

# Research and Analysis on the Influence of Green Credit Policy on the Financial Performance of Heavily Polluting Enterprises

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## **Abstract**

On the one hand, the financial performance of an enterprise can reflect its operating conditions and operational capabilities, which is helpful for enterprises to quantify their own development. On the other hand, the financial performance of enterprises can also be used as the vane of national policies. To control environmental pollution from the financial side, the green credit policy is put forward. The green credit policy reduces or refuses to grant loans to heavily polluting enterprises through measures such as preferential loans to enterprises, thus inhibiting the investment and technological innovation of heavily polluting enterprises and forcing them to transform, thus reducing the possibility of environmental pollution from the source. This paper takes the financial performance of enterprises as the explained variable, the implementation of green credit policy as the explained variable, introduces the intermediary variables such as debt financing ability of enterprises, and discusses the influence mechanism of green credit policy on the financial performance of heavily polluting enterprises by using the double difference model. The conclusions are as follows: after the implementation of green credit policy, the financial performance of heavily polluting enterprises will be suppressed in the short term, while the financial performance of long-term enterprises will be improved. Among them, after the implementation of the green credit policy, the debt financing ability of heavily polluting enterprises will decline in the short term, and then the financial performance of heavily polluting enterprises will decline in the short term, but it will be the opposite in the long term.

## **Keywords**

Financial Performance, Green Credit Policy, Debt Financing Ability, Difference In Difference Model, Heavily Polluting Industries