



Rakamin
Academy

id/x partners

Credit Risk Prediction

By : Jackie Limanto



The background features several overlapping, tilted rectangular blocks in various shades of teal, orange, and yellow. The word "Background" is written in a bold, dark teal sans-serif font on the left side of the image.

Background

Problem

Credit risk is the possibility of losing a lender holds due to a risk of default on a debt that may arise from a borrower failing to make required payments.

Goal

The Goal is assess the likelihood of a borrower defaulting on their credit obligations.

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Exploratory Data Analysis

Dataset has
466285 rows and
75 columns

1

There are feature that
have null values (null
values with >50% or
more will be dropped)

2

Unique feature or
column will be
delete/drop

3

No Label on
dataset

4

Labelling the Loaner

- ▶ **Good Loaner**

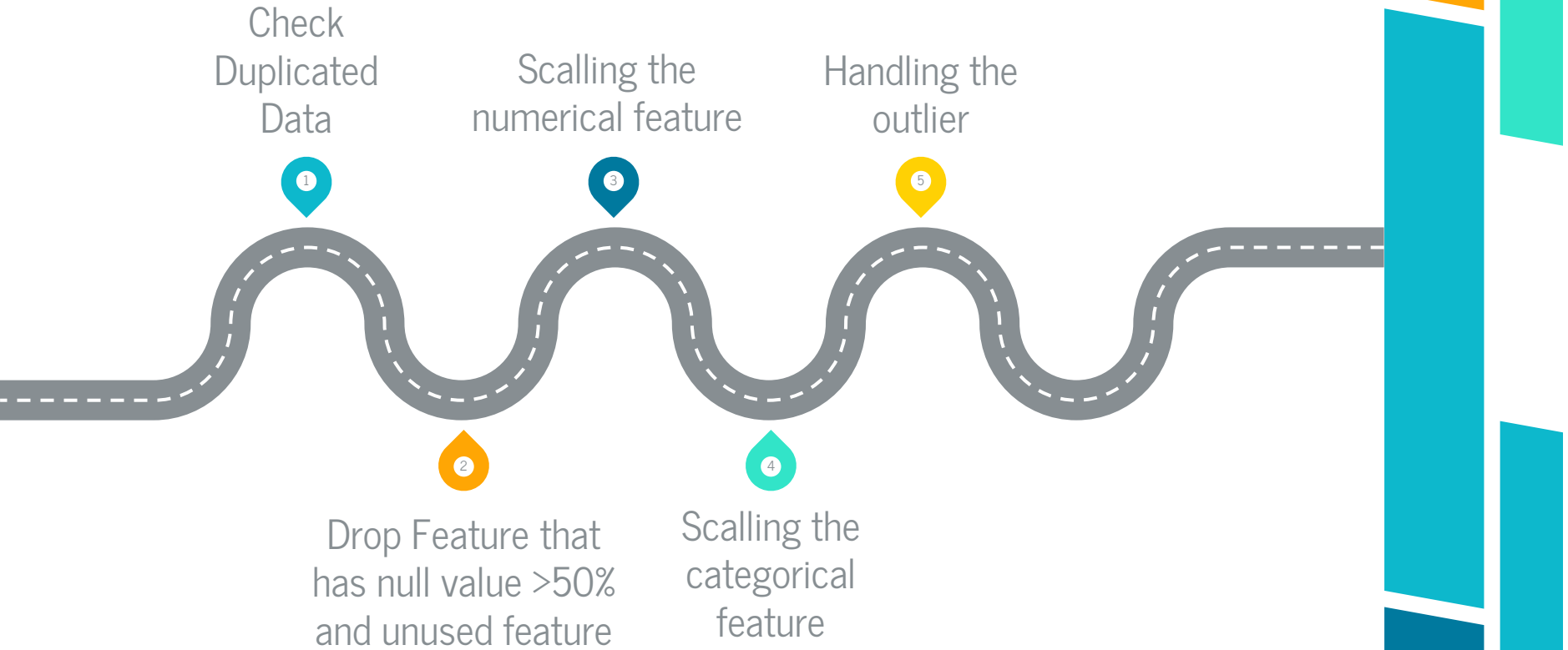
Current, Fully paid, In Grace Period

- ▶ **Bad Loaner**

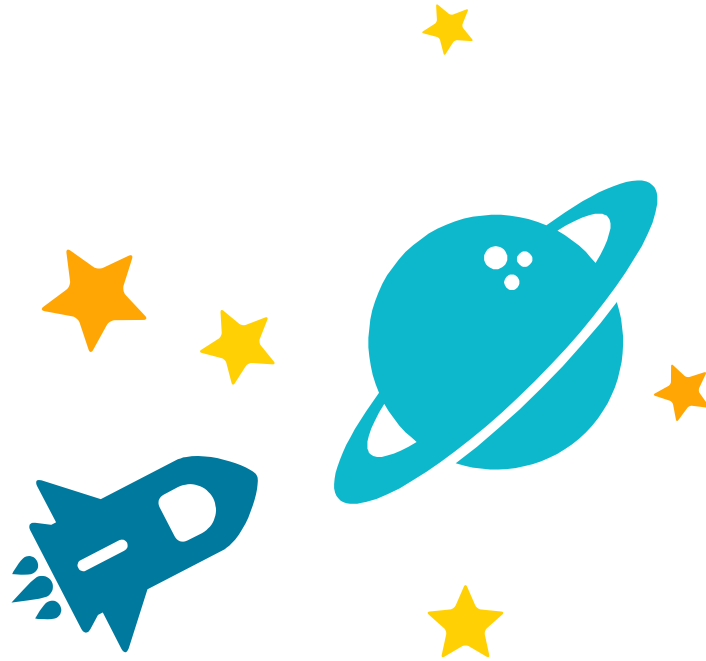
Charged off, Late (31-120 days), Does Not Meet the Credit Policy, Late (16-30 days), Default.



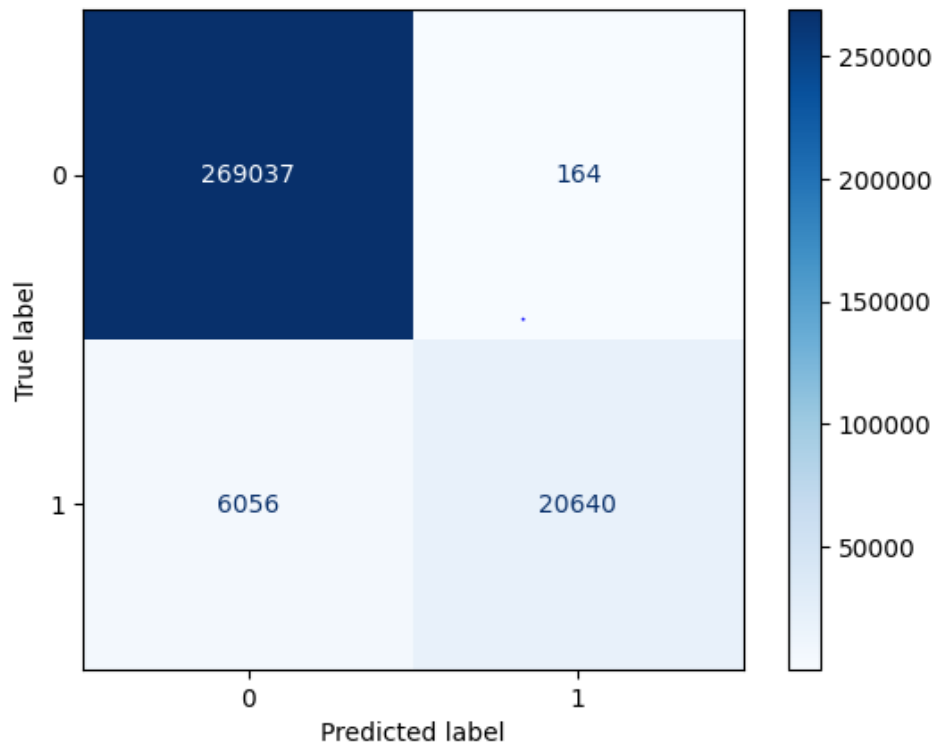
Data Preparation



Data Modelling

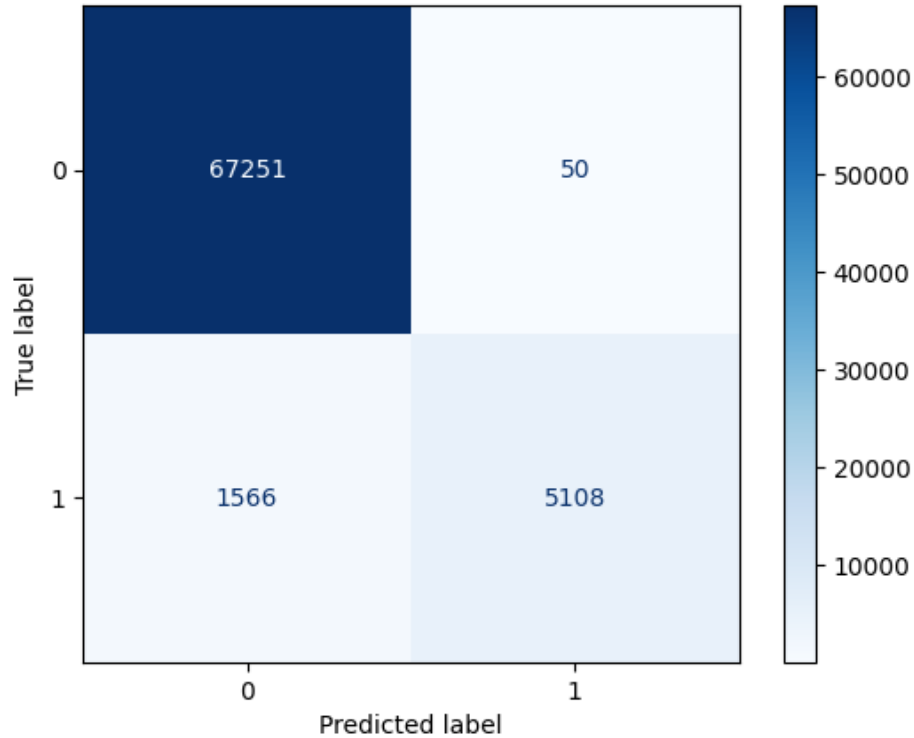


Confusion Matrix - Train



Classification Report -
Train precision recall f1-
score support 0 0.98 1.00
0.99 269201 1 0.99 0.77
0.87 26696 accuracy 0.98
295897 macro avg 0.99 0.89
0.93 295897 weighted avg
0.98 0.98 0.98 295897

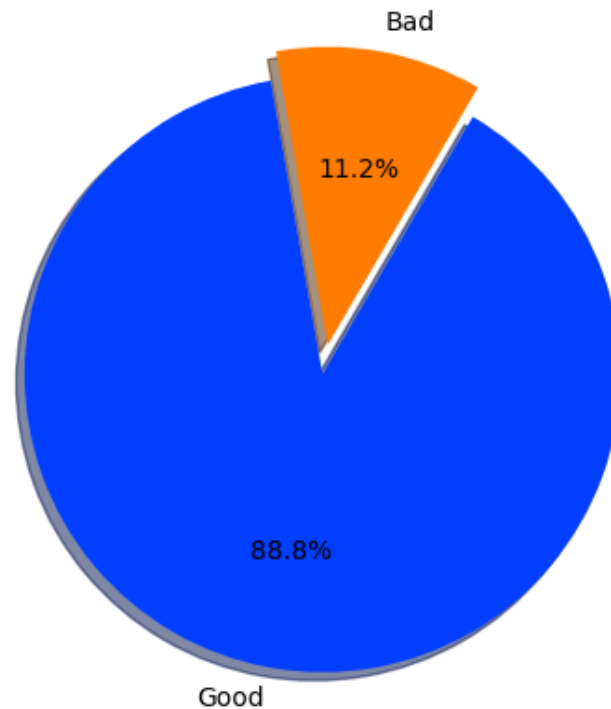
Confusion Matrix - Test



```
Classification Report -  
Test precision recall f1-  
score support 0 0.98 1.00  
0.99 67301 1 0.99 0.77 0.86  
6674 accuracy 0.98 73975  
macro avg 0.98 0.88 0.93  
73975 weighted avg 0.98  
0.98 0.98 73975
```

Insights

Based on Status Loaner



Recommendation

It is important to carefully evaluate the loaner's creditworthiness and the potential risk associated with the loan amount. Also, ensure that the loan are viable to both parties.

Thankyou

Any questions?

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