# Home Loan Analysis Report

1. **purpose of the Dashboard:** This dashboard is designed to provide insights into the loan application process, focusing on the applied, sanctioned, disbursed, recovered, Applied Amount trends, product wise loan performance, channel wise Analysis.

2.indent Audience: In the indent Audience the optimizing loan processing using loan funnel. Product manager to track loan product performance understanding the different loan categories. Sales and marketing teams to evaluate the effectiveness different application channels.

3. Overview of the Data: The data used in this dashboard is drawn from the internal loan management system, covering the loan application process from January 2017 to July 2019. It includes data related to loan applications, approvals, disbursements, recoveries and the channels through which applications were submitted.
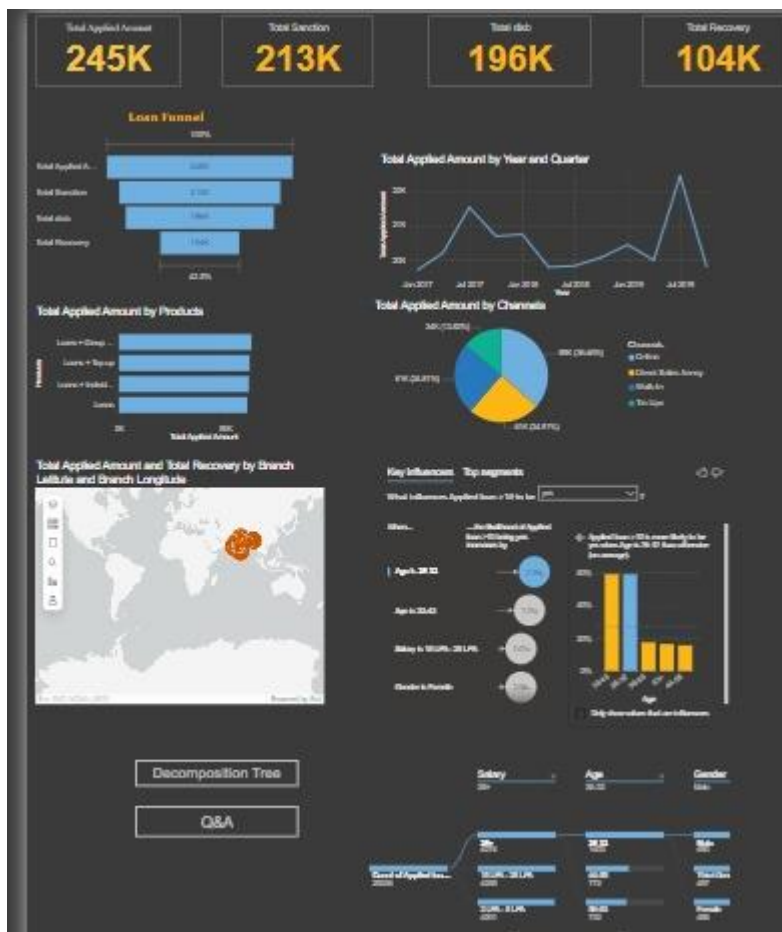
4.Metrics and KPLs Tracked:

- Total Applied amount:

Measures total loan demand, indicating the overall number of loan applications received.

- ## Total Sanctioned Amount:

Tracks the number of approved loans , showing approval rates and creditworthiness.

- ## Total Disbursed Amount:

Reflects the loans actually disbursed, highlighting operational efficiency in loan processing.

- ## Total Recovery Amount:

Indicates the amount repaid, critical for monitoring loan recovery performance and financial health.

5.Dashboard Insights:

Loan Funnel Efficiency: The conversion from total applications (245K) to disbursed loans (196K) shows an 80% efficiency rate, but recovery rates (104K) drop to 42.5%, indicating potential challenges in loan repayments.

Product Performance: Group loans and top-up loans are the most popular, with significantly higher applied amounts compared to individual loans, suggesting stronger demand for these products.

Channel Effectiveness: The online channel contributes the most (36.46%) to the total applied amount, outperforming walk-ins and direct sales. This signals an opportunity to further invest in digital loan application processes.

Application Trends: Loan applications peaked in early 2017 and mid-2018, suggesting seasonal or market-driven demand fluctuations. A slight decline towards 2019 highlights the need for targeted marketing efforts.

Demographic Influences: Applicants aged 26-32 and with incomes around 15 LPA are 2.15 times more likely to have loans approved, making this demographic a key target for future loan offerings and marketing.

6.Describe Patterns & Trends:

Out of 245K total applied loans, only 213K were sanctioned, and 104K were recovered, showing a significant drop-off from disbursement to recovery.

There are fluctuations in the total applied amount over time, with noticeable peaks and troughs by quarter, which could be seasonal or based on external economic factors.

Different loan products (e.g., term loans, working capital, etc.) show varying levels of applications, with some products clearly more popular than others.

The pie chart indicates a large portion of loan applications come through digital channels, with other sources like in-branch applications being less significant.

The map shows loan application and recovery data concentrated in specific regions, indicating regional patterns in loan distribution.

Key influencers such as salary, age, and gender seem to be significant factors affecting loan applications and recoveries, as shown in the bottom charts.

7. Outliers and Anomalies:

1.Low Recovery Rate: Despite 196K loans disbursed, only 104K (42.5%) were recovered, signaling a potential issue in repayment or borrower defaults.

2.Channel Discrepancy: Online applications dominate with 36.46% of total loans, while tie-ups contribute only 13.82%, indicating underperformance in certain acquisition channels.

3.Sharp Drop in Loan Applications (2019): After a peak in mid-2018, there's a noticeable decline in applications in early 2019, suggesting market saturation or economic changes.

4.Product Imbalance: Group and top-up loans significantly outperform individual loans, hinting at untapped opportunities or issues with the individual loan product's appeal.

8.Actionable insights:

1. Boost Loan Recovery: strengthen repayment strategies and risk assessment to improve the low recovery rate of 42.5%.

2.Invest in Digital Channels: Expand online application capabilities as it contributes the most (36.46%) to total applied loans, driving further growth.

3.Address Declining Demand: Investigate the cause of the drop in loan applications post-2018 and implement targeted campaigns to revive demand.

4.Optimize Underperforming Channels: Focus on improving performance in tie-ups and direct sales channels to capture a larger market share.

 5.Refine Individual Loan Products: Reevaluate individual loans to better match customer needs, as demand lags behind other products.

9.Future Recommendations:

Implement advanced risk assessment tools to reduce loan defaults and improve recovery rates.

Expand marketing and streamline online loan processes to leverage the strong performance of the online channel.

Introduce customized individual loan products to boost demand and compete with group loans and top-ups.

Focus on boosting tie-ups and direct sales channels to diversify loan sourcing and minimize dependency on digital applications.

Investigate factors behind the 2019 demand decline to adapt strategies for maintaining steady growth.

10.Summarize Key Insights:

- Only 42.5% of disbursed loans have been recovered, highlighting potential repayment issues.
- The online channel leads with 36.46% of loan applications, outpacing other channels like walk-ins and tie-ups.
- Group and top-up loans dominate, while individual loans underperform, indicating room for product improvement.
- Loan applications peaked in mid-2018 but declined in 2019, signaling market shifts that need addressing.