



**IMPACT OF MACROECONOMIC FACTORS ON CREDIT RISK
OF CHINESE STATE-OWNED COMMERCIAL BANKS**

UNDERGRADUATE THESIS
Submitted as one of the requirements to
obtain Sarjana Manajemen

BY
WANTING LIN
014201900186

FACULTY OF BUSINESS
MANAGEMENT STUDY PROGRAM

CIKARANG

March 2023

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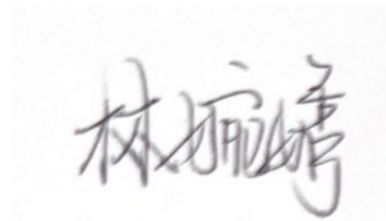
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- Average Perplexity Score: 138.603**
- Burstiness Score: 227.176**

The report also identifies the sentence with the highest perplexity: "of shop cash banks.", with a perplexity of 1849. A copyright notice at the bottom reads "© 2022-2023 GPTZero".

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LIST OF ACRONYMS

NPLR: The non-performing loan ratio

FAI: Fixed asset investment

CG: Total retail sales of consumer goods

PPI: Producer Price Index

CRECI: China real estate climate index

M2: Money supply

Abstract

In the process of China's economic development, there has been a problem of credit risk in commercial banks in the macroeconomic environment. Based on the data base from 2012 to 2021th, this paper establishes a regression model model with five Chinese state-owned commercial banks' non-performing loan ratios as the explanatory variables and five macroeconomic factors as the explanatory variables, with the aim of studying the influence of macroeconomic factors on the credit risk of Chinese commercial banks . Through the empirical evidence, it is proved that (NPLR) is significantly influenced by Growth rate of fixed asset investment (FAI), money supply growth rate (M2), Producer Price Index (PPI) and Social However, the effect of China real estate climate index (CRECI) on NPLR is not significant enough. Finally, the results of the empirical analysis suggest suggestions to reduce the credit risk and NPLR of Chinese commercial banks

Keyword : Credit Risk of Commercial Bank ; Credit Risk Management ; Macroeconomics;