



A Study on the Impact of Banking Industry Spatial Layout on Surplus Management of Listed Companies — Based on the Dual Mechanism of Bank Supervision and Credit Constraints

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Abstract: Based on the financial data of China's A-share listed companies and the data of commercial bank branches published by China Banking and Insurance Regulatory Commission (CBIRC) in 2010-2020, this paper examines the intrinsic connection between spatial layout of the banking industry and the surplus management of listed companies from the perspective of the geographic structure of financial supply, and draws the following conclusions: (1) shortening the distance between banks and enterprises significantly suppresses the level of surplus management of listed companies; (2) the inhibiting effect of bank-enterprise neighborhood on the surplus activities of non-state-owned enterprises and small and medium-sized enterprises is more significant; (3) bank supervision and credit constraints are two important mechanisms that affect corporate surplus management; (4) the proximity of banks and enterprises has a more significant inhibitory effect on the surplus activities of non-state-owned enterprises and small and medium-sized enterprises; (5) bank supervision and credit constraints are two important mechanisms by which the spatial layout of the banking industry affects the surplus management of enterprises. The research in this paper aims to expand the research perspective of accounting information quality and credit resource allocation, which is conducive to promoting the high-quality development of enterprises in a stable and far-reaching way, and provides empirical references for further optimizing the spatial distribution of financial resources.

Keywords: spatial layout of the banking sector, bank-business distance, surplus management

1. Introduction

High-quality development is the primary task of building a modern socialist country in a comprehensive manner. High-quality economic development cannot be separated from the supply of high-quality accounting information, and the quality of accounting information at the micro-enterprise level will affect the quality of economic development at the macro-level. The quality of surplus is an important part of accounting information. In reality, the covert manipulation of financial information by enterprises through surplus management activities has been repeatedly prohibited, seriously affecting the quality of accounting information and inevitably restricting the high-quality development of the economy. With the deepening financial system reform, the spatial geographic structure of financial supply has undergone profound changes, the number of banking branches across the country has been densely packed, and the distance between banks and enterprises has been significantly reduced. Micro-enterprises are important sources of commercial banks, and commercial banks are also important external supervision of enterprises, and the two are inseparable. Changes in the spatial layout of the banking industry will inevitably be related to the interaction between banks and enterprises and transactions, which in turn will have an impact on corporate surplus activities. Exploring the impact of the spatial layout of bank branches on the accounting information of enterprises is conducive to promoting the high-quality development of enterprises and enhancing the quality and efficiency of the financial supply system.

2. Review of Relevant Research Literature

2.1 Studies related to the spatial distribution of the banking sector

Established studies mostly explore the impact of additional bank branches on the availability of credit resources as well as the cost of financing for firms. Degryse and Ongena (2005) point out that due to the existence of transaction costs, banks prefer to provide financial services to firms in close proximity. Based on the perspective of spatial evolution of the banking industry, Yao and Zhu Shengjun (2019) argue that the geographic distance between banks and firms, and the geographic distance between firms and banks' headquarters affect the availability of credit to firms. Hollander et al. (2016), by constructing a theoretical model, demonstrate that firms face stricter loan contracts when applying for loans from distant

banks. Knyazeva et al. (2012) find that an increase in the physical distance between banks and firms causes an increase in bank supervision costs, which in turn leads to an increase in firms' borrowing costs, and empirically test that the borrowing interest rate of U.S.-listed firms rises with an increase in the distance between banks and firms. Zhang Shuo Xun and Duxu (2019) point out that the "distance effect" leads to a decrease in bank availability and an increase in corporate financing costs. Li Bo et al. (2019) showed that the closer the distance between the enterprise and the commercial bank branches, the more the number of banks around the enterprise, the lower the financing cost of the enterprise. Song Changyao et al. (2021) found that the closer the geographic distance between banks and enterprises, the greater the amount of loans.

There are also scholars who further expand their research on the impact of spatial layout of bank branches on firms' innovative behavior and export behavior. Studies by Lv Tie and Wang Haicheng (2019), Cai Qingfeng et al. (2020), and Liu Peisen and Wen Tao (2021) show that bank-enterprise distance promotes firms' innovative behavior by alleviating their financing constraints. Xu and Lian et al. (2020) argue that shorter bank-enterprise distance reduces firms' financing costs and strengthens risk control, thus affecting firms' export decisions. Sheng Bin and Wang Hao (2022) find that bank branch expansion is positively related to firms' export domestic value added rate.

2.2 Study on commercial banks and corporate surplus management

Previous literature has mostly studied corporate surplus management behavior from the perspectives of internal management system, corporate strategy, and institutional environment in which the enterprise is located (Yan Huanmin et al., 2020; Liu Guangqiang and Wang Di, 2021). In recent years, corporate surplus management activities for the purpose of alleviating financing constraints have gained the attention of scholars. Xu Zhaohui and Zhou Zongfang (2016) argued that the higher the financing needs of enterprises, the higher the level of surplus management. Chen Yan et al. (2016) pointed out that enterprises will make cost-benefit trade-offs in surplus management, and when there is a large gap in corporate financing needs, enterprises are willing to bear the cost of surplus to pursue more investment and financing opportunities. Using the 2009 liberalization of bank branch setup restrictions by the CBRC as a quasi-natural experiment, Meng, Qingbin, and Liu, Lanxi (2021) point out that a competitive market structure in the banking sector reduces the level of firms' surplus management.

Based on this, this paper tries to explore the impact of bank-enterprise distance on listed companies' surplus management activities from the perspective of financial geography through theoretical analysis and the construction of econometric models, which expands the research perspectives of accounting information quality and credit resource allocation, enriches the relevant research in the field of corporate surplus management, and provides empirical references for the further optimization of the spatial distribution of financial resources.

3. Theoretical Analysis of the Impact of Spatial Layout of the Banking Industry on Corporate Surplus Management

As an important source of debt financing for listed companies, commercial banks are not only suppliers of credit resources, but also important external supervisors. Information asymmetry between banks and firms is an important prerequisite for firms to carry out surplus activities. Compared to standardized hard financial information, "soft information" such as entrepreneurial quality, executive interpersonal relationships and risk preferences, and the policy environment of the market in which the firm is located also play an important role in banks' lending supervision (Agarwal and Hauswald, 2010). The proximity effect facilitates financial institutions to collect "soft information" about firms and economic conditions in the field, significantly reduces information asymmetry, improves the level of bank supervision, and inhibits corporate surplus management. Specifically: from the perspective of enterprises, the shortening of the distance between banks and enterprises improves the supervision ability of banks, the possibility of detecting the moral hazard behavior of enterprises increases, the potential risk of corporate surplus manipulation and information whitewashing rises, and reduces their incentives to manipulate surpluses; from the perspective of the bank side, the shortening of the distance between banks and enterprises, once an enterprise has surplus manipulation, the bank can tighten the constraints of post-credit supervision in order to timely constrain the surplus activities of the enterprise. surplus activities. Accordingly, hypothesis 1 is proposed.

Hypothesis 1: Bank-enterprise geographic shortening reduces the level of corporate surplus management by strengthening bank supervision.

The shortening of the distance between banks and enterprises will enhance the availability of credit to enterprises, alleviate the credit constraints of enterprises, and thus inhibit the incentives of enterprise surplus management. The proximity of banks and enterprises reduces the cost of information collection in the process of bank credit, and increases the possibility of bank credit issuance, which also makes commercial banks tend to have a "local preference" in the supply of credit.

Commercial banks differentiate their pricing according to their relative geographic location, and the closer the bank, the lower the cost of credit and the lower the interest rate of borrowing (Xu Kun and Gala Hengguo, 2015). Through this differential interest rate pricing, commercial banks guide enterprises not to “seek far and near” when choosing external financing, but mainly to obtain credit services from neighboring banking institutions (Cai Qingfeng et al., 2020). Therefore, the proximity of banks and enterprises will promote the improvement of enterprise credit availability and alleviate the credit constraints of enterprises. China’s financial structure, which is dominated by indirect financing, determines that enterprises often engage in surplus management activities in order to obtain more financing. By alleviating the credit constraints of enterprises, the proximity of bank-enterprise distance can effectively inhibit the motivation of enterprises to carry out surplus management, thus reducing the degree of corporate surplus management. Accordingly, hypothesis 2 is proposed.

Hypothesis 2: Bank-enterprise geographic shortening suppresses corporate surplus management incentives by alleviating corporate credit constraints.

The impact of bank-enterprise distance on the level of corporate surplus management varies according to the nature of property rights and the size of the enterprise. Many studies have shown that there are obvious “property rights discrimination” and “size discrimination” in the allocation of bank credit resources. Specifically, state-owned and large enterprises are naturally favored by formal finance due to their close relationship with the government and political connections (Zhai Shengbao et al., 2015). Reducing the distance between banks and enterprises has a limited impact on improving the credit constraints of both and thus affecting corporate surplus management behavior. At the same time, state-owned and large enterprises tend to have higher social influence and visibility, with relatively lower levels of information asymmetry, and the effect of reducing surplus manipulation by strengthening bank supervision is also relatively limited. Comparatively speaking, due to the imperfect market system and financing environment, non-state-owned enterprises and SMEs have more surplus management activities (Ding et al., 2007; Chen Deqiu and Chen Yunshen, 2018), and the impact of shortening the distance between banks and enterprises is also more strongly reacted in non-state-owned and SMEs. Accordingly, the following hypothesis is proposed³.

Hypothesis 3: Geographic proximity of banks and firms has a more significant inhibitory effect on surplus management in non-state-owned firms and SMEs.

4. Modeling the Impact of Spatial Layout on Corporate Surplus Management in the Banking Sector

4.1 Data sources and description

In this paper, A-share listed companies are selected as the research object during the period of 2010-2020, and the data mainly include the following four categories:

(1) Listed company data. Taken from the Cathay Pacific Listed Companies Database (CSMAR), the article excludes all listed companies that did not survive during the sample period, have missing information and all financial companies, and shrinks all variables at the 1% level.

(2) Bank branch data. Taken from the licensing system of China Banking and Insurance Regulatory Commission (CBIRC) (For details, please refer to the License Information Inquiry System of China Banking and Insurance Regulatory Commission: <http://xkz.cbirc.gov.cn/>). In this paper, the geographic information data of banks including branches at all levels (including head office, branches, sub-branches, offices, sub-offices, savings centers and other branches) are selected, and the date of approval of establishment is used as the time of bank opening.

(3) Vector map information. In this paper, Baidu map and other tools are used to convert the above administrative locations into latitude and longitude information. First, Arcgis and other tools are used to calculate the spatial Euclidean distance between banks and enterprises, and to derive the distance of enterprises from nearby bank branches; second, the above latitude and longitude information is combined with China’s vector map data, in order to control for the impact caused by the differences in the cities where banks and enterprises are located. In this paper, the mean spatial distance between the three nearest bank branches and enterprises is used as a proxy variable for the spatial layout of the banking industry.

(4) Calculation of the level of corporate surplus management. This paper calculates the level of corporate surplus management through abnormal net operating cash flow ($ABCFO$), abnormal production costs ($ABPROD$) and abnormal discretionary costs ($ABDISEXP$), abnormal production costs () and abnormal discretionary expenses () three aspects of the comprehensive construction of real surplus management metrics REM. The specific model is as follows:

$$REM_{i,t} = ABPROD_{i,t} - ABCFO_{i,t} - ABDISEXP_{i,t}$$

$$PROD_{i,t} = \beta_0 + \beta_1 \cdot \frac{1}{A_{i,t-1}} + \beta_2 \cdot \frac{REV_{i,t}}{A_{i,t-1}} + \beta_3 \cdot \frac{\Delta REV_{i,t}}{A_{i,t-1}} + \beta_4 \cdot \frac{\Delta REV_{i,t-1}}{A_{i,t-1}} + \varepsilon_{i,t}$$

$$CFO_{i,t} = \beta_0 + \beta_1 \cdot \frac{1}{A_{i,t-1}} + \beta_2 \cdot \frac{REV_{i,t}}{A_{i,t-1}} + \beta_3 \cdot \frac{\Delta REV_{i,t}}{A_{i,t-1}} + \varepsilon_{i,t} \quad DISEXP_{i,t} = \beta_0 + \beta_1 \cdot \frac{1}{A_{i,t-1}} + \beta_2 \cdot \frac{REV_{i,t-1}}{A_{i,t-1}} + \varepsilon_{i,t}$$

where the subscript i represents the enterprise, and t represents the time, and TA represents the difference between operating profit and net cash flow from operating activities, the A represents total assets, the REV , REC , and PPE represent operating income, accounts receivable, and net fixed assets, respectively. ε is the residual term, and each residual term $\varepsilon_{i,t}$ are $ABPROD_{i,t}$ and $ABCFO_{i,t}$ and $ABDISEXP_{i,t}$ and the true level of surplus management can be calculated by these three terms.

4.2 Modeling

The basic econometric model of this paper is constructed as follows:

$$Y_{i,t} = \beta_0 + \beta_1 \cdot Indis_{i,t} + \beta_2 \cdot C_{i,t} + \theta_g + \varphi_i + \tau_t + \varepsilon_{i,t}$$

Among them, i represents the firm, the t represents the year, and g represents the city where the firm is located. Explained variable $Y_{i,t}$ represents t year i firms' surplus management level, referring to the practice in Liu, Guangqiang and Wang, Di (2021), this paper uses real surplus management REM as a proxy variable for surplus management, and $|REM|$ represents the absolute value of real surplus management. The core explanatory variable in this paper is bank-enterprise distance, which refers to the average spatial straight-line distance between a firm and its three nearest bank branches. Considering the firm's specific banking transactions, the following section will test the robustness of the findings by using the firm's functional distance from the bank's headquarters as well as bank density as a proxy variable for bank-firm distance. In conjunction with the relevant literature, the regression equation also controls for firm size ($Totalassets$, total assets at the end of the period), gearing ratio (Lev, the ratio of total liabilities to total assets), return on total assets (ROA , the ratio of net profit to total assets), firm age (Age), proportion of shares held by the largest shareholder ($Top1$) and other indicators, which are logarithmized. Generally speaking, the expansion of enterprise scale often means the rise of enterprise reputation, thus the possibility of enterprise surplus management operation declines, so the coefficient of the expected enterprise scale is negative; enterprise gearing ratio and return on total assets on behalf of the enterprise's financial situation, when its financial situation deteriorates, the enterprise is more likely to carry out surplus management for their own interests, so the coefficient of gearing ratio is expected to be positive, and the coefficient of return on total assets is negative; the coefficient of return on total assets is negative; the coefficient of return on total assets is negative. The coefficient of return variable is negative; when the shareholding ratio of the first largest shareholder is higher, the internal control of the enterprise is more lacking, so the enterprise is more likely to carry out surplus management, so its coefficient is expected to be positive. In addition, this paper also controls for city fixed effects θ_g and industry fixed effects φ_i and year fixed effects τ_t for the effects of various types of omitted variables that do not vary with city, industry, and time.

5. Analysis of Empirical Results on the Impact of Spatial Layout of the Banking Industry on Corporate Surplus Management

5.1 Baseline regression

The results of the benchmark regression are shown in Table 1, column (1) illustrates that each 1% shortening of the bank-firm distance leads to a 0.00441 decrease in firms' true surplus management, in column (2) the bank-firm distance is

significantly positively correlated with positive REM significant positive correlation at the 10% level, indicating that the proximity of bank-firm distance inhibits firms from conducting upward surplus management operations, and in column (3) the bank-firm distance is significantly negatively correlated with the negative REM . In column (3), bank-enterprise distance is significantly negatively correlated with negative at the 10% level, because downward surplus management is negative, and the smaller the value represents the higher degree of surplus management, so this result suggests that shortening the distance between banks and enterprises also restricts enterprises from carrying out downward surplus management operations. The regression results of the control variables show that the longer the company has been established, the higher the gearing ratio and the lower the return on assets, the more likely it is to adopt a more aggressive surplus management policy. The regression coefficient of total asset size on the level of surplus management is significantly negative, implying that larger firms may have more regard for reputation and thus reduce the level of surplus management. The positive correlation between the shareholding of the largest shareholder and surplus management may be explained by the fact that the higher the shareholding of the largest shareholder, the more centralized the company's business activities are, and the lack of a governance structure with mutual checks and balances, which may lead to surplus management activities in order to maximize shareholders' self-interests.

Table 1. Benchmark regression results

	(1)	(2)	(3)
	$ REM $	greater than zero REM	turn one's back on REM
Indis	0.00441* (0.00258)	0.00282* (0.00168)	-0.00367* (0.00207)
lnage	0.0235** (0.0119)	0.0362** (0.0157)	-0.0148 (0.0151)
Lev	0.00870* (0.0047)	0.0364* (0.0209)	-0.0220* (0.0126)
ROA	-0.300** (0.132)	-0.0126 (0.0441)	0.0440* (0.0248)
lnTotalassets	-0.0164*** (0.00389)	-0.0288*** (0.00694)	0.0115*** (0.00442)
Top1	0.00110*** (0.000422)	0.00149* (0.000781)	-0.000916* (0.000483)
sample size	9,585	3,489	6,065
R2	0.256	0.315	0.271
Year FE	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes
Urban FE	Yes	Yes	Yes

Note: Standard errors of clustering at the firm level are shown in parentheses, *, **, *** indicate significant at the 10%, 5%, and 1% levels, respectively, the same below (due to space constraints, the regression results of the robustness test are kept for future reference).

5.2 Further analysis

(1) Property rights attributes of enterprises. This paper constructs a dummy variable for property rights, which takes the value of 1 when the sample firm is a state-owned enterprise and 0 when it is a non-state-owned enterprise, and verifies whether there is "property rights discrimination" in the impact of bank branch layout on surplus management by constructing an interaction term between the property rights variable and the core explanatory variables. The regression results, as shown in column (1) of Table 2, indicate that reducing the distance between banks and enterprises has a dampening effect on the level of surplus management in both state-owned and non-state-owned enterprises, but this dampening effect is more significant in non-state-owned enterprises.

(2) Enterprise size attributes. In this paper, according to the Circular on the Issuance of Provisions on the Classification Standard for Small and Medium-sized Enterprises (SMEs), large enterprises are defined as enterprises with more than 1,000 employees and assigned a value of 1; enterprises with less than 1,000 employees are defined as SMEs and assigned a value of 0. Heterogeneity due to enterprise size is analyzed by constructing the interaction term of the dummy variable of enterprise size with the distance between the bank and the enterprise. The regression results, as shown in column (2) of Table 2, show

that the effect of bank-firm distance on SMEs' surplus management is significantly positive (0.00492), and the regression coefficient of bank-firm distance on large firms' surplus management is 0.00241 (0.00492-0.00251). This result indicates that bank-firm distance proximity is more significant in suppressing SMEs' surplus management and Hypothesis 3 is tested.

(3) Bank size heterogeneity. The regression results, as shown in Table 2 (3) and (4), show that both the average distance to large banks and the average distance to small and medium-sized banks significantly and positively affect the level of corporate surplus management, and it can be found that shortening the average distance to large banks has a more pronounced effect on suppressing corporate surplus management (0.00468>0.00224). The possible explanations for this are: firstly, large state-owned banks have obvious advantages over small banks in terms of credit scale, and they can seize the market through lower credit acquisition costs, which may lead to listed enterprises preferring to seek credit support from large banks; secondly, large banks have more standardized business management processes and more complicated compliance requirements in both pre-credit decision-making and post-credit supervision, making it easier to achieve the constraints on corporate surplus management; thirdly, a large number of small and medium-sized banks have a significant impact on corporate surplus management; thirdly, a large number of small and medium-sized banks have a significant impact on corporate surplus management. Third, a large number of small and medium-sized banks are urban commercial banks and agricultural commercial banks, which were established to a large extent to support the development of local enterprises, and thus it is difficult to realize the compliance supervision of enterprises.

Table 2. Further analysis

	(1)	(2)	(3)	(4)
	REM	REM	REM	REM
Indis	0.00497*** (0.00242)	0.00492*** (0.00125)		
Indis* Nature of ownership	-0.00112** (0.000580)			
Indis* enterprise size		-0.00251* (0.00132)		
Average distance of ln large banks			0.00468* (0.00255)	
Average distance of ln small banks				0.00224* (0.00123)
control variable	Yes	Yes	Yes	Yes
sample size	9,585	9,585	9,585	9,585
R ²	0.263	0.258	0.257	0.262
Year FE	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Urban FE	Yes	Yes	Yes	Yes

5.3 Mechanism analysis

(1) Bank supervision mechanism. Referring to the research of Chen Jun (2010), this paper uses the loan size (tloan) of enterprises as a proxy variable for bank supervision to verify the mediating mechanism of bank supervision. In general, the larger the loan size of the enterprise, the more incentive the lending bank has to supervise the behavior of the enterprise, so as to inhibit the surplus management behavior of the enterprise. The regression results are shown in Table 3, where the regression results in column (1) show that the distance between banks and enterprises has a significant negative effect on the loan size, which indicates that the closer the distance between banks and enterprises, the larger the size of the loan obtained by enterprises. Column (2) of Table 3 illustrates that the effect of bank-enterprise distance on the level of real surplus management through the mediating role of bank supervision is 0.00131 (0.0469*0.0281), according to which Hypothesis 1 is verified.

(2) Credit constraint mechanisms. One of the important reasons for firms to engage in surplus management lies in facilitating corporate finance. The article introduces the credit constraint variable and constructs an interaction term with the core explanatory variables for regression. The credit constraint variable is measured by the ratio of firms' interest expense to total liabilities, and larger values of this variable indicate that firms have stronger credit constraints and more incentives to

manipulate surplus. Column (4) of Table 3 shows that an increase in firms' credit constraints significantly enhances firms' surplus management. This suggests that the proximity of bank-enterprise distance will inhibit the level of firms' surplus management by increasing firms' credit availability and relaxing firms' credit constraints, and Hypothesis 2 is verified.

Table 3. Mechanism tests

	Bank Supervisory Mechanisms		Credit constraint mechanisms	
	(1)	(2)	(3)	(4)
	Intloan	REM	credit constraint	REM
Indis	-0.0469*	0.00356*	0.00952***	0.00341**
	(0.0249)	(0.00200)	(0.00430)	(0.00160)
Intloan		-0.0281***		0.106*
		(0.00485)		(0.0568)
control variable	Yes	Yes	Yes	Yes
sample size	8,546	8,546	9,585	9,585
R ²	0.708	0.265	0.370	0.270
Year FE	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Urban FE	Yes	Yes	Yes	Yes

6. Conclusions and Implications of the Study

This paper is based on the financial data of A-share listed companies in China from 2010 to 2020, as well as the data on commercial bank branch locations published by the China Banking and Insurance Regulatory Commission (CBIRC). It examines the intrinsic connection between the spatial layout of the banking industry and the earnings management of listed companies from the perspective of the geographical structure of financial supply. The following conclusions have been drawn: (1) Reducing the distance between banks and enterprises has a significant inhibitory effect on the level of earnings management of listed companies. (2) There are significant differences in "scale attributes" and "property rights attributes", and the inhibitory effect of shortening the distance between banks and enterprises on the surplus management of listed companies is more significant in non-state-owned enterprises and small and medium-sized enterprises. (3) The test of the influence mechanism shows that strengthening bank supervision and relaxing the credit constraints are the most important factors for shortening the distance between banks and enterprises and reducing the surplus management of listed companies. (4) The impact mechanism test shows that strengthening bank supervision and relaxing corporate credit constraints are important intermediary channels through which the shortening of bank-enterprise distance inhibits corporate surplus management.

Combining the above findings, this paper draws the following insights for further improving the quality of accounting information and realizing the optimal spatial allocation of financial resources:

(1) Solidly promoting market-oriented reforms in the banking sector and comprehensively strengthening the ability to provide financial services to the real economy. Under the premise of controllable financial risks, large State-owned banks are encouraged to enhance the breadth of their financial coverage, increase the number of bank branches in a scientific and reasonable manner, and guide financial institutions to respond quickly to the financing needs of micro-individuals, so as to enhance financial accessibility.

(2) Optimizing the branch structure of commercial banks and improving the pattern of differentiated credit supply. Supervise small and medium-sized banks to deeply cultivate their localities, reduce the geographical distance between small and medium-sized banks and small and medium-sized enterprises and non-State enterprises, which find it difficult and expensive to obtain loans, effectively tap into the "soft information" of enterprises, and encourage small and medium-sized banks to be bold and willing to lend, to be able to lend, and to help small and medium-sized enterprises alleviate their difficulties, and to alleviate the long-standing discrimination in terms of credit size and ownership. This will help to alleviate the long-standing discrimination in terms of credit size and ownership.

(3) Improving the bank's risk control identification and early warning system, and effectively playing the role of external supervision. Supervision of listed companies not only rely on the capital market, the bank is also an important supervisory body, commercial banks should take the initiative to strengthen the financial supervision of enterprises, improve the wind control identification and early warning system, supervise enterprises to strictly abide by the accounting standards,

strengthen the review of the quality of corporate accounting information, and promote the standardization of healthy and sustainable development of enterprises.

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