



FinTech

Quarterly insights



PwC insights of the quarter

Rise of agentic AI: Shaping the future of financial services

The latest edition of our report on financial services highlights how agentic AI is emerging as a game-changer, enabling faster decisions and smarter operations across banks and financial institutions. With adoption expected to rise sharply by 2028, innovations in customer engagement, risk management, and compliance automation are driving efficiency and trust. Emerging trends and regulatory focus are shaping a future-ready ecosystem that blends intelligence with resilience. For additional insights, [click here](#).

For more such insights, please visit our [website](#).



Insights on Indian FinTech developments

FinTech growth metrics

Mutual fund (MF) assets under management (AUM) reached ₹81.3 trillion, supported by steady growth in demat accounts and folio additions. UPI transactions surged to ₹28 trillion with QR code deployments expanding to 734 million, reflecting deeper digital payment penetration. In insurance, both general premiums and sum assured under life insurance saw a decline as compared to previous quarter due to seasonality in consumer demand and corporate group insurance purchases in previous quarter.

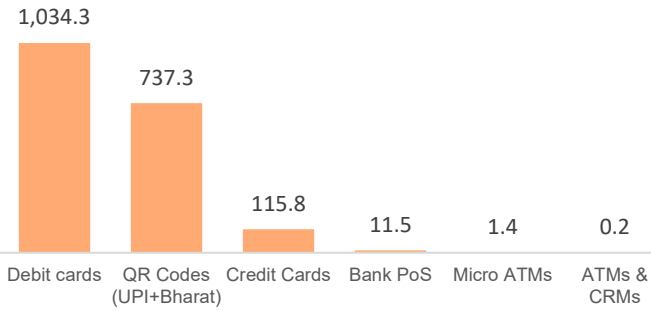
PoV on FinTech news highlights

India's FinTech landscape in Q3 FY26 saw a surge in regulatory approvals for payment aggregators, cross-border payment providers, and UPI service operators, strengthening digital payment infrastructure. Strategic acquisitions by global and domestic players focused on expanding credit access. Partnerships and integrations focused on enabling micro, small, and medium enterprise (MSME) formalisation, cross-border payment efficiency, and personalised financial products. Industry-led initiatives and regulatory reforms are advancing compliance, data governance, and innovation, reflecting a progressively mature ecosystem.



FinTech markers in India (Q3 FY26)

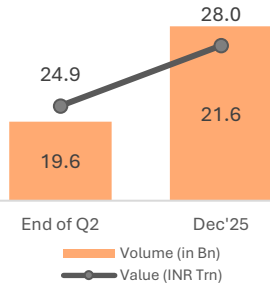
Payments infrastructure, as of December 2025 (in mn)



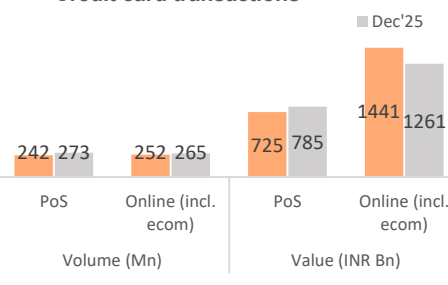
From the end of Q2 to Q3, following trends were observed:

- **Bank point of sale (POS)** saw a **7%** decline due to low issuance of POS by one private sector bank potentially due to its internal restructuring and business realignment
- Debit and credit card units both increased by **1%**
- **QR codes** grew by **3%** and **UPI** saw a **strong growth** of **12%** in volume and **10%** in value due to growing merchant preferences (UPI QR payments over cards), and the steady growth of retail usage
- Online transaction values via credit card and debit card **declined by 12.5%** and **9.7%** respectively, due to post-festive season cooldown

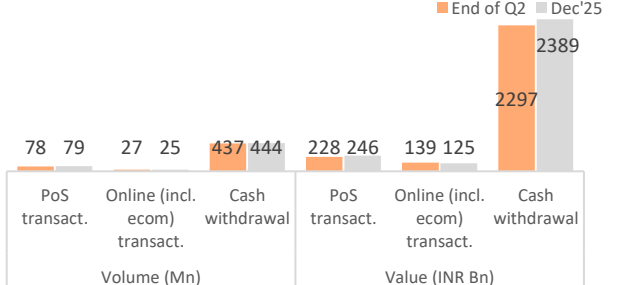
UPI transactions



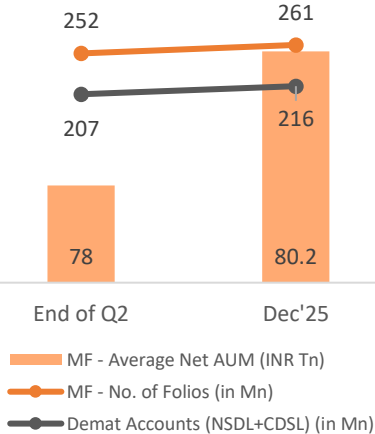
Credit card transactions



Debit card transactions

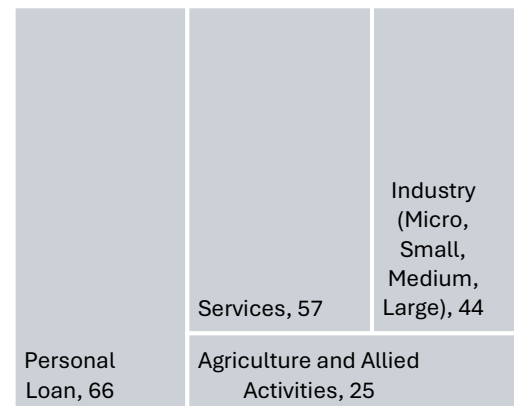


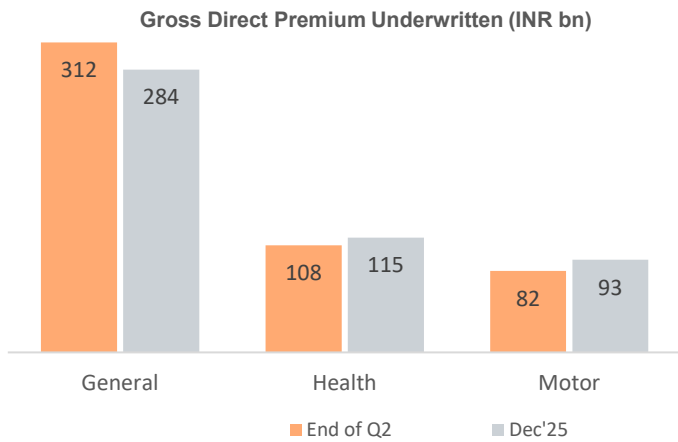
Retail investment statistics



- Demat accounts increased by about **4.3%**, MF folios increased by **3.7%**, and average net MF AUM grew by about **3.2%** from end of Q2 to end of Q3 FY26. This is in line with gradual increase in MF investments through SIPs as well slight uptick in gold-based index adoption.
- **Personal loans** accounted for the largest share of gross banking credit, followed by services, industry, and agriculture.

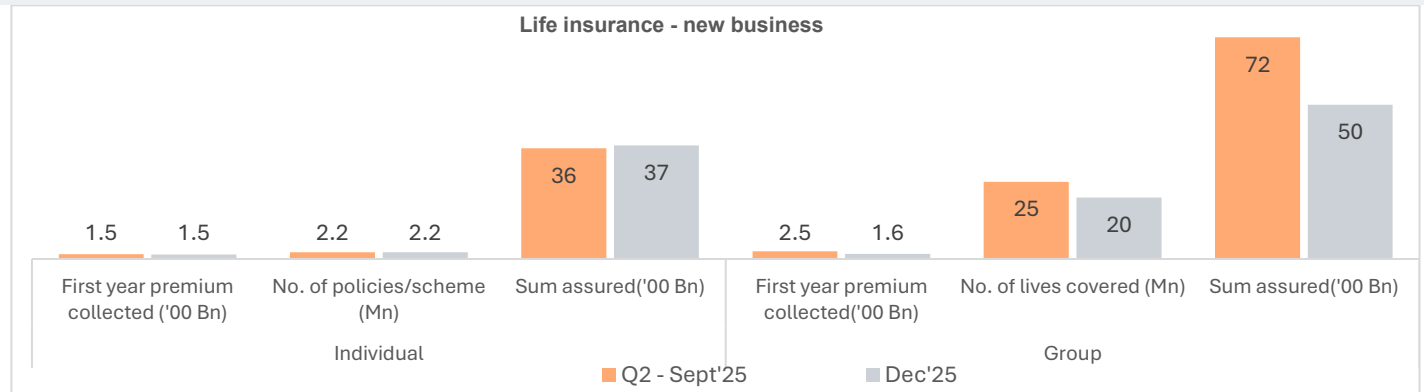
Deployment of Gross Banking Credit (as of Dec 2025; INR trillion)





Below trends were observed from end of Q2 to Q3 for the insurance sector metrics:

- Motor insurance premiums increased by **13%**
- Health insurance premiums increased by **6%**
- Individual life insurance remained stable, with sum assured up slightly by **3%**
- For group life insurance, number of lives covered and sum assured fell by **20%** and **31%** respectively due to higher base in Q2 which sees typically high purchases and renewals of group insurance by corporates/businesses.



Source: PwC analysis of data from NPCI, RBI, IRDAI, GICouncil, SEBI, NSDL, CDSL



India FinTech highlights

Q3 FY26 witnessed significant developments in the Indian FinTech ecosystem. A few of these developments are outlined below.



Industry initiatives

- Reserve Bank of India (RBI) and National Payments Council of India (NPCI) International, in collaboration with the European Central Bank (ECB), have agreed to commence the realisation phase for linking UPI with the Eurosystem's TARGET Instant Payment Settlement (TIPS). [Read more](#)
- India and New Zealand signed an FTA to boost FinTech collaboration, focusing on regulatory harmonisation and secure payment infrastructure. [Read more](#)
- NPCI announced plans to launch NPCI Tech Solutions Ltd (NTSL) to build scalable digital infrastructure beyond payments, including eKYC Setu and CBDC systems. [Read more](#)
- CKYCR introduced functionality to flag KYC records of deceased customers, notifying all linked entities. [Read more](#)
- NPCI launched UPI HELP Assistant pilot, an AI-powered support system integrated within UPI apps for real-time query resolution and dispute management. [Read more](#)

- NPCI expanded UPI Circle to include IoT devices and software platforms, enabling secure transactions via smart devices. [Read more](#)
- Banks across India completed migration to the RBI-mandated '.bank.in' domain. [Read more](#)
- SBI and Bank of Baroda to launch Indian Digital Payment Intelligence Corporation. [Read more](#)

Industry innovations

- Curie Money receives NPCI approval to launch UPI services with mutual fund linked digital payments. [Read more](#)
- NPCI has teamed up with FinTech company Razorpay to introduce AI-driven payments on ChatGPT. [Read more](#)
- Perfios introduced an AI-powered real-time operating system for BFSI, integrating domain-specific LLMs for real-time decision-making. [Read more](#)
- Inflyx launched Inflyx Pay, a FinTech platform for creators, enabling milestone-based payouts and automated reconciliation. [Read more](#)
- A full-service licensed payment aggregator launched India's first agentic bill-pay solution integrated with ChatGPT and Claude, automating bill management. [Read more](#)
- Cashfree streamline cross-border payment flows for global businesses entering India. [Read more](#)
- PhonePe Wealth introduced 'Daily SIP' on its Share.Market platform, allowing investments starting at ₹10 per day via UPI Autopay. [Read more](#)
- Yes Bank partnered up with a payment aggregator to offer biometric-ready access control server (ACS) for card payments. [Read more](#)

Partnerships

- BharatPe partnered with Yes Bank to launch 'Pay later with BharatPe' enabling instant UPI credit for merchants and consumers. [Read more](#)
- GooglePay launched UPI linked 'Flex' credit card in partnership with Axis Bank. [Read more](#)
- Juspay entered a strategic alliance with Sabre Direct Pay to enhance travel payment experiences for global businesses. [Read more](#)
- BriskPe signed an MoU with FIEO to digitise export payments for MSME exporters, reducing costs and improving compliance. [Read more](#)
- Razorpay partnered with NPCI International to enable UPI payments in Malaysia. [Read more](#)
- Muse Wearables has partnered with NPCI to launch wearable payments ecosystem using their Smart Ring 'Ring One' and RuPay network. [Read more](#)

Acquisitions

- Amazon acquires Axio to expand Amazon Pay Later and improve credit access for underserved customers. [Read more](#)
- Credlix acquired a majority stake in NBFC Vanik Finance to strengthen MSME and exporter financing. [Read more](#)

Approvals and licenses

- Mswipe received final authorisation from RBI to operate as a payment aggregator for online and offline channels. [Read more](#)
- Paytm obtained RBI approval to operate as a payment aggregator for offline and cross-border transactions, complementing its online licence. [Read more](#)
- CredFlow secured RBI licence to operate as a non-deposit-taking NBFC, expanding SME lending capabilities. [Read more](#)
- Airpay received RBI's payment aggregator-cross border (PA-CB) licence, enabling it to process international payments for Indian merchants across sectors like education and hospitality. [Read more](#)
- PayGlocal secured RBI approval for two-way cross-border payment transactions, strengthening its international payments play. [Read more](#)

- Infibeam Avenues secured RBI authorisation to operate as an offline payment aggregator, expanding its omnichannel footprint. [Read more](#)
- The RBI has given in-principle approval to Junio Payments to issue prepaid payment instruments (PPIs), enabling a new UPI-linked wallet that allows minors to make payments without holding a traditional bank account. [Read more](#)
- PhonePe has received final authorisation from RBI to operate as an online payment aggregator, enabling it to onboard and service online merchants, particularly SMEs. [Read more](#)
- PayNearby received NPCI approval to operate as a third-party application provider (TPAP), enabling UPI services via its extensive rural network. [Read more](#)

Regulatory updates

- RBI consolidated 9,000+ regulatory instructions into 238 Master Directions to reduce compliance burden and improve ease of doing business. [Read more](#)
- The RBI has formally constituted the Payments Regulatory Board (PRB), replacing the Board for Regulation and Supervision of Payment and Settlement Systems (BPSS). [Read more](#)
- RBI launched the National Strategy for Financial Inclusion (NSFI) 2025–30, focusing on vulnerable segments, women-led inclusion, and digital delivery. [Read more](#)
- RBI mandates two-factor authentication for all digital payments from April 2026. [Read more](#)
- The RBI granted recognition to the self-regulated PSO association (SRPA) as a self-regulatory organisation (SRO) for payment system operators. [Read more](#)
- NPCI has enabled cash withdrawal using UPI at business correspondent (BC) touchpoints through micro ATMs. [Read more](#)
- CKYCR introduces feature to flag KYC records of deceased customers. [Read more](#)
- SEBI has introduced validated UPI handles and a new feature ‘SEBI check’ to enhance payment security for investors during public issues. [Read more](#)



Key FinTech deals—India

Investments

Funding was concentrated in consumer loans, wealthtech, and personal finance, with additional interest in digital lending, business lending marketplaces, and education finance. Areas such as banking-as-a-service, micro-insurance, embedded finance, and cross-border payments also featured in the investment landscape. The key funding details for India’s FinTech ecosystem in Q3 FY26 have been highlighted below:

Start-up	Sector	Amount raised (USD)	Lead investors	Source
Snapmint	Consumer loans	\$125 million	Prudent Investment Managers, Kae Capital, Elev8 Venture Partners	Read more
True Balance	Personal finance	\$75 million	Institutional investors	Read more
Fibe	Digital lending	\$35 million	Institutional investors	Read more
Yubi	Business lending marketplace	\$37.9 million	EvolutionX Debt Capital	Read more
Auxilo	Education finance lending	\$25.5 million	Neo, Dezerv, Motilal Oswal, Mas Financial Services	Read more
Knight Fintech	Banking-as-a-service	\$23.6 million	Accel, IIFL, Rocket Capital	Read more

Kshema	Micro insurance	\$20 million	Green Climate Fund	Read more
StockGro	Wealthtech	\$17 million	Institutional Investors	Read more
Finfactor	Embedded finance	\$15 million	WestBridge Capital, Varanium Capital, DMI Sparkle Fund, IIFL Fintech Fund	Read more
PowerUp Money	Wealthtech	\$12 million	Peak XV, Accel, Blume Ventures, Kae Capital, 8i Ventures, DevC Wealthtech	Read more
Skydo	Crossborder payments	\$10 million	Elevation Capital, Eximius Ventures	Read more

Disclaimer: This is not an exhaustive list; only a few key highlights are mentioned.

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Note: All data presented in the section 'FinTech Markers in India' belongs to Q3 FY26, unless otherwise stated. All other content presented in this newsletter has information and articles from Q3 FY26.

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