INSIGHTLOAN

Credit Risk Assessment Report

SAW YONG QUAN

Application ID: APP-202511272300449527

Status: Rejected (High Risk)

Loan Type: Loan

Requested Amount: RM 450,000.00

Assessment Date: 2025-11-27

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RISK SCORE (/100)

REJECTED

Risk Level: High

Risk Score Calculation Breakdown

Category	Points	Reason
Income Verification	+8	Payslip shows RM4,500 monthly salary aligning with bank deposits (within 10%)
Debt Burden Analysis	-3	DSR 45-55%
Family Burden Assessment	-10	Per Capita Income < RM700
Repayment Capacity Verification	-2	Installment 35-45% of net income
Bank Statement Health	+8	Consistent positive balance >RM2000, no overdrafts
Spending Behavior	0	Normal spending, no red flags
Consistency & Trustworthiness	+6	All documents tell coherent story with evidence
Down Payment Source	+8	Gradual savings accumulation clearly visible

Key Risk Flags & Findings

Risk Flag	Severity	Description
Critical NDI Level	Critical	The calculated Net Disposable Income (NDI) is critically low at RM29.86. This indicates that after accounting for existing debts, the new loan installment, and estimated living expenses, the applicant has very little money left. This creates a significant risk of default.
High DSR Level	High	The Debt Service Ratio (DSR) is high at 52.1%. This indicates the applicant is allocating a significant portion of their income towards debt repayment, reducing their financial flexibility and increasing the risk of default.
Low Per Capita Income	High	The Per Capita Income, calculated by dividing net monthly income by the number of family members (6), is low, indicating a higher financial burden on the applicant.
Over-reliance on Single Income	Medium	The applicant relies on a single source of income (employment). This increases vulnerability as any job loss would create immediate repayment difficulties.

DECISION JUSTIFICATION

RECOMMENDATION: REJECT

Overall Assessment:

The application is rejected due to critically low Net Disposable Income and high loan to income ratio, which poses an unacceptable risk of default. While the applicant demonstrates some positive financial behaviors, they are outweighed by the significant financial strains.

STRENGTHS

1. The applicant has a stable employment history.
2. There is a consistent savings record.

CONCERNS

1. The critically low Net Disposable Income (NDI) rai
2. High loan to income ratio