc.), India needs to **strengthen ecosystem capabilities** across research, talent, etc. Opportunity to strengthen the **research-to-commercialization engine** through deeper university–industry collaboration, while creating the conditions to **attract and retain top researchers and technical talent** (though 16% of global AI talent is Indian-origin, yet India continues to see net talent outflow)



| Voice of CXOs

We interacted with 50+ top BFSI leaders and Fintech CXOs through in-depth interviews and our proprietary survey to understand the next phase of AI-led transformation in financial services. The voice of the industry distills into 7 key themes:

3 key CXO archetypes identified: Trailblazers, Pragmatists and Followers

- 32% **Trailblazers**: Create a positive flywheel by prioritizing, investing and upskilling the organization in AI
- 32% **Pragmatists**: Invest and upskill selectively as tangible value becomes clear
- 36% **Followers**: Recognize AI's potential but make limited investments in resources and skills

Innovation continues to be at the top of the CXO agenda; sound economics a close second

- 79% **CXOs** with product expansion and innovation at the top of agenda
- 67% **leaders now prioritizing profitability and cost reduction, up from 45% last year**

GenAI tops tech priority for CXOs; fraud and operational risk, and keeping up with rapid tech developments top challenges

- >80% **leaders** state AI/GenAI as the top technology priority
- 2 in 3 **leaders planning to increase spends by 15%+ in coming years**
- ~60% **CXOs cite fraud and operational risk** as a key challenge, while ~50% **highlight the pace of rapid tech developments**

Most CXOs have now drafted an AI strategy; disciplined execution the next key step

- 90% **leaders have drafted or begun executing an AI strategy**, up from ~60% last year
- However, **only 1 in 10 CXOs have embedded it across functions**

90% of Indian CXOs are already seeing process-efficiency gains, and 40% seeing revenue uplift up from 20% last year

- Imperative to further **double down on revenue generating use cases**

Workforce Productivity & Tech Delivery seeing the highest traction; followed by Content creation & Knowledge management

- AI is increasingly augmenting day-to-day work, with **>50% leaders deploying it to boost productivity**
- ~60% **organizations leveraging AI-enabled coding assistants** to compress SDLC timelines and quality. Growing traction also visible across AI enabled customer service, risk and compliance

AI adoption maturity moving beyond experimentation with faster pilots; ROI uncertainty, data and infra readiness remain key challenges

- AI pilot cycles accelerating, with **55% leaders reporting ideation-to-pilot timelines shrinking to <3 months** vs 3–6 months last year
- 1 in 2 CXOs cite ROI uncertainty** as a top challenge to deploy AI solutions, with ~46% **citing data and infra readiness a key headwind**



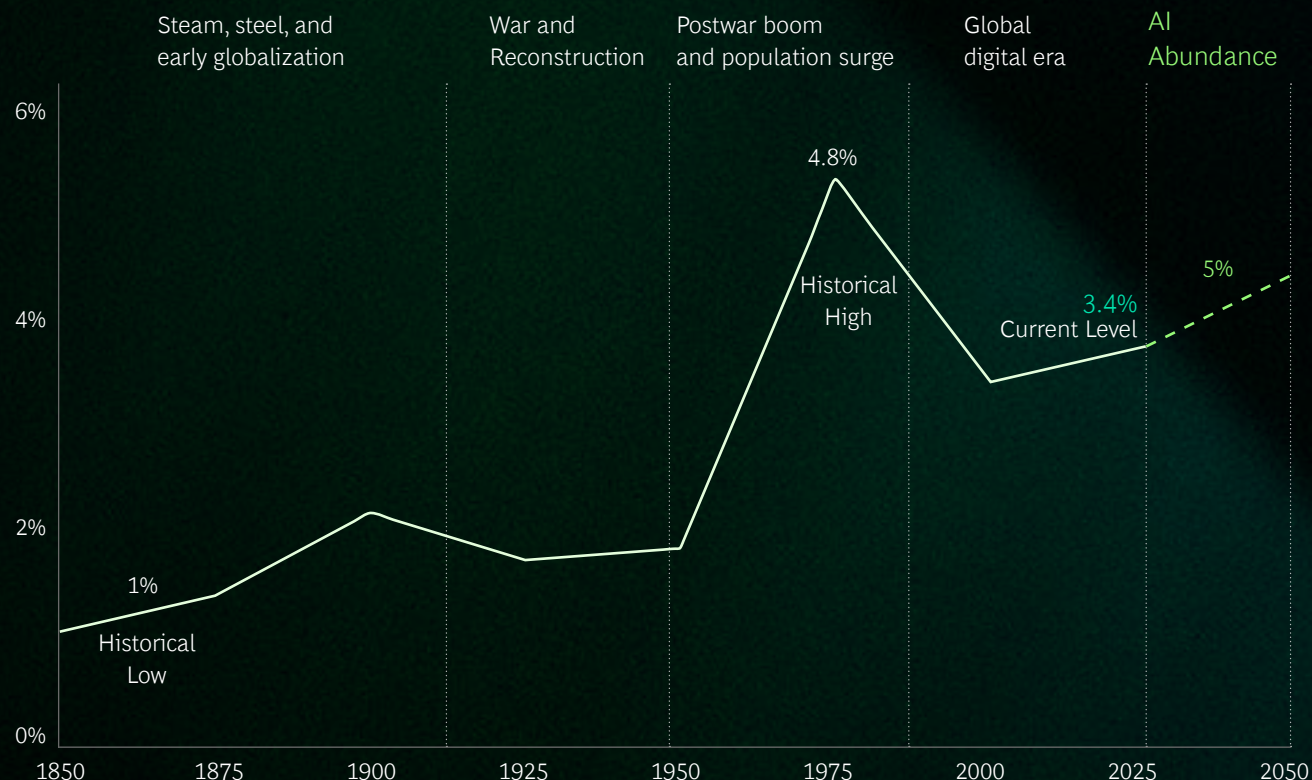
The Global AI Supercycle and the need for "Balance"

We are in the AI supercycle

In an optimistic scenario, AI could power the strongest global growth cycle since the postwar boom

Through the looking glass: Global productivity of last 175 years and the next 25 (optimistic scenario)

Global Real GDP¹ Growth (25-year backward rolling CAGR²)



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1. Gross Domestic Product; 2. Compounded Annual Growth Rate; 3. First 9 months of 2025; 4. Total Shareholder Return

Note: Historical data shows 25-year backward rolling CAGR. 2050 values are scenario endpoints, not forecasts

Source: Maddison Project; World Bank; IEA Energy Demand from AI report; Bloomberg NEF; Whitehouse.gov-whitepaper; "Beyond Tomorrow: Four Scenarios for the World of 2050", BCG, 2026

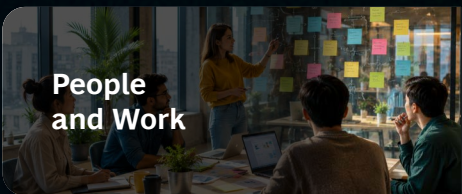


AI-related investments contributed ~1 p.p. to US real GDP growth³



Future-built AI firms showing 3.6x TSR⁴, 1.7x revenue growth vs laggards

AI-driven abundance could redefine economic growth and societal progress by 2050

Category	What changes by 2050	How AI enables this
 Macroeconomics and Technology	- Global GDP triples by 2050; CAGR¹ rises to 5% - Labor productivity² grows 3x (5.7% vs 2% p.a.)	The AI + robotics revolution transforms manufacturing; robot-led mining eases critical mineral scarcity Agentic AI automates tasks at a global scale
 Geopolitics and Society	Share of the global population living in extreme poverty³ falls by 2 p.p.	Low-cost AI, open science, and data as a public good enable developing nations to accelerate growth AI-driven productivity gains could help fund robust income-redistribution programs
 People and Work	- Average annual hours⁴ worked fall by ~25% - Healthy life expectancy⁵ rises (63 → 70 years)	AI optimizes routine work Innovation expands affordable healthcare coverage
 Planet and Resources	Low-carbon share of electricity⁶ generation >2x	AI breakthroughs in solar materials, battery technology, and grid efficiency make clean energy plentiful AI-supported advances in carbon removal and new materials

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1. 25-year backward rolling CAGR (real); 2. Labor productivity: 25-yr CAGR of output per hour worked across 22 high-income markets; 3. Extreme poverty: population below \$2.15/day (2017 PPP, SDG-1 definition); 4. Annual hours worked: average hours per year by persons in full- or part-time economic activity (1600 hours vs 2100 hours); 5. Healthy life expectancy: years a newborn is expected to live in full health; 6. Low-carbon electricity: share generated from renewables, biomass, and nuclear (85% vs 41%)

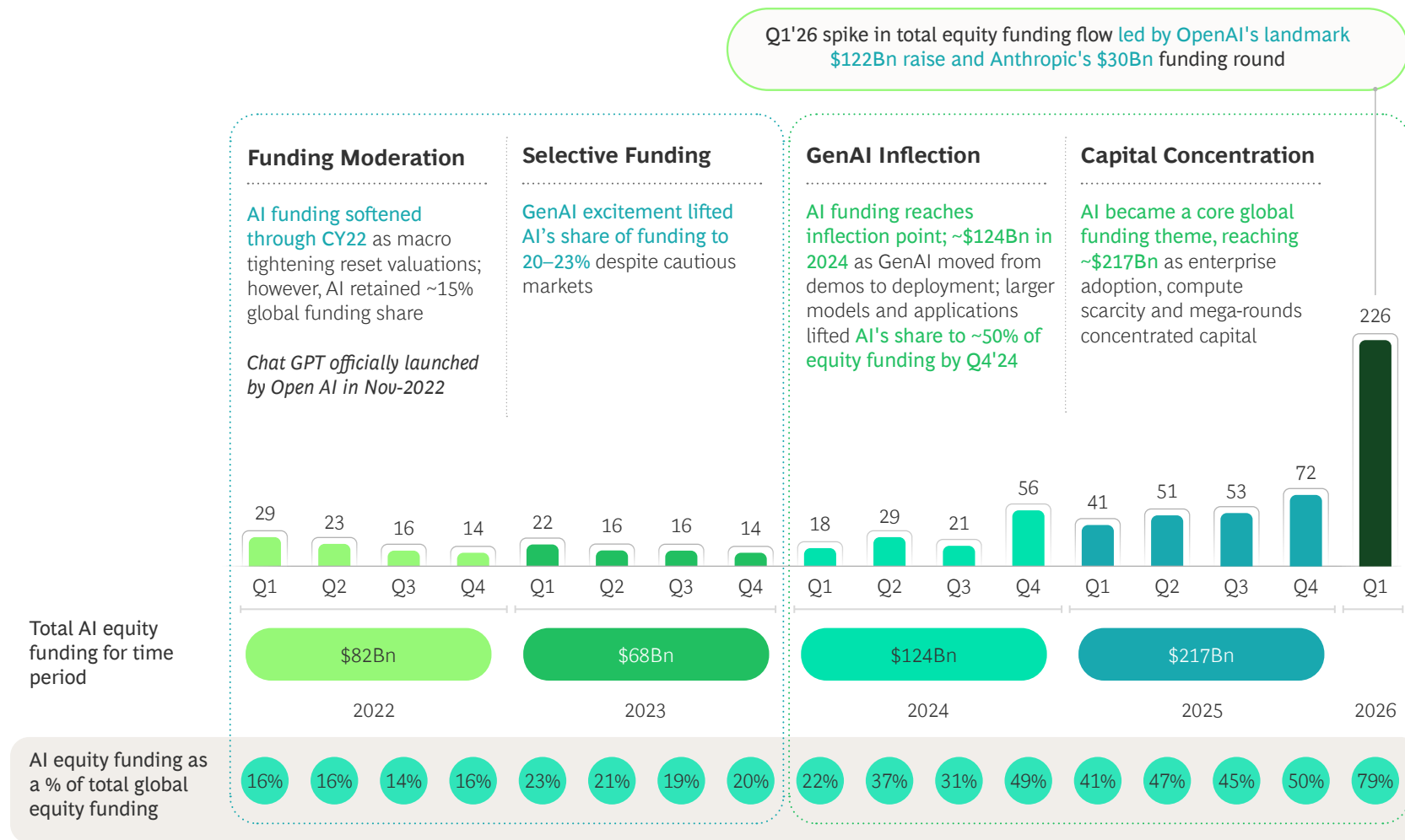
Note: All figures are 2050 scenario endpoints, not forecasts

Source: "Beyond Tomorrow: Four Scenarios for the World of 2050", BCG, 2026

Global AI funding is rapidly gaining share of global equity post Q1CY24

Global AI equity funding flow (\$Bn)

Funding amount split by quarters of calendar years

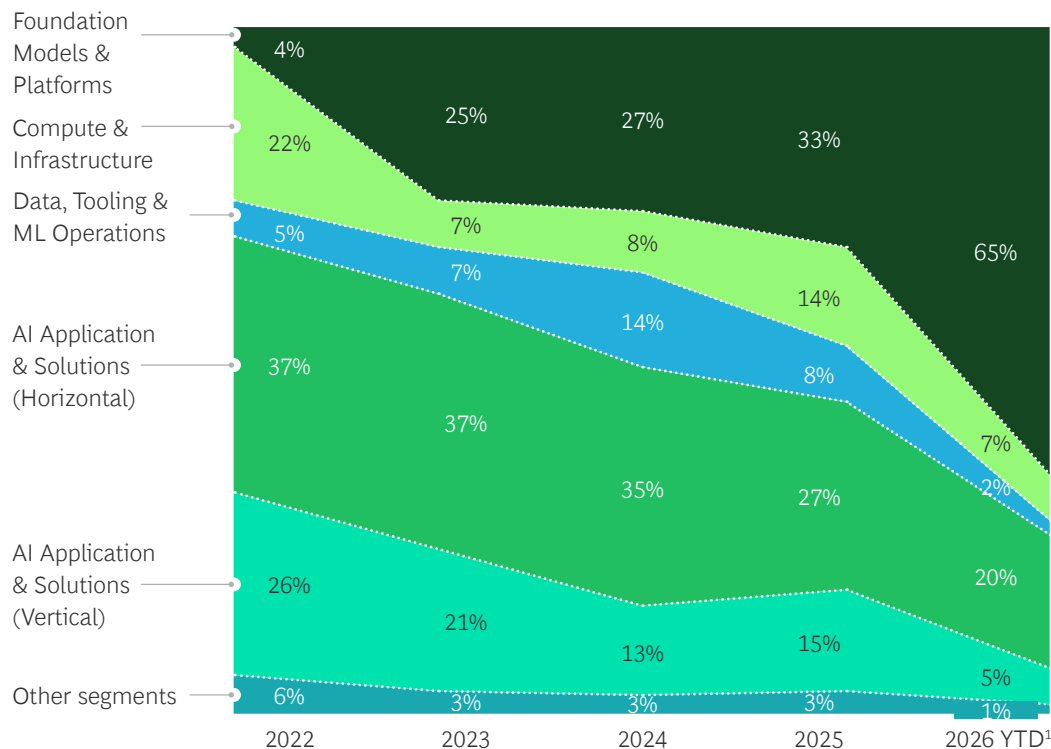


Note: All figures on the page updated as of 31st March 2026

Source: CB Insights State of Venture; BCG analysis

Foundation models emerge as the dominant AI funding theme, driving record global AI equity flows in 2026

Cumulative AI equity funding flow (\$Bn)



Number of deals (#)

1,403

1,092

1,387

1,916

1,126

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1. YTD-Includes funding deals till June 2026; 2. Total addressable market

Note: Deal size greater than \$10Mn considered for analysis

Source: Pitchbook; BCG analysis



Foundation Models & Platforms

emerged as the dominant capital magnet:

- 65% of AI equity funding in 2026 (YTD), up sharply from 4% in 2022
- Driven by **mega-rounds in frontier model players** (OpenAI, Anthropic, xAI, etc.); investors are concentrating bets on the **intelligence layer of the AI stack**

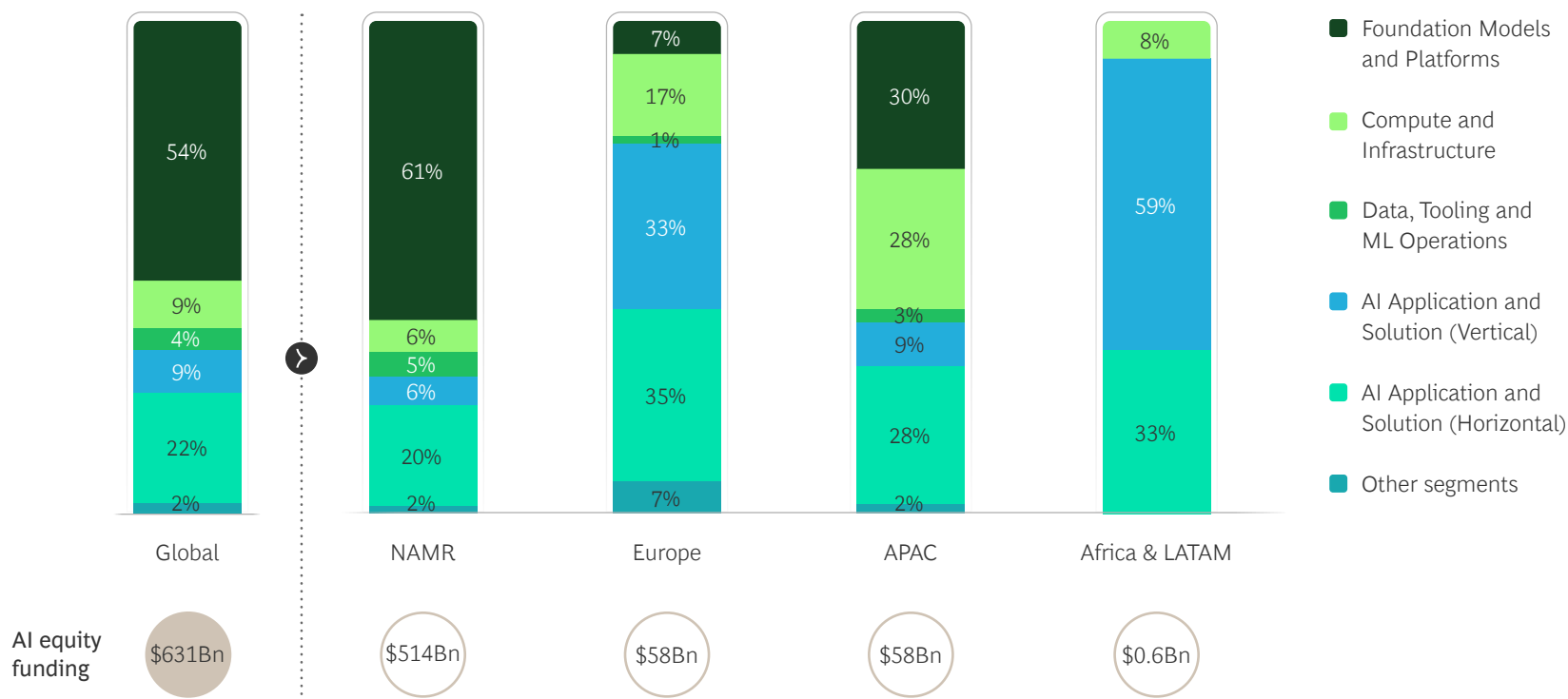
Vertical AI Applications & Solutions saw **sharper share compression** vs Horizontal

- Capital shifting toward broader, **scalable application-layer platforms**
- Horizontal tools remain attractive given **cross-industry TAM²** and **faster scale-up**

Investors rewarding breadth, with Foundation Models and horizontal tooling capturing incremental capital

Global AI equity funding remains highly concentrated, with North America accounting for ~80% of flows

Cumulative AI equity funding flow 2025–26 YTD¹



Global AI funding is highly concentrated in 2025–26 YTD, with **NAMR capturing ~\$514Bn (82%)** of the ~\$631Bn raised, led by US frontier AI platforms

¹ YTD-Includes funding deals from January 2025 to June 2026

Note: Deal size greater than \$10Mn considered for analysis. NAMR: North America Region, APAC: Asia Pacific, LATAM: Latin America

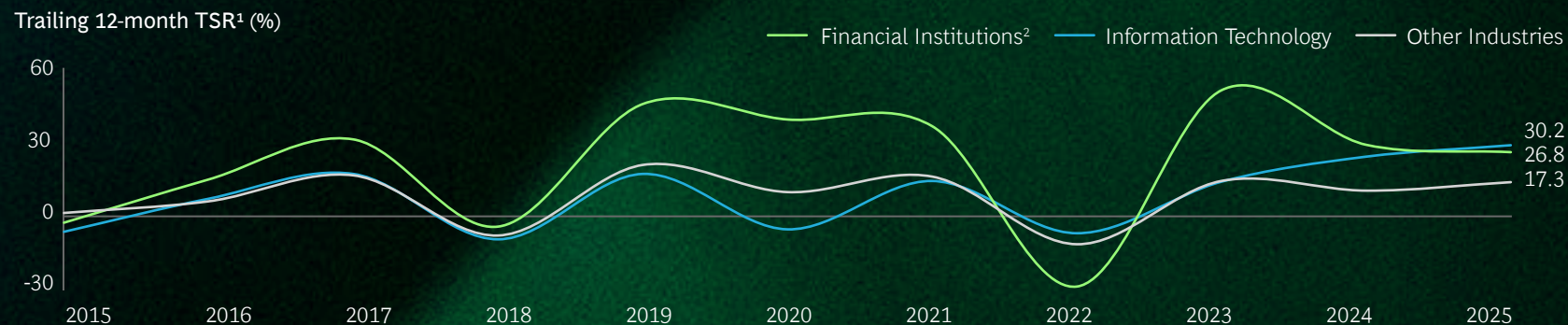
Source: Pitchbook; BCG analysis



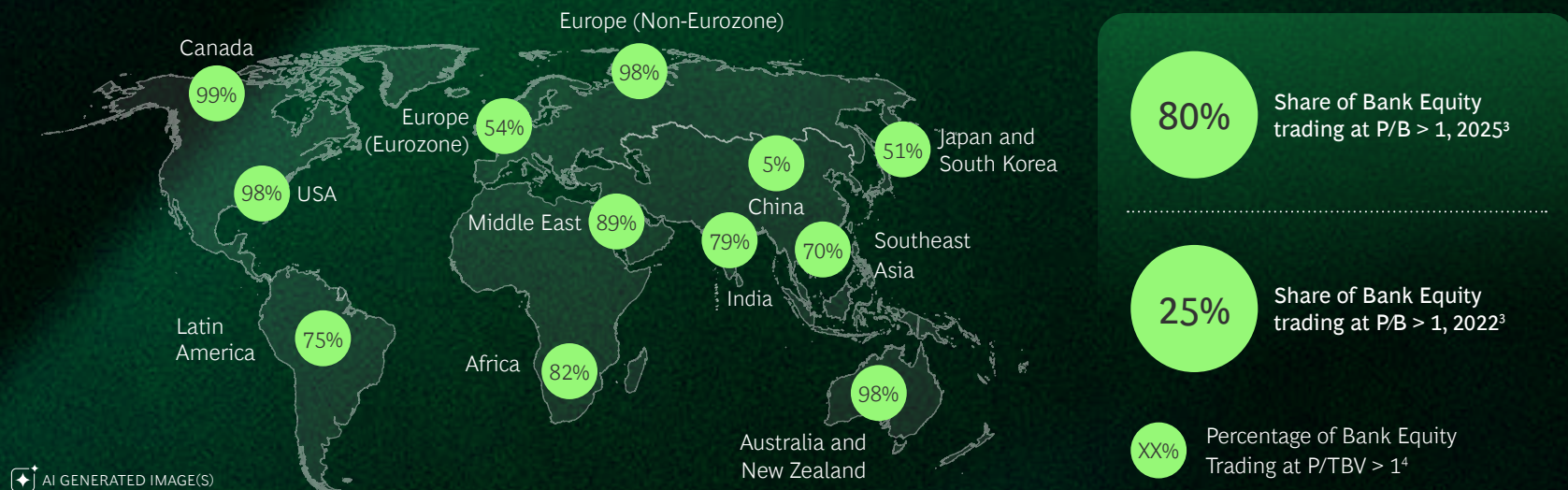
Financial Institutions across
the world are front-runners
in adopting and leveraging AI

Global Financial ecosystem has recovered and is well positioned for breakout performance in the age of AI

Financial Institutions delivered leading shareholder returns over the past year



80% of Bank Equity (ex. China) now trades above Book Value vs 25% in 2022



1. Total Shareholder Return; **2.** Financial institutions cover banks, asset and wealth managers, and payments companies across the world (n=1,498). Data for information technology (which includes companies in software, services, hardware, and semiconductors as per the Global Industry Classification Standard's definition of information technology) and other industries is based on the S&P Global 1200 (n=1,049); **3.** Global (excluding China); **4.** Percentages are as of December 31, 2025

Note: For the bank equity analysis: Europe excl. Russia, NE Asia incl. Japan, South Korea, Values derived from equity and market cap of listed banks representing at least 80% of assets in respective regions

Source: S&P Capital IQ; BCG analysis

AI is moving from promise to performance for BFSI, with impact now visible across multiple functions

Financial Institutions are one of the leaders in the AI-maturity S-Curve

AI's impact on FIs is substantial and growing

30%

Leaner data management teams at BFSI orgs

8–10%

Revenue uplift in commercial/corporate banks

30%

Fee income lift in wealth management function

25%

Reduction in collections loss rates

~5x

Faster customer onboarding time with full compliance

~60%

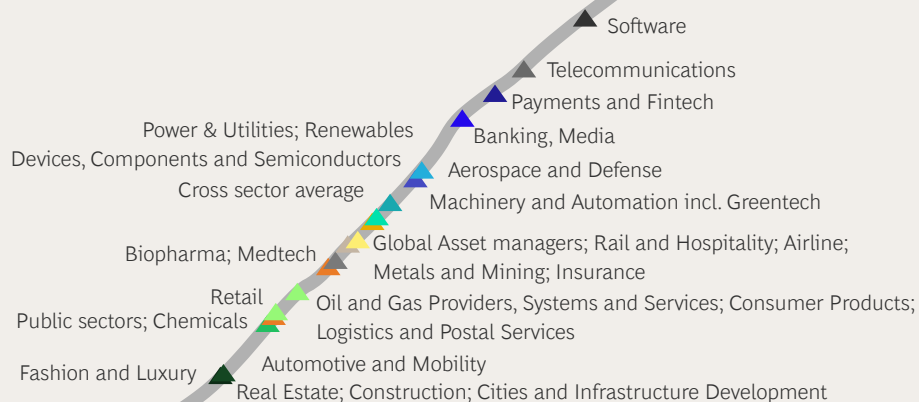
Tech/engineering shop productivity increase

50%

Productivity uplift of credit underwriting staff



Scan for insights on the widening AI value gap



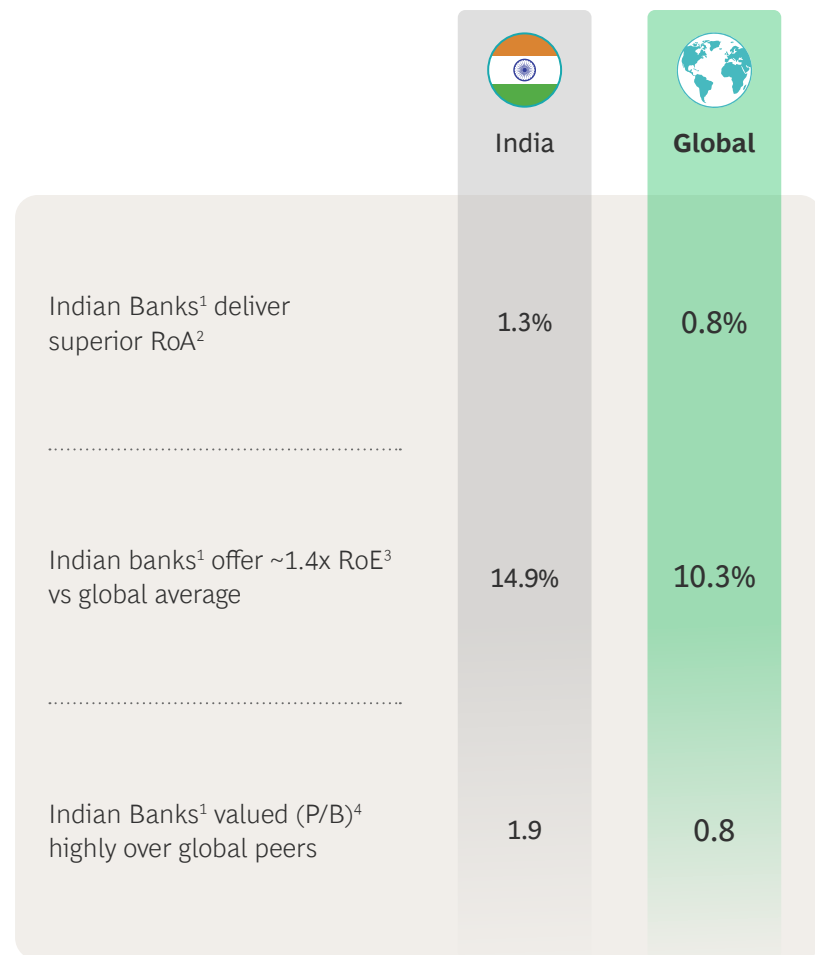
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Note: AI Maturity is assessed through 41 dimensions

Source: BCG "Build for the Future 2025" global study (n=1,250); "Future of Finance 2026: Time to Shift Gears?", BCG

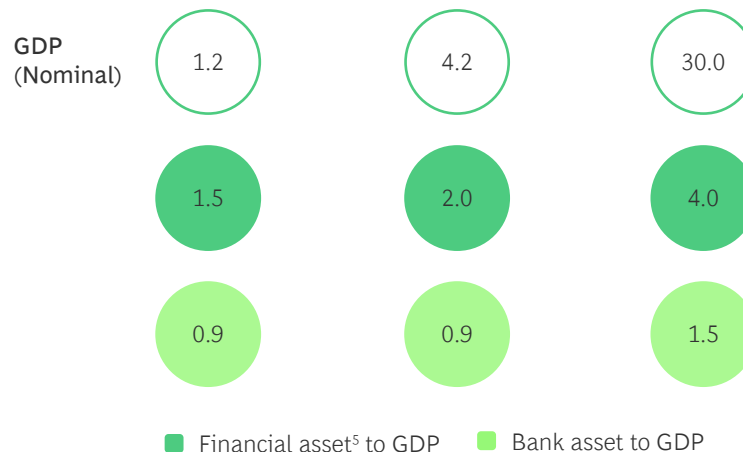
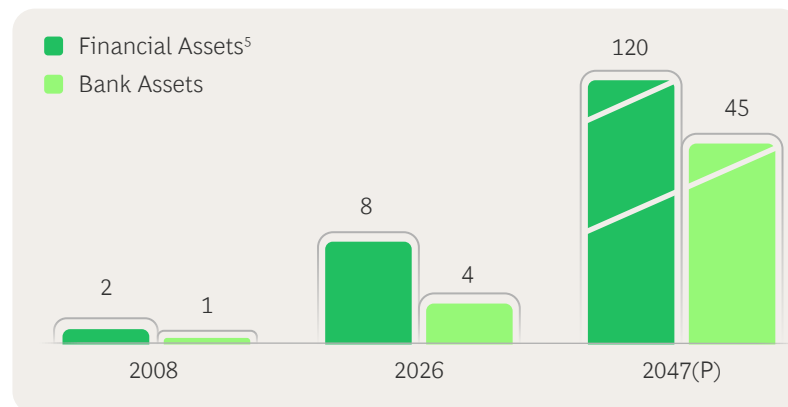
India's FI ecosystem starts from a position of strength but requires structural unlocks for the next cycle of growth

The Indian FI ecosystem performs strongly on several indicators...



...but achieving India's Viksit Bharat goals will require material expansion in financial depth

Figures in \$Tn



1. Indian Banks performance metrics considered for FY25 (Top 35 Private and Public Sector Banks), global bank metrics considered for FY25; 2. Return on Assets; 3. Return on Equity; 4. P/B: Price-to-Book; 5. Financial assets consist of assets for the following entities: Banks, Central Banks, Financial auxiliaries, Insurance corporations, Other Financial Institutions, Pension funds and Public financial institutions
Source: "FIBAC 2025: Charting New Frontiers", BCG; BCG analysis

AI is a key lever to bend the curve: lifting productivity, compressing costs and making inclusion viable at scale

Non-exhaustive

Cost-to-Serve Collapses

30–40%

Cost-to-serve reduction



Agentic end-to-end automation

Per-unit labour cost reduced across transaction chains



GenAI¹ compresses compliance costs

KYC², AML³ and fraud-detection processes run in parallel at machine speed



AI deflects routine contact volume

Conversational AI resolves high volumes of standard queries with 24/7 availability

Productivity Compounds

40–60%

Productivity gain



AI copilots unlock advisor capacity

Relationship managers freed from prep, research and admin tasks



GenAI compresses analyst workflows

Credit memos, document generation and risk analysis compressed to minutes



Machine learning compounds over time

Productivity gains become self-reinforcing over time and continued training

New Demand Unlocked

400Mn+

Customers now addressable



Alternative data breaks the access barriers

AI underwriting leverages transaction, GST⁴ and behavioral data



AI agents make micro-segments viable

Voice bots and AI agents profitably serve small-ticket customers and remote geographies



Near-zero marginal cost of inclusion

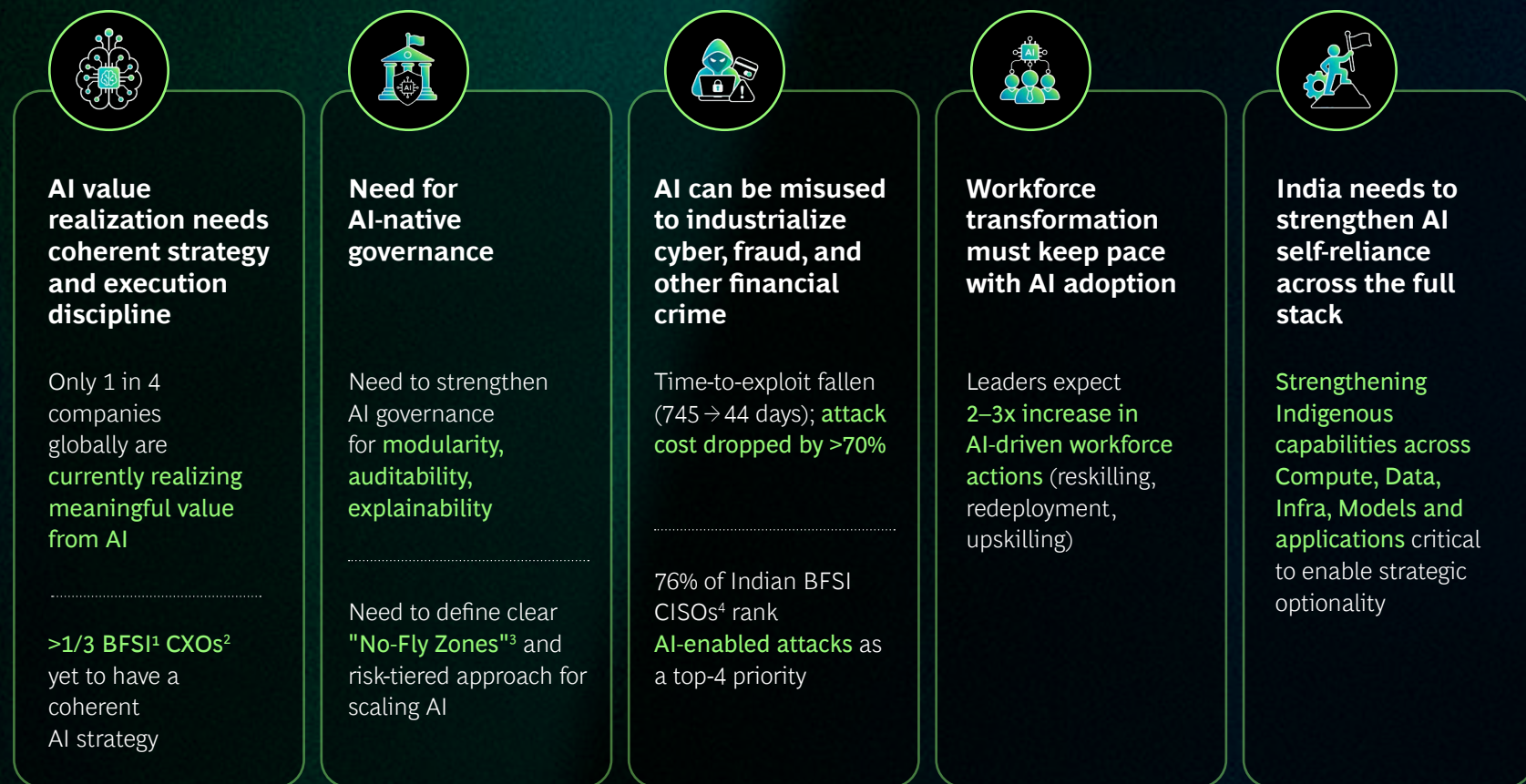
Digital-first journeys eliminate branch infrastructure dependence; marginal cost of inclusion approaches zero

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1. Generative Artificial Intelligence; 2. Know-your-customer; 3. Anti-Money Laundering 4. Goods and Services Tax

Source: "FIBAC 2024: Banking for a Viksit Bharat", BCG; "FIBAC 2025: Charting New Frontiers", BCG; NITI Aayog MSME Report 2025; BCG analysis

AI raises the stakes: BFSI must capture value while managing new challenges and risk frontiers



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1. BFSI: Banking, Financial Services and Insurance; 2. CXO: C-suite executive/Chief "X" Officer; 3. "No-Fly zones" refer to use cases where AI deployment is restricted or prohibited based on predefined risk thresholds; 4. CISO: Chief Information Security Officer

Source: "Convergence: Human + AI for the Next Era of Finance", BCG, 2025; "Cybersecurity in the Age of AI", BCG × DSCI, 2026; "Future of Finance 2026: Time to Shift Gears?", BCG

Key to drive "Balance" to thrive in the age of AI

Each year, one word has anchored our flagship GFF Report; this year, it's **Balance**

2023

Second Wave

Resilient,
exponential Fintechs



2024

Bridges

Connecting old and
new finance



2025

Convergence

Integrated,
interoperable finance



2026

Balance

Thriving in the Age of AI



Three pillars must hold in **Balance** for FIs to sustainably pursue the AI opportunity; if one breaks, the system fails



10 Imperatives for "Balance" to Thrive in the Age of AI

10 Imperatives to Thrive in the Age of AI

Key Strategic Priorities for BFSI

Growth and Innovation

- 1 Build AI-Native financial institutions**
Reimagine operating model, economics and customer experiences enabled by **Agentic AI at the core**
- 2 Unlock financial services for underserved segments**
Leverage AI-powered efficiencies to profitably serve underserved segments e.g., **marginalized farmers, migrant workers, etc.**

Safety

- 3 Strengthen governance frameworks for the age of AI**
Embed **visibility, auditability, explainability** and **board-level oversight**
- 4 Build "Cyber Fortresses"**
Defend against AI-enabled cyber threats with **ecosystem-wide synchronicity** and **leverage AI to fight AI**

Ethos

- 5 Enable the Human + AI workforce of the future**
Empower talent with **AI fluency** and reshape job roles as skill requirements evolve
- 6 Measure and Unlock Return on AI investments**
Measure value at **use-case** and **enterprise** levels, while **optimizing AI costs**

Key Enablers

- 7 Build indigenous capabilities across each layer of the AI stack**
Across **applications, models, data and infrastructure**
- 8 Scale next-gen DPI and shared infrastructure**
Evolve India's world-class DPI rails to unlock the **next wave of innovation and inclusion** for **India** and the **Global South**
- 9 Scale tokenized infrastructure**
Enable **seamless, borderless, real-time** transactions and settlement of financial and real-world assets
- 10 Strengthen ecosystem for critical and emerging technologies**
Coordinate **Capital, Research, Talent and Fund-management expertise** to scale frontier tech innovation

Build AI-Native Financial Institutions

What does an Agentic Bank of the Future look like?



Humans as orchestrators, not operators

Humans set **intent** and **guardrails**; agents execute and coordinate work, with "human-in-the-loop" as required



Leaner organization structure at all levels

- Entry level roles **shrink** as AI automates routine tasks
- Optimal group of highly **skilled mid-level employees** driving agent orchestration, interpreting AI-generated insights, handling nuanced problem-solving tasks
- Lower number of **managerial layers**; faster decision cycles



Context-aware real-time decisioning

- Builds on the **customer's history and evolving context** (e.g., recent transaction history) to make relevant, real-time decisions



Always on, when you need it

A **24/7 agentic concierge** that services your requests, anticipates your needs, delivers proactive guidance, and helps you make smarter financial decisions



Embedded in lifestyle

Embedded services **"beyond banking"** (travel, dining, wellness, etc.)



AI=UI

Conversational-first, system processes natural language for executing actions



Top Indian Bank (current)



Agentic Bank of the Future¹

Total Assets per employee

₹20-30Cr

₹50+Cr¹

Cost-to-income ratio

45-50%

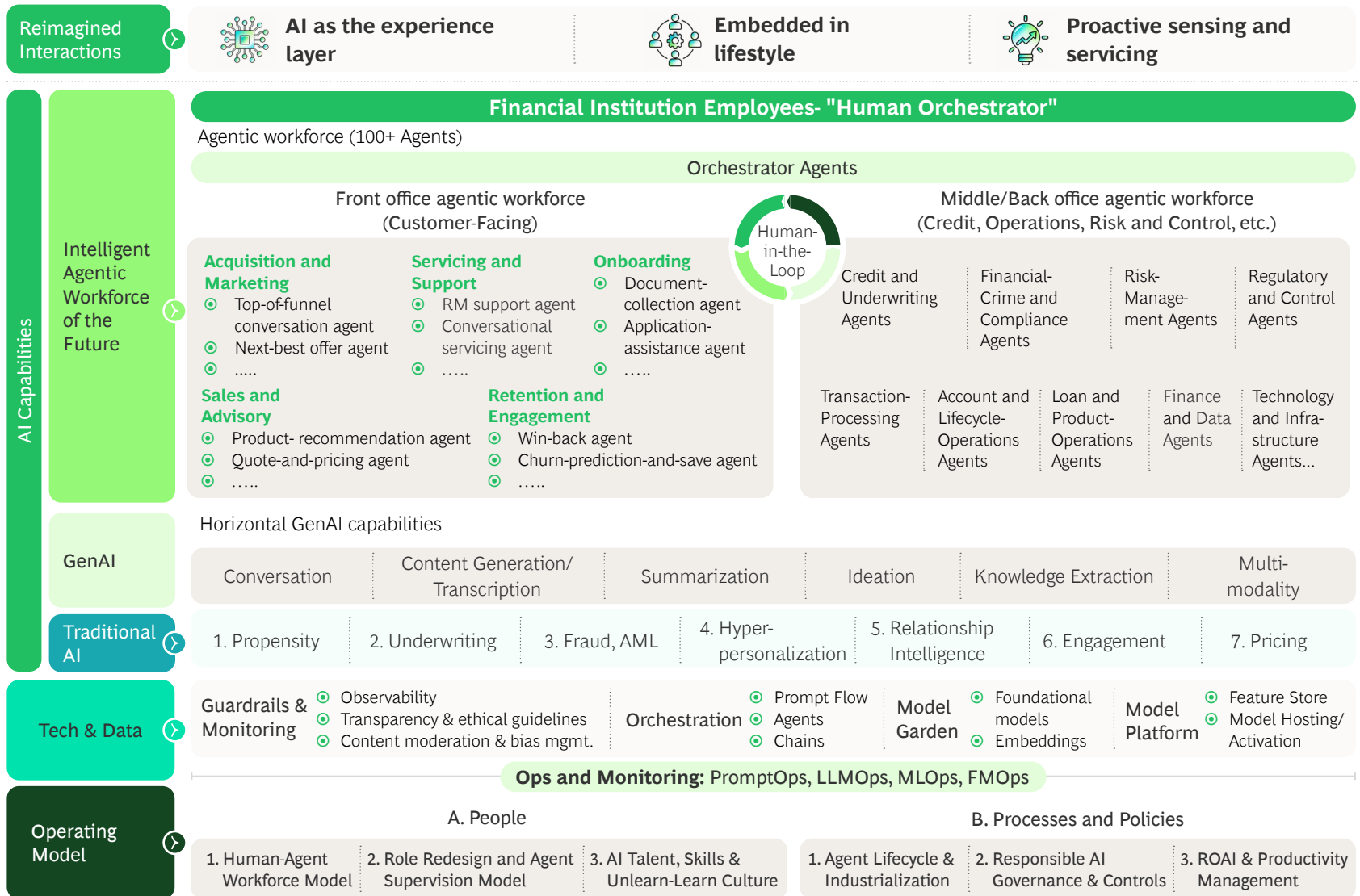
25-30%¹

(Scenario where all efficiencies accrue to FI)

AI GENERATED IMAGE(S)

¹. Comprehensive financial and operational model (P&L, balance sheet, workforce, branch network, etc.) for an AI-native retail bank, benchmarked against the aggregate audited financials of India's leading banks, global neobanks (Nubank, Revolut). Compensation metrics, operational costs, etc. sourced from published BCG research as well as leading press search; Figures reflect Year-5 steady-state outputs
Source: BCG analysis

Architecture of Agentic Bank of the Future



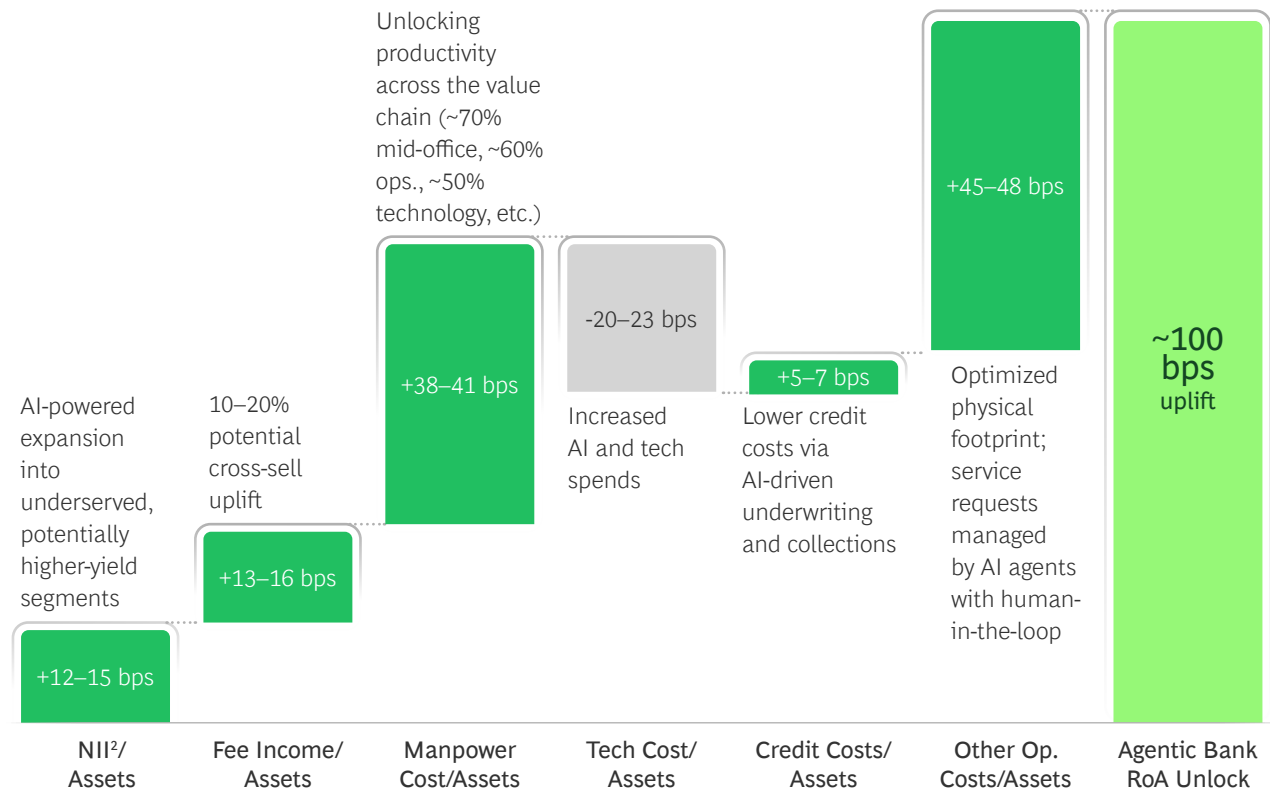
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UI: User Interface; RM: Relationship Manager; LLM: Large Language Model; ROAI: Return on AI investment; AML: Anti-Money Laundering; ML: Machine Learning; FMOps: Foundation Model Operations

Agentic bank of the future can unlock ~100 bps of bottom-line impact, creating shared value for the ecosystem

Agentic AI-led levers combine to expand a bank's RoA¹...

...with benefits accruing to both the bank and its customers



Customers benefit via

- Wider credit access
- Potentially reduced rate of interest and lower transaction fees
- Hyper-personalization of offers and advice

...



Banks benefit via

- Improved NII² and fee income
- Lower cost-to-serve
- Lower credit costs

...

Potential for a greenfield AI-native bank

AI GENERATED IMAGE(S)

1. Each component reflects (Agentic Bank – aggregate top-Indian-bank) ratio-to-assets from the same model referenced earlier in the section, grounded in BCG's productivity research and assumptions on AI-led interventions and business model reinvention; ranges reflect scenario sensitivity; 2. Net Interest Income

Source: BCG analysis

An Agentic bank's cost structure will increasingly be skewed towards technology

Differentiated cost structure of an AI-native bank...

Share of total operating costs across spend categories

42% of Nubank's employees are tech staff

Digital-first, no branch model

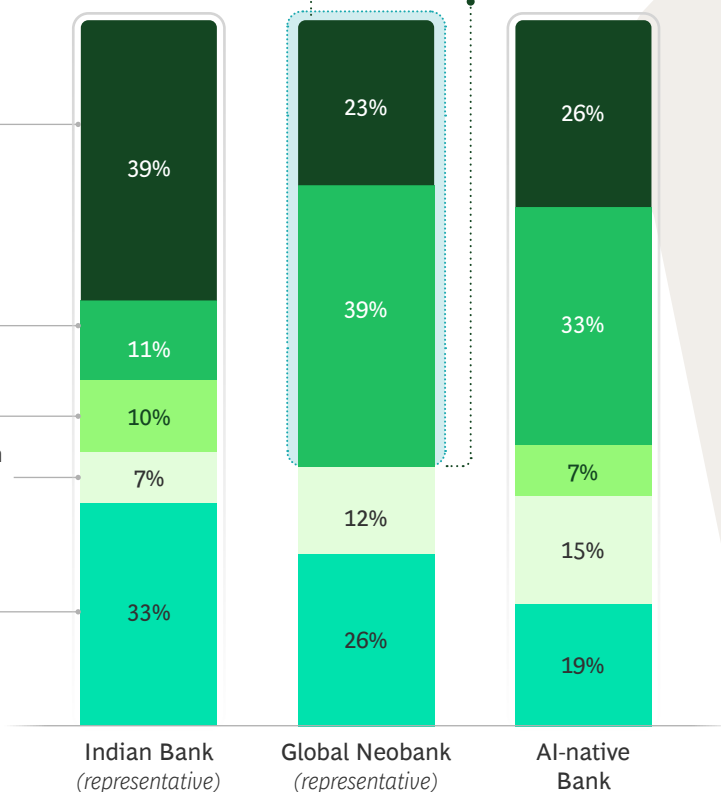
Employee compensation and benefits

Technology, system and communications

Physical network and premises

External distribution and servicing¹

Other operating costs²



...powered by significant productivity improvements³

Front office	15-30%	AI co-pilots for RM ⁴ efficiency, etc.
Corporate	40-60%	Automation of routine activities
Middle-office	60-80%	AI tools deployed org-wide
Control	30-50%	AI-enhanced risk and compliance management
Operations	50-70%	Zero-touch operations, STP ⁵ processes
Technology	50-60%	End-to-end SDLC ⁶ automation

Full-scale AI deployment can transform ~50% of current roles, greatest impact in middle-office and operations

¹ Includes DSA/BC commissions, Marketing Agency payout; ² Other Operating Costs include marketing & customer acquisition spend, regulatory, licensing, compliance, and deposit insurance costs, etc.;

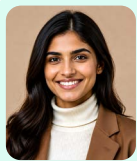
³ Assumes all levers of digitization beyond pure AI/GenAI (e.g., process reengineering, data integration) are in place; Nubank's tech employees are included as a part of "Technology, system and communications" spend; ⁴ Relationship Manager; ⁵ Straight-through Processing; ⁶ Software Development Lifecycle

Note: AI-native Bank cost mix is the Year-5 steady-state output of the same model referenced earlier in the section; productivity ranges shown reflect the underlying BCG research used to calibrate the model

Sources: Nubank's Form 20-F filings, 2025; BCG analysis

AI will enable re-imagination of customer journeys: Illustration of Home Loans

Illustrative Architecture

**Ananya**

First-time home buyer

₹75Lac Home Loan

**Manish**

Relationship Manager | Human Decision Maker

Reviews exceptions, exercises judgement and supports the customer whenever required

Available across the journey

Human-in-the-loop

Orchestrator Agent Coordinates the mortgage journey across specialist agents, monitors progress, resolves dependencies, and triggers the next best step

01 Application**Relationship Agent**

captures consent and guides through the application

Document Collection Agent

requests and receives required documents

02 Login**Document Verification Agent**

validates documents and confirms authenticity

Relationship Agent

confirms identity and shares status updates

03 Financial Assessment**Credit Assessment Agent**

assesses customer profile and property, financial data

Document Data Agent

extracts and structures data from documents

All assessments within DPDP¹ guardrails**04 Technical/ Legal/Fraud****Legal Relationship Agent**

assesses legal documents and compliance

Tech Relationship Agent

assesses technical documents and reports

05 Sanction**Underwriting Decision Copilot**

surfaces policy guidelines and recommendation context

Exception Resolution Agent

checks for exceptions and confirms readiness

06 Disbursement**Relationship Agent**

confirms disbursement and closes the loop

Human Comms Copilot

recommends next best communication actions

The swarm of agents handles handoffs, to-and-fro and follow-ups with customers; saving RM² significant time to focus on high-value relationship building

<30 min. Time to financial sanction

20% → 70% STP³ rate⁴

50%+ Productivity gains for credit teams

AI GENERATED IMAGE(S)

1. Digital Personal Data Protection Act; 2. Relationship Manager; 3. Straight-Through Processing; 4. For financial sanction

Note: Ananya and Manish are fictitious names which have been considered for this journey visualization

Source: BCG analysis

Agents to enable paradigm shift in customer service

Outreach: High Intent Customers

Revenue lift: Increase in customer-to-RM¹ ratio, revenue per customer augmented



Outbound Reminders

Higher resolution rates through proactive outreach and improved NPS²



Inbound Customer Service

Lower operating costs: Reduced need for human intervention and improved NPS²



Role of AI-enabled Agent

- AI agents reach out to **customers at scale** to identify interest
- Personalized bot-led engagement** to validate customer intent
- Qualify high-intent** leads and schedule RM¹ engagement to deepen relationships
- AI agents **proactively trigger service** and payment reminders to drive timely customer action
- Bot-led conversations** prompt customer action and enable query resolution
- Human handoff is triggered **only for true exceptions** and escalations
- AI agents handle inbound channels, **resolving most queries without human intervention**
- Four-stage service model:** Pre-empt → Self-heal → Self-help → Augment
- Human agents reserved for exceptions only, supported by a **unified orchestration platform**

Impact

2-3x

Customers per field RM¹

8-10x

Customers per virtual RM¹

1/5th

Cost-to-Serve at human resolution efficiency

70%+

Conversation volume handled by voice bots

75-90%

Lower cost-to-serve

90-95%

Lower wait time

AI GENERATED IMAGE(S)

1. Relationship Manager; 2. Net Promoter Score

Note: All impact estimates based on value delivered from production-grade implementations at retail banks



Agentic AI can reimagine claims: from coverage clarity to seamless settlement

Meet Meera

32 years, Bengaluru

She is scheduled to undergo a planned laparoscopic surgery

Agentic AI coordinates pre-treatment steps, guiding customers from uncertainty to authorized care

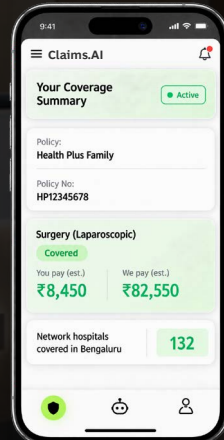
Key Agents at Work

Discover and Understand Coverage

AI clarifies what's covered in plain language, before the customer ever needs care

1

- Member Engagement Assistant
- Care Pathway Monitor
- Care Coordination Orchestrator

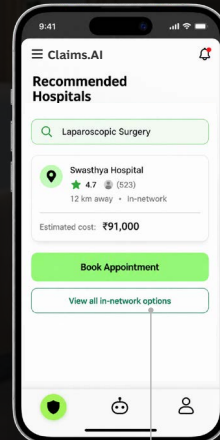


Access and Book Care

AI finds and books an in-network provider, steering the customer toward the best available option

2

- Care Coordination Orchestrator
- Care Pathway Monitor
- Member Engagement Assistant

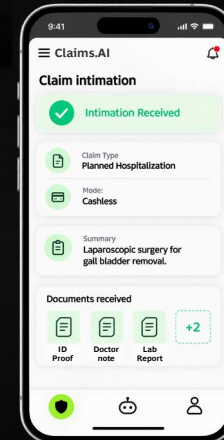


Initiate Claim

AI orchestrates intake, parsing multimodal inputs: text, voice, image, document - classifying claim type and summarizing

3

- Intelligent Intake Assistant (omnichannel)
- Claim Intake Parser
- Claim Dossier Summarizer

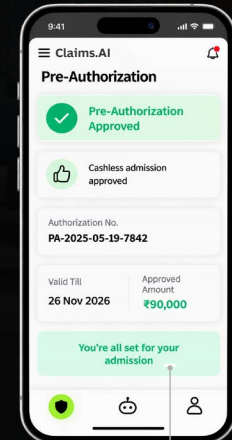


Verify Eligibility and Pre-Authorization

Identity and policy matched via AI-KYC¹, fuzzy logic, automated checks; for cashless admissions, this runs in real time, pre-treatment

4

- Eligibility and Coverage Validator
- Prior Authorization Checker (direct claims)
- Agenda Planner (direct claims)



Reimbursement guidance (coverage %, doc checklist, TAT²) is provided in case the customer has an out-of-network preference

For reimbursement cases, eligibility is verified at claim filing instead

AI GENERATED IMAGE(S)

1. Know-your-customer; 2. Turnaround Time; 3. Straight-Through Processing

Note: Meera is a fictitious name which has been considered for this journey visualization

Source: BCG analysis

Agentic AI can reimagine claims: from coverage clarity to seamless settlement

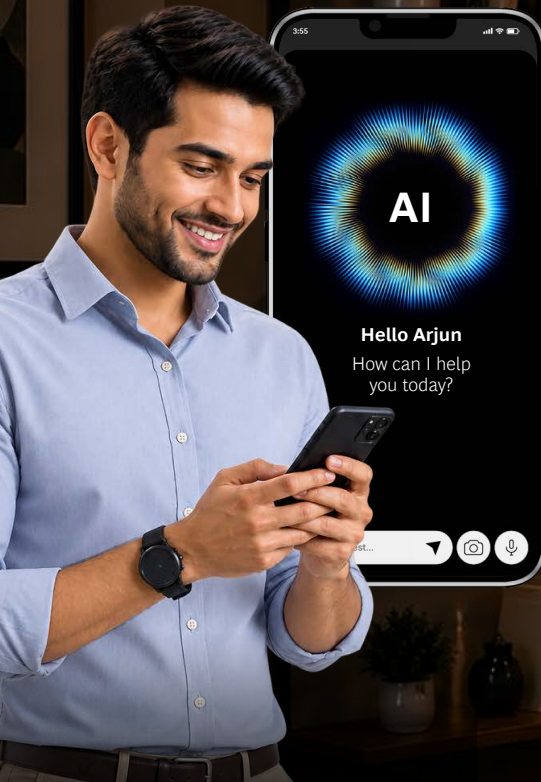


Note: Meera is a fictitious name which has been considered for this journey visualization

Source: BCG analysis

Our vision of a “north star” agentic mobile app, with **AI as the experience layer** and **embedded in customer's lifestyle**

Non-exhaustive set of use cases



Customer's mobile app is a chat window with voice enablement to address all of customer's asks

AI GENERATED IMAGE(S)

Note: Arjun is a fictitious name which has been considered for this journey visualization

Source: BCG analysis

Financial Steward

Execute basic financial transactions

- Repay my credit card
- Send pocket money to my kids, the usual amount
- Invest 25% of my salary in Mutual Funds...

Budget Keeper

Personal Finance Manager for your daily needs

- How much am I paying for subscriptions? List them all with monthly amounts
- How much did I spend on holidays last year?
- Do I have travel insurance on my card?...

Financial Wellbeing Planner

Make informed financial decisions

- Can I afford holidays in two months?
- How much to invest now, to be able to send my kid to college in the UK in five years?
- Can I retire when I'm 50?...

Lifestyle Concierge

Enjoy your life with the power of your banking app

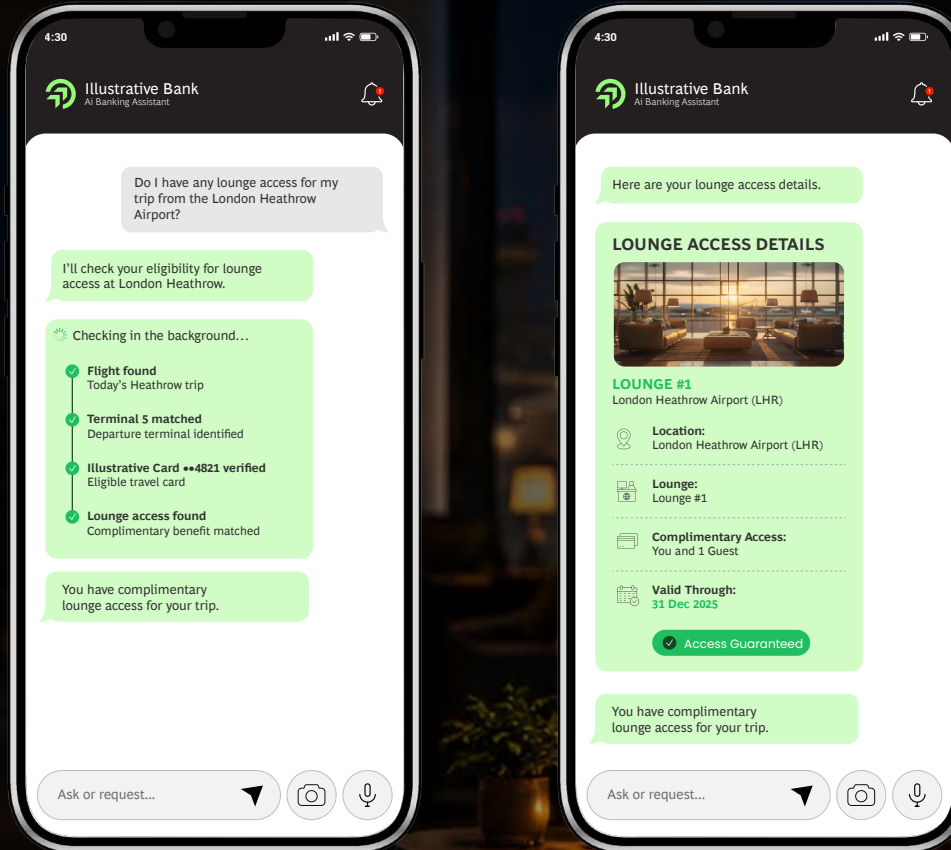
- Can I access airport lounge here for free?
- Buy me tickets to the IPL final...

Augment experience by incorporating behavioural design of “dopamine banking”; turning milestones into memorable moments; e.g.: building budget adherence streaks, visualizing progress after each EMI repayment, celebrating progress towards set financial goals

Lifestyle Concierge

Lounge Access | Catering to lifestyle needs instantly

Illustrative



Agents work across different apps, services and enrolments of a customer to come up with an optimal solution and addresses lifestyle (here, lounge access) requirements in real-time

Note: Fictional app screen mock-ups, only for illustration

Source: BCG analysis

BALANCE: Thriving in the Age of AI

AI GENERATED IMAGE(S)

Harness Engineering: Agentic FI of the future would be built by Agents too

Harness engineering goes far beyond coding co-pilots into building production-grade systems end-to-end using AI agents. AI agents leverage existing enterprise context on tech architecture and systems, validate their own work, recover from failures, and work within defined constraints



Requirements



Design



Build



Guardrails and traceability



Test



Deployment



Operations

From

Manual BRD¹ writing

Manual requirement documentation

Manual design specifications

Architects handcraft specs. No consistency, no traceability

Individual development effort

Developers handcraft every feature from scratch

Limited guardrails and traceability

Manual controls with limited observability

Individual development effort

Inconsistent test case documentation

Risky manual releases

High-ceremony, manual approvals, rollback fears

Reactive incident response

Manual runbooks, tribal knowledge, high MTTR⁴

To

BRD¹ and userstories

AI-generated requirements and backlog

Functional and design specs.

AI-drafted functional specs. and API² contracts

Agent-native build

Agent-native specification-driven development

Agentic governance and observability

Automated controls, traceability, continuous monitoring

Test artifact generation

Agentic test case generation and QA³

Intelligent deployment

Autonomous release orchestration

Proactive AI-Ops

Anomaly detection and automated remediation

Result

50%+

Faster time-to-market (BRD¹ to Deploy)

90%+

Automated Test Coverage

3x

Engineering Throughput

70%

Reduced Toil

99%+

Deployment Reliability

AI GENERATED IMAGE(S)

1. Business Requirements Document; 2. Application Programming Interface; 3. Quality Assurance; 4. Mean Time to Recovery

Source: All impact numbers based on value delivered from production-grade implementations at retail banks

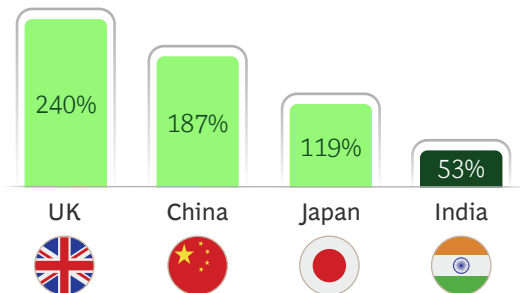


Unlock financial services for underserved segments

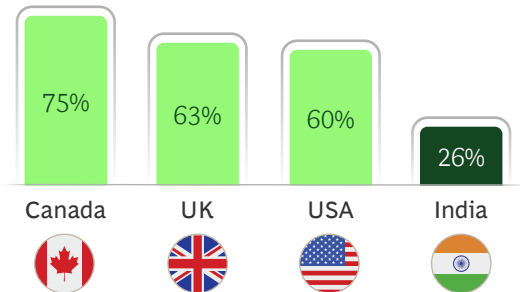
Large headroom to unlock credit for underserved segments in India; opportunity to leverage AI to serve viably

Large headroom in Retail and MSME Credit penetration in India

Overall bank credit as a % of GDP (2025)



Retail credit¹ as a % of GDP (2025)



Access to Formal Credit for Indian MSMEs²

86%

Indian MSMEs² lack access to formal credit (as of 2025); total credit gap ~ ₹30Lac Cr

AI breaks the structural barriers that make credit to the underserved uneconomical

Lack of conventional credit assessment data → AI builds comprehensive view via alternate signals

- Estimate income and repayment capacity using UPI³ transactions history, remittance regularity, etc.
- Build multi-signal borrower score combining bureau, digital footprint, geospatial signals, satellite imaging driven farm intelligence, legal history, etc.
- Underwrite leveraging non-standard collateral via asset ownership history, spatial analysis, computer vision-based asset health assessment, etc.

High cost-to-serve and customer acquisition costs → AI resets economics to serve profitably

- Digitize and streamline borrower assessment through AI-powered PD⁴ and automated data gathering, reducing branch/field-agent intervention
- Automate asset assessment using computer vision and spatial intelligence signals, reducing physical inspection effort
- Personalize repayment and servicing terms via seasonal EMI⁵ schedules, utilize behavioral signals to anticipate risk and collections requirements

Potential to reduce CAC⁶ by

>80% vs traditional banks,

>20% vs neobanks of today



AI makes unlocking formal credit economically attractive for underserved segments such as marginalized farmers and migrant workers

AI GENERATED IMAGE(S)

1. Retail Credit includes Unsecured-Personal loans, Credit card, Consumer durable, Unsecured lines of credit; Secured Auto and Mortgage loans; 2. Micro, small and medium enterprises; 3. Unified Payments Interface; 4. "Personal Discussion" during credit assessment discussions; 5. Equated monthly Installments; 6. Customer acquisition cost; derived from "Agentic Bank of the Future" model reference in the earlier section of the report

Source: OECD; TransUnion CIBIL Report (Canada); Federal Reserve Bank of New York; Bank of England; RBI; Care Edge Report; Nubank's investor presentations; BCG analysis

Six-lens assessment to unlock creditworthiness for a marginalized farmer

Illustrative

1 Customer Profile

Bureau Score

CIBIL ¹ Score	NH ²
--------------------------	-----------------

Demographic Score

Age	42 years
Marital Status	Married
No. of dependents	3

In absence of a bureau history, **alternate data** leveraged

2 Income

Farm based

	Farm 1	Farm 2
Crop yield (Kg/ha)	3,000	1,100
Rainfall Pattern (mm)	1,800	620
Crop intensity per year	Twice	Once
Soil Type	Black	Red/Lateritic

Payments based

No. of UPI transactions per month	42
Monthly average transactional value (₹)	4500

Leverage satellite data analytics (e.g., SatSure) to deploy satellite imaging for farm intelligence to estimate income

3 Digital Footprint

Device Type	Android, entry-level
High-risk app count (gambling/wagering)	0 detected
Telecom bill payment consistency	10/12 bills on time

4 Location

Metric

Location 1

Population	1.6L
Annual crimes/Lac	2k
% affluent population	High
Hand made roof tiles	3,461

5 Asset

Vehicle Litigation (accidents/theft/illegal use)	Clear
Ownership transfers (inter-state re-registrations)	Low
Blacklist (flagged as NTBT ⁴ by RTO ⁵)	Clear
Penalties (pending fine challans due to fine violations)	Clear

Overall risk: Low

6 Legal History

Financial offences	None
Regulatory (SEBI ⁶ /CIBIL ¹ violations)	None
Serious criminal offences (murder, theft)	None
Civil Matters (Property dispute)	None

Overall: Clean

AI GENERATED IMAGE(S)

Continued on next page...

1. CIBIL: Credit Information Bureau Limited; 2. NH: No History/No Hit; 3. AA: Account Aggregator; 4. NTBT: Not to be transacted; 5. RTO: Regional Transport Office; 6. SEBI: Securities and Exchange Board of India
Note: Digital footprint data to be accessed only with the borrower's explicit, informed consent
Source: SatSure, BCG analysis

Six-lens assessment to unlock creditworthiness for a marginalized farmer

Six lenses:

- ✓ **Bureau history** (if any) and **demographic profile**
- ✓ **Farm income potential** via satellite signals, verified through **payment pattern**
- ✓ **Behavioural profile and spending patterns** from device, app usage signals and bill payment consistency
- ✓ **Location profile** from geo-spatial data sets
- ✓ **Asset quality** from vehicle history diligence
- ✓ **Legal history** from court, police and regulatory record screening

Consolidated into **one farmer score** to establish creditworthiness where no formal history (e.g., ITR, payment slip, etc.) exists

AI GENERATED IMAGE(S)

India's migrant workers earn steadily, but lack footprint in formal credit, AI-powered alternate data can accelerate inclusion

Pain Points of the Migrant Worker

Daily

- 1 Difficulty to use banking apps (language, literacy)
- 2 Daily target for frauds and scams
- 3 Daily dangerous work, no accident cover
- 4 Daily stress of future safety net for big events (daughter's marriage, etc.)

Monthly

- 5 Irregular seasonal income, no monthly buffer
- 6 Cash salaried; no salary slips
- 7 Remittance friction and leakage

Annually

- 8 Income gap when at home
- 9 Contractor debt
- 10 High underwriting risk; no credit history
- 11 Entitled for government schemes but never enrolled (e.g., PMSBY¹/PMJJBY², etc.)

India's migrant workers earn steadily, but lack footprint in formal credit, AI-powered alternate data can accelerate inclusion

Next-gen Asset risk assessment

Differentiated strategy to shortlist **non-standard collateral**, e.g., red oxide flooring, flat vertical deviation, properties near religious sites, evaluated on:

- **Segment Attractiveness:** business potential, etc.
- **Risk Profile:** demolition risk, resale value, etc.

AI-powered 'Asset Image Scoring'

Opportunity to leverage spatial analysis and computer vision from asset photographs to generate creditworthiness signals

Asset image Score
55 (high-medium)

- Pucca house with plastered walls; durable, verifiable asset
- Metered electricity connection; stable documented address
- Municipal waste collection signal recognized, serviced locality



- **Differentiated pricing:** 50-200 bps above base rate depending on category

AI-powered customer underwriting leveraging alternate data

AI-powered PD³ to estimate income (in absence of any formal bureau record history):

- **Interview in vernacular languages** to estimate income, expenses, etc.
- **Estimates triangulated** via additional cash flow signals, e.g., UPI⁴ transaction history

Customer Image Scoring

Opportunity to leverage computer vision from self portraits to generate creditworthiness signals

Customer image Score
35 (medium)

- Background shows high-end residential construction, continuous high value work
- Scale and quality of the site signal formal, continuous employment rather than informal day-wage work



Non-sensitive attributes only

EMI schedule calibrated to seasonal income trend

Opportunity to leverage digital footprint to predict behavioral model, evaluated on:

- Device type and type of apps
- Utility bills payment consistency

Final decisioning based on both customer and asset underwriting

AI GENERATED IMAGE(S)

1. PMSBY: Pradhan Mantri Suraksha Bima Yojana; 2. PMJJBY: Pradhan Mantri Jeevan Jyoti Bima Yojana; 3. PD: Personal Discussion; 4. UPI: Unified Payments Interface
Source: BCG analysis

Leading banking ecosystems have expanded through new-age institutions targeting underpenetrated segments

MSMEs and Gig Workers

GXS Bank

Unlocks credit for MSMEs and gig workers

- Core focus on **gig workers** and **sole proprietors** often **underserved by traditional lenders**¹
- Significantly **low CAC** and **cost-to-serve** enabled by:
 - ~80% GXS customers¹ already linked to the Grab-Singtel ecosystem; lowering cost of reaching customers
 - App-led delivery model, **no physical branch presence**¹
- Total **loan book crossed S\$1Bn**¹ in 2025

Other global examples targeting MSMEs

OakNorth

- Amongst top 1% banks globally**² in terms of Returns on Assets
- £15Bn+ credit**² given since 2015

Starling Bank

- >10% market share**³ of UK SMEs banking accounts
- ~56% of its SME customers**³ use it as their primary account

GLDB

- Fully wholesale bank**, specialized in serving **supply chain financing programs** for MSMEs⁴

Young Adults

Nubank

Expanding low-cost, financial inclusion at scale

- 60% of Brazil's adults held a Nubank account, age **18-35 cohort remains the most active at ~45% of users**⁵
- Internally-developed, proprietary credit engine NuX leverages **alternate data to underwrite at a lower cost of credit**



85% lower cost-to-serve⁶ vs incumbents in Brazil

Other global examples targeting young adults

KakaoBank

- Serves 27Mn customers; **>50% of South Korea's population**⁷
- ~75% of registered customers**⁷ use the platform monthly

Revolut

- Serves **~20% of UK population**⁸
- 1 in 5 working-age adults in Europe**⁸ use Revolut

KBank

- Serves **>30% of South Korea's population**⁹
- Customers **aged <40 comprise ~50% of its customer base**⁹

1. GXS Group FY2024 and FY2025 disclosures; Grab Holdings, Annual Report 2025; 2. OakNorth Bank, Annual Report 2025; 3. Starling Bank, Annual Report 2023; Starling Group, Annual Report and Financial Results 2026; 4. Green Link Digital Bank corporate and product disclosures; 5. Nubank Investor presentations; 6. Nubank Form 20-F, 2025; including G&A expense; 7. KakaoBank FY2025 results and investor disclosures; Korea Financial Services Commission; Korea Capital Market Institute; 8. Revolut, Annual Report 2025 and 2026 customer update; UK Office for National Statistics, mid-2024 population estimates; 9. K Bank Q1 2026 customer disclosures, as reported by Seoul Economic Daily



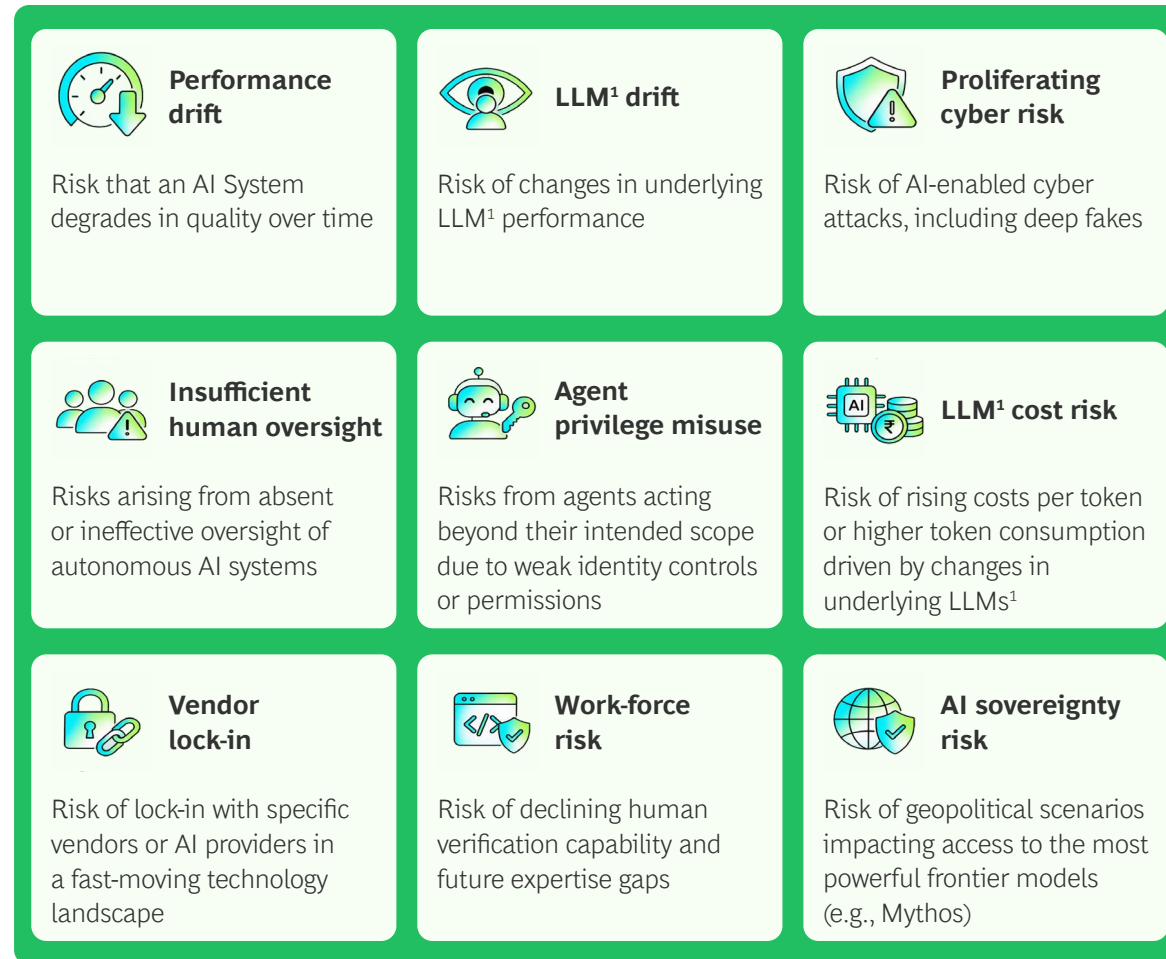
Strengthen governance frameworks for the age of AI



Global Banks are evolving AI practices to address emerging risks; these are expected to become increasingly important in India as well

Emerging risks

Non-exhaustive



Need for a robust risk management toolkit

★ Deep-dive Ahead



Model governance and Human-in-the-loop guidelines ★



Agent Governance ★



Need for continuous observability ★



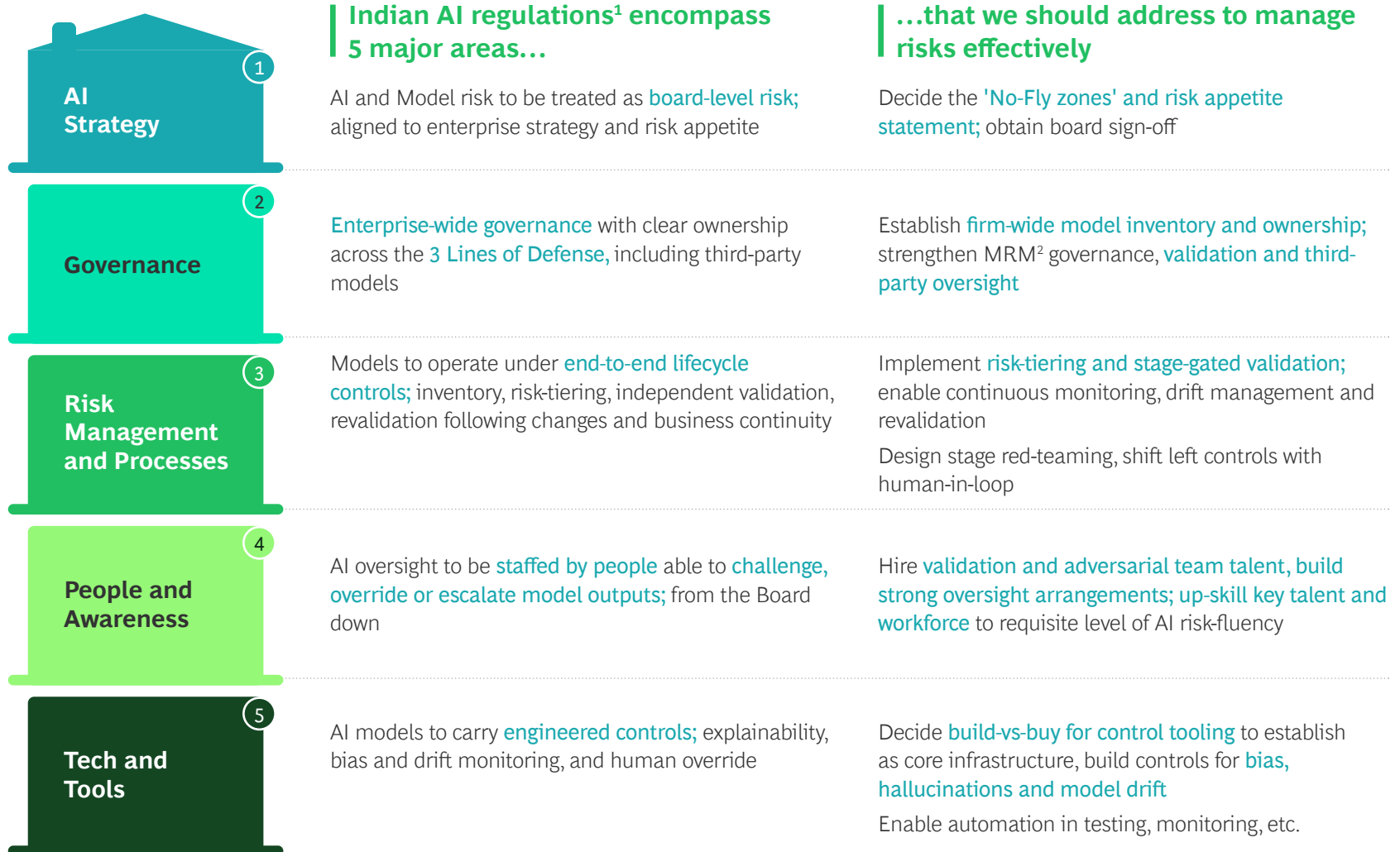
"Shift Left"²: Safe-by-design/ Control by code³

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1. Large Language Model; 2. "Shift Left" refers to embedding risk and controls early in the AI development lifecycle, rather than post-deployment; 3. Via AI development guideline

Source: BCG analysis

RBI's proposed MRM framework elevates model risk from a technical control to an enterprise-wide risk discipline



1. RBI guidance on regulatory principles for Model Risk Management, June 2026; 2. MRM=Model Risk Management

Source: BCG analysis

Beyond models, organizations would need to define a risk-tiered governance mechanism for AI Agents

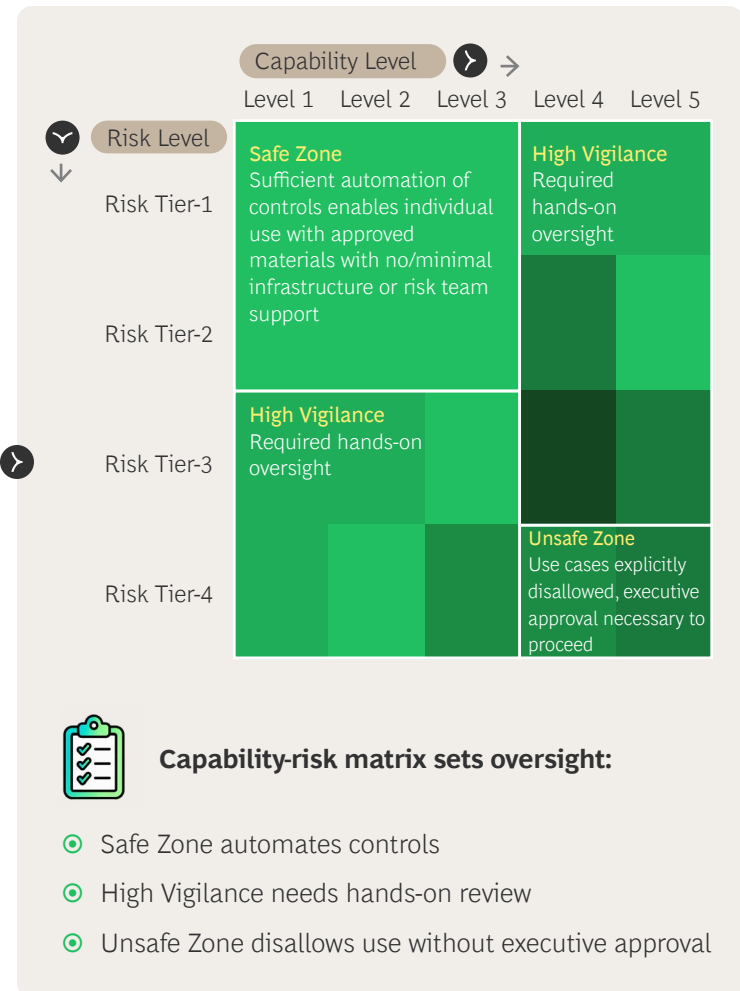
Agent Capability Levels

- L1 Prompted agents**
Direct prompt response; no memory, planning, autonomy or system interaction
- L2 Context-driven agents**
Retrieve relevant context/data; session awareness; read-only access; no action execution
- L3 Multi-step workflow agents**
Predefined orchestration enables structured tasks via APIs within fixed rules
- L4 Goal-directed agents**
Pursue defined objectives through planned execution, central orchestration and human oversight
- L5 Multi-agent systems**
Autonomous agents coordinate without central controller; distributed memory and dynamic delegation

Agent Risk Tiers

- R1 Low Risk**
Minimal impact; baseline controls and routine oversight
- R2 Moderate Risk**
Noticeable impacts possible; guidelines, controls and monitoring required
- R3 High Risk**
Significant impact; stronger controls, escalation and mitigation required
- R4 Very High Risk**
Severe impact; enhanced review and formal approval required

Risk Control Zones



Enterprise AI governance requires continuous observability, accountability and explainability

Continuous monitoring strengthens AI governance



Continuous Risk Detection

Detect safety incidents, policy violations and anomalous model behavior in real time



Explainable oversight

Provide traceability of alerts, user interactions, and model outputs to support investigation



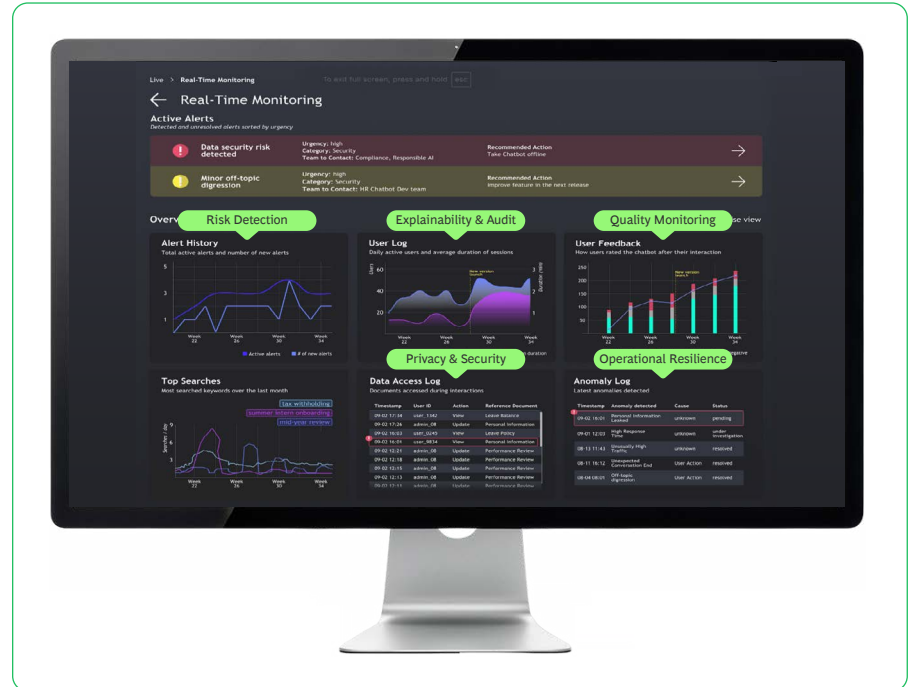
Operational Resilience

Monitor drift, system health and performance degradation to trigger timely remediation



Continuous Improvement

Use operational insights and user feedback to refine models and strengthen governance controls



AI is becoming increasingly pervasive across enterprises, reshaping how work gets done, decisions are made and productivity is unlocked. As AI agents become a part of the workforce, **they must be governed like any other enterprise entity, with clearly defined responsibilities, access privileges, oversight and accountability.** The challenge is no longer defining governance principles but operationalizing them at enterprise scale. Simultaneously, enterprises should increase their efforts to **strengthen information security in the age of AI.**

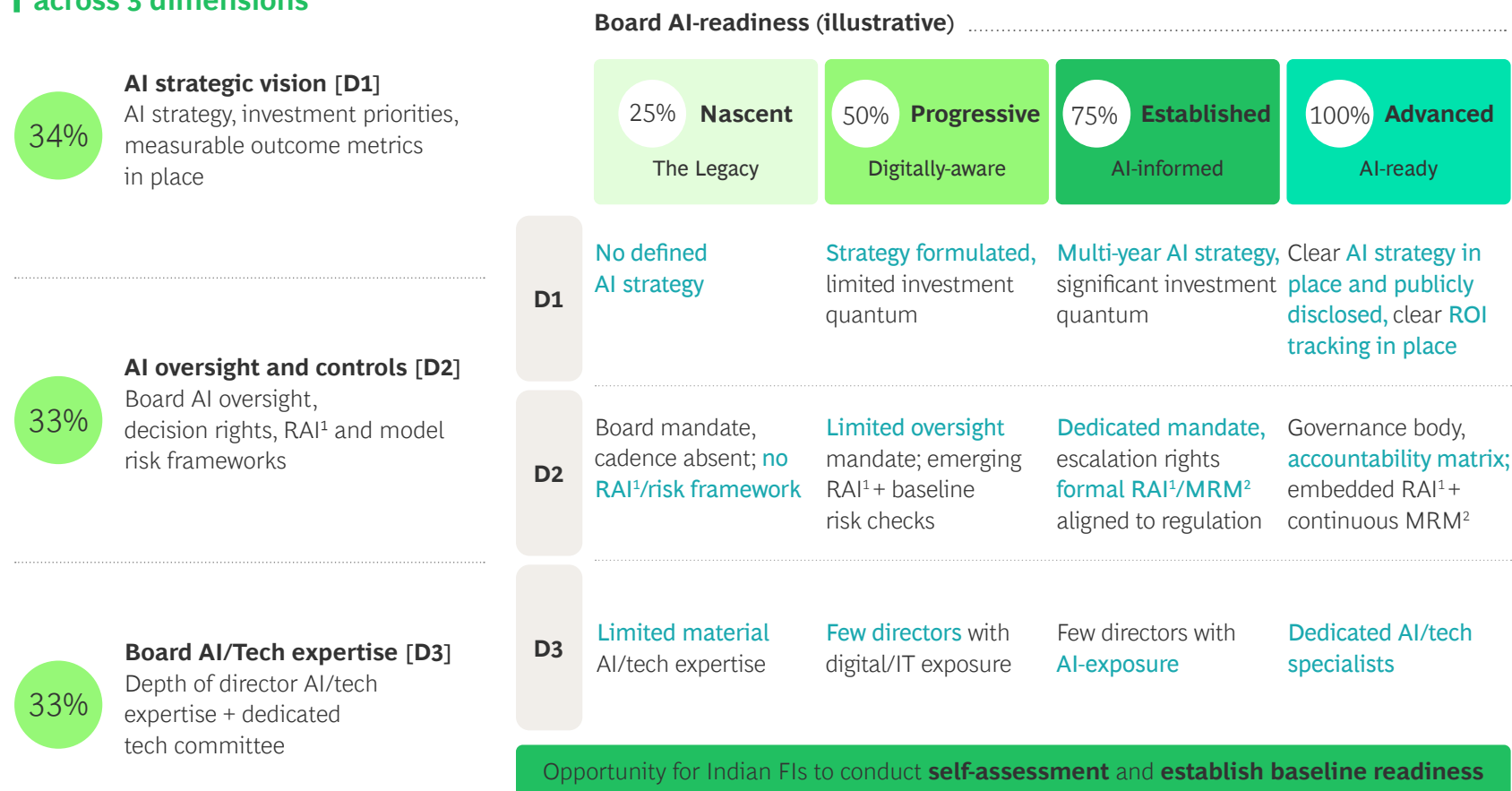
As AI becomes more pervasive, governance must keep pace with innovation. Enterprises need **continuous observability of AI systems**, while retaining accountability and human oversight and building confidence through explainable AI-led decisions. **Surveillance and controls must continuously strengthen as the technology evolves**, so greater sophistication does not create greater opacity or unmanaged risk.

Praveena Rai | MD & CEO, MCX India Ltd.

Boards for the age of AI: Opportunity for Indian FIs to evaluate board AI readiness across 3 dimensions

Board AI readiness assessment can be conducted across 3 dimensions

4 archetypes emerge across the spectrum of Board AI readiness, from Nascent to Advanced readiness levels



1. Responsible AI; 2. Model Risk Management

Note: A preliminary board AI readiness measure formulated using AI-assisted evidence extraction and scoring process using only publicly verifiable sources. The workflow was orchestrated through Harnesses, with outputs cross-checked by Maker-Checker Agents and reviewed through Human-in-the-loop validation to confirm source traceability, factual consistency, and director-level details. Indian PSBs (top 5 by total assets, FY25), Indian Private Banks (top 5 by total assets, FY25); Indian Tech (top 5 by market cap.); Global FIs (15 entities by total asset/AUM across (USA, UK, Brazil, Netherlands); global tech (top 5 globally by market cap.)

Source: BCG analysis

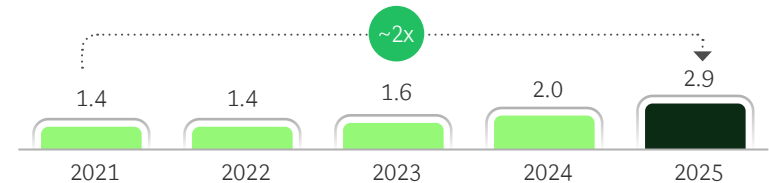
Build "Cyber Fortresses"



Indian BFSI faces a steep challenge in managing cyber attack intensity

	Global	India
Intensity		
Cyber attacks per organization (2025) ¹	1x	1.6x
Impact		
YoY change in average cost of a data breach (2024-25) ²	-9% (to \$4.4Mn)	+7% (to \$2.5Mn)
Mean time to identify and contain a data breach (March 2025) ²	241 days	263 days
Share of total attacks in BFSI sector (2025) ^{3,4}	27%	17%
Preparedness		
Percentage of BFSI leaders who consider AI related attacks as a top issue (2026) ^{5,6}	61%	76%
Percentage of BFSI organizations investing >10% of IT spend on cybersecurity (2025) ^{5,6}	76%	38%
Time to exploit (2020 → 25)	745 days	44 days

Cyber incidents handled by CERT-In⁷ per year doubled in last four years in India (Mn/year)⁷



Examples of Indian BFSI breaches in the last ~2 years⁸

Sensitive customer data exposed at leading public sector bank (Jul'26)

Compromised employee email enabled unauthorized access to customer information, triggering forensic investigation and regulatory response

Cybersecurity incident at leading Asset Management Company exposes investor data (May'26)

IT systems compromise exposed investor information, prompting password resets and heightened vigilance against SIM-swap and phishing attacks

Cloud misconfiguration exposes client data at a top-3 retail broker (Feb'25)

Compromised cloud environment exposed client data on the dark web, causing significant market cap erosion

Ransomware on shared tech vendor freezes 300 banks (July'24)

Ransomware exploited an unpatched DevOps server at a shared technology provider, disrupting payment services across approximately 300 cooperative and regional rural banks

1. Check Point Cyber Security Report 2026 (Jan '25–Dec'25); 2. IBM Cost of a Data Breach Report 2025 (Apr'24–Mar'25); 3. IBM X-Force Threat Intelligence Index; 4. DSCI x Seqrite India Cyber Threat Report 2025-26; 5. BCG x GLG Global CISO Survey 2026, Banking and Securities + Insurance excl. health subset (N=53); 6. BCG x DSCI India CISO Survey (N=42); 7. Computer Emergency Response Team Annual Report 2021, 2022, 2023, 2024, 2025

Source: Press Search, BCG analysis

Structural vulnerabilities amplify Indian BFSI's cyber exposure

External Exposure

1 Geopolitical Landscape 1.5Mn+

Cyber attacks on Indian websites over a fortnight post May'25

2 Excessive Third-party Reliance 50%+

BFSI leaders report 3rd party and Supply Chain Risk Management remains ad hoc or reactive¹



Preparedness Gaps

6 Talent Scarcity 90%+

Firms facing critical cybersecurity talent gap²

5 Headroom in leadership focus and investments 40%+

BFSI CXOs report ad hoc or reactive board oversight and cyber risk appetite measurement¹

Technology Gaps

3 Legacy Systems <15%

BFSI CISOs³ highly confident in managing unpatchable legacy systems¹

4 Software Visibility Bottleneck <17%

BFSI CISOs³ highly confident of visibility into third-party and open-source dependency exposure¹



Scan above for more insights on Cybersecurity in the Age of AI

AI GENERATED IMAGE(S)

1. BCG x DSCI India CISO Survey 2026 (N=42); 2. DSCI Report-Indian Cybersecurity Product Landscape 3.0; 3. CISO: Chief Information Security Officer

Source: BCG analysis

5-front Synchronicity: The operating model for cybersecurity in the age of AI



Business

Cyber priorities must follow the business, not the org chart

Govern cyber as a business risk, using health checks, diagnostics and quantified loss exposure to set Board-approved appetite and investments

Identify high-risk business domains with vulnerabilities

Synchronize security updates with product releases

Integrate cyber risk into enterprise risk dashboards alongside credit, market and operational risk



Cross-functional Teams

Cybersecurity is no longer a CISO¹-only agenda

Establish CEO-led cyber resilience governance with shared accountability across Business, Technology, Risk, Legal and Operations

Define enterprise-wide decision rights, shared KPIs² and common RACI³ to replace functional silos and serial handoffs



Vendors

A bank is only as secure as its weakest vendor

Treat third parties as first-party risk through continuous monitoring instead of annual assessments

Map critical vendor and fourth-party dependencies to identify concentration and systemic risk

Conduct joint resilience testing and strengthen contractual controls



Employees and Customers

Every employee and customer is both a target and a defender

Manage employees and customers as one AI-enabled human attack surface, integrating insider risk and fraud

Control Shadow AI usage through approved AI tools

Strengthen cyber awareness and AI-savviness across employees and customers to reduce human-driven cyber risk



Ecosystem

Collective defense is faster than individual defense

Actively share threat intelligence and co-develop defenses with AI providers, CERT-In⁴, FS-ISAC⁵ and sector forums

Develop harmonized reporting frameworks and shared playbooks for sector-wide cyber incidents

Simplify system architectures and product portfolios to reduce the attack surface and interconnected risk



Attack intensity is materially higher in Indian BFSI than in global markets, the ecosystem is more interconnected, and risks are rising fast. **Resilience can no longer be built in silos;** it requires synchronized effort across managing business priorities, teams, humans and the entire ecosystem. The opportunity cost and losses from cyber attacks now materially **outweigh the investment needed to build this collective defense.**

Nisha Bachani | Managing Director & Partner, BCG

AI GENERATED IMAGE(S)

1. CISO: Chief Information Security Officer; 2. KPIs: Key Performance Indicators; 3. RACI: Responsible, Accountable, Consulted and Informed; 4. CERT-In: Indian Computer Emergency Response Team; 5. FS-ISAC: Financial Services Information Sharing and Analysis Center
Source: BCG analysis

AI to defend against AI in the age of Mythos: Need to implement robust AI-driven security controls across cyber architecture



Shrink the Surface

Enhance attack surface management:

Discover true cyber exposure of internet-facing assets, shadow IT and vendors

Code-base testing for business-logic exploits:

Use AI testing to surface exploitation paths that traditional SAST/DAST¹ and WAFs² cannot catch

Vulnerability prioritization: Risk ranked patch queues by business impact, asset criticality and exploitability status to focus on the 1–2% that matter

Shadow AI detection: Continuous detection and monitoring of unsanctioned GenAI usage and data exfiltration



Harden the Identities

Micro-segmentation: Enforce identity-aware, ML-tuned segments at workload and API³ edges to contain intrusion escalation

Non-human identity governance:

Discover, scope and revoke AI agents, service accounts, API³ keys and sub-agent credentials

Strengthen compensating controls:

Vulnerabilities that cannot be patched immediately, harden controls such as virtual patching, configuration hardening, access restrictions, EDR⁴ tuning and heightened monitoring

Runtime guardrails for AI agents:

Monitor autonomous agent actions, permissions and data access in real time through AI-based runtime controls



Sever the Paths

Autonomous containment

(AI SOC⁵): Trigger auto-isolation, credential reset and config. rollback through high-confidence ML detections

Lateral movement detection: Detect anomalies using ML on credential misuse, privilege escalation and east-west traffic

Behavioral analytics and adaptive authentication:

Detect and trigger step-up authentication through ML-based per-user behavior models on deviation

Patching to AI-speed: Automate patching and remediation, using live asset inventory, continuous vulnerability scanning and threat intelligence

AI GENERATED IMAGE(S)

1. SAST: Static Application Security Testing, DAST: Dynamic Application Security Testing; 2. WAF: Web Application Firewall; 3. API: Application Programming Interface; 4. EDR: Endpoint Detection and Response; 5. SOC: Security Operations Center

Source: BCG analysis



Enable the
Human + AI workforce
of the future

Significant shifts in BFSI skill requirements of the future; need for unlearning as well as new-learning



70%

Of AI transformation value comes from **people and processes**



>60%

Productivity gain when firms teach new ways of working, vs ~10% from tool rollout alone

MAGIC Model

M

Mastering decentralized innovation

A

Autonomy under minimum structure

G

Guidance through partially shared leadership

I

Improvisation upon "mistakes"

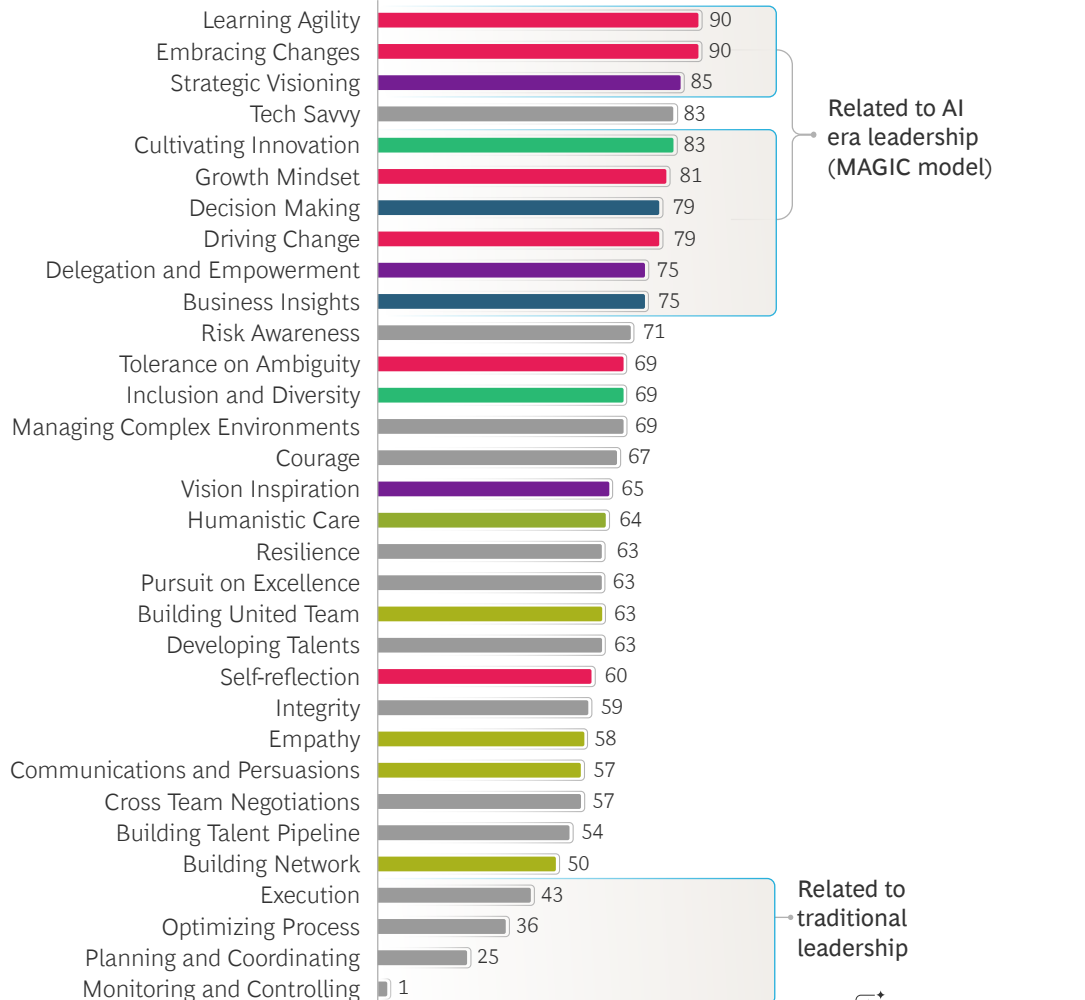
C

Connection through deep comm. and tacit understanding

The competencies of the future for BFSI leaders would be different¹

Graph below shows the Net Support Level; higher score indicates more important

Degree of future relevance



1. Numbers denote the Net Support Level-The difference of percentage between significantly more important or more important and significantly less important or less important

Source: Future of Finance 2026: Time to Shift Gears-BCG report, BCG AI Leadership Survey, BCG analysis

AI is reshaping roles across banking and financial services: **disrupting and augmenting some, while also creating** entirely new opportunities

Non-exhaustive



Disrupted

Automates rule-based, repetitive, or data-heavy tasks

ATM Coordinator

Branch Teller

Document Verification Clerk

Manual Data & Reconciliation Clerk

Routine

Correspondence Processor

Cheque & Payment Processing Clerk

Manual KYC¹ & Account-Opening Agent

Invoice Processing Clerk



Augmented

Embeds AI into daily workflows to accelerate productivity; humans own judgments

Internal Auditor

Relationship Manager

Wealth Advisor

Regulatory Reporting Analyst

Credit Underwriter

Fraud Investigator

Legal Counsel

FP&A² Analyst

Investor Relations Analyst

Contact-center Agent



Created

Introduces new roles to enable, govern and scale AI responsibly

Model-Risk Officer

AI Governance/ Risk Officer

AI Adoption Engineer

Synthetic Data/ Simulation Specialist

Agent Supervisor

AI Model Risk Validator

Forward Deployed AI Engineer

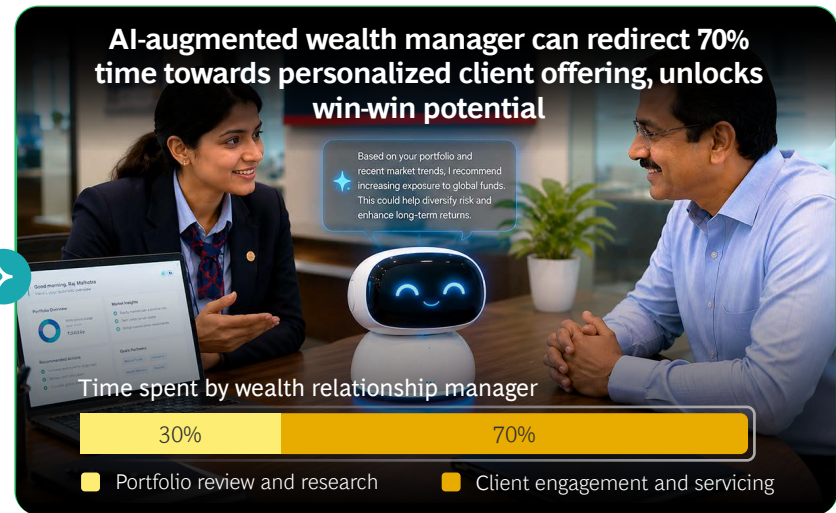
Prompt & Conversational AI Engineer

AI GENERATED IMAGE(S)

1. KYC—Know Your Customer; 2. Financial Planning and Analysis

Source: BCG analysis

Case Study: AI-augmented wealth relationship managers



Heavy manual preparation

Research and reports collation
Portfolio review and meeting preparation

Traditional Advisory

Product-led/generic advisory
Client conversations reactive

Traditional Service

Meeting documentation and follow-ups
Account maintenance and routine requests

AI-led preparation and prioritization

AI-led research and synthesis
Client signals and next-best action prioritization

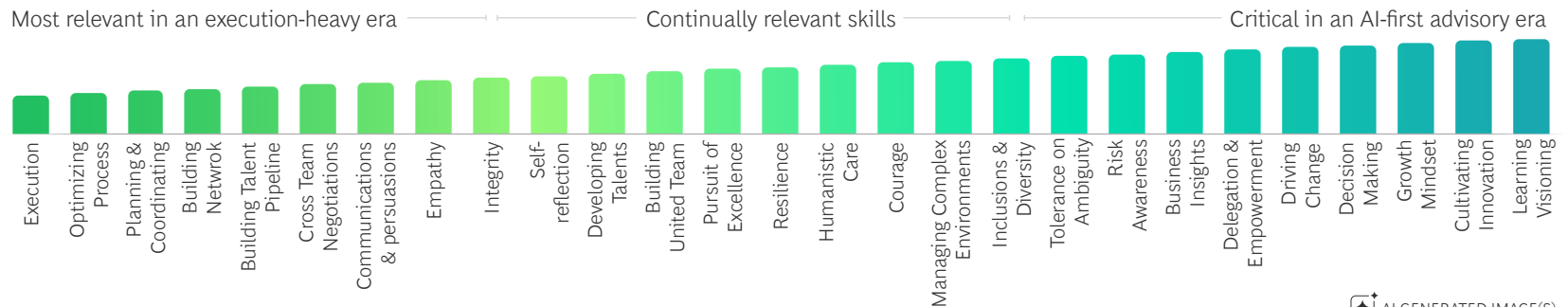
Hyper-personalized Advisory

AI-powered digital twins to unlock hyper personalized needs
Proactive engagement

Agentic Service

Follow-ups to be done by AI-powered products/services
Deeper relationships, cross-sell, broader coverage

Skills evolve from execution-heavy to intelligence led advisory¹



AI GENERATED IMAGE(S)

1. The difference of percentage between significantly more important or more important and significantly less important or less important

Source: BCG AI Leadership Survey, BCG analysis

4 levels of AI fluency critical for organizations to re-skill in the age of AI

Non-exhaustive

L1



AI Explorer

Build foundational AI literacy, use AI responsibly in everyday work

Learn

Foundational AI knowledge and basic use cases

Apply and Measure

Verify foundational AI literacy

L2



AI Practitioner

Apply role-specific AI tools and agents to work more effectively

Learn

How to use chatbots, agents, and approved tools in daily work

Apply and Measure

Verify applied prompting, output review, and quality judgment

L3



AI Automator

Design agentic workflows that boost productivity and reshape how teams work

Learn

Scope AI-enabled workflows and automation opportunities

Practice

Build, test, and refine simple workflows

Apply and Measure

Verify workflow design, reliability checks, and escalation judgment

L4



AI Multiplier

Build and oversee sophisticated AI systems at scale

Learn

System design, governance, and deployment oversight

Practice

Review AI systems, risks, and hand-offs in an AI tool

Apply and Measure

Verify platform-level ownership, quality, and risk judgment



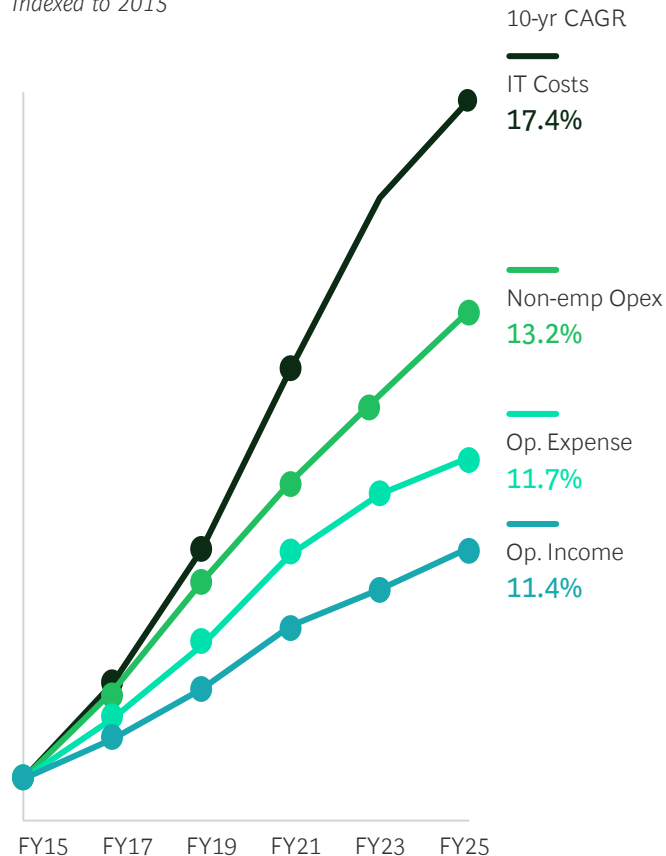
Measure and Unlock Return on AI investments

Banking productivity elusive despite disproportionate IT (esp. AI) spending

IT Spending growing 1.5x faster than income, yet productivity stagnant

Select P&L items – Indian Banks (10-yr trend)

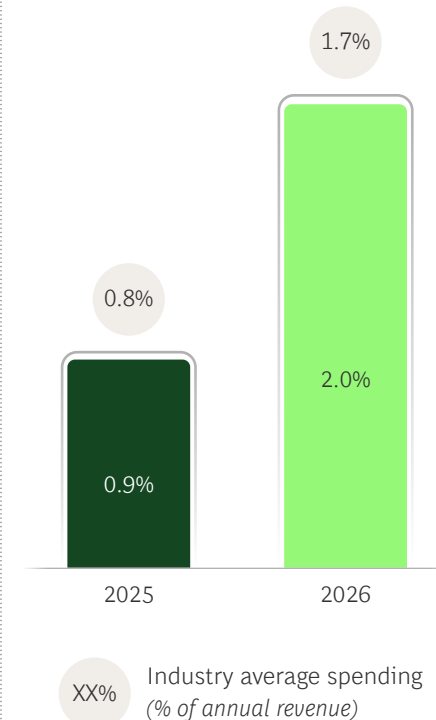
Indexed to 2015



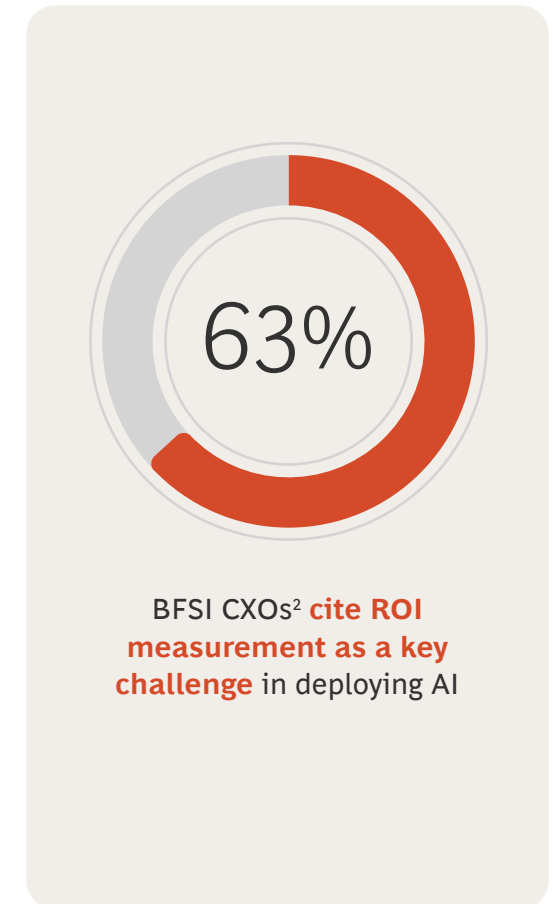
FI¹ are spending more on AI YoY; higher than other industry average

Investment in AI (% of annual revenue)

Financial Institutions (Global)



Measuring AI ROI becoming an imperative at CXO²/board-level



1. Financial Institutions; 2. C-suite executive/Chief "X" Officer

Source: "Build for the Future 2025" global study (n=1,250), BCG; "FIBAC 2025: Charting New Frontiers", BCG; BCG AI RADAR Survey 2025 (N=1803), BCG AI RADAR Survey 2026 (N=2360); Press search, BCG analysis

Imperative for 2-pronged ROAI measurement: use case + enterprise-level

Differentiated metrics across use case types



Operate: Enables existing core operations to run cheaper and better

E.g., Contact center co-pilot, KYC¹ document automation

Metrics

Cost per query handled	Cost per document processed	...
------------------------	-----------------------------	-----



Expand: Extends the reach of existing capabilities

E.g., AI underwriting for NTC² customers, personalized advertisements

Metrics

Increase in % of NTC ² customers	Cross-sell conversion uplift	...
---	------------------------------	-----



Innovate: Creates new products/revenue streams that did not previously exist

E.g., AI-native financial advisory, AI-led lending platform for MSMEs³

Metrics

AI-native revenue as % of total revenue	ARR ⁴ generated from new platform	...
---	--	-----

Enterprise-level scientific ROAI⁵ measurement

$$\text{ROAI}^5 = \frac{\text{Economic return}}{\text{Cost of human intelligence} + \text{Cost of tokens}}$$

Numerator

Economic Return

Revenue uplift

Cost savings

Risk reduction

Denominator

Cost of tokens

AI-driven costs incurred per outcome across 3 cost categories:

Cost of human intelligence

People who initiate, steer, review, and approve the workflow

Rolls up to enterprise-level ROAI³



A

CapEx: Developing AI infrastructure

B

OpEx: Workflows across functions e.g., coding

C

COGS⁶: Product/customer interaction



Scan above for insights on how CIOs⁷ can demonstrate technology's value in the Age of AI

ROAI is a flywheel: As AI workflows scale, unit costs fall, performance improves, and the highest value use cases attract further investment

AI GENERATED IMAGE(S)

1. KYC: Know Your Customer; 2. NTC: New-to-Credit; 3. MSME: Micro, Small and Medium Enterprise; 4. ARR: Annual Recurring Revenue; 5. Return on AI Investment; 6. COGS: Cost of Goods Sold; 7. CIO: Chief Information Officer

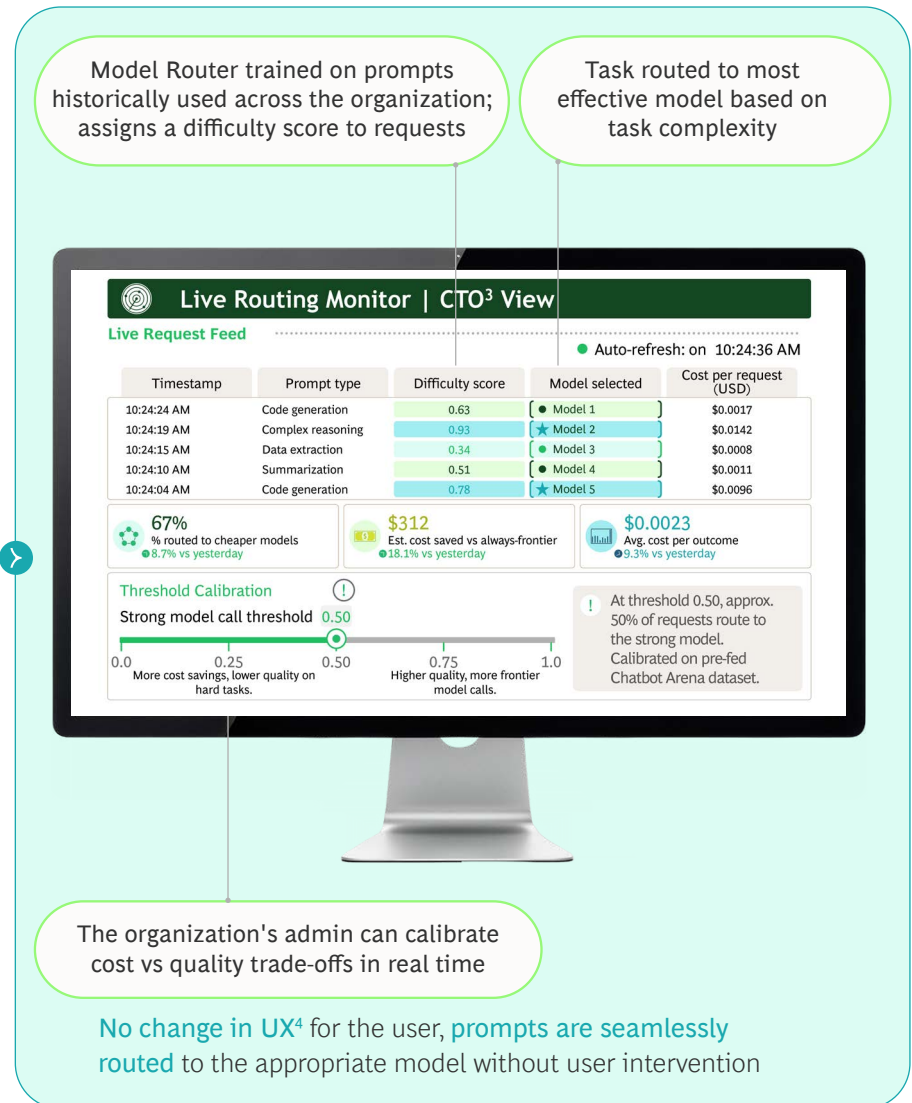
Source: "How CIOs Can Prove the Value of Technology in the Age of AI", BCG, June 2026; BCG analysis

LLMOps: A 5-step blueprint for Token Cost Optimization

Illustrative

Optimizing AI spending a function of human effort and usage

Opportunity Area	Key Levers
Stop or minimize avoidable spending	Revisit low-ROI usage by stopping unnecessary agentic loops Move rule-based work out of AI models; use deterministic code and APIs¹ instead
Route	Route tasks to the lowest-cost model meeting required intelligence performance Right-size GPUs²; self-host only when usage is sufficiently high and stable Budget output costs; use frontier reasoning only when needed
Cache	Cache and compact context through reuse
Govern	Govern cost/outcome; assign each workflow a P&L owner Re-architect the agent flow by sharing workspace context/state Buy at the right rate: batch non-urgent work, commit when steady
Train	Improve routing and caching through employee training
Potential reduction in GenAI inference spend: 50-70%	



1. API: Application Programming Interface; 2. GPU: Graphics Processing Unit; 3. CTO: Chief Technology Officer; 4. UX: User Experience;

Source: "Return on AI: How CFOs and CIOs Can Manage the Token Meter", BCG, July 2026; BCG case experience and analysis

Build indigenous
capabilities
across each layer
of the AI stack



India needs to define a strategy for each layer of the AI stack

☆ Deep-dive Ahead

Across the layers of the AI stack...



Applications

AI Services

AI Software

Domain-specific use cases

Horizontal capabilities



Models

Domain-specific models

Sovereign AI models

Models as Public Goods



Data

Multilingual (English + vernacular languages)

Multimodal



Infrastructure

Compute

Data Centers

Real Estate

Energy



...India is uniquely positioned to build differentiated capabilities

- Opportunity for Indian players to **establish dominant positions across key AI software and services domains** ☆
- Scale India-led AI applications** across priority sectors: agriculture, education, healthcare, BFSI¹ and governance
- Build open-source and indigenous model capabilities** to fine-tune and develop **domain-specific models for priority sectors** ☆
- Design models for India and the Global South: **vernacular, multimodal, offline/edge-ready** and are **interoperable as public goods**
- Build frontier model capabilities progressively**
- Scale AIKosh² as India's sovereign data hub** for curated, anonymized and verified Indian-context datasets to address sectoral and socio-economic blind spots
- Prioritize vernacular and multimodal datasets** spanning speech, text, imagery and translation across India's 22 scheduled languages
- India generates 20% of world's data, ~2% global data center capacity;** opportunity to capture higher share: 8% of global (17 GW) by 2030
- Build on **strong private-sector momentum**, with leading Indian players already **committing significant capital** to data centers and compute infrastructure

AI GENERATED IMAGE(S)

¹. Banking, Financial Services and Insurance; ². Centralized data-platform launched under IndiaAI Mission by Ministry of Electronics and Information Technology for curating anonymized and verified Indian context data to train sovereign AI models

Source: IndiaAI Mission press releases; Press search, BCG analysis

Applications: Opportunity for India to have leading presence in all critical use cases and applications

Non-exhaustive

AI Software Creation¹ (Coding, Apps and Websites)



\$29.3Bn

CURSOR

- Al-native code editor with codebase-aware agents
- Amongst the fastest revenue ramps in SaaS³ history

Coding AI



\$26Bn

COGNITION

- Cognition's Devin plans, writes & ships autonomously
- 89% of Cognition's own codebase now written by Devin

Coding AI

AI Search and Answer Engines



\$22.6Bn

PERPLEXITY

- Provides cited, synthesized answers instead of ranked links
- ARR² surpassed \$450Mn as of March 2026



\$15.8Bn

SIERRA

- Autonomously resolves customer service queries end-to-end
- Outcome-based pricing, not per-seat
- Multi-model, not locked to one LLM⁴



\$11Bn

ELEVENLABS

- Generates and clones realistic human speech
- Used by 41% of Fortune 500 companies



\$9Bn

REPLIT

- Full-stack apps via natural-language prompts
- Used across 85% of Fortune 500 companies

App Generation



\$6.6Bn

LOVABLE

- Prompt-to-app platform, Supabase-default backend
- Crossed \$500Mn ARR² within ~2 years of launch

App Generation



\$7.2Bn

GLEAN

- Enterprise AI search across a company's internal tools
- Model-agnostic: 15+ LLMs⁴ supported



\$10.2Bn

ZENDESK

- Customer service platform covering ticketing, helpdesk, and omnichannel support
- Outcome-based billing; does not charge per conversation



\$4Bn

SYNTHESIA

- AI avatar/voice for enterprise training videos
- Used by over 90% of Fortune 100 companies

**EMERGENT**

\$1.5Bn

- Users build production-ready apps via simple prompts
- \$130Mn Series C, ~13 months after product launch

App Generation

**SARVAM.AI**

\$1.5Bn

- Sovereign LLM + speech stack (STT/TTS⁵) for 22 Indian languages
- Selected under the Innovation pillar of the IndiaAI Mission

Emergent the only Indian unicorn in the App generation space, with **no major Indian player** in the coding-assistant domain

No major Indian player in the AI-powered Search Engine domain

Sarvam present in the Voice AI and Customer Service space; large global players dominate the overall enterprise market

xx Valuation

1. "AI Software Creation" combines coding assistants and app/website generation given converging capability sets; 2. Annual Recurring Revenue; 3. Software as a Service; 4. Large Language Model;

5. Speech-to-Text, Text-to-Speech

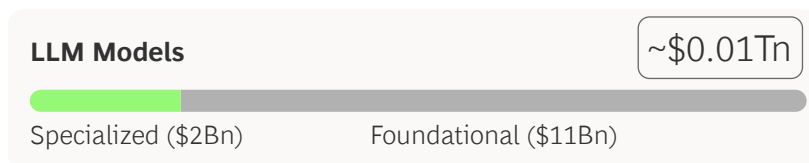
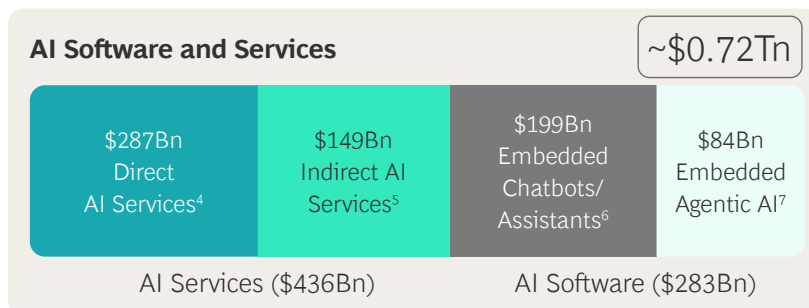
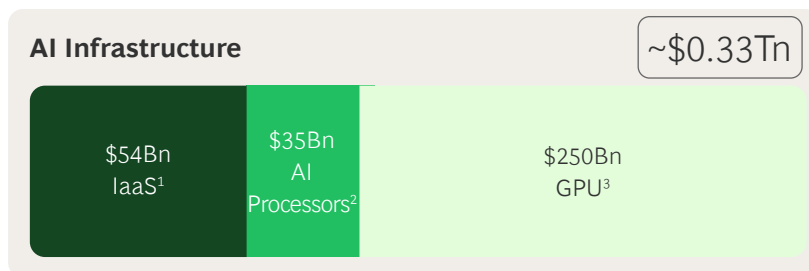
Note: Companies shown are illustrative-selected based on confirmed valuation/market capitalization exceeding \$1Bn as on 30th July, 2026

Source: Company disclosures; Bloomberg; TechCrunch; CNBC; Reuters; PitchBook; Tracxn; Sacra; Press Search; BCG analysis

Applications: Global AI market to be \$3Tn+ by 2029; AI Software and Services revenue to reach ~\$2Tn+

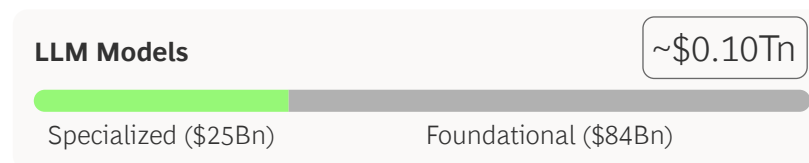
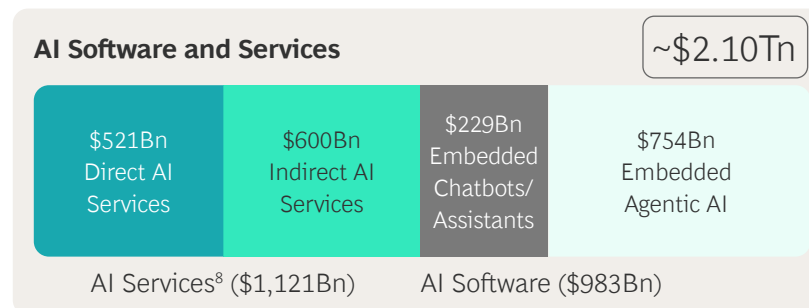
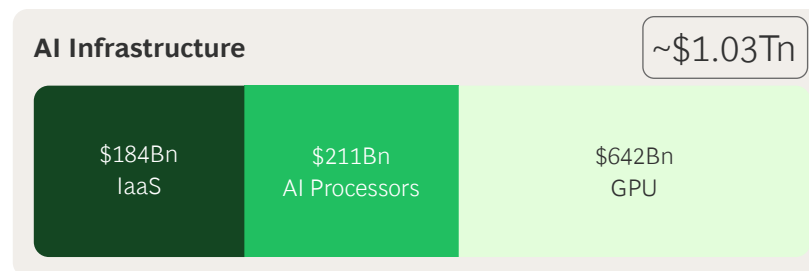
Global Revenue 2025

~\$1.1Tn



Global Revenue 2029E

~\$3.2Tn



1. IaaS—Infrastructure as service; IaaS reflects a definition (general cloud infrastructure tied to AI service delivery), sourced from Gartner's "AI Services" market model; **2.** AI Processors are ASICs (Application Specific Integrated Circuits); **3.** Graphics Processing Unit; **4.** Direct AI Services: services where AI plays a "central role" and determines the nature of the engagement (e.g., AI strategy, use-case deployment, DSLM/AI agent development, AI-specific infrastructure implementation); **5.** Indirect AI Services: services where AI plays a "supporting role" in an initiative not primarily defined by AI (e.g., integrating AI-enabled applications, maintaining systems adjacent to AI workloads); **6.** AI Chatbots/Assistants: GenAI-powered conversational software — reactive, script/workflow-based, providing output from pretrained data; **7.** Agentic AI: software with autonomous, decision-making AI agents-ranging from Simple AI Agents (task-specific, human-in-the-loop) to Advanced Autonomous AI Agents (proactive, multi-agent, minimal human oversight; still early-stage adoption); **8.** Potential upside in Direct and Indirect AI Services due to cannibalization of IT Services

Source: Gartner; BCG analysis

Applications – AI Services: Opportunity for India to drive \$100–120Bn revenue in AI Services by 2029

India's AI Services revenue is estimated at \$10–12Bn (FY26)

Driven by leading Indian IT giants

Annualized AI revenue

TATA CONSULTANCY SERVICES

~\$2.6Bn

INFOSYS

~\$1.7Bn

HCL

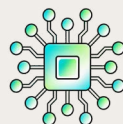
~\$0.7Bn

... among others

India's share (\$10–12Bn) of Global AI Services market (~\$436Bn)

~2.5%

India's share (\$140–150Bn) of Global IT Services market (~\$1.5Tn) ~10%



India has established an early foothold in AI Services and Software, but substantial **headroom remains to scale** to levels commensurate with India's traditional IT services strength

\$100–120Bn¹

Estimated India's potential in **AI services** by 2029

India has a strong right to win in the "AI services" segment

Key Strengths

- Domain Expertise
- Global client Base
- Talent pool
- Large GCC² network
- Ecosystem support



India has a strong right to win in AI Services, building on its **scaled IT services capabilities and deep GCC ecosystem**. As GCCs increasingly become hubs for **AI-led innovation and enterprise transformation**, they can help accelerate the development, industrialization and global scaling of **AI capabilities from India**.

Vivek Mandhata | India Leader–Payments, Managing Director and Partner, BCG

AI GENERATED IMAGE(S)

1. Assumes Indian firms will be able to capture 10% share of ~\$1121Bn global AI services market; **2.** Global Capability Centers

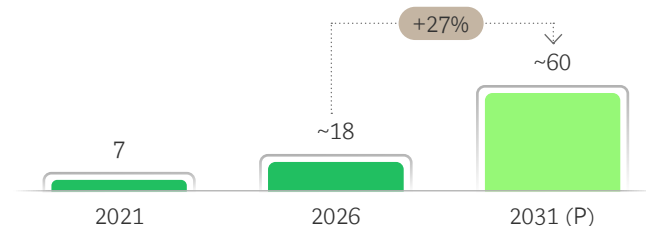
Note: India's AI services revenue estimated at \$10–12Bn basis NASSCOM estimates; Logos and trademarks featured are the property of their respective owners (TCS, HCL and Infosys) and are used here for illustrative and informational purposes only

Source: NASSCOM (National Association of Software and Service Companies), Gartner, Company Disclosures, Press Search, BCG analysis

Applications – SaaS: AI redefining the SaaS value proposition and winning recipe

India SaaS: A scaled growth engine

Indian SaaS Revenue (\$Bn)



2nd

Largest SaaS ecosystem in the world

20+

Unicorn SaaS startups in India, ~50 projected by 2030¹

BFSI SaaS poised to emerge as a differentiated growth engine for India SaaS

- Core platforms scaling BFSI solutions across segments
- Tech-enabled services addressing global digitization needs

Winning in SaaS in the AI age would need one or more structural moats

1 Proprietary Data

Network data which compounds with every transaction and can't be bought off a shelf

E.g., *Perfios* powers end-to-end customer journeys for 1000+ financial institutions; 8.2Bn+ data points delivered annually

2 Distribution

Deep customer relationships across domestic and global markets

E.g., *Zoho* 900K+ customers create a global cross-sell base
Deep, already-live integrations across institutions

E.g., *M2P* embedded across 200+ banks and 300+ lenders

3 Governed workflows

An auditable, explainable and observable execution layer to support operations

E.g., *HighRadius* delivers explainable and auditable decisions with audit traceability

4 Compliant by Design

Compliance, licensing and data-residency obligations baked into the product

E.g., *Credgenics* embeds regulatory guardrails across digital, tele-collections and field collection workflows

- Thin wrappers will be **most vulnerable in the age of AI**, as generic models and replicable logic/UI become easier to build and switch as AI lowers barriers
- Structural moats will be critical to **sustaining differentiation and defensibility** in the AI era



AI unlocks new possibilities for SaaS. Value will accrue to platforms with clear moats - **proprietary data**, **network effects**, **embedded distribution** and **deep domain knowledge**, where AI can amplify, rather than erode, competitive advantage. SaaS offering thin wrappers will be unlikely to grow in the age of AI

Sagar Agarwal | Founder & Managing Partner, Beams Fintech Fund

1. Projected by NASSCOM

Source: SaaSBoomi; NASSCOM; BCG analysis

Models: Strengthen domain-specific capabilities now; place frugal, strategic bets on frontier models for the long run

Non-exhaustive

Key imperatives for the India AI Stack



Accelerate development of domain-specific models

Expand purpose-built models across healthcare, agriculture, law, fraud detection, governance; leveraging India's vertical-AI strengths



Prioritize India-first deployment requirements

Design multilingual, multimodal and offline-first models for Indian languages and low-connectivity environments



Export India-built domain-specific AI across the Global South

Package models as interoperable public goods for markets facing similar development challenges



Build sovereign frontier capacity progressively-the India Way

Start with domain-adapted, fine-tuned, open-weight models; progressively investing in frontier models

Leverage India's proven "Frugal innovation" playbook



Healthcare

Extend specialist-quality diagnostics beyond major urban centers to ameliorate scarce specialist expertise

Qure.AI uses imaging models to interpret X-rays and CT scans; *NIRAMAI* uses AI models to detect breast-cancer risk from thermal imagery



Agriculture

Turn fragmented farm, weather and satellite data into farm-level decisions to anticipate risks and protect yields

Cropin uses predictive models for crop yields and risks; *SatSure* uses geospatial AI models to turn satellite imagery into farm intelligence



Finance and Fraud detection

Leverage digital payments data to deliver India-scale transaction intelligence to improve payment reliability, routing and fraud decisions

Razorpay Vulcan trained on ~3Tn data points across 4Bn transactions, providing a shared intelligence layer for the ecosystem

AI GENERATED IMAGE(S)

Source: Press Search; BCG analysis



Scale next-gen DPI and shared infrastructure

Foundational design principles of India's DPIs created a virtuous cycle of adoption, innovation and ecosystem growth

Six design principles that India's digital architects built into the DPI rails



Simplicity and customer-centricity by design

Obsession with customer centricity; workflows designed for essential primitives; minimal steps, repeatable across use cases



Design for population scale from Day One

Built for population scale (e.g.: Aadhaar serves >1.2Bn people); scale keeps marginal costs low



Open Standards, Interoperability by design

Common APIs² accessible to reduce vendor lock-in and bilateral integration complexities



Public Infra, Private Innovation

Private applications differentiate on customer experience leveraging same underlying infra (GPay, Paytm, PhonePe invested heavily to amplify adoption)



Sequencing the stack: Identity, Payments, Data, Consent

Trust before transactions: Aadhaar (2010) → UPI (2016) → AA¹ (2021); each layer compounds the utility of the next

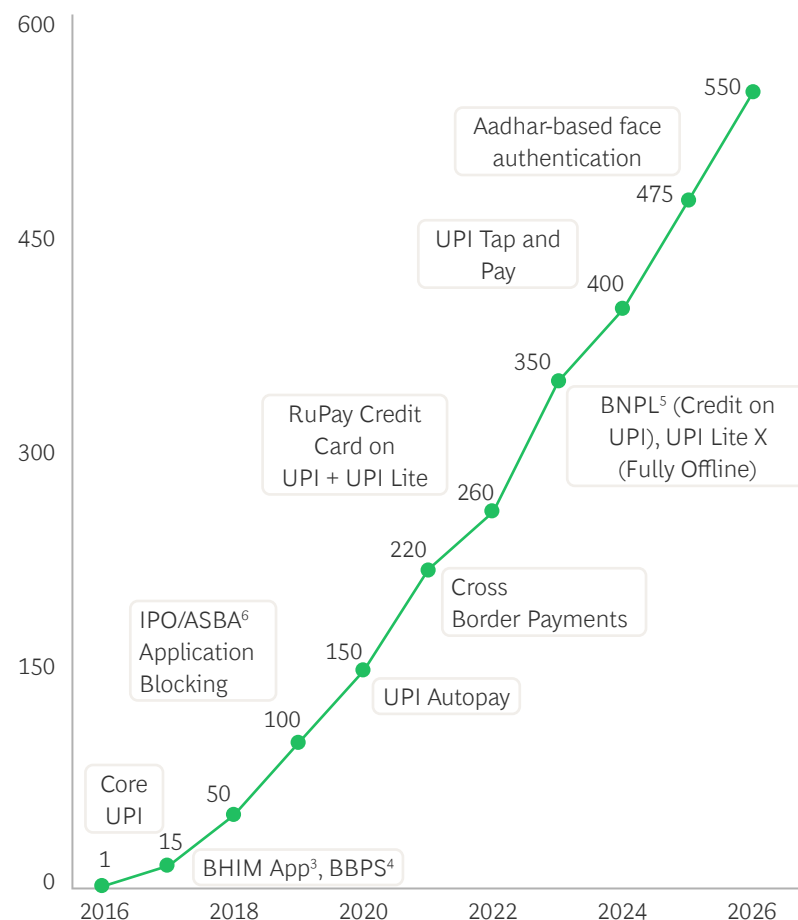


Made in India, Made for the World

Build modular building blocks to export; countries build and configure components as per local context

Every wave of UPI adoption unlocked new use cases, which in turn attracted new users, merchants, and financial institutions

Active Users (Mn)



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1. Account Aggregator; 2. Application Programming Interface; 3. Bharat Interface for Money; 4. Bharat Bill Payment System; 5. Buy now Pay Later; 6. Application supported by blocked amount
Source: NPCI, PIB, Press Search, BCG analysis

Case Study - India for the World (I/II): India's population-scale digital payments experience offers a proven playbook for building open, inclusive, interoperable payment ecosystems globally

India's experience demonstrates how interoperable payment rails enable diverse use cases, from everyday payments to government disbursements and collections



Expand choice and convenience: Enable users to transact seamlessly across banks, apps and payment channels



Build a connected payments ecosystem: Link banks, merchants, payment providers, wallets and public institutions through shared infrastructure



Deepen financial inclusion and digital participation: Extend formal payments and banking access to underserved and last-mile populations



Foster continuous innovation: Enable fintechs and ecosystem to innovate on top of shared infrastructure, creating jobs and democratizing payments

Peer-to-Peer

~550Mn UPI users¹ onboarded enabling instant transfers across users, banks and payment apps

Person-to-Merchant

~800Mn UPI QR codes¹ extending digital payment acceptance across merchants at population scale

Person-to-Government

190Mn+ P2G transactions² via BBPS⁹, enabling interoperable, 24x7 collections

Government-to-Person

~3.4Bn transactions processed through APBS³ enabling delivery of government benefits directly to bank accounts

NIPL⁴ helps countries adapt India's payments playbook to build sovereign and interoperable payment ecosystems

1 Sovereign Architecture and Governance

Enable local ownership of the payment platform, data, tech components and governance framework

2 End-to-end scheme design

Guide the development of scheme rules, governance and operating models

3 Innovation across diverse use cases

Build infrastructure including P2P⁵, P2M⁶, G2P⁷ and P2G² use cases through a unified ecosystem

4 Trust, resilience and capability transfer

Embed operational excellence that strengthens consumer trust, system resilience and local institutional capability

UPI-like stack

– Developing RTP⁸ for Namibia, Peru, Trinidad and Tobago

RuPay-like stack

– Domestic Card Scheme Stack for Mauritius and UAE

Next frontier – Broadening the reach and utility of digital-payment ecosystems through population-scale use cases

– BBPS⁹ stack for centralized bill payment solutions
– AePS¹⁰ stack to enable ID-based payments

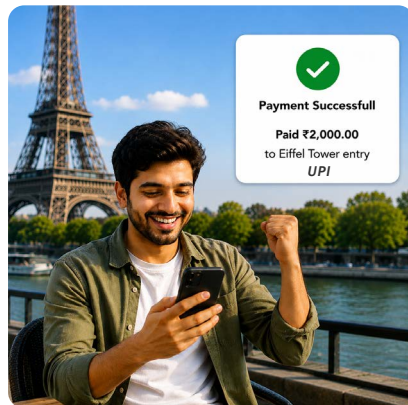
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1. UPI: Unified Payment Interface (as on June '26); 2. P2G: Person-to-Government (for FY26); 3. APBS: Aadhaar Payment Bridge System (for FY26); 4. NIPL: NPCI International Payments Limited;
5. P2P: Peer-to-Peer; 6. P2M: Person-to-Merchant; 7. G2P: Government-to-Person; 8. RTP: Real Time Payments; 9. BBPS: Bharat Bill Payment System; 10. AePS: Aadhaar Enabled Payment System
Source: NPCI Press Release, NPCI Internal data, PIB, Press Search, RBI Payments System Report

Case Study - India for the World (II/II): NIPL is extending UPI global reach through fostering global merchant acceptance and enabling seamless cross-border remittances

Global merchant acceptance

NIPL¹ enables familiar UPI² payments experiences for Indian customers at overseas merchants



9 Countries accept UPI



2Mn+ International Merchants Onboarded



15 International Partners

Customer experience

Familiar App | Transparent FX | Real-time visibility | Secure Authentication

Global acceptance partnerships (in pipeline)

PayPal World (Multiple markets) | Peach Payments (South Africa)

Non-exhaustive

Cross-Border remittances

Building UPI interlinkages with overseas payment systems to enable real-time and cost-effective cross-border remittances

Established remittance corridors include...



Singapore

UPI | PayNow



Nepal

UPI | NPI⁴



Maldives

UPI | Favara



Greece

UPI | Eurobank



Multiple countries

UPI | UPU-IP⁵



United Arab Emirates

UPI | Al Etihad Payments



Bahrain

UPI | BENEFIT⁶



Kuwait

UPI | KNET

Announced/under development; not live yet

For Indian banks, opportunity to extend customer relationships into international payment journeys and provide efficient cross-border remittance solutions, unlocking new revenue pools and improving economics.



At NPCI International, we are committed to advancing digital payments across global markets. From expanding UPI acceptance globally to supporting countries in building digital payment infrastructure, we are enabling greater access to digital payments and seamless cross-border payment experiences. Guided by the vision of promoting financial inclusion, NIPL remains focused on connecting economies, expanding payment access, and enabling efficient cross-border payments and remittances.

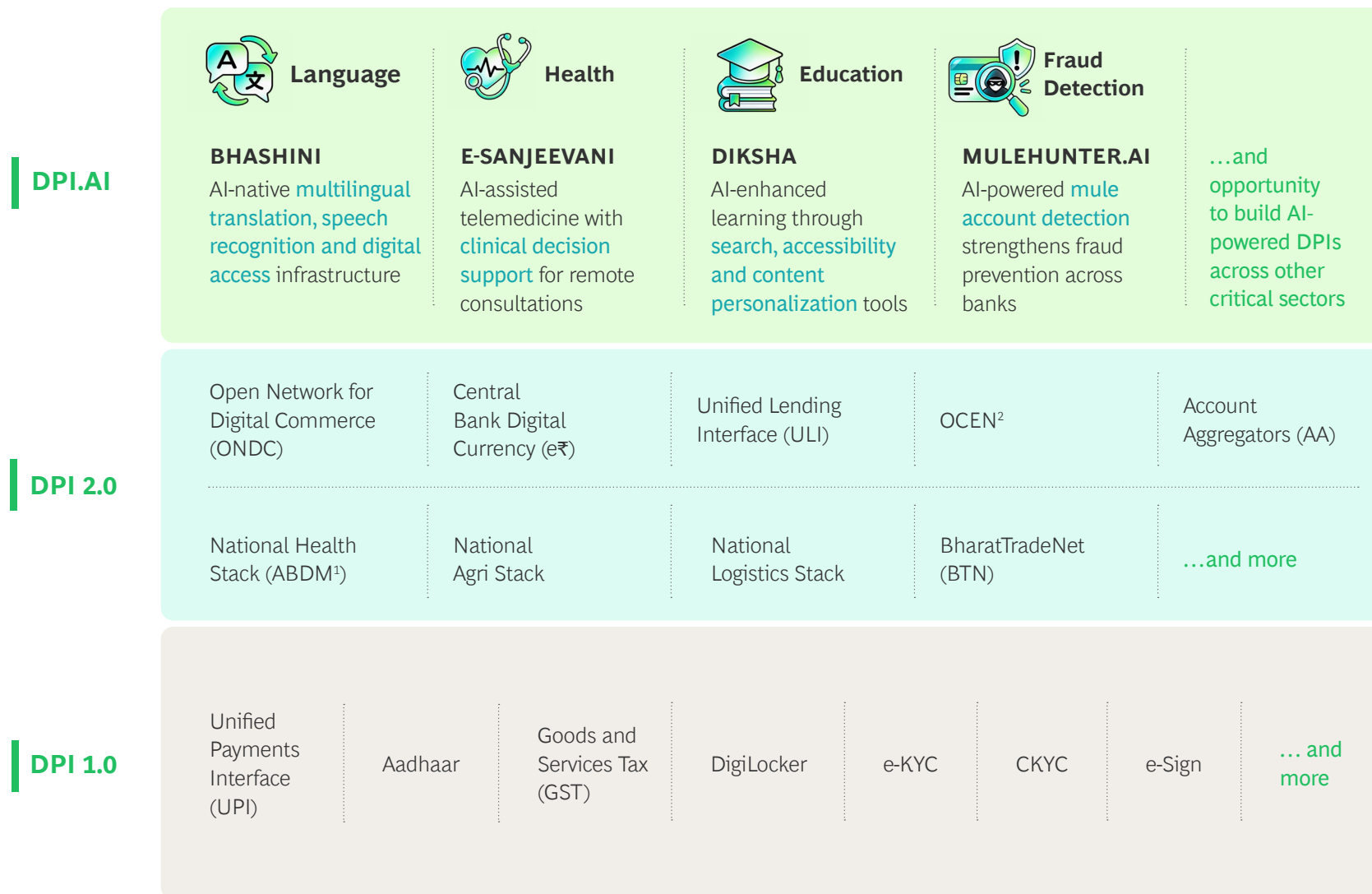
Ritesh Shukla | MD & CEO, NPCI International Payments Limited (NIPL)

AI GENERATED IMAGE(S)

1. NIPL: NPCI International Payments Limited; 2. UPI: Unified Payment Interface; 3. VPA: Virtual Payment Address; 4. NPI: National Payments Interface (Nepal); 5. UPU-IP: Universal Postal Union – Interconnection Platform; 6. BENEFIT: Bahrain's Electronic Network for Financial Transactions

Source: NIPL Press Release, Press Release

Next-gen DPIs can help accelerate the diffusion of AI capabilities at population scale, for India and the Global South



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1. ABDM: Ayushman Bharat Digital Mission; 2. OCEN: Open Credit Enablement Network

Case Study - Agri Stack: Next-gen DPI architecture to unlock significant benefits across the agriculture ecosystem

Layered agriculture DPI architecture...

Farmer Identity Layer
Unique Farmer ID ecosystem



Consent and Trust Layer
Secure, consent-based data sharing



Agricultural Data Layer
Land records, crop data, weather, benefits



API & Interoperability Layer
Standards, integrations and reusable rails



Innovation and AI Ecosystem
Credit, insurance, advisory, inputs, markets

...supports the entire ecosystem



Government

Better targeting of beneficiaries, policy intelligence



Farmers

Portable digital identity enabling access to services



Financial Institutions

Lower information asymmetry for credit and insurance products



Agritech/AI Innovators

Trusted rails for responsible, data-led innovation

Lending via alternate underwriting

- ⦿ **Potential to lower cost-to-serve** on loans enabled via alternate data (e.g, land records, crop-sown data, satellite signals etc.)
- ⦿ Credit access expansion for >10Cr farmers, previously unviable to underwrite
- ⦿ **TAT: <1 hour** (vs. ~5 weeks earlier)

For e.g. RBI's ULI, has disbursed 7.5 Lac+ loans worth ~₹38K Cr via alternate data till date

Precision crop insurance

- ⦿ **Reduced insurer operating cost** driven by ~50% lower manual CCEs¹
- ⦿ **Shift from area-average to plot-level indemnity** using geo-referenced plot data, satellite imagery, weather signals etc., sharply **reducing fraudulent claims**

For e.g. PMFBY² tech partners enable faster settlements for farmers, lower claims leakage for insurers

Output Market Linkage

- ⦿ **Widens buyer discovery** via crop, quantity, harvest timing and geo-location data flowing to potential buyers and logistic providers
- ⦿ **Improves net realization for farmers** by reducing dependence on opaque mandi intermediaries

For e.g. eNAM³, integrated with AgriStack registries, spans ~1.5k mandis across 27 states, ~1.8Cr registered farmers, cumulative trade of ~₹5Lac Cr

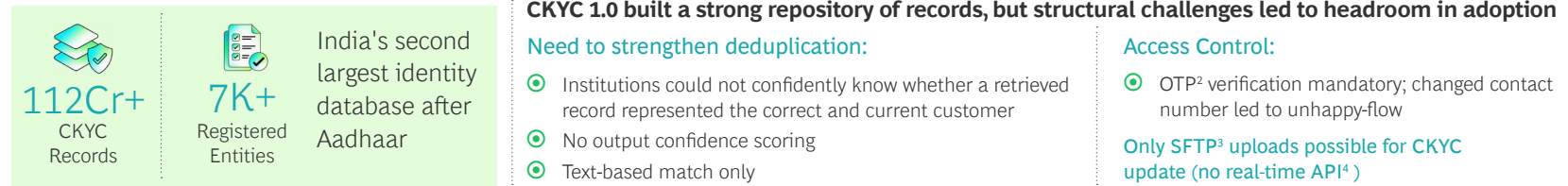
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CCE: Crop Cutting Experiment, **PMFBY:** Pradhan Mantri Fasal Bima Yojna, **eNAM:** Electronic National Agriculture Market

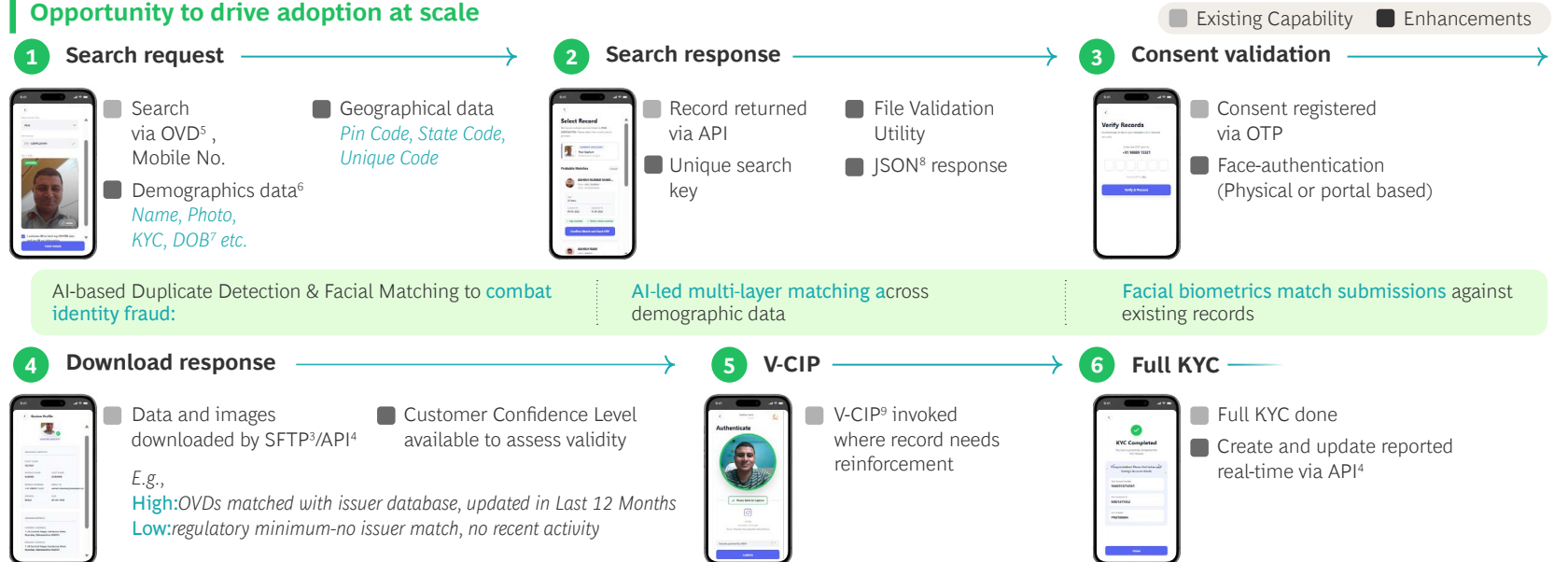
Source: RBI disclosures, PIB, Proprietary material shared by Protean eGov Technologies for GFF '26

Case Study - CKYC: Enabling adoption and trust for a unified, portable identity

CKYC¹ 1.0 established a scaled foundation for reusable KYC



Opportunity to drive adoption at scale



Supported by Protean's comprehensive customer onboarding solution across sectors



CKYC has the potential to become a **foundational trust layer for India's financial ecosystem**; enabling customers to establish their identity once and seamlessly reuse it across multiple financial services. By transforming the end-to-end KYC journey, we can create an ecosystem built on **validated, confidence-calibrated** and **real-time data**. A **single intelligent layer** across regulated entities can significantly reduce friction, expand financial inclusion and unlock new possibilities for **innovation across India's digital economy**.

Ajay Rajan | MD & CEO, Protean eGov

AI GENERATED IMAGE(S)

1. Central Know Your Customer; 2. One-Time Password; 3. Secure File Transfer Protocol; 4. Application Programming Interface; 5. Officially Valid Document; 6. Includes Gender, Relation; 7. Date of Birth; 8. JavaScript Object Notation; 9. Video-based customer identification process

Source: Proprietary material shared by Protean eGov Technologies for GFF '26; RBI KYC Master direction and CERSAI CKYC Operating Guidelines v1.5

Case Study - Shared infrastructure: Shared digital banking platform can accelerate modernization at scale for smaller banks, such as rural cooperative banks (RCBs)

RCBs serve 10Cr+ accounts but digital maturity remains uneven

- 1 Legacy stacks and vendor concentration in CBS
- 2 <30% of RCBs use UPI and other modern payment capabilities
- 3 <40% of RCBs offer mobile banking
- 4 <50% of RCBs have a dedicated SOC/NOC

'Bank in a box' powered by NABARD End state vision

Bank Layer					
Support and Operational	Digital Banking	Core payment and Clearing	Identify and Access Mgmt.	Customer comm.	Cybersecurity
Collections, GenAI bots, AML, ...	E-KCC, Omnichannel platform, LOS ...	AePS, UPI, BBPS, IMPS, NEFT/RTGS, ...	IAM, SSO, AD, ...	Inbound/ Outbound (Bots), SMA/WA Banking,...	Network, NOC/Data Security, ...
Core Banking and Finance	Infrastructure and Integrations	Data, Reporting and Analytics	People Management	Risk and Compliance	
CBS, Treasury, Trade Finance, ALM, ...	Infra/Data Center, API Gateway/MQ ...	Data Platform, Regulatory Reporting, MIS, ...	HRMS, Learning Management System	Audit/ Inspection, EWS, EFRM, Credit and Ops Risk	

Illustrative

Key outcomes

Modernization and adoption of next-gen digital banking capabilities

Standardized cybersecurity, governance and risk management practices

Lower technology costs through shared digital infrastructure



One in every ten Indians banks with an RCB, making its digital transformation a national priority. NABARD has been instrumental in strengthening the digital foundation of RCBs. The next phase is to build shared digital capabilities that enable every RCB to deliver secure, modern and scalable banking services.

Shaji K.V. | Chairman, NABARD

AML: Anti-Money Launderin, **ALM:** Asset Liability Management, **API:** Application Programming Interface, **AePS:** Aadhaar Enabled Payment System, **BBPS:** Bharat Bill Payment System, **CBS:** Core Banking System, **CRM:** Customer Relationship Management, **DMS:** Document Management System, **EFRM:** Enterprise Fraud Risk Management, **E-KCC:** e-Kisan Credit Card, **EVS:** Employee Verification System, **HRMS:** Human Resource Management System, **IAM:** Identity and Access Management, **IMPS:** Immediate Payment Service, **KYC:** Know Your Customer, **LOS:** Loan Origination System, **MLS:** Management Ledger System, **NEFT:** National Electronic Funds Transfer, **NOC:** Network Operations Center, **RTGS:** Real Time Gross Settlement, **SOC:** Security Operations Center, **UPI:** Unified Payments Interface

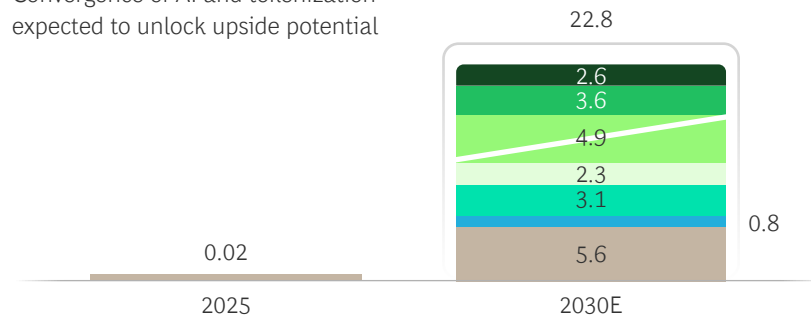
Scale Tokenized Infrastructure

Tokenization to unlock a \$20Tn global opportunity by 2030

Digital Real-World Assets (RWAs) expected to experience breakout growth...

Digital RWA projection, \$Tn

Convergence of AI and tokenization expected to unlock upside potential



Progressive scenario assuming rapid large-scale adoption of Digital RWAs

- Government bonds
- Corporate bonds
- Securitized debt (MBS¹, ABS²,...)
- Equities (listed)
- Money market instruments
- Other securities (e.g. hybrid capital)
- Tokenized alternatives
- Tokenized commodities

...enabled via 5 structural advantages of tokenization



Settlement speed

Near-instant settlement cuts counterparty risk and capital tied up in buffers



Balance sheet and collateral efficiency

Greater mobility, reuse, and real-time valuation of collateral improve liquidity



Programmability and automation

Rules embed into assets: automated actions, conditional payments, compliance checks



Global reach and distribution efficiency

Assets distribute globally with fewer intermediaries, cutting cross-border friction



Fractionalization and access

Smaller denominations open assets once reserved for large institutions

Significant opportunity to [harness the combined potential of AI and tokenization](#) to modernize financial infrastructure, address legacy-system constraints, and enable a more programmable, efficient, and scalable financial system

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1. MBS: Mortgage Backed Securities; 2. ABS: Asset Backed Securities

Source: The Future of Digital Assets-BCG Report 2026, BCG analysis

Regions are pursuing different routes to tokenization, each building on its own market structure and structural advantages



United States: Market Driven Model

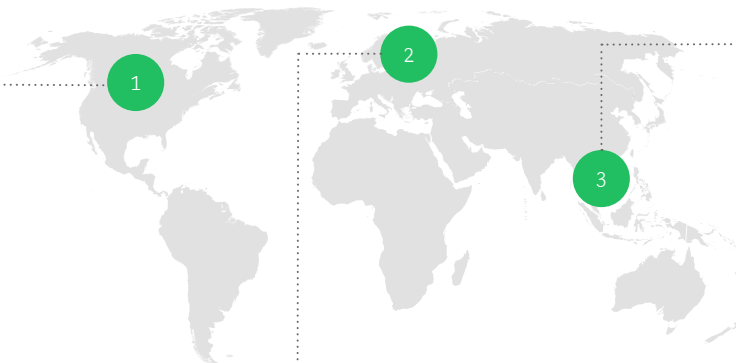
- Existing financial law applied to digital asset activities
- Supervisory interpretation shapes regulatory perimeter

Select examples

BlackRock BUIDL: Institutional-grade tokenized money market fund investing in US T-bills, cash, repo; ownership recorded on-chain

J.P Morgan Kinexys: Tokenized bank deposits (via JPMD¹) enabling 24/7 institutional payments; programmable, on-chain settlement

Broadridge DLR²: DLT³ based repo platform enabling tokenized collateral settlement within existing institutional market workflows



Europe: Bespoke Regime Model

- Dedicated digital asset legislation to create frameworks beyond legacy law
- Clear perimeter definitions, prescriptive compliance architecture

Select examples

DZ BANK⁴ + KfW Smart Bond⁵: Tokenized bond issued under Germany's eWpG³ on public blockchain; automated central-bank-money settlement via Bundesbank Trigger Solution⁶, a settlement interface

UK Finance GBTD⁷: Tokenized commercial bank deposits pilot driven by 6 leading banks in UK⁸ via a shared orchestration layer



Asia-Pacific: Competitive Hub Model

- Clear market entry pathways with structured digital asset licensing to attract global firms and capital
- Strong supervisory oversight, AML and governance standards reinforce regulatory credibility

Select examples

MAS⁹ Project Guardian: MAS led industry initiative advancing tokenized funds, fixed income and FX form trials towards commercial networks

HKMA¹⁰ Project Ensemble and e-HKD⁺: Complementary initiatives advancing tokenized deposits and digital assets; real-value settlement via EnsembleTX and programmable-money use cases through e-HKD+



Tokenization is moving decisively from **experimentation to systemic adoption**. Markets are taking different approaches; from dedicated digital asset frameworks to adapting existing financial regulation and supervised innovation models. The next phase will be shaped by how effectively these frameworks provide the **certainty needed to scale while preserving the room for innovation**.

Kunal Jhanji | Managing Director & Partner, BCG

1. JPMD: ticker symbol for JPMorgan Chase's USD-denominated digital deposit token; **2.** DLR—Distributed Ledger Repo; **3.** DLT: Distributed Ledger Technology; **4.** DZ BANK: Deutsche Zentral-Genossenschaftsbank, Germany's cooperative banking central institution; **5.** KfW-Kreditanstalt für Wiederaufbau, Germany's state-owned development bank; **6.** eWpG-Gesetz über elektronische Wertpapiere (German Electronic Securities Act), which provides the legal basis for issuing and registering securities electronically, Bundesbank trigger solution; **7.** Great British Tokenised Deposit; **8.** Originally launched with 6 leading banks namely—Barclays, HSBC, Lloyds Banking Group, Nationwide Building Society, Natwest, Santander, recently joined by Monzo; **9.** MAS—Monetary Authority of Singapore; **10.** HKMA—Hong Kong Monetary Authority

Source: Future of Digital Assets 2025-BCG Report, BCG analysis

Case Study - Programmable CBDCs: Enabling purpose-bound subsidy delivery

Evolution of government subsidy delivery

Cash

- Physical channels
- Low visibility
- High leakage

Direct Bank Transfer

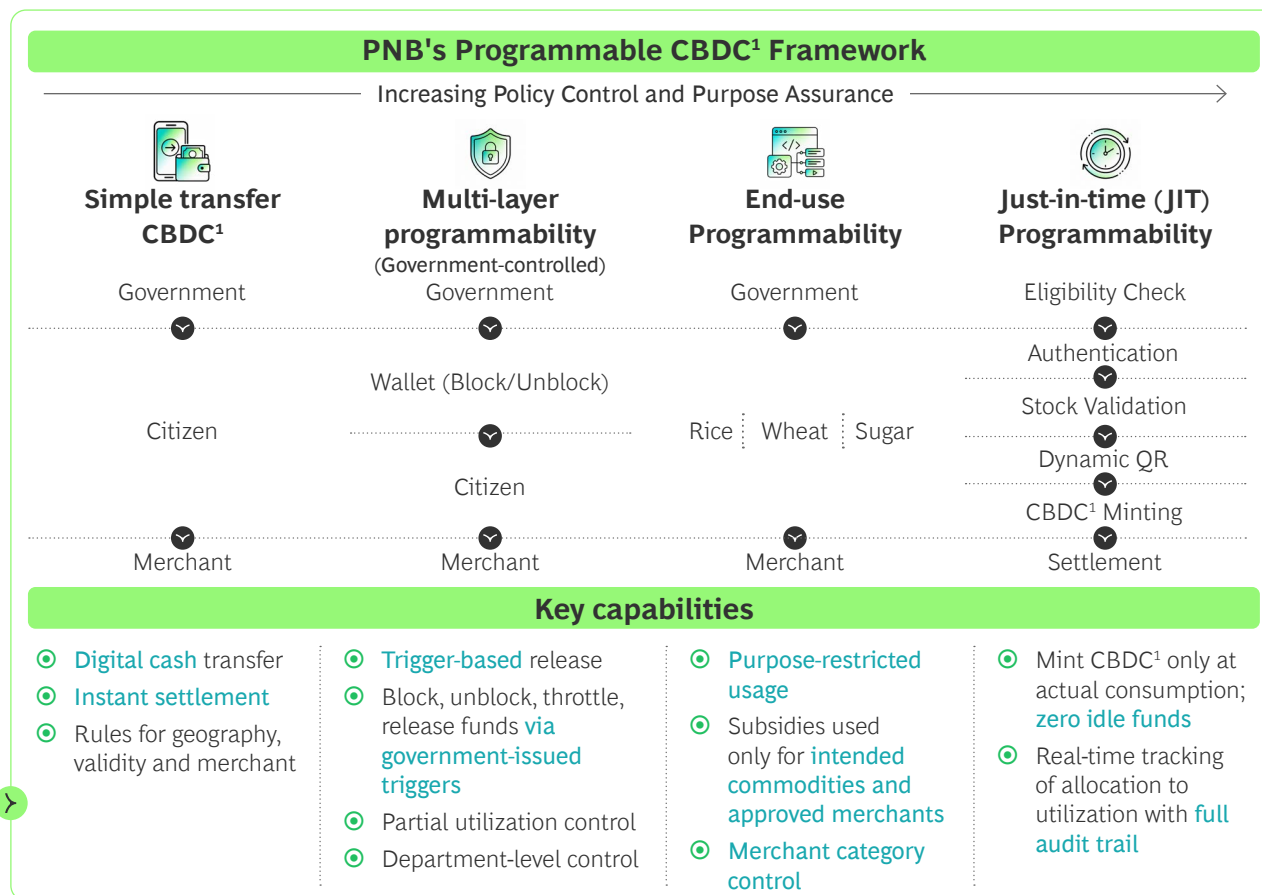
- Better access
- Limited control

Digital Payments

- Fast, convenient
- No end-use visibility

Programmable CBDC¹

- Controlled
- Traceable
- Outcome-driven



Programmable CBDC lets a subsidy carry its own purpose, released on a government trigger, spent only on the intended commodity, at an approved merchant, visible end-to-end. For the citizen, the entitlement arrives intact and on time. For the exchequer, every rupee is accounted for. As one of the leading participants in the Reserve Bank's programmable CBDC initiative, we have taken this from pilot to practice in Direct Benefit Transfer. PNB currently has **~28.56 Lac CBDC users** and has processed nearly **1.53Mn digital rupee transactions**. **The way programmable CBDC is progressing, its adoption will definitely expand.**

Ashok Chandra | MD & CEO, Punjab National Bank

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1. CBDC: Central Bank Digital Currency

Case Study - Tokenized Trade Finance: IBDIC Democratizing Trade through Trusted Digital Infrastructure

BharatTradeNet provides a trust infrastructure for trade...

Six building blocks of trust...

Identity
“Who is the entity?”

Authorization
“Is the signatory authorized?”

Credential
“Is this document trusted and verifiable?”

Exchange (Wallet)
“Can it be shared securely?”

Trust Registry
“Is the issuer real and active?”

Trade Intelligence
“What can we infer?”

...enabling trade via

- Enabling digitization of critical trade documents
- Secure data exchange across trade ecosystem participants
- Reduced duplication, manual checks and transaction costs
- Aligned with International standards & frameworks (UNCITRAL⁴, UN/CEFACT⁵ and ICC⁶)
- Embedded identity, consent and auditability

...with potential to democratize trade

- Lower transaction/verification costs**
- Faster financing** as verified trade records ease assessment
- Greater MSME¹ inclusion** via trusted, bankable trade evidence
- Reduced fraud/duplication** via provenance, registries, lifecycle visibility
- Simpler cross-border trade** via interoperable, standards-aligned infrastructure
- Common trust layer** avoids repeated bilateral integration

Build On Btn

...enabling the ecosystem to build a new generation of open inclusive trade and financing solutions

IBDIC OneTrade - Transaction Infrastructure

Connect once to transact across banks, insurers and ecosystem participants through a common transaction infrastructure

- Common workflows streamline cross-participant execution, reducing manual hand-offs
- Configurable product suite speeds new trade product creation

Enterprise/ERP² ↔ OneTrade (front end, host-to-host or API) ↔ Every bank, insurer and counterparty

IBDIC⁶ Deep Tier Financing (DTF³) - Financing Innovation for MSMEs

Extends anchor-credit-led financing beyond Tier 1 using trusted, tokenized transaction evidence to finance deeper-tier suppliers

- Trusted MSME¹ trade history can enable better underwriting for lenders
- Potential for lower funding costs across the supply chain

Anchor's invoice generated and approved

Tokenization, fractionalization and transfer of tokens for accepted invoices to the lower tier vendors

Deep supplier redeems with a bank; anchor repays



Announced by the Hon'ble Finance Minister, Smt. Nirmala Sitharaman, Bharat TradeNet is a flagship digital public infrastructure being developed by DGFT under the Ministry of Commerce and Industry. IBDIC is privileged to partner with DGFT for BTN. IBDIC's ambition is to democratize trade by making trusted identities, documents and authorizations digitally verifiable, enabling the ecosystem to build simpler, faster and more inclusive trade solutions; **so that every MSME can aspire to be an exporter.**

Ashish Singhal | CEO, Indian Banks' Digital Infrastructure Company (IBDIC)

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1. MSME: Micro, Small and Medium Enterprises; 2. ERP: Enterprise Resource Planning; 3. DTF: Deep Tier Financing; 4. UNCITRAL: United Nations Commission on International Trade Law; 5. UN/CEFACT: United Nations Centre for Trade Facilitation and Electronic Business; 6. IBDIC: Indian Banks' Digital Infrastructure Company, ICC: International Chamber of Commerce

Source: Proprietary material shared by IBDIC for GFF '26



Strengthen
ecosystem for
critical and emerging
technologies

Capital pools for frontier tech expanding, but structural ecosystem challenges persist

Large capital pools under deployment/
consideration for critical & emerging technologies...

...but headroom persists in the ecosystem across
4 dimensions

₹1.3Lac Cr

Deep-tech commitments

since 2025 across 5 dedicated vehicles

RDI¹ Special Purpose Fund, India AI Mission, etc.

₹10Lac Cr+

☆ Deep-dive Ahead

Domestic capital can be mobilized to catalyze
deep-tech investments

- Utilize insurers' permissible limits for private equity and debt
- Permit EPFO² to invest in private equity and debt
- Increase investors' private equity and debt allocation, matching peers



Global Capital inflows expected to
accelerate as India's ecosystem matures

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1. Research, Development & Innovation; 2. Employees' Provident Fund Organisation

Source: Convergence: Human + AI for the Next Era of Finance", BCG, 2025; Tracxn, Press Search; BCG analysis

BALANCE: Thriving in the Age of AI

1 Fundamental research excellence and academia-industry collaboration

☆ Deep-dive Ahead

10%

India's share of global AI
research journals in 2025 vs
49% for China and 18% for
United States

#91

India's global rank in
University-Industry R&D
Collaboration
out of 139 nations

2 Talent (Entrepreneurial and Technical)

☆ Deep-dive Ahead

16%

Global AI talent is Indian

3 Fund management expertise

- Limited GP-level domain specialization in deep-tech constrains due-diligence and post-investment value creation

4 Maturity of M&A Ecosystem

17x
Global

vs

1.5x
India

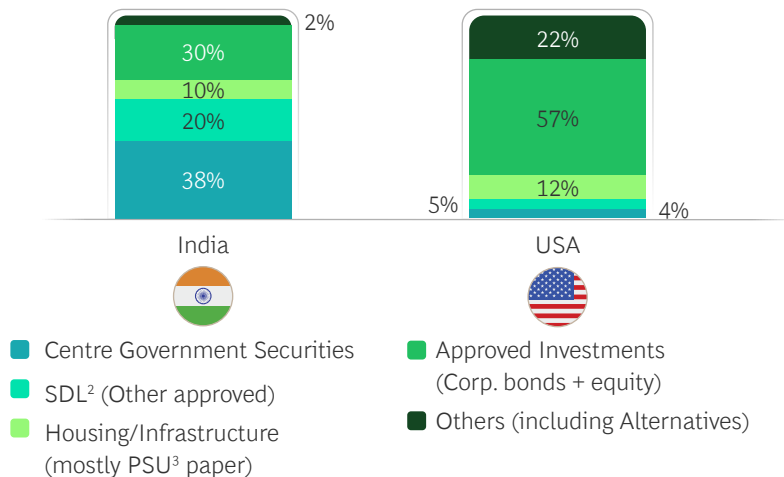
Total M&A deal value to Total IPO deal value

Limited exit liquidity and recycling of entrepreneurial capital; opportunity to build corporate development and PMI capabilities to create serial acquirers that compound capabilities through M&A

Opportunity to unlock patient capital for India's long-term needs

Indian patient capital providers have significant headroom to fund long-term needs...

Asset allocation of insurers (% of total AUM¹)



- Alternatives offer insurers options to **deploy long-term capital**
- Indian insurers **allocate <2% to long-term alternatives**, leaving significant patient capital untapped
 - Private Credit** can be a key unlock

Additionally, EPFO⁴ is currently not allowed to invest in AIFs

...which can be unlocked via a three-pronged approach

Structural unlocking of high-yield streams



Opportunity to establish a **National Investment Management Framework (NIMF)** across EPFO, PPF⁵, NPS⁶ and insurance pools



Harmonize policy, risk limits (e.g., exposure to AIFs⁷ and long-term funds) and governance standards across pools

- Consider a **board approved 5-Year Alternatives allocation target** through ALM⁸ rebalancing discipline



Broaden exposure to equities, corporate bonds; add **REITs⁹, InvITs¹⁰ and long-horizon assets** selectively within mandates

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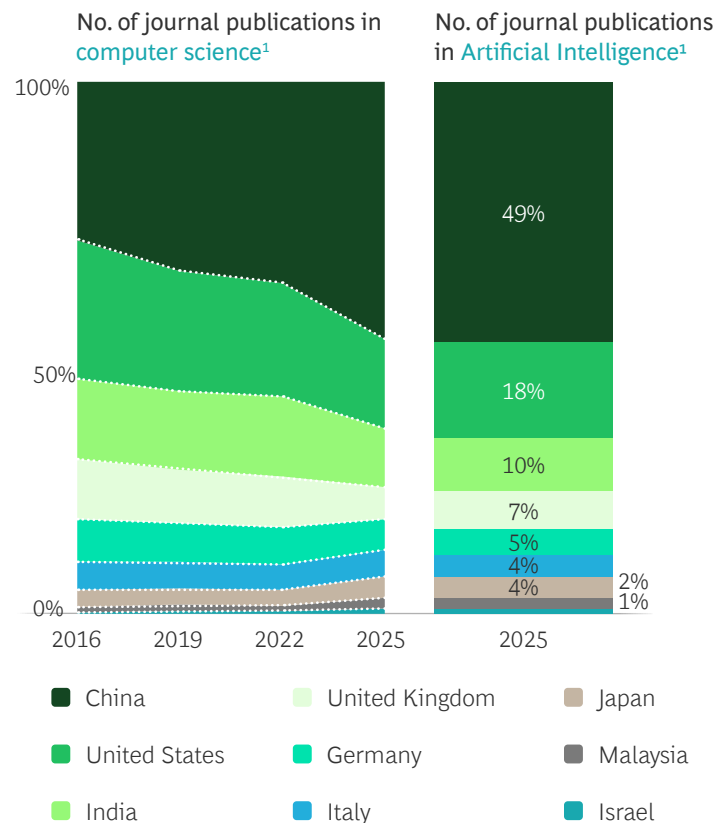
1. Asset Under Management; 2. State Development Loans; 3. Public Sector Undertaking; 4. Employees' Provident Fund Organisation; 5. Public Provident Fund; 6. National Pension Scheme; 7. Alternate Investment Funds; 8. Asset Liability Management; 9. Real Estate Investment Trust; 10. Infrastructure Investment Trust

Note: Others' (2%) reflects AIFs + REITs + InvITs as classified under IRDAI's "Other Investments" category. Some additional infra equity and commercial real estate exposure sits within the 10% Housing/Infra slice; the broadest possible definition of non-traditional exposure is ~3-4% of industry AUM; Direct IRDAI equivalent categories mapping unavailable for the US insurance pool allocation, mapping done as follows: Centre G.Sec=US Treasury bonds; SDL=US municipal bonds; Housing/Infra=agency RMBS + mortgage loans (US doesn't separately report infra debt); Approved Investments=corporate bonds + ABS/CLOs + CMBS + equities; Others=Schedule BA alternatives + real estate + cash + policy loans + derivatives + unclassified bonds. Bond sub-type split uses YE2024 composition % (NAIC hasn't published a YE2025 breakdown yet); all other figures are actual YE2025 data

Source: IRDAI Annual Report; NAIC Capital Markets Bureau (Asset Mix YE2025, Asset Mix YE2024, Schedule BA YE2025); BCG analysis

India has achieved global scale in computer science and AI research, but opportunity remains to further deepen fundamental research excellence

India is already a top-3 global contributor to computer science and AI research



Headroom to improve the impact of research output

462 H-Index², Computer Science

For India vs.

USA: 1620
China: 857
UK: 818

275 H-Index², AI

For India vs.

USA: 751
China: 498
UK: 421

#91

Rank out of 139 countries in University-Industry R&D³ Collaboration

Key considerations to boost quality fundamental research



Enable commercialization of **university research**; establish patent → spin-off pathways

- Institutionalize **TTOs** (Technology Transfer Offices) to **evaluate, protect and license** university IP⁴
- Support with PoC⁵ **funding, mentorship, facility support**



Set up national centers for cutting-edge AI research-Indian Institute of Intelligence?

- Anchor via **IITs⁶** and **private sector** for fast-track development, leveraging existing infra
- Scale to **world-class frontier AI institutions**

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¹. Cumulative journals published from 1996 to 2025; analysis based on a select set of countries considered for comparison; ². The H-Index captures research output-based on the total number of publications and the total number of citations to those works, providing a focused snapshot of an individual's research performance; ³. Research & Development; ⁴. Intellectual Property; ⁵. Proof of Concept; ⁶. Indian Institute of Technology

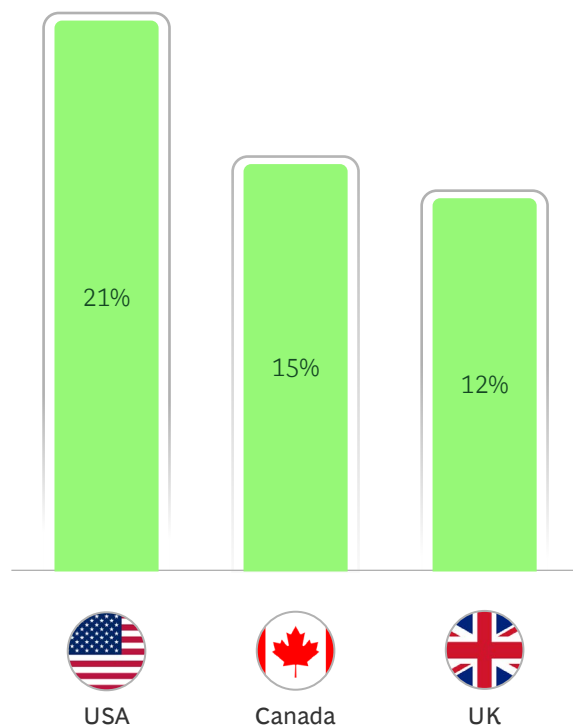
Source: SCLImago, BCG analysis

India is a leading AI talent hub, yet continues to experience net outflow of AI talent; opportunity to attract and retain top AI talent

16%

Global AI Talent is of Indian- origin, among top-3 talent markets

% Indian-origin AI professionals



Opportunity to upskill and retain AI talent



India AI Talent Acceleration Program

- Opportunity to launch a national AI talent program to attract and incentivize researchers, industry leaders, and start-up innovators
- Opportunity to establish nationally-recognized awards to incentivize breakthrough AI innovation and globally impactful research



AI-talent Retention and Repatriation Program

- Strengthen retention of Indian-origin AI talent and structured pathways for returnees by creating leadership opportunities (e.g., CXO roles in national AI missions, dean positions at premier institutions, like IITs, and leadership roles in research labs)
- The PM Research Chair Scheme launched in 2026 aimed to attract Indian-origin researchers, scientists, and professionals from abroad, providing grants to undertake cutting-edge research in India

Case Study: China's Thousand Talents Program

Served as a flagship talent repatriation initiative, attracting globally trained Chinese researchers through financial incentives, institutional support, and leadership roles, helping strengthen China's science and technology ecosystem

AI GENERATED IMAGE(S)

Note: AI professionals includes AI LLM/Core Model developers, AI solution delivery and Researchers; Share of Indian origin AI talent calculated using total Indian origin AI professionals divided by total AI professionals of the top 14 countries with highest AI professionals

Source: Bureau of Immigration, Gov.UK, AI Index Report 2025, Analyst Reports, Press Search, BCG analysis

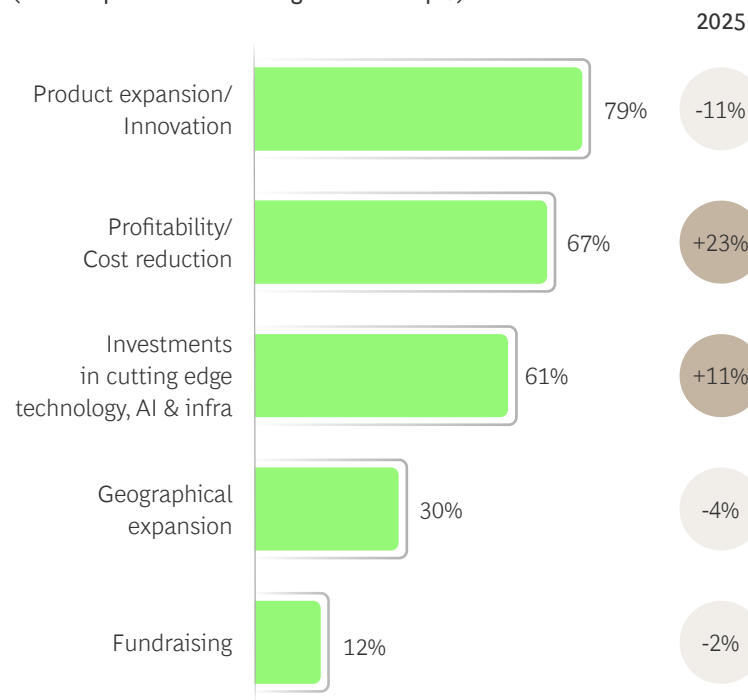


Voice of the Industry

Innovation still at the top of CXO agenda along with RoI/profitability considerations; fraud and operational risk key challenge for CXOs

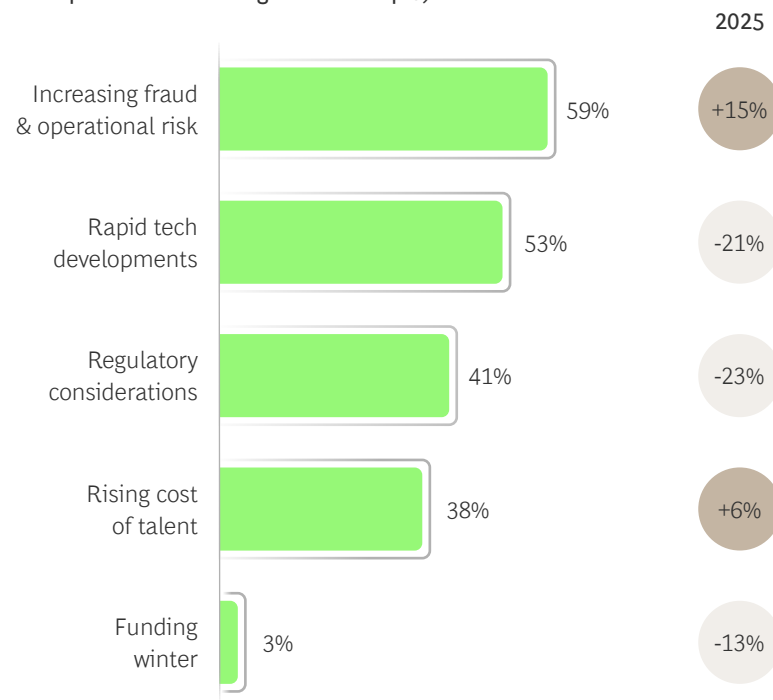
Strategic focus areas for the next 2-3 years¹

(% of respondents selecting below in top 3)



Top challenges for the next 2-3 years²

(% of respondents selecting below in top 3)



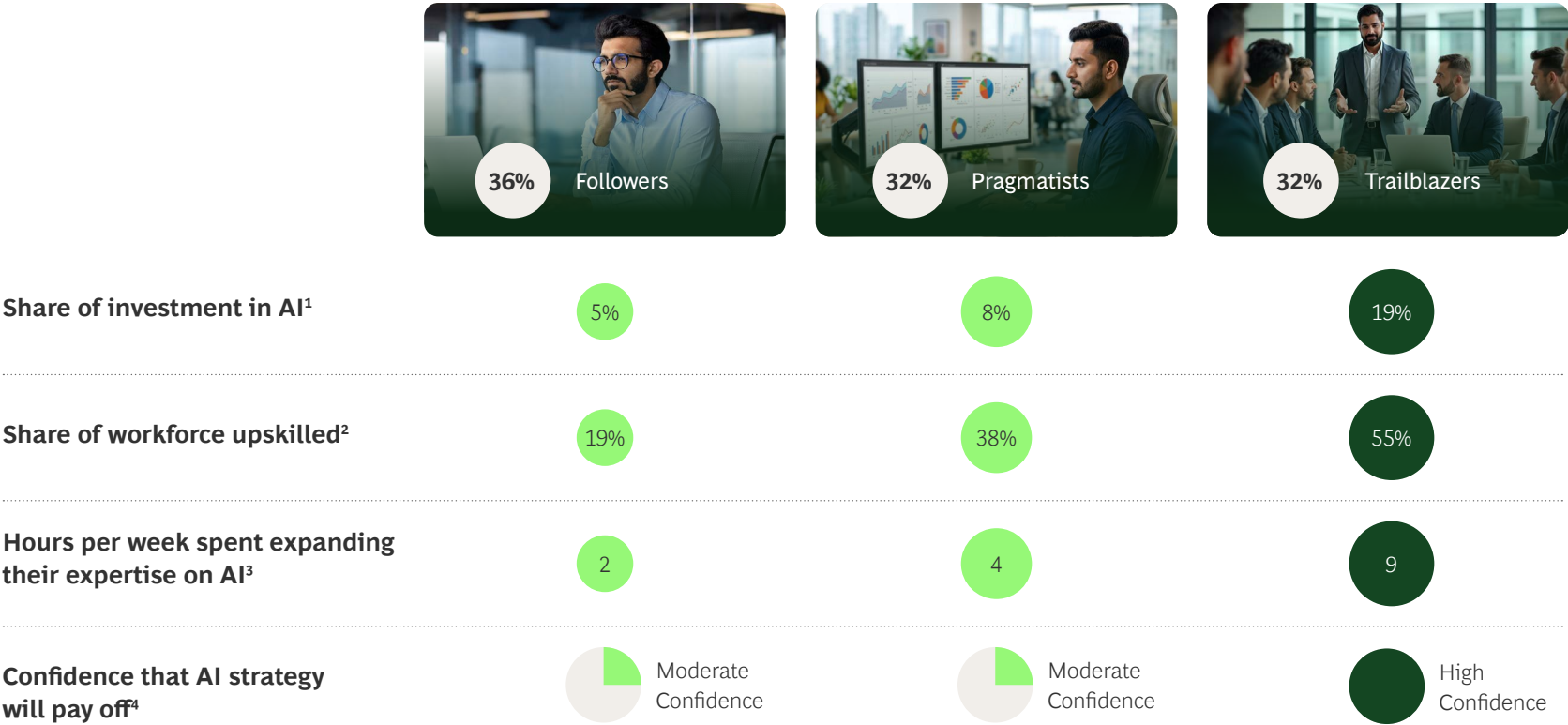
The next generation of financial services leaders will be AI-native. While the journey may start with efficiency, automating workflows or shipping code faster, however, **the real prize is innovation:** building AI capabilities that reimagine how institutions operate, create new products, and **deliver entirely new customer experiences.**

Nitin Agrawal | CEO, InCred Money Mutual Fund

¹ What are the most important strategic focus areas for you and your business in next 2-3 years? (N=43, overall survey); ² What are the top challenges you foresee for you and your business in the next 2-3 years? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

Three CXO archetypes emerge with 32% Trailblazers leading in AI investments, workforce upskilling and building expertise themselves



AI trailblazers are beginning to turn AI from a **portfolio of initiatives into an enterprise-wide advantage**; distinguishing themselves by pairing greater capital commitment with deliberate capability building.

Pratik Ranjan | Principal, BCG

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1. What proportion of your tech spend went towards AI in the last 12 months? (N=43, overall survey); 2. What percentage of your workforce is trained on AI/GenAI tools? (N=43, overall survey); 3. How many hours per week do you personally spend expanding your knowledge of AI/GenAI? (N=43, overall survey), modal values considered to rationalize for anomalies; 4. How confident are you that your AI Investments will generate measurable returns in the next 12 months? (N=43, overall survey)

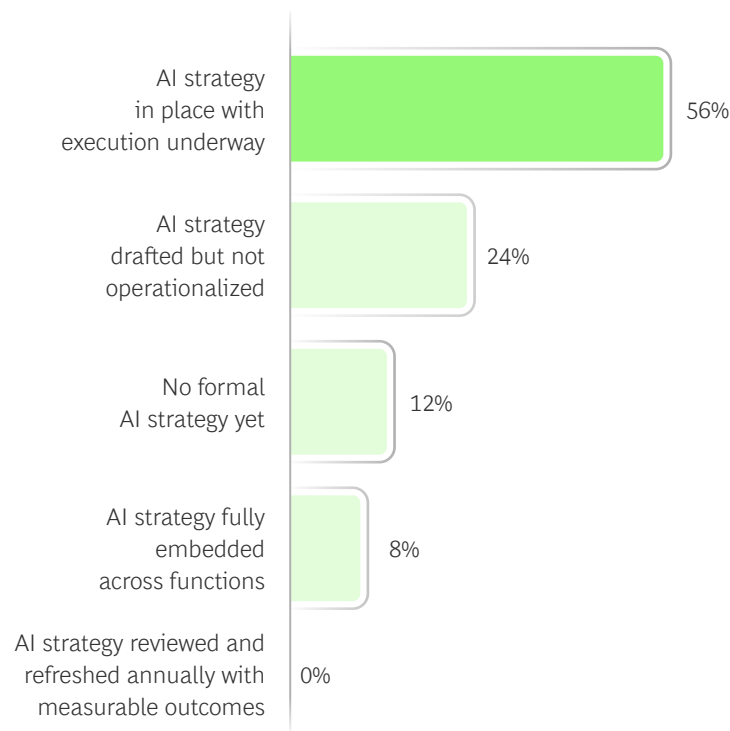
Note: K-means clustering analysis reveals the four key variables that differentiate CEOs. These variables are used to define the three CEO archetypes

Source: Global Fintech Fest Survey 2026 by BCG and GFF

CXOs have made significant progress in defining AI strategies; imperative to strengthen measurement and governance framework

Firm's current GenAI Adoption Strategy¹

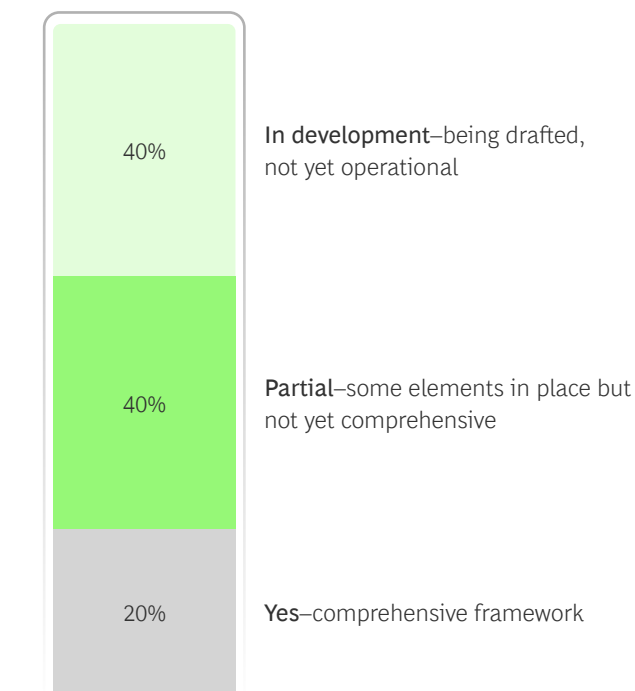
(% of respondents)



~90% leaders have drafted an AI strategy, but limited tracking of measurable outcomes

Formal AI governance in place²

(% of respondents)



4 in 5 CXOs do not have a comprehensive formal AI governance in place

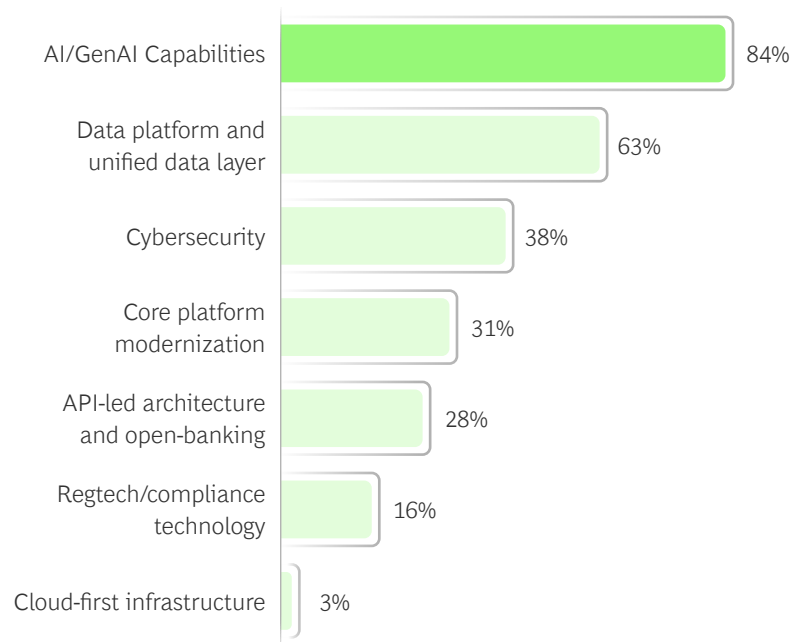
1. Which of these best describes the maturity of your AI strategy? (N=43, overall survey); 2. Does your organization have a formal AI governance framework in place? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

AI/GenAI top tech priority; 2 in 3 CXOs plan to increase AI/GenAI spends by 15%+ in next 1–2 years

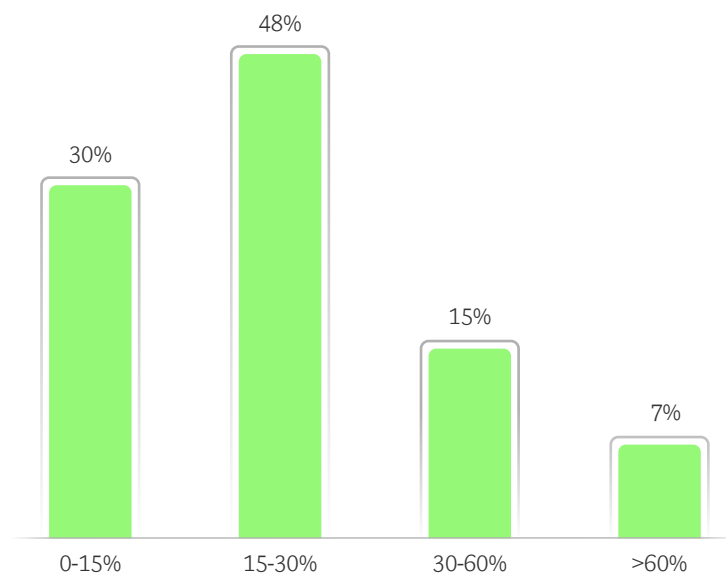
Organization's technology priorities?¹

(% of respondents selecting below in top 3)



Growth of AI/GenAI spending in next 1–2 years?²

(% of respondents)



AI will soon become a fundamental enterprise capability, much like being internet-enabled today. The question is no longer whether to invest, but how to translate that investment into measurable business value.

Madhusudan E | Co-founder and CEO, KreditBee

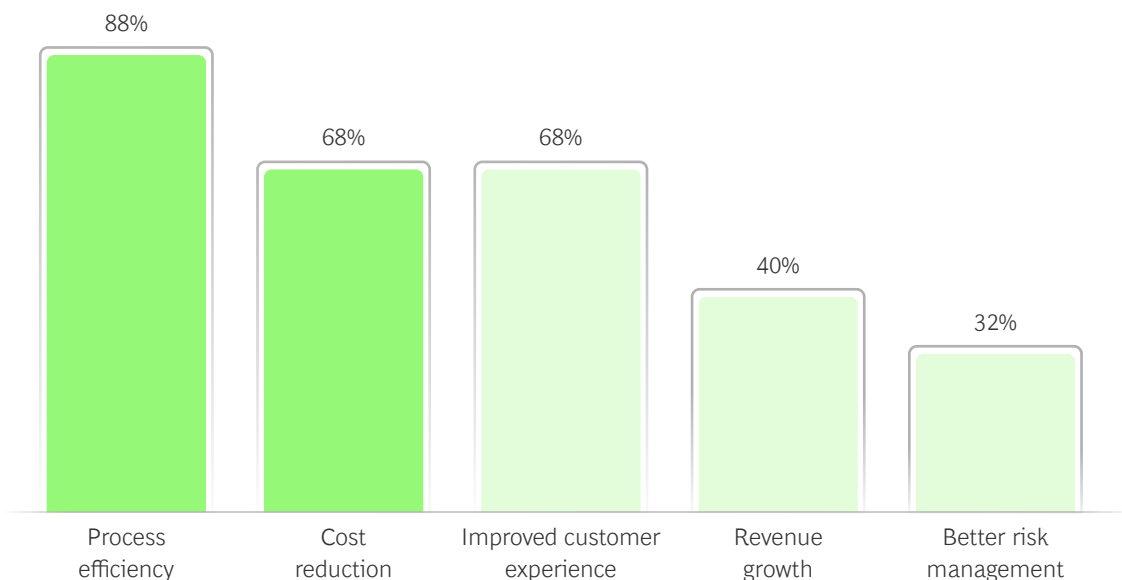
1. Rank your organization's technology priorities - (N=43, overall survey); 2. By how much do you expect your AI/GenAI spending to grow over the next 1–2 years? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

CXOs are realizing efficiency gains from AI; opportunity to shift greater focus toward revenue-generating use cases and stronger risk management

Realized organizational benefits from AI initiatives¹

(% of respondents)



- Cost reduction is a vital driver. In India, lowering AI delivery costs can expand the total addressable market and make it possible to serve underserved segments. Affordable, high-quality services such as investment advice can shift from premium to mass-market, deepening inclusion alongside efficiency.
- However, impact via revenue generation has headroom in India. Indian BFSI leaders to double-down on revenue generating use cases like personalization, sales optimization, and product innovation.



We are seeing early green shoots of AI translating better customer experience into tangible commercial outcomes. By carrying context across interactions, we can reduce repeat conversations and resolve customer needs faster. With AI-led personalization, we are also seeing improved conversion and higher ticket sizes.

Santosh Bhat | Head - Advanced Technology, Policybazaar

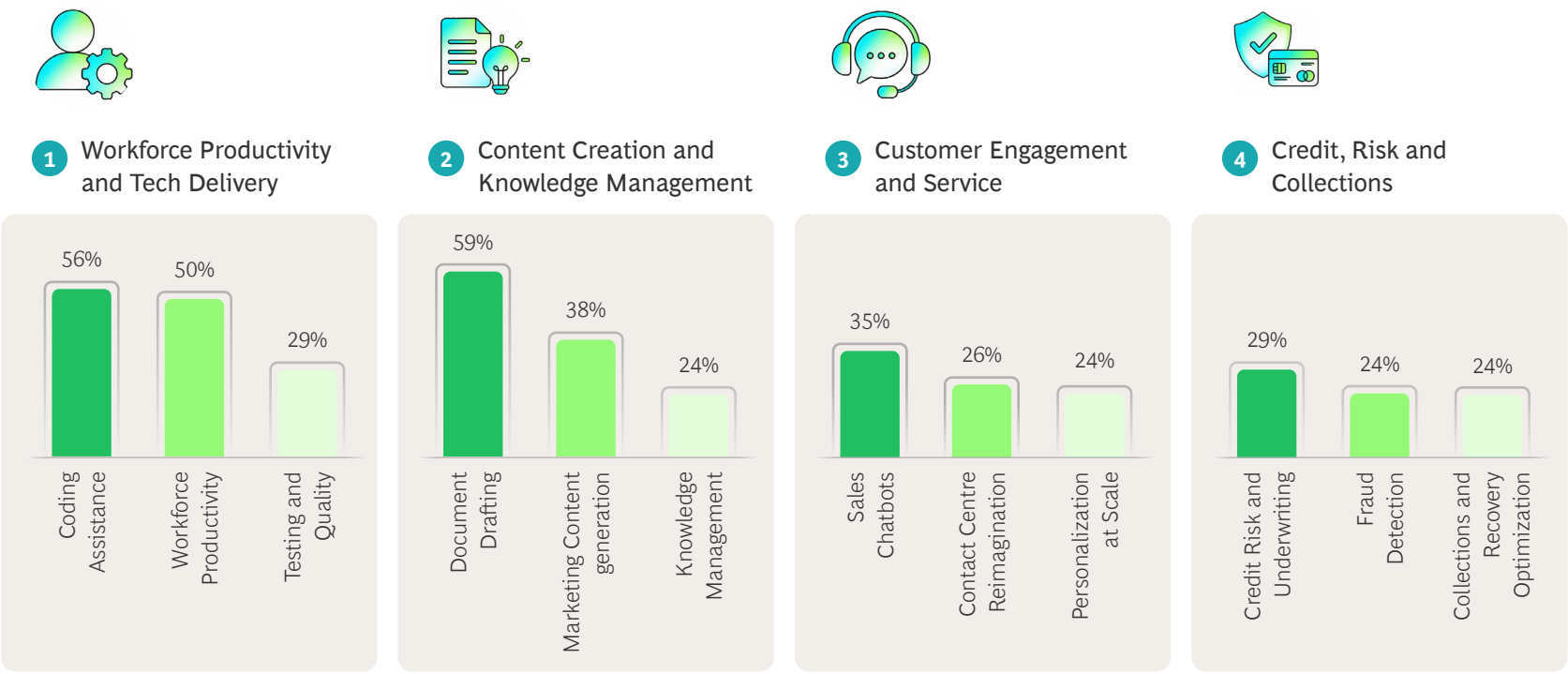
1. Which of the following benefits has your organization realized from AI initiatives so far? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

AI adoption across Indian BFSIs is gaining enterprise-wide momentum, led by productivity and knowledge-focused use cases

Top use cases where firms are deploying AI solutions¹

(% of respondents)



We are already seeing AI deliver tangible value across the SDLC. Operations teams are building simple agents themselves, while AI-assisted coding is improving developer productivity and code quality, resulting in faster processes, lower effort, and better client outcomes.

Founder | Indian NBFC

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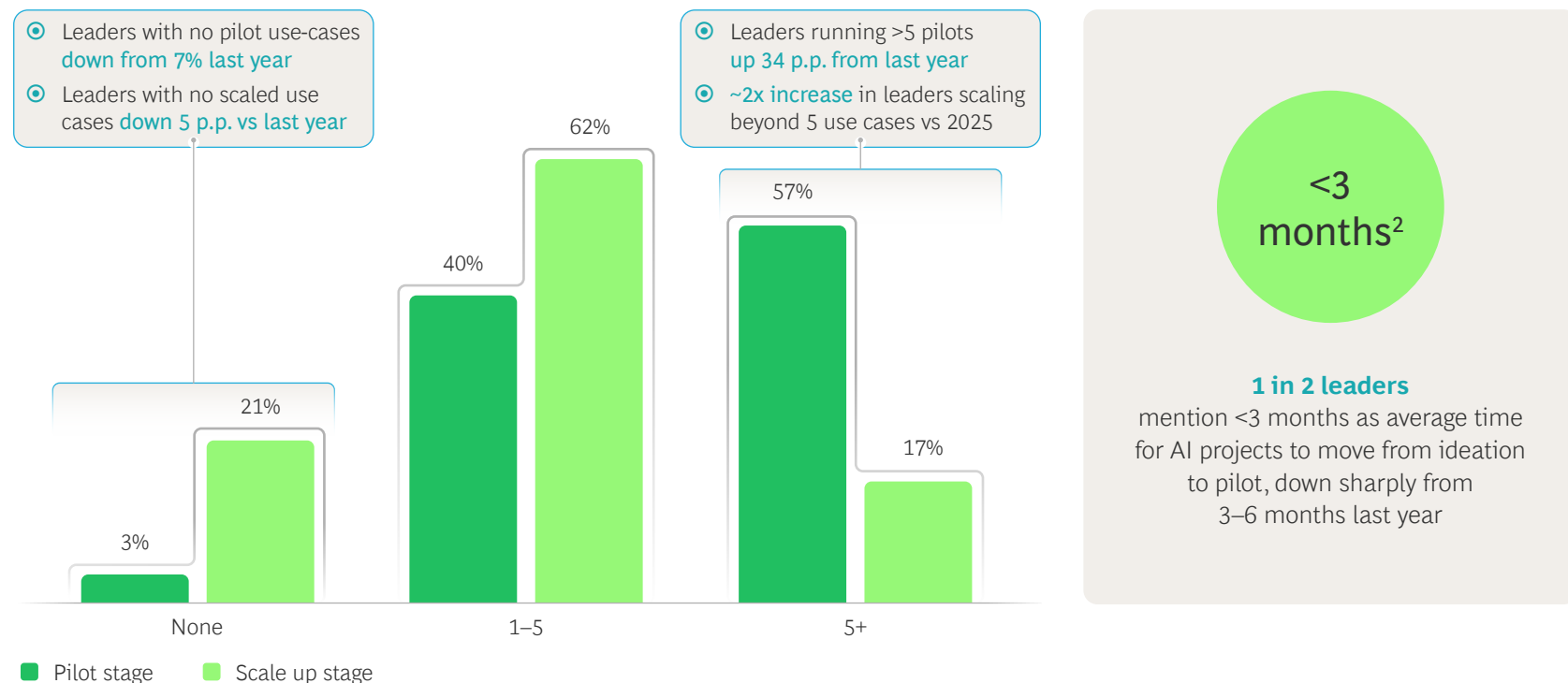
1. Which of these AI-driven solutions have your organization deployed (at any stage - pilot or scaling in progress or full deployment)? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

Ideation to Pilot timeline has compressed, adoption maturity accelerates with 2x increase in leaders scaling beyond 5 use cases

AI adoption maturity: PoCs vs. scaled execution¹

(% respondents selecting number of use cases)



What once took external vendors four to eight months to build can now happen dramatically faster in-house, with AI agents accelerating development around the clock. As build cycles compress, the critical challenge is shifting from how fast solutions can be created to how quickly they can be responsibly adopted and scaled, while meeting the necessary standards for regulatory compliance, validation, and customer readiness.

CEO | Indian Fintech

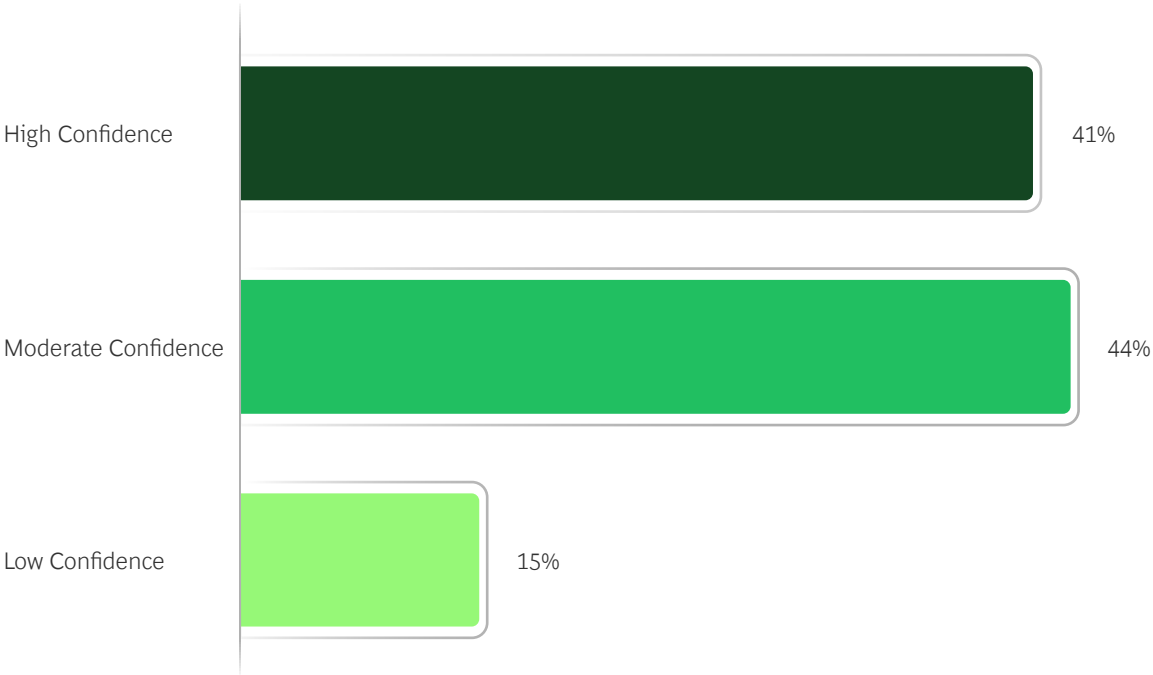
1. How many AI use cases is your organization currently piloting? (N=43, overall survey); How many AI use cases has your organization scaled or fully deployed? (N=43, overall survey); 2. How long does it take for an AI project to move from ideation to pilot stage in your organization? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

Measurement of returns on AI investments remains nascent, but CXOs are increasingly confident of realizing measurable returns over the next 12 months

Confidence in measurable AI returns¹

% of respondents by confidence level in AI investments generating measurable returns



2 in 5 CXOs "Highly Confident" of realizing measurable AI returns



There is a **clear line of sight to the value AI can create**, and the opportunity for banks is significant. Realizing that value requires conviction, a long-term investment mindset, and the discipline to build the right foundations. As we move **from boardroom ambition to execution at scale**, the focus must be on creating space to experiment, learn quickly, and continuously improve. **For banks, AI is a long-term value-creation journey**: get the foundations right, build with discipline, and scale with trust.

Mahesh Ramamoorthy | CIO, YES BANK

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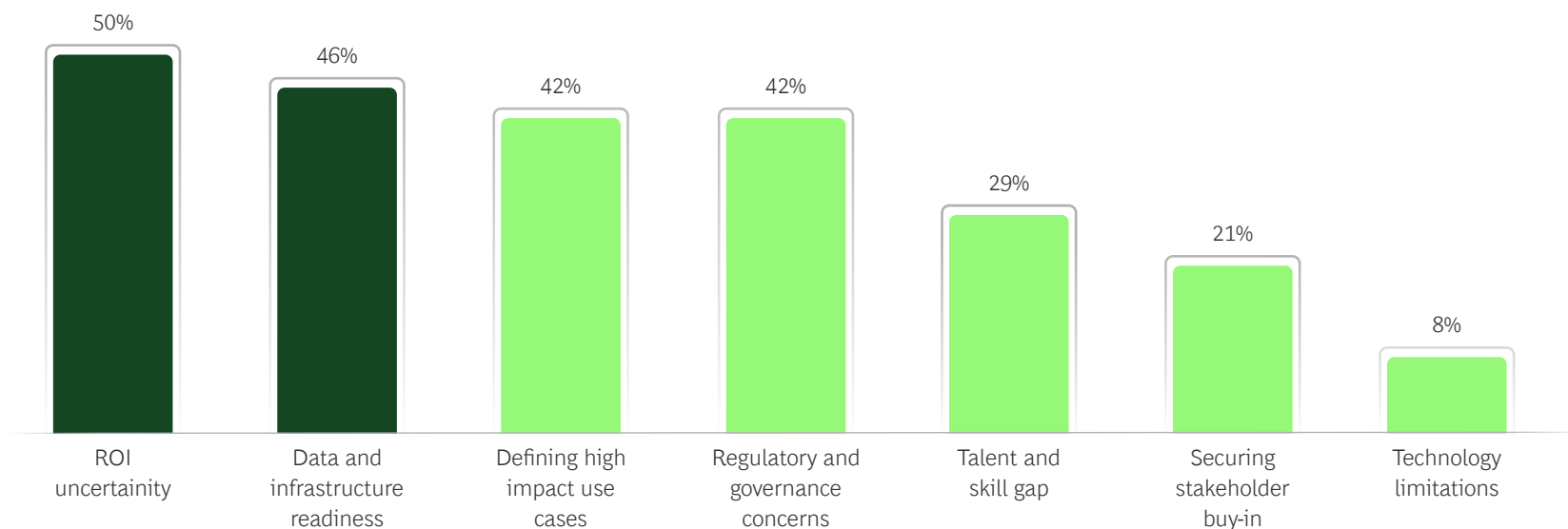
1. How confident are you that your AI Investments will generate measurable returns in the next 12 months? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

CXOs cite ROI uncertainty and data readiness as the leading barriers to scaling AI

Top challenges in deploying AI solutions¹

(% of respondents selecting below in top 3)



AI is already enabling tangible improvements in how we understand and serve clients. From **better analytics and institutional memory to faster insights into client needs**. However, it is only as effective as the data foundation beneath it. As **organizations scale AI across systems such as CRM**, the **quality and reliability** of outcomes will ultimately depend on how **robust, connected, and accessible** the underlying data and infrastructure are.

Sandeep Jethwani | Co-founder, Dezerv

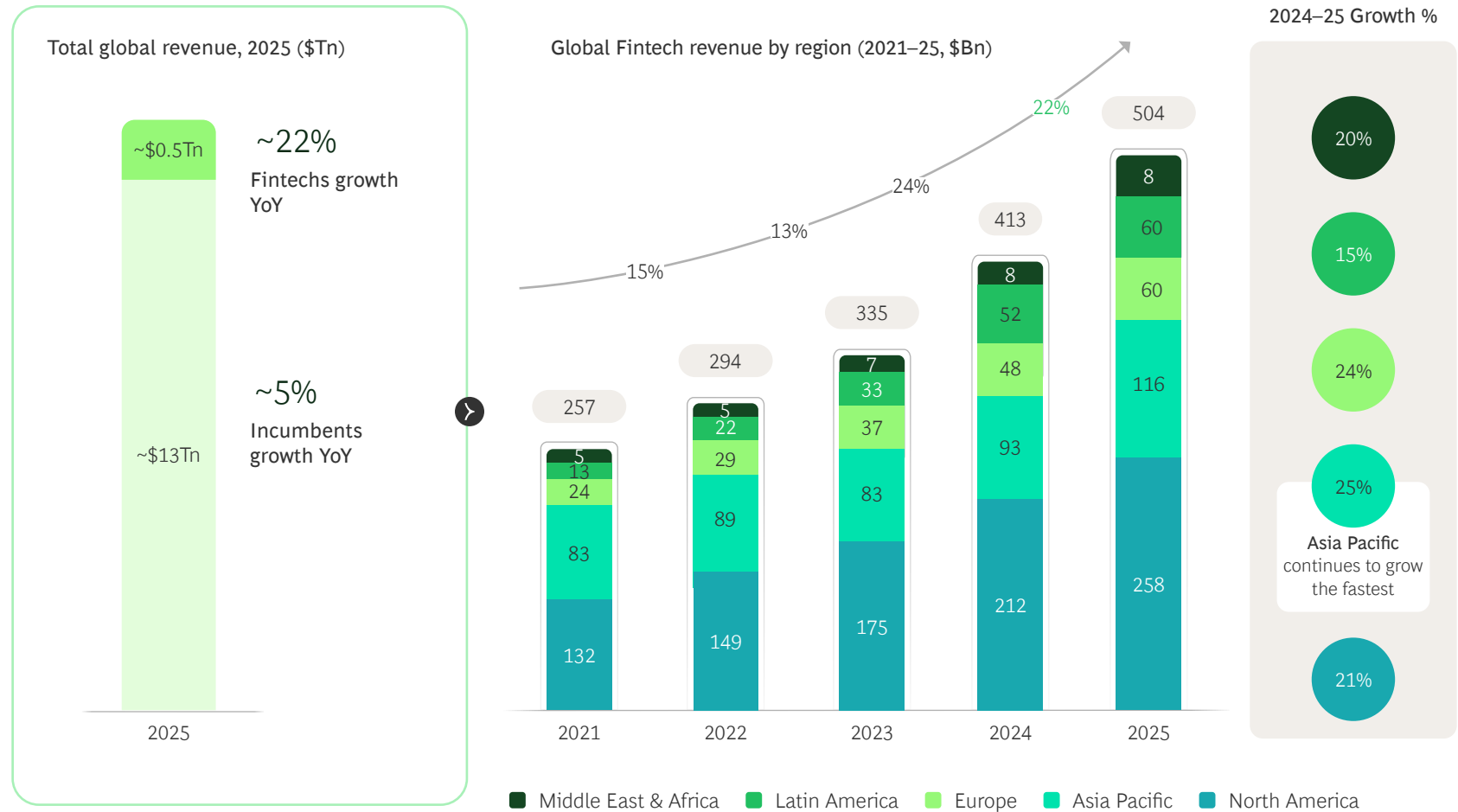
¹ What are the biggest challenges in deploying AI solutions? (N=43, overall survey)

Source: Global Fintech Fest Survey 2026 by BCG and GFF

Global Fintech and **AI Trends**

Globally, Fintech revenues are growing at ~22% YoY in 2025, ~4x faster than incumbents

Fintechs account for ~4% of global financial services revenues



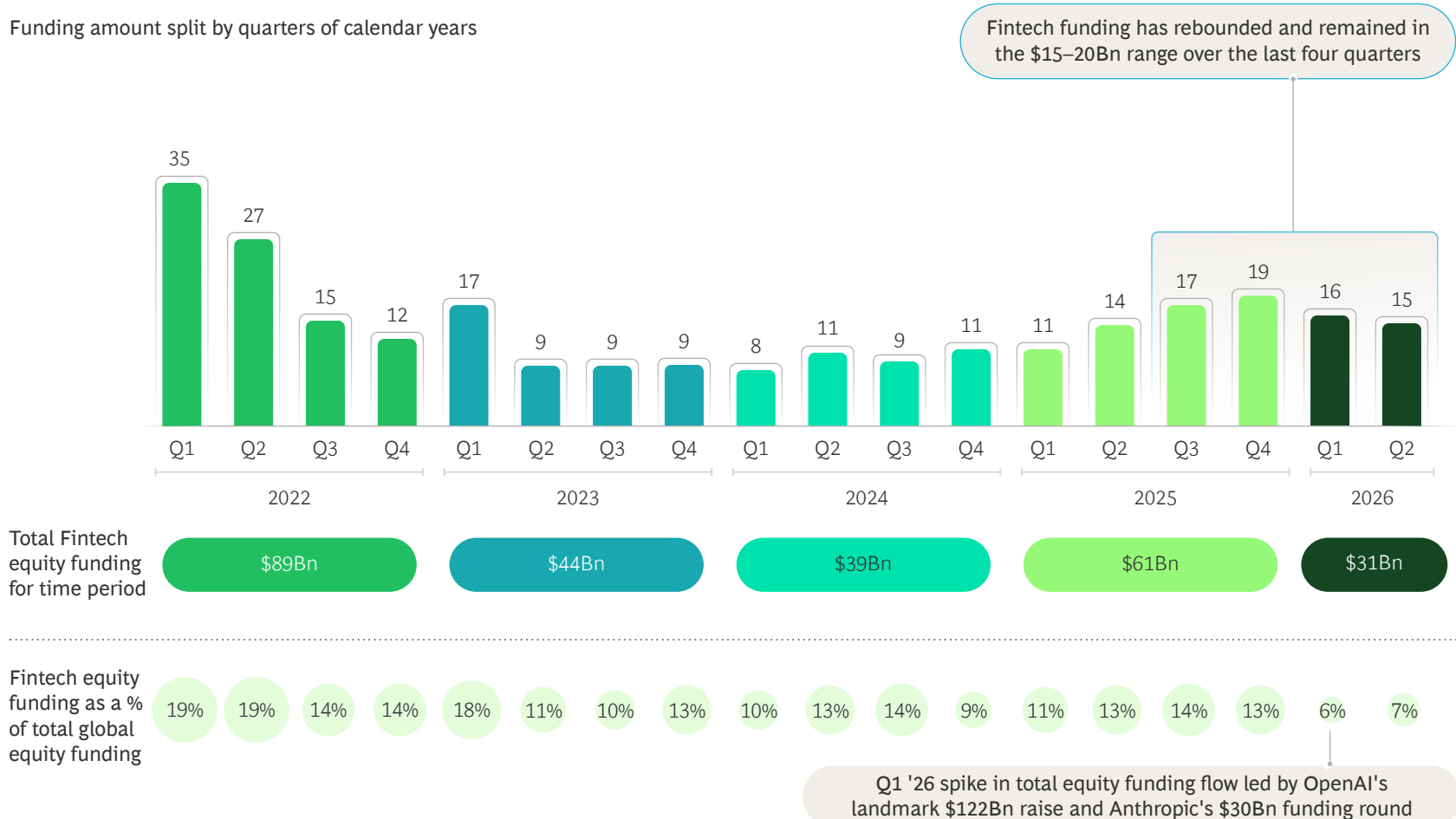
Note: Revenues from prior years have been restated to include final reported revenues at the company level

Source: S&P Capital IQ; BCG Fintech Control Tower, BCG Banking and Insurance Revenue Pools; BCG analysis

Global Fintech funding has increased ~1.5x to \$15–20Bn quarterly in the last 4 quarters, despite disproportionate investor interest in AI

Global Fintech equity funding flow (\$Bn)

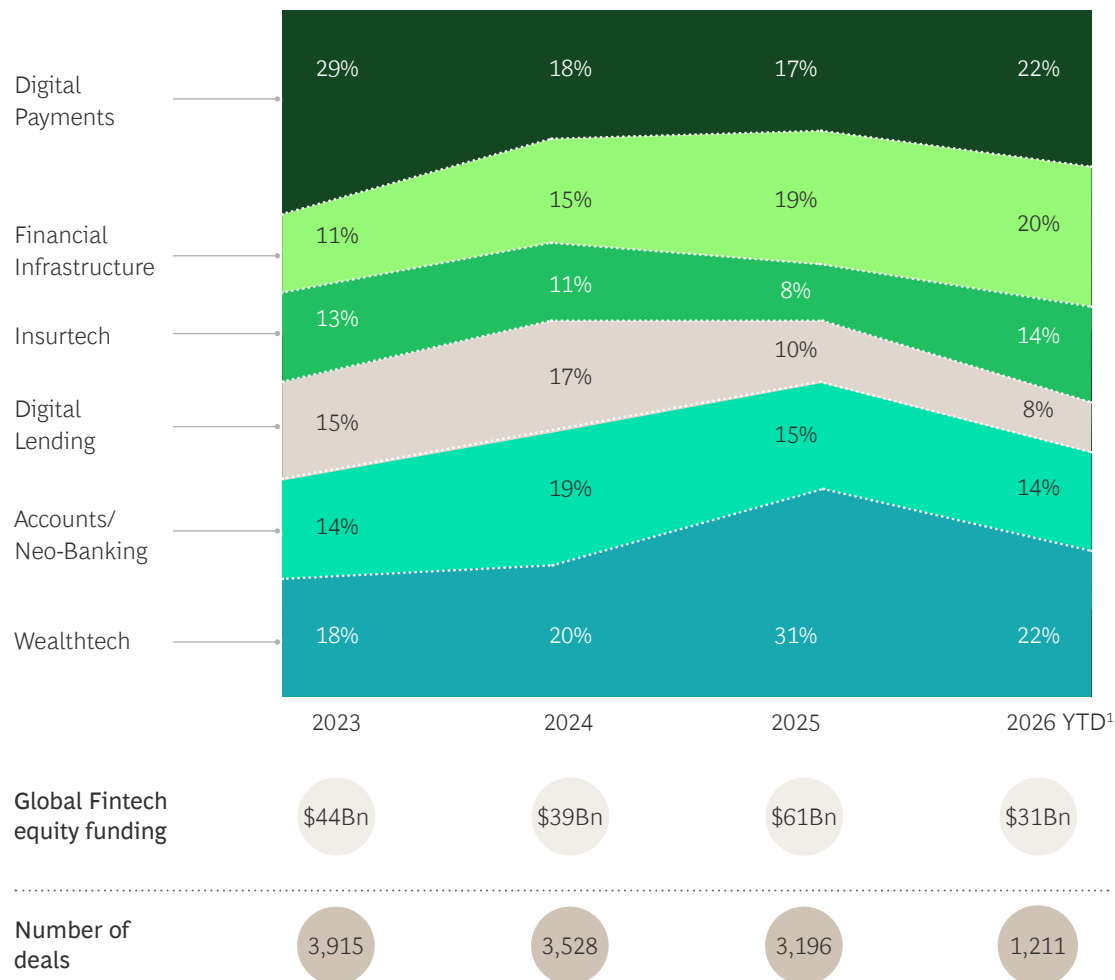
Funding amount split by quarters of calendar years



Source: CB Insights State of Venture; BCG Fintech Control Tower; BCG analysis

Wealthtech and Financial Infrastructure continue to gain significant share of Fintech funding

Annual global Fintech equity funding flow (\$Bn)



Financial infra share increased to 20%, led by AI and blockchain infrastructure as financial institutions shifted spend towards AI capabilities; recent landmark rounds included Cerebras (\$1Bn) and Multiverse Computing (\$0.6Bn)

Wealthtech share spiked to 31% in 2025, led by mega-rounds in Polymarket (\$2Bn), Binance (\$2Bn) and Kalshi (\$1Bn)

Digital lending share dropped to 8% driven by tougher BNPL/consumer credit rules; **Insurtech edged up to 14%**, led by P&C rounds, e.g., Cambridge Mobile Telematics (\$0.35Bn)

Digital payments share rose to 22%, led by cross-border B2B payment rounds, e.g., Ebury (~\$0.75Bn)

AI GENERATED IMAGE(S)

1. Includes funding deals till June 2026

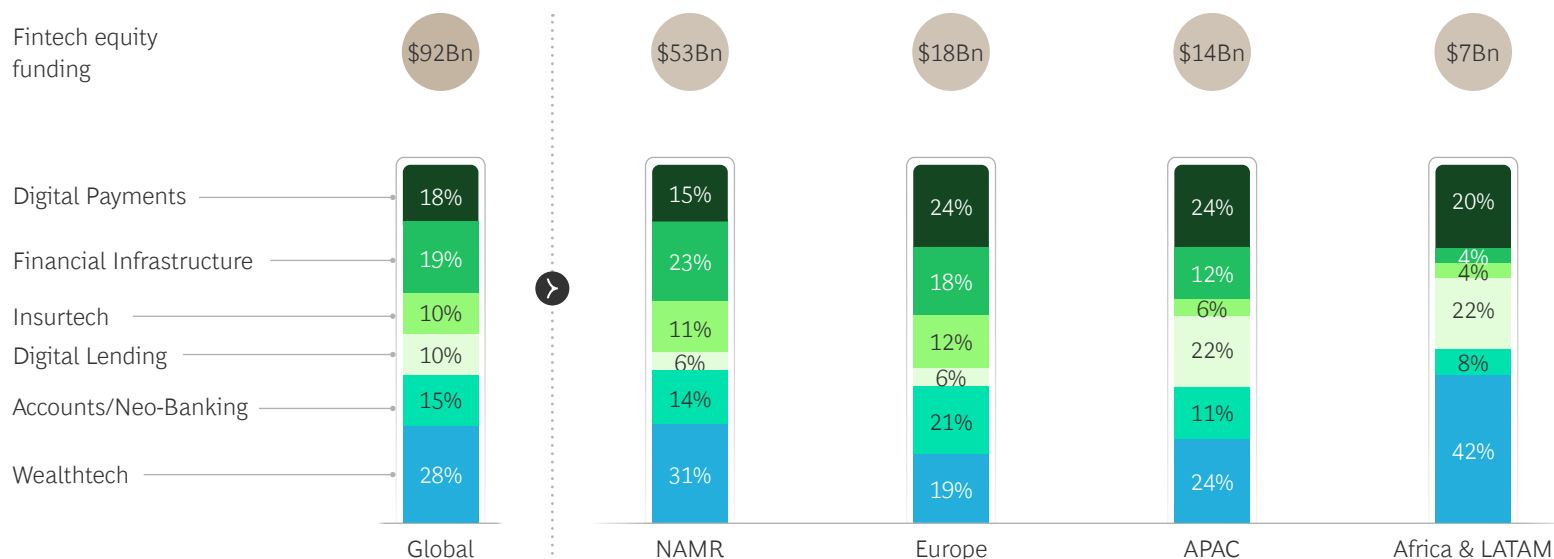
Source: BCG Fintech Control Tower; BCG analysis

BALANCE: Thriving in the Age of AI

Regional capital allocation trends reveal diverging investment priorities across economies

NAMR, APAC, Africa and LATAM with higher share of investments in Wealthtech; Europe tilts towards Digital Banks/Accounts

Cumulative Fintech equity funding flow (\$Bn) 2025–26 YTD¹



Wealthtech has emerged as the defining theme of regional funding over the recent period, ranking as the largest category in nearly every market as rising affluence and growing retail participation in digital advisory and alternative-asset platforms draw investment worldwide. Funding priorities continue to diverge across economies: APAC and Africa continue focus on Digital Lending to capture headroom in credit access, NAMR with disproportionate share in Financial Infra as institutions modernize and build AI capabilities, and Europe leads in Digital Banks/Accounts.

Neetu Chitkara | Managing Director & Partner, BCG

¹. Includes funding deals till June 2026

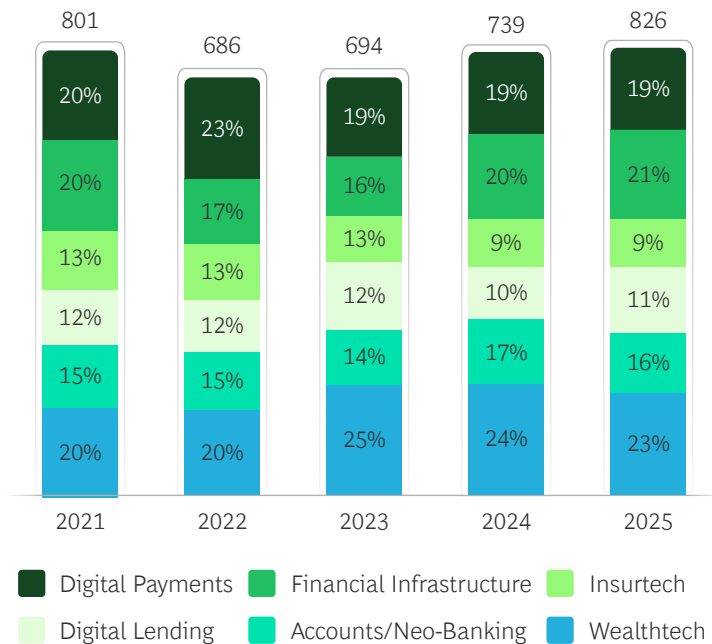
Source: BCG Fintech Control Tower; BCG analysis

Fintech M&A has returned to its five-year peak, with expectations of path to profitability driven by consolidation

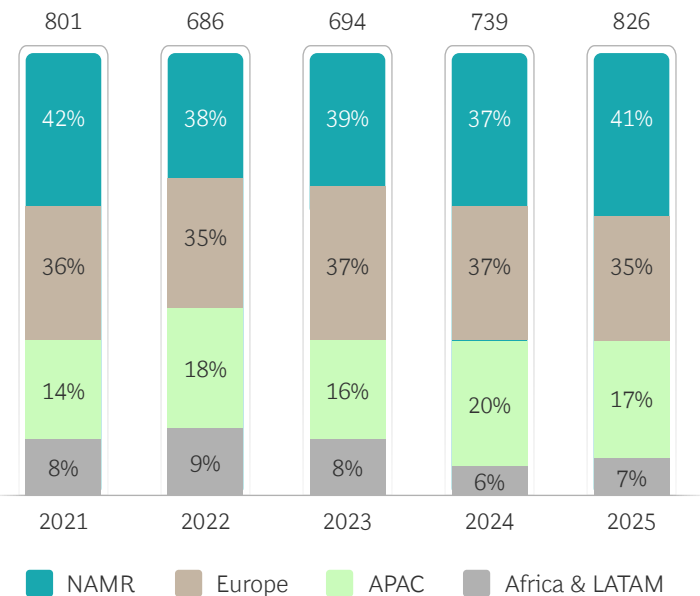
Consolidation in Fintechs continues, with expectations of path to profitability due to economies of scale

North America rebounds to 41% of deals in 2025

By segment (#)



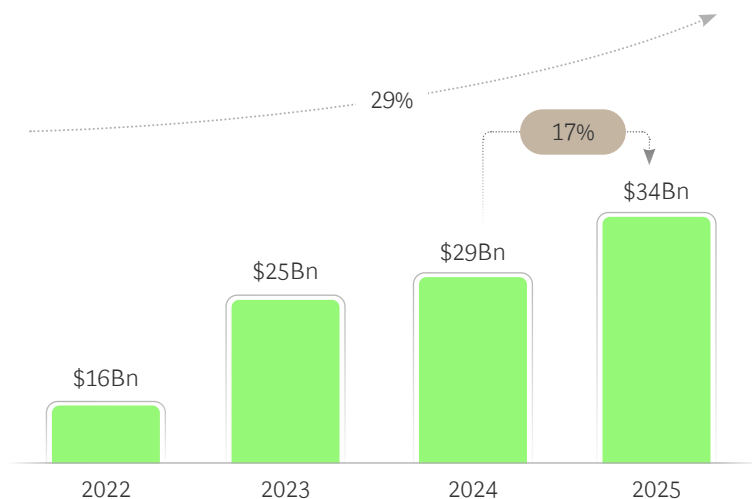
By region (#)



India Fintechs have sustained strong revenue growth, with Banking Fintechs now accounting for ~9% of banking revenues (vs 7% globally)

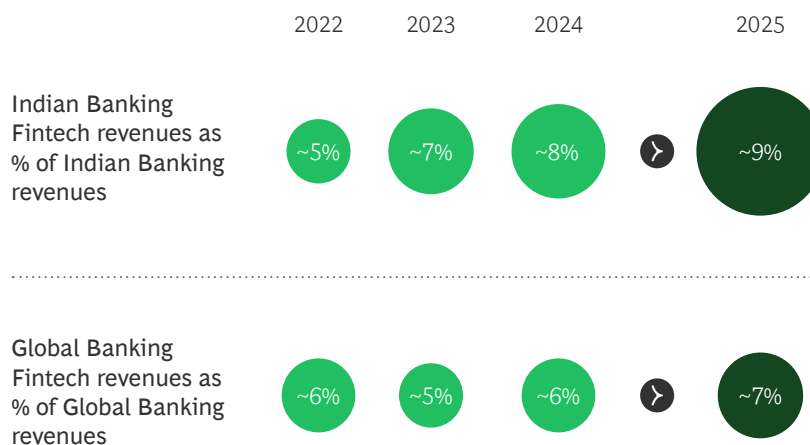
Indian Fintechs continue to scale, reaching ~\$34Bn in annual revenues in 2025

India Fintech Revenues 2022–2025



Share of Indian Banking Fintech revenues in total banking revenues reaches ~9%, ahead of the global average of ~7%

Share of Banking Fintech revenues in total Banking revenues



India's Fintech ecosystem is entering its next phase of growth, supported by AI, Digital Public Infrastructure, and deeper collaboration between Fintechs and financial institutions. Banking Fintechs have increased their share of banking revenues from ~5% to ~9%. Looking ahead, AI has the potential to accelerate productivity, enable more personalized customer experiences, and drive the next wave of innovation across financial services.

Vipin V | Managing Director & Partner, BCG

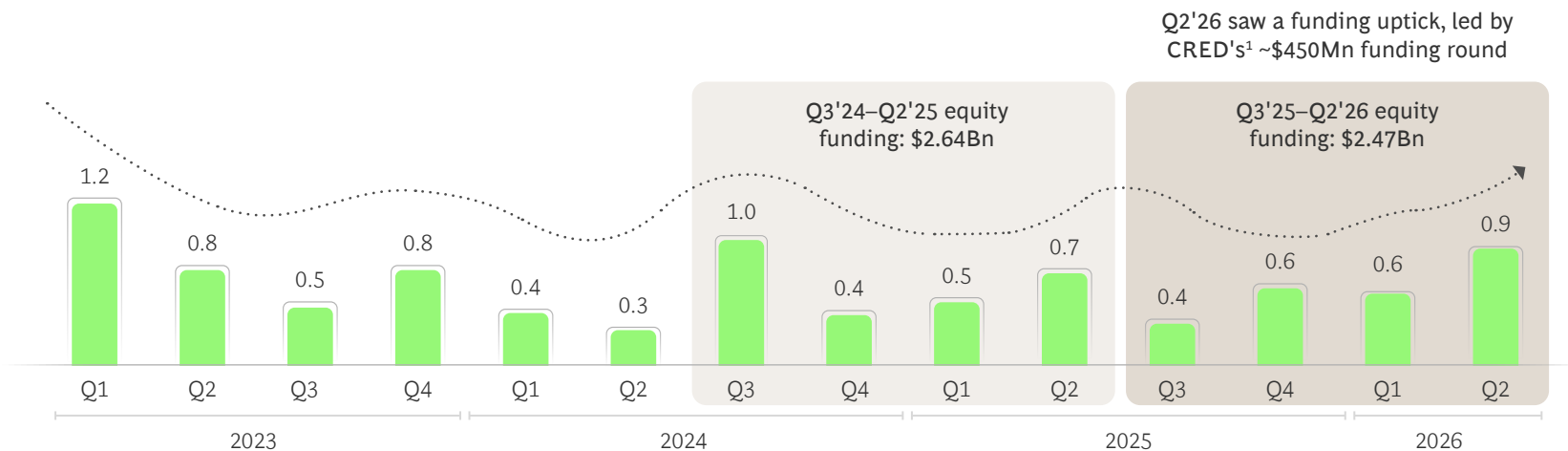
Note: Banking Fintech comprise revenues from Payments, Financial Infra, Wealthtech, Digital Lending, and Accounts/Neo-banking; excludes Insurance and Insurtech

Source: Traxcn; BCG analysis

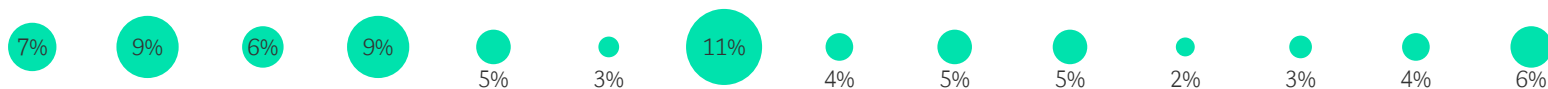
Indian Fintech funding range-bound at \$0.4–0.9Bn quarterly, with a marginal dip vs the last four quarters

Indian Fintech equity funding flow (\$Bn)

Split by quarters of calendar years



India Fintech equity funding as % of global Fintech equity funding



Equity funding in Indian Fintechs range bound at \$0.4–0.9Bn over the last four quarters, but India's share of global Fintech funding has reduced from 6% in Q3'24–Q2'25 to 4% in Q3'25–Q2'26; the trend can reverse as India increases share of AI-native Fintechs. **Funding is expected to stay measured, favoring profitable, future-ready models.** Fintech founders are also increasingly exploring non-dilutive alternate sources of capital such as venture debt and private credit.

Tirtha Chatterjee | Partner, BCG

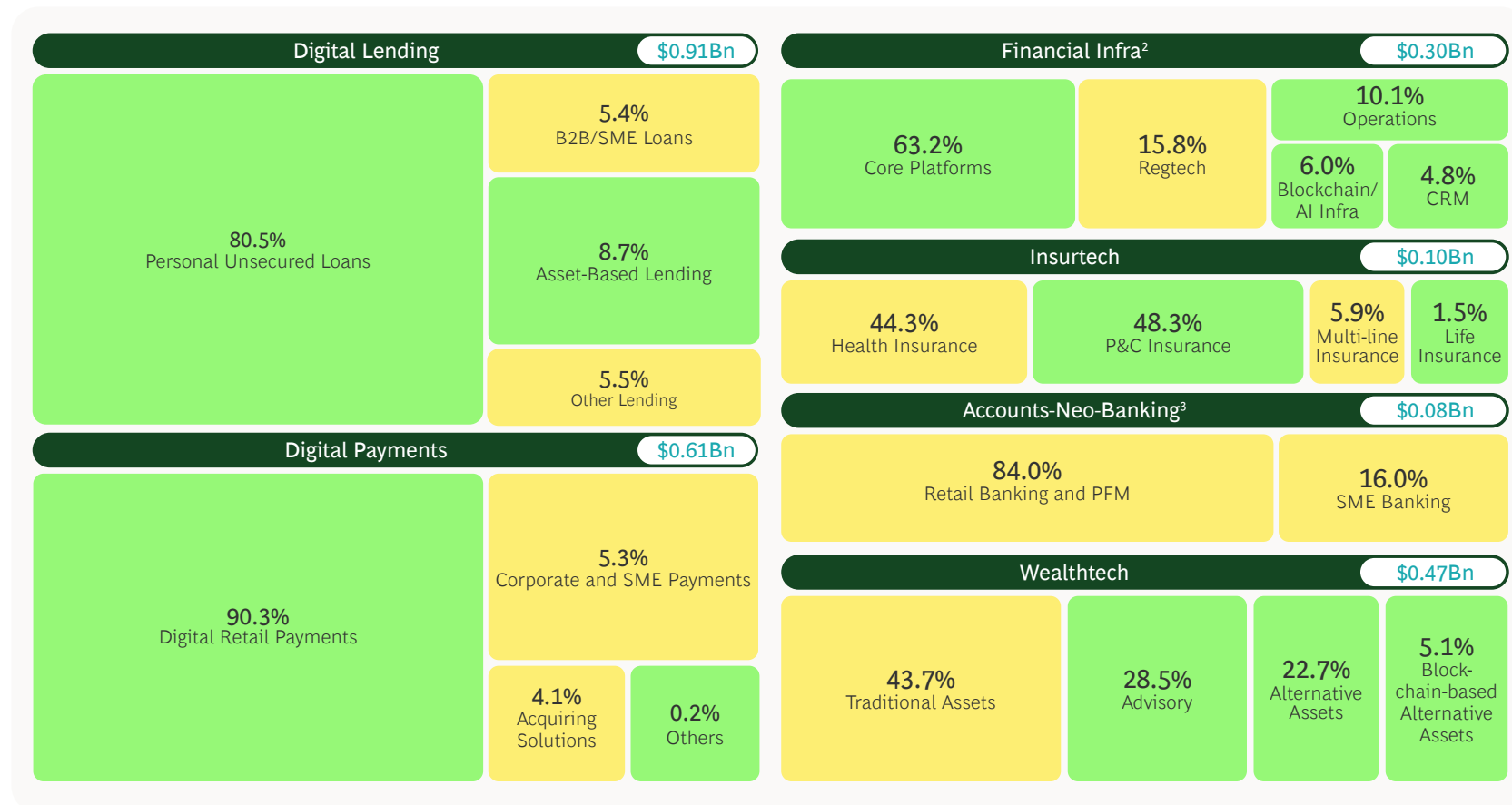
¹ CRED raised ~\$900Mn from Meta, comprising ~\$450Mn in primary capital and ~\$450Mn through a secondary share sale

Source: BCG Fintech Control Tower; BCG analysis

India Fintech funding by segments: Unpacking across sectors reveals differentiated pockets of growth

India Fintech equity funding flow: (Q3 '25–Q2 '26¹ v/s Q3 '24–Q2 '25) (\$Bn)

Size of segment boxes proportional to funding amount in Q3 '25–Q2 '26 (% indicates share of sub-segment in the overall segment)



■ >10% Investment Increase ■ >10% Investment Decrease

1. Data as of June 2026; 2. Financial Infra: Includes core platform technologies, CRM and operations solutions, data aggregation and Regtech; 3. Accounts/Neo-Banking: Includes financial comparison websites, digital banks, financial educational websites and financial planning solutions

Source: BCG Fintech Control Tower; BCG analysis

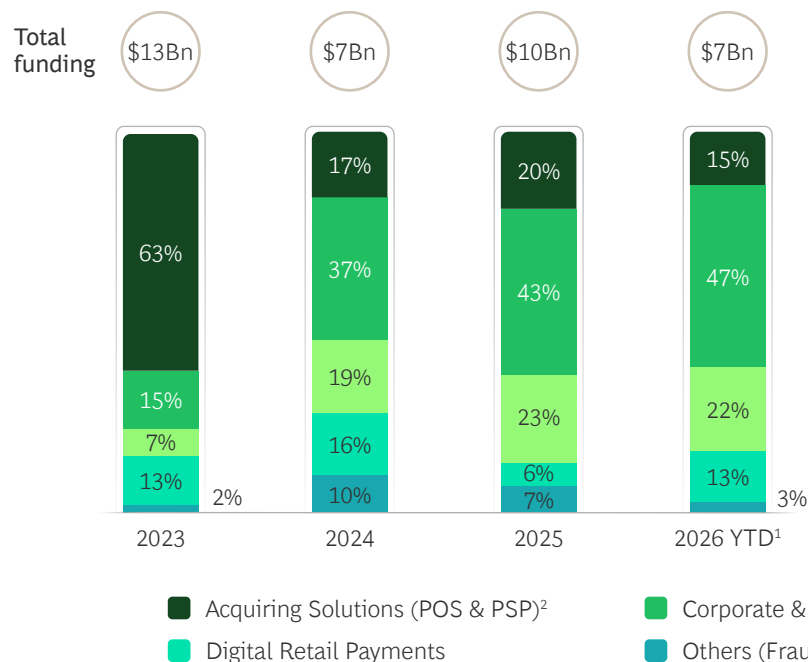


Appendix - 1

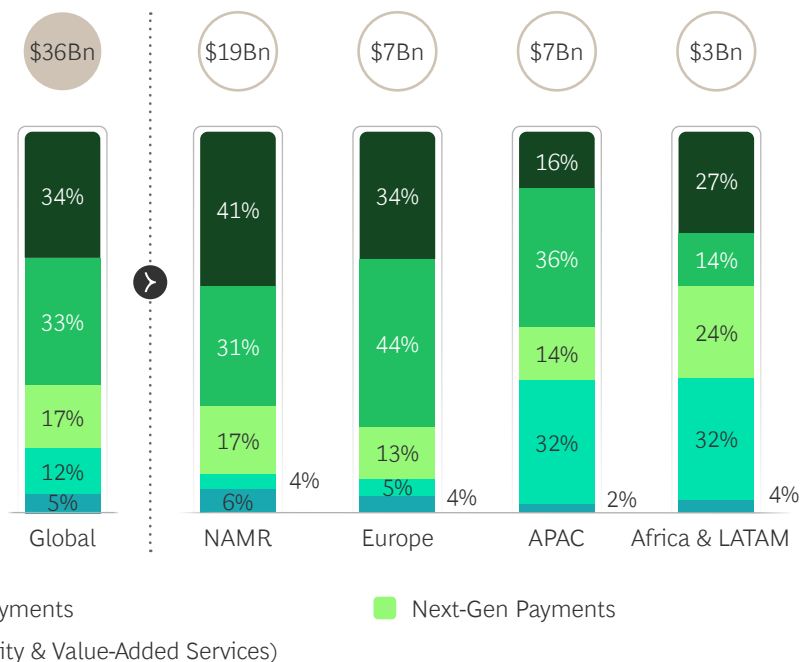
Global Segmental Fintech Funding Trends

Global Digital Payments: Corporate and SME Payments continues to gain share of investments

Annual Global Digital Payments equity funding by segments



Cumulative Digital Payments equity funding by geographies 2023–26 YTD¹



- Corporate & SME Payments has consistently gained share of funding, rising from 15% in 2023 to 47% in 2026, driven by B2B digital adoption (e.g., Ramp, Ebury)
- Acquiring Solutions has lost significant share (63% to 15%) as the segment matures

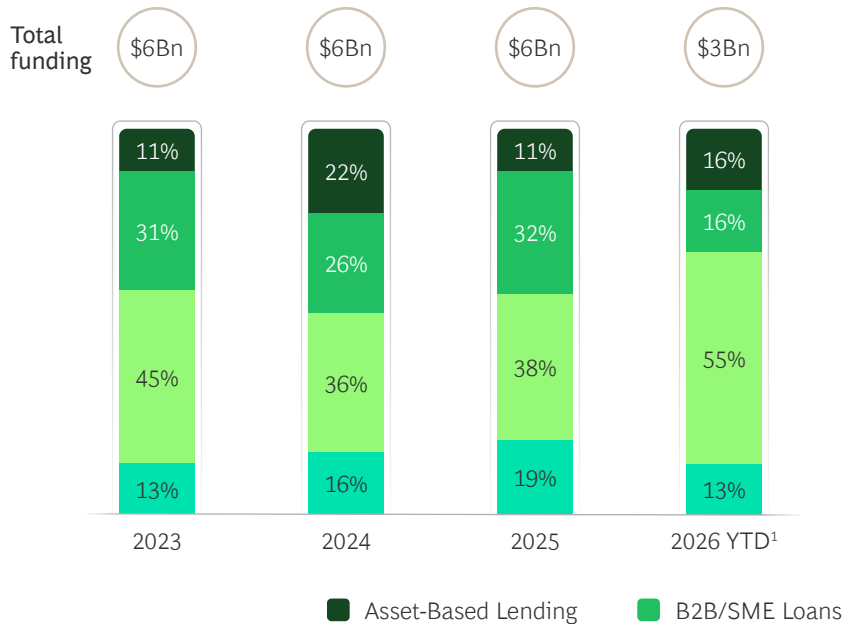
- Developed markets (NAMR, Europe) concentrate funding in Corporate & SME Payments and Acquiring Solutions
- Emerging markets (APAC, Africa & LATAM) show higher share of funding in Digital Retail Payments (32% each), reflecting continued traction across underserved segments

1. Includes funding deals till June 2026; 2. Point of Sale and Payment Service Provider

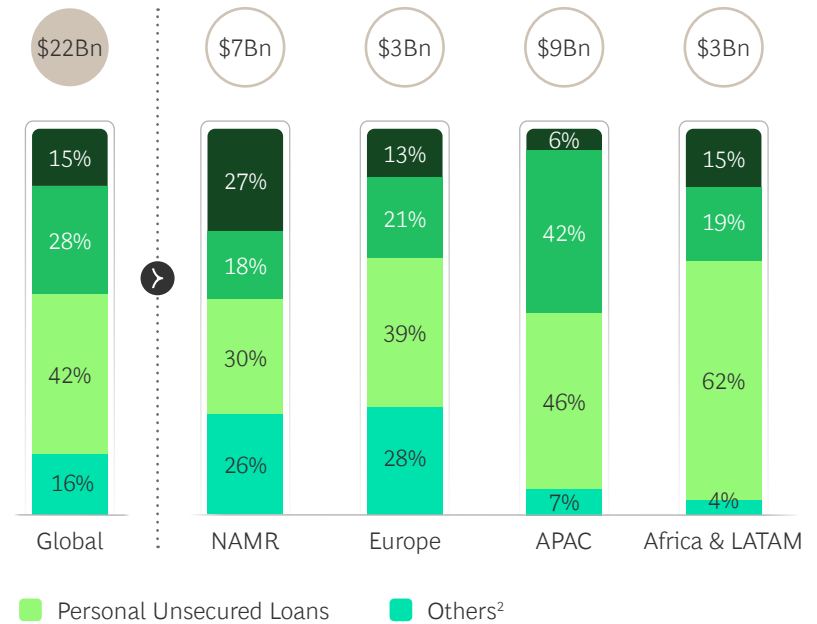
Source: BCG Fintech Control Tower; BCG analysis

Global Digital Lending: Personal Unsecured Loans continue to attract largest share, led by emerging-market consumer lenders

Annual Global Digital Lending equity funding by segments



Cumulative Digital Lending equity funding by geographies 2023–26 YTD¹



- Personal Unsecured Loans continues to capture a significant share of funding (55% in 2026 YTD), as lenders in emerging-market extend credit to underserved, first-time borrowers
- B2B/SME Loans lost share of funding (31% to 16%) as funding concentrated in consumer lending, while Asset-Based Lending held broadly steady (13-19%)

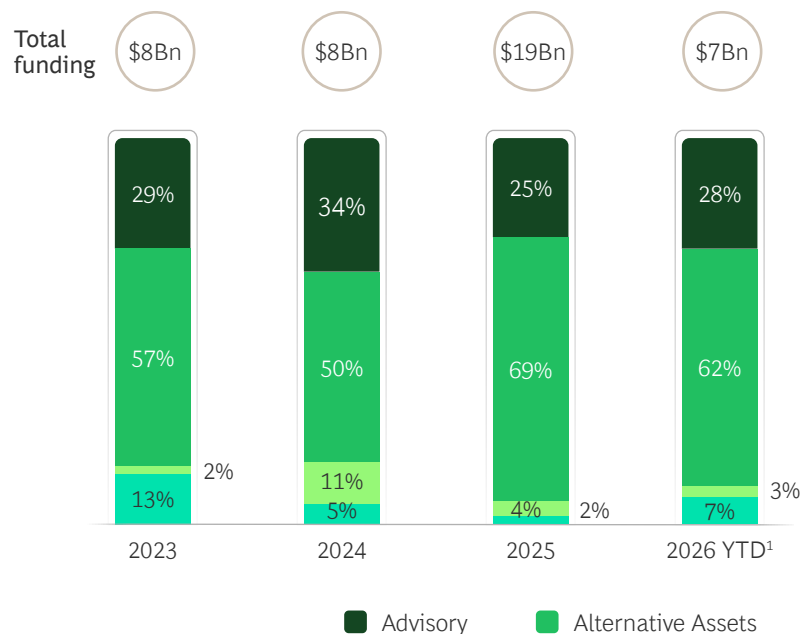
- Emerging markets (APAC, Africa & LATAM) have disproportionately higher share of funding in Personal Unsecured and B2B/SME credit, extending access to underserved consumers and small businesses
- NAMR has the highest share of funding in Asset-Based Lending

1. Includes funding deals till June 2026; 2. Others: Includes Digital Asset-Based Lending, Credit Score Management, Investment-based Crowdfunding and Donation/rewards companies

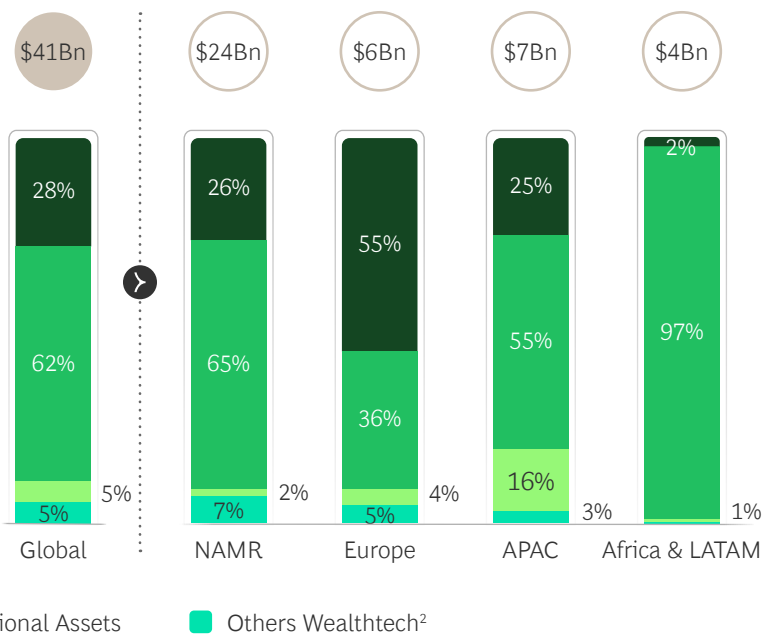
Source: BCG Fintech Control Tower; BCG analysis

Global Wealthtech: Alternative Assets gaining disproportionate investor attention

Annual Global Wealthtech equity funding by segments



Cumulative Wealthtech equity funding by geographies 2023–26 YTD¹



- Alternative Assets are increasingly capturing investment share from traditional assets, driven by rising institutional interest, regulatory clarity, and landmark funding in prediction-market and private-market platforms

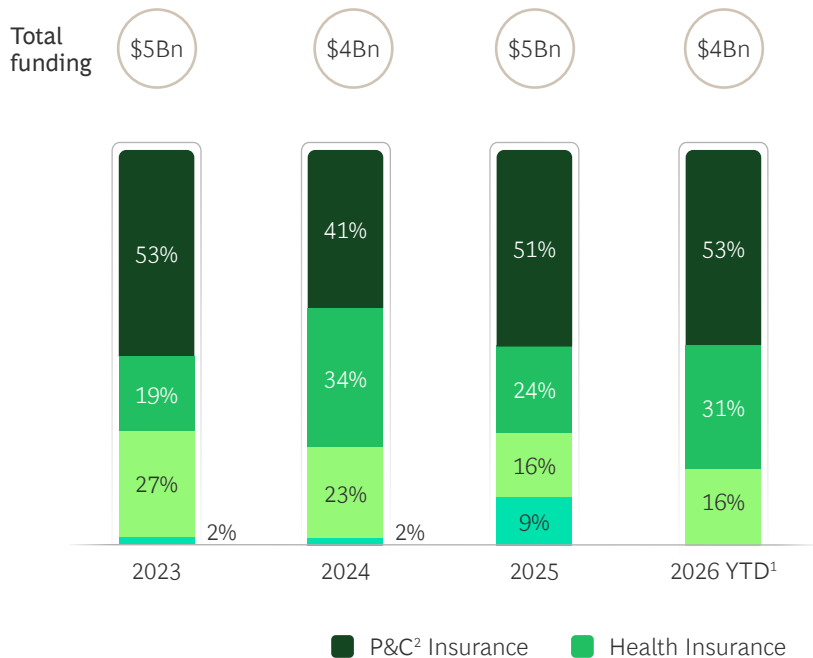
- Wealthtech funding dominated by NAMR; funding in emerging economies to grow with increasing affluence
- Europe with disproportionately higher share of funding in Advisory (powered by GenAI)

¹. Includes funding deals till June 2026; ². Other Wealthtech: Includes trade lifecycle management, collaboration and communication, clearing and settlement, risk & compliance, syndication & structuring & core trading tech

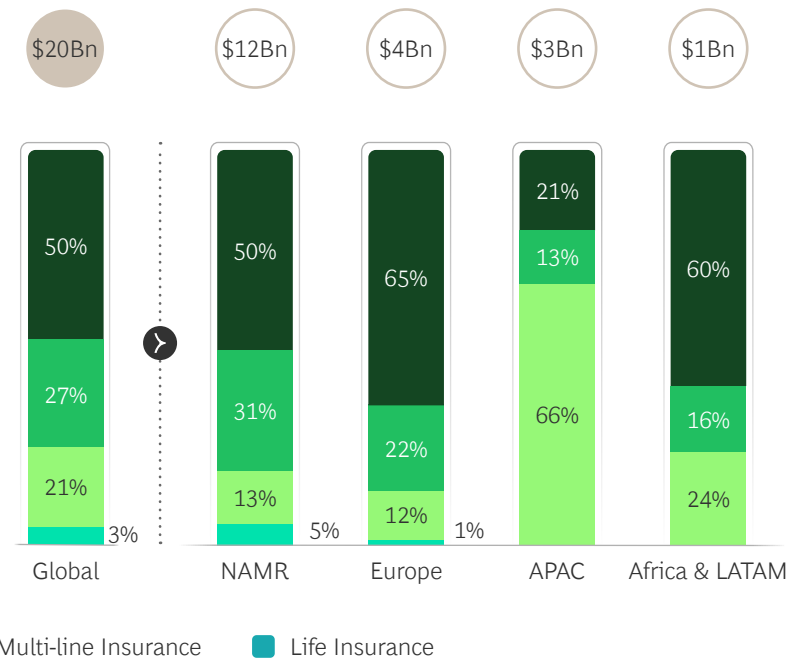
Source: BCG Fintech Control Tower; BCG analysis

Global Insurtech: P&C continues to drive >50% of Insurtech funding, dominated by NAMR and Europe

Annual Global Insurtech equity funding by segments



Cumulative Insurtech equity funding by geographies 2023–26 YTD¹



- P&C and Health Insurance continue to capture the largest share of funding (84% combined in 2026), favored for their shorter policy durations and clearer path to profitability
- Life Insurance captures minimal share of funding, reflecting a mature, incumbent-dominated market with limited fintech disruption

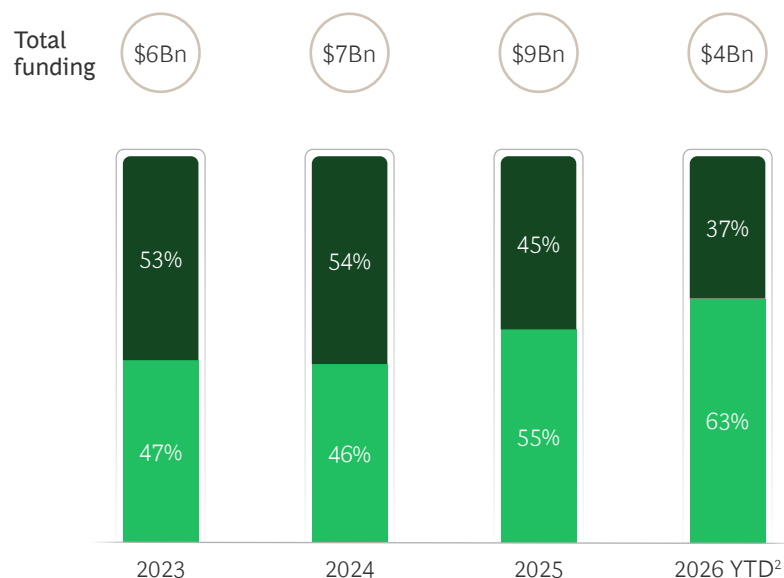
- Funding in Insurtech dominated by developed economies of Europe and NAMR with >80% share concentrated in P&C, reflecting deeper insurance markets and higher digital maturity
- APAC is the exception, skewing toward Multi-line Insurers (66%), driven by larger headroom in insurance penetration across lines of businesses

1. Includes funding deals till June 2026; 2. Property and Casualty

Source: BCG Fintech Control Tower; BCG analysis

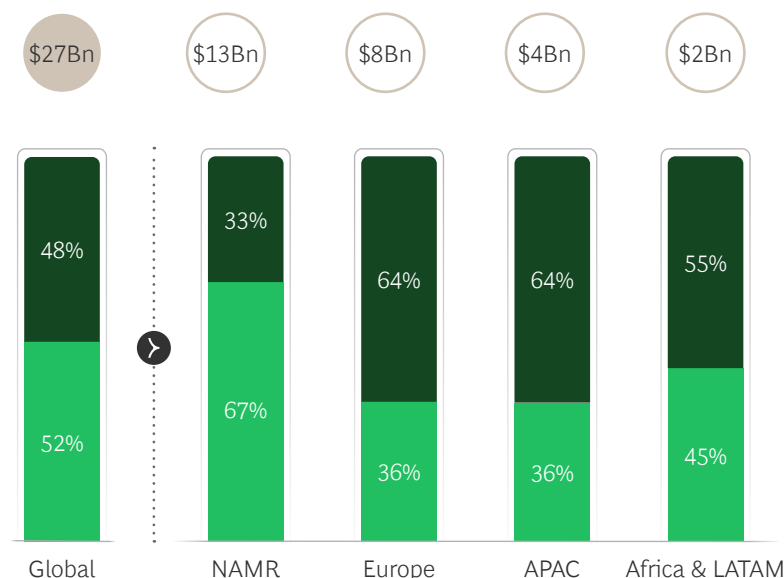
Global Accounts/Neo-Banking: SME Neo Banks dominant in NAMR, while Retail Neo Banks attract more funding in Europe, APAC, Africa & LATAM

Annual Global Accounts/Neo-Banking¹ equity funding by segments



■ Retail Neo-Banks

Cumulative Accounts/Neo-Banking equity funding by geographies 2023–26 YTD²



■ SME Banking

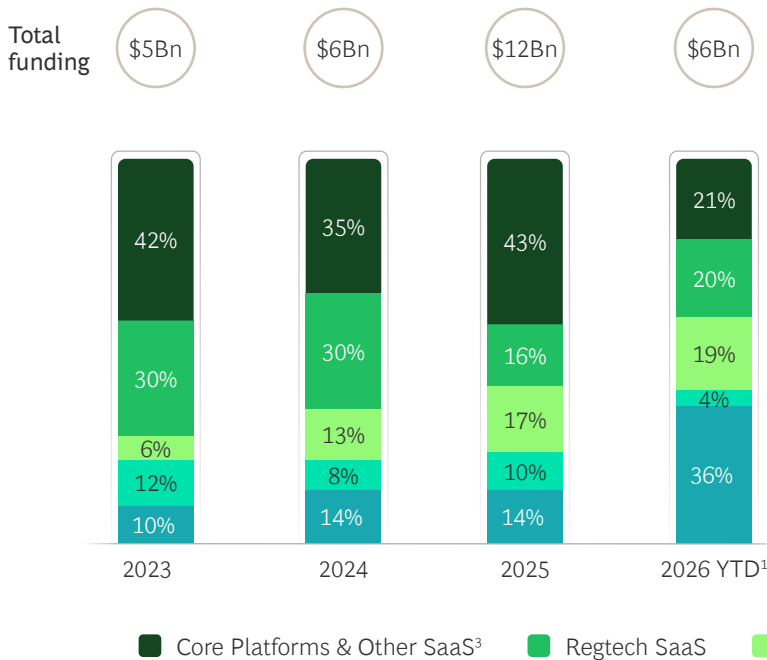
- Share of funding of SME Neo Banks rose from 47% to 63% (2023–26 YTD), driven by attractive economics and sticky B2B client bases
- Retail Neo Banks share of funding has fallen from 47% to 37%, as incumbent banks improve digital maturity and as competition intensifies

- NAMR, the largest market (\$13Bn) by share of funding, is strongly SME-led (67%), while Europe (64%), APAC (64%) and Africa & LATAM (55%) skew toward Retail, driven by large headroom in retail financial inclusion

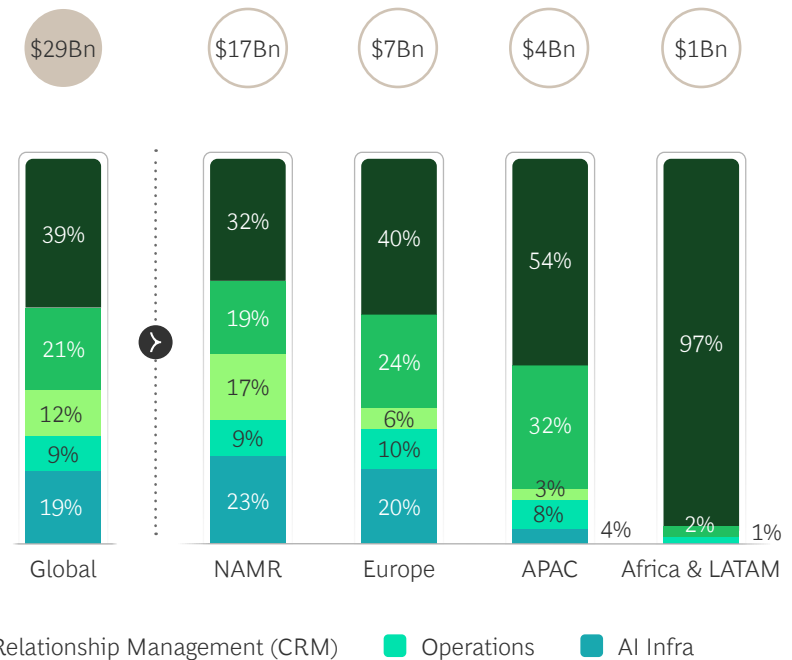
1. Global Accounts/Neo-Banking: Includes financial comparison websites, digital banks, financial educational websites and financial planning/savings solutions; 2. Includes funding deals till June 2026
Source: BCG Fintech Control Tower; BCG analysis

Global Financial Infra: AI Infra captures largest funding share

Annual Global Financial Infra¹ equity funding by segments



Cumulative Financial Infra funding by geographies 2023–26 YTD²



- AI Infra share of funding surged from 10% to 36% of funding in 2026 YTD to become the largest sub-segment, led by AI-compute players
- Core Platforms share of funding fell from 42% to 21% over the same period, as investment pivots from established infra toward AI-native capability

- NAMR dominates share of funding with ~\$17Bn (>50% of global), led by core platforms and AI Infra
- Emerging markets remain nascent (<20% share of funding combined)-APAC and Africa & LATAM are concentrated in Core Platforms (54%, 97%), with limited share of funding in AI Infra

1. Financial Infra: Includes core platform technologies, CRM & operations solutions, data aggregation and Regtech; 2. Includes funding deals till June 2026; 3. Other SaaS: Includes supporting infra/SAAS for Digital Payments and Lending Infrastructure Fintechs

Source: BCG Fintech Control Tower; BCG analysis



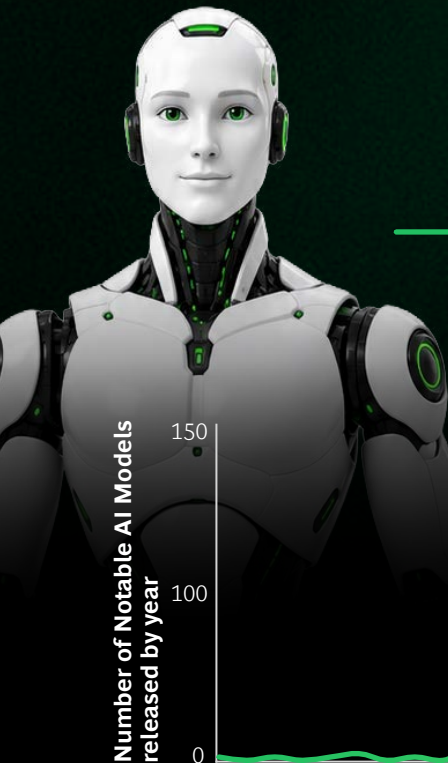
Appendix - 2

Additional Global and India AI Trends



From AI winters to AI-native: A 70-Year journey

AI's long incubation and the commercial breakout



Number of Notable AI Models released by year

150
100
0

1950

1955

1960

1965

1970

1975

1980

1985

1990

1956–1973

Foundational Optimism

Dartmouth workshop coins "Artificial Intelligence" in 1956; early symbolic systems demonstrate reasoning and language interaction

1974–1980

First AI Winter

Limited compute and brittle rule-based systems constrain progress; missed expectations trigger funding cuts

1981–1987

First commercial AI boom

Symbolics, IntelliCorp and Teknowledge commercialize rule-based AI; expert systems drive AI's first enterprise adoption wave

1988–1993

Second AI Winter

Specialist hardware demand falls and rule bases prove expensive to build and maintain, triggering another pullback in funding and confidence

From AI winters to AI-native: A 70-Year journey

**1994–2011**

Statistical ML and Narrow AI growth

AI shifts from hand-coded rules to data-driven learning; search, speech and recommendation engines scale commercially; IBM's Deep Blue defeats reigning world chess champion Garry Kasparov

**2012–2016**

Deep-learning breakout

AlexNet dominates the 2012 ImageNet competition, kickstarting a breakout in neural networks and deep learning applications. In 2016, DeepMind's AlphaGo defeats Lee Sedol, an 18-time world champion, 4–1

**2017–2021**

Transformer and foundation-model era

Google researchers introduce the Transformer architecture in 2017. BERT and GPT subsequently establish large-scale pre-training, allowing models to be adapted or prompted across a broad range of language tasks

**2022–Present**

GenAI and Agentic AI Era

ChatGPT brings conversational GenAI to broad public use; multimodal and tool-enabled models expand into coding, research and services, while agents increasingly execute multi-step workflows

1995

2000

2005

2010

2015

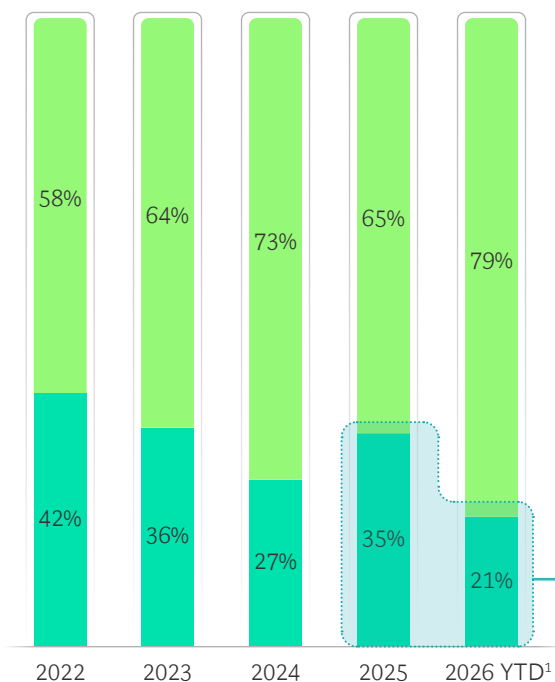
2020

2025

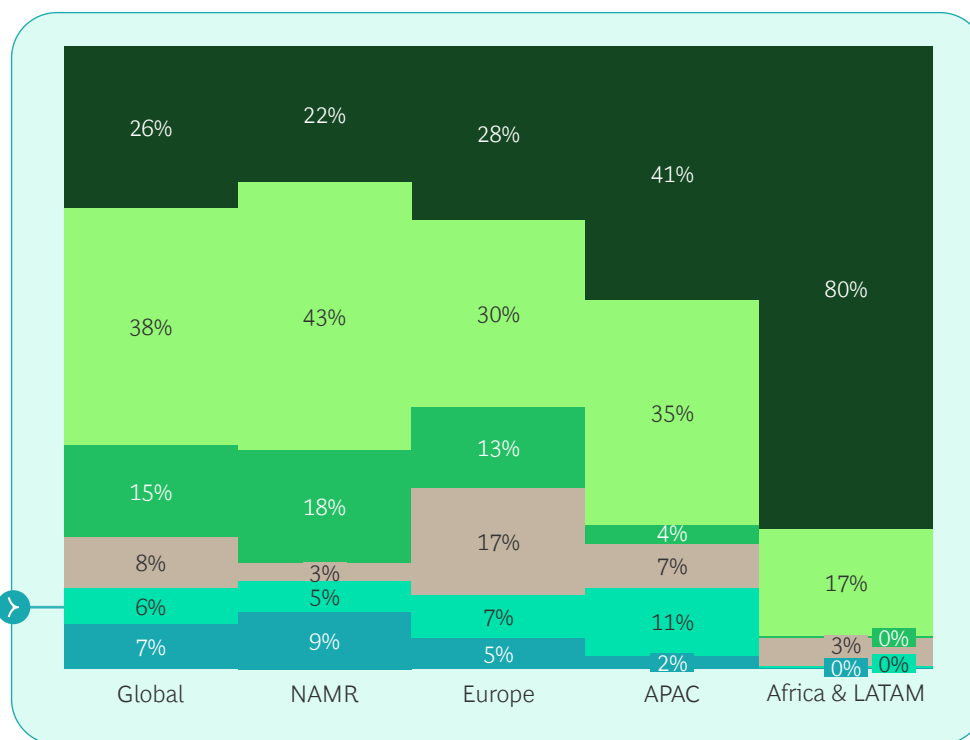
AI equity funding is consolidating around Horizontal AI, while Vertical AI priorities vary across geographies

Application-layer funding remains concentrated around Horizontal AI Solutions

Vertical AI investment priorities vary by region, with Healthcare leading globally and Financial Services leading in APAC, Africa and LATAM



■ AI Applications & Solutions (Horizontal)
■ AI Applications & Solutions (Vertical)



■ Financial Services, Insurance & Enterprise Services
■ Healthcare & Life Sciences
■ Defense, Security & Space
■ Energy, Climate & Sustainability
■ Robotics, Automation, Industrial & Construction
■ Legal, Compliance & Risk

1. Includes funding deals from January 2025 to June 2026

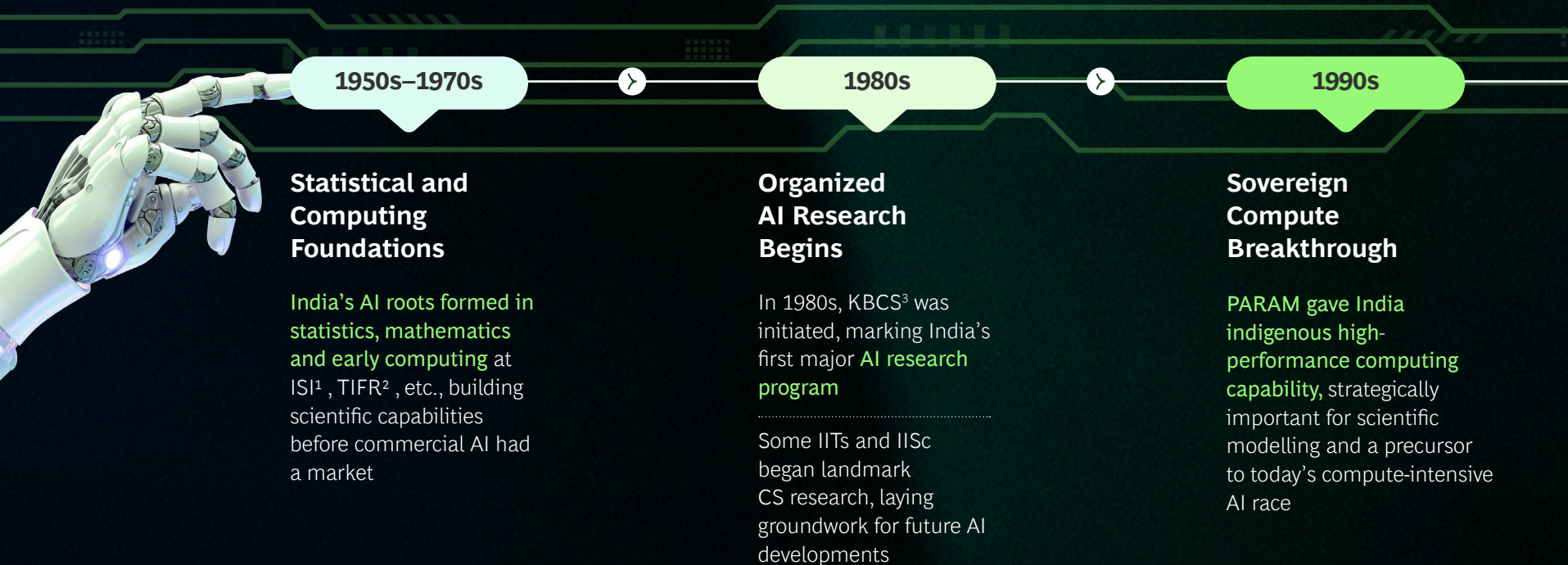
Note: Deal size greater than \$10Mn considered for analysis

Source: Pitchbook; BCG analysis



India's AI journey:

From scientific foundations to population scale AI



2000s–2017

Quiet Build to Digital Rails

AI stayed commercially quiet, while **Aadhaar and India Stack** built the digital rails for future population-scale AI adoption

2018–2023

AI for Inclusion and Language- #AIforAll

#AIforAll reframed AI as inclusive development; Bhashini made multilingual access a central India-scale AI problem for citizens and enterprises

2024 onwards

Multiple initiatives to scale AI ecosystem

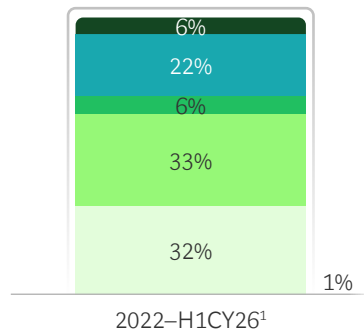
India AI Mission: Scales India's AI ecosystem across compute, data, models, talent and trust

AI Impact Summit: Global platform convening leaders to advance inclusive, responsible AI

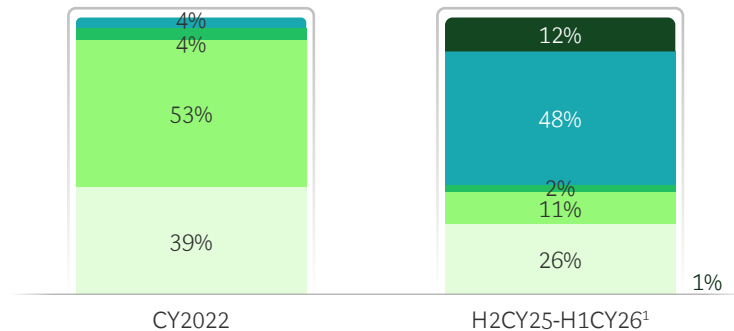
RDI Fund: Catalyzes private R&D investment to accelerate deep-tech innovation and commercialization

Applications and Infra remain India's dominant AI funding theme, foundational models showing early traction

India AI Equity funding split by segment (2022-26)



CY22 vs H2CY25-H1CY26 category wise shift in trends



■ Foundation Models & Platforms

■ Compute & Infrastructure

■ Data, Tooling & ML Operations

■ AI Applications & Solutions (Horizontal)

■ AI Applications & Solutions (Vertical)

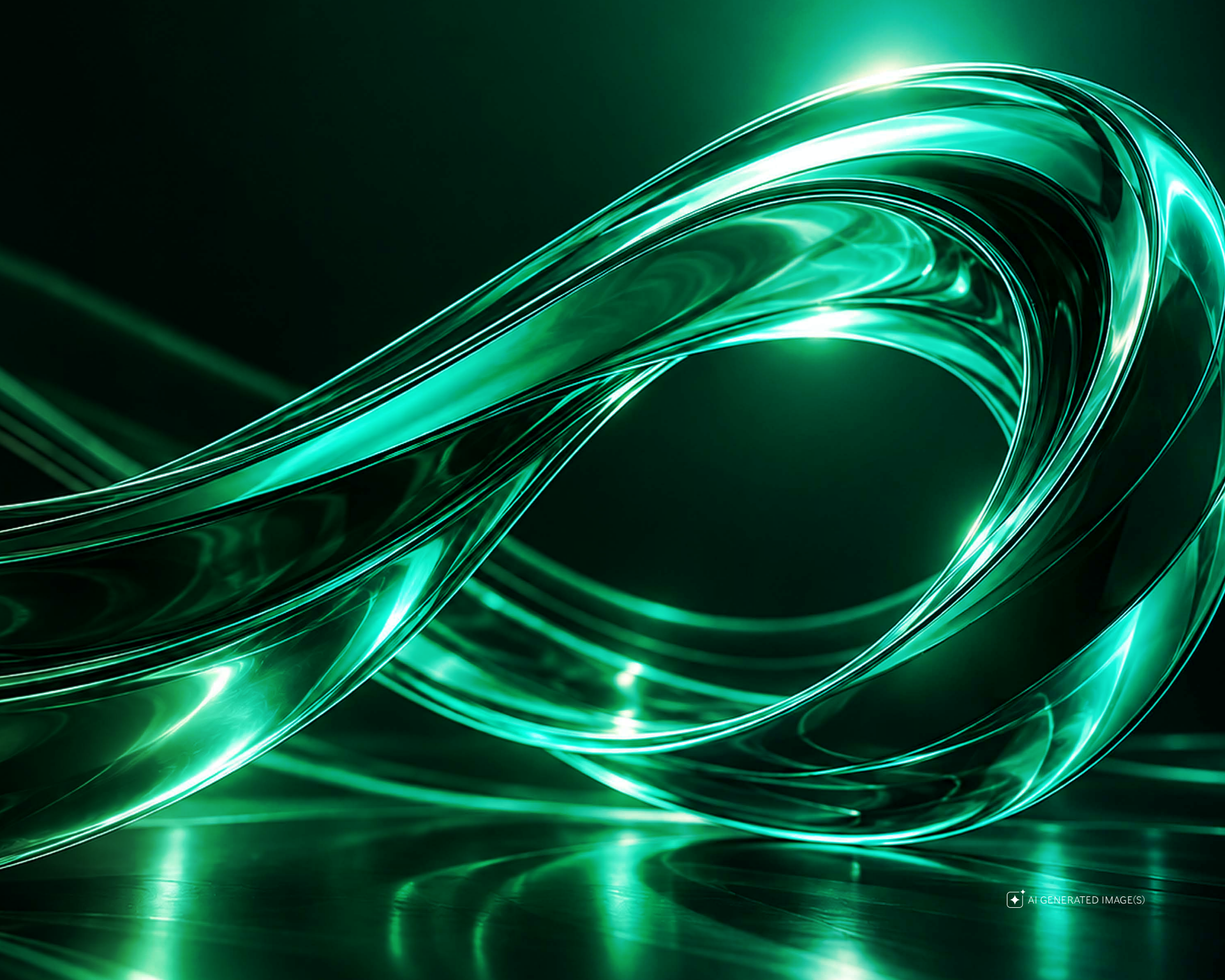
■ Other segments

India's top AI equity deals (Till July-26)

Company	Funding Round	Round Date	Description	Segment
Neysa	\$600Mn Series B	Feb '26	AI acceleration cloud/AI infrastructure platform, deploying 20,000+ GPUs in India	Compute & Infrastructure
Sarvam	\$300Mn Series B	Jun '26	Multilingual sovereign AI platform for India	Foundation Models & Platforms
Emergent	\$130Mn Series C	Jul '26	AI vibe-coding platform enabling application development	AI Applications & Solution (Horizontal)
SpotDraft	\$60Mn Series A	Apr '26	AI-powered legal contract lifecycle management platform	AI Applications & Solution (Vertical)

1. Updated till Jun '26

Source: Pitchbook; Press Search; BCG analysis





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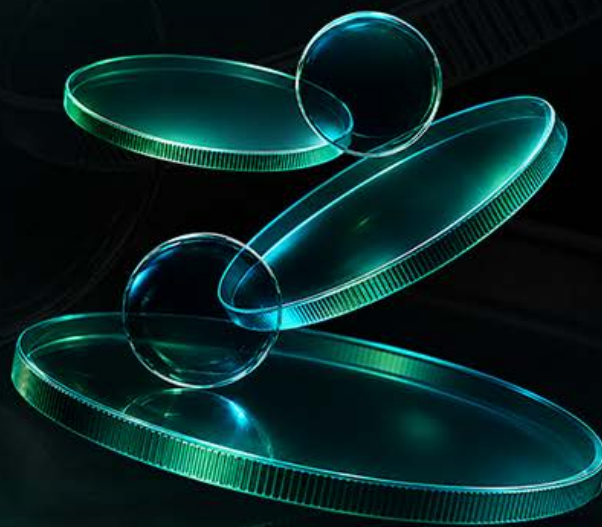
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