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import pandas as pd
from sklearn.model selection import train test split
from sklearn.preprocessing import LabelEncoder, StandardScaler
import tensorflow as tf
from tensorflow.keras.models import Sequential
from tensorflow.keras.layers import Dense, Dropout
from sklearn.metrics import classification report, confusion matrix
import matplotlib.pyplot as plt
import seaborn as sns
# Step 1: Load the data
data = pd.read_excel('Credit Card Defaulter Prediction.xlsx', sheet_name='in')
# Check column names
print("Columns in the DataFrame:", data.columns)
# Strip any leading or trailing spaces from column names
data.columns = data.columns.str.strip()
# Check for unique values in the EDUCATION and MARRIAGE columns
print("Unique values in EDUCATION before encoding:", data['EDUCATION'].unique())
print("Unique values in MARRIAGE before encoding:", data['MARRIAGE'].unique())
# Convert columns to string type to avoid mixed type issues
data['SEX'] = data['SEX'].astype(str)
data['EDUCATION'] = data['EDUCATION'].astype(str)
data['MARRIAGE'] = data['MARRIAGE'].astype(str)
data['default'] = data['default'].astype(str)
# Check for missing values in 'default' column and handle them
if 'default' not in data.columns:
    raise KeyError("The 'default' column is not present in the DataFrame.")
if data['default'].isnull().sum() > 0:
    print("Missing values in 'default' column found. Dropping rows with missing values.'
    data = data.dropna(subset=['default'])
# Encode categorical variables
label_encoder = LabelEncoder()
data['SEX'] = label_encoder.fit_transform(data['SEX'])
data['EDUCATION'] = label_encoder.fit_transform(data['EDUCATION'])
data['MARRIAGE'] = label_encoder.fit_transform(data['MARRIAGE'])
data['default'] = label_encoder.fit_transform(data['default'])
# Separate features and target variable from the dataset
X = data.drop(columns=['ID', 'default'])
y = data['default']
# Standardize the features
scaler = StandardScaler()
X = scaler.fit_transform(X)
# Split the data into training and testing sets
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=4.
# Step 3: Build the Neural Network
model = Sequential([
    Dense(64, activation='relu', input_shape=(X_train.shape[1],)),
    Dropout(0.3),
    Dense(32, activation='relu'),
    Dropout(0.3),
    Dense(1, activation='sigmoid')
1)
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# Compile the model
model.compile(optimizer='adam', loss='binary_crossentropy', metrics=['accuracy'])
# Step 4: Train the Model
history = model.fit(X_train, y_train, epochs=50, batch_size=32, validation_split=0.2)
# Step 5: Evaluate the Model
test_loss, test_accuracy = model.evaluate(X_test, y_test)
print(f'Test Accuracy: {test_accuracy:.2f}')
# Plot training and validation accuracy and loss
plt.figure(figsize=(14, 6))
# Accuracy Line Plot
plt.subplot(1, 2, 1)
plt.plot(history.history['accuracy'], label='Train Accuracy')
plt.plot(history.history['val_accuracy'], label='Validation Accuracy')
plt.xlabel('Epoch')
plt.ylabel('Accuracy')
plt.title('Training and Validation Accuracy')
plt.legend()
# Loss Line Plot
plt.subplot(1, 2, 2)
plt.plot(history.history['loss'], label='Train Loss')
plt.plot(history.history['val_loss'], label='Validation Loss')
plt.xlabel('Epoch')
plt.ylabel('Loss')
plt.title('Training and Validation Loss')
plt.legend()
plt.tight_layout()
plt.show()
# Confusion Matrix
cm = confusion_matrix(y_test, y_pred)
plt.figure(figsize=(8, 6))
sns.heatmap(cm, annot=True, fmt='d', cmap='Blues', xticklabels=['No Default', 'Default']
plt.xlabel('Predicted')
plt.ylabel('True')
plt.title('Confusion Matrix')
plt.show()
# Classification Report as DataFrame
report = classification_report(y_test, y_pred, output_dict=True)
report_df = pd.DataFrame(report).iloc[:-1, :-1] # Exclude 'accuracy' row and 'support'
# Classification Report Heatmap
plt.figure(figsize=(10, 6))
sns.heatmap(report_df, annot=True, cmap='coolwarm', fmt='.2f')
plt.title('Classification Report Heatmap')
plt.show()
# Bar Chart for Target Variable Distribution
plt.figure(figsize=(8, 6))
y.value_counts().plot(kind='bar', color=['skyblue', 'salmon'])
plt.xlabel('Default')
plt.ylabel('Count')
plt.title('Distribution of Default Classes')
plt.xticks(ticks=[0, 1], labels=['No Default', 'Default'], rotation=0)
plt.show()
# Pie Chart for Target Variable Distribution
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plt.figure(figsize=(8, 8))
y.value_counts().plot(kind='pie', autopct='%1.1f%%', colors=['skyblue', 'salmon'], labe:
plt.title('Proportion of Default Classes')
plt.ylabel('')
plt.show()
```

Columns in the DataFrame: Index(['ID', 'LIMIT\_BAL', 'SEX', 'EDUCATION', 'MARF 'PAY\_2', 'PAY\_3', 'PAY\_4', 'PAY\_5', 'PAY\_6', 'BILL\_AMT1', 'BILL\_AMT2', 'BILL\_AMT3', 'BILL\_AMT4', 'BILL\_AMT5', 'BILL\_AMT6', 'PAY\_AMT1', 'PAY\_AMT2', 'PAY\_AMT3', 'PAY\_AMT4', 'PAY\_AMT5', 'PAY\_AMT6', 'default ' dtype='object')

Unique values in EDUCATION before encoding: ['University' 'Graduate school' ' Unique values in MARRIAGE before encoding: ['Married' 'Single' 'Other' 0] Epoch 1/50

/usr/local/lib/python3.10/dist-packages/keras/src/layers/core/dense.py:87: Us super().\_\_init\_\_(activity\_regularizer=activity\_regularizer, \*\*kwargs) 600/600 -**4s** 3ms/step - accuracy: 0.7698 - loss: 0.533 Epoch 2/50 **1s** 2ms/step - accuracy: 0.8104 - loss: 0.469 600/600 -Epoch 3/50 600/600 -— 2s 2ms/step - accuracy: 0.8122 - loss: 0.460 Epoch 4/50 — 3s 2ms/step - accuracy: 0.8163 - loss: 0.447 600/600 -

Epoch 5/50 600/600 -**3s** 2ms/step - accuracy: 0.8188 - loss: 0.444 Epoch 6/50

600/600 -**3s** 4ms/step - accuracy: 0.8228 - loss: 0.438 Epoch 7/50

600/600 **— 2s** 2ms/step - accuracy: 0.8195 - loss: 0.437 Epoch 8/50

600/600 -**3s** 2ms/step - accuracy: 0.8146 - loss: 0.438 Fnoch 0/50