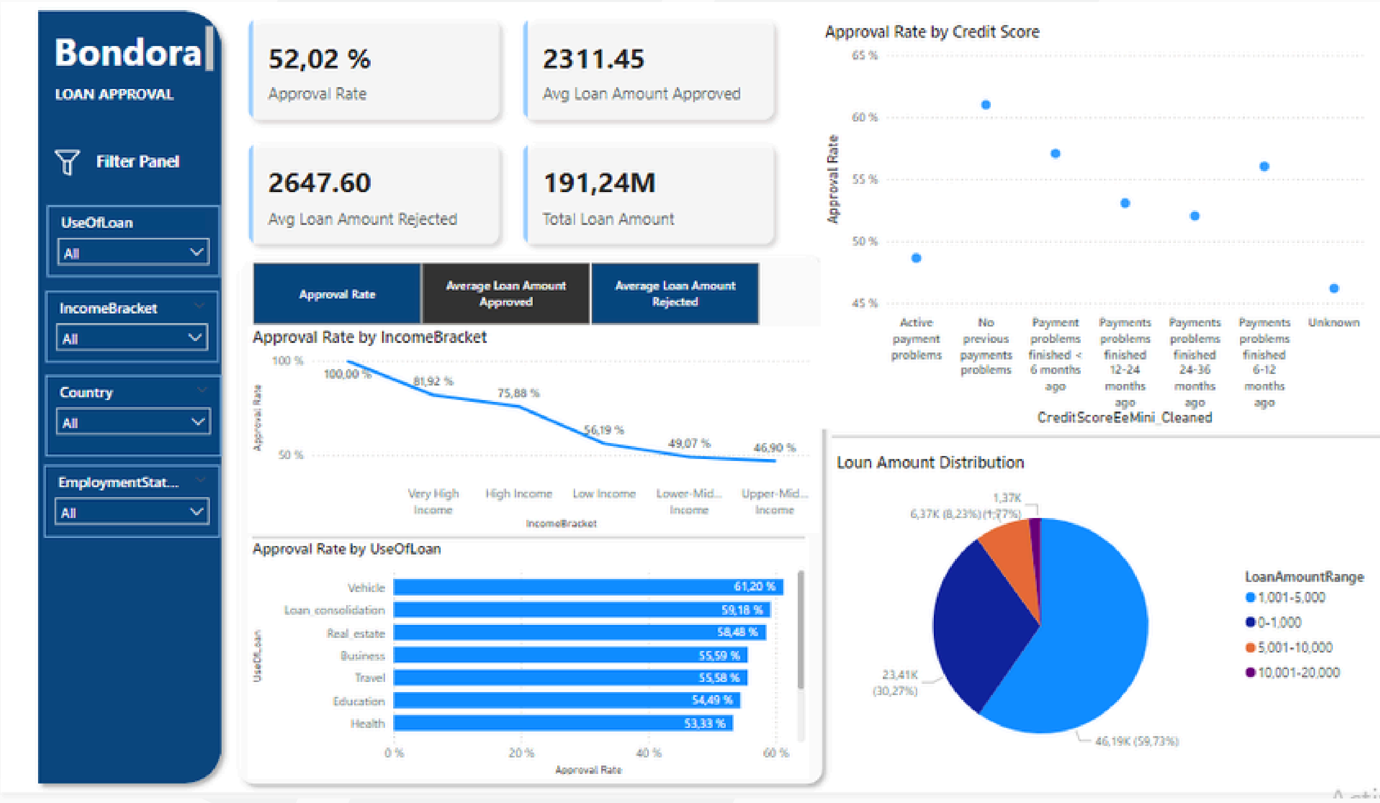
Report

Loan Approval Dashboard



Key Performance Indicators (KPIs)

The Loan Approval Dashboard provides an insightful analysis of loan approvals, focusing on key metrics such as approval rates, average loan amounts approved and rejected, and how these metrics vary across different factors like income brackets, credit scores, and loan purposes.

2 AVG loan amount approved
2311.45

1 Approvall Rate
52.02%

3 AVG loan amount Rejected
2647.60

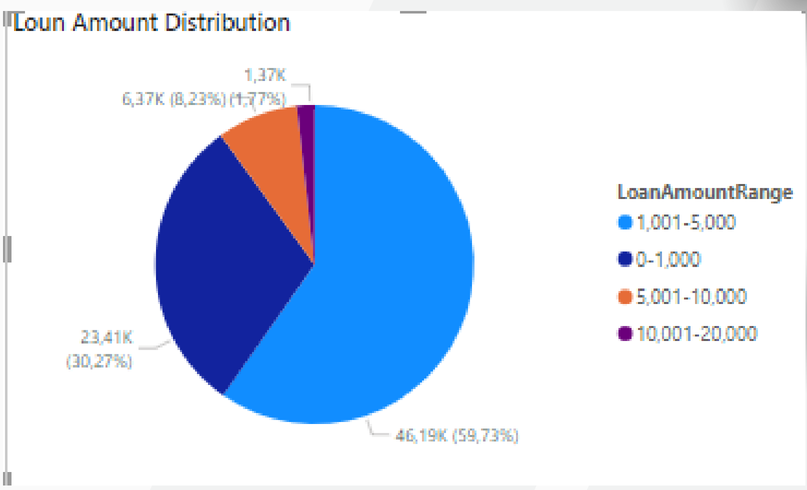
4 Total Loan Amount
191.42M

1. **Approval Rate (52.02%)**: Slightly more than half of loan applications are approved. This balanced approval rate indicates moderately stringent credit policies, which may need adjustment based on business goals.
2. **Average Loan Amount Approved (2,311.45)**: The typical loan size granted is around 2,311.45. This average reflects the borrowing needs and the institution's risk appetite.
3. **Average Loan Amount Rejected (2,647.60)**: Rejected loan amounts are generally higher than approved ones, suggesting that larger loan requests are perceived as higher risk. This highlights the importance of managing loan size expectations with applicants.
4. **Total Loan Amount (191.24M)**: The total approved loan amount showcases the scale of lending operations. This substantial figure underscores the institution’s reach and emphasizes the need for ongoing risk management.

Loan Amount Distribution

Pie Chart

The pie chart provides a clear view of the distribution of loan amounts across different ranges. By analyzing this chart, we can gain insights into the most common loan amounts and how they are distributed among different loan ranges. Here's a summary of the findings:



59.73% majority of loans fall into 1,001 - 5,000 range

30.27% loans ranging from 0 to 1,000

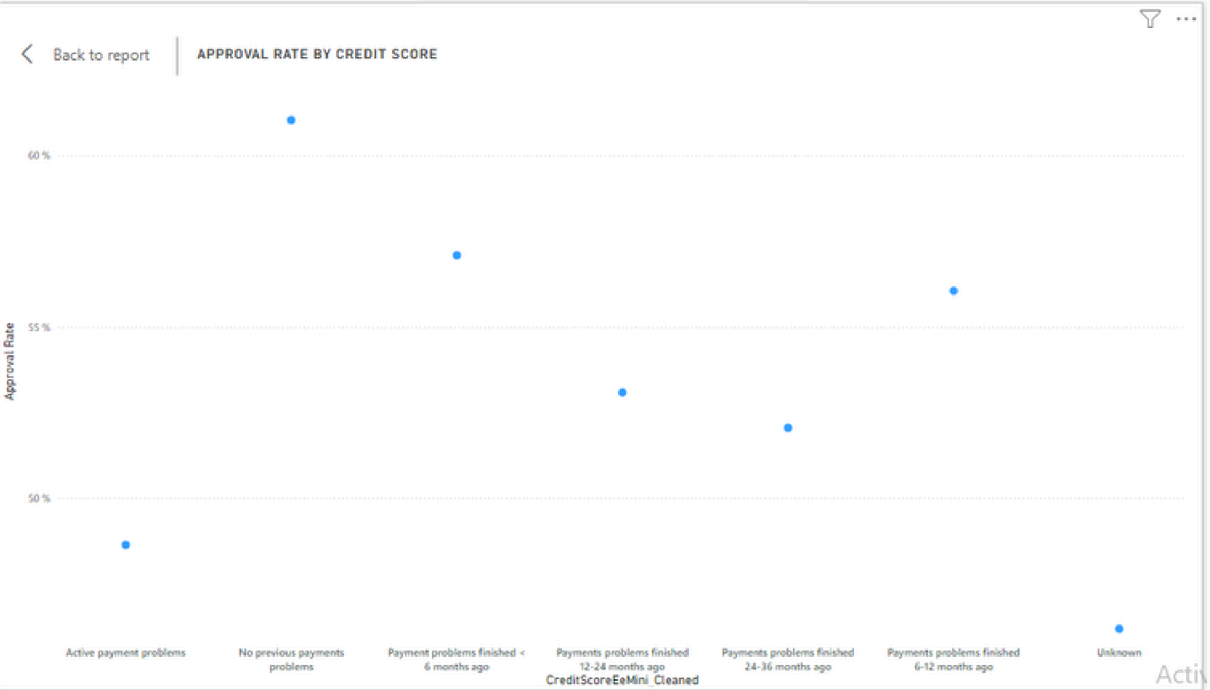
1.17% consists of loans between 10,001 and 20,000

Summary of Loan Amount Distribution

The analysis shows that the majority of loans, about 59.73% , fall within the 1,001 to 5,000 range, indicating a strong preference for mid-range loan amounts. Smaller loans ranging from 0 to 1,000 make up 30.27% , reflecting significant demand for micro-loans. Loans between 5,001 and 10,000 account for 8.23%, while only 1.77% of loans are in the 10,001 to 20,000 range, showing limited demand for higher loan amounts. Overall, the distribution suggests that most borrowers seek smaller to mid-sized loans, highlighting the need for financial products that cater to these preferences.

Approval rate by credit scrore

scatter plot



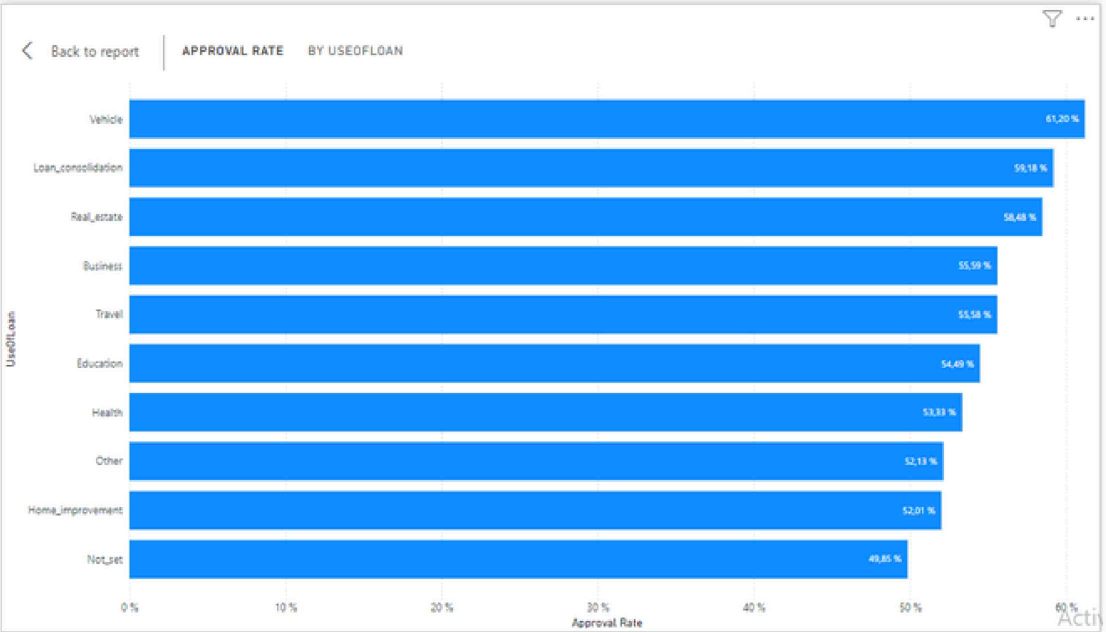
This chart illustrates the Approval Rate by Credit Score, showing how different credit score categories impact loan approval rates:

- Borrowers with no previous payment problems have the highest approval rate, just over 60%. This suggests that a clean credit history significantly boosts the likelihood of loan approval.
- Those with payment problems resolved 12-24 months ago also have a relatively high approval rate, indicating that lenders are more forgiving when the issues were resolved some time ago.
- Borrowers with active payment problems and those with an unknown credit score have the lowest approval rates, around 50% or below, reflecting the higher risk perceived by lenders.
- Approval rates for borrowers with payment issues resolved 6-12 months or 24-36 months ago fall in between these extremes.

This chart underscores the importance of a borrower's credit history in the loan approval process, with recent and unresolved issues leading to lower approval rates.

Approval rate by User Of Loan

Horizontal bar char



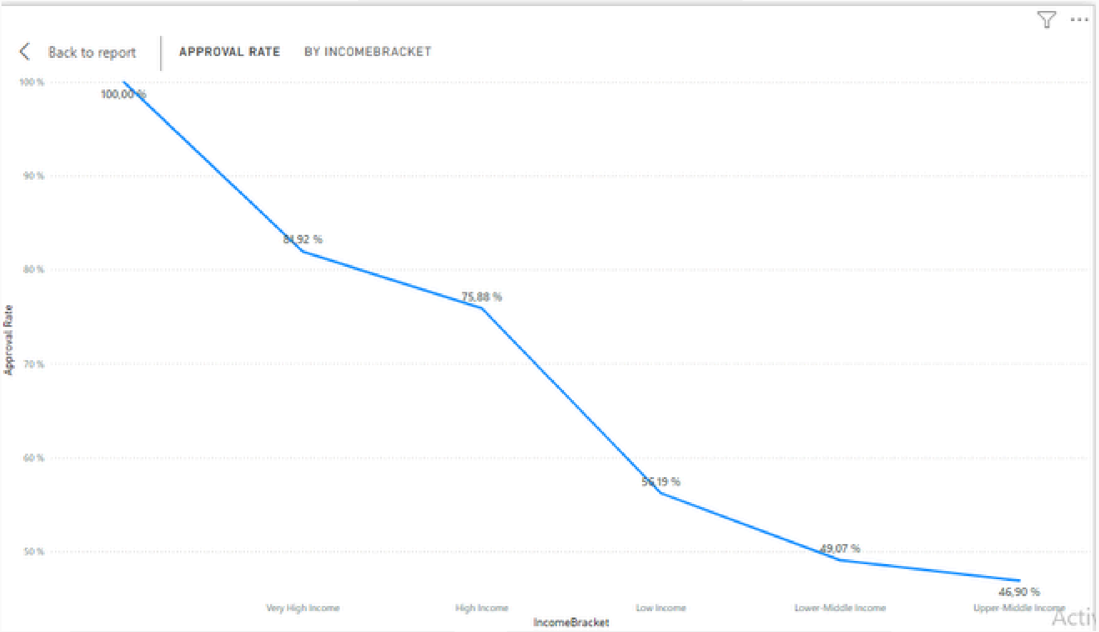
The "Approval Rate by Use of Loan" is shown using a horizontal bar chart that compares loan approval rates across different loan purposes:

- Vehicle loans have the highest approval rate at 61.20%, suggesting they are seen as low-risk by lenders.
- Loan consolidation and real estate loans also have high approval rates at 59.18% and 58.48%, likely due to their secured nature.
- Business and travel loans are approved at around 55%, while education and health loans have slightly lower approval rates, around 54-53%.
- Home improvement and other loans are approved just above 52%.
- Loans with an undefined purpose ("Not Set") have the lowest approval rate at 49.85%.

This chart highlights how the purpose of a loan impacts its likelihood of approval, with secured or essential loans generally having higher approval rates.

Approval rate by Income Bracket

Line Chart



The "Approval Rate by Income Bracket" is visualized using a line chart. This chart shows how loan approval rates vary across different income levels, highlighting trends and patterns based on the borrower's financial status.

Key Insights:

- Very High Income borrowers have a 100% approval rate, indicating that lenders view this group as the least risky and are highly confident in their ability to repay loans.
- High Income borrowers have a slightly lower approval rate of 81.92%. While still high, this drop may reflect a minor increase in perceived risk compared to the very high-income group.
- Upper-Middle Income and Lower-Middle Income groups show further decreases in approval rates, with 75.88% and 56.19% respectively. This suggests that as income decreases, lenders become more cautious, likely due to concerns about repayment ability.
- Low Income borrowers face an approval rate of 49.07% , indicating a higher perceived risk. Lenders might be more hesitant to approve loans for this group due to concerns about financial stability.
- Lower-Mid Income has the lowest approval rate at 46.90%, suggesting that borrowers in this bracket are considered the most financially vulnerable and thus riskier to lend to.

Conclusion

The dashboard highlights that loan approval rates are influenced by a combination of income levels, credit scores, and the purpose of the loan. Higher income and specific purposes like vehicle purchases tend to have higher approval rates. Additionally, borrowers with cleaner credit histories are more likely to get their loans approved. The distribution of loan amounts further indicates that mid to large-sized loans are most common among approved loans.
This comprehensive view helps in understanding the factors affecting loan approvals, enabling better decision-making for both lenders and borrowers.