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CONSENT TO CREDIT - THE DIGITAL WAY

OCT 2026

The Account Aggregator (AA) Impact Report

(A collaborative report between CRIF Credit Information Services and Sahamati)



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INTRODUCTION

Background

Data as the foundation of credit

Credit decisions are, at their core, decisions about information. A lender's ability to assess a borrower's capacity and willingness to repay depends on the availability of data that is authentic, complete and timely. When such data is readily accessible, lenders can underwrite with greater confidence, price risk more accurately and monitor loans more effectively through their lifecycle. When it is not, lenders compensate through higher collateral requirements, higher pricing, longer processing times or, frequently, by declining to lend altogether. The cost and difficulty of obtaining reliable borrower data therefore shapes not only the efficiency of individual lending decisions but also the reach of the formal credit system as a whole.

India's digital public infrastructure and the remaining gap

Over the past decade, India has built successive layers of digital public infrastructure that have transformed key parts of the lending process. Aadhaar-based e-KYC and e-sign have made customer identification and onboarding faster, cheaper and largely paperless. On the payments side, UPI and e-NACH mandates have digitised both disbursement and collection, allowing lenders to operate at scale with lower servicing costs. The results are visible on the ground: account ownership is now near-universal among adults [91% of Indian Adults now have bank accounts], and roughly half of adults actively use UPI to make or receive payments (554.9 million active users).

Yet these gains in identity and payments have not translated proportionately into gains in credit inclusion. Large segments of the population, including new-to-credit individuals, small businesses, gig and informal sector workers, and borrowers in smaller towns and rural areas, continue to face limited access to formal credit. Today, the constraint lies less in knowing who the borrower is or in moving money to and from them, and more in the lender's ability to assess creditworthiness. For borrowers without a credit bureau history, the most informative evidence of financial behaviour, such as cash flows, income regularity and spending patterns, sits in their bank accounts and other financial records. Until recently, no standardised, secure and efficient way existed for this information to reach a lender.

Lending in the pre-AA world

Before the Account Aggregator framework, lenders seeking a borrower's financial information relied on a patchwork of channels: paper printouts, PDF statements, email submissions and, in many cases, screen-scraping of net banking credentials. Each channel introduced friction and risk. Manual collection and verification lengthened turnaround times and increased drop-offs during the application journey. Unverifiable documents created openings for tampering and fraud. Credential sharing exposed borrowers to security and privacy risks. Processing costs remained high, and once a loan was disbursed, lenders had little ongoing visibility into the borrower's financial position. Taken together, these frictions made it economically unviable for lenders to serve many lower-ticket and thin-file segments, precisely the segments where inclusion gaps were widest.

The Account Aggregator framework

The Account Aggregator framework was designed to address this gap directly. Established under the Reserve Bank of India's Master Direction on NBFC–Account Aggregators (2016) and operational since September 2021, the framework enables individuals and businesses to share their financial information with a prospective lender or other regulated entity in a digital, real-time and consent-driven manner, directly from the institution that holds the data. Financial Information Providers (FIPs), such as banks, hold the data; Financial Information Users (FIUs), such as lenders, consume it; and RBI-licensed Account Aggregators act as consent managers that facilitate the transfer. The data flows in encrypted form, and the Account Aggregator itself cannot read or store it. Every data share requires the customer's explicit, specific and revocable consent, defining what data is shared, with whom, for what purpose and for how long.

In doing so, the framework seeks to democratise access to credit-relevant data. It allows borrowers to put their own financial history to work, replaces document-based processes with verified, tamper-proof data delivered directly from the source, and gives lenders the means to underwrite segments that were previously too costly or too uncertain to serve. It also supports continuous, consented monitoring of borrower financial health across the loan lifecycle.

The Account Aggregator ecosystem today

- Since its launch in September 2021, the AA ecosystem has expanded rapidly in both participation and usage.
- As of August 2026, the ecosystem comprises 16 operational Account Aggregators, 176 Financial Information Providers and 1,144 Financial Information Users, with 1,185 financial entities live in total.
- Participants span banks, NBFCs, insurers, securities market intermediaries, and pension entities, under the oversight of four financial sector regulators: RBI, SEBI, IRDAI, PFRDA. Cumulatively, over 566 million consents have been fulfilled, with more than 2.8 billion financial accounts enabled and over 338 million accounts linked by customers.
- Lending has emerged as the dominant use case, with the AA ecosystem facilitating an estimated ₹3.82 lakh crore in loan disbursals across 3.68 crore loans in FY26, this accounts for about 8.4% of India's retail and MSME lending by value and 11.8% by volume. In FY26, the value of AA-enabled lending is estimated to be about 1.1% of India’s GDP.
- AA-enabled loans span personal loans, unsecured business loans, consumer durable loans, home and property loans and motor loans. Interestingly, banks leveraging AA ecosystem account for 47.3% of AA-enabled lending by value in H2 FY26, and the rest is accounted by the NBFCs.
- With adoption now at meaningful scale and lenders having completed almost two lending cycles using AA-enabled data for a significant share of their customers, it is possible, for the first time, to examine whether and how AA-based underwriting is associated with differences in lending outcomes.

This report, a collaboration between CRIF Credit Information Services and Sahamati, undertakes that examination using bureau data, looking at credit growth, portfolio quality and inclusion of new-to-credit and underserved borrowers as well as to evaluate the impact on overall economic growth.

Executive Summary

Macro Study (Lender Cohort Comparison)

- **Housing & Property Loans Expansion:** AA-enabled lender cohorts outpaced Non-AA lenders by more than double in both 2-year portfolio outstanding CAGR **(32.9% vs. 14.3%)** and active loan growth **(26.6% vs. 10.2%)**.
- **Personal Loan Divergence:** AA lenders recorded a stronger 2-year portfolio CAGR **(30.9% vs. 26.8%)**, while active loans grew **7.9%** for AA cohorts compared to a **2.0% decline** for Non-AA cohorts.
- **Micro Business Loans <=₹10L:** AA lenders led in 2-year portfolio growth value **(19.8% vs. 16.5%)**, which widened significantly in YoY portfolio growth where AA lenders achieved **25.2%** vs. **10.1%** for Non-AA lenders.
- **New-to-Credit (NTC) Share:** Over a 12-month period, AA lender cohorts captured a much higher volume of first-time borrowers in **mid-ticket business loans (28.5% vs. 8.6%) and personal loans (9.0% vs. 3.8%)** compared to Non-AA cohorts. NTC borrowers through AA show stronger performance compared to Non-AA cohorts.

Micro Study (Granular Loan-Level Analysis)

- **Strong Home & Two-Wheeler Adoption:** Under individual loan tracking, AA-enabled home loans saw an immense **8.17x YoY value growth** (vs. **1.72x** for Non-AA) and **6.16x volume growth** (vs. **1.59x** for Non-AA). Two-wheeler loans similarly grew **3.82x in value** via AA compared to **0.32x** for Non-AA.
- **Elevated Average Ticket Sizes:** AA-enabled applications unlocked notably higher loan limits; personal loans averaged **₹2,67,500** for AA vs. **₹1,81,100** for Non-AA, while auto loans averaged **₹8,14,270** vs. **₹6,84,800**.
- **Two-Wheeler Delinquency Compression:** The starkest risk mitigation occurred in two-wheeler loans, where the AA framework compressed late-stage delinquency (PAR 90+) down to a tight **0.5%**, compared to **5.3%** in legacy Non-AA channels.
- **Small-Ticket Risk Performance:** Individual AA-enabled loans maintained tighter risk parameters than Non-AA counterparts, posting lower PAR 90+ rates for personal loans **(2.0% vs. 2.2%)** and micro business loans under ₹10L **(4.1% vs. 4.4%)**.

Pincode level analysis

- Pincode level analysis shows that greater exposure to the expanding AA ecosystem is linked to stronger AA enabled lending in Housing, Personal, and Auto Loans. Greater exposure to the expanding AA ecosystem corresponds to higher lending to NTC borrowers, borrowers in Tier 3 and beyond locations, and women borrowers, particularly within retail credit products. Similarly, higher AA exposure is positively associated with night time light intensity, a high frequency indicator of local economic activity.

MACRO STUDY

Analysing the impact of AA by comparing AA enabled lender cohorts with Non-AA cohorts



Approach and Methodology for this section:

- **This first section analyzes the macro level impact of Account Aggregator. 'AA Lenders'** refers to lender groups predominantly using AA for underwriting in the specific product type (AA penetration share being at least >30% for underwriting)-against those not using AA in their underwriting **(Non-AA lenders)**.
- While the AA lenders are identified based on AA penetration and usage in the product types (BL, PL, HL, and LAP), Non-AA lenders are identified based on matching by product category, similar ticket size in business, and a defined origination volume threshold to enable a like to like portfolio comparison. Results are presented at aggregated levels.

Readers should note that adoption and usage of the AA Framework has picked up significantly over the past two years. The objective of this section is to analyze and compare portfolio growth patterns-value, volume, and ticket size-between AA enabled lenders and Non-AA lenders. While care has been taken to categorize lenders by overall size and average ticket size, we recognize that growth differences cannot be attributed solely to AA adoption.

However, cohort level analysis highlights clear directional growth trends for AA enabled lenders vis à vis Non-AA lenders. These findings are further corroborated by our qualitative discussions with AA cohorts.

All findings are derived from data reported to the CRIF Retail Bureau.



2.1: Scalability Dynamics (AA-enabled lenders vs Non-AA lenders)

From the lens of overall aggregated portfolio outstanding and active loans

The implementation of the Account Aggregator stack has unlocked non-linear growth pathways across key product categories. AA lenders report full visibility into borrower cash flows, enabling higher loan eligibility, authentic real time data access, lower risk, and reduced TAT-key drivers of growth and larger ticket sizes.

- **Housing & Property Loans (HL, LAP):** AA lenders outpaced peers by more than 2x in POS growth (32.9% vs. 14.3%) and active loans (26.6% vs. 10.2%), helping in higher conversion rates and reduced TATs.
- **Personal Loans:** AA lenders posted stronger 2-year CAGR in POS (30.9% vs. 26.8% for Non-AA) and higher active loan growth (8% vs. a decline for Non-AA peers). Here too, we can see AA driving greater loan eligibility.
- **Business loans:**
  - **Mid-sized Business Loans (₹10L–₹25L)**: AA and Non-AA lenders grew their portfolio at a similar pace (~25% CAGR over the two years ending Jun'26). However, number of active loans moderated for AA lenders.
  - **Micro Business Loans (<=₹10L):** AA lenders led in value growth (19.8% vs. 16.5%), though active loan volume growth was lower.

	Portfolio Outstanding (2-year CAGR as of Jun-26)		Active loans (2-year CAGR as of Jun-26)	
	AA-enabled Lenders	Non-AA enabled lenders	AA-enabled Lenders	Non-AA enabled lenders
BL (₹10L-₹25L)[1]	24.5%	24.7%	-8.4%	8.6%
BL (<=₹10L)	19.8%	16.5%	11.9%	17.7%
HL and LAP	32.9%	14.3%	26.6%	10.2%
PL	30.9%	26.8%	7.9%	-2.0%

[1] BL (*Business Loans have been split into <=₹10L, ₹10L-₹25L on the basis of average ticket size).

Cell highlighted in green color indicates the leading cohort.

On YoY growth as well, **AA lenders are driving higher growth in HL and LAP across both POS and active loans.** While AA vs. Non-AA results in BL are uneven, it is noteworthy that AA enabled lenders posted 29.8% growth in active loans in small ticket personal loans, indicating increased use of AA in this product type.

	Portfolio Outstanding YoY Growth as of Jun-26		Active loans YoY Growth as of Jun-26	
	AA-enabled Lenders	Non-AA enabled lenders	AA-enabled Lenders	Non-AA enabled lenders
BL (₹10L-₹25L)[2]	1.1%	12.0%	-8.9%	0.3%
BL (<=₹10L)	25.2%	10.1%	10.4%	14.2%
HL and LAP	27.7%	11.2%	23.5%	7.2%
PL	46.4%	57.1%	29.8%	-5.2%

[2] BL (*Business Loans have been split into <₹10L, ₹10L-₹25L on the basis of average ticket size).

Industry view: In HL and LAP, AA has enabled triangulation of multiple income sources, including co-applicants, leading to improved approvals and disbursements. Parallel logins have also reduced, resulting in fewer queries-with salaried borrowers emerging as the biggest beneficiaries.



2.2 Portfolio quality: AA-enabled lenders vs Non-AA lender cohorts

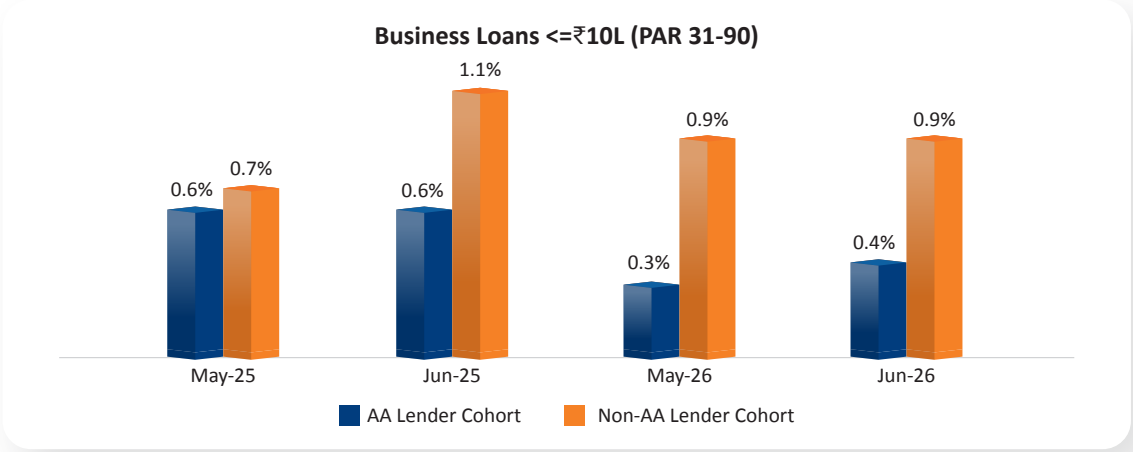
AA has enabled proactive, continuous digital checks that help contain baseline stress. **Collection efficiency is emerging as a strong use case for AA, evidenced by the superior performance of AA lenders in PAR 91–180 compared to Non-AA lenders.**

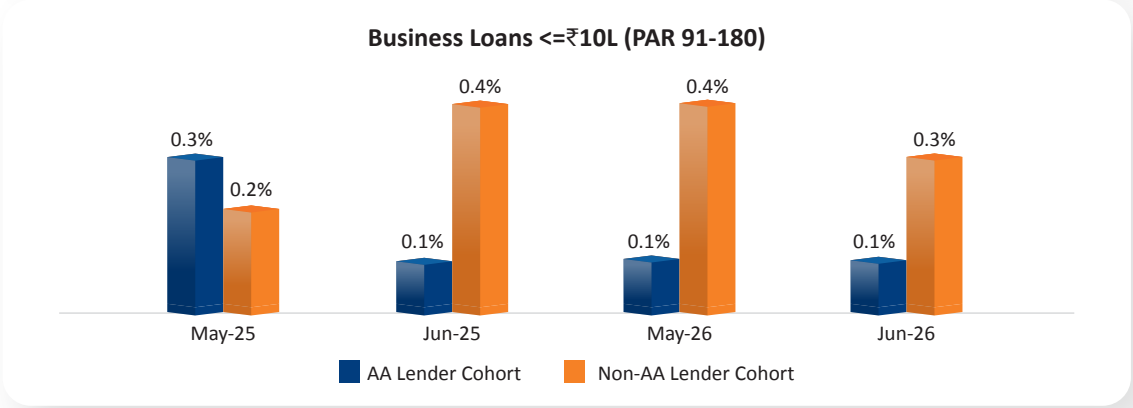
What does our analysis reveal?

In small and mid ticket business loans, AA cohorts have delivered stronger performance, with lower delinquency (in both PAR 31-90 and PAR 91-180).

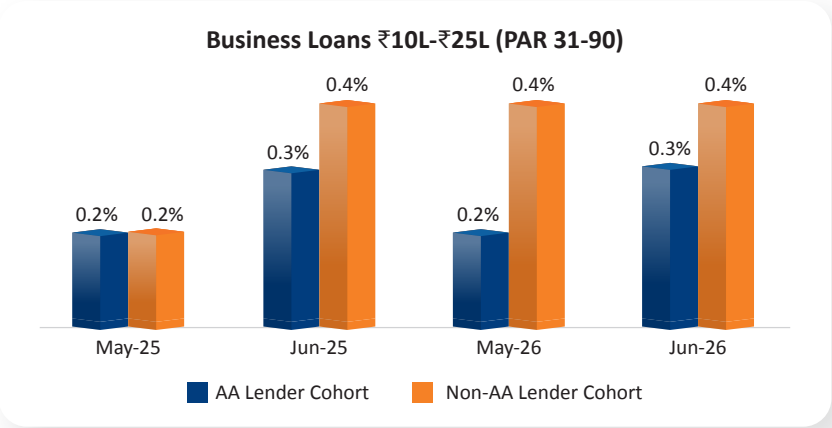
Industry View: With full visibility into cash flows and monitoring across multiple accounts (as is common in Business Loans), AA is particularly effective in reducing risk for BL.

(All performance measures for BL<=₹10L, ₹10L-₹25L and PL are for accounts that are six months on book (6MOB) and 12MOB for HL& LAP to ensure recency.)





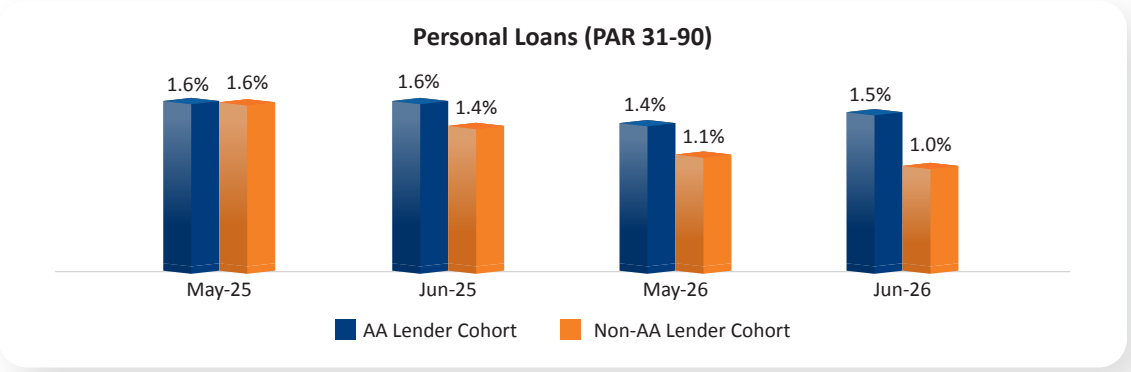
In BL<=₹10L, PAR 91-180 for AA lenders remains slightly higher than Non-AA in May-25, however there was clear improvement between Jun-25 and Jun-26.

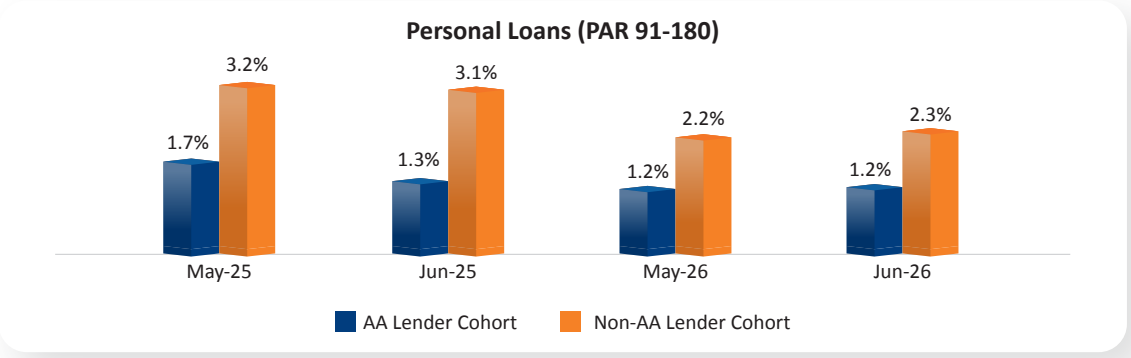


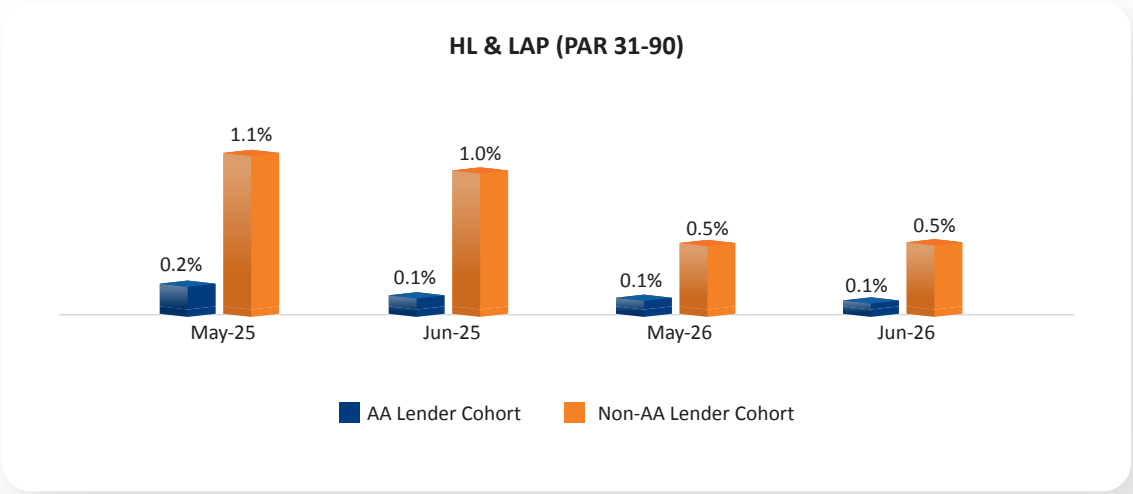
PAR 91–180 for BL ₹10L-₹25L was almost 0% for the AA lender cohort and nearly the same for the Non-AA cohort. Hence, it is not included here.

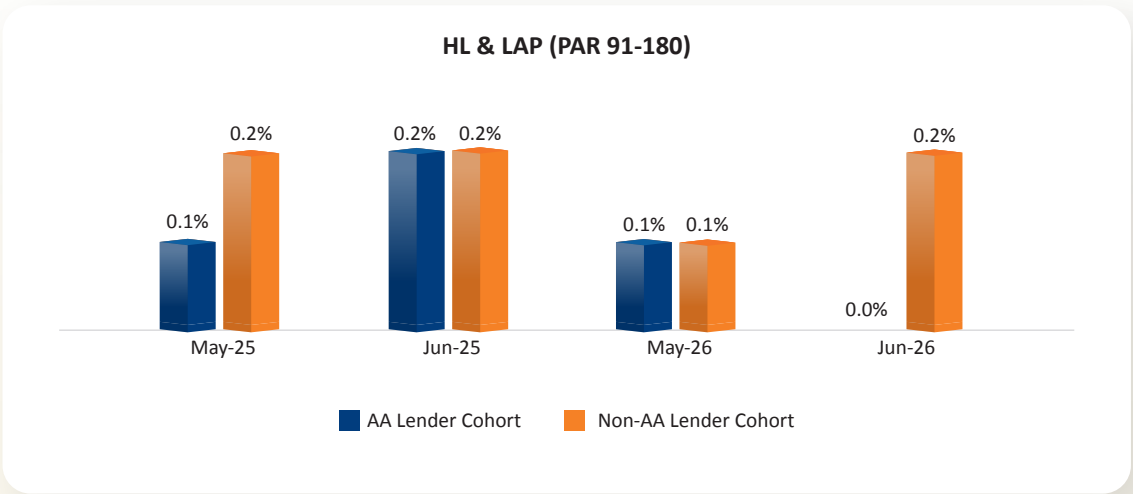
In the case of small ticket personal loans, the AA lender cohort shows slightly higher delinquency across all observed periods (May'26, and Jun'26 and the corresponding YoY).

However, AA lenders demonstrate notable improvement in later bucket delinquency. *This improvement in collection efficiency enabled by AA-leading to better delinquency outcomes-has also been acknowledged by many industry players.*









In the HL & LAP segment, both AA and Non-AA cohorts performed well, with AA showing a slight edge.

2.3 Expanding access for new-to-credit borrowers

New to Credit (NTC) Segment:

AA-enabled lenders have onboarded a higher volume of first time borrowers, particularly within **small- and mid-ticket portfolios such as Business Loans and Personal Loans.**

- **BL and PL**: Real time data from the AA stack provides lenders with the necessary financial insights to extend credit to individuals and sole proprietors (with business loans), even in the absence of a traditional bureau credit history.
- **HL & LAP Portfolios:** For HL and LAP, the share of NTC borrowers is slightly lower for AA lenders at 19%, compared to 23.2% for Non-AA lenders.

NTC share of originations volume – for the 12M ending June-26

12M ending Jun-26	AA Lender Cohort	Non-AA Lender Cohort
BL (₹10L-₹25L)	**28.5%**	8.6%
BL <=₹10L	**16.7%**	16.3%
Personal Loan	**9.0%**	3.8%
HL and LAP	19.0%	23.2%

(The rest in the respective lender cohort pertains to ETC)

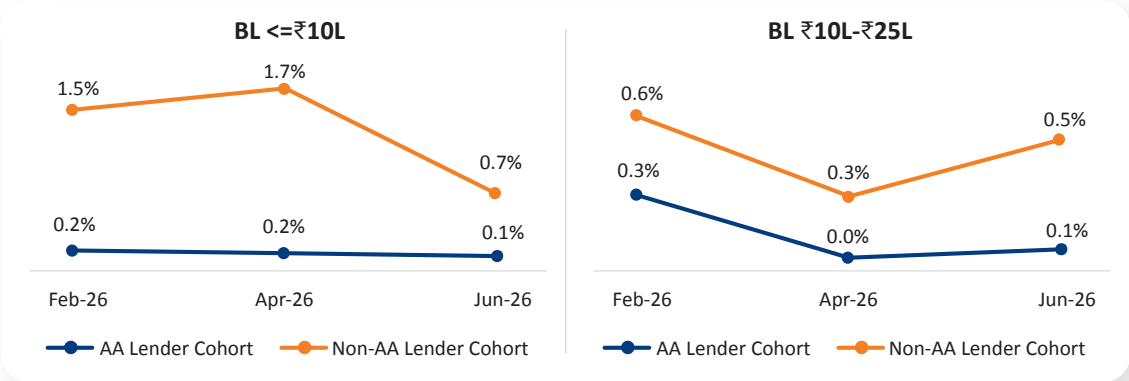
Lenders are willing to onboard first-time borrowers with the AA digital data footprints – more evident in business loans and personal loans

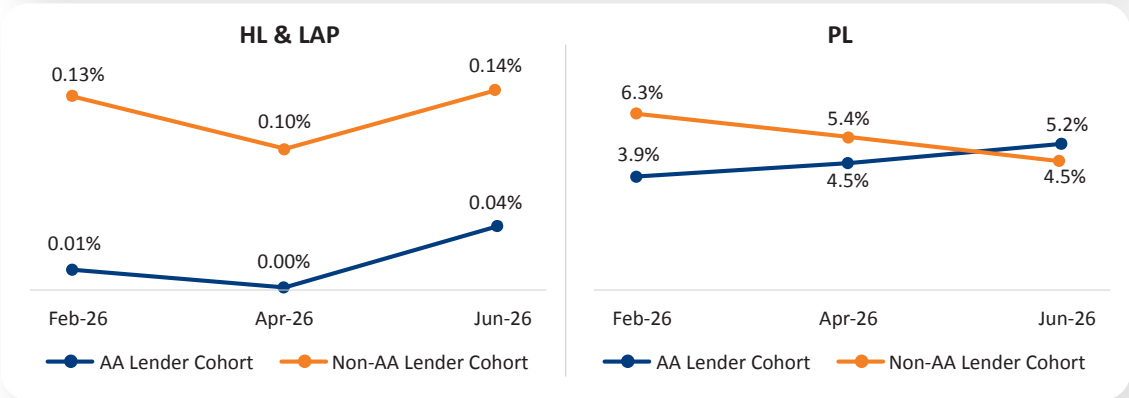


Performance of NTC Borrowers

Methodology: To assess NTC performance, we selected recent book closing periods (Feb'26, Apr'26, Jun'26) and evaluated PAR 31–90 for first time borrowers who originated loans exactly six months prior to each closing period. For example, as of Jun'26, we reviewed the performance of NTC borrowers who originated loans in Jan'26.

PAR 31-90 for NTC borrowers (who became first time borrowers six months before the respective book closing periods-Feb'26, Apr'26, Jun'26).





In product types where NTC share is higher for AA lenders compared to Non-AA:

- **BL:** The vintage delinquency (6 MOB PAR 31-90) is lower for AA cohorts.
- **PL:** Risk distribution is uneven. As of Jun'26, NTC borrowers in AA cohorts show higher PAR 31-90 (5.2% vs. 4.5% for Non-AA), with risk levels trending upward.

In product types where AA lenders have lower NTC penetration compared to Non-AA:

- **HL & LAP:** AA cohorts have a lower NTC share (19% vs. 23% during the 12M ending Jun'26), yet risk differentiation remains slightly better for AA cohorts.

MICRO STUDY

Analysing AA adoption and impact by comparing AA enabled loans with Non-AA loans at an aggregated level



To further test the adoption of AA, we conducted a deep dive at the loan ID level (Aggregated). Filtering loans originated through AA and comparing them with Non-AA loans across different lender cohorts and product types brought out the impact of AA more clearly-both in terms of performance and financial inclusion metrics.

The risk differentiation and the penetration achieved by AA is much more evident and transparent with the further impact study at the AA loan level

Methodology:

- Loans offered through AA by ~10 selected lenders were tagged as 'AA enabled loan' cohorts.
- Loans from the same lenders, within the same product type and originations period, but not routed through AA, were tagged as 'Non AA loans'.
- Results were aggregated at the product level for analysis.
- This analysis is based on loans disbursed between Oct 2023 to Apr 2026.

Note: This analysis is based on a representative sample of AA's impact and may not capture the entire universe of loans disbursed through AA across all product types.



3.1 Originations growth and trends

AA Increasing share in underwriting: Lenders are steadily increasing the use of AA enabled underwriting across loan portfolios.

How to read the table: The table below illustrates the extent of potential AA adoption. For example, a 1.07x multiple indicates that loans enabled through AA grew 1.07x over the previous year, while loans not enabled through AA grew 0.89x-indicating deeper adoption of AA in underwriting.

Sanctioned loans value growth

	June-26 (YoY)	
	AA-enabled loans	Non-AA enabled loans
Personal loans	1.07 x	0.89 x
Business Loans <=₹10L	0.31 x	0.40 x
Business Loans ₹10L-₹25L	0.41 x	0.61 x
Home Loans	8.17 x	1.72 x
Property Loan/LAP	1.87 x	1.11 x
Wheels finance		
Auto Loans	1.06 x	0.70 x
Two-wheeler Loans	3.82 x	0.32 x
Used Car loans	0.52 x	0.62 x

Sanctioned loans volume growth

	June-26 (YoY)	
	AA-enabled loans	Non-AA enabled loans
Personal loans	0.87 x	1.07 x
Business Loans <=₹10L	0.32 x	0.40 x
Business Loans ₹10L-₹25L	0.41 x	0.60 x
Home Loans	6.16 x	1.59 x
Property Loan/LAP	5.80 x	1.27 x
Wheels finance		
Auto Loans	1.19 x	0.72 x
Two-wheeler Loans	3.73 x	0.30 x
Used Car loans	0.57 x	0.70 x

(Dark green shade represents higher adoption in AA in the product type).

High Adoption:

- **Home Loans:** AA penetration is strongest here, with 8.17x growth in value and 6.16x in volume-making HL a key segment for AA usage.
- **Two Wheeler Loans:** The next highest, showing 3.82x growth in value and 3.73x in volume.
- **Auto Loans:** AA loans also show a modest increase of just over 1x in both value and volume, though not as pronounced as in HL.

Growing Adoption:

- **Property Loans:** Reflected in higher sanctioned loan volume growth (5.8x).
- **Personal Loans:** Increased AA usage is visible in sanctioned value growth (1.07x), indicating a significant portion is still constituted by bureau based pre -approved loan base.

Moderate Use of AA:

- **Business Loans:** Both AA and Non AA cohorts show <1x growth in value and volume.
- BL usage remains largely restricted to smaller ticket sizes, as only sole proprietor current account data is available. GST based lending has yet to scale, and AA adoption is relatively lower in higher ticket loans, which are predominantly DSA driven.
- **Used Car Loans:** AA integration remains lower, at 0.52x versus 0.62x for Non AA loans.

Average Ticket Size (₹ and rounded off to the nearest 100)

	June-26	
	AA-enabled loans	Non-AA enabled loans
Personal loans	2,67,500	1,81,100
Business Loans (<₹10L)	6,59,770	6,11,000
Business Loans (₹10L-₹25L)	15,60,560	16,06,000
Home Loans	18,39,600	18,70,400
Property Loan/LAP	32,03,400	30,76,900
Wheels finance		
Auto Loans	8,14,270	6,84,800
Two-wheeler Loans	1,15,400	1,03,890
Used Car loans	7,76,600	6,79,600

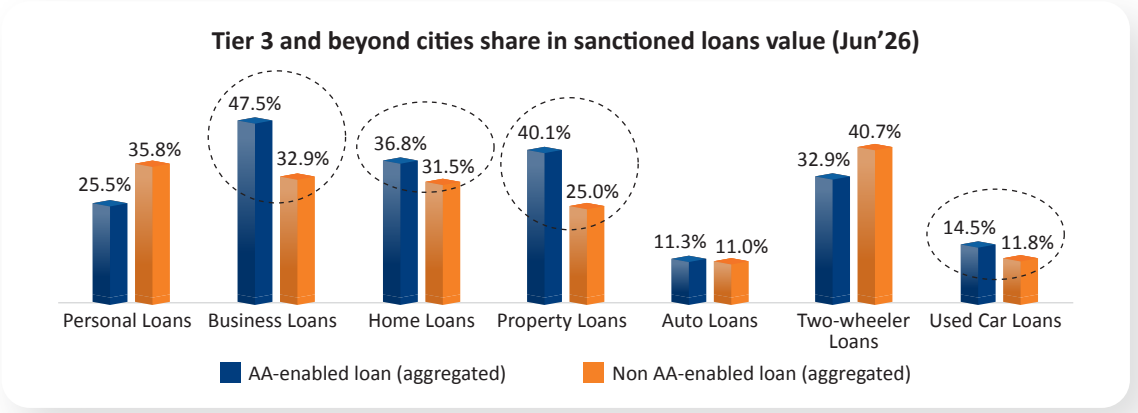
Our analysis shows that AA enabled loans are **unlocking higher average ticket sizes compared to Non AA loans.**

Industry view: While it is true that borrowers gain higher loan eligibility by submitting banking data through AA, in general, customers who share their bank statements via AA tend to be more digitally savvy and demonstrate higher conversion rates.

3.2 Unlocking more adoption in Bharat cities and women borrowers

The integration of Account Aggregators has fundamentally democratised credit distribution. By replacing manual paperwork with a frictionless, tamper-proof digital consent flow, the framework has successfully unlocked new market segments, specifically driving higher originations from Tier-3 cities.

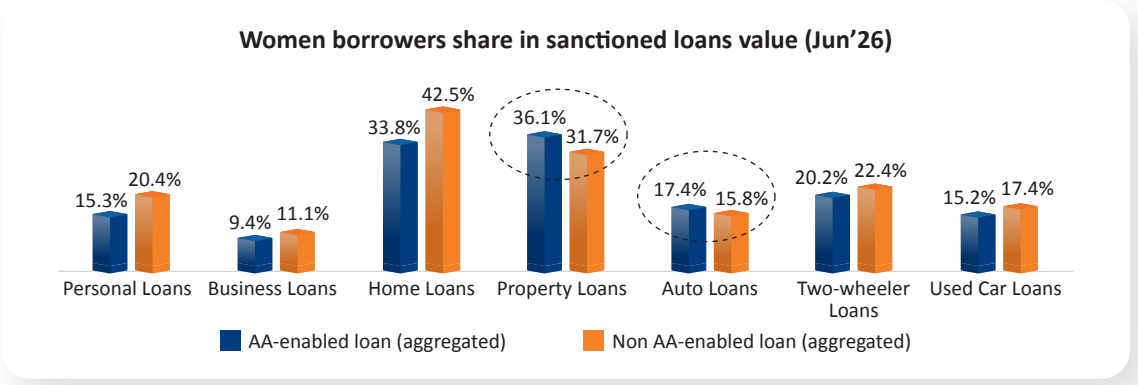
Share from Bharat



*Business Loans up to ₹25L

Tier 3 and beyond: Except in PL and TWL, AA enabled loans have underwritten a higher share of loans from Tier 3 and beyond cities, underscoring AA's role in expanding originations from new pin codes.

Share from women borrowers



*Business Loans up to ₹25L

While the higher share of women borrowers in certain loan product types may not be fully attributable to AA, we do see segments such as LAP and AL where women's share in sanctioned value is slightly higher for AA-enabled loans, while in segments such as BL, TWL, UCL, the share is fast catching up—areas that merit deeper analysis and targeted enhancement.

3.3 Performance benchmarking

AA enabled loans have a higher share of NTC and yet is holding well or better than Non- AA enabled loans.

Jun-26 (PAR 90+)

	AA-enabled loans	Non-AA enabled loans
Personal loans	2.0%	2.2%
Business Loans ₹10L	4.1%	4.4%
Business Loans ₹10L–₹25L	2.3%	2.2%
LAP	<1%	<1%
Wheels finance		
Auto Loans	0.2%	0.7%
Two-wheeler Loans	0.5%	5.3%
Used Car loans	2.4%	1.7%

Strong risk mitigation

- **Two Wheeler Loans:** The AA framework demonstrates its strongest risk mitigation here, compressing PAR 90+ from 5.3% in legacy channels to a tightly controlled 0.5%.
- **Small Ticket Loans:** Business Loans (<₹10L) and Personal Loans show better risk outcomes under AA (4.1% vs. 4.4% for Non AA; 2.0% vs. 2.2% respectively).
  - o Mid ticket Business Loans (₹10L–₹25L) under AA show performance broadly in line with Non AA cohorts.

Areas to catch up

- **Used Car Loans:** Conversely, Used Car Loans (2.4% AA vs. 1.7% Non AA) reflect slightly elevated risk under digital first workflows, pointing to asset specific dynamics.



EVIDENCE FROM LOCAL CREDIT MARKETS

Analysing the impact of AA on local credit markets and economic activity



Evidence from Local Credit Markets[3]

This section extends the aggregate evidence by analysing the impact of AA on local credit markets. While the aggregate analysis documents overall growth in AA-enabled lending, this section investigates how growth varies across pincodes based on differences in pre-existing exposure to banks participating in the AA ecosystem and provides a complementary perspective.

Approach:

The analysis exploits variations in pre-existing pincode-level exposure to AA-participating banks to evaluate how local credit markets respond to the nationwide expansion of the AA ecosystem. The approach follows the shift-share framework, in which predetermined differences in local exposure generate differential responses to a common aggregate shock like the launch of AA system in this case (Goldsmith-Pinkham, Sorkin, and Swift 2020; Borusyak, Hull, and Jaravel 2022). Under the relevant identifying assumption that pre-existing exposure is uncorrelated with other shocks affecting local credit outcomes, this variation plausibly allows us to identify the causal effect of AA expansion on local credit-market outcomes.

- **Local exposure:** Pincodes are differentiated by their pre-existing exposure to banks participating in the AA ecosystem, measured before the main analysis period. The underlying idea is that locations with greater initial exposure may be better positioned to benefit from subsequent ecosystem expansion, including through spillovers and network externalities[4].
- **National AA expansion:** Local exposure is combined with the growth in monthly AA consent volumes to examine how lending outcomes evolve across pincodes as the ecosystem expands nationally.
- **Credit outcomes and heterogeneity:** We examine AA-linked loan originations, sanctioned amounts and ticket sizes across auto, housing, personal and business loans. We also examine outcomes for new-to-credit borrowers, women borrowers, and borrowers in Tier 3 and beyond locations.
- **Repayment and broader economic outcomes:** We examine repayment performance and night-time light intensity as a proxy for local economic activity.

Note: The analysis examines how local credit-market outcomes respond to the national expansion of the AA ecosystem, depending on pincodes' pre-existing exposure to AA-participating banks. The analysis uses monthly data at the pincode level and controls for persistent differences across pincodes and common changes over time.

(YoY here refers to the time period between Mar'25 and Mar'26)

[3] This section presents preliminary results from ongoing research by CAFRAL researchers. All opinions expressed in this section reflect those of the authors and not necessarily those of CAFRAL. The Centre for Advanced Financial Research and Learning (CAFRAL), promoted by the Reserve Bank of India, undertakes cutting-edge research in finance and economics and provides capacity-building programs for senior financial sector professionals and policymakers. Its research addresses key issues in financial institutions, markets, and macro-financial policy, while its learning programs strengthen leadership and governance frameworks across the financial system.

[4] Similar empirical strategies have been used to study the effects of technology adoption, exploiting differences in pre-existing local exposure to early adopters (Dubey and Purnanandam, 2023; Alok et al., 2024). Such exposure can facilitate subsequent adoption through technology externalities, as greater familiarity with the technology and network effects reduces barriers to take-up. In the AA context, pre-existing exposure to AA-participating banks may therefore shape how strongly local credit markets respond as the ecosystem expands nationally.

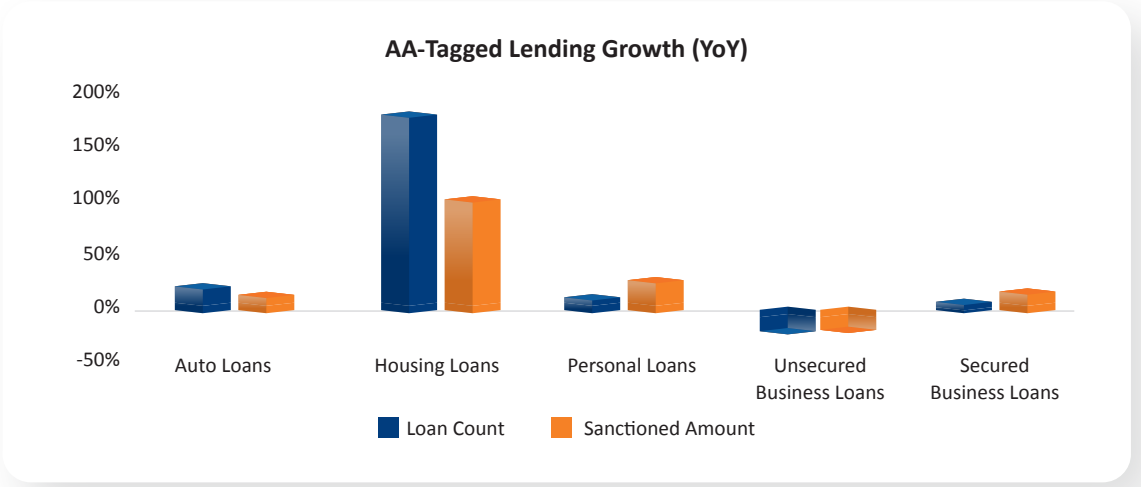
4.1 AA Expansion Is Associated with Stronger Retail Credit Activity

AA expansion is strongest in retail credit:

Greater exposure to the expanding AA ecosystem is associated with stronger growth in AA-linked lending in Housing, Personal and Auto Loans.

How to read the figure: The figure shows the growth in AA-tagged lending associated with predicted AA exposure[5]. For each pincode, the change in predicted AA exposure during the period is used to estimate the associated change in lending. For example, a 10% estimate for Personal Loans means the increase in predicted AA exposure corresponds to an increase in AA-tagged Personal Loan originations equal to 10% YoY[6].

AA exposure is positively associated with lending across retail products, with the strongest growth in housing, personal and auto loans. In business lending, the growth is modestly positive for secured loans but negative for unsecured loans. The negative trends for unsecured business loans may reflect the need for wider range of information available for business underwriting, including GST records and invoices, beyond bank-account data. Further, as aggregate AA adoption in business lending is concentrated in the small-ticket segment, the negative estimates for unsecured business lending may mask differences across loan sizes.

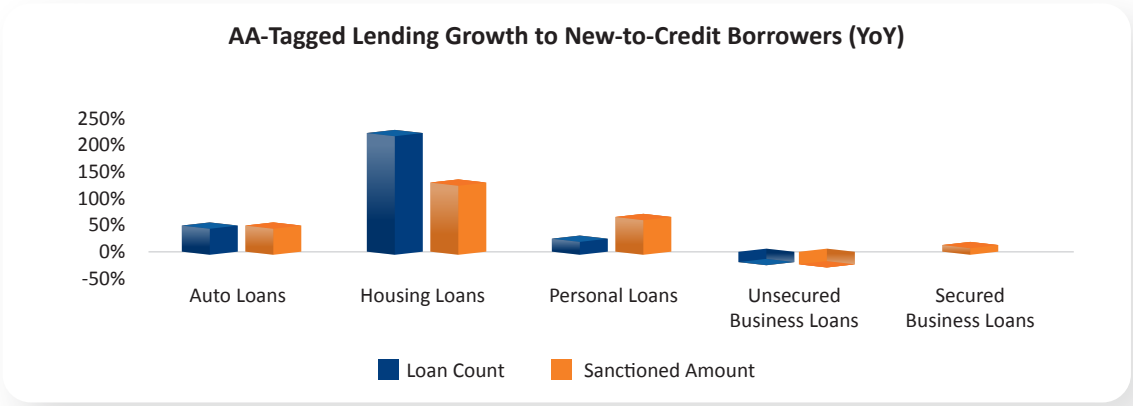


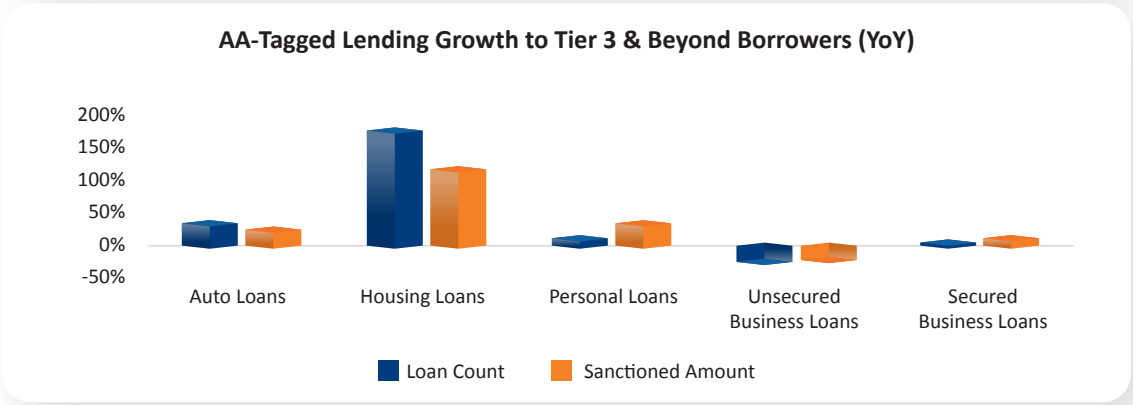
[5] Predicted AA exposure is measured using a standardised index that varies across pincodes and over time, combining pre-existing exposure to AA-participating banks with national AA ecosystem expansion.

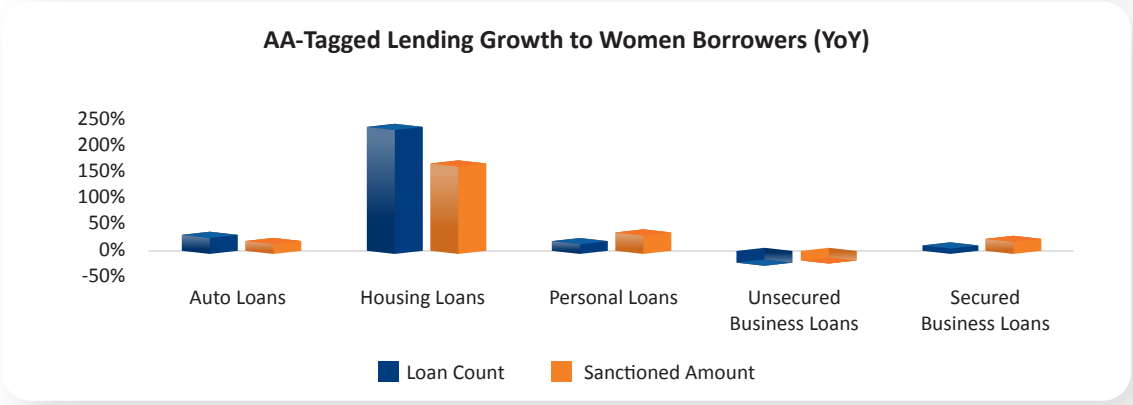
[6] For each pincode, the change in predicted AA exposure between March 2025 and March 2026 is multiplied by the estimated lending response from the regression to obtain the implied change in lending, which is then expressed relative to the pincode's March 2025 lending level.

4.2 AA Expansion Is Associated with Broader Financial Inclusion

Greater exposure to the expanding AA ecosystem corresponds to higher lending to new-to-credit borrowers, borrowers in Tier 3 and beyond locations, and women borrowers, particularly within retail credit products.







4.3 Credit Expansion Without a Broad-Based Increase in Repayment Risk

Credit performance is largely stable with AA exposure increases. The pincode-level analysis does not show deterioration in repayment performance.

Strong and broadly stable performance:

- **Housing Loans:** No significant deterioration in repayment performance within AA-tagged lending, and no differential effect relative to matched non-AA loans as AA exposure increases.
- **Business Loans:** Neither Unsecured nor Secured Business Loans show significant deterioration within AA-tagged lending. Relative to matched non-AA loans, both show improved repayment performance as AA exposure increases.
- **Personal Loans:** AA-tagged Personal Loans show a small deterioration in repayment performance, concentrated among High Risk and Not Scored borrowers. However, there is no differential deterioration relative to matched non-AA loans, suggesting that the result does not reflect a broad worsening of AA-enabled lending relative to comparable non-AA lending.

Area to monitor:

Auto Loans: While there is no significant deterioration within AA-tagged lending, AA-tagged Auto Loans show a modest relative deterioration compared to matched non-AA loans as AA exposure increases. This suggests repayment outcomes for this segment may need further monitoring.

Overall, even as lending has expanded with AA, it has not been accompanied by a broad-based increase in repayment risk. Across products, within-AA results are largely stable, while matched comparisons show no differential deterioration for Housing and Personal Loans and improved relative performance for Business Loans.

Product	Within AA-Tagged Lending	Relative to Matched Non-AA Loans
Auto Loans	No significant deterioration	Modest deterioration
Housing Loans	No significant deterioration	No differential effect
Personal Loans	Modest deterioration	No differential effect
Unsecured Business Loans	No significant deterioration	Improvement
Secured Business Loans	No significant deterioration	Improvement

Repayment performance is measured by 12-month 90+ DPD. "Within AA-Tagged Lending" reports whether delinquency changes as predicted AA exposure increases among AA-tagged loans. "Relative to Matched Non-AA Loans" reports whether AA-tagged loan performance changes differentially relative to non-AA loans in the same matched local credit market.

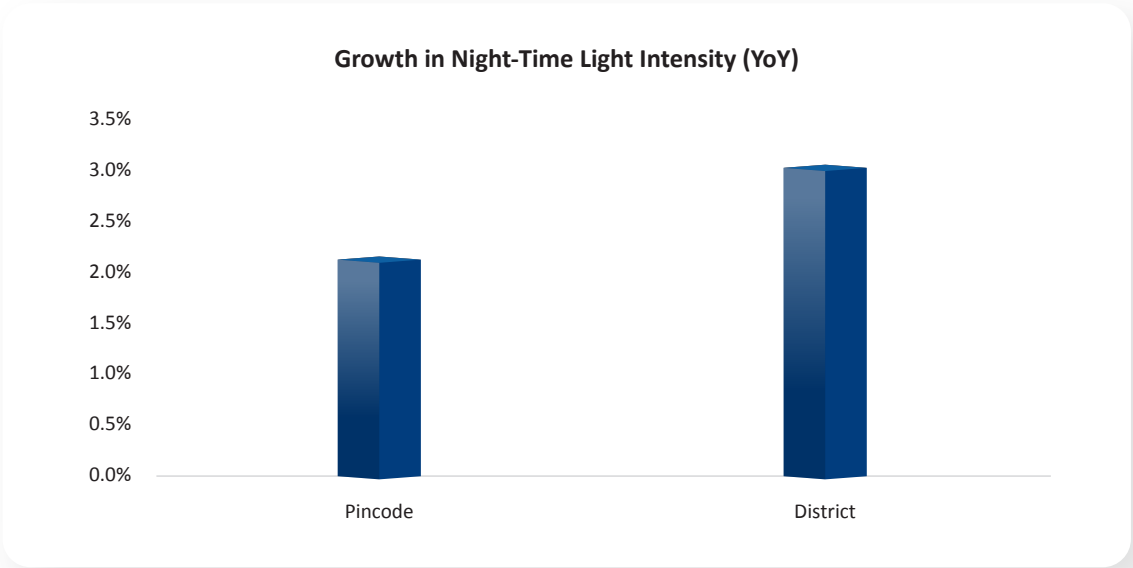
4.4 Greater AA Exposure Is Associated with Stronger Local Economic Activity

AA expansion is associated with stronger local economic activity: We use monthly satellite-based night-time light intensity, a widely used proxy for local economic activity (Henderson, Storeygard, and Weil 2012; Donaldson and Storeygard 2016), to determine whether regions with greater predicted exposure to AA experienced stronger growth in economic activity as the AA ecosystem expanded[7]. The effects may also reflect broader local economic responses to AA expansion, beyond changes in lending alone[8].

- **Pincode level:** An increase in predicted AA exposure between March 2025 and March 2026 is associated with approximately **2.11% growth in night-time light intensity.**
- **District level:** The corresponding district-level estimate is approximately **3.03% growth in night-time light intensity.**

The stronger association at the district level is consistent with effects extending beyond the pincode where lending occurs, potentially through spending, employment and business linkages across nearby areas.

Overall, these results provide complementary evidence that the expansion of the AA ecosystem is associated not only with greater credit activity, but also with stronger economic activity.



[7] Night-time light intensity is a proxy for local economic activity rather than a direct measure of GDP. The estimates capture associations with predicted AA exposure and should not be interpreted as direct estimates of GDP growth.

[8] Relating local exposure to a common shock to broader economic outcomes, such as night-time lights or consumption, is a widely used empirical approach. Mian, Sarto, and Sufi (2026) develop a supplementary framework to distinguish the direct local effects of credit-supply shocks from broader regional effects arising through spillovers and feedback effects. Motivated by this approach, we examine night-time lights at both the pincode and district levels to assess whether the effects extend beyond individual localities.

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Conclusion

Granular analysis at the lender, loan-ID, and pincode levels indicates that the nationwide expansion of the Account Aggregator ecosystem is reshaping credit delivery by replacing paper-based processes with digital data rails. The framework has supported growth across retail loan segments such as housing, auto, and personal loans, while advancing financial inclusion by bringing New-to-Credit borrowers and Tier-3+ populations into the formal system, and aiding risk calibration. While these outcomes continue to evolve and warrant long-term monitoring, the immediate utility of the ecosystem is evident: it enables institutions to underwrite with greater confidence, price risk more accurately, and monitor loans more effectively across their lifecycle, reinforcing its role in credit infrastructure.



Real-world use cases on Account Aggregator

CASE STUDY

Tata Capital: Removing the Bank Statement Barrier in Home Loans

Challenge: Tata Capital Housing Finance's affordable housing and financial inclusion business offers low- and medium-ticket home loans in Tier 2 and Tier 3 cities, often to customers without organised documents. Many have no net banking or forget their passwords, and the nearest branch can be far away. Statements they do submit can be dated, incomplete or hard to validate.

Solution: AA consent is the default option in the home loan journey; net banking or statement upload is offered only when a customer's bank is not on AA. The customer selects their banks and consents in three clicks, needing only the mobile number linked to their account. It runs in self-serve and RM-assisted journeys through four AAs: Anumati, OneMoney, Finvu and NESL.

Smarter underwriting: An ML-enabled business rules engine turns AA data into income, cash flow, FOIR, eligibility and risk assessments. Account details from AA are cross-checked against KYC, bureau and DigiLocker records, and mismatches are flagged to the credit team. A document intelligence layer, about to go live, runs policy checklists across statements so reviewers no longer check PDFs by hand.

Opening up access: AA removes the documentation barrier that kept many customers out of a formal home loan journey: no branch visit, no net banking and no paper statement are needed. A customer in a Tier 3 town with no nearby branch can now share verified data from a phone and learn their loan eligibility within a minute. Adoption is strongest in Tata Capital's emerging, micro and financial inclusion markets, and holds up even in home loans, which often involve co-applicants.

Key numbers

- **~92%** of the monthly home loan customer base is AA-eligible
- **74%** of eligible customers use AA at disbursal; target is 80–85%
- **Under 1 minute** to eligibility after a ~3-minute, three-click consent

What's next: Wider reach as more banks, including cooperative banks, join AA, and use of mutual fund and equity data to give customers a single view of their assets.

CASE STUDY

Narendra Finance: Digital Credit for India's Industrial Workforce

Challenge: Blue-collar and industrial workers often have regular jobs and steady cash flows, but little formal credit history. Every month, 60–65% of Narendra Finance's users are new to credit, so bureau data alone says little about them. Traditional loans also involve physical visits and paperwork that are hard to fit around demanding shifts.

Solution: They have built an end-to-end digital lending platform for this workforce, covering application, eKYC, credit assessment, Account Aggregator (AA) consent, automated underwriting, lender selection, digital agreement, disbursal, repayment and collections. It uses a group-based lending approach, operates across 30+ industrial clusters, and connects borrowers to multiple partner banks and NBFCs.

Smarter underwriting: With the customer's consent, AA data is combined with KYC, employment and work information, bureau data and other inputs in an automated risk assessment. This gives lenders a fuller view of customers whose bureau history is thin or missing.

Opening up access: About 95% of their monthly lending runs through AA, in a customer base where most users are new to credit. 82% of borrowers say Narendra Finance gave them their first-ever access to formal credit, 47% borrow for income generation, 81% report a better quality of life and 77% say they manage their finances better. Narendra Finance reports an NPS of 52, and three in four customers rate it better than the alternatives.

Key numbers

- **200,000+** borrowers served; ₹750 crore+ disbursed
- **10,000-15,000** workers served every month
- **~95%** of monthly lending through AA
- **60-65%** of monthly users new to credit

Business model: Narendra Finance reports a ₹60 crore+ revenue run rate, positive EBITDA and an opex of about 2% of AUM.

CASE STUDY

InPrime Finserv: Lending on the Cashflows of Informal Businesses

Challenge: InPrime lends ₹50,000–₹3 lakh to kirana owners, small manufacturers, tradespeople and livestock farmers across urban and semi-urban India. They earn reliably but have no payslip, no ITR and often no GST record, and most have never used net banking. Six months of their bank account is about 1,700 unlabelled transactions, so lenders tend to reject them or price in the uncertainty. After disbursal, irregular income meant 98.5% of EMI bounces came from a low balance on the day of debit; at peak, 19% of EMIs bounced.

Solution: A field officer helps each customer give Account Aggregator (AA) consent at onboarding. InPrime's analysis layer then runs on every file before sanction, returning a verified income, risk read, FOIR, sanctionable amount and the best EMI debit date based on when the balance peaks. Every figure traces back to its transactions, and the officer can override any classification. The 24% of statements that still arrive as PDFs or paper are read by the same layer.

Smarter underwriting: Each credit is classified as business or non-business income, and QR and UPI settlement patterns confirm real shop activity. Verified digital income is then scaled up to total household income using calibrations for occupation and location, tuned on InPrime's own repayment history. The layer also checks seasonality, bounces, balance behaviour and borrowing the customer did not disclose.

Opening up access: Customers with no formal financial record now get loans sized to what their business actually earns, instead of a rejection or a cautious cut. Because income is verified and hidden liabilities surface before sanction, InPrime prices for risk rather than uncertainty, keeping NPAs below 1% with competitive customer rates. InPrime says this business model would not be viable at these rates without AA.

Key numbers

- ₹**308 crore** disbursed through AA since June 2023
- **76%** of bank statements now arrive through AA
- **19% → 12%** EMI bounce rate, while the book grew from ₹100 crore to ₹312 crore in a year
- **86%** of customers flagged as short now clear their EMI
- **0.70%** gross NPA

Beyond origination: With recurring consent for the loan tenure, InPrime checks only the repayment account balance, twice a day before each EMI debit, against the EMI plus a buffer. Customers who are short get WhatsApp and voice-call nudges, with their officer alerted. About 18,000 customers are monitored each cycle, and every bounce prevented saves the household about ₹500 plus GST and protects its credit record. Voice and WhatsApp consent journeys are being piloted for customers not yet covered.

CASE STUDY

<NBFC >: Lending on Cashflows to Tier 3 and 4 profiles

Challenge: <NBFC> secured direct business offers affordable home loans and loans against property in Tier 2 and Tier 3 markets, with an average ticket size of about ₹10 lakh. Most customers earn from unstructured sources (such as dairy income), and have income spread across household members and several bank accounts, and many keep physical passbooks. This made bank-based cashflow underwriting unviable and expensive, and limited how much customers could borrow even when they could repay.

Solution: A Relationship Officer (RO) from the same area, sourcing within about 50 km of their base, guides each customer through an assisted journey. Using the customer's mobile number, Account Aggregator (AA) discovers all linked bank accounts, and the customer chooses which to share in a single consent. Co-applicants get their own links, and each request is routed to the AA best suited to the customer's bank to reduce failures.

Smarter underwriting: Inflows, outflows, balances and obligations across all shared accounts are overlaid with declared income, LTV, customer profile and the RO's field insights. Many dairy customers now run 30–40% of their transactions through UPI; AA captures this digital share, and the cash share is estimated from customer journals and typical profile patterns. Livestock and property are still verified on the ground.

Opening up access: <NBFC> says this kind of underwriting was not possible before AA. A single view now covers the whole household, including a salaried relative who may not live with the borrower. Customers who had shared one statement but receive business payments through QR codes and soundboxes on other accounts can now share them all at once and qualify for a higher limit. Lending through trusted local ROs makes customers comfortable giving consent.

Key numbers

- **~50%** AA penetration across all logged-in applications
- **~60%** AA penetration among disbursed loans
- **~₹10** lakh average ticket size
- **30-40%** of customers' transactions now made through UPI

Beyond origination: For cases where explicit monitoring consent is taken from customers, a data flags drops in average bank balance as an early warning of stress. For delinquent borrowers, tracking balances shows when to re-present an EMI instead of triggering repeat bounces. Customers who cannot give AA consent at login are asked for monitoring consent at disbursement.

CASE STUDY



True Balance: Doubling Approvals While Halving Defaults

Challenge: Every month, about 3 lakh new-to-credit Indians with no usable credit score apply to True Balance, whose NBFC, True Credits, makes small-ticket loans to thin-file borrowers in Tier 2 and Tier 3 India. Lending to them on bureau data alone is not possible, while fast digital lending without full underwriting risks over-indebtedness.

Solution: True Balance's Alternate Credit Scoring engine combines consented Account Aggregator (AA) data with its own alternate data and bureau data. Machine learning turns these into a financial health score and probability of default in seconds, which decides whether to lend and how much. The average time from application to disbursal is 21 minutes.

Smarter underwriting: AA data shows what a bureau cannot: current income, cash flow, spending, fixed obligations and UPI activity. The resulting scorecard separates borrowers sharply, with defaults under 1% in the safest tenth and about 13% in the riskiest, a 15-fold gap. AA data alone produces an 8-fold gap.

Opening up access: Since adopting AA, True Balance has doubled its approval rate while halving its default rate, breaking the usual trade-off between the two. Most of its lending goes to borrowers beyond Tier 1 cities. It now offers this scoring to five partner lenders.

Key numbers

- **Increased** approval rate to more than 2x after adopting AA
- **Halved** 90+ days past due at the same time
- **100%** of applications get an automated score
- **1 in 10** of decisions straight-through, with no manual underwriting
- **75%** of borrowers complete AA consent; 63% give ongoing consent

What's next: Using ongoing AA consent to spot early signs of stress, such as missed payments on other loans or changing spending patterns, ahead of EMI due dates, and extending AA data to fraud checks, marketing and cross-selling.

Analytical Contact

CRIF Credit Information Services

Reach us at research@crifhighmark.com for any queries

About CRIF

CRIF Credit Information Services Private Limited (formerly known as CRIF High Mark Credit Information Services Pvt. Ltd.) is one of the leading Credit Information Company (CIC) licensed by the Reserve Bank of India under the Credit Information Companies (Regulation) Act, 2005. Established in March 2011, the company plays a critical role in strengthening India's credit ecosystem by promoting responsible lending, financial inclusion, and informed decision-making.

CRIF CIC delivers comprehensive credit information and analytics solutions to banks, financial institutions, NBFCs, housing finance and microfinance institutions, insurance companies, as well as MSMEs, corporates, and individual consumers. Its offerings are designed to enhance access to credit for underserved and previously excluded segments, while ensuring compliance with regulatory frameworks and data governance standards.

Powered by advanced technology, robust information management practices, and a culture of continuous innovation, CRIF CIC supports lenders across the credit lifecycle from credit appraisal and risk assessment to portfolio monitoring. Its credit information database is enriched by contributions from over 5,000 member institutions, enabling data-driven insights that support a more resilient, transparent, and inclusive financial system in India.

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About Sahamati

Sahamati is the industry alliance for India’s Account Aggregator (AA) ecosystem and a Self-Regulatory Organisation (SRO) recognised by the Reserve Bank of India (RBI). Since its establishment in 2019, Sahamati has worked with ecosystem participants to support the adoption and development of the framework through common technical infrastructure, operational practices, industry coordination and mechanisms for participatory governance. As participation has grown across financial sectors, this work has provided a basis for institutions to address shared implementation challenges and develop common approaches to the framework’s evolving requirements. Alongside these efforts, Sahamati works with participants to document emerging use cases, examine implementation challenges and assess the outcomes of AA adoption. Research, industry deliberations and impact assessment help bring together perspectives from across the ecosystem, building an understanding of how the framework is being applied in practice, what it enables, and where further development is needed.

CRIF CREDIT INFORMATION SERVICES - PRODUCT SUITE



Commercial Report

- Commercial CIR includes CRIF India Business Rank (CIBR), which is a 13-Rank Assessment model to gauge a Business entity's Credit repayment ability based on its credit profile, credit history and other factors.



Consumer Report

- Detailed Information of a borrower's credit history & financial behavior. These details are utilized by the lenders & financial institutions to evaluate credit worthiness of the borrower.



Microfinance Report

- Detailed microfinance credit report providing borrower-level loan history, group lending insights, and recent repayment information to support micro lending decisions.



Commercial Lite

- Synopsis of credit facilities with respect to Member and Off-member exposures, exposures on CC/OD facilities, Total Banking Exposure.



Grameen Score

- Specialized score designed for rural borrowers to support inclusive lending decisions using historical bureau-led insights.



Portfolio review

- The data output represents Offline bulk credit information of their customer base with Lending Institutions.



Market Insights

- Market Insights products, offer insights on broader market trends and consumer behavior, using aggregated credit data.



Alerts

- Event based triggers for near real time and effective monitoring of borrowers, post disbursement.



Lending Index

- Advanced loan-level risk assessment solution delivering sharper underwriting insights and stronger predictive differentiation.



Comprehensive CCIR

- Consolidated view of consumer, microfinance, and commercial credit linkages to support holistic credit assessment and portfolio monitoring.

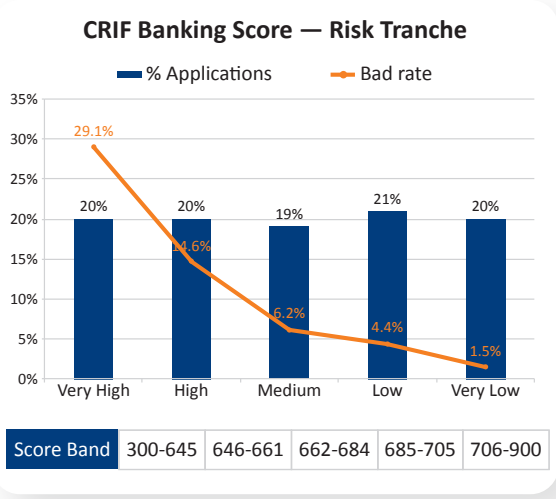
CRIF BANKING SCORE -
A CONSOLIDATED VIEW OF RISK PROFILE

How does it work? CRIF Banking Score is built entirely on bank-account transaction data and on the categorisation of banking descriptions, performed through machine learning and Advanced Analytics techniques.

Credit-risk score based exclusively on account information categorised by the CRIF Categorisation Engine.

Built at customer level using 2,200+ descriptive variables analysed with an XGB model.

Measures and risk-ranks the probability of a customer going 90+ DPD in the next 12 months.



*Score requires at least one transaction in the last 30 days and one beyond 60 days.

HOW THE CRIF BANKING SCORE IS USED · UNDERWRITING CASE STUDY

Banking Score at the top of the funnel

17% → 22%
approval rate improvement (+29% population)

2.7% → 1.8%
approved-book bad rate improvement (1.5× lower)

₹81 Cr
additional lending opportunity

Challenger rule: To Overlay CRIF Banking Score

Reject - Below CRIF Banking Score Threshold i.e. <= 662

Approve - Above CRIF Banking Score Threshold i.e. > 662

Population / bad rate	Rejected using CRIF Banking Score/bad rate	Approved Using CRIF Banking/bad rate	Total
Client reject	74% / 12.6%	9% / 2.4%	83% / 11.5%
Client approve	4% / 6.9%	13% / 1.4%	17% / 2.7%
Total	78% / 12.3%	22% / 1.8%	100% / 10.0%

Swap in 9% at 2.4% bad rate (1,890 subjects) • **swap out** 4% at 6.9% bad rate

CRIF
Together to the next level

PRESENTS

CREDIT GOES TO HER
Women in Credit, Credit for Women

Credit Goes to HER is an invite-only community, anchored by CRIF India for women shaping the future of India's evolving credit ecosystem. It is women in credit and credit for women. Designed to foster meaningful conversations, the community brings together women from across the country interested in elevating their career game and being part of invigorating conversation with executive leaders in credit.

Scan to join the LinkedIn community



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