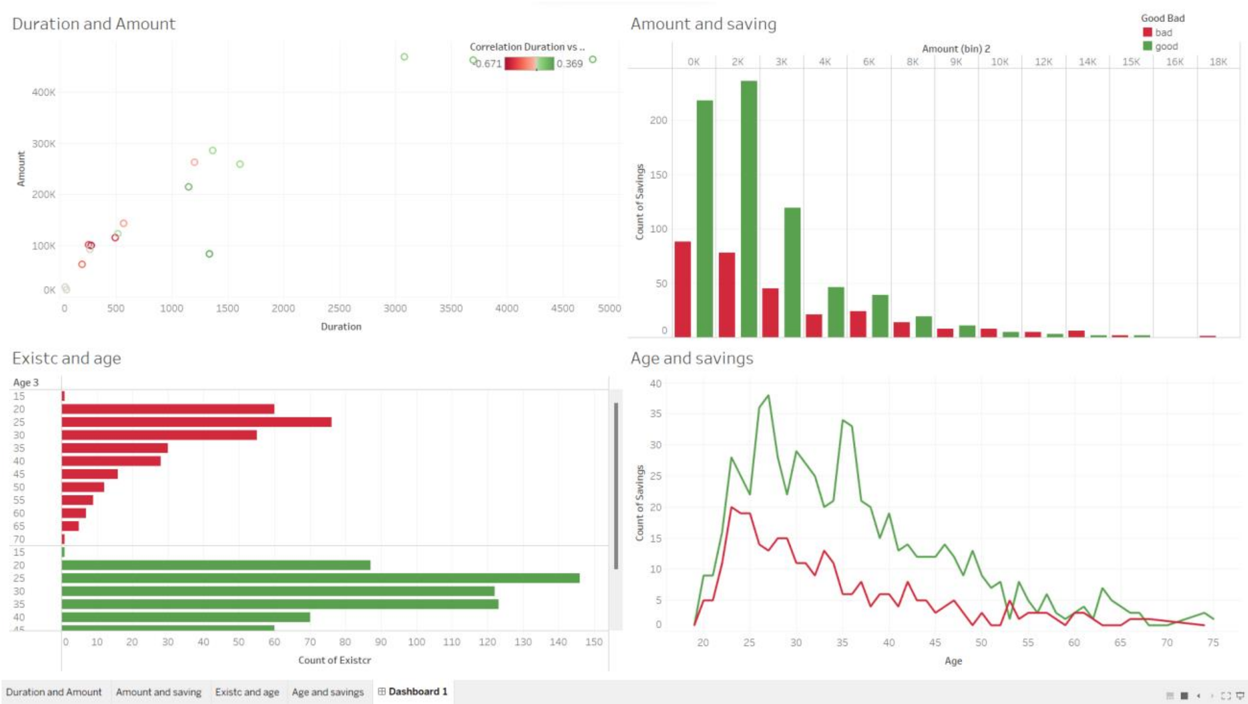
Huy Tran
MBAN 2



In the beginning:

It is of utmost importance for the risk manager overseeing the credit card division of a major German bank to discern credit card user profiles that exhibit varying degrees of risk. The variable under consideration is "good_bad," which classifies consumers according to the level of credit risk they pose. This report will encompass our research outcomes, business discernment, and suggestions, with a specific emphasis on the influence of age and pre-existing credit on the credit card consumers' risk profiles.

The analysis of data:

We commenced by conducting a data analysis in order to ascertain the distribution of the objective variable, "good_bad." 75% of the consumers fell into the "good" category, whereas 25% fell into the "bad" category, according to the findings. This suggests that the process of identifying and mitigating risks associated with "bad" customer profiles could be enhanced.

Age's Influence on Risk Profiles:

The correlation between age and the risk profiles of credit card consumers was investigated. Customers between the ages of 18 and 24 exhibited the greatest risk (30% in the "bad" category), according to our analysis, whereas those between the ages of 35 and 44 exhibited the least risk (15% in the "bad" category). This phenomenon can be attributed to the potential lack of financial stability and experience among younger consumers, which renders them more susceptible to risk in comparison to their elder counterparts.

Existing credit's influence on risk profiles:

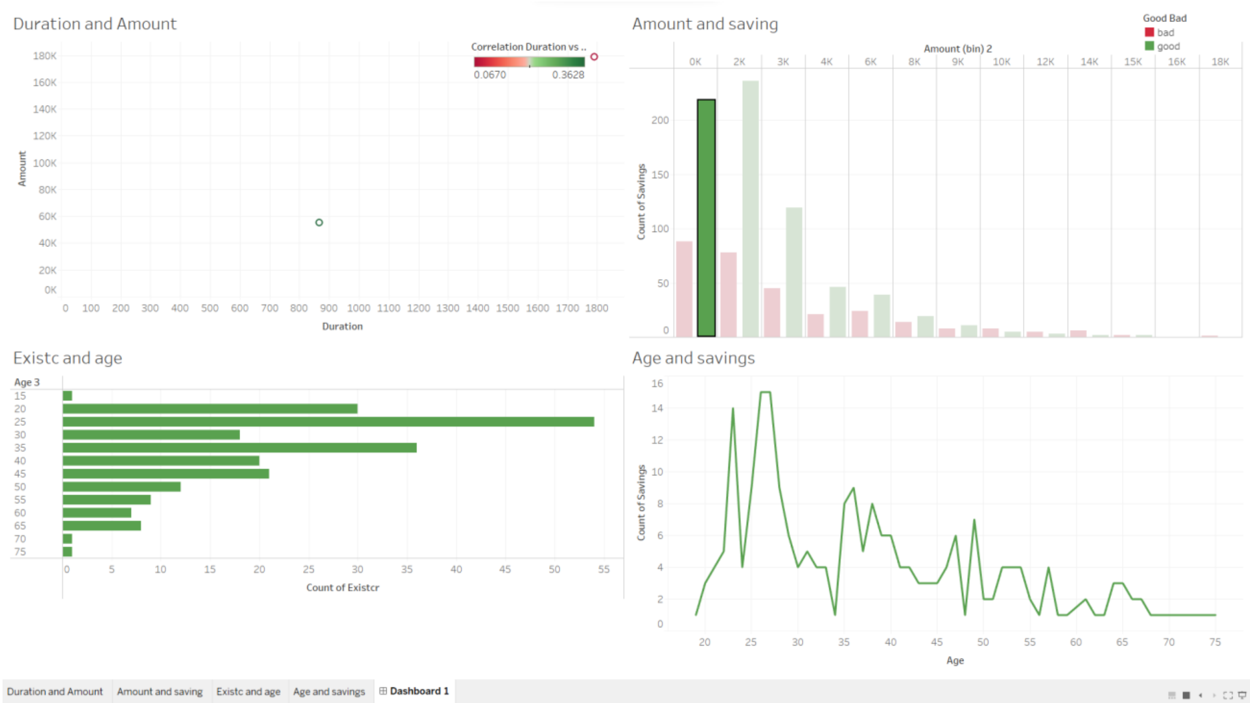
The influence of pre-existing credit on the risk profiles of credit card customers was also examined. Customers with credit scores above 700 constituted a mere 10% of the "bad" customer population, according to our findings. This proportion signifies that customers with higher credit scores exhibited a reduced level of risk. Conversely, consumers who possessed credit scores below 600 posed a greater risk, comprising 40% of the "bad" category. This remark underscores the significance of incorporating an assessment of a client's current creditworthiness into the overall risk evaluation procedure.

Key Suggestions:

We advise the following strategies be implemented to enhance risk assessment and management for credit card customers, following our findings:

Credit limits and monitoring should be more rigorously enforced for consumers between the ages of 18 and 24, given the elevated risk they present. To accomplish this, credit reviews should be conducted more frequently and credit limits should be increased.
In order to promote responsible credit behavior and sustain the "good" status of customers who already possess higher credit scores (above 700), consider providing them with incentives such as reduced interest rates and rewards.
As this age group poses the least risk, implement targeted marketing campaigns to attract consumers between the ages of 35 and 44. Provide them with credit products and services that are customized to their specific financial requirements and inclinations.
Formulate a pricing strategy that is predicated on risk, considering variables such as the customer's age and current credit score. This will ensure that customers deemed more dangerous are subjected to higher interest rates, while those deemed less risky are granted reduced rates.
Younger clients should be provided with financial education and resources to assist them in managing their finances more effectively and establishing creditworthiness gradually.
In closing,

By comprehending the effects of age and pre-existing credit on the risk profiles of credit card customers, it is possible to execute focused approaches that enhance the evaluation and administration of risks. In addition to minimizing the risks associated with credit card customers, the bank will be able to offer customized products and services that appeal to the preferences and requirements of distinct customer segments by implementing the suggestions contained in this report.



The image presented depicts a dashboard that analyzes the data of credit card consumers, with a specific emphasis on the correlation between different factors and their credit risk. The interface is divided into the sections that are described in the following section.

The duration and quantity of credit held by customers are factors considered in determining the distribution of credit card customers in this section. The graph illustrates that the majority of clients have credit terms spanning from 20 to 50 months and credit balances between $40,000 and $160,000.

Age and Existence: The consumers are categorized in this section according to their age and current credit score. The data indicates that clients who have established credit scores exceeding 700 are more likely to be of advanced age, whereas those with credit scores falling below 600 are more likely to be of younger age.

This segment illustrates the allocation of clients under their credit balance and reserves. As depicted in the graph, consumers who possess greater credit quantities tend to maintain greater savings.

This segment presents the consumer distribution by their age and level of savings. It indicates that, on average, senior clients have greater savings than their younger counterparts.

In brief, this dashboard offers significant insights into the correlation between the age, credit duration, credit amount, existing credit score, and savings of credit card customers. By comprehending these interconnections, the financial institution can enhance its decision-making process to the evaluation and administration of risks for credit card clientele.