Home Loan Dataset Report

Objective:

The objective of this dashboard report is to provide actionable insights into loan application trends, approval rates, and recovery performance across different products, channels, and demographics. It aims to identify key drivers of success and areas of inefficiency in the loan process. By analyzing trends and outliers, the report helps stakeholders make data-driven decisions.

Audience:

The primary audience for this report includes senior management, financial analysts, and loan operations teams. These insights will support their decision-making on product strategies, process improvements, and resource allocation. The report is designed to inform high-level business strategies while also guiding operational adjustments.

Data Overview:

This dashboard leverages loan application data collected between January and June 2024, sourced from the company's internal CRM system. The dataset includes information on the total applied, sanctioned, disbursed, and recovered loan amounts, segmented by product type, application channel, and branch location. Additionally, demographic data such as age and gender of applicants are analyzed to understand approval patterns.

Matrix Tracked:

- Total Sanctioned Amount: The value of loans that have been approved and sanctioned.
- Total Disbursed Amount: The actual amount of loans that have been disbursed to applicants.
- Total Recovered Amount: The portion of disbursed loans that have been successfully recovered.
- Approval Rates: The percentage of applications that are sanctioned compared to the total applied.
- Recovery Rate: The percentage of disbursed loans that have been recovered.
- Channel Performance: Loan application volume segmented by application channels (e.g., online, direct sales agency, walk-in).
- Product Performance: Loan application and recovery data segmented by different loan products.

Analysis of Dashboard:

1. Total Applied, Sanctioned, Disbursed, and Recovered Amounts
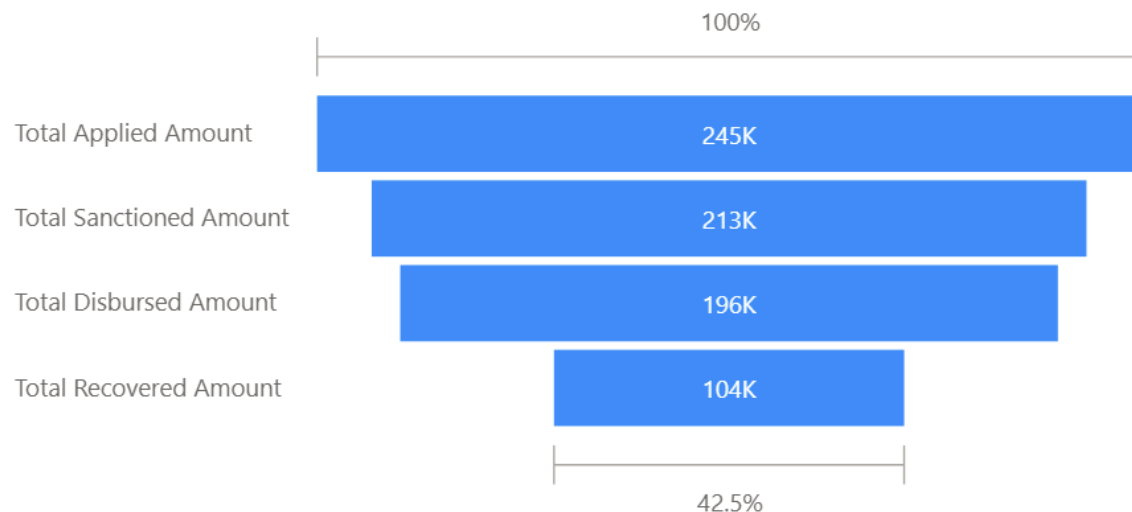
- Observation: The total applied amount stands at 245K, with the sanctioned amount being 213K, the disbursed amount at 196K, and the recovered amount at 104K.

- Insight**:** There is a clear decline from the total applied amount to the recovered amount, with only 42.5% of the applied amount being recovered. This signals inefficiencies in either loan disbursement or collection processes.

- Recommendation: There should be an analysis of the bottlenecks leading to the drop in amounts at each stage of the process. Additionally, improving the recovery rate will require stricter follow-ups, enhanced monitoring, or possibly different loan terms.
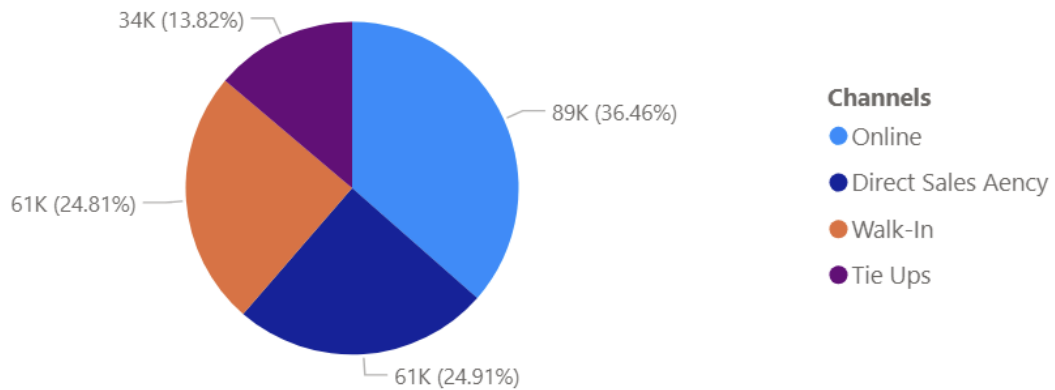
2. Total Applied Amount by Products:

Total Applied Amount by Products
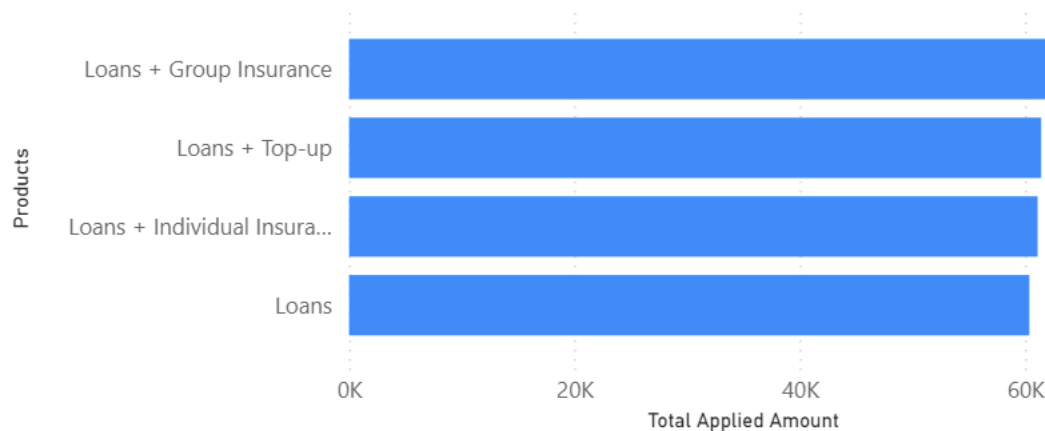
- Observation: The products with the highest applied amounts are:
    - Loans + Group Insurance (~60K)
    - Loans + Top-Up (~55K)
    - Loans + Individual Insurance (~50K)
    - Loans (~48K)
- Insight: Products that bundle loans with insurance (group or individual) tend to attract higher applied amounts, indicating that customers may prefer packages that offer more financial security.

- Recommendation: The company could focus more on marketing bundled products, which have been shown to attract more customers. Offering more competitive bundles might drive even higher application rates.

3. Total applied amount by channels:

Total Applied Amount by Channels

34K (13.82%)

89K (36.46%)

61K (24.81%)

61K (24.91%)

Channels
- Online
- Direct Sales Aency
- Walk-In
- Tie Ups

- Observation: The applied amount by channels is distributed as follows:
  Online**:** 36.46% (89K)
  Direct Sales Agency: 24.91% (61K)
  Walk-In: 24.81% (61K)
  Tie-Ups: 13.82% (34K)

- Insight: Online channels are driving the majority of applications (36.46%), indicating a shift towards digital engagement. Tie-ups contribute the least to the total applied amount.

- Recommendation: The company should invest more in its online channels, ensuring they are user-friendly and well-promoted. Additionally, improving tie-ups could enhance reach and performance in that area.

4. Trends in Total Applied Amount Over Time:
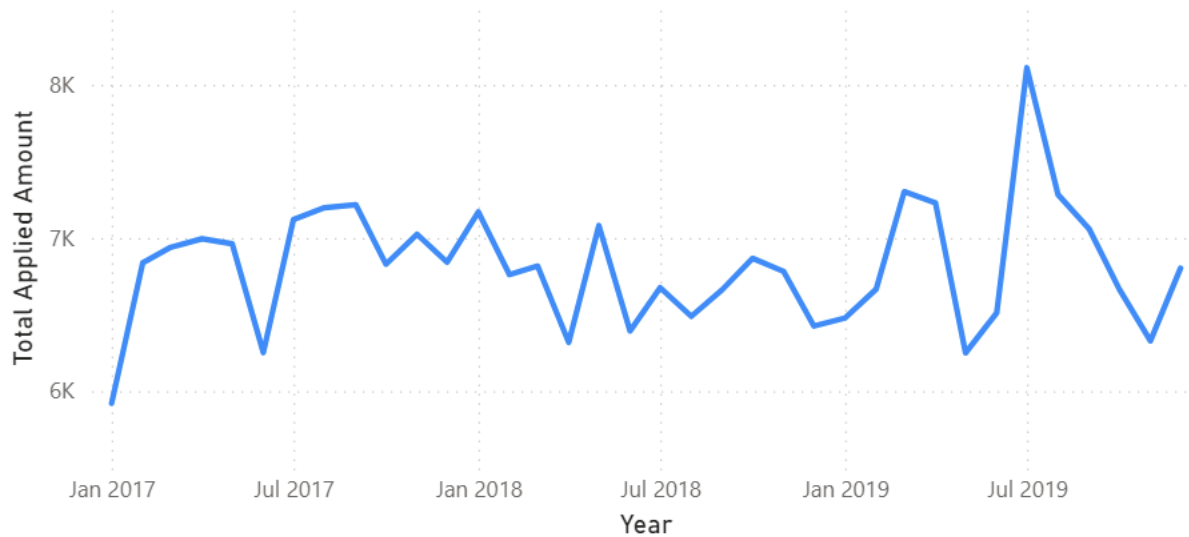
- Observation: The total applied amount shows fluctuations over time, with noticeable peaks and troughs. There was a sharp increase in applications around mid-2019, followed by a decline.

- Insight: Seasonal or external factors likely affect the volume of applications. The decline post-mid-2019 may be due to market conditions, policy changes, or economic factors.

- Recommendation: It is essential to understand what caused the peak in applications during mid-2019 and replicate those conditions, if possible. Tracking future trends will help predict application volumes and adjust strategies accordingly.

5. Total Applied and Recovered Amount by Branch Location:

Total Applied Amount and Total Recovered Amount by Branch Latitute and Branch Longitude
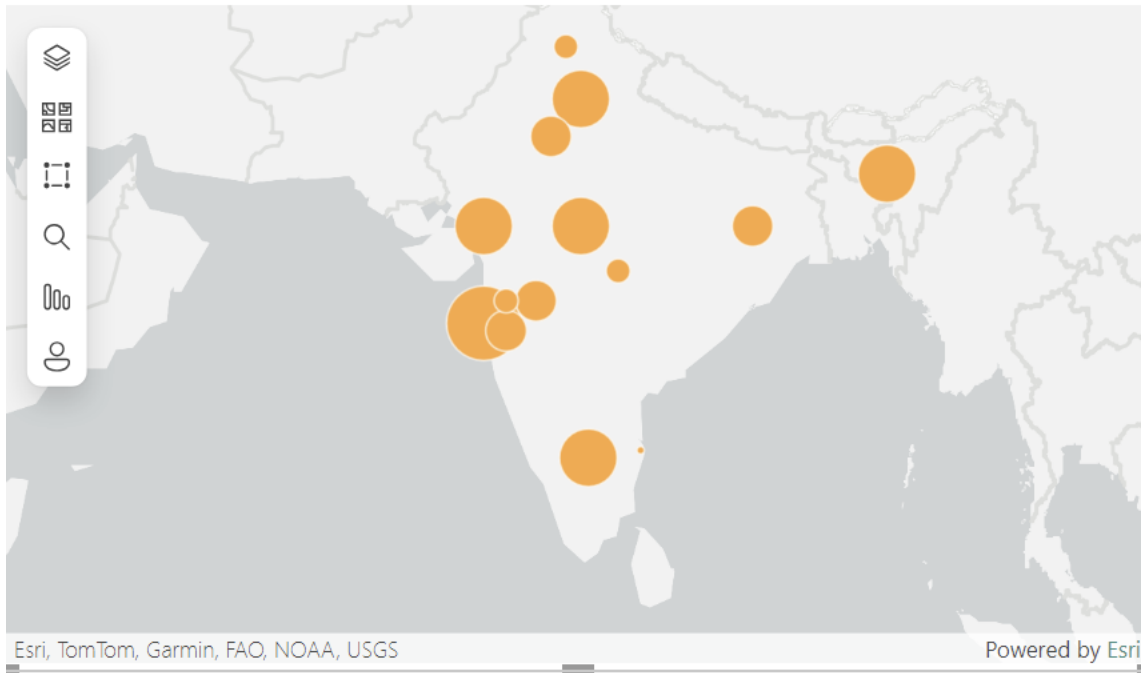
- Observation: The bubble map visualization indicates the distribution of applied and recovered amounts across various branch locations.in west side maximum.

- Insight: Some branches handle significantly higher volumes than others, which may indicate a disparity in branch performance or regional demand.

- Recommendation: Identify the high-performing branches and analyze their practices. It may be possible to apply their strategies to other, lower-performing branches to optimize performance.

6. Demographics and Key Influencers of Loan Applications
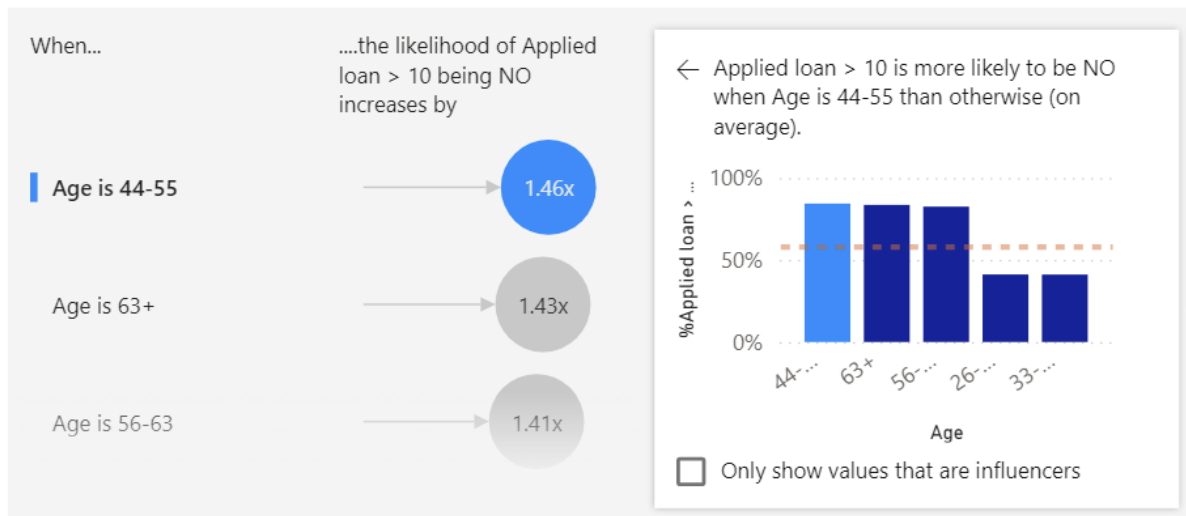
- **Observation:** The visual indicates that age and gender are significant influencers in determining whether an applied loan will be approved. The likelihood of rejection is higher for individuals aged 44-55 and those aged 63+.

- **Insight:** Age seems to play a critical role in loan application outcomes. This may be due to perceived risk factors associated with different age groups. Females aged 63+ are particularly affected.

- **Recommendation:** Tailor loan products or policies to better cater to these age groups, possibly introducing special terms for older applicants. Analyzing why certain age demographics are more likely to be rejected can also help in designing better customer-centric loan products.

Key Insights:

- Recovery Rate Concern: Only 42.5% of the total applied amount is being recovered, highlighting inefficiencies in the collection process.

- Product Preference: Loan products bundled with insurance attract more applications.

- Channel Performance: Online channels are the most popular, followed by direct sales agencies and walk-ins.

- Fluctuating Trends: Significant fluctuations in total applied amounts suggest the influence of external factors, requiring further analysis.

- Branch Disparities: Some branches outperform others significantly, necessitating a deeper investigation into the drivers of branch performance.

- Demographic Influence: Age and gender play crucial roles in loan approval, with certain age groups facing higher rejection rates.

Recommendations For The Future:

- Improve Loan Recovery: Focus on optimizing the recovery process by analyzing inefficiencies at each stage.
- Promote Bundled Products: Market loan products bundled with insurance more aggressively, as they are more attractive to customers.
- Strengthen Online Channels: Invest in enhancing the online loan application experience, as it is the most preferred channel.
- Address Age-Based Disparities: Develop specialized loan products or terms for older applicants who face higher rejection rates.

Conclusion:

In conclusion, the dashboard reveals strong loan application performance, particularly through online channels and bundled products, but highlights a significant gap in loan recovery rates, with only 42.5% recovered. Regional and demographic variations, especially among older applicants, affect approval rates. The focus should be on improving recovery processes, optimizing product offerings, and addressing underperforming areas. These insights will help guide strategic improvements for sustained growth and profitability.