



INTERNATIONAL MONETARY FUND

# Finance and Fintech: Invigorating Investment and Inclusion in India



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## Questions

How can  
**“Investment and Inclusion”**  
be invigorated to  
boost growth ?

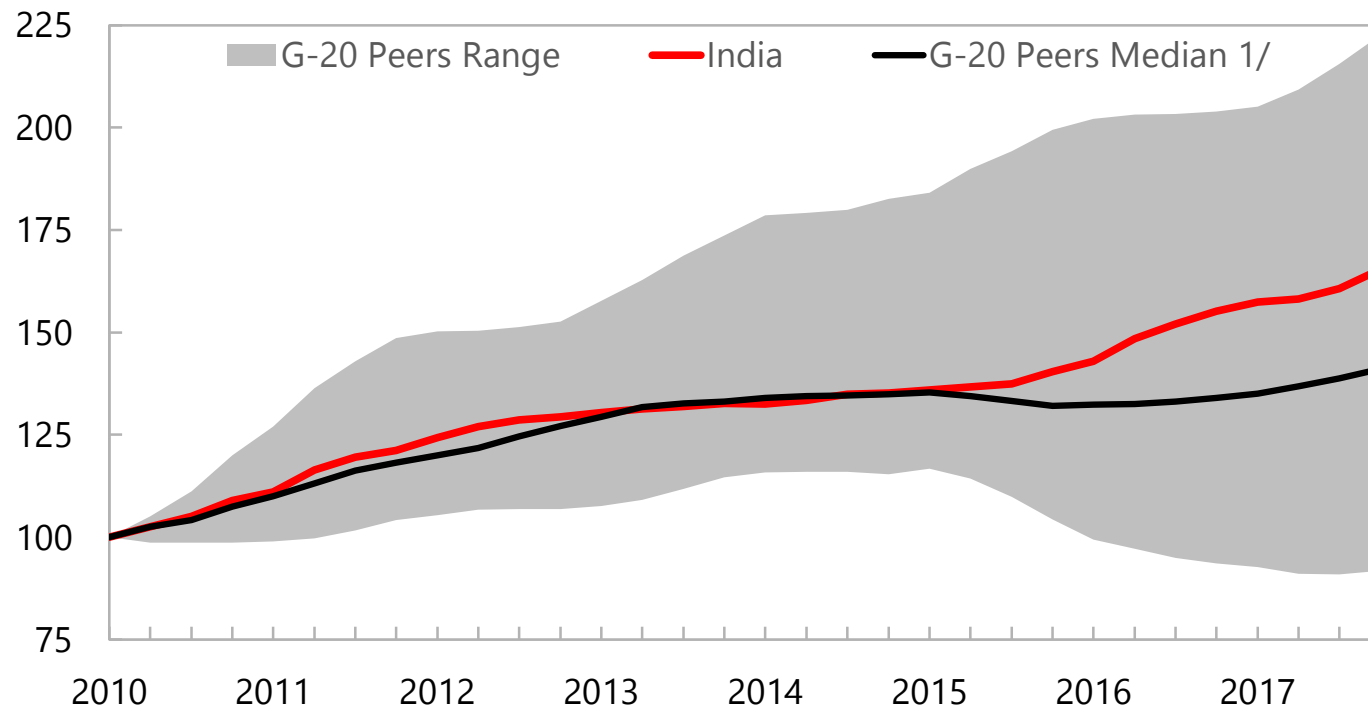


What is the role of  
**“Finance and Fintech”**  
in this ?



## Raising private investment requires a multipronged approach.

### Real Gross Fixed Capital Formation: India and G-20 Peers (Index, 2010-Q1=100)



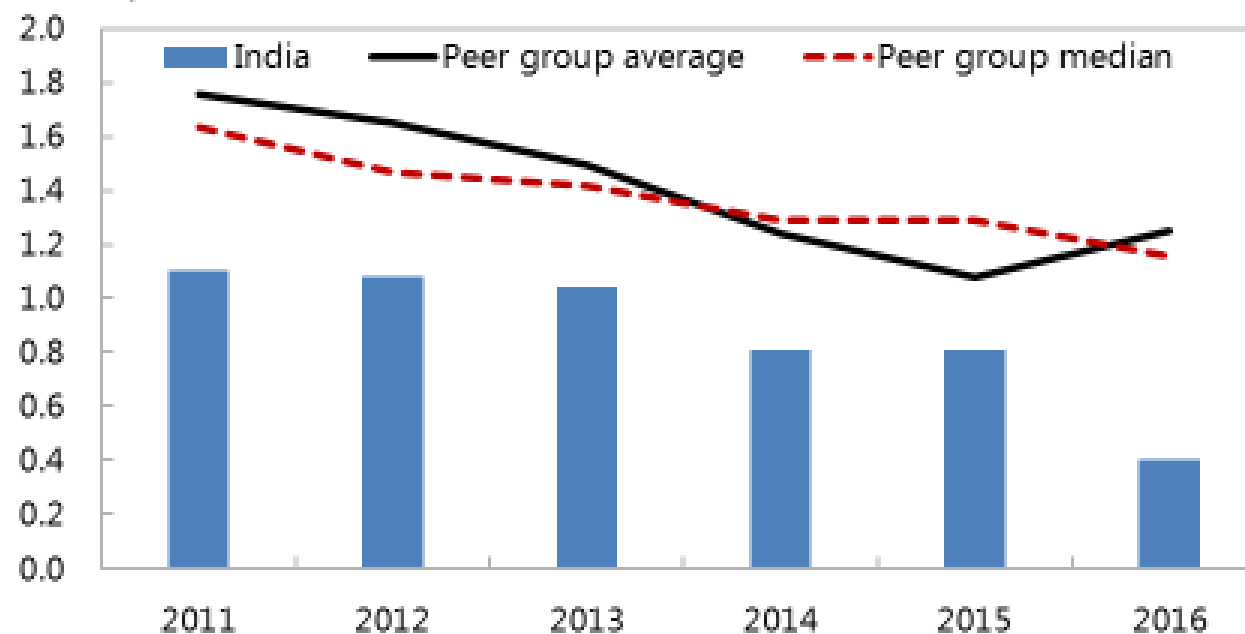
Sources: Haver Analytics, WEO and IMF Staff Calculations

India's G-20 peers are Brazil, Russia, China, South Africa, Indonesia and Turkey



## FSAP highlights the need to boost the efficiency of India's financial system.

**Return on Assets**  
(percent)



Sources: RBI, and IMF Financial Soundness Indicators.

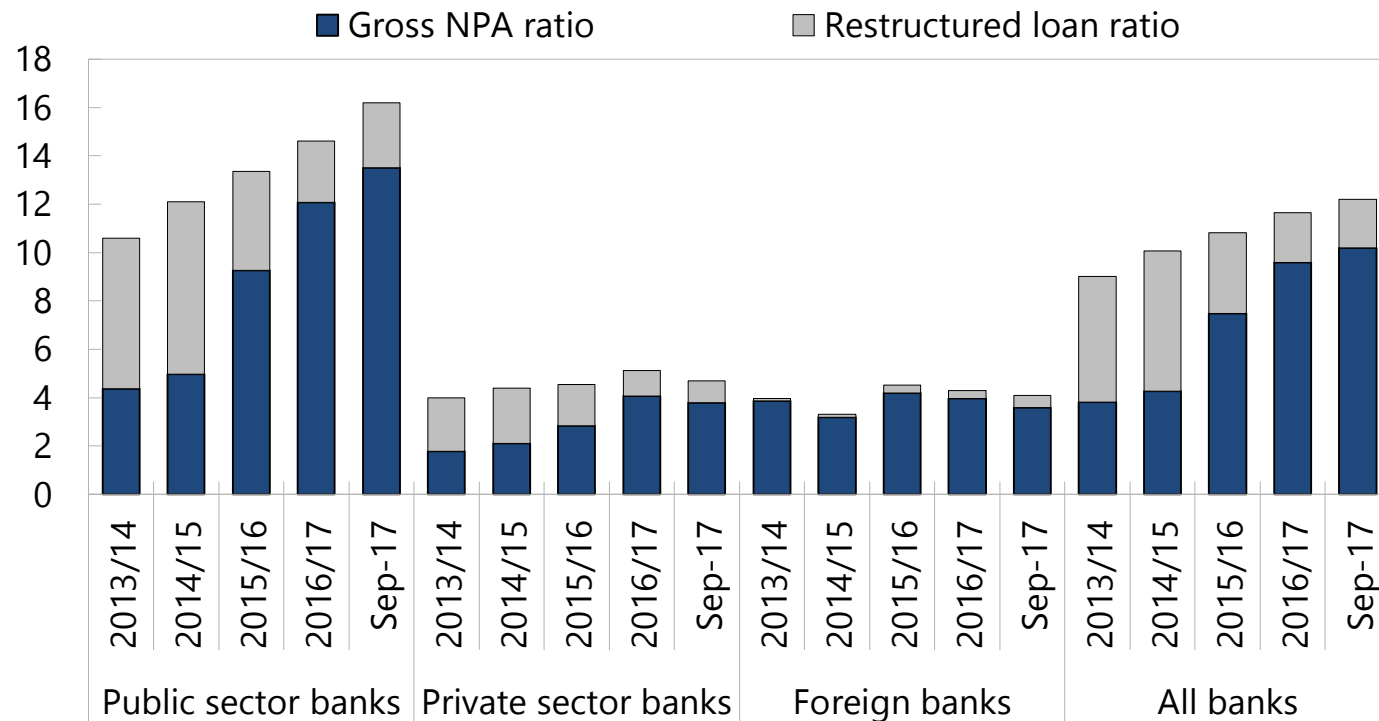
Note: Peer group of countries consist of Brazil, Russia, China and South Africa.

For India, data as of end-March of the respective year.



## Banks' asset quality has seen a deterioration over the last few years.

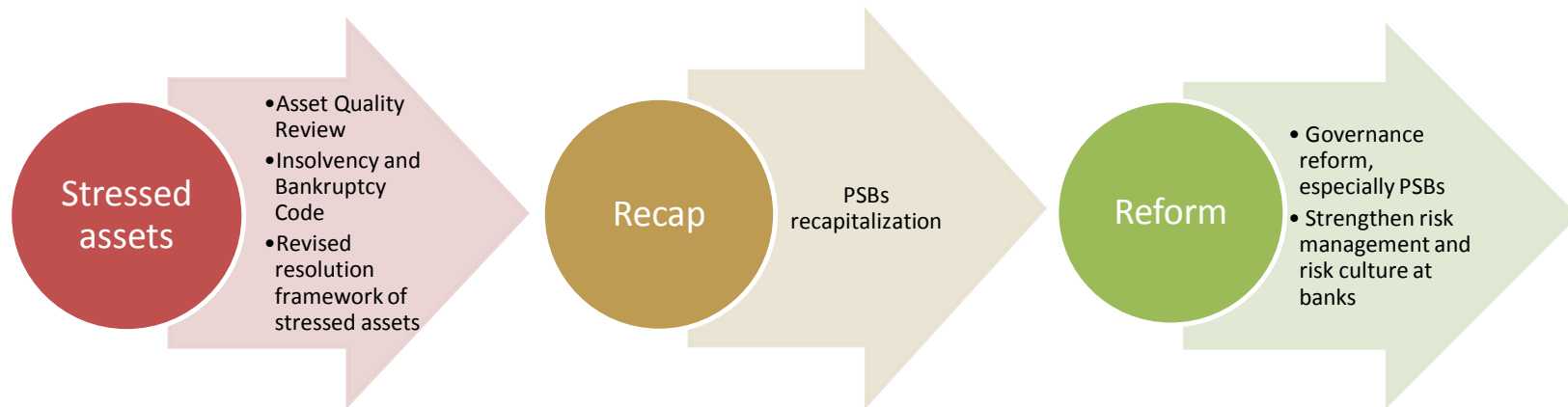
### Banks' Nonperforming and Restructured Assets (In percent of outstanding advances)



Sources: Reserve Bank of India; and IMF staff estimates

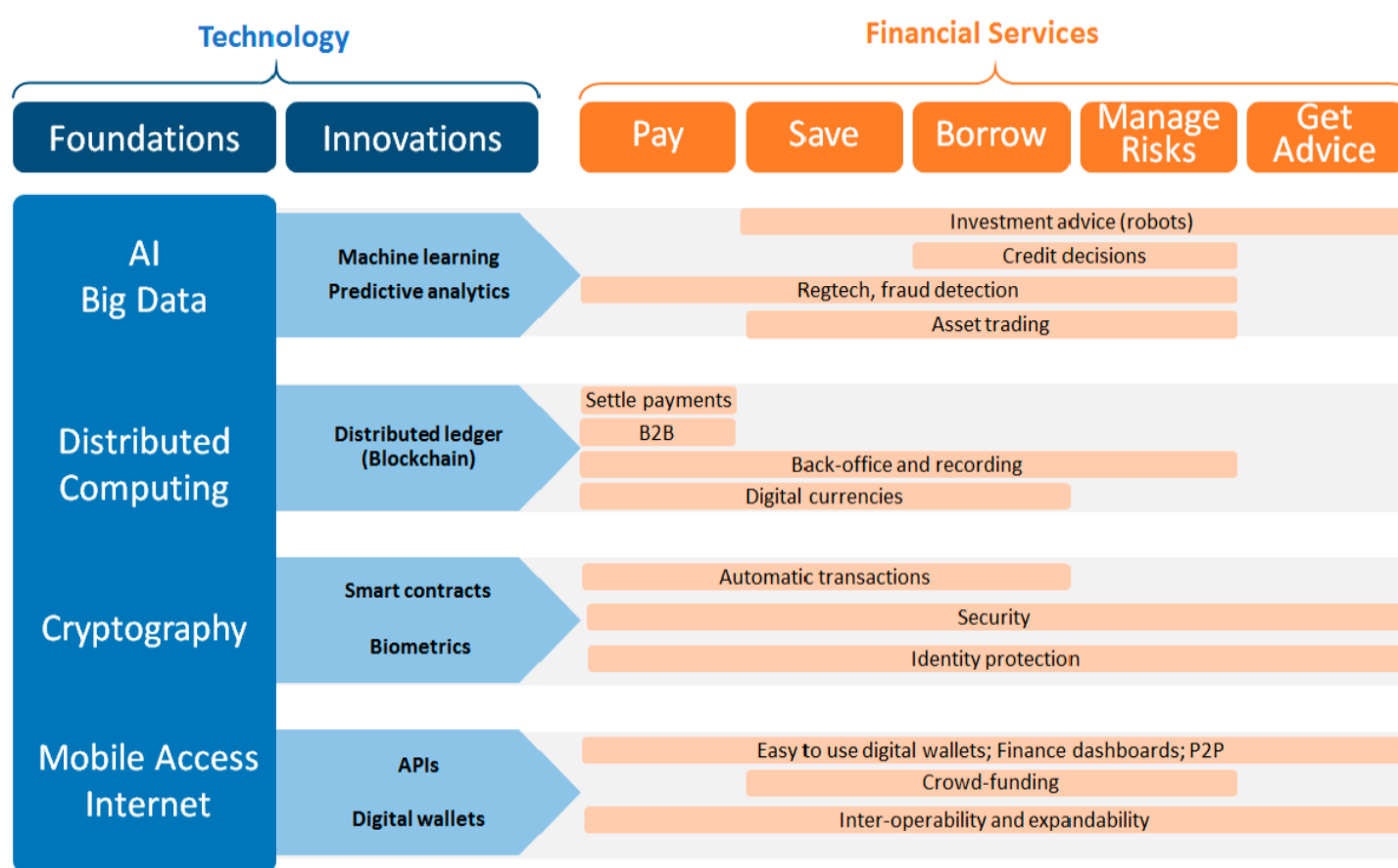


## Recent efforts to address banking sector vulnerabilities need to be underpinned by comprehensive reforms of PSBs.





## Fintech—another way to make finance more efficient and inclusive.

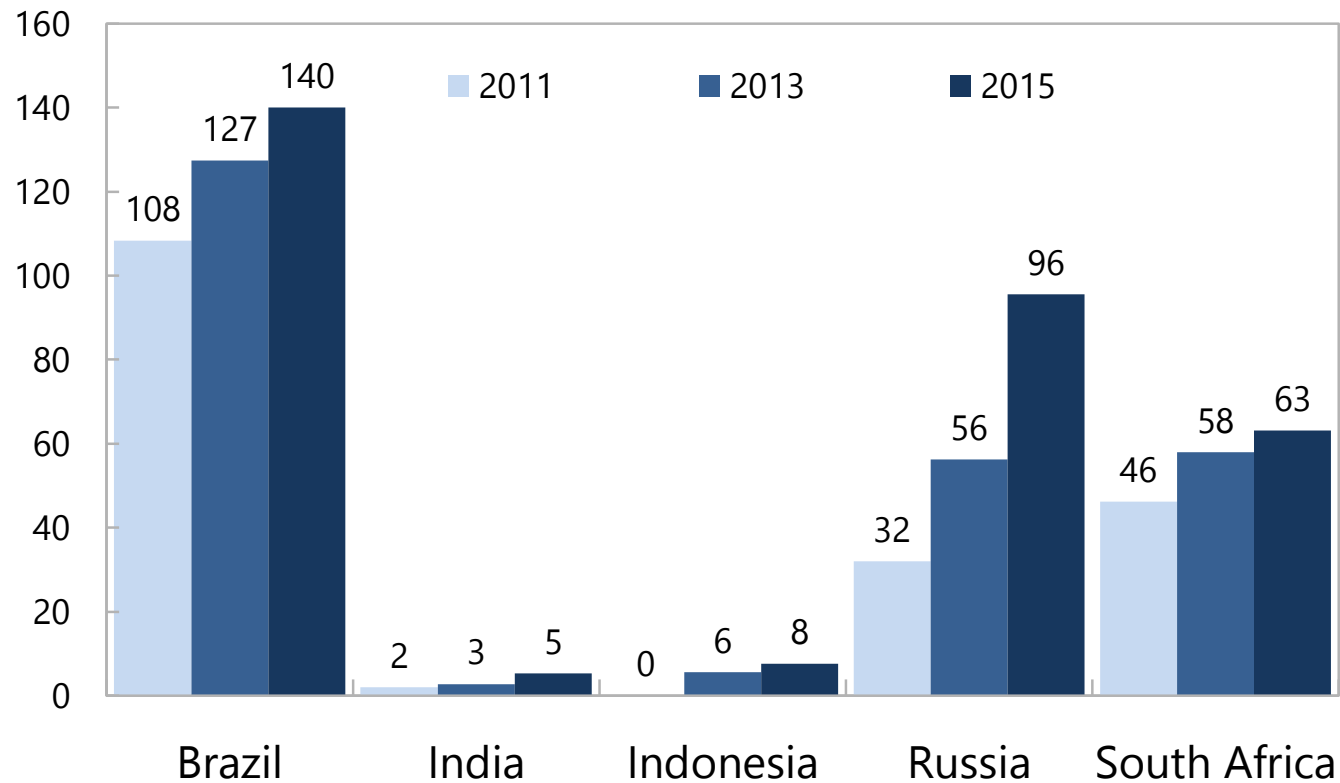


Source: "Fintech and Financial Services: Initial Considerations," IMF SDN17/05.



## Fintech has grown rapidly in India, but there is more room to expand.

Annual Per-capita Electronic Payment Transactions



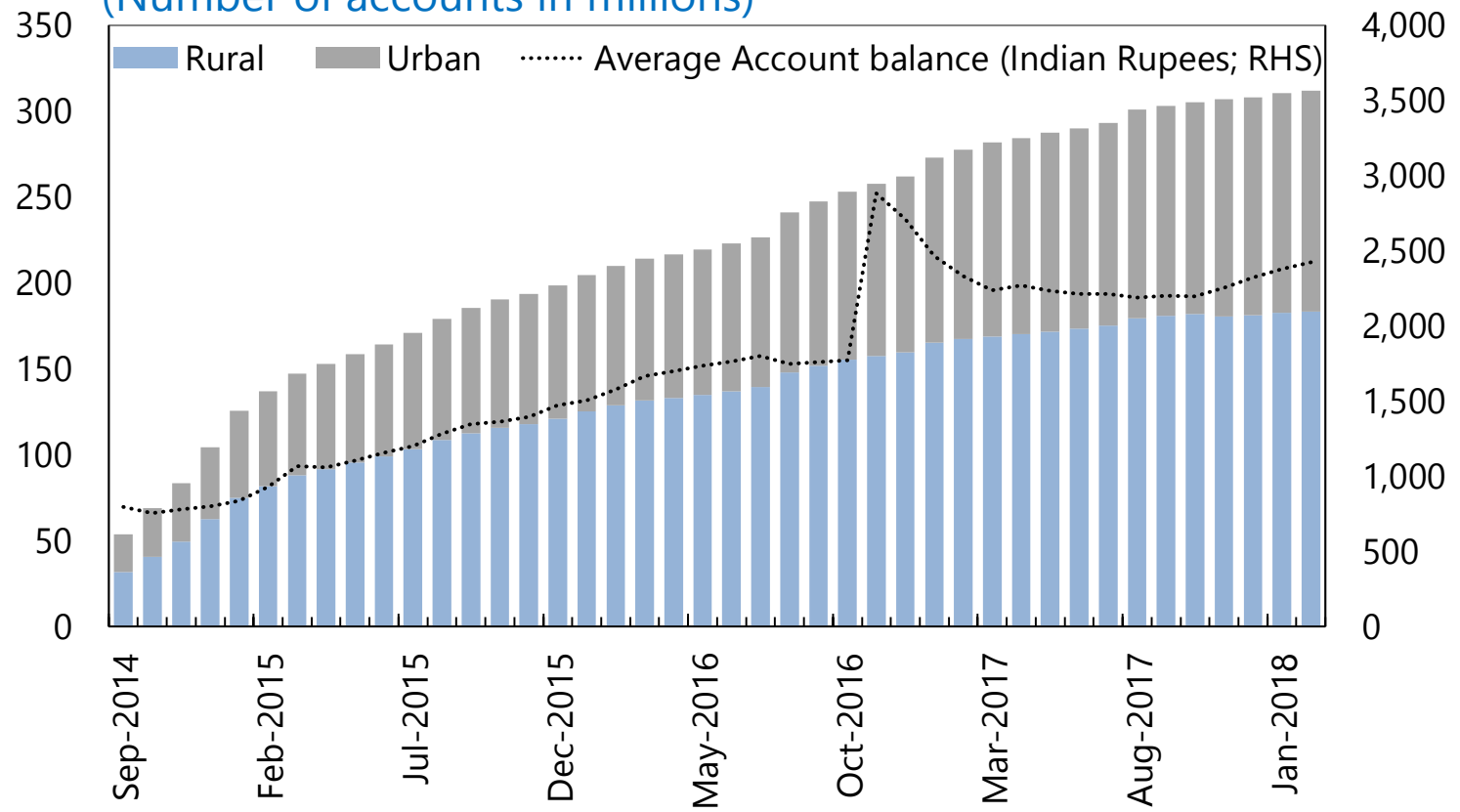




## What does this mean for India?—JAM trinity.

### Number and Balances of PMJDY Accounts

(Number of accounts in millions)



Source: PMJDY.



**Fintech also poses important challenges to financial regulation and supervision.**

