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USING OLS MODEL TO ANALYZE MACRO INFLUENCE ON BANK PROFIT AND PROPOSALS FOR BETTER BANK MANAGEMENT

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ABSTRACT

BIDV Bank (BIDV) in Vietnam maintained a higher growth rate than the industry average on all indicators of scale, quality, efficiency, and labor productivity and became Best retail bank in Vietnam in recent years. By data collection method through statistics, analysis, synthesis, comparison, quantitative analysis to generate qualitative comments and discussion; using econometric method to perform regression equation and evaluate quantitative results, the article analyzed and evaluated the impacts of EIGHT (8) macroeconomic factors: BIDV profit (Y) has negative correlation with inflation and lending rate, whereas it has positive correlation with risk free rate and stock price. We also recognize that Rf, GDP growth and lending rate have the highest impact on BIDV profit. This research finding and recommended policy also can be used as reference in policy for commercial bank system in many developing countries.

Keywords: bank net profit; stock price; GDP growth; inflationary; risk free rate; lending rate.

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