ED-TECH INSTITUTE OF TECHNOLOGY

DEPARTMENT OF DATA SCIENCE AND ANALYSIS

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BUSINESS INTELLIGENCE CONSULTANCY TO ALPHA DREAMERS BANK

**Probem statement**

Alpha dreamers Banking consortium is a financial institution that provides business loans, savings accounts, and checking accounts for individuals and businesses. In their annual review, the board of directors for the institution saw it fit to enhance its internal operations to stay ahead of the competition. A new wing of business intelligence has been initiated to assist the loans department to automate, predict and formalize the business processes. The loans department has realized that there is a high defaulter rate for personal loans and measures must be put in place to minimize the defaulter rates.

**BUSINESS INTELIGENCE EXPLORATORY ANALYSIS**

In assessing personal bank loan defaults, we pay attention to select parameters. Precisely, Marital status, house ownership, age groups and work experience.

The analysis shows that single, rented accommodation, 0-20 years of work experience and aged people of 60+ years with inadequate work experience tend to default loans the most.

**The distribution of Risk Flag by Marital status is such that a single individual is most likely to default payment of a personal loan. This implies that Alpha dreamers Bank should be warry of clients who are not yet married or do not show potential of engaging in a companionship. It can be explained that a single individual is most likely to make biased fanancial decisions**

**THE OBSERVATIONs HIGHLIGHTS THAT INDIVIDUALS WHO LIVE IN RENTED ACCOMODATION ARE PRONE TO DEFAULTING PERSONAL LOANS. Individuals living in rented accommodation may be more likely to default on a personal loan compared to those who own their accommodation due to factors such as financial instability, lack of long-term commitment, potential lower creditworthiness, socio-economic differences, and psychological influences related to homeownership and financial responsibility**

**IN TERMS OF ASSESING BANK DEFAULTS ACCORDING TO THE VARIOUS AGES OF THE BANK`S CLIENTS, IT IS EVIDENT THAT INDIVIDUALS OF AGE 60 AND ABOVE TEND TO DEFAULT PERSONAL LOANS THE MOST. THIS COULD BE BECAUSE, MAJORIRY OF INDIVIDIUALS IN THIS AGE GROUP ARE RECENTLY RETIRED AND LONG RETIRED PEOPLE WHO MAY HAVE NOT SUBSTANTIALLY AMMASED FINANCIAL ASSETS TO PROVIDE THEM WITH THE NECESSARY LEVERAGE TO MAKE CERTAIN FINANCIAL DESICIONS**

**Clients with 0-20 years of work experience are more likely to default on personal bank loans compared to those with 20+ years of experience due to factors such as financial instability, lower income levels, and higher living expenses early in their careers. Experienced workers typically have higher income, established credit history, and better financial management skills, leading to greater loan repayment capabilities**

