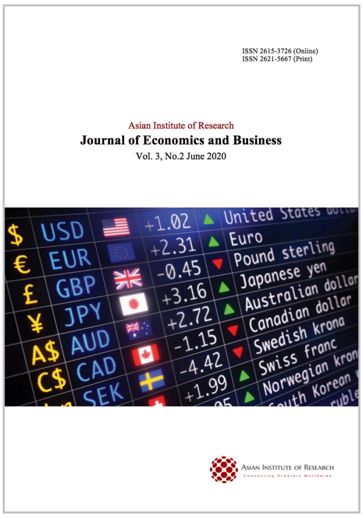

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Banking Relationship Ties to Firm Performance: Evidence from Food and Beverage Firms in Vietnam

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Abstract
This paper is aimed at analyzing the effects of banking relationship on performance of Vietnamese firms in Food and Beverage (F&B), one of the highest potential sectors. Panel data of 170 observations covers 34 F&B firms listed in the Vietnam stock exchanges in the period 2014-2018. The fixed effect model (FEM) is applied. The key findings are: *First,* short-term loan financing, leverage, and fixed asset ratios all negatively impacted on F&B firm performance, while firm size and net profit margin had positive impacts. These findings were consistent with previous studies. *Second,* the opposite results with previous studies were: (i) negative corelation of ROE and number of banks firms working with, as F&B firms were inefficient in selecting bank partners; (ii) positive relation of short-term liabilities ratio and ROA/ROE, as F&B firms utilize other non-bank liabilities shortly; (iii) foreign ownership had negative relationship with ROA& ROE. Foreign investors did not have significant roles in most F&B firms. *Third*, long-term borrowing from banks, state ownership and ages all insignificantly correlated with firm performance. Recommendations to F&B firms include: (1) Reduce the short-term loans and fixed assets investment, while increase the cheap equity funding sources via shareholders (2) Be selective in working with banks to have better fees and interest saved with banks. (3) Utilize other short-term liabilities, including payables and advances – the low-cost funding sources. F&B firms have good bargaining powers in requesting advances from their clients. (4) Have smart buy-in strategies on foreign ownership.

Keywords: Bank Relationship, Firms' Performance, Foreign Ownership, Leverage, Vietnamese Food and Beverage Listed Firms

1. Introduction

Literature have several discussions on the determinants of firm performance, focusing on firms' internal factors such as size and age, export propensity, ownership, organizational innovation (Burger, Damijan, Kostevc &

Rojec, 2017; Thi Thuc Anh Phan, 2019). However, bank relationship is becoming an increasingly important factor. It can bring great benefits to both banks and firms, expanding their market and reputation (Diamond, 1984; Best & Zhang, 1993; Belaid, Boussaada & Belguith, 2017; Bonfirm, Dai, & Franco, 2018; Nguyen Thu Hang, Khuu Thanh Quy & Nguyen Ngoc Dieu Le, 2018). However, this relationship can also cause negative effects on firm performance due to four problems: holdup, soft-budget constraint, liquidity risk and asymmetric information problem (Diamond, 1991; Weinstein, & Yafeh, 1998; Ongena, & Degryse, 2001; Chen, Li & Zhang, 2016; Höwer, 2016; Yildirim, 2019). Therefore, how to confirm this relationship in specific conditions for improving firm performance is interesting for exploration.

Vietnam has been one of remarkable development markets with almost 97 million population in goldern age and fast-growing economy (GDP growth rate of 6.51%/year in period 2000-2020) (Trading Economics, 2020). However, Vietnam is still the bank-based economy, with more than 80% of firms' funding sources from banking system (Vuong, 2019; SBV, 2020). Even for listed firms, borrowing from banks are still common.

The Vietnamese F&B industry is very promising and potential, expected to maintain average growth of 10.9% per year thanks to household income improvement and consumer trend on higher value products will dominate the tastes consumption. The golden age population with eat-out habits lightened the future for this sector (Lien Nguyen, 2018; Kantar, 2019; Nielson, 2020; Le Ha, 2020). However, these firms are facing with several challenges in the future because of regulation changes (GoV, 2020) and the unexpected events such as COVID-19 pandemic.

Therefore, analysing the determinants of F&B firm performance, focusing on utilizing bank relationship and fundings are interesting for Vietnam case. Le & Nguyen (2012) did the assessment on the impact of long-term debts on F&B firm performance, while Nguyen (2017) did the analysis of determinants on F&B firms in Vietnam. However, none have considered bank relationship in wider aspects and put into account the ownership problems. This is the research gap for our study in period 2014-2018.

This paper is aimed at answering four critical research questions: (i) What are the determinants of F&B firm performance in Vietnam? (ii) What are the components of the banking-firm relationship in Vietnam? (iii) How such banking relationship's variables affect to Vietnamese F&B listed firm performance and why? (iv) What are the implications for improving F&B firm performance via utilizing the bank relationship?

2. Literature review

Firm performance

Firm's performance can be measured by two main indicators: financial efficiency and profitability (Walker & Brown, 2004; Reijonen, & Komppula, 2007). Companies' financial results play an important part in the existence of them (Li, Markowski, Xu & Markowski, 2008; Nguyen Thu Hang, Khuu Thanh Quy, Nguyen Ngoc Dieu Le, 2018; Thi Thuc Anh Phan, 2019). Many different previous researches proposed various methods to measure the performance of firms. Among those probability ratios, return on equity (ROE) and return on asset (ROA), are appeared in many corporate governance studies (Yermack, 1996; Anderson & Reeb, 2003).

Bank-firm relationship

The bank – firm relationship is known as the long-term connection between a depository organization and an enterprise to provide financial services in addition to normal transactions (Udell & Berger, 1998). Typically, this banking relationship can be classified into two different relations: close and transaction. The banking relationship convey the benefits to either deposit institutions or businesses. The bank provides steady financial protection for the business, and in return, the firm offers profit and many other perks. Moreover, bank will hold firms' shares with the banking system in exchange when providing a long-term lending relation and various banking services. Additionally, there are various factors which are being taken into consideration by firms when establishing the relationship with bank and those determinants include: number of banking relationship, size of the bank and ownership of banks (Aristei, Gallo & Angori, 2016).

The bank-firm relationships can bring benefits but also drawbacks to both parties. Following is the summary of literature review on this relationship.

Table 1. Summary of Literature Review on Bank-Firm Relationship

Paper	Main Findings
Benefits of bank-firm relationship for banks	
(Diamond, 1984); (Rajan, 1992); (Thadden, 1995)	Banks can both acquire the cost-effectiveness in managing activities and find out diversification is an effective way to alleviate problem of the agency
(Limpaphayom & Polwitoon, 2004); (Prowse, 1990); (Agarwal & Elston, 2001)	Close bank-firm relationship plays a role as a solution to secure the creditors' wealth against the action of shareholders
(Jensen & Meckling, 1976); (Weinstein, & Yafeh, 1998)	Banking relationship is a useful tool used in reducing the information asymmetric and incentive issues
Benefits of bank-firm relationship for firms	
(Bonfirm et al., 2018)	Ongoing banking relationship with a clean credit record can be considered as a certificate for firm in defending the moral hazard problem
(Best & Zhang, 1993); (Bonfirm et al., 2018)	The more acknowledgement the public know about the bank loan; the higher company's share price can be
(Hoshi, Kashyap & Scharfstein, 1990); (Belaid, Boussaada & Belguith, 2017); (Aristei et al., 2018); (Rajan & Petersen (n.d); (NguyenThu Hang et al, 2018)	Strong relationship with bank ensures a stable financial background and a strong credibility for the firm, attracting outsiders to invest and consequently, diversifying the number of sources of financing in the future
(Li et al., 2018); (Bonfirm et al., 2018); (NguyenThu Hang et al, 2018)	Firms can reduce the expenditure and cost
(Ongena & Degryse, 2001); (Le & Nguyen, 2012)	Long-term banking relationship brings profit and avoids switching cost for firms
(Hoshi et al., 1990)	Banking relationship is helping firms to reduce the risk of financial during the economic turmoil by effectively maintaining the borrowings
(Höwer, 2016)	Close banking relationship can not only help companies avoid risk during the financial crisis but also have positive effects on the financially distressed firms
(Campbell, 1979); (Aristei et al., 2018); (Strahan & Weston, 1998)	The close banking relationship is more necessary to relatively small-sized firms
Drawbacks of bank-firm relationship for firms	
(Diamond, 1991); (Ongena & Degryse, 2001); (Chen et al., 2016); (Yildirim, 2019); (Castelli, Gerald & Hasan, 2006); (Höwer, 2016)	Bank may raise the required interest rate easily, which has negative effects to firms in relationship
(Weinstein & Yafeh, 1998); (Rajan, 1992)	The close relationship with bank tends to limit the firms from maximizing profitability as banks control over the firms in making investment

(Weinstein & Yafeh, 1998); (Yasuda, A. 2005) (Agarwal, R. & Elston, J. A., 2001) (Arikawa, Y., & Miyajima, H., 2005)	The deregulation in lending process will gradually turns the relationship to be less supportive to the funding process in long-term.

Source: Authors' compilation from literature review

3. Data and method

Data

The data of this research is derived from financial statements and published reports of Vietnamese officially listed firms on the F&B Industry in Hanoi Stock exchange and Hochiminh City Stock Exchange. Among 55 listed F&B firms, only 34 were chosen after omitting the firms with missing data and outliers (with Z-score analysis) to avoid interruption during the analysis process. Therefore, total final sample of 34 listed F&B firms in 5-year period (2014- 2018) includes 170 observations for this study. The full name of these firms presents in appendix A.4.

Research approach and model

With panel data, either fixed effects model (FEM) or random effects model (REM) is proposed for regression analysis. The Hausman test is used to check the difference between the coefficient estimates observed by fixed and random effect at statistically significant level. Also, the heteroscedasticity and autocorrelation should be also tested and fixed in order to have a soundness estimation. Wald test is used to check heteroskedasticity while Durbin-Watson test is used to check autocorrelation. Following is the summary of research model and hypotheses bases on literature review in this article.

Table 2. Expected Relationship Between Variables And Firm Performance

Variable	Code	Formula	Hypothesis	References
Dependent variables				
Return on equity	ROE	$\frac{Net\ income_{i,t}}{Total\ Average\ Equity_{i,t}}$		
Return on asset	ROA	$\frac{Net\ income_{i,t}}{Total\ Average\ Asset_{i,t}}$		
Independent variables				
Quantity of bank relations	Bank_num	*Number of banks providing firm loans*	Positive	(Castelli et al., 2006); (Vu & Nguyen, 2013)
	Bank_num^2	*The square of Bank_num*	Negative	
Short-term credit financing relationships (%)	Short_financing	$\frac{Short\ term\ bank\ loans}{Total\ Liabilities}$	Negative	(Vo & Le, 2017)
Long-term credit financing relationships (%)	Long_financing	$\frac{Long\ term\ bank\ loans}{Total\ Liabilities}$	Positive	(Schiantarelli & Jaramillo, 2002)
Firm size	Size	$Ln(Total\ Assets)$	Positive	(Wei, Xie & Zhang, 2005); (Geroski, Mata & Portugal, 2007)

Asset tangibility structure	FATA	$\frac{Fixed\ asset}{Total\ asset}$	Negative	(Mohammed & Andrew, 2019); (Vu & Nguyen, 2013); (Nguyen, 2017)
Short-term liabilities ratio	Short_term_liabilities_ratio	$\frac{Short-term\ liabilities}{Total\ liabilities}$	Negative	(Haseed & Muhammad, 2013); (Ben, 2017)
Firm leverage	Leverage	$\frac{Total\ Debt}{Total\ Asset}$	Negative	(Nguyen, 2009); (Pham, 2011); (Ilyukhin, 2015) (Nguyen, 2013); (Nguyen, 2017)
Net profit margin	Net_profit_margin	$\frac{Net\ income}{Total\ sales}$	Positive	(Costea & Brasoveanu); (Haseed & Muhammad, 2013)
State ownership status	State_ownership_status	$\frac{Shares\ held\ by\ State}{Total\ shares}$	Negative	(Tran, Walterm & Ann, 2014)
Foreign ownership status	Foreign_ownership_status	$\frac{Shares\ holded\ by\ foreigners}{Total\ shares}$	Positive	(Nguyen & Pham, 2017)
Firm age	Age	*Current year- established year*	Positive	(Loderer & Waelchli, 2009); (Ericson & Pakes, 1995)

Source: Authors' compilation from literature review

In order to have a good comparison on F&B firm performance, both ROE and ROA as dependent variables are chosen.

Two research models are applied as followed.

Model 1: $ROA_{i,t} = \beta_1 + \beta_2\ Bank\_num_{i,t} + \beta_3\ Bank\_num^{\wedge}2_{i,t} + \beta_4\ Short\_financing_{i,t} + \beta_5\ Long\_financing_{i,t} + \beta_6\ Size_{i,t} + \beta_7\ FATA_{i,t} + \beta_8\ Short\_term\_liabilities\_ratio_{i,t} + \beta_9\ Leverage_{i,t} + \beta_{10}\ Net\_profit\_margin_{i,t} + \beta_{11}\ State\_ownership_{i,t} + \beta_{12}\ Foreign\_ownership_{i,t} + \beta_{13}\ Age_{i,t}$

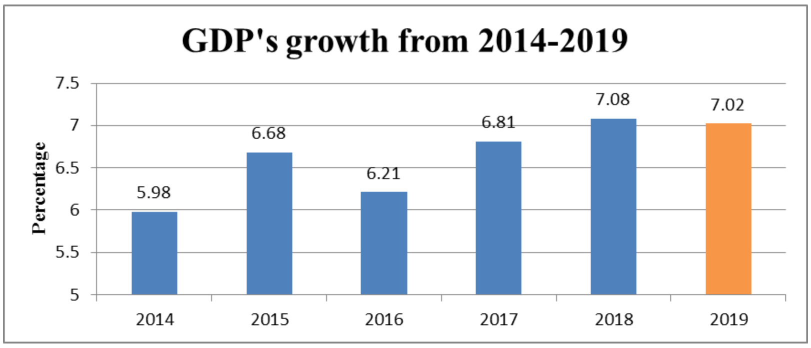
Model 2: $ROE_{i,t} = \beta_1 + \beta_2\ Bank\_num_{i,t} + \beta_3\ Bank\_num^{\wedge}2_{i,t} + \beta_4\ Short\_financing_{i,t} + \beta_5\ Long\_financing_{i,t} + \beta_6\ Size_{i,t} + \beta_7\ FATA_{i,t} + \beta_8\ Short\_term\_liabilities\_ratio_{i,t} + \beta_9\ Leverage_{i,t} + \beta_{10}\ Net\_profit\_margin_{i,t} + \beta_{11}\ State\_ownership_{i,t} + \beta_{12}\ Foreign\_ownership_{i,t} + \beta_{13}\ Age_{i,t}$

4. Results and discussions

4.1. Overview

Vietnam has been one of remarkable development markets with almost 97 million population in goldern age and fast-growing economy (GDP growth rate of 6.51%/year in period 2000-2020, increased gradually from 5.98% in 2014 to 7.02%) (Trading Economics, 2020; GSO, 2014-2019). However, Vietnam is still the bank-based economy, with more than 80% of firms' funding sources from banking system (Vuong, 2019; SBV, 2020). Even for listed firms, borrowing from banks are still common.

Figure 1. VIietnamese GDP'S Growth From 2014-2019



Source: GSO (2014-2019)

I

n Vietnam, F&B industry is very promising and potential (Lien Nguyen, 2018; Kantar, 2019; Nielson, 2020; Le Ha, 2020). The F&B industry is expected to maintain strong growth momentum until 2020 with an average growth of 10.9% per year thanks to household income improvement and consumer trend on higher value products will dominate the tastes consumption (Kantar, 2019; Nielson, 2020). According to Statista (2019), revenue in the F&B segment amounts to USD 289 million in 2020. Also, revenue is expected to show an annual growth rate (CAGR 2020-2024) of 10.1%, resulting in a market volume of USD 423 million by 2024. The golden age population with eat-out habits lightened the future for Vietnamese F&B sector (Lien Nguyen, 2018; Kantar, 2019; Nielson, 2020; Le Ha, 2020). The F&B in Vietnam may still continuously attract investment from businesses and the participation of diverse global business chains since the profitability of the F&B industry in Vietnam is still promising. However, the government Decree 100/2019/ND-CP in effective from January 2020 on penalties for alcohol-related violations by vehicle operators has been negatively affected the growth rate of the F&B industry significantly (GoV, 2019; Le Ha, 2020). In addition, the COVID-19 pandemic has spread to almost all countries in the world including Vietnam, which may create the global economic depression worldwide (Duffin, 2020; McKinsey, 2020). It may strongly impact on the vietnam GDP's growth in general, the revenue of the F&B industry in particular.

4.2. Results and discussions

Descriptive statistics

The statistical description summary of variables in the appendix A.1 showed that the Vietnamese F&B firms have a diversified range of banking relationship, which can up to 20 banks; but in general, most firms only maintain about 3 to 4 relationships. On average, short-term bank borrowings takes up 32% of the firms' total debts, but long-term loans just accounted for 5.8%. In addition to borrowing from banks, firms also borrowed short-term mainly from other sources, mainly under payables (average 90% of liabilities are short-term). F&B firms have wide range of leverage ratio, from 10%-80%, but on average, the F&B firms utilize its own equity than debt, with average leverage ratio of 42%. Fixed assets are minor for these firms, with 26% of total assets. There is no Vietnamese F&B firm that is totally owned by state or foreign partners, with the portion up to 60-62% of total ownership. Most of the firms listed in the stock exchange have been established for long time, with average 25 years of operation.

Correlation matrix result

As stated in appendix A.2, variables in the model has not very high correlation case between any two variables (both dependent and independent) expect for the bank_num and bank_num^2 which are calculated based on each other and thus, the high correlation is reasonable. Size and bank_num, however, have a moderate relationship because their correlation is + 0.57, which also means that the bigger the firm size, the more bank relationships a firm has. It also implies that those identified variables are relevant and there is no need to conduct the sensitivity analysis on the effect of removing violated variables, no multicollinearity problem is detected in the model.

Hausman test for selecting the model

The result of Hasman test in appendix A.3 (p-value of 0.04) confirms that FEM should be applied for this regression.

Regression results and discussions

Table 2. The Regression Result Of Fixed Effects Model

	Model	
	ROE (1)	**ROA (2)**
Bank_num	-3.0216(**)	-1.2461
Bank_num^2	0.1003	0.0361
Short_financing	-0.1214(*)	-0.1116(***)
Long_financing	-0.0148	-0.0444
Size	7.6380(**)	5.3223(***)
FATA (fixed assets/total assets)	-0.2654(***)	-0.2365(***)
Short term liabilities ratio	0.1408(***)	0.0803(***)
Leverage	0.0148	-0.1052(**)
Net Profit Margin	1.7558(***)	0.9644(***)
State	-0.0665	-0.0517
Foreign	-0.2844(**)	-0.1578(**)
Age	0.3181	-0.3782
Observations	170	170
R-squared	0.772243	0.775914
Adjusted R-squared	0.689590	0.694593

Notes: (***) Significant at 1% level, (**) Significant at 5% level, (*) Significant at 10% level
Source: Authors' compilation from primary data

From the regression results with two models, the key findings are:
First, short-term loan financing, leverage, and fixed asset ratios all negatively impacted on F&B firm performance, while firm size and net profit margin had positive impacts. These findings were consistent with previous studies (Nguyen, 2009; Pham, 2011; Nguyen, 2013; Vu & Nguyen, 2013; Ilyukhin, 2015; Nguyen, 2017; Vo & Le, 2017; Mohammed & Andrew, 2019). It means that F&B firms have been using expensive short-term lending from banks, due to the interest rate fluctuation. The debts were also costly to F&B listed firms for in their capital structure, as equity source is now cheaper in Vietnam. Shareholders mostly did not pay attention to dividends. They bought firm shares because of the expected price increase. Investing in fixed assets heavily was also ineffective to firms due to the high propotion of depreciation, especially with industrial revolution 4.0. In addition, in this industry, big firms have strong comparative advantages thanks to their economies of scale and economies of scopes in penetrating huge market and diversifying various products. It also implies that the F&B firms still have potential to expand its size as they did not reach the best scale yet.
Second, the opposite results with previous studies were:

(i) Negative corelation of ROE and number of banks firms working with. It showed that F&B firms were inefficient in selecting bank partners, as average 3 banks to work with/firm seem too much. Some firms also worked with 20 banks. Therefore, these F&B firms did not get the highest preference rates for their loans and other services under bank's customer profitability analysis pricing policies.
(ii) Positive relation of short-term liabilities ratio and ROA/ROE. F&B firms who have low short-term loans from banks, but higher level of payables and advances got the better financial results, as these sources are non- or low cost. These F&B firms have strong bargaining powers thanks to their potential growth and good liquidity status. Therefore, they can ask suppliers and buyers to provide them with these facilities.
(iii) Foreign ownership status had negative relationship with ROA& ROE. The main reasons are (i) all the big and famous F&B firms in Vietnam are domestic, such as Masan, VNM, Hanoi Beer Corporation. (ii) Foreign investors did not have significant roles in most F&B firms yet. Vietnam F&B sector has attracted foreign investors (VIR, 2018). However, except for Sabeco case, Vietnamese F&B firms are still mainly dominated by domestic shareholders.
Third, long-term borrowing from banks, state ownership and ages all insignificantly correlated with firm performance. the purpose of state ownership is for control or orient economy as well as divert firm objectives to social performance, but this also provides better access to the resources to meet the demand of companies. Therefore, in this situation, particularly in the context of F&B companies in Vietnam, these two effects of state ownership would cancel each other out, leaving no net effect on the firm's performance. For the age of firms, older firms may have been doing better in business with their experience; however, they also have slow adaptability to the change in technology to upgrade its quality of products. These effects might lead to no impact of firm age on firm performance. This insignificant result of age is consistent with Nguyen, Do & Trinh (2019) for all Vietnamese listed companies.

Table 3. Summary of Bank Relationship vs F&B Firm Performance – Vietnam Case

Variable	Code	Hypothesis	Actual signal	Hypothesis acceptance
Quantity of bank relations	Bank_num	Positive	Negative with ROE, insignificant with ROA	Reject
	Bank_num^2	Negative	Insignificant	No conclusion
Short-term credit financing relationships (%)	Short_financing	Negative	Negative	Accept
Long-term credit financing relationships (%)	Long_financing	Positive	Negative	Reject
Firm size	Size	Positive	Positive	Accept
Asset tangibility structure	FATA	Negative	Negative	Accept
Short-term liabilities ratio	Short_term_liabilities_ratio	Negative	Positive	Reject
Firm leverage	Leverage	Negative	Negative with ROA, insignificant with ROE	Accept
Net profit margin	Net_profit_margin	Positive	Positive	Accept
State ownership status	State_ownership_status	Negative	Insignificant	No conclusion
Foreign ownership status	Foreign_ownership_status	Positive	Negative	Reject
Firm age	Age	Positive	Insignificant	No conclusion

Source: Authors' compilation from primary data and analysis

5. Recommendations

For improving firm performance and utilizing the bank relationship, the following recommendations are proposed for listed F&B firms in Vietnam.

First, reduce the short-term loans from banks and fixed assets investment, while increase the cheap equity funding available in the market. As firms avoid keeping unnecessary amount of short-term credit, they can eliminate high borrowings cost in short run and therefore, increase both the amount of profit gained and firms performance. To take this solution into action, companies should improve the managerial activities and process of production following the demand of markets. Also, applying more advanced technology in doing business and finally, acquiring better organized accounting procedure and market analysis with the purpose of enhancing the efficiency of bank credit. Limitation on the amount of fixed assets will save F&B firms significantly, as the fixed assets in this industry have very high depreciation rates, especially with industrial revolution 4.0. F&B firms can raise funding by issuing more shares to the public or to existing shareholders, as this is still the cheap funding source in Vietnam thanks to shareholders' expectation on pricing changes rather than dividends.

Second, be more selective in working with banks to have better fees and interest saved. Banks usually apply the customer profitability analysis pricing policies with clients having huge transactions in total. Therefore, reduce the relationship with banks down to 2-3 maximum, not up to 20. Choose the banks which can provide the whole packages of solutions to the firms to reduce all transaction opportunity costs.

Third, utilize other short-term liabilities, focusing on payables and advances – the low-cost funding sources. F&B firms have good reputation and advantages in requesting advances from their clients. They are in good position to ask for very low or zero payables or advances. This solution also can help to increase firm sizes.

Fourth, have smart buy-in strategies on foreign ownership. A reasonable ratio of foreign ownership can give firms advantages in having stronger financial background, more professional management and chances to study from people with long-term experience, while avoiding problems from information asymmetry and deconcentration from foreign ownership. To gain that ratio, board of director of firms should think carefully about how much foreign ownership is suitable for their ownership construction and how to use the strength of foreign shareholders in managing effectively.

Fifth, increase firm size to utilize the economies of scope and economies of scale in the market. F&B firms can do that by several ways: (i) increase equity and non-bank low cost liabilities such as payables, advances, (ii) issue subordinated debts; (iii) implement M&A with other firms.

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Appendices

APPENDIX A.1. DESCRIPTIVE STATISTIC SUMMARY OF VARIABLES IN THE MODEL

Variables	Obs.	Mean	Std. Dev.	Min	Max
ROE	170	17.16106	16.70943	-42.88	91.24
ROA	170	9.983176	10.11227	-18.99	72.19
Bank_num	170	3.094118	2.90734	0	20
Bank_num^2	170	17.97647	42.33313	0	400
Short_financing	170	32.52672	29.00266	0	100
Long_financing	170	5.866341	13.86779	0	80.3515
Size	170	13.57818	1.595999	11.56092	18.1065
FATA	170	25.81366	17.07344	0	99.13
Short_term_liabilities_ratio	170	88.16365	21.38562	0	100
Leverage	170	42.02941	17.54232	10	80
Net_profit_margin	170	10.09576	9.007154	-6.39	43.33
State_ownership	170	16.12018	23.42762	0	61.9
Foreign_ownership	170	11.79868	14.79582	0	59.76
Age	170	25.94118	13.18045	4	62

Source: Authors' compilation from primary data

APPENDIX A.2: CORRELATION MATRIX

Probability	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]
1. ROE__	1													
2. ROA__	0.90*	1												
3. Bank_Num	-0.16*	-0.19*	1											
4. Bank_Num_2	-0.10	-0.13*	0.88*	1										
5. Short_Financing__	-0.16*	-0.25*	0.40*	0.22*	1									
6. Long_Financing__	-0.02	-0.06	0.14	0.10	-0.09	1								
7. Size	0.05	0.05	0.57*	0.39*	0.05	0.05	1							
8. Fata__	-0.07	-0.06	0.04	-0.02	-0.11	0.23*	0.22*	1						
9. Short_Term_ Liabilities_Ratio	0.17*	0.20*	-0.28*	-0.20*	-0.03	-0.16*	-0.45*	-0.46*	1					
10. Leverage	-0.03	-0.28*	0.30*	0.22*	0.30*	0.12	0.09	-0.26*	0.03	1				
11. Net_Profit_Margin__	0.31*	0.37*	0.16*	0.10	-0.12	0.01	0.44*	0.10	-0.15*	-0.05	1			
12. State__	-0.02	0.07*	-0.19*	-0.15*	-0.13*	-0.22*	-0.29*	-0.20*	0.29*	-0.06	-0.06	1		
13. Foreign__	-0.01	0.05*	0.13	0.08	-0.26*	-0.02	0.59*	0.11	-0.21*	-0.14*	0.14*	-0.12	1	
14. Age	-0.06	-0.04*	-0.08	-0.08	0.06	-0.02	-0.09	-0.04	0.01	-0.07	-0.26*	-0.15*	-0.15*	1

Source: Authors' compilation from primary data

* $p < 0.1$

APPENDIX A.3: HAUSMAN TEST RESULT

APPENDIX A.4: LIST OF F&B FIRMS COVERED IN THE RESEARCH

No	Code	Full name of the firm
1	AGM	An Giang Import – Export Company
2	BBC	Bibica Corporation
3	CAN	Ha Long Canned Food Joint Stock Corporation
4	CAP	Yen Bai Joint Stock Forest Agricultural Products And Foodstuff Company
5	CLC	Cat Loi Joint Stock Company
6	DBC	Dabaco Group
7	FMC	Sao Ta Foods Joint Stock Company
8	GTN	GTNFoods JSC
9	HAD	Ha Noi – Hai Duong Beer JSC
10	HAT	Ha Noi Beer Trading Joint Stock Company
11	HHC	Haiha Confectionery JSC
12	HNM	Hanoimilk Joint Stock Company
13	KDC	KIDO Group
14	KTS	Kon Tum Sugar Joint Stock Company
15	LAF	Long An Food Processing Export Joint Stock Company
16	LSS	Lam Son Sugar Joint Stock Corporation
17	MCF	Mechanics Contruction & Foodstuff JSC
18	MSN	Masan Group Corporation
19	NSC	Vietnam National Seed Group JSC
20	NST	Ngan Son Joint Stock Company
21	SAF	Safoco Foodstuff Joint Stock Company
22	SBT	Thanh Cong – Bien Hoa Joint Stock Company
23	SCD	Chuong Duong Beverages Joint Stock Company
24	SGC	Sa Giang Import Export Corporation
25	SLS	Son La Sugar JSC
26	SMB	Sai Gon – Mien Trung Beer JSC
27	SSC	Southern Seed Corporation
28	TAC	TuongAn Vegetable Oil Joint Stock Company
29	THB	Ha Noi – Thanh Hoa Beer Joint Stock Company
30	TSC	Techno – Agricultural Supplying Joint Stock Company
31	VCF	Vinacafé Bienhoa Joint Stock Company
32	VDL	Lam Dong Foodstuffs JSC
33	VNM	Viet Nam Dairy Products Joint Stock Company
34	VTL	Thang Long Wine Joint Stock Company