L&T Finance

L&T Finance deploys 'Project Cyclops', a revolutionary AI-driven next-gen digital credit engine for real-time credit risk assessment

- *'Project Cyclops' is a revolutionary in-house developed proprietary credit engine which facilitates a thorough credit underwriting on a multi-dimensional axis*
- *Beta version of 'Project Cyclops' deployed at select dealers across the country offering L&T Finance's Two-wheeler Loans*
- *'Project Cyclops' to lead to better-informed decision-making at a speed that delights customers, with minimal requirement of additional documents*
- *'Project Cyclops' additionally reduces credit risk while increasing productivity and process efficiency at L&T Finance*

June 24, 2024, Mumbai: L&T Finance Ltd. (LTF), one of the leading Non-Banking Financial Companies (NBFCs) of the country, today announced the deployment of the beta version of 'Project Cyclops', a cutting-edge credit risk assessment and automated decision-making digital credit engine which harnesses the power of Artificial Intelligence (AI) and Machine Learning (ML) to determine the repayment capability and credit quality of potential customers. 'Project Cyclops' is a *revolutionary in-house developed proprietary credit engine* which facilitates an in-depth assessment of the customer's potential by ingesting bureau, account aggregator and alternate trust signals at scale using ML based ensemble scorecards built after an extensive analysis and overlay of historical credit performance data on all the axes.

LTF has deployed the beta version of 'Project Cyclops' across 25 locations through a network of 200 selected dealers offering its Two-wheeler Loans, aiming to revolutionize the credit assessment space with this innovative digital solution. The AI-driven software uses advanced algorithms and AI-powered analytics to analyze vast amounts of data from various sources, including behavioral patterns, financial data, demographics, and socio-economic variables.

Commenting on the occasion, **Mr. Sudipta Roy, Managing Director & CEO of LTF** said, "In today's ever evolving digital landscape, securing fast and reliable credit for businesses and individuals is more crucial than ever. However, traditional credit scoring methods often rely on credit bureau data and manual income assessments, leading to inefficiencies and delays, while not fully leveraging the potential of data available in our ecosystem today. 'Project Cyclops' is designed to address this issue by leveraging advanced algorithms and AI-powered signals to take actions based on vast amounts of data from multiple axes and provide a much-required depth to the existing method of credit underwriting, while ensuring adherence to existing risk and credit guardrails."

"With 'Project Cyclops', we are confident that our underwriting capabilities will become even more comprehensive and accurate, enabling us to make informed decisions with a faster Turn-Around-Time (TAT). The development of this in-house proprietary engine will significantly add to the underwriting depth of the Company and help create a deeper moat in its fulcrum businesses," Mr. Roy added.

Key features & benefits of 'Project Cyclops' include:

Predictive Modeling: Utilizes ML-based predictive modeling to accurately predict the likelihood of customer default, enabling informed decision-making.

Data Integration: Combines credit bureau data with alternate sources, increasing confidence in existing and potential customers.

Risk Assessment: Includes advanced risk assessment capabilities to identify potential risks and provide actionable insights, allowing for informed decisions and minimizing potential losses.

Risk-Weighted Credit Solutions: Provides risk-weighted credit solutions to New-To-Credit customers, improving conversion rates and contributing to financial inclusion.

LTF is committed to revolutionizing the credit assessment space with innovative solutions like 'Project Cyclops', which will create a more efficient and accurate system, ultimately benefiting the customers and business alike.

About L&T Finance Ltd. (LTF):

L&T Finance Ltd. (LTF) (https://www.ltfs.com), formerly known as L&T Finance Holdings Ltd., (LTFH) is a leading Non-Banking Financial Company (NBFC), offering a range of financial products and services. Headquartered in Mumbai, the Company has been rated 'AAA' — the highest credit rating for NBFCs — by four leading rating agencies. It has also received leadership scores and ratings by global and national Environmental, Social, and Governance (ESG) rating providers for its sustainability performance. The Company has also won many prestigious awards for its flagship CSR project – "Digital Sakhi"- which focuses on women's empowerment and digital and financial inclusion. Under Right to Win, being in the 'right businesses' has helped the Company become one of the leading financiers in key Retail products. The Company is focused on creating a top-class, digitally enabled, Retail finance company as part of the Lakshya 2026 plan. The goal is to move the emphasis from product focus to customer focus and establish a robust Retail portfolio with quality assets, thus creating a Fintech@Scale while keeping ESG at the core. Fintech@Scale is one of the pillars of the Company's strategic roadmap - Lakshya 2026. The Company has over 2.3 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

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