Bank Loan Classification & Analysis

November 28, 2023

1 Bank Loan Classification & Analysis

1.0.1 Importing Libraries

```
[53]: import pandas as pd
      import seaborn as sns
      import matplotlib.pyplot as plt
      import numpy as np
      import statsmodels.api as smi
      import pylab
      from sklearn.preprocessing import MinMaxScaler
      from sklearn.model_selection import train_test_split
      from sklearn.linear_model import LogisticRegression
      from sklearn.ensemble import RandomForestClassifier
      from sklearn.tree import DecisionTreeClassifier
      from sklearn.svm import SVC
      from sklearn.neighbors import KNeighborsClassifier
      from sklearn.preprocessing import LabelEncoder
      from sklearn.metrics import accuracy_score
      from sklearn.metrics import mean_absolute_error, mean_squared_error, __
       →mean_squared_error
      from sklearn.metrics import classification_report
      from tabulate import tabulate
      from sklearn.metrics import confusion_matrix
      import warnings
      from sklearn.feature_selection import f_regression
      warnings.simplefilter('ignore')
```

1.0.2 Data Preprocesing

```
[54]: df = pd.read_csv(r'C:/Users/PC/Desktop/ML/Data/bankloan.csv') df.head(5)
```

```
[54]:
            Age Experience
                              Income
                                      ZIP.Code Family CCAvg Education Mortgage
                                                           1.6
      0
              25
                                  49
                                         91107
                                                                                  0
      1
              45
                          19
                                  34
                                         90089
                                                      3
                                                           1.5
                                                                                  0
      2
          3
              39
                          15
                                  11
                                         94720
                                                     1
                                                           1.0
                                                                                  0
              35
                                 100
                                         94112
                                                           2.7
                                                                                  0
```

4	5	35	8	45	91	330	4	1.0	2	0
	Pers	sonal.Loan	Securiti	es.Acco	unt	CD.Accou	nt	Online	CreditCard	
0		0			1		0	0	0	
1		0			1		0	0	0	
2		0			0		0	0	0	
3		0			0		0	0	0	
4		0			0		0	0	1	

[55]: df.info()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 5000 entries, 0 to 4999
Data columns (total 14 columns):

#	Column	Non-Null Count	Dtype
0	ID	5000 non-null	int64
1	Age	5000 non-null	int64
2	Experience	5000 non-null	int64
3	Income	5000 non-null	int64
4	ZIP.Code	5000 non-null	int64
5	Family	5000 non-null	int64
6	CCAvg	5000 non-null	float64
7	Education	5000 non-null	int64
8	Mortgage	5000 non-null	int64
9	Personal.Loan	5000 non-null	int64
10	Securities.Account	5000 non-null	int64
11	CD.Account	5000 non-null	int64
12	Online	5000 non-null	int64
13	CreditCard	5000 non-null	int64

dtypes: float64(1), int64(13)

memory usage: 547.0 KB

[56]: df.describe()

[56]:		ID	Age	Experience	Income	ZIP.Code	\
C	ount	5000.000000	5000.000000	5000.000000	5000.000000	5000.000000	
me	ean	2500.500000	45.338400	20.104600	73.774200	93152.503000	
si	td	1443.520003	11.463166	11.467954	46.033729	2121.852197	
m	in	1.000000	23.000000	-3.000000	8.000000	9307.000000	
2!	5%	1250.750000	35.000000	10.000000	39.000000	91911.000000	
50	0%	2500.500000	45.000000	20.000000	64.000000	93437.000000	
7!	5%	3750.250000	55.000000	30.000000	98.000000	94608.000000	
ma	ax	5000.000000	67.000000	43.000000	224.000000	96651.000000	
		Family	CCAvg	Education	Mortgage	Personal.Loan	\
C	ount	5000.000000	5000.000000	5000.000000	5000.000000	5000.000000	
me	ean	2.396400	1.937938	1.881000	56.498800	0.096000	

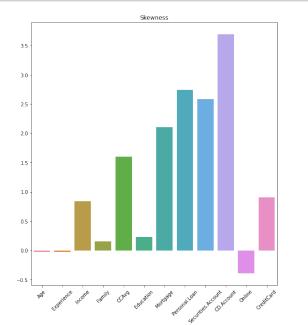
	std	1.147663	1.7	47659	0.	839869	101.	713802	0.294621	
	min	1.000000	0.0	00000	1.	000000	0.	000000	0.000000	
	25%	1.000000	0.7	00000	1.	000000	0.	000000	0.000000	
	50%	2.000000	1.5	00000	2.	000000	0.	000000	0.000000	
	75%	3.000000	2.5	00000	3.	000000	101.	000000	0.000000	
	max	4.000000	10.0	00000	3.	000000	635.	000000	1.000000	
	Sec	urities.A	ccount	CD.Acco	unt	(Online	CreditCard		
	count	5000.	000000	5000.00	000	5000.0	000000	5000.000000		
	mean	0.	104400	0.06	040	0.	596800	0.294000		
	std	0.	305809	0.23	825	0.4	490589	0.455637		
	min	0.	000000	0.00	000	0.0	000000	0.000000		
	25%	0.	000000	0.00	000	0.0	000000	0.000000		
	50%	0.	000000	0.00	000	1.0	000000	0.000000		
	75%	0.	000000	0.00	000	1.0	000000	1.000000		
	max	1.	000000	1.00	000	1.0	000000	1.000000		
[57]:	<pre>df.mean()</pre>									
[57]:	ID		250	0.500000						
[07].	Age			5.338400						
	Experience			0.104600						
	Income			3.774200						
	ZIP.Code			2.503000						
	Family			2.396400						
	CCAvg			1.937938						
	Education			1.881000						
	Mortgage			6.498800						
	Personal.L	oan		0.096000						
	Securities			0.104400						
	CD. Account	. ACCOUNT		0.060400						
	Online			0.596800						
	CreditCard			0.294000						
	dtype: floa			0.234000	•					
	dtype. 110	a004								
[58]:	df.skew()									
[58]:	ID		0.0	00000						
2003	Age			29341						
	Experience			26325						
	Income			41339						
	ZIP.Code			00221						
	Family			55221						
	CCAvg			98443						
	Education			27093						
	Mortgage			04002						
	Porganal I			0 1 002						

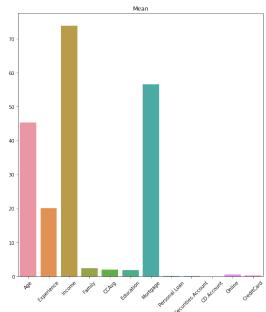
2.743607

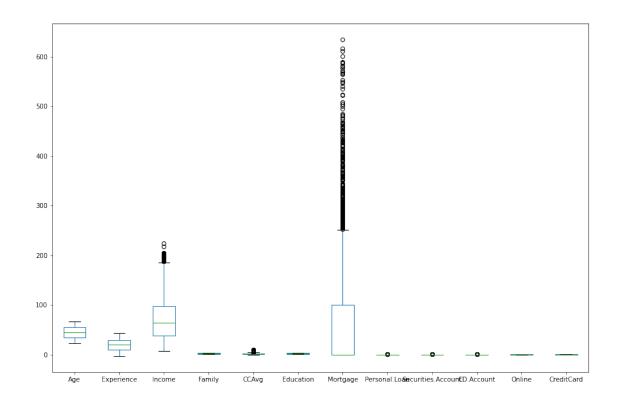
Personal.Loan

```
Securities.Account
                             2.588268
      CD.Account
                             3.691714
      Online
                            -0.394785
      CreditCard
                             0.904589
      dtype: float64
[59]: df.isnull().sum()
[59]: ID
                            0
                            0
      Age
     Experience
                            0
      Income
                            0
      ZIP.Code
                            0
     Family
                            0
      CCAvg
                            0
     Education
                            0
                            0
     Mortgage
      Personal.Loan
      Securities.Account
                            0
      CD.Account
                            0
      Online
                            0
      CreditCard
                            0
      dtype: int64
[60]: df.columns
[60]: Index(['ID', 'Age', 'Experience', 'Income', 'ZIP.Code', 'Family', 'CCAvg',
             'Education', 'Mortgage', 'Personal.Loan', 'Securities.Account',
             'CD.Account', 'Online', 'CreditCard'],
            dtype='object')
[61]: df.shape
[61]: (5000, 14)
[62]: df = df.drop(['ID','ZIP.Code'],axis=1)
     1.0.3 Exploratory Data Analysis
[63]: skewness values = df.skew()
      mean_values = df.mean()
      fig, ax = plt.subplots(1, 2, figsize=(20, 10))
      sns.barplot(x=skewness_values.index, y=skewness_values.values, ax=ax[0])
      ax[0].set_title('Skewness')
      ax[0].tick_params(axis='x', rotation=45)
```

```
sns.barplot(x=mean_values.index, y=mean_values.values, ax=ax[1])
ax[1].set_title('Mean')
ax[1].tick_params(axis='x', rotation=45)
plt.show()
```







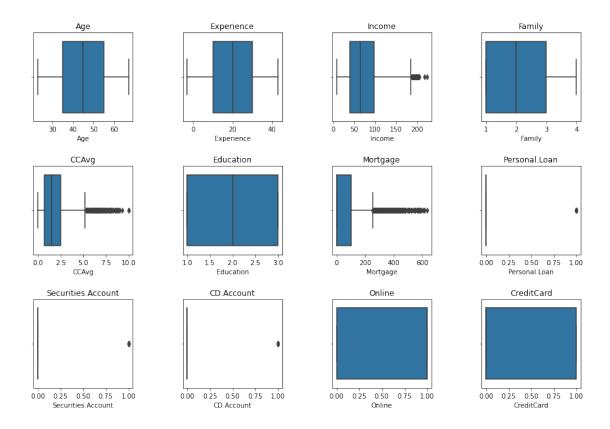
```
[65]: columnas_por_fila = 4

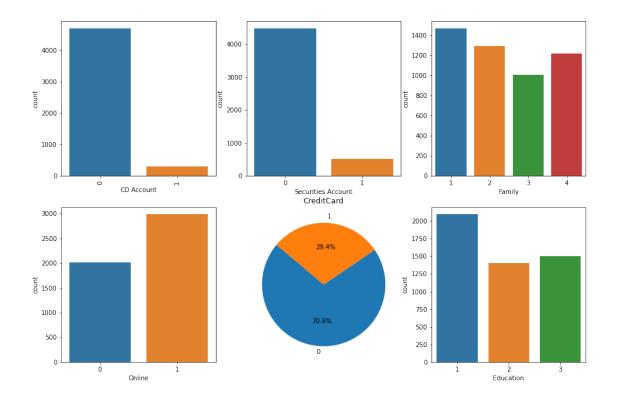
num_columnas = len(df.describe().columns)
num_filas = -(-num_columnas // columnas_por_fila)

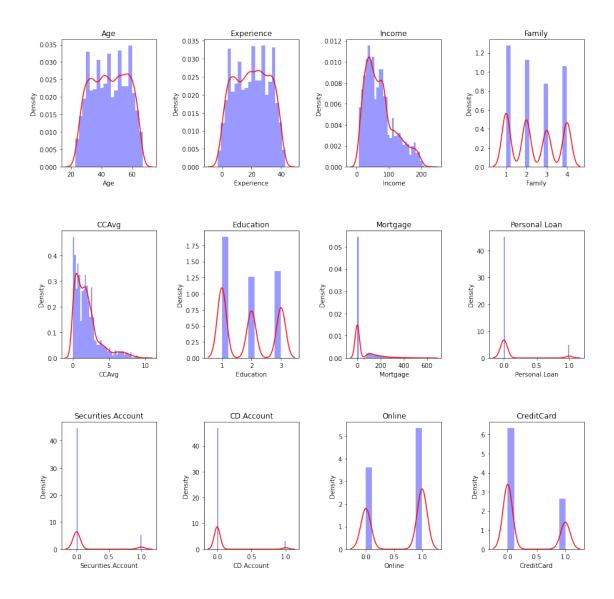
fig, ax = plt.subplots(num_filas, columnas_por_fila, figsize=(15, 10))

plt.subplots_adjust(wspace=0.5, hspace=0.5)
for i, columna in enumerate(df.describe().columns):
    fila_actual = i // columnas_por_fila
    columna_actual = i % columnas_por_fila

    sns.boxplot(df[columna], ax=ax[fila_actual, columna_actual])
    ax[fila_actual, columna_actual].set_title(columna)
plt.show()
```







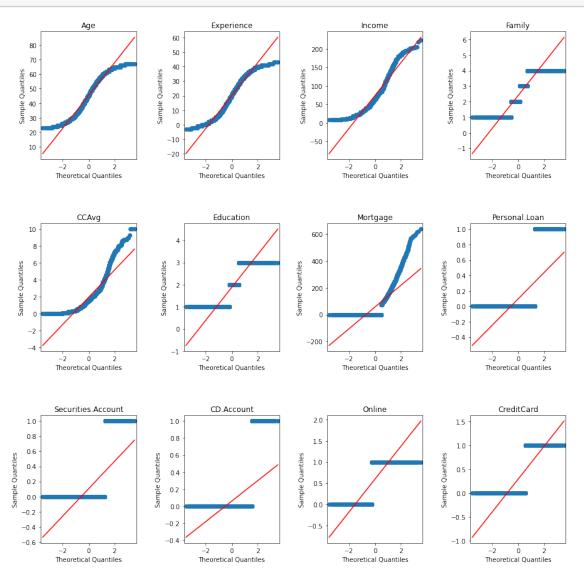
```
[68]: columnas_por_fila = 4

num_columnas = len(df.describe().columns)
num_filas = -(-num_columnas // columnas_por_fila)

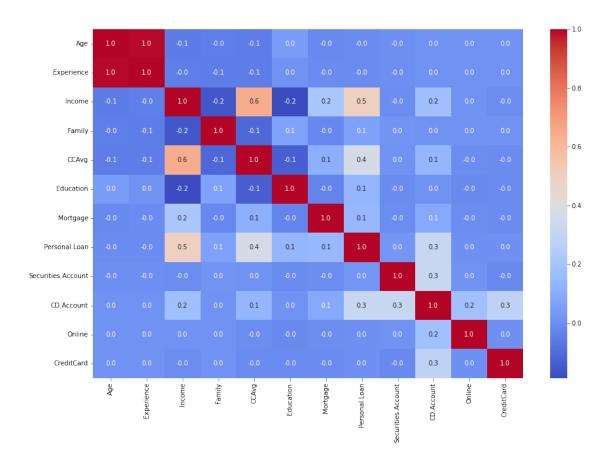
fig, ax = plt.subplots(num_filas, columnas_por_fila, figsize=(15, 15))

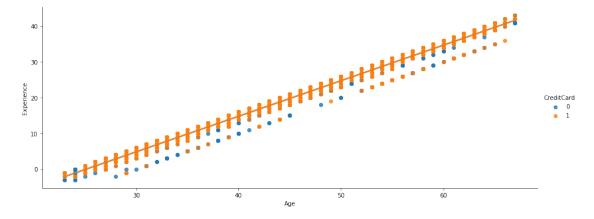
plt.subplots_adjust(wspace=0.5, hspace=0.5)
for i, columna in enumerate(df.describe().columns):
    fila_actual = i // columnas_por_fila
    columna_actual = i % columnas_por_fila
    smi.qqplot(df[columna], ax=ax[fila_actual, columna_actual],line="r")
```

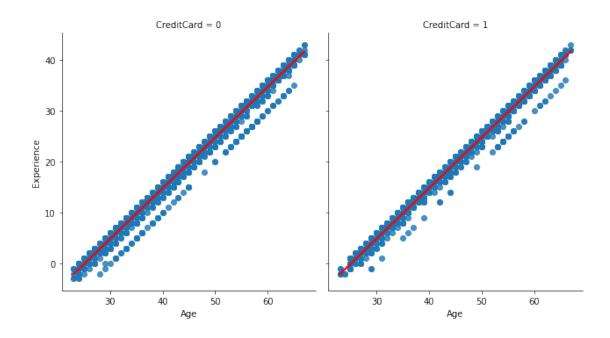
ax[fila_actual, columna_actual].set_title(columna) plt.show()



```
[69]: plt.figure(figsize=(15, 10))
sns.heatmap(df.corr(), annot = True, fmt = '.1f', cmap = 'coolwarm')
plt.show()
```

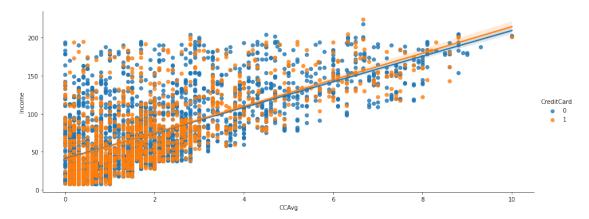


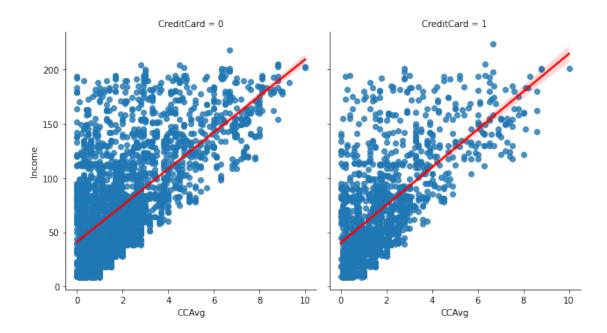


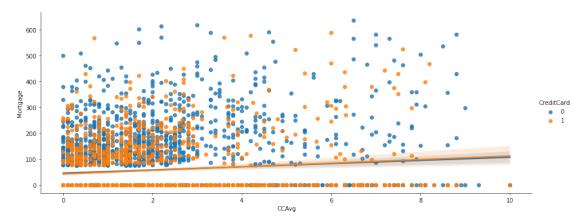


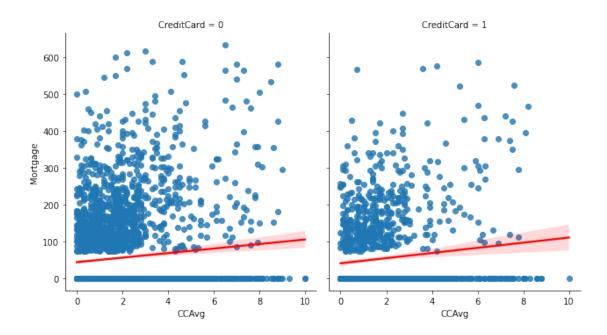
```
[71]: sns.lmplot(data=df, x='CCAvg', y='Income', hue = 'CreditCard', aspect=2.5)
sns.lmplot(data=df, x='CCAvg', y='Income', col ='CreditCard', aspect=0.9, use time_kws={'color': 'red'})

plt.show()
```





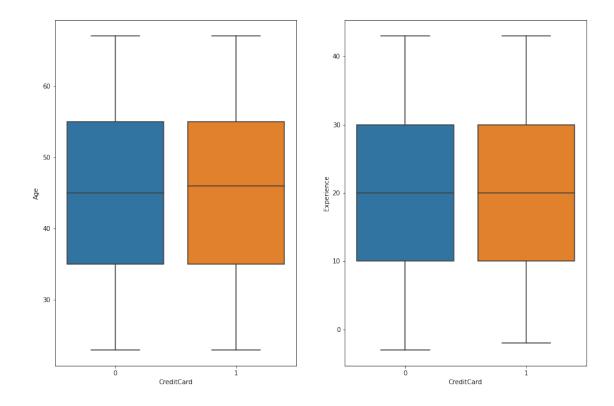




```
[73]: fig, ax = plt.subplots(1, 2, figsize=(15, 10))

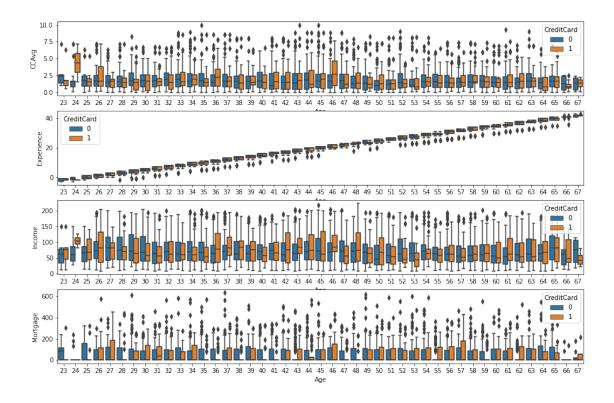
sns.boxplot(data = df, x = 'CreditCard', y='Age',ax=ax[0])
sns.boxplot(data = df, x = 'CreditCard', y='Experience',ax=ax[1])

plt.show()
```

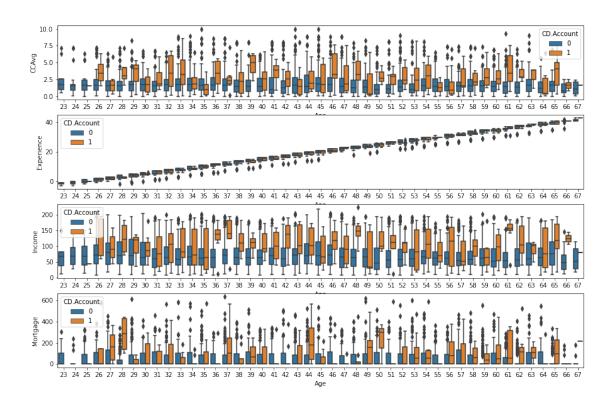


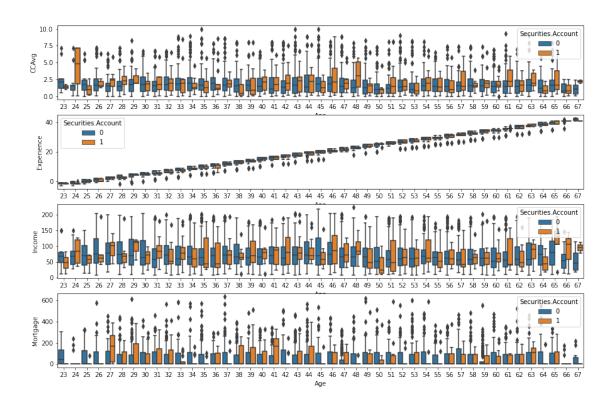
```
[74]: fig, ax = plt.subplots(4, 1, figsize=(15, 10))

sns.boxplot(data = df, x = 'Age', y= 'CCAvg', hue = 'CreditCard', ax=ax[0])
sns.boxplot(data = df, x = 'Age', y= 'Experience', hue = 'CreditCard', ax=ax[1])
sns.boxplot(data = df, x = 'Age', y= 'Income', hue = 'CreditCard', ax=ax[2])
sns.boxplot(data = df, x = 'Age', y= 'Mortgage', hue = 'CreditCard', ax=ax[3])
plt.show()
```

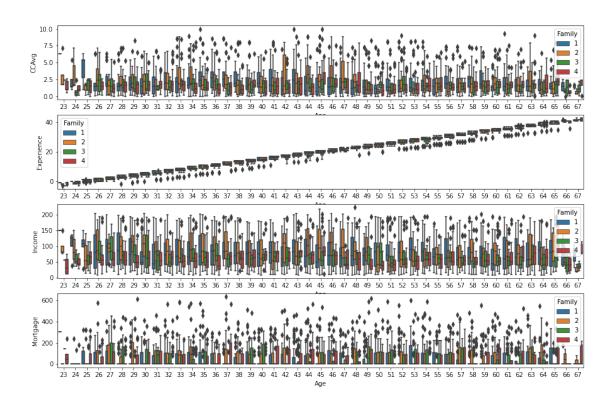


```
[75]: fig, ax = plt.subplots(4, 1, figsize=(15, 10))
sns.boxplot(data = df, x = 'Age', y= 'CCAvg', hue = 'CD.Account', ax=ax[0])
sns.boxplot(data = df, x = 'Age', y= 'Experience', hue = 'CD.Account', ax=ax[1])
sns.boxplot(data = df, x = 'Age', y= 'Income', hue = 'CD.Account', ax=ax[2])
sns.boxplot(data = df, x = 'Age', y= 'Mortgage', hue = 'CD.Account', ax=ax[3])
plt.show()
```

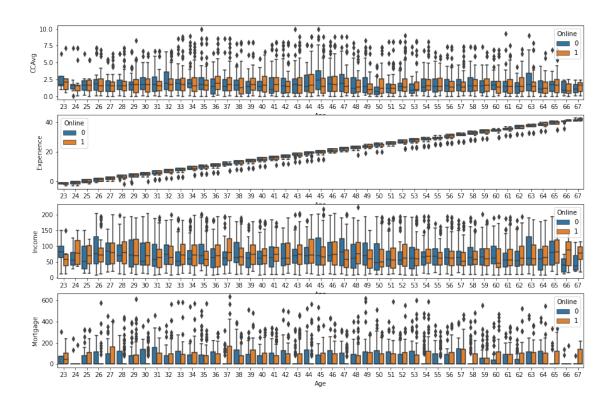




```
fig, ax = plt.subplots(4, 1, figsize=(15, 10))
sns.boxplot(data = df, x = 'Age', y= 'CCAvg', hue = 'Family', ax=ax[0])
sns.boxplot(data = df, x = 'Age', y= 'Experience', hue = 'Family', ax=ax[1])
sns.boxplot(data = df, x = 'Age', y= 'Income', hue = 'Family', ax=ax[2])
sns.boxplot(data = df, x = 'Age', y= 'Mortgage', hue = 'Family', ax=ax[3])
plt.show()
```

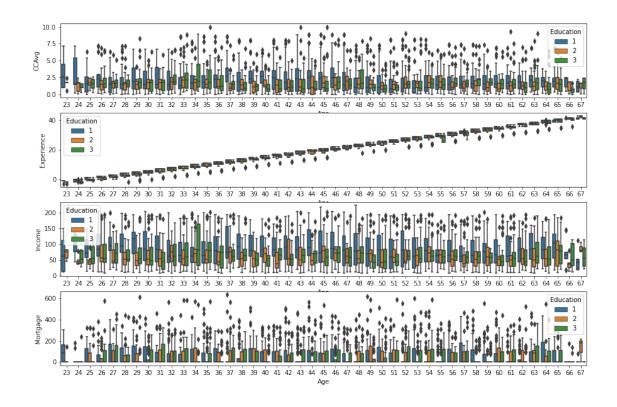


```
[78]: fig, ax = plt.subplots(4, 1, figsize=(15, 10))
sns.boxplot(data = df, x = 'Age', y= 'CCAvg', hue = 'Online', ax=ax[0])
sns.boxplot(data = df, x = 'Age', y= 'Experience', hue = 'Online', ax=ax[1])
sns.boxplot(data = df, x = 'Age', y= 'Income', hue = 'Online', ax=ax[2])
sns.boxplot(data = df, x = 'Age', y= 'Mortgage', hue = 'Online', ax=ax[3])
plt.show()
```

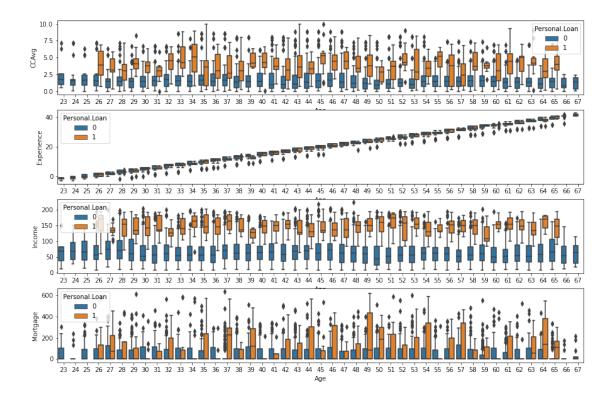


```
[79]: fig, ax = plt.subplots(4, 1, figsize=(15, 10))

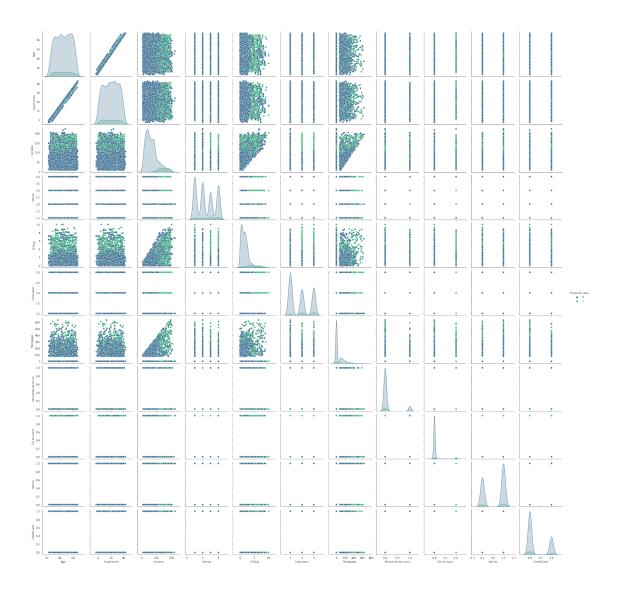
sns.boxplot(data = df, x = 'Age', y= 'CCAvg', hue = 'Education', ax=ax[0])
sns.boxplot(data = df, x = 'Age', y= 'Experience', hue = 'Education', ax=ax[1])
sns.boxplot(data = df, x = 'Age', y= 'Income', hue = 'Education', ax=ax[2])
sns.boxplot(data = df, x = 'Age', y= 'Mortgage', hue = 'Education', ax=ax[3])
plt.show()
```



```
[80]: fig, ax = plt.subplots(4, 1, figsize=(15, 10))
sns.boxplot(data = df, x = 'Age', y= 'CCAvg', hue = 'Personal.Loan', ax=ax[0])
sns.boxplot(data = df, x = 'Age', y= 'Experience', hue = 'Personal.Loan', ax=ax[1])
sns.boxplot(data = df, x = 'Age', y= 'Income', hue = 'Personal.Loan', ax=ax[2])
sns.boxplot(data = df, x = 'Age', y= 'Mortgage', hue = 'Personal.Loan', ax=ax[3])
plt.show()
```



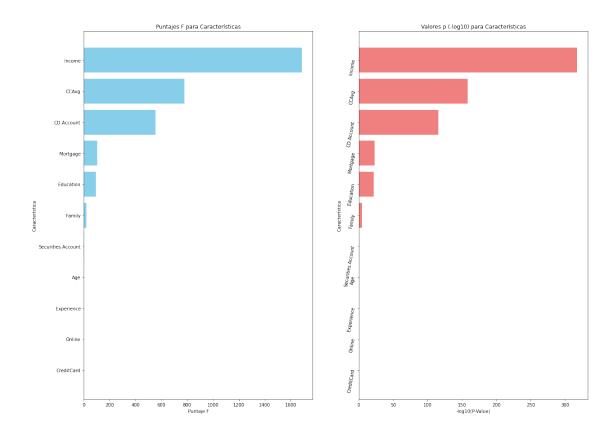
```
[81]: sns.pairplot(df, hue='Personal.Loan', palette = 'viridis')
plt.show()
```



1.0.4 Select Best Features

```
[82]: Feature F_Score P_Value
2 Income 1688.004580 3.560291e-318
```

```
4
                      CCAvg
                              777.413007 3.830266e-159
      8
                 CD.Account
                              555.829340 1.278403e-116
      6
                   Mortgage
                              102.994466
                                          5.730342e-24
      5
                  Education
                              95.206194
                                           2.709663e-22
      3
                     Family
                              18.893189
                                           1.409904e-05
      7
         Securities.Account
                                2.410062
                                           1.206209e-01
      0
                                0.298324
                                           5.849593e-01
                         Age
      1
                 Experience
                                0.274675
                                           6.002359e-01
      9
                      Online
                                0.196984
                                           6.571858e-01
      10
                 CreditCard
                                0.039227
                                           8.430079e-01
[83]: fig, ax = plt.subplots(1, 2, figsize=(20, 15))
      ax[0].barh(feature_scores_df['Feature'], feature_scores_df['F_Score'],
      ⇔color='skyblue')
      ax[0].set_xlabel('Puntaje F')
      ax[0].set_ylabel('Característica')
      ax[0].set_title('Puntajes F para Características')
      ax[1].barh(feature_scores_df['Feature'], -np.
       →log10(feature_scores_df['P_Value']), color='lightcoral')
      ax[1].set_xlabel('-log10(P-Value)')
      ax[1].set_ylabel('Característica')
      ax[1].set_title('Valores p (-log10) para Características')
      ax[0].invert_yaxis()
      ax[1].invert_yaxis()
      plt.yticks(rotation=80)
      plt.show()
```



```
[84]: cols = feature_scores_df[feature_scores_df['F_Score']>=1].Feature.to_list()
```

1.0.5 Modeling and Evaluation

```
[85]: X_M = df[cols]
Y_M = df['Personal.Loan']
scaler = MinMaxScaler()
x = scaler.fit_transform(X_M)
```

1.0.6 Train Test Split

```
[86]: X_train, X_test, y_train, y_test = train_test_split(x, Y_M, test_size=0.3, □ →random_state=42)
```

1.0.7 Logistic Regression

```
[87]: logistic_model = LogisticRegression(random_state=42)
logistic_model.fit(X_train, y_train)
logistic_model.score(X_train, y_train)
model_pred_L = logistic_model.predict(X_test)

print(classification_report(y_test, model_pred_L))
```

```
print("accuracy: ",accuracy_score(y_test, model_pred_L))
print("mean_absolute_error: ",mean_absolute_error(y_test, model_pred_L))
print("mean_squared_error: ",mean_squared_error(y_test, model_pred_L))
```

	precision	recall	f1-score	support
0 1	0.95 0.89	0.99 0.55	0.97 0.68	1343 157
accuracy macro avg weighted avg	0.92 0.94	0.77 0.95	0.95 0.82 0.94	1500 1500 1500

accuracy: 0.9453333333333333

1.0.8 Random Forest Classifier

```
[88]: random_forest_model = RandomForestClassifier(random_state=42)
    random_forest_model.fit(X_train, y_train)
    random_forest_model.score(X_train, y_train)
    model_pred_R = random_forest_model.predict(X_test)

print(classification_report(y_test, model_pred_R))
    print("accuracy: ",accuracy_score(y_test, model_pred_R))
    print("mean_absolute_error: ",mean_absolute_error(y_test, model_pred_R))
    print("mean_squared_error: ",mean_squared_error(y_test, model_pred_R))
```

support	f1-score	recall	precision	
1343	0.99	1.00	0.99	0
157	0.94	0.90	0.98	1
1500	0.99			accuracy
1500	0.97	0.95	0.98	macro avg weighted avg
1500	0.99	0.99	0.99	

accuracy: 0.988

mean_absolute_error: 0.012 mean_squared_error: 0.012

1.0.9 Decision Tree

```
[89]: decision_tree_model = DecisionTreeClassifier(random_state=42)
    decision_tree_model.fit(X_train, y_train)
    decision_tree_model.score(X_train, y_train)
    model_pred_T = decision_tree_model.predict(X_test)
```

```
print(classification_report(y_test, model_pred_T))
print("accuracy: ",accuracy_score(y_test, model_pred_T))
print("mean_absolute_error: ",mean_absolute_error(y_test, model_pred_T))
print("mean_squared_error: ",mean_squared_error(y_test, model_pred_T))
```

	precision	recall	f1-score	support
0	0.99	0.99	0.99	1343
1	0.91	0.90	0.91	157
accuracy			0.98	1500
macro avg	0.95	0.95	0.95	1500
weighted avg	0.98	0.98	0.98	1500

accuracy: 0.9806666666666667

1.0.10 SVC

```
[90]: model_SVC = SVC(kernel = 'rbf' ,random_state = 42)
model_SVC.fit(X_train, y_train)
model_SVC.score(X_train, y_train)
model_SVC_Pred = model_SVC.predict(X_test)

print(classification_report(y_test, model_SVC_Pred))
print("accuracy: ",accuracy_score(y_test, model_SVC_Pred))
print("mean_absolute_error: ",mean_absolute_error(y_test, model_SVC_Pred))
print("mean_squared_error: ",mean_squared_error(y_test, model_SVC_Pred))
```

	precision	recall	f1-score	support
0	0.98	1.00	0.99	1343 157
1	0.90	0.02	0.09	137
accuracy			0.98	1500
macro avg	0.98	0.91	0.94	1500
weighted avg	0.98	0.98	0.98	1500

accuracy: 0.9793333333333333

1.0.11 KNeighborsClassifier

```
[91]: model_NEG = KNeighborsClassifier(n_neighbors=5)
    model_NEG.fit(X_train, y_train)
    model_NEG.score(X_train, y_train)
    model_NEG_Pred = model_NEG.predict(X_test)

print(classification_report(y_test, model_NEG_Pred))
    print("accuracy: ",accuracy_score(y_test, model_NEG_Pred))
    print("mean_absolute_error: ",mean_absolute_error(y_test, model_NEG_Pred))
    print("mean_squared_error: ",mean_squared_error(y_test, model_NEG_Pred))
```

	precision	recall	Il-score	support
0	0.97	1.00	0.98	1343
1	0.96	0.76	0.85	157
accuracy			0.97	1500
macro avg	0.97	0.88	0.92	1500
weighted avg	0.97	0.97	0.97	1500

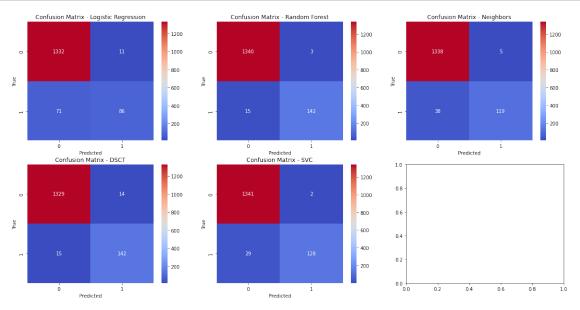
accuracy: 0.97133333333333334

```
[92]: RLOG = confusion_matrix(y_test, model_pred_L)
      RMFC = confusion_matrix(y_test, model_pred_R)
      DSCT = confusion_matrix(y_test, model_pred_T)
      SVC_ = confusion_matrix(y_test, model_SVC_Pred)
      NEG = confusion_matrix(y_test, model_NEG_Pred)
      fig, axes = plt.subplots(2, 3, figsize=(20, 10))
      sns.heatmap(RLOG, annot=True, cmap='coolwarm', fmt='g', ax=axes[0,0])
      axes[0,0].set_title('Confusion Matrix - Logistic Regression')
      axes[0,0].set_xlabel('Predicted')
      axes[0,0].set_ylabel('True')
      sns.heatmap(RMFC, annot=True, cmap='coolwarm', fmt='g', ax=axes[0,1])
      axes[0,1].set_title('Confusion Matrix - Random Forest')
      axes[0,1].set_xlabel('Predicted')
      axes[0,1].set_ylabel('True')
      sns.heatmap(DSCT, annot=True, cmap='coolwarm', fmt='g', ax=axes[1,0])
      axes[1,0].set_title('Confusion Matrix - DSCT')
      axes[1,0].set xlabel('Predicted')
      axes[1,0].set_ylabel('True')
```

```
sns.heatmap(SVC_, annot=True, cmap='coolwarm', fmt='g', ax=axes[1,1])
axes[1,1].set_title('Confusion Matrix - SVC')
axes[1,1].set_xlabel('Predicted')
axes[1,1].set_ylabel('True')

sns.heatmap(NEG, annot=True, cmap='coolwarm', fmt='g', ax=axes[0,2])
axes[0,2].set_title('Confusion Matrix - Neighbors')
axes[0,2].set_xlabel('Predicted')
axes[0,2].set_ylabel('True')

plt.show()
```



```
[93]: fig, ax = plt.subplots(1, 5, figsize=(20, 6))

sns.distplot(y_test, label='Real', ax=ax[0], color = 'Green')
sns.distplot(model_pred_L, label='Predicted', ax=ax[0], color = 'red')

sns.distplot(y_test, label='Real', ax=ax[1], color = 'Green')
sns.distplot(model_pred_R, label='Predicted', ax=ax[1], color = 'red')

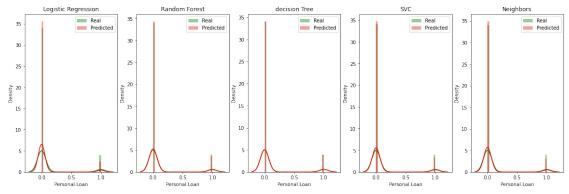
sns.distplot(y_test, label='Real', ax=ax[2], color = 'Green')
sns.distplot(model_pred_T, label='Predicted', ax=ax[2], color = 'red')

sns.distplot(y_test, label='Real', ax=ax[3], color = 'Green')
sns.distplot(model_SVC_Pred, label='Predicted', ax=ax[3], color = 'red')

sns.distplot(y_test, label='Real', ax=ax[4], color = 'Green')
sns.distplot(model_NEG_Pred, label='Predicted', ax=ax[4], color = 'red')
```

```
ax[0].set_title('Logistic Regression')
ax[1].set_title('Random Forest')
ax[2].set_title('decision Tree')
ax[3].set_title('SVC')
ax[4].set_title('Neighbors')

ax[0].legend()
ax[1].legend()
ax[2].legend()
ax[3].legend()
ax[4].legend()
plt.show()
```



[]: # End