

Loan Quality Report for Fictional Cities in Region X

Cities:

- Stonebridge
- Clearwater
- Mapleton

City: Stonebridge

Demographics:

- **Population Age Distribution:**
 - 17-30: 22%
 - 30-40: 25%
 - 40-50: 20%
 - 50-60: 18%
 - 60+: 15%
- **Marital Status:**
 - Married: 60%
 - Single: 35%
 - Divorced: 5%
- **Annual Income Breakdown:**
 - 0-10,000: 25%
 - 10,000-30,000: 30%
 - 30,000-50,000: 25%
 - 50,000-70,000: 12%
 - 70,000+: 8%

Loan Quality:

- **Non-Performing Loan (NPL) Percentage:** 6.5%
 - The higher NPLs are seen in the lower income bracket, particularly for individuals earning less than 30,000 annually, with the 17-30 age group showing the most defaults.
- **Delinquency Rates:**
 - 1-7 days: 40%
 - 7-14 days: 30%
 - 14-30 days: 15%
 - 30-60 days: 10%
 - 60+ days: 5%
- **Loan Amounts:**
 - The majority of loans range between \$1,500 and \$10,000.
 - Larger loans of \$10,000 to \$15,000 are more frequent among higher-income earners.
- **Loan Tenure:**
 - 6 months: 10%
 - 12 months: 30%
 - 18 months: 20%
 - 24 months: 20%
 - 30 months: 10%
 - 36 months: 10%

Observations: The loan quality in Stonebridge generally follows a predictable trend—higher income brackets demonstrate significantly better loan performance. However, there is a slight uptick in non-performing loans for individuals aged 17-30, mostly due to lower income levels. Delinquencies are mostly short-term, but there is a small percentage that crosses the 60+ days mark.

City: Clearwater

Demographics:

- **Population Age Distribution:**
 - 17-30: 18%
 - 30-40: 30%
 - 40-50: 25%
 - 50-60: 15%
 - 60+: 12%
- **Marital Status:**
 - Married: 55%
 - Single: 40%
 - Divorced: 5%
- **Annual Income Breakdown:**
 - 0-10,000: 20%
 - 10,000-30,000: 35%
 - 30,000-50,000: 25%
 - 50,000-70,000: 10%
 - 70,000+: 10%

Loan Quality:

- **Non-Performing Loan (NPL) Percentage:** 4.2%
 - NPL rates are lower here, particularly in the 30-50 age group. Individuals earning above \$50,000 annually show very few defaults. However, the 17-30 age group with income below \$30,000 still presents some risks.
- **Delinquency Rates:**
 - 1-7 days: 50%

- 7-14 days: 20%
- 14-30 days: 10%
- 30-60 days: 10%
- 60+ days: 10%
- **Loan Amounts:**
 - Loans between \$2,000 and \$8,000 are most common, with a noticeable increase in higher loans (\$10,000+) in the 40-50 age group.
- **Loan Tenure:**
 - 6 months: 15%
 - 12 months: 40%
 - 18 months: 15%
 - 24 months: 15%
 - 30 months: 10%
 - 36 months: 5%

Observations: Clearwater has relatively healthy loan quality. While non-performing loans exist, the figures are generally low, with high-earning individuals maintaining solid creditworthiness. Most delinquencies are short-term, and loans are widely distributed across different tenures, though there is a preference for 12-month terms.

City: Mapleton

Demographics:

- **Population Age Distribution:**
 - 17-30: 20%
 - 30-40: 20%
 - 40-50: 25%
 - 50-60: 20%
 - 60+: 15%
- **Marital Status:**
 - Married: 50%
 - Single: 40%
 - Divorced: 10%
- **Annual Income Breakdown:**
 - 0-10,000: 30%
 - 10,000-30,000: 35%
 - 30,000-50,000: 20%
 - 50,000-70,000: 10%
 - 70,000+: 5%

Loan Quality:

- **Non-Performing Loan (NPL) Percentage:** 8.7%
 - Mapleton experiences the highest NPL rate in the region, particularly in the lower-income groups, where delinquency rates are a concern. Non-performance is particularly prominent in the 30-50 age range with income below \$30,000.
- **Delinquency Rates:**
 - 1-7 days: 30%
 - 7-14 days: 25%
 - 14-30 days: 20%
 - 30-60 days: 15%
 - 60+ days: 10%
- **Loan Amounts:**
 - Loan sizes range from \$500 to \$6,000, with smaller loan amounts being more frequent. Few individuals qualify for larger loans beyond \$10,000.
- **Loan Tenure:**
 - 6 months: 20%
 - 12 months: 35%
 - 18 months: 15%
 - 24 months: 10%
 - 30 months: 10%
 - 36 months: 10%

Observations: Mapleton faces significant challenges with loan quality, especially in the lower-income demographic. Delinquency rates show a higher proportion of longer-term delays (14-60 days), which raises concern for future defaults. Individuals with incomes below \$30,000 struggle to manage loans, leading to higher non-performance and delinquency figures.

Conclusion:

Based on the analysis of the three cities:

- **Expansion Opportunity: Clearwater**
Clearwater has the lowest non-performing loan percentage (4.2%) and better overall creditworthiness, especially among higher-income earners. The short-term delinquencies dominate, and loan quality remains strong across different demographics. This city offers the most potential for expanding business with minimal risk.
- **Caution Required: Mapleton**
Mapleton presents the highest risk, with an NPL rate of 8.7% and significant delinquency issues. The high concentration of non-performing loans in the lower-income demographic (especially the 30-50 age range) suggests that more attention is needed to mitigate loan defaults.