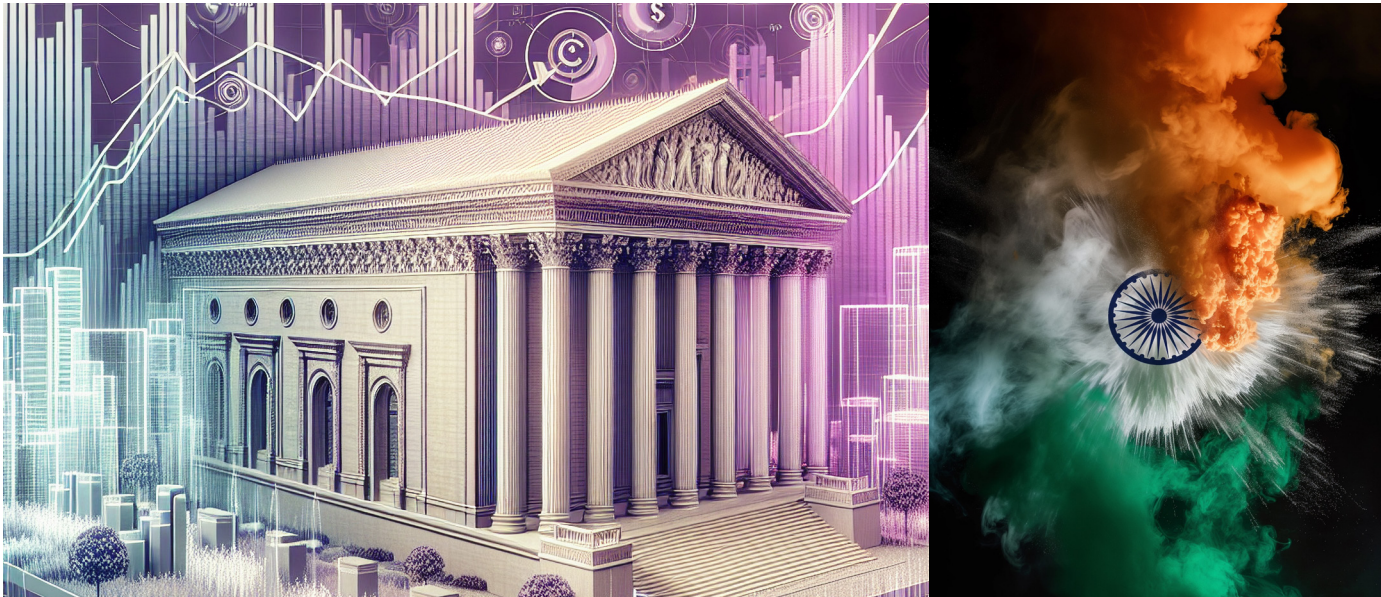


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## Global & Indian Banking Trends

2024/2025

# GLOBAL COMPARISON | KEY METRICS

Indian banking driven with tailwinds: high GDP growth with strong digital penetration



#	Parameter (2023)	India	USA	UK	Singapore	UAE
1	GDP Growth %	6.7	2.3	1.9	2.6	4.0
2	Banking Assets (USD Tn)	3.1	23.5	9.7	2.5	1.2
3	Banking assets to GDP ratio	0.87	0.85	2.69	3.39	2.18
4	# of Banks *	1,600+	4,500+	750+	160+	50+
5	SME to GDP Contribution %	30	44	52	48	43
6	Digital Banking Adoption %	32	66	86	35	34
7	Mobile Penetration %	78	116	131	162	219
8	# of FinTech Players	3,000+	10,000+	1,500+	1,400+	650+
9	# of Neobanks & Digital Banks	25+	90+	22+	13+	8+
10	Digital Payments Growth YoY %	42	15	9	8	26

**India Key Insights**

- ~1 Bn internet users in 2026
- FinTech industry | USD 150 Bn by 2025

\*Banks include Credit Unions, Cooperative & Foreign banks

# GLOBAL BANKS | FINANCIAL METRICS

Leading Banks Average 17% Capital Adequacy with 6.2% Asset Growth in 2024

	#	Parameter (As of Sep 2024)	JPMORGAN CHASE & CO.	BANK OF AMERICA	ICBC	WELLS FARGO	中国农业银行 AGRICULTURAL BANK OF CHINA	HSBC	HDFC BANK	Avg.
Balance Sheet	1	Market Cap (USD Bn)	684	356	280	245	226	167	161	-
	2	Total Assets (USD Bn)	4,210	3,324	6,770	1,916	6,097	3,098	437	-
	3	Asset Growth % (Y-o-Y)	8.0	2.4	8.7	2.0	12.6	2.6	8.0	6.2
	4	Loans & Advances Growth % (Y-o-Y)	2.3	2.6	8.9	(3.5)	10.7	3.5	7.0	4.5
	5	Net Non-Performing Loans (%)	0.2	0.2	1.4	0.4	1.3	1.8	0.4	0.8
	6	Customer Deposits Growth % (Y-o-Y)	2.2	2.4	1.8	0.1	7.7	6.2	15.0	5.0
	7	Loans to Deposits Ratio (%)	55	55	79	68	78	58	100 *	70
	8	Capital Adequacy Ratio (%)	16.4	14.9	19.3	15.4	18.1	15.2	20.0	17.3
P/L	9	Net Profit (USD Bn)	44.4	22.1	42.8	17.9	33.5	30.0	3.9	-
	10	Fee Income as a % of Total Income	24	35	14	31	14	15	18	22

Asset book growing at 8% for leading banks

Net NPL is <1% for leading banks

Source: S&P CapIQ, Consolidated Financial Reports

\* High LDR due to amalgamation of HDFC Bank

## GLOBAL BANKS | OPERATING METRICS

Profitability of leading global banks operates with ROE 12.4% and ROA 1.0%

	#	Parameter (As of Sep 2024)	JPMORGAN CHASE & CO.	BANK OF AMERICA	ICBC	WELLS FARGO	中国农业银行 AGRICULTURAL BANK OF CHINA	HSBC	HDFC BANK	Average
Return	11	ROA %	1.2	0.8	0.8	1.1	0.7	0.9	1.0	1.0
	12	ROE %	16.0	9.3	10.2	11.7	10.4	13.8	15.0	12.4
	13	Earnings Per Share (USD)	4.4	2.4	0.3	1.4	0.2	1.2	0.5	1.5
Cost	14	Cost to Income Ratio (%)	51	65	31	66	33	40	41	44
	15	Staff as a % of OPEX	57	60	-	66	-	19	35	43
Employee	16	Number of Employees (in 000s)	316	213	419	238	451	225	214	-
	17	Assets per employee (USD Mn)	13.3	9.1	16.1	8.1	13.5	13.8	2.0	11.4
	18	Loans per employee (USD Mn)	4.2	5.0	9.1	3.9	7.4	4.3	1.4	4.8
	19	Deposits per employee (USD Mn)	7.7	9.1	11.6	5.6	1.8	7.4	1.4	6.1
	20	Net Profit per employee (USD Mn)	0.14	0.10	0.10	0.08	0.74	0.13	0.02	0.18

Source: S&P CapIQ, Financial Reports

# GLOBAL BANKING | TECH TRENDS

6 significant trends shaping the Global Banking Landscape



# INDIA | MACROECONOMIC OVERVIEW

India's GDP grew 2x over a decade, fueled by strong service sector expansion



### GDP SHARE BY SECTOR | 2024

Sector	Share (%)
Fin. & Business Services	26%
Agriculture	16%
Public Admin.	16%
Trade, Transport services	15%
Manufacturing	14%
Construction	9%
Other	4%

2014 – 2024 % Change				
#	Parameter	FY14	FY24	CAGR %
1	GDP (USD Tn)	2.0	3.9	6.7
2	GDP Per Capita (USD '000)	1.6	2.7	5.9
3	Population (Bn)	1.3	1.4	0.8
4	Digital Transaction Value (USD Tn)	~11	~43	~15

#### GDP Benchmark (USD Tn) | CAGR (2014-24)

<b>India: 3.9   7.4%</b>
<b>USA: 29.2   5.7%</b>
<b>UK: 3.6   1.8%</b>

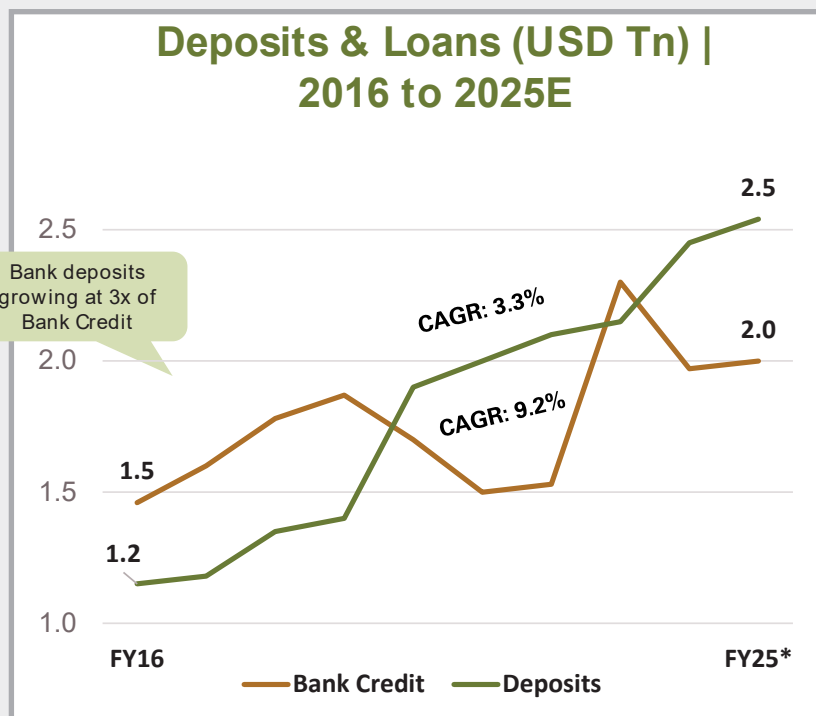
#### Key Takeaways

- Bank Credit Growth | 15-16% Y-o-Y in FY24, driven by demand in retail, MSME, and infrastructure sectors
- Financial Inclusion Initiatives | 500 million provided access to new accounts through Jan Dhan
- Digital Payments | 44% increase in transaction volume & 43% growth in value compared to FY23

Source: Cedar IBSI Research

# INDIA | BANKING OVERVIEW

Digitalization and rural financial inclusion are powering India's banking sector's expansion








Source: Cedar IBSI Research; IBEF – Aug'24

FY14 – FY24 (% change)						
#	Parameter	FY14	FY24	CAGR %	US CAGR	UK CAGR
1	Banking Assets (USD Tn)	1.8	3.1	7.3	4.7	3.2
2	Deposits (USD Tn)	1.3	2.0	7.3	5.6	2.9
3	Income (USD Bn)	130	224	5.9	6.8	4.6
4	Expenditure (USD Bn)	120	183	6.8	4.5	3.3
5	Profit (USD Bn)	13	38	10.4	10.9	6.2
6	No. of Debit Cards (Mn)	553	951	6.2	1.5	0.8

Banking assets to GDP / 0.8 as of 2024

## PRIVATE SECTOR BANKS | OPERATING METRICS

Top Indian Private Banks Average 13% Asset Growth; Leading global banks at 8.3%





Global	#	Parameter (H1 2024)	 HDFC BANK	 ICICI Bank	 AXIS BANK	 kotak	 IndusInd Bank	Average
CAR   15% – 20%	1	Total Assets (INR '000 Cr)	3,688	1,977	1,506	623	543	-
NPL   0.5% – 2.0%	2	Asset Growth %(Y-o-Y)	8	15	12	17	14	13
	3	Loans & Advances Growth % (Y-o-Y)	7	15	11	15	13	12
	4	Net Non-Performing Loans (%)	0.4	0.4	0.3	0.5	0.6	0.5
	5	Customer Deposits Growth % (Y-o-Y)	15	16	14	15	15	15
	6	Loans to Deposits Ratio (%)	100 *	85	92	87	87	90
	7	Capital Adequacy Ratio (CAR) (%)	20	17	17	23	17	18
	8	Operating Income (INR '000 Cr)	142	93	66	56	26	-
	9	Net Profit (INR '000 Cr)	33	23	13	12	4	-
	10	Fee Income as a % of Total Income	18	21	27	22	19	21

Source: Financial Reports

\* High LDR due to amalgamation of HDFC Bank

## PRIVATE SECTOR BANKS | OPERATING METRICS






Cost-to-Income Ratio averages 28% for private sector banks in line with public sector bank

Global	#	Parameter (H1 2024)	 HDFC BANK	 ICICI Bank	 AXIS BANK	 kotak	<i>IndusInd Bank</i>	Average
ROA   0.5 – 2.0%	11	ROA %	1.0	2.4	1.8	1.6	1.3	1.6
ROE   10 – 15%	12	ROE %	15	19	17	18	11	16
Cost Income Ratio   ~50%	13	Earnings Per Share (INR)	42.4	32.4	41.9	62.8	45.0	44.9
Cost	14	Cost to Income Ratio (%)	41	39	47	46	51	44
	15	Staff Costs as a % of OPEX (%)	35	40	34	24	38	34
Employee	16	Number of Employees (in 000s)	214	136	104	116	46	-
	17	Assets per employee (INR Cr)	17.3	14.5	14.4	5.4	11.9	12.7
	18	Loans per employee (INR Cr)	11.7	9.4	9.6	3.4	7.8	8.4
	19	Deposits per employee (INR Cr)	11.7	11.0	10.4	4.0	9.0	9.2
	20	Net Profit per employee (in INR 000)	1,545	1,678	1,241	1,069	767	1,260

Source: Financial Reports

## PUBLIC SECTOR BANKS | FINANCIAL METRICS






Asset Growth averages 10% for top public sector banks; Private sector banks at 13%

Global	#	Parameter (H1 2024)						Average
CAR   15% – 20%								
NPL   0.5% – 2.0%								
Balance Sheet	1	Total Assets (INR '000 Cr)	6,341	1,686	1,649	1,576	1,413	-
	2	Asset Growth %(Y-o-Y)	9	13	8	10	8	10
	3	Loans & Advances Growth % (Y-o-Y)	15	15	12	10	12	13
	4	Net Non-Performing Loans (%)	0.5	0.5	0.6	1.0	1.0	0.7
	5	Customer Deposits Growth % (Y-o-Y)	9	11	9	9	9	10
	6	Loans to Deposits Ratio (%)	75	70	82	73	72	75
	7	Capital Adequacy Ratio (CAR) (%)	15	17	16	17	16	16
P/L	8	Operating Income (INR '000 Cr)	192	50	54	47	47	-
	9	Net Profit (INR '000 Cr)	35	8	10	8	8	-
	10	Fee Income as a % of Total Income	12	13	11	15	19	14

Source: Financial Reports

## PUBLIC SECTOR BANKS | OPERATING METRICS

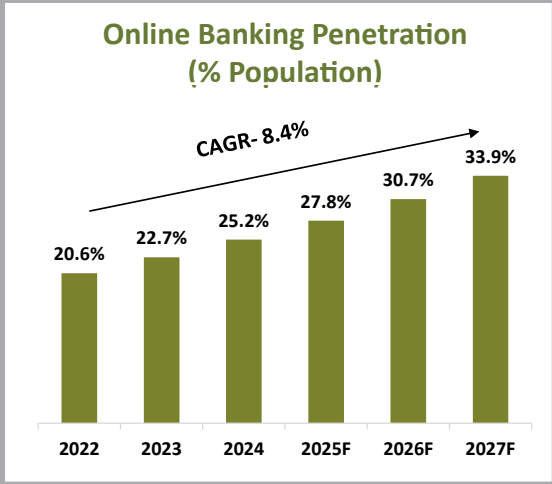
ROE averages 19% across public sector banks, with top performers reaching 22%

Global	#	Parameter (H1 2024)						Average
ROA   0.5 – 2.0%	11	ROA %	1.1	0.9	1.2	1.1	1.2	1.1
ROE   10 – 15%	12	ROE %	22	18	18	20	16	19
Cost Income Ratio   ~50%	13	Earnings Per Share (INR)	39.6	6.9	18.8	8.7	11.0	17.0
Cost	14	Cost to Income Ratio (%)	57	54	46	47	44	50
	15	Staff Costs as a % of OPEX (%)	55	65	57	64	58	60
Employee	16	Number of Employees (in 000s)	234	75	96	83	74	-
	17	Assets per employee (INR Cr)	27.1	22.6	17.2	19.1	19.1	21.0
	18	Loans per employee (INR Cr)	16.5	13.7	11.7	11.9	12.1	13.2
	19	Deposits per employee (INR Cr)	21.9	19.5	14.2	16.3	16.8	17.7
	20	Net Profit per employee (in INR 000)	1,511	1,013	1,012	958	1,135	1,126

Source: Financial Reports

# DIGITAL BANKING | INDIA

The rapid expansion of digital payments and online banking is reshaping India’s financial ecosystem



### Key Trends in Digital Landscape 2022-2025F

#	Parameter	2022	2025F	CAGR%
1	UPI Value USD Bn	1,700	3,900	31.9
2	UPI Volume Bn	84	247	43.3
3	Digital Cards Value USD Bn	200	300	14.5
4	Digital Cards Volume Bn	2.9	5.4	22.8

**46%** of global digital payments are accounted

**950+ Mn** Internet users | 2024

### Key Takeaways

- Online Banking | Digital payments expected to triple from 159 Bn trxn. in FY24 to 481 Bn by FY29
- UPI Growth | Accounts for over 80% of all retail digital payments in India to rise to 91% by 2028-29
- Digital Infrastructure | 80% having a bank a/c in 2023 ; 53% in 2014

Source: Cedar-IBSi Research

## KEY STRATEGIC OBSERVATIONS





Strong growth and low NPL – key attribute with lead banks; high capital adequacy ratios

#	Parameter	Strategic Observations
1	<b>Loans &amp; Advances Growth</b>	<ul style="list-style-type: none"> <li>Average growth   Global at ~5%; Chinese banks at ~9%</li> <li>Indian Banks Loans &amp; advances growing at ~13%; Double GDP growth, which is at 6.7%</li> </ul>
2	<b>Non-Performing Loans</b>	<ul style="list-style-type: none"> <li>Global Leading banks operating at ~0.8%</li> <li>India average   Public sector banks at 0.7%; Private sector banks at 0.5%</li> </ul>
3	<b>Capital Adequacy Ratio</b>	<ul style="list-style-type: none"> <li>Global &amp; Indian Banks average at ~17%</li> <li>Private sector banks CAR at 18% marginally higher than Public banks</li> </ul>
4	<b>Profitability</b>	<ul style="list-style-type: none"> <li>Global ROA consistent at 1% for leading banks; ROE at 12% +</li> <li>India   Private banks operate with 1.6% ROA, and 16% ROE.</li> </ul>

# INDIAN BANKING | TECH OVERVIEW

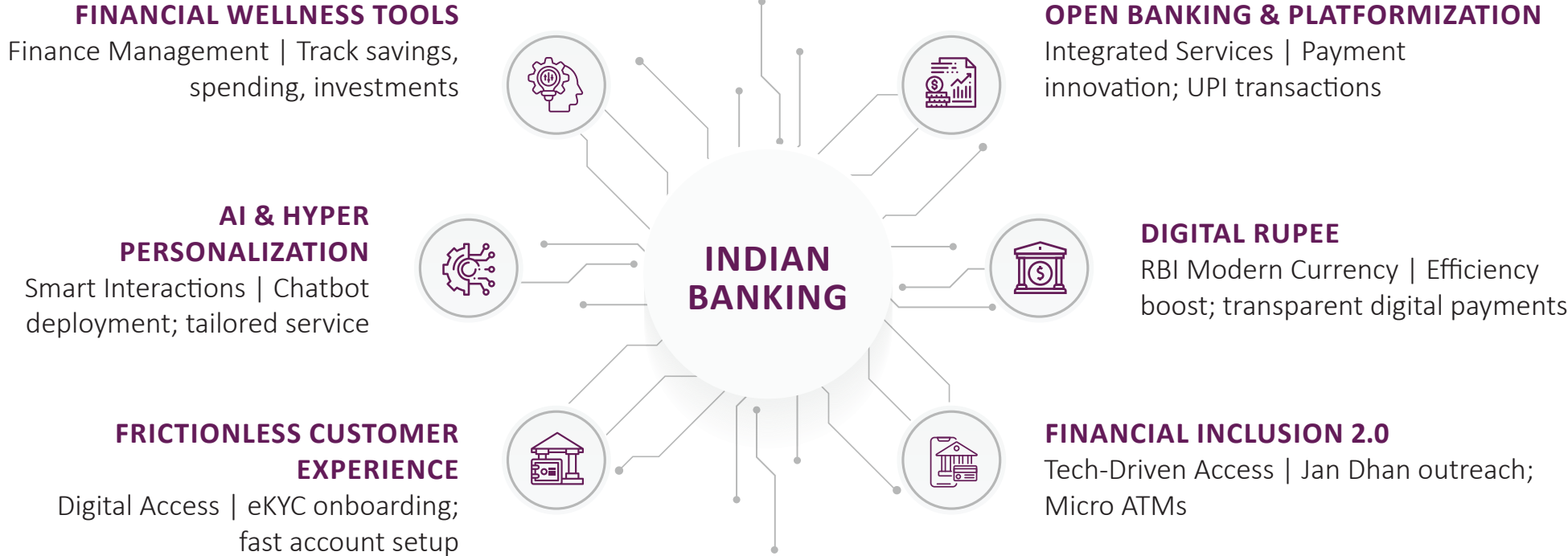
The rapid expansion of digital payments and online banking is reshaping India’s financial ecosystem



 <p><b>46%</b> Global Digital Payments Value Share India</p>	 <p><b>~1 Bn</b> Internet users by 2026</p>	<p><b>Key Developments</b></p> <p><b>Online Banking Surge</b>   Digital payments to triple, <b>159Bn FY24 to 481Bn FY29</b></p> <p><b>Digital Infrastructure</b>   Unbanked reduced; <b>80%</b> bank accounts in 2023 vs 53% in 2014</p> <p><b>Ease of Transactions</b>   Tap to Pay, cashback offers, <b>300%</b> increase digital transactions</p> <p><b>Affordable Smartphones</b>   Under <b>₹10,000</b>, <b>90%</b> mobile penetration</p>
 <p><b>\$238 Bn+</b> Transaction value of UPI in H1 2024</p>	 <p><b>92%</b> Transactions via digital channels</p>	
<p>Source: Cedar Research, IBEF, Invest India</p>		

# INDIAN BANKING | TECH TRENDS

## Hyper-Personalization & Frictionless Banking: A New Era of Customer Experience



Source: Cedar Research

# DIGITAL BANKING | KEY TRENDS

Digital trends are operated by banks are primarily across 5 key things



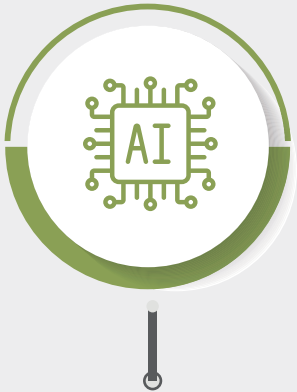
## Self Onboarding

Eliminate friction in acquiring customers



## Straight-through Processing

Eliminate manual work and enable real-time update where possible



## Gen AI

Enable quick & efficient customer service; assist with banking needs



## Hyper Personalization

Provide uniquely tailored experiences based on individual preferences



## UI and UX

Strategic UI/UX pivotal; understand customers thereby enhancing customer experience

Source: Cedar-IBSi Research

## BANK OF FUTURE | TECH IMPERATIVES

Bank of the Future will be shaped by emerging tech, evolving business models & changing customer expectations

### GENERATIVE AI INVESTMENTS



Enhance customer interactions, optimize risk assessments & streamline back end processes

### ENHANCE DIGITAL CUSTOMER EXPERIENCE



AI Integration, Gamification  
Personalized service delivery  
(e.g. chatbots & virtual assistants)

### DIGITAL-FIRST APPROACH



Embrace E2E digital transformation, Mobile & Online Banking Innovations

### OPEN BANKING ECO-SYSTEM



Open banking to enhance the reach of financial services. Focus on Scalability & Monitoring

### ROBUST CYBERSECURITY MEASURES



AI-driven systems, Real-time fraud detection & prevention

### AGILITY & INNOVATION CULTURE



Foster agility and innovation, new technologies & business models

Source: Cedar Research

## **ABOUT CEDAR**

With a 35-year track record, Cedar is a Forbes-ranked global consulting firm with deep expertise in strategy & driving performance powered by the Balanced Scorecard. Its Financial Services & Financial Technology Practice is a Centre-of-Excellence transforming leading financial services institutions & technology companies as the digital and AI revolution accelerates.

## **ABOUT IBS INTELLIGENCE**

Founded in 1991 and headquartered in the UK, Cedar's group firm, IBS Intelligence (IBSi) is the world's only pure-play Financial Technology focused research, advisory, and news analysis firm, with a 30-year track record and clients globally. We take pride in covering 4,000+ technology vendors globally – the largest by any analyst firm in this space. IBSi's Sales League Table is the industry barometer ranking banking technology suppliers globally for 20+ years.

## **ABOUT CEDAR-IBSI CAPITAL**

Cedar-IBSi Capital is India's only early-stage FinTech venture capital fund, primarily focused on B2B FinTech/BankTech and founders building infrastructure technology for the global BFSI industry. The \$30mn fund has achieved a First Close and has completed its first investment in an AI-based Intelligent Document Processing platform, Cogniquist.

## **ABOUT CEDAR-IBSI FINTECH LAB**

Founded in 2018, the Cedar-IBSi FinTech lab has been home to 50+ global financial technology companies seeking “soft-landing” and POC opportunities with banks across the region, making it one of the only such FinTech ecosystems in Asia.

**We make Strategy, Technology & Capital Work.**



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