

# THE IMPACT OF INTELLECTUAL CAPITAL AND CORPORATE GOVERNANCE ON BANK PERFORMANCE IN VIETNAM

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## Appendix 1. Descriptive Statistics

Variables	Observations	Mean	Min	Max	Std. Dev.
ROA	153	0.0121	0.0004	0.0332	0.0073
ROE	153	0.1330	0.0030	0.2879	0.0716
MVAIC	153	3.2384	1.0128	5.7716	0.8652
HCE	151	2.4382	1.0500	4.8158	0.7327
SCE	151	0.5641	0.0476	0.8000	0.1318
CEE	153	0.0207	0.0073	0.0475	0.0093
RCE	142	0.2740	0.0279	0.6469	0.1325
BSIZE	147	7.8843	5.0000	15.000	1.7301
BCOM	147	0.1247	0.0000	0.4000	0.0783
BREM	151	18.4044	0.0000	61.1271	11.6624
HOLD	147	0.2993	0.0000	1.0000	0.4595
SIZE	153	5.3519	4.1795	6.1182	0.3933
LEV	153	0.6643	0.3075	7.0000	0.6352

**Appendix 2.** The pairwise correlation coefficients and variance inflating factor among variables

	<b>ROA</b>	<b>ROE</b>	<b>MVAIC</b>	<b>HCE</b>	<b>SCE</b>	<b>CEE</b>	<b>RCE</b>	<b>BSIZE</b>	<b>BCOM</b>	<b>BREM</b>	<b>HOLD</b>	<b>SIZE</b>	<b>LEV</b>	<b>VIF</b>	
<b>ROA</b>	1.000													-	-
<b>ROE</b>	-	1.000												-	-
<b>MVAIC</b>	0.674***	0.711***	1.000											1.13	-
<b>HCE</b>	0.673***	0.700***	0.689***	1.000										-	2.82
<b>SCE</b>	0.557***	0.515***	0.664***	0.684***	1.000									-	2.26
<b>CEE</b>	0.594***	0.677***	0.608***	0.562***	0.405***	1.000								-	1.87
<b>RCE</b>	-0.121	-0.153*	-0.204**	-0.321***	-0.434***	-0.024	1.000							-	2.19
<b>BSIZE</b>	-0.069	-0.037	-0.002	-0.070	-0.099	-0.046	0.228***	1.000						1.23	1.24
<b>BCOM</b>	0.088	0.084	-0.176**	-0.168**	-0.184**	0.176**	0.006	-0.132	1.000					1.34	1.52
<b>BREM</b>	0.245***	0.205**	0.153*	0.035	-0.064	0.301***	0.554***	0.358***	0.149*	1.000				1.90	2.26
<b>HOLD</b>	-0.108	0.084	-0.018	-0.037	-0.011	-0.139*	0.056	0.112	-0.384***	-0.033	1.000			2.02	2.14
<b>SIZE</b>	0.099	0.298***	0.158*	0.029	0.113	0.113	0.424***	0.186**	-0.023	0.524	0.519***	1.000		2.38	2.43
<b>LEV</b>	0.057	0.007	0.051	0.015	0.050	0.050	0.116	-0.057	0.048	0.089	0.115	0.147*	1.000	1.04	1.06

**Notes:** \*p<0.10; \*\*p<0.05; \*\*\*p<0.01

**ROA** indicates how profitable a bank is relative to its total assets; **ROE** reflects the profit for ordinary equity holders and is calculated by a ratio between net profit and equity; **MVAIC** is the modified value-added intellectual coefficient; **BSIZE** is defined as the total number of members on the board of directors; **BCOM** is measured by the proportion of independent directors and the total number of the board of directors; **BREM** is measured by board remuneration; **HOLD** is a dummy variable, 1 if a shareholder has more than 20 per cent shares outstanding and 0 otherwise; **HCE**: human capital efficiency; **SCE**: structural capital efficiency; **CEE**: capital employed efficiency; **RCE**: relational capital efficiency; control variables: **SIZE** is the natural logarithm of the total assets and **LEV** is defined as the ratio of total debt to total assets of banks.

### **Appendix 3.** Corporate governance of listed banks in Vietnam

The 2014 Enterprise Law and the amended 2020 Enterprise Law are the official legal frameworks for corporate governance in Vietnam. These laws set the rules of corporate governance to ensure board independence and to seek to eliminate conflicts of interest among stakeholders. Besides, it improves the responsibility to disclose information as part of the Government's efforts to ensure better corporate governance. In addition, listed banks on Vietnam's stock market must also operate in accordance with the applicable Corporate Governance Code which is implemented to improve the quality of listed banks in Vietnam, to enhance the confidence of investors and to authorize the development of Vietnam's stock market and the national economy.

Besides, banks in Vietnam strive to meet the standards under Basel II to combat banks' financial and operational risks. These regulations encourage banks to improve capital to protect solvency and stabilize the general economy. Basel II has tried to achieve these objectives by establishing capital and risk management requirements. Hence, it ensures that banks have sufficient capital for lending, investing and trading activities.