

Bank Loan Report

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Main Objective of this bank loan report

- Effective display of trends
- Allowing user to make informed decisions from data
- This could help in increasing the revenue by 7% in next quarter



KPI's

Total Loan Applications	Total Funded Amount	Total Amount Received	Average Interest Rate	Average DTI	
38.6K	\$435.8M	\$473.1M	12.0%	13.3%	
MTD 4.3K	MOM 6.9%	MTD \$54.0M	MOM 13.0%	MTD 12.4%	MOM 3.5%

According to above KPI's

Observations

Total Loan Applications: 38.6K

Total Funded Amount: \$435.8M

Total Amount Received: \$473.1M

Average Interest Rate: 12.0%

Average DTI (Debt-to-Income Ratio):
13.3%

Insights

This indicates a growing demand for loans
The bank is increasing its loan disbursements

This suggests good loan repayment performance

The bank is charging decent interest rates



GoodLoan VS Bad Loan

- A good loan is one where the borrower consistently makes all payments on time.
- A bad loan involves a borrower who misses payments or does not pay the full installments.

Observations

- High good loan approval rate (86.2%).
- Higher good loan funding amount (\$370.2M) compared to bad loans (\$65.5M).
- Higher good loan repayment (\$435.8M) compared to bad loans (\$37.3M).
- Higher volume of good loan applications (33K) compared to bad loans (5,333).

Insights

Loan Breakdown:

- 86.2% of our loans are performing well.
- 13.8% are not doing well.
- This ratio suggests overall positive loan performance, but there's room for improvement in reducing bad loans

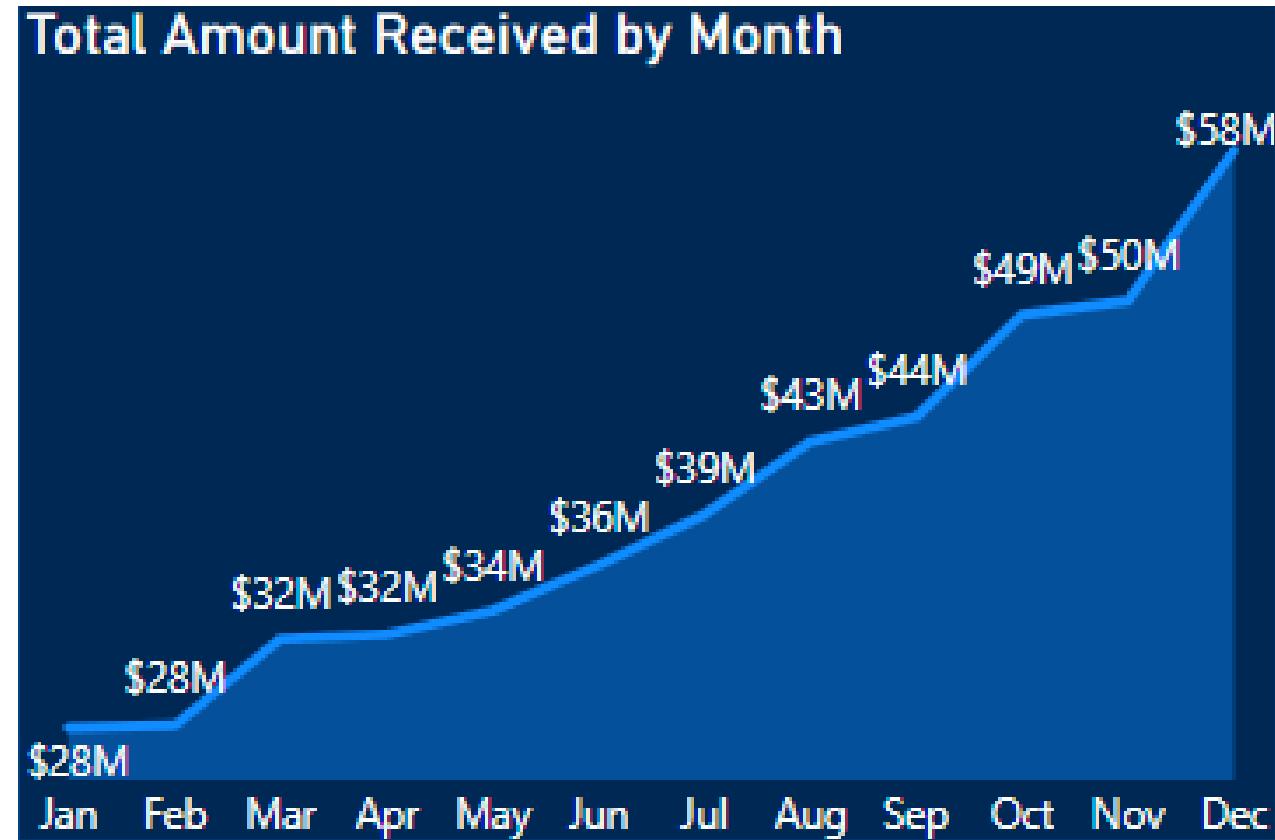
Current Loan Status

Loan Status

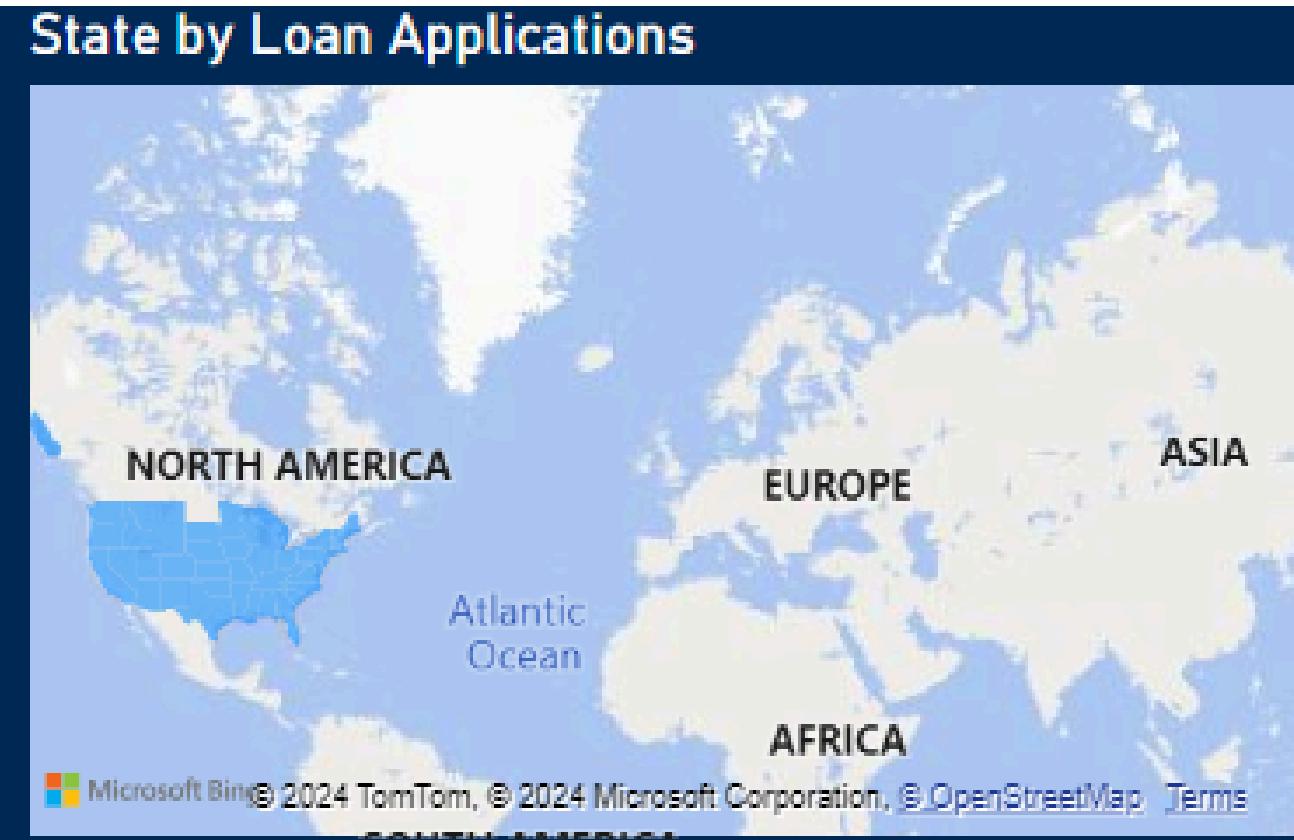
loan_status	Total loan Applications	Total Funded Amount	Total Amount Received	MTD Funded Amount	MTD Amount Received	Average interest rate	Avg Dtl
Charged Off	5333	\$65,532,225	\$37,284,763	\$8,732,775	\$5,324,211	13.88%	14.00%
Current	1098	\$18,866,500	\$24,199,914	\$3,946,625	\$4,934,318	15.10%	14.72%
Fully Paid	32145	\$351,358,350	\$411,586,256	\$41,302,025	\$47,815,851	11.64%	13.17%
Grand Total	38576	\$435,757,075	\$473,070,933	\$53,981,425	\$58,074,380	12.05%	13.33%

Graphs/ maps of Total Amount received by different features

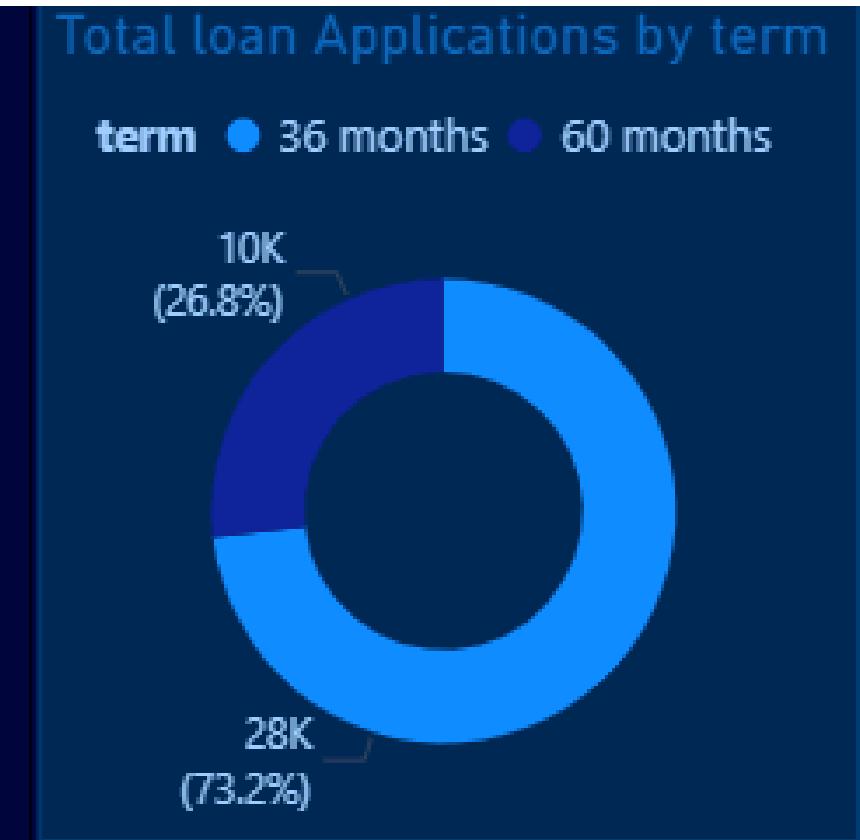
Total Amount Received by Month



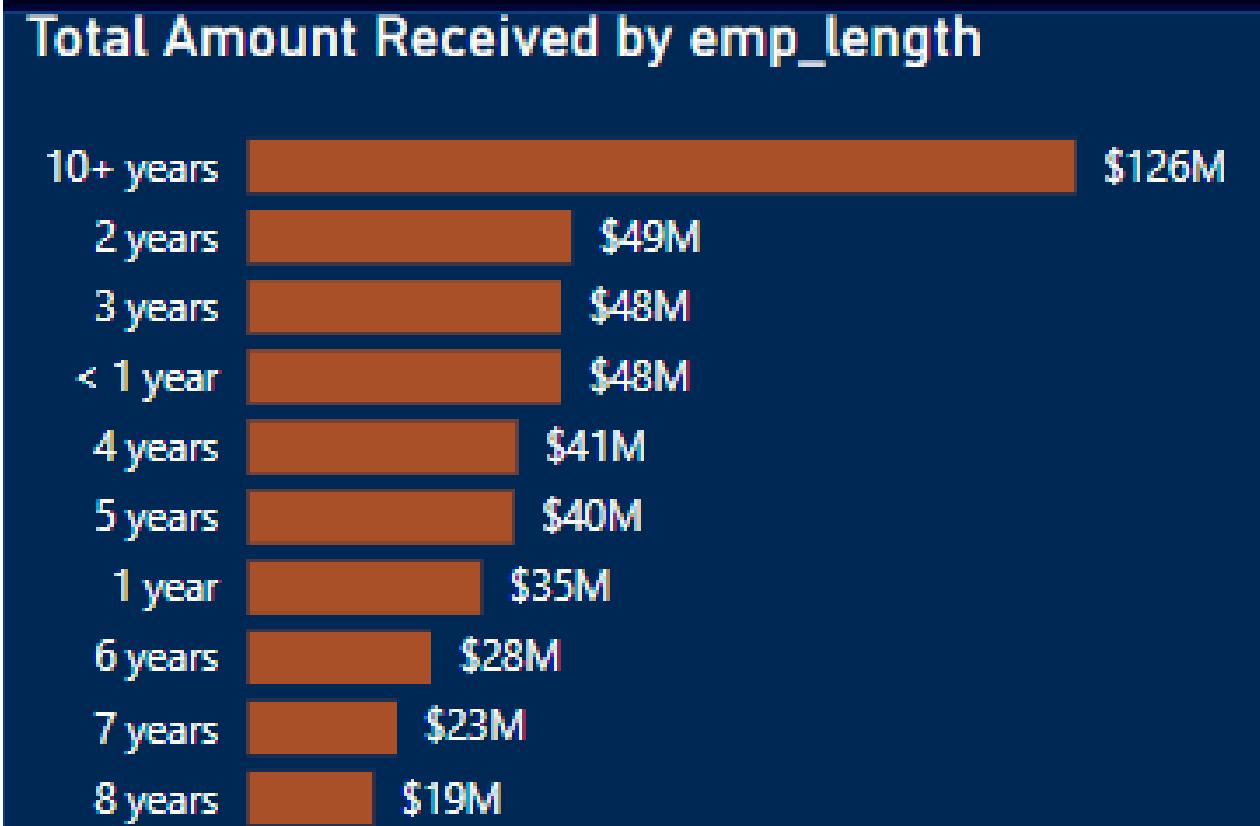
State by Loan Applications



Total loan Applications by term



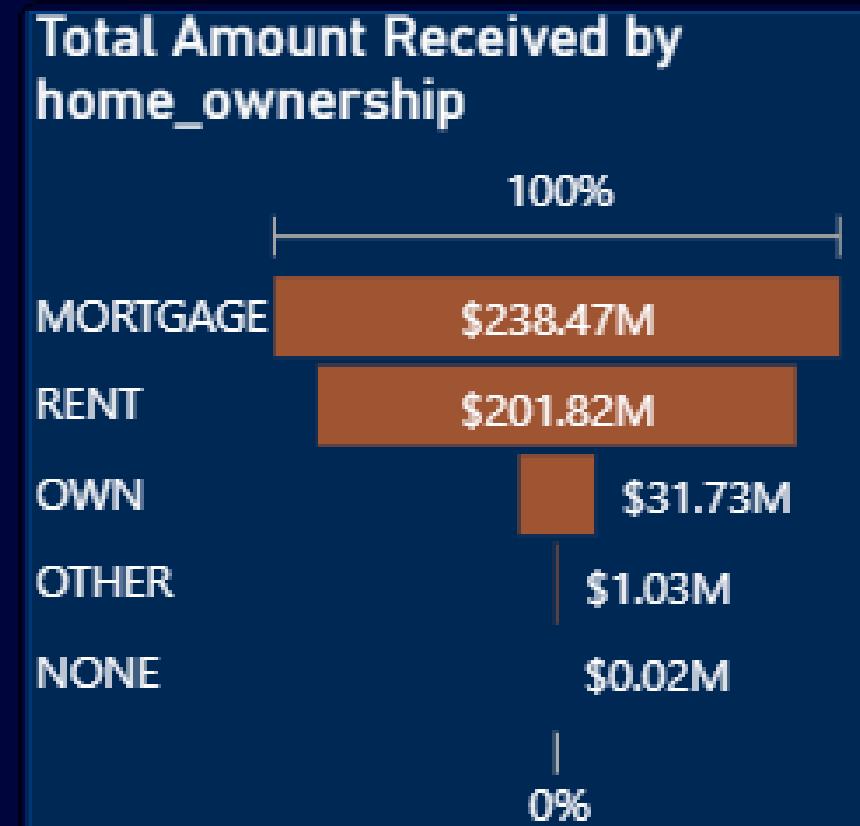
Total Amount Received by emp_length



Total Amount Received by purpose



Total Amount Received by home_ownership



Insights from previous graphs to decrease bad loan customers

Employment Length

< 1 Year: Borrowers with less than a year of employment might be more likely to default, as their financial stability is less established.

Home Ownership

RENT: Borrowers who have rent homes might have a higher default risk compared to homeowners, as they may have less financial stability and fewer assets to secure the loan.

Loan Term

60 Months: Loans with a longer term (60 months) might have a higher default risk compared to shorter-term loans (36 months). This is because borrowers have more time to experience financial difficulties that could lead to default.

Loan Purpose

Debt Consolidation: Loans taken for debt consolidation might have a higher risk, as borrowers may be struggling with their finances and may not have the capacity to repay additional debt.

Credit Card: Loans used to pay off credit card debt could also indicate financial difficulties and a higher risk of default.



Final reflections + future steps

Our main objective is to increase good loan borrowers and decrease bad loan borrowers to increase bank revenue

To increase good loan borrowers



By data analysis find good customers

- **Great Rates:** Offer competitive interest rates and terms to make your loans more attractive.
- **Offer Discounts:** Provide special offers like **store discounts or cashback on credit cards** to attract and retain good borrowers.
- **Promote Loyalty Programs:** Create rewards programs for borrowers who pay on time to encourage responsible borrowing.

To decrease bad loan borrowers

By data analysis find bad customers

- **Stricter Underwriting:** Conduct detailed credit checks and verify borrowers' income and employment to ensure they can repay the loan.
- **Close Monitoring:** Regularly track how loans are being repaid and look for early signs of financial trouble.
- **Enhanced Risk Assessment:** Use advanced tools and data analysis to better predict which borrowers might become problematic.
- **Indemnity Measures:** Require **collateral or guarantees to secure loans.** This way, if a borrower defaults, the bank can recover some of the losses from the collateral.

BANK LOAN REPORT | SUMMARY

Total Loan Applications	Total Funded Amount	Total Amount Received	Average Interest Rate	Average DTI
MTD	MTD	MTD	MTD	MTD
38.6K	\$435.8M	\$473.1M	12.0%	13.3%
4.3K	\$54.0M	\$58.1M	12.4%	13.7%
MOM	MOM	MOM	MOM	MOM
6.9%	13.0%	15.8%	3.5%	2.7%

id	purpose	home_ownership	grade	sub_grade	issue_date	Total Funded Amount	Sum of int_rate	Total Amount Received
54734	Debt consolidation	RENT	B	B4	Monday, August 09, 2021	\$25,000	0.12	\$29,330
55742	credit card	RENT	B	B5	Saturday, May 08, 2021	\$7,000	0.11	\$8,216
57245	Debt consolidation	OWN	C	C2	Wednesday, March 10, 2021	\$1,200	0.13	\$1,458
57416	Debt consolidation	RENT	C	C3	Tuesday, November 09, 2021	\$10,800	0.14	\$13,208
58915	Debt consolidation	RENT	B	B3	Thursday, April 08, 2021	\$7,500	0.10	\$5,844
59006	credit card	MORTGAGE	C	C5	Thursday, September 09, 2021	\$3,000	0.14	\$3,705
61390	credit card	MORTGAGE	A	A5	Wednesday, February 10, 2021	\$4,000	0.08	\$4,452
61419	Debt consolidation	RENT	D	D2	Wednesday, February 10, 2021	\$5,600	0.15	\$6,475
62102	Debt consolidation	RENT	B	B1	Saturday, April 10, 2021	\$3,200	0.10	\$3,414
65426	car	MORTGAGE	B	B1	Monday, August 09, 2021	\$4,000	0.11	\$2,755
65640	home improvement	MORTGAGE	C	C2	Saturday, May 08, 2021	\$5,000	0.11	\$3,154
66431	Debt consolidation	RENT	B	B5	Tuesday, February 09, 2021	\$2,525	0.12	\$3,028
66749	Debt consolidation	MORTGAGE	C	C4	Wednesday, December 08, 2021	\$10,625	0.13	\$12,975
66943	Debt consolidation	RENT	B	B4	Tuesday, August 10, 2021	\$2,800	0.11	\$3,144

7%

**increase in bank
revenue by next
quarter**

**Thank you
very much!**