GENERAL INSIGHTS:

Overall Performance:

The bank gains profit as the total funded amount exceeds the total payment amount. All KPIs show a positive month-on-month percentage increase.

Loan Repayment:

Most loan applicants fully repay their loans on time, though there are still applicants with "Charged off" status, indicating defaults.

Monthly Trends:

Loan applications, funded amounts, and payment amounts increase as the year progresses.

Loan Term Preference:

70% of loan applicants prefer a 36-month term.

Applicant Demographics: Most loan applicants have over 10 years of work experience, seek debt consolidation, and are either renting or have a mortgage.

Low Application Purposes:

Loan applications for house purchases, renewable energy, education, and vacations are very low.

GOOD VS BAD LOAN ANALYSIS:

Loan Term Distribution:

Good loans are predominantly for 36 months. Bad loans are almost equally split between 36 and 60 months with a 7% difference.

State Performance:

Top Performer: California (CA) has the highest number of loans.

Lowest Performer: Maine (ME) has the least number of loans.

Bad Loan Hotspots:

Northeast (NE) with only 5 applicants (3 bad loans), followed by DC, DE, NV, and SA, which have more bad loans.

Good Loan Hotspots:

Kansas (KS) and Massachusetts (MA) have a high percentage of good loans.

Perfect Records:

Indiana (IN), Maine (ME), and Iowa (IA) have 100% good loan percentages, though the number of applicants is below 10.

Grade Analysis:

B Grade: Has the highest number of loans and shows a positive month-on-month percentage increase for all KPIs.

G Grade: Has the lowest number of loans and shows a negative month-on-month percentage change.

Monthly Issuance:

Good Loans:

Top 30 customers (based on payment amount) had their loans issued in November.

Bad Loans: Top 30 customers (based on payment amount) also had their loans issued in November.

STRATEGIC RECOMMENDATIONS:

Enhance Risk Assessment:

Charged Off Loans: Strengthen risk assessment and credit evaluation processes to reduce the number of charged-off loans.

Focus on High-Risk States:

Implement targeted strategies in high-risk states (NE, DC, DE, NV, SA) to improve loan performance.

Optimize Loan Terms:

Promote 36-Month Term: Since 70% of applicants prefer 36-month terms, tailor loan products and marketing strategies to highlight the benefits of this term.

Targeted Marketing:

Demographic Focus: Develop targeted marketing campaigns for applicants with over 10 years of experience, those seeking debt consolidation, and renters or mortgage holders.

Low Application Categories: Create specialized loan products or promotional offers for underrepresented purposes such as house purchases, renewable energy, education, and vacations to boost applications in these areas.

Geographical Strategy:

Maximize in CA: Leverage the high loan activity in California by enhancing customer services and providing competitive loan offers.

Expand in ME: Explore ways to increase loan applications in Maine through localized marketing efforts.

Promote Good Loan Practices: Highlight and replicate successful strategies from states with high good loan percentages (KS, MA).

Improve Loan Issuance Timing:

Address November Trends: Investigate the reasons for high loan issuance in November and adjust strategies to balance the distribution across other months.

Grade-Specific Strategies:

Boost B Grade: Continue supporting and promoting B-grade loans given their strong performance.

Revise G Grade Approach: Re-evaluate and modify the approach for G-grade loans to improve their performance and mitigate the negative month-on-month trend.