

Abstract geometric lines in the top left corner, consisting of several overlapping, irregular polygons and lines in a light beige color.

# UPGRAD & IIIT-B LENDING CASE STUDY

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# PROBLEM STATEMENT

- Lending club loans money to needy people through different investors.
- They would like to understand what are the key factors which could help them avoid losses.

# KEY FACTORS WHICH COULD HELP THEM AVOID LOSSES

BUSINESS  
PURPOSE

Be careful with small business and debt consolidation

LOAN DYNAMICS

Be careful with high loan amount, high term and high interest rates

CUST DYNAMICS

Be careful with applicants having 4K to 17K of low salaries

GRADES

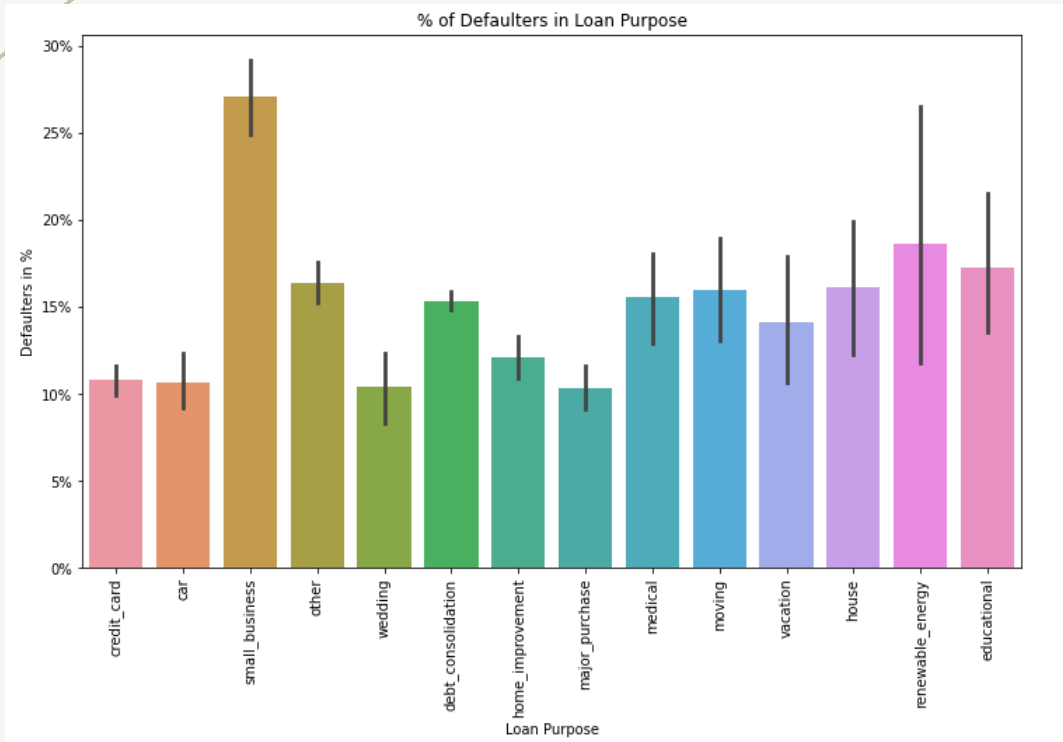
Be careful while giving loans to applicants with E, F & G grades

Abstract geometric lines in the top-left corner, consisting of several thin, light brown lines that intersect to form a series of overlapping, irregular polygons.

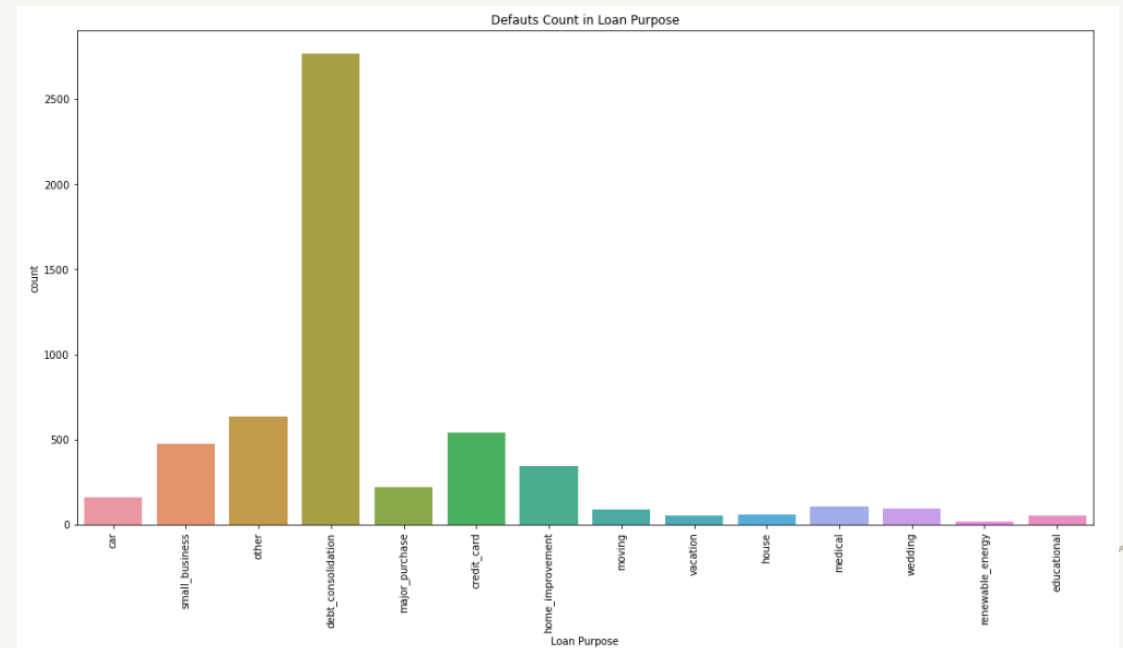
LET'S SEE EACH FACTOR  
INDIVIDUALLY WITH KEY  
METRICS

# BUSINESS PURPOSE

Be careful with small business and debt consolidation

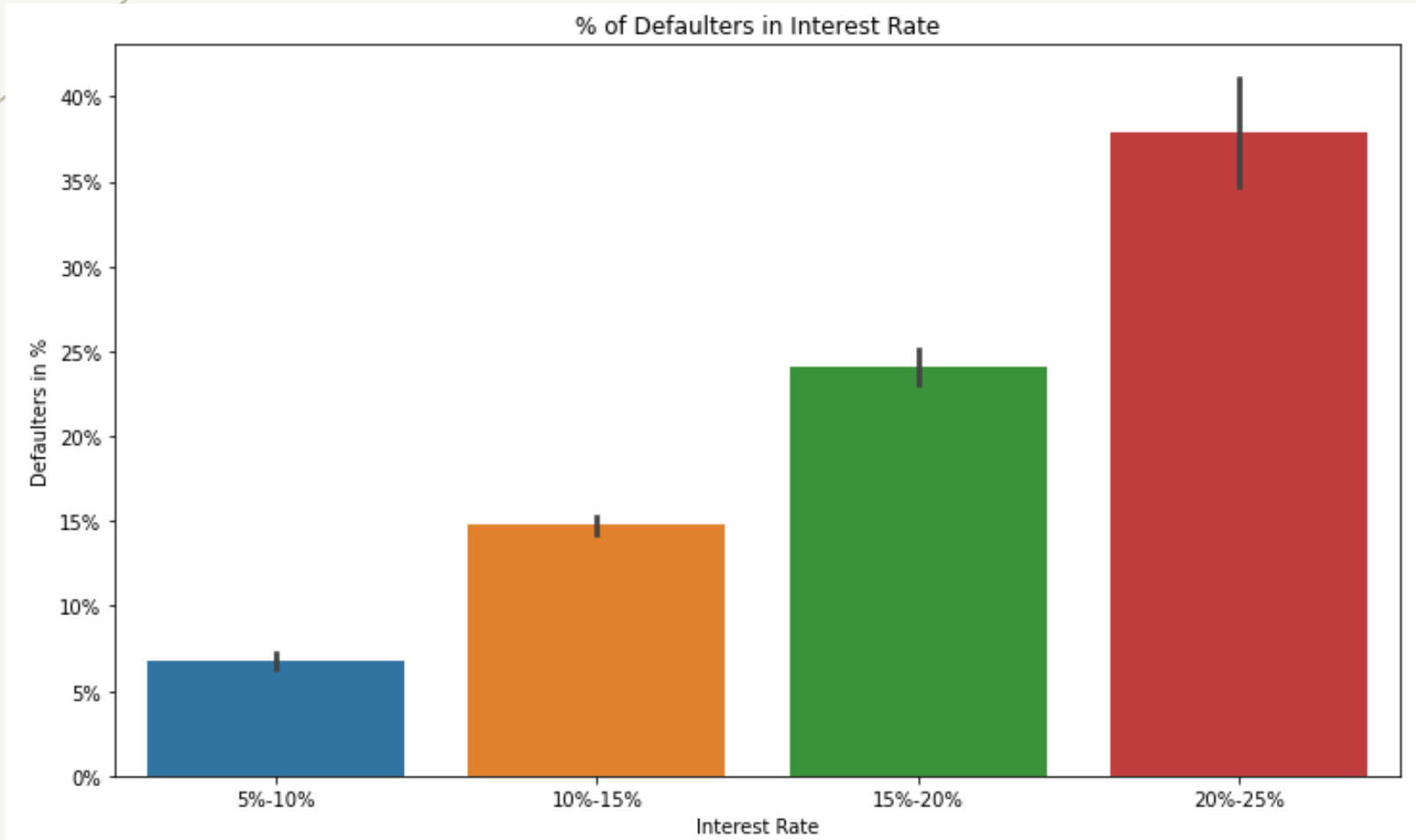


- > 25% of applications from small business get default
- Debt consolidation has highest number of defaults in absolutes



# LOAN DYNAMICS

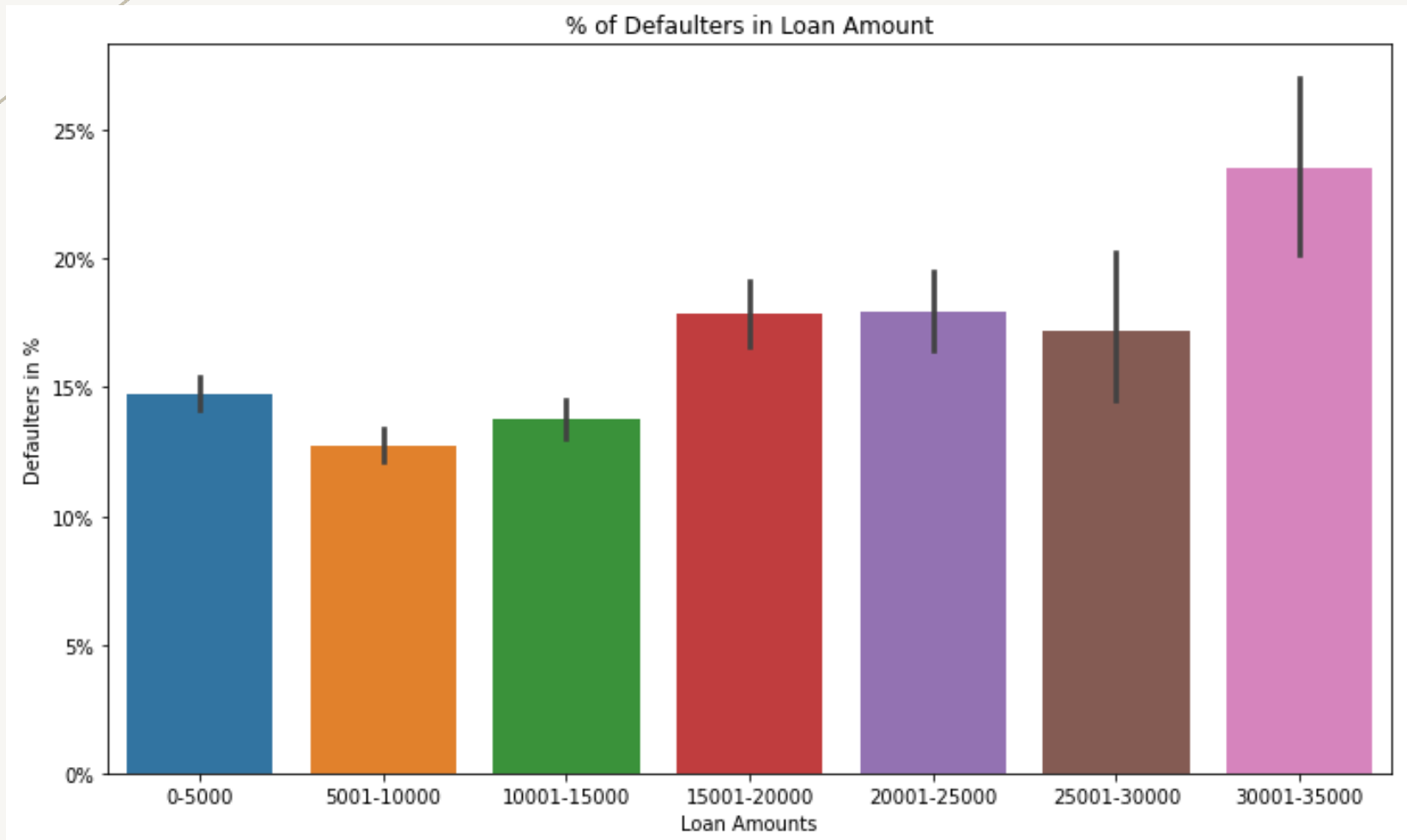
Be careful with high loan amount, high loan term and high interest rates



- > 35% of loans which are granted with interest rates >20% gets default
- It is the highest among all other interest rates

# LOAN DYNAMICS

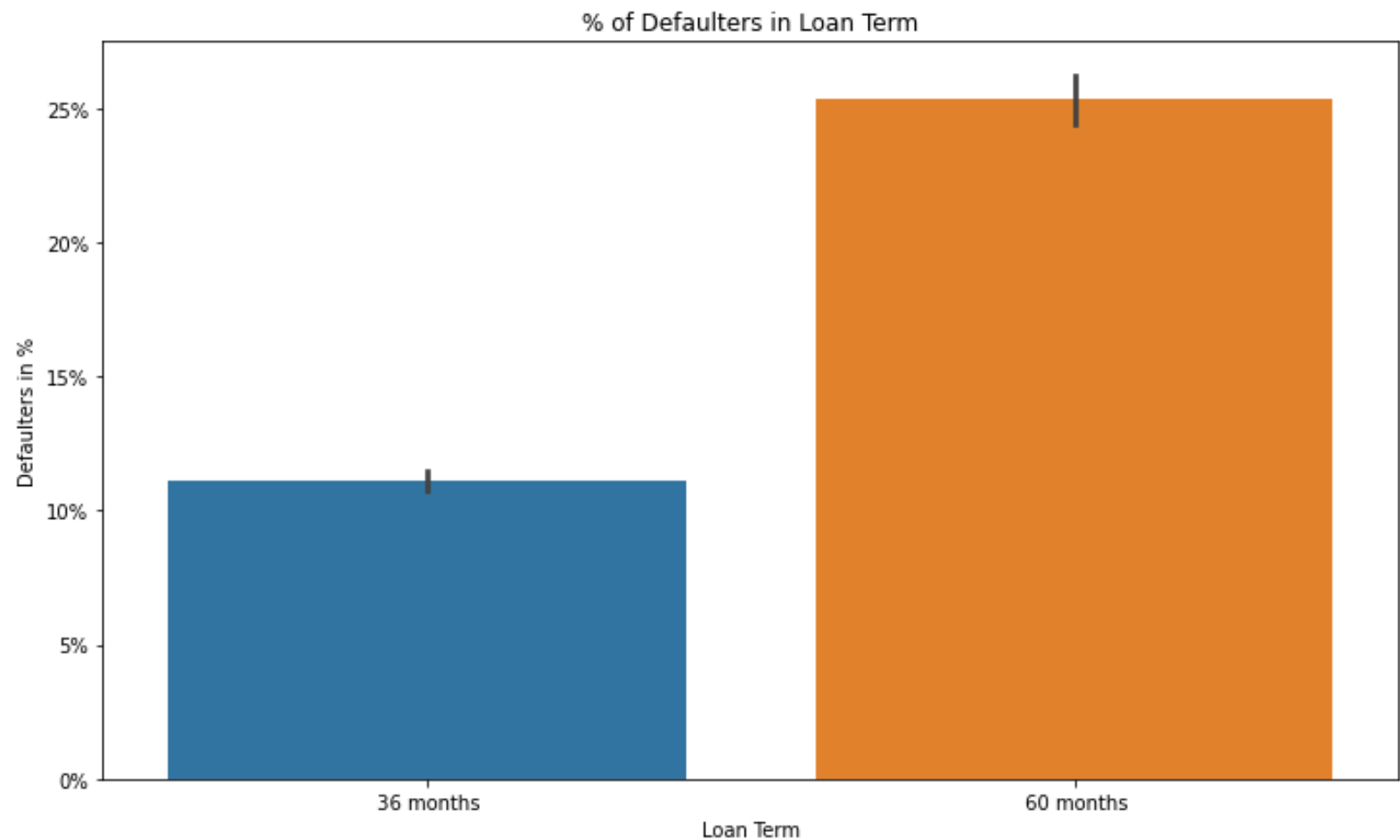
Be careful with high loan amount, high loan term and high interest rates



- ~ 25% of loans which are granted with loan amount >30,000 \$ gets default
- It is the highest among all other loan amounts

# LOAN DYNAMICS

Be careful with high loan amount, high loan term and high interest rates

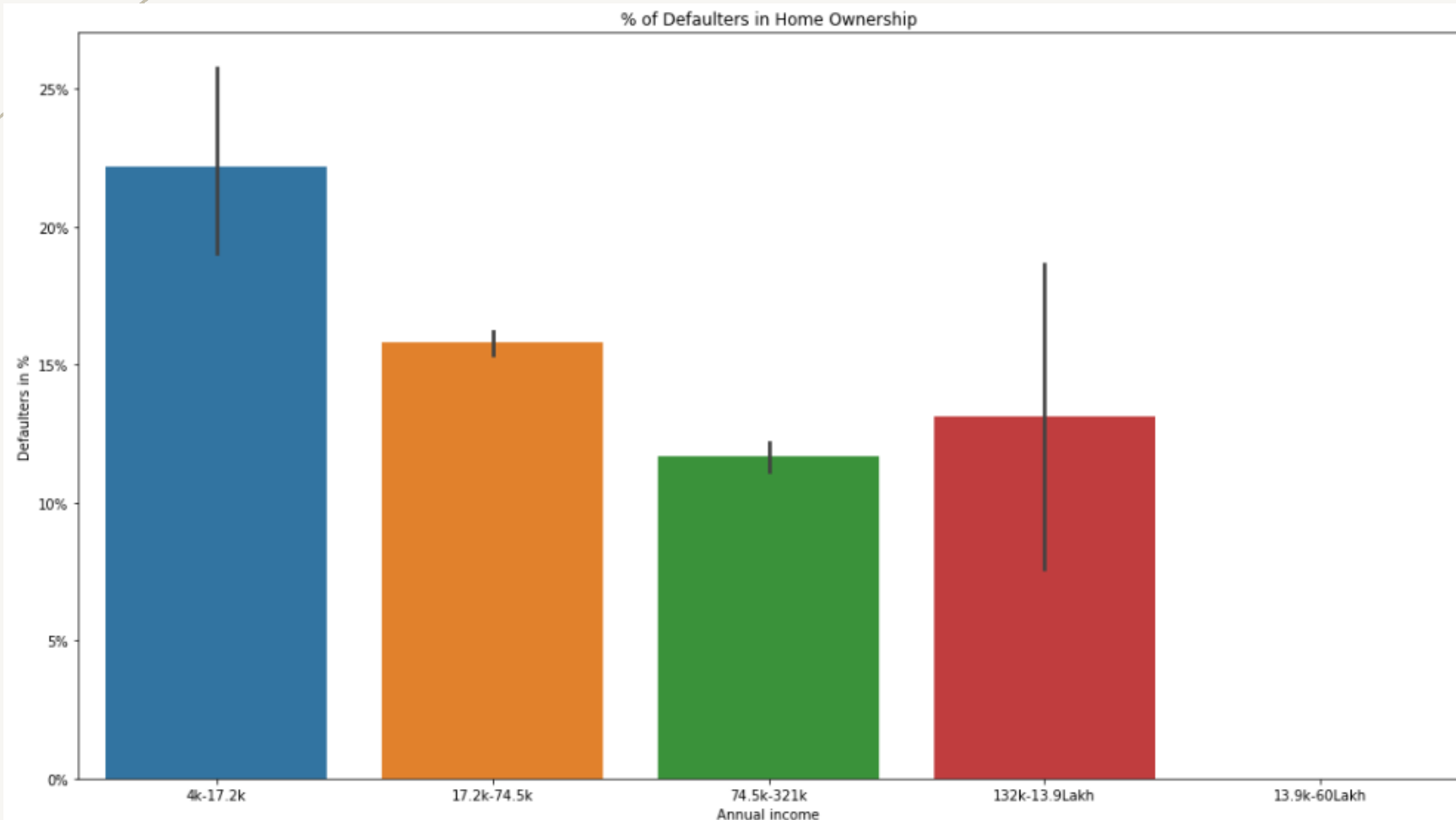


- > 25% of loans which are granted with 60 months gets default



# CUSTOMER DYNAMICS

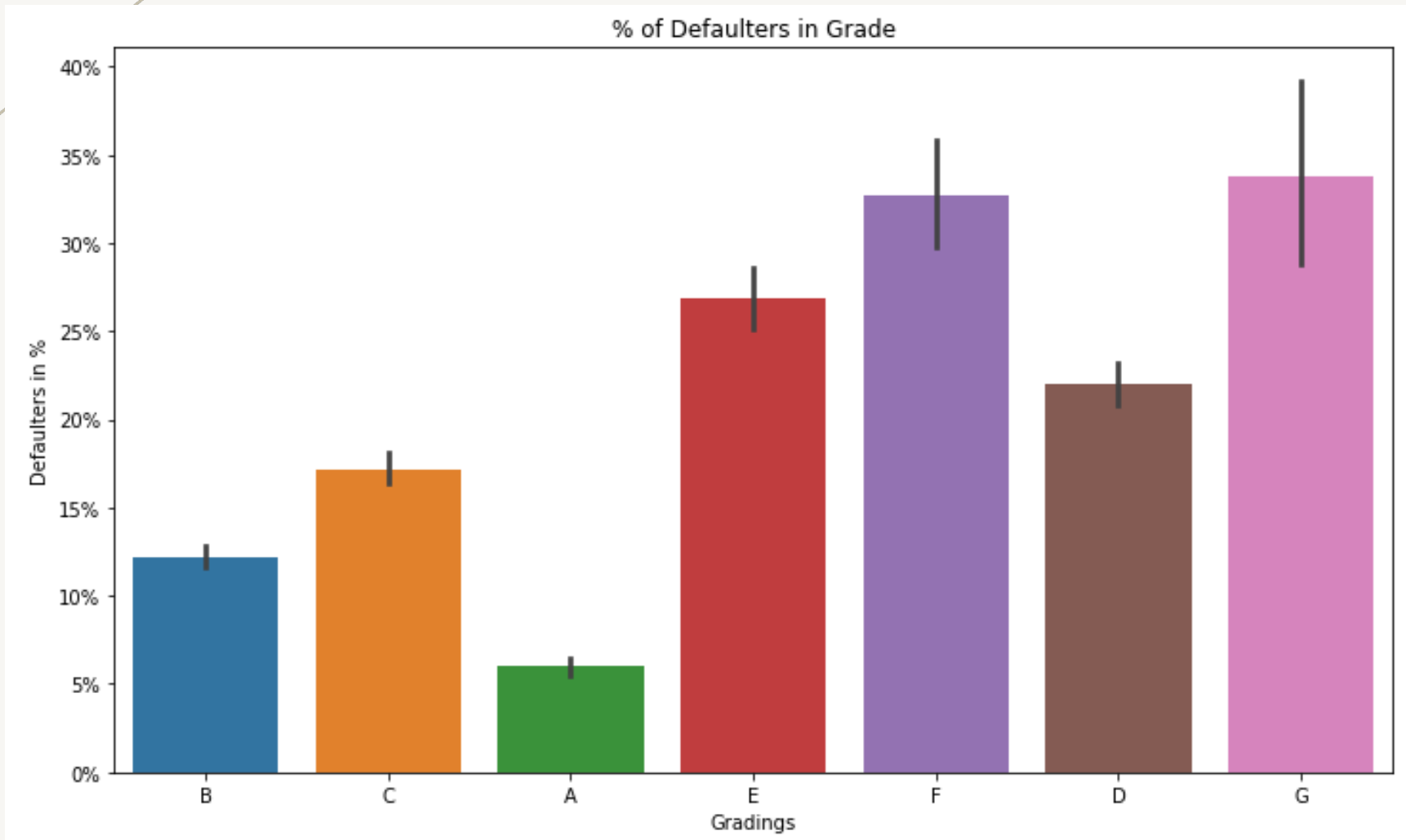
Be careful with applicants having 4K to 17K of low salaries



- ~ 22% of loans which are granted where applicants have annual income ranges from 4K to 17K gets default
- It is the highest among all other annual income ranges

# GRADES

Be careful while giving loans to applicants with E, F & G grades



- E, F & G grades have > 25% of loans which are granted where loans gets default



# THANK YOU

All documents and ipynb file can be found in the github repo below ->

[https://github.com/manojbisht1990/Lending\\_Club\\_Upgrad\\_VibhorMalik\\_ManojBisht](https://github.com/manojbisht1990/Lending_Club_Upgrad_VibhorMalik_ManojBisht)