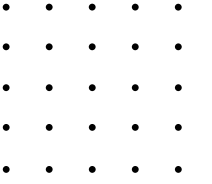


# Credit Risk Analysis

-By Kritika Patil

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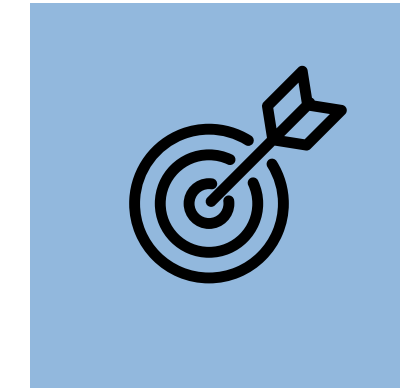


# Problem Statement & Objective



## Problem Statement

To perform EDA on a loan application data set

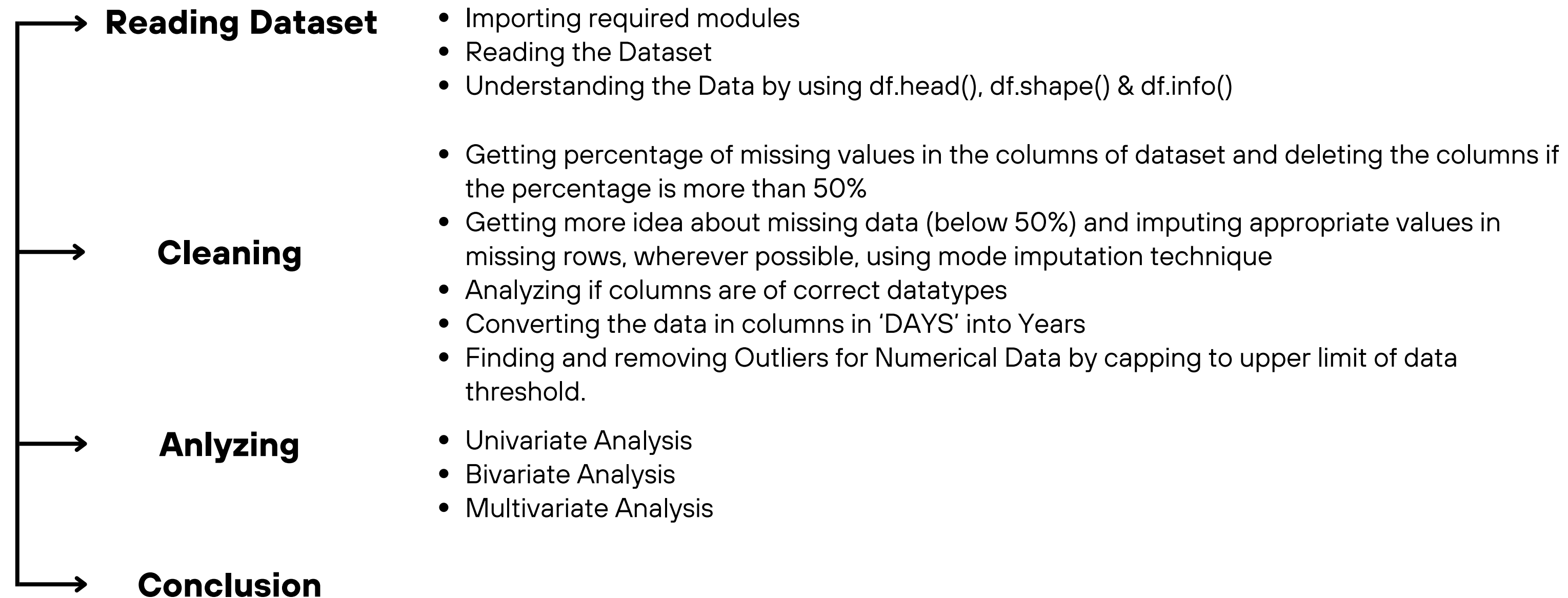
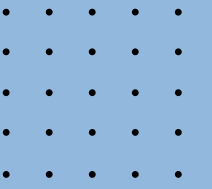


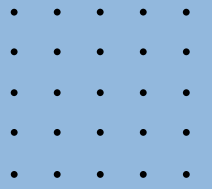
## Objective

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.



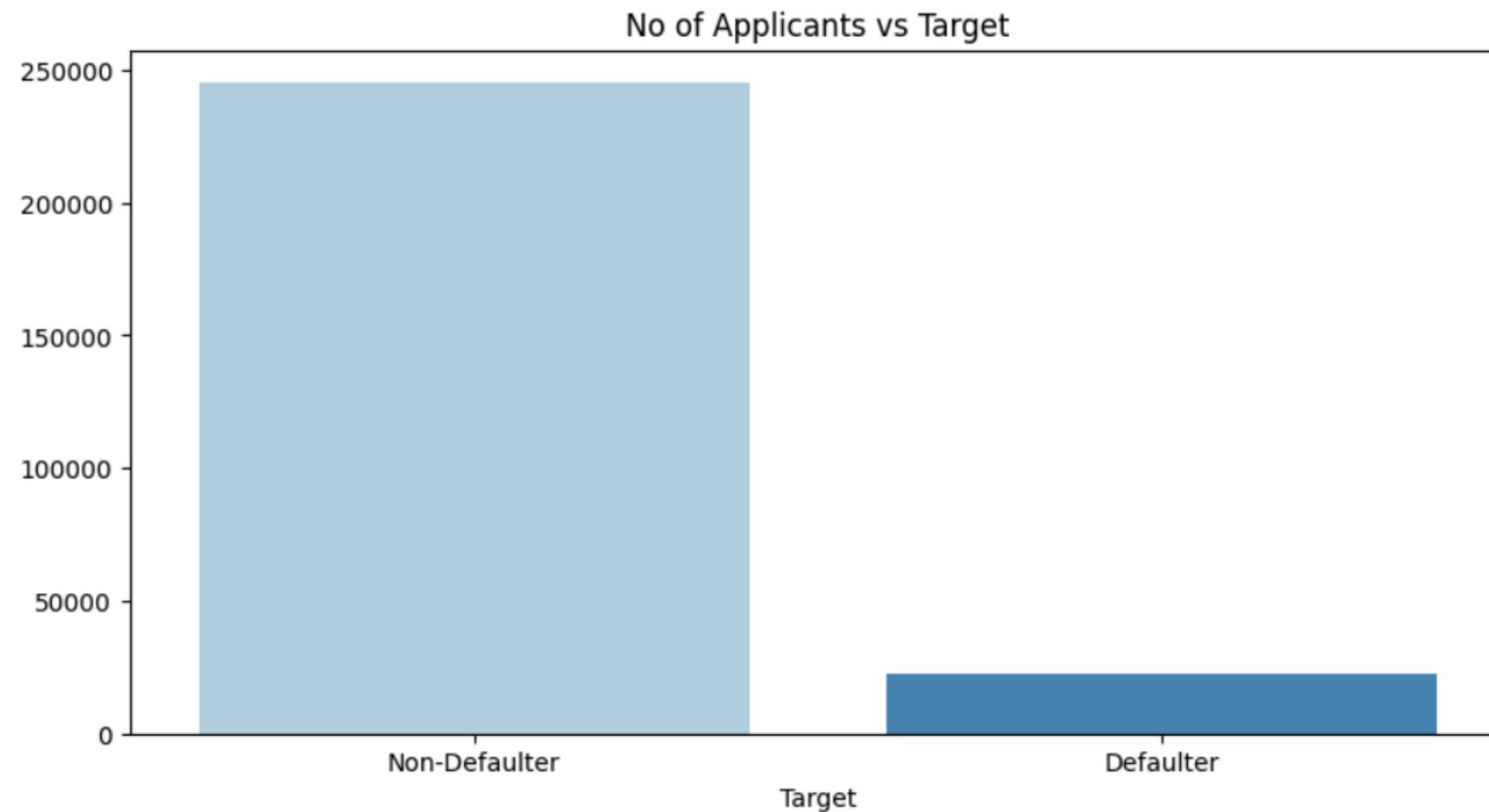
# Algorithm



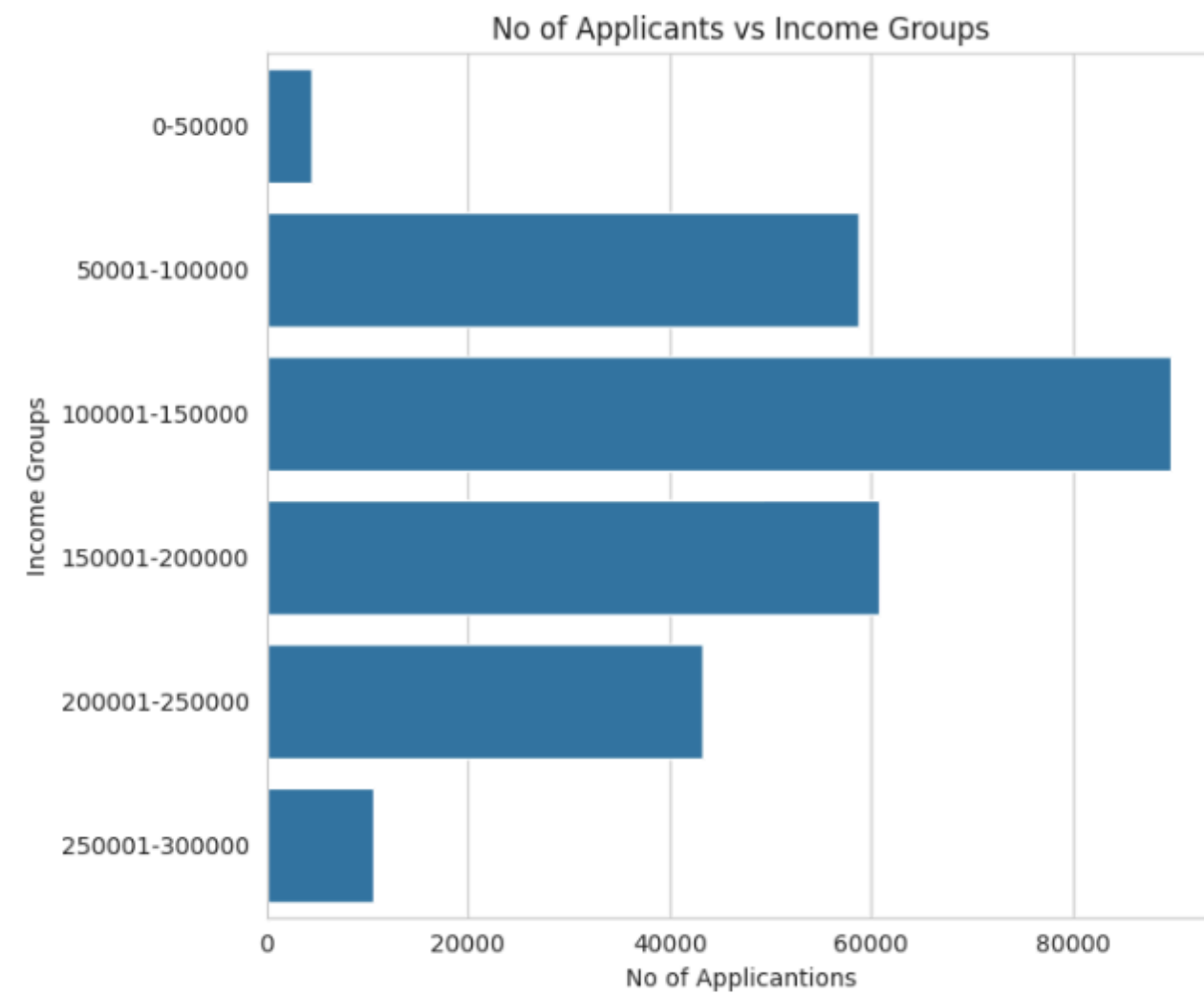
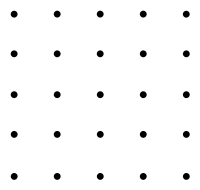


# Data Analysis

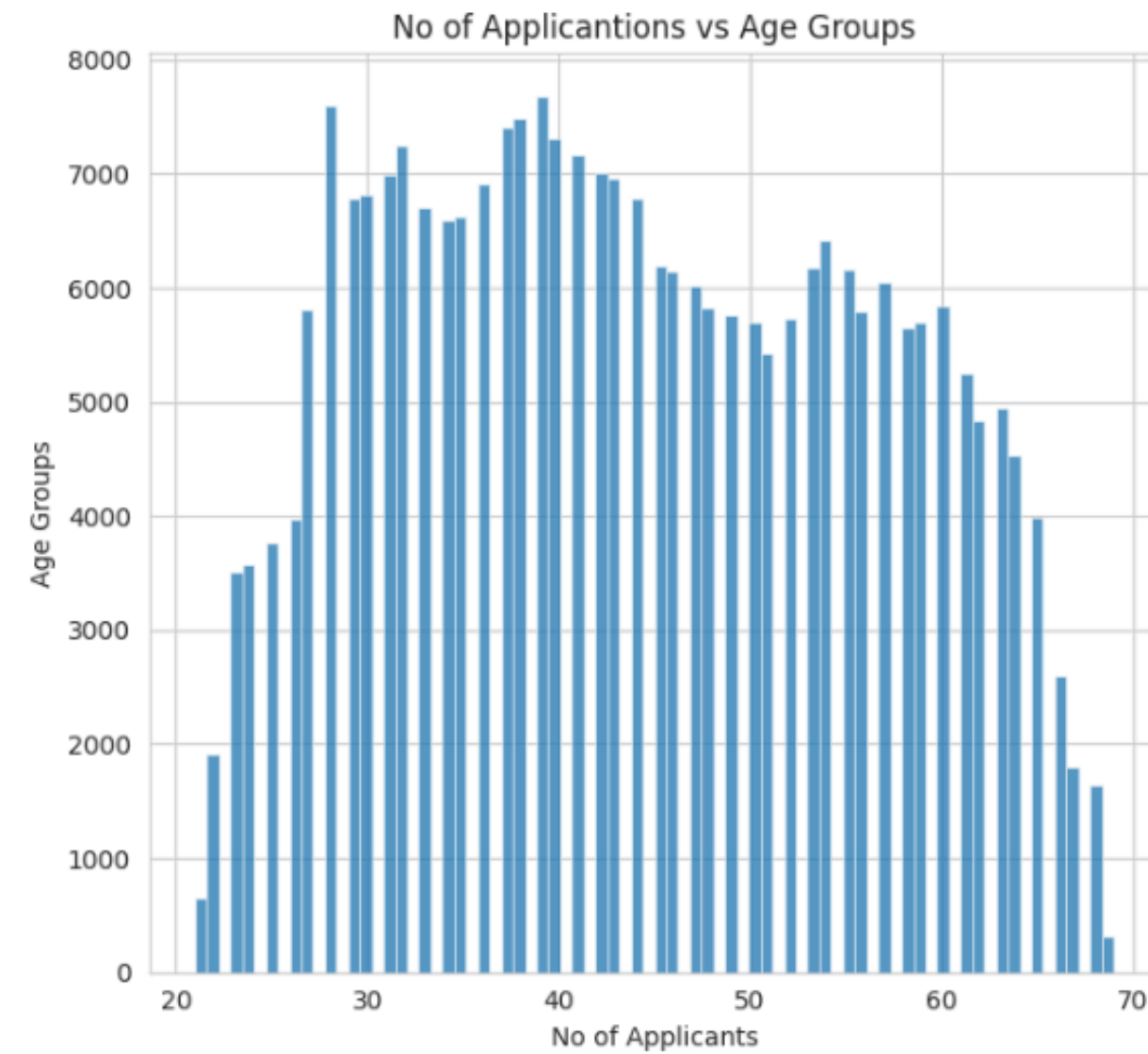
- For loan applicants the repayers (non defaulter) are significantly higher than the defaulters defaulters and non defaulters being women more likely than men.
- If we give out loans we have a higher chances of getting out money back.



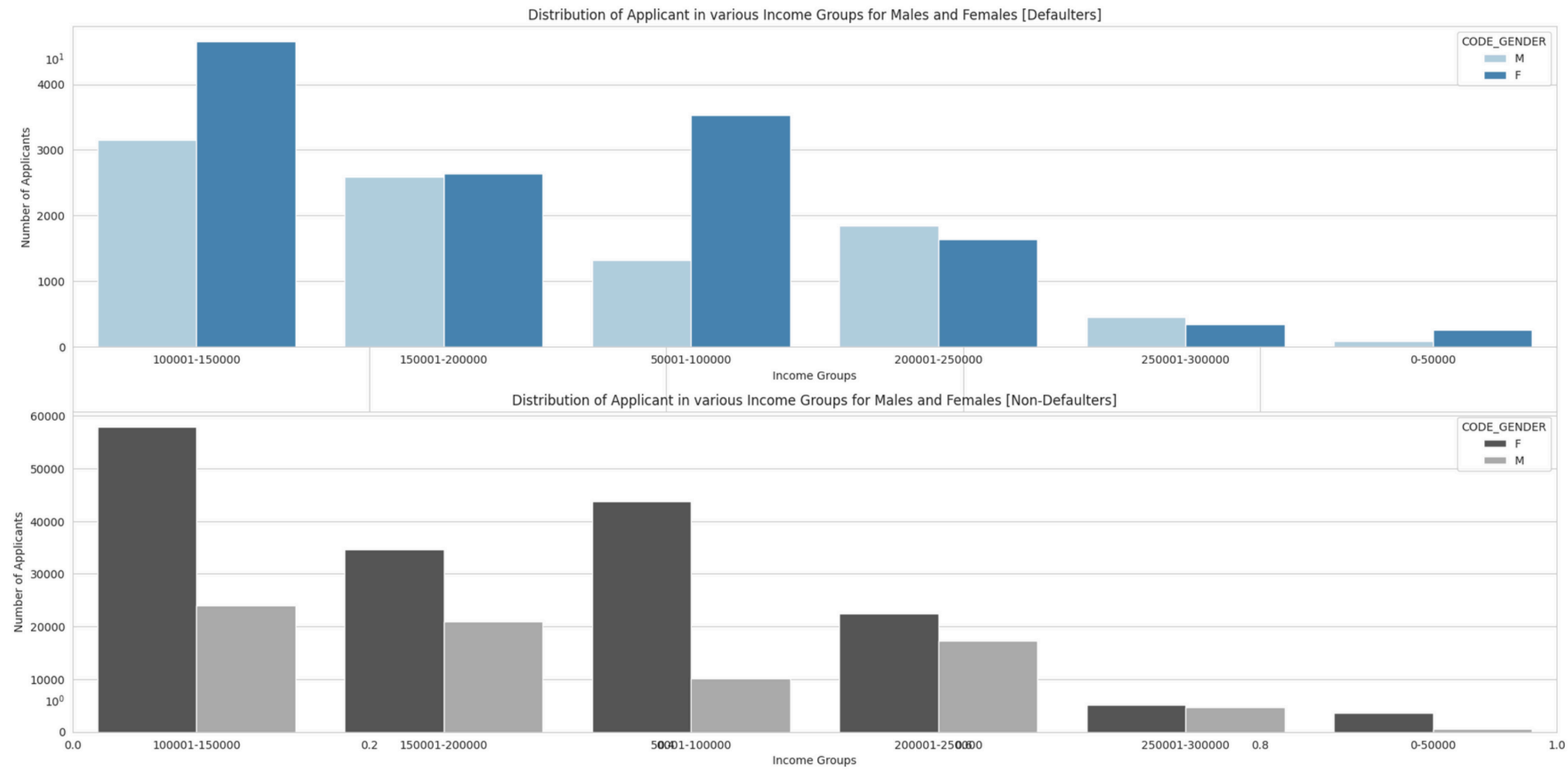
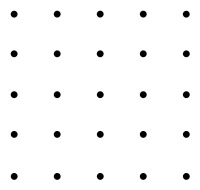
Defaulters v/s Non Defaulters

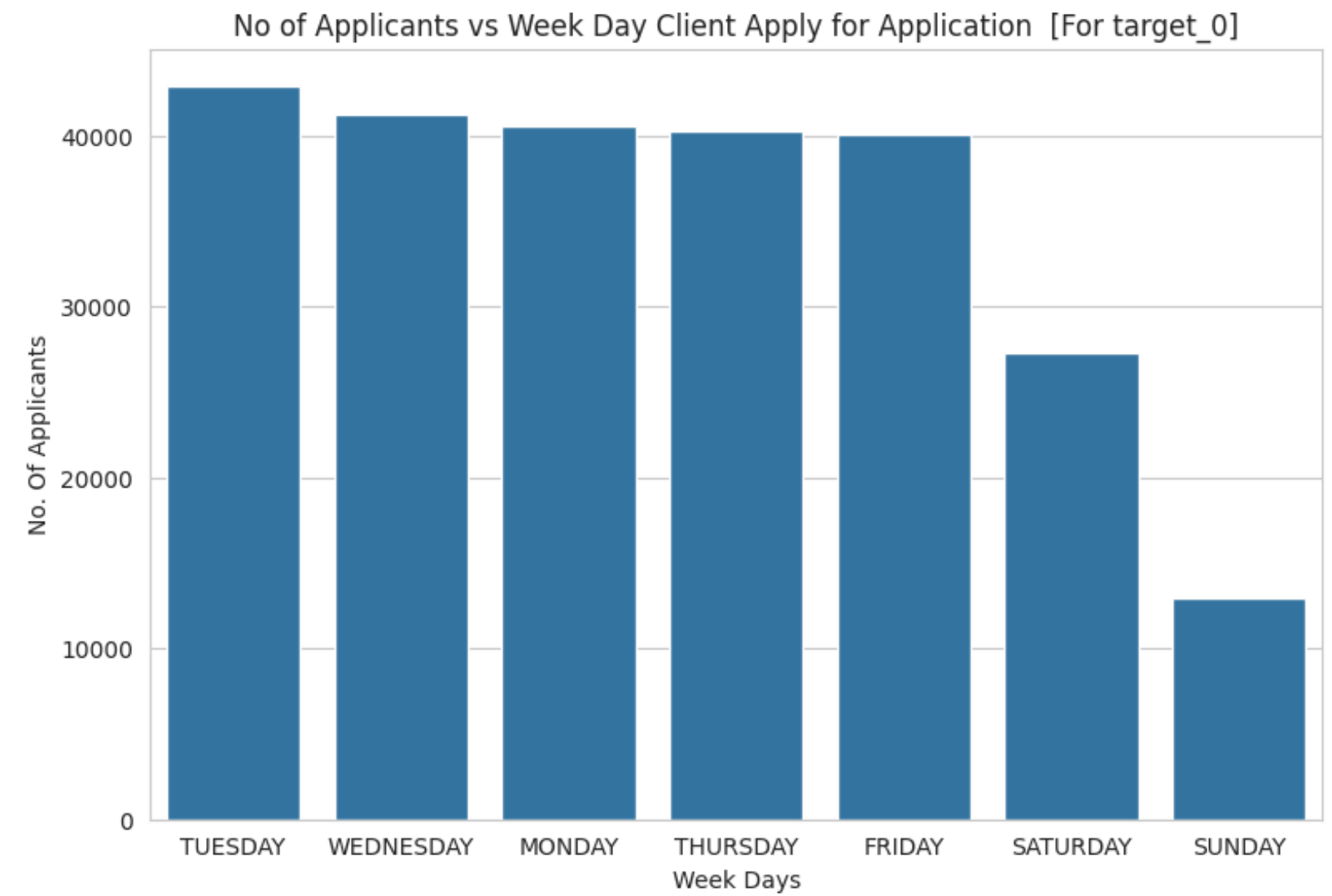
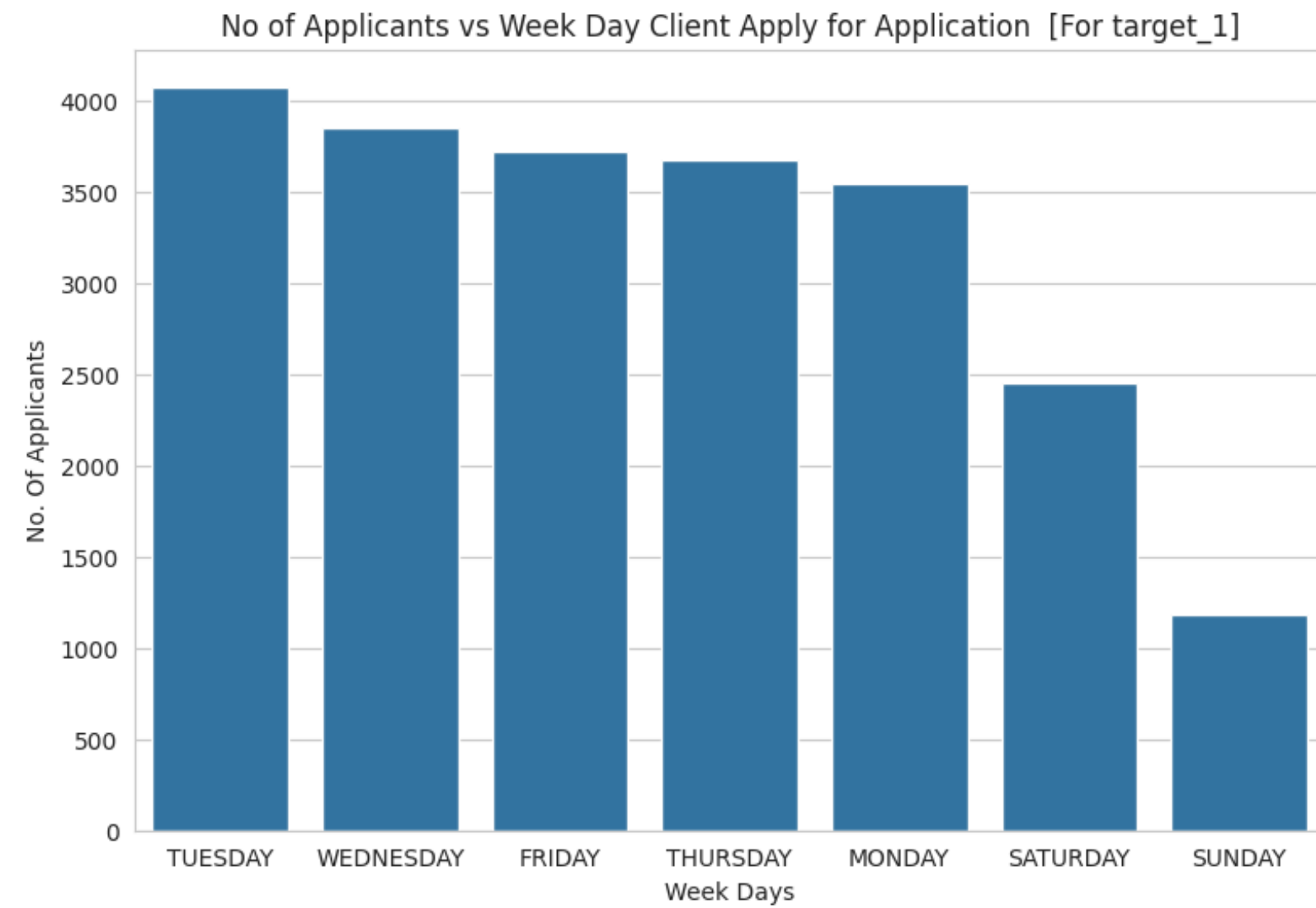
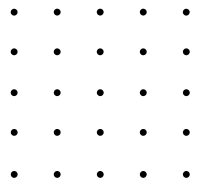


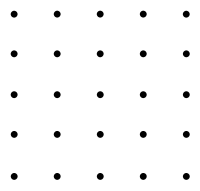
Most applicants lie in Income Group of 1L to 1.5L



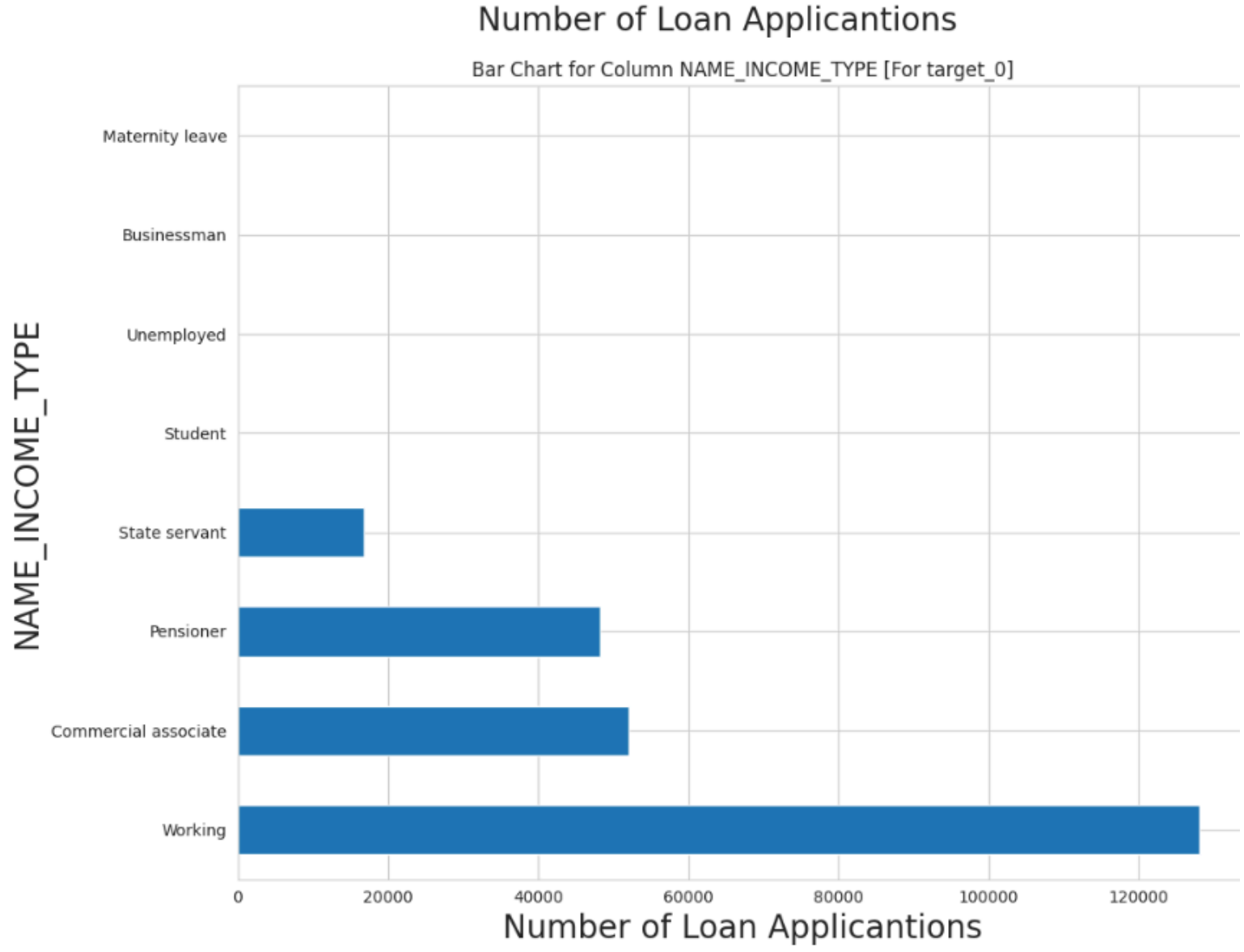
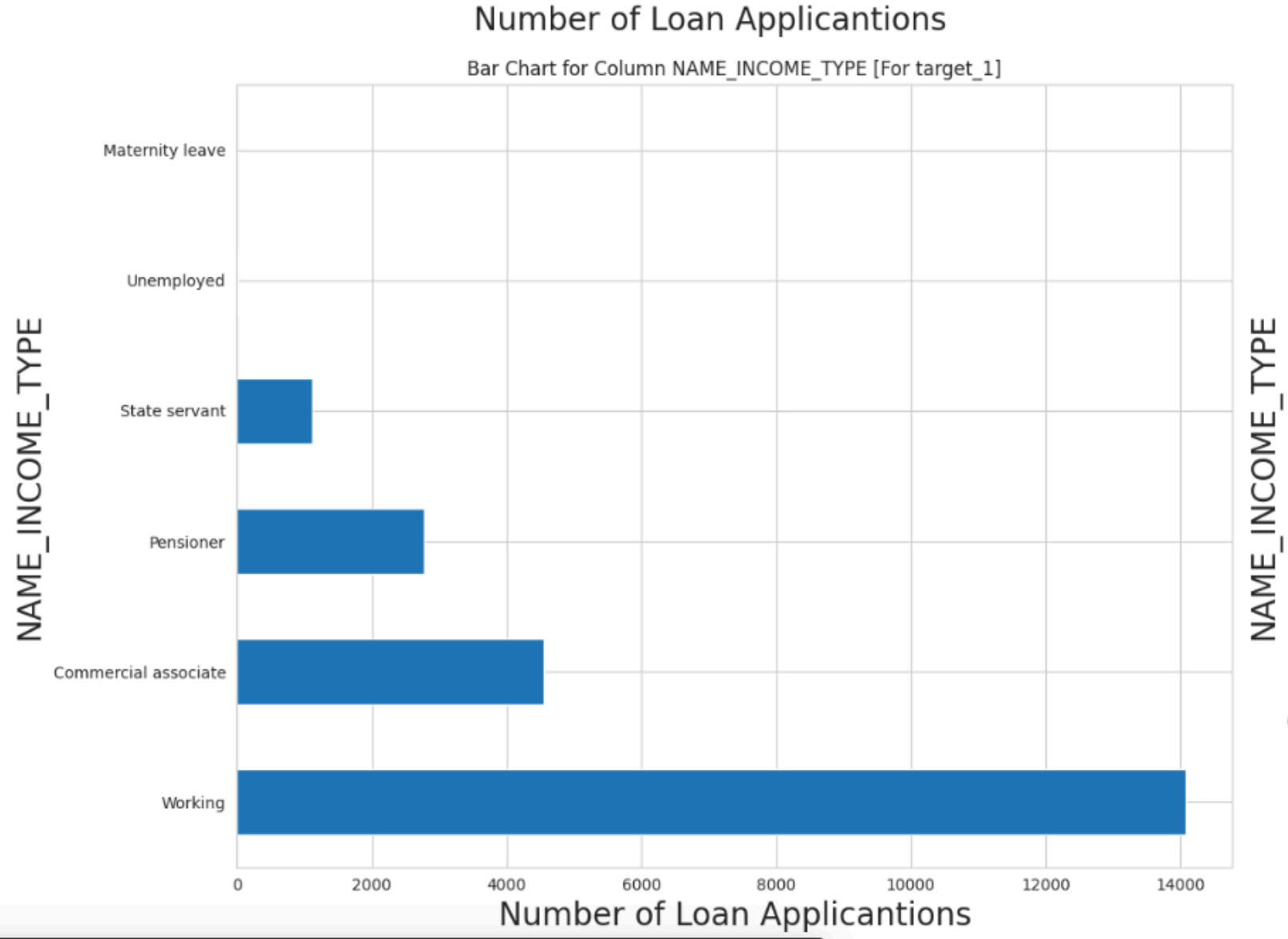
Most applicants lie in Age Group of 30-40



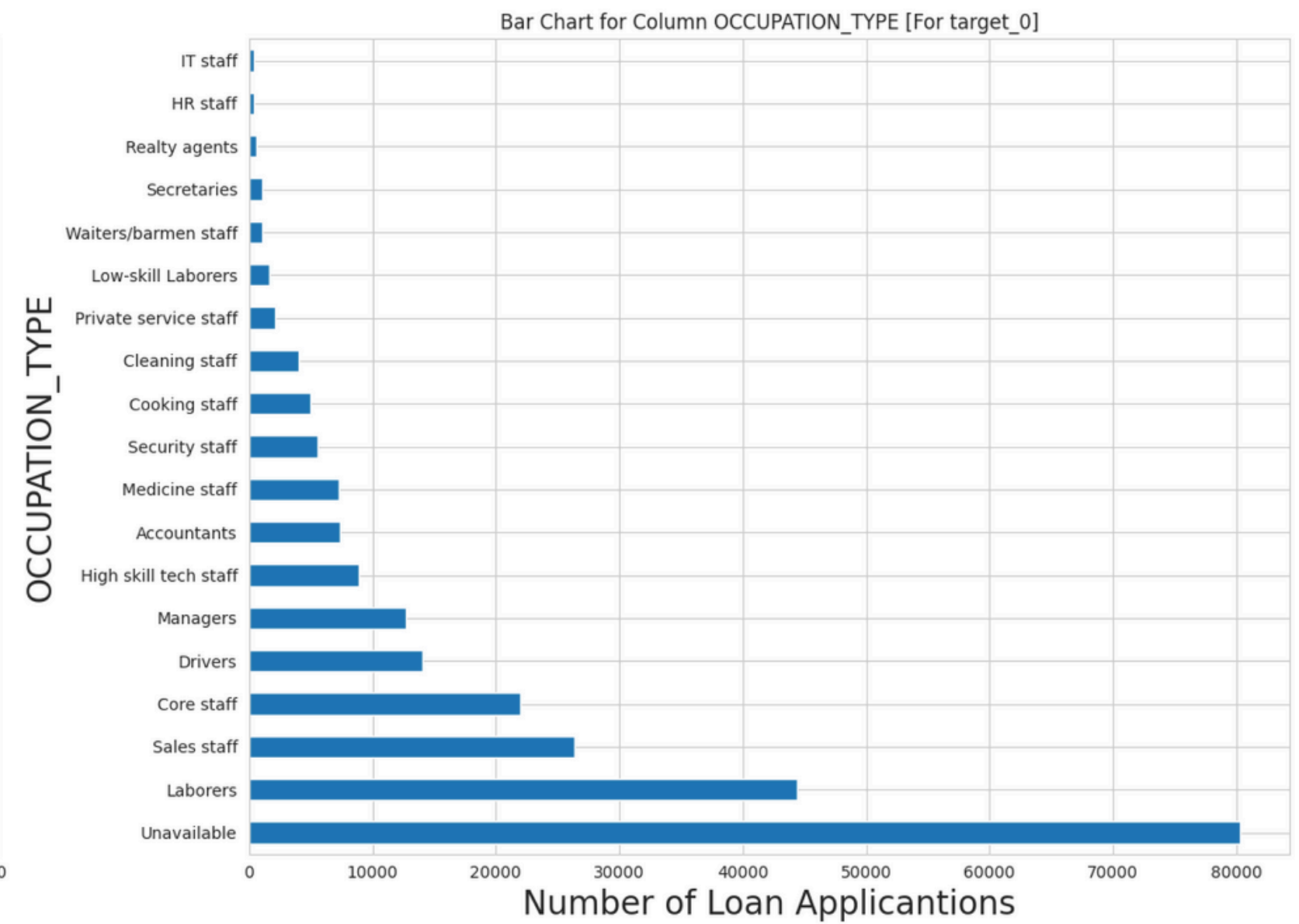
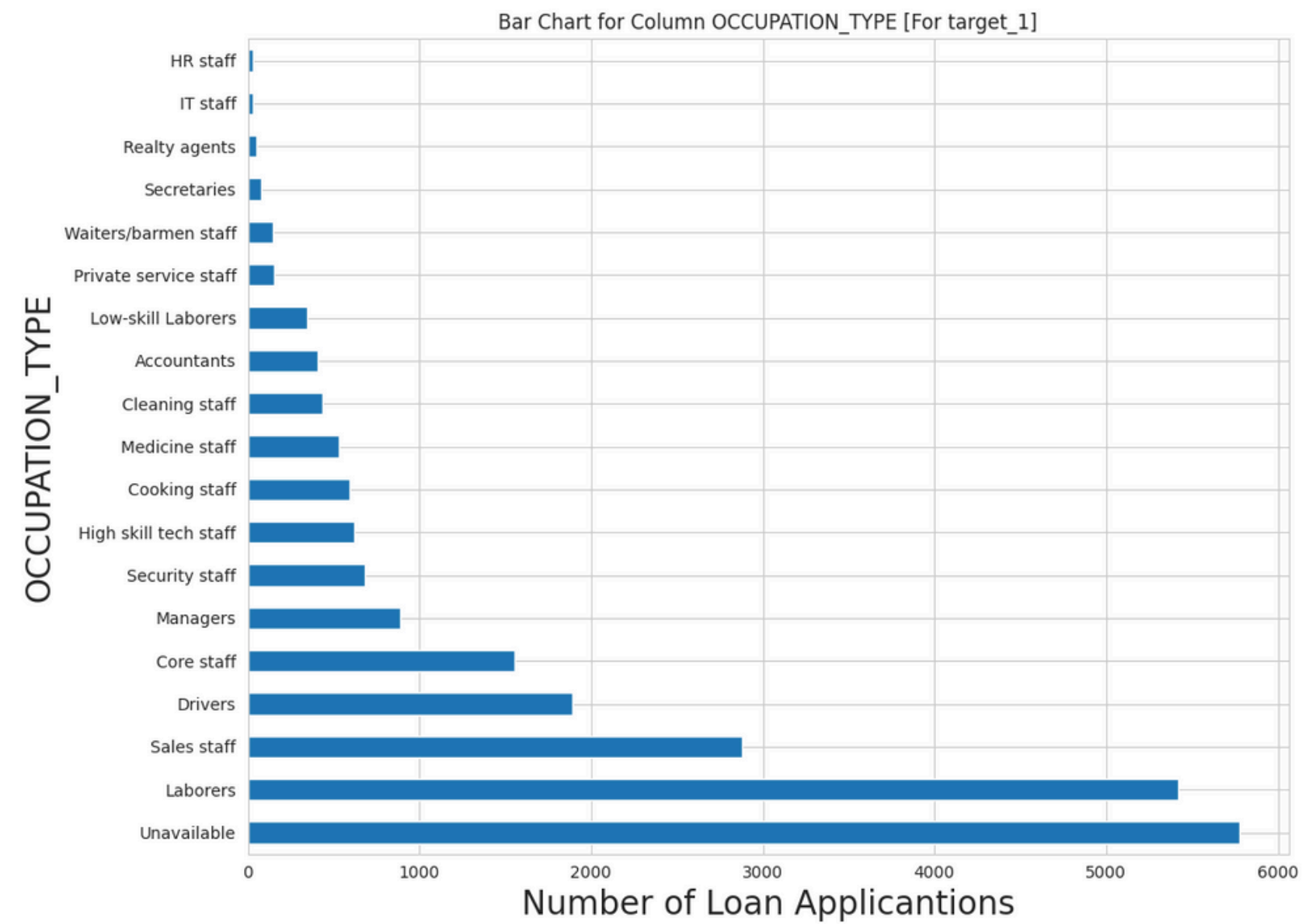
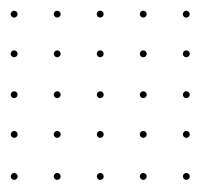


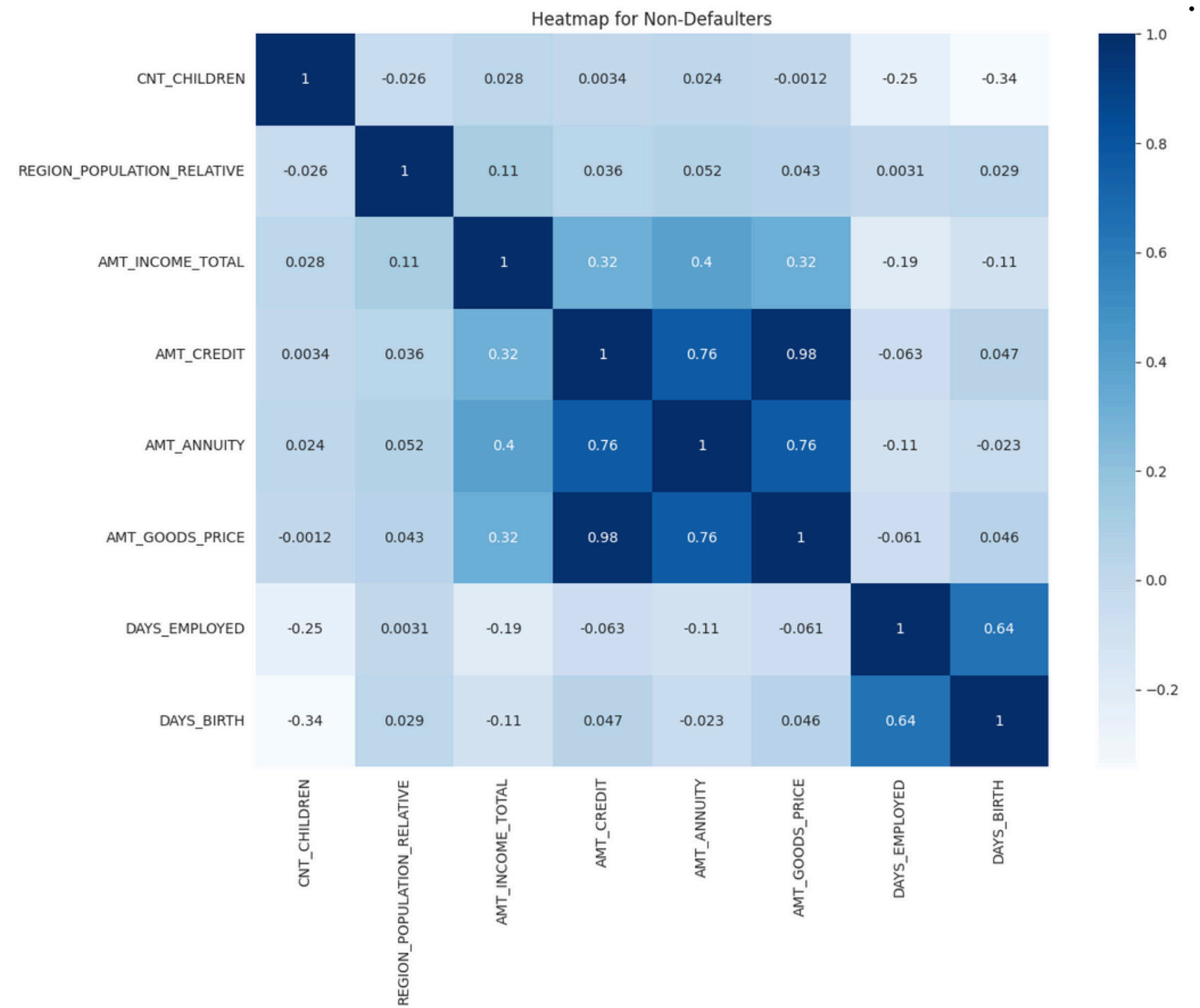
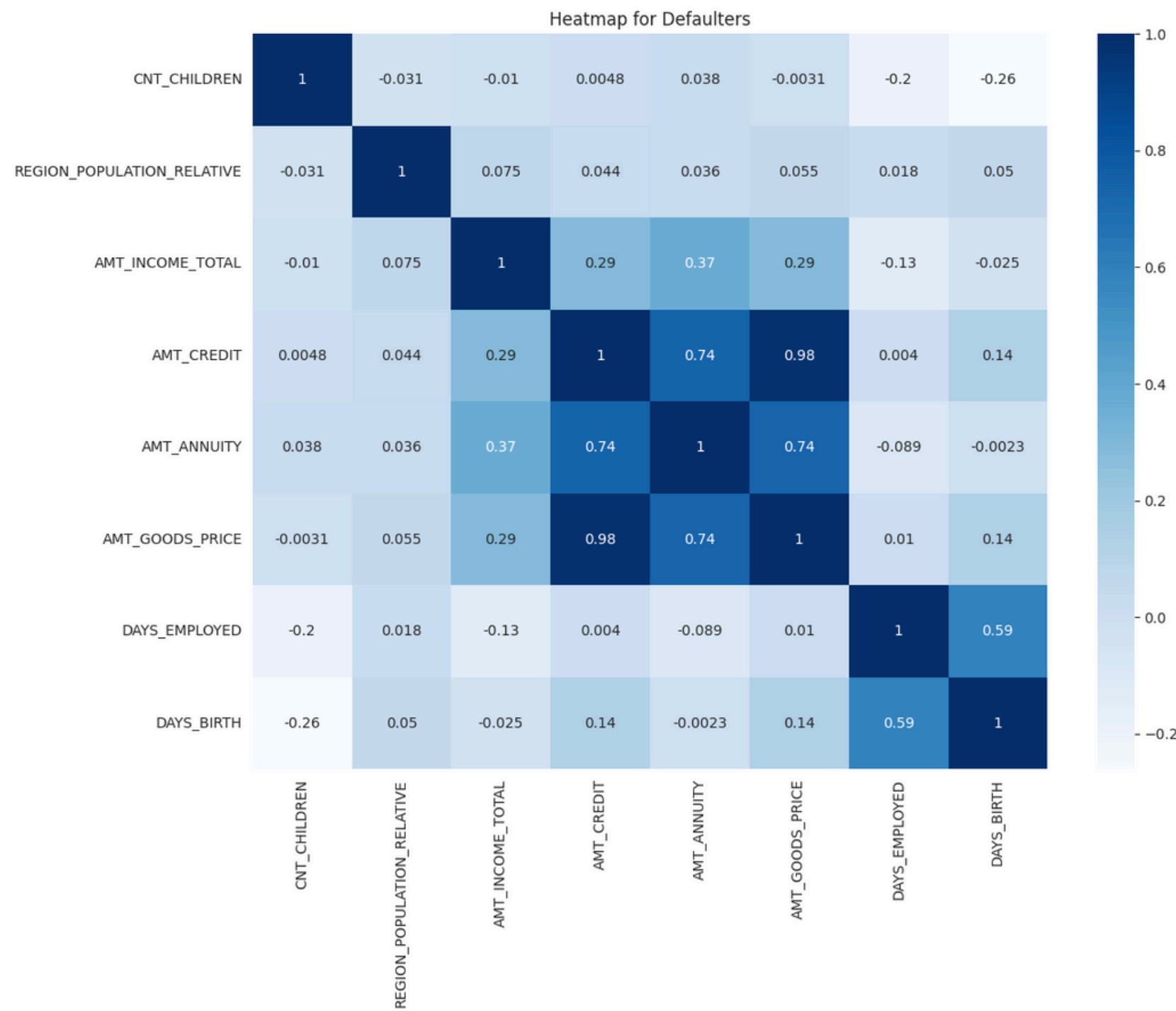


Number of Loan Application as per Occupation for Defaulters and Non Defaulters

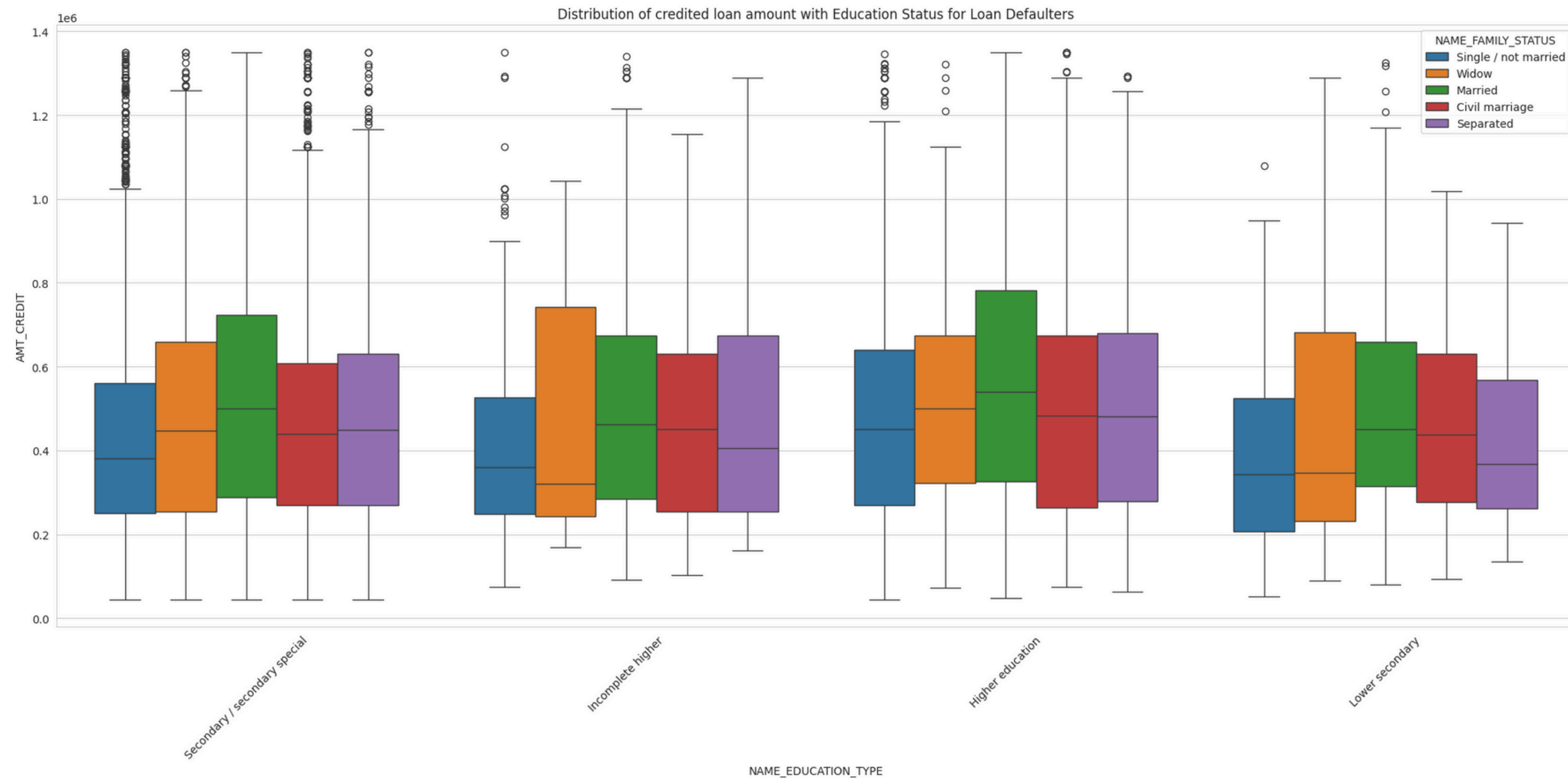




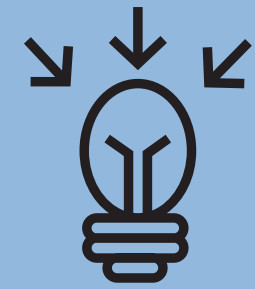
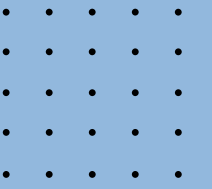




Strong correlation between the Goods Price and Loan Amount that was credited



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



# Conclusion

- 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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