BFSI CASE STUDY

PROBLEM STATEMENT

- We would face real world data of applications and bureau as shared by Home Credit, to practice the end-to-end process of model development in Credit Risk for Banks, Financial Institutions and NBFCs.
- We would build a bank’s internal end-to-end scoring mechanism, based on the application information, clubbed with the raw bureau information.

PRIMARY OBJECTIVE AND GOAL

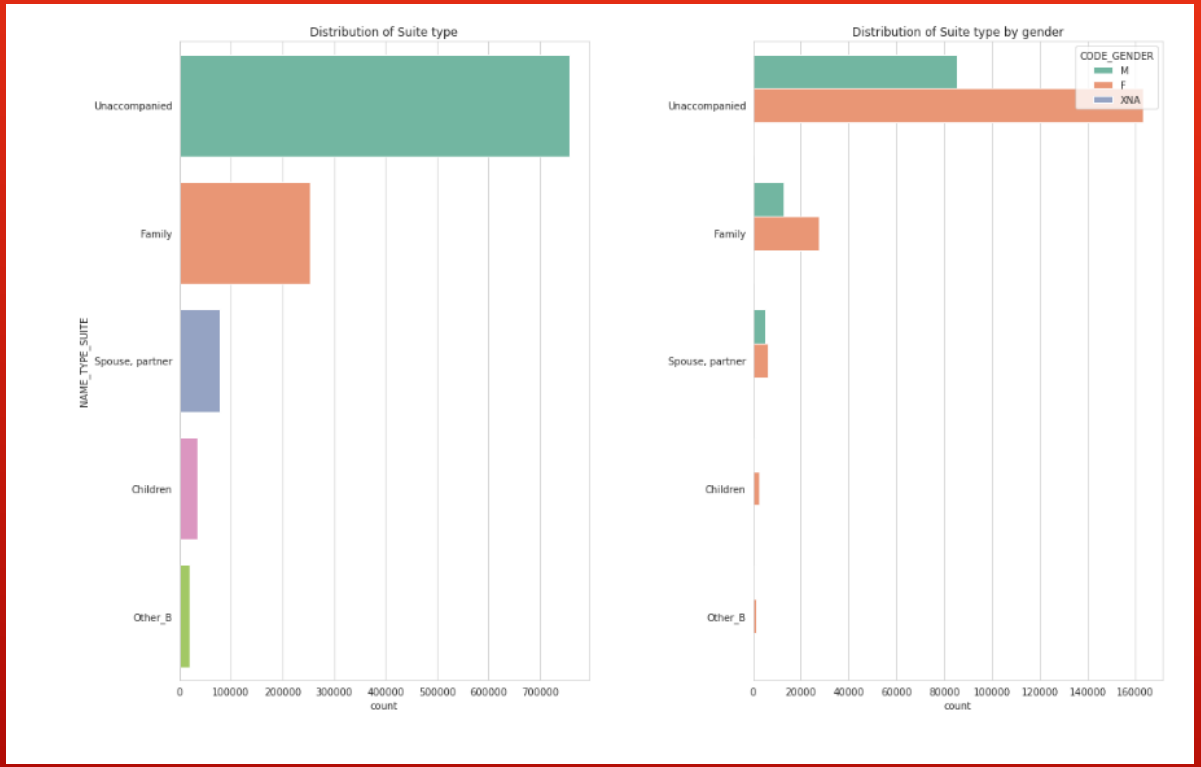
- The primary objective of this study is to assist Home Credit in deciding which loan applications should be disbursed, and which should be rejected, based on the applicant's past behaviour and application information.
- As a business analyst for Home Credit, we are supposed to first gather the information and clean it to make it usable.
- The bureau information is at trade level, each individual trade level information is provided. You need to apply 'Feature Engineering' techniques to roll up the information at applicant level, and thereby create manual features for model building.

SOLUTION METHODOLOGY

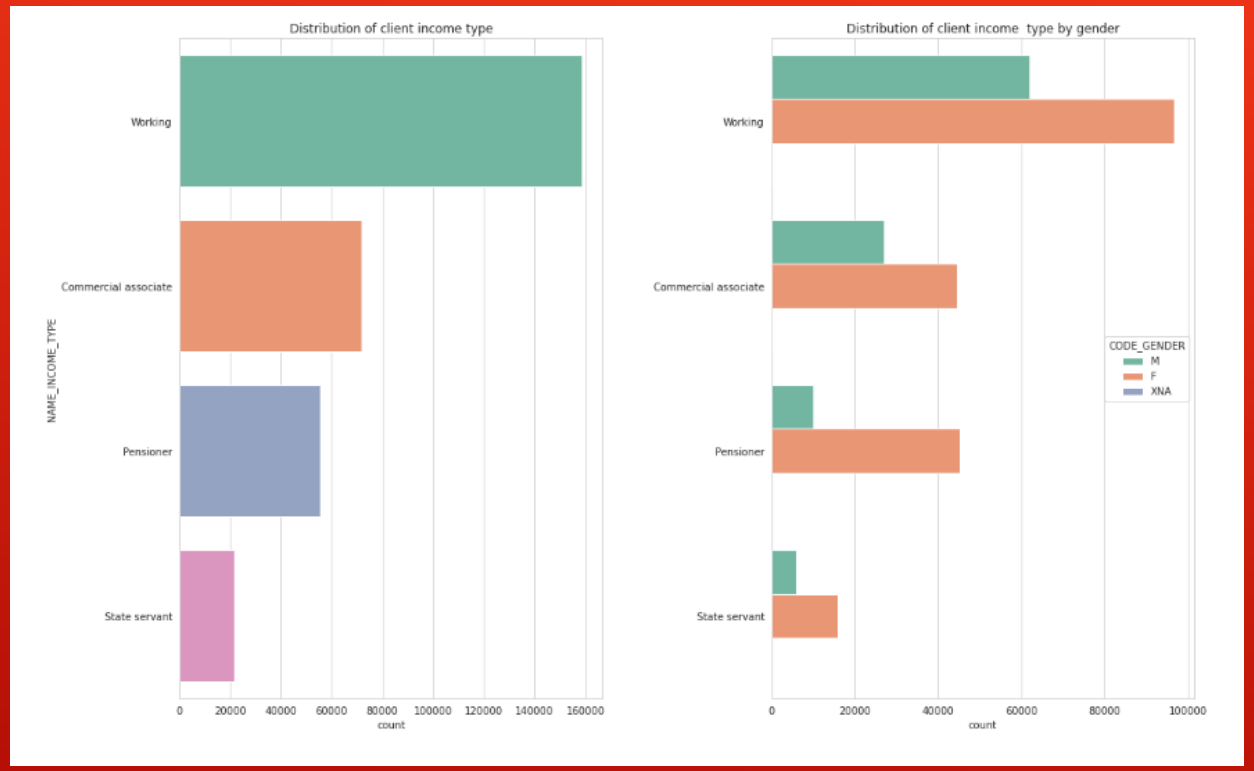
- Converting negative values to absolute values:

1. Separating numerical and categorical in application_data

DISTRIBUTION OF SUITE TYPE



DISTRIBUTION OF CLIENT INCOME TYPE



CONCLUSION

- The case study aims to identify patterns which indicate if a client has difficulty paying their installments which may be used for taking actions such as denying the loan, reducing the amount of loan, lending (to risky applicants) at a higher interest rate, etc.
- This will ensure that the consumers capable of repaying the loan are not rejected. Identification of such applicants using EDA is the aim of this case study.

THANK YOU!