

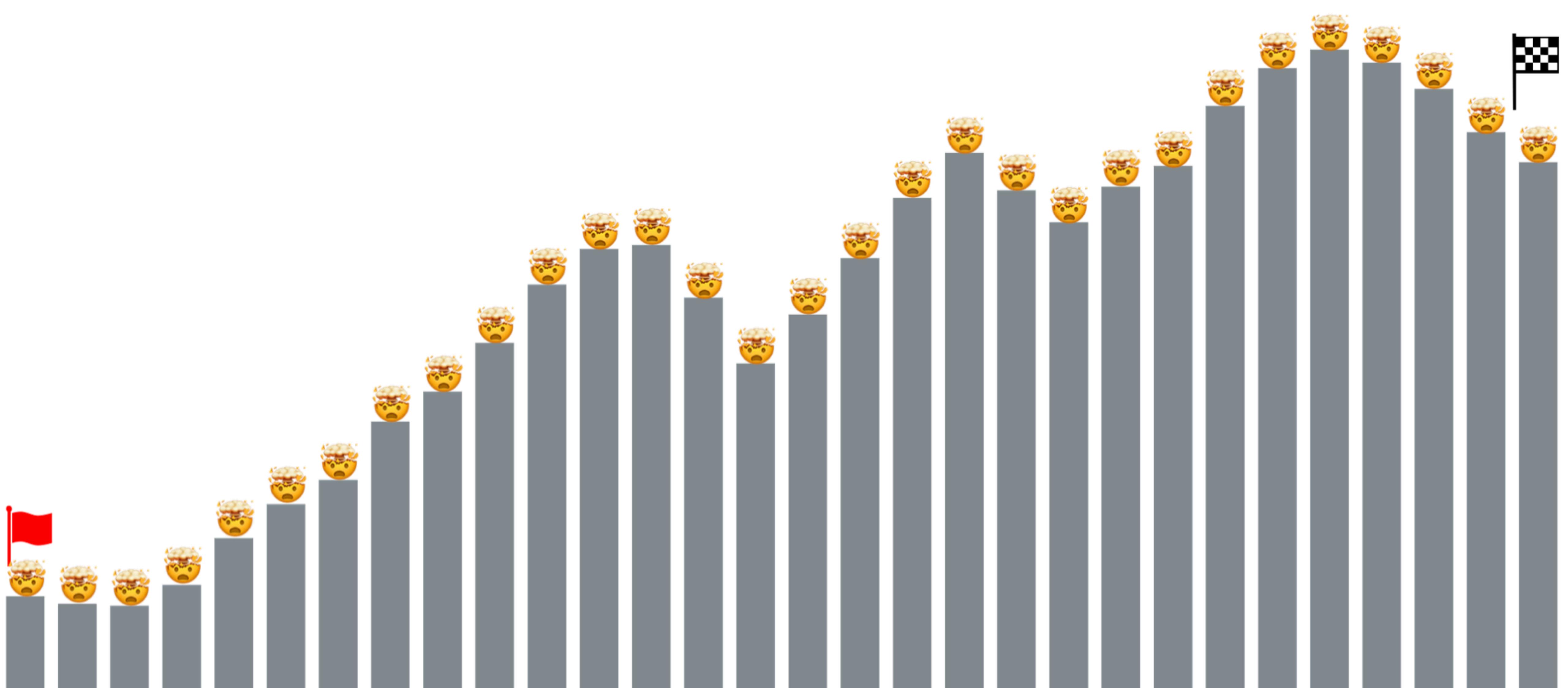




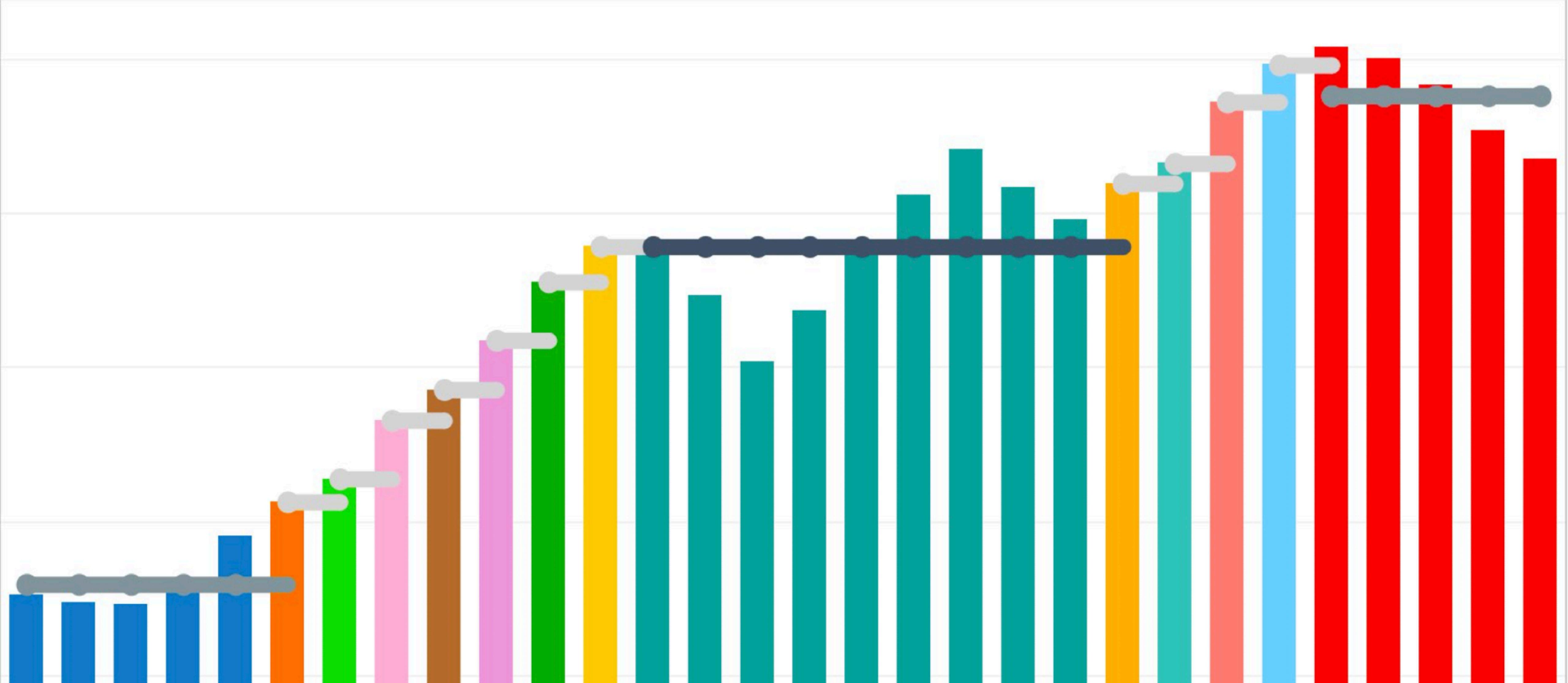
# Introduction to the WoE Algorithm



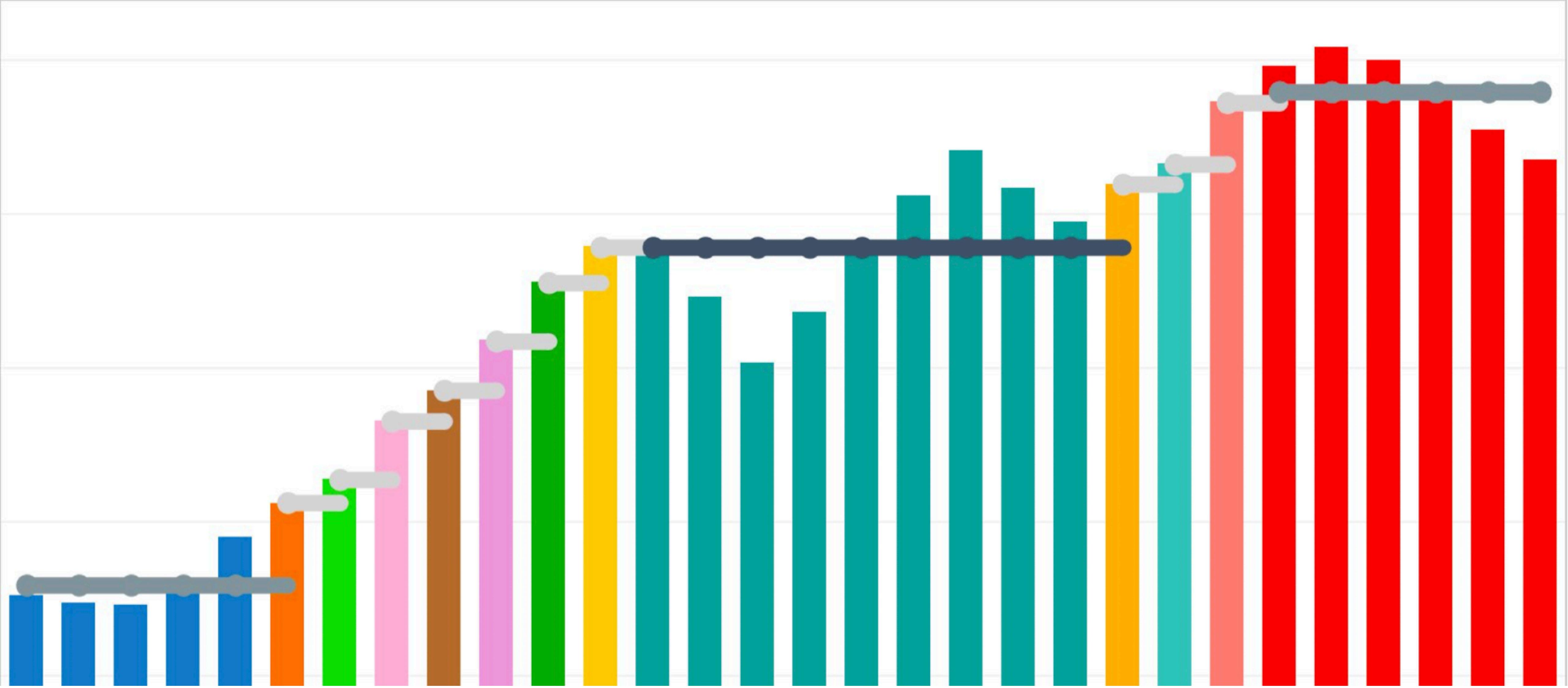
Identifying the Trend



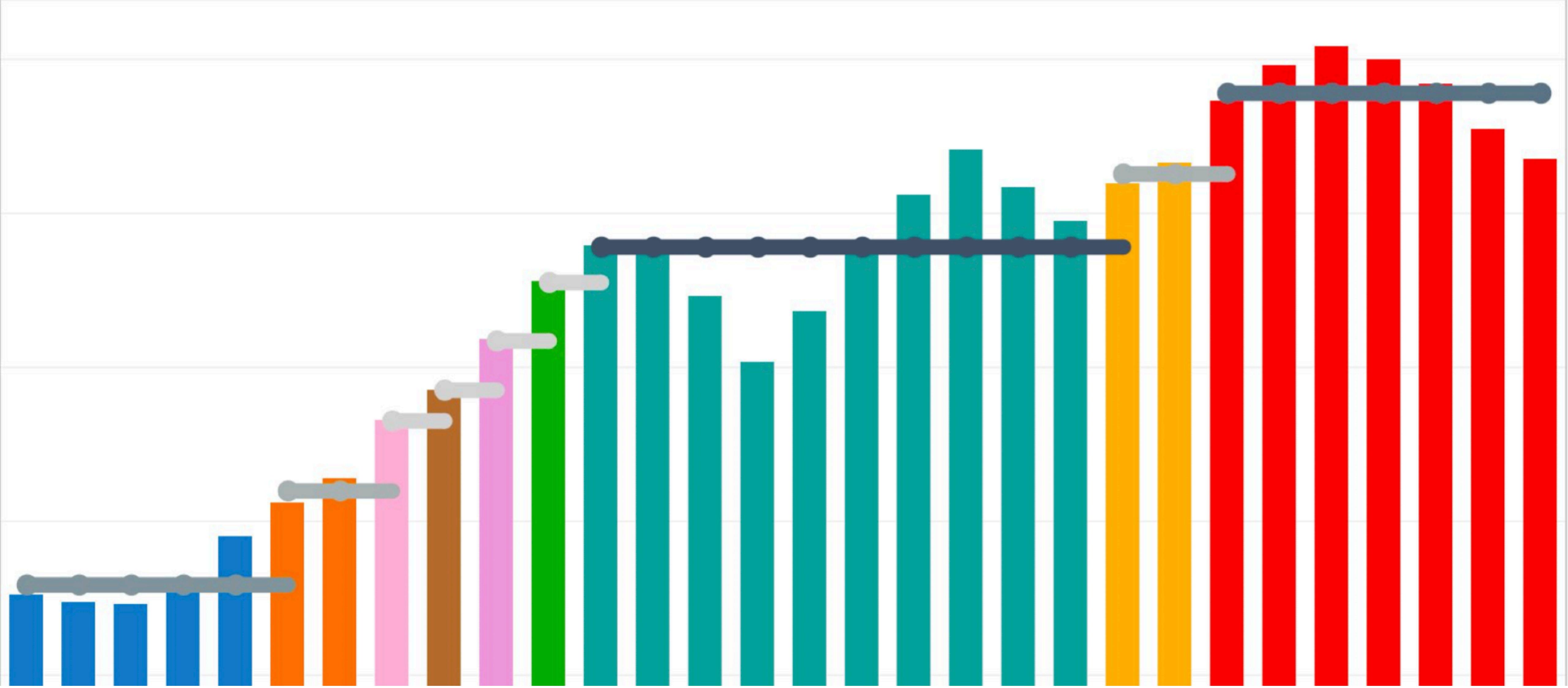
Sampling the Data: Running the Algorithm from Left to Right



Initializing the WoE Bins



Backtracking to Ensure Monotonicity

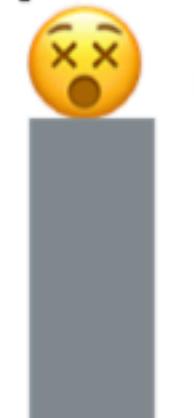
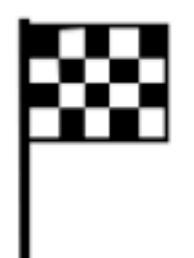


Combining Bins to Ensure Sufficient Data

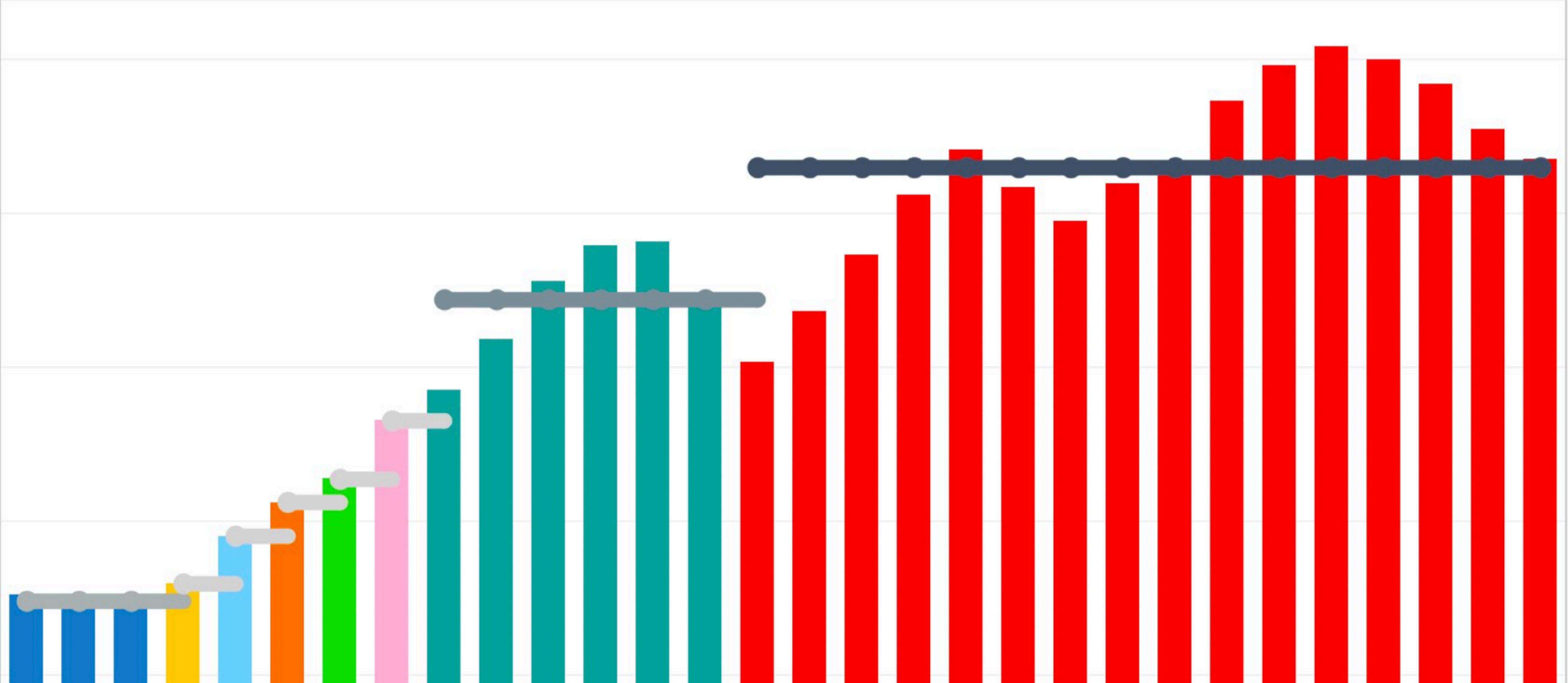


Final Result: Forward Pass

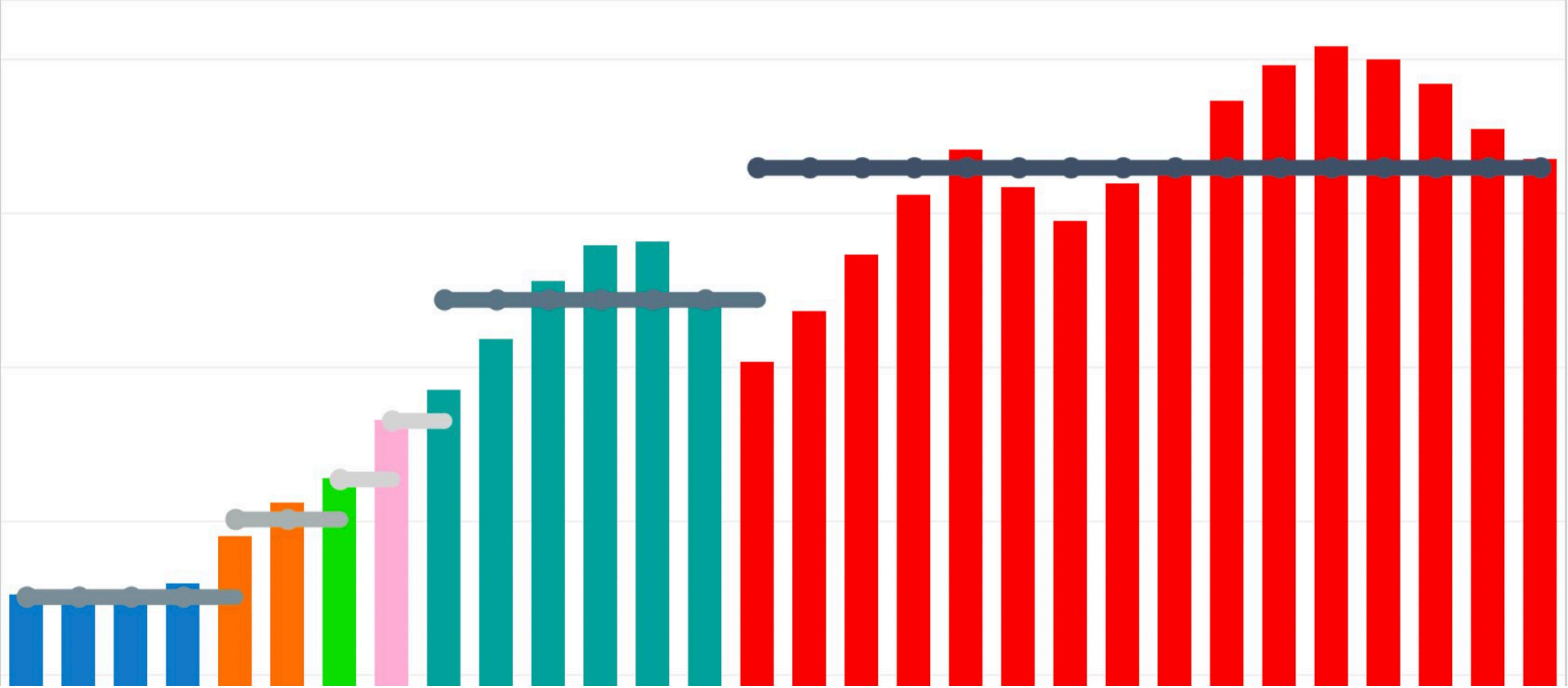




Sampling the Data: Running the Algorithm in Reverse



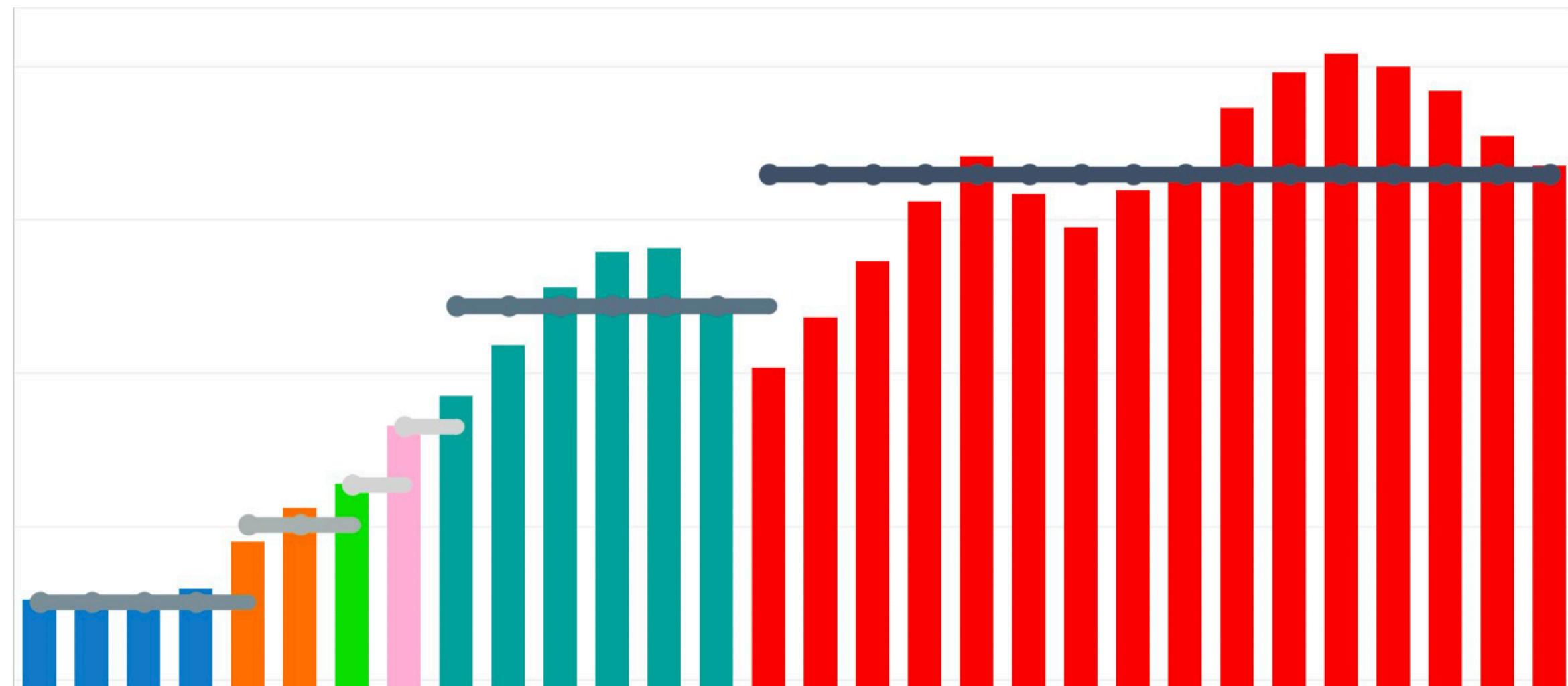
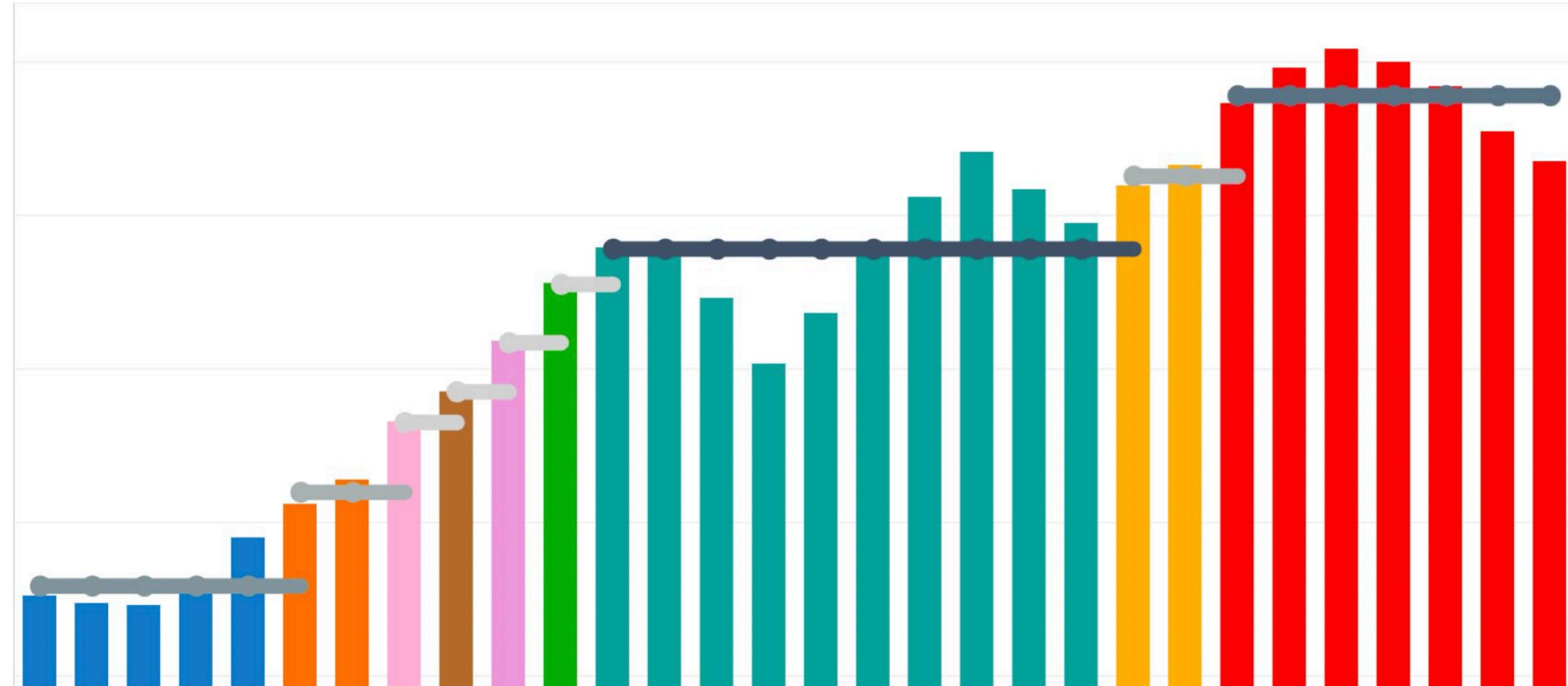
Initializing the WoE Bins



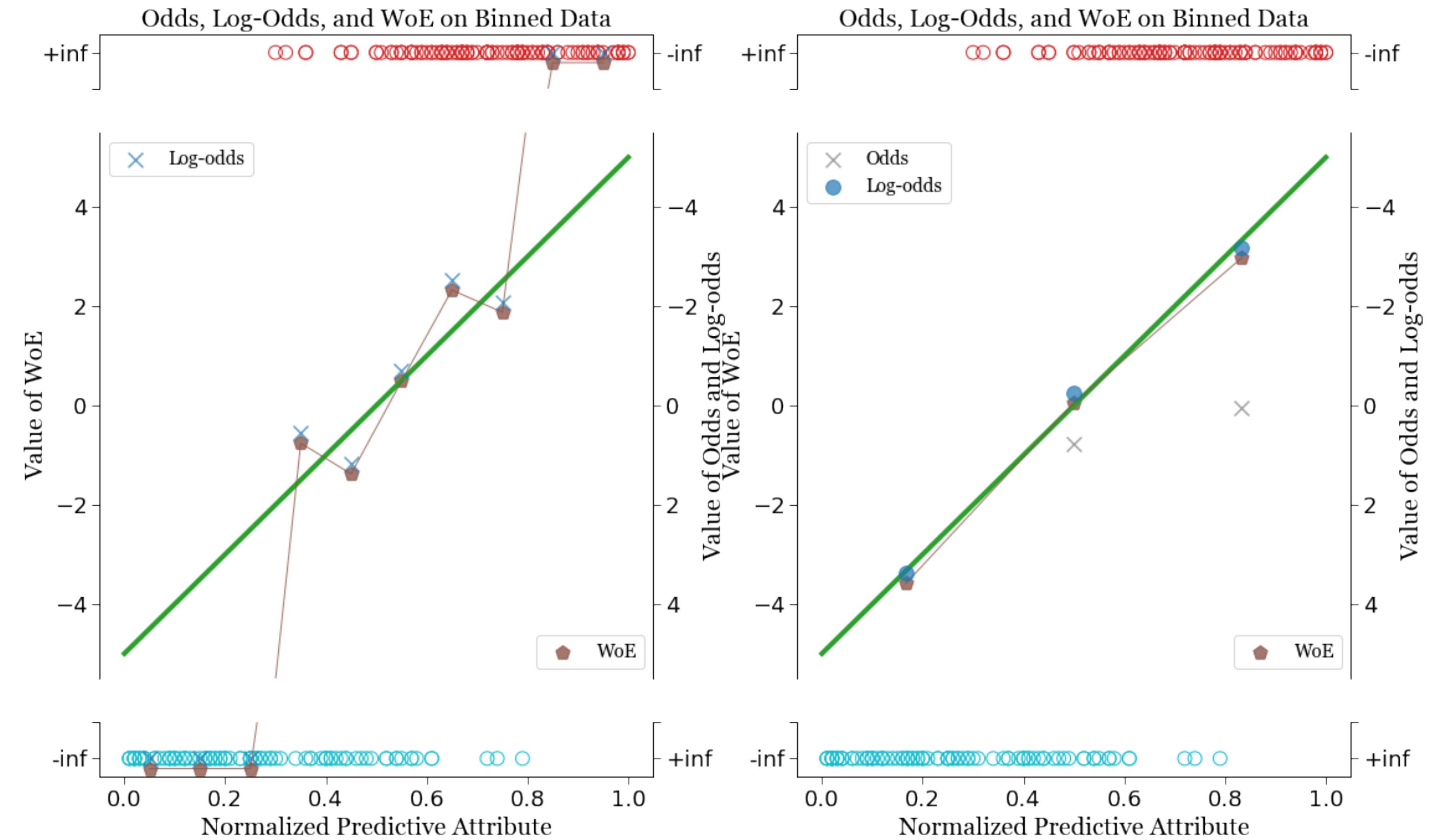
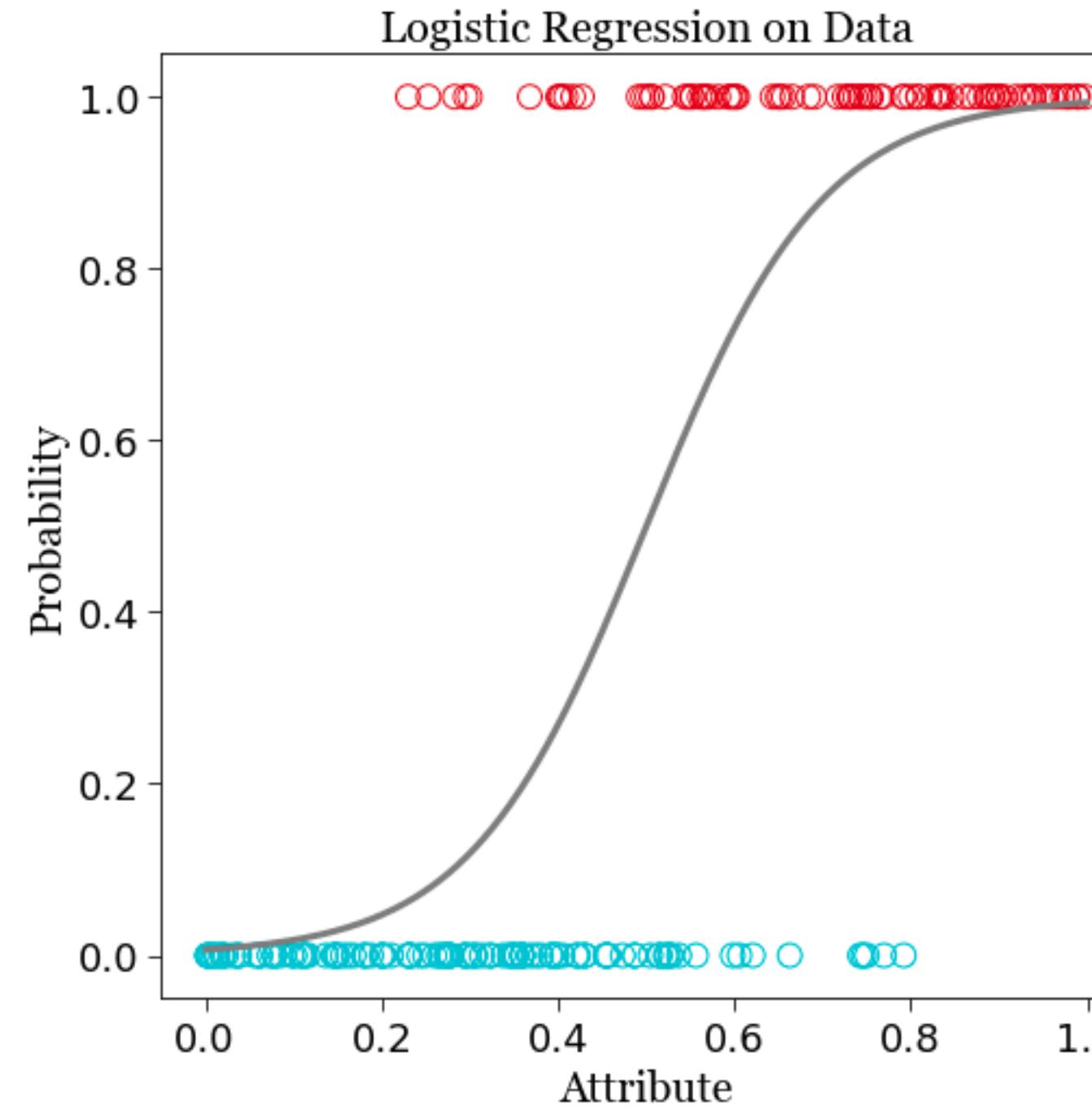
Combining Bins to Ensure Sufficient Data



Final Result - Reverse Direction



Comparing Forward & Backward Results



# Introduction to the WoE Algorithm