

**Determinates of Credit Risk in Ethiopian Commercial Banks**

Million Gizaw Tole^a Mohammed Sultan Jabir^b Haymanot Alemayehu Wolde^c

^a Corresponding author, lecturer, Jimma University, Department of Accounting and Finance, Jimma, Ethiopia; milli.gezaw@yahoo.com

^b Lecturer, Jimma University, Department of Accounting and Finance, Jimma, Ethiopia; mamesultan@yahoo.com

^c Lecturer, Jimma University, Department of Accounting and Finance, Jimma, Ethiopia; haymalem@gmail.com

Keywords

Ethiopian Commercial Banks, Credit Risk, Macro-Economic Variables, Micro-Economic variables.

Jel Classification

G21.

Abstract

This study is concerned with identifying the determinants of credit risk in Ethiopian Commercial Banks. We collected secondary data from the audited financial statement of eight senior commercial banks for the period of 14 years. To analyze the data, a fixed effect ordinary list square model was applied. Finally, the study found out macro-economic and micro-economic variables affect the level of credit risk in Ethiopian commercial banking industry.