



**Title:** #DigitalBanking

**Category:** White paper

Digitalisation continues to offer innumerable opportunities, while simultaneously posing new challenges to banks globally. The banking sector continuously witnesses at least one new breakthrough in some part of the world that has the potential to redefine how banking services may be offered in the coming years.

With global internet penetration soaring to 43 per cent in 2015, given the regulatory and policy push on financial inclusion and intense competition from banking and non-banking players, the need for banks to embark upon the digital journey has further accelerated.

Capitalising on these digital opportunities shall not provide banks with more efficient channels to serve their customers, but can help them to explore more cost-effective technologies for back-end operations and enhance customers' experience with unexplored value-adding services. Given these potential benefits, there ought to be certain challenges along the way. These issues range from infrastructure, customer preferences and policy framework of the region. Digital skill gaps, lack of user awareness and adoption, regulatory restrictions and limited infrastructural support push banks to constantly modify their digital strategy.

For banking services to emerge as real-time, context-driven and fully-automated, banks should innovate, plan and successfully implement their ideas.

Our report seeks to throw light on the global digital landscape and the various dynamics that exist within it. It highlights how the Indian banking sector has witnessed significant transformational changes on account of factors such as entry of private players, increased regulatory surveillance, changing customer channels and implementing technology. The emergence of payment banks and the changing focus of traditional banks towards the digital side of things is yet another boom that may be witnessed. It also focusses on the global challenges as well as the major digital innovations in the financial services sector, both in India as well as around the globe.