How Bajaj Finserv Banking and Financial Services Fund aims to capture opportunities across India's financial ecosystem

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India’s financial ecosystem is expanding in step with the country’s broader growth trajectory. Structural shifts in technology, demographics, regulation, and inclusion continue to reshape how Indians save, borrow, insure, and invest. These long-term drivers are creating opportunities for institutions across the Banking Financial Services and Insurance (BFSI) space.

Bajaj Finserv Banking and Financial Services Fund NFO open

Investors seeking exposure to this evolving segment may consider exploring suitable options such as the Bajaj Finserv Banking and Financial Services Fund, an open ended equity scheme investing in the Banking and Financial Services sector.

The New Fund Offer opens on Monday, November 10, 2025, and closes on Monday, November 24, 2025. The scheme reopens for subscription within five business days from the date of allotment.

India’s evolving financial landscape

India is projected to become the world’s third-largest economy by 2030, with an estimated GDP of USD 7.3 trillion. This expansion is underpinned by megatrends such as digitalisation, demographic growth, and increasing formalisation of the economy.

For India’s GDP to grow meaningfully, the financial system must keep pace. Estimates suggest that the banking industry will need to add USD 4 trillion in capital over the next two decades to support the expansion of financial assets and credit.

The BFSI sector plays a central role in this transformation through capital mobilisation, credit growth, and digital access. For instance, credit disbursement to priority sectors rose 85% from Rs. 23 lakh crores in 2019 to Rs. 42.7 lakh crore in 2024, while UPI transaction values grew nearly fivefold from Rs. 41 trillion in FY21 to Rs. 236 trillion in FY25.

Source: Motilal Oswal, Press Information Bureau, CareEdge, Reserve Bank of India, Financial Stability Board; World Bank, BCG analysis, Bloomberg, International Monetary Fund, CEBR

Shifts shaping the BFSI sector

The Bajaj Finserv Banking and Financial Services Fund is designed to identify companies positioned to benefit from India’s structural financial trends:

1. Technology
India’s transition towards digital finance continues to accelerate. Non-cash transactions are projected to rise from 38% in FY23 to 62% in FY28, with Tier 2 and smaller cities expected to account for over 80% of an estimated USD 60 billion in digital lending disbursements by FY28.

2. Economic

The number of Jan Dhan accounts has grown nearly 18× over the past decade, from 33 million in FY14 to 540 million in FY24, mobilising deposits of around Rs. 2.3 trillion. These accounts have improved access to savings and enabled direct benefit transfers.

3. Demographic
India’s working-age population is set to rise over the next two decades, driving demand for credit, insurance, and investments. By 2030, around 75% of Indian households are expected to fall into middle- and high-income categories, expanding the addressable market for financial products.

4. Social
Fintech firms are broadening credit access for individuals and small businesses, particularly those with limited credit history. Their growing presence in segments such as personal loans and MSME lending highlights the role of innovation in expanding financial reach.

Source: RBI Documents, Jefferies, Periodic Labour Force Survey 2023, GSMA 2023, Mobikwick RHP, Redseer

Opportunities across the financial value chain

The BFSI sector has undergone significant expansion over the past two decades. Its market capitalisation has risen 50× from Rs. 1.8 trillion in 2005 to Rs. 91 trillion in 2025 growing from 6% to 27% of India’s GDP.

- **Banks** have seen credit grow at a CAGR of 10.7% and deposits at 10.2% over the past two decades, supported by improved fundamentals such as lower GNPA levels (from 5.8% to 2.2%) and falling credit costs.
- **NBFCs** have strengthened their presence with net worth

growing ~15% CAGR and profit ~32% CAGR, accounting for 18% of total BFSI earnings in FY24.

- **Insurance** has scaled rapidly, with life insurance AUM rising ~10× since FY07 to Rs. 61.6 trillion. India is projected to become the 6th largest insurance market by 2032.
- **Capital markets** have expanded with India now ranking 4th globally by market capitalisation.

Source: Reserve Bank of India, Boston Consulting Group Report, MOFSL, IRDAI, Swiss Re Sigma, NSE Report on Indian Capital Markets

How Bajaj Finserv Banking and Financial Services Fund aligns with these shifts

The Bajaj Finserv Banking and Financial Services Fund seeks to invest across a wide spectrum of companies participating in India’s financial transformation. It draws from long-term sectoral trends and focuses on diversification beyond traditional banking:

- **Curated exposure*:** 45–60 stocks shortlisted from ~200 companies within the BFSI megatrends universe.
- **Aligned with sectors:** Captures opportunities across digital finance, financial inclusion, and expanding credit and insurance markets.
- **Broad-based exposure:** Invests in banks, NBFCs, insurers, AMCs, and other intermediaries.
- **Suitable entry point:** Valuations currently below 14-year averages with improving asset quality and earnings

visibility.

*The portfolio count is indicative, and actual number will depend on market conditions at the time of making investment.

Source: National Stock Exchange; Data as on Sep 30, 2025

Conclusion

India’s financial ecosystem continues to expand on the back of digital adoption, rising prosperity, and growing formalisation. The Bajaj Finserv Banking and Financial Services Fund aims to capture potential opportunities emerging from these trends through diversified exposure across financial institutions, intermediaries, and innovators.

For investors considering participation in India’s long-term financial growth story, exploring such sector-focused mutual funds may be a suitable approach aligned to their goals and risk appetite.

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New Fund Offer Closes on:	Monday, November 24, 2025
Scheme re-opens on:	Within five business days of allotment date

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.