CASH FLOW PREDICTION

Machine learning-based cash flow prediction for credit portfolio

Background

A leading Indian Financial Institution wanted to predict cashflows in their diversified, multi product loan portfolio. The loan portfolio had highly variable cashflows influenced by different factors.

WHY CHOOSE CLOUDCRAFTZ?

- Experienced Professionals with multi-decade business experience

- Hands-on project involvement by partners

- Proven fast prototyping-solutioning approach

- Relentless focus on innovation and technology management

- Success-based engagement models tailored to clients' needs.

Outcome

A cashflow prediction model that predicts cashflows up to 18 months forward with a high degree of accuracy.

Requirements

Develop a robust ML based cashflow prediction model, that incorporates features from the loan portfolio as well as uses external alternative data to model credit default and repayment behaviour.

Solution

Using loan data hosted with the institution, and external alternative data,

Benefit

Accurate cashflow prediction enables the financial institution to plan their funding and disbursement strategies, as well as obtain better pricing in their loan securitization strategy. This is especially important in a high interest rate and credit risk environment.