**PROJECT INSIGHTS**

**Project Overview:** The financial risk analysis project aims to identify and assess potential risks associated with credit card transactions and customer data.

**Risk Analysis Insights:**

* Default Risk: The delinquent rate is 6.06%, which indicates a moderate risk of default. This is a concern, as it may lead to losses for the credit card company.
* Credit Utilization Risk: The average credit utilization ratio is 74.21%, which indicates a high risk of credit utilization. This may lead to a higher risk of default and delinquency.
* Interest Rate Risk: The average interest rate is 18.5%, which is relatively high. This may lead to a higher risk of debt accumulation and default.
* Customer Concentration Risk: The top 3 states (TX, NY, and CA) contribute to 68% of overall transactions. This may lead to a concentration risk, as a significant portion of revenue is dependent on these states.
* Age and Income Distribution Risk: The age distribution is relatively skewed, with 44% of customers falling in the 20-30 age group. This may lead to a higher risk of default due to limited income and credit history. Similarly, the income distribution is also skewed, with 34% of customers earning less than $35,000. This may also lead to a higher risk of default.

**Recommendations:**

* Default Risk Mitigation: Implement more stringent credit checks and monitoring systems to identify potential defaults early on.
* Credit Utilization Management: Implement measures to reduce credit utilization ratios, such as offering balance transfer options or credit counseling services.
* Interest Rate Management: Review and adjust interest rates to ensure they are competitive and aligned with industry standards.
* Customer Concentration Management: Diversify revenue streams by targeting new customer segments and geographic regions.
* Age and Income Distribution Management: Offer targeted financial education and counseling services to customers in the 20-30 age group and those with lower incomes.

**Key Performance Indicators (KPIs):**

* Default Rate: Monitor the delinquent rate and implement measures to reduce it.
* Credit Utilization Ratio: Monitor the average credit utilization ratio and implement measures to reduce it.
* Interest Rate: Monitor the average interest rate and adjust it as needed.
* Customer Concentration: Monitor the geographic distribution of transactions and target new customer segments.
* Age and Income Distribution: Monitor the age and income distribution of customers and offer targeted financial education and counseling services.

By implementing these recommendations and monitoring KPIs, the credit card company can mitigate potential risks associated with credit card transactions and customer data.