

What is meant by financial crime - loan defaulter?

- If any user is not able to pay the loan, then it falls under loan defaulter which is one of the financial crimes as per most of the state's rule.
- A default can occur when a borrower is unable to make timely payments, misses payments, or avoids or stops making payments.



- 1. If the applicant is likely to repay the loan, then not approving the loan results in a loss of business to the bank**
- 2. If the applicant is not likely to repay the loan, then approving the loan may lead to a financial loss for the bank.**
- 3. So our aim is to provide insightful dashboards for the bank about what characteristics are often associated with loan defaulters.**
- 4. This will ensure that future loan decisions of the bank are made more logically and reduce possible defaults!**

These covers

- **Business overview, Extracting data, Data cleaning, and transformations:**
- **Extracting data in the form of CSV files.**
- **Exploring and understanding the dataset.**
- **Removed columns with more than 40% of missing values.**
- **Transforming negative values into positive values.**
- **Transforming columns that has duration as days to duration in years.**

Loan information insights

- The percentage of defaulters in Cash loans is higher than that of Revolving loans.
- The number of defaulters in loan applications formed 25K defaulters of 308K total applications.
- Total Applications is 308k.
- Number of non-defaulters formed 283K of 308k total applications.
- Only 8.07% were defaulters.
- Females submit more loan applications than males.
- 2016 witnessed highest number of loan applications.
- 2012 witnessed highest number of loan defaulters.

Defaulters' personal information

- Number of female defaulters is more than the number of male defaulters.

yet, the females are more likely to repay the loan and not default.

- The age category 31-40 is more likely to default.
- Married applicants are more likely to default.
- The higher the number of family members

Professional information

- Applicants who are workers are more likely to default.
- The Employment duration is inversely proportional to default rates.
- Applicants with business entity type 3 (Transport) are more likely to default.
- laborers showed the highest rate of defaulting.