# German Credit

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## **Problem Statement:**

Develop a credit risk classification model using the **Statlog (German Credit Data) dataset** to predict whether a customer is a **good (1) or bad (2) credit risk**.

### **Approach:**

1. **EDA:** Perform **optimal binning**, analyze **bivariate graphs**, and assign **weights** to categories.
2. **Feature Selection:** Apply **Lasso regression** to extract relevant features.
3. **Model Building:** Train and evaluate models using **classification algorithms** while incorporating the **cost matrix**.

## Objective

The objective is to develop a predictive model that accurately classifies individuals as good or bad credit risks using the Statlog (German Credit Data) dataset. This will help financial institutions minimize credit default risks by improving decision-making in loan approvals while considering misclassification costs.

## Data



### Data Description: