



### Jugal Mantri

Executive Director and CEO  
Anand Rathi Global Finance Limited



#### According to you, what are the key trends shaping the future of India's BFSI & FinTech industry?

- The BFSI sector is undergoing rapid transformation, driven by governance changes, digital innovation, evolving customer preferences, competition and increased sophisticated cyber threats. In recent months, while modest credit growth, interest rate cuts, and liquidity challenges have impacted net Interest Margins, the microfinance and unsecured loan segments are expected to stabilize in H2 FY26 with liquidity infusion and market corrections.
- The key trends shaping the BFSI industry's future -
  - a. Digital Transformation** - BFSIs are integrating AI-driven automation, advanced analytics, and chatbots to enhance risk assessment, fraud prevention and hyper-personalized customer experiences. Digital onboarding and seamless financial services will be the norm.
  - b. Cybersecurity and Compliance** - Rising cyber threats have

led to stricter compliance measures. Regulatory Technology will play a crucial role in ensuring secure and efficient compliances.

- c. Contactless/Digital Payments** - The rapid adoption of UPI, Buy Now Pay Later and digital wallets is reshaping transaction models and promoting financial inclusion.
- d. Open Banking** - Secure financial data sharing with customer consent will improve account aggregation, financial insights and value-added services.

#### How do you see the role of technology in wealth management, insurance, and retail banking evolving in next 5 years?

- Technology will play a transformative role in BFSI.
- In wealth management, AI-driven robo-advisors will provide personalized investment strategies, while behavioral analytics and open banking will enhance customer-centric investment recommendations.
- In Insurance, AI-powered chatbots will streamline claims processing, and usage-based insurance models like pay-as-you-use will gain traction. Regulatory mandates, such as IRDAI's three-hour cashless claim processing, will accelerate digital adoption.
- In retail banking, Banks will evolve into financial super

apps, integrating banking, credit, insurance, and wealth management. AI/ML-based credit scoring will improve financial access for the unbanked, while fintech collaborations will enhance digital lending and payments.

- We believe technology will drive rapid product innovation in BFSI, reducing time-to-market. As the industry evolves, regulatory oversight will also advance through digital supervision and AI-driven compliance.

#### How can BFSI firms balance regulatory scrutiny, cybersecurity, and customer trust while ensuring seamless service?

- With increasing scrutiny of data privacy, cybersecurity, and consumer protection, BFSI players must prioritize compliance while maintaining seamless service delivery. Strengthening cybersecurity frameworks with end-to-end encryption, strict access controls, and continuous security audits will be crucial. Adherence to regulatory guidelines, ethical lending, and real-time AML monitoring will help build consumer trust. Additionally, secure digital onboarding through Aadhaar-based and video KYC will enhance security and efficiency. As BFSI evolves, institutions must embrace technology-driven innovation while ensuring regulatory compliance and customer trust to stay ahead in this competitive sector. ■