**Report on Bank Loan System**

**Overview:**

This report provides a detailed analysis of the bank's loan system based on recent data. The system handled a total of 38,650 loan applications, with a substantial total funded amount of $436 million. This report will break down the data into various categories, including good and bad loans, funded amounts, and interest rates.

* Key Figures:

-Total Loan Applications: 38,650

-Total Funded Amount: $436 million

-Total Received Amount: $474 million

- Average Interest Rate: 12%

* Loan Categories:
* Good Loans:
* Applications: 33,000 (86.2% of total applications)
* Funded Amount: $371 million
* Received Amount: $436 million
* Percentage of Total Funded Amount: 85%
* Bad Loans:
* Applications: 5,300 (13.8% of total applications)
* Funded Amount: $66 million
* Received Amount: $37 million
* Percentage of Total Funded Amount: 15%

**Detailed Analysis:**

1. Good Loans:

* Applications and Funding:
* Good loans represent 86.2% of the total loan applications, translating to 33,000 individual applications.
* The total amount funded for these good loans is $371 million, which is approximately 85% of the overall funded amount.
* Financial Summary:
* The bank received $436 million from good loans, indicating a significant proportion of the total received amount.
* Interest Rate Impact:
* With an average interest rate of 12%, good loans contribute substantially to the bank's interest income. This rate likely reflects the bank's pricing strategy for risk management and profitability.

2. Bad Loans:

* Applications and Funding:
* Bad loans account for 13.8% of the total loan applications, equating to 5,300 applications.
* The funded amount for bad loans stands at $66 million, which represents 15% of the total funded amount.
* Financial Summary:
* The amount received from bad loans is $37 million, significantly less than the amount funded. This discrepancy highlights potential recovery issues or losses associated with these loans.
* Interest Rate Impact:
* Despite the higher risk, bad loans still adhere to the average interest rate of 12%. However, the lower recovery amount suggests that these loans may be less profitable or more problematic in terms of collection.

**Conclusions:**

The bank's loan system demonstrates a high rate of good loans (86.2%), which contributes positively to the overall funding and recovery amounts. The substantial amount of $371 million funded and $436 million received from good loans indicates robust performance in this segment.

The presence of bad loans (13.8%) presents a challenge, with a lower recovery amount of $37 million compared to the $66 million funded. This suggests potential areas for improvement in risk assessment and collection processes.

The average interest rate of 12% is consistent across both good and bad loans. While this rate is standard, the financial impact varies significantly between loan categories, underscoring the importance of effective risk management.

**Recommendations:**

1. Enhanced Risk Assessment:

- Implement more rigorous criteria and predictive analytics to reduce the proportion of bad loans and improve the overall quality of the loan portfolio.

2. Improved Collection Strategies:

- Develop more effective strategies for recovering amounts from bad loans to reduce the gap between funded and received amounts.

3. Review Interest Rate Strategy:

- Assess the interest rate strategy to ensure it aligns with the risk profile of the loans and maximizes profitability without adversely affecting the loan approval rates.

By addressing these areas, the bank can further enhance its loan system's efficiency and financial performance.