

# **From Compliance to Culture: How Digital Public Infrastructure is Reshaping Risk Management in Indian Banks**

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**Abstract:** India's Digital Public Infrastructure (DPI) — integrating identity, payment and data-sharing systems — is reshaping risk management in Indian banks. This conceptual paper examines how DPI shifts banking practice from compliance-driven processes to culture-driven, data-enabled risk management. Drawing on India Stack, the Account Aggregator framework, Unified Payments Interface, Unified Lending Interface and digital MSME lending, the paper develops a four-lever framework linking DPI's rails to credit appraisal, risk-based pricing, early warning systems and governance. DPI can reduce non-performing assets and strengthen risk culture, but also introduces model, operational and conduct risks requiring targeted supervisory reform.

**Keywords:** Digital Public Infrastructure, India Stack, Risk management, Account Aggregator, MSME Lending