Consumer Finance Schemes by Financial Institutions

Consumers Credit Schemes are very popular in most of the developed and developing countries of the world. These are designed to finance the fixed income group for buying essential commodities to be repaid by installment over a period in accordance with agreement. It fills a variety of needs: financing the purchase of an automobile or household appliance, home improvement, traveling, and so on. The middle class and the discipline professionals cannot afford to buy essential utility products. As such, they cannot raise their living standard to an expected level. Different banks have introduced the “Consumers Credit Schemes” to serve the needs of the limited income group and improve their quality of life for achieving the objectives of the Bank. Consumers Credit Scheme is gradually becoming very popular in our country. Commercial banks buy many consumers installment loans from car dealers and department stores and also participate in all aspects of consumer credit transactions both as originators and holders. The portion of the consumer credit market attributable to banks has greatly increased due in large part to widespread use of bank credit cards (Anderson, 1993).

Since the objective of this research effort circumvent upon credit schemes of lending institutions, the discussion below now lends itself to the key features of the following finance schemes offered by SBI, PNB, UBI, HDFC, ICICI, IDBI and Kotak Mahindra

- Personal Loan Scheme
- Vehicle Loan Scheme
- Home Loan Scheme
In present chapter an attempt has been made to reveal the results of analysis of collected data from the executives of the selected banks to check the credit health worthiness of the customers applying for different types of consumer finance schemes of the banks and the customers of the various banks for the selection of a bank to take a loan. For analyzing the data, both simple and advance statistical tools had been used. In some cases simple statistics like average, percentage, weighted average and mean score had been applied. Exploratory research required some advanced tools also; therefore, to find out and analyze the results of the study statistical tests like Standard Deviation, Correlation and Factor Analysis had been used.

In the present study two types of questionnaire were used. First questionnaire was filled up from the customers of the various banks for the selection of a bank to take a loan and the other questionnaire was filled up by executives of the selected banks to check the credit health worthiness of the customers. In the first questionnaire the most important variables to select a bank adopted by the customers while taking a loan are as under

1. Low interest rates on loans/EMI
2. Low rates of checking/processing fees
3. Speed of processing (Turn around time)
4. Low prepayment charges
5. Confidentiality of information
6. Number of documents required
7. Bank reputation
8. Need for guarantors
9. Appropriate range of service
10. Variety and speed of service offered
11. Branch network
12. Location of branch
13. Professionalism of bank staff
14. Regular bank statements
15. Availability of required human resources
16. Reception at the bank
17. Influence of spouse
18. Recommendations of friends and relatives
19. Exterior and interior décor of bank building
20. Class of people who patronize the bank
21. Appearance, friendliness and personal acquaintance with the bank personnel
22. Influential marketing campaign
23. Availability of auxiliary banking services
24. ATM in several locations
25. 24 hours availability of ATM service
26. Convenience ATM location
27. Availability of Internet banking/secure Website
28. Employees competence
29. Percentage of loan offered to value of the Property/Security
30. Fastness of Disbursement of loan amount

It is apparent that consumers adopt a different set of criteria of bank selection for taking loans as distinguished from selecting a bank for routine transactions. Personal acquaintances and least documentation etc. are some of the factors that form the core of considerations while taking loan. The study of these factors along with other factors forms the basic platform for this study.

In most of the previous studies, the investigators used a broad and in most cases different set of bank selection criteria. After a literary study on these different sets of criteria it is possible to distinguish six clusters of criteria which are coming back in most of the studies in context of routine transaction. The analysis of the data collected by the customers for the selection of a bank is as under
Analysis of Questionnaire filled up by the Customers

Factor Analysis

Table 4.1
Descriptive Statistics

<table>
<thead>
<tr>
<th>Factor</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low interest rates on loans/EMI</td>
<td>308</td>
<td>4.7208</td>
<td>.45654</td>
</tr>
<tr>
<td>Low rates of checking/processing fees</td>
<td>308</td>
<td>4.4416</td>
<td>.64558</td>
</tr>
<tr>
<td>Speed of processing (Turn around time)</td>
<td>308</td>
<td>4.4286</td>
<td>.63407</td>
</tr>
<tr>
<td>Low prepayment charges</td>
<td>308</td>
<td>4.3019</td>
<td>.67751</td>
</tr>
<tr>
<td>Confidentiality of information</td>
<td>308</td>
<td>4.4091</td>
<td>.63157</td>
</tr>
<tr>
<td>Number of documents required</td>
<td>308</td>
<td>3.8474</td>
<td>.76108</td>
</tr>
<tr>
<td>Bank reputation</td>
<td>308</td>
<td>4.2792</td>
<td>.67527</td>
</tr>
<tr>
<td>Need for guarantors</td>
<td>308</td>
<td>3.7013</td>
<td>1.02178</td>
</tr>
<tr>
<td>Appropriate range of service</td>
<td>308</td>
<td>3.7305</td>
<td>.98297</td>
</tr>
<tr>
<td>Variety and speed of service offered</td>
<td>308</td>
<td>3.9221</td>
<td>.86955</td>
</tr>
<tr>
<td>Branch network</td>
<td>308</td>
<td>4.1331</td>
<td>.71180</td>
</tr>
<tr>
<td>Location of branch</td>
<td>308</td>
<td>4.1234</td>
<td>.62341</td>
</tr>
<tr>
<td>Professionalism of bank staff</td>
<td>308</td>
<td>4.0877</td>
<td>.68638</td>
</tr>
<tr>
<td>Regular bank statements</td>
<td>308</td>
<td>4.0682</td>
<td>.70726</td>
</tr>
<tr>
<td>Availability of required human resources</td>
<td>308</td>
<td>4.0000</td>
<td>.64064</td>
</tr>
<tr>
<td>Reception at the bank</td>
<td>308</td>
<td>3.9253</td>
<td>.81772</td>
</tr>
<tr>
<td>Influence of spouse</td>
<td>308</td>
<td>3.5552</td>
<td>1.08598</td>
</tr>
<tr>
<td>Recommendations of friends and relatives</td>
<td>308</td>
<td>3.4740</td>
<td>1.07199</td>
</tr>
<tr>
<td>Exterior and interior decor of bank building</td>
<td>308</td>
<td>3.5812</td>
<td>1.03201</td>
</tr>
<tr>
<td>Class of people who patronize the bank</td>
<td>308</td>
<td>3.6266</td>
<td>.82719</td>
</tr>
<tr>
<td>Appearance, friendliness and personal acquaintance with the bank personnel</td>
<td>308</td>
<td>3.5617</td>
<td>.98825</td>
</tr>
<tr>
<td>Influential marketing campaign</td>
<td>308</td>
<td>3.6558</td>
<td>.82612</td>
</tr>
<tr>
<td>Availability of auxiliary banking services</td>
<td>308</td>
<td>3.8506</td>
<td>.87887</td>
</tr>
<tr>
<td>ATM in several locations</td>
<td>308</td>
<td>4.2955</td>
<td>.81938</td>
</tr>
<tr>
<td>24 hours availability of ATM service</td>
<td>308</td>
<td>4.2792</td>
<td>.93430</td>
</tr>
<tr>
<td>Convenience ATM location</td>
<td>308</td>
<td>4.2825</td>
<td>.87384</td>
</tr>
<tr>
<td>Availability of internet banking/secure website</td>
<td>308</td>
<td>4.4578</td>
<td>.67638</td>
</tr>
<tr>
<td>Employees competence</td>
<td>308</td>
<td>4.0032</td>
<td>.68724</td>
</tr>
<tr>
<td>Percentage of loan offered to value of the Property/Security</td>
<td>308</td>
<td>4.1429</td>
<td>.70760</td>
</tr>
<tr>
<td>Fastness of Disbursement of loan amount</td>
<td>308</td>
<td>4.3149</td>
<td>.57202</td>
</tr>
<tr>
<td>Valid N (list wise)</td>
<td>308</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
V1- Low Interest Rates on Loans/EMI

The response shown in the table (Mean= 4.7208, S.D. =.45654) indicates that this statement hold true in view of the customer’s opinion about selecting a bank.

V2- Low Rates of Checking/Processing Fees

The result from this table (Mean = 4.4416, S.D. = .64558) showed that customer took into consideration low rates of checking/processing fees in mind to select a bank.

V3- Speed of Processing (Turn-around Time)

The result from this table (Mean =4.4286, S.D = .63407) showed that the variable speed of processing is very important for the customer while selecting a bank.

V4- Low Prepayment Charges

The result from this table (Mean = 4.3019, S.D. = .67751) showed that this statement hold true in view of the customer’s opinion about selecting a bank.

V5- Confidentiality of Information

The result from this table (Mean =4.4091, S.D. = .63157) showed that the variable Confidentiality of information is very important for the customer while selecting a bank.

V6- Number of Documents Required

The response shown in the table (Mean= 3.8474, S.D. = .76108) indicates that this statement was not so important as far as the customer’s opinion about selecting a bank is concerned.

V7- Bank Reputation

The statistics shown in the table (Mean= 4.2792, S.D. = .67527) indicates that this statement hold true in view of the customer’s opinion about selecting a bank.

V8 - Need for Guarantors

The response shown in the table (Mean= 3.7013, S.D. = 1.02178) indicates that this statement was not so important in view of the customer’s opinion about selecting a bank.
V9- Appropriate Range of Service

The statistics in the table (Mean= 3.7305, S.D. = .98297) showed that this statement was not so important as far as the customer’s opinion about selecting a bank is concerned.

V10- Variety and Speed of Service Offered

The response shown in the table (Mean= 3.9221, S.D. = .86955) revealed that this statement was not considered as important in view of the customer’s opinion about selecting a bank.

V11- Branch Network

The statistics in the table (Mean= 4.1331, S.D. = .71180) showed that this statement hold true in view of the customer’s opinion about selecting a bank.

V12- Location of Branch

The data shown in the table (Mean= 4.1234, S.D. = .62341) indicates that this statement hold true in view of the customer’s opinion about selecting a bank.

V13- Professionalism of Bank Staff

The observation shown in the table (Mean= 4.0877, S.D. = .68638) considered that this statement hold true as far as the customer’s opinion about selecting a bank

V14- Regular Bank Statements

The statistics shown in the table (Mean= 4.0682, S.D. = .70726) indicates that this statement hold true in view of the customer’s opinion about selecting a bank is concerned.

V15- Availability of Required Human Resources

The data revealed in the table (Mean= 4.0000, S.D. = .64064) showed that this statement considered true by the customer’s opinion about selecting a bank

V16- Reception at the Bank

The statistics shown in the table (Mean= 3.9253, S.D. = .81772) indicates that this statement was not so important as far as the customer’s opinion about selecting a bank is concerned.
V17- Influence of Spouse

The observation shown in the table (Mean= 3.5552, S.D. = 1.08598) indicates that this statement was not considered significant in view of the customer’s opinion about selecting a bank.

V18 - Recommendations of Friends and Relatives

The response shown in the table (Mean= 3.4740, S.D. = 1.07199) revealed that this statement was not so important in view of the customer’s opinion about selecting a bank.

V19- Exterior and Interior Decor of Bank Building

The data revealed in the table (Mean= 3.5812, S.D. = 1.03201) showed that this statement was not so important in view of the customer’s opinion about selecting a bank.

V20- Class of People Who Patronize the Bank

The statistics shown in the table (Mean= 3.6266, S.D. = .82719) indicates that this statement was not so important as far as the customer’s opinion about selecting a bank.

V21- Appearance, Friendliness and Personal Acquaintance with The Bank Personnel

The result shown in the table (Mean= 3.5617, S.D. = .98825) revealed that this statement was not very important in view of the customer’s opinion about selecting a bank.

V22- Influential Marketing Campaign

The data revealed in the table (Mean= 3.6558, S.D. = .82612) showed that this statement was not so important as far as the customer’s opinion about selecting a bank is concerned.

V23- Availability of Auxiliary Banking Services

The response shown in the table (Mean= 3.8506, S.D. = .87887) indicates that this statement was not so important in view of the customer’s opinion about selecting a bank.
V24- ATM in Several Locations

The statistics shown in the table (Mean= 4.2955, S.D. = .81938) revealed that this statement hold true as far as the customer’s opinion about selecting a bank.

V25- 24 Hour’s Availability of ATM Service

The data revealed in the table (Mean= 4.2792, S.D. = .93430) indicates that this statement hold true in view of the customer’s opinion about selecting a bank is concerned.

V26- Convenience ATM Location

The response shown in the table (Mean= 4.2825, S.D. = .87384) revealed that this statement hold true in view of the customer’s opinion about selecting a bank.

V27 - Availability of Internet Banking/Secure Website

The statistics shown in the table (Mean= 4.4578, S.D. = .67638) indicates that this statement hold true as far as the customer’s opinion about selecting a bank is concerned.

V28 - Employees Competence

The data revealed in the table (Mean= 4.0032, S.D. = .68724) that this statement hold true in view of the customer’s opinion about selecting a bank.

V29 - Percentage of Loan Offered To Value of the Property/Security

The result shown in the table (Mean= 4.1429, S.D. = .70760) indicates that this statement hold true in view of the customer’s opinion about selecting a bank is concerned.

V30 - Fastness of Disbursement of Loan Amount

The data revealed in the table (Mean= 4.3149, S.D. = .57202) showed that this statement considered important in view of the customer’s opinion about selecting a bank is concerned.
## Table 4.2
### Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigen values</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>3</td>
<td>2.410</td>
<td>8.033</td>
</tr>
<tr>
<td>4</td>
<td>2.081</td>
<td>6.936</td>
</tr>
<tr>
<td>5</td>
<td>1.541</td>
<td>5.137</td>
</tr>
<tr>
<td>6</td>
<td>1.427</td>
<td>4.756</td>
</tr>
<tr>
<td>7</td>
<td>1.263</td>
<td>4.210</td>
</tr>
<tr>
<td>8</td>
<td>1.244</td>
<td>4.146</td>
</tr>
<tr>
<td>9</td>
<td>1.119</td>
<td>3.730</td>
</tr>
<tr>
<td>10</td>
<td>.983</td>
<td>3.275</td>
</tr>
<tr>
<td>11</td>
<td>.981</td>
<td>3.269</td>
</tr>
<tr>
<td>12</td>
<td>.877</td>
<td>2.923</td>
</tr>
<tr>
<td>13</td>
<td>.797</td>
<td>2.658</td>
</tr>
<tr>
<td>14</td>
<td>.765</td>
<td>2.550</td>
</tr>
<tr>
<td>15</td>
<td>.739</td>
<td>2.463</td>
</tr>
<tr>
<td>16</td>
<td>.633</td>
<td>2.111</td>
</tr>
<tr>
<td>17</td>
<td>.585</td>
<td>1.949</td>
</tr>
<tr>
<td>18</td>
<td>.529</td>
<td>1.762</td>
</tr>
<tr>
<td>19</td>
<td>.519</td>
<td>1.729</td>
</tr>
<tr>
<td>20</td>
<td>.465</td>
<td>1.550</td>
</tr>
<tr>
<td>21</td>
<td>.432</td>
<td>1.441</td>
</tr>
<tr>
<td>22</td>
<td>.417</td>
<td>1.390</td>
</tr>
<tr>
<td>23</td>
<td>.392</td>
<td>1.307</td>
</tr>
<tr>
<td>24</td>
<td>.333</td>
<td>1.111</td>
</tr>
<tr>
<td>25</td>
<td>.321</td>
<td>1.069</td>
</tr>
<tr>
<td>26</td>
<td>.282</td>
<td>.940</td>
</tr>
<tr>
<td>27</td>
<td>.262</td>
<td>.875</td>
</tr>
<tr>
<td>28</td>
<td>.256</td>
<td>.852</td>
</tr>
<tr>
<td>29</td>
<td>.211</td>
<td>.703</td>
</tr>
<tr>
<td>30</td>
<td>.153</td>
<td>.511</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
In order to summarize the information contained in the organizational variables, a small number of factors should be extracted because it is very difficult to analyze all the 30 factors. Therefore, extraction took place only regarding those factors which were having high significance variance. Several methods could be used to determine the number of factors. But the present thesis based on Approach Based Method on Eigen values. In this approach, only those factors were considered whose Eigen value was greater than 1.0 and total variance was greater than 60%.

The table labeled Initial Eigen Values describes the Eigen values. The Eigen values represented the total variance explained by each factor. The Eigen values for all the 30 factors showed decreasing order of magnitude. Total variance accounted by all the 30 factors grouped in 9 factors. Factor 1 accounted for Eigen value of 4.934 which was causing 16.447 percent of the total variance. The second factor accounted for an eigen value of 3.049 which was causing 10.165 percent of total variance and third factor accounted for eigen value of 2.410 which was causing 8.033 percent of total variance. Similarly, eigen values of fourth, fifth, sixth, seventh, eighth and ninth was 2.081, 1.541, 1.427, 1.263, 1.244 and 1.119 respectively which were causing 6.936, 5.137, 4.756, 4.210, 4.146 and 3.730 % of total variance and the total cumulative variance of all the factors is more than 60%. Eigen values of all the 9 factors are greater than 1 (>1) which is significant.

### Table 4.3

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .715 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 3146.940 |
| | Df | 435 |
| | Sig. | .000 |

Kaiser-Meyer-Olkin is another useful statistics to measure the sample adequacy and Bartlett’s Test of sphericity is a test in which statistics is used to examine the hypothesis that the variables are uncorrelated in population. In other words, the population correlation matrix is an identity matrix each variable correlate perfectly with itself but has no correlation with the other variables.
From the result of this, according to Bartlett’s Test of Sphericity—the null hypothesis is rejected by the Bartlett’s Test which shows the appropriate of factor analysis sampling adequacy. The approximate chi-square statistics is 3146.940 with 435 degree of freedom which is significant at the 0.000 level. The value of KMO statistics (0.715) is also large (>0.5). Thus factor analysis may be considered an appropriate technique for analyzing the variables.

Table 4.4
Communalities

<table>
<thead>
<tr>
<th>Variable</th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low interest rates on loans/EMI</td>
<td>1.000</td>
<td>.667</td>
</tr>
<tr>
<td>Low rates of checking/processing fees</td>
<td>1.000</td>
<td>.586</td>
</tr>
<tr>
<td>Speed of processing (Turn around time)</td>
<td>1.000</td>
<td>.646</td>
</tr>
<tr>
<td>Low prepayment charges</td>
<td>1.000</td>
<td>.623</td>
</tr>
<tr>
<td>Confidentiality of information</td>
<td>1.000</td>
<td>.488</td>
</tr>
<tr>
<td>Number of documents required</td>
<td>1.000</td>
<td>.566</td>
</tr>
<tr>
<td>Bank reputation</td>
<td>1.000</td>
<td>.399</td>
</tr>
<tr>
<td>Need for guarantors</td>
<td>1.000</td>
<td>.589</td>
</tr>
<tr>
<td>Appropriate range of service</td>
<td>1.000</td>
<td>.661</td>
</tr>
<tr>
<td>Variety and speed of service offered</td>
<td>1.000</td>
<td>.703</td>
</tr>
<tr>
<td>Branch network</td>
<td>1.000</td>
<td>.678</td>
</tr>
<tr>
<td>Location of branch</td>
<td>1.000</td>
<td>.597</td>
</tr>
<tr>
<td>Professionalism of bank staff</td>
<td>1.000</td>
<td>.619</td>
</tr>
<tr>
<td>Regular bank statements</td>
<td>1.000</td>
<td>.502</td>
</tr>
<tr>
<td>Availability of required human resources</td>
<td>1.000</td>
<td>.616</td>
</tr>
<tr>
<td>Reception at the bank</td>
<td>1.000</td>
<td>.677</td>
</tr>
<tr>
<td>Influence of spouse</td>
<td>1.000</td>
<td>.632</td>
</tr>
<tr>
<td>Recommendations of friends and relatives</td>
<td>1.000</td>
<td>.689</td>
</tr>
<tr>
<td>Exterior and interior decor of bank building</td>
<td>1.000</td>
<td>.734</td>
</tr>
<tr>
<td>Class of people who patronize the bank</td>
<td>1.000</td>
<td>.551</td>
</tr>
<tr>
<td>Appearance, friendliness and personal acquaintance with the bank personnel</td>
<td>1.000</td>
<td>.709</td>
</tr>
<tr>
<td>Influential marketing campaign</td>
<td>1.000</td>
<td>.647</td>
</tr>
<tr>
<td>Availability of auxiliary banking services</td>
<td>1.000</td>
<td>.568</td>
</tr>
<tr>
<td>ATM in several locations</td>
<td>1.000</td>
<td>.742</td>
</tr>
<tr>
<td>24 hours availability of ATM service</td>
<td>1.000</td>
<td>.766</td>
</tr>
<tr>
<td>Convenience ATM location</td>
<td>1.000</td>
<td>.852</td>
</tr>
<tr>
<td>Availability of internet banking/secure website</td>
<td>1.000</td>
<td>.650</td>
</tr>
<tr>
<td>Employees competence</td>
<td>1.000</td>
<td>.501</td>
</tr>
<tr>
<td>% of loan offered to value of the Property/Security</td>
<td>1.000</td>
<td>.754</td>
</tr>
<tr>
<td>Fastness of Disbursement of loan amount</td>
<td>1.000</td>
<td>.655</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Once the extraction of factors has been completed, the table of 'Communalities' showed that how much of the variance in each of the original variables was explained by the extracted factors. Higher communalities are desirable. If the communality for a variable is less than 50%, it should be excluded from the analysis because the factor solution contains less than half of the variance in the original variable, and the explanatory power of that variable might be better represented by the individual variable.

### Table 4.5
Reliability Test

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.772</td>
<td>30</td>
</tr>
</tbody>
</table>

Cronbach’s Alpha reliability test was performed on all variables. TABLE 4.7 presents the reliability coefficient of all the 30 variables used in the bank selection criteria in this study. The reliability coefficients of .60 and above were generally found to be internally consistent (Aron, Aron and Coups, 2005). The Cronbach’s Alpha reliability test shows 0.772 coefficients and since the figure is considerably high, which is acceptable for our analysis.

### Table 4.6
Item-Total Statistics

<table>
<thead>
<tr>
<th></th>
<th>Scale Mean if Item Deleted</th>
<th>Scale Variance if Item Deleted</th>
<th>Corrected Item-TOTAL Correlation</th>
<th>Cronbach's Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low interest rates on loans/EMI</td>
<td>116.4805</td>
<td>75.944</td>
<td>-.050</td>
<td>.777</td>
</tr>
<tr>
<td>Low rates of checking/processing fees</td>
<td>116.7597</td>
<td>78.001</td>
<td>-.233</td>
<td>.786</td>
</tr>
<tr>
<td>Speed of processing (Turn around time)</td>
<td>116.7727</td>
<td>74.697</td>
<td>.060</td>
<td>.775</td>
</tr>
<tr>
<td>Low prepayment charges</td>
<td>116.8994</td>
<td>76.625</td>
<td>-.112</td>
<td>.782</td>
</tr>
<tr>
<td>Confidentiality of information</td>
<td>116.7922</td>
<td>74.465</td>
<td>.082</td>
<td>.774</td>
</tr>
<tr>
<td>Feature</td>
<td>Score 1</td>
<td>Score 2</td>
<td>Score 3</td>
<td>Score 4</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Number of documents required</td>
<td>117.3539</td>
<td>72.295</td>
<td>.223</td>
<td>.769</td>
</tr>
<tr>
<td>Bank reputation</td>
<td>116.9221</td>
<td>72.202</td>
<td>.270</td>
<td>.767</td>
</tr>
<tr>
<td>Need for guarantors</td>
<td>117.5000</td>
<td>71.612</td>
<td>.179</td>
<td>.773</td>
</tr>
<tr>
<td>Appropriate range of service</td>
<td>117.4708</td>
<td>69.898</td>
<td>.298</td>
<td>.765</td>
</tr>
<tr>
<td>Variety and speed of service offered</td>
<td>117.2792</td>
<td>71.596</td>
<td>.231</td>
<td>.769</td>
</tr>
<tr>
<td>Branch network</td>
<td>117.0682</td>
<td>71.621</td>
<td>.301</td>
<td>.765</td>
</tr>
<tr>
<td>Location of branch</td>
<td>117.0779</td>
<td>72.313</td>
<td>.288</td>
<td>.766</td>
</tr>
<tr>
<td>Professionalism of bank staff</td>
<td>117.1136</td>
<td>71.463</td>
<td>.329</td>
<td>.764</td>
</tr>
<tr>
<td>Regular bank statements</td>
<td>117.1331</td>
<td>71.744</td>
<td>.293</td>
<td>.766</td>
</tr>
<tr>
<td>Availability of required human resources</td>
<td>117.2013</td>
<td>71.803</td>
<td>.326</td>
<td>.765</td>
</tr>
<tr>
<td>Reception at the bank</td>
<td>117.2760</td>
<td>70.546</td>
<td>.331</td>
<td>.764</td>
</tr>
<tr>
<td>Influence of spouse</td>
<td>117.6461</td>
<td>66.783</td>
<td>.439</td>
<td>.756</td>
</tr>
<tr>
<td>Recommendations of friends and relatives</td>
<td>117.7273</td>
<td>65.782</td>
<td>.508</td>
<td>.751</td>
</tr>
<tr>
<td>Exterior and interior decor of bank building</td>
<td>117.6201</td>
<td>66.562</td>
<td>.483</td>
<td>.753</td>
</tr>
<tr>
<td>Class of people who patronize the bank</td>
<td>117.5747</td>
<td>70.095</td>
<td>.359</td>
<td>.762</td>
</tr>
<tr>
<td>Appearance, friendliness and personal acquaintance with the bank personnel</td>
<td>117.6396</td>
<td>69.378</td>
<td>.328</td>
<td>.764</td>
</tr>
<tr>
<td>Influential marketing campaign</td>
<td>117.5455</td>
<td>68.770</td>
<td>.460</td>
<td>.757</td>
</tr>
<tr>
<td>Availability of auxiliary banking services</td>
<td>117.3506</td>
<td>68.932</td>
<td>.415</td>
<td>.759</td>
</tr>
<tr>
<td>ATM in several locations</td>
<td>116.9058</td>
<td>70.835</td>
<td>.308</td>
<td>.765</td>
</tr>
<tr>
<td>24 hours availability of ATM service</td>
<td>116.9221</td>
<td>68.834</td>
<td>.390</td>
<td>.760</td>
</tr>
<tr>
<td>Convenience ATM location</td>
<td>116.9188</td>
<td>69.560</td>
<td>.373</td>
<td>.761</td>
</tr>
<tr>
<td>Availability of internet</td>
<td>116.7435</td>
<td>70.452</td>
<td>.427</td>
<td>.760</td>
</tr>
<tr>
<td>banking/secure website</td>
<td>116.7435</td>
<td>70.452</td>
<td>.427</td>
<td>.760</td>
</tr>
<tr>
<td>Employees competence</td>
<td>117.1981</td>
<td>70.400</td>
<td>.424</td>
<td>.760</td>
</tr>
<tr>
<td>% of loan offered to value of the Property/Security</td>
<td>117.0584</td>
<td>72.954</td>
<td>.190</td>
<td>.770</td>
</tr>
<tr>
<td>Fastness of Disbursement of loan amount</td>
<td>116.8864</td>
<td>74.251</td>
<td>.120</td>
<td>.772</td>
</tr>
</tbody>
</table>
The scree test for the number of factors dates back to Cattell (1966). Cattell reported that the process which led to the development of the scree test was one which had extracted the principal components of correlation matrices, and then looking for the resultant of eigen values (which he preferred to call latent roots). If the graph is plotted, the principal components in their sizes, as a diminishing series, and then joined up the points all through the number of variables concerned, a relatively sharp break appeared where the number of factors ended and the ‘detritus’, presumably due to error factors, appeared. From the analogy of the steep descent of a mountain till one comes to the scree of rubble at the foot of it, and decided to call this the scree test. In this case after 9 variables the scree plot becomes steeper/stagnant; this shows that these nine variables are creating maximum impact about the selection of bank from customer’s perspective.
<table>
<thead>
<tr>
<th>Component Matrix</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Low interest rates on loans/EMI</td>
<td>-0.240</td>
</tr>
<tr>
<td>Low rates of checking/processing fees</td>
<td>-0.400</td>
</tr>
<tr>
<td>Speed of processing (Turn around time)</td>
<td>-0.089</td>
</tr>
<tr>
<td>Low prepayment charges</td>
<td>-0.249</td>
</tr>
<tr>
<td>Confidentiality of information</td>
<td>0.113</td>
</tr>
<tr>
<td>Number of documents required</td>
<td>0.245</td>
</tr>
<tr>
<td>Bank reputation</td>
<td>0.350</td>
</tr>
<tr>
<td>Need for guarantors</td>
<td>0.269</td>
</tr>
<tr>
<td>Appropriate range of service</td>
<td>0.361</td>
</tr>
<tr>
<td>Variety and speed of service offered</td>
<td>0.349</td>
</tr>
<tr>
<td>Branch network</td>
<td>0.402</td>
</tr>
<tr>
<td>Location of branch</td>
<td>0.361</td>
</tr>
<tr>
<td>Professionalism of bank staff</td>
<td>0.349</td>
</tr>
<tr>
<td>Regular bank statements</td>
<td>0.270</td>
</tr>
<tr>
<td>Availability of required human resources</td>
<td>0.348</td>
</tr>
<tr>
<td>Reception at the bank</td>
<td>0.350</td>
</tr>
<tr>
<td>Influence of spouse</td>
<td>0.576</td>
</tr>
<tr>
<td>Recommendations of friends and relatives</td>
<td>0.658</td>
</tr>
<tr>
<td>Exterior and interior decor of bank building</td>
<td>0.658</td>
</tr>
<tr>
<td>Class of people who patronize the bank</td>
<td>.493</td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Appearance, friendliness and personal acquaintance with the bank personnel</td>
<td>.436</td>
</tr>
<tr>
<td>Influential marketing campaign</td>
<td>.536</td>
</tr>
<tr>
<td>Availability of auxiliary banking services</td>
<td>.498</td>
</tr>
<tr>
<td>ATM in several locations</td>
<td>.429</td>
</tr>
<tr>
<td>24 hours availability of ATM service</td>
<td>.506</td>
</tr>
<tr>
<td>Convenience ATM location</td>
<td>.496</td>
</tr>
<tr>
<td>Availability of internet banking/secure website</td>
<td>.488</td>
</tr>
<tr>
<td>Employees competence</td>
<td>.504</td>
</tr>
<tr>
<td>% of loan offered to value of the Property/Security</td>
<td>.219</td>
</tr>
<tr>
<td>Fastness of Disbursement of loan amount</td>
<td>.052</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
a. 9 components extracted.

Component Matrix is an important part of factor analysis. The Component Matrix contained the coefficient used to express the standardized variables in factors. These coefficient or factors loading represent the correlation between the factors and the variable. The factor loading of the component matrix can be used to interpret the factors. The table given above shows the different variables and their loading on different factors.
<table>
<thead>
<tr>
<th>Component</th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Component 4</th>
<th>Component 5</th>
<th>Component 6</th>
<th>Component 7</th>
<th>Component 8</th>
<th>Component 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low interest rates on loans/EMI</td>
<td>-0.144</td>
<td>-0.030</td>
<td>0.766</td>
<td>-0.127</td>
<td>-0.009</td>
<td>0.039</td>
<td>0.141</td>
<td>-0.071</td>
<td>0.128</td>
</tr>
<tr>
<td>Low rates of checking/processing fees</td>
<td>-0.159</td>
<td>-0.023</td>
<td>0.674</td>
<td>-0.065</td>
<td>-0.003</td>
<td>-0.158</td>
<td>-0.100</td>
<td>-0.238</td>
<td>-0.105</td>
</tr>
<tr>
<td>Speed of processing (Turn around time)</td>
<td>0.209</td>
<td>-0.121</td>
<td>0.728</td>
<td>0.114</td>
<td>-0.137</td>
<td>-0.093</td>
<td>0.074</td>
<td>0.107</td>
<td>0.018</td>
</tr>
<tr>
<td>Low prepayment charges</td>
<td>-0.012</td>
<td>-0.073</td>
<td>0.597</td>
<td>0.292</td>
<td>-0.403</td>
<td>-0.028</td>
<td>-0.208</td>
<td>-0.110</td>
<td>-0.071</td>
</tr>
<tr>
<td>Confidentiality of information</td>
<td>0.039</td>
<td>-0.169</td>
<td>-0.015</td>
<td>0.169</td>
<td>-0.047</td>
<td>0.037</td>
<td>-0.011</td>
<td>0.652</td>
<td>-0.032</td>
</tr>
<tr>
<td>Number of documents required</td>
<td>0.012</td>
<td>-0.100</td>
<td>-0.109</td>
<td>0.253</td>
<td>0.142</td>
<td>-0.030</td>
<td>-0.049</td>
<td>0.213</td>
<td>0.641</td>
</tr>
<tr>
<td>Bank reputation</td>
<td>0.017</td>
<td>0.031</td>
<td>-0.133</td>
<td>0.349</td>
<td>0.334</td>
<td>0.365</td>
<td>0.017</td>
<td>0.001</td>
<td>0.116</td>
</tr>
<tr>
<td>Need for guarantors</td>
<td>-0.167</td>
<td>0.086</td>
<td>-0.128</td>
<td>0.268</td>
<td>0.583</td>
<td>0.258</td>
<td>-0.111</td>
<td>-0.008</td>
<td>0.216</td>
</tr>
<tr>
<td>Appropriate range of service</td>
<td>-0.056</td>
<td>0.147</td>
<td>0.025</td>
<td>0.033</td>
<td>0.472</td>
<td>0.254</td>
<td>-0.083</td>
<td>0.554</td>
<td>0.182</td>
</tr>
<tr>
<td>Variety and speed of service offered</td>
<td>0.004</td>
<td>0.192</td>
<td>-0.180</td>
<td>-0.028</td>
<td>-0.020</td>
<td>0.077</td>
<td>-0.009</td>
<td>0.788</td>
<td>0.064</td>
</tr>
<tr>
<td>Branch network</td>
<td>0.242</td>
<td>0.032</td>
<td>-0.111</td>
<td>0.011</td>
<td>-0.033</td>
<td>0.764</td>
<td>0.020</td>
<td>0.143</td>
<td>-0.006</td>
</tr>
<tr>
<td>Location of branch</td>
<td>-0.001</td>
<td>0.100</td>
<td>-0.026</td>
<td>0.128</td>
<td>0.173</td>
<td>0.730</td>
<td>0.035</td>
<td>0.069</td>
<td>0.043</td>
</tr>
<tr>
<td>Professionalism of bank staff</td>
<td>-0.142</td>
<td>0.178</td>
<td>0.020</td>
<td>0.661</td>
<td>-0.051</td>
<td>0.262</td>
<td>0.242</td>
<td>0.015</td>
<td>0.004</td>
</tr>
<tr>
<td>Regular bank statements</td>
<td>0.218</td>
<td>-0.075</td>
<td>0.277</td>
<td>0.465</td>
<td>0.183</td>
<td>0.038</td>
<td>-0.025</td>
<td>0.024</td>
<td>0.347</td>
</tr>
<tr>
<td>Availability of required human resources</td>
<td>-0.060</td>
<td>0.177</td>
<td>-0.050</td>
<td>0.739</td>
<td>-0.035</td>
<td>0.009</td>
<td>-0.042</td>
<td>0.146</td>
<td>0.096</td>
</tr>
<tr>
<td>Reception at the bank</td>
<td>0.032</td>
<td>0.399</td>
<td>-0.011</td>
<td>0.233</td>
<td>-0.559</td>
<td>-0.002</td>
<td>0.068</td>
<td>0.168</td>
<td>0.342</td>
</tr>
<tr>
<td>Influence of spouse</td>
<td>0.166</td>
<td>0.395</td>
<td>-0.150</td>
<td>0.399</td>
<td>0.350</td>
<td>-0.085</td>
<td>0.348</td>
<td>0.046</td>
<td>-0.118</td>
</tr>
<tr>
<td>Recommendations of friends and relatives</td>
<td>0.230</td>
<td>0.636</td>
<td>-0.121</td>
<td>0.249</td>
<td>0.343</td>
<td>-0.133</td>
<td>0.130</td>
<td>0.049</td>
<td>-0.006</td>
</tr>
<tr>
<td>Exterior and interior decor of bank building</td>
<td>0.584</td>
<td>0.485</td>
<td>-0.208</td>
<td>0.087</td>
<td>-0.089</td>
<td>0.159</td>
<td>-0.238</td>
<td>0.023</td>
<td>0.130</td>
</tr>
<tr>
<td>Class of people who patronize the bank</td>
<td>0.090</td>
<td>0.652</td>
<td>-0.174</td>
<td>0.056</td>
<td>-0.188</td>
<td>0.188</td>
<td>0.074</td>
<td>-0.090</td>
<td>-0.003</td>
</tr>
<tr>
<td></td>
<td>Appearance, friendliness and personal acquaintance with the bank personnel</td>
<td>Influential marketing campaign</td>
<td>Availability of auxiliary banking services</td>
<td>ATM in several locations</td>
<td>24 hours availability of ATM service</td>
<td>Convenience ATM location</td>
<td>Availability of internet banking/secure website</td>
<td>Employees competence</td>
<td>% of loan offered to value of the Property/Security</td>
</tr>
<tr>
<td>-------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>------------------------------</td>
<td>--------------------------------------------</td>
<td>--------------------------</td>
<td>----------------------------------</td>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>-0.164</td>
<td>0.810</td>
<td>-0.039</td>
<td>0.058</td>
<td>-0.010</td>
<td>0.122</td>
<td>0.059</td>
<td>-0.013</td>
<td>-0.134</td>
</tr>
<tr>
<td></td>
<td>0.045</td>
<td>0.757</td>
<td>0.088</td>
<td>0.047</td>
<td>0.095</td>
<td>0.167</td>
<td>0.098</td>
<td>0.042</td>
<td>0.118</td>
</tr>
<tr>
<td></td>
<td>0.384</td>
<td>0.228</td>
<td>0.145</td>
<td>-0.142</td>
<td>0.248</td>
<td>0.188</td>
<td>0.405</td>
<td>0.257</td>
<td>-0.022</td>
</tr>
<tr>
<td></td>
<td>0.852</td>
<td>-0.076</td>
<td>-0.025</td>
<td>0.034</td>
<td>0.040</td>
<td>0.048</td>
<td>0.056</td>
<td>-0.008</td>
<td>-0.040</td>
</tr>
<tr>
<td></td>
<td>0.841</td>
<td>0.051</td>
<td>-0.030</td>
<td>-0.015</td>
<td>-0.105</td>
<td>0.033</td>
<td>0.206</td>
<td>0.020</td>
<td>0.007</td>
</tr>
<tr>
<td></td>
<td>0.900</td>
<td>0.022</td>
<td>-0.013</td>
<td>-0.118</td>
<td>-0.203</td>
<td>0.088</td>
<td>0.016</td>
<td>0.008</td>
<td>0.138</td>
</tr>
<tr>
<td></td>
<td>0.402</td>
<td>0.286</td>
<td>0.125</td>
<td>0.058</td>
<td>0.066</td>
<td>-0.139</td>
<td>0.601</td>
<td>-0.006</td>
<td>0.048</td>
</tr>
<tr>
<td></td>
<td>0.289</td>
<td>0.289</td>
<td>-0.027</td>
<td>0.117</td>
<td>0.051</td>
<td>-0.015</td>
<td>0.125</td>
<td>-0.046</td>
<td>0.547</td>
</tr>
<tr>
<td></td>
<td>0.020</td>
<td>-0.062</td>
<td>-0.011</td>
<td>0.101</td>
<td>-0.106</td>
<td>0.102</td>
<td>0.832</td>
<td>-0.084</td>
<td>0.134</td>
</tr>
<tr>
<td></td>
<td>-0.109</td>
<td>0.059</td>
<td>0.268</td>
<td>-0.241</td>
<td>-0.143</td>
<td>0.224</td>
<td>0.234</td>
<td>-0.096</td>
<td>0.612</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 13 iterations.

Though, the initial or unrotated factor matrix did not show the clear result because the factors were correlated with many variables. In such a complex matrix it is difficult to interpret the factors. Therefore, through rotation, the factor matrix is transformed into a simpler one. The table given above showed the results after rotation of factors.
Table 4.9
Factor Extraction

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>NUMBER OF VARIABLES</th>
<th>SCORES/FACTORS AND THEIR VARIABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>04</td>
<td>Infrastructural Facilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Convenience ATM Location</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATM in several locations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24 hours availability of ATM service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exterior and interior decor of bank building</td>
</tr>
<tr>
<td>2.</td>
<td>04</td>
<td>Relationship Banking and Words of mouth recommendations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appearance, friendliness and personal acquaintance with the bank personnel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Influential marketing campaign</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Class of people who patronize the bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recommendations of friends and relatives</td>
</tr>
<tr>
<td>3.</td>
<td>04</td>
<td>Transaction Cost and Speed Processing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low interest rates on loans/EMI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Speed of processing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low rates of checking/processing fees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low prepayment charges</td>
</tr>
<tr>
<td>4.</td>
<td>02</td>
<td>Knowledgeable Human Resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Availability of required human resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professionalism of bank staff</td>
</tr>
<tr>
<td>5.</td>
<td>02</td>
<td>Guarantor and Environment/Ambience</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need for guarantors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reception at the bank</td>
</tr>
<tr>
<td>6.</td>
<td>02</td>
<td>Convenience Banking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Branch Network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Location of branch</td>
</tr>
<tr>
<td>7.</td>
<td>02</td>
<td>Margin Money Requirements and e-Banking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of loan offered to value of the property/security</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Availability of internet banking secure website</td>
</tr>
<tr>
<td>8.</td>
<td>03</td>
<td>Customized Product and Confidentiality</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Variety and speed of Service offered</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Confidentiality of information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appropriate range of service</td>
</tr>
<tr>
<td>9.</td>
<td>03</td>
<td>Delivery Process and Documentation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of documents required</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fastness of Disbursement of loan amount</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees Competence</td>
</tr>
</tbody>
</table>
1. In factor 1, variables V-26, V-24, V-25 and V-19 have a significant level of loading and all these statements are related to **Infrastructural Facilities**.

2. In factor 2, variables V-21, V-22, V-20 and V-18 have a significant level of loading and all these statements are related to **Relationship Banking and Words of Mouth Recommendations**.

3. In factor 3, variables V-1, V-3, V-2 and V-4 have a significant level of loading and all these statements are related to **Transaction Cost and Speed of Processing**.

4. In factor 4, variables V-15 and variable V-13 have a significant level of loading and this statement is related to **Knowledgeable Human Resources**.

5. In factor 5, variables V-8 and V-16 have a significant level of loading and all these statements are related to **Guarantor and Environment/Ambience**.

6. In factor 6, variables V-11 and V-12 have a significant level of loading and all these statements are related to **Convenience Banking**.

7. In factor 7, variables V-29 and V-27 have a significant level of loading and all these statements are related to **Margin Money Requirement and e-Banking**.

8. In factor 8, variables V-10, V-5 and V-9 have a significant level of loading and all these statements are related to **Customized Product and Confidentiality**.

9. In factor 9, variables V-6, V-30 and V-28 have a significant level of loading and all these statements are related to Delivery Process and Documentation.

### Table 4.10

**Infrastructural Facilities**

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V26</td>
<td>Convenience ATM Location</td>
<td>.900</td>
<td>4.282</td>
</tr>
<tr>
<td>V24</td>
<td>ATM in several locations</td>
<td>.852</td>
<td>4.295</td>
</tr>
<tr>
<td>V25</td>
<td>24 hours availability of ATM service</td>
<td>.841</td>
<td>4.279</td>
</tr>
<tr>
<td>V19</td>
<td>Exterior and interior décor of bank building</td>
<td>.584</td>
<td>3.581</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Infrastructural facilities**, Factor loading of V-26 is .900 and Mean = 4.282, factor loading of V-24 is .852 and Mean is 4.295, factor loading of V-25 is .841 and Mean is 4.279. Similarly, factor loading of V-19 is .584 and Mean is 3.581.
Table 4.11
Relationship Banking and Words of mouths recommendations

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V21</td>
<td>Appearance, friendliness and personal acquaintance with the bank personnel</td>
<td>.810</td>
<td>3.562</td>
</tr>
<tr>
<td>V22</td>
<td>Influential marketing campaign</td>
<td>.757</td>
<td>3.655</td>
</tr>
<tr>
<td>V20</td>
<td>Class of people who patronize the bank</td>
<td>.652</td>
<td>3.626</td>
</tr>
<tr>
<td>V18</td>
<td>Recommendations of friends and relatives</td>
<td>.636</td>
<td>3.474</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Relationship Banking and Words of Mouths Recommendations**, Factor loading of V-21 is .810 and Mean = 3.562, factor loading of V-22 is .757 and Mean is 3.655, factor loading of V-20 is .652 and Mean is 3.626. Similarly, factor loading of V-18 is .636 and Mean is 3.474.

Table 4.12
Transaction Cost and Speed Processing

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1</td>
<td>Low interest rates on loans/EMI</td>
<td>.766</td>
<td>4.720</td>
</tr>
<tr>
<td>V3</td>
<td>Speed of processing</td>
<td>.728</td>
<td>4.428</td>
</tr>
<tr>
<td>V2</td>
<td>Low rates of checking/processing fees</td>
<td>.674</td>
<td>4.441</td>
</tr>
<tr>
<td>V4</td>
<td>Low prepayment charges</td>
<td>.597</td>
<td>4.301</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Transaction Cost and Speed Processing**, Factor loading of V-1 is .766 and Mean = 4.720, factor loading of V-3 is .728 and Mean is 4.428. Similarly, factor loading of V-2 is .674 and Mean is 4.441 and factor loading of V-4 is .597 and Mean is 4.301.
Table 4.13
Knowledgeable Human Resources

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V15</td>
<td>Availability of required human resources</td>
<td>.739</td>
<td>4.000</td>
</tr>
<tr>
<td>V13</td>
<td>Professionalism of bank staff</td>
<td>.661</td>
<td>4.087</td>
</tr>
</tbody>
</table>

The variable present in this table related to factor **Knowledgeable Human Resources**, Factor loading of V-15 is .739 and Mean = 4.000 and factor loading of V-13 is .661 and Mean is 4.087.

Table 4.14
Guarantor and Environment/Ambience

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V8</td>
<td>Need for guarantors</td>
<td>.583</td>
<td>3.701</td>
</tr>
<tr>
<td>V16</td>
<td>Reception at the bank</td>
<td>.559</td>
<td>3.925</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Guarantor and Environment/Ambience**, Factor loading of V-8 is .583 and Mean = 3.701 and factor loading of V-16 is .559 and Mean is 3.925.

Table 4.15
Convenience Banking

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V11</td>
<td>Branch Network</td>
<td>.764</td>
<td>4.133</td>
</tr>
<tr>
<td>V12</td>
<td>Location of branch</td>
<td>.730</td>
<td>4.123</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Convenience Banking**, Factor loading of V-11 is .764 and Mean = 4.133 and factor loading of V-12 is .730 and Mean is 4.123.
Table 4.16
Margin Money Requirements and e-Banking

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V29</td>
<td>Percentage of loan offered to value of the property/security</td>
<td>.832</td>
<td>4.142</td>
</tr>
<tr>
<td>V27</td>
<td>Availability of internet banking secure website</td>
<td>.601</td>
<td>4.457</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Margin Money Requirements and e-Banking**, Factor loading of V-29 is .832 and Mean = 4.142 and factor loading of V-27 is .601 and Mean is 4.457.

Table 4.17
Customized Product and Confidentiality

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V10</td>
<td>Variety and speed of Service offered</td>
<td>.788</td>
<td>3.922</td>
</tr>
<tr>
<td>V5</td>
<td>Confidentiality of information</td>
<td>.652</td>
<td>4.409</td>
</tr>
<tr>
<td>V9</td>
<td>Appropriate range of service</td>
<td>.554</td>
<td>3.730</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Customized Product and Confidentiality**, Factor loading of V-10 is .788 and Mean = 3.922, factor loading of V-5 is .652 and Mean is 4.409. Similarly, factor loading of V-9 is .554 and Mean is 3.730.

Table 4.18
Delivery Process and Documentation

<table>
<thead>
<tr>
<th>Variable No.</th>
<th>Statement</th>
<th>Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>V6</td>
<td>Number of documents required</td>
<td>.641</td>
<td>3.847</td>
</tr>
<tr>
<td>V30</td>
<td>Fastness of Disbursement of loan amount</td>
<td>.612</td>
<td>4.314</td>
</tr>
<tr>
<td>V28</td>
<td>Employees Competence</td>
<td>.547</td>
<td>4.003</td>
</tr>
</tbody>
</table>

The variables present in this table related to factor **Delivery Process and Documentation**, Factor loading of V-6 is .641 and Mean = 3.847, factor loading of V-30 is .612 and Mean is 4.314. Similarly, factor loading of V-28 is .547 and Mean is 4.003.
Table 4.19
What is the Reason for Getting it Financed?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non availability of funds</td>
<td>157</td>
<td>50.97</td>
<td>50.97</td>
</tr>
<tr>
<td>Reluctance to pay cash in one go</td>
<td>59</td>
<td>19.15</td>
<td>70.12</td>
</tr>
<tr>
<td>Tax benefit</td>
<td>92</td>
<td>29.88</td>
<td>100</td>
</tr>
<tr>
<td>Any other (please specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Figure 4.2
What is the Reason for Getting it Financed?

The data revealed that 50.97% customers took that loan due to non-availability of funds, 19.15% customers took that loan due to reluctance to pay cash in one go and rest 29.88% customers reported the reason of tax benefit.
Table 4.20
From Where Have You Got Information About the Loan Scheme?

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>31</td>
<td>10.06</td>
<td>10.06</td>
</tr>
<tr>
<td>Magazines</td>
<td>24</td>
<td>7.79</td>
<td>17.85</td>
</tr>
<tr>
<td>Hoarding banners</td>
<td>76</td>
<td>24.67</td>
<td>42.52</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>99</td>
<td>32.15</td>
<td>74.67</td>
</tr>
<tr>
<td>Television</td>
<td>78</td>
<td>25.33</td>
<td>100</td>
</tr>
<tr>
<td>Any other (please specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The present diagram showed that 10.06% customers got information about the loan scheme through newspaper, 7.79% customers through Magazines, 24.67% customers through Hoarding banners, 32.15% people through word of mouth and 25.33% customers got information through Television.
Analysis of Questionnaire filled up by the Bank Executives

Second questionnaire was filled up by the bank executives using various types of judgmental methods depending upon their experiences, past practices and criteria followed by the banks to sanction consumer loans such as decision making, experience of bank executives, banking policies, demographical variables and financial status of consumer and lending procedures. This is because the rapid growth of consumer financial services such as loan schemes and purchases through EMI have given rise to the problem of recovery of loans as major cause of concern for financial institutions now-a-days. Increasing of default rates in repayments has led to accumulation of non-performing assets. Debt collection and assessment of credit worthiness has become a critical and challenging issue as the credit industry has been facing stiffer competition in recent years. Apart from the above factors and keeping in view the default rates in repayment of loans, The present study focused on the following criteria

1. Type of employment
2. Regular monthly income/salary
3. Number of income earners in family
4. Total income of the family
5. Employment history
6. Location of the employment
7. Number of dependents
8. Employment of spouse
9. Length of remaining service
10. Marital status
11. PAN of customer
12. Details of financial Assets
13. Purpose of loan
14. Type and value of collateral
15. Credit history of borrower
16. Financial soundness and reputation of borrower
17. Physical Health status of borrower
18. Status of Guarantor
19. History of previous repayment of financial obligation
20. Monthly savings
Consumer finance is the practice of banks making loans to customers. There are many types of loans offered under the realm of consumer finance, including Home Loan, Vehicle loan and Personal Loan. The basic terms for such loans is that the consumer is given money for his needs up front, knowing that he'll have to pay the loan back along with interest to the lender in a specified period. The analysis of the data collected by the bank executives to check the credit health worthiness of the customers is as under:

**Frequency Table**

**Table 4.21**

<table>
<thead>
<tr>
<th>Age</th>
<th>N</th>
<th>Valid</th>
<th>111</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Missing</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>4.8378</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Std. Deviation</td>
<td>.37027</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>4.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>5.00</td>
</tr>
</tbody>
</table>

**Table 4.22**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Agree</td>
<td>18</td>
<td>16.2</td>
<td>16.2</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>93</td>
<td>83.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The data revealed that 83.8% executives of the banks strongly agreed and 16.2% executives agreed that age was an important variable at the time of granting loan. So, it was observed from the table that age was one of the most important variables to be considered while selecting the credit health check of a customer. (Mean = 4.8378, St. Deviation = .37027, Minimum = 4.00 and Maximum = 5.00).
Table 4.23

Sex

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.7838</td>
<td>1.49183</td>
<td>1.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Table 4.24

Sex

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>33</td>
<td>29.7</td>
<td>29.7</td>
<td>29.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>17</td>
<td>15.3</td>
<td>15.3</td>
<td>45.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>23</td>
<td>20.7</td>
<td>20.7</td>
<td>65.8</td>
</tr>
<tr>
<td>Agree</td>
<td>17</td>
<td>15.3</td>
<td>15.3</td>
<td>81.1</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>21</td>
<td>18.9</td>
<td>18.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
It was observed from the table that only 34.2% of executives either strongly agreed or agreed that sex was considered while granting loan to the customer. So, sex was not considered as an important factor to check the credibility of a customer (Mean = 2.7838, St. Deviation = 1.49183, Minimum = 1.00 and Maximum = 5.00).
### Table 4.25
**Education**

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>111</td>
<td>0</td>
<td>4.3874</td>
<td>.90625</td>
<td>1.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

### Table 4.26
**Education**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>4.5</td>
<td>4.5</td>
<td>9.9</td>
</tr>
<tr>
<td>Agree</td>
<td>37</td>
<td>33.3</td>
<td>33.3</td>
<td>43.2</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>63</td>
<td>56.8</td>
<td>56.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
In the figure it was observed that approximately 90% of bank executives agreed that Education was an important factor for the evaluation of the credit health check of the clients. Statistically it was also found that an educated customer was luckier to get the loan from banks. (Mean = 4.3874, St. Deviation = .90625, Minimum = 1.00 and Maximum = 5.00).
Table 4.27
Religion of the Borrower

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
<td>2.1441</td>
<td>1.07743</td>
<td>1.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Table 4.28
Religion of the Borrower

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>40</td>
<td>36.0</td>
<td>36.0</td>
<td>36.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>28</td>
<td>25.2</td>
<td>25.2</td>
<td>61.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>34</td>
<td>30.6</td>
<td>30.6</td>
<td>91.9</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>4.5</td>
<td>4.5</td>
<td>96.4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>3.6</td>
<td>3.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
In the present table and figure it was clearly evident that Religion of the Borrower was not at all an important factor to be considered by the bank executives while granting the loan. (Mean= 2.1441, St. Deviation= 1.0774, Minimum = 1.00 and Maximum = 5.00). As per frequency analysis only 8.1% executives agreed that Religion was an important factor.
### Table 4.29

Present Address

<table>
<thead>
<tr>
<th></th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>111</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>4.6577</td>
<td>.84741</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.84741</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

### Table 4.30

Present Address

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Percent</td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>Valid</td>
<td>Strongly Disagree</td>
<td>4</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>1</td>
<td>.9</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>19</td>
<td>17.1</td>
<td>21.6</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>87</td>
<td>78.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The data revealed that approximately 95% of the executives strongly agreed or agreed that Present Address was an important factor for evaluation of credit health check of a borrower. Statistical results also showed that Present Address was an important factor to get the loan. (Mean = 4.6577, St. Deviation = .84741, Minimum = 1.00 and Maximum = 5.00).
Table 4.31

<table>
<thead>
<tr>
<th>Place of Permanent Residence</th>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>111</td>
<td>0</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td></td>
<td>4.4234</td>
<td></td>
</tr>
<tr>
<td><strong>Std. Deviation</strong></td>
<td></td>
<td>1.06643</td>
<td></td>
</tr>
<tr>
<td><strong>Minimum</strong></td>
<td></td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td></td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.32

<table>
<thead>
<tr>
<th>Place of Permanent Residence</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>8</td>
<td>7.2</td>
<td>7.2</td>
<td>7.2</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
<td>8.1</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
<td>8.1</td>
</tr>
<tr>
<td>Agree</td>
<td>30</td>
<td>27.0</td>
<td>27.0</td>
<td>35.1</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>72</td>
<td>64.9</td>
<td>64.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Figure 4.7 depicted that majority of bank executives considered Place of permanent residence as an important variable for the grant of loan. Statistically the results were also found important. (Mean = 4.4234, St. Deviation = 1.06643, Minimum = 1.00 and Maximum = 5.00).
Table 4.33
Type of Employment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
<td>.9</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>4.5</td>
<td>4.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Agree</td>
<td>28</td>
<td>25.2</td>
<td>25.2</td>
<td>30.6</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>77</td>
<td>69.4</td>
<td>69.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.34
Type of Employment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>111</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.6216</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.66132</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
On the basis of the table it was observed that approximately 95% of executives agreed that Type of Employment was an important factor while checking the credibility of the customer. The data revealed in the statistical table also showed that Type of Employment was an important factor for considering the financial soundness of a customer. (Mean = 4.6216, St. Deviation = .66132, Minimum = 1.00 and Maximum = 5.00).
### Table 4.35
**Regular Monthly Income/Salary**

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
<td>4.9099</td>
<td>.28761</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Minimum</td>
<td>4.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Maximum</td>
<td>5.00</td>
</tr>
</tbody>
</table>

### Table 4.36
**Regular Monthly Income/Salary**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>9.0</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>101</td>
<td>91.0</td>
<td>91.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The data revealed from the survey showed that 91% executives of the banks strongly agreed and 9% of the executives agreed that regular monthly income was an important factor while checking the credit health check of a customer on the basis of the variable **Regular monthly income/Salary**. (Mean = 4.9099, St. Deviation = .28761, Minimum = 4.00 and Maximum = 5.00). Hence, statistically this factor was very important to consider the credibility of the customer.
### Table 4.37

**Number of Income Earners in Family**

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
</tr>
</tbody>
</table>

- **Mean**: 3.7027
- **Std. Deviation**: 1.26199
- **Minimum**: 1.00
- **Maximum**: 5.00

### Table 4.38

**Number of Income Earners in Family**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>12</td>
<td>10.8</td>
<td>10.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>5.4</td>
<td>5.4</td>
<td>16.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>19</td>
<td>17.1</td>
<td>17.1</td>
<td>33.3</td>
</tr>
<tr>
<td>Agree</td>
<td>40</td>
<td>36.0</td>
<td>36.0</td>
<td>69.4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>34</td>
<td>30.6</td>
<td>30.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Figure 4.10 showed that majority of executives (66%) either strongly agreed or agreed that number of income earners in the family was considered as an important factor while selecting a customer on the basis of Number of income earners in the family. The statistical table also considered that number of income earners in the family was an important variable to know the financial soundness of the customer. (Mean = 3.7027, St. Deviation = 1.26199, Minimum = 1.00 and Maximum = 5.00).
Table 4.39
Total Income of the Family

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>111</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Missing</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>4.3964</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>.88707</td>
</tr>
<tr>
<td></td>
<td>Minimum</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Maximum</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Table 4.40
Total Income of the Family

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
<td>8.1</td>
</tr>
<tr>
<td>Agree</td>
<td>40</td>
<td>36.0</td>
<td>36.0</td>
<td>44.1</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>62</td>
<td>55.9</td>
<td>55.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The data revealed that approximately 92% of the executives of the banks strongly agreed and agreed that **Total income of the family** was an important variable while checking the credit health check of a customer. The statistical results also showed that Total income of the family was an important variable to check the financial soundness of the consumer. (Mean = 4.3964, St. Deviation = .88707, Minimum = 1.00 and Maximum = 5.00).
Table 4.41
Employment History

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>111</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.5766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.58074</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>3.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.42
Employment History

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Neutral</td>
<td>5</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Agree</td>
<td>37</td>
<td>33.3</td>
<td>33.3</td>
<td>37.8</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>69</td>
<td>62.2</td>
<td>62.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
It was observed that the 62.2% of the executives of the banks strongly agreed, 33.3% agreed that Employment History was an important variable while checking the credit health check of a customer. Statically it was also proved that Employment History was an important factor to know the credibility of the customer. (Mean = 4.5766, St. Deviation = .58074, Minimum = 3.00 and Maximum = 5.00).
Table 4.43
Location of the Employment

<table>
<thead>
<tr>
<th></th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>111</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>3.7477</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.24658</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.44
Location of the Employment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>12</td>
<td>10.8</td>
<td>10.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>4</td>
<td>3.6</td>
<td>3.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Neutral</td>
<td>19</td>
<td>17.1</td>
<td>17.1</td>
<td>31.5</td>
</tr>
<tr>
<td>Agree</td>
<td>41</td>
<td>36.9</td>
<td>36.9</td>
<td>68.5</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>35</td>
<td>31.5</td>
<td>31.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
It was considered by the executives of the banks that 31.5% strongly agreed, 36.9% agreed, 17.1% neutral, 3.6% disagreed and 10.8% strongly disagreed on the variable **Location of the Employment** while selecting the credit health check of a customer. (Mean = 3.7477, St. Deviation = 1.24658, Minimum = 1.00 and Maximum = 5.00).
### Table 4.45

**Number of Dependents**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>19</td>
<td>17.1</td>
<td>17.1</td>
<td>17.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>9</td>
<td>8.1</td>
<td>8.1</td>
<td>25.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>13</td>
<td>11.7</td>
<td>11.7</td>
<td>36.9</td>
</tr>
<tr>
<td>Agree</td>
<td>40</td>
<td>36.0</td>
<td>36.0</td>
<td>73.0</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>30</td>
<td>27.0</td>
<td>27.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Figure 4.14 showed that approximately 63% of the executives of the banks strongly agreed and agreed with the variable **Number of dependents** while checking the credit health check of a customer. Statistically it is found that the variable Number of dependents was considered less important to check the credibility of the customer. (Mean = 3.4775, St. Deviation = 1.41323, Minimum =1.00 and Maximum = 5.00).
### Table 4.47

**Employment of Spouse**

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>3.9459</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.19725</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

---

### Table 4.48

**Employment of Spouse**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>9</td>
<td>8.1</td>
<td>8.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
</tr>
<tr>
<td>Neutral</td>
<td>25</td>
<td>22.5</td>
<td>22.5</td>
</tr>
<tr>
<td>Agree</td>
<td>28</td>
<td>25.2</td>
<td>25.2</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>48</td>
<td>43.2</td>
<td>43.2</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The data revealed that 43.2% of the executives of the banks strongly agreed, 25.2% agreed, 22.5% neutral, .9% disagreed and 8.1% strongly disagreed that Employment of Spouse was an important factor while checking the credit health check of a customer on the basis of the variable Employment of Spouse. (Mean score = 3.9459, St. Deviation = 1.19725, Minimum = 1.00 and Maximum = 5.00). Hence, the factor Employment of Spouse was considered reasonably important to consider the repayment position of the customer.
### Table 4.49
Length of Service

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mean</th>
<th>4.7838</th>
</tr>
</thead>
<tbody>
<tr>
<td>Std. Deviation</td>
<td>.57848</td>
</tr>
<tr>
<td>Minimum</td>
<td>2.00</td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
</tr>
</tbody>
</table>

### Table 4.50
Length of Service

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Agree</td>
<td>15</td>
<td>13.5</td>
<td>16.2</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>93</td>
<td>83.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
In the Figure 4.16 it was found that approximately 97% of the executives of the banks strongly agreed and agreed that the variable **Length of Service** as an important factor while checking the credit health check of a customer. Statistically it was also observed that Length of Service was an important factor to know the financially soundness of the customer. (Mean = 4.7838, St. Deviation = .57848, Minimum = 2.00 and Maximum = 5.00).
### Table 4.51
**Marital Status**

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td>2.8919</td>
<td>1.35748</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td>1.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

### Table 4.52
**Marital Status**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>26</td>
<td>23.4</td>
<td>23.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>17</td>
<td>15.3</td>
<td>38.7</td>
</tr>
<tr>
<td>Neutral</td>
<td>24</td>
<td>21.6</td>
<td>60.4</td>
</tr>
<tr>
<td>Agree</td>
<td>31</td>
<td>27.9</td>
<td>88.3</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>13</td>
<td>11.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
It was observed that the variable **Marital Status** was not so important by the executives of the bank while considering the credit health check of a customer. Statistically it was also found that only a few percentages of the executives agreed with the variable Martial Status. (Mean = 2.8919, St. Deviation = 1.35748, Minimum = 1.00 and Maximum = 5.00).
Table 4.53
PAN of Customer

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>111</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Missing</td>
<td>0</td>
</tr>
</tbody>
</table>

Mean 4.4865
Std. Deviation 1.00783
Minimum 1.00
Maximum 5.00

Table 4.54
PAN of Customer

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>6</td>
<td>5.4</td>
<td>5.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
<td>6.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
<td>9.0</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>21.6</td>
<td>21.6</td>
<td>30.6</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>77</td>
<td>69.4</td>
<td>69.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The data revealed in the Figure 4.18 showed that the **PAN of Customer** was the most important variable while selecting the credit health check of a customer. Statistically it was also proved that approximately 91% executives either strongly agree or agree with the variable PAN Number of Customer. (Mean = 4.4865, St. Deviation = 1.00783, Minimum = 1.00 and Maximum = 5.00).
### Table 4.55
Details of Financial Assets

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>111</td>
<td>Missing</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>4.6937</td>
<td>Std. Deviation</td>
<td>.55256</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>3.00</td>
<td>Maximum</td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

### Table 4.56
Details of Financial Assets

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Neutral</td>
<td>5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>24</td>
<td>21.6</td>
<td>26.1</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>82</td>
<td>73.9</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
It was observed that approximately 95% of the executives agreed with the factor **Details of financial assets** while checking the credit health check of a customer. The statistical data also revealed that the variable Details of financial assets were also an important factor. (Mean score = 4.6937, St. Deviation = .55256, Minimum = 3.00 and Maximum = 5.00).
Table 4.57
Purpose of Loan

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td></td>
<td>111</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>4.8378</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.37027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>4.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.58
Purpose of Loan

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>18</td>
<td>16.2</td>
<td>16.2</td>
<td>16.2</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>93</td>
<td>83.8</td>
<td>83.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
It was considered that the variable **Purpose of Loan** was most important factor to be considered while checking the credit health of a customer. The statistical data also revealed that approximately 100% executives agreed with the variable Purpose of Loan to know the credibility of the customer. (Mean = 4.8378, St. Deviation = .37027, Minimum = 4.00 and Maximum = 5.00).
### Table 4.59
Type and Value of Collateral

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>111</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.8018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.40045</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>4.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 4.60
Type and Value of Collateral

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Agree</td>
<td>22</td>
<td>19.8</td>
<td>19.8</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>89</td>
<td>80.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>111</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
It was observed that 80.2% executives of the banks strongly agreed and 19.8% agreed with the variable **Type and value of Collateral** while selecting the credit health check of a customer. So, the statistical table also considered it very important variable to find the credit worthiness of the customer. (Mean = 4.8018, St. Deviation = .40045, Minimum = 4.00 and Maximum = 5.00)
### Table 4.61
Credit History of Borrower

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
<td>4.8649</td>
<td>.34342</td>
<td>4.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

### Table 4.62
Credit History of Borrower

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>15</td>
<td>13.5</td>
<td>13.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>96</td>
<td>86.5</td>
<td>86.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Figure 4.24

Credit history of borrower

Figure 4.22 revealed that 86.5% executives of the banks were in the favour to know the **Credit History of Borrower**. Credit History of Borrower was the most important variable while selecting the credit health check of a customer. (Mean = 4.8649, St. Deviation = .34342, Minimum = 4.00 and Maximum = 5.00)
### Table 4.63
Financial Soundness and Reputation of Borrower

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
</tr>
</tbody>
</table>

Mean 4.7568  
Std. Deviation 0.50841  
Minimum 3.00  
Maximum 5.00

---

### Table 4.64
Financial Soundness and Reputation of Borrower

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Neutral</td>
<td>4</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Valid Agree</td>
<td>19</td>
<td>17.1</td>
<td>17.1</td>
<td>20.7</td>
</tr>
<tr>
<td>Valid Strongly Agree</td>
<td>88</td>
<td>79.3</td>
<td>79.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Financial soundness and reputation of Borrower was an important variable to know the credit history of Borrower. An approximately 96% of the executives of the banks were strongly agreed and agreed with this factor while checking the credit health check of a customer. (Mean = 4.7568, St. Deviation = .50841, Minimum = 3.00 and Maximum = 5.00).
Table 4.65
Physical Health Status of Borrower

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>111</td>
<td>0</td>
<td>4.0991</td>
<td>1.09507</td>
<td>1.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Table 4.66
Physical Health Status of Borrower

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>6</td>
<td>5.4</td>
<td>5.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>2.7</td>
<td>2.7</td>
<td>8.1</td>
</tr>
<tr>
<td>Neutral</td>
<td>16</td>
<td>14.4</td>
<td>14.4</td>
<td>22.5</td>
</tr>
<tr>
<td>Agree</td>
<td>35</td>
<td>31.5</td>
<td>31.5</td>
<td>54.1</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>51</td>
<td>45.9</td>
<td>45.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The data revealed that 45.9% executives of the banks strongly agreed, 31.5% agreed, 14.4% neutral, 2.7% disagreed and 5.4% strongly disagreed with the of **Physical health status of Borrower** variable while checking the credit health check of a customer. So this factor was also important to consider the credibility of the customer. (Mean = 4.0991, St. Deviation = 1.09507, Minimum = 1.00 and Maximum = 5.00).
### Table 4.67
Status of Guarantor

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mean 4.6667
Std. Deviation 0.54495
Minimum 2.00
Maximum 5.00

### Table 4.68
Status of Guarantor

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
<td>.9</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Agree</td>
<td>32</td>
<td>28.8</td>
<td>28.8</td>
<td>30.6</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>77</td>
<td>69.4</td>
<td>69.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
To know the **Status of Guarantor** was also an important factor as considered by the executives of the banks while checking the credit health check of a customer. Statistical it was also proved that approximately 98% executives agreed with this factor. (Mean = 4.6667, St. Deviation = .54495, Minimum = 2.00 and Maximum = 5.00). Thus, this factor was important to consider the financial soundness/repayment capacity of the customer.
Table 4.69
History of Previous Repayment of Financial Obligation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>111</td>
<td>0</td>
<td>4.8468</td>
<td>.38608</td>
<td>3.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Table 4.70
History of Previous Repayment of Financial Obligation

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Neutral</td>
<td>1</td>
<td>.9</td>
<td>.9</td>
</tr>
<tr>
<td>Agree</td>
<td>15</td>
<td>13.5</td>
<td>13.5</td>
<td>14.4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>95</td>
<td>85.6</td>
<td>85.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
It was evident from the Figure 4.26 that 85.6% executives of the banks strongly agreed, 13.5% were agreed and .9% was neutral while selecting the credit health check of a customer on the basis of the variable **History of previous repayment of financial obligation**. So, this factor was also important to consider the credibility of the customer. (Mean = 4.8468, St. Deviation = .38608, Minimum = 3.00 and Maximum = 5.00).
Table 4.71
Monthly Savings

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>111</td>
<td>0</td>
<td>3.8919</td>
<td>1.10660</td>
<td>1.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Table 4.72
Monthly Savings

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>7</td>
<td>6.3</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>3.6</td>
<td>3.6</td>
<td>9.9</td>
</tr>
<tr>
<td>Neutral</td>
<td>20</td>
<td>18.0</td>
<td>18.0</td>
<td>27.9</td>
</tr>
<tr>
<td>Agree</td>
<td>43</td>
<td>38.7</td>
<td>38.7</td>
<td>66.7</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>37</td>
<td>33.3</td>
<td>33.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Figure 4.27 showed that 72% executives were given the attention to **Monthly Savings** while checking the credit health of a customer. Statistically this factor was also found important. (Mean = 3.8919, St. Deviation = 1.10660, Minimum = 1.00 and Maximum = 5.00).
Table 4.73
Do You Make Credit Health Check on Each New Customer

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>111</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td>4.6126</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td></td>
<td>.72828</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td></td>
<td>3.00</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td></td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.74
Do You Make Credit Health Check on Each New Customer

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>16</td>
<td>14.4</td>
<td>14.4</td>
<td>14.4</td>
</tr>
<tr>
<td>Neutral</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>11</td>
<td>9.9</td>
<td>9.9</td>
<td>24.3</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>84</td>
<td>75.7</td>
<td>75.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The present table showed that 75.7% executives of the banks strongly agreed, 9.9% agreed and 14.4% neutral with this factor to make a credit health check on each new customer. So this factor was important while granting the loan. (Mean = 4.6126, St. Deviation = .72828, Minimum = 3.00 and Maximum = 5.00).
Table 4.75
Do you phone major accounts before due date of payment

<table>
<thead>
<tr>
<th></th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>111</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>4.3243</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.68969</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>3.00</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.76
Do You Phone Major Accounts Before Due Date of Payment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Neutral</td>
<td>14</td>
<td>12.6</td>
<td>12.6</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>47</td>
<td>42.3</td>
<td>55.0</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>50</td>
<td>45.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
To make **phone call to all major accounts before due date of payment** was also equally important factor considered by the executives of the banks i.e. 45% executives strongly agreed, 42.3% agreed and 12.6% executives were neutral with this factor. (Mean = 4.3243, St. Deviation = .68969, Minimum = 3.00 and Maximum = 5.00).
Table 4.77
Do You Priorities Your Collection Activity and Chase The Highest Values First?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>7</td>
<td>6.3</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>5.4</td>
<td>5.4</td>
<td>11.7</td>
</tr>
<tr>
<td>Neutral</td>
<td>7</td>
<td>6.3</td>
<td>6.3</td>
<td>18.0</td>
</tr>
<tr>
<td>Agree</td>
<td>34</td>
<td>30.6</td>
<td>30.6</td>
<td>48.6</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>57</td>
<td>51.4</td>
<td>51.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.78
Do You Priorities Your Collection Activity and Chase the Highest Values First?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N Valid</td>
<td>111</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.1532</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.16149</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
It was observed that 51.4% executives of the banks strongly agreed, 30.6% agreed, 6.3% neutral, 5.4% disagreed and 6.3% were strongly disagreed while selecting the credit health check of a customer on the basis of the variable to fix the priorities of your collection activity and chase the highest values first. Statistically it was also proved that this factor was important while granting the loan. (Mean = 4.1532, St. Deviation = 1.16149, Minimum = 1.00 and Maximum = 5.00).
### Table 4.79
Do You Have Regular Monthly Review to Identify Problem Accounts and Define Course of Action?

<table>
<thead>
<tr>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>111</td>
<td>0</td>
</tr>
</tbody>
</table>

Mean 4.5495
Std. Deviation 0.58370
Minimum 3.00
Maximum 5.00

### Table 4.80
Do You Have Regular Monthly Review to Identify Problem Accounts and Define Course of Action?

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>5</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Agree</td>
<td>40</td>
<td>36.0</td>
<td>36.0</td>
<td>40.5</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>66</td>
<td>59.5</td>
<td>59.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The data revealed in the Figure 4.31 showed that the **Regular monthly review to identify problem accounts and define course of action** was the most important factor and the executives of the banks strongly agreed with this factor while checking the credit health check of a customer for granting the loan. 59.5% executives strongly agreed, 36% agreed and 4.5% executives were neutral with this factor. (Mean = 4.5495, St. Deviation = .58370, Minimum = 3.00 and Maximum = 5.00).
Table 4.81
Do You Use Information Provided by Credit Bureaus for Appraising the Loans?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Valid</th>
<th>111</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Missing</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>4.7477</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Std. Deviation</td>
<td>.59496</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>3.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Table 4.82
Do You Use Information Provided By Credit Bureaus For Appraising The Loans?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Neutral</td>
<td>9</td>
<td>8.1</td>
<td>8.1</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>10</td>
<td>9.0</td>
<td>17.1</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>92</td>
<td>82.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>111</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The data shown in the 4.32 revealed that use of information provided by credit bureaus for appraising the loans was an important factor as considered by the executives of the banks while checking the credit health check of a customer. 82.9% executives strongly agreed, 9% agreed and 8.1% neutral. (Mean = 4.7477, St. Deviation = .59496, Minimum = 3.00 and Maximum = 5.00).
Table 4.83
When Do You Check the Overdue Payment?

<table>
<thead>
<tr>
<th>Period</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily basis</td>
<td>6</td>
<td>5.40</td>
<td>5.40</td>
</tr>
<tr>
<td>Weekly basis</td>
<td>11</td>
<td>9.90</td>
<td>15.30</td>
</tr>
<tr>
<td>Monthly basis</td>
<td>28</td>
<td>25.23</td>
<td>40.53</td>
</tr>
<tr>
<td>Quarterly basis</td>
<td>32</td>
<td>28.83</td>
<td>69.36</td>
</tr>
<tr>
<td>Yearly basis</td>
<td>34</td>
<td>30.64</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.35

The present diagram showed that 30.64% bank executives check overdue payment on yearly basis, 28.83% executives check quarterly basis, 25.23% monthly basis, 9.90% executives check weekly basis and rest 5.40% executives check overdue payment on daily basis.
Table 4.84
Do You Go for Outsourcing of Collection of Loans?

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24</td>
<td>21.62</td>
<td>21.62</td>
</tr>
<tr>
<td>No</td>
<td>87</td>
<td>78.38</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.36

It was observed that 78.38% executives of the banks disagreed with the question to go for outsourcing of collection of loans and 21.62% executives of the banks agreed with the question to go for outsourcing of collection of loans.