







INDEXING CABB DATA




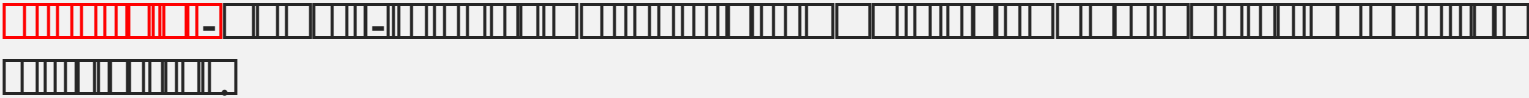

A

C

CLEANING THE DATA

- 
- A 

- 
 - 
 - C 

□□□E□CA□□A□AB□E□

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- 
- 
- 
- 

CAEGCCACAABAEE

- **E**
- **-**
- **B6**
- **G**
- **CAGE, HE**
- **-C**
- **-**
- **2**
- **30+**
- **6**
- **6**

Borrower Behaviour

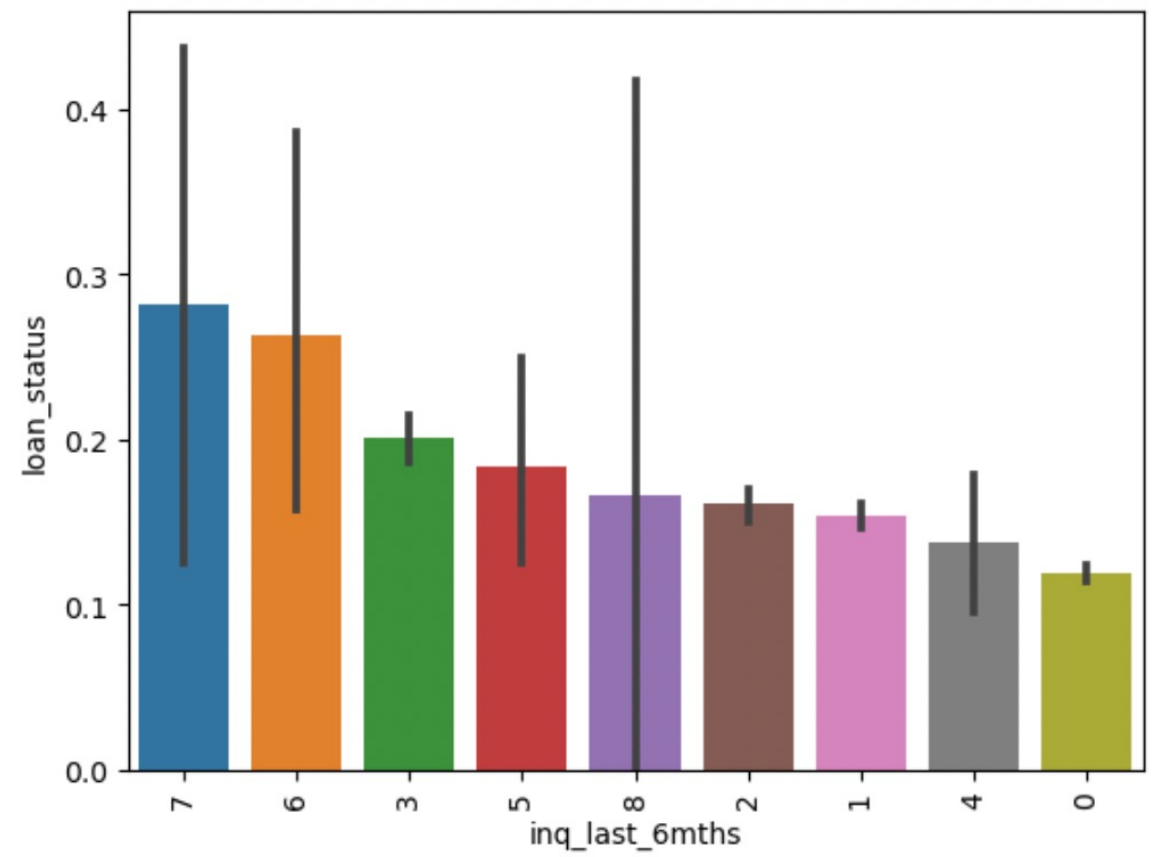
- Understand the **driving factors (or driver variables)** behind loan default, i.e. the variables which are strong indicators of default
- Borrowers who **default** cause the largest amount of loss to the lenders. In this case, the customers labelled as 'charged-off' are the 'defaulters'
- Reduce financial loss of the organization

□□A□□F A□A□□□□□

-
- B**
- D**

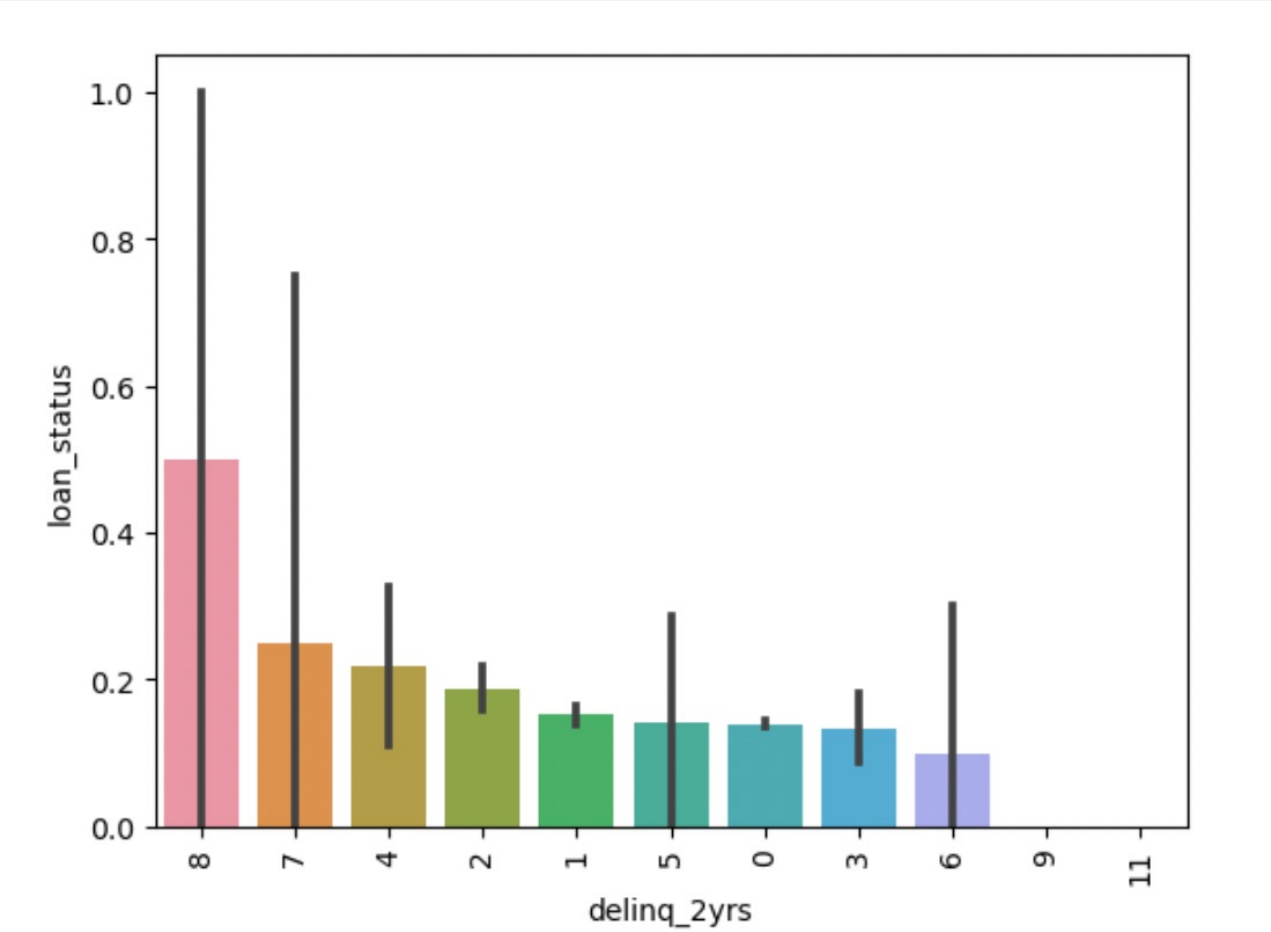
I G H F
 A A E
 A A

- C
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0



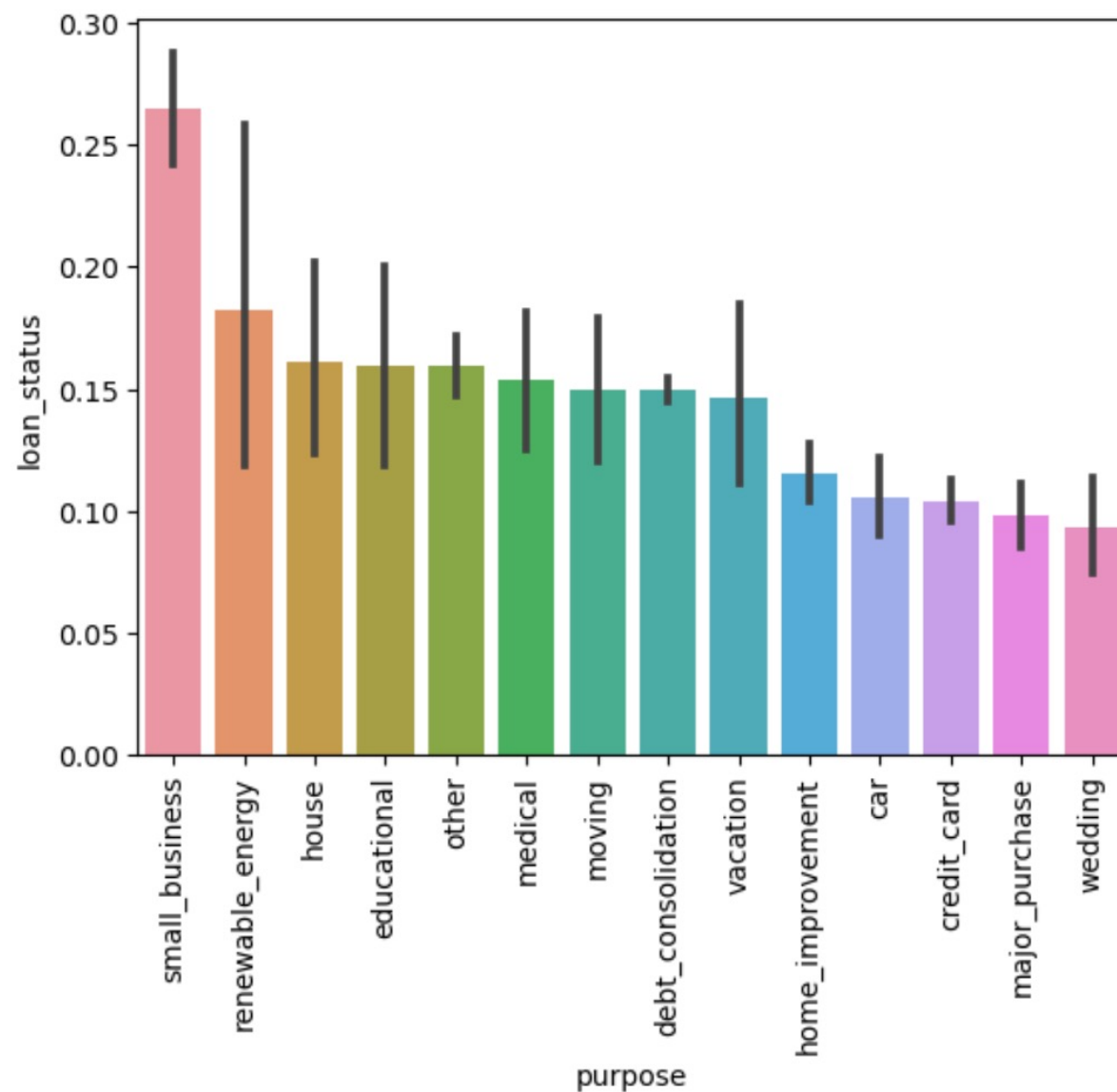
I HIGH FIVE
 I A A E
 A A A A

- C 
- 



I H F
A A E
A A

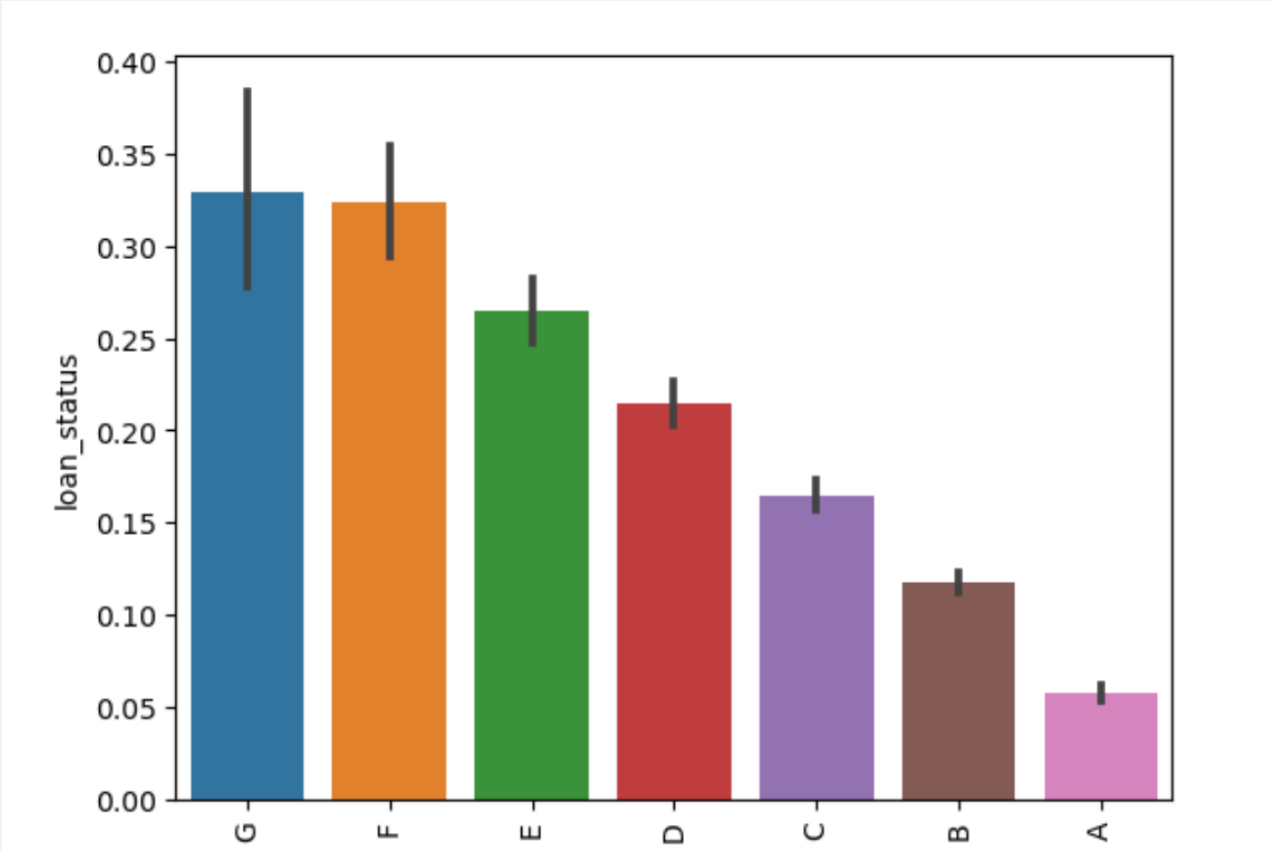
- M B
 W
 H



I HIGH FIVE
 I A A E
 A A A A

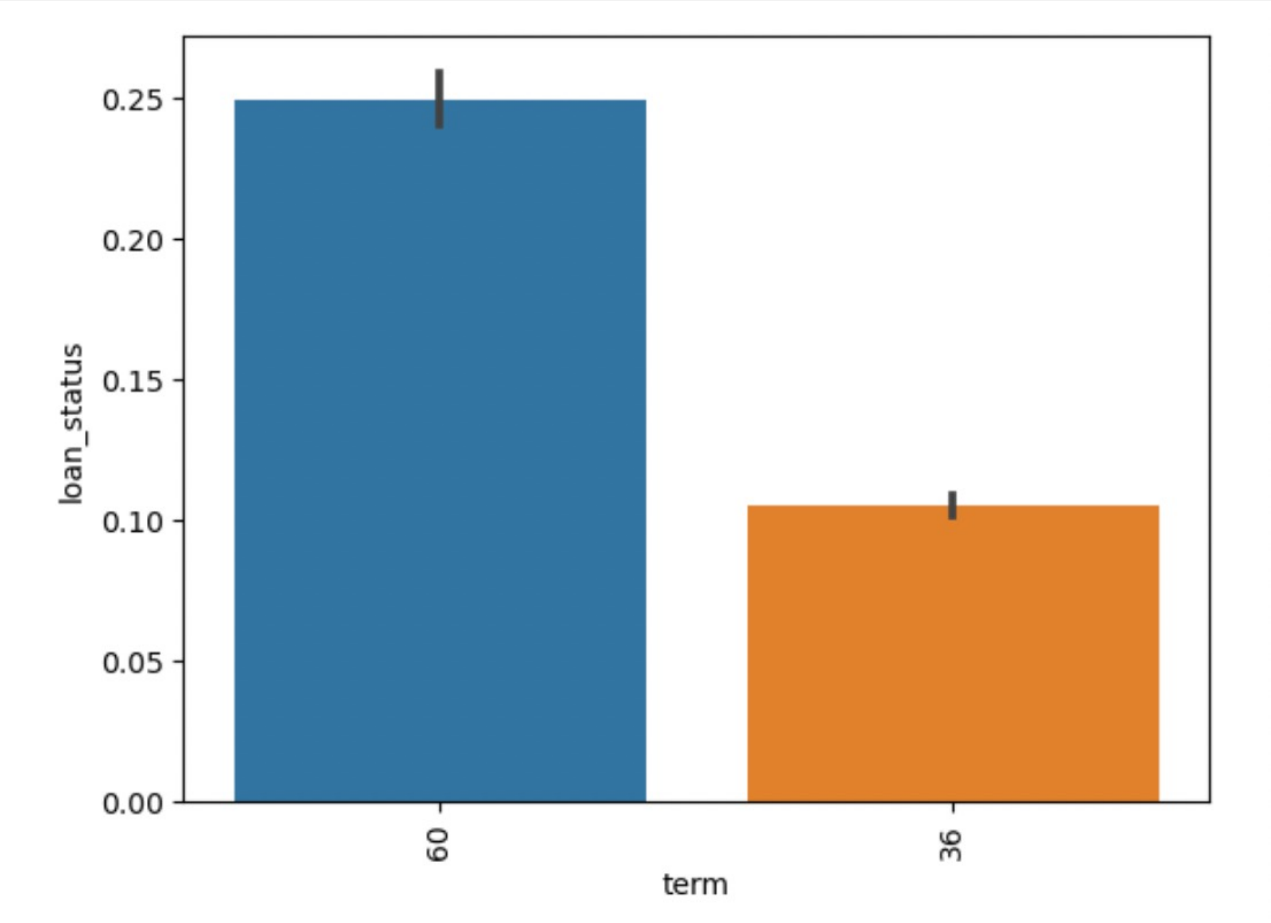
- H   

-     
 G 

I HIGH FIVE
 I A A E
 A A A A

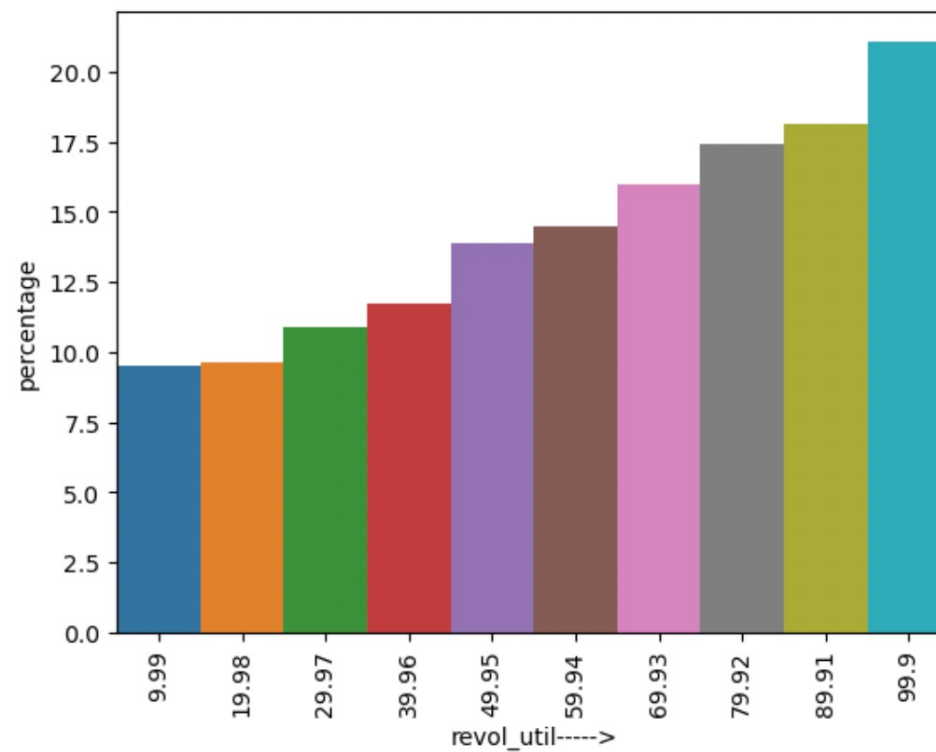
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I H F
A A E
A A

- C

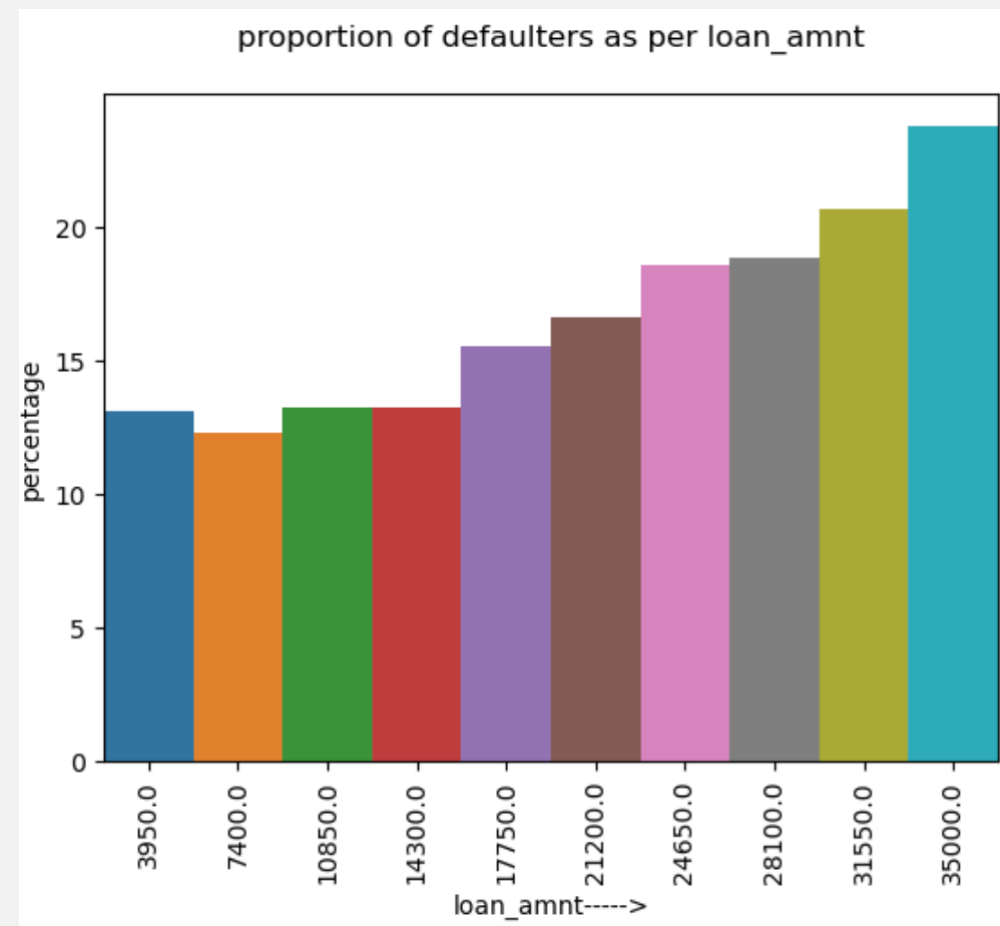
proportion of defaulters as per revol_util



proportion of defaulters as per last_credit_pull_d

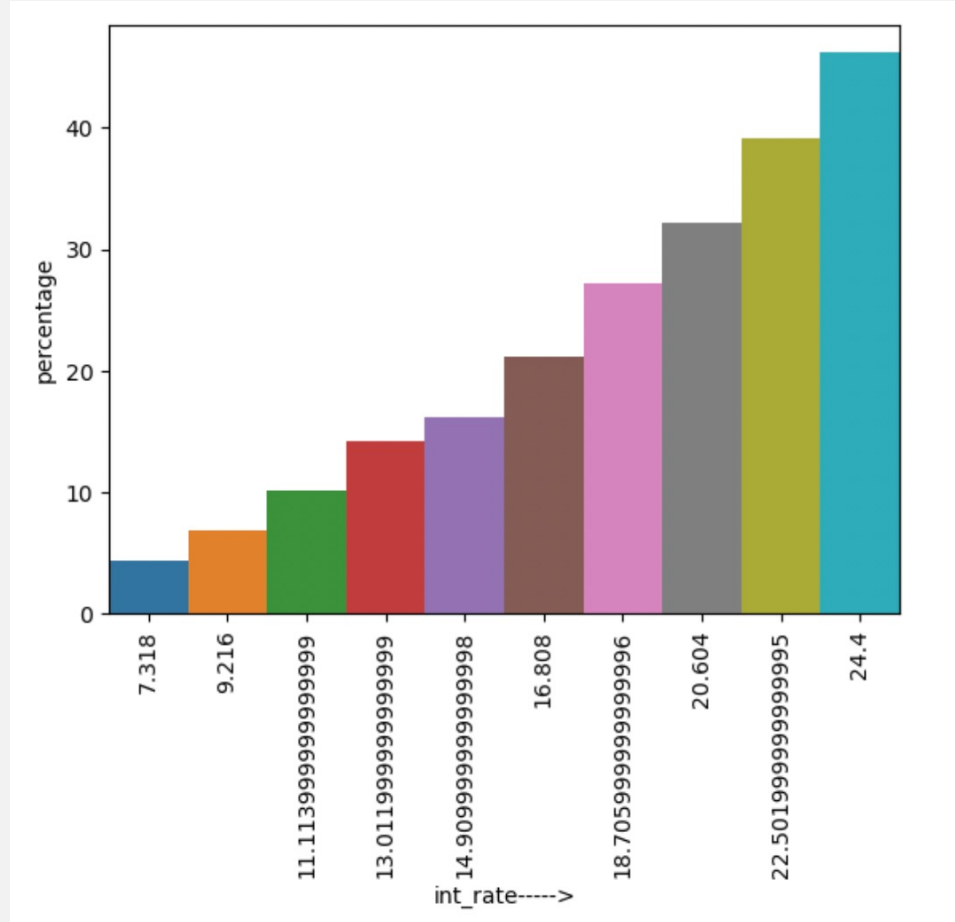
I H F
 A A E
 A A

- C



I H F
 A A E
 A A

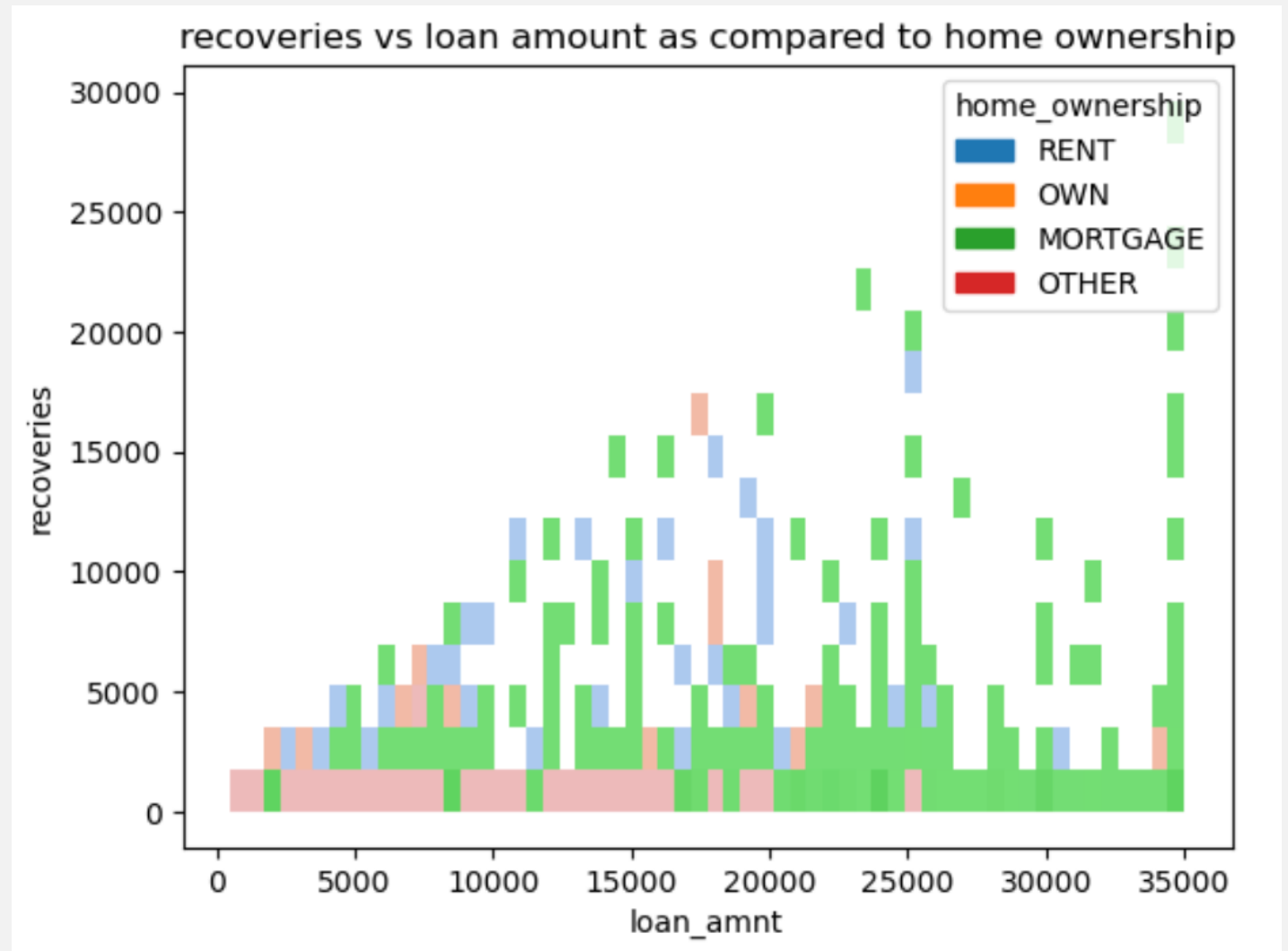
- C



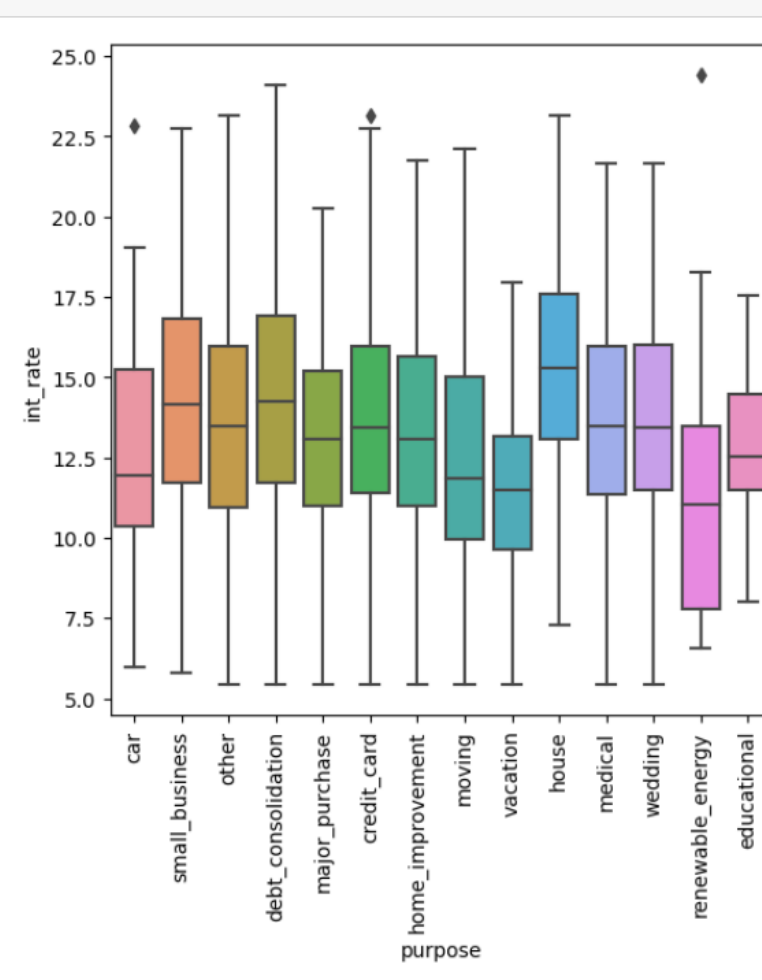
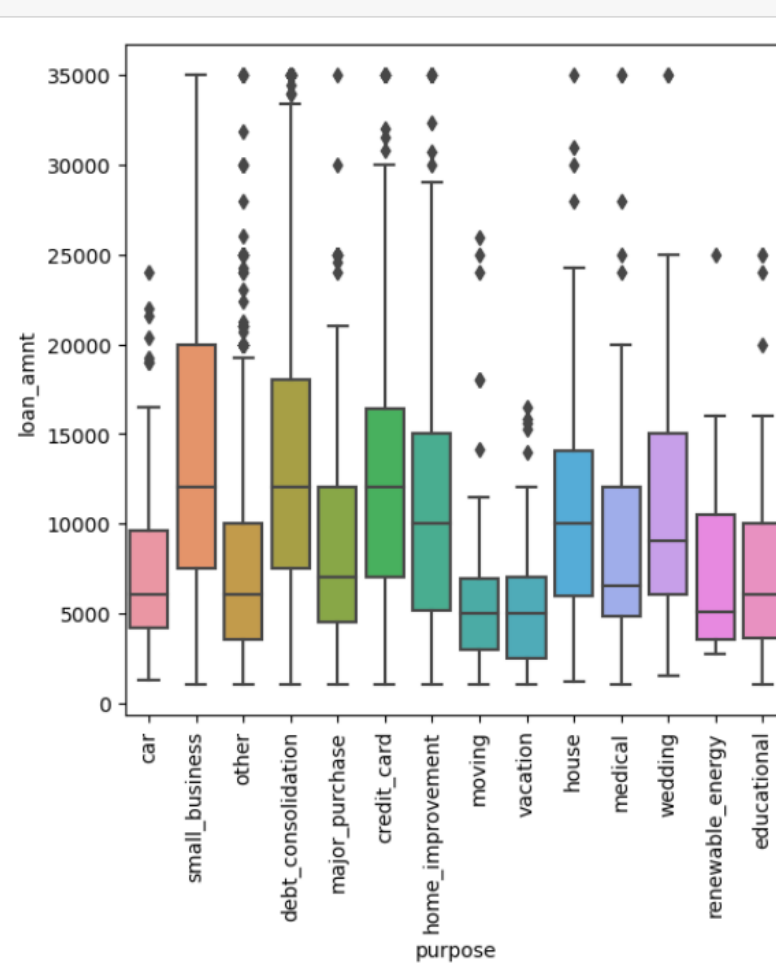
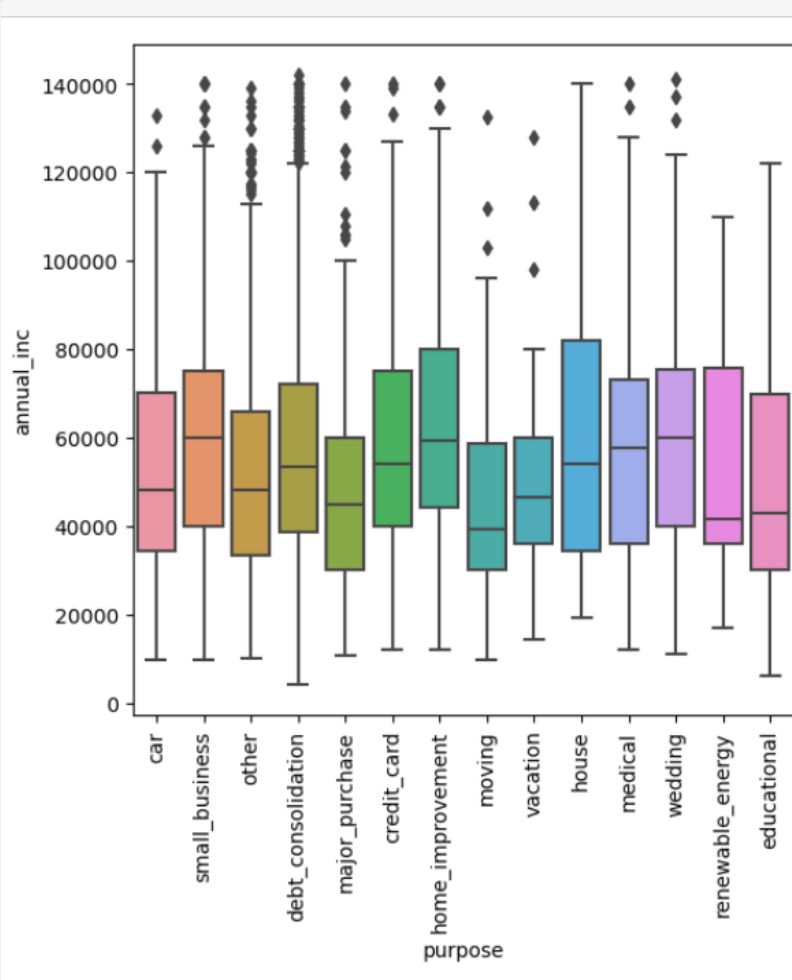
BI □ A □ A □ E A □ A □ □ □ □ □

I HIGH F
 B A A E
 A A

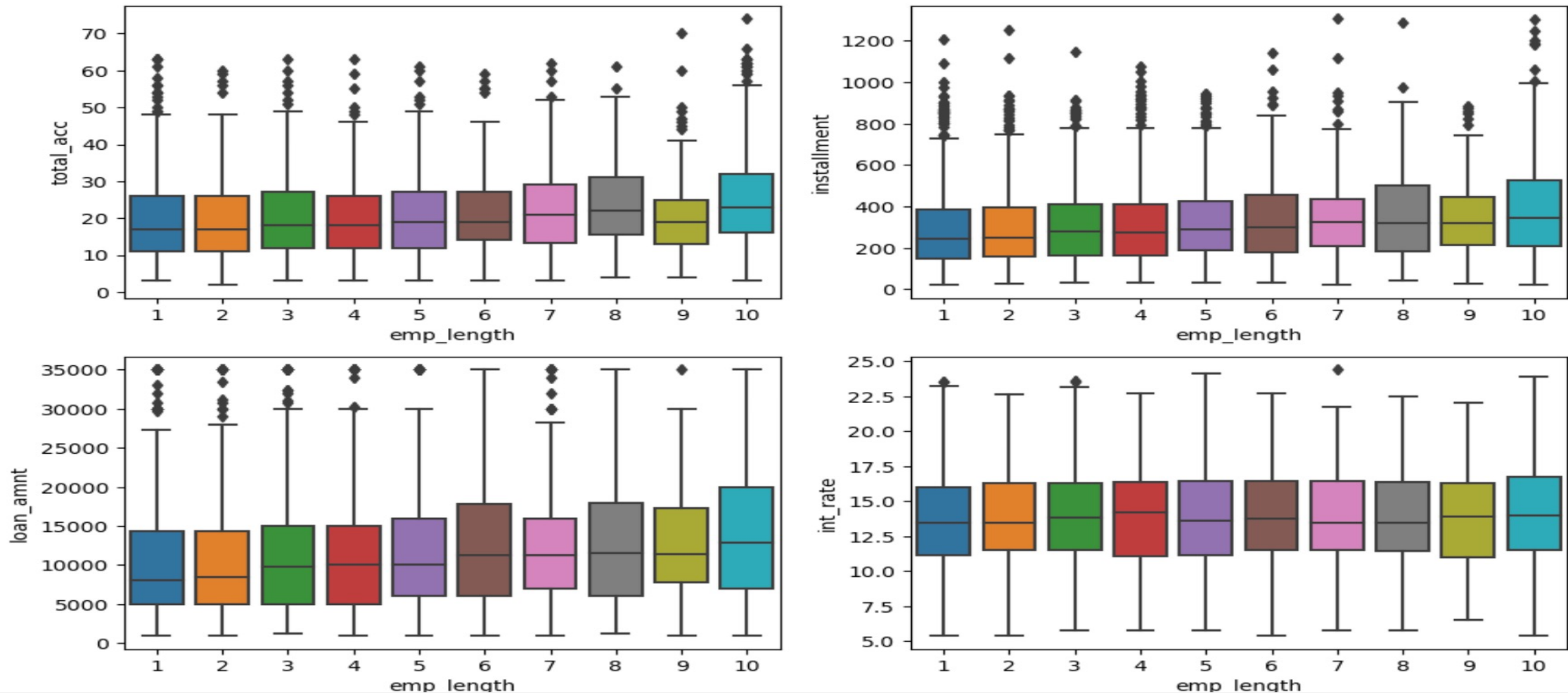
- F
- I



I I C E A H A A A E F A B E E D E F A
H E H E H E I H I G A A , I E E A
A D H I G I C E E B E F B A I
I A D E D A C A A F H E E G A G E
E H A C E E C E A D F I

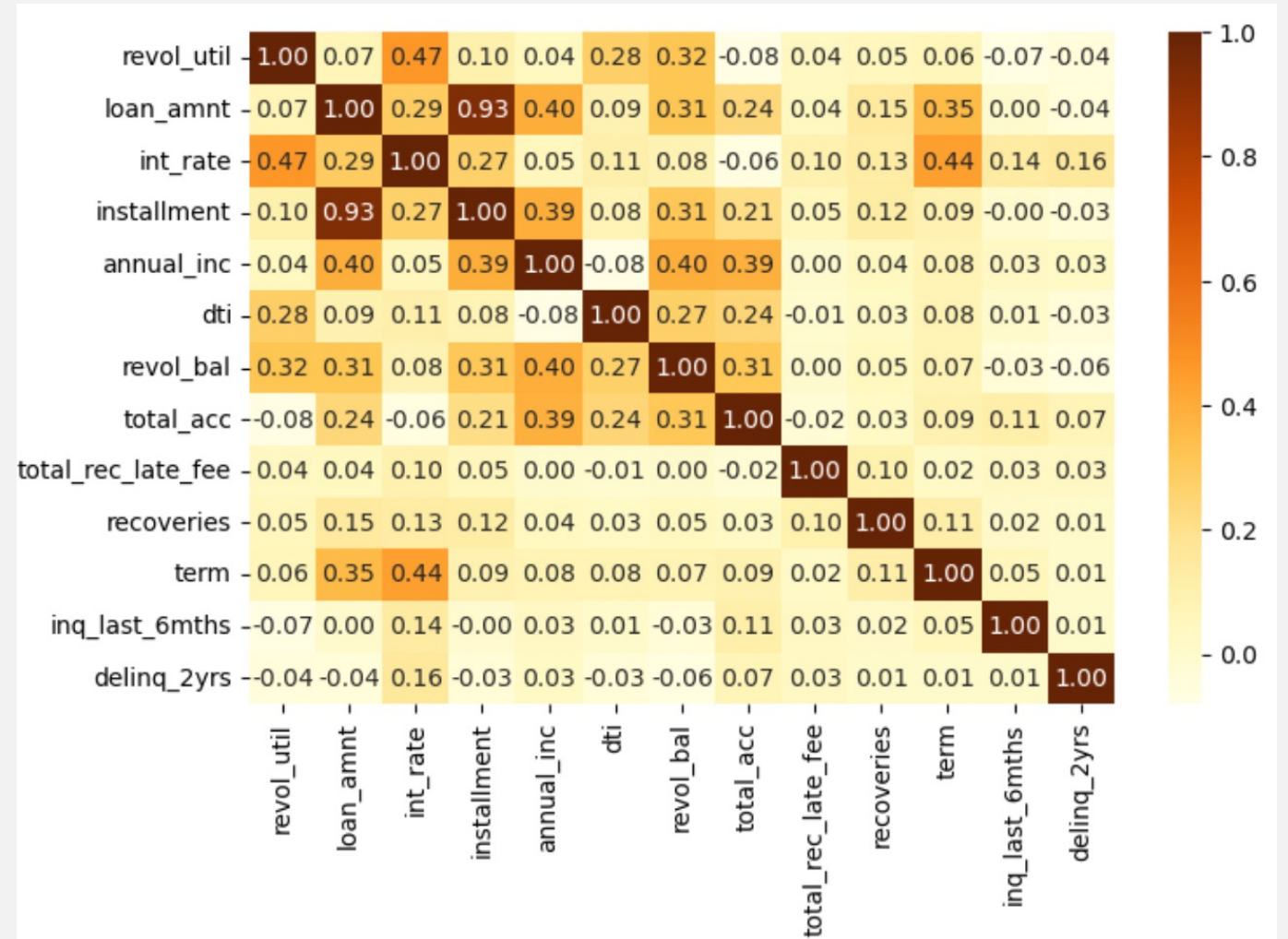


CUSTOMERS WHO HAVE HIGHER EMPLOYMENT LENGTH TEND TO TAKE HIGHER LOAN AMOUNT AT HIGHER INTEREST RATE. ALSO THEY HAVE MORE NUMBER OF OPEN CREDIT ACCOUNTS AND INSTALMENT AS A RESULT THEY ARE OFTEN BURDENED AND TEND TO DEFAULT MORE. TO HAVE A GOOD PROFIT BY GIVING LOAN TO THIS CUSTOMERS , ONE OPTION IS TO KEEP THEIR PROPERTIES AS MORTGAGE TO EVEN OUT ON RECOVERIES.



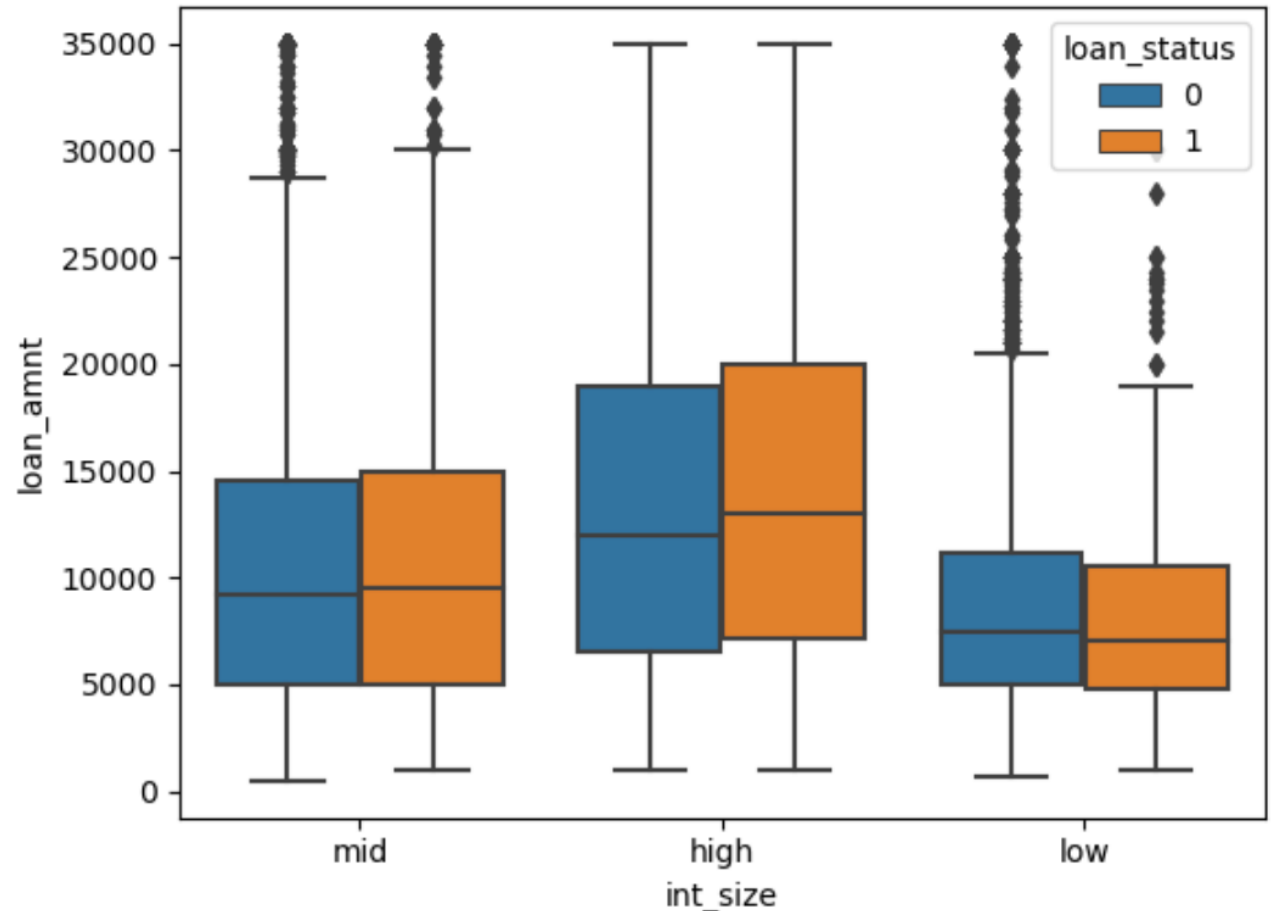
I HIGH F
B I A A E
A A

- The heat map does show that we have a clear positive correlation between a few variables like:
















I HIGH F
B A A E
A A A A

- Clearly from the graph we can see that higher loan amount with higher interest rate is a very strong indicator of defaulters. We can calculate the risk factor of a customer by taking the product of loan amount and interest rate

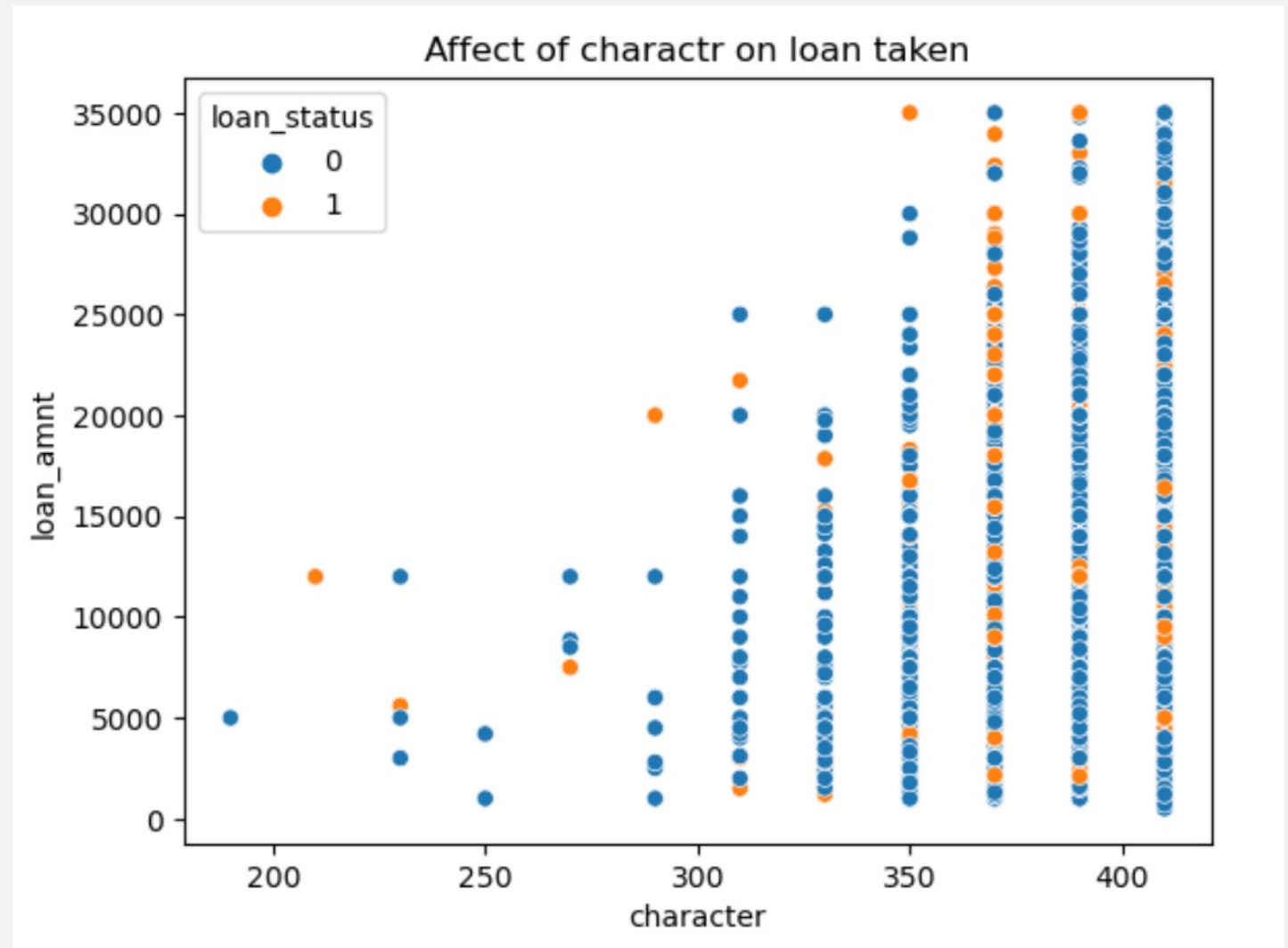


B □ □ □ E □ □ □ D □ □ E □ □ E □ □ C □

- I  3  :
- - C 
, , 

- -  F  - 
 A 
- - C 

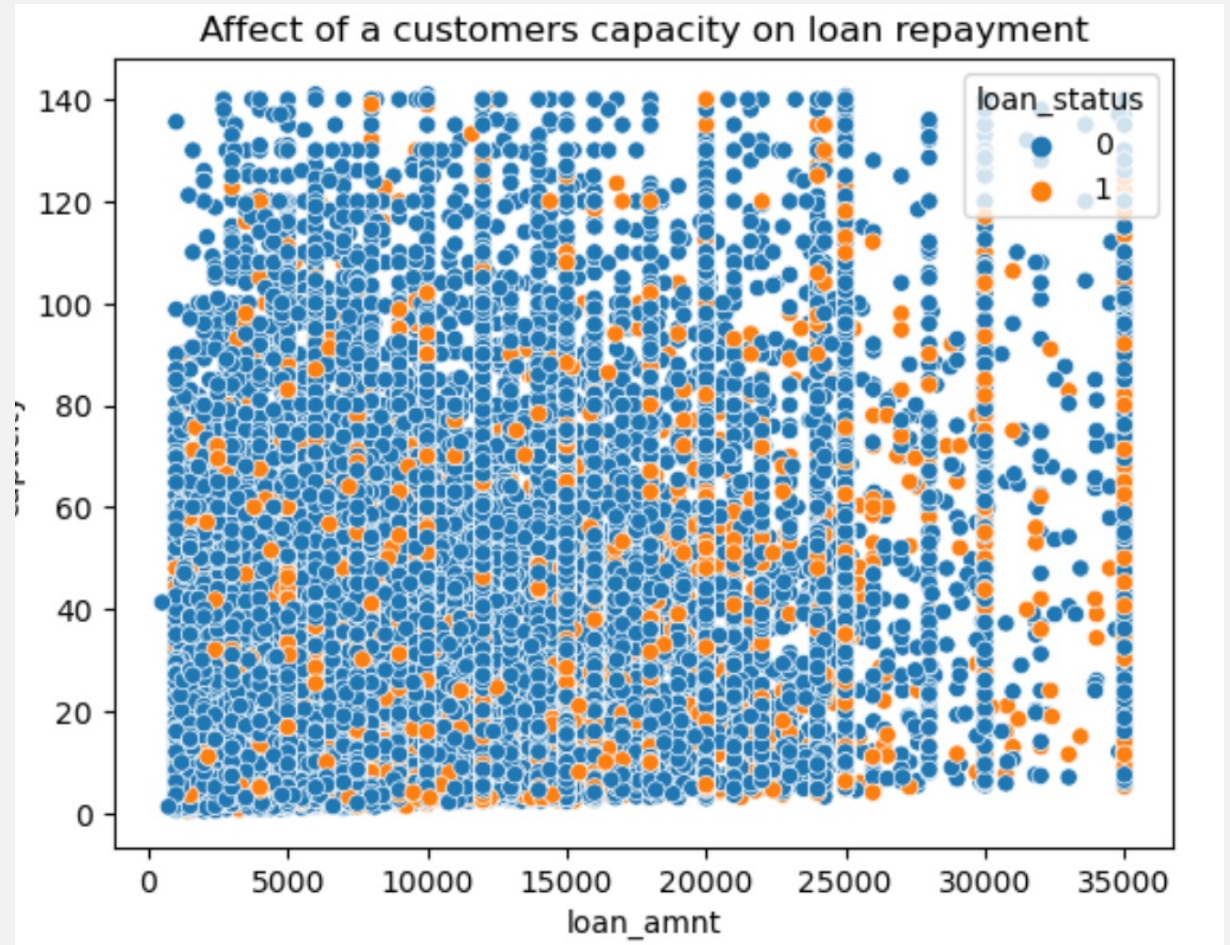
I HIGH F
DEED
ECC

- The graph above clearly shows that most defaulters lie below the 375 score and the density of such defaulters increase with increase of loan amount



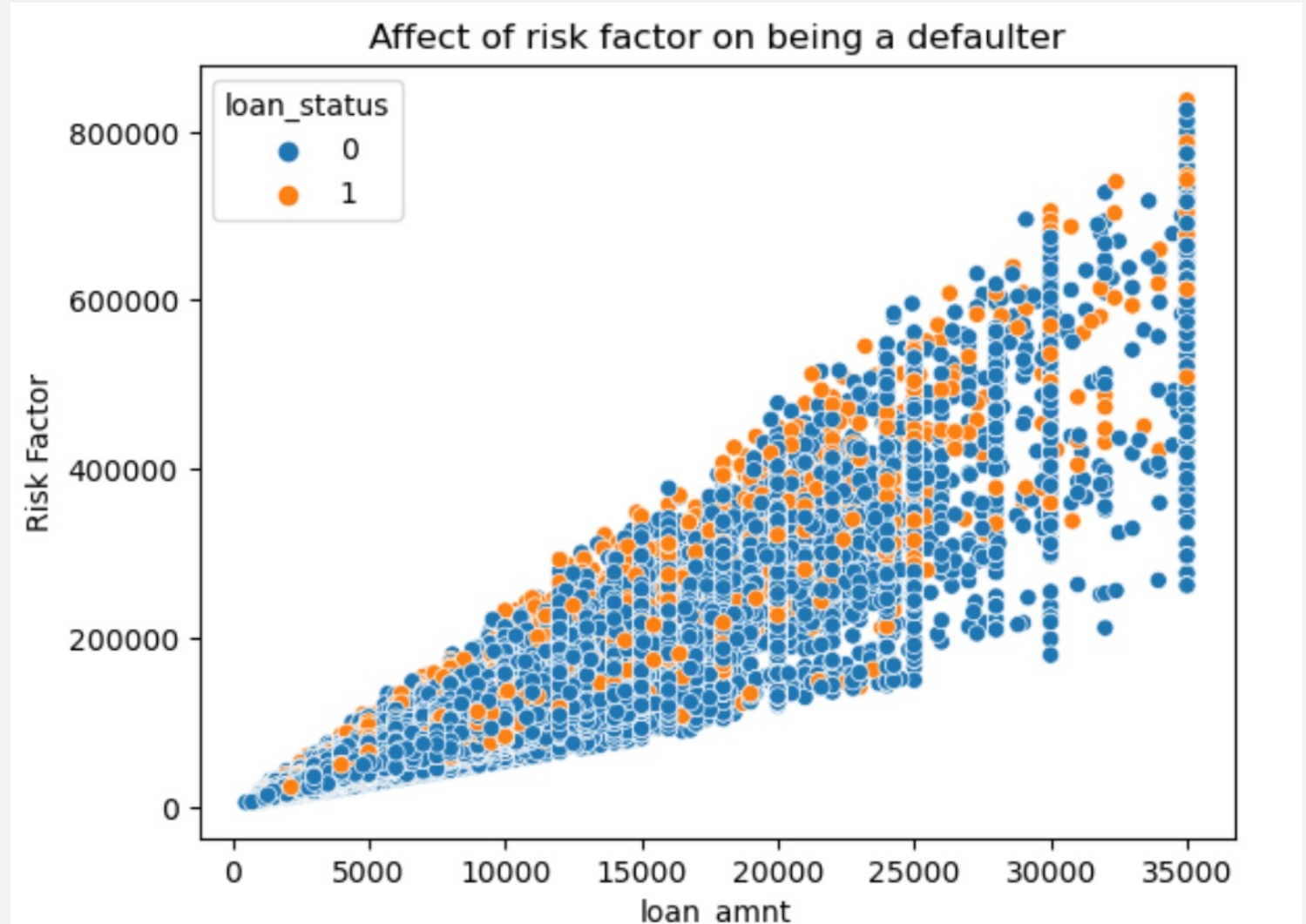
I HIGH F
DEED
EEC

- It is evident from the graph that customers who have taken high loan amounts and have capacity below 100 are major defaulters.










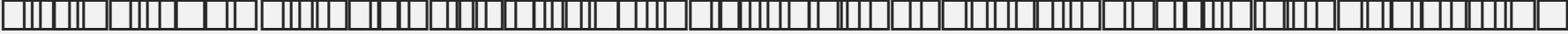










I HIGH F
DEED
ECC

- The graph clearly shows that customers who have taken higher loan amount at higher risk are more prone to being defaulters



EC EDA

- A , 
 375,  100   
 
- C 
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- A    

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