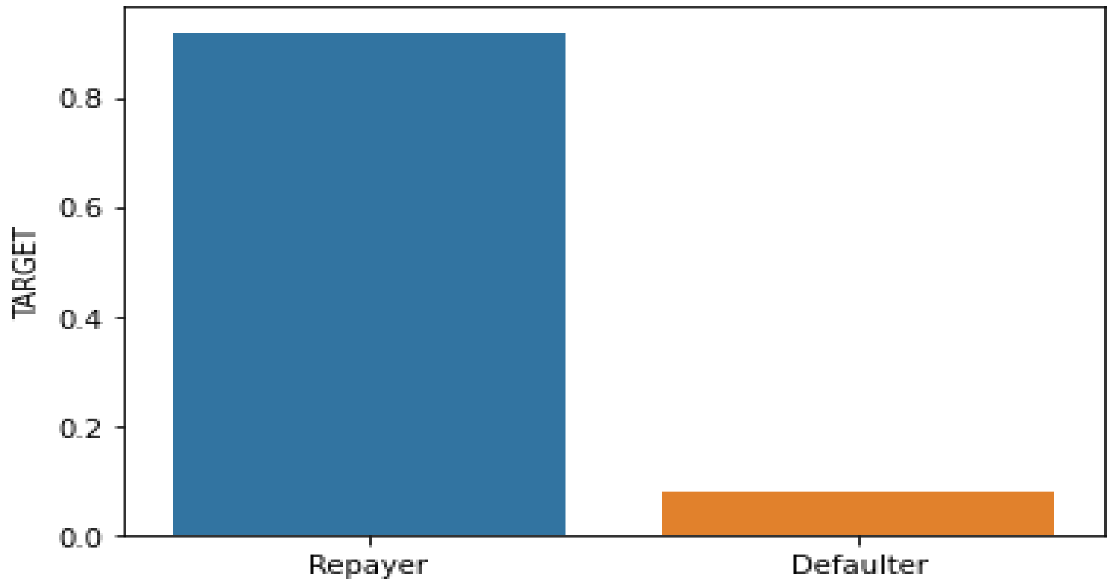
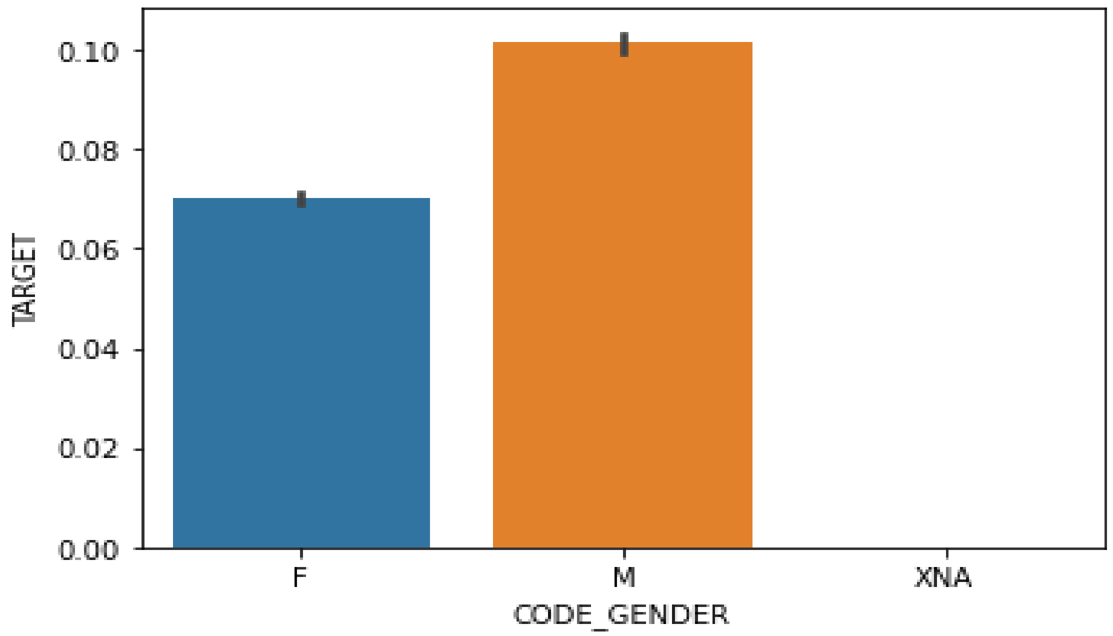
Credit EDA findings

J. MEHTA



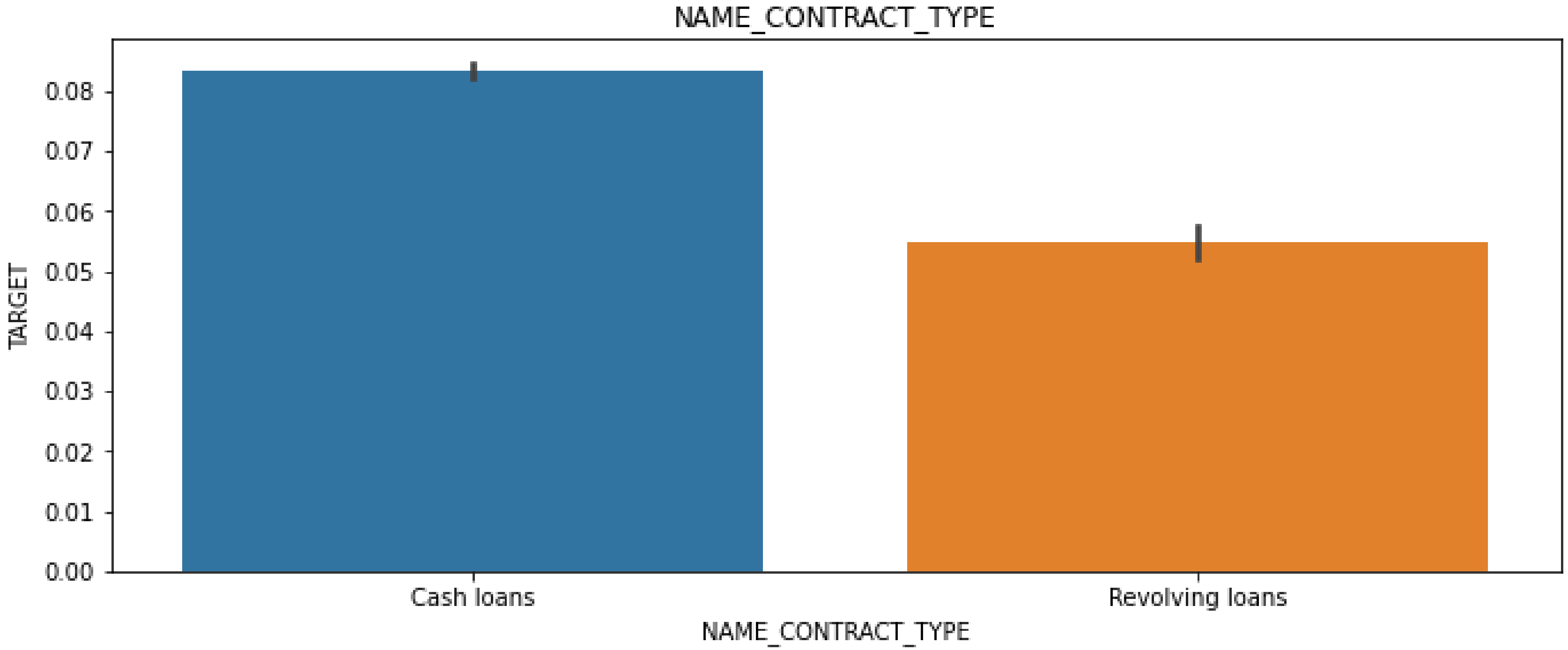


Repayer vs Defaulter

- Observation : Around 92% people repay their loans, whereas approximately 8% people default.

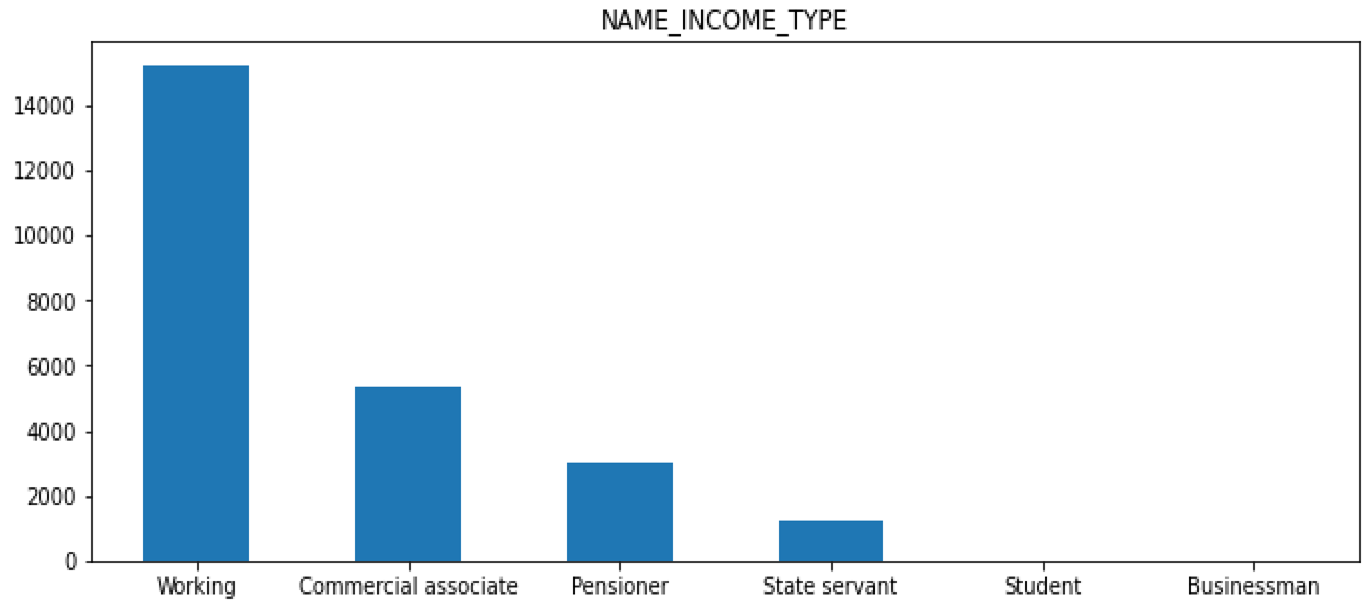
Gender vs Target

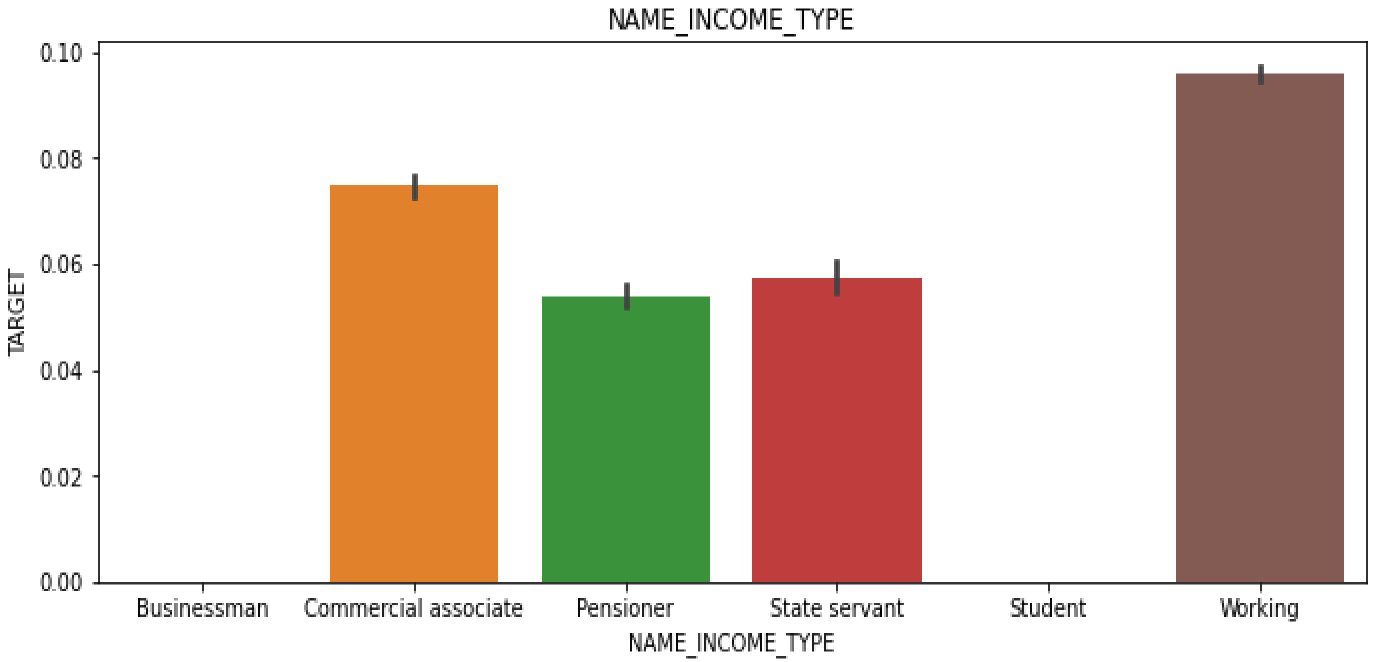
- 10% of Males have defaulted, whereas around 7% of Females have defaulted.



Contract Type vs Target

Cash loan applicants have defaulted more when compared to revolving loans.



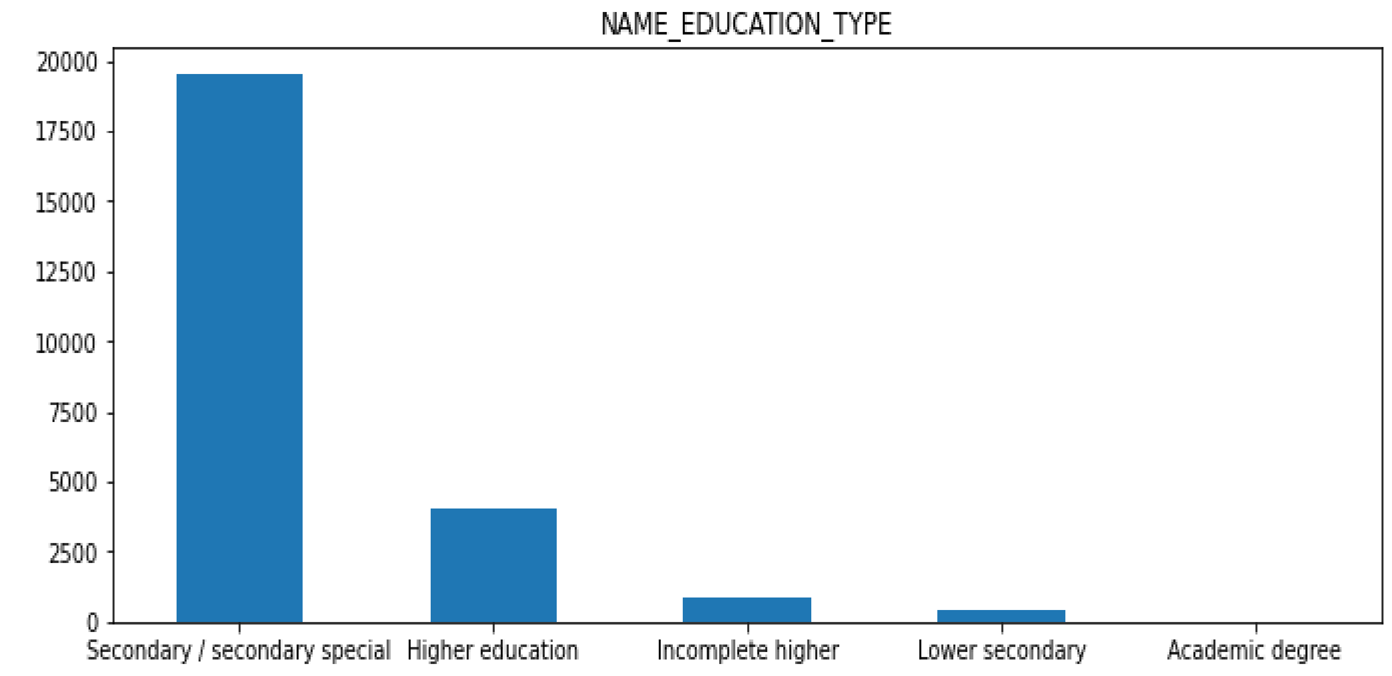


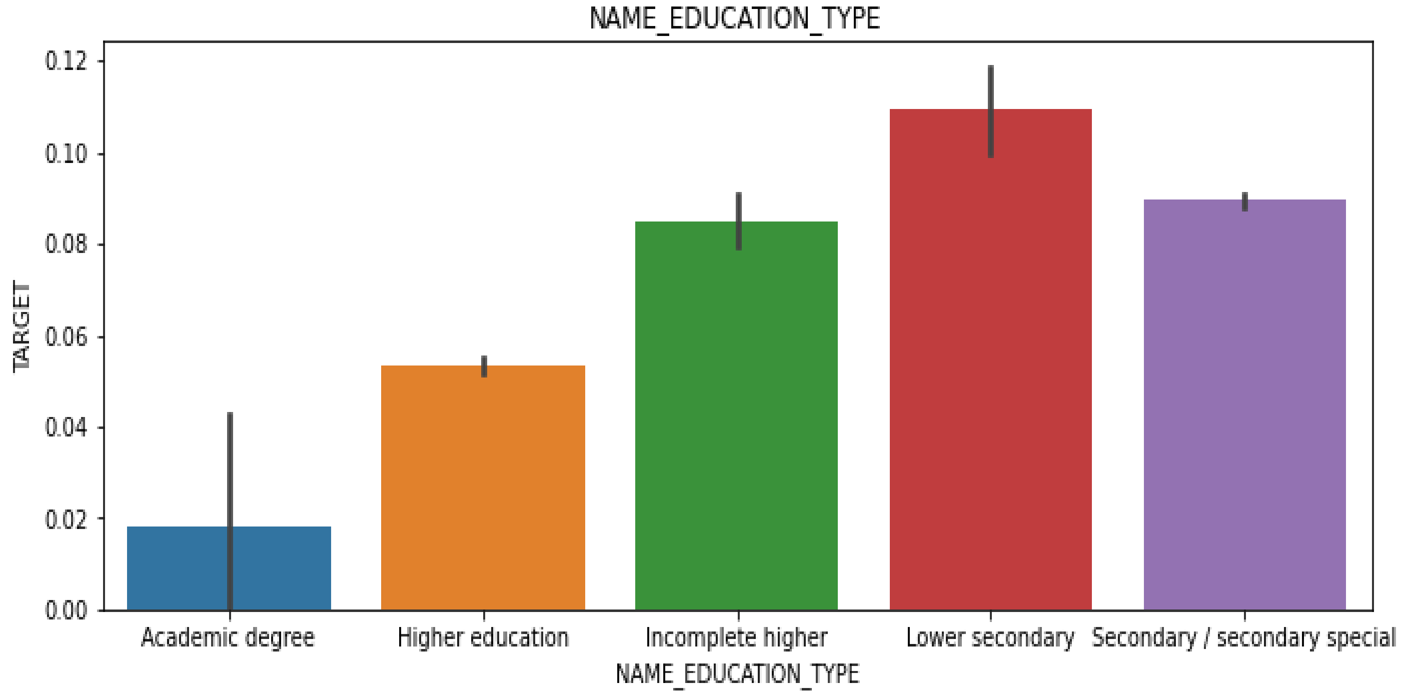
Income Type vs Target :-

- Student and Business type applicants have the lowest default rates.

- But one must consider that data for these 2 types of applicants is the lowest.

- Working class people have the highest default rates.

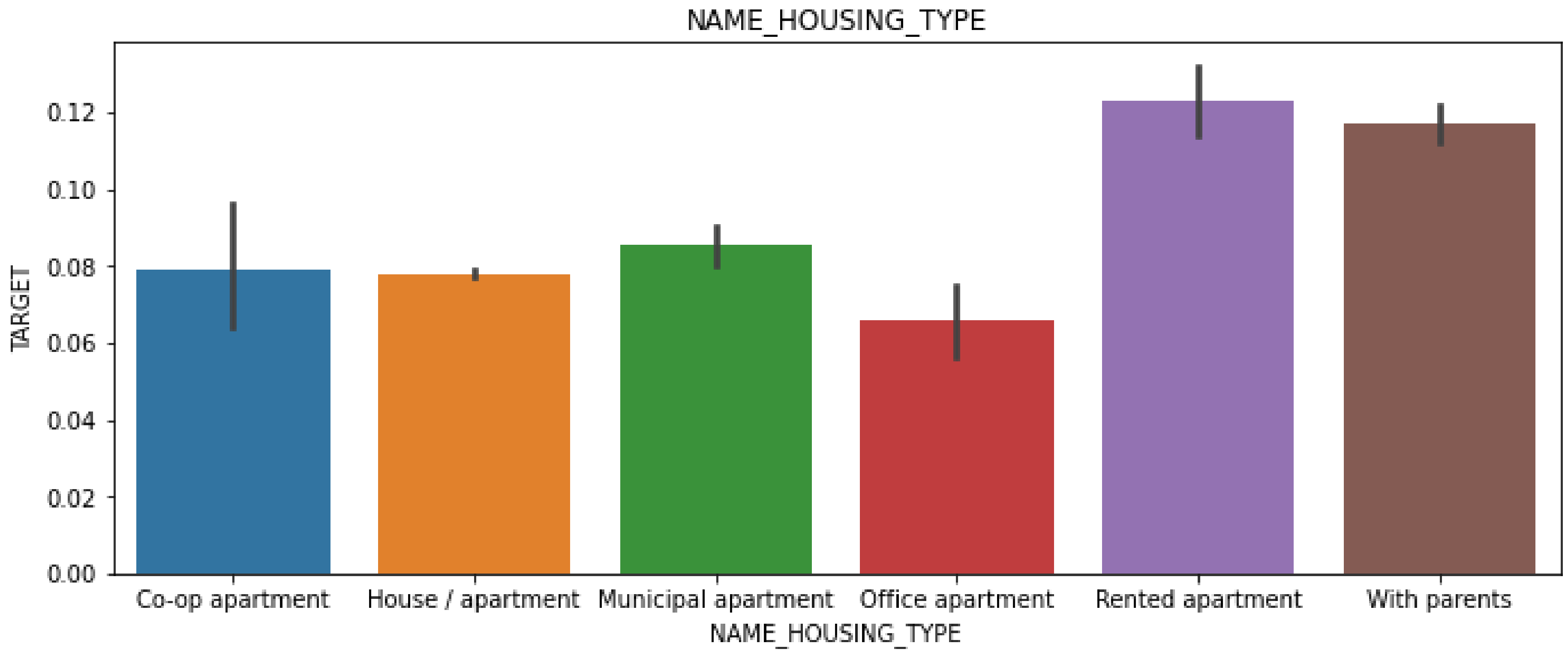




Education VS Target :

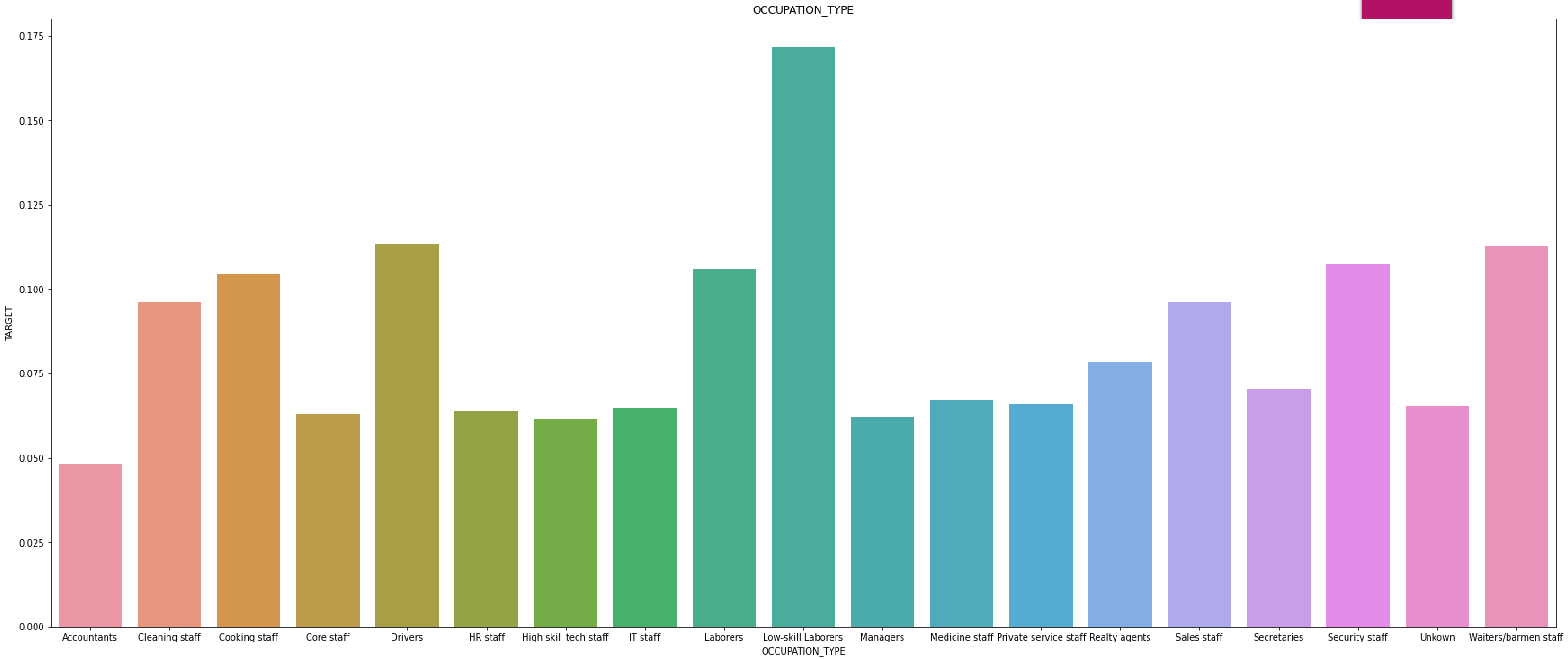
- We see two interesting observations over here. With increase in education levels, the default rate decreases.

- Also, we see that applicants on both extremes of education, i.e. Academic and Lower secondary are less. So I suggest better marketing schemes for highly educated applicants, since they have low default rates.



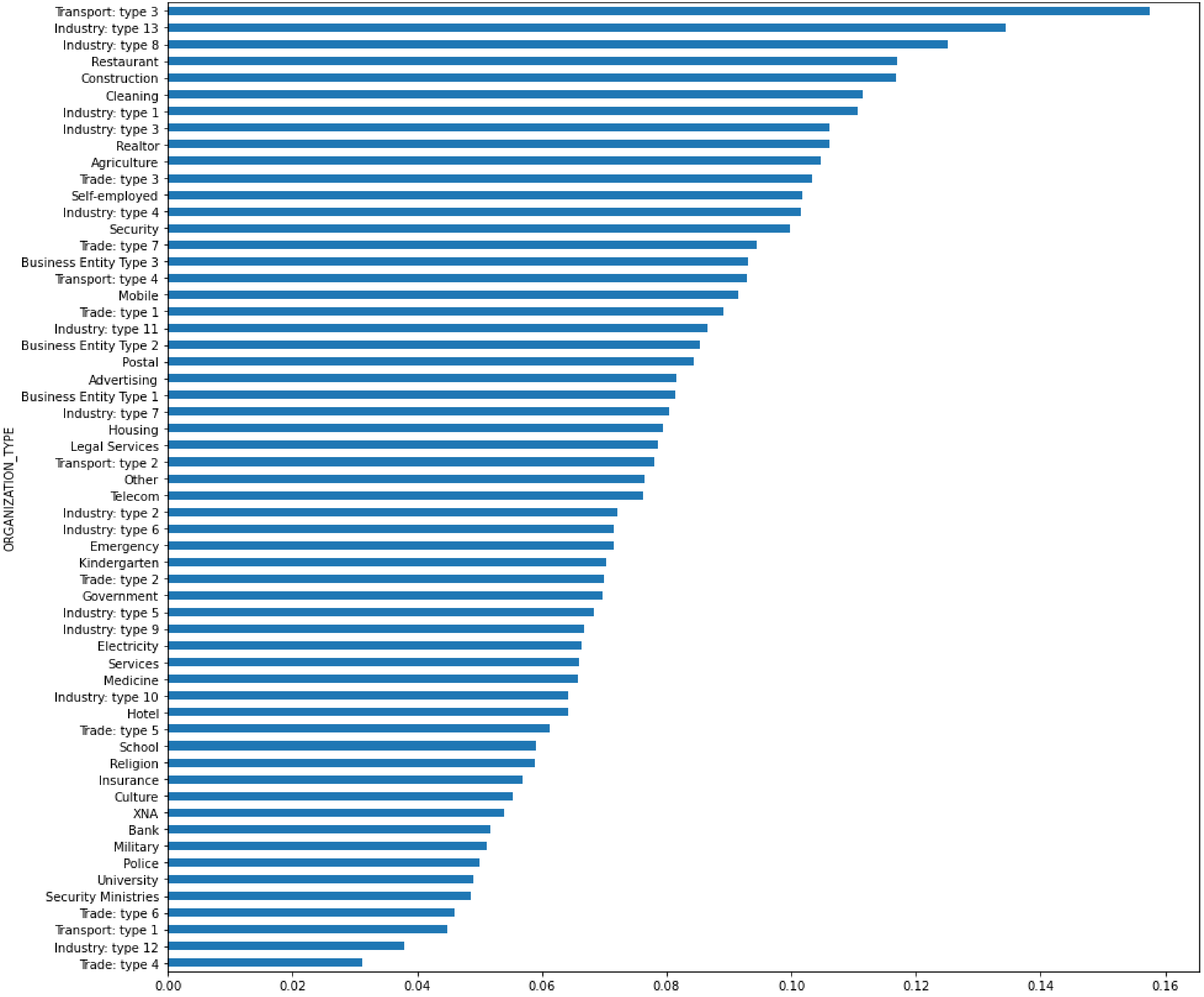
House Type vs Target

Applicants who live in rented property or with parents show high default rates. This can be speculated to higher monthly expenses in both of the above mentioned categories.



Occupation Type vs Target :

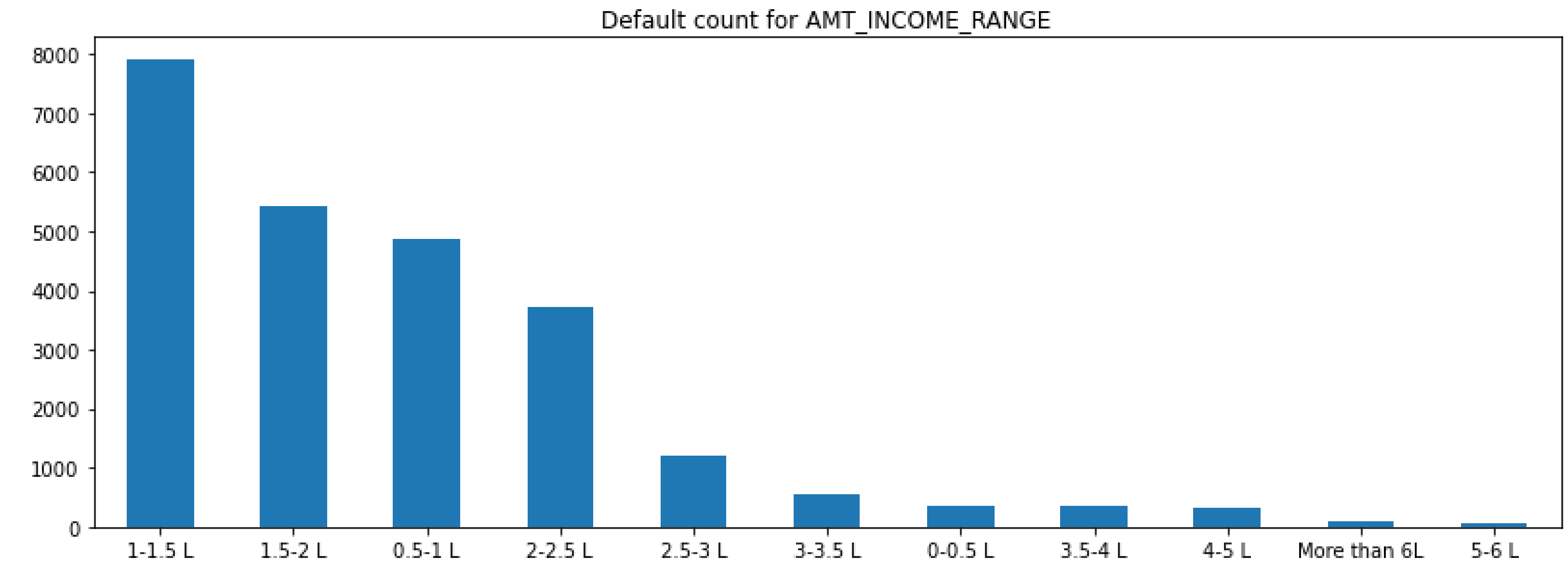
Low skilled labourers have significantly higher rates of default compared to other categories. In business sense, these type of applicants are more risky and suitable measures need to be taken.



Organization Type VS Target :

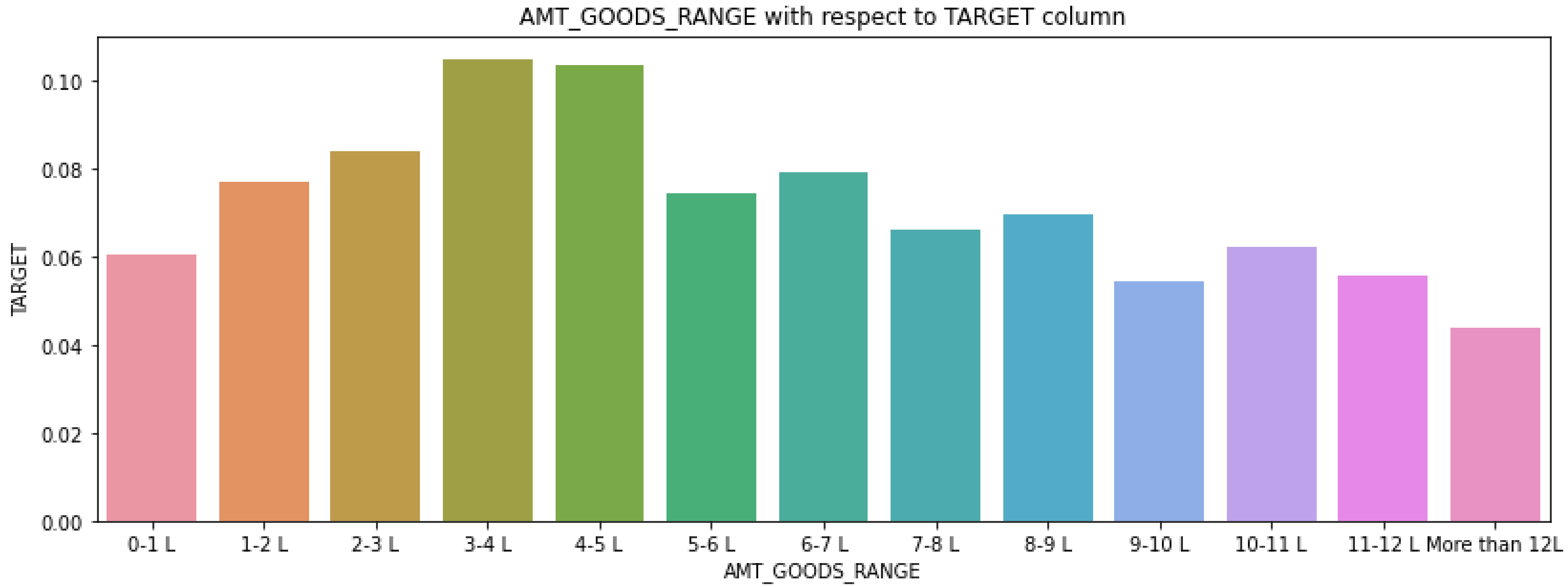
We can see that these organizations have more default rates.

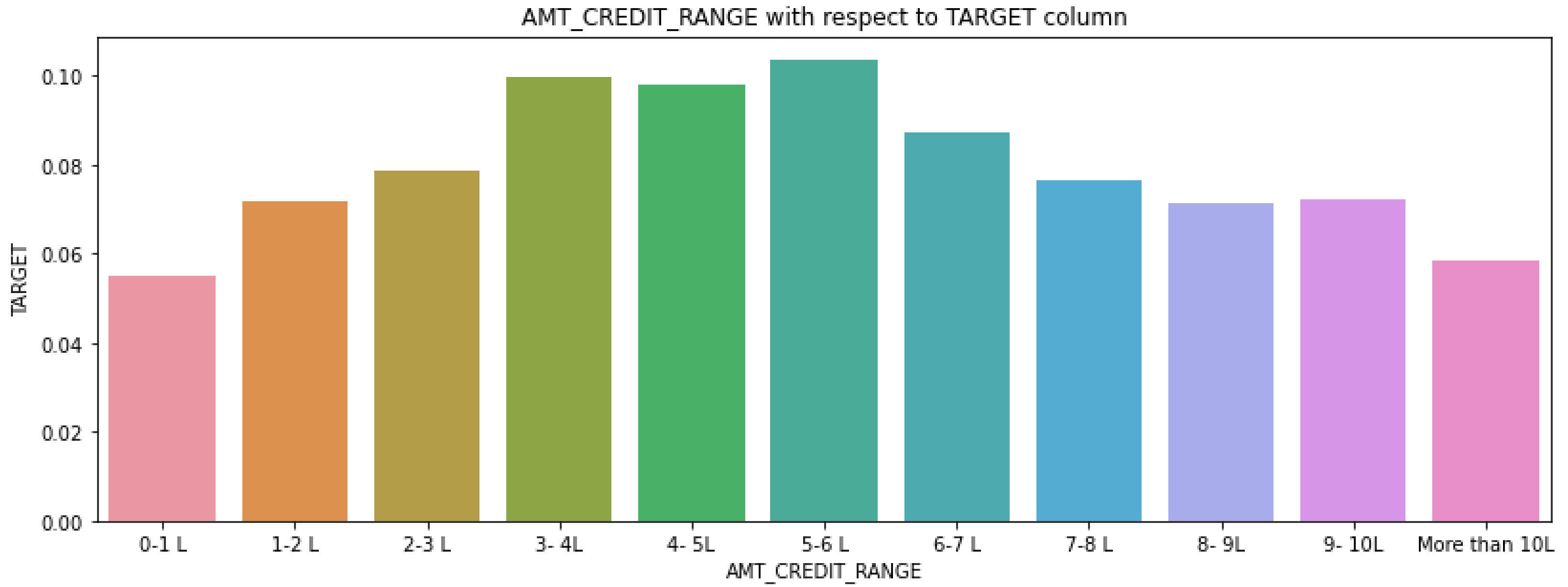
- **Transport type 3**,
- **Industry type 13**
- **Industry type 8**



Income vs Target :

- Most of the applicants have between 1-2L annual income. Highest default rates are also seen for the same customer segment.





Goods price, Credit vs Target :

- Goods priced in range 3-5 L have high default rates (DR).
- Whereas credit given in range 3-6 L has the highest DR.

Pivot Table :
Income vs Goods price with respect to target.

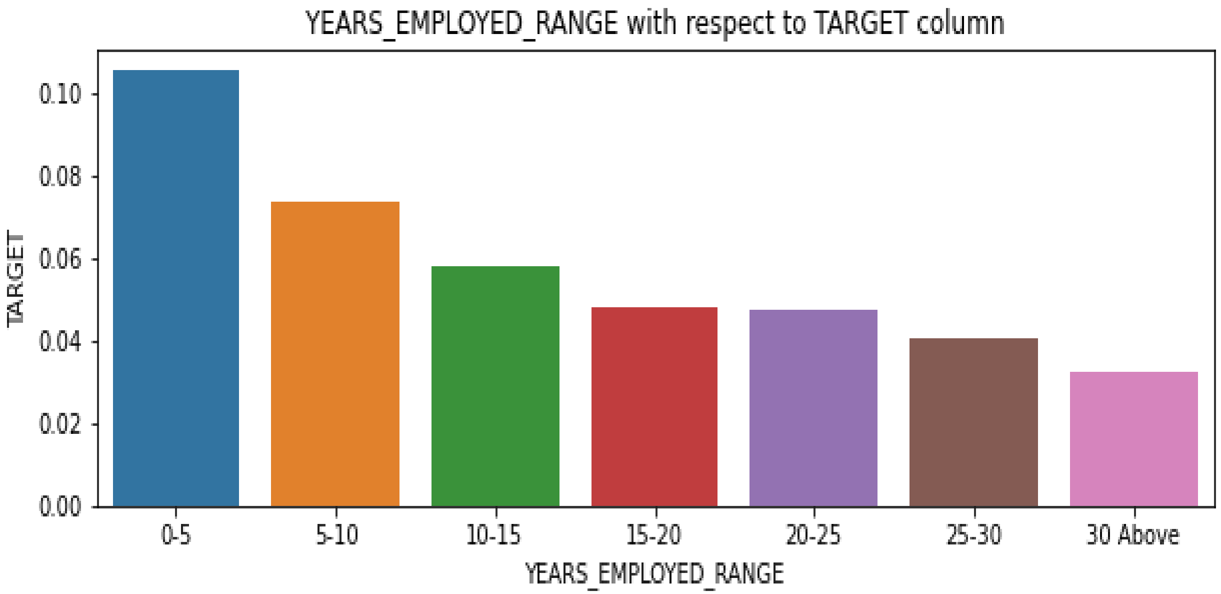
- A significant observation is availed over here. People having income range 0-1L applying for consumer goods above 10L have more than 30% chance of defaulting. These customers should be verified with caution.

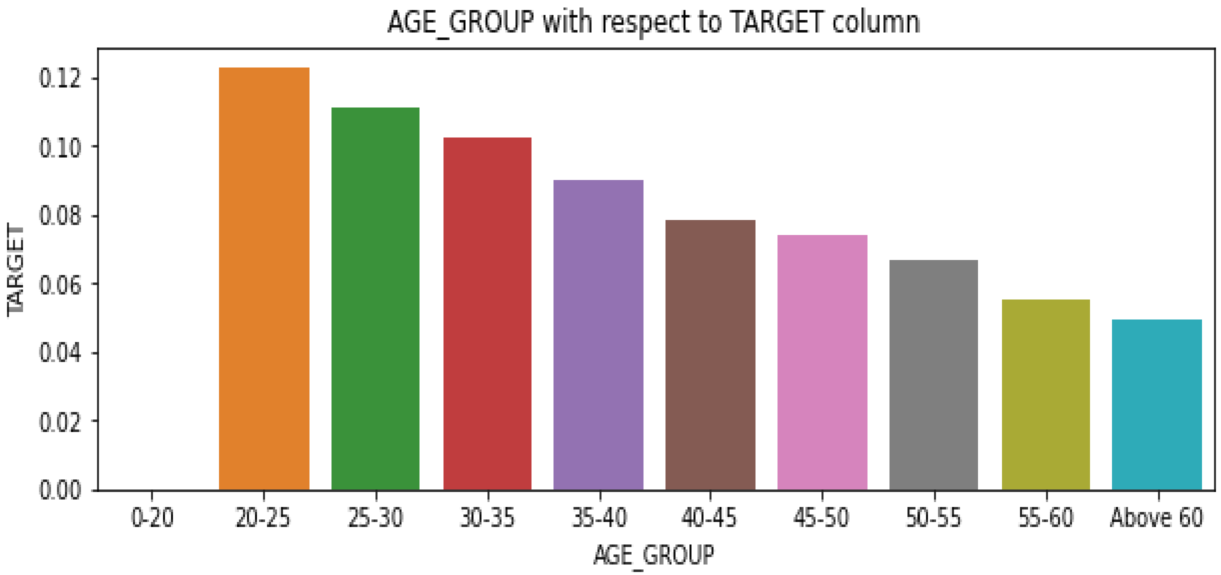
- Also we see that, applicants with income more than 6L tend to default on loans of less goods price range.

Pivot Table :
Credit range vs Income range on Target

- Similar story is observed when comparing Income vs credit. Generally people with high income easily get credit of low amount.

- But we see that these type of customers default more. Further investigation is needed in this matter.

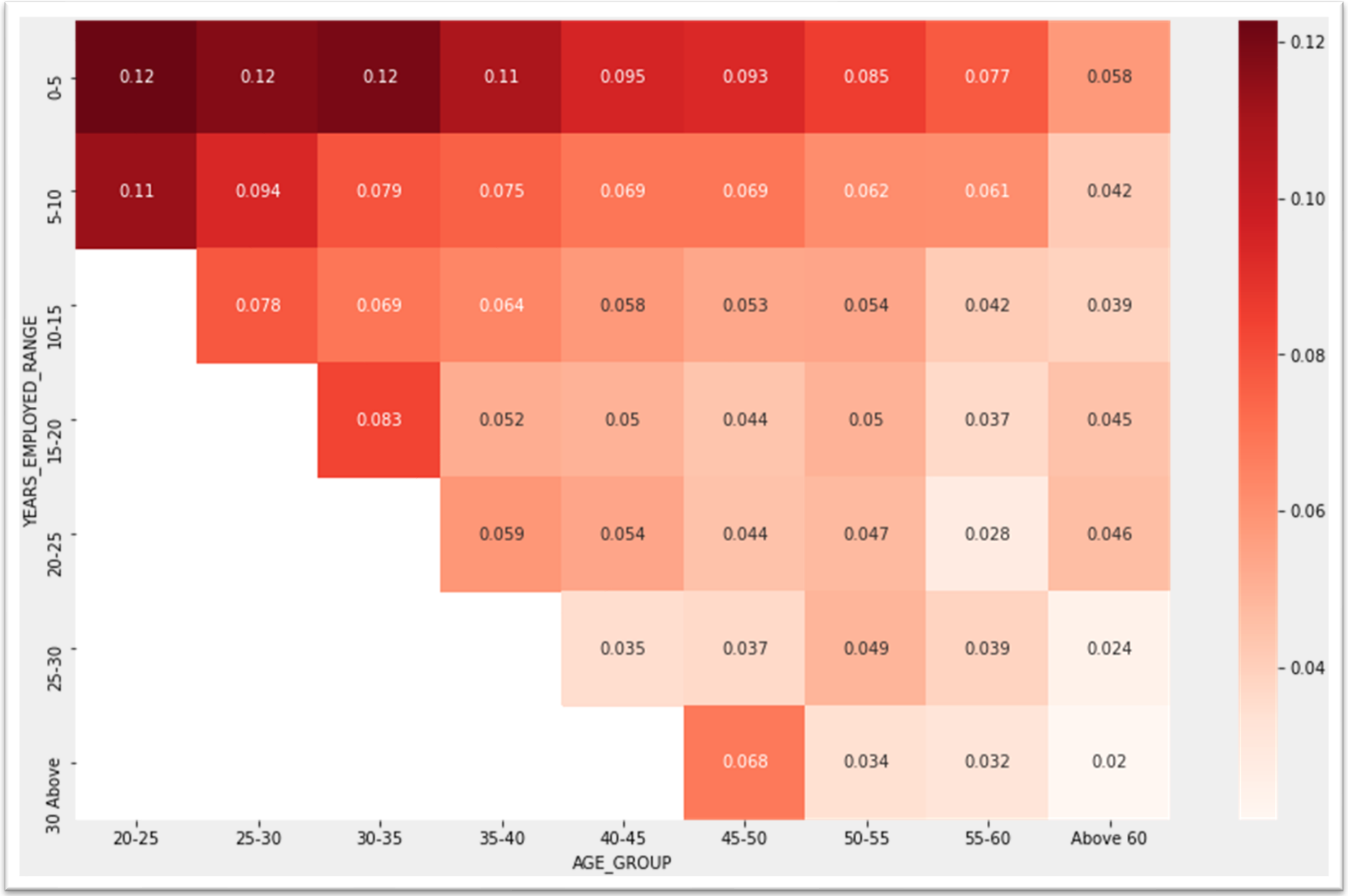




Years employed, Age group vs Target

- With an increase in an applicant's time in their current organisation, we observe reduction in the default rates.

- Younger age groups have higher default rates.



Pivot table : Age group vs Employment years on Target

- Young age groups with less experience in current employment are more prone to default on loans.

Pivot Table :
Income Type vs Income Range on Target.

- An important observation is that applicants on Maternity leave or unemployed, having income less than 1L have very high risk of default rates.