

Swaminathan J: Digitalisation for inclusive finance and sustainability - priorities for the next phase

Valedictory address by Mr Swaminathan J, Deputy Governor of the Reserve Bank of India, at the International Conference on "Digitalisation for inclusive finance and sustainability", organised by the National Institute of Bank Management (NIBM) and the College of Agricultural Banking (CAB), Pune, 6 March 2026.

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Professor Partha Ray, Director, National Institute of Bank Management (NIBM), Shri Jaikish, Principal, College of Agricultural Banking (CAB), distinguished delegates, researchers, faculty, policymakers, industry leaders, colleagues from India and overseas, ladies and gentlemen. Good afternoon.

As we come to the close of this International Conference on Digitalisation for Inclusive Finance and Sustainability, let me begin by congratulating CAB and NIBM for convening an important conversation at the right time. I am sure the participation over the last two days has been strong, and the discussions have been both forward-looking and grounded in practical realities.

As I reviewed the papers presented, one message came through clearly. Digitalisation is not a goal by itself. It is a means. The real question is: how do we use digital tools to deliver financial services that are accessible, affordable, safe, and useful, while also supporting sustainability and resilience.

Against this backdrop, I would like to reflect on three shifts shaping this landscape, then underline what I would call the *confidence architecture* needed for digital finance at scale, and finally offer a few closing priorities for the road ahead.

From access to capability and confidence

The first shift is in how we look at inclusion.

For a long time, access meant inclusion but the next phase of that is about something deeper: capability and confidence. Inclusion becomes meaningful when households and small businesses can use financial products and payment rails regularly and safely.

Indeed, many discussions in the papers presented here highlight the idea that barriers to inclusion are not only physical. They can also be informational and behavioural. People may have connectivity but lack confidence. They may have access but not agency. They may have a digital tool but not the ability to resolve a problem.

This is why design matters. Effective inclusion solutions often look simple on the surface, but they are thoughtfully engineered underneath. They use plain language. They work in low bandwidth settings. They allow assisted journeys. They respect the realities of irregular incomes and modest savings.

A special dimension of capability is the gender gap in digital finance. Bridging this gap is not about devices and connectivity. It requires building women's digital and financial skills and improving safety and privacy further in digital journeys. If we want digital inclusion to endure, products and processes must be designed around these realities.

From faster finance to fair finance

The second shift is about digital credit and digital intermediation.

Digital lending and platform-based models have expanded quickly because they offer speed and convenience. That is a real benefit. But credit is not like any other routine transaction. Credit can strengthen livelihoods. But, if poorly underwritten, it can also deepen distress through over indebtedness.

The discussions here highlighted a central point: the next phase of digital credit must be not only fast, but fair, transparent, and affordable.

A related theme is the growing role of data and algorithmic rule engines in credit decisions. Data can reduce frictions and widen access, but it also brings up some important questions. Are we pricing risk, or pricing vulnerability? Are decisions explainable in plain language? Are models being monitored for bias and drift?

These questions shape customer confidence, market discipline, and the credibility of the digital finance ecosystem.

From sustainability as a separate agenda to sustainability as core resilience

The third shift is the assimilation of sustainability into mainstream finance.

Sustainability is sometimes treated as a specialised product line or a reporting exercise. As climate and environmental risks do translate into financial risks, especially for climate-sensitive sectors and regions, sustainability has to be integral to our products and processes.

At the same time, digitalisation offers tools to strengthen resilience. Better data can improve risk understanding. More responsive credit can support adaptation investments. Digital monitoring can improve transparency and reduce the cost of compliance and reporting.

But we should also be realistic. Sustainability outcomes require more than digital tools. They require sound institutions, robust capital and good governance. Digital transformation can enable, but it cannot substitute for the fundamentals.

Confidence architecture is the next frontier

If you bring these three shifts together you will see that the next frontier is not simply building more digital finance. It is building digital finance that people can rely on. This calls for an ecosystem with strong foundations, with four key elements.

The first is security and resilience. As participation scales up, vulnerabilities also scale up. We must invest continuously in cyber security, fraud prevention, incident response, and business continuity. Confidence is built through reliability in ordinary times, and through competence and clarity when disruptions occur.

The second is accountability and effective redress. When a customer is harmed in a digital journey, they should not be passed from one entity to another. Responsibility must be clear. Grievance redress should be simple, time-bound, and effective. A system earns confidence when people experience that help is real, accessible, and fair.

The third is data discipline and meaningful consent. Digital finance runs on data. But data must be handled with discipline: purpose limitation, minimum necessary collection, secure storage, and transparent sharing. Consent must be meaningful, not hidden in fine print.

The fourth is inclusion with dignity. Inclusion is not only onboarding. It is ongoing service. It is also language, appropriate accessibility and respectful treatment. It is designing for the person who is least comfortable with technology, not only for the person who is most fluent.

Before I turn to the closing priorities, let me briefly underline the critical contribution of digital public infrastructure and interoperability. When core rails are resilient, widely usable, and interoperable, they reduce the cost of reaching the last mile and allow providers to compete on service quality rather than on customer lock-in. They also make it easier to deliver targeted support at scale, whether through faster benefit transfers, smoother onboarding, or quicker delivery of small-value financial services.

However, the wider the rails, the higher the responsibility. Strong governance is essential: clear standards, reliable uptime, auditable processes, and proportionate safeguards, so that innovation can scale without weakening system stability.

Closing: Five priorities going forward

As someone who has watched India's digital finance ecosystem evolve at close quarters, permit me to close with five practical priorities that can help digitalisation deliver inclusion and sustainability.

First, build for outcomes, not optics. We should track adoption, but our focus should remain on what matters: active use, reliability, affordability, customer wellbeing, and resilience.

Second, design for the last user. If the journey works for the most constrained user, it will work for everyone. Simple interfaces, low-data design, assisted options, and clear grievance pathways should be treated as core features.

Third, make fairness non-negotiable. Innovation is welcome, but fairness is essential. Transparent pricing, explainable decisions, respectful collections, and strong redress mechanisms, all should be built into digital credit models.

Fourth, treat resilience as a design requirement. Operational resilience and cybersecurity are not mere compliance items. They are integral to service quality. People experience credibility through consistency and reliability, not through policy documents.

Fifth, collaborate, because no one actor can solve this alone. Digital finance and sustainability sit at the intersection of regulation, technology, business incentives, and human behaviour. Progress requires collaboration across regulators, financial institutions, fintechs, researchers, and civil society. Conferences like this help build shared understanding and improve the quality of solutions.

In conclusion, digitalisation increases reach and speed. It also increases the vulnerabilities. The task before us therefore, is to ensure that digital finance scales what is good: inclusion that is usable, innovation that is responsible, and finance that supports resilience and sustainability.

On behalf of the Reserve Bank of India, I thank CAB and NIBM for hosting this conference, and I thank all participants for contributing to a meaningful and constructive dialogue. I hope the ideas discussed here translate into safer rails, better products, and more sustainable outcomes for our citizens and our economy.

Thank you. Jai Hind.