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MACROECONOMIC IMPACTS ON BANK PERFORMANCE AND EVALUATING RELATIONSHIP BETWEEN BETA CAPM AND BANK COST OF EQUITY: A CASE OF ENHANCING RISK MANAGEMENT MECHANISM OF SACOMBANK IN VIETNAM

Lanh Nguyen Van¹, Tha To Hien^{2*}, Dinh Tran Ngoc Huy^{3*}, Duong Phan Huy⁴

¹Huu Nghi University of Technology & Management, Hanoi, Vietnam;

²Le Quy Don Technical University, Vietnam;

³Banking University HCMC, Ho Chi Minh city Vietnam - International University of Japan, Japan;

⁴Dai Nam University, Vietnam;

*Corresponding Tha To Hien, Dinh Tran Ngoc Huy, e-mail: tohientha@gmail.com; dtnhuy2010@gmail.com;

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ABSTRACT

We will analyze a case of Sacombank to see how risk management policies can derive from measuring Macroeconomic Impacts on Bank Performance And Evaluating Relationship Between Beta CAPM and Bank Cost of Equity. The study will use a combination of statistics, calculation formulas and synthesis, analysis, and the study results show us that: Because Beta STB, IM, CPI, G have negative impact on cost of equity of STB (CPI and G have more impacts) we suggest reduction in CPI and beta and G will help to reduce cost of equity. Next, Because R, VNIndex, tax rate, Rf have positive impacts on cost of equity of the bank, we suggest that: reduction in lending rate, tax rate and RF will cause decline in cost of equity. The research limitation is that we need to generate more macro policies for risk prevention in future.

Key words: Vietnam banks, beta CAPM, inflation, cost of equity, Sacombank, JEL: M21, G30, G32, G38