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The Evolution of India's BFSI Sector: A Decade of Growth and Expansion

India's Banking, Financial Services, and Insurance (BFSI) sector plays a crucial role in driving the country's economic growth, financial inclusion, and digital transformation. In the Union Budget 2025-26, the Foreign Direct Investment (FDI) limit in the insurance sector has been increased from 75% to 100%, which is set to attract global players, strengthen capital inflows and boost sectoral expansion.

As per Dun & Bradstreet India Data Cloud, there are 555K active entities operating in this sector. This white paper thus provides an analysis of the trends and statistics in the BFSI segment and out-of-business (OOB) entities over the past decade. The data highlights significant growth patterns, closures, and sector-specific insights.

1) Foreign Banks

According to the Dun & Bradstreet Data Cloud, the total number of foreign branches are 4.15K of which 3.9K are active entities. Also, BFSI-based foreign entities with active headquarters in India stands at 403.

Geographical Distribution:

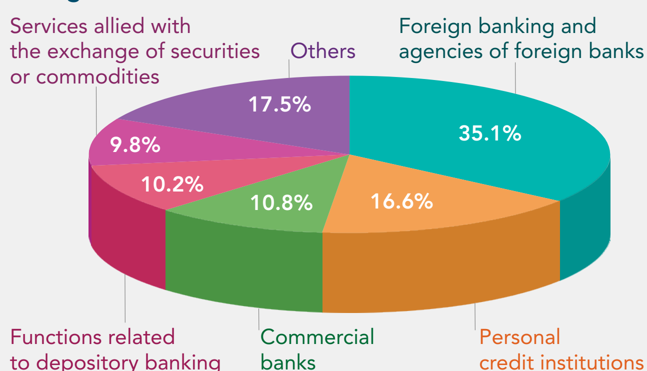
- Of the total foreign branches established in the last three years, 57.1% are in Gandhinagar (due to the GIFT City project), 21.4% in Mumbai, and 7% each in Delhi, Bengaluru, and Chennai.
- Nearly half (49.7%) of these branches operate in Tier 2 and Tier 3 cities.

Sector Engagement:

- 35% are engaged in banking services.
- 16.6% are registered as personal credit institutions.
- 10.8% are commercial banks.

Growth Trends: Entities based out of Switzerland and UK are expanding their presence in India.

Sub-sector wise distribution of 3.9K BFSI based Foreign entities in India



2) Out-of-Business (OOB) Entities

According to the Dun & Bradstreet Data Cloud, a total of 38.4K entities, or 15.8% of those registered in the last ten years*, have shut down within the first decade of its existence. And a notable 97.3% of these closures were headquarters.

Sector-Specific Closures: High closure rates observed in sectors of Insurance agents, brokers and services, and Pension, health and welfare funds.

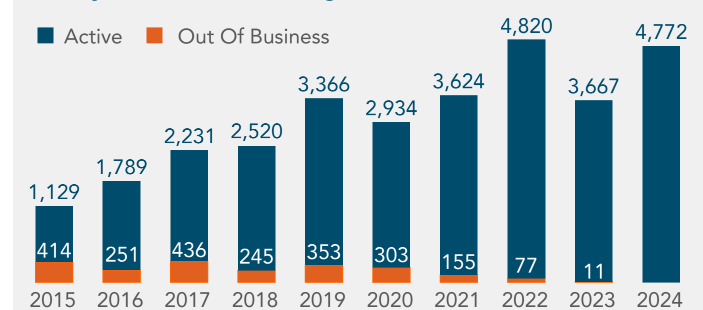
Sub-Level Analysis: 8.2% of closures were due to being struck off by the registry. While 0.2% of entities have been merged with other entities.

3) Ministry of Corporate Affairs (MCA)

Growth Trends: Over the last decade, number of entities registered with MCA is approx. 33K. Entities in the insurance sector, including carriers, agents and brokers, have experienced a Compound Annual Growth Rate (CAGR) of over 20%, outpacing the overall BFSI sector's 12% CAGR.

Business Closures: Approximately 2,200 entities, or 7% of those registered in the past ten years, have ceased operations within the first decade of its existence.

Yearly trend of entities registered with MCA



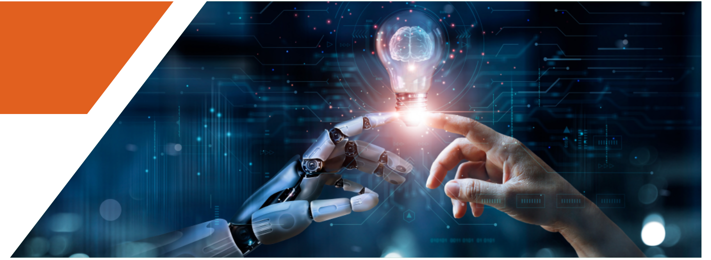
*Entities for which Date of Incorporation is available.

Clients can leverage these insights from Dun & Bradstreet for:

Strategic market navigation, using data on closures, sector trends and geographical distribution to assess risks and identify growth.

Enhanced competitive intelligence, by employing insights on foreign entities in India, especially those from Switzerland and UK, to anticipate market movements and adjust strategies.

The Evolution of Banking: Embracing a Digital Future



For centuries, finance has driven economic growth, and Dun & Bradstreet's history closely follows the evolution of credit reporting and risk assessment - foundations of modern financial systems. The legal establishment of interest rates in 1545 by England laid the groundwork for structured lending, fueling exploration and global trade. As economies expanded, capital's role became even more pivotal, increasing its share in economic production by 27 percentage points during the First Industrial Revolution.

The need for trust in financial transactions led to the birth of credit reporting in the early 1800s when a group of English tailors began sharing information on delinquent customers. Recognizing the importance of reliable credit information, Dun & Bradstreet's predecessor, the Mercantile Agency, was founded in 1841 to formalize this practice, paving the way for modern business credit reporting. By the Second Industrial Revolution, financing had taken another leap - General Motors popularized installment plans, spurring a boom in consumer credit. Today, credit democratization continues to drive financial inclusion and economic mobility.

Four Stages of Banking Evolution

Banking 1.0

Banking 1.0 was branch-based, with physical locations as the only way to access banking until the 1960s

Banking 2.0

Banking 2.0 introduced self-service with Automated Teller Machines (ATMs) in 1967 and online banking in the 1990s

Banking 3.0

Banking 3.0 made services accessible anytime, anywhere, driven by smartphones and affordable data since 2007

Banking 4.0

Banking 4.0 is defined by real-time, contextual experiences and seamless engagement, with no dependency on physical distribution

Importantly, these stages still coexist today. Some banks continue to operate under the Bank 1.0 model, relying solely on branch networks. Others, with limited online capabilities, remain in the Bank 2.0 stage. Most banks today still do not offer seamless mobile-based account opening, placing them somewhere between Bank 2.0 and 3.0. Only a handful of banks worldwide have truly embraced Bank 4.0, pioneering a fully digital, frictionless future.

However, transitioning to Bank 4.0 requires an entirely different mindset - one that goes beyond retrofitting branch-based processes onto digital platforms. This shift is not happening in developed economies alone. The real transformation is unfolding in emerging markets like Sub-Saharan Africa, India, and Bangladesh, where fintech pioneers such as M-Pesa, Paytm, and bKash have brought millions into the financial ecosystem.

Consider this: In 23 out of 42 countries in Sub-Saharan Africa, more people hold mobile money accounts than traditional bank accounts. In 22 of these countries, more people save using mobile wallets than through banks. And in 8 countries, mobile money is now the preferred method for borrowing over traditional banking.

India's public digital infrastructure is accelerating this shift. Initiatives like Aadhaar, eSign, eKYC, and video KYC have slashed identification costs by 99%, making financial access faster and cheaper. UPI, OCEN, and account aggregators, combined with predictive analytics, are driving a shift from asset-based to cash flow-based lending, broadening credit access.

As agility, personalized experiences, and seamless engagement replace traditional banking advantages, the message is clear: Banks that adapt will thrive, while those that fail to evolve risk being left behind.