



The E-Banking Revolution Analysis Gender and Age Dynamic in India Financial Digitalization

Dr. Kulwant Singh

E-Mail:- ksjosan77@gmail.com

Dr. Jagjeet Singh

Assistant professor, Shri Khushal Das University Hanumangarh (Rajsthan)

E-Mail:- jagjeetsandhu0550@gmail.com

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ABSTRACT

In the rapidly evolving landscape of India's financial sector, digitalization has emerged as a transformative force, reshaping traditional banking and finance practices. This study delves into the gender and age dynamics that influence the adoption and utilization of e-banking services in India, highlighting the digital divide and its implications for financial inclusion. With a focus on various generations, including Millennials, Generation Z, and Generation X, this research explores how differing financial behaviors, preferences, and digital literacy levels impact the engagement with digital financial services. The study employs a comprehensive methodology, including analysis of data from the National Agency for Financial Research and insights from Ernst & Young, to evaluate digital literacy and financial literacy across different demographic segments. Key findings reveal significant gender differences in financial literacy, with women displaying higher levels of financial knowledge than men. Moreover, the study identifies age as a critical factor in digital and financial literacy, with younger generations showing a propensity towards digital



financial services, albeit with varying degrees of literacy. The paper concludes by discussing the implications of these findings for financial institutions and FinTech companies aiming to cater to India's diverse consumer base. It underscores the need for tailored strategies that not only bridge the digital divide but also foster financial inclusion across gender and age groups, thereby contributing to the growth of a more inclusive digital economy in India.

INTRODUCTION

Rapid adoption of cutting-edge technology is a defining feature of India's current financial environment. The dynamics of both established financial institutions and new financial actors are shifting as a result of these developments [1]. Because of the revolutionary effects of digitalization on the financial industry, innovation is crucial to keeping and recruiting both current and new consumers. Today's technical leaders not only gain an edge in the marketplace, but also lay the groundwork for future growth and success. Opportunities exist not just in more traditional financial industries, but also in allied businesses, thanks to the widespread availability of banking, payment, and insurance services online. The digital ecosystem as a whole and its constituent parts are benefiting from this growth. The closer customers are able to get to know one another thanks to social media, the greater their expectations become and the lower their brand loyalty. As a result, customers are more likely to leave in search of better services elsewhere [2].

The changing requirements of customers for financial services have emerged as a major driver in the expansion and development of the financial market. Although they make up a sizable proportion of the financial services industry's target demographic, millennials' spending habits differ significantly from those of Generation Z and Generation X. For instance, the Z generation is very concerned with meeting its most fundamental wants, with a central focus on social and family values. Their fundamental financial concept is frugal living, which involves avoiding wasteful spending and putting a premium on paying for necessities first. It's worth noting that those born during this age are less likely to embrace the fast digital changes taking place in the financial world and are more likely to stick to tried-and-true approaches.

In contrast, Indian millennials show a novel strategy for organising and distributing their resources. Financial ideals typically coincide with individual fulfilment among this generation since they came of age during a period of plenty, widespread access to knowledge, and fast technological development. Compared to members of Generation Z, Millennials are more likely to invest in experiences than material



possessions, to travel often, and to embrace innovative methods of managing their money. However, as a result of their emphasis on experience spending, they may find it difficult to keep their budget under check.

Financial institutions and service providers in India need to differentiate their services to appeal to the changing tastes and financial behaviours of the various generations.

Generation X, sometimes known as the "lost generation," is notoriously slow to adapt to technological advances. Prioritising fiscal responsibility and savings, they see family and professional success as their highest priorities. In general, people of this age are frugal, but they are especially reluctant to spend money on luxuries for themselves.

In contrast, self-actualization is highly valued by Indian Millennials. They are growing up in a world of plenty, easy access to knowledge, and cutting-edge financial tools, all of which might make it difficult to strike a healthy financial balance. Instead than putting money into long-term assets like automobiles or houses, they prioritise pleasures like travel and leisure. Because of their sizeable percentage of the population, Millennials in India are a major focus for the FinTech industry.

In India, millennials are distinguished by their preference for spending money on experiences rather than material goods. They have a hard time predicting their income and spending, so they look to digital technologies that provide them more flexibility.

Financial institutions and FinTech firms operating in the Indian market need to adapt their services to meet the needs of the different generations, taking into account the importance of both saving money and spending it on life's more enriching experiences.

Overview of E-Banking Revolution in India

The E-Banking Revolution in India represents a significant shift in the way banking services are conceived, delivered, and consumed. This transformation is not just a technological leap but also a testament to the adaptability and inclusiveness of India's financial sector. Here's a detailed overview:

Historical Context

The Indian banking sector has traditionally been characterized by brick-and-mortar branches, but the liberalization of the economy in the early 1990s, coupled with advancements in information technology, set the stage for a digital revolution. The Reserve Bank of India (RBI), recognizing the potential of



technology to enhance the banking experience, began to encourage banks to adopt electronic banking (e-banking) platforms.

Phases of Growth

1. Initiation and Early Adoption (Late 1990s to 2000s): The inception of e-banking in India can be traced back to the late 1990s, when major banks started offering basic online services like balance checks and transaction history. The early 2000s saw the introduction of more complex services such as online funds transfer, bill payments, and loan applications.

2. Rapid Expansion and Mobile Banking (2010s): With the proliferation of smartphones and the internet, mobile banking took off. Banks launched mobile apps, making banking services available 24/7 at the fingertips of customers. This era also saw the rise of digital wallets and the Unified Payments Interface (UPI), which simplified and secured transactions.

3. Fintech Collaboration and Integration (Late 2010s to Present): The current phase is characterized by the collaboration between traditional banks and fintech startups. These partnerships have led to the development of innovative services like instant loans, investment tracking, and personalized financial advice. The government's push for digital transactions, through initiatives like Digital India, has further accelerated this trend.

Key Drivers

- **Government Initiatives:** Programs such as Aadhaar (a 12-digit unique identity number), Jan Dhan Yojana (aiming for universal access to banking services), and UPI have played crucial roles in the digital banking transformation.
- **Technological Advancements:** The advent of cloud computing, artificial intelligence, and blockchain technology has enhanced the security, efficiency, and personalization of e-banking services.
- **Changing Consumer Preferences:** A growing preference for convenience, coupled with a young and tech-savvy population, has fueled the demand for digital banking solutions.

Importance of Gender and Age in Financial Digitalization

The importance of considering gender and age in the financial digitalization process cannot be overstated. As the financial sector evolves, incorporating digital technologies to improve accessibility, efficiency,



and security, it's crucial that these advancements benefit everyone, regardless of gender or age. Here's a detailed breakdown of why and how gender and age play pivotal roles in the digitalization of financial services.

Gender Considerations in Financial Digitalization

1. Bridging the Digital Divide: Women often face a digital divide, characterized by lower access to technology and digital literacy compared to men. Financial digitalization initiatives must address these disparities to ensure that women have equal opportunities to benefit from digital financial services.

2. Tailoring Products and Services: Women and men have different financial behaviors, needs, and risk appetites. Digital financial solutions can be designed to cater to these differences, offering products that are more relevant and accessible to women, such as savings accounts for female entrepreneurs or digital platforms that facilitate small, daily transactions.

3. Enhancing Privacy and Security: Women may have specific concerns regarding privacy and security when engaging with digital financial services. Enhanced privacy controls and security measures can build trust and encourage the adoption of digital finance among women.

4. Empowering Women Economically: Digital financial services can play a critical role in women's economic empowerment by facilitating access to banking, credit, insurance, and investment products. This access can lead to increased participation of women in the economy, entrepreneurship, and ultimately, towards achieving gender parity in financial inclusion.

Age Considerations in Financial Digitalization

1. Catering to Different Generational Needs: Different age groups have varying levels of digital literacy, financial needs, and preferences. Younger generations might prioritize mobile banking and investment apps, while older individuals might value security and customer support. Tailoring digital financial services to these preferences is key to broad adoption.

2. Simplifying User Interfaces for Elderly Users: Older adults may face challenges in navigating complex digital platforms. Designing user-friendly interfaces with larger text, intuitive navigation, and easily accessible customer support can enhance the usability of digital financial services for the elderly.



3. Financial Education and Digital Literacy: Providing targeted financial education and digital literacy programs can help bridge the knowledge gap across different age groups. Young people might need education on financial planning and risk management, while older adults might require training on using digital banking tools.

4. Addressing Security Concerns Across Age Groups: Security is a paramount concern for all age groups but in different ways. Younger users might be more digitally savvy but less aware of cybersecurity risks, whereas older adults might be cautious but unfamiliar with securing digital transactions. Financial institutions need to address these concerns through robust security measures and education.

Digital Financial Landscape in India

The digital financial landscape in India has undergone a seismic shift over the past decade, propelled by rapid technological advancements, supportive government policies, and a dynamic entrepreneurial ecosystem. This transformation is redefining how financial services are accessed, delivered, and utilized across the country, bridging gaps in traditional banking and forging a path towards financial inclusion and digital empowerment. Here's an in-depth look at the key components and drivers of India's digital financial landscape:

Government Initiatives

The Indian government has played a pivotal role in shaping the digital financial landscape through various initiatives aimed at boosting digital infrastructure, promoting financial inclusion, and encouraging digital transactions. Notable initiatives include:

- **Aadhaar:** The world's largest biometric ID system, providing a unique identity to over a billion citizens, facilitating easier access to banking and government services.
- **Pradhan Mantri Jan-Dhan Yojana (PMJDY):** A nationwide campaign to ensure access to financial services, including banking, savings and deposit accounts, credit, insurance, and pensions.
- **Unified Payments Interface (UPI):** A real-time payment system developed by the National Payments Corporation of India (NPCI) that facilitates inter-bank transactions through mobile devices, revolutionizing mobile payments.



Digital Payment Systems

India's digital payment ecosystem is among the most advanced globally, with a wide array of platforms catering to different needs:

- **Mobile Wallets:** Services like Paytm, PhonePe, and Google Pay allow users to store money digitally and make payments for a variety of services.
- **Banking Apps and Internet Banking:** Almost every bank in India offers its own app or internet banking service, enabling customers to conduct financial transactions online.
- **Aadhaar Enabled Payment System (AEPS):** Allows bank-to-bank transactions at Point of Sale (PoS) or micro ATMs using the Aadhaar authentication.
- **Fastag:** An electronic toll collection system in India, operated by the National Highway Authority of India (NHAI), uses RFID technology to make toll payments directly from the prepaid or savings account linked to it.

Fintech Innovation

The fintech sector in India has been at the forefront of the digital financial revolution, introducing innovative solutions to meet the diverse financial needs of India's population:

- **Peer-to-Peer (P2P) Lending:** Platforms like LendingKart and Faircent provide an alternative to traditional bank loans, offering a digital marketplace for personal and business loans.
- **Insurtech:** Startups like PolicyBazaar and Digit Insurance are changing how insurance products are sold and managed, making the process more transparent and customer-friendly.
- **Investment and Wealth Management:** Platforms such as Zerodha, Paytm Money, and Groww are democratizing access to investment products, offering easy and affordable avenues for stock trading, mutual funds, and retirement planning.

Gender Dynamics in E-Banking

Gender dynamics play a crucial role in the adoption and usage of e-banking services, influencing how different genders access, use, and benefit from digital financial technologies. This interaction between gender and e-banking is multifaceted, encompassing issues of access, financial inclusion, privacy, security, and tailored financial products. Here's a deeper look into the gender dynamics in e-banking and their implications.



Access and Digital Literacy

- **Digital Divide:** There is a notable digital divide between genders, with women often having less access to digital devices and the internet compared to men, particularly in developing countries. This divide extends to digital literacy, where women might have fewer opportunities to acquire the necessary skills to navigate e-banking platforms effectively.
- **Initiatives for Bridging the Gap:** Recognizing this, several initiatives aim to improve women's digital literacy and access. These range from government-led programs to NGO and private sector initiatives that provide digital literacy training and affordable access to digital devices.

Financial Inclusion

- **Banking the Unbanked:** E-banking has the potential to significantly enhance financial inclusion among women, offering a convenient and accessible way to engage with financial services. This is especially pertinent for women in remote or underserved areas, where traditional banking facilities may be lacking.
- **Tailored Financial Products:** There is a growing recognition of the need for financial products and services tailored to women's specific needs. E-banking platforms can offer targeted savings programs, microloans, and insurance products designed for women entrepreneurs, thereby supporting women's economic empowerment.

Privacy and Security Concerns

- **Safety Concerns:** Women may have particular concerns regarding the privacy and security of online transactions. Fear of financial fraud, data breaches, and harassment online can deter women from using e-banking services.
- **Enhanced Security Measures:** Banks and financial institutions are increasingly aware of these concerns and are implementing enhanced security measures, such as biometric verification and two-factor authentication, to encourage greater adoption of e-banking services among women.

Gender-Specific Financial Behavior

- **Understanding Preferences:** Research suggests that men and women exhibit different financial behaviors and preferences. Women are generally considered to be more cautious investors and



may prefer savings and investment products with lower risk. E-banking platforms that understand and cater to these differences can better meet the needs of their female customers.

- **Customization and Personalization:** E-banking platforms can leverage data analytics to offer personalized financial advice and products, taking into account gender-specific financial behaviors and needs. This approach can enhance user engagement and satisfaction among women.

The adoption of digital banking varies significantly across different age groups, with each demographic exhibiting unique behaviors, preferences, and challenges. Understanding these variations is crucial for banks and financial institutions to tailor their services and engagement strategies effectively. Let's delve into how youth, middle-aged users, and seniors interact with digital banking, highlighting the challenges and opportunities each age group presents.

Youth and Digital Banking

Characteristics:

- **Tech-Savvy and Mobile-First:** Young people, particularly those in the Gen Z and younger Millennial cohorts, are highly proficient with technology. They prefer banking solutions that are accessible via smartphones and expect a seamless, intuitive user experience.
- **Demand for Instantaneity:** This demographic values quick, efficient transactions and real-time updates on their finances. They are more likely to use digital wallets, peer-to-peer payment apps, and online investment platforms.
- **Expectations for Innovation:** Young users are attracted to financial institutions that offer innovative services, such as budgeting tools, personalized financial advice, and features leveraging AI and blockchain technology.

Opportunities:

- Financial institutions can attract young customers by investing in cutting-edge technology and ensuring their platforms are integrated with the ecosystems young people use daily.
- Educating young users about financial planning and investment through user-friendly digital tools can foster long-term loyalty.



MIDDLE-AGED USERS' INTERACTION WITH DIGITAL BANKING

Characteristics:

- **Balanced Approach:** Middle-aged users (Gen X and older Millennials) balance traditional banking preferences with digital engagement. They are comfortable with technology but may also value the option of in-person banking services.
- **Diverse Financial Needs:** This group typically has more complex financial needs, including mortgages, retirement planning, and education savings for children, and thus values comprehensive online banking services that can address these needs holistically.
- **Security-Conscious:** Having more assets and financial responsibilities, middle-aged users are particularly concerned about the security of online transactions.

Opportunities:

- Offering a hybrid model that combines digital convenience with personal customer service can be particularly appealing to this demographic.
- Providing robust online tools for financial management and planning can help meet their complex needs.

Seniors and Digital Banking: Challenges and Opportunities

Characteristics:

- **Digital Hesitancy:** Seniors may exhibit hesitancy towards digital banking due to lower digital literacy rates and concerns about security and fraud. They often prefer traditional banking methods.
- **Need for Simplicity and Accessibility:** Interfaces that are too complex can deter seniors from using digital banking platforms. They appreciate straightforward, easy-to-navigate interfaces and accessible customer support.
- **Interest in Specific Services:** Seniors might be interested in certain digital banking services, such as viewing statements online, transferring money, or paying bills, if they are assured of the safety and simplicity of these transactions.



Opportunities:

- Banks can offer workshops or one-on-one sessions to help seniors become more comfortable with digital banking platforms.
- Designing user-friendly digital banking experiences with larger text, simple navigation, and easy access to human assistance can encourage adoption.
- Implementing and highlighting advanced security features can address concerns about safety and privacy.

METHODOLOGY

This research focuses on the financial sector within the country. The primary objectives of this study are as follows:

1. To identify the drivers leading to the transformation of India's financial sector in the context of the nation's digitalization of society and the economy.
2. To analyze and understand the prominent trends associated with the digital transformation of India's financial sector.
3. To formulate informed insights based on the study's findings, with a multidisciplinary approach that combines sociological and economic perspectives. This approach is necessitated by the evolving social landscape in India, which is giving rise to new expectations among consumers of financial services. The shift towards digitalization is giving rise to a "smart economy" and "smart finance," thereby altering the emphasis from reactive problem-solving to proactive problem prevention.

RESULT

The National Agency for Financial Research performed a study in 2022 to see how different generations fared in terms of their proficiency with digital technologies. The results revealed substantial differences in the degrees of digital literacy between generations, with persistent gaps in digital knowledge and abilities being seen across all age groups. The following are the findings from a countrywide study of digital literacy as it relates to different age groups:



Table 1: The National Agency for Financial Research, India's degree of digital literacy, broken down by age group. [4]

Indicator	Average value for the Indian Federation, %	The Z generation, %	The lost generation and Millennial s, %	Representatives of generation Z, %
Have an initial level of digital skills	6	10	6	4
Have a basic level of digital skills	67	78	64	60
Advanced digital users	27	12	30	36

The purpose of this research was to evaluate students' information literacy, communication skills, ability to create original digital material, awareness of online threats, and ability to solve problems with technology. According to the results, Indian youth have shown a lack of expertise in areas such as data privacy, using government services, making and receiving payments, and doing business online. However, Indian people have trouble with things like creating and modifying files in different formats. It's worth noting that both Indians performed poorly on tests measuring their ability to work with and evaluate the reliability of online information, to comprehend the effects of digital devices on one's physical and mental health, to set up software, and to acquire new knowledge in the digital realm.

National Agency for Financial Research's 2018 financial literacy assessment found a non-linear correlation between age and proficiency in using digital financial tools. These abilities tend to improve until age 30 or thereabouts, when they typically reach their highest point (a score of 12.5 on a scale of 21). This peak proficiency is often maintained until age 45 or so, following which a slow but steady drop is seen over the lifespan.

There are significant differences in financial literacy across age groups, and this research highlights the significance of comprehending India's changing digital literacy environment.

Table 2: The Age-Related Financial Literacy Index in India [5].

“Age of the population, years	The index of financial literacy score
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18-22	11,22
23-27	12,16
28-32	12,51
33-37	12,53
38-42	12,48
43-47	12,51
48-52	12,29
53-57	12,15
58-62	12,05
63-67	11,81
68-72	11,38
73-79	10,74”

Women were shown to have a greater financial literacy than males. The survey also revealed that working citizen categories had more financial capabilities than non-working citizen categories. Having kids makes people more responsible with their money. Users of financial services tend to have a deeper understanding of personal finance. The investors outscored the borrowers in terms of literacy. There is a one-to-one correlation between education and monetary competence. The better one's educational attainment, the greater one's ability in managing one's finances. Users of digital financial services have a higher average level of financial knowledge.

In 2021, Ernst & Young analysed the extent to which financial technology had spread around the world and found that China was well ahead of the rest of the pack, with India in second place. The following is a comparison of the levels of consumer knowledge of the various FINTECH service categories.

Table 3 Shows How Well Known the FINTECH Industry Is to Consumers [6]

“Indicator	Level of awareness in the world, %	Level of awareness in India, %
Money transfers and payments	96	100
Budgeting and financial planning	71	86



Savings and investments	78	81
Borrowed funds	76	82
Insurance	86	86”

In 2021, “the availability of attractive tariffs (27%), the ease of creating an account (26%), creating access to various innovative products and services (24%), and more convenient use, improving the characteristics of the financial product and the quality of service (9%) were the primary reasons for contacting FINTECH service providers in the Indian Federation.”

Investment in securities is one of the few FINTECH services that has found a foothold in the Indian market. The maturity of India's traditional financial industry is reflected in the growth of the country's FINTECH sector. Users in the FINTECH industry worldwide lean towards digital banking services and apps, and are willing to part over personal financial information in return for better deals. Only 18% of Indian consumers are willing to share their banking data with other organisations, indicating that Indian users are particularly cautious when it comes to the usage of personal data. Thirty-three percent of global FINTECH end-users said they would rather work with a different company to get a replacement financial service. There is a marked increase in conservatism among Indian consumers on this topic. Eight percent of those polled said they would call the incorrect bank before their present one.

DISCUSSION

The following characteristics should be underlined in light of the major worldwide trends in the development of digital financial technology.

Boosting cyber security and overall steadiness. By 2022, the financial technology industry will have had enough time to weigh in on the design of the security infrastructure and formulate a plan to counteract cyberattacks.

Banks in the digital realm are now considered as legitimate players in the financial industry. Customers' acceptance of banks that rely only on digital technology as being more efficient and easier to use may surge in 2022. Customers are drawn to online banking because it is more competitive on price than brick-and-mortar banks.



Using massive databases for analysis. Customer segmentation, fraud detection, and risk management are just some of the modern applications for both structured and unstructured data. Certain algorithms complement data analysis to improve predictions and construct various models. Customers may be more easily categorised and new possibilities can be discovered to provide individualised financial services thanks to Predictive Analytics.

Blockchain technology, digital money. Improvements are constantly being made to the efficiency and security of digital money and the blockchain. Blockchain, when used with banks' secure and dedicated servers, may drastically accelerate transactions.

Artificial intelligence implementation in banking systems. The financial industry is able to create efficiency [7] by optimising operational expenditures and enhancing customer satisfaction via providing them with the most optimum manner to perform financial activities.

The remote method of functioning of financial organisations is another major development related to the pandemic, and it has become the corporate norm.

Financial institutions benefit from the highest level of economic security in terms of data protection. That's because it's possible to see and measure the risks associated with actual monetary losses caused by cyberattacks. It's important to remember that banks and other financial institutions can afford and are motivated to create high-quality information systems with robust defences against cyberattacks.

The difficulties of advancing the banking industry in 2022 have been underlined by Accenture.

It is also pointed out that the trends of 2022 are related to one another. Let's analyse the major developments.

A shift in emphasis from cost-cutting to revenue generation necessitates reevaluating digital performance indicators. Accenture found in 2021 that banks' bottom lines are positively correlated with the sophistication of their digital infrastructure. Indicators show a widening disparity between the most technologically advanced institutions and the others.

Only the most successful online banks can turn a profit while acquiring new clients. Traditional banks have an edge since they are maximising their digital potential, whereas startups, despite their appeal, are particularly at risk. Accenture argues that it is currently “impossible to predict with certainty which models will be the most stable in the market: low-cost digital versions of traditional banks or data-centric



architecture used by young market players, which allows you to eliminate integration problems and make use of advanced analytic tools.”

Mergers and acquisitions are gaining importance for medium-sized banks. The payment industry in the West had a number of mergers in 2021. The brokering industry in the US market is seeing a similar shift. It is anticipated that typical bank mergers and acquisitions would continue till 2022. Medium-sized banks have difficulties expanding their businesses and attracting the capital they need to finance innovations in many regions.

Intelligent equipment makes workers more productive. Scoring systems, personalised suggestion development, and various Analytics augment interpersonal abilities including industry expertise, empathy, and negotiating.

Open banking has revolutionised the financial industry. There are privacy concerns brought on by Open Banking technology development. For customers to continue giving their faith by disclosing sensitive information, banks need to demonstrate how they will put that knowledge to good use in safeguarding their money.

The building blocks of value-based banking (also known as purpose-driven banking).

The "conscious" selection of businesses that contribute to societal well-being has become popular in developed countries in 2021. The interest of customers in "green" and socially conscious businesses is growing. It will then become apparent whether or not company models will shift in accordance with the missions and values generally embraced by society. In an effort to build more reliable connections with their clientele, banks are reducing their reliance on Commission fees. The banking sector's commission revenue will continue to fall. In 2004, non-interest revenue made up 46% of American banks' operating income; by 2022, that number will have dropped to 30%.

Loan quality should be scrutinised much more closely. Several percent every year are added to the losses connected with the impairment of assets at credit institutions, and the quality of credit portfolios at the 200 biggest banks in the world has been steadily declining since 2014. This pattern is deteriorating, a shift in digital currency' status and function. Digital currencies are mostly utilised as a speculative asset at this time, with little application in significant financial transactions and services. However, it may not always be the case. In 2022, the People's Bank of China plans to issue its very own domestic digital



money. Money and bank records are commonplace in today's industrialised economies. The Central Bank may launch a tokenized currency in 2022 [8].

CONCLUSIONS

It's important to remember that not all the aforementioned tendencies will be applicable in India in 2022. The Bank of India has certain standards, and the Indian financial sector is quite competitive, therefore this is the case. The potential for the Indian banking sector to reap benefits from digital edge has been on the minds of business leaders for some time. The leading firms in the banking and insurance sectors have already shown that they can gain a considerable competitive advantage via the use of AI technology. However, value-based banking, the rise of mergers and acquisitions in the Indian financial system, and a change in emphasis towards non-bank businesses are not yet being taken into account in the country.

Open APIs and Open Banking are also expected to grow in popularity by 2022. The "deployment" of the financial service in the client's direction, the capacity to provide additional services in a more convenient format, is one of the fundamental main benefits of Open financial. Open Banking promotes financial market growth by lowering entrance barriers for new businesses to the banking sector.

The principles of Open Banking are Open Data and Open Application Programming Interfaces. By "Open Data," we mean a set of guidelines for making information freely available. To facilitate communication between programmes, the Open API is made available to the public. Developers from competing businesses are given easier access to a resource's features and data because of the availability of an open interface.

The Central Bank of India may benefit from the proliferation of central bank-issued digital currencies. Many national central banks are now assessing the viability of digital currencies. Despite the considerable risks associated with implementing digital money, the Bank of India presently considers that the currency will not have a major influence on the economy's fundamental features. Severe negative outcomes are conceivable [9] because of the need to examine the need of systemically substantial changes to the structure of the banking, financial, and payment systems of the state.

Maintaining national security and safeguarding vital national interests necessitates the unwavering upholding of the financial system's central role. To better serve contemporary customers, regulators must introduce novel data management formats, which in turn will spur the development of more comprehensive ecosystems of financial and non-financial service providers.

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