

Group 3 Loan Analysis

BANK





96.78K

\$1.44bn

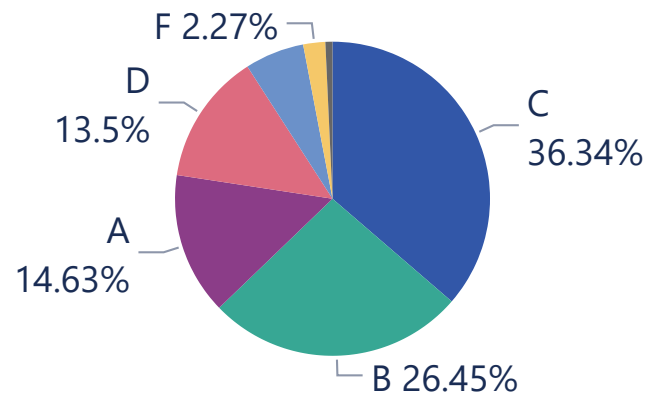
\$1.36bn

G

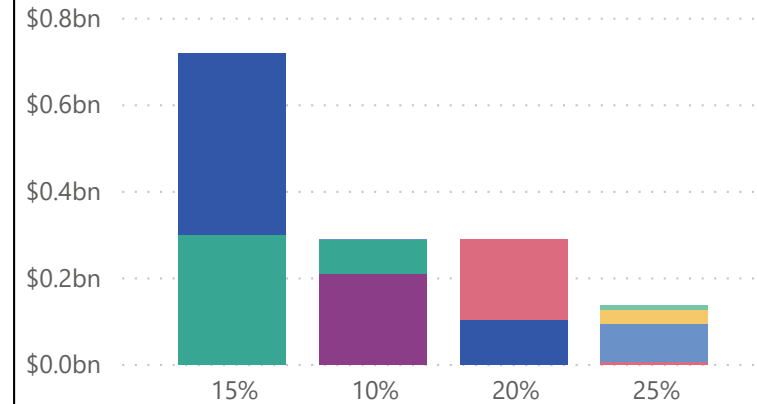
A line graph showing the relationship between salary and the number of applicants. The x-axis represents salary in thousands of dollars (\$10k to \$40k), and the y-axis represents the number of applicants (0K to 40K). The number of applicants starts at 40K for a \$10k salary and decreases as salary increases, leveling off around 6K for salaries between \$30k and \$35k.

Salary (\$k)	No. of Applicant (K)
10	40
15	20
20	15
25	9
30	6
35	6
40	2

Grade ● C ● B ● A ● D ● E ● F ● G

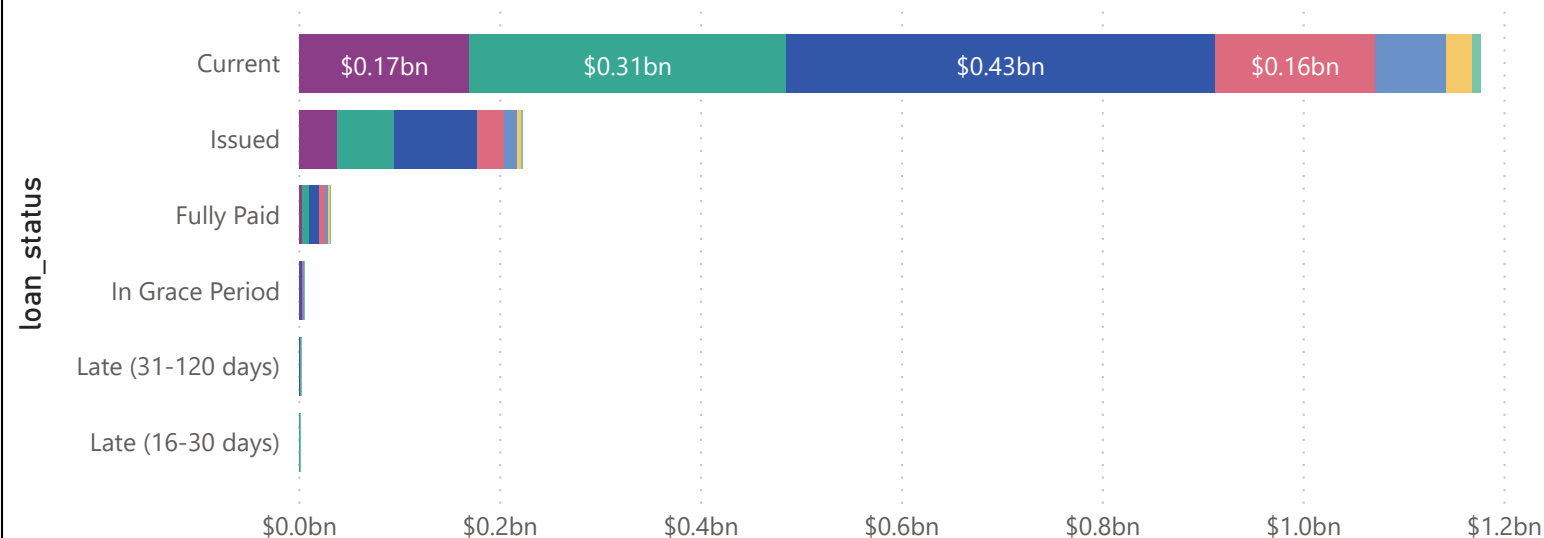


grade ● A ● B ● C ● D ● E ● F ● G



Relationship Duration (months)	Number of People (in millions)
36	~0.95
60	~0.52

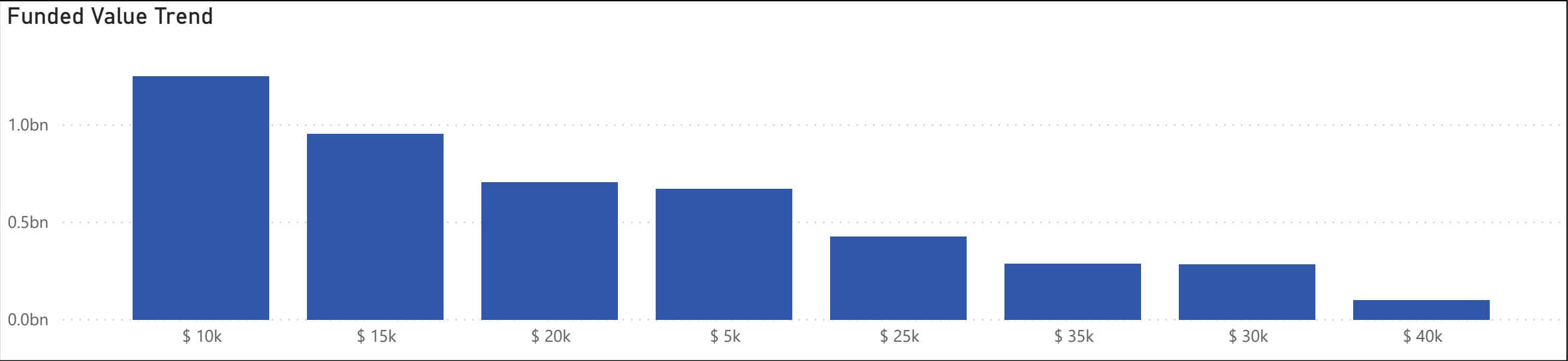
Grade ● A ● B ● C ● D ● E ● F ● G





Fund Summary.

No. of Loan Applicants	Total Loan Value	Total Funded Value	Outstanding Loan
96.78K	\$1.44bn	\$1.44bn	\$1.36bn



Purpose	
purpose	% Count
Debt consolidation	57.19%
Credit card refinancing	21.65%
Home improvement	6.98%
Other	6.29%
Major purchase	2.15%
Medical expenses	1.37%
Business	1.23%
Car financing	1.13%
Vacation	0.75%
Moving and relocation	0.75%
Total	100.00%

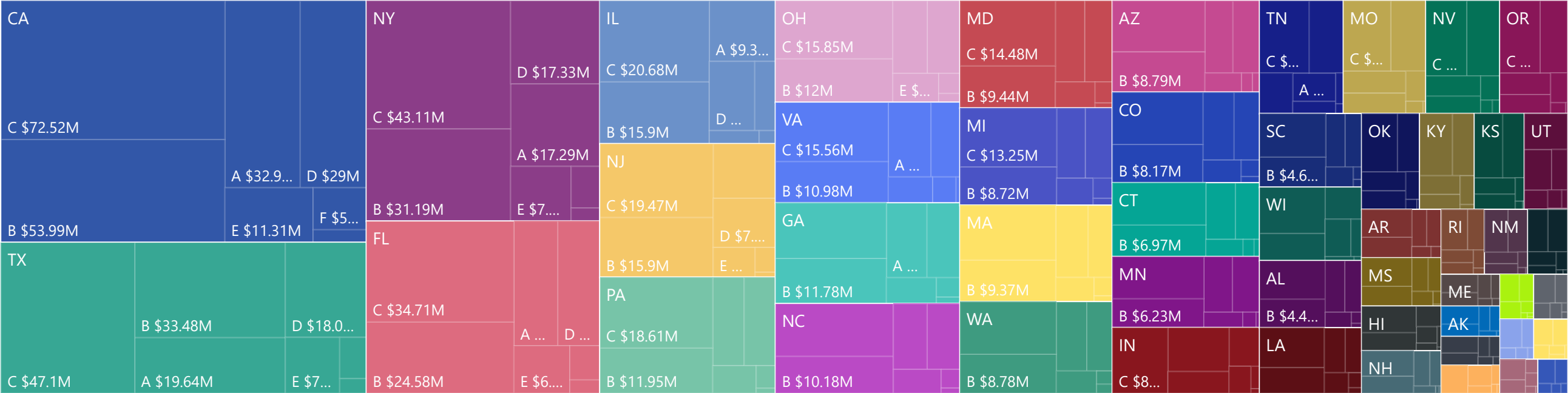
Loan Status	
loan_status	% Count
Current	93.60%
Fully Paid	2.94%
Issued	2.68%
In Grace Period	0.43%
Late (31-120 days)	0.21%
Late (16-30 days)	0.14%
Total	100.00%



State-wise Distribution

State	No. of Loan Applicants	Total Loan Value	Outstanding Loan
49	96.78K	\$1.44bn	\$1.36bn

Top 5 States								
State	A	B	C	D	E	F	G	Total
CA	\$32.93M	\$53.99M	\$72.52M	\$29.00M	\$11.31M	\$5.25M	\$1.60M	\$206.60M
FL	\$12.81M	\$24.58M	\$34.71M	\$12.27M	\$6.21M	\$2.42M	\$0.93M	\$93.92M
IL	\$9.39M	\$15.90M	\$20.68M	\$7.36M	\$3.38M	\$1.55M	\$0.51M	\$58.77M
NY	\$17.29M	\$31.19M	\$43.11M	\$17.33M	\$7.77M	\$2.81M	\$0.89M	\$120.39M
TX	\$19.64M	\$33.48M	\$47.10M	\$18.02M	\$7.09M	\$2.60M	\$0.92M	\$128.84M
Total	\$92.07M	\$159.13M	\$218.11M	\$83.97M	\$35.77M	\$14.62M	\$4.85M	\$608.52M





Demographic

CA

No. of Loan Applicants

13.37K

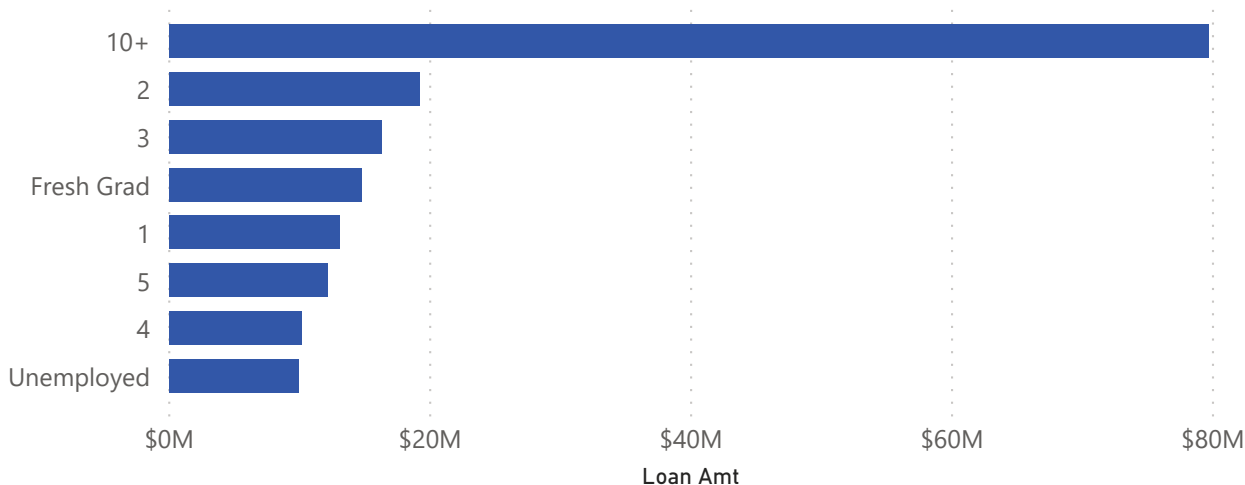
Total Loan Value

\$206.6M

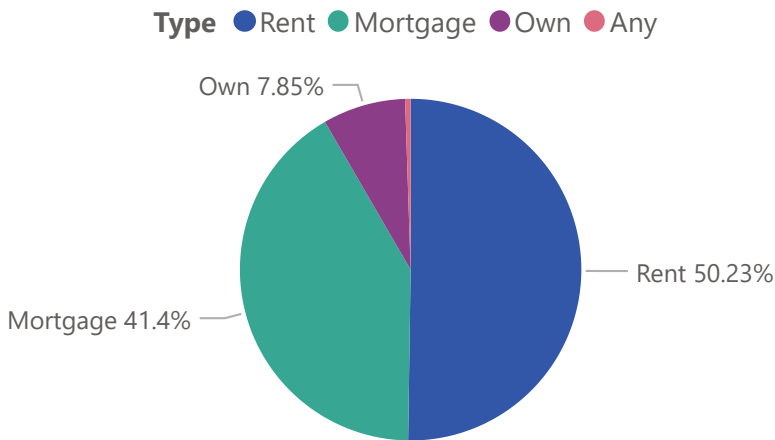
Outstanding Loan

\$195.11M

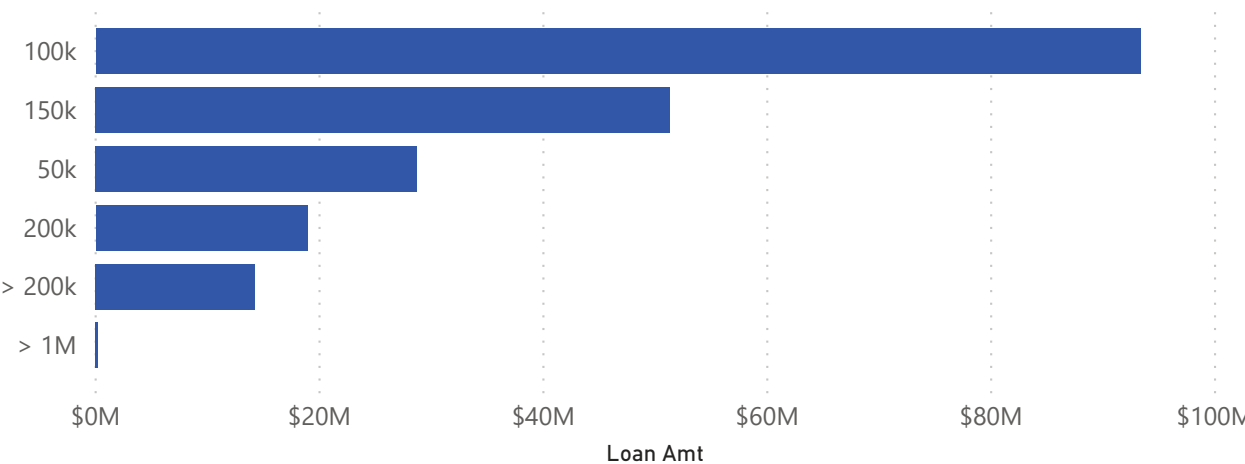
Length of Service



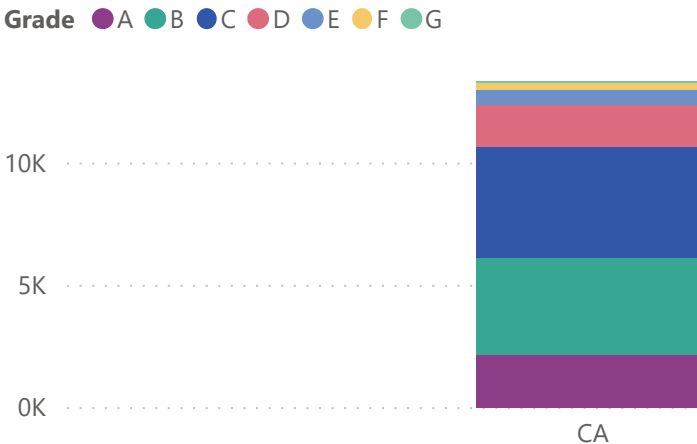
Home Ownership



Annual Income



Distribution of Grade by State



Recommendations

- To maximise profit, we (ie. the lending institution) should target more Grade D customers as that gives us a higher profit margin. In addition, Grade D customers are in a disadvantaged position to bargain for better deals as not every lending institutions welcome them.
- To spur higher lending, we should increase the credit limit of existing Grade D customers
- For new Grade D customers, we could sweeten the attraction with deferred payment scheme or introductory interest rate for the first year.
- All in all, we should increase our base composition of Grade D customers from 13% to 20%, while reducing our Grade A customers from 14% to 10%. Doing so will increase our profits significantly and override any potential bad debts from Grade D customers.