**Yawei Zhang, Master's project:**

Title: *Statistical Classification Methods Used in Credit Risk Case*

Abstract

The loan is one of the most significant products of banks. Banks can make a huge profit when their customers apply for loans. However, loans default occurs in people who behave negatively after their applications of loan are approved by the banks, which can give rise to massive loss for banks. In order to prevent or minimize the loss, classifying people who have potentially defaulted is a matter of great importance. In this project, I shall be using the logistic regression model, linear and quadratic discriminant analysis and KNN method to classify if a loan application can get approved or not. The accuracy of classification using each method will be compared.