**Credit Risk Model Report:**

In this model we tried to classify the y data (loan status) into two class (0 and 1) healthy and high risk, and we test to see how well and accurate our model performed.

based on the classification report:

* he accuracy of the model is approx. 99% which means the model correctly predicts the class labels for 99% of the samples in the testing dataset.
* Precision Scores: all the prediction for negative (class 0) are correct 85% of all predicted positive (class 1) are correct.
* Recall Scores: 99% of the actual negatives are correctly predicted. (class 0) 91% of the actual positives are correctly predicted (class 1).

the model successfully predicted 91% of high-risk loans, which could be used as an assistant tool for stress test of the client to determine if the loan will be high risk or not. however, there is one issue, the data is imbalanced and their number of supports for 0 is almost 3 times of that of class 1 (18765 vs 619) therefore using algorithms that can handle imbalanced dataset could be a good option as well to confirm the model and the scores. however, in reality the accuracy score is usually in the range of 85%-95% which is also considered the industry standard.