Lending facilitated by Account Aggregators

Sahamati® May 2024 Report

Status of the Account Aggregator (AA) Ecosystem

Monthly Successful Consent Fulfilled (in millions)

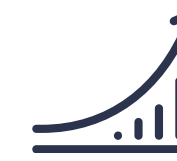| Month	Value
Apr 2023	1.88
May 2023	2.75
Jun 2023	3.24
Jul 2023	1.89
Aug 2023	4.56
Sep 2023	4.35
Oct 2023	5.27
Nov 2023	5.91
Dec 2023	4.33
Jan 2024	8.22
Feb 2024	7.59
Mar 2024	8.06
Apr 2024	7.72
May 2024	8.30
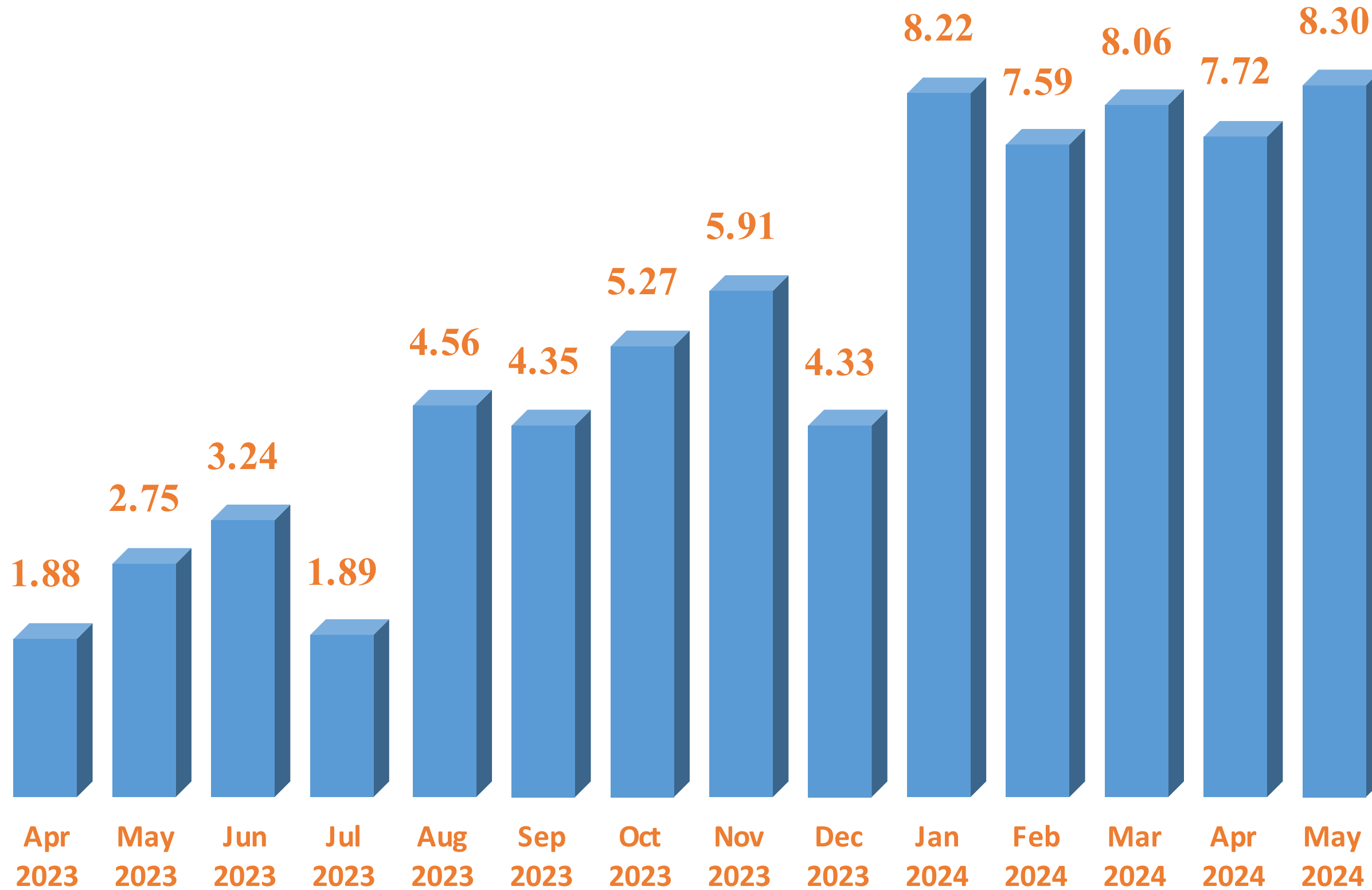
435 FIUs
across the Five FSRs and more than 20 license types

151 FIPs
across banking, investment, insurance, pension, and tax

79.97 million
Cumulative successful consent-based data sharing transactions

2.12 billion
Financial Accounts (including **1.64 bn** bank accounts) in the AA ecosystem

22% Monthly
Growth Rate

1

Consents Fulfilled across FIU Categories in H2 FY24

Months	Cumulative Consents Fulfilled	Percentage of Cumulative Consents Fulfilled across Categories					
		NBFCs	HFCs	RIAs and Stock Broker	Banks	Insurers (Life & General)	Others
Oct -23	*29.84 million*	70.57%	0.40%	16.60%	12.19%	0.24%	0.0009%
Nov-23	*35.75 million*	69.95%	0.46%	16.71%	12.66%	0.22%	0.0072%
Dec-23	*40.08 million*	69.24%	0.54%	17.35%	12.65%	0.21%	0.0065%
Jan-24	*48.30 million*	68.06%	0.57%	18.84%	11.59%	0.20%	0.0069%
Feb-24	*55.89 million*	69.03%	0.60%	20.14%	11.02%	0.20%	0.0067%
Mar-24	*63.95 million*	69.02%	0.63%	20.24%	9.83%	0.27%	0.0058%

The total cumulative consents reached 63.95 million by the end of FY 24, with **39.38 million** consents completed in H2. This second-half achievement represents approximately **62%** cumulative consents fulfilled by March 2024.

In H2 FY24, the number of successful consents fulfilled daily was around 216,400, compared to 102,500 in H1 FY24.

At the same time, distribution of the consents fulfilled follows a similar trend from H1 FY24. Usage is concentrated across NBFCs (**~69%**) RIAs and Stockbrokers (**~20%**) and banks (**~10%**).

NOTE: Banks are Private and Public Sector Banks, RRBs, and SFBs. Others include PPI, TReDs, Portfolio Manager (PM), Research Analyst, Authorized Dealer, AIFs, and POPs.

Distribution of Accounts Linked Across FIPs in H2 FY24

| Month	Private Sector Banks	Public Sector Bank	RRBs & SFB	Depository (CDSL,NSDL)	Others (Insurers, GSTN, RTAs, CRA, Deposit Taking NBFC)
Oct -23	48.03%	50.09%	1.32%	0.45%	0.10%
Nov-23	46.52%	51.28%	1.33%	0.80%	0.07%
Dec-23	44.97%	52.69%	1.36%	0.90%	0.08%
Jan-24	43.87%	53.77%	1.37%	0.90%	0.09%
Feb-24	42.80%	54.84%	1.34%	0.93%	0.09%
Mar-24	41.88%	55.77%	1.32%	0.94%	0.09%

Trends in linking of financial accounts serve as a barometer for assessing the overall performance of FIP cohorts as well as increase in adoption of AAs. A growth in share of linked accounts indicates improvements in **technical health & integration** and **success rates** in data sharing.

For instance, the share of accounts linked for **Public Sector Banks (PSBs)** has increased from 50.09% to **55.77%** from Oct'23 to Mar'24 reflecting improvement in the performance of the cohort.

Additionally, the overall API Health of the FIPs have improved in H2 FY24 compared to H1 contributing to increased success rates for account linking. **New-to-AA** customers have witnessed a rise to **53.30%** from 35.80% in success rates , while **Existing-to-AA** customers have achieved a success rate of **74.4%**, up from 57%.

*As reported by SAANS Dashboard: https://sahamati.org.in/saans-api-health-dashboard/

Methodology of the Sahamati Report on Lending facilitated by AAs
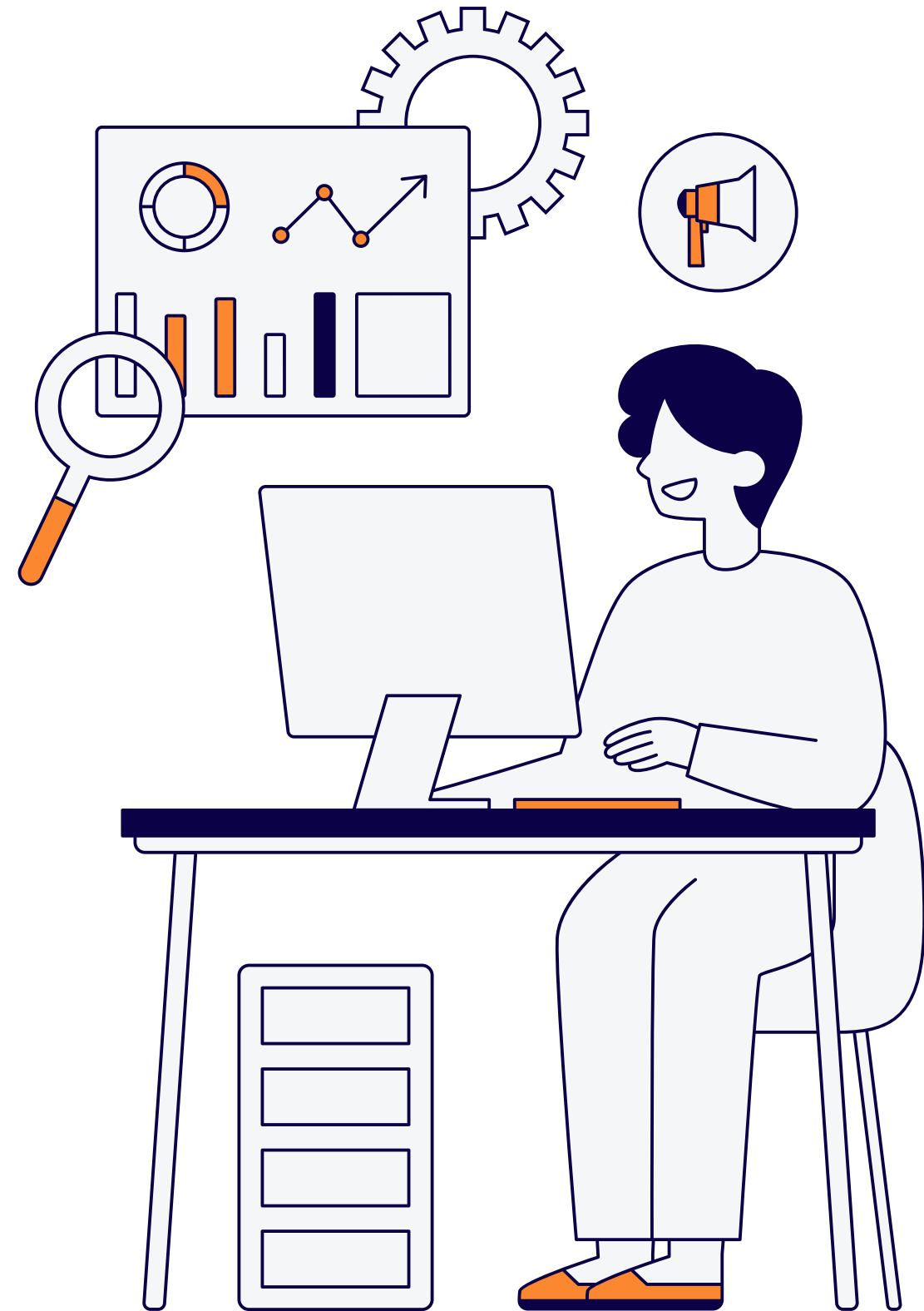
The methodology of this report involves gathering data from top performing FIUs in the ecosystem. Data was collected from **9** FIUs representing ~**60%** of total consents fulfilled for **H2 FY24**. This self-reported data has been extrapolated for **100%** consents to predict actual lending statistics for H2 FY24.

We have assumed that the patterns observed in the data reported by FIUs are consistent across the entire ecosystem.

The findings are presented in a structured manner, highlighting both the self-reported data and the extrapolated estimates. This methodology ensures the report is comprehensive, accurate, and reflective of the actual consent fulfillment activities in the AA ecosystem for lending use cases.

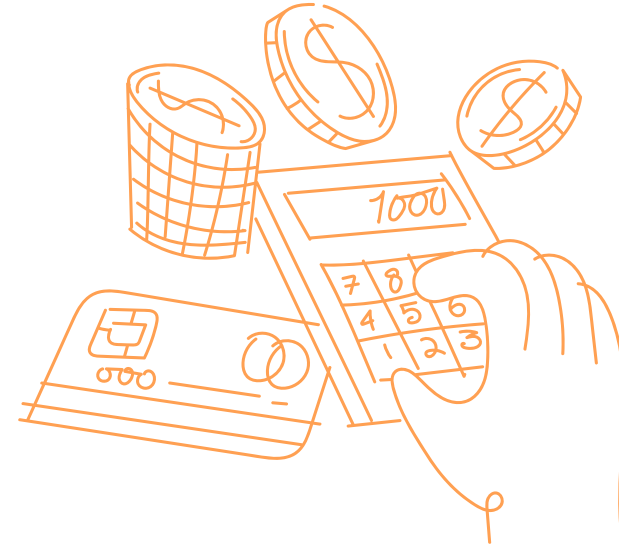# Highlights of the Sahamati Report on Lending facilitated by AAs

Cumulative Disbursement
facilitated since Sept'21

₹423 Billion

Cumulative Average Loan
Ticket Size since Sept'21

₹1,00,237

Cumulative Loans
Disbursed since Sept'21

4.22 Million

Disbursement facilitated
by AAs in H2 FY24

₹221 Billion

Average Loan Ticket
Size in H2 FY24

₹1,04,245

Total Loans Disbursed
in H2 FY24

2.12 Million

NOTE: H2 FY24 data self-reported by 9 lending FIUs that constitute 60% of total consent fulfilled. We estimate actual lending to be higher.

Value Proposition of AAs for Lenders

The Account Aggregator (AA) framework ushers a fundamental transformation in the financial services industry. AAs enable financial institutions to access **machine readable**, **tamper-proof** data from the source with the explicit, informed consent of the end-customer.

The **reliability, convenience,** & **security** of data-sharing have driven down the **transaction costs** for the lenders. Similarly, use-cases for **Monitoring** and **Collections** have equipped lenders to track, identify, and mitigate defaults, thereby reducing portfolio risk.

As a first level impact, AAs have improved the **quantum** and the **quality** of the loan portfolio of the lenders through efficiency gains.

As a second level effect, AAs are poised to make serving "**thin file**" customers feasible for lenders. Thus, by consolidating scattered financial information & enabling effective risk management, AAs can equip institutions to service **underserved NTC customers & MSMEs** better.

At the same time, the ecosystem aims to bridge the digital divide through the **assisted-account-aggregator** (AAA) model, These assisted experiences orchestrates an inclusive landscape for the customers as well as lead to high conversion rates for the lenders.

Ultimately, AAs will expand the **Total Addressable Market** for lenders and strengthen **inclusion** for customers.

Enablers to Catalyze Usage across Sectors & Use Cases

The following enablers can collectively pave the way for greater efficiency and expansion in the lending sector:

The availability of **GSTR 2A and 2B data** will be an enabler for banks, NBFCs, and TReDS as purchase side data is an important parameter to assess the net cash flows for supplier financing and buyers financing.

For Loan Against Securities (LAS), access to comprehensive securities data since inception, along with **real-time script prices at the time of purchase**, can unlock avenues for innovative lending products.

Lending Against Insurance (LAI) stands to benefit from access to insurance policy data such as **policy number**, **surrender value**, and **scheme name**, facilitating more informed customer underwriting.

Furthermore, the availability of **Central Board of Direct Taxes (CBDT)** data will enable lenders to verify Income Tax Returns in real-time. CBDT on AA will strengthen cash-flow based assessments to underwrite MSMEs and individuals.

About Sahamati

DigiSahamati Foundation (Sahamati) is the market-led industry alliance for the Account Aggregator (AA) Ecosystem in the country. Sahamati is a non-profit company incorporated under the Section 8 of the Companies Act 2013, dedicated towards institutionalizing consent-based data-sharing mechanisms through the AA framework. We are bringing together people & organizations from different backgrounds like finance, law, and technology to empower consumers with control over their data and access financial services. To know more about the ecosystem, contact us at info@sahamati.org.in

Education

Workshops, Masterclasses, Blogs, Research Reports, Explainers & Newsletters

Common Infrastructure

Dashboards, Token Service, Central Registry, Encryption Library, & Spec Extensions

Cooperation

Dispute Resolution, Legal framework, Support, and Technology Collaboration

Certification

API Standards, Onboarding, Security, Code of Conduct, and Transparency.