

# Abstract



The credit affair is one of the most important resources to reap profits in finance institutions. In order to reduce the ratio of overdue loan and avoid the loss, the finance institutions develop a set of standard examine mechanism. This standard examine mechanism is the credit risk evaluation model which is used in evaluating the individual credit risk before the loan is permitted. The credit risk evaluation result is the base of loan permission and the loan amount. When the finance institutions develop the risk evaluation mode, they often refer to the credit scoring which contains application scoring and behavior scoring. In most general credit risk evaluation model, they refer to application scoring which is beforehand evaluation and forecast. Nevertheless, our research focuses on behavior scoring after loan permission. We devoted to look for the cause of overdue loan. When overdue loan occurs, the finance institution has to urge the customer to pay for the loan or file a lawsuit which will bring out additional burden. Our research develops a scoring model for the permitted cash card customer and evaluates the risk in order to reduce loss for finance institutions.

The research targets are the cash card customer in the specific finance institution and the basic customer data from the system and the credit data is provided by JCIC, and these credit data is the foundation of evaluation. Our research adopts the statistics method, Logistic Regression (LR), to develop the scoring model.

The results are shown below:

1. The outstanding variables are sex, education level, the search times in three months, external balance/ external contract amount, credit card live count, number of cash card, total amount of cash card, total balance of cash card/total amount of

cash card, approve amount/contract amount.

2. The credit data which provided by JCIC is very important.
3. The use ratio is an outstanding risk variable.

