# Wallet Credit Score Analysis

## Score Distribution

After scoring all wallets from the Aave V2 transaction dataset, we categorized scores into ranges from 0-1000. Below is the distribution breakdown:

0-100 - Risky wallets, frequent liquidations, high borrow without repay.   
100-300 -Mostly idle or low activity wallets, few repayments, inconsistent behavior.  
300-600-Average DeFi users, regular deposits, occasional borrow-repay cycles.  
600-900 -Active users, consistent deposit and repay behavior, low liquidation.   
900-1000-Highly responsible wallets, frequent deposits, zero liquidations, full repay cycles.

## Observations:

• Low scores (0-200) often correlate with liquidation calls and high borrow amounts without repayments.  
• Mid-range scores (300-600) represent typical DeFi users with moderate borrow-repay cycles.  
• High scores (700+) strongly correlate with responsible, active DeFi behavior: regular deposits, high repay ratios, zero liquidation history.

## Conclusion

Our model effectively differentiates between exploitative, inactive, and responsible DeFi users. It can be used for:  
• DeFi wallet monitoring  
• Protocol health assessment  
• Building incentive structures in decentralized ecosystems.