

-By Kritika Patil

Problem Statement & Objective



Problem Statement

To perform EDA on a loan application data set

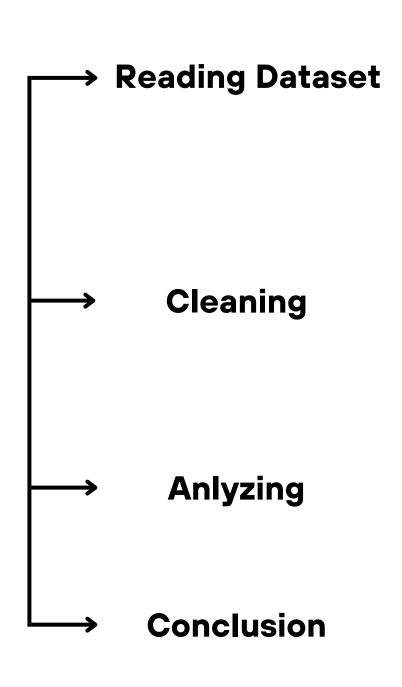


Objective

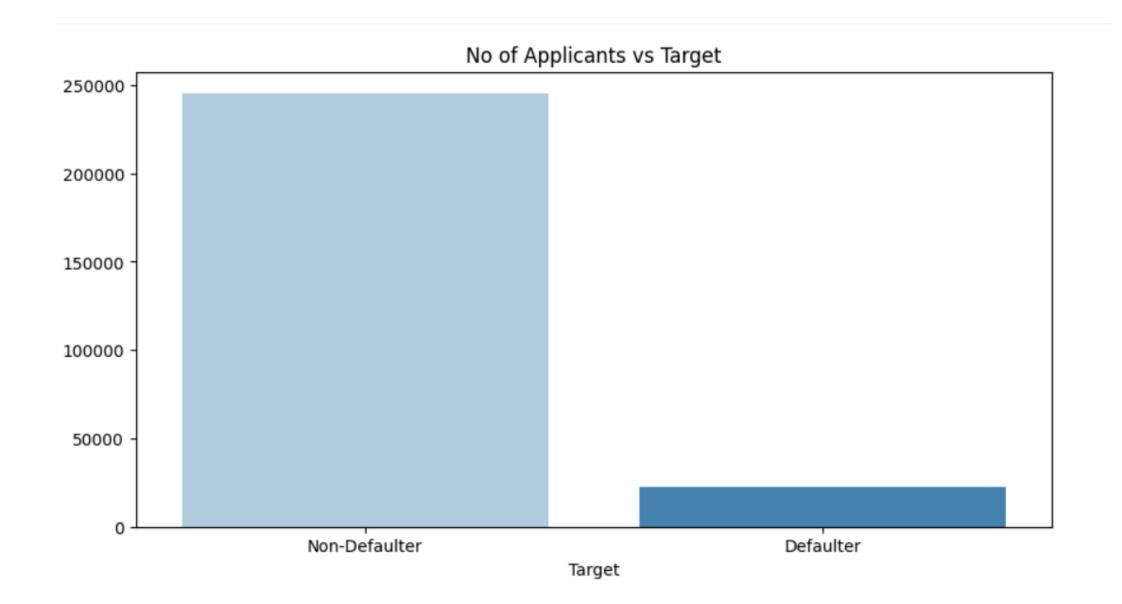
This case study aims to identify patterns which indicate if a client has difficulty paying their installments which may be used for taking actions such as denying the loan, reducing the amount of loan, lending (to risky applicants) at a higher interest rate, etc.



Algorithm



- Importing required modules
- Reading the Dataset
- Understanding the Data by using df.head(), df.shape() & df.info()
- Getting percentage of missing values in the columns of dataset and deleting the columns if the percentage is more than 50%
- Getting more idea about missing data (below 50%) and imputing appropriate values in missing rows, wherever possible, using mode imputation technique
- Analyzing if columns are of correct datatypes
- Converting the data in columns in 'DAYS' into Years
- Finding and removing Outliers for Numerical Data by capping to upper limit of data threshold.
- Univariate Analysis
- Bivariate Analysis
- Multivariate Analysis

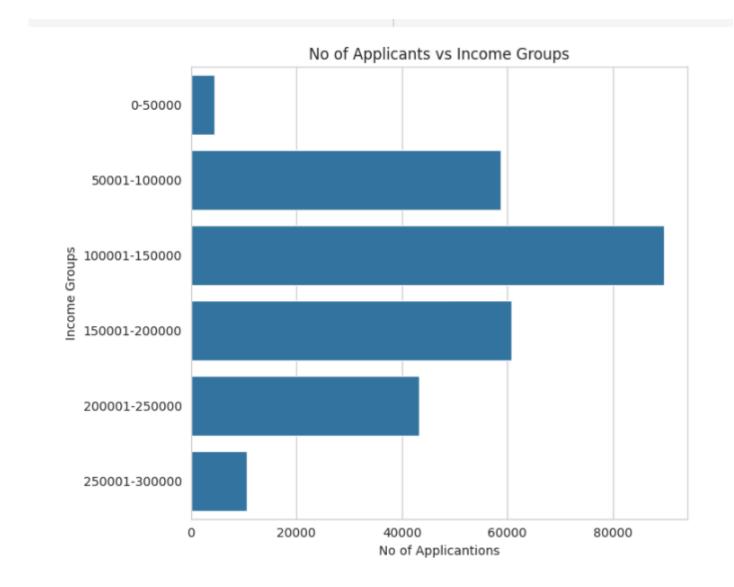


Defaulters v/s Non Defaulters

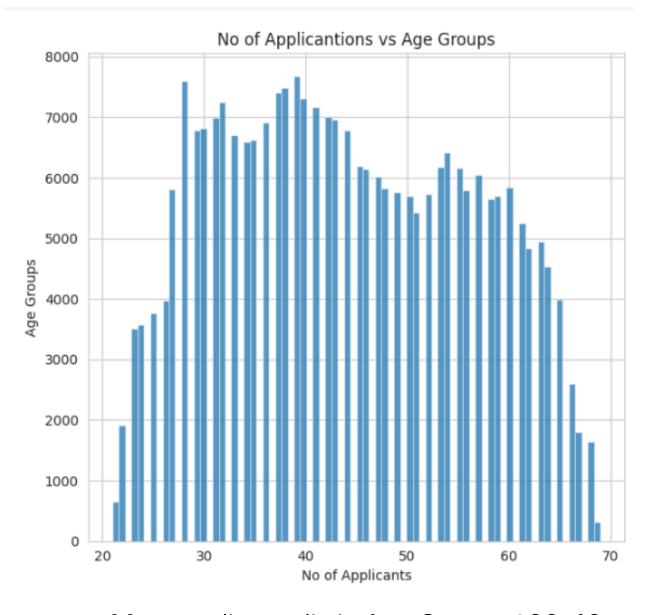


- -For loan applicants the repayers (non defaulter) are significantly higher than the defaulters defaulters and non defaulters being women more likely than men.
- If we give out loans we have a higher chances of getting out money back.

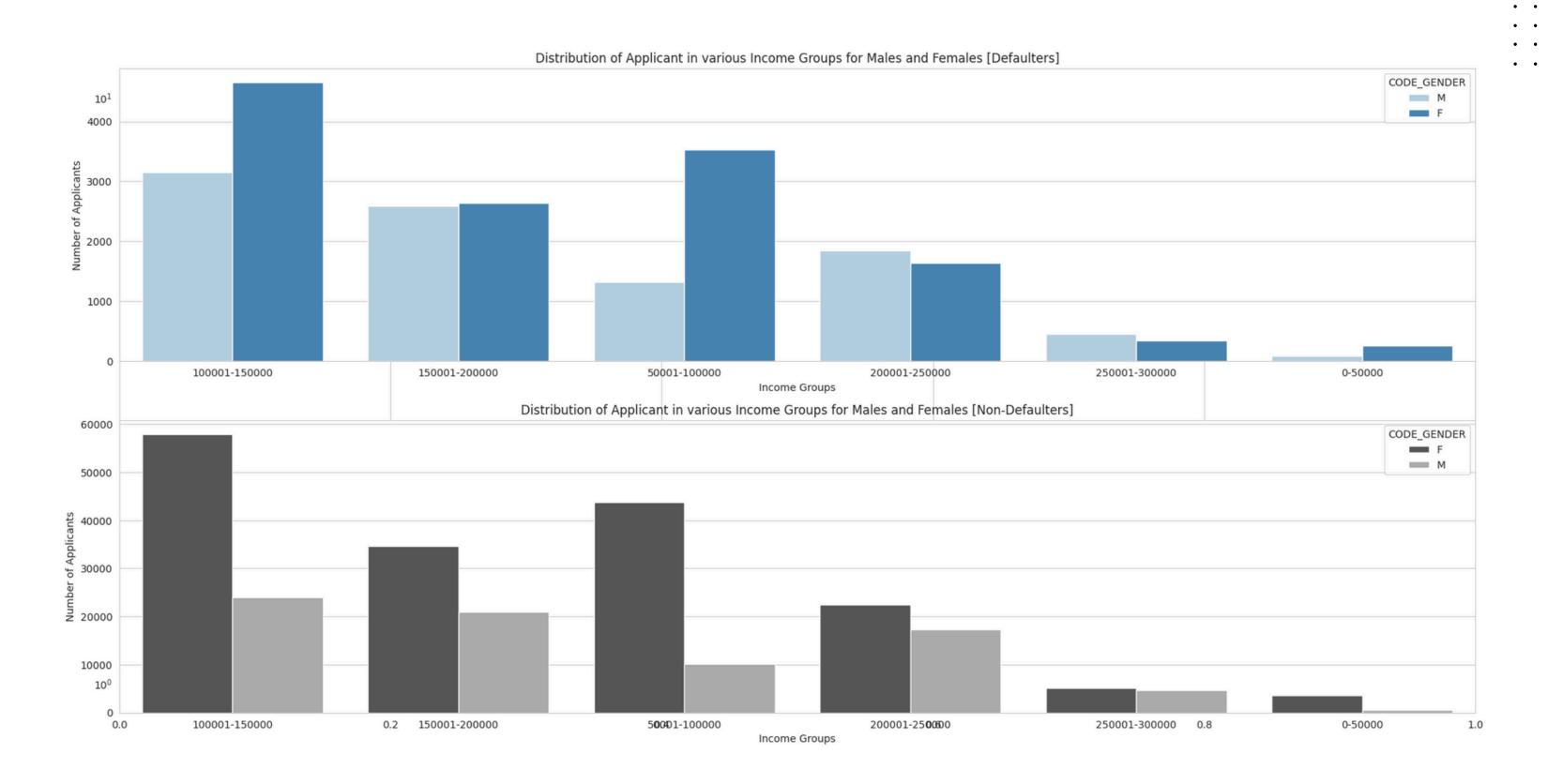


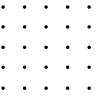


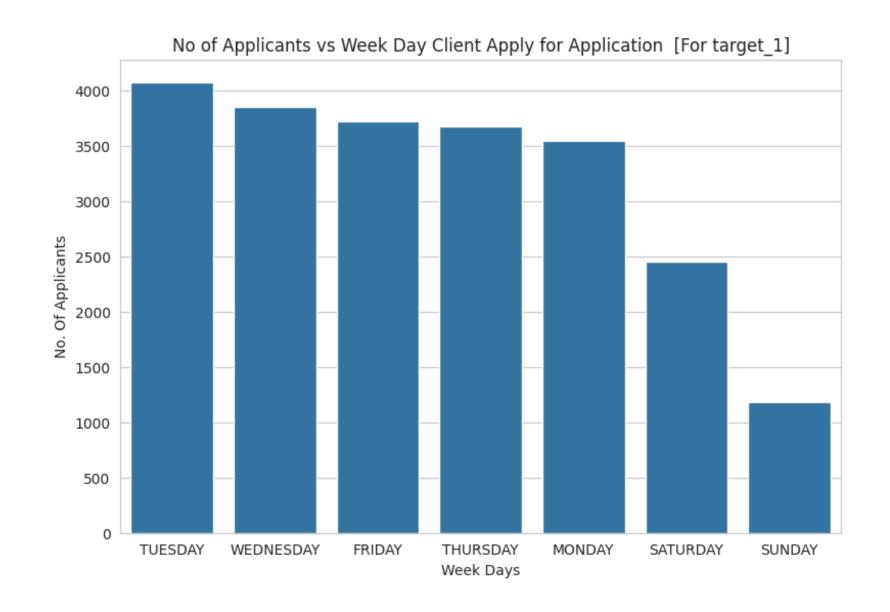
Most applicants lie in Income Group of 1L to 1.5L

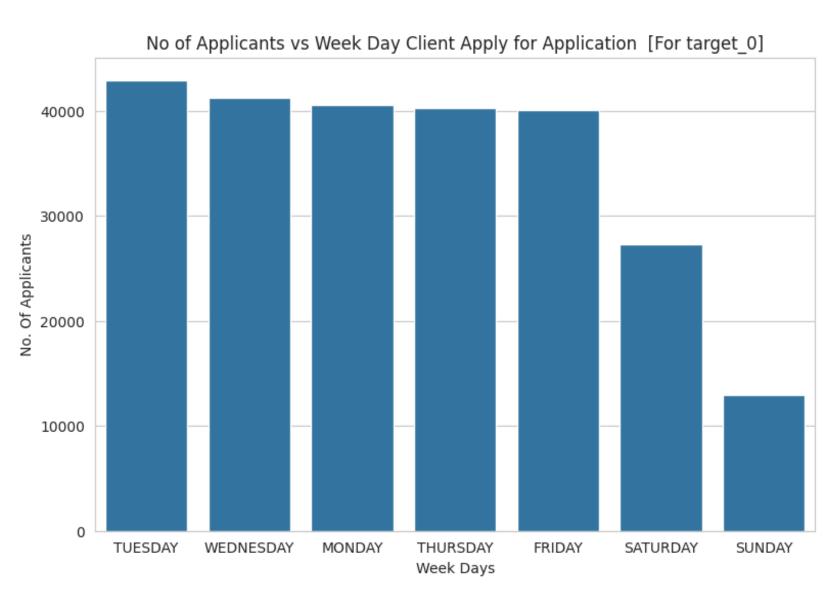


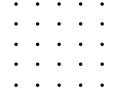
Most applicants lie in Age Group of 30-40



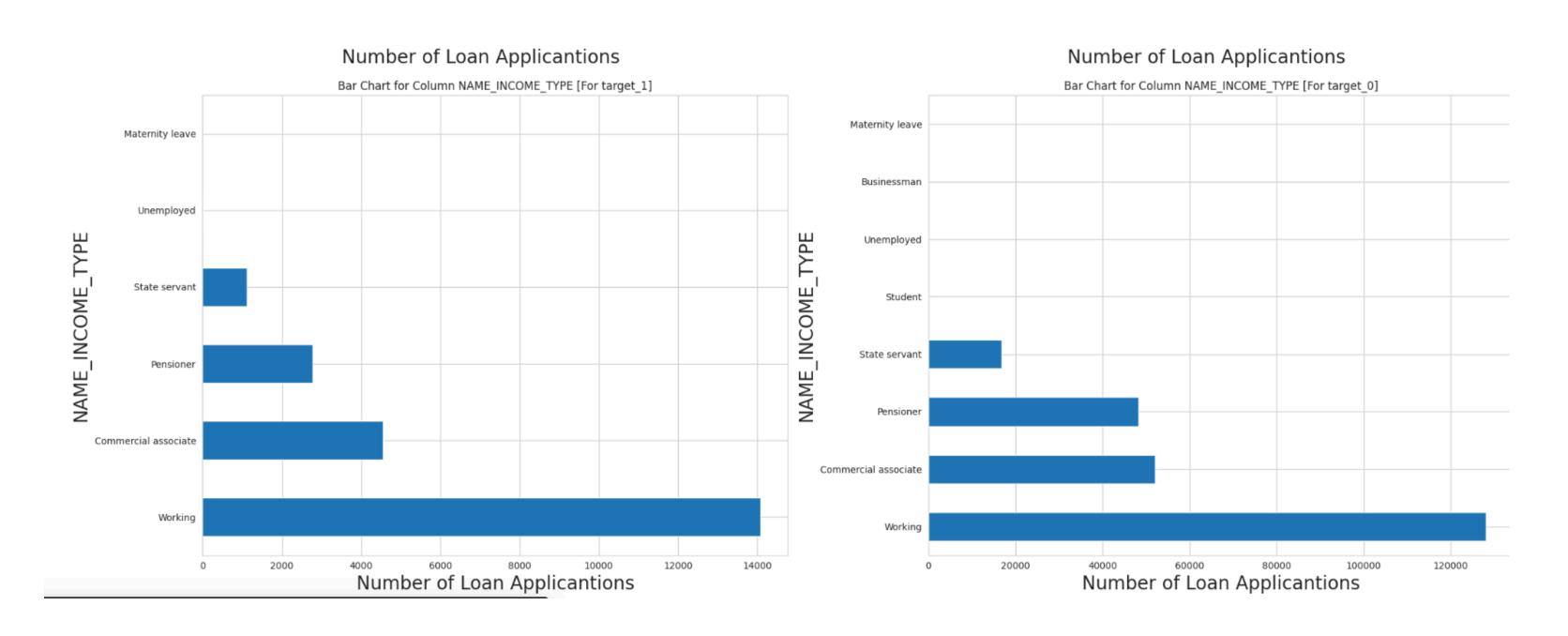




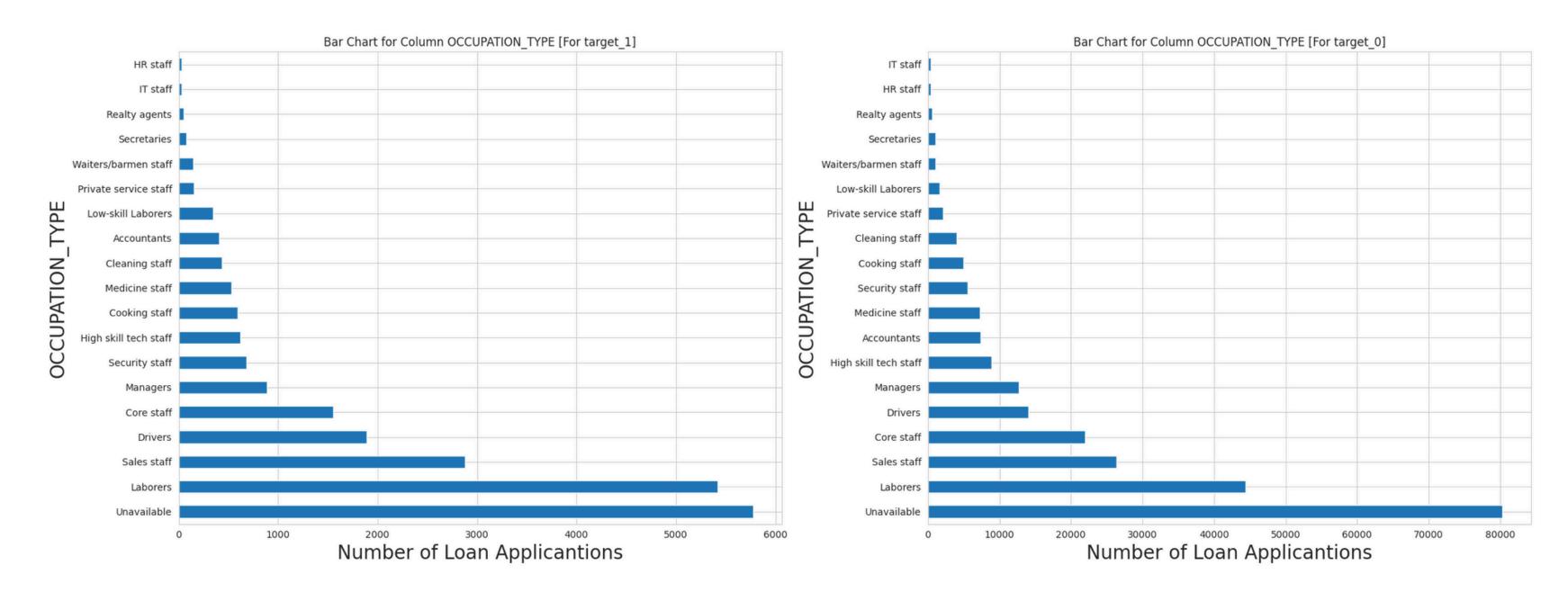


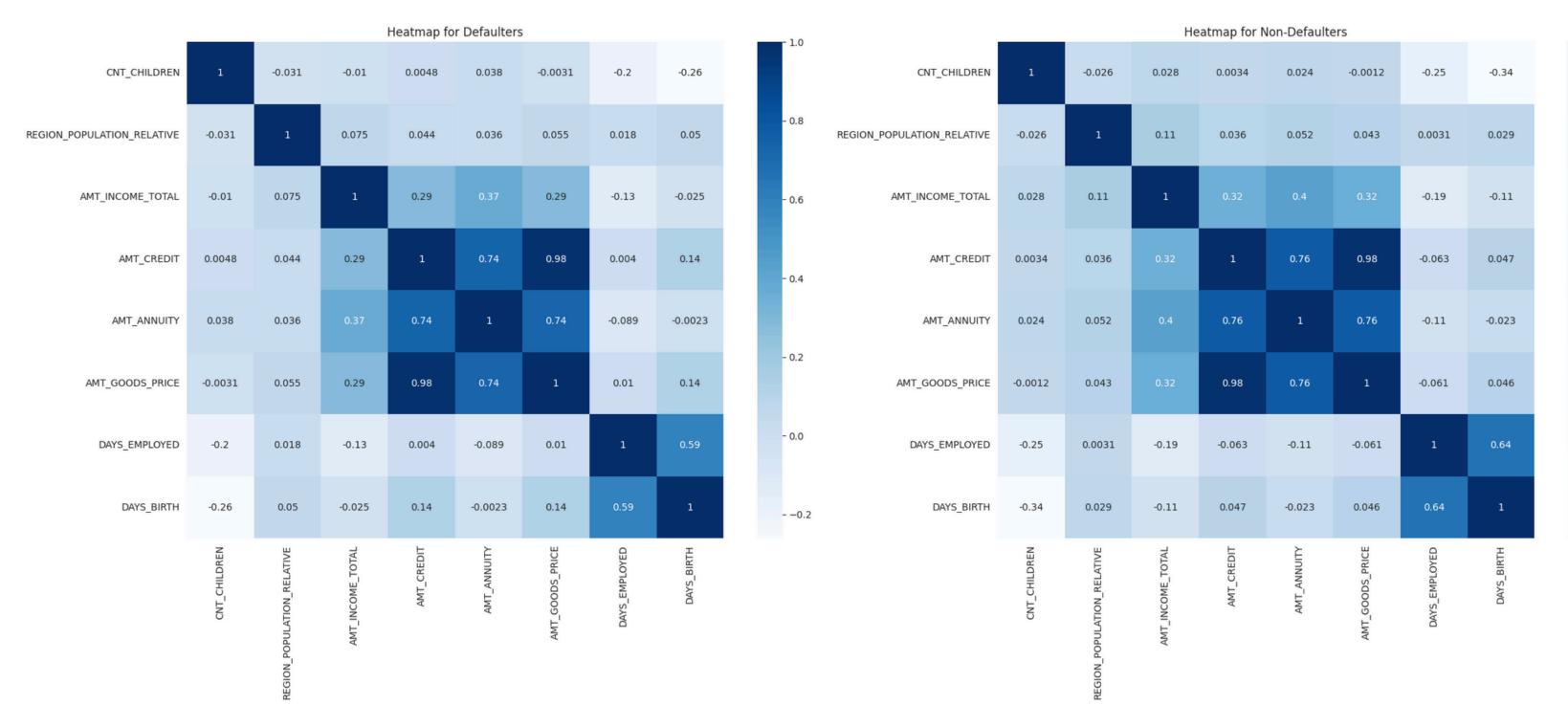


Number of Loan Application as per Occupation for Defaulters and Non Defaulters









- 0.8

- 0.6

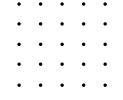
- 0.4

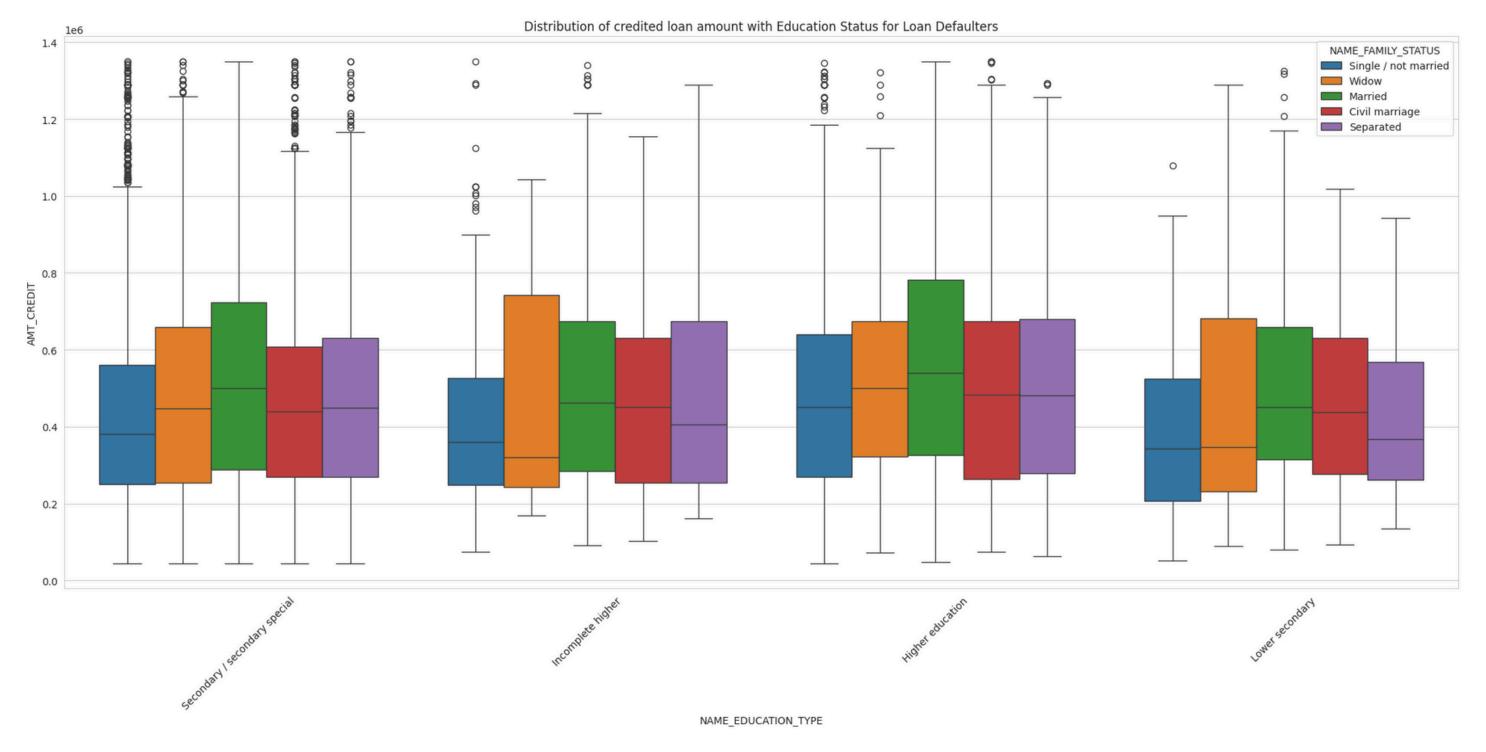
- 0.2

- 0.0

- -0.2

Strong correlation between the Goods Price and Loan Amount that was credited





Married people with higher education have defaulted loans for higher distribution of credited loan amounts.

- Applicants having an academic degree have defaulted less number of loans compared to applicants from other educational backgrounds
- Married people with higher Secondary education background have defaulted loans for higher distribution of credited loan amounts.
- Number of defaulters are higher in females than males.
- Bank is expected to receive higher number of loan applications on Tuesdays than other days





Thank You

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