Portfolio Project 1

BANK LOAN REPORT
PROBLEM STATEMENT

"In order to monitor and assess our bank's lending activities and performance, we need to create a comprehensive Bank Loan Report. This report aims to provide insights into key loan- related metrics and their changes over time. The report will help us make data-driven decisions, track our loan portfolio's health, and identify trends that can inform our lending our ler strategies.

Key Performance Indicators (KPIs) Requirements:

1. Total Loan Applications: We need to calculate the total number of loan applications received during a specified period. Additionally, it is essential to monitor the Month- to-Date (MTD) Loan Applications and track changes Month-over-Month (MoM).

2. Total Funded Amount: Understanding the total amount of funds disbursed as loans is crucial. We also want to keep an eye on the MTD Total Funded Amount and analyse the Month-over-Month(MoM) changes in this metric.

3. Total Amount Received: Tracking the total amount received from borrowers is essential for assessing the bank's cash flow and loan repayment. We should analyse the Month-to-Date (MTD) Total Amount Received and observe the Month-over-Month (MoM) changes.

4. Average Interest Rate: Calculating the average interest rate across all loans, MTD, and monitoring the Month-over-Month (MoM) variations in interest rates will provide insights into our lending portfolio's overall cost.

5. Average Debt-to-Income Ratio (DTI): Evaluating the average DTI for our borrowers helps us gauge their financial health. We need to compute the average DTI for all loans, MTD, and track Month-over-Manth (MoM) fluctuations.

Good Loan v Bad Loan KPI's

In order to evaluate the performance of our lending activities and assess the quality of our loan portfolio, we need to create a comprehensive report that distinguishes between 'Good Loans' and 'Bad Loans' based on specific loan status criteria

Good Loan KPIs:

1. Good Loan Application Percentage: We need to calculate the percentage of loan applications classified as 'Good Loans.' This category includes loans with a loan status of 'Fully Paid' and 'Current.'

2. Good Loan Applications: Identifying the total number of loan applications falling under the 'Good Loan' category, which consists of loans with a loan status of 'Fully Paid' and 'Current.'

3. Good Loan Funded Amount: Determining the total amount of funds disbursed as 'Good Loans.' This includes the principal amounts of loans with a loan status of 'Fully Paid' and 'Current.'

4. Good Loan Total Received Amount: Tracking the total amount received from borrowers for 'Good Loans,' which encompasses all payments made on loans with a loan status of 'Fully Paid' and 'Current'.

Bad Loan KPIs:

1. Bad Loan Application Percentage: Calculating the percentage of loan applications categorized as 'Bad Loans.' This category specifically includes loans with a loan status of 'Charged Off.'

2. Bad Loan Applications: Identifying the total number of loan applications categorized as 'Bad Loans,' which consists of loans with a loan status of 'Charged Off.'

3. Bad Loan Funded Amount: Determining the total amount of funds disbursed as 'Bad Loans. This comprises the principal amounts of loans with a loan status of 'Charged Off.' I

4. Bad Loan Total Received Amount: Tracking the total amount received from borrowers for 'Bad Loans,' which includes all payments made on loans with a loan status of 'Charged Off.'