



# Credit Risk Application Prediction

By: Shiena Shabrina



# Business Understanding

We'd like to make prediction of credit risk application and whether to be approved or not from dataset that consist loan information

# What we do?

## Creating Target Variable

Bad Credit :

- Charged off
- Default
- Late (31-120 days)
- Late (16-30 days)
- Does not meet the credit policy.  
Status:Charged Off

Good Credit:

- In Grace Period
- Fully Paid
- Current
- Does not meet the credit policy.  
Status:Fully Paid

## Data Understanding

### Exploratory Data Analysis

- Univariate Analysis
- Bivariate Analysis

### Cleaning Data

- Remove missing value
- Imputation for features who have missing value less than 40%
- Select important features

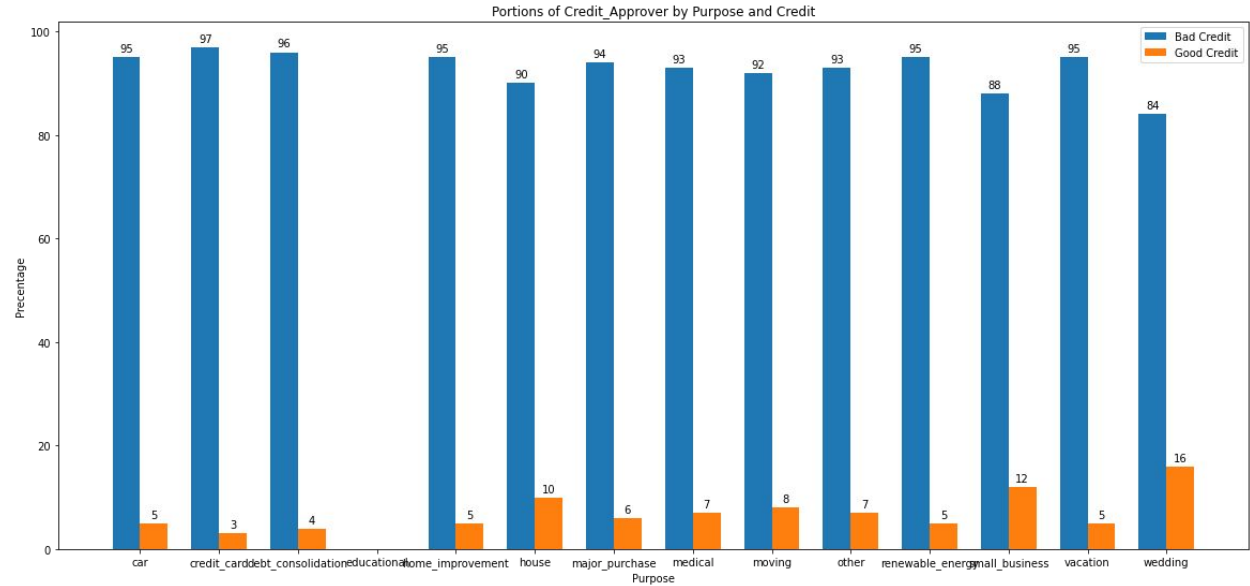
## Modelling

### Splitting Dataset

Modelling Data and find best model.

# Exploratory Data Analysis

Bad credit were from





Modelling and finding the  
best..

# Model Evaluation

## Best Model for Credit Card Risk Application

	Model	Resampling Method	F1-Score Test
0	Decision Tree	Without Resampling	0.7258
1	Decision Tree	Undersampling	0.8571
2	Decision Tree	Oversampling	0.9921
3	Random Forest	Without Resampling	0.8463
4	Random Forest	Undersampling	0.899
5	Random Forest	Oversampling	0.9992

## Feature Importance

