



AA Ecosystem: Overview and use cases

1

AA

**The Who, What,
Why and When of
the new
framework for
information
sharing**

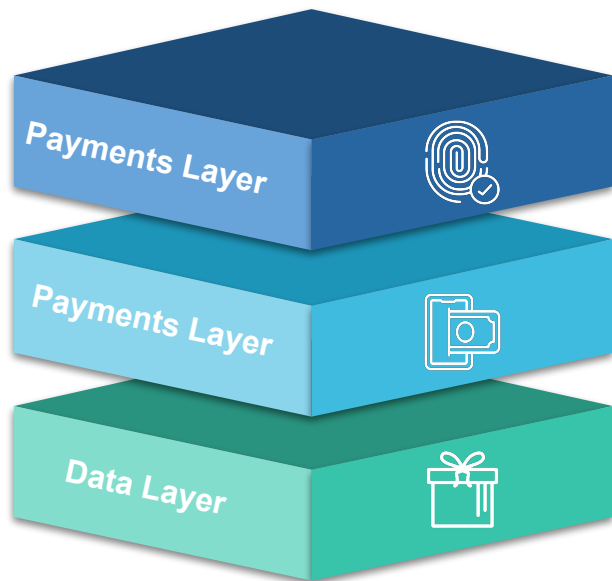
2

Reimagining
fintech across lending,
personal finance, &
advisory based on AA

3

Sahamati
An industry alliance for
the account aggregator
ecosystem

India Stack has three foundational layers



Identity Layer

Giving every resident a unique ID and enabling them to prove “I am who I claim to be”

- Aadhaar
- eKYC
- eSign

Payments Layer

Allowing anyone to pay anyone else! interoperable, fast and cheap - not just smartphones.

- Unified Payments Interface
- Aadhaar Payments Bridge
- Aadhaar Enabled Payment Service

Data Empowerment

To enable secure sharing of data

- Consent Artefact
- DigiLocker
- Account Aggregator

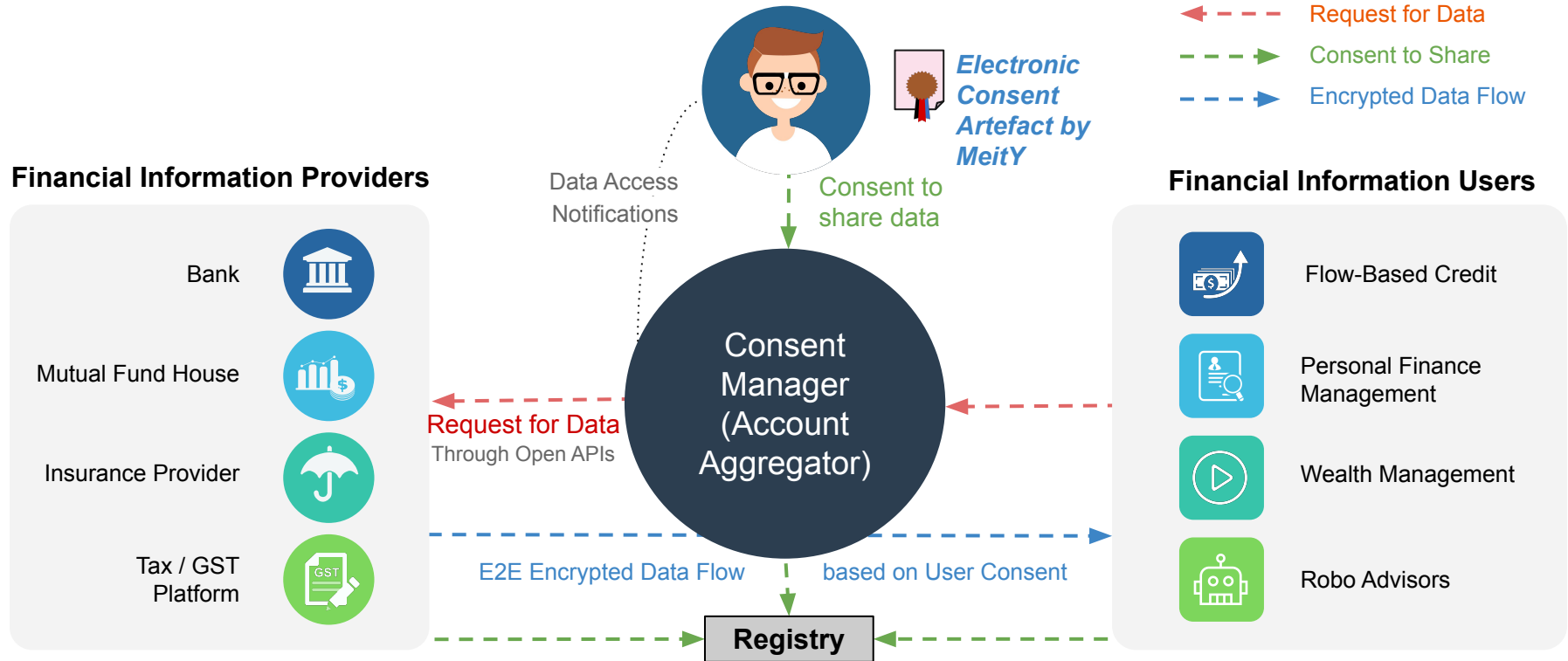
When built as open digital infrastructure, these layers enable private fintechs to thrive

Account Aggregator (AA) is the

It was created through an inter-regulatory decision by

- Reserve Bank of India (RBI)
 - Securities and Exchange Board of India (SEBI)
 - Insurance Regulatory and Development Authority (IRDAI)
 - Pension Fund Regulatory and Development Authority (PFRDA)
-
- ✓ It comes under a new class of Non Banking Financial Company (NBFC-AA) approved by Reserve Bank of India (RBI), to manage consent for financial data sharing. RBI licenses the AA
 - ✓ Technical Standard of AA are defined by Reserve Bank of India Information Technology (ReBIT). Entities in the AA ecosystem have to be registered/regulated by atleast one of the aforesaid regulators

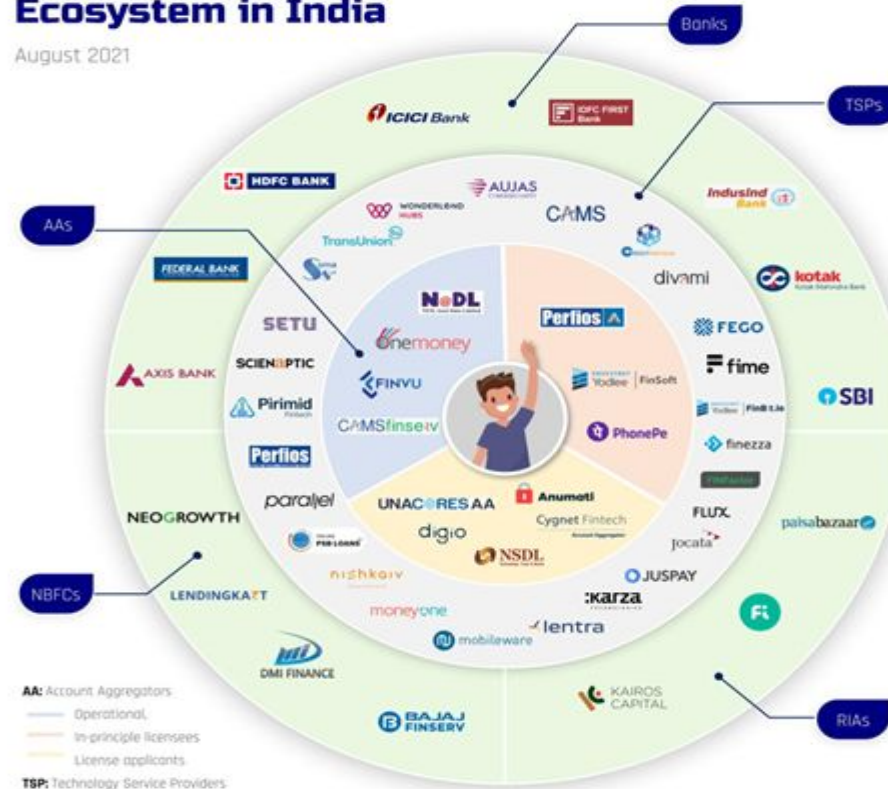
The Account Aggregator will facilitate consented sharing of financial information in real-time



The first wave.....early adopters!

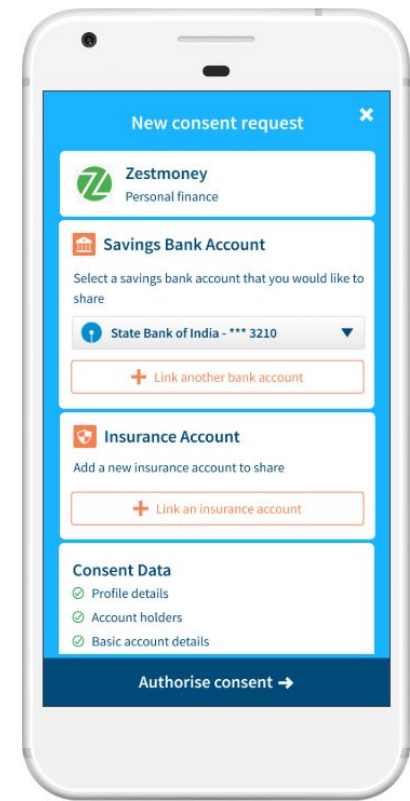
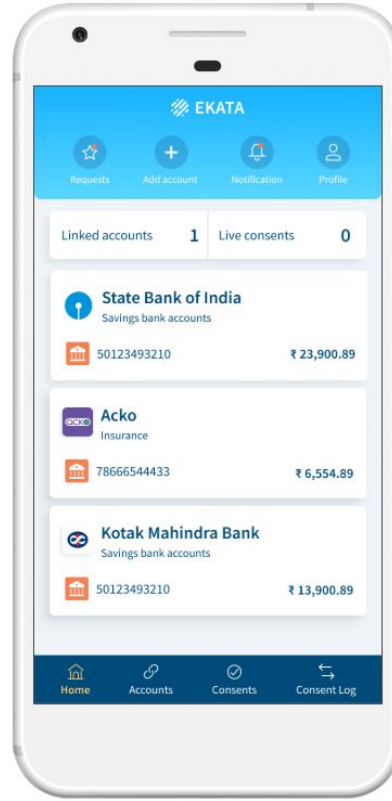
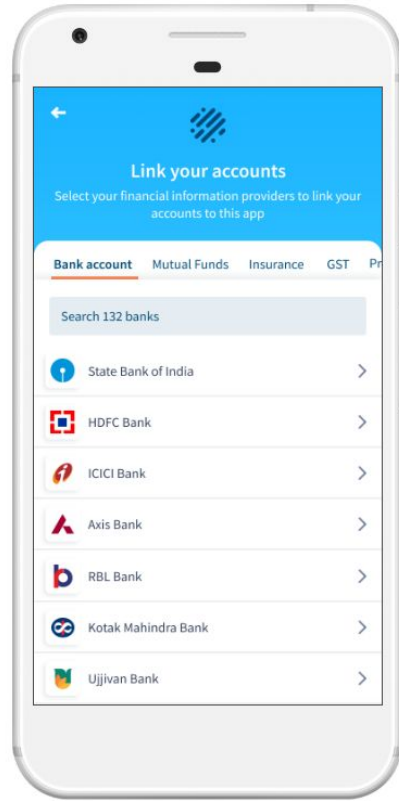
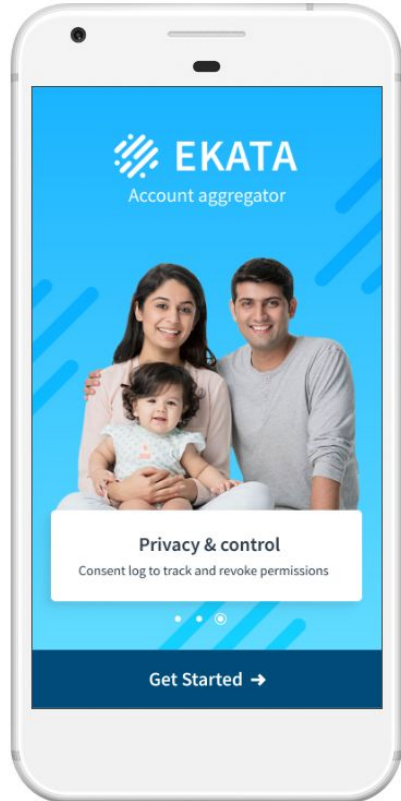
Account Aggregator Ecosystem in India

August 2021



The data-sharing experience of tomorrow

Easy UX, accessible to most people, and with auditable consent



1. AA App Demo - <https://marvelapp.com/1gi3bg9g>
2. FIU App Demo - <https://marvelapp.com/55g8qd6>
3. [AA use cases video](#)



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The categories of use cases that are being rolled out, commensurate with data availability in AA

CASA, TD, RD

+ GSTN, Credit
Cards

+ Insurance,
Pension Funds,
Securities

Automation in CASA data collection in omni-channel, omni-product loan origination		
Continuous account monitoring for early warning signals in loan maintenance	Cash-flow Lending	Tailored financial products
Data-driven PFM features for customer engagement	Budgeting advice, spend alerts	Investment advice

Loan Origination: enhancing risk management

Current bank statement collection processes are fraught with inefficiencies: AA solves for these

Printouts

PDFs or
passbook
images

Net
Banking

AA

Problems:

Data Trust
Data Recency
Data Insufficiency
Data Privacy
Drop-offs

The current process is framed as a choice between Automation and Risk, leading to manual processes, high TATs or lesser TATs but high risk

Solutions:

- Digitally-signed, machine-readable data
- API-driven, data-pull based on FIU's consent request
- Aggregated multi-month, multi-account data
- Encrypted end-to-end
- Standards-driven connectivity infrastructure

Standards-driven automation leads to the artificial TAT vs risk divide to be bridged significantly, leading to better risk, better TATs, better UX and higher coverage

Footprint of account monitoring process restricted: AA enables better Early Warning Systems

Operationally-intensive

Investment into monitoring subject to risk-appetite based on:

- Purpose
- Ticket-size
- Tenure
- Collateral

Limited ability to easily ramp-up monitoring frequency contextually (e.g. COVID-related)

Digitally-enabled-via-AA

Continuous monitoring possible through

- AA-enabled recurring consent
- Standard API infrastructure
- Single pipe to multiple FIPs

Enables ability to embed an EWS score into the lenders' dashboard

The impact of AA infrastructure on trade-off decisions driving business processes

Portfolio Growth

Expansion to NTB, NTC segments

Availability of trusted, high-quality data will enable “shifting of the needle” towards New-to-bank and New-to-credit borrowers
(for e.g. for unsecured personal loans)

Better TAT, customer experience

Shifting of costs from data collection to data processing will enable lower TATs and competitive service differentiation
(for e.g. auto loans, MSME loans)

Cost optimization

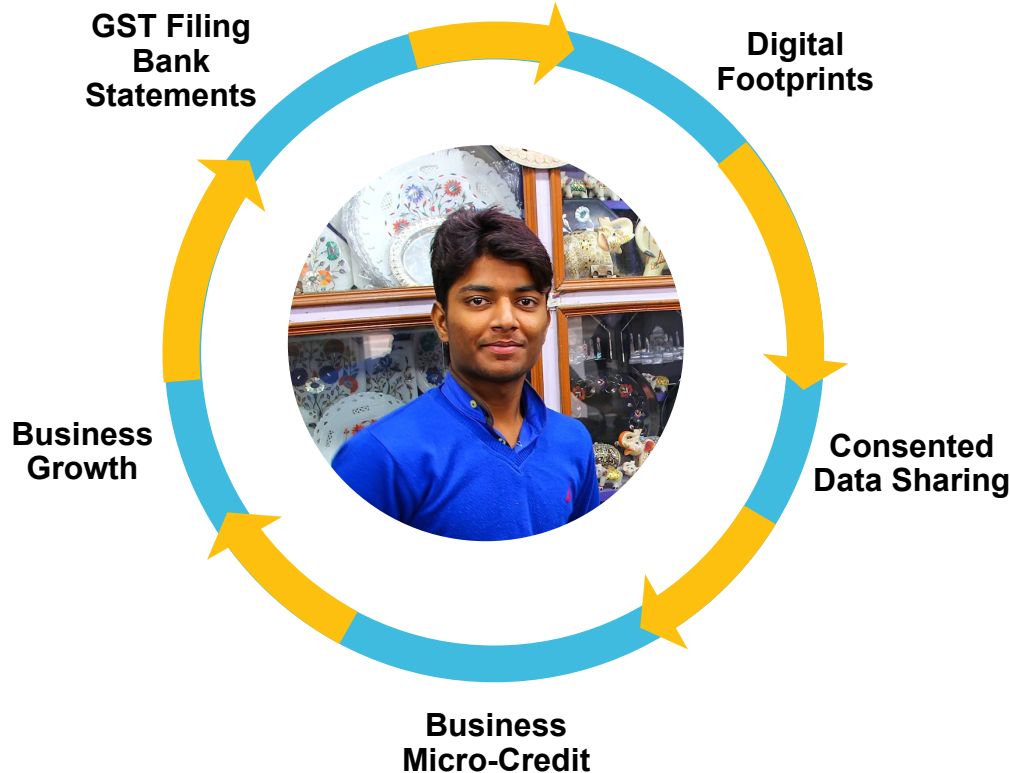
Manual-to-digital conversion

Availability of machine-readable data reduces costs of conversion and storage of paper/PDF/images
(for e.g. home loans, SME loans)

Costs of rework

Availability of data directly from source through APIs reduces errors, customer support, repeat processes
(for e.g. home loans, SME loans)

Imagine loan approval for MSMEs in minutes based on data shared with consent!



Reducing frictions & cost of gathering data for underwriting can bring Loan Decision down to minutes!

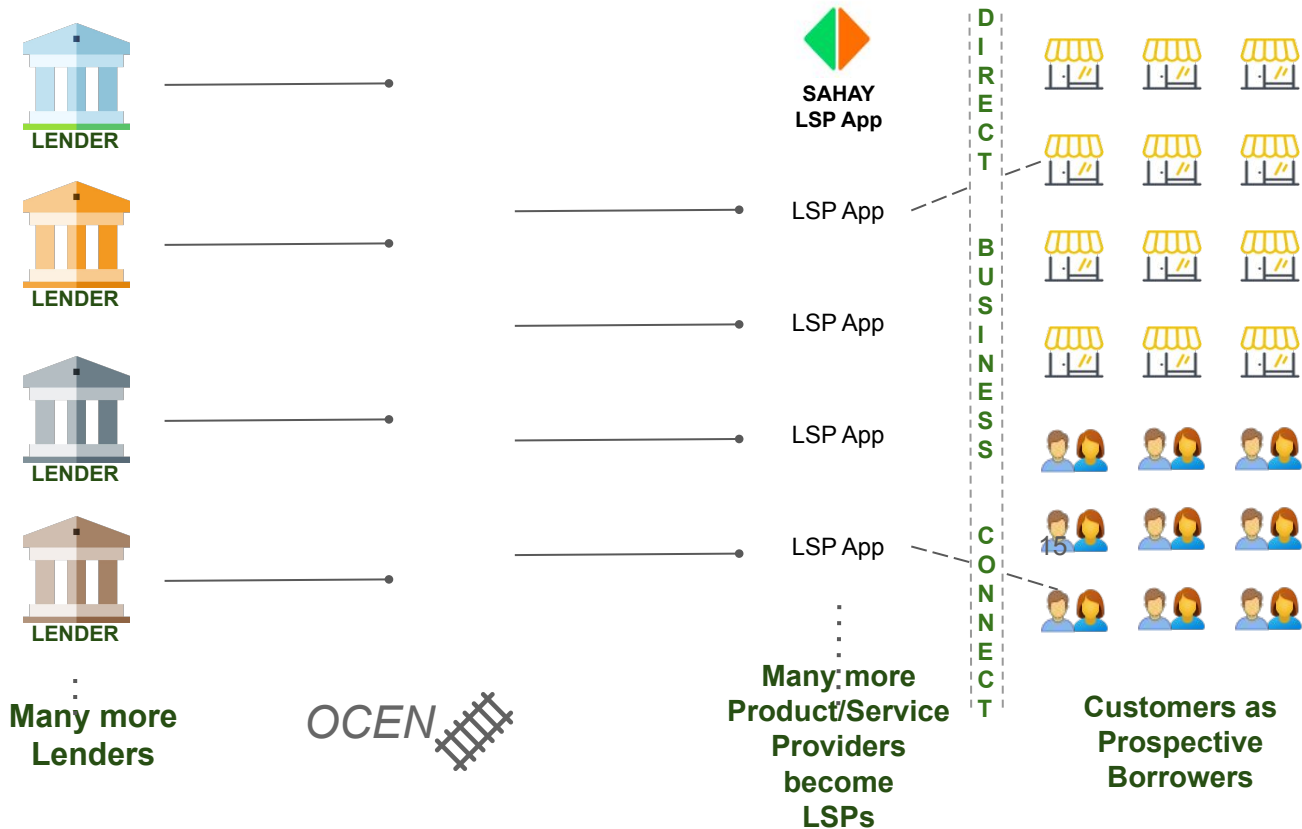
With AA, new **cash flow-based loan products** could be designed: credit based on **income & behaviour**, not assets.

Mohan can share with a Bank or NBFC:

- His GST returns
- His Bank account data
- His Home Loan repayment record

OCEN: Open Credit Enablement Network

Open standards based network to accelerate access to affordable, formal credit



Just like BHIM was a reference app for UPI!

Working Capital Loan
High-Trust Invoice Financing



SAHAY

SAHAY
GeM

SAHAY
GST

Instant Payment Transactions
Enabled by a unified API



PFM: Actionable Insights through bank account analysis

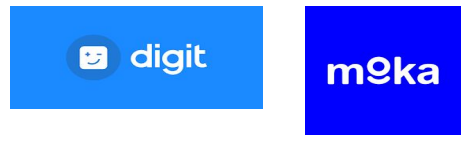
AA-led data-driven features can power customer convenience and new services



Aggregated View and Financial Education



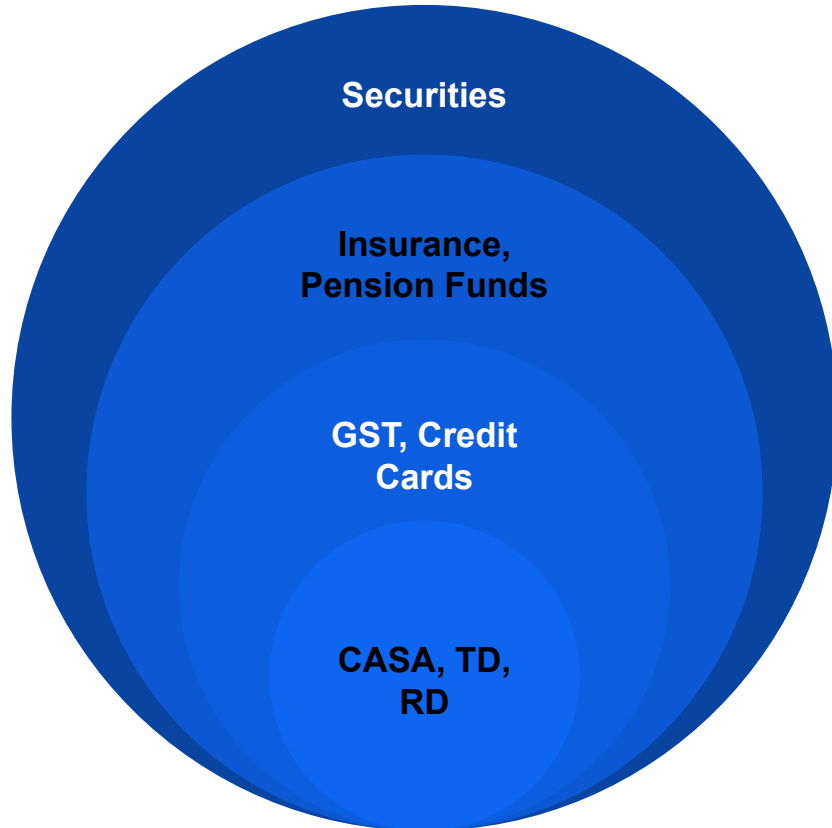
"Round-up" micro-savings



Loyalty, rewards, advice



AA-led data-acquisition across financial instruments can power advisory services



Robo-advisory Services

Retirement Savings Plans

Budgeting and cash-flow advice

Actionable Insights

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alliance for the
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Registered as a **Section 8 Company (Not for Profit)**

- **ADOPT:** Drive Awareness & impactful adoption of AA
- **ORCHESTRATE:** Fair playground via Standards, Certification, Code of Conduct & Harmony
- **INNOVATE:** Raise the bar via Collective Innovation



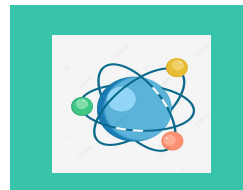
Education

Workshops
Masterclasses
Hackathons
Blogs



Governance

Tech Collaboration
Legal Framework
Reciprocity Model
Economic Model
Dispute Resolution



Technical

Central Registry
Token Service
Encryption Library
SLAs
Spec Extensions



Certification

API Standards
Customer Onboarding*
Security and branding*
Data Governance*

Standard Setters

IEEE
802.11



Industry alliances



Market Participants



Next Steps



Every participant, be it an FIP, FIU or an AA, can onboard itself into the Sahamati AA Ecosystem

1. Become a **member** of the Sahamati AA ecosystem by agreeing to and accepting the Sahamati AA Ecosystem Participation Terms in the manner specified.
2. Be ready with its **technical implementation** of the AA Technical Standards, as relevant to the role (FIP/FIU/AA) you wish to play in the Sahamati AA ecosystem.
3. Be ready with its technical implementation to **integrate** Sahamati Technical Services (such as the Central Registry APIs, Token Service APIs) as relevant to the role.
4. **Test** the technical implementations using UAT environments for access to Sahamati Technical Services and AA Sandboxes (relevant only for FIP / FIU participants).
5. Undergo the **Certification** process, as defined in the Sahamati Certification Framework.
6. Once certified, gain **access** to the production environment of Sahamati Technical Services and other participants in the Sahamati AA ecosystem.

Details of Technology Service Providers, AA sandboxes, Sahamati Technical Services, UAT environment and Sahamati Certification Framework can be found on Sahamati website. You can also write on services@sahamati.org.in for more information.



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[@sahamati](https://twitter.com/sahamati)



[Sahamati](https://www.youtube.com/Sahamati)



<https://sahamati.org.in/about/>



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THANK YOU