

KAMOA LOAN APP DEFAULT ANALYSIS

UNVEILING PATTERNS AND STRATEGIES FOR IZWE'S LENDING OPERATIONS



Loan Amount Distribution:

90% of defaulters owe amounts below KES 10,001.

Decoding Default Patterns for Izwe's Risk Mitigation

These insights collectively highlight key patterns and risk factors associated with the identified subgroups of defaulters, providing valuable information for risk assessment and mitigation strategies in Izwe's lending operations

1,607

Izwe customers on Kamoja Loan app

1,567

Defaulters below Kes 10,001

1,393

Defaulters below Kes 5001

2,902,287

Total amount owed by below Kes 5001

88 % INCOME LEVEL IMPACT:

88% owe less than Kes 5,001, highlighting a concentration of defaults in lower loan brackets.

60 % PHONE NUMBER MULTIPLICITY:

60% of defaulters under Kes 5,001 use over 2 phone numbers, implying a potential link to loan default.

72 % PAST DUE AMOUNTS:

72% below Kes 5,001 have past due amounts over Kes 1,500, emphasizing the severity of defaults in this group.

59 % Negative AARCM Reviews:

Further emphasizing the challenges faced by this group, 59% of the 88% with outstanding amounts below kes 5,001 have received negative AARCM reviews, indicating a less favorable assessment of their creditworthiness.

Targeted App Risk Mitigation:

Apply targeted risk management in the Kamoja app to tackle elevated default rates.

Credit Score Improvement Strategies:

Develop initiatives to enhance credit scores, by addressing factors such as multiple phone numbers.

Enhanced Monitoring for Lower Amount Defaults:

Enhance monitoring for sub Kes 5,001, focusing on early detection and proactive intervention to reduce risk.

RANGE

Range	Amount	Number	Percentages
0-2500	1,250,579.00	958	26%
2501-5000	1,651,708.00	445	35%
5001-7500	540,819.00	86	11%
7501-10000	831,940.00	88	18%
10001-12500	129,708.00	12	3%
12501-15000	54,883.00	4	1%
15001-17500	32,369.00	2	1%
17501-20000	239,687.00	12	5%
TOTAL	4,731,693.00	1607	