

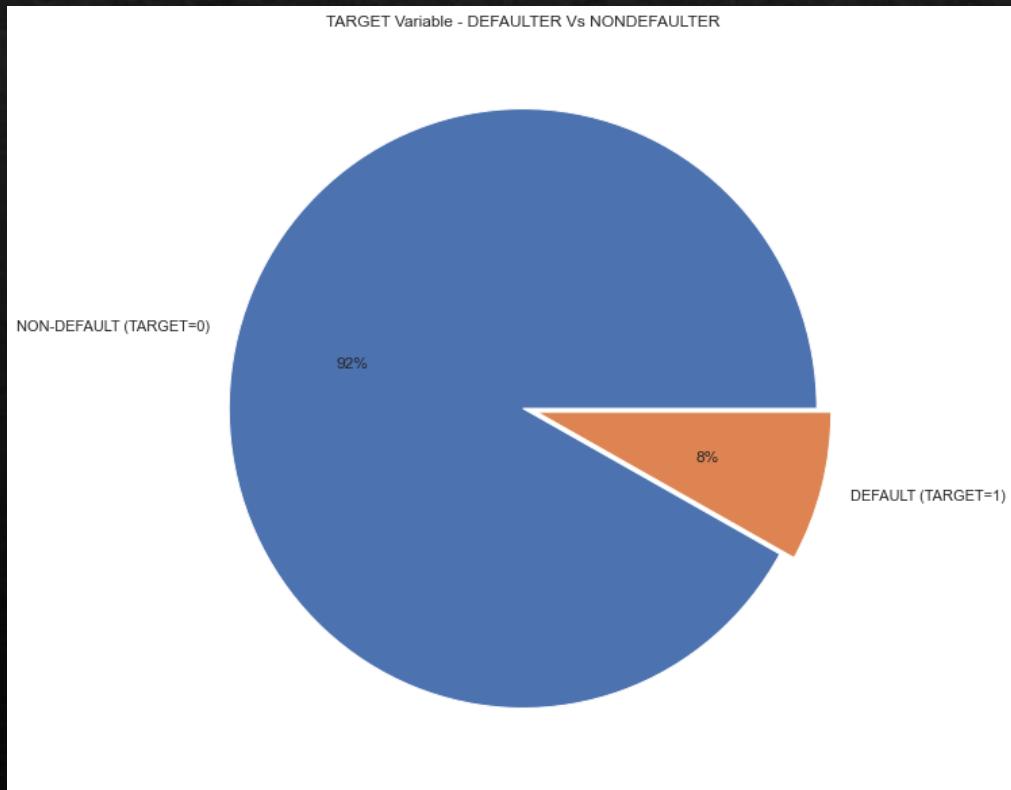
# CREDIT EDA CASE STUDY

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# Defaulters v/s Non- Defaulters

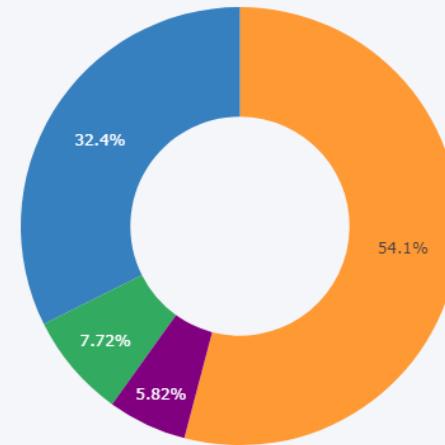
- ❖ In the given data, it has been seen that when credit or loan is provided to a client, 92% clients do not find it difficult to repay the loan.
- ❖ However, 8% of clients end up defaulting on the loan payments.
- ❖ Let us understand the reasons or the factors for the same in the following slides.



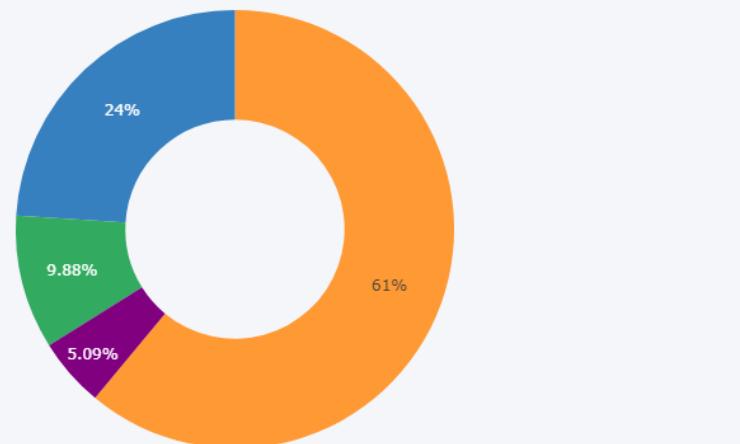
# Effect of Age on Target

- ❖ There is an increase in the percentage of Loan Payment Difficulties who are in their Middle age or are Young in age when compared to Senior citizen or Very young aged.
- ❖ Credit given is also given more to Middle aged or Young people.

Age of Loan Payment Difficulties

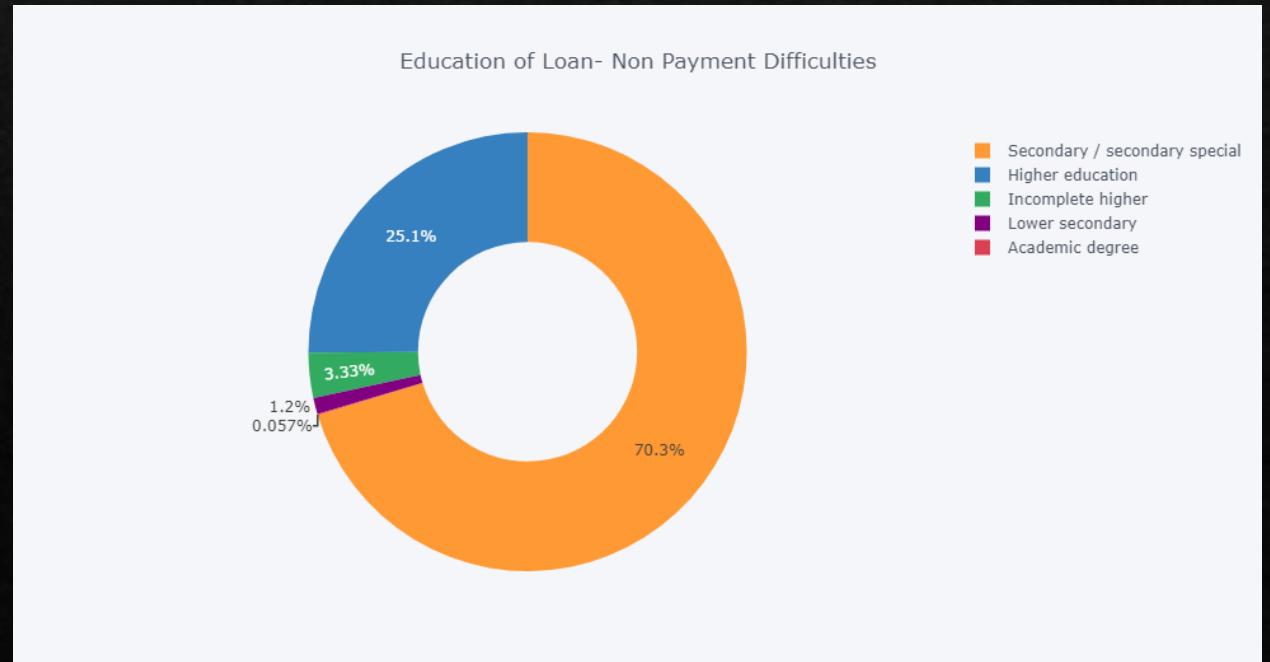
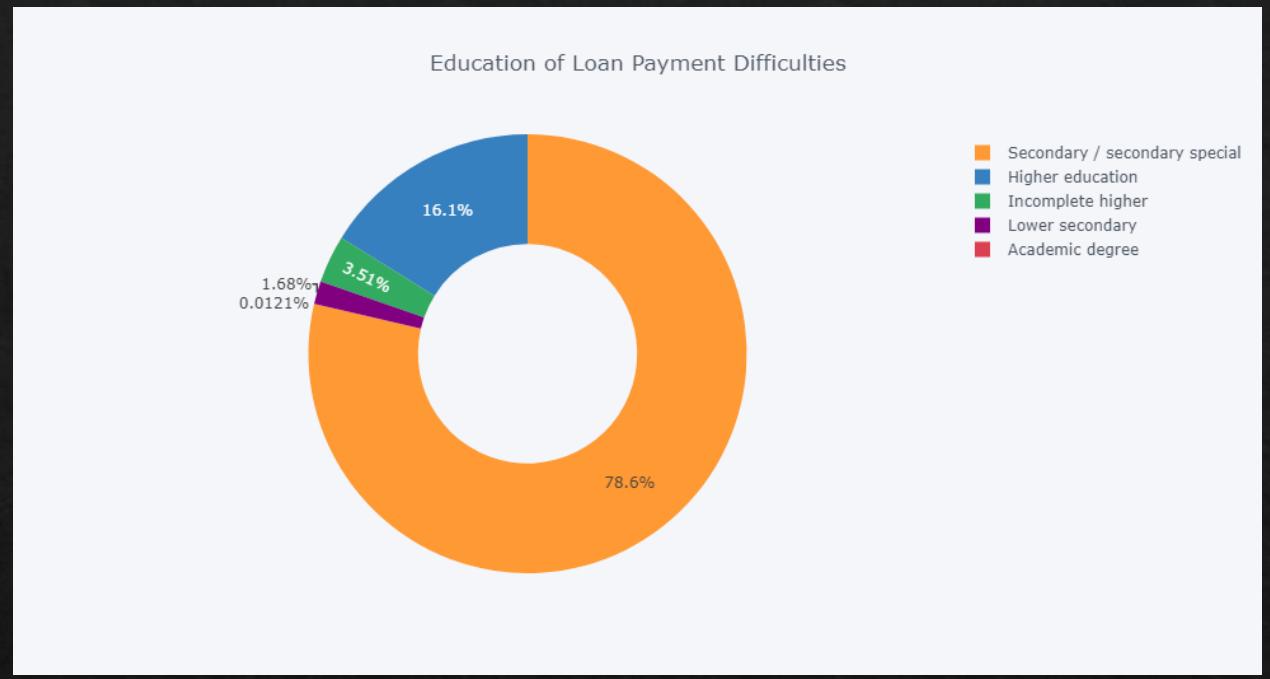


Age of Loan-Non Payment Difficulties



# Effect of Education on Target

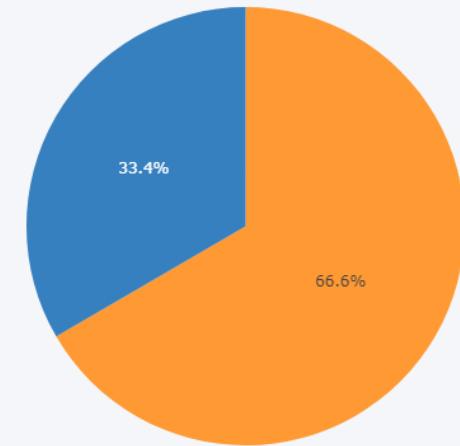
- ❖ Higher credits are given to people with secondary or higher education.
- ❖ People with lower secondary education contribute to very less percentage of total loan given. But they have a higher rate of default.



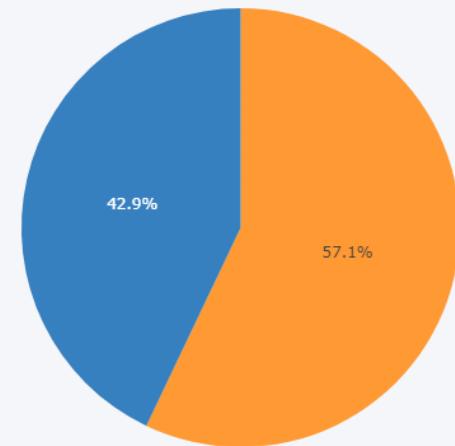
# Effect of Gender on Target

- ❖ Higher credits are given to female in comparison to that of male
- ❖ Revolving loan defaulters are only female
- ❖ Default done by female clients is also more than that done by male candidates

Gender Distribution of Loan- Non Payment Difficulties

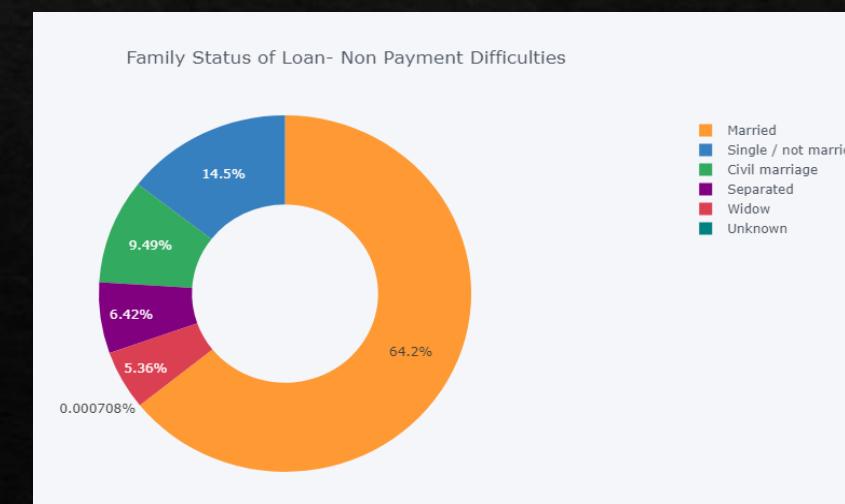
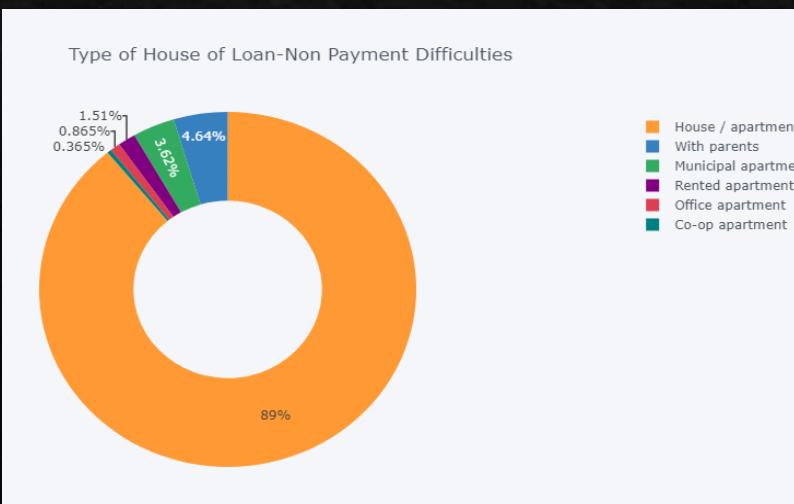
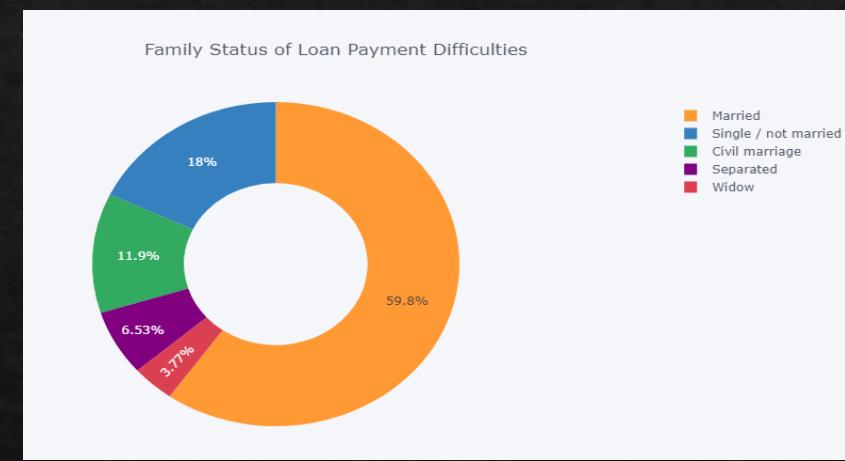
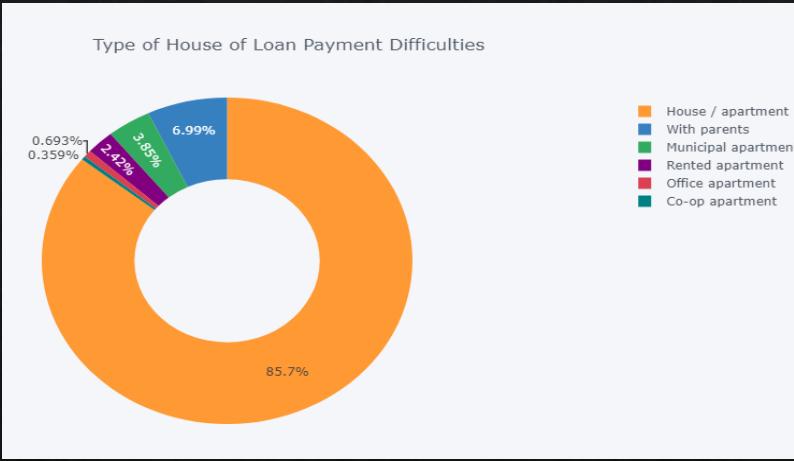


Gender Distribution of Loan Payment Difficulties



# Effect of Housing Type and Family Status on Target

- ◆ Loan given to Housing type House/Apartment contributes to most of the Credit given.
- ◆ People with Office apartment or Co-op apartment encompasses only a small ratio of loan given
- ◆ Credit is also given more to people with married status.
- ◆ People in rented category occupy very small percentage of credit but have higher default rate



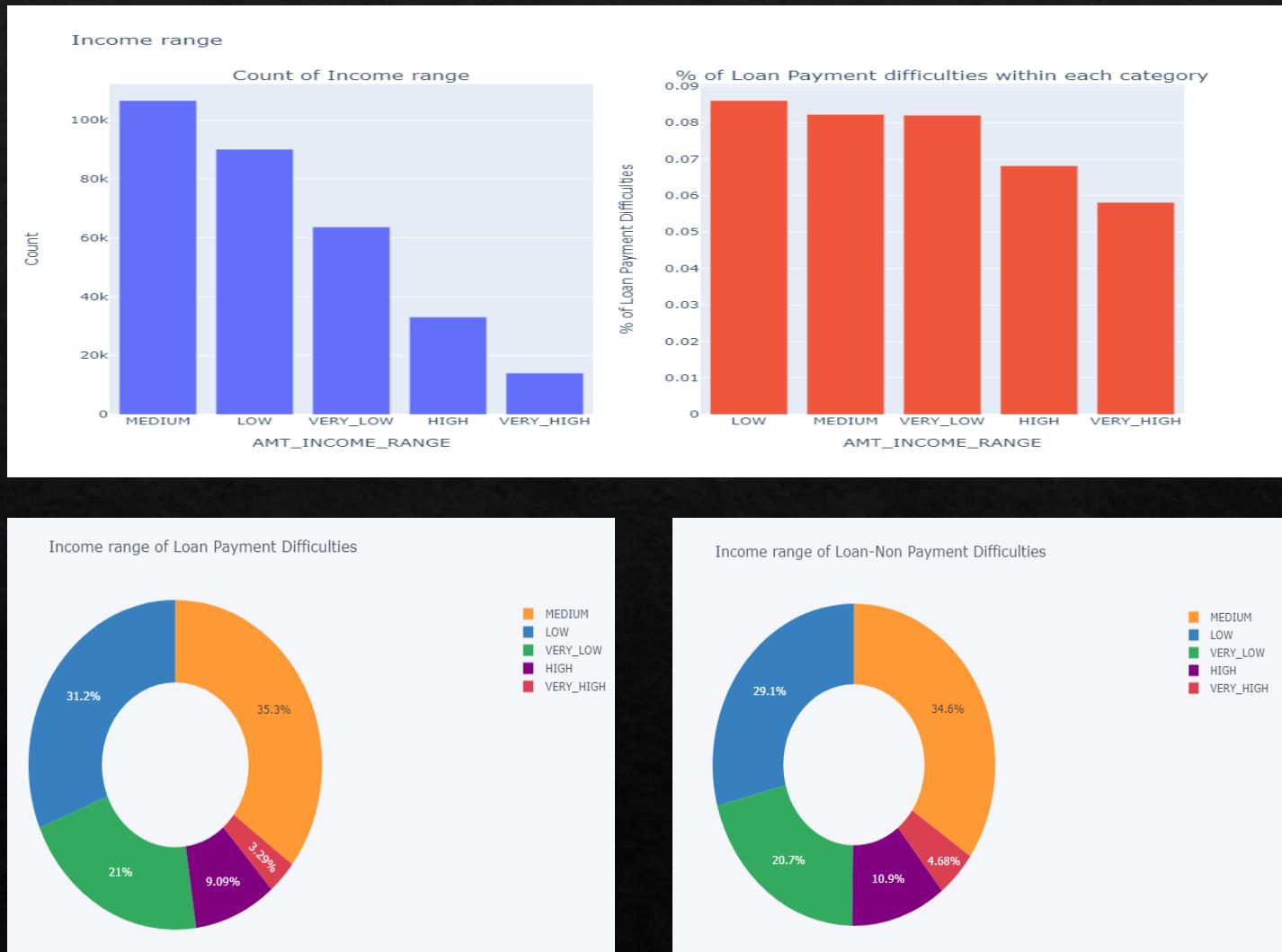
# Effect of Income Source on Target

- ❖ Higher credits are given to people with income type Working, Commercial associate and State Servant.
- ❖ Lower credits are given to people Students, women on Maternity leave and Businessman.
- ❖ People on Maternity leave or Unemployed comprise of very small percentage of loan given but have maximum default rate.



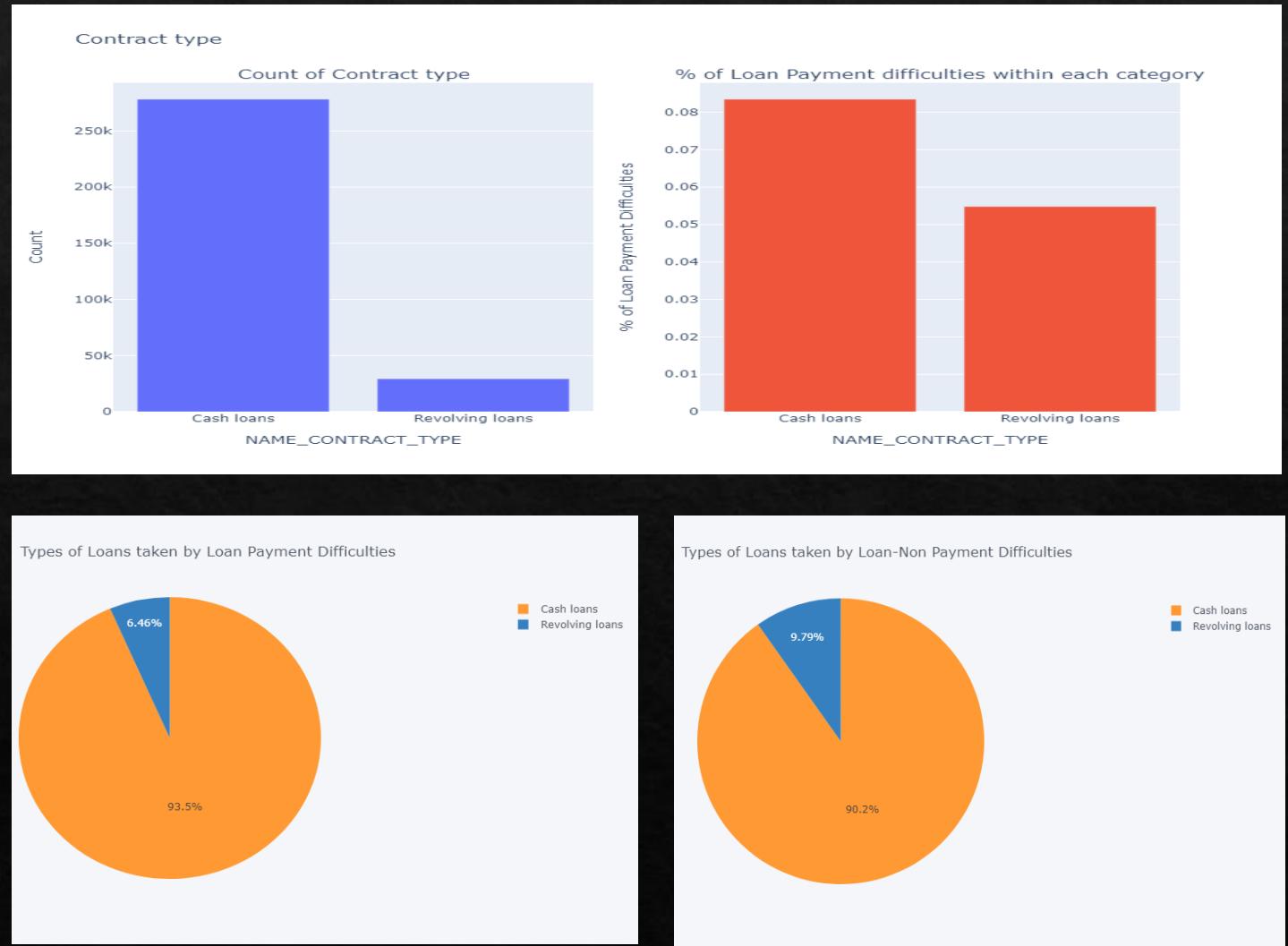
# Effect of Income Range on Target

- ❖ People having medium to low-income range are more likely to be given credit.
- ❖ People with low to very low income comprise of smaller percentage of loan given but have higher default rate
- ❖ People with very high income have low risk of defaulting in Loan payment



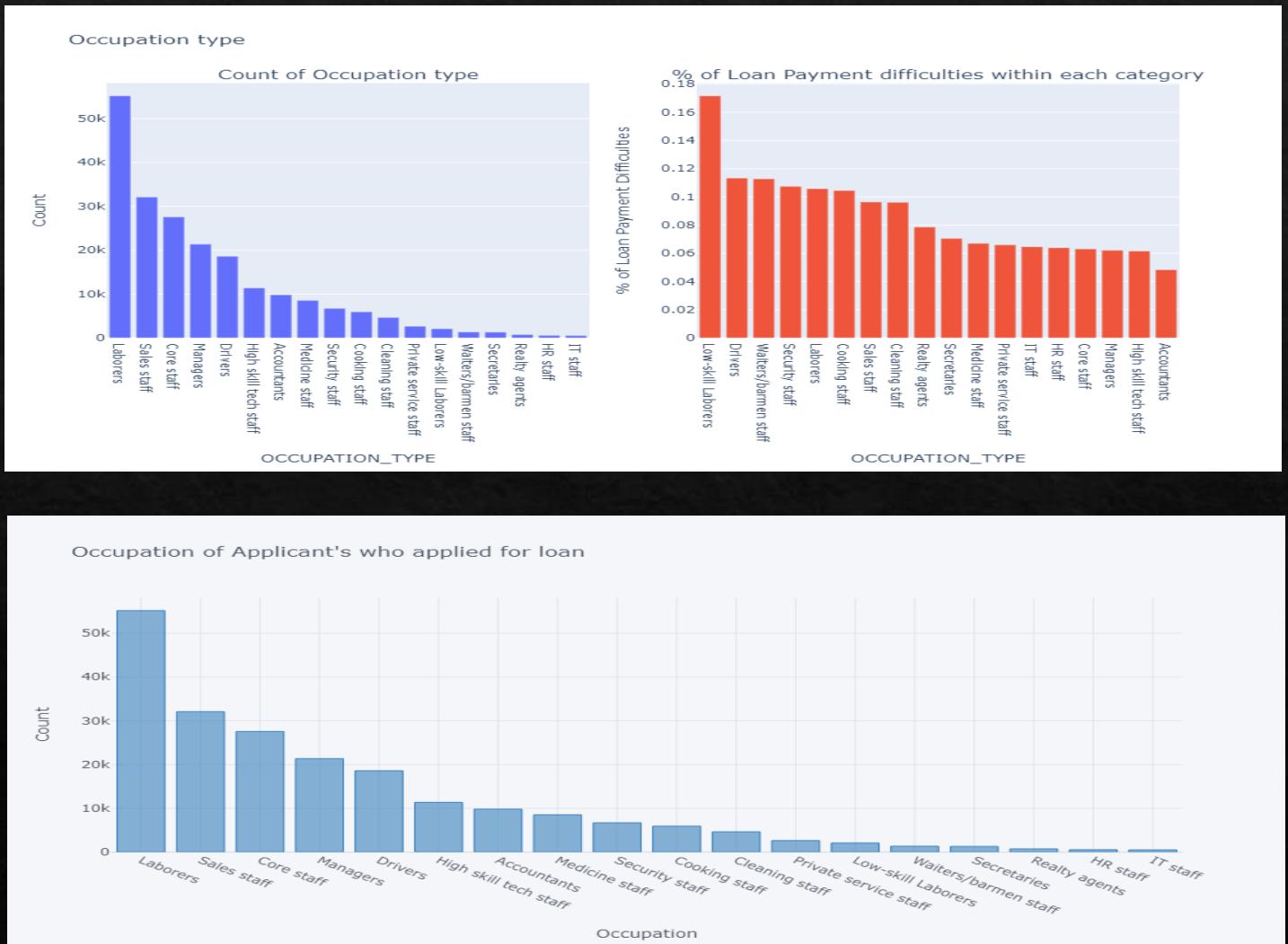
# Effect of Contract Type

- ❖ Of the credit given, 90% contribution is of Cash Loans
- ❖ For Cash Loans, rate of defaulter is around 8 % only
- ❖ Revolving Loans even though have been given very less credit in comparison, have default rate of around 5%.



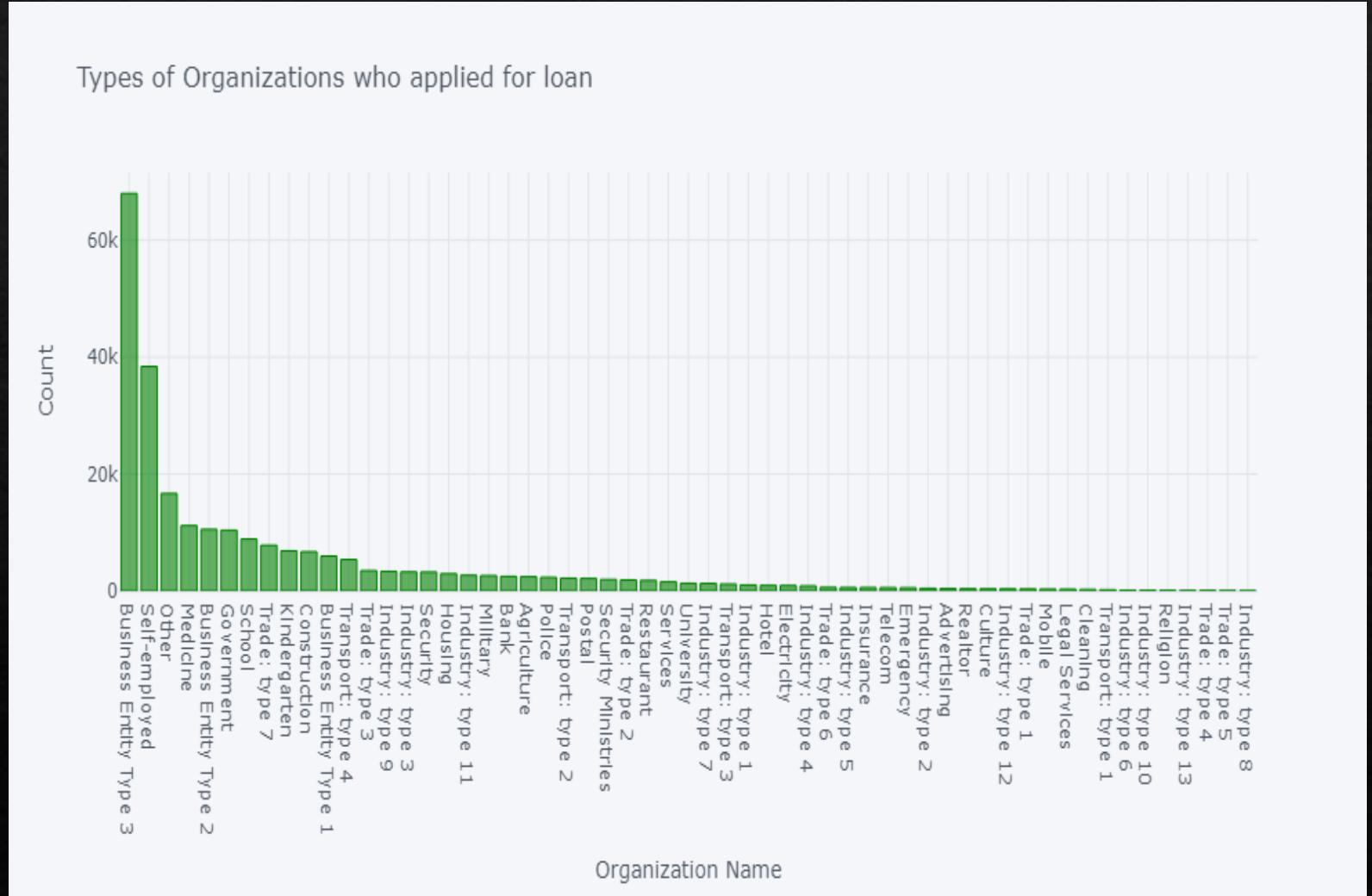
# Effect of Income Range on Target

- ◆ Low skill laborers comprises of very small percentage of credit given but are highest in defaulting category.
- ◆ Defaulting percentage is minimum for Accounts and High skill Tech staff.



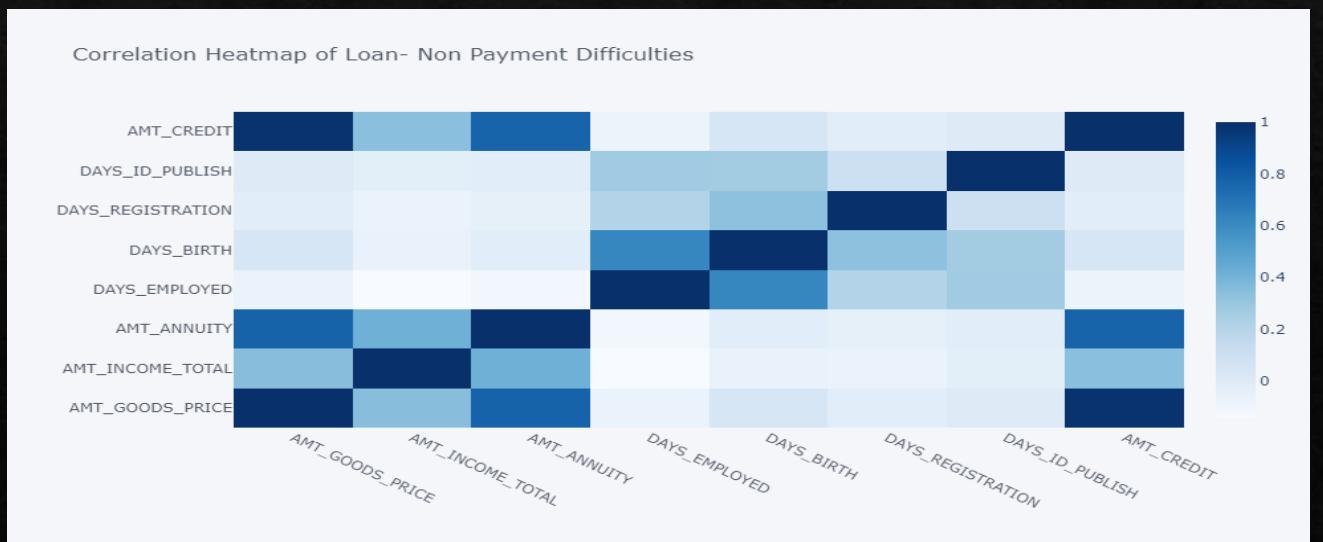
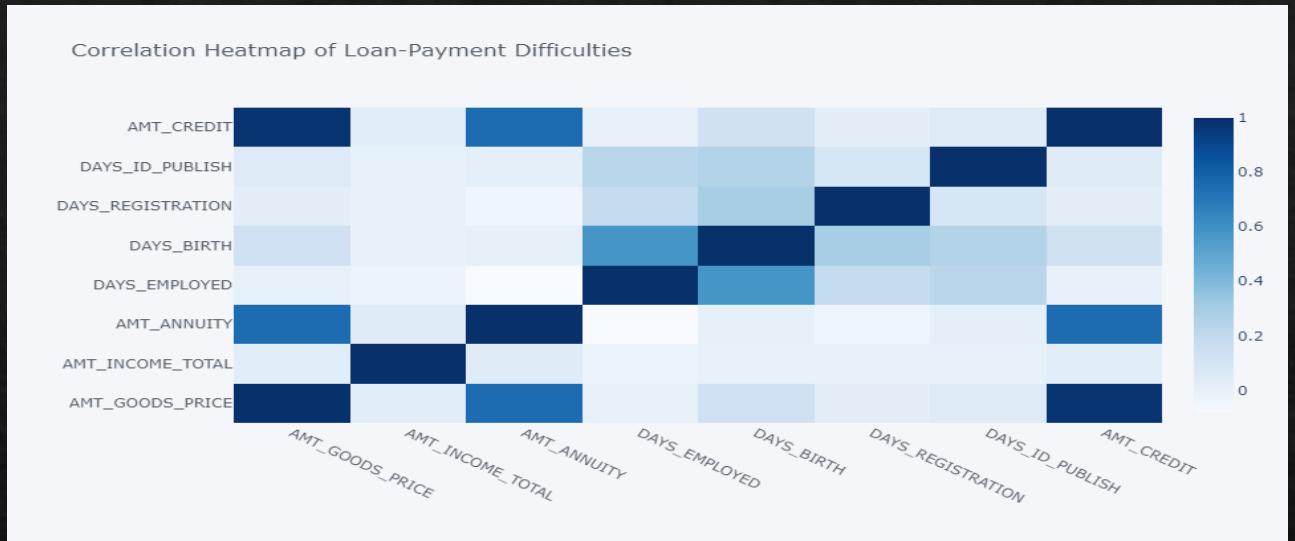
# Distribution of organization type

- ❖ People that have applied for Loan are mostly from Business Entity Type 3, Self Employed, Other , Medicine or Government.
- ❖ People with Industry type 8, type 6, type 10, Religion and Trade type 5, type 4 have applied less.



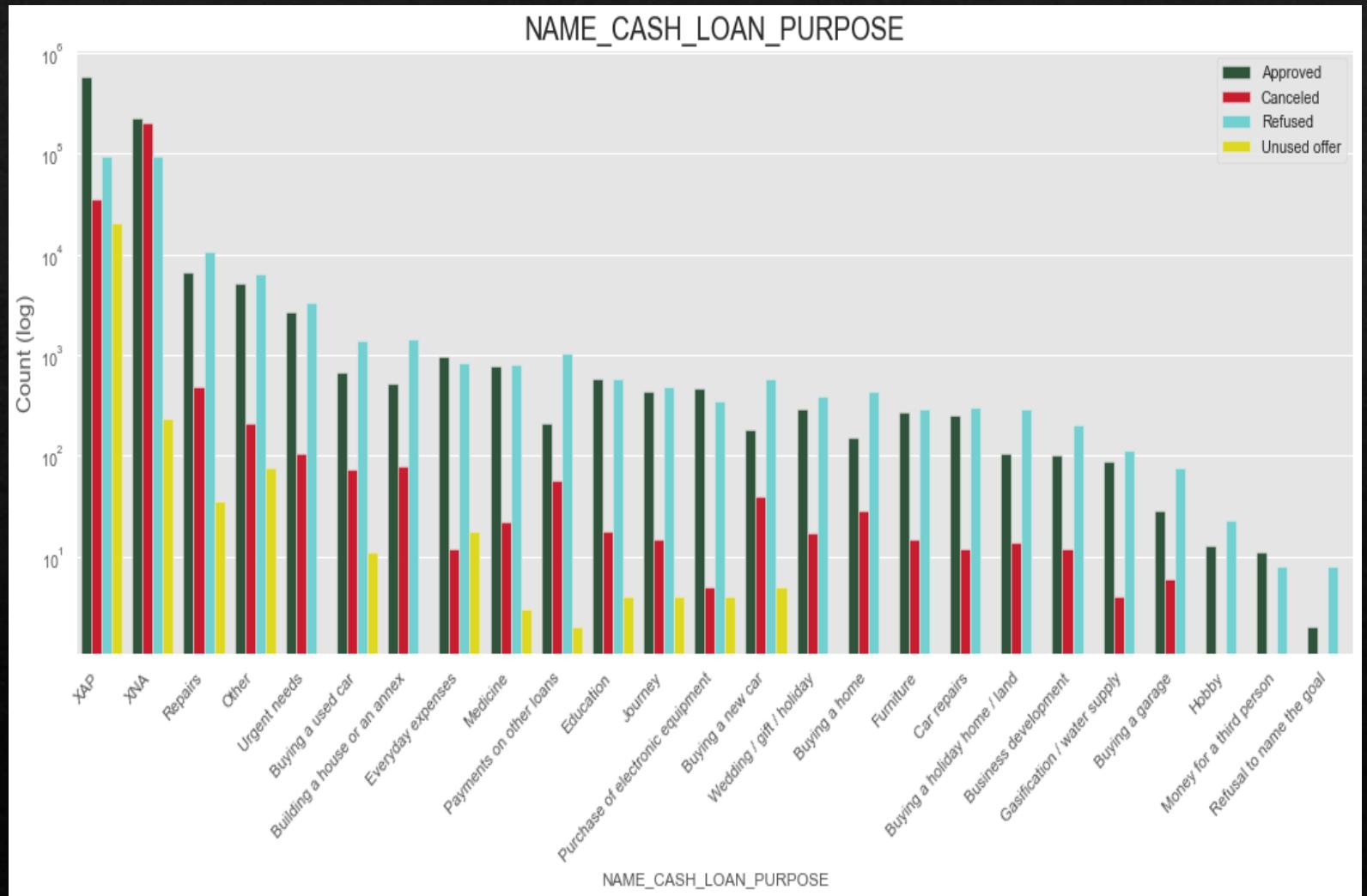
# Correlation

- ◆ Credit amount given is more when days of birth is less i.e more credit is given for lower age
  - ◆ Credit amount given is somewhat directly proportional to the total income earned.
  - ◆ Credit amount is directly proportional to the amount of goods price.



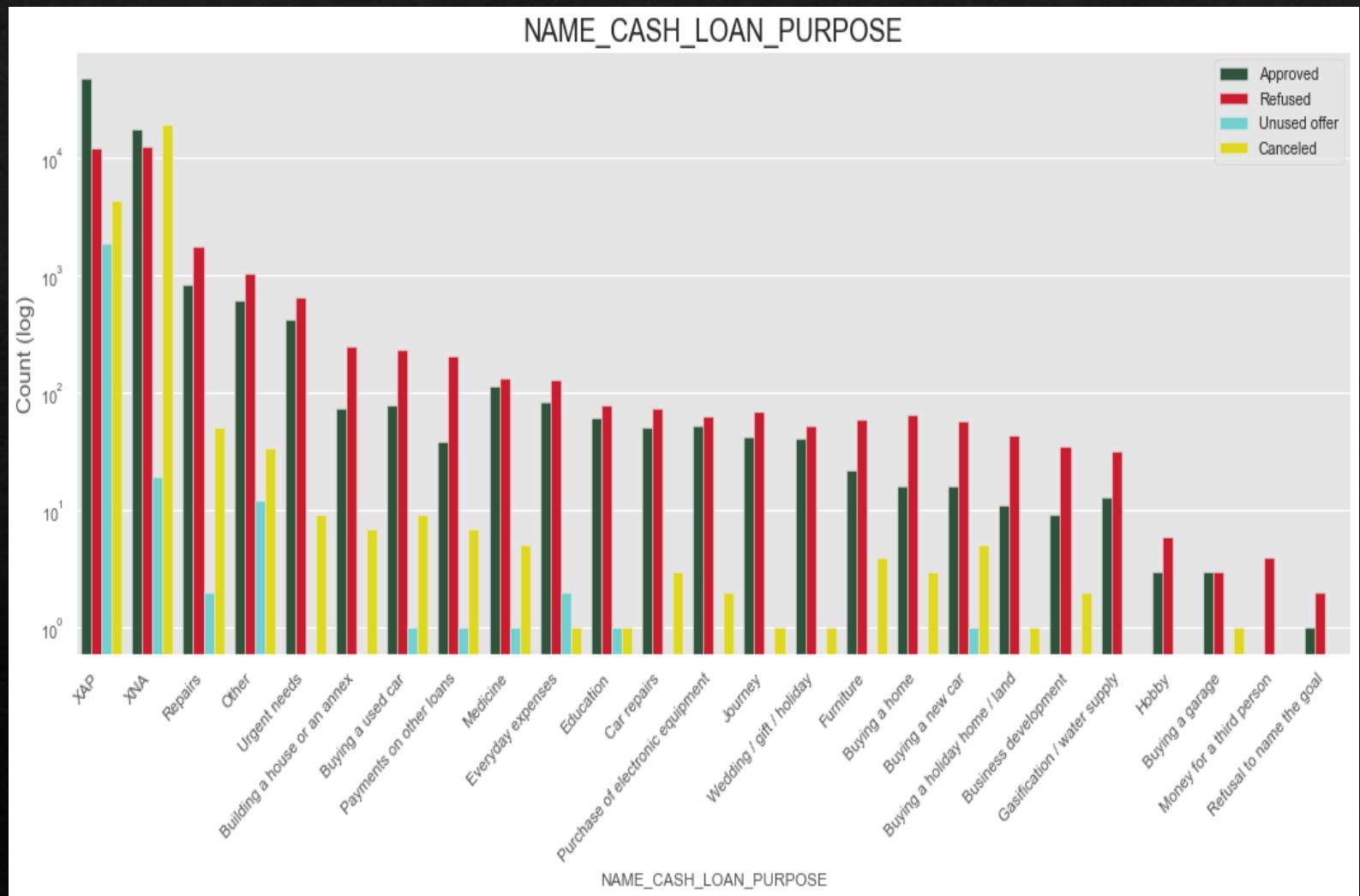
# Distribution of Contract Status with Purposes

- ❖ Maximum approval rate is for XAP and XNA
- ❖ Maximum rejection of loan is for XAP, XNA or Repairs
- ❖ For Medicine and Education, we have equal number of acceptances and rejections.
- ❖ Payment of other loan and buying a garage have significant more refusal than approval.



# Distribution of Purpose with Target

- ◆ Loan taken for the purpose of XAP and XNA looks to have highest default rate
- ◆ A very high number of applications have been rejected by bank or refused by client which are applied for XAP XNA Repairs and Others
- ◆ This is because the bank considers them as risky. So, either they reject the loan or bank offers loan at a higher rate of interest which is subsequently rejected by the client.



The left half of the card features a minimalist, abstract graphic design composed of large, light-colored, faceted geometric shapes. These shapes, primarily in shades of white, light gray, and off-white, overlap and interlock to create a sense of depth and volume. The overall effect is clean, modern, and architectural.

THANK  
YOU