Risk assessment in Credit Financing.

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2019-23 batch

Section- H

Abstract

Banks do not offer loans to SMEs and laymen because of a lack of credit history and trust
deficit between them and the bank. This problem is catered by microfinance institutes as they offer loans to these parties but due to lack of liquidity of funds the scope is limited.

Objectives

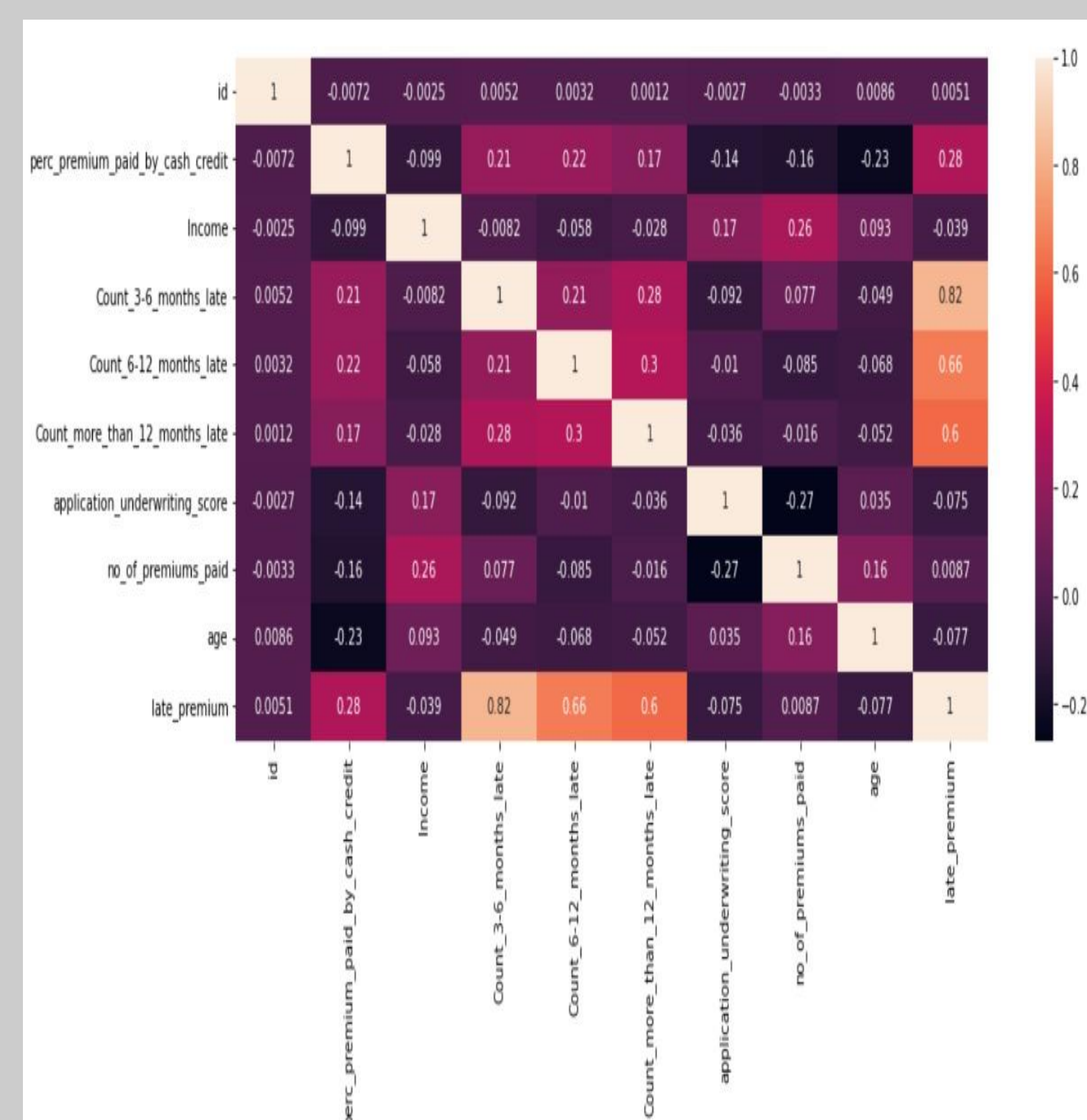Percentage of accuracy of risk financing.

Introduction

Banks do not offer loans to SMEs and laymen because of a lack of credit history and trust deficit between them and the bank. This problem is catered by microfinance institutes as they offer loans to these parties but due to lack of liquidity of funds the scope is limited.
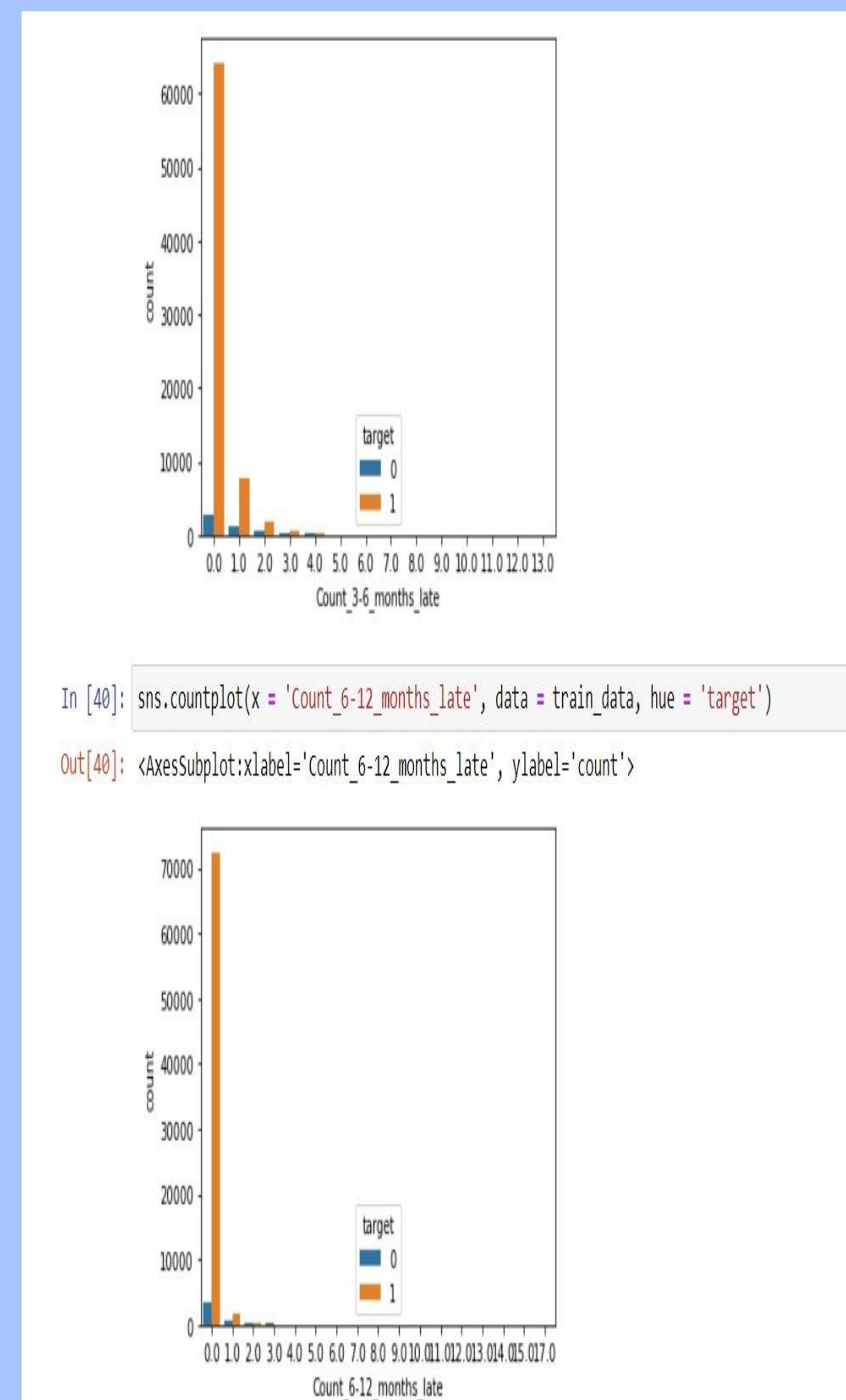
Methodology

The research methodology was formed on the basis of collecting data from multiple streams
the main source of collection was Kaggle, the data was cleaned using python modules and then regression models of machine learning
were employed on the data thus the AI model was trained to achieve maximum accuracy.

Figure #1

Results
Figures # 2


```
In [40]: sns.countplot(x = 'Count_6-12_months_late', data = train_data, hue = 'target')

Out[40]: <AxesSubplot:xlabel='Count_6-12_months_late', ylabel='count'>
```

Applications

- Banking Sector
- Fin techs
- Mortgage financing
- Credit financing
- Mutual funds
- Stock Market

Conclusions

We aim to eradicate human intervention in depicting whether a person would default on a loan or not, using methods and algorithms of predicative analysis.

References

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https://www.analyticsvidhya.com/blog/2021/04/simple-understanding-and-implementation-of-knn-algorithm/
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