

ANNUAL REPORT

2022



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01

General Introduction

CHAIRMAN'S MESSAGE

Dear valued Shareholders, Clients, and Partners,

During 2022, the Covid-19 pandemic was effectively brought under control, and society has transitioned to “the new normal”. The Government issued many new supporting policies to recover the economy contributing to boost Vietnam's economy by 8.02% compared to 2021. This has been the highest growth percentage in the 11 years since 2011. However, the Vietnam stock market (“**STC**”) experienced a complex year and was affected enormously by pressure and fluctuations from the international market due to tightening monetary policy among global central banks. At the same time, the Vietnamese Government took strong measures to purify and improve the health of the domestic real estate market, the stock market, and the corporate bond market. This has had strong impacts on causing the stock market to drop sharply in both scores and market liquidity. The VNIIndex closed the year at 1007 points, decreasing by 491 points, equivalent to 2.8% compared to 2021. This was one of the most dramatical declines in the more than 20-year history of the stock market.

In the face of the above challenges, BVSC has closely followed the strategic direction for the period of 2021-2025, focusing on promoting the core strengths of the business to quickly adapt to fluctuations of the market. As a result, realized revenue reached 898.45 billion VND; Realized profit after tax was 213.67 billion VND, achieving 101.8% of the plan, a decrease of 8% compared to the same period of the previous year. This was a lower decrease than the average of the whole securities industry (which decreased by approximately 27%). In addition, BVSC continued to provide a safe, happy working environment and ensured a stable income for employees, while paying regular cash dividends to shareholders.

As we enter 2023, it is obvious that the business environment will have to cope with many challenges. This, however, is also an opportunity for BVSC to pursue its sustainable development strategy with the motto of “flexibility”, “proactivity”, “transparency” and “wisdom” in implementing business goals and improving the quality of corporate governance to bring added value to shareholders.

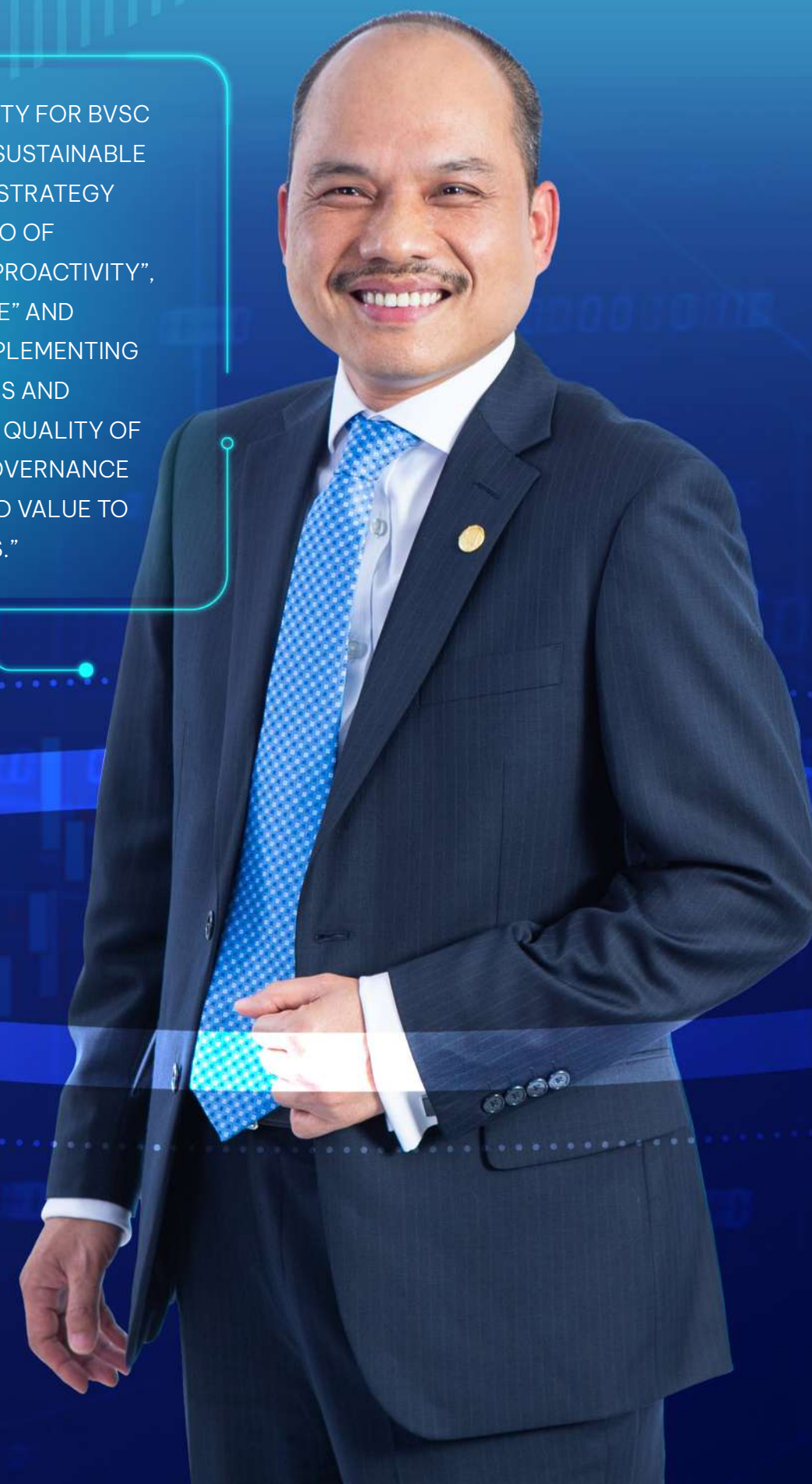
On behalf of the Board of Directors, I would like to express my profound gratitude to our valued shareholders, clients, partners, and all employees of the Company for their confidence and companionship with BVSC. We wish you good health and success!

Yours sincerely./.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN
Nguyen Hong Tuan

“AN OPPORTUNITY FOR BVSC TO PURSUE ITS SUSTAINABLE DEVELOPMENT STRATEGY WITH THE MOTTO OF “FLEXIBILITY”, “PROACTIVITY”, “TRANSPARENCY” AND “WISDOM” IN IMPLEMENTING BUSINESS GOALS AND IMPROVING THE QUALITY OF CORPORATE GOVERNANCE TO BRING ADDED VALUE TO SHAREHOLDERS.”



COMPANY OVERVIEW

Bao Viet Securities Joint Stock Company (“**BVSC**”) was established in 1999 with the involvement of Vietnam Insurance Corporation (now Bao Viet Holdings) under the management of the Ministry of Finance, BVSC inherited Vietnam’s top insurance corporation’s brand reputation and financial power.

BVSC is one of the most prestigious securities companies in Vietnam, providing financial and investment services to all institutional and individual clients and reputable domestic and foreign investment banks and funds.

| | |
|---|---|
| Commercial name: | Bao Viet Securities Joint Stock Company |
| Business license: | No 01/GPHDKD issued by State Securities Commission on November 26 th , 1999 |
| Charter capital: | VND 722,339,370,000 |
| Owners’ equity as at December 31st, 2022: | VND 2,180,939,806,045 |
| Address: | 1 st , 4 th , and 7 th floors, Bao Viet Building, 08 Le Thai To, Hang Trong Ward, Hoan Kiem Dist., Ha Noi. |
| Tel: | (84-24) 3.928.8080 |
| Fax: | (84-24) 3.928.9888 |
| Website: | www.bvsc.com.vn |
| Ticker: | BVS, listed on Ha Noi Stock Exchange (“ HNX ”) |



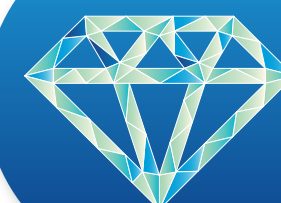
MISSION

Inspiring “**Solid Trust**” to investors and enterprises through a “**Firm Commitment.**”



VISION

Maintaining the Company’s position as one of the leading securities companies in the market, delivering diversified digital-based securities services to bring the best services to customers and maximize shareholders’ interest.



CORE VALUES

Prestige is the Company’s most important asset.
Professional ethics is the most valuable quality for company staff.
A risk management process is followed to limit risk exposure.

MILESTONES

1999

- BVSC was established in 1999 with the involvement of Vietnam Insurance Corporation (now Bao Viet Holdings) as a founding shareholder under the management of the Ministry of Finance.

2000

- Established a Branch and opened a Transaction Office in Ho Chi Minh City.

2006

- Increased charter capital from VND49.45 billion to VND150 billion. BVSC's stock (Ticker: BVS) was officially listed on Ha Noi Securities Trading Center, currently known as Ha Noi Stock Exchange.

2008

- Increased charter capital from VND150 billion to VND450 billion. Set up new Head Office and Transaction Office at No.8 Le Thai To St., Hoan Kiem Dist., Ha Noi. Opened Transaction Office No.1 at 94 Ba Trieu St., Hoan Kiem Dist., Ha Noi.

2009

- Increased charter capital from VND450 billion to VND722.3 billion. Opened a Transaction Office at 146 Nguyen Van Cu, Dist. 5, HCMC.

2010

- Changed the Company's logo and brand recognition. Relocated Ho Chi Minh Branch office to No.233 Dong Khoi St., Dist. 1, HCMC. Opened Transaction Office at 11 Nguyen Cong Tru, Dist. 1, Ho Chi Minh City.

2011

- Opened My Dinh Transaction Office at No.8 Nguyen Co Thach St., Tu Liem, Ha Noi.

2015

- Opened Lang Ha Transaction Office at 14 Lang Ha St., Ba Dinh Dist., Ha Noi. Opened 233 Dong Khoi Transaction Office at 233 Dong Khoi, Dist. 1, HCMC. Relocated My Dinh Transaction Office to No. 519 Kim Ma, Ba Dinh Dist., Ha Noi, and renamed to Kim Ma Transaction Office.

2016

- Relocated 146 Nguyen Van Cu Transaction Office to 90 Cao Thang St. and renamed to 90 Cao Thang Transaction Office.

2017

- Relocated Head Office from No. 8 Le Thai To St., Hoan Kiem Dist. to 72 Tran Hung Dao St., Hoan Kiem Dist., Ha Noi. Established 174 Le Hong Phong Transaction Office under Ho Chi Minh Branch.

2019

- Relocated Kim Ma Transaction Office to Hapulico Center Building, No.1 Nguyen Huy Tuong St., Thanh Xuan Dist., Ha Noi, and renamed to Thanh Xuan Transaction Office.

2021

- Relocated the Head Office from the 2nd and 3rd floors, building No.72 Tran Hung Dao, Tran Hung Dao ward, Hoan Kiem Dist. to No. 8 Le Thai To, Hang Trong ward, Hoan Kiem Dist., Ha Noi.

2022

- Relocated Lang Ha Transaction Office to the 10th Floor, Sky City Building 88 Lang Ha, Dong Da Dist., Ha Noi, and renamed to Thanh Cong Transaction Office. Relocated Cao Thang Transaction Office to 81 Cao Thang, District 3, HCMC.

BUSINESS LINES



Securities Brokerage

Individual Clients

Being the first securities company established in the Vietnam market, with more than 23 years of development, BVSC remained one of the leading firms in Vietnam's stock market. BVSC presently has nearly 75 thousand client accounts.

Institutional Clients

Over the years, BVSC has been a reliable partner of domestic and foreign professional financial institutions such as Merrill Lynch, UBS, Templeton, Trowe, JP Morgan, Manulife, Vina Capital, East Spring, Dragon Capital, etc.

With the "client-centric" spirit in its development strategy, BVSC has been focusing on improving its information technology system, human resources, and research & development to increase quality service and offer comprehensive financial products and services to meet clients' demands.



Securities Depository Services

BVSC provides securities depository services for investors, including securities depository, the exercise of rights, transfer, pledge of securities, donation and inheritance of securities, odd-lot securities transactions, depository agent, payment, and transfer of securities. Securities depository services are provided in a timely, efficient, and prudent manner following the regulations of the State Securities Commission ("SSC") and Vietnam Securities Depository ("VSD").



Proprietary Trading

BVSC invests its own money to increase profitability. Proprietary trading is carried out in strict accordance with the principle of avoiding conflicts with clients' interests.



Corporate Finance Advisory and Investment Banking Services

As a professional advisory organization, BVSC provides comprehensive services to enterprises, including Equity capital market, Debt capital market, Restructuring, Mergers & Acquisitions ("M&A"), and other corporate finance advisory services.

BVSC's investment banking activities with a wide range of products and services always provide customers with the best financial services. With the motto of "Quality – Progress – Efficiency" and a goal of "Maximize customer's interest," BVSC always tries to deliver the best quality services to different customer segments.



Research and Investment Advisory

With a team of highly qualified, experienced, and sensitive analysts constantly monitoring market movements, BVSC's Research and Investment Advisory over the past years has been highly appreciated not only in the diversity of analytical products but also in the accurate, objective, and updated quality of products to meet customer demand.

BVSC provides a diversified and comprehensive range of analytical products ranging from macro analysis, market commentaries, bond reports, investment strategy reports, industry and business analysis, etc. BVSC's analytical reports on investment advisory are always highly appreciated by investors. In addition, BVSC provides investment products based on technology applications, such as BVS – Value; BVS – Active... helps widen customer choices.

NETWORK

Currently, BVSC has a network of 1 branch and 08 transaction offices in the two main cities of Vietnam, Ha Noi and Ho Chi Minh City. BVSC always provides the best services to its clients through a team of competent and experienced stock market experts. BVSC's network is as follows:



HEAD OFFICE

Address: 1st, 4th, and 7th floors, Bao Viet Building,
8 Le Thai To, Hang Trong Ward, Hoan Kiem Dist.,
Ha Noi

Tel: (84-24) 3.928.8080

Fax: (84-24) 3.928.9888

Email: info@baoviet.com.vn

Website: www.bvsc.com.vn

Headquarters transaction Office

Address: 1st floor, Bao Viet Building, 08 Le Thai To,
Hoan Kiem Dist., Ha Noi.

Transaction office No. 1

Address: 94 Ba Trieu St., Hoan Kiem Dist., Ha Noi.

Thanh xuan transaction office

Address: 10th floor, Center Building -
No. 1 Nguyen Huy Tuong, Thanh Xuan Dist., Ha Noi.

Thanh cong transaction office

Address: 10th floor, Sky City Building, 88 Lang Ha,
Dong Da Dist., Ha Noi.

Hotline of Transaction offices in Ha Noi:

(84-24) 3.928.8080

Fax: (84-24) 3.928.9888

HO CHI MINH BRANCH

Address: 8th floor, Bao Viet Building,
233 Dong Khoi, Dist. 1, HCMC

Tel: (84-28) 3.914.6888

Fax: (84-28) 3.914.7999

Email: info@baoviet.com.vn

Website: www.bvsc.com.vn

11 Nguyen Cong Tru transaction office

Address: 11 Nguyen Cong Tru, District 1, HCMC.

Cao Thang transaction office

Address: 81 Cao Thang, District 3, HCMC.

233 Dong Khoi transaction office

Address: G Floor, Bao Viet Building, 233 Dong Khoi,
District 1, HCMC.

174 Le Hong Phong transaction office

Address: 174 Le Hong Phong, District 5, HCMC.

Hotline of transaction offices in HCMC:

(84-28) 3.914.6888

Fax: (84-28) 3.914.7999

AWARDS

“

Since its establishment in 1999, BVSC has continuously received awards and votes from large and reputable domestic and foreign organizations in all fields of operation. In this report, we would like to summarize the outstanding achievements recently:

Awards by the Management Authorities

Prime Minister

- Government's Emulation Flag 2019.



Ministry of Finance

- Certificate – Achievement in Building and Developing Vietnam Stock Market in 2009 – 2014.
- Certificate of Merit – Achievement in Building and Developing Vietnam Securities Trading Association in 2015 – 2018.
- Emulation flag rewarded for outstanding achievements in the emulation movement of the Financial Sector in 2017.
- Excellent Labor Collective 2016 – 2017 – 2021 – 2022.



State Securities Commission of Vietnam

- Certificate – Outstanding achievement in Secondary Treasury Market in 2012.
- Certificate of merit for achievements in building and developing Vietnam Association of Securities Business and the stock market in 2018 – 2020.



Hanoi Stock Exchange (HNX)

- Typical Member for eight consecutive years 2013 – 2020.
- Top 30 Transparent Listed Companies for four consecutive years 2013 – 2016.



Ho Chi Minh Stock Exchange (HOSE)

- Top 5 – Bond Brokerage Houses in 2015.
- Top 10 – Shares and Fund Certificates Brokerage Houses in 2016.
- Typical members in basic securities transaction payment operation 2018 – 2019.



Vietnam Securities Depository

- Top 10 in Securities Transaction Payment in 2017.
- Typical members in basic securities transaction payment operation 2018 – 2020.

AWARDS

Other Awards



Vietnam Records Books

- The First Securities Company in Vietnam.



Vietnam Young Entrepreneur Association Central Committee

- Top 200 Vietnam Gold Star 2015.
- Top 100 Vietnam Gold Star 2018.



Vietnam Best Places to Work

- Top 50 Vietnamese Organizations with Attractive Employer Brand in five consecutive years 2018 – 2022.
- Top 100 Vietnam Best Places to Work 2021 – 2022.



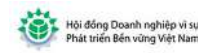
Annual M&A Forum

- The Best Securities Company – categories equityization/ divestment/ M&A advisory for 8 consecutive years 2013 – 2020.
- Typical Securities Company in M&A Consulting of the Decade 2009 – 2018.



Vietnam Listed Company Awards

- Top 10 best annual reports in five years: 2017–2021 – Medium cap group.



Sustainable Enterprises Award

- Top 100 Sustainable Enterprises in five years: 2018 – 2022.



Vietnam Strong Brand Award

- Top 100 Vietnam Strong Brand Award 2021.



Vietnam Profit 500

- Vietnam's 500 most profitable enterprises in 2022.

AWARDS

Other Awards



Global Banking and Finance Review (UK).

- Best Brokerage House Vietnam for 03 consecutive years 2015 –2017.
- Best Advisory House Vietnam 2016 – 2017.
- Best Brokerage House – Digital Transformation Vietnam 2021.
- Best digital transformation platform Vietnam 2022.
- The Next 100 Global Awards 2022 – Trading Platform.



International Finance Magazine (UK)

- Best Securities Advisory Firm Vietnam 2018 –2019.
- Best Brokerage House Vietnam 2018.



International Business Magazine (UAE)

- Best Brokerage House Vietnam 2020.



Global Business Outlook Awards

- Best Brokerage House Vietnam 2021.



World Economic Magazine Award

- Most Sustainable Securities Brokerage House Vietnam 2021.



Finance Derivative Magazine

- Most Sustainable Securities Brokerage House Vietnam 2022.



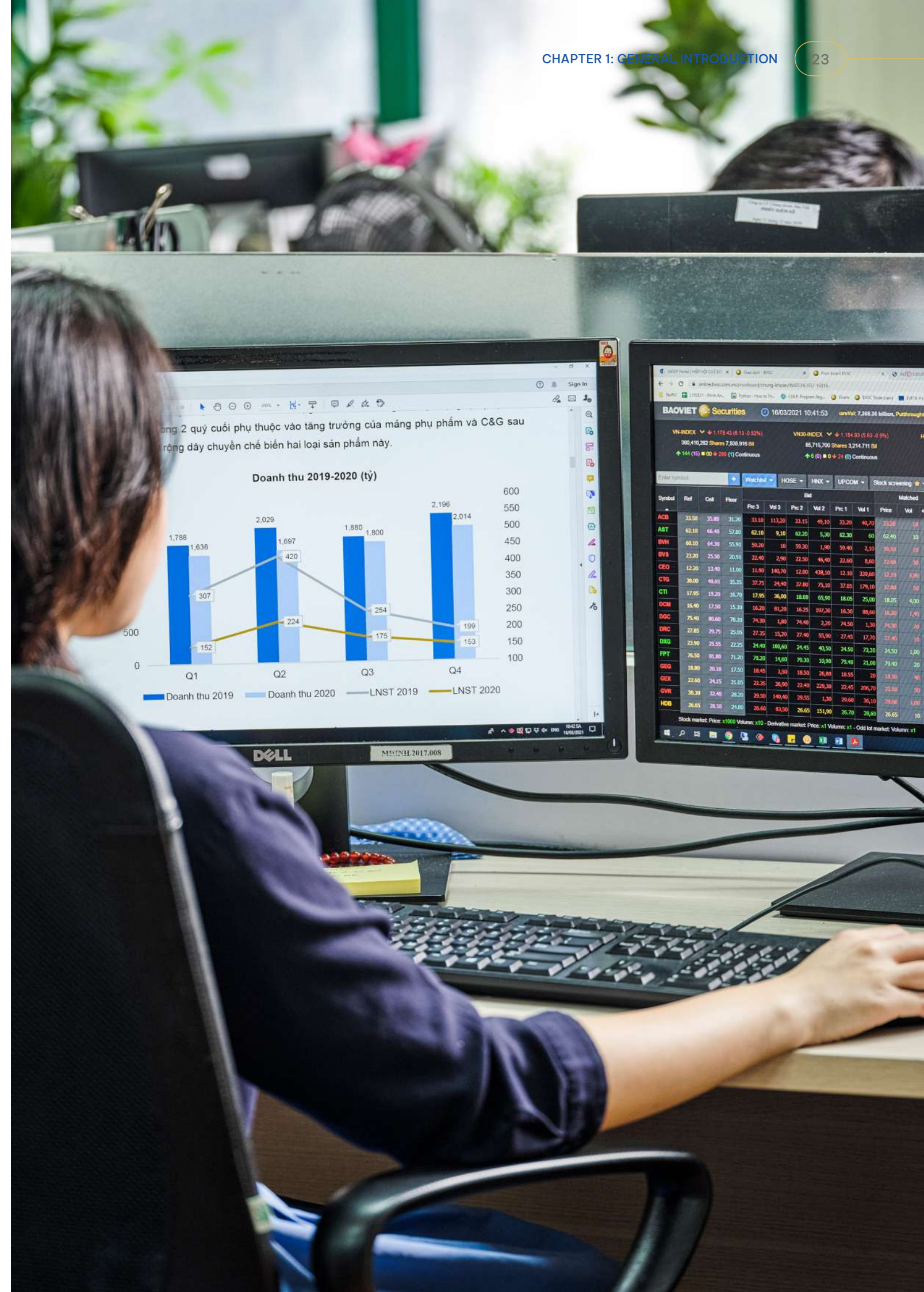
The Global Economics

- Most Innovative Online Trading Platform – Bwise .

KEY PERFORMANCE INDICATORS (KPIs)

Unit: VND billion

| INDICATOR | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| I. KPI | | | | | |
| Total Revenue | 547,58 | 563,65 | 594,15 | 1,147,11 | 921,54 |
| • Gain from Financial Investment | 167,05 | 192,83 | 212,91 | 255,98 | 163,21 |
| • Interest Income from Loans and receivables | 168,79 | 193,70 | 174,09 | 361,77 | 325,81 |
| • Brokerage Revenue | 171,59 | 135,86 | 151,39 | 467,67 | 320,15 |
| • Revenue from underwriting, securities issuance agency, auction entrustment | 0,28 | 0,06 | 14,62 | 28,33 | 23,48 |
| • Advisory Revenue | 7,33 | 11,02 | 6,85 | 12,70 | 8,97 |
| • Revenue from securities depository | 6,52 | 5,85 | 5,68 | 9,23 | 9,50 |
| • Revenue from financial activities and other income | 26,02 | 24,34 | 28,61 | 11,44 | 70,41 |
| Operating profit | 122,74 | 151,29 | 154,37 | 351,59 | 179,25 |
| Other profit | (0,26) | (0,13) | (0,04) | (0,56) | 1,75 |
| Profit before tax | 122,48 | 151,16 | 154,33 | 351,03 | 181,00 |
| Profit after tax | 103,53 | 135,51 | 132,38 | 282,94 | 146,89 |
| Realized profit after tax | 131,65 | 127,93 | 105,03 | 232,20 | 213,69 |
| Total assets | 2,927,16 | 2,397,85 | 3,412,99 | 5,719,30 | 3,857,65 |
| Owners' equity | 1,692,15 | 1,806,63 | 1,874,74 | 2,144,45 | 2,180,94 |
| II. SPECIFIC KPIs | | | | | |
| • Capital adequacy ratio | 738% | 714% | 518% | 489% | 654% |
| • Total assets/Total liabilities | 2,37 | 4,06 | 2,22 | 1,60 | 2,30 |
| • Current ratio (Current Assets/Current Liabilities) | 2,79 | 12,26 | 2,15 | 1,60 | 2,20 |
| • Quick ratio (Cash & cash equivalent + Short-term Investments/Current Liabilities) | 2,75 | 12,02 | 2,13 | 1,54 | 2,11 |
| Earnings per share (VND) | 1,741 | 1,693 | 1,389 | 3,042 | 2,782 |



For **VOLATILITY**
be **FLEXIBILITY**



02

2022 Performance Report

DEVELOPMENT STRATEGY FOR 2021 – 2025

BVSC's Development Strategy for 2021–2025 was approved by the 2022 Annual General Meeting of Shareholders on April 21st 2022. Details are as follows:



Strategic targets

Overall target:

BVSC maintains its market leadership as a major securities company, offering comprehensive securities services via digital platforms.

Specific targets:

- Top 10 Securities companies with the largest brokerage share and fund certificates.
- Top 05 Securities companies with the largest brokerage share of Government bonds.
- Typical Advisory House on Vietnam stock market in equitization, M&A, divestment.
- By 2025, the Company aims to be able to offer 100% of online transactions to customers, as well as diverse integrated financial services on a digital platform for the Bao Viet ecosystem.

Financial targets

Average realized revenue growth for 2021–2025

10–15%/year

Average realized profit after tax growth for 2021–2025

6,5%/year



Average profit after tax growth for 2021–2025

7%–8,5%/year

Average ratio of profit after tax to equity for 2021–2025

6,4%/year

Average ratio of profit after tax to charter capital for 2021–2025
(on the charter capital of VND722 billion)

18%/year



Implementation orientation of the 2021–2025 development strategy:

To fulfill the business strategy for 2021–2025 towards the above strategic goals, BVSC designs the following implementation solutions:

Product Orientation

Focusing on developing financial products based on technology. Developing integrated financial products based on the advantage of Bao Viet Holdings' ecosystem (insurance – banking – finance).

Customer Orientation

Utilizing clientele in the Bao Viet Holdings ecosystem, providing asset management services for the middle class.

IT Orientation

Investing in information technology systems to have a user-friendly trading application with plenty of utilities. Developing financial products on a technology base, adopting e-KYC in online account opening, strengthening risk management when connecting to database platforms, making independent order placement (OPEN APIs), and connecting to online payment channels.

Employee Orientation

Setting up and developing a project team with experts in portfolio management and personal asset management. Recruiting and building a team to design trading products using Robots and algorithms. Assembling a team of sales and PR professionals with a focus on attracting and growing the customer base of GEN Y and Z customers. Investing extensively in leadership and staff development training and coaching activities.

ECONOMY AND STOCK MARKET OVERVIEW IN 2022



Overview of the economy

Advantages

The economy was fully reopened, and post-pandemic economic recovery programs were implemented

The Government continued to prioritize growth by preserving business-friendly policies and proposing new economic support packages. The economy's full reopening and support packages have led to the growth of many different sectors.

Vietnam's GDP rebounded strongly in 2022, expanding by 8.02% over 2021

This was the most rapid growth since 1997 until now. Domestic consumption demand and public investment both jumped by 19.8% and 18.8%, respectively, compared to 2021.

The inflation rate was maintained low

In 2022, amid persistently high inflationary pressures in many countries, price control and price reduction measures such as stabilizing food prices, lowering VAT, deferring tuition hikes until the end of the year, reducing some fees and taxes on petroleum products, etc. helped reduce the overall inflation rate to 3.15%, well below the 4% target set at the start of the year.

State budget collection increased sharply

Accordingly, the State budget in 2022 increased by 15% over 2021 and 27.8% over the initial projection. The positive outcome provided a basis and resources for promoting development investment in 2022 and subsequent years.



Vietnam's GDP rebounded strongly

↑ **8,02%** compared to 2021



State budget collection increased sharply

↑ **15%** compared to 2021



Disadvantages

The Russo-Ukrainian geopolitical conflict and the complicated Covid-19 outbreak in China put inflationary pressure on many countries and had a severe influence on Vietnam's exports.

The exchange rate fluctuated strongly: Major central banks dramatically raised interest rates, especially the Fed, with 7 rate hikes, causing the DXY to climb to its highest level in 20 years, forcing the VND to depreciate by more than 9% at times. Under the strain of the VND depreciation, the SBV was forced to intervene in the foreign exchange market by selling foreign currencies. By November 2022, Vietnam's foreign reserves had dropped to USD 83.5 billion, falling approximately 24% from USD 109 billion at the beginning of the year.

Interest rates climbed dramatically because of exchange rate pressure and liquidity stress in the banking sector: By the end of 2022, the average deposit rate for the 12-month term was 8.43%, rising by 260 bps over the end of 2021 and higher than the pre-pandemic level.

It is difficult to attract foreign direct investment (FDI): Amid a rising interest rate environment and tightened monetary policy, total registered FDI into Vietnam as of December 20th 2022, was USD 27.72 billion, an 11% decrease from 2021 and the lowest level since 2017.



ECONOMY AND STOCK MARKET OVERVIEW IN 2022 (continued)



Overview of the stock market

Opportunities

GDP growth was robust from a low base, and business results sustained growth momentum. The reopening of the economy and the launch of economic recovery policies such as public investment, interest rate support packages, and so on helped many enterprises maintain solid growth momentum, supporting economic growth post-pandemic.

The number of newly opened securities accounts remained high. In 2022, the number of newly opened accounts kept a strong rise. The overall number of new accounts opened by investors in 2022 reached 2,586,860, a significant increase over prior years. The number of trading accounts reached 6.9 million by the end of 2022, a 60% increase from the end of 2021.

The settlement cycle for securities transactions was cut to two business days after the trade (T+2). This promotes faster capital turnover and, as a result, increased market liquidity.

Market inflows through ETFs kept rising. ETFs have garnered more than VND27 trillion in investment funds overall for the year 2022. Similar to recent years, in 2022, the Vietnamese stock market has also attracted four new ETFs: KIM Growth VN30 ETF, KIM Growth VNFINSELECT ETF, DCVFM VMMIDCAP ETF, and CSOP FTSE Vietnam 30 ETF.



Challenges

High interest rates are detrimental to the stock market. Rising inflationary pressure forced major economies to increase interest rates and tighten monetary policies. The FED's seven interest rate hikes in 2022 caused the USD to appreciate, putting pressure on exchange rates and the country's interest rate levels. Rising domestic interest rates lower the appeal of the securities investment channel, leading some of the market's cash flow to be dispersed to other investment channels.

Although the implementation of aggressive measures by management agencies to eradicate wrongdoings, clean up, and make the real estate, stock, and corporate bond markets healthy is expected to contribute to the stock market's sound and sustainable development in the long term, it has created psychological shocks among investors in the short term.

Risks exist in the corporate bond market as a result of many bonds maturing but failing to fulfill their financial obligations. Investor sentiment was severely affected by the Tan Hoang Minh Group and Van Thinh Phat Group events, and the tight monetary policy resulted in a significant decline in the value of bonds issued in 2022 compared to the previous year. The liquidity crisis in the corporate bond market has caused companies to sell their pledged shares at securities firms, causing market movements to suffer.

The stock market in 2022

- Since the early second quarter, the stock market saw a dramatic decrease in both trading value and scoring as central banks raise interest rates and tightened monetary policy to fight inflation. The stock market in Vietnam suffered one of the sharpest declines in 2022.
- The VNIndex completed the year at 1,007.09 points, down 491 points, or 32.78%, from 2021. The HnxIndex closed at 205.31 points, dropping by 268 points or 56.68%. The UpcomIndex finished the year at 71.65 points, falling by 41 points or 36.41%. Meanwhile, the market liquidity also suffered a significant fall, the average trading value per session of three exchanges in 2022 fell by 24.3% year-on-year to VND20,187 billion/session.

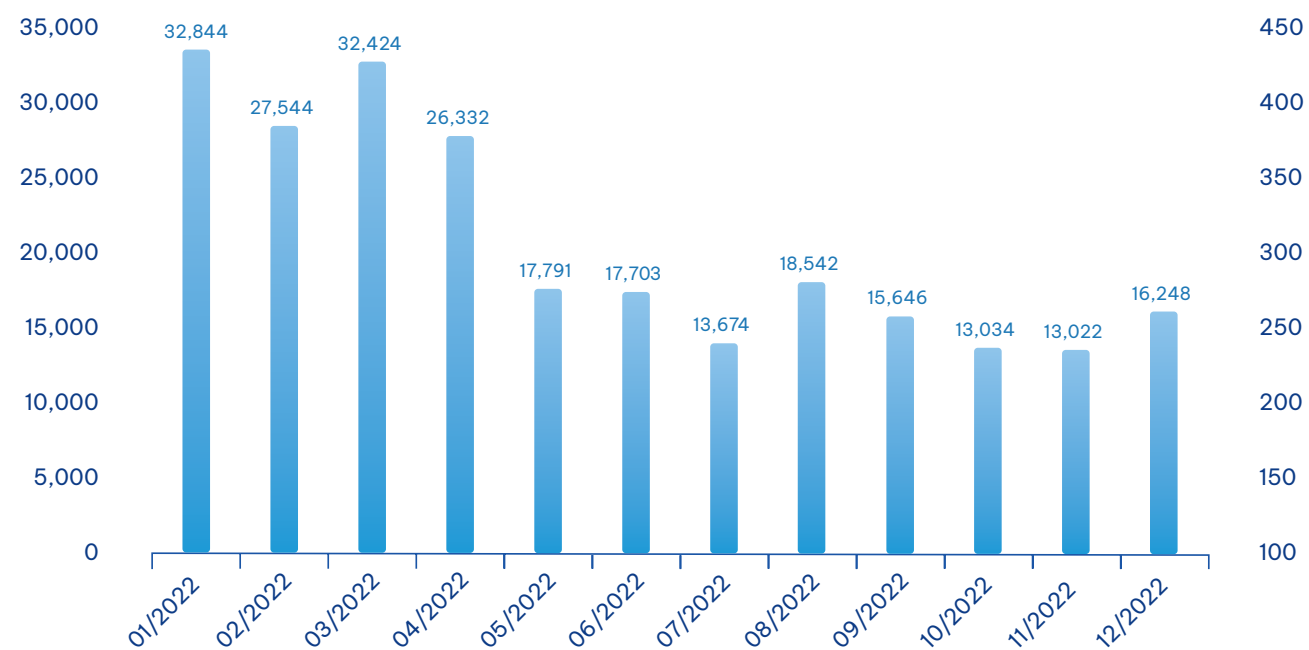


VNINDEX and HNX-Index performance of 2022



ECONOMY AND STOCK MARKET OVERVIEW IN 2022 (continued)

The average trading value in 2022 (VND billion/session)



REPORT OF BOARD OF DIRECTORS



Evaluation of board of directors on the company's performance in 2022

On deploying tasks in accordance with the Resolution of the General Meeting of Shareholders in 2022

Deploying business mission

In the context of the unfavorable stock market, the business activities of securities companies were greatly affected, and at the same time, performing the authorization of the Annual General Meeting of Shareholders 2022, the Board of Directors reviewed, evaluated, and issued Resolution No. 32/2022 /NQ-HĐQT dated 18 November 2022 adjusted Business Plan ("Business Plan") in 2022 for BVSC, according to which the indicator of realized revenue and profit after tax for 2022 is VND900 billion and VND210 billion respectively, corresponding to a decrease of 16.7% and 11% compared to the original Business Plan assigned by General Meeting of Shareholders 2022.

In order to implement the business plan for 2022, the Board of Directors directed the Board of Management to actively and flexibly follow the market situation to synchronously deploy many solutions on human resources, technology, risk management, and promoting a comprehensive digital transformation strategy throughout the Company with a high determination to complete the business mission in 2022, BVSC's business performance in 2022 have been achieved as follows:

- Total revenue in 2022 reached VND 923.8 billion, completing 99.9% of the plan (VND 925 billion). In which, realized revenue was VND 898.4 billion, completing 99.8% of the plan (VND 900 billion).
- The realized profit after tax in 2022 reached VND 213.7 billion, completing 101.8% of the plan (VND 210 billion).

2022 is considered as a difficult year for the securities industry, accordingly, many securities companies have not completed their business plans and drastically reduced from the results of 2021. It is estimated that for the entire securities industry, the realized profit after tax decreased by about 27% compared to 2021. With BVSC, the realized profit after tax in 2022 only decreased by 08% compared to 2021, a much lower decrease than the decline of the industry as a whole. The Board of Directors evaluated that the Board of Management had successfully completed the business mission in 2022.



The Board of Directors evaluated that the Board of Management had successfully completed the business mission in 2022.



Total revenue in 2022

923,8 billion VND



The realized profit after tax

213,7 billion VND

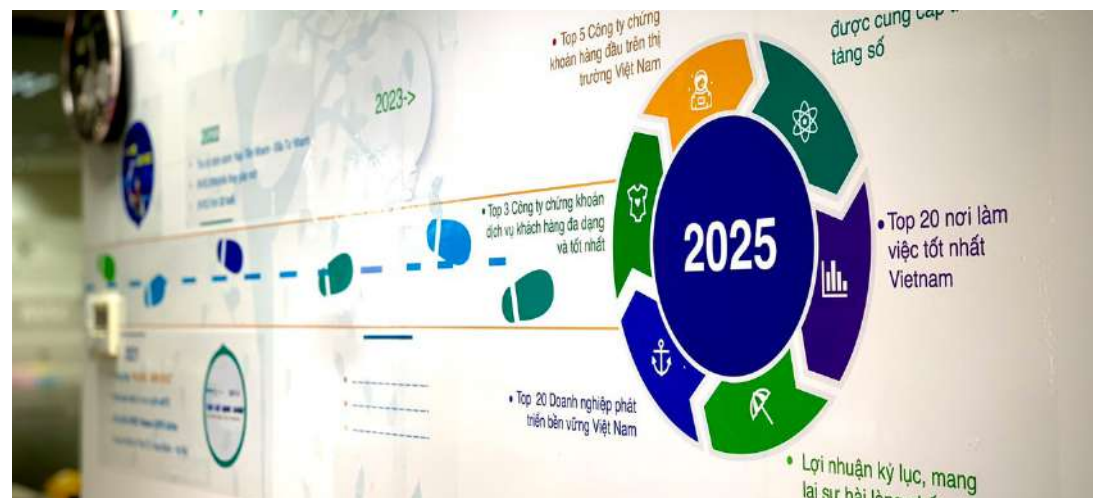
REPORT OF BOARD OF DIRECTORS (continued)



Deploying other business mission

Implementing the resolutions of the General Meeting of Shareholders in 2022, the Board of Directors coordinated with the Supervisory Board, and the Board of Management to perform the following missions:

- Disseminating and organizing the performance of the Company Development Strategy for the period of 2021–2025. Finishing 2021, the Board of Directors evaluated and reviewed the implementation of the Development Strategy 2021–2025 finding that basically, the Company's activities were still going according to the objectives in the Development Strategy 2021–2025 proposed.
- Distributing profits in 2021 according to the Resolution of the General Meeting of Shareholders, including paying dividends to shareholders at the rate of 08% of the par value of shares, building reserves funds, bonus and welfare funds and Remuneration for the Board of Directors; Supervisory Board, Company Secretary, and Person in charge of corporate governance.
- Circulating the the 13th amendment of Bao Viet Securities Joint Stock Company's Charter.
- Implementing an investment project to renovate the company's headquarter office according to the approval of the General Meeting of Shareholders. However, due to objective factors, the project has not been completed and kept carrying out in 2023.



Improving the Company's ability and competitiveness

By directing the Company to focus on synchronously deploying solutions, which gives the top priority to risk management, digital transformation, and consolidation of senior management positions as well as the succession planning for human resource development in line with the 2021–2025 strategy.

In 2022, due to adverse movements of the VND/USD exchange rate, as well as after evaluating the effectiveness of VND100 billion collected from BVSH2123001 Bonds and following the request of Tokai Tokyo Securities, BVSC bought back VND 100 billion of BVSH2123001 bonds on November 30th 2022. Currently, BVSC no longer has any debt balance arising from the issuance of bonds.



Supervision of the Board of Directors towards the activities of the Board of Management

During the year, the Board of Directors supervised and directed the activities of the Board of Management in implementing the resolutions of the General Meeting of Shareholders and the Board of Directors through the regular reporting mechanism, the directives, resolutions, and decisions of the Board of Directors, and the role of the committees under the Board of Directors and the Internal Audit agency as well as promoting the inspection and supervision role of Supervisory Board.

Through the inspection and supervision mechanisms mentioned above, the Board of Directors highly appreciates the Board of Management in 2022: (i) actively following market movements to propose flexible and synchronous solutions in terms of products and services, capital, human resources, and technology for the Company could complete its business plan in 2022; (ii) BVSC developed new products, services and comprehensive digital transformation activities in line with the strategic orientation for the period 2021–2025 approved by the General Meeting of Shareholders; (iii) BVSC was exercised its rights and obligations assigned with care, honesty, efficiency and publicity of related interests in accordance with current laws, the Company's Charter, resolutions of the General Meeting of Shareholders and the Board of Directors.

Implementing of social goals and environment protection

Besides economic goals, the Board of Directors realizes that the goal of environmental protection and social and community responsibility are fundamental factors for the long-term and sustainable success of BVSC. Therefore, in 2022, the Board of Directors directed the Company to actively implement: volunteering activities, community support and social security; applying technology to minimize impacts on the environment; in the process of investment and purchase of property, giving priority to the purchase of energy-saving and environment-friendly equipment; complying with regulations on environmental protection and energy saving during business operations.

(For detailed information on the content implementing social and environmental goals, please see Chapter V Sustainable Development, from pages 146 to 205 of this Report).



REPORT OF BOARD OF DIRECTORS (continued)



Operational orientation of the Board of Directors in 2023

Based on the forecast of economic conditions and the stock market in 2023 (please see Chapter III, pages 44 to 50 of this Report), the Board of Directors has agreed on the operational orientation and key mission for 2023 as follows:

Focusing on orientation and directing the Company to complete the business plan in 2023 with the following indicators

- Total revenue: VND 768.5 billion; in which realized Revenue reached VND 720 billion.
- Profit after corporate income tax ("Profit after tax"): VND 155.7 billion; in which Profit after tax realized: VND145 billion.

With business orientation in 2023, BVSC continues to implement all business ventures, strengthen risk management; promote the development of new products and services based on technology.

(This business plan for 2023 is associated with the forecast of macroeconomic growth and stock market movements as presented in Chapter IV of this Report; and may be adjusted to be down – to – earth situation of economic growth and the stock market in 2023)

Total
revenue

768,5 billion VND

Profit after tax

155,7 billion VND

Profit after
tax realized

145 billion VND

Continuing to enhance the capacity and competitiveness of the Company

In 2023, it is forecasted that the stock market shall still face many challenges and unpredictable movements. Therefore, the Board of Directors shall continue to closely follow market movements to have orientations and closely direct the Company in organizing the synchronous implementation of solutions to promote Brokerage, Consultative and Guarantee, Issuing Agency, and Proprietary Activities. In order to increase business capital, the Board of Directors shall consider and evaluate the actual situation of the market and the demands of the Company to direct the development of a plan to issue corporate bonds as well as other solutions mobilizing capital.

In addition, in order to promote advantages in the Baoviet Holdings's ecosystem, the Board of Directors shall continue to direct the Company to strengthen the implementation of synergic projects between Baoviet Group and its member units to promote business growth and improve operational efficiency.

REPORT OF THE BOARD OF MANAGEMENT

Advantages and disadvantages of BVSC

With the analysis of the macroeconomic and stock market context in 2022 in Part I of this Chapter, it can be seen that in 2022, listed companies in general, and securities companies, in particular, faced many challenges rather than chance.

For BVSC, the biggest challenge in recent years is in terms of business capital. On the one hand, the Company has not carried out the plan on increasing capital, on the other hand, the ability to access loans from banks is increasingly limited in the context of the government tightening loan capital for many fields, including securities investment, starting from the second quarter of 2022. However, with work forces who are experienced, well-informed about the market, high ability to adapt, the Company has continuously had a flexible and synchronous transformation in many aspects including information technology, human resource, product development, and risk management to complete the business mission in 2022 as well as create a foundation for sustainable development.



General evaluation of BVSC's business results in 2022

Unit: Billion VND

| INDICATORS | Performance in 2021 | Performance in 2022 | Plan for 2022 | Performance vs plan for 2022 | Performance in 2022 over the same period |
|---------------------------------------|---------------------|---------------------|---------------|------------------------------|--|
| Total revenue and other income | 1,147,19 | 923,84 | 925 | 99,88% | 80,53% |
| Realized revenue and other income | 1,052,83 | 898,45 | 900 | 99,83% | 85,34% |
| Total cost | 796,16 | 742,84 | 711,45 | 104,41% | 93,30% |
| Realized expense | 761,86 | 640,18 | 637,5 | 100,42% | 84,03% |
| Profit Before Tax | 351,03 | 181 | 213,55 | 84,76% | 51,56% |
| Realized profit before tax | 290,97 | 258,26 | 262,5 | 98,39% | 88,76% |
| Profit after tax | 282,94 | 146,89 | 166,4 | 88,27% | 51,91% |
| Realized profit before tax | 232,2 | 213,69 | 210 | 101,76% | 92,03% |

Source: Audited Financial Statements in 2022

REPORT OF THE BOARD OF MANAGEMENT (continued)

- Total revenue and other income in 2022 of the Company reached VND923.84 billion, of which realized revenue was VND898.45 billion, equal to 99.83% of the plan and 85.34% compared with the same period last year. Accounting for the largest proportion of the Company's total revenue, there are still 3 main business segments including brokerage, interest from margin trading loans, advances from securities sales and revenue from proprietary trading operation, accounting for 87.81% of the total revenue structure of the Company.
- Profit before tax for the whole year was VND181 billion, in which, realized profit before tax was VND258.26 billion, equaling 98.39% of the plan and equaling 88.76% compared to the same period last year. Profit after tax of the Company reached VND146.89 billion, of which, realized profit after tax reached VND213.69 billion, equaling 101.76% of the plan and equaling 92.03% compared to the same period last year. This is considered as noteworthy effort of the Company when the realized profit after tax only decreased by 8% compared to the estimated decrease of the whole industry at 27%.

Evaluating the performance compared to the plan

Unit: Billion VND

| INDICATORS | Implementation in 2021 | Implementation in 2022 | Plan in 2022 | Comparing % | |
|---|------------------------|------------------------|---------------|--|---|
| | | | | Implementation rate in 2021 compared to the plan in 2022 | Implementation rate compared to the same period last year |
| I. Total revenue, in which: | 1 147,11 | 921,54 | 925,00 | 99,63% | 80,34% |
| 1. Operational revenue | 1 138,32 | 855,27 | 874,00 | 97,86% | 75,13% |
| 1.1. Revenue from securities brokerage operations | 467,67 | 320,15 | 335,00 | 95,57% | 68,46% |
| 1.2. Interest on loans and accounts receivables | 361,77 | 325,81 | 325,50 | 100,10% | 90,06% |
| – Margin loan interest | 273,61 | 265,86 | 260,00 | 102,25% | 97,17% |
| – Advance Credit Interest | 88,16 | 59,95 | 65,50 | 91,53% | 68,00% |
| 1.3. Interest from financial assets (proprietary investments) | 255,98 | 163,21 | 170,50 | 95,72% | 63,76% |
| In which: Realized interest from financial assets | 161,62 | 137,81 | 145,50 | 94,72% | -14,73% |
| Unrealized interest from financial assets | 94,37 | 25,40 | 25,00 | 101,59% | 26,91% |
| 1.4. Revenue from underwriting and insurance agency services | 28,33 | 23,48 | 23,50 | 99,90% | 82,88% |
| 1.5. Revenue from financial advisory service | 12,70 | 8,97 | 9,50 | 94,47% | 70,69% |
| 1.6. Revenue from securities depository services | 9,23 | 9,50 | 8,00 | 118,77% | 102,91% |
| 1.7. Revenue from other operation | 2,65 | 4,14 | 2,00 | 206,84% | 156,36% |

| INDICATORS | Implementation in 2021 | Implementation in 2022 | Plan in 2022 | Comparing % | |
|---|------------------------|------------------------|-----------------|--|---|
| | | | | Implementation rate in 2021 compared to the plan in 2022 | Implementation rate compared to the same period last year |
| 2. Revenue from financial activities | 8,79 | 66,28 | 51,00 | 129,96% | 753,81% |
| II. Total cost | (795,52) | (742,30) | (711,45) | 104,34% | 93,31% |
| 1. Operating costs | (509,53) | (483,29) | (437,24) | 110,53% | 94,85% |
| In which: Implementation costs | (475,22) | (380,63) | (363,29) | 104,78% | 80,10% |
| Deferred costs | (34,30) | (102,66) | (73,95) | 138,82% | 299,25% |
| 2. Financial operating costs | (108,58) | (143,70) | (132,54) | 108,42% | 132,34% |
| 3. Management Cost | (177,41) | (115,30) | (141,67) | 81,39% | 64,99% |
| III. Profit from business operations | 351,59 | 179,25 | 213,55 | 83,94% | 50,98% |
| IV. Profit/ Other loss | (0,56) | 1,75 | - | | -312,93% |
| In which: Other income | 0,08 | 2,30 | - | | 2860,38% |
| Other costs | (0,64) | (0,55) | - | | 85,08% |
| V. Earnings before taxes | 351,03 | 181,00 | 213,55 | 84,76% | 51,56% |
| In which: Realized earnings before taxes | 290,97 | 258,26 | 262,50 | 98,39% | 88,76% |
| VIII. Corporate profit tax cost (TNDN) | (68,08) | (34,12) | (47,15) | 72,36% | 50,11% |
| 1. Current corporate profit tax cost | (58,76) | (44,57) | (52,50) | 84,90% | 75,85% |
| 2. Deferred corporate profit tax cost | (9,32) | 10,45 | 5,35 | 195,40% | -112,17% |
| IX. Accounting profit after corporate profit tax | 282,94 | 146,89 | 166,40 | 88,27% | 51,91% |
| In which: Accounting profit realized after tax | 232,20 | 213,69 | 210,00 | 101,76% | 92,03% |
| X. Other comprehensive income after corporate profit tax | 50,20 | (38,86) | - | | -77,42% |
| Earning Per Share (VND/share) | 3.042 | 2.782 | | | 91,45% |

Source: Audited Financial Statements in 2022

REPORT OF THE BOARD OF MANAGEMENT (continued)



About revenue:

- **Brokerage revenue:** reached VND 320.15 billion, equaling 95.57% of the plan, equaling 68.46% over the same period last year. The reason is due to the negative movements of the stock market for almost 2022 when both the VNIndex and the market trading value decreased by 32.8% and 24.3%, respectively, directly affecting the brokerage revenue.
 - **Interest from lending and receivable activities** reached VND 325.81 billion, completing 100.10% of the plan and equaling 90.06% of the same period last year. The negative movement of the stock market had a strong influence on investor psychology, the demand for margin loans and advances also drastically reduced. However, with the effort in flexible capital management with the loan balance at a suitable level to the demands of clients and a stable interest rate, this operation has been optimally effective in the past year.
 - **Revenue from financial assets investment** (including interest from the investment in proprietary trading and term deposits) reached VND 163.21 billion, in which realized revenue was VND 137.81 billion, equaling 94.72% of the plan and equal to 85.27% compared to the same period last year. Recognizing that the stock market has significantly negative fluctuations, the Company has actively reduced the proportion of investments in stocks, bonds, and fund certificates to minimize the impact of proprietary trading activities on the business performance of the Company. In addition, deposit investment activities still maintained a high loan balance in the first three quarters of the year and were invested at the right time with high-interest rates. So deposit investment revenue in 2022 reached VND 50.64 billion, equaling 129.85% of the year plan and 195.76% compared to the same period last year.
- Therefore, although the general stock market drastically reduced, by the end of 2022, the VN-Index decreased by 32.8% compared to the end of 2021, but the realized revenue of BVSC's financial asset investment activities only decreased by 14.73% compared to the same period last year.

Brokerage revenue
reached
320,15 billion VND

Interest from lending and
receivable activities
325,81 billion VND

Revenue from financial
assets investment
163,21 billion VND

Revenue from consulting, guarantee
and securities insurance agency activities
32,45 billion VND

- **Revenue from consulting, guarantee, and securities insurance agency activities** reached VND 32.45 billion, equaling 98.34% of the plan and 79.10% compared to the same period last year. By the tightening movements of the management agency for the issuance, investment, and service provision in the corporate bond market, the Company has flexibly made appropriate adjustments, in which consulting activities mobilizing capital through bond has been performed more cautiously, focusing on completing the liquidation of signed contracts from 2021, and at the same time focusing on promoting stock issuance advisory activities, listing, divestment, mergers, and acquisitions... Therefore, the Company's revenue from financial advisory and issuing agency activities decreased compared to 2021 but still followed the plan.
- **Depository revenue** reached VND9.50 billion, equaling 118.77% of the plan and 102.91% compared to the same period last year. This revenue comes from continuing to perform bond management contracts created by consulting activities and received from managing collaterals of clients. In addition, the depository fees collected from listed and unlisted shares also increased, contributing to the revenue growth of depository activities in 2022.
- **Other revenue** reached VND4.15 billion corresponding with 206.84% of the plan and equaling 156.36% compared to the same period last year.
- **Revenue from financial activities** reached VND 66.28 billion, equaling 129.96% of the plan and 753.81% compared to the same period last year. Due to the higher interest rate than the previous year, the interest from demand deposits on the Company's accounts at commercial banks also highly increased.



About Costs:

The cost increased compared to the plan mainly coming from business operating costs and financial costs.

- **Business operating costs** were VND 483.29 billion, equaling 110.53% of the plan and 94.85% compared to the same period last year. Because of the decline in the stock market, the costs related to brokerage, depository, and consulting activities have decreased proportionally. However, a deep decrease in the stock market made the loss from selling financial assets and the costs of provision for impairment of financial assets increased significantly, making the total business costs increase compared to the plan.
- **Financial costs** in the period reached VND 143.70 billion, equaling 108.45% of the plan and 132.34% compared to the same period last year. This amount were mainly an increase from interest costs paid to credit institutions and other subjects in the context of lending interest rates of commercial banks and other subjects increasing in the year compared to 2021.
- **Administrative costs** generated in 2022 were VND115.30 billion, equaling 81.39% of the plan and 64.99% compared to the same period last year. This cost decreased compared to the same period last year, mainly decreased from salaries and costs for employees, as effective wages decreased in line with the Company's revenue and business performance in the year. In addition, other administrative costs were also reviewed and minimized to suit the general business situation of the Company.

REPORT OF THE BOARD OF MANAGEMENT (continued)

Profit:

Vietnamese stock market in 2022 with a sharp decline in both scores and total trading volume had a negative impact on most of the Company's business activities, while many fixed costs were unchanged and some costs increased such as interest expense, provision cost for diminution in value of financial assets and Loss from revaluation of financial assets (which is a unrealized cost) increased significantly, causing the Company's profit in 2022 to partly decreased of the same period last year. Specifically, the Company's profit before tax reached VND 181.0 billion, equaling to 84.75% of the plan and 51.56% compared to the same period last year, of which realized profit before tax reached VND258.26 billion, equaling 98.39% of the plan and 88.76% of the same period last year; and profit after tax of the Company reached VND 146.89 billion, equaling to 88.27% of the plan and 51.91% of the same period last year, in which realized profit after tax reached VND213.69 billion equaling to 101.76% of the plan and 92.03% of the same period last year.



Profit after tax

146,89 billion VND



Realized profit after tax

213,69 billion VND

2022 can be said to be a difficult year for the Securities industry, whereby many securities companies did not complete their business plans and decreased compared to the results of 2021. According to data collected, securities companies with the same ownership (VCB, BSI, CTS, AGR, PSI, ACBS...), realized profit after tax and revenue decreased by 32% and 17% respectively. It is estimated that for the whole securities industry, realized profit after tax decreased by about 27% and revenue decreased by about 8%. With BVSC, the realized profit after tax in 2022 only decreased by 8% compared to 2021, a much lower decrease than the whole industry and securities companies of the same ownership. This result is also much higher than the business performance of the year before the Covid pandemic (realized profit after tax was VND 127.9 billion in 2019).

Analysing of revenue structure and proportion:

Unit: billion VND

| Indicators | Implementation in 2021 | Proportion | Implementation in 2022 | Proportion | % changed |
|--|------------------------|---------------|------------------------|---------------|----------------|
| 1. Operating revenue | 1 138,32 | 99,23% | 855,27 | 92,81% | -24,87% |
| 1.1. Revenue from brokerage services | 467,67 | 40,77% | 320,15 | 34,74% | -31,54% |
| 1.2. Interest on loans and receivables | 361,77 | 31,54% | 325,81 | 35,36% | -9,94% |

Unit: billion VND

| Indicators | Implementation in 2021 | Proportion | Implementation in 2022 | Proportion | % changed |
|--|------------------------|----------------|------------------------|--------------|----------------|
| 1.3. Interest from financial assets | 255,98 | 22,32% | 163,21 | 17,71% | -36,24% |
| In which: Realized revenue | 161,62 | 14,09% | 137,81 | 14,95% | -14,73% |
| Unrealized revenue | 94,37 | 8,23% | 25,40 | 2,76% | -73,09% |
| 1.4. Revenue from underwriting and insurance agency services | 28,33 | 2,47% | 23,48 | 2,55% | -17,12% |
| 1.5. Revenue from financial advisory activities | 12,70 | 1,11% | 8,97 | 0,97% | -29,31% |
| 1.6. Revenue from securities depository operations | 9,23 | 0,80% | 9,50 | 1,03% | 2,91% |
| 1.7. Revenue from other operation | 2,65 | 0,23% | 4,14 | 0,45% | 56,36% |
| 2. Financial income | 8,79 | 0,77% | 66,28 | 7,19% | 653,81% |
| Total revenue (1) + (2) | 1 147,11 | 100,00% | 921,54 | 100% | -19,66% |

Source: Audited Financial Statements in 2022

The Company's revenue comes from main business activities such as brokerage, lending and receivables, investment in financial assets (proprietary trading), depository, consultation, and other revenue, in which accounting for a large proportion of the revenue structure is the brokerage activities, gain from loan and receivables and and gain from financial assets.

Analysing of cost structure and proportion:

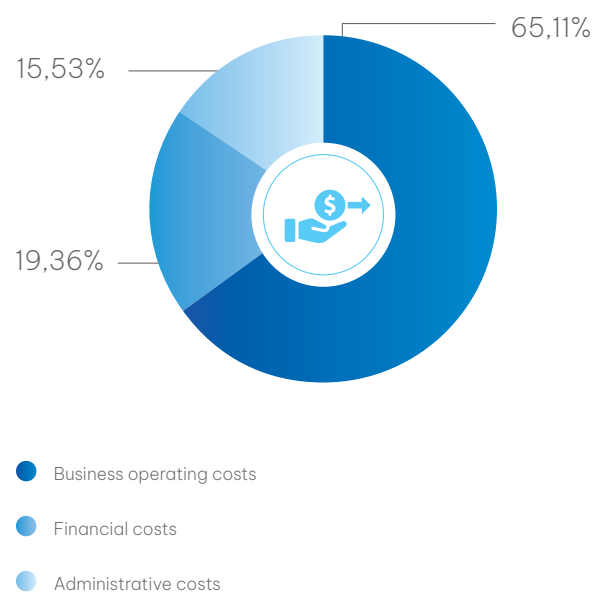
Unit: billion VND

| Indicators | Performance in 2021 | Proportion | Performance in 2022 | Proportion | % changed |
|--|---------------------|---------------|---------------------|---------------|---------------|
| 1. Business operating costs | (509,53) | 64,05% | (483,29) | 65,11% | -5,15% |
| In which: Implementation costs | (475,22) | 59,74% | (380,63) | 51,48% | -19,90% |
| Deferred costs | (34,30) | 4,31% | (102,66) | 13,83% | 199,25% |
| 2. Financial costs | (108,58) | 13,65% | (143,70) | 19,36% | 32,34% |
| 3. General and administration expenses | (177,41) | 22,30% | (115,30) | 15,53% | -35,01% |
| Total cost | (795,52) | 100% | (742,30) | 100% | -6,69% |

Source: Audited Financial Statements in 2022

REPORT OF THE BOARD OF MANAGEMENT (continued)

The Company's costs graph



The Company's costs include business operating costs, financial costs, and administrative costs, in which the largest proportion is business operating costs (accounting for 65.11% of total costs).

Business operating costs are costs generated directly for business operations of the Company, including transaction fees paid to the Stock Exchanges, depository fees paid to the Securities Depository Center, costs from investment in financial assets, and operating costs for the business sector such as rental costs, depreciation of fixed assets costs, and outsourced service costs.

Financial costs (mainly interest has to be paid) account for 19.36% and administrative costs account for 15.53% of total costs.

The cost structure is reasonably allocated, mainly focusing on the main business sectors of the Company such as brokerage, financial services for clients, and proprietary trading. The reasonable allocation and control of costs have contributed to the Company's business efficiency.

Evaluating business area of operation in 2022

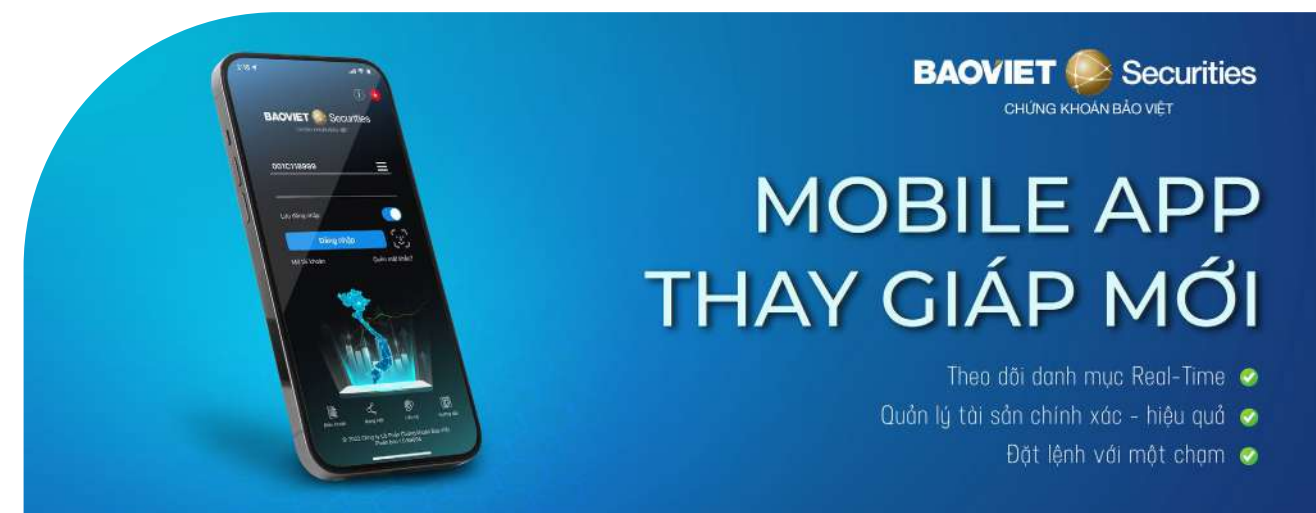
Brokerage

Brokerage performance in 2022

Unit: billion VND

| INDICATORS | Year 2021 | Plan in 2022 | Year 2022 | % revenue compared to the same period last year | % revenue compared to the plan in 2022 |
|------------------------------|-----------|--------------|-----------|---|--|
| Revenue (Billion VND) | 467,67 | 335,0 | 320,15 | 68,46% | 95,57% |
| Transaction market share (%) | 2,37% | 2,21% | 2,13% | 89,87% | 96,38% |
| Number of accounts | 75 842 | 78 974 | 78 928 | 104,06% | 99,9% |

Note: Market share are calculated by BVSC at all 3 exchanges



Brokerage is still the core activity and one of the activities accounting for the dominant proportion of the revenue structure of the Company. In 2022, in the face of negative market movements, the company continued to deploy investment products and interest rates, and attractive transaction fee policies as well as focus on developing technology and humans to promote brokerage activities. Specifically, as follows:

Solutions for products and services:

- Officially deploying the entrustment product for managing securities accounts - BVS Value since January 4th 2022 and BVS Active since March 1st 2022.
- Continuously implementing transaction fee incentive programs, attractive and competitive interest rate policies such as "Giving vouchers to reduce transaction fees", and "A margin rate only 6.8%/ year"; adjusting iDeposit and iBond interest rates to increase the competitiveness and attractiveness of products.

Solutions for Information Technology: omprehensively upgrading the BVS@Mobile application, completing the ID collection system with BIDV, and continuously upgrading and improving the Bwise onlinetransaction platform.

Solutions for human resources: Accelerating recruitment and enhancing training, in which, enhancing professional training, new products and analytical skills to improve the quality of the Company's client service. BVSC continues to launch internal emulation programs with many attractive awards to encourage and motivate employees such as: Program "Broker Emulation Program"; "VN Index prediction program"; "August Star".

Solutions for capital: Actively looking for sources of capital mobilization through products to attract idle money (iBond, iDeposit), short-term loans at Commercial banks to meet the maximum demand for margin loans of clients. However, commercial banks began to tighten lending to securities starting in the second quarter of 2022 making it difficult to meet BVSC's capital mobilization demands.

Lending activities, receivables, and deposit interest

Margin lending and advance payment had a slight decrease compared to the same period last year in the context of unfavorable market movements. The company has actively found capital through short-term loans at commercial banks to meet the maximum demand for margin loans from clients. However, commercial banks began to tighten lending to securities starting in the second quarter of 2022 making it difficult to meet BVSC's capital mobilization demands. Total revenue from lending, receivable and deposit interest reached VND 415.5 billion (contributing 49% of total revenue realized in 2022).

REPORT OF THE BOARD OF MANAGEMENT (continued)

Proprietary trading

The negative market movements have greatly affected the results of proprietary trading activities. Preferred orientations in resources to meet client service demands, along with a prudent policy in investment activities, so in 2022 BVSC did not expand the scale of proprietary investment. Proactively adjusting the low investment proportion helps to minimize the impact of proprietary trading activities on the Company's business activities. The Company continuously follows the market movements to offer timely solutions and decisions to optimize the investment portfolio, especially in the fourth quarter when interest rates are high and there are many unexpected risks appearing in the financial market, making the stock market continue to drop sharply.

Securities Depository

Always strictly following the regulations of the Securities Depository Center, ensuring standards and caution in the process of implementing the profession. Depository revenue reached VND 9.5 billion, reaching 119% of the plan, equivalent to 103% compared to the same period. In 2022, the Company received securities depository for newly listed companies and was listed on HSX, HNX, and UPCOM with a number of over 696 million shares. Finalizing nearly 4,000 lists of stock and bond depository to pay dividends, issue more shares, take opinions of shareholders, and general meeting of shareholders.

Management and support

Information technology

Following the digital transformation strategy approved by the 2022 General Meeting of Shareholders, in 2022, some typical Information Technology projects are implemented as follows:

- **Upgrading Mobile App** with the new interface, upgrading eKYC for foreign investors; upgrading and editing the brokerage management module on the Flex system...
- **The project of connecting e-invoices with TS24**; the project of transferring Lotus Note email system to Outlook, at the same time equipping with Office 365 copyright; software to manage and approve online dispatch, company website...
- **Preparing infrastructure, equipment, deployment plan...** to test connection with KRX software of stock exchange and Vietnam Securities Depository.

Consulting and issuance guarantee

In the context that State management agencies have taken strong actions in managing and closely supervising the issuance, investment, and provision of services in the corporate bond market, along with the shocks of investors, leading to the individual bond market being strongly affected. Therefore, in 2022, BVSC's consultation and guarantee activities have made adjustments to suit the actual situation of the market: strengthening strict control over bond issuance consultation activities, focusing on completing the liquidation of contracts signed from 2021; changing orientation to focus on promoting consulting activities on stock issuance, listing, divestment, mergers, and acquisitions... Revenue was VND 32.5 billion, completing 98.3% of the plan and equaling 79.1% compared to the same period last year.



Depository revenue

9,5 billion VND



Depository revenue compared to same period

119 %

The above efforts have helped BVSC honored with 03 consecutive international awards, including:



Most Innovative Online Trading Platform – Bwise (The most pioneering stock trading platform – Bwise) voted by The Global Economics

Excellence in Innovation – New Trading System Vietnam 2022 (The most Sustainable Securities Brokerage House Vietnam 2021.)

The Next 100 Global Awards 2022 – Trading Platform (Award of Top 100 Global Enterprises in 2022 – Trading Platform) voted by Global Banking and Finance Review magazine.

Transaction management and product development

In addition to assuring a smooth and secure transaction system, in 2022 the Company continued to follow the orientation of focusing on product development on the digital platform of the Development Strategy for the period 2021-2025, focusing on researching and launching many products to improve the quality of client experience such as BVS – Value Investment Trust, BVS- Active, identity collection with BIDV, opening eKYC online accounts for foreign investors.. In addition, Golive odd-lot trading function according to HSX mechanism and clearing function according to Vietnam Securities Depository's new regulation...

Analytical research

Improving the quality of investment consultancy and following investors' demands with more than 935 analytical reports (increasing nearly 30% compared to 2021) in different product lines including industry and company reports, macroscopic and market reports, daily, monthly, and quarterly reports. The coverage of analytical reports on total market capitalization is 46% on Hanoi Stock Exchange and 90% on Hochiminh Stock Exchange.

| No. | Product's name | Quantity |
|-----|---|----------|
| 1 | Quarterly and monthly industry and company analysis reports | 475 |
| 2 | Daily, monthly and quarterly macroscopic reports, technical and market analysis | 460 |
| 3 | Company visit notes | 140 |

REPORT OF THE BOARD OF MANAGEMENT (continued)

BVSC's team of analysts has officially brought into operation and managed the entrustment product managing securities trading account - BVS Value and BVS - Active according to the contract signed with the client. At the same time, assuring to implement regular consulting activities during the session in combination with technical analysis to increase the specificity and improve the efficiency of investors' portfolios.

Legislation, internal control

- Reviewing and developing the 13th Amendment and Supplement Charter to submit to the General Meeting of Shareholders for approval, as well as amending and supplementing professional processes under changes in laws and regulations of the exchanges such as the process of determining professional securities investors; the Business process of depository and transfer of individual corporate bonds; Process of troubleshooting Securities transaction; Process of controlling and keeping the record of Clients.
 - Implementing periodic internal control focusing on key business areas of the Company such as proprietary investment, consultancy issuing corporate bonds, inspection and compliance with internal spending regulations, and procurement and asset management in the first 6 months of 2022. The results of the periodic compliance audits in 2022 showed that the Departments in the Company comply with the provisions of law and the internal processes of the Company, Money, and assets of clients are managed separately from the money and assets of the Company. The Company's assets and resources were well managed, aiming for safety and efficiency.
- Financial information, management information, and business operation data ensure reliability, accuracy, honesty, and confidentiality.
- In addition, Internal Control reviews securities transaction reports and records, including reports sent to state management agencies related to business operations, capital adequacy proportion reports, etc. availability, money balance report of investors, and monthly supervision report; simultaneously, receiving, checking, and storing more than 22 thousand records and transaction orders of clients to assure the completeness, reasonableness, and validity of the archives.
 - In the context of the market sharply decreased in 2022, in addition to regular and continuous management methods, the Company focused on credit risk management in margin lending activities through closely supervising market movements, adjusting the securities portfolio for margin trading, following and resolving collateral assets to good control brokerage activities. At the same time, manage risks for investment trust products was according to the Company's regulations.

Marketing communication and brand development

Along with the launch of many products, BVSC promoted Digital Marketing helping to grow revenue and increase awareness with new clients and investors. In addition, BVSC promoted communication with the public and implements many brand-building and development activities in all 3 aspects: Prestigious securities company, typical listed company, and attractive employer brand. In 2022, BVSC continued to be honored as "TOP 100 Sustainable Businesses", "TOP 10 Medium-Capitalization Listed Businesses with Best Annual Report", "Top 50 Vietnamese Businesses with attractive employer brands" and Top 100 Best Places to Work in Vietnam, international awards such as "Most Sustainable Securities Advisory Company Vietnam 2022" voted by Finance Derivative Magazine...

The IR news was released quarterly to provide comprehensive and updated information to investors on the company's performance, further enhancing information transparency and initiative in shareholder relationship activities.



Human Resources Development

Total employees: **698** people. In which, Official headquarter: **421** people, Brand in Ho Chi Minh City: **277** people.

Recruitment:

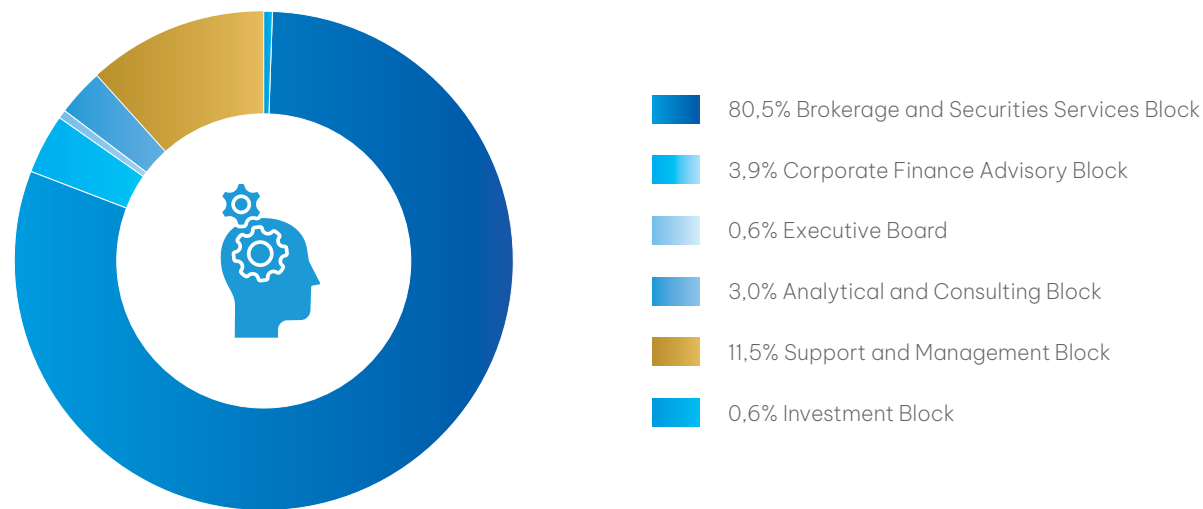
The recruitment rate in 2022 reached 12.46%, in which the proportion of new recruitment of the brokerage team accounts for 86%, in line with the Company's business strategy orientation. With new and creative methods and channels to approach candidates, the Company has searched and selected suitable candidates for the positions needed. BVSC had organized many networking activities to build and develop an attractive employer brand such as organizing webinars, sponsoring "Job Fair - Job Fair 2022", Signing MoU with Ton Duc Thang University, and workshop with the topic "Finance Door Open: Visa to the door of the securities industry" sharing the market vision in the coming years and career opportunities; sponsoring and participating in professional support of the "Investor bravery" contest organized by Banking Students, joining in the survey program "Best place to work in Vietnam"...

Through the above activities developing recruitment brand, in the poll of the Best place to work in Vietnam organized by Anphabe collaborating with VCCI, the survey results show that the employer brand attractiveness index (EBA) reached 13.2%, 23% higher than the general index of the whole industry (according to the survey report conducted by Alphabe) in 2022. With this result, BVSC continues to be listed in the TOP 100 Best Places to Work in Vietnam, Top 3 Financial Services Industries, and Top 50 Vietnamese Businesses with the most attractive employer brand in Vietnam.



REPORT OF THE BOARD OF MANAGEMENT (continued)

Labour structure by function



Training:

The total number of training sessions is 526 times with 16,958 hours of training (increasing by 9% compared to 2021), including internal training, securities training, professional training, and other skills, in which Internal training accounts for the biggest proportion of 55%. Some typical programs such as Future Broker 2022 and Next Gen 2022, Open-end fund topics and products of BVF, Investment Trust BVS- Value, BVS- Active.... Other professional and skill training programs are implemented such as Internal Audit of Applications, Analysis of Valuation Models, Payment based on performance, KPIs Bonus Policy...

In 2022, BVSC assigned 133 staff members to participate in the training of securities professional certificates of the State Securities Commission of Vietnam, increasing by 115% compared to 2021. The number of employees with Practicing Certificates calculated on December 31st 2022 at the Company is 122 employees.



Total number of training sessions

526 times



Total hour of training

16.958 hours



Number of staff participating in the training of securities professional

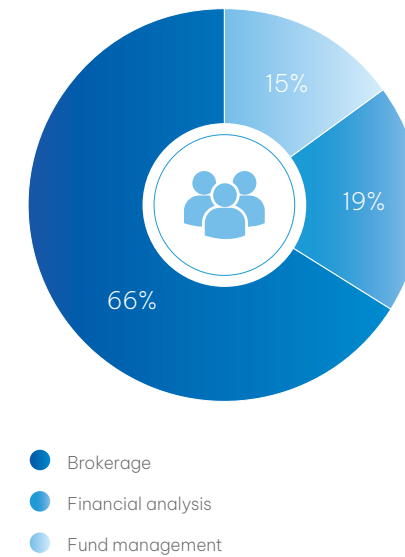
133 staff members



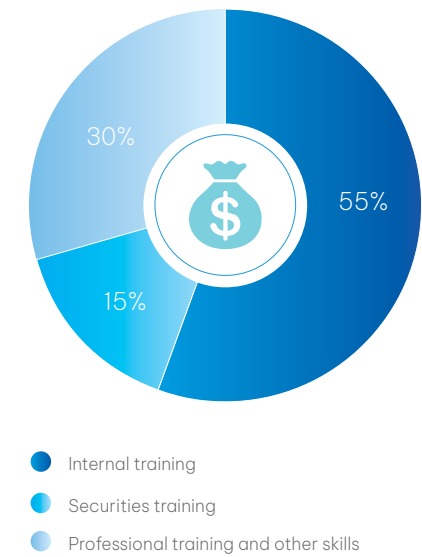
Number of employees with Practicing Certificates

122 staff members

The chart of the labor structure with securities Practicing Certificates

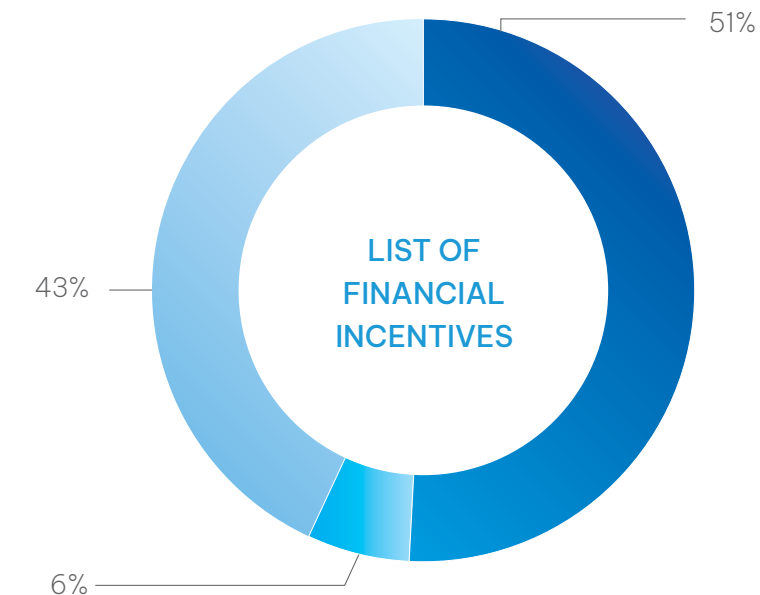


Training cost structure in 2022



Remuneration:

At BVSC, the remuneration policies for employees are all aimed to increase employee satisfaction, and at the same time creating a safe and happy working environment. With a fair and transparent salary and bonus policy built according to the 3P method, employees' income is always guaranteed to be stable and competitive in the market.



BONUS

- HQLV bonus (applying to management and support block)
- Business bonus (applicable to business units)
- Bonuses according to the monthly, quarterly and annual emulation programs

WELFARE AND ALLOWANCES

- Monetary incentives and benefits
- Having lunch
- Telecommunication
- Transportation
- Special job

SALARY

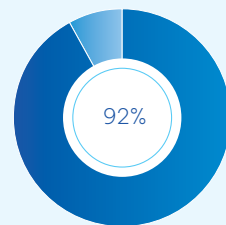
- Salary according to the job
- 13th month salary
- Overtime pay up to 350%
- Salary for days without annual leave

REPORT OF THE BOARD OF MANAGEMENT (continued)

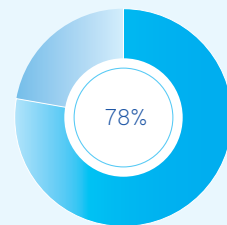
List of welfare policies of the Company for employees in 2022

| Welfare packages are protective and health care | Monetary incentives and benefits | Other welfare |
|--|--|---|
| Social Insurance, Health Insurance, Unemployment Insurance | Paying benefits on the company's 23rd anniversary | Leave regime from 12–16 days |
| Comprehensive health insurance | Cash benefits on birthdays, March 8 and October 20 th , April 30 th and National Day, Lunar New Year (Tet Holiday), special events of the Company... | Birthday leave with full salary |
| Insurance for cancers K-Care | | Business fee regime, means of transportation for business trips |
| Life Insurance | | |
| Preferential policy for buying health insurance for family members | | |
| Periodic health examination | | |

COMPANY WELFARE - Reviewing by employees



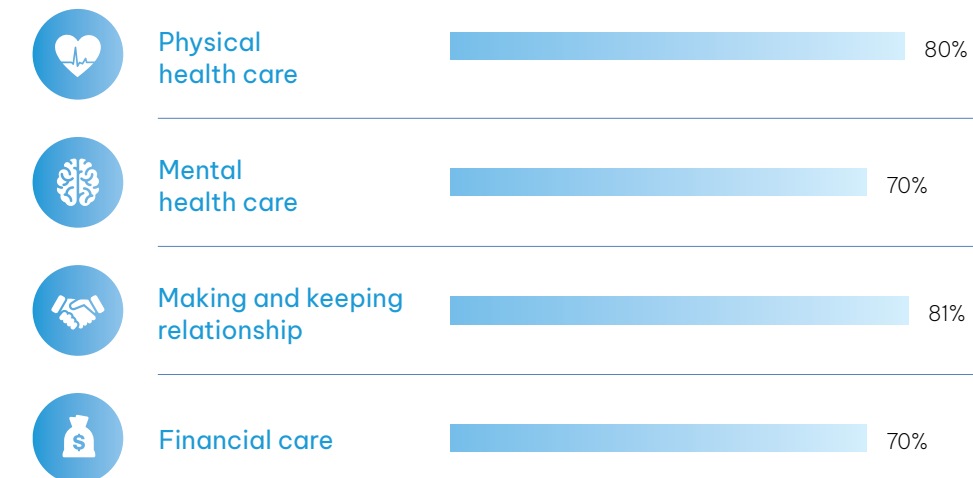
Employees are satisfied with the welfare Baoviet Securities Company is providing



Employees feel that the welfare they receive are competitive with other workplaces

“ According to the survey results of happy human resources organized by Anphabe, 92% of staff at BVSC are satisfied with the welfare policies that BVSC is providing and 78% of staff think that the welfare they are receiving is competitive with similar workplaces.

Results of employees satisfaction survey



Changes in regulations and policies related to personnel:

- Issuing temporary regulations on working regime during the period of Covid-19 pandemic
- Completing the development and issuance of a new basic salary scale in accordance with the Government's Decree No. 38/2022/ND-CP on prescribing regional minimum wages.
- Developing and implementing a set of KPIs for Brokers and Brokers Team Leader;
- Upgrading comprehensive health insurance welfare package for employees in 2022:

This year's Health Care program is designed with 5 product packages

- 01 Platinum
Effective from June 1st 2022
- 02 Diamond
Applying for Covid-19 insurance policy
- 03 Gold
- 04 Silver
Enhancing common benefits often used such as inpatient and outpatient treatment
- 05 Standard



(For more information on human resource development, please see Chapter V Sustainable Development, pages 146 to 205 of this Report).

REPORT OF THE BOARD OF MANAGEMENT (continued)

Financial situation analysis

Financial situation

Unit: billion VND

| Indicators | Year 2021 | Year 2022 | Increase/ Decrease | % increase or decrease |
|--|-----------|-----------|-----------------------|---------------------------|
| * For organizations that are not credit institutions and non-bank financial institutions | | | | |
| The total value of assets | 5 719,30 | 3 857,65 | (1 861,65) | -32,55% |
| Net revenue | 1 147,11 | 921,54 | (225,57) | -19,66% |
| Profit from business operations | 351,59 | 179,25 | (172,34) | -49,02% |
| Other profit | (0,56) | 1,75 | 2,32 | -412,93% |
| Profit before corporate profit tax | 351,03 | 181,00 | (170,02) | -48,44% |
| In which: Profit realized before tax | 290,97 | 258,26 | (32,70) | -11,24% |
| Profit after corporate profit tax | 282,94 | 146,89 | (136,06) | -48,09% |
| In which: Profit realized after tax | 232,20 | 213,69 | (18,51) | -7,97% |
| Earning Per Share – EPS (VND) | 3 042 | 2 782 | (260) | -8,55% |
| Dividend Payout Ratio (Dividend/Net Profit) (calculating according to the expected payment rate of 10%/par value of shares) | 24,87% | 33,79% | 8,91 | 35,83% |

Source: Audited Financial Statements in 2022

Total assets in 2022 reached VND3.857.65 billion, decreasing by VND1.861.65 billion, equivalent to a decrease of 32.55% compared to the same period last year. The Company's asset items decreased mainly from short-term assets, namely the decrease in financial asset investments and margin lending activities – advances in line with the situation of the stock market and the Company's business strategy in the past year.

Due to the influence of the market, the Company's revenue and profit decreased compared to the same period last year, but realized profit still followed and completed the plan of the year. These indicators have been analyzed in detail in Section 4.3 above.

Earning Per Share – EPS Because the Company's profit after tax in 2022 reached VND 146.89 billion, decreasing 48.09% in which realized profit after tax reached VND 213.69 billion, decreasing 7.97% compared to the same period last year, so the

earning per share also decreased by 8.55%, reaching VND2.782/share, decreasing VND260 compared to the same period last year.

Dividend payout ratio: According to Resolution 01/2022/NQ-ĐHĐCD approved at the General Meeting of Shareholders on April 21, 2022, the dividend payment plan in 2022 is expected to be 10%/par value of shares for existing shareholders (in 2021 was 8%). If calculated according to this plan, the dividend payout ratio in 2022 was 33.79%, increasing by 35.83% compared to the same period last year. The specific 2022 dividend payment shall be decided by the 2023 Annual General Meeting of Shareholders. In the context of the stock market period with many negative factors and the limited capital size of the Company at present, the Company still ensures a stable cash dividend payment policy; while maintaining the orientation of using profits to reinvest in business activities to increase sustainable benefits for shareholders.

The main financial indicators:

Unit: billion VND

| Indicators | Unit | Year 2021 | Year 2022 | Increase/ decrease |
|--|-------------|-----------|-----------|-----------------------|
| 1. Indicators of solvency/liquidity | | | | |
| + General solvency ratio (Total assets / Total liabilities) | times | 1,60 | 2,30 | 43,81% |
| + Current Ratio: Current assets/Current liabilities | times | 1,60 | 2,20 | 37,52% |
| + Quick Ratio (Cash and cash equivalents + Short-term investments) / current liabilities | times | 1,54 | 2,11 | 37,09% |
| 2. The indicators for capital | | | | |
| 2.1. Capital scale | | | | |
| + Authorized capital | Billion VND | 722,34 | 722,34 | 0,00% |
| + Equity | Billion VND | 2 144,45 | 2 180,94 | 1,70% |
| + Total Assets | Billion VND | 5 719,30 | 3 857,65 | -32,55% |
| + Capital Adequacy Ratio | % | 489% | 654% | 33,74% |
| 2.2. The indicators for capital structure | | | | |
| + Debt to Total Assets ratio | times | 0,63 | 0,43 | -30,46% |
| + Debt to Equity Ratio | times | 1,67 | 0,77 | -53,88% |
| 3. The indicators of operational capacity | | | | |
| + Receivable Turnover ratio (Net revenue/average receivables) | times | 9,75 | 5,09 | -47,83% |
| + Working Capital Turnover (Net revenue/Average working capital) | times | 0,62 | 0,45 | -26,74% |
| + Asset Turnover Ratio (Net revenue/Total average assets) | times | 0,25 | 0,19 | -23,39% |
| 4. Profitability indicators | | | | |
| + Profit after tax /Net revenue | % | 24,67% | 15,94% | -35,38% |
| + Profit realized after tax/ Net revenue | % | 20,24% | 23,19% | 14,55% |
| + Profit after tax ratio/Return on equity ROE | % | 14,08% | 6,79% | -51,76% |
| + Profit realized after tax ratio/Equity | % | 11,55% | 9,88% | -14,49% |
| + Profit after tax ratio/Total Assets ROA | % | 6,20% | 3,07% | -50,50% |
| + Profit realized after tax ratio/ Total Assets | % | 5,09% | 4,46% | -12,24% |
| + Operating Profit Ratio/Net revenue | % | 30,65% | 19,45% | -36,54% |

REPORT OF THE BOARD OF MANAGEMENT (continued)



Analysis of the Company's financial indicators:

About solvency:

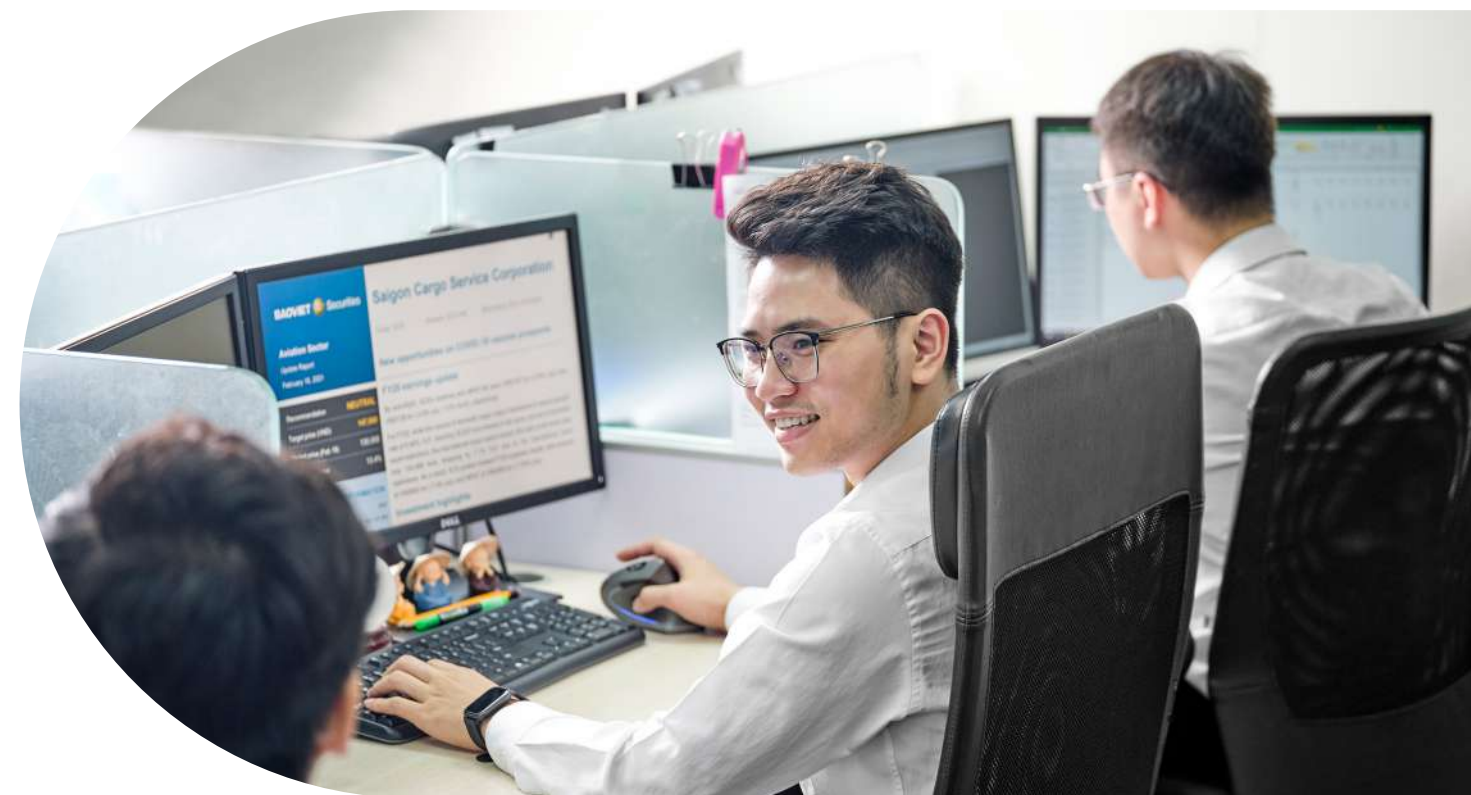
In 2022, due to a decline in the stock market and in the need for business capital compared to the previous year, the Company adjusted short-term loans to VND980 billion to match the demand for margin lending, advance payment of securities sold by clients, and then the Company's payment indicators have increased over the same period last year. In particular: the general solvency ratio was 2.3, increasing by more than 0.7 times (equivalent to 43.81%) compared to the same period last year (1.6 times in 2021); current ratio is 2.2 times, increasing by more than 0.6 times (equivalent to 37.52%) compared to the same period last year (1.6 times in 2021); quick ratio was 2.11 times, increasing by 0.57 times (equivalent to 37.09%) compared to the same period last year (1.54 times in 2021).

BVSC's payment indicators were high, more than 2 times higher than the safe solvency ratio of 1, showing that the Company's ability to pay its debt obligations was always guaranteed. During the year, there were no bad debts, overdue debts, no liquidity loss events on cash flow or capital. Clearing obligations for VSD, payment obligations for securities trading clients and other partners/clients of the Company were always performed accurately, fully and on time according to regulations as well as commitments between the parties.



Indicators on capital scale and structure:

- In 2022, the Company's charter capital remained unchanged at VND722.34 billion due to objective and subjective factors that the Company had not yet increased its charter capital; The Company's equity reached VND2,180.94 billion, an increase of VND36.49 billion and 1.70% compared to the same period last year due to the increased income in 2022.
- The Company's capital adequacy ratio was always high compared to the regulated rate (180%) of the State Securities Commission. In 2022, the capital adequacy ratio reached 654%, an increase of 33.74% over the same period last year, equal to 3.63 times higher than the allowable ratio and at a high level compared to other companies in the same industry showing that the Company's capital was operated safely and fine, and well controlled investment risks, payment risks and the Company's operations.
- About capital structure: In 2022, due to negative market, client demand for loans and use of leverage for securities trading decreased, the Company actively reduced capital raising to match main business practices. Accordingly, the capital structure of the Company has changed significantly, the Liabilities decreased making the debt ratios all decrease, specifically the Total-Debt-to-Total-Assets Ratio reached 0.43 times, down 30.46% over the same period last year, the Debt-to-Equity Ratio was 0.77 times, down 53.88% compared to the same period last year. This flexible adjustment not only ensured business efficiency, but also ensures capital safety and minimizes the impact of risks from the market.



Indicators on performance:

Including the indicators of receivable turnover, working capital turnover, total asset turnover, showing the ability to "move" of the Company in the fiscal year 2022, specifically:

- The Company's receivable turnover ratio in 2022 reached 5.09 times, down 4.67 times (equivalent to 47.83%) compared to the previous year. This indicator was calculated based on average revenue and receivables, in the past year, operating revenue decreased, while average receivables increased slightly because receivables arose mainly at the end of the year. However, these amounts will be settled at the beginning of the next year, so, even this ratio was reduced, the Company still ensured that the monitoring and collection of debts arising in the year were well controlled and timely, without risks.
- The working capital turnover reached 0.45 times, down 0.17 times (equivalent to 26.74%) compared to the same period last year. This indicator was calculated based on net revenue and average current assets. In 2022, due to a decline in the stock market, revenue and financial asset investments, margin loans and advances also decreased, making working capital turnover lower compared to the same period last year. However, the Company had also focused on using capital flexibly, ensuring compliance with the business plan and preserving capital.
- The Company's total asset turnover reached 0.19 times, down 0.06 times (equivalent to 23.39%) compared to the previous year. This indicator reflects the efficiency of using assets to generate revenue of the Company. Although the total assets of the Company as of December 31, 2022 partly decreased due to a decline from short-term properties to match the reality of the market, but total assets remained at a high level at the beginning of the year which made the average total assets in 2022 still increasing slightly by 4.6%. Meanwhile, in the context of negative market, revenue decreased by 19.66%, leading to a decrease in total asset turnover compared to the same period last year.

REPORT OF THE BOARD OF MANAGEMENT (continued)



Profitability indicators

2022 was a difficult year for the securities industry, many securities companies had not completed their business plan and dropped sharply compared to the results of 2021. It was estimated for the entire securities industry that the realized income after tax would decrease by about 27% compared to 2021. However, BVSC completed 101.76% of the realized income after-tax plan, only a decrease of 08% compared to 2021 which was much lower than the decline of the whole industry, specifically:

Income after tax/Net revenue ratio of the Company reached 15.94%, down 35.38% over the same period last year, however the realized Income after tax/Net revenue reached 23.19%, up 14.55% compared to the same period last year. This income was pretty high compared to other companies in the same industry.

- Return on equity ratio reached 6.79%, down 51.76% over the same period last year (In which, return on equity reached 9.88%, down 14.49% over the same period because the Company's realized income after tax decreased by 8% compared to the previous period).
- Return on assets ratio reached 3.07%, down 50.50% over the same period last year (In which, return on assets reached 4.46%, down 12.24% over the previous period because the Company's realized income after tax decreased by 8% compared to the same period last year).

Property situation

Unit: Billion VND

| Indicators | 2021 | Proportion in 2021 | 2022 | Proportion in 2022 | Increase/decrease in numbers | % increase/decrease |
|------------------------------------|-----------------|--------------------|-----------------|--------------------|------------------------------|---------------------|
| A. Short-term assets | 5.502,63 | 96,21% | 3.652,01 | 94,67% | (1.850,62) | -33,63% |
| I. Financial assets | 5.495,08 | 96,08% | 3.647,81 | 94,56% | (1.847,27) | -33,62% |
| 1. Cash and cash equivalents | 66,56 | 1,16% | 149,53 | 3,88% | 82,97 | 124,65% |
| 2. Short-term financial assets | 1.843,35 | 32,23% | 1.091,86 | 28,30% | (751,49) | -40,77% |
| 3. Loans | 3.374,60 | 59,00% | 2.254,80 | 58,45% | (1.119,80) | -33,18% |
| 4. Short-term receivables | 210,57 | 3,68% | 151,62 | 3,93% | (58,95) | -28,00% |
| II. Other short-term assets | 7,55 | 0,13% | 4,20 | 0,11% | (3,35) | -44,33% |
| B. Long-term assets | 216,67 | 3,79% | 205,64 | 5,33% | (11,03) | -5,09% |
| I. Long-term financial assets | 176,36 | 3,08% | 158,92 | 4,12% | (17,44) | -9,89% |
| II. Fixed assets | 15,27 | 0,27% | 17,10 | 0,44% | 1,83 | 12,00% |
| V. Other long-term assets | 25,04 | 0,44% | 29,63 | 0,77% | 4,59 | 18,31% |
| Total assets: | 5.719,30 | 100% | 3.857,65 | 100% | (1.861,65) | -32,55% |

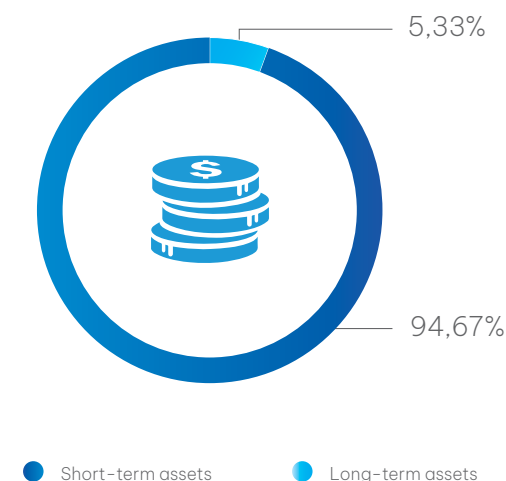
Asset structure:

The Company's assets in 2022 were mainly formed by short-term assets accounting for 94.67% of total assets; Long-term assets accounted for only 5.33% of total assets.

- The Company's short-term assets were mainly short-term loans accounting for 58.45%, and short-term financial investments accounting for 28.30% of total assets.
- The remaining amounts included cash and cash equivalents accounting for 3.88% of total assets, short-term receivables and other short-term assets: accounting for 4.04% of total assets.

The Company's long-term assets mainly came from long-term financial investments accounting for 4.12% and fixed assets and other long-term assets accounting for 1.21% of total assets.

Company's assets in 2022 graph



Asset Change:

- Total assets of the Company in 2022 reached VND3.857.65 billion, down VND1.861.65 billion, equivalent to a decrease of 32.55%, mainly from short-term assets of VND1.850.62 billion and long-term assets down by VND11.03 billion, specifically:
- Short-term assets mainly decreased from short-term financial assets of VND1.847.27 billion, equivalent to a decrease of 33.62% compared to the same period last year; which mainly decreased from short-term loans of 1.1190.8 billion dong, equivalent to a decrease of 33.18% over the same period last year; decrease from short-term financial investments of 751.49 billion dong, equivalent to a decrease of 40.77% compared to the same period last year.
- Cash and cash equivalents increased by VND82.97 billion, equivalent to an increase of 124.65% but this was only a short-term balance and would be reinvested in the next period.

- Long-term assets decreased by 11.03 billion dong, equivalent to a decrease of 5.09% over the same period last year, mainly due to a decline in long-term securities investment of 17.44 billion dong, equivalent to a decrease of 9.89% due to moving to short-term investment flexibly and effectively of the company.
- The Company's adjustment of short-term and long-term assets to match unfavorable market movements when securities prices fell made a decline in transaction value, and bond investment risky.

Most of the Company's assets are short-term assets with high safety and liquidity, and receivables and loans are strictly controlled according to the correct process to limit risks. Assets are used flexibly and efficiently, so the efficiency of asset use is quite good, contributing to business efficiency for the Company.

REPORT OF THE BOARD OF MANAGEMENT (continued)

Capital, liability situation

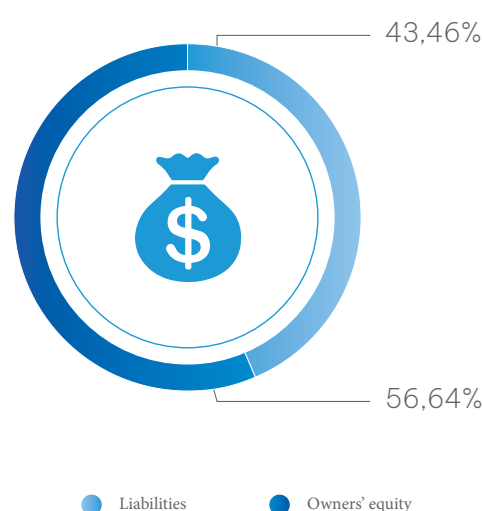
Unit: Billion VND

| Indicators | 2021 | Proportion in 2021 | 2022 | Proportion in 2022 | Increase/decrease in numbers | % increase/decrease |
|--|-----------------|--------------------|-----------------|--------------------|------------------------------|---------------------|
| A. Liabilities | 3.574,85 | 62,50% | 1.676,71 | 43,46% | (1.898,13) | -53,10% |
| I. Short-term liabilities | 3.436,05 | 60,08% | 1.658,28 | 42,99% | (1.777,77) | -51,74% |
| II. Long-term liabilities | 138,80 | 2,43% | 18,43 | 0,48% | (120,36) | -86,72% |
| B. Equity | 2.144,45 | 37,50% | 2.180,94 | 56,54% | 36,49 | 1,70% |
| I. Owner's contributed capital (including surplus) | 1.332,10 | 23,29% | 1.332,10 | 34,53% | - | |
| II. Funds and retained earnings | 812,36 | 14,20% | 848,84 | 22,00% | 36,49 | 4,49% |
| Total capital | 5.719,30 | 100% | 3.857,65 | 100% | 1.861,65 | -32,55% |

Capital Structure:

The Company's capital is formed mainly from owners' equity, accounting for 56.64%, including contributed capital of the owner and funds, undistributed profits and liabilities including short-term and long-term debts accounting for 43.46%

Capital structure graph



Capital Change:

Liabilities: in 2022, the Company's liabilities were VND1,676.71 billion, down VND1,898.13 billion compared to the same period last year, corresponding to a decline of 53.10%, specifically:

- Short-term debt decreased by VND1.777.77 billion, equivalent to a decrease of 51.74% by a decrease of VND1.525.70 billion in short-term loans, and the remaining payables decreased by VND252.10 billion due to a decrease in payables for resale of bonds, tax payables to the state budget, payables to employees and other payables.
- Long-term debt decreased by VND120.36 billion, equivalent to a decrease of 86.72% compared to the same period last year, mainly from pre-maturity redemption of bonds issued by BVSC and from deferred income tax.



The Company understands the trends and risks of the stock market; the demand for loans of clients decreased, financial investment faced many risks, so short-term and long-term loans were actively reduced to match the business situation. At the same time, the Company always strengthens control of capital, and ensure the solvency to be on time, so in 2022 the Company does not incur bad debts and overdue debts to pay.

Equity in 2022 reached VND 2,180.94 billion, an increase of VND3 6.49 billion, equivalent to an increase of 1.7% over the same period last year. Equity increased due to the addition mainly from the after-tax income in 2022, after deducting the decrease due to asset revaluation at fair value, paying dividends to shareholders and setting aside funds according to regulations.

“ Analysis of the financial situation in 2022 showed that although the stock market in general faced many disadvantages, the Company completed the set profit target, and only decreased by 8% over the same period – a lower decrease compared to the industry's estimated decrease of 27%, the Company always focused on risk control and capital preservation. BVSC's financial statements always show the transparency and were useful to investors, regulators, and other stakeholders.

REPORT OF THE BOARD OF MANAGEMENT (continued)

Assess the financial position of the business according to the Camel Regulations

When assessing the financial position, the Company refers to the criteria of the CAMEL rating system (which is a system to assess the soundness of some financial institutions based on 05 factors as follows Capital – Asset quality – Management – Earnings – Liquidity developed by the US National Credit Union Administration and recommended by the International Monetary Fund and the World Bank.

At the same time, on October 9, 2013, the State Securities Commission of Vietnam also issued Decision No. 617/QĐ-UBCK to issue the CAMEL Regulations to guide the classification of Securities Companies). In 2022, BVSC's financial indicators group reached 90/100 points, an increase compared to 2021 (85/100 points in 2021). The improvement coming from factors C (Capital) and L (Liquidity) shows that BVSC's stable and solid financial capacity in the context of financial market's many changes in 2022.

(Refer to Appendix II – Financial Factor Points according to CAMEL on page 208 of this Report)



Advancements in the year

In 2022, the Company not only overcame market challenges to achieve its financial goals, but also had made important flexible changes in operation and management to be ready to counter and respond to unpredictable changes in the future.



Complete the profit plan in 2022 with a drop that was much lower than the general decline of the securities industry: Although the Vietnamese stock market dropped extremely and was assessed to be the second strongest drop in a year (the strongest drop in a year was in 2008) in the more than 20-year history of the Vietnamese stock market and in the context that the realized income after tax of the securities company in general was estimated to decrease by 27%, BVSC was one of the very few securities companies that had completed the realized income after tax plan with the result reaching 101.8% of the plan, a decrease of only 8% over the same period, it was much lower than the industry's estimate and still much higher than the business results of the year before the Covid pandemic (in 2019 achieved the realized income after tax of 127.9 billion dong).



Officially put into operation the securities trading account management trust products – BVS Value and BVS – Active: The product was built and managed directly by a reputable and experienced analyst team in order to meet the needs of groups of investors with idle cash but no time to monitor & follow the market with the expectation of increasing net asset value.



Accelerating the comprehensive digital transformation process in the Company's business and operation management: In 2022, the Company closely followed the information technology orientation in the Development Strategy for the 2021–2025 period, the advancements of digital-based products, services and operation management software had become faster and more powerful with many outstanding achievements such as

01

The comprehensive upgrade of BVS@ Mobile application with a new interface version

02

Golive identity collection service in cooperation with Bank for Investment and Development of Vietnam (BIDV)

03

Digitization in management and operation activities to improve work efficiency (*)

(*): Such as the successful conversion of the traditional Office system to Office 365 system– integrating cloud computing technology, system transformation Email Lotus Note to Microsoft Outlook, an office application system that is centrally managed on an online platform; completion of the construction of an online document management and approval system at both Headquarters and Branches; etc

REPORT OF THE BOARD OF MANAGEMENT (continued)



Promote and improve the quality of comprehensive client activities: In 2022, the Company had strengthened client care activities, recorded and quickly resolved clients' requests and needs through the Company's digital channels (Website, Email, Zalo Official Account, Facebook page, Workplace...) in parallel with traditional client care activities from brokers, client care hotlines, etc. to improve the quality and client experience when using BVSC's products and services.

To respond to the changing trend of client care in the digital age, at the same time increase interactivity and ensure that clients receive full benefits and care anytime and anywhere during the process. In the process of using products and services, the Company has been implementing the Contact Center project, which is expected to launch in 2023.



Improvements in organizational structure and management policies during the year

Establish a Digital Transformation Steering Committee: To implement a comprehensive digital transformation strategy, in 2022, the Board of Directors directed the Company to establish a Digital Transformation Steering Committee to ensure digital transformation activities to closely follow the Development Strategy for the 2021-2025 period; at the same time, to strengthen the inspection and supervision of the digital transformation implementation process, which was deployed smoothly in all fields of activity of the Company.

Build, upgrade and apply new policies related to employees: In 2022, the Company strengthened the development and application of many policies related to employees from welfare policies to evaluation, salary and bonus to offer employees the best values when working at the Company, including:

01

Upgrading comprehensive health insurance benefits package for staff (Healthcare Insurance)

02

Developing and applying a new salary scale and payroll system

03

Implementing and applying assessment tools according to set of KPIs for Brokerage team and Broker Leader

Detailed content had been presented in section 4.5.6 Human resource development.

Explanation of the Board of Management for the audit opinion



The audit opinion on the Company's financial statements is completely accepted. Hence, there is no explanation of the Board of Management for the audit opinion.

For **UNCERTAINTY**
be **PROACTIVE**



03

Targets and Commitments for 2023

FORECASTS ON THE ECONOMY AND STOCK MARKET IN 2023



Forecasts on the economy

Opportunities **Public investment is boosted.** Since 2023 is the third year in the 2021–2025 public investment disbursement plan, many public investment projects have had two years of document and site clearance preparation, establishing ideal conditions for public investment distribution this year. Besides, the capital for public investment disbursement in 2023 is abundant, as it includes the funds of the 2021–2025 public investment plan and the funds of the post-pandemic economic recovery program for 2022–2023. The total capital projected for 2023, excluding the remaining capital from 2022, is more than VND760 trillion, providing plenty of room for public investment disbursement throughout the year. This will be the primary driver of growth in the Vietnamese economy this year.

China's reopening, supports the recovery of tourism and exports of some items. Prior to COVID-19, Chinese tourists made up the majority of international visitors to Vietnam. China is also the leading trading partner, importing various items from Vietnam such as agricultural products, and vegetables. The reopening of China in early 2023 has resulted in a rise in consumer demand, which is projected to support tourism and some Vietnamese exports.

The exchange rate is more steady, monetary policy is anticipated to ease more from the second half of 2023. Given that the FED is no longer required to rapidly and constantly raise interest rates as it did in 2022 and that the US economy has a bleak outlook, the DXY is unlikely to grow as strongly as it did last year, relieving pressure on the exchange rate. In 2023, VND is expected to fluctuate in the range of $\pm 2-3\%$. Given the return of exchange rate stability and the pressure to support growth, monetary policy is expected to be loosened with interest rates decreasing. Interest rate lowering may take place in the second half of 2023 when the FED stops raising interest rates and Vietnam's inflation falls below the target rate of 4.5%.

Challenges

Vietnam's exports confront challenges due to the less favorable growth prospects of its key export partners, the US and EU, and the country's high inflation and interest rates. Export growth is likely to slow down in 2023.

Consumption growth slows in 2023 as well. The year 2023 faces many obstacles, including high inflation and interest rates, while consumption stimulus programs, such as VAT reductions, are no longer implemented, as they were in 2022. These factors will have a less positive impact on consumption, causing growth to fall to around 8–9% for the full year 2023, which is lower than the pre-pandemic average growth rate (11–12%).

Difficulties in state budget collections arise: State budget collections will face challenges in 2023 due to the slow growth of the global economy and the absence of unexpected incomes, such as tax arrears from foreign service providers. Furthermore, difficulties in gaining FDIs and exports would affect state budget collections this year.

Inflation is under pressure as the costs of several commodities have climbed year on year from the end of 2022 to now, such as tuition fees, catering services, entertainment, education, rent, and some construction materials, while the support to cut prices in 2023 is not as strong as it was in 2022. Additionally, the price bracket of the average retail electricity level has been raised upward after more than 5 years, laying a basis for future retail power price adjustments. Therefore, the CPI in 2023 will be higher than in 2022 forecast at 4–4.5%.

FDI inflows are less positive amid a tight financial situation and high interest rates. In 2022, the total registered FDI fell by 11%, which has an impact on the FDI realized in 2023.

BVSC forecasts some macroeconomic indicators in 2023

| Key indicators | 2022 | 2023 | |
|----------------------------|-------|-------------------|-----------------|
| | | Government's goal | BVSC's forecast |
| GDP growth (%) | 8,02 | 6,5 | 6–6,5 |
| Average inflation rate (%) | 3,15 | 4,5 | 4–4,5 |
| Credit growth (%) | 14,18 | 14–15 | 13–14 |
| USD/VND fluctuation (%) | 3,54 | N/A | $\pm 2-3$ |

FORECASTS ON THE ECONOMY AND STOCK MARKET IN 2023 (continued)

Forecasts on the stock market in 2023

Opportunities Released pressure from the USD appreciation, eases the stress on the country's interest rates and exchange rate, giving more room to contemplate raising the credit limit for businesses.

Vietnam will likely benefit in a variety of industries and fields from China's removal of the zero covid-19 policy and reopening of the economy's operations.

Vietnam's market valuation is at an appealing level for medium and long-term investment. The P/E of VnIndex falls closer to the low 10-11.x. This valuation is low compared to the intrinsic value and the average level in the region. As observed in the past, the bottom-forming area of the VnIndex's historical great growth cycles was around a PE of 10x. As a result, this is an enticing valuation for medium and long-term investing.

New information technology system will be implemented. In 2023, The Ho Chi Minh City Stock Exchange is set to roll out a new information technology system. This will be the platform to launch new products on the market, T-0. At the same time, this is one of the conditions for rating agencies to upgrade Vietnam's stock market from marginal to emerging in the near future.

Foreign capital inflows into the market via ETFs are projected to be a highlight in 2023. The operation of HOSE's new information technology system will make the prospect of the market being upgraded to FTSE in 2023 more plausible, and this is the basis for expecting more foreign cash flows into the Vietnamese market in the future.

Challenges

There is concern that major central banks continue to hike interest rates and accelerate the shrinking process of their balance sheets. If Fed continues to speed up the rise of interest rates over the target rate, the exchange rate and domestic interest rate level may be put under pressure.

The stock market competes with other investment channels to attract capital flows. Rising deposit rates, lending rates, and bond yields affect investors' asset allocation and cost of capital. As a result, cash flow from the stock market may start to flow backward into alternative investment channels. Besides, as the discount rate changes, companies' value will drop, making the stock market less appealing.

There still presents a payment risk on the corporate bond market. The corporate bond market requires more time to restructure, and certain businesses are dealing with cash flow issues, both of which will hurt the share market.

Forecasts indicate that listed firms' business performances will be less favorable. The after-tax earnings of publicly traded companies are expected to decline in 2023. The projected decline in these companies' profit growth rates suggests a significant gap in 2023. Golden investing opportunities are confined to a small number of stock groups.

KEY PLAN AND SOLUTIONS IN 2023

Advantages and disadvantages of BVSC in 2023

Advantages: Being a credible securities company, having stable and sustainable operation on the stock market. Advantages of BVSC was that BVSC has long-standing and experienced staff who understand the market.

Disadvantages: The capital scale was still at a low average scale while the plan to increase capital had not been implemented, and the increasingly limited access to loans made it difficult to meet the needs of client service. In particular, the company's margin lending and advance payment activities faced many difficulties which made the Company's competitive advantage reduced were the challenges in maintaining market share & expanding business scale in 2023.

Indicators on expected plan in 2023

Based on forecasts about the macroeconomic situation and Vietnam's stock market in 2023, assessing the advantages and disadvantages of BVSC, the Company expects the business indicators to be submitted to the 2023 Annual General Meeting of Shareholders for approval as follows:

Unit: Billion VND

| No. | Indicators | Implementation in 2022 | Plan in 2023 | % of the plan in 2023 compared to the implementation in 2022 |
|-----|---|------------------------|--------------|--|
| A | TOTAL REVENUE | 923,8 | 768,5 | 83% |
| I | Realized revenue | 898,4 | 720 | 80% |
| 1 | Brokerage | 320,2 | 215,8 | 67% |
| 2 | Interest from loans, receivables and deposit interest | 442,7 | 370,3 | 84% |
| 3 | Proprietary trading | 87,2 | 106,4 | 122% |
| 4 | Consulting, underwriting | 32,5 | 19 | 59% |
| 5 | Depository | 9,5 | 7 | 74% |
| 6 | Other revenue | 6,4 | 1,5 | 24% |
| II | Unrealized revenue | 25,4 | 48,5 | 191% |
| B | TOTAL COSTS | 742,8 | 574,6 | 77% |
| I | Realized costs | 640,2 | 538,7 | 84% |
| II | Unrealized costs | 102,7 | 36 | 35% |
| C | INCOME BEFORE TAX | 181,0 | 194 | 107% |
| | In which: Realized income before tax | 258,3 | 181 | 70% |
| D | INCOME AFTER TAX | 146,9 | 156 | 106% |
| | In which: Realized income after tax | 213,7 | 145 | 68% |

KEY PLAN AND SOLUTIONS IN 2023

(continued)



“Promote digital transformation technology in business, improving business efficiency as well as the quality of client service experience.”

Business plan (“BP”) 2023: Built on the basis of some forecasts and assumptions about the stock market in 2023 as follows:



The average VNIndex fluctuates around

1.125 – 1.175 points



Average trading value/session reached

14.000 billion/ session



Average equity

2.300 billion VND

The business plan in 2023 has a decrease compared to the implementation in 2022 due to the direct impact of the market, specifically the forecast of market trading value is expected to decrease by 30%, which has a direct impact on the revenue brokerage & financial services revenue (margin, advances) while these two business segments account for a dominant proportion (over 80%) in the total revenue structure. Changes in legal regulations to tighten Privately-placed corporate bond issuance as well as shocks on the confidence of Investors in the market and the tight monetary policy affecting the success of issuances to raise capital have a great influence on consulting & underwriting agency revenue. Besides, with the race in deposit interest rates of joint stock commercial banks from the last months of 2022, the attractiveness of BVSC's ibond and ideposit products will be reduced and the ability to attract capital will be limited. Meanwhile, expenses are expected to increase over the same period due to the Company's investment in the Head Office as well as increased interest expenses due to the current high interest rate environment.

Implementation solutions

Brokerage – financial services

To implement the plan in 2023, the Company will closely follow the market situation to implement solutions synchronously and flexibly, specifically:

About products and services for clients:

- Promote digital transformation technology in business, improving business efficiency as well as the quality of client service experience, including upgrading eKYC online account opening service for foreign investors, continuing to extend the nominal collection system with Sacombank, Vietcombank, etc. Interest rate policy, fee policy, etc with regular and flexible adjustments to closely follow the market to ensure high competitiveness for clients.
- Continue to develop and operate BVS – Value and BVS- Active investment trust products, and provide Ideposit products, etc to help clients to flexibly choose suitable investment channels, thereby attracting new clients.

Distribution channels:

- Focus on developing institutional clients and client groups with large transaction value, focusing on exploiting clients in Baoviet ecosystem.
- Increase the contact to introduce investment opportunities with funds such as BVF, SSIAM, PTI organizations, etc; at the same time, promote the exploitation of clients through international brokerage in order to expand the network of foreign clients.

Human resources:

- Complete the establishment of an Online Customer Center
- Promote recruitment of experienced personnel & implement the Next Gen 2023 program in both Hanoi and Ho Chi Minh City to build medium and long-term resources at all positions in the Company.
- Strengthen internal training on professional and advanced skills to improve qualifications and client development capabilities for brokerage team.
- Launch periodically competitive brokerage programs and sales promotion programs for new products

Capital:

- Based on the the actual situation of the market and business activities, the Company is expected to issue corporate bonds to increase the financial capacity of the Company; at the same time, actively raise capital through short-term loans at commercial banks to ensure a stable capital for the Company's business activities. Gather financial resources to provide accompanying financial services including margin lending and advance to promote brokerage activities on the basis of strict risk management.

KEY PLAN AND SOLUTIONS IN 2023 (continued)

Consulting and underwriting agency activities

The company has increased contact with businesses to looking for capital mobilization, financial advisory needs, etc to have the opportunity to provide diverse consulting services such as public company registration consulting, IPO and listing consulting, M&A consulting, divestiture consulting services and other financial consulting activities, etc.

Focus on reviewing and standardizing the consulting process according to new regulations and strengthening risk examination in corporate bond issuance consulting activities.

Increase investment in training and education to improve the capacity and consulting quality as well as apply digitalization to business processes to improve implementation efficiency.

Proprietary trading activities

In 2023, the Company will continue to use a flexible investment strategy, focusing on evaluating investment opportunities based on business results of businesses after updating business results in 2022, and at the same time keeping a close eye on market situations and fluctuations of investments to make appropriate adjustment decisions.

Depository activities

Implementing depository services in strict compliance with legal and professional services regulations

Continuing to implement signed management shareholder's register contracts.

Information Technology ("IT") & Product Development

Sticking to the strategic direction for the 2021 – 2025 period on IT, with the goal of investing in information technology systems to have a user-

friendly transactional App with many utilities as well as continue to promote digitization in business activities and operational management. BVSC develops a plan to implement some key contents as follows:

- Upgrading the flex system as well as getting ready for the Core system of Vietnam stock exchange (KRX system) to come into operation.
- Completing the comprehensive upgrade project of Mobile App
- Deployment of solutions to support management in back offices
- Completing and launching the company's new website.
- Golive eKYC online account opening service for foreign investors.
- Building an open-end fund certificate system for clients integrated on Bwise.

Analytical Research

In 2023, along with maintaining weekly/monthly/semi-annual and annual reports as well as client's organization care activities, some key tasks will be implemented including:

- Seeking for investment opportunities, enhancing recommendations via Zoom combined with technical analysis to choose the right time to trade, increasing the specificity of investment recommendations to assist brokers in consulting clients.
- Implementing and promoting the development of trust products for securities account management – BVS Value, BVS Active, etc.
- Improving the quality of each type of report, increasing the frequency of in-depth thematic reports, focus and at the same time improve the coverage of analytical reports on the total market capitalization.



Personnel organization and salary policy

Establishment of a Contact Center

Implementing the Next Gen 2023 program in Ha Noi and TP.HCM to build medium and long-term resources at all positions in the Company.

Strengthening training & planning, and developing personnel management.

Researching and developing compensation packages for each level of personnel in order to improve efficiency and ensure competition to retain good employees.

Communication & brand development

Continuing to promote Digital Marketing campaigns to promote new products to clients, investors, multi-channel interaction to listen and complete the client care ecosystem.

Maintaining a variety of information supply channels as well as promote connection and interaction with shareholders through online platforms such as fanpage, website, zalo, email, etc.

Legislation & internal control

Strengthening the supervisory role of the Internal Audit and risk management for the Company's activities, expanding the scope of inspections to the Company's business activities. Updating and researching new legal documents to ensure timely adaptation to changes in legal regulations & corporate governance needs.

For **COMPLEXITY**
be **TRANSPARENT**



04

Corporate Governance

ORGANIZATIONAL STRUCTURE



(*) Operations Management Department implements the roles of human resource management (HR), investor relations (IR), public relations (PR), integrated planning, and administrative functions.

*** Subsidiaries, associated companies: none

KEY PERSONNEL

Board of Directors (“BOD”)



Mr. NGUYEN HONG TUAN

Chairman of the Board of Directors
(Non-executive member)

Date of first appointment: 27 June 2017.

Date of reappointment: 22 June 2020.

Date of birth: 31 March 1969.

Education: Bachelor of Credit management, Bachelor of English, Bachelor of Laws, Master of Business Administration.

Work experience:

November 2018 – present: Chairman of BVSC's Board of Directors.

June 2017 – November 2018: Member of BVSC's Board of Directors.

March 2021 – present: Chairman of Board of Members of Bao Viet Insurance Corporation.

May 2014 – present: Vice Chairman of the Board of Directors of Bao Viet Joint Stock Commercial Bank.

December 2011 – September 2017: Acting General Director, General Director of Bao Viet Joint Stock Commercial Bank.

January 2009 – December 2011: Deputy General Director, Director of Department of Education, Director of Retail Banking Division of Bao Viet Commercial Joint Stock Bank.

December 2006 – December 2008: Head of Project Department of Bao Viet Commercial Joint Stock Bank, Member of the Preparatory Board for the establishment of Bao Viet Commercial Joint Stock Bank.

January 2006 – November 2006: Deputy Head in charge of Investment Department of Bao Viet Holdings.

April 1998 – November 2005: Deputy Head of Capital Investment Department, Vice Director of Investment Center of Bao Viet Holdings.

December 1994 – April 1998: Officer of Capital Investment Department of Vietnam Insurance Corporation (now Bao Viet Holdings).

Current positions at other companies:

Vice Chairman of the Board of Directors of Bao Viet Joint Stock Commercial Bank.

Chairman of Board of Members of Bao Viet Insurance Corporation.



Mr. NGUYEN QUANG DUNG

Member of the Board of Directors
(Non-executive member)

Date of first appointment: 27 June 2017.

Date of reappointment: 22 June 2020.

Date of birth: 02 April 1974.

Education: Bachelor of Economics, Bachelor of English, Master of Business Administration.

Work experience:

June 2017 – present: Member of BVSC's Board of Directors.

January 2015 – present: Deputy General Director of Bao Viet Insurance Corporation.

March 2014 – December 2014: Director of the Reinsurance Department of Bao Viet Insurance Corporation.

March 2009 – March 2014: Head of Reinsurance Department of Bao Viet Insurance Corporation.

April 2004 – March 2009: Deputy Head of Reinsurance Department of Bao Viet Insurance Corporation.

September 2001 – May 2003: Specialist at Aon Singapore Reinsurance Brokerage Company.

August 1995 – September 2001: Specialist in Reinsurance Department of Bao Viet Insurance Corporation.

Current positions at other companies:

Deputy General Director of Bao Viet Insurance Corporation.



Mr. NGUYEN ANH TUAN

The member of Board of Directors
(Non-executive member of the Board of Directors)

Date of first appointment: 12 May 2016.

Date of reappointment: 22 June 2020.

Date of birth: 05 September 1977.

Education: Master of Finance and Banking.

Work experience:

May 2016 – present: Member of BVSC's Board of Directors.

November 2016 – March 2020: Director of Operations Management Division of Bao Viet Holdings.

May 2016 – November 2016: Acting Director of Operations Management Division of Bao Viet Holdings.

April 2015 – May 2016: Deputy Director of Operations Management Division of Bao Viet Holdings.

September 2014 – April 2015: Deputy Head – Secretariat – General Board – Operations Management Division of Bao Viet Holdings.

December 2012 – September 2014: Deputy Head – Project Investment Board – Investment Division of Bao Viet Holdings.

April 2011 – December 2012: Deputy Head – Strategic Investment Board – Investment Division of Bao Viet Holdings.

January 2006 – April 2011: Principal officer of Investment Project Management and Appraisal – Strategic Investment Board of Bao Viet Holdings.

November 2001 – January 2006: Project Manager – Project Management Department – Investment Center of Vietnam Insurance Corporation (now Bao Viet Holdings).

Current positions at other companies:

None



Mr. LE XUAN NAM

Member of Board of Directors
(Independent member of BOD)

Date of first appointment: 22 June 2020.

Date of birth: 19 May 1982.

Education: Master in Economics of Banking and Finance.

Work experience:

June 2020 – present: Member of BVSC's Board of Directors.

2019 – present: Chief Accountant of Bao Viet Life Corporation.

2016–2019: Head of Finance Department of Bao Viet Life Corporation.

2011 – 2016: Deputy Head of Financial Department of Bao Viet Life Corporation.

2016 – present: Member of BOD of Ha Noi Entertainment Service Corporation.

2018 – present: Member of BOD of Sai Gon – Phu Quoc IslandResort.

Current positions at other companies:

Chief Accountant of Bao Viet Life Corporation.

Member of BOD of Ha Noi Entertainment Service Corporation.

Member of BOD of Sai Gon – Phu Quoc IslandResort.



Mr. NHU DINH HOA

Member of Board of Directors
(Executive member)

Date of first appointment: 03 April 2010.

Date of reappointment: 20 June 2020.

Date of birth: 12 April 1972

Education: Master of Accountancy, University of Hawaii (the USA), Bachelor of Business Administration.

Work experience:

April 2010 – present: Member of BVSC's Board of Directors.

February 2010 – present: Chief Executive Officer (“CEO”) of BVSC.

2005 – February 2010: Vice CEO of BVSC.

2000 – 2005: Head of Transaction Office, Head of Proprietary Trading and Advisory Department – BVSC.

1995 – 1999: Vietnam Insurance Corporation (now is Bao Viet Holdings).

Current positions at other companies:

None.

***** At the 2020 Annual General Meeting of Shareholders, BVSC elected a new Board of Directors for the term of 2020–2025, in which Mr. Le Xuan Nam was elected as an independent member of the Board of Directors.**

Composition of the Board of Directors and ownership ratio of Charter Capital as of 22 March 2022.

- Mr. Nguyen Hong Tuan: Chairman of the Board of Directors, representatively manages and holds 35% of BVSC's charter capital.
- Mr. Nhu Dinh Hoa: Executive member of the Board of Directors, representatively manages and holds 10.14% of Charter Capital (of which, representatively manages 10% investment capital of Bao Viet Holdings at BVSC and holds 0.14% personal shares).
- Mr. Nguyen Anh Tuan: Non-executive member of Board of Directors, representatively manages and holds 10% of BVSC's charter capital.
- Mr. Nguyen Quang Hung: Non-executive member of Board of Directors, owning 0% shares.
- Mr. Le Xuan Nam: Independent member of Board of Directors, owning 0% shares.

KEY PERSONNEL

Supervisory Board (“SB”)



Mr. NGUYEN XUAN HOA

Head of Supervisory Board

Date of first appointment: 15 April 2015.

Date of reappointment: 22 June 2020.

Date of birth: 11 March 1977.

Education: Master of Commercial Business Management.

Work experience:

April 2015 – present: Head of Supervisory Board of BVSC.

January 2008 – present: Head of Planning and Management Information Group, Deputy Head, Head of Financial Planning Department; Deputy Director of Financial Management Division; Chief Accountant cum Director of Finance Department – Bao Viet Holdings.

November 2001 – January 2008: Accountant, Deputy Head of Accounting Headquarters – Bao Viet Insurance Corporation.

August 1999 – October 2001: In charge of Accounting – Duy Hung Informatics Software Co.,Ltd.

Current positions at other companies:

Chief Accountant cum Director of Finance Department of Bao Viet Holdings.

Member of Board of Members of Bao Viet Insurance Corporation.

Chairman of Board of Members of Bao Viet – Au Lac Company Limited.



Mr. HOANG GIANG BINH

Supervisor

Date of first appointment: 15 April 2015.

Date of reappointment: 22 June 2020.

Date of birth: 14 December 1986.

Education: Master of Accounting and Finance.

Work experience:

April 2015 – present: Member of Supervisory Board of BVSC.

September 2015 – present: Specialist of Investment Department – Bao Viet Holdings.

August 2012 – September 2015:

Specialist of Project Investment Department – Bao Viet Holdings.

December 2011 – May 2012: Specialist of Hoan Kiem Branch – Military Commercial Joint Stock Bank.

March 2009 – September 2009: Specialist in Accounting Department – Vietnam Television.

Current positions at other companies:

Specialist – Investment Department of Bao Viet Holdings.



Ms. NGUYEN THI THANH VAN

Supervisor

Date of first appointment: 15 April 2015

Date of reappointment: 22 June 2020.

Date of birth: 15 July 1982.

Education: Bachelor of Banking and Finance.

Work experience:

April 2015 – present: Member of Supervisory Board of BVSC.

January 2005 – present: Accountant, Deputy Director in charge of Accounting Department of Bao Viet Holdings.

Current positions at other companies:

Deputy Director in charge of Accounting Department of Bao Viet Holdings.

Board of Management



Mr. NHU DINH HOA

CEO

Date of first appointment: February 2010.

Time holding CEO position: 13 years.

Education: Master of Accountancy, Bachelor of Business Administration.

Work experience:

February 2010 – present: CEO of BVSC.

2005 – February 2010: Vice CEO of BVSC.

2000 – 2005: Head of Transaction Office, Head of Proprietary Trading and Advisory Department – BVSC.

1995 – 1999: Vietnam Insurance Corporation (now is Bao Viet Holdings).

Current positions at other companies:

None.



Ms. NGUYEN THI THANH THUY

Deputy General Director

Date of first appointment: 15 July 2010.

Time holding vice CEO position: 12 years and 07 months.

Education: Master of Economics.

Work experience at BVSC:

September 2009 – July 2010: Head of Consulting Department.

September 2006 – August 2009: Head of Transaction Department.

October 2003 – August 2006: Deputy Head of Transaction Department.

Current positions at other companies:

None.



Ms. NGUYEN HONG THUY

Chief Accountant

Date of first appointment: 26 April 2022.

Time holding Chief Accountat position: 1 year.

Education: Bachelor of Finance and Banking

Work experience at BVSC:

January 2012 – April 2022: Head of Finance and Accounting Department

December 2009 – January 2012: Deputy Head of Finance and Accounting Department

May 2009 – December 2009: Deputy Head of Legal, Internal Control and Risk Management Department.

Current positions at other companies:

None.

Ownership percentage with voting rights of the Board of Management as of 22 March 2022

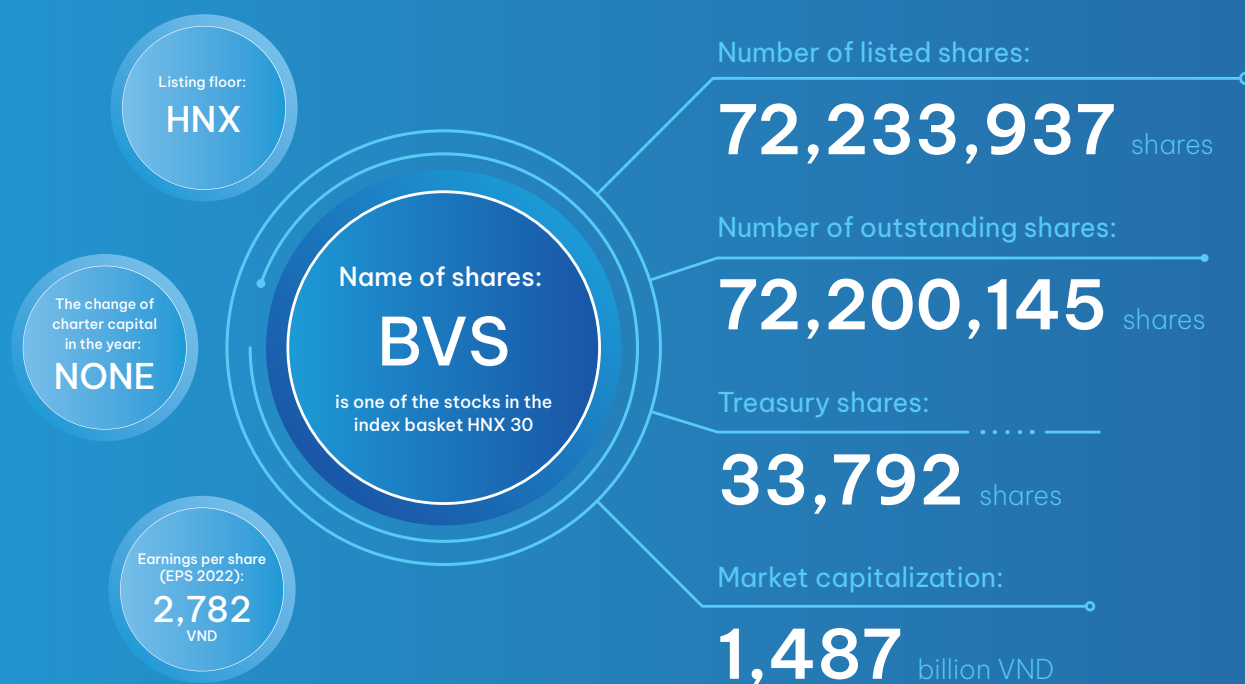
- Mr. Nhu Dinh Hoa: BOD member cum CEO – representatively manages and holds 10.14% of BVSC's charter capital (of which, representatively manages 10% investment capital of Bao Viet Holdings at BVSC and holds 0.14% personal shares).
- Ms. Nguyen Thi Thanh Thuy: Vice CEO – holds 0.006% of Charter Capital.

Composition of the Supervisory Board and ownership ratio of Charter Capital as of 22 March 2022.

- Mr. Nguyen Xuan Hoa: Head of Supervisory Board, representatively manages and holds 4.92% of BVSC's charter capital.
- Mr. Hoang Giang Binh: Supervisor, owns 0% of BVSC's charter capital.
- Ms. Nguyen Thi Thanh Van: Supervisor, owns 0% of BVSC's charter capital.

INFORMATION FOR SHAREHOLDERS

BVS Share information at December 31, 2022



The dividend in 2022:

Paid dividend of 08% on par value from Profit after tax in 2021 on 20 October 2022, under Resolution No. 01/2022/NQ-DHDCD of the 2022 Annual General Meeting of Shareholders.

Book value per share (BV):

VND **30,207**

Market price on 31 December 2022:

20,600 VND/shares

The highest price in 2022:

41,800 VND/shares

The lowest price in 2022:

11,600 VND/shares

Total trading volume in 2022:

62,011,860 shares

The total transaction value in 2022:

VND **1,648,767,423,500**

Average transaction volume in 2022:

249,043 shares/day

P/B:

0.68 times

P/E:

7.40 times

Source: Fiinpro – Business transaction data

In 2022, due to the influence of much negative information, the Vietnamese stock market dropped quite sharply, among the top markets with the strongest decline in 2022. In that general context, the securities industry in general and BVSC, in particular, have been affected pretty much because of this. The Company's share price (BVS) has a considerable decline, with the closing price on 31 December 2022 at VND20,600, decreasing by 48% compared to the closing price in 2021. However, comparing to the industry's overall decline of up to 63%, BVS is still one of the stocks with low price drops.

The movement of BVS stock transaction on the Stock Market in 2022 is shown in the following charts:

Chart 01: Closing price of BVS shares compared to HNX Index from 01 January 2022 to 31 December 2022

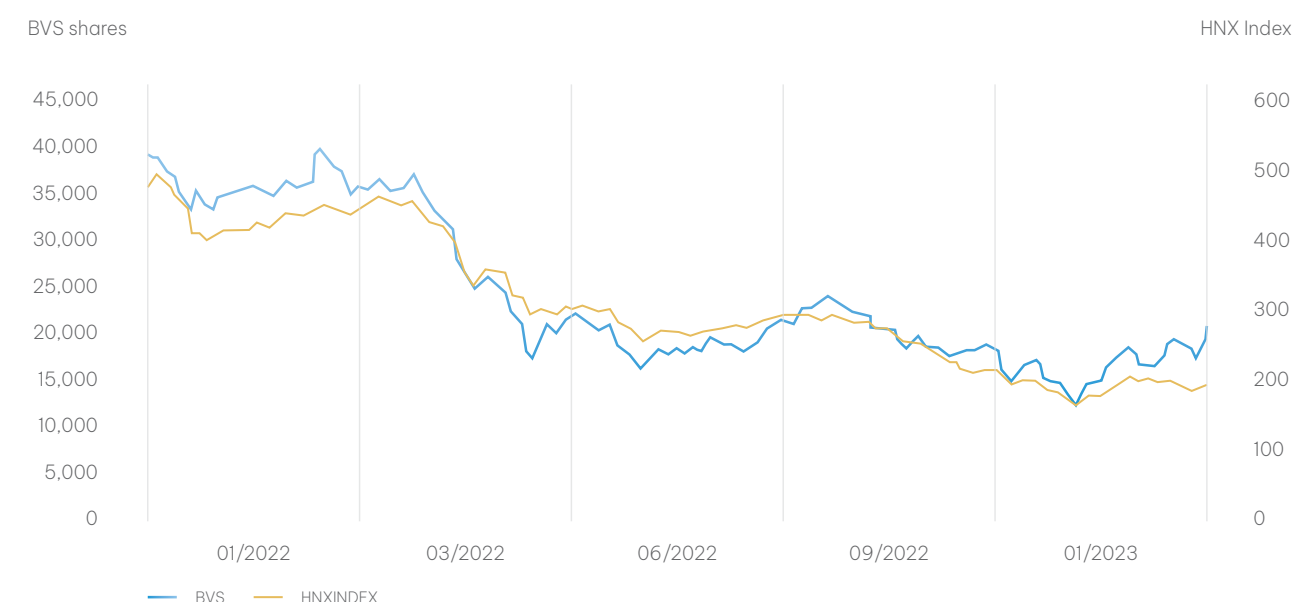
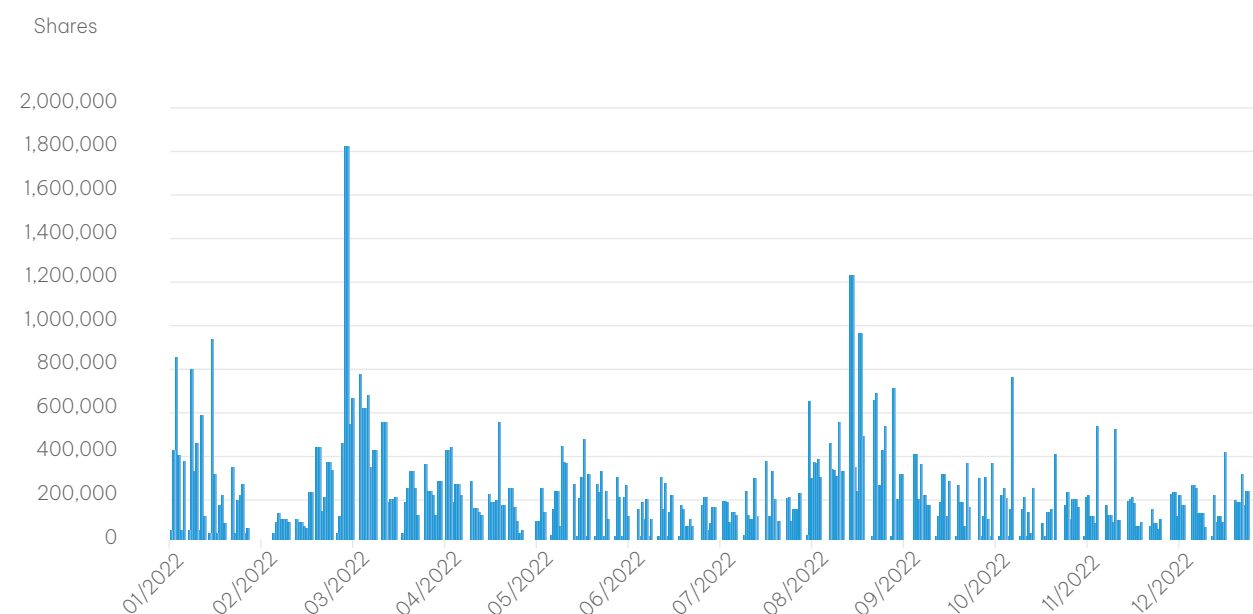


Chart 02: Trading volume of BVS shares from 01 January 2022 to 31 December 2022



INFORMATION FOR SHAREHOLDERS (continue)

Chart 03: Monthly trading value of Foreign Investors

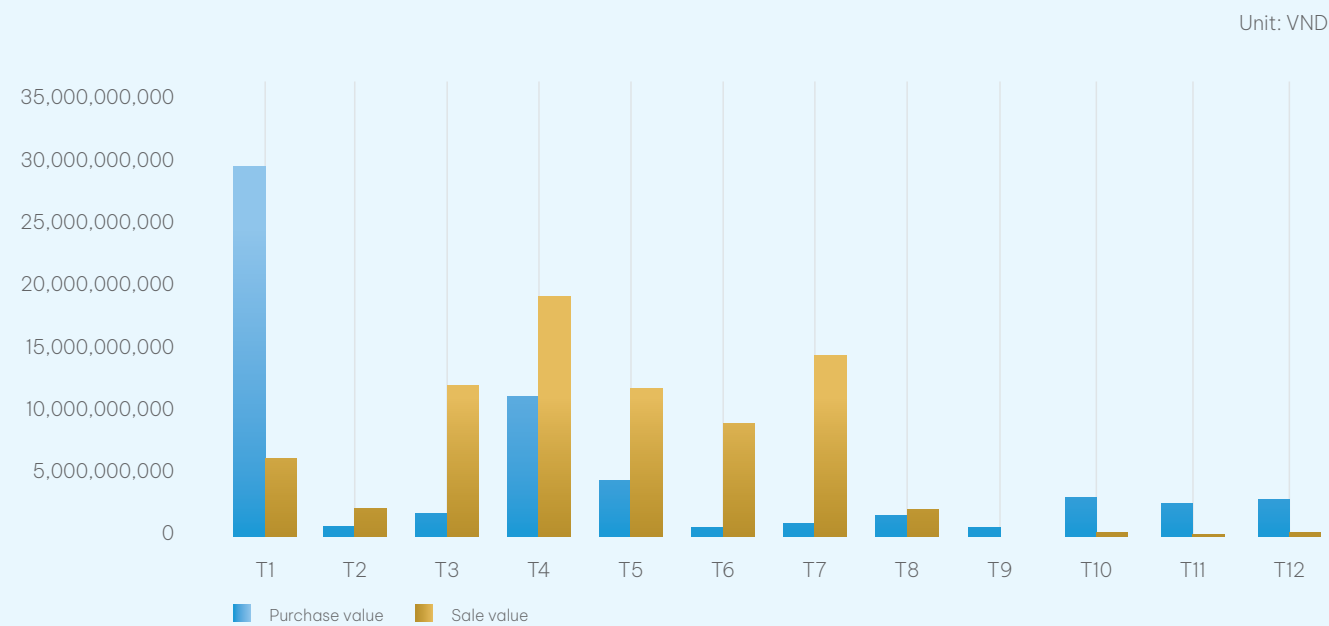
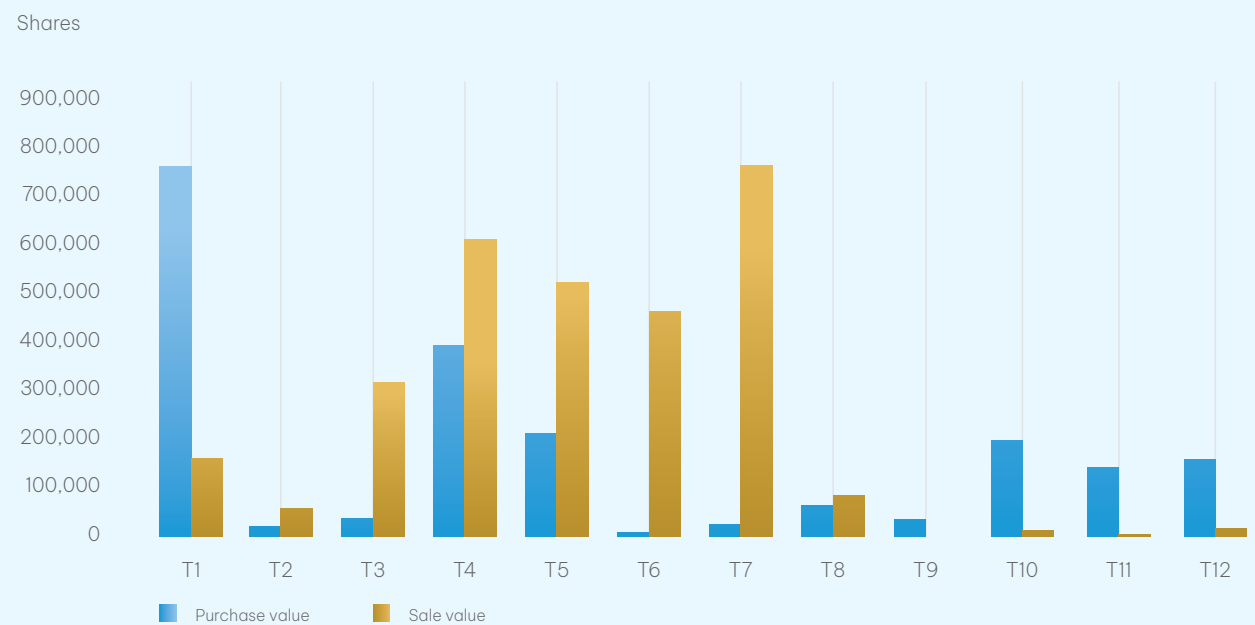
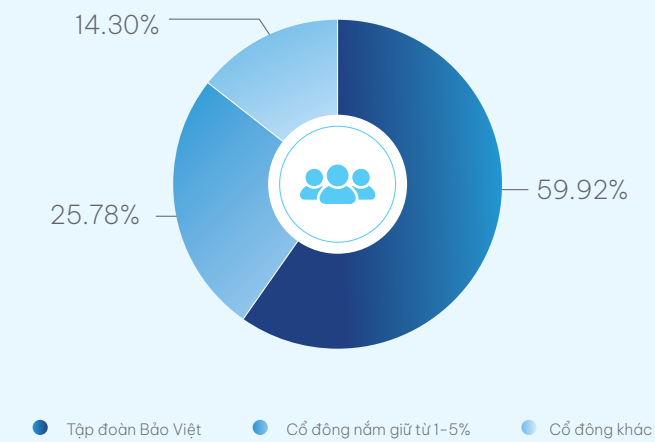


Chart 04: Monthly trading value of Foreign Investors



List of shareholders as at 22 March 2023

Shareholder structure by holding ratio



Change in owner's equity:

Change in owner's equity in 2022: None

Transaction of treasury shares in 2022: None.

Other securities: None

Shareholder structure by geographical location

| Shareholder | Quantity | Number of shares | Value (VND) | Percentage |
|-----------------|--------------|-------------------|------------------------|---------------|
| Domestic | | | | 92.59% |
| Individuals | 3463 | 23,181,885 | 231,818,850,000 | 32.09% |
| Institutions | 24 | 43,699,712 | 436,997,120,000 | 60.50% |
| Foreign | | | | 7.41% |
| Individuals | 148 | 956,200 | 9,562,000,000 | 1.32% |
| Institutions | 18 | 4,396,140 | 43,961,400,000 | 6.09% |
| Total | 3,653 | 72,233,937 | 722,339,370,000 | 100% |

Shareholder structure by ownership ratio

| Shareholder | Number of shareholders | Number of shares | Percentage % |
|------------------------------------|------------------------|-------------------|--------------|
| Shareholders holding less than 1% | 3,643 | 10,332,844 | 14.30% |
| Shareholders holding from 1% to 5% | 9 | 18,619,900 | 25.78% |
| Shareholders holding 5% or more | 1 | 43,281,193 | 59.92% |
| Total | 3,653 | 72,233,937 | 100% |

INFORMATION FOR SHAREHOLDERS (continue)

Assessment of investor relations (IR) activities in 2022

Ensuring legitimate rights, interests, and equality among shareholders

Being a typical securities company in the market, a listed company, and especially, BVSC is also a leading consultant in corporate finance, so BVSC pays special attention to assure the exercise of shareholders' legal rights and benefits of shareholders, equal treatment with shareholders of the Company. Based on this core principle, BVSC assures that all shareholders of the Company, including domestic and foreign shareholders, individual and institutional shareholders, major and minor shareholders, shareholders holding executive management positions in the Company, and non-executive shareholders, must be treated equally, and transparently.

The rights of shareholders are specified by the Company in Article 19 of the 13th Amendment and Supplement to the Charter. In which, the rights of shareholders are specified according to each type of shares owned, including: the rights of shareholders owning common shares (referred to as common shareholders), the rights of shareholders owning voting preferred shares, rights of shareholders owning dividend preference shares, and the rights of shareholders owning redeemable preferred shares.

Currently, all shareholders at BVSC are common shareholders. The rights of shareholders are fully and earnestly implemented by BVSC throughout 2022 through IR operations and are most clearly demonstrated in the Annual General Meeting of Shareholders (“AGM”) in 2022 and information disclosure of BVSC to investors and shareholders.

The 2022 Annual General Meeting of Shareholders

The rights to access information of shareholders

On 21 April 2022, BVSC held the 2022 Annual General Meeting of Shareholders. The invitation to attend the meeting, agenda, reports, and documents expected at the meeting are sent directly to each shareholder by BVSC via mail registered and published on the Company's website 21 days before the date of the General meeting. The invitation to attend the General Meeting of Shareholders is published in both English and Vietnamese versions by the Company at the same time to facilitate foreign shareholders. At the 2022 General Meeting of Shareholders, the Company arranged an interpreter to directly serve foreign shareholders so that they could access and update maximum information at the meeting.

All minutes and resolutions of the General Meeting of Shareholders were read in full at the General Meeting before voting for approval. Minutes and resolutions of the meeting are disclosed immediately after finishing the meeting and are published on the Company's website.

The participants of the meeting

The 2022 Annual General Meeting of Shareholders with the attendance of: shareholders owning 45,642,330 shares, accounting for 63.22% of the voting shares of the Company; The members of the Board of Directors, the Supervisory Board and the Board of Managements fully attended. In addition, in order to assure the rights of shareholders, the

Currently, all shareholders at BVSC are common shareholders. The rights of shareholders are fully and earnestly implemented by BVSC throughout 2022 through IR operations and are most clearly demonstrated in the Annual General Meeting of Shareholders (“AGM”) in 2022 and information disclosure of BVSC to investors and shareholders.

Company invited a representative of the audit firm for the financial statements to directly participate in the meeting to answer questions from shareholders *(if any)*.

Discussion and questions at the General Meeting

At the 2022 General Meeting of Shareholders, shareholders voted to approve the Presidium with 03 members including the Chairman of BOD, the CEO, and 01 another member of BOD. Also at the meeting, shareholders directly questioned the Presidium about important contents such as: Business results in the first quarter of 2022 and the ability to complete the 2022 business plan of the Company; the plan to increase margin interest rates in the context of banks adjusting interest rates; The increase in charter capital of the Company. The contents directly questioned at the General Meeting were directly answered by the Presidium, and the contents of the queries were also kept in the minutes of the meeting and stored on the website of the Company.

Voting at the General Meeting

At the Annual General Meeting of Shareholders in 2022, the attending shareholders directly voted on important contents related to the Company's business operations, specifically as follows:

| Content | The Annual General Meeting of Shareholders in 2022 of BVSC voted to approve |
|---|--|
| Business operations | <ul style="list-style-type: none"> Approving business performance in 2021 and business plan in 2022. Approving the Company's development strategy in the period of 2021-2025 |
| Reports | <ul style="list-style-type: none"> Approving the report on the operation in 2021 and the direction in 2022 of the Board of Directors. Approving the report on activities of the Supervisory Board at the Annual General Meeting of Shareholders in 2022. Approving the 2021 Audited financial statements. |
| The plan to use profits and pay remuneration to the Board of Directors, Supervisory Board, and Company's Secretary. | <ul style="list-style-type: none"> Approving the plan to use the profits in 2021, the plan to use the profits in 2022. Approving remuneration payment for the Board of Directors, Supervisory Board, and Company's Secretary in 2021 and the remuneration plan for 2022. |
| Amending governance documents | <ul style="list-style-type: none"> Approving the 13th Amendment and Supplement to the Charter. |
| Other contents | <ul style="list-style-type: none"> Approving the change of the Company's Head Office |

Minutes and resolutions of the 2022 General Meeting of Shareholders recognized in detail each voting content, the number of votes, and the percentage of approve/disapprove/no opinion votes equivalent to each content and publicly presented at the General Meeting; as well as disclosed information within 24 hours and stored on the Company's website.

INFORMATION FOR SHAREHOLDERS (continue)

“ in 2022, the Company was honored in the Top 15 listed companies meeting the standards for information disclosure within the framework of the IR AWARD 2022 program co-organized by Vietstock, VAFE Association and FILI Magazine.

The Investor Relations Department (IR)

Consecutive negative news on the stock and bond markets in 2022 had a strong impact on the securities market in general and listed companies in particular. In the complex context of the market, public disclosure, information transparency and accountability are the key for businesses to build trust with shareholders and investors. For BVSC, the recognition of the importance and implementation of these tasks has been improved and increasingly enhanced in recent years. Some specific activities are as follows:

Strictly and fully comply with the regulations on information disclosure in accordance with the law:

The Company has developed a standard information disclosure regulation on the basis of compliance with the law on information disclosure applicable to listed companies and the Regulation on information disclosure of the Exchanges. The company's website is an official and effective means of information disclosure, as well as an effective support in fulfilling the Company's information disclosure obligations. To help domestic and foreign shareholders to access important information about the Company, BVSC has built a separate section on Investor Relations on its website in both Vietnamese and English languages. In the Investor Relations section, in addition to basic information and documents such as the Charter, Internal Regulations on Corporate Governance, Operational Regulations of the Board of Directors, Operational regulations of the Supervisory Board, Regulations on Information disclosure, annual reports, audited financial statements, information about shareholders and shares, etc. The Company has also designed “Information disclosure” section to regularly and promptly update information related to the Company's activities. Invitation letters, documents related to the General Meeting of Shareholders, notices of nomination, draft resolutions, minutes of the General Meeting of Shareholders, etc. are all updated by the Company in the Information section of the General Meeting of Shareholders before each meeting to ensure compliance with the prescribed time limit for information disclosure of the General Meeting of Shareholders of listed companies. With its efforts in the role of a typical securities company in the market, a listed enterprise, and especially focusing on ensuring the rights of shareholders to access information, in 2022, the Company was honored in the Top 15 listed companies meeting the standards for information disclosure within the framework of the IR AWARD 2022 program co-organized by Vietstock, VAFE Association and FILI Magazine.

Diverse shareholder and investor information channels:

In addition to setting up a hotline and a separate email box to answer all inquiries from

shareholders, investors, and interested parties, in 2022, the IR Department promoted information exchange via the Company's Fanpage and Zalo. All inquiries, and requests for information about the business situation of the company shall be immediately updated by the IR department and handled and responded to in coordination with the relevant departments within 48 hours.

Actively cooperate with media agencies, and economic, financial and securities information channels to widely communicate to investors.

Issue Quarterly Investor Relations Newsletters to help shareholders update comprehensive information on the business performance as well as trading movements of BVS shares, and other outstanding activities of the Company.

Prepare a sustainability report integrated in the Annual Report in both Vietnamese and English versions for foreign investors.

Periodic information disclosure in 2022

| Date | Content |
|-----------------|--|
| 19 January 2022 | Financial statements and separate financial statements of the quarter IV in 2021 |
| 21 January 2022 | Report on the list of foreign investors and major investors as at 31 December 2021 |
| 28 January 2022 | Corporate Governance report of listed companies in 2021 |
| 30 March 2022 | Financial Statements, Separate Financial Statements and Financial Safety Ratio Report |
| 19 April 2022 | Financial Statements of the quarter I in 2022 |
| 19 April 2022 | Annual report in 2021 |
| 28 July 2022 | Financial Statements of the quarter II in 2022 |
| 28 July 2022 | Corporate Governance report of listed companies in the first 6 months of 2022 |
| 28 July 2022 | Report on the list of foreign investors and major investors as at 31 June 2022 |
| 12 August 2022 | Semi-Annual Financial Statements and Semi-Annual Financial Safety Ratio Report 2022 (reviewed) |
| 19 October 2022 | Financial Statements of the quarter III in 2022 |

INFORMATION FOR SHAREHOLDERS (continue)

Other Information Disclosure in 2022

| Date | Content |
|------------------|---|
| 10 January 2022 | The adjustment of establishment and operation license of the company |
| 24 January 2022 | The BOD's resolution on approving the relocation of Cao Thang Transaction Office |
| 11 February 2022 | The adjustment of the Certificate of Business Registration |
| 25 February 2022 | The BOD's resolution on the organization of the Annual General Meeting of Shareholders in 2022 |
| 31 March 2022 | The BOD's resolution on the time, place, program and documents of the 2022 Annual General Meeting of Shareholders |
| 31 March 2022 | Publishing information on documents of the Annual General Meeting of Shareholders in 2022 |
| 14 April 2022 | Publishing information on the amending the decision to establish Cao Thang Transaction Office |
| 19 April 2022 | Business plan in 2022 |
| 22 April 2022 | Minutes and resolutions of the Annual General Meeting of Shareholders in 2022 |
| 22 April 2022 | The 13th Amendment to the Charter |
| 27 April 2022 | The BOD's resolution on reappointment of the CEO of the Company |
| 27 April 2022 | The BOD's resolution on reappointment of the Chief Accountant of the Company |
| 29 April 2022 | Publishing information on approval decision being an exchange membership at VNX |
| 06 May 2022 | Publishing information on foreign ownership percentage at BVSC |
| 12/07/2022 | The BOD's resolution on reappointment of the Vice CEO of the Company |
| 20/07/2022 | Publishing information on approval decision providing advance payment services from securities sales |
| 20/07/2022 | Publishing information on becoming a major shareholder of TIP shares |
| 21/09/2022 | The BOD's resolution on the cash dividend payment in 2021 |
| 21/09/2022 | Publishing information on record date to exercise the right to pay dividends for the financial year 2021 |
| 26/10/2022 | Publishing information on the changes the head of the branch |
| 18/11/2022 | The BOD's resolution on the adjustment of Business Plan in 2022 |
| 18/11/2022 | The BOD's resolution on the approval of pre-maturity redemption of BVSH2123001 bonds |
| 25/11/2022 | The BOD's resolution on the approval of the relocation of Lang Ha Transaction Office |
| 05/12/2022 | The BOD's resolution on the approval changing the name of Lang Ha Transaction Office |
| 29/12/2022 | Publishing information on Decision amending the approval Decision establishing Thanh Cong Transaction Office |

***All information published in the Shareholder Relations section on the Company's website; and through systems publishing information at the Stock Exchange and the State Securities Commission of Vietnam.

Some orientations for IR activities in 2023

In 2023, BVSC aims to further promote professionalism in investor relations activities with a number of specific main activities as follows:

- Comply with the full, accurate, and timely disclosure of periodical and unusual information on production, business activities, finance, and corporate governance to shareholders and the public in accordance with the law on information disclosure on the stock market ("SM"). The disclosure shall be made in English and Vietnamese bilingually.
- Actively promote shareholder-investors communication to meet the needs of information exchange between businesses and investors: through direct contact at the Annual General Meeting of Shareholders, the full text of the Annual General Meeting of Shareholders in English - Vietnamese, strengthen cooperation to promote investment promotion opportunities in Vietnamese securities market and BVSC.

- Actively exploit diversified and effective channels to reach shareholders to promptly provide information to help ensure the rights and obligations of shareholders. Typically, in 2023, the Company sent invitations to the General Meeting of Shareholders via email in parallel with the traditional form of mailing by post and posting on the Company's official website to ensure the shareholders' fastest and most accurate access to information.
- Complete the company's new website with a user-friendly interface and regularly update and improve search engines and interactivity on the shareholder relations section of the Company's website & Fanpage.
- Issue quarterly IR newsletters (in both Vietnamese and English); and maintain proactive public relations to increase the transparency of information to the public, etc.

For more information, Shareholders/Investors, please contact:

Address: The company's head office is on the 7th floor, Bao Viet Building, No.8 Le Thai To, Hang Trong ward, Hoan Kiem district, Hanoi.

Hotline: (84-24)3.928 8080 (ext.: 604)

Email: info@bvsc.com.vn

Website: www.bvsc.com.vn



BOARD OF DIRECTORS

Members and structure of the Board of Directors

BVSC's Board of Directors consists of 05 members as follows:

| No. | BOD Member | Position | Date of appointment/no longer a member of the BOD | Reason for dismissal/appointment |
|-----|-----------------------|------------------------------------|---|----------------------------------|
| 1 | Mr. Nguyen Hong Tuan | Chairman (Non-executive member) | From 27 June 2017, he was the member of the Board of Directors. From 29 November 2018 to 22 June 2020, he was the Chairman of the Board of Directors of BVSC in the term 2015–2020. From 22 June 2020 up to now, he has been the Chairman of the Board of Directors of BVSC for the term 2021–2025. | |
| 2 | Mr. Nhu Dinh Hoa | Executive member | From 03 April 2010 | |
| 3 | Mr. Nguyen Anh Tuan | Non-executive member | From 12 May 2016 | |
| 4 | Mr. Nguyen Quang Hung | Non-executive | From 27 June 2017 | |
| 5 | Mr. Le Xuan Nam | Independent member | From 27 June 2020 | |

Please find more details about the Board of Directors in Chapter IV, Section 2, "Key Personnel – Board of Directors" from page 86 to page 89 of this Report.

The Board of Directors has issued a Resolution to assign missions to each member in supervising and monitoring each line operation of the Company, specifically as follows:

Mr. Nguyen Hong Tuan

Chairman of the Board of Directors

Managing and coordinating the overall operation of the Board of Directors, in charge of policy and development strategy, human resources, and compensation; in charge of financial investment, and financial management; performing the powers and obligations of the Chairman of the Board of Directors in accordance with the provisions of the Law, the Charter and internal documents of the Company; at the same time being the Chairman of the Committee on Corporate Governance, Appointment, and Remuneration.

Mr. Nhu Dinh Hoa

Member of the Board of Directors cum CEO

Being direct and the leader in charge of daily business operations of the Company, taking responsibility for the business results of the Company; in charge of internal control under the authority of the CEO, proposing business plans, business strategies of the Company reporting to the Board of Directors; performing the rights and obligations of members of the Board of Directors, the CEO in accordance with the provisions of the Law, the Charter and internal documents of the Company.

Mr. Nguyen Anh Tuan

Non-executive member of the Board of Directors

In charge of investment, purchase, and sale of fixed assets, information technology, communication, and brand of the Company; supporting the coordination between the Company and the Group and the subsidiaries of Bao Viet Holdings; performing the rights and obligations of members of the Board of Directors in accordance with the provisions of the Law, the Charter and internal documents of the Company.

Mr. Nguyen Quang Hung

Non-executive member of the Board of Directors

In charge of monitoring the balance of assets and liabilities of the Company; risk management; Legislation; performing the rights and obligations of members of the Board of Directors in accordance with the provisions of the Law, the Charter, and internal documents of the Company; at the same time being the Chairman of Risk Management Committee and Asset-liability Committee.

Mr. Le Xuan Nam

Independent member of the Board of Directors

In charge of internal audit and independent audit; performing the rights and obligations of members of the Board of Directors in accordance with the provisions of the Law, the Charter, and internal documents of the Company; He is also the Chairman of the Audit Committee.



“ The structure of the Board of Directors in the term 2020–2025 has 4 out of 5 non-executive members, including 01 independent member; at the same time, through the assignment of missions to be in charge of each line operation for each member, it has helped the directions of the Board of Directors to always assure objectivity, timeliness, and closely follow the operation of the Company to maximize the rights and benefits of shareholders, and sustainable development of the Company.

BOARD OF DIRECTORS (continue)



The Company's Secretary

In order to assist the Board of Directors, the Board of Directors has appointed the Company's Secretariat including the following personnel:

| Full Name | Qualifications and practicing certificates | Work experience at BVSC | Appointment Date |
|----------------------|---|--------------------------|--------------------|
| Ms. Bui Thi Mai Hien | Bachelor of Law. Master of Business Administration. Fund Management Practicing Certificate No. 00197/QLQ issued by State Securities Commission of Vietnam. Certificate of Corporate Governance No. 18/QTCT 229/QD-TTNC issued by State Securities Commission of Vietnam on 5 September 2013. | 18 years working at BVSC | September 26, 2013 |
| Mr. Vu Duy Vuong | Bachelor of Business Law. Graduate Certificate of Professional Lawyer Training No. 15814/2012/LS on 25 April 2013. Certificate of Corporate Governance No. 40/QTCT 159/QDTTNC issued by State Securities Commission of Vietnam on 03 June 2022. | 12 years working at BVSC | September 10, 2018 |

Company administrator

In order to support corporate governance, the Board of Directors appointed Mr. Vu Duy Vuong to be Company's Secretary and Company administrator.

The committees under the Board of Directors

In order to assist the Board of Directors in implementing corporate governance more effectively and avoiding any conflicts of interest; applying good practices and advanced standards of corporate governance such as the Corporate Governance Code of Best Practices for public companies in Vietnam, the latest G20/OECD Corporate Governance Principles and the ASEAN Corporate Governance Scorecard, the Board of Directors of BVSC has established 03 affiliated committees, specifically:

Corporate Governance, Appointment and Remuneration Committee ("CG, A&R"):

Being a specialized committee under the Board of Directors of BVSC, with the function of giving advice and consulting the Board of Directors on the effectiveness of the governance framework and policies on corporate governance as well as supervising corporate governance issues at BVSC; supporting the Board of Directors in planning a strategy to develop senior human resources, an organizational model meeting the standards of Corporate Governance as well as keeping up with good practices in the market.

Composition of the Committee includes: 04 Members:

- Mr. Nguyen Hong Tuan, Chairman of the Board of Directors – Chairman of the Committee.
- Mr. Nhu Dinh Hoa, Member of the Board of Directors cum CEO – Member.
- Mr. Nguyen Anh Tuan, Non-executive member of the Board of Directors – Member.
- Ms. Bui Thi Mai Hien, Head of Operations Management – Member.

Risk Management and Asset-liability Committee ("RM&ALCO"):

Being a specialized committee under BVSC's Board of Directors, it has the function of giving advice and consulting the Board of Directors in issuing strategies, policies, and risk limits, conducting independent assessment of the suitability and compliance with the policies and risk processes, as well as inspecting and evaluating the effectiveness of the risk management system under the Board of Directors, and following the business performance, financial results, managing and developing capital and assets of the Company.

Composition of the Committee includes: 05 Members:

- Mr. Nguyen Quang Hung, Non-executive member of the Board of Directors – Chairman of the Committee.
- Mr. Nguyen Hong Tuan, Chairman of the Board of Directors – Member.
- Mr. Nhu Dinh Hoa, Member of the Board of Directors cum General Director – Member.
- Ms. Nguyen Thi Thanh Thuy, Vice CEO – Member.
- Mr. Le Thinh Vuong, Deputy Head of Legal, Internal Supervisors and Risk Management Department – Member.

BOARD OF DIRECTORS (continued)

Audit Committee

Being a specialized committee under the Board of Directors of BVSC, it has the function of giving advice and consulting the Board of Directors when evaluating compliance with the Law, Charter, Resolutions of the General Meeting of Shareholders, the Board of Directors, policies, and internal regulations of the Company; The Committee has the function of following the truthfulness of financial statements and official disclosures related to the Company's financial as well as professionally managing the operations of the Internal Audit Division under the Board of Directors.

Composition of the Committee includes: 05 Members:

- **Mr. Le Xuan Nam**, Independent member of the Board of Directors – Chairman of the Committee.
- **Mr. Nguyen Hong Tuan**, Chairman of the Board of Directors – Member.
- **Mr. Nhu Dinh Hoa**, Member of the Board of Directors cum General Director – Member.
- **Mr. Le Thinh Vuong**, Deputy Head of Legal, Internal Supervisors and Risk Management Department – Member.
- **Ms. Nguyen Thi Hang**, Internal Audit Specialist – Member.

Training on Corporate Governance

From May 17th 2022 to May 18th 2022, members of the Board of Directors, Supervisory Board, Board of Management, Chief Accountant, Company's Secretary, and Person in charge of corporate governance completed the training program on corporate governance for public joint stock companies organized by the Securities Research and Training Center of State Securities Commission of Vietnam in Hanoi; while regularly updating research on new regulations of the law on corporate governance such as the Enterprise Law and Decree guiding the implementation; regulations on corporate governance applying to public companies and securities companies, participating in forums and conferences related to corporate governance such as the intensive conference on improving corporate governance capacity at listed companies in Vietnam organized by HNX and HSX with the support of the State Securities Commission of Vietnam, the International Finance Corporation (IFC) and the Vietnam Institute of Directors (VIOD)...

List of members with Certificate of Corporate Governance:

- **Mr. Nguyen Hong Tuan** – Chairman of the BOD: Certificate of Corporate Governance No. 11QTCT 159/QD-TTNC dated June 03rd 2022
- **Mr. Nguyen Anh Tuan** – Member of the Board of Directors: Certificate of Corporate Governance No. 23QTCT 159/QD-TTNC dated June 03rd 2022
- **Mr. Nguyen Quang Hung** – Member of the Board of Directors: Certificate of Corporate Governance No. 21QTCT 159/QD-TTNC dated June 03rd 2022
- **Mr. Le Xuan Nam** – Member of the Board of Directors: Certificate of Corporate Governance No. 22QTCT 159/QD-TTNC dated June 03rd 2022
- **Mr. Nguyen Xuan Hoa** – Head of Supervisory Board: Certificate of Corporate Governance No. 13QTCT 159/QD-TTNC dated June 03rd 2022
- **Ms. Nguyen Thi Thanh Van** – Supervisor: Certificate of Corporate Governance No. 24QTCT 159/QD-TTNC dated June 03rd 2022
- **Mr. Hoang Giang Binh** – Supervisor: Certificate of Corporate Governance No. 25QTCT 159/QD-TTNC dated June 03rd 2022

- **Mr. Nhu Dinh Hoa** – Member of the Board of Directors cum CEO: Certificate of Corporate Governance No. 10/QD193-TTNC issued by State Securities Commission of Vietnam on July 31st 2013.
- **Ms. Nguyen Thi Thanh Thuy** – Vice CEO: Certificate of Corporate Governance No. 35 QTCT 216/QD-TTNC issued by State Securities Commission of Vietnam on October 26th 2015.
- **Ms. Bui Thi Mai Hien** – Company's Secretary: Certificate of Corporate Governance No. 18/QTCT 229/QD-TTNC issued by State Securities Commission of Vietnam on September 05th 2013.
- **Mr. Vu Duy Vuong** – Company's Secretary cum Company Administrator: Certificate of Corporate Governance No. 40/QTCT 159/QD-TTNC issued by State Securities Commission of Vietnam on June 03rd 2022.

Operations of the Board of Directors in 2022

In 2022, based on the development strategy in the period 2021-2025, performing the missions specified in the Company's Charter, Operating Regulations of the Board of Directors, as well as the assignment from the General Meeting of Shareholders, the Board of Directors of the Company regularly followed market movements to have timely, fundamental and comprehensive guidance and decisions, for the Company's operations. The operations of the Board of Directors during the year were as follows:

Organizing Annual General Meeting

The Board of Directors coordinated with the Supervisory Board and the Board of Management to successfully organize the 2022 Annual General Meeting of Shareholders on April 21st 2022. The General Meeting of Shareholders discussed and approved important issues submitted by the Board of Directors such as: Company development strategy in the period of 2021-2025, Business plan for 2022, through financial statements audited in 2021, the sharing of profits and dividends in 2021, remuneration for members Board of Directors, Supervisory Board and Company's Secretary in 2022... At this meeting, the General Meeting of Shareholders approved the Charter that company amended and supplemented for the 13th time, approved the change of the Company's Head Office.

(Details of the approved issues can be found in the section of the Annual General Meeting of Shareholders in 2022 at page 94 of this Report).

Deciding the contents within its authority

Pursuant to the provisions of the Law, the Charter and internal documents of the Company, the Board of Directors approved policies and issues within the authority to make decisions of the Board of Directors for the best interests of the Company and shareholders. To consider and decide issues carefully and effectively, the Board of Directors implemented the following methods:

- **Organizing meetings of the Board of Directors to discuss and approve the following contents under the authority of the Board of Directors:** In 2022, the Board of Directors held (04) regular meetings, 01 meeting every quarter. All these meetings invited the Supervisors and members of the Board of Management to attend. The members of the Board of Directors seriously and directly attended the meetings of the Board of Directors and voted in accordance with the provisions of the Company's Charter and the Regulations on the operation of the Board of Directors, specifically as follows:

BOARD OF DIRECTORS (continue)

| Meeting | Content | No. of BOD members attending | Percentage |
|---|---|------------------------------|------------|
| The first meeting on 22 March 2022 | <ul style="list-style-type: none"> 2021 Audited Business Performance Discussing the 2022 business plan to submit to the 2022 Annual General Meeting of Shareholders for approval. Estimating business results in the first quarter and the plan for implementing key missions in the second quarter of 2022. Discussing and approving the following issues (i) Salary plan in 2022; (ii) Plan to equip fixed assets and Basic investment in 2022; (iii) Investment plan of the Company in 2022. Discussing the contents including the organization of the 2022 General Meeting of Shareholders, the assessment of the prevention of the Covid-19 pandemic, the implementation of the Investment Project to renovate the Company's Head Office and the implementation of the Resolution of the General Meeting of Shareholders and the Board of Directors in the first quarter of 2022. | 05/05 | 100% |
| The second meeting on 23 June 2022 | <ul style="list-style-type: none"> Estimating business results in the first 6 months of the year and the plan for implementing key missions in the last 6 months of 2022. Discussing and evaluating the implementation of the investment project to renovate the Company's head office, the implementation of the Resolution of the Annual General Meeting of Shareholders in 2022 and the Board of Directors in the first 6 months of 2022. Report on the issuance of NSVCSH 2125001 bonds and the progress of TIP issuance-underwriting. | 05/05 | 100% |
| The third meeting on 21 September 2022 | <ul style="list-style-type: none"> Estimating business results for the first 9 months of the year and Plan for the fourth quarter of 2022. Discussing and evaluating the implementation of the investment project to renovate the Company's headquarters office, the project to relocate the Lang Transaction Office and the implementation of the Resolution of the Annual General Meeting of Shareholders in 2022 and the Board of Directors in the first 9 months of 2022. Approving the implementation of dividend payment in 2021. Approving the amended Regulation on remuneration, operating costs and bonus regimes for members of the Board of Directors, Supervisors, Board of Management, Company's Secretary and Company administrator of BVSC; | 05/05 | 100% |
| The fourth meeting on 23 December 2022 | <ul style="list-style-type: none"> Estimating the realized business results in 2022. Discussing and developing the Business Plan for 2023 and evaluating the implementation of the Resolution of the Annual General Meeting of Shareholders and the Board of Directors in 2022. Approving the results of evaluation and classification of members of the Board of Directors. | 05/05 | 100% |



- Collecting written opinions of members of the Board of Directors to approve resolutions and decisions to deal with proposals and issues within the authority: During the year, the Board of Directors conducted 32 times to collect written opinions of members of the Board of Directors to decide on the issues proposed by the Board of Directors such as: organizing the annual General Meeting of Shareholders in 2022; approving the 2022 business plan to submit to the 2022 Annual General Meeting of Shareholders for approval; reappointing the CEO, Vice CEO, and appointing a new Chief Accountant of the company; Approving pre-maturity redemption of BVSH2123001 bonds and other issues within the authority to make decisions of the Board of Directors.

In 2022, the Board of Directors issued 37 Resolutions focusing on resolving and guiding important issues related to the Company's business operations such as: approving the 2022 Business Plan to submit to the 2023 Annual General Meeting of Shareholders for approval; approving the plan for investment in fixed assets and basic construction, salary plan, and proprietary trading plan in 2022; dividend payment in 2021; approving the adjustment of the business plan in 2022; approving the pre-maturity redemption of BVSH2123001 Bonds... as well as other contents related to corporate governance within the authority to make decisions of the Board of Directors.

In addition to performing the functions and missions assigned by the Board of Directors through the meetings of the Board of Directors, giving answers to the issues of collecting written opinions of the Board of Directors, the members of the Board of Directors are also members of the committees under the Board of Directors, at the same times participating in internal meetings of the Company such as: the meeting evaluating periodic risk assessment of the Risk Management Council; relevant meetings to appoint mid-level leaders of the Company; or meeting of the investment board. In addition, the members of the Board of Directors also directly participated in contributing professional ideas, sharing valuable experiences in the market, as well as giving direction to help the Company improve its management system in accordance with current regulations and international practices.

BOARD OF DIRECTORS (continued)

The operations of Committees under the Board of Directors

In 2022, the Committees under the Board of Directors implemented the following operations to support and consult the Board of Directors to effectively manage the Company:

Corporate Governance, Appointment and Remuneration Committee:

- **The operations in 2022:** during the year, the Corporate Governance, Appointment and Remuneration Committee implemented the following missions: (i) Evaluating and giving comments on the proposal for finalization of the salary fund in 2021 and the salary plan in 2022, the proposal for bonus for the Board of Directors according to the Resolution of the General Meeting of Shareholders, the new salary scale applied at BVSC; (ii) Implementing procedures and consulting the Board of Directors on the appointment of senior personnel of the Company such as the reappointment of members of the Board of Management and the appointment of a new Chief Accountant; (iii) Giving comment on the appointment of Managers at the Company's request; (iv) Appraising and consulting the Board of Directors on the Plan to use the Bonus and Welfare Fund from the profit after tax in 2021; (v) Requesting to the Board of Directors, evaluating corporate governance policies and supervising corporate governance issues; (vi) Advising and consulting the Board of Directors on issues such as organizational structure model, corporate governance model, labor management policy, salary and remuneration policy of the Company; (vii) developing the operational orientation of the Committee in 2023.
- **Orientation in 2023:** The Committee shall continue to perform the advisory function for the Board of Directors and perform related operations: (i) Implementing procedures and consulting the Board of Directors on the planning and appointment of senior personnel and mid-level leaders of the Company; (ii) Requesting to the Board of Directors and evaluating corporate governance policies and supervising corporate governance issues; (iii) continuing to give advice and consult the Board of Directors on issues such as organizational structure model, corporate governance model, human resource development strategy planning, salary and remuneration policy of the Company; (iv) Supervising the management of the company's remuneration and benefits plan and (v) performing other missions as required by the Board of Directors.

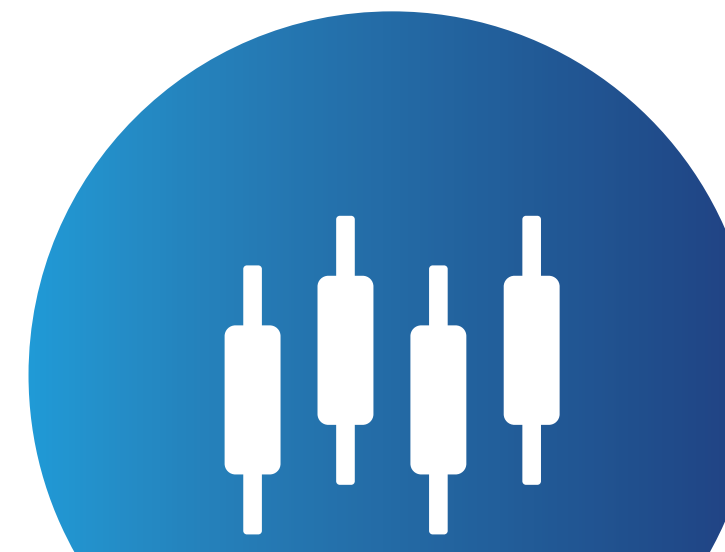
Risk Management and Asset-Liability Committee

- **The operations of the Committee in 2022:** during the year, the Risk Management and Asset-Liability Committee implemented missions: (i) Appraising the Risk Policy and Risk Limit in 2022 and reporting to the Board of Directors for approval, (ii) attending and giving comments at 04 meetings of the Risk Management Council of the Company; (iii) Reviewing and giving comments on the 2022 plan for fixed asset procurement, basic investment and construction; (iv) Inspecting, reviewing and evaluating the sufficiency, effectiveness, and validity of the risk management system under the Board of Management; (v) Performing other operations as directed by the Board of Directors related to risk management issues in the Company's operations; (vi) developing the orientation of the Committee in 2023
- **Orientation in 2023:** the Risk Management and Asset-Liability Committee shall

continue to perform the advisory function for the Board of Directors and perform related operations: (i) Reviewing and evaluating the Company's operations in compliance with the Risk Policy and Risk Limits 2023; (ii) Reviewing and evaluating the influencing factors and offering suggestions to ensure a reasonable structure of Asset Liability, balancing the growth rate of assets on the balance sheet to assure compliance with the Company's business practices and the Company's sustainable business development strategy; (iii) Directing the Risk Management Department of the Company to develop a Risk Policy, Risk Limit in 2024 and submitting it to the Board of Directors for approval and (v) performing other operations required by the Board of Directors.

Audit Committee

- **The operations of the Committee in 2022:** during the year, The Audit Committee implemented operations: (i) Appraising the Audit Report in 2021 and the Audit Plan in 2022 submitted by the Internal Audit Department to report to the Board of Directors for approval; (ii) Appraising the audited Draft Financial Statements in 2021 submitted by auditors to the Board of Directors for approval; (iii) Directing the professional operations of the Internal Audit Department to ensure the quality, progress, and completion the internal audit plan in 2022; (iv) Directing the Internal Audit Department to prepare the 2022 Audit Report and the 2023 Audit Plan to submit to the Board of Directors for promulgation; (v) Performing other operations directed by the Board of Directors related to the assessment of the Company's operations for compliance with the Company's internal policies and regulations; and (vi) developing the orientation of the Committee in 2023.
- **Orientation in 2023:** The Audit Committee shall continue to perform the advisory function for the Board of Directors and perform the following operations: (i) Directing the professional operations of the Internal Audit Department to ensure the completion of the 2023 plan approved by the Board of Directors; (ii) Following the accuracy of the Company's financial statements and any official disclosures related to the Company's financial results; (iii) Continuing to make efforts to complete the work plan for 2023 to further promote the role of the Audit Committee in consultation on ensuring an effective control system, preventing risks, and improving the efficiency of corporate governance, actively contributing to achieve the business goals of the Company in 2023.



BOARD OF DIRECTORS (continued)

Evaluation of independent members of the Board of Directors on the operations of the Board of Directors in 2022

At the end of 2022, the independent member of the Board of Directors sent an Evaluation Report to the Board of Directors with the following contents:

- Level of compliance and efficiency in the corporate governance structure: With a structure of 4 out of 5 non-executive members of the BOD, including an independent member, the Chairman of the Board of Directors is not concurrently the CEO, the structure of the Board of Directors of BVSC meets the criteria in compliance with the law applying to securities companies have listed shares on the stock market. In addition, the Board of Directors has issued a Resolution on assigning missions to be in charge of each line operation of the Company for each member of the Board of Directors; The Board of Directors has established 03 Committees, Corporate Governance, Appointment, and Remuneration Committee; Audit Committee; Risk Management and Asset-Liability Committee. Thus, the directions of the BOD always assure objectivity and timeliness, closely follow the Company's operation, and protect the rights and benefits of shareholders.
- The Board of Directors has organized and regularly maintained meetings each quarter to review, update and make promptly decisions on the Company's business operations. Regular meetings convened and led by the Chairman of the Board of Directors are attended by members of the Supervisory Board and the Board of Management. The resolutions of the Board of Directors were approved based on the highest consensus percentage, all reaching the percentage of 100% of approval by the Board of Directors.
- Besides regular meetings, to promptly resolve the Company's requests and proposals between meetings, the Board of Directors organizes to ask for written opinions of the members of the Board of Directors. Also, the contents of the written opinions of the Board of Directors were fully submitted to the Supervisory Board. Thereby, the Supervisory Board regularly gave timely comments to the Board of Directors on the contents provided. Through these operations, the Supervisory Board has well promoted its supervisory role to ensure the resolutions and decisions of the Board of Directors during the year were carefully implemented on the principle of ensuring maximum benefits for the Company and shareholders.
- While performing its functions and obligations, the Board of Directors always strictly comply with the provisions of law, the Company's Charter, and the Resolution of the General Meeting of Shareholders; closely follow the Company's business performance as well as the stock market's movements with the goal of sustainable development of the Company.
- The signing and performance of contracts between the Company and Shareholders, authorized representatives of shareholders owning more than 10% of the Company's charter capital; between the Company and members of the Board of Directors, Supervisors, members of the Board of Management, other Managers and their related persons done with truthfulness, carefulness for the best benefits of the Company, not for their benefits or other organizations or individuals; and at the same time ensuring compliance with the provisions of Article 52 and 167 of the Company's Charter. Approving contracts and transactions between the company and related people of the Enterprise Law.
- The BOD members strictly complied with the provisions of current laws such as not concurrently being a BOD member for more than five (05) years at another company; This helps members of the Board of Directors to spend a lot of time and focus their strength and intelligence on the development of the Company. During the working process, members of the Board of Directors always performed their work with truthfulness, carefulness; loyalty to the benefits of the company and their shareholders; did not abuse their position and use information, know-how, business opportunities, and other assets of the Company for self-benefit or serving other organizations and individuals.

SUPERVISORY BOARD

Members and Structure of the Supervisory Board

The Supervisory Board consists of 03 Supervisors elected from the Annual General Meeting of Shareholders in 2015, and was reappointed by the 2020 Annual General Meeting of Shareholders in the term of 2020-2025 with the following members:

| No. | Supervisor | Position | Date of appointment/no longer a member of the SB | The reason for dismissal/appointment |
|-----|--------------------------|---------------------------|--|--------------------------------------|
| 1 | Mr. Nguyen Xuan Hoa | Head of Supervisory Board | From 15 April 2015 | |
| 2 | Ms. Nguyen Thi Thanh Van | Supervisor | From 15 April 2015 | |
| 3 | Mr. Hoang Giang Binh | Supervisor | From 15 April 2015 | |

For information about the members of the Supervisory Board in the term 2020 - 2025, please find Chapter IV, Section 2, "Key personnel - Board of Directors" from page 86 to page 89 of this Report.

Operations of the Supervisory Board in 2022

Meetings of the Supervisory Board

In 2022, the Supervisory Board organized (04) meetings. In the meetings, the Supervisors fully attended, worked with the spirit of high responsibility and carefulness. The organization of meetings and issuance of documents of the Supervisory Board was performed in accordance with the provisions of the Enterprise Law, the Company's Charter, and the operating regulations of the Supervisory Board. In particular:

| Meeting | Content | No. of SB members attending | % |
|---|---|-----------------------------|------|
| The first meeting on 21 March 2022 | <ul style="list-style-type: none"> Recognizing business results in 2021 after auditing and estimating BVSC's realized business results in the first quarter of 2022. Approving the content of the announcement of the Supervisory Board on the appraisal of BVSC's financial statements in 2021. Approving the report on operations of the Supervisory Board at the 2022 Annual General Meeting of Shareholders to submit to the General Meeting of Shareholders. Discussing the work plan for the second quarter of 2022 of the Supervisory Board. | 03/03 | 100% |
| The second meeting on 22 June 2022 | <ul style="list-style-type: none"> Recognizing realized business results in 5 months and estimating 6M22 realized business results of BVSC. Recognizing the report of BVSC on the contents related to the NSVCSH 2125001 bond. Discussing the work plan for the third quarter of 2022 of the Supervisory Board. | 03/03 | 100% |
| The third meeting on 26 September 2022 | <ul style="list-style-type: none"> Recognizing realized business results in 8 months and estimating 9M22 realized business results of BVSC. Discussing the work plan for the fourth quarter of 2021 of the Supervisory Board. | 03/03 | 100% |
| The fourth meeting on 22 December 2022 | <ul style="list-style-type: none"> Recognizing BVSC's estimate of realized business results in 2022. Discussing the Operation Plan of the Supervisory Board in 2023. | 03/03 | 100% |

SUPERVISORY BOARD (continued)

Performance of the Supervisory Board

In 2022, the Supervisory Board performed the missions specified in the Company's Charter, Operating Regulations of the Supervisory Board, and implemented the operation plan of the Supervisory Board, supervisory results are as follows:

Supervising the operation and business results of the Company

In the context of Vietnam's stock market in 2022 with great shocks, a sharp decline in both scores and liquidity. Besides, there was fierce competition among securities companies in the market, especially in terms of brokerage fees and interest rates for margin and advance services, meanwhile, BVSC has restrictions on the capital scale and lack of derivative products leading to the decline in competitiveness compared to securities companies in the market. The Supervisory Board highly appreciated that the Company has actively, flexibly, and closely followed market movements to establish strategic goals, propose timely, accurate solutions and decisions in order to maintain stable and sustainable business operations as well as complete the business plan in 2022, specifically as follows:

Total revenue and other income in 2022 reached VND923.8 billion, completing 99.9% of the plan (VND925 billion). In which, revenue was VND898.4 billion, completing 99.8% % of the plan (VND900 billion). The realized profit after tax in 2023 reached VND213.7 billion, completing 101.8% of the plan (VND210 billion).

Supervising the implementation of accounting regimes and financial statements

- The quarterly, semi-annual and the whole financial statements for 2022 have been fully and clearly presented by the Company with information about events in the financial year in accordance with Vietnamese Accounting Standards, Accounting System in general and for securities companies in particular. The semi-annual and the whole financial statements for 2022 have been reviewed/audited by Ernst &Young Vietnam Ltd. (EY) and without an exception from an independent auditor.
- The Supervisory Board agreed with E&Y Vietnam that the Company's financial statements in 2022 reflected honesty and rationality in all material respects, the Company's financial as of 31 December 2022; as well as the results of business operations, cash flows and changes in equity for the year ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Enterprises Accounting regulations and guidelines applied to securities companies, legal regulations related to the making and presentation of financial statements.

Supervising the governance of the Board of Directors

- In order to organize the implementation of the Development Strategy in the term of 2021-2025 and the Resolution of the Annual General Meeting of Shareholders in 2022, the Board of Directors has always actively followed the movements of the domestic and global stock market and real business operations of the Company to issue strategic resolutions and decisions, orientations for operations of the Board of Management with the highest goal of completing the business plan assigned by the General Meeting of Shareholders in 2022.
- The Board of Directors has organized and maintained quarterly meetings. In addition, the Board of Directors also organized to collect the members of the Board of Directors opinions in writing to promptly approve and make decisions directing the Company's business operations to closely follow the unpredictable movements of the stock market in 2022, business practices to maximize the performance of the Company.
- In the meetings of the Board of Directors in particular and the operations of the Board of Directors in



general, the members of the Board of Directors fully attended and worked with the spirit of high responsibility, with the motto of strictly complying with the provisions of the Law, the Charter of the Company, maximum protection of the rights and benefits of the Company to make proper and timely decisions to serve the Company's business and management operations.

- The resolutions and decisions of the Board of Directors have reached a high consensus of the members of the Board of Directors with the goal of sustainable development of the Company; at the same time strictly complying with the provisions of the Charter and internal documents of the Company; provisions of relevant laws.



Through the supervising process, the Supervisory Board found that the Board of Directors was operating in accordance with the authority and obligations specified in the company's Charter, Internal regulations on corporate governance, operating regulations of the Board of Directors, internal documents of the Company and the Law; The Board of Directors successfully completed the obligations of managing the Company. The Supervisory Board did not find any unusual signs or violations in the governance and management operations of the Board of Directors in general and the members of the Board of Directors in particular.

SUPERVISORY BOARD (continued)

Supervising the administration of the Board of Management

- The members of the Board of Management have been experienced experts in the securities industry and engaged with the Company since the days of establishment. They have been enthusiastic and always made maximum efforts with the highest determination in the successful implementation of the resolutions of the General Meeting of Shareholders and of the Board of Directors; at the same time, always strictly complied with the provisions of the Law, the Company's Charter and internal documents in the management of the Company's business operations; maximum protection of the rights and benefits of the Company.
- During the process of administrating business operations, every month and quarter the Board of Management has made reports on the business performance and the plan, expected orientation of the company for the next month and quarter according to the report to the Board of Directors and Supervisory Board;
- The Board of Management always provided timely and full documents at the request of the Supervisory Board to serve the inspection and supervision.

“Through the supervision process, the Supervisory Board found that: In 2022 with unpredictable and negative movements of the stock market, the Board of Management actively, flexibly, and closely followed market movements to synchronously deploy many solutions in terms of human resources, technology, and product, client orientation, risk management with the highest goal of completing Business Plan of 2022. As a result, BVSC completed the business plan in 2022; thereby contributing to maintaining the stable and sustainable development of the Company's business operation. The Supervisory Board did not find any irregularities or violations in the management of the Company by the Board of Management.



Supervising the process of organizing the Annual General Meeting of Shareholders in 2022

Through supervision, the Supervisory Board found that the organization of the Annual General Meeting of Shareholders in 2022 and the approval of the resolutions of the Annual General Meeting of Shareholders in 2022 strictly complied with the provisions of the law, the Charter and the Internal regulations on corporate governance of BVSC.

Supervising compliance with the provisions of the Law, the Company's Charter and the implementation of the Resolution of the General Meeting of Shareholders

Through supervision, the Supervisory Board found that in 2022, the Company's operations complied with the provisions of the Law, the Company's Charter, the Resolution of the General Meeting of Shareholders and the Board of Directors. The Company strictly implemented the regulations on publishing information applying to securities companies whose shares had been listed on the Hanoi Stock Exchange. The Company has properly implemented the resolutions of the Annual General Meeting of Shareholders in 2022, particularly: Implementing the Development Strategy in the term of 2021-2025; Deploying business operations to complete the business plan in 2022; Completing the sharing profits in 2021 and paying dividends in cash with 08% par value of shares;

Completing the payment of remuneration for members of the Board of Directors, Supervisory Board and Company's Secretary in 2022; Circulating the Charter that company amended and supplemented for the 13th time.

Due to objective factors leading to the implementation investing the project to renovate the Company's headquarters office in block B, No. 08 Le Thai To Building, Hoan Kiem District, Hanoi City has not been completed. Therefore, the relocation of the Company's Head Office according to the approval of the 2022 Annual General Meeting of Shareholders shall be carried out in 2023.

Other operations of the Supervisory Board

During the year, in addition to implementing the operations mentioned above, the Supervisory Board performed many other operations such as: coordinating with the Board of Directors and the Board of Management to supervise the successful organization of the Annual General Meeting of Shareholders in 2022; Participating in drafting and giving comments on the Financial Management Regulations of the Company; Attending and supervising the organization of the Board of Directors meetings; the Supervisory Board reported at the Annual General Meeting of Shareholders in 2022 on the results supervising the performance of business and financial activities in 2021 of the Company...

SUPERVISORY BOARD (continued)

The coordination between the Supervisory Board, the Board of Directors, the Board of Management and shareholders.

In the process of exercising the powers and obligations, the Supervisory Board always cooperated with the Board of Directors, the Board of Management, and the shareholders with the goal of the highest benefits for the Company and the shareholders. In particular, the coordination between the Board of Directors, the Supervisory Board and the Board of Management achieved the following results:

Coordinating with the Board of Directors and the Board of Management

- The Board of Directors, Supervisory Board, and Board of Management operated independently, but always had close coordination in activities, ensured the exercise of their rights and obligations with the spirit of high responsibility, honesty, and diligence, because the highest benefits of the Company and shareholders, as well as complied with the provisions of the Charter, other internal documents issued by the Company and the provisions of the Law.
- In order to effectively perform the obligations, the Supervisory Board also regularly discussed with functional departments: Committees and Audit Departments under the Board of Directors; as well as departments in the Company to promptly update information on the management and governance of the Board of Directors and the Board of Management.
- In the process of exercising the powers, the Supervisory Board assured that they did not obstruct the governance operations of the Board of Directors, the administration of the Board of Management and did not affect the business operations of the Company.

For the shareholders

In 2022, the Supervisory Board did not receive any request or complaints from Shareholders in accordance with the provisions of the company's Charter and current Laws.



Report on self-assessment of the performance of the Supervisory Board and Supervisors

Evaluation on the performance of the Supervisory Board

On the basis of the obligations and powers of the Supervisory Board as stipulated in the Charter of BVSC and the Operation Regulation of the Supervisory Board, the Supervisory Board self-assessed as follows:

- The Supervisory Board has fully performed its functions in supervising the Board of Directors, and the Board of Management for the governance and administration of the Company;
- The Supervisory Board has operated in accordance with its powers, functions and obligations as prescribed in the Company's Charter. The documents of the Supervisory Board were issued in accordance with the order and procedures in accordance with the Law on Enterprises and the Company's Charter, the Regulation on the operation of the Supervisory Board, and the Resolution of the Annual General Meeting of Shareholders in 2022.

Evaluation on the performance of Supervisors

- The Supervisors fully attended the meetings of the Supervisory Board, and participated in supervising the organization of the 2022 Annual General Meeting of Shareholders and the meetings of the Board of Directors; at the same time, they actively supervised the Company's operations as well as gave comments on the following issues: Operation plan of the Supervisory Board between the two Annual General Meetings of Shareholders 2022-2023; Supervising the audit process of BVSC's financial statements in 2022; The preparation of regulations on the financial management of the Company. At the same time, the Supervisors effectively cooperated with the members of the Board of Directors, members of the Board of Management and functional departments to successfully complete the tasks assigned.
- In the process of exercising their rights and obligations assigned, the Supervisors always performed with honesty, carefulness, and loyalty

to the benefits of the company and shareholders; did not abuse their position and use information, know-how, business opportunities, and other assets of the Company for self-benefit or serving other organizations and individuals.

Operation plan of the Supervisory Board between the two Annual General Meetings of Shareholders in 2023-2024

Based on the obligations and powers of the Supervisory Board as stipulated in the Company's Charter, Operational Regulations of the Supervisory Board, and the provisions of law, the Supervisory Board estimates the operation plan between the two Annual General Meetings of Shareholders in 2023 - 2024 as follows:

- Fully performing the obligations and powers of the Supervisory Board in accordance with the provisions of the Law, the company's Charter, Internal regulations on corporate governance, operating regulations of the Supervisory Board, and regulations related to its operations.
- Supervising the financial company, and the legitimacy of the operations of members of the Board of Directors, members of the Board of Management, and other Managers.
- Supervising the implementation of the accounting regime and the preparation and audit/review of financial statements; the implementation of the request in the Management Letter in 2022 for the Company by the Independent Auditor (if any);
- Fully attending regular meetings of the Board of Directors, and other meetings organized by the Company to update the situation and supervise the governance and administration of the Company.
- Continuing to research and update policies and mechanisms just issued; supervising and requesting to amend and supplement for inappropriate issues at the Company to ensure full and timely compliance with the provisions of the Law.
- Coordinating closely with the Board of Directors, Board of Management, affiliated committees, and departments of the Company to promptly update information and give comments in order to better serve the corporate governance of the Company.

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD, AND THE BOARD OF MANAGEMENT



Salary, Bonus and Remuneration of the Board of Directors, the Board of Management, the Supervisory Board

Principles of paying salary, bonus and remuneration

For the Board of Directors and Supervisory Board:

- The salary, bonus, allowance, and welfare regime for the specialized Chairman of the Board of Directors implemented in accordance with Resolution No. 02/2019/NQ-HDQT issued by the Board of Directors on 13 February 2019.
- The payment of remuneration, operating costs, and bonuses regimes for the members of the Board of Directors and the Supervisory Board implemented in accordance with Resolution No. 01/2022/NQ-DHDCD approved by the 2022 Annual General Meeting of Shareholders on 21 April 2022; Regulations on remuneration, operating costs, and bonuses regimes for members of the Board of Directors, Supervisors, Members of the Board of Management, Chief Accountant, Company's Secretary, Company administrator, and the Company's spending regulations.

For the Board of Management:

The payment of salary and bonuses is made in accordance with the current salary regulations of the Company and based on the annual business results as well as the performance evaluation of each staff during the year.

Salary, bonus and remuneration implemented in 2022

For the Board of Directors and the Supervisory Board:

- Remuneration rates of the Board of Directors and the Supervisory Board: In order to comply with the approval of the General Meeting of Shareholders in Article 8 of Resolution No. 01/2022/NQ-DHDCD, the specific payment is as follows:

| No. | Title | Remuneration |
|-----|-----------------------------------|----------------------------|
| 1 | Members of the Board of Directors | VND 8.000.000/person/month |
| 2 | Head of the Supervisory Board | VND 8.000.000/person/month |
| 3 | Members of the Supervisory Board | VND 6.000.000/person/month |

- The full-time Chairman of the Board of Directors does not receive remuneration but salary from the Salary Fund, as approved by the Resolution No. 02/2019/NQ-HDQT issued by the Board of Directors on 13 February 2019.
- The total salary and remuneration of the Chairman of the Board of Directors, members of the Board of Directors and the Supervisory Board is **VND 1,778,128,482**.

For the Board of Management:

- Total salary of the Board of Management in 2022: **VND 2,038,912,750**.

Other benefits of the Board of Directors, Board of Management and Supervisory Board

Insurance policies

- Non-executive members of the Board of Directors and Supervisors: Currently, these members are all leaders and full-time specialists at other businesses, so they are entitled to insurance policies at these businesses.
- Chairman of the Board of Directors, members of the Board of Management are entitled to participate in insurance policies according to the Company's policies including:

| Portfolios | BOD Chairman/BOD Executive member, Board of Management |
|--|---|
| Social insurance, health insurance, unemployment insurance | Pursuant to the provisions of the Law and the salary specified in the salary scale of the Company. |
| Comprehensive health insurance (HealthCare) | Following the Platinum program, which is the highest program of comprehensive health insurance benefits package for staff at BVSC with a maximum compensation of VND5.25 billion/person, all costs are guaranteed for medical care on a global scale. |
| Life Insurance | Being bought an enjoy retirement insurance contract with the cost of VND 48 million/person/year. |
| Insurance for cancers (K - Care) | Following the highest program with a maximum insurance rate of VND 1.17 billion/person. |

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD, AND THE BOARD OF MANAGEMENT (continued)

Periodic health examination policies by year

- Members of the Board of Directors, Head of the Supervisory Board, Board of Management of the Company: Being gotten periodic health examinations by year and paid according to the real occurrence at high-quality hospitals and medical facilities in Vietnam.
- Members of the Supervisory Board are entitled to periodic health examinations according to the periodic health examinations by year program for Company's staff.

Policies for vehicle usage

- For the position of full-time Chairman of the Board of Directors, Board of Management of the Company: The company applies allowance policies for vehicles instead of the private shuttle bus at the rate of VND 10,000,000/person/month to VND 15,000,000/person/month.
- In case of business trips outside the province, members of the Board of Directors, Supervisory Board, and Board of Management are allowed to arrange cars according to the work plan or use taxi cards and/or technology taxi codes.

Phone usage

- Equipping telephones: The Board of Directors, Supervisory Board, and Board of Management are equipped with mobile phones from VND15,000,000/person to VND30,000,000/person for 2 years/time.
- Payment of telecommunications cost: The specialized Chairman of the Board of Directors and the Board of Management of the Company are entitled to apply the telecommunications cost allowance at the rate of VND 4,000,000/person to VND 5,000,000/person. For staff who works on the concurrent regime, telecommunications cost is paid according to the invoice but must not exceed the limit set by the Company.

Per diems

- Domestic per diems: Applying the rate specified in the Regulation on remuneration, operating costs, and bonus regimes for members of the Board of Directors, Supervisors, Board of Management, Chief Accountant, Company's Secretary, and Company administrator; Conditions and the rate is different between positions, including plane tickets, hotel cost, accommodation allowance and payment based on the invoice.
- Overseas per diems: Referring to regulations of the Ministry of Finance.

Transaction of internal shareholders

In 2022, the Company's internal shareholders did not transact in BVS shares.

Contracts or transactions with internal shareholders

During the year, excepting for the collection of securities transaction costs from members of the Board of Directors, Supervisors, and members of the Board of Management who open securities transaction accounts in accordance with the Company's regulations, the Company did not sign, or perform contracts for these people.

For the signing and performance of contracts or transactions with related persons of members of the Board of Directors, Supervisors, or members of the Board of Management; For the company in which, the members of the Board of Directors, Supervisors, or Board of Management are founders or managers of the business during the last 3 years before the transaction date: In 2022, the Company signed and performed contracts/ transactions with Bao Viet Holdings, Bao Viet Holdings' member companies with a total transaction value is: VND68,513,771,200 (in which VND34,624,954,400 was the 2021 dividend paid by BVSC to Bao Viet Holdings according to the Resolution of the Annual General Meeting of Shareholders in 2022). These contracts and transactions are smaller than 10% of the Company's total assets recorded in the latest financial statements, therefore according to Article 52.3 of the current Company Charter and Article 167. Approving contracts and transactions between the company and related people of the Enterprise Law in 2020, these transactions were under the authority to make decisions of the Company's Board of Directors. The signing and performance of these contracts or transactions were done by the Company in accordance with the approval of the Board of Directors in its resolutions; performed with honesty and carefulness and for the highest benefits of the Company, not for self-benefit or serving benefits of other organizations and individuals.

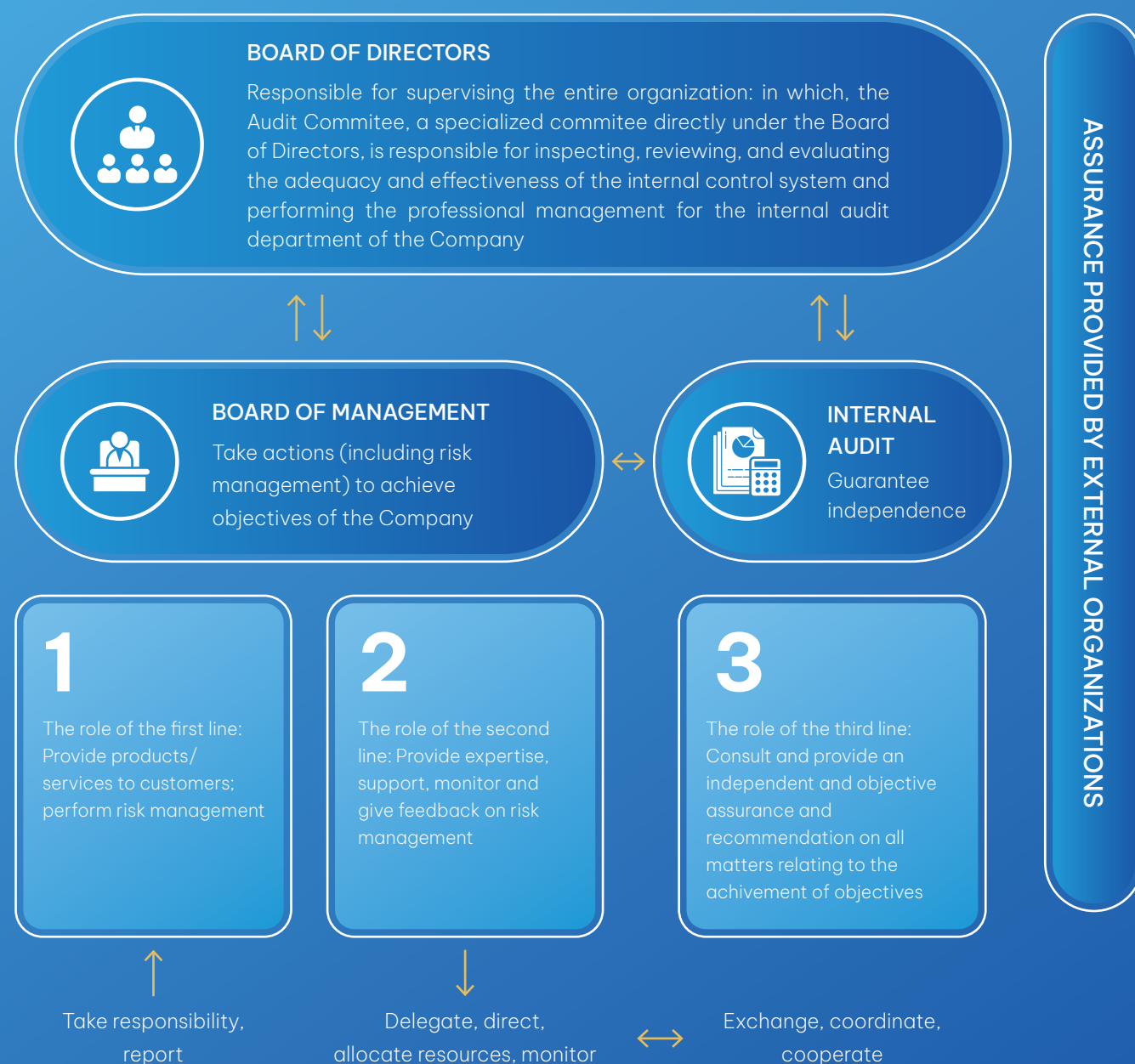
(For details of these transactions, please refer to the Notes to the Financial Statements and see Section 2, Subsection 4.1. Transactions between the Company and the company in which, the members of the Board of Directors, Supervisory Board, Board of Management, and other managers who have been founders of the Board of Directors, the Chief Executive Officer for a period of three (03) In recent years, Part VII of the Corporate Governance Report No. 01/2023/ BVSC-HDQT dated 27 January 2023 has been published by BVSC on the Company's website by following the link:

<https://bvsc.com.vn/News/2023127/1047423/bvsc-cbtt-bao-cao-quan-tri-cong-ty-nam-2022.aspx>

INTERNAL AUDIT

Three-line risk management model

BVSC applies the three-line risk management model, in which, the Board of Directors and the first, second, and third lines perform different roles to focus and implement risk management throughout the Company. BVSC aims to manage risks in a harmonious and reasonable manner, not only minimizing risks, hedging risks. All Departments work together to ensure the reliability, coherence, and transparency of information needed for risk-based decision-making process.



The first line

1

Takes roles directly aligned with the delivery of products and services to customers, provided by functional departments/direct sales departments, and supporting roles such as human resources, administration, and information technology, etc. The main task of the first line is to operate, provide products and services to customers; and identify, assess, prevent, report, and monitor risks arising in business activities and operational processes through self-assessment and monitoring the effectiveness of risk management and internal control measures in the departments and divisions.

The second line

2

Takes roles that focus on the specific objectives of risk management: ensuring compliance with law and ethical standards, internal controls, technology and information security, sustainability, and quality assurance. The task of this line is to control compliance; support, monitor, and provide recommendations and feedback to the First line.

The third line

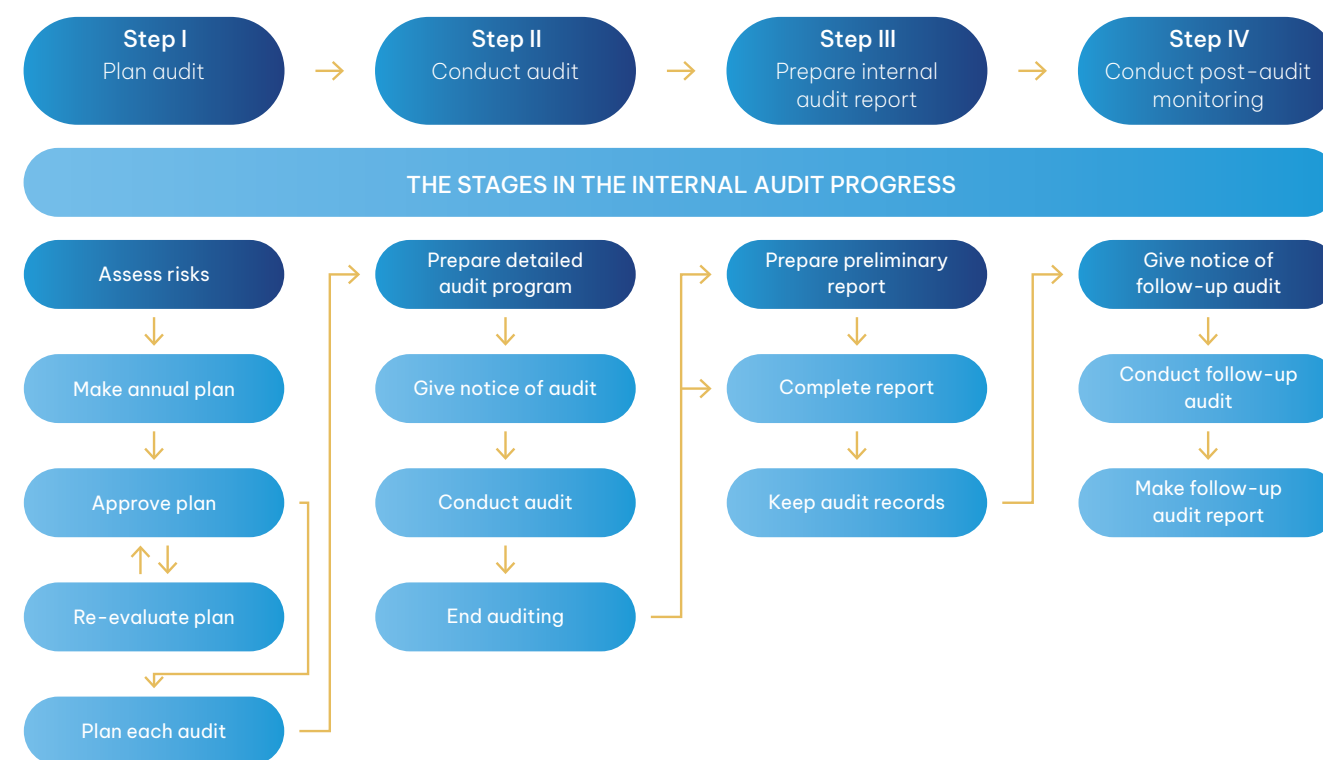
3

Is the Internal Audit Department. The department is responsible for providing independent and objective advice and assurance on the adequacy and effectiveness of corporate governance and risk management. The Internal Audit Department reports all issues related to the achievement of objectives to the Board of Management, Audit Committee, and the Board of Directors to promote continuous improvement, and enhance the efficiency of corporate governance, risk management and internal control.

Functions, missions

The Internal Audit Department belongs to the third line in the risk management system. The Internal Audit Department provides independent and objective assessments of the adequacy, effectiveness, and efficiency of the internal control, risk management, and corporate governance systems of the audited subjects to the Audit Committee, the Board of Directors, and the Board of Management of BVSC in conformity and compliance with law, the Company's Charter, the Resolutions of the General Meeting of Shareholders, the Board of Directors, internal processes and regulations at BVSC.

Internal audit process



INTERNAL AUDIT (continued)

Summary of the 4 steps of the internal audit process at BVSC

| | |
|---------------------------------|--|
| Audit planning | Before January 31st every year, the Internal Audit Department shall prepare and send the annual audit plan to the Audit Committee for consideration before submitting it to the Board of Directors for approval. The audit plan includes the following contents: <i>Overview of the securities market situation in the previous year, coming year objectives of the department, risk assessment, audit plan, audit schedule, other tasks expected in the year, recommendations, and other proposals (if any).</i> |
| Auditing | The Internal Audit Department shall prepare a detailed audit plan and informs the auditee of <i>the audit time, the basis of audit, the scope of audit, the method of audit, the personnel involved, the requirements for providing records, etc.</i> On that basis, the Internal Audit Department shall conduct the audit, including the following tasks: <i>select audit samples; review documents and identify audit findings; complete the audit (discuss and agree on the findings with the auditee, finalize audit records and documents).</i> |
| Internal audit reporting | <p><i>The Internal Audit Department shall prepare an audit report for each audit:</i> The report shall fully present audit contents and results according to the objectives and requirements set out for each audit; propose recommendations, corrective measures and necessary measures to strengthen the internal control system, enhance business processes and thereby, improve the adequacy, effectiveness, and efficiency of the internal control, risk management and corporate governance systems of the Company.</p> <p><i>The Internal Audit Department prepares annual Internal Audit reports:</i> Before January 31st of each year, the Internal Audit Department shall submit an internal audit report on implementation results of the previous year's internal audit plan to the Board of Directors, the Audit Committee and the Board of Management.</p> <p><i>The Internal Audit Department prepares other reports upon requests of the Audit Committee and the Board of Directors.</i></p> |
| Quality assurance | This is the final step of the internal audit process at BVSC to ensure that the auditee takes correction or improvement actions as recommended in the audit report. In case the auditee does not take correction and improvement measures, the Internal Audit department shall request clarification and report to the competent authority for consideration and decision. |

Internal audit activities in 2022

In 2022, the Internal Audit Department coordinated with the Internal Control Department to conduct periodical audits for a number of key operations and businesses in the Company's business activities. The coordination between the two departments helps to enhance the efficiency of using resources, avoid overlapping scope of work between internal audit and internal control departments, and save the working time of professional departments in the Company. It also creates favorable conditions for the exchange and sharing of knowledge, experience, and skills between the two departments.

Under the direction of the Audit Committee and the Board of Directors, in 2022, the Internal Audit Department completed audits according to the set plan as follows:

| No. | Auditee | Content |
|-----|--|---|
| 1 | The Investment Department | Compliance audit on investment activities in 2021 |
| 2 | The Corporate Finance Advisory Department at Head Office | Audit on advisory activities on corporate bond issuance in 2021 at the Head Office |
| 3 | The Corporate Finance Advisory Department at Ho Chi Minh Branch | Audit on advisory activities on corporate bond issuance in 2021 at the Branch |
| 4 | Audited Departments at the Head office and the Branch | Follow-up audit on the implementation of recommendations of audited departments |
| 5 | The Finance and Accounting Department and Operations Management Department | Compliance audit with internal expenditure regulations and asset procurement and management processes |
| 6 | Transaction offices and the Institutional Customer Department at the Head offices and the Branch | Compliance audit on customer securities trading accounts in which registered beneficiary accounts for online cash-transfer are not customers' accounts. |
| 7 | Transaction offices and the Institutional Customer Department at the Head offices and the Branch | Compliance audit on securities trading authorization activities of customers |
| 8 | Other reports: <ul style="list-style-type: none"> Report on the implementation of the internal audit plan in 2022 and the internal audit plan for 2023. Report on anti-money laundering in 2022. | |

The audit results show that: in general, the compliance with the laws, procedures, and internal regulations of the Company was well implemented by the Company's staff. Errors in operation processes were corrected by audited departments in consultation with the Internal Audit Department to improve and further enhance the quality of audited activities.

The internal audit plan for 2023

Based on the results of internal audits and controls in 2022; referring to monthly risk reports and quarterly reports at meetings of the BVSC Risk Management Council, the Internal Audit Department found that risks affecting business activities of BVSC are assessed at low and medium levels. Accordingly, the Internal Audit Department develops the internal audit plan for 2023 to further coordinate with the Internal Control Department in implementing periodic audit activities, focusing on operational risks during the operation of functional departments to ensure the improvement of compliance, operational efficiency, and risk control in the business processes and activities of the Company.

RISK MANAGEMENT



Risks and risk management measures of BVSC, assessment of risk management activities in 2022 and orientation in 2023

With roles in the second line of the internal control and risk management system, the risk management department manages overall risks, and accumulated risks and also synthesizes issues arising during the operation process of the Company to identify risks and take appropriate management measures. The Risk Management Department is responsible for summarizing reports and information about risks from functional departments and the Internal Control Department in order to identify, evaluate, summarize opinions, and propose solutions to related issues for the Board of Management. Periodically, the Company conducts meetings to evaluate issues arising in the period, and evaluate the effectiveness of risk management activities; thereby, to find solutions, as well as action plans related to risk management of the whole Company.

To manage risks, BVSC has developed an annual risk policy in line with the Company's risk appetite. BVSC has identified the Company's risk appetite of accepting low and medium risks. BVSC accepts a medium level of risk as the Company's business activities are affected by the specific volatility of the securities market. Risks identified and actively managed by BVSC are divided into 6 main types: credit risks, market risks, liquidity risks, operational risks, legal risks and reputation risks.

MARKET RISK

At BVSC, market risk is mainly related to stock price volatility and interest rate risk.

Risk of stock price volatility

The stock portfolio is affected by systematic risks of the market such as macro factors, external factors such as wars and epidemics as well as internal factors of enterprises. When making investment decisions, in addition to strictly complying with the risk limit applied to investment activities approved by the Board of Directors, the Company focuses on analyzing macro factors of the economy as well as fundamental and technical factors of invested shares.

The investment portfolio after disbursement is closely and regularly monitored by BVSC through risk assessment tools such as scenario analysis and value at risk (VAR). By assuming market conditions scenarios at various levels of market risk, impacts on the stock portfolio as well as the business results of the Company are assessed and quantified on a regular and proactive basis.

Interest rate risk

Interest rate risk has a direct impact on BVSC's term deposit and bond investment. For bond investment, interest rate risk is assessed at a low level because the Company's bonds are held to maturity. For deposit investment, the Company manages interest rate risk by analyzing the interest rate situation in the market and the competition among banks to get favorable interest rates for good business performance. As a result, in 2022, the Company did not face any interest rate risk events affecting business plans as well as investment results.

CREDIT RISK

At BVSC, credit risk is likely to cause damage/loss in following activities: term deposit investment, bond investment and margin trading. To hedge credit risk, BVSC has identified and introduced risk management measures for potential credit risk activities. Specifically:

For term deposit investment activities

BVSC complies with the annual deposit limit approved by the Board of Directors. In addition, BVSC has also selected partner banks with good credit ratings according to the rating assessment of Bao Viet Holdings. BVSC has always actively and regularly assessed and analyzed the bank and market situation, the balance between risks and efficiency to ensure capital adequacy before signing deposit investment contracts.

For bond investment activities

For both government bonds and corporate bonds, BVSC implements risk management on the principle of complying with investment limits approved by the Board of Directors. Each investment decision is made after a careful and thorough assessment of the issuer's creditworthiness and solvency risk. For corporate bonds, in addition to the assessment of financial ability and creditworthiness, corporate bonds shall be secured by collateral and BVSC has put in place a specific policy on handling collateral in case of the issuer's credit risk.

RISK MANAGEMENT (continued)

For margin trading services:

The Company shall continue to maintain governance measures whose effectiveness has been verified after a long period of application. Those are:

- Issue the annual risk limit which contains indicators related to margin trading: total margin loan of the Company, maximum total margin loan per customer, maximum total margin loan per a stock, and number of marginable securities/total listed securities of a listed organization. The Internal Control & Risk Management Department supervises to ensure compliance with the issued risk limits.
- Assess the creditworthiness and rate customers to grant margin limits in accordance with their financial capacity and collaterals. Periodically review accounts with signs of accumulative risk, which are accounts with large margin loan value and collateral assets concentrated in one or a few of stocks.
- Select the list of securities eligible for margin loan in compliance with Decision 87/2017/QĐ-UBCK dated January 25, 2017 of the State Securities Commission on margin trading and the list of marginable securities in accordance to notices of the Stock Exchanges. Periodically review the list of securities eligible for margin loan based on criteria such as stock liquidity, stock price volatility, business activities and financial situation of enterprises.
- Regularly update price movements and stock information to early identify and take measures to deal with stocks with signs of illiquidity, and prolonged devaluation or stocks excluded from the list of marginable securities by both Stock Exchanges.
- Set up a set of safe margin ratios to monitor and perform additional margin call to early warn customers about their loan status and handle collaterals in order to preserve capital for the Company.

In 2022, there were no credit risk events in deposit investment, bond investment and margin trading services of the Company.

LIQUIDITY RISK

The Company manages investors' money and assets separately from the Company's money and assets to ensure the fulfillment of obligations to customers. For cash flow for business operations, liquidity risk management is carried out on a daily basis through balancing cash inflows and outflows, close interaction and coordination in reporting, registering treasury plans to balance cash flows most effectively, minimizing the risk of illiquidity.

At the same time, the Company has maintained a sufficient amount of cash and cash equivalents to meet the operations of the Company and minimized

the impact of fluctuations in cash flow. Liquidity buffers are strengthened through investing in liquid financial assets and constantly seeking third-party funding sources to increase the ability to cope with liquidity stress situations.

In 2022, BVSC always fulfilled payment obligations to the Vietnam Securities Depository, Stock Exchanges, partners, and securities trading customers. If the liquid capital ratio represents the liquidity of a securities company, at BVSC, this ratio is maintained around 500% in every month in 2022, far exceeding the ratio of 180% regulated by the State Securities Commission.

OPERATIONAL RISKSt

In BVSC, operational risk is assessed at a low level and is subdivided into 04 types of risks including financial reporting and control risk; human risk; process/procedural risk and information technology system risk.

Financial reporting and control risk

This risk arises from inaccurate financial statements and delay in submitting reports to the Board of Directors, State management agencies or delay in information disclosure to the public, etc. As a listed company, BVSC has a sense of responsibility for publishing financial statements timely and ensuring the accuracy and transparency of the information provided.

In addition to selecting one of the top four leading and reputable audit firms in Vietnam as the Company's independent audit firm, the Company also sets forth regulations on the timing of reporting, conducts internal audit and inspection on accounting processes to ensure the compliance with laws, internal regulations as well as financial - accounting regimes in BVSC. The company has applied information technology and effectively used core stock software system, accounting software to make reports with minimal manual errors and timeliness.

Human risk

This risk is well controlled by BVSC because the Company, with a long history of operation, has built a synchronous process from the selection - training - coaching to quality control and assessment. In addition, the Company has developed and issued a Code of Professional Ethics in compliance with standards set out in the model of Code of Professional Ethics issued by the Vietnam Association of Securities Business. For staffs working in BVSC, in addition to meeting high requirements on professional expertise and working skills, the compliance with professional ethics is always a top priority.

Process/procedural risks

Process/procedural risk is one of the risks regularly faced by the Company during its operation. Upon



recognition of the materiality of this risk in any new activity, BVSC always issues specific and detailed operational processes and instructions, builds technology support system and trains personnel to ensure the compliance with prescribed processes and instructions. The Internal Audit Department cooperates with the Internal Control Department of the Company to periodically perform compliance review and inspection engagements to ensure the correctness, suitability and effectiveness of processes based on actual practice, improve and increase efficiency in operating processes.

RISK MANAGEMENT (continued)

Technology system risk

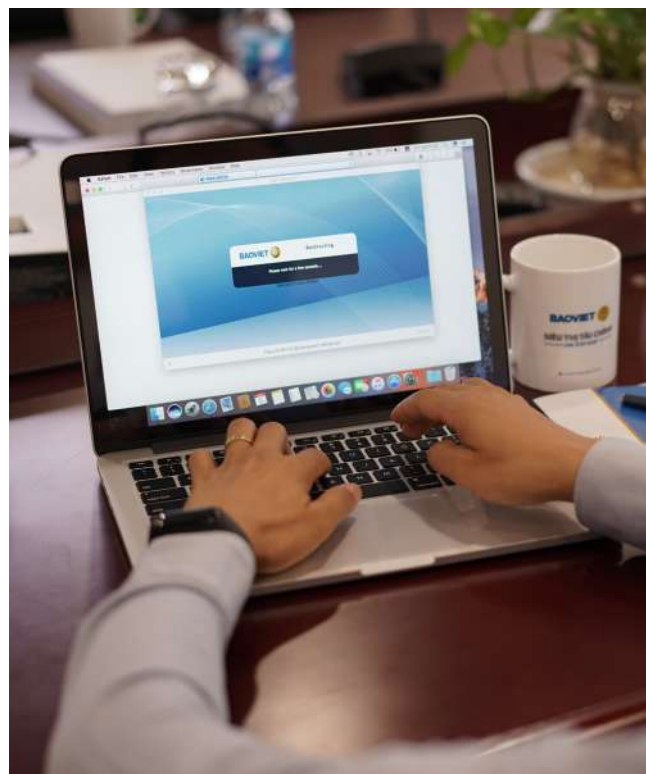
Technology system risk is one of the major risks faced by securities companies in general. In BVSC, this risk is assessed at medium-low level on account of specific policies such as system operation and troubleshooting processes. For business software users, the Company promulgates a strict and appropriate access granting policy in conformity with tasks and scope of work of each department and individual user. Annually, the Company performs compliance inspection and review of the information technology activities in order to minimize risks arising during system operation.

In addition, BVSC also built a backup system, ensuring the continuity and smoothness of the system on a 24-hour and 7-day basis. BVSC's server system and database are located in the CMC Tower Data Center, which meets the international TIER 3 standard. In addition, the Company periodically evaluates occurred events to analyze and predict potential risks, and then have a plan to manage identified risks.

LEGAL RISK

Legal risk of BVSC is assessed at medium and low level. Legal risk control is carried out synchronously by a scientific organizational structure, clear authority and responsibilities delegation from senior managers to mid-level and staff-level positions. The company has established a Legal Department with staff of qualified lawyers to provide legal consultancy and assistance to the Board of Management and professional departments.

All processes of internal operating instructions in the Company or contracts/agreements with customers and partners shall be reviewed by the Legal Department to ensure compliance with applicable laws and minimize legal risks. In addition, the Legal Department shall also regularly update legal documents with the aim of disseminating legal knowledge to every member of the Company so that all members are more aware of legal compliance responsibilities in daily activities.

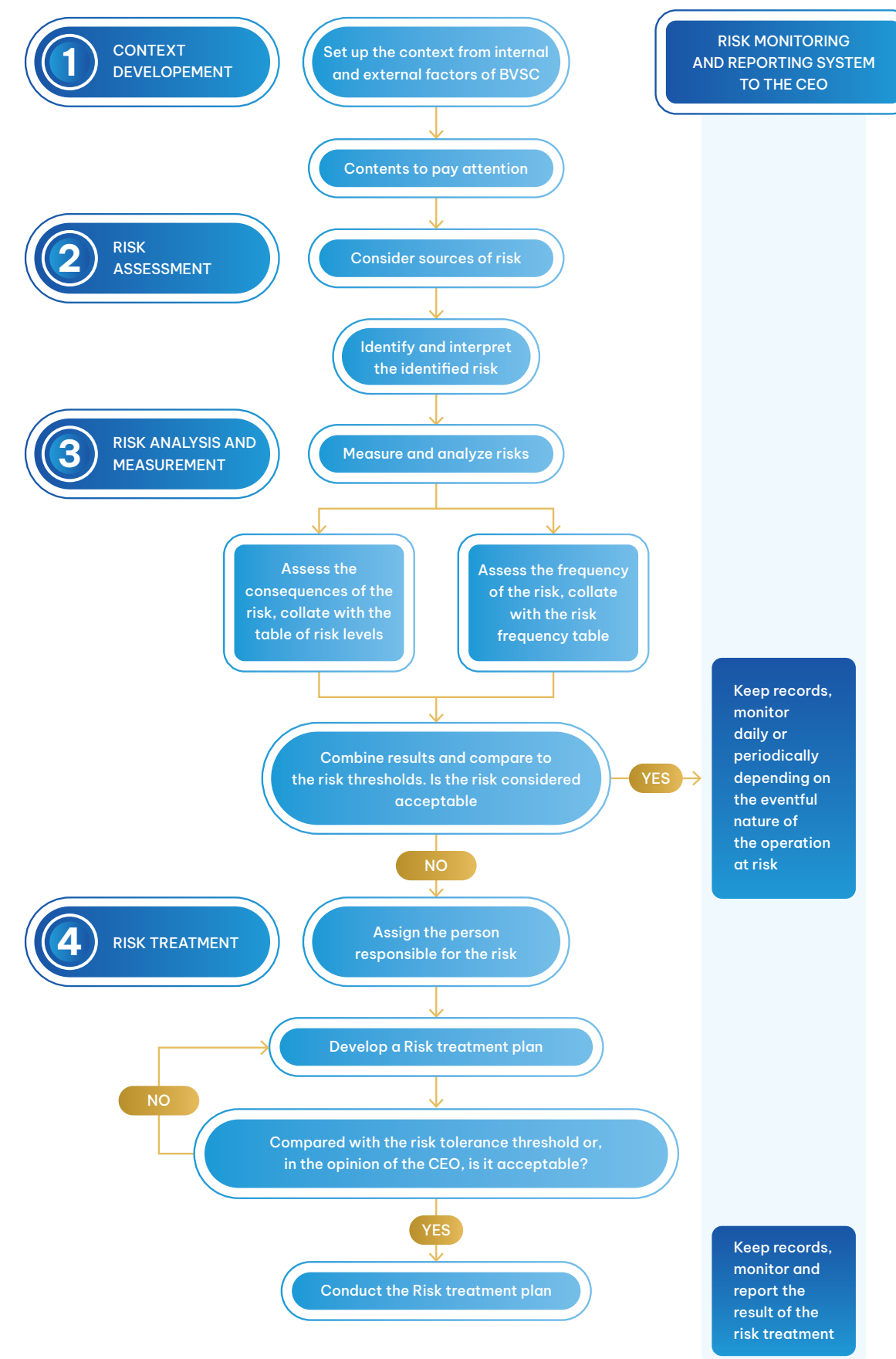


and partners is always a valuable source of information for BVSC to further improve the quality of customer service, tighten relationships with shareholders and partners and maintain its position as a leading, dynamic and professional securities company in Vietnam. Meanwhile, the Company always focuses on building a sustainable development strategy as a way to prevent potential risks to the Company's reputation.

REPUTATIONAL RISK

The company is always proactive in preventing this risk through constantly improving the quality of customer service, the Company's organizational structure, professional working environment and building good relationships with customers, shareholders and partners. Feedback from customers, shareholders

RISK MANAGEMENT PROCESS



RISK MANAGEMENT (continued)

4 Steps in the Risk Management process

- **Context development:** Built to establish the scope and standards for risk assessment and measurement and determine the critical elements for risk management. Situations are discovered using various data sources, such as when there is a change in business strategy, a change in regulatory agency policy when launching a new business/product or service, or recommendations from independent audit, internal audit, internal control, or state management agencies...
- **Risk assessment:** The activity of assessing and recording hazards, which must have at least three primary contents: risk origin, risk interpretation, and who is affected by the risk.
- **Risk analysis and measurement:** Conducted by quantitative or qualitative method, or a combination of the two approaches to define the frequency and impact of the risk. The risk's frequency and impact are the base for determining the level of the risk. The annual risk limit approved by the BOD is a criterion to combine the assessment of the risk level of the occurrence.
- **Risk treatment:** The risk treatment is carried out according to the main options, including Risk Acceptance, Risk Avoidance, Risk Reduction, or Risk Sharing. Which measure to adopt depends on the magnitude of the risk event measured in the previous step and the cost-effectiveness of the risk treatment measures.

Risk limit monitoring and risk reporting are carried out daily, monthly, or quarterly depending on each risk event type. The objective of monitoring and reporting is to ensure that the risk status remains within acceptable limits. If an event falls within the warning threshold, the risk management department will coordinate with the operations department or the risk owner to develop an action plan to bring the risk status back to a safe threshold.

RISK MANAGEMENT ACTIVITIES IN 2022

With a system of risk management policies and processes standardized and updated annually, BVSC's risk management in 2022 was seriously implemented with good results in identifying and preventing risks at every departments. The results of risk identification, assessment and measurement, prevention and treatment measures were reported to heads of relevant department for handling in a timely manner to minimize potential risks. Implemented activities include:

Credit risk management for margin trading service in negative securities market conditions

During the declines of the Vietnamese securities market in 2022, in addition to regular and continuous management measures, credit risk management for margin trading service was strengthened through the following measures:

- The Risk Management Department regularly and continuously updated accumulative risk for margin loan: stocks with high total margin loan value, stocks with a high proportion in the value of collaterals secured for margin loan.
- Relevant departments (Investment Department, Risk Management Department, Transaction offices) daily monitored market movements and updated news to review and early warn stocks with signs of risk; thereby, relevant departments exchanged and discussed with each other to come up with suitable measures. Transaction offices contacted customers to propose appropriate solutions on additional margin call/collaterals handling to ensure an adequate margin ratio for customer accounts.

- The handling plan for high-risk stocks (with floor price drop for continuous trading sessions, loss of liquidity, bad news, etc.) was submitted to the Board of Management for review and approval to ensure that the processing was done quickly and in a timely manner.

Risk Management Council meetings

The Company's Risk Management Council shall meet quarterly with the participation of the Board of Management, the Branch Board of Management, Department managers, Risk Management Department and the Risk Management & ALCO Committee of BVSC. The meetings are aimed at reviewing and evaluating the effectiveness of all risk management activities currently implemented at the Company, providing necessary frameworks, actions, and measures to be taken to ensure harmonious and reasonable risk management. Specific contents of the meetings of the Risk Management Council are as follows:

The first meeting (25/01/2022)

- Report the results and update the progress of implementing risk management measures according to the conclusions of the Council in the fourth meeting in 2021.
- Assess the level of major risks affecting the Company's operations in the fourth quarter of 2021 and identify potential risks in the first quarter of 2022.
- Propose risk management measures to be taken in the first quarter of 2022.

The second meeting (27/04/2022)

- Report the results and update the progress of implementing risk management measures according to the conclusions of the Council in the first meeting in 2022.
- Assess the level of major risks affecting the Company's operations in the first quarter of 2022 and identify potential risks in the second quarter of 2022.
- Propose risk management measures to be taken in the second quarter of 2022.

The third meeting (23/08/2022)

- Report the results and update the progress of implementing risk management solutions according to the conclusions of the Council in the second meeting in 2022.
- Assess the extent of major risks affecting the Company's operations in the second quarter of 2022 and identify potential risks in the third quarter of 2022.
- Propose risk management measures to be taken in the third quarter of 2022.
- Design the plan of risk identification and registration at all departments of the Company in the third quarter of 2022.

The fourth meeting (25/11/2022)

- Report the results and update the progress of implementing risk management measures according to the conclusions of the Council in the third meeting in 2022.
- Assess the level of the main risks affecting the Company's operations in the third quarter of 2022 and identify potential risks in the fourth quarter of 2022.
- Propose risk management measures to be taken in the fourth quarter of 2022.
- Report the results of risk identification and registration in 2022 at all departments of the Company.

RISK MANAGEMENT (continued)

Risk Management Reports

| Activities | Description |
|--------------------|---|
| Monthly report | <ul style="list-style-type: none"> Monthly risk reports are sent to the Board of Management to report 06 types of risks identified, measured and assessed in the month. The reports shall also update the implementation progress of management measures directed by the Risk Management Council in previous meetings, ensuring that risks have been handled appropriately and timely. Ad-hoc monthly reports on accumulative risks in margin services. The reports shall provide information about customers' accounts with high margin loan value and collaterals concentrated on just one or a few of stocks. This also serves as a basis and input data for the evaluation and adjustment of the next month's marginable securities list. |
| Quarterly report | A quarterly report comprehensively shall reflect material risks occurred in the quarter. Quarterly reports are presented to the Risk Management Council of BVSC for discussion, analysis and providing timely and effective management measures. |
| Semi-Annual Report | <p>Risk management reports for the first 6 months and the last 6 months of 2022 were sent to the State Securities Commission. The reports detailed:</p> <ul style="list-style-type: none"> The organizational structure of the risk management apparatus in BVSC Documents, processes and regulations on risk management of BVSC BVSC's inspection and supervision on risk management Assessment of the independence, avoidance of conflicts of interest in the Company's operations |
| Annual report | <p>The Company reviewed risk management activities in 2022 to issue a risk policy for 2023 and sent a report to the State Securities Commission. BVSC's risk policy summarizes risk management orientations, including:</p> <ul style="list-style-type: none"> Objectives of BVSC's risk policy and BVSC's risk appetite The organizational structure of the risk management system Risk Management Policies at BVSC |

Risk management culture building

| Activities | Description |
|--|---|
| Training in compliance culture and professional ethics rules in BVSC | To promote the compliance culture in the Company as well as the professional awareness and responsibilities of next staffs, the Company has developed a topic on compliance culture, professional ethics principles in BVSC and conducted training for all Future Broker and Next Gen trainees. |

Risk identification, assessment and review

| Activities | Description |
|---|--|
| Risk registration and risk profile updating | Professional departments coordinate with the Risk Management Department to review and assess risks' levels and periodically update risk events; thereby, update risks' profile and propose risk management measures. Risk registration and review is carried out annually to identify and minimize risks arising in business activities. |

Reviewing and updating risk limits and business continuity plan

| Activities | Description |
|--|--|
| Updating Risk Limits for 2023 and Business Continuity Plan | <p>The 2023 risk limit is updated in line with the Vietnamese securities market condition, arising realities of 2022 and changes in the Company's business orientation in 2023.</p> <p>Business Continuity Plan is developed and updated to summarize BVSC's actions and responses to protect the safety of the employees and assets of customers and the Company; assess impacts on financial status and operations; quickly restore and maintain operations; allow customers to make transactions as well as provide products and services to customers.</p> |



No material risk events to BVSC in 2022

In 2022, in the context of large fluctuations in Vietnam's securities market due to the Russia-Ukrainian war, FED's interest rate increase, high global inflation, risks from domestic corporate bond market, risk management of BVSC was still implemented effectively. Specific results were as follows:

- Although the market experienced large declines in 2022, many stocks lost liquidity for a long time, there weren't risk events in margin trading service of BVSC. Market movement of marginable securities and status of customer accounts was closely monitored, thereby, margin call and collateral handling activities were carried timely. There was no margin loan value unrecoverable in 2022.
- The Company's liquidity risk was closely monitored to prevent any liquidity risk event. Risk limits were complied. Risk management culture continued to be maintained and promoted, contributing to the sustainable development of the Company.
- New products and services launched in recent years such as odd-lot securities trading on the online system, eKYC account opening, investment trust products for individual investors were implemented smoothly and effectively without risk during operation, providing customers with high quality service.

RISK MANAGEMENT (continued)

RISK MANAGEMENT ORIENTATIONS FOR 2023

In 2023, it is forecast that Vietnam's securities market will continue to be affected by negative internal and external factors such as war, global economy slowdown, inflation in Vietnam, corporate bond market risks, etc. At the same time, the change of the legal environment in the financial and securities sectors will also have a direct impact on BVSC's business activities. Accordingly, risk management should continue to focus on the following orientations:

- Review and amend regulations and professional processes to ensure compliance with new legal provisions related to the Company's business activities. Train the Company's departments and staffs on new legal regulations, new BVSC's processes, products and services to improve compliance, awareness of legal risks and strengthen the Company's risk management culture.
- Regularly and continuously monitor and manage all types of risks to make judgments and assessments of risk trends and promptly take risk management measures as well as make adjustments in business activities especially in the context of internal and external shocks. For reputational risk related to advisory activities on corporate bond issuance, resulting from the untimely payment of principal and interest by issuers, BVSC shall prepare scenarios and develop action plans to coordinate with related parties to deal with problems. In the event of a risk event, BVSC shall communicate internally as well as through media to fully, accurately and timely inform customers, investors, shareholders and protect the Company's reputation.
- Strengthen risk management and control for new products and services from the production design and development stages, especially for products and services that are launched and operated on digital platform, to ensure the harmony between

business goals and risk management. Standardize processes and train personnel upon launching new products and services to minimize risks and errors arising during operation.

- Update and expand training programs on processes, operations and professional ethics for new employees in Next Gen programs to improve the professional qualifications for new BVSC's staffs, develop compliance and risk management culture in the Company.
- Implement the Risk Policy and Risk Limit approved by the Board of Directors for 2023. Carry out regular activities to serve the management of the Board of Management, the governance of the Risk Management & ALCO Committee and the Board of Directors.



IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

General evaluation of corporate governance implementation in 2022 at BVSC

In 2022 in a complex business environment with many great changes, BVSC actively improves transparency as well as the quality of corporate governance in order to contribute to improving the Company's business efficiency. Therefore, the implementation of regulations on corporate governance is always taken seriously and fully by BVSC, specifically as follows:

- Strictly complying with the regulations on order and procedures for convening the General Meeting of Shareholders in accordance with the provisions of the Law on Enterprises, the Decree 155/2020/ND-CP guiding the Law on Securities 2019 ("the Decree 155/2020/ND-CP"), the Company's Charter and Internal Regulations on corporate governance; arranging a reasonable place and time for shareholders to attend the 2022 Annual General Meeting of Shareholders. The report on activities of the BOM and the report on activities of the Board of Supervisors at the General Meeting of Shareholders was presented by BVSC in accordance with the contents specified in Articles 280 and 290 of Decree No. 155/2020/ND-CP;
- The Board of Directors structure always ensures a balance between executive and non-executive members: BVSC always maintains the ratio of 4/5 members of the BOD being non-executive members (higher than the ratio specified in Clause 2, Article 276 of Decree No. 155/2020/ND-CP); 01 member is an independent member of the BOD. The Chairman of the BOD does not concurrently hold the position of CEO. The members of the BOD not concurrently being a member of the BOD for more than five (05) years at another company; This helps members of the BOD to spend more time and focus their strength and intelligence on the development of the Company.
- The Board of Supervisors consists of 01 Head and 02 members. The Supervisors all work under a responsible regime, not concurrently holding managerial positions or other jobs at BVSC;
- In order to support the Broad of Directors to implement corporate governance more effectively and avoid any conflicts of benefits, in 2020 the Broad of Directors established 03 Affiliated Committees, including Corporate Governance, Appointment and Remuneration Committee; Risk Management & Asset-liability Committee, and Audit Committee.
- BVSC makes full, accurate, and timely disclosure of periodical and unusual information on the situation of production, business activities, finance, and corporate governance to shareholders and the public; as well as complying with regulations on the Annual Report preparation to ensure compliance with the provisions of Circular No. 196/2020/TT-BTC and the Company's Regulation on information disclosure. The Company's Annual Report is voted in; the Top 10 Best annual reports – Medium cap group in 2022.
- Building a legal framework related to the Company's corporate governance: In order to the company's Charter to comply with the provisions of the Law on Amendment of the Law on Enterprises 2020, BVSC has reviewed and amended the company's charter to submit to the 2022 Annual General Meeting of Shareholders for promulgation and circulation of the revised and supplemented the 13th Company's Charter.
- Members of the BOD, SB, and BOM always perform their rights and duties following the Company's Charter, Internal documents of the Company, and the Law. Members of the BOD, SB, and BOM always perform their assigned rights and obligations honestly and carefully, are loyal to the interests of the Company and its shareholders, publicize related interests, do not abuse their position, and do not use information, know-how, business opportunities, and other assets of the Company for personal gain or to serve the interests of other organizations.
- The transaction between the Company and internal shareholders or related parties are carried out in accordance with the provisions of the Law and the Company's Charter; they are carried out honestly, carefully, and for the best benefits of the Company and its shareholders, while also taking care of the benefits of the Company's stakeholders.

IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE (continued)

Some points need to improve to strengthen the corporate governance implementation at BVSC

As a listed company doing business in the securities industry, BVSC is always aware that to build an effective corporate governance system it has to build a good governance framework based on the four principles of fairness, responsibility, accountability, and transparency. In order for the corporate governance system of the company to gradually approach the standards of corporate governance in the region and the world, in the coming time, BVSC needs to continue to carry out the following tasks related to corporate governance as follows:

- Continue to maintain compliance with regulations on information disclosure and transparency as prescribed in Circular 96/2015/TT-BTC on information disclosure on the stock market, Circular 116/2020/TT-BTC on public corporate governance, the Company's Information Disclosure Regulation and the standards in the ASEAN Corporate Governance Scorecard and the Principle 8 to strengthen the Company's information disclosure activities specified in Corporate Governance Code of Best Practices for public companies in Vietnam;
- Renovating the Company's website with a more user-friendly interface and features to update and fully disclose information for shareholders, customers, domestic and foreign investors to easily approach.
- Developing a mechanism to have at least one meeting between non-executive members of the BOD without the presence of executive members during the year to evaluate operational aspects related to the Company's management.
- Researching to develop/stipulate a number of policies related to the approval of the BOD for transactions with related people to ensure the rights and benefits of the Company, specifically: Regulations on reviewing and approving important, related party transactions; Regulations require members of the BOD not to participate in meetings of the BOD in meetings about activities and transactions in which that member has conflicts of benefits.
- Continue to consolidate and strengthen the role of Internal Audit, Risk Management, and Internal Control in the Company's internal governance framework with the objective of (i) ensuring the risk management and internal control system operate efficiently and accurately, (ii) making an important contribution to improve corporate governance practices and (iii) being the defensive line to protect investment capital and create sustainable values for shareholders and stakeholders.



In 2022 in a complex business environment with many great changes, BVSC actively improves transparency as well as the quality of corporate governance in order to contribute to improving the Company's business efficiency.

*** Assessment of corporate governance under the CAMEL system

When analyzing the corporate governance of the Company, the Company refers to the criteria of the CAMEL rating system (the CAMEL system evaluates the strength of a financial institution based on 05 factors of Capital adequacy – Asset Quality – Management – Earnings – Liquidity and is developed by the US National Credit Union Administration and is recommended by the International Monetary Fund and the World Bank. Additionally, on October 9th, 2013, the State Securities Commission of Vietnam also issued Decision No. 617/QĐ-UBCK promulgating the CAMEL framework based guideline for rating securities companies).

According to this rating system, BVSC achieved a total score of 84.9 out of 100 points in governance in 2022. Effective corporate governance is one factor that helps the Company to be rated at Rank A according to the State Securities Commission's CAMEL framework based guideline for rating securities companies.

(Refer to Appendix 1 – Governance Criteria under CAMEL system on page 206 of this Report)

*** Assessing according to the ASEAN Corporate Governance Scorecard and the Corporate Governance Code of Best Practices for public companies in Vietnam issued by the State Securities Commission in collaboration with IFC dated August 2019

BVSC always firmly believes that good corporate governance is one of the most important factors to ensure the sustainable development of the Company, bringing trust and the best benefits to shareholders and other stakeholders. Therefore, in parallel with strictly complying with the provisions of the law on corporate governance, the governance at BVSC has been gradually improved according to the best corporate governance practices in the region such as the "ASEAN Corporate Governance Scorecard", or the "Corporate Governance Code of Best Practices for public companies in Vietnam" issued by the State Securities Commission and the International Finance Corporation (IFC) dated August 2019.

Since 2016, with the desire to perfect the corporate governance system according to regional and international market standards, BVSC has carried out a self-assessment of its governance system in reference to the criteria in the ASEAN Corporate Governance Scorecard with 5 groups of standards achieved as follows: Shareholders' Rights have reached 21/21 in level 1 criteria; Equal Treatment for shareholders has reached 15/15 in level 1 criteria; Roles with stakeholders have achieved 12/13 in level 1 criteria; Transparent information disclosure has achieved 31/32 in level 1 criteria; and Responsibilities of the BOD have achieved 58/65 in level 1 criteria.

Referring to the Corporate Governance Code of Best Practices for public companies in Vietnam, BVSC's governance system has achieved: Responsibilities of the BOD have met 22/22 in the criteria of 6 principles; Environment Control has archived 6/6 in the criteria of Principle 7; Transparent information disclosure has met 4/4 in the criteria of Principle 8; Shareholders' rights have met 5/5 in the criteria of Principle 9; Relationships with stakeholders have met 2/2 in the criteria of Principle 10.

IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE (continued)

A highlight from 2020 of BVSC's governance model to approach the best practices in the market, effectively contributing to increasing the value of the company for shareholders is that BVSC has established 03 affiliated committees under the BOD based on guidance and recommendations of the Corporate Governance Code of Best Practices for public companies in Vietnam. The establishment of these 03 committees shows that BVSC has improved in implementing the standards of responsibilities of the BOD following the provisions of the ASEAN Corporate Governance Scorecard. Specifically, the affiliated committees under the BOD include the Corporate Governance, Appointment and Remuneration Committee (the criterion E 2.8 and E.2.13 of ASEAN Corporate Governance Scorecard); Risk Management & Asset-Liability Committee (the criterion E 6.1 of ASEAN Corporate Governance Scorecard) and Audit Committee (criterion E 2.18 of ASEAN Corporate Governance Scorecard); simultaneously electing 01 independent members with accounting expertise as the head of the Audit Committee (the criterion E 2.20 and 2.22 of ASEAN Corporate Governance Scorecard), etc.



“

In addition, To ensure fair treatment for all shareholders, including minority and foreign shareholders in effectively participating and voting at the General Meeting of Shareholders, from 2021, BVSC has amended the Company's Charter and internal regulations on governance, with additional provisions on Order of the General Meeting of Shareholders through an online conference; stipulating that shareholders participate in voting at the General Meeting of Shareholders through electronic voting or other electronic forms, or sending voting ballots to the meeting by mail, fax, or email as recommended in criterion 9.2 of Principle 9 of the Corporate Governance Code of Best Practices for public companies in Vietnam and the Criterion A.3.9 of the ASEAN Corporate Governance Scorecard.



For **AMBIGUITY**
be **WISE**



05

Sustainable Development

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

To valued Shareholders, Clients, and Partners,

2022 was a year of significant changes for the entire securities industry which also saw one of the strongest declines in the history of the Vietnam stock market. The previous year, for most organizations, was characterized by both the fight against the Covid-19 pandemic and the need to ensure the stability of production and business activities. 2022 however has delivered strong falls in the market due to big shocks in investor confidence in the face of negative fluctuations in the corporate bond market. This year has been a test of the adaptability and resilience of each securities company.

In this context, flexibility in the face of fluctuations, and initiative in the face of uncertain challenges has shown its true value as the motto of BVSC. Our focus has been on consolidating human resources, paying special attention to the demand to improve clients' experience. There has been strong investment in training programs to improve our employees' skills and increase their ability to adapt to changes. These initiatives have helped BVSC to reach our goals, achieving the revenue and profit after tax targets assigned by the General Meeting of Shareholders.

Having been a prestigious and listed securities company for many years, we deeply understand the importance of transparency in building value and creating confidence with our shareholders, investors, and the market in general. In today's context, a world called VUCA, *Volatility - Uncertainty - Complexity - Ambiguity* pose challenges for every enterprise. Maintaining stability in the short term while planning the medium and long-term development orientation is necessary. BVSC's sustainable development strategy has been clear for many years, and we consistently based our development path on these three pillars: economy, society, and the environment.

In the face of fluctuations, it is necessary to be flexible, in the face of uncertainty, it is necessary to be active, in the face of complexity, it is crucial to pay special attention to transparency and in the face of ambiguity, it is necessary to be intelligent in choosing a development path. BVSC continues to make its commitments to clients, shareholders, employees, and other related parties in implementing our sustainable development strategy.

Yours sincerely,

Chief Executive Officer
Nhu Dinh Hoa

"IN THE FACE OF FLUCTUATIONS,
IT IS NECESSARY TO BE FLEXIBLE,
IN THE FACE OF UNCERTAINTY,
IT IS NECESSARY TO BE ACTIVE,
IN THE FACE OF COMPLEXITY,
IT IS CRUCIAL TO PAY SPECIAL
ATTENTION TO TRANSPARENCY
AND IN THE FACE OF AMBIGUITY, IT
IS NECESSARY TO BE INTELLIGENT
IN CHOOSING A DEVELOPMENT
PATH. BVSC CONTINUES TO MAKE
ITS COMMITMENTS TO CLIENTS,
SHAREHOLDERS, EMPLOYEES,
AND OTHER RELATED PARTIES IN
IMPLEMENTING OUR SUSTAINABLE
DEVELOPMENT STRATEGY."



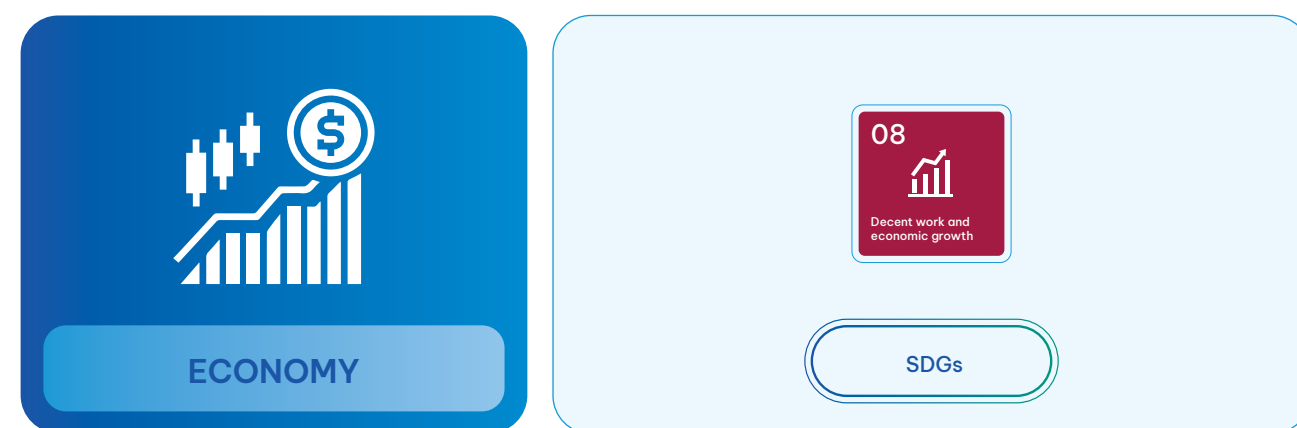
CONNECTING THE SUSTAINABLE DEVELOPMENT GOALS AND GRI STANDARDS IN KEY ISSUE MANAGEMENT

The Sustainable Development Goals (SDGs), also known as the Global Goals, are a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity in each Member State of the United Nations (UN). The 17 Sustainable Development Goals (SDGs) are based on six topics including dignity, people, planet, partnership, justice, and prosperity.

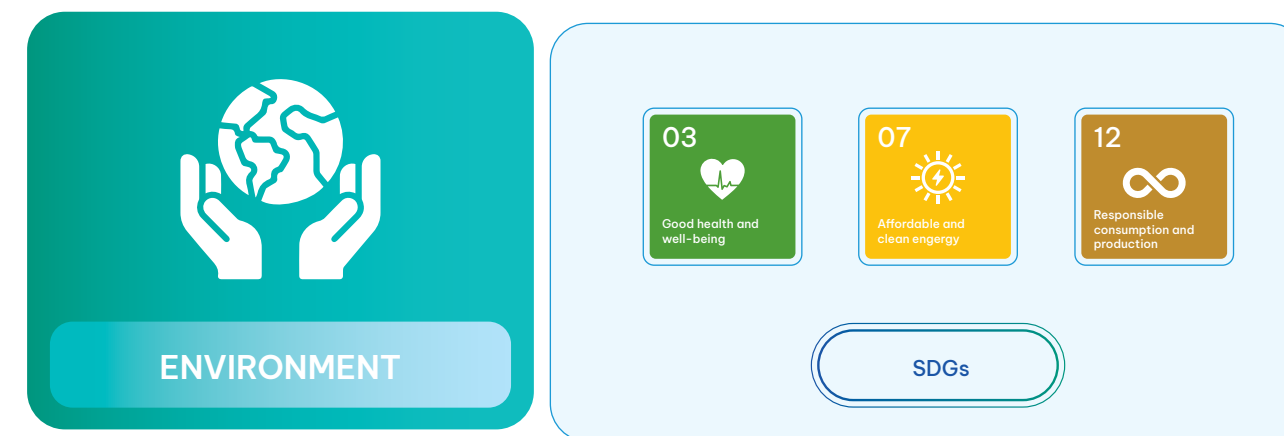


BVSC HAS PARTICIPATED AND CONTRIBUTED TO SUSTAINABLE DEVELOPMENT GOALS

On the basis of comparing GRI Standards with the Global Sustainable Development Goals (SDGs), BVSC has identified material issues and built strategies and action plans based on the evaluation and analysis process of the Company's overall development strategy. Hence, the Company selects targets to put into the action orientation to ensure that sustainable development is one of the core strategies of the business, specifically:




| GRI index | Action plan | Achievement |
|-----------|--|---|
| | Maintaining the position as a leading securities company in the market with the goal of stable economic growth associated with long-term benefits for clients, shareholders, employees, and the community. | <p>The Company maintains stability and makes economic efficiency:</p> <ul style="list-style-type: none"> Total revenue in 2022: VND 923,84 billion Realized profit in 2022: VND 213,69 billion <p>In 2022, the Company also focused on developing digital-based products and services to bring more value to clients and paid attention to building welfare policies and salary regimes for employees to create a safe and happy working environment.</p> |



| GRI Index | Action plan | Achievement |
|-----------|---|---|
| | <ul style="list-style-type: none"> Company activities are always associated with environmental protection. Use energy efficiently and economically during daily operations. Promote innovative, efficient and no-waste initiatives. Procure and upgrade energy-efficient and no-waste equipment and technology. | <ul style="list-style-type: none"> Total electricity consumption in the whole year of 2022 decreased by 10% compared to 2021. The total amount of paper used decreased by 2% compared to 2021. No cases of violations of environmental laws were recorded. Invested and set up a new computer system that can conserve electricity. |
| | <ul style="list-style-type: none"> Maximum control of emissions into the environment. | <ul style="list-style-type: none"> BVSC always equips and uses modern transports, ensuring emission standards and registration according to State regulations. Perform maintenance, repair, and upgrade on schedule for equipment according to the instructions of the supplier to ensure high performance and energy saving. Always recommend employees use public transport to move in order to reduce the amount of CO2 in the environment. Monitor electricity and fuel consumption on a monthly basis. |

BVSC HAS PARTICIPATED AND CONTRIBUTED TO SUSTAINABLE DEVELOPMENT GOALS (continued)

|  SOCIETY | GRI Index | Action plan | Achievement |
|---|---|---|--|
| <div data-bbox="195 919 534 982">SDGs</div> <div data-bbox="195 1073 341 1213"> 01 No poverty </div> <div data-bbox="385 1073 531 1213"> 02 Zero hunger </div> <div data-bbox="195 1283 341 1423"> 03 Good health and well-being </div> <div data-bbox="385 1283 531 1423"> 04 Quality education </div> <div data-bbox="195 1493 341 1633"> 05 Gender equality </div> <div data-bbox="385 1493 531 1633"> 08 Decent work and economic growth </div> <div data-bbox="195 1703 341 1843"> 10 Reduced inequalities </div> <div data-bbox="385 1703 531 1843"> 12 Peace, justice and strong institutions </div> | <div data-bbox="724 579 836 709"> <small>LOCAL COMMUNITIES</small> GRI 413 </div> <div data-bbox="890 579 1264 709">LOCAL COMMUNITIES</div> | <ul style="list-style-type: none"> Organize charity programs to remote regions with poor families or provinces affected by disasters like storms, floods, and other disasters. Donate necessities to poor households, near-poor households, or families in/ under preferential treatment policy across the country. | <p>In 2022, BVSC supported and called for donations to the community through charity programs, and gratitude programs, and joined hands to call for support for people in flood-affected areas for nearly VND 480 million.</p> |
| | <div data-bbox="724 898 836 1029"> <small>EMPLOYMENT</small> GRI 401 </div> <div data-bbox="890 898 1264 1029">EMPLOYMENT</div> | <p>Increase the scale of employment; improve the quality of human resources and life for employees to create a happy working environment.</p> | <ul style="list-style-type: none"> Rate of new recruitment in the year: 12,46% Average income of employees: VND 31,4 million/person/month 100% of employees are entitled to welfare regimes according to issued policies |
| | <div data-bbox="724 1201 836 1331"> <small>OCCUPATIONAL HEALTH AND SAFETY</small> GRI 403 </div> <div data-bbox="890 1201 1264 1331">OCCUPATIONAL HEALTH AND SAFETY</div> | <p>Ensure employees are working in a good and safe environment; employees' health is protected and financially secure against unfortunate health-related risks.</p> | <ul style="list-style-type: none"> 100% of staff participated in social, health and unemployment insurance Implemented additional insurance programs for employees: <ul style="list-style-type: none"> Comprehensive health insurance: VND 2 billion Insurance for cancers: VND 270,3 million Life insurance: VND 2,88 billion Organized periodical health check for employees. |
| | <div data-bbox="724 1512 836 1642"> <small>TRAINING AND EDUCATION</small> GRI 404 </div> <div data-bbox="890 1512 1264 1642">TRAINING AND EDUCATION</div> | <p>Train human resources with good expertise, skills and ability to adapt to changes.</p> | <ul style="list-style-type: none"> Total training hours: 16.958 hours Total times of staff participating in training: 526 times Total training cost: VND 2,1 billion |
| | <div data-bbox="724 1768 836 1898"> <small>DIVERSITY AND EQUAL OPPORTUNITY</small> GRI 405 </div> <div data-bbox="890 1768 1264 1898">DIVERSITY AND EQUAL OPPORTUNITY</div> | <p>Build a diverse and equal working environment that employees are respected and maximized their potential.</p> | <ul style="list-style-type: none"> No discrimination on gender, religion, ethnic minorities in all human resource policies of the Company Female employees account for 48% of the total number of employees Female managers: 44% Ethnic minorities: 05 people |

BVSC_Report 2022

Organization Name: Baoviet Securities
Sector: Financial Services

GENERAL
DISCLOSURE

**GRI
102**

GRI 102

(2016 General Disclosures)

Organization profile

102-1 Organization Name

102-2 Activities, brands, products and services

102-3 Location of headquarters

102-4 Location of operations

102-5 Ownership and legal form

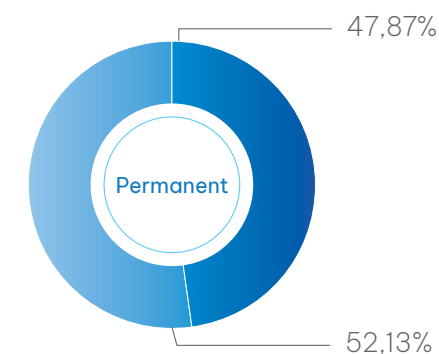
102-6 Markets served

(For details, please refer to Chapter I from pages 06-22 of this Report.)

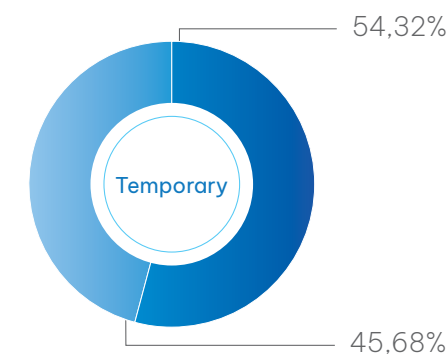


102-8 Information on employees and other workers

Gender base

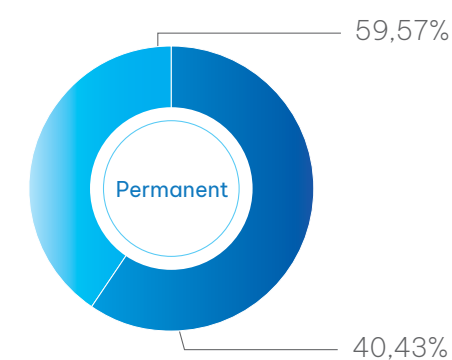


Male Female

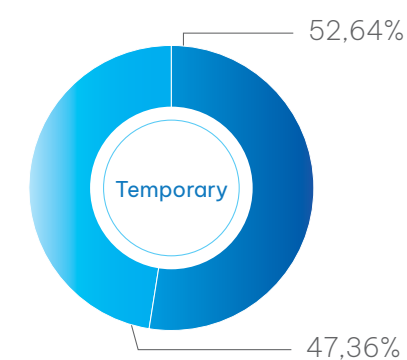


Male Female

Region base



Hanoi Ho Chi Minh City



Hanoi Ho Chi Minh City

102-13 Membership of associations

BVSC is a member of the Securities Business Association, Association of Financial Investors and Bond Market Association.

GOVERNANCE

102-18 Governance structure:

For details, please refer to Chapter IV, Corporate Governance from page 84 to page 141 of this Report.

102-40 List of stakeholder groups



102-41 Collective bargaining agreements

Percentage of total employees covered by collective bargaining agreements:

100%

102-42 Identifying and selecting stakeholders

We identify stakeholders based on the possible influence of BVSC's operations on them or individuals/ organizations that have an interest or influence on BVSC's current operations. We build and develop relationships that meet long-term interests between the parties; These relationships are kept up by transparency, trust, and adherence to business ethics. We approach stakeholders through various sources of information appropriately in order to listen to each party's opinions and concerns about BVSC's operations, especially corporate governance issues, resource development, economic growth, and contribution to society and the environment.



102-43 Approach to stakeholder engagement

The Company identifies stakeholders and takes an approach to know the issues addressed by stakeholders as follows:

For shareholders/Investors

- General meeting of shareholders.
- Investor relations department (email/ hotline).
- Direct/online meetings with investors.
- Stock exchange and press publications.
- Programs of exchange, cooperation and introduction of investors.
- Company's Website, Fanpage, Zalo.

For press agencies

- Press conferences (offline/online)
- Annual press conference programs.
- Direct contact through interview/networking.

For Customers

- Team of consultants/brokers.
- Direct/online contact from the stock exchange.
- Customer appreciation events.
- Customer care call center/Email/Fanpage/Zalo.
- Investment research and advisory seminars.
- Other communication channels (Website, email, phone, social networks).

For employees

- Quarterly dialogues and annual employee meetings.
- Preliminary/summary meetings.
- Communication through the role of direct managers.
- The role of the Trade Union and the Human Resources Department.
- Corporate culture training programs.
- Talk shows and internal training programs.
- Internal communication channels, such as Workplace, Email, Fanpage, Zalo.

For management agencies

- Conferences, Seminars, training sections organized by management agencies.
- Direct/online contact.
- Other communication channels (Website, email, phone).

For social community

- Communication through local authorities/ agencies.
- New publications and products of the Company
- Communication channels, social networks (Website, Fanpage, Zalo.)

For Association

- Regular activities.
- Through seminars, forums, events.
- Discussions, contributing ideas in the program of periodic activities.

GOVERNANCE (continued)

102-44 Key topics and concerns raised

| Stakeholder | Topic | Action of BVSC |
|------------------------------|--|---|
| Shareholder Investors | <ul style="list-style-type: none"> Company Performance. Information transparency. Corporate governance capacity enhancement, Company value growth. Dividend policy. | <ul style="list-style-type: none"> Successfully complete the business plan for 2022 approved by the General Meeting of Shareholders. Actively disclose transparent information and treat shareholders and investors equally. Improve the corporate governance system, promote and professionalize IR activities. Maintain a regular dividend policy. Promote the diversity of connection channels with potential investors. |
| Management agencies | <ul style="list-style-type: none"> Comply with the law and fulfill tax obligations to the state. Actively contribute to the development of Vietnam's stock market. Strictly comply with the Laws, Regulations and Promulgation set forth by the authorities . | <ul style="list-style-type: none"> Good compliance with legal regulations. Actively contribute to the state budget Participate in forums, contribute ideas to build a legal framework for the development of the market. Become an active member of Exchanges. Fulfill the obligation to disclose information fully and transparently in a timely manner. |
| Associations | <ul style="list-style-type: none"> Become a member of the Associations and actively participate in the association's activities. Contribute the financial obligations to the Associations. | <ul style="list-style-type: none"> Become a member and actively participate in activities of associations including Bond Market Association, Vietnam Securities Business Association, Vietnam Association of Financial Investors. Well perform financial obligations in accordance with the Association's regulations. |
| Customers | <ul style="list-style-type: none"> Good service quality and competitive price. Convenient transaction location. Convenient, save and secure transaction. Friendly, open-hearted and dedicated staff. Diverse products to expand investment opportunities for clients. | <ul style="list-style-type: none"> Improve the qualifications of human resources and the report quality and investment recommendations. Offer flexible and competitive transaction fee, margin interest and advance policy. Invest in facilities and expand the trading network. Invest in building a comprehensive upgrade of Bwise online trading platform and mobile App with many accompanying utilities. Launching new products and services to serve the needs of many client groups such as BVS-Value and BVS- Active products, ID collection, etc. Implement many promotions and gratitude events to enhance client engagement. |
| Press agencies | <ul style="list-style-type: none"> The ability to access information about the Company's activities in a timely and favorable manner. Coordinate with press agencies in communication about the market. | <ul style="list-style-type: none"> Actively send press releases on quarterly/semi-annual/annual business results to press agencies. Send transparent and timely information about events/ activities arising during the year. Provide analysis, assessment, market trends to help the press to have valuable and objective information. Send experts to interview, answer questions and inquiries of the press in a timely and quick manner. |

| Stakeholder | Topic | Action of BVSC |
|----------------------------|---|---|
| Employees | <ul style="list-style-type: none"> Ensure employment, stabilize and develop human resources. Take care of the health and life of employees, ensure good working conditions and occupational safety and hygiene. Available chance for employees to train and develop themselves. Create equal and fair development opportunities and achievements are recognized. Stable and competitive income. Fair and professional working environment. Upgrade the comprehensive health insurance welfare package for employees (Health insurance) | <ul style="list-style-type: none"> Expand business activities to create stable opportunities for employees. Effective business ensures stable income payment for employees and improve the quality of workers' material life. Develop competitive salary and bonus policies in line with market trends and ensure fairness with work efficiency. The welfare regime is guaranteed, equipping employees with policies of health insurance, life insurance, cancer insurance, etc, besides social insurance, medical insurance, insurance unemployment according to the regulations of the State. Invest on the budget in training activities, encourage and create conditions for employees to study to improve their professional qualifications and develop training programs suitable to each professional position. Invest on budget and facilitate trade unions and youth unions to promote their roles in order to build a friendly and open working environment. Policies related to employees aim to be fair internally and competitive with the outside. Implement a program to recruit and train trainees to create an active human resource supply and control the quality of personnel. Build a safe and effective working environment after the Covid-19 pandemic. |
| Social community | <ul style="list-style-type: none"> Ensure basic living conditions of people in remote areas. Invest in education for future generations. Localities affected by natural disasters and floods need support to overcome the consequences. Comply with regulations on environmental protection and energy saving. Patients with difficult circumstances need to be encouraged and shared. | <ul style="list-style-type: none"> Implement annual social security programs, invest in the young generation, and show gratitude to people with credit and contribute to the eradication of poverty. Support the local community by contributing to building and basic living conditions and offer health care for people in remote areas. Actively cooperate with Bao Viet Holdings in the programs launched by the Group. Comply with local government regulations on environmental protection. Implement solutions in production and business to save energy, electricity and water. Directly share with difficult situations at hospitals and medical facilities. |
| Partners, suppliers | <ul style="list-style-type: none"> Fair selection and evaluation process. The signing and implementation of the contract complies with the law, ensuring the payment schedule. | <ul style="list-style-type: none"> Develop a supplier selection and evaluation process. The contract is reviewed by the Legal Department to ensure compliance with the law before signing. Conduct internal control on the Contract implementation process with suppliers. Regularly re-evaluate the Partner's ability to provide products, services and capacity to meet the Company's needs. |

REPORTING PRACTICE

102-45 Entities included in the consolidated financial statements

Bao Viet Securities Joint Stock Company

All units of Bao Viet Securities Joint Stock Company are mentioned in the company's Financial statements and this Sustainable development report.

102-46 Defining report content and topic Boundaries

The Company will determine the content of the report and boundaries of the Report's topics after being trained by the Global Reporting Initiative on preparing reports according to GRI standards in collaboration with relevant professional departments in the company.

The BVSC Sustainable Development Report defines the content of the report by following the GRI standards' reporting principles:



1. Principles for defining report content

Sustainable development context:

Countries around the world, including Vietnam, are facing more difficulties than ever in the process of achieving the UN's 2030 Sustainable Development Goals. Currently, the world context is unpredictable, geopolitical conflicts are fierce, the COVID-19 pandemic has left serious consequences, the risk of climate change and environmental pollution is still extreme and socio-economic development in the country still reveals many limitations. Being aware of and understanding such problems, companies must focus and become more active in developing harmoniously and in balance between the three pillars of economy, society, and environment. At BVSC, with a strong and persistent commitment to pursue a sustainable development strategy for years, the Company always strives to maintain stability and growth in business with green solutions, while ensuring business development, creating a foundation for contributing solutions for social security but at the same time reducing environmental pollution, protecting natural resources and responding to climate change.

Materiality:

To determine the content of the report, the Company adheres to the principle of materiality. From which, the Company establishes a matrix to identify the key stakeholders who are directly affected (positive or negative) from Company's activities; and identify the material matters of interest to stakeholders to address in the report.

Completeness:

The information contained in the report is used in full data with a clear subject and time range.



2. Reporting principles:

Accuracy: All information provided in the report is measured and calculated specifically. Limit any estimates to the scope of this report.

Symmetry: The report is considered for transparent disclosure of both positive and negative indicators (if any).

Clarity: The report is interpreted and used in understandable words, limiting the use of technical terms.

Comparability: Most of the data in the report are comparable to the same period in the previous year.

Timeliness: The report was prepared in March 2023 to publish data in the range from 01 January 2022 to 31 December 2022 to ensure the most up-to-date timeliness as possible.

102-48 Restatements of information: None

102-50 Reporting period:

The information in this report is based on data from 01 January 2022 to the end of 31 December 2022.

102-51 Date of most recent report

Date of most recent report: 19 April 2022.

Issue date of the Sustainable Development Report integrated with the Annual Report.

102-52 Reporting cycle: Annual

102-53 Contact point for questions regarding the report

Full name: Bui Thi Mai Hien.
E-mail: hienbtm@bvsc.com.vn
Position: COO, Company's secretary.
Tel: 0243 928 8080 - 600



102-54 Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with GRI Standards:
 Core Option (Option to report core issues)

102-55 GRI content index

References

This report discloses the following information regarding GRI 102: General Disclosures 2016, GRI 103: Management Approach 2016, GRI 201: Economic Performance 2016, GRI 302: Energy 2016, GRI 305: Emissions 2016, GRI 401: Employment 2016, GRI 403: Occupational Health and Safety 2016, GRI 404: Training and Education 2016, GRI 405: Diversity and Equal Opportunity 2016, GRI 413: Local communities.

Removed parts: None



General
Disclosures 2016



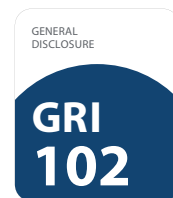
Strategy
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Organization
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Stakeholder
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Standard group
for each topic
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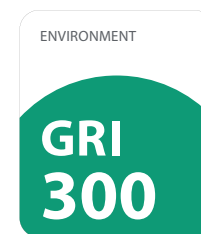
Economic



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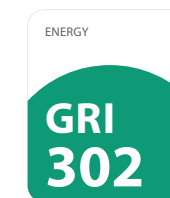
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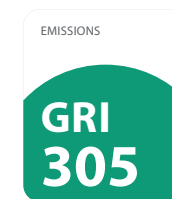
Environment



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Training and
Education
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Diversity and
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ECONOMIC DISCLOSURE



GRI 200



Economic Performance

GRI 103: Management approach

103-1 Explanation of the material topic and its Boundary

As BVSC is a listed company, we conclude that a sustainable development strategy can only be put into practice when economic goals are guaranteed, because we can only deliver benefits and fulfill our obligations and duties to stakeholders when we have solid financial resources for the business.

i. Where the impacts occur

BVSC determines economic efficiency by targets of revenue, profit, and total assets. Achieving good growth over the years is a condition for BVSC to continue to develop and deploy its activities to stakeholders.

ii. The organization's involvement with the impacts

The company is directly related to the impacts because the company's profit growth brings benefits and ensures financial benefits for shareholders/investors, increases services and benefits for clients, increases the salary and welfare regime for employees, contributes to the state budget and develops the community through social security programs.

There are no specific limitations on the boundary of this topic.

103-2 The management approach and its components

BVSC manages economic performance indicators based on financial & non-financial indicators:

- Financial indicators: Total assets, annual revenue and profit growth rate, EPS growth, capital adequacy ratio, etc.
- Non-financial indicators: market share, quality of human resources, quality of management team, etc.

Ensure that the company is always aiming for sustainable development.



ii. Commitments

Ensure the completion of the planned indicators approved by the General Meeting of Shareholders.

iii. Goals and targets

Economic efficiency plan in 2022:

Realized revenue

898,45 billion VND

Realized profit after tax

213,69 billion VND

iv. Responsibilities

Those who ultimately responsible for the management of the economic efficiency indicators of the Company are the BOD and BOM.

v. Resources

The company's resources for direct business development are business divisions such as: Brokerage Division, Consulting Division, Investment Division. In addition, the Company also has business support resources to carry out the work to promote business activities for the company, which are other related departments.

vii. Specific actions, such as processes, projects, programs and initiatives

- Promote the digital transformation process in the Company's business and operation management: Adhering to the information technology orientation in the Development Strategy for the 2021-2025 period with the goal of providing diversified securities services on a digital platform, the Company continues to focus on promoting comprehensive digital transformation on the Company's fields of operation as well as operations include (1) Comprehensive upgrade of BVS@ Mobile application; (2) Expanding the association of ID collection with BIDV; (3) Deployment of digitization of cargo operations and management; (4) Officially launching the separately managed account products BVS Value and BVS Active completely on digital platforms.
- Promote and improve the quality of comprehensive client care activities on digital platforms such as fan page, Zalo, website, etc. to improve the quality and client experience when using BVSC's products and services. At the same time, the project of an online Customer care center is expected to launch in 2023.
- Deploy the Next Gen 2022 training program in Hanoi and Ho Chi Minh City - build a new generation of human resources for the future.
- Focus on developing policies related to employees to ensure the best values when working at the Company: (1) Upgrading comprehensive health insurance benefits package for staff- Healthcare Insurance; (2) Developing and applying a new salary scale and payroll system, (3) Implementing and applying assessment tools according to set of KPIs for Brokerage team and Broker Leaders.

(For details, please refer to Chapter II from pages 28-67 of this Report)

ECONOMIC PERFORMANCE (continued)



103-3 Evaluation of the management approach

i. The mechanisms for evaluating the effectiveness of the management approach;

Perform monthly/quarterly assessment against set targets.

Business departments are responsible for the accomplishment of their planned indicators and report to the executive board for control. In the meetings between the business departments and the executive board, there are internal control, risk management and internal audit departments.

ii. The results of the evaluation of the management approach;

Implementing effective management methods helps the company to control performance indicators.

iii. Any related adjustments to the management approach.

There are no adjustments in the reporting period.



GRI 201: Economic Performance

201-1 Direct economic value generated and distributed

Direct economic value generated: Total revenue:

VND 923,844,242,134

Operating costs: Total costs:

VND 209,142,378,861

Employee salary and benefits:

VND 276,957,053,068

Payments to capital providers and shareholders:

VND 192,467,755,269



Total payable to the government:

VND 217,471,695,220

Investment for community:

VND 479,441,250

Undistributed economic value: 'Direct economic value generated' minus 'Distributed economic value':

VND 27,325,918,466

2022 is a tough year for the securities industry, in which BVSC is not the exception. Direct economic value generated from business activities decreased by 19.5% compared to 2021. However, the Company still ensures to maintain the ratio of the value of benefits distributed to stakeholders, including employees and the ratio of payment to the government over the direct economic value generated at the same rate as in 2021, while the absolute numbers fell by 17% and 11%, respectively, still lower than the decrease in direct economic value. At the same time, payments to suppliers and shareholders' interests, including cash dividend payment, are in accordance with regulations.

Explanation, including analysis of payables for national government (if any)

BVSC always fully complies with tax payment obligations and other payables to the State budget with the payment rate tended to increase gradually over the years. In 2022, despite the business situation facing many difficulties, BVSC still maintains the state budget payment of more than VND217 billion (including corporate income tax, personal income tax, value added tax and other taxes).

201-3 Defined benefit plan obligations and other retirement plans

Estimated value:

VND 14,000,139,334

Including the cost of the following types of insurance: Social insurance, health insurance, unemployment insurance, comprehensive health insurance, life insurance, cancer insurance.

Is there a separate fund? No

ECONOMIC PERFORMANCE (continued)

ECONOMIC
PERFORMANCEGRI
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GRI 201: Economic Performance (continued)

Insurance premium rate of employees and the Company: The Company participates in paying social insurance premiums for employees to ensure compliance with the provisions of the law, specifically:

Employees pay

10.5%

Employers pay

21.5%

In addition, the Company maintains a preminent insurance benefit package for all employees in the company including: Comprehensive health insurance – Healthcare, cancer insurance K-care and life insurance. The implementation and maintenance of the preminent insurance benefit package over the years has shown the Company's management's deep concern for employees in order to improve the quality of life and financially secure against unexpected risks occurred as well as financial growth in retirement.

ENVIRONMENTAL DISCLOSURES

ENVIRONMENT

GRI
300

GRI 300

MANAGEMENT
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103

Energy – Water – Electricity – Materials

GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

As an enterprise in the financial service industry, BVSC's business activities do not have a direct and significant impact on the environment, however, BVSC always tries for the environmental goals in its operations, especially internal activities by raising employees' awareness about environmental protection and energy saving to respond to climate change, contributing to minimizing negative impacts to the environment.

i. Where the impacts occur

The amount of energy, water, electricity and materials consumed by the Company in its operations as well as the Company's compliance with environmental laws.

ii. The organization's involvement with the impacts.

The Company's operations must use the following energies: electricity, water, paper and discharging a large amount of domestic waste into the environment. Hence, this is a direct impact from the corporate.

There are no specific limitations on the boundary of this topic.

103-2 The management approach and its components

The Company manages the amount of energy consumed through a monthly invoice, which includes an indicator of consumed energy and the costs to be paid for electricity, water, and paper consumption.

During operation process, the Company realizes that corporate governance to regulate and use energy efficiently and reasonably will contribute to minimizing the impact on the environment.

i. Responsibilities

Issues related to energy using in the Company are recorded and reported to the Executive Board by the Head of the Administrative – planning division.

ENERGY – WATER – ELECTRICITY – MATERIALS

(continued)

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GRI 103: Management Approach (continued)

v. Resources

The Administrative - planning division.

vii. Specific actions, such as processes, projects, programs and initiatives

The company encourages the campaign “**BVSC - Saving Together**” so that each employee raises the awareness of saving and avoiding unnecessary costs for the organization from the tiniest actions.

Many specific solutions have been applied regularly by the Company to contribute to lowering energy usage, such as:



For electricity:

- Strengthen internal communication to raise the awareness of energy saving of each employee. Turn off unnecessary lights and electrical appliances when going out of the office or when not in use.
- Periodically maintain machinery and equipment, buy new and upgrade equipment with high power saving ability during use. Regularly check the arrangement and use of electrical equipment during operation.
- Check and install the general lighting system in a reasonable way, taking advantage of natural light and cool air. Turn off lights in hallways or unoccupied areas; For outdoor lighting devices, using automatic modes (with light timers, light sensors, etc.)
- Promote the movement of initiatives/ideas on saving electricity among all employees.
- Maintain the temperature of the air conditioning system above 26 degrees in summer days, moderate humidity and always ensure that air circulation to limit the existence of viruses in the environment.
- Set automatic mode to turn off the entire air conditioning and lighting system after 17:30 every day.



For Water:

- Propagandize and raise awareness of employees about saving water, using water in an economically and efficient manner.
- Actively install shared water bottles in the office and meeting rooms and encourage employees to use personal cups to drink water to help reduce plastic bottles.
- Regularly check water leak to avoid water loss for even sanitary water; reuse clean water for watering plants and do not use toilet water for the purpose of littering.



For Paper:

- Raise staff awareness in printing documents wisely to reduce paper usage.
- Use the software to store documents, save printing papers as well as the space to store papers.

103-3 Evaluation of the management approach

i. The mechanisms for evaluating the effectiveness of the management approach;

The administrative/planning division of the Company is the focal unit responsible for managing energy use. The evaluation is taken place annually within the corporate and the unit holds meetings when there are major changes.

ii. The results of the evaluation of the management approach;

The administrative/planning division's management/evaluation is still carried out under the direction of the BOM and is well done, contributing to effective management of the company's energy consumption.

iii. Any related adjustments to the management approach.

There are no related adjustments to the management approach.

ENERGY – WATER – ELECTRICITY – MATERIALS

(continued)



GRI 302: Energy

302-1 Energy consumption within the organization

Under the influence of humans, the world environment is becoming more and more harsh. Knowing that, the Company has maintained the provisions of the Company's Labor Regulations for many years in a row and promoted communication of two energy-saving programs: "Saving electricity – Increasing income" and "BVSC – Saving together" internally. Regular maintenance and implementation of procurement packages for machinery and equipment, upgrading of new technologies capable of effectively saving energy and preventing waste.

Electricity and water:

BVSC monitors and strictly controls the monthly electricity consumption. After a series of power-saving solutions implemented throughout the year, in 2022, the total amount of electricity used by the Company for all Head office, branches and 8 transaction offices reduced by 10% compared to 2021. (Total electricity consumption: 398.038 kwh)

Although the company does not need to pay the annual cost of water because it is covered in the cost of office rent, water saving is still actively communicated in the company.

Paper:

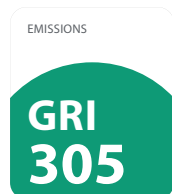
Thanks to the focus on promoting digital transformation in business activities and operations management, saving paper resources becomes very effective. The Company's employees at the Head office, branches and transaction offices all agree to actively convert the work exchange model to online meetings and presentations to minimize the amount of paper and ink. In 2022, the total amount of paper consumed is 1424g for both regions, down 2% compared to 2021.

Total electricity consumption

↓ **10.5%** compared to 2021

Total paper consumption

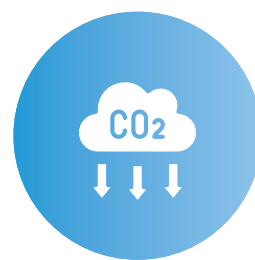
↓ **2%** compared to 2021



GRI 305: Emissions

Greenhouse gases are gases that can absorb long-wave radiation (infrared) that are reflected from the Earth's surface when illuminated by sunlight, and then scatter the heat back to the Earth, causing greenhouse effect. The main greenhouse gases include steam, CO₂, CH₄, N₂O, O₃, CFCs, etc. Accordingly, the increase in consumption of fossil fuels by human is causing the concentration of CO₂ in the atmosphere to increase.

Management approach: BVSC minimizes the impact on the environment by raising the awareness about emission reduction among the Company's employees on the entire system.



Operating in the financial sector, BVSC does not produce much greenhouse gas emissions nor cause significant environmental impacts. However, the Company still strictly controls the amount of emissions, waste, wastewater, etc. to the environment. Strengthening management, propagate saving policies to employees.

For transports:

- BVSC always equips modern transports, ensuring emission standards and registration according to State regulations. In addition, the company always carries out periodic maintenance/repair of transports to ensure safety and save fuel.
- The company always encourages and mobilizes employees to use public transport to help to reduce CO₂ into the environment.
- Maintain and apply online meetings, talk about work on the basis of using information technology systems in order to reduce travel and reduce emissions to the environment.
- Based on the statistical formula from the GHG Protocol – a tally tool widely used in the world to quantify, capture and manage GHG emissions developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), recorded that the volume of BVSC's CO₂ mass released into the environment in 2022 is only approximately 205 tons. This data is based on the total amount of gasoline (liter) and electricity (kwh) consumed by BVSC in 2022.
- To minimize the amount of CO₂ emissions to the outside air during operation, in each building, depending on conditions permit when arranging the premises, the Company interleaves green spaces to create fresh air. In addition, the Company actively participates in tree planting and afforestation activities held annually with Bao Viet Holdings to help green the earth.

For emissions from the air conditioning and lighting system:

- The company always chooses modern and eco-friendly equipment that meet the highest standards in terms of emissions and noise. Perform maintenance according to the supplier's schedule and techniques to ensure high performance, energy saving, minimize waste generation, promptly repair, and replace old or damaged equipment.
- In 2022, BVSC did not record any cases related to violations of environmental laws and regulations.

“ Although not doing business in the field that impacts directly on the environment, BVSC understands that it is the responsibility of each organization and each citizen to join hands to preserve and protect the environment as a transfer of sustainable value for future generations. Within the scope of its activities, BVSC strives to integrate action programs to save resources and energy as a cost-effective way to improve business efficiency; More importantly, it raises awareness among all employees about the need of conserving the environment and natural resources for the country.

SOCIAL DISCLOSURES



GRI 400



Employment

GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

The quality of human resources is always an important factor that brings the value of financial consulting services to clients of the Company, creating success and maintaining the reputation to help the Company to develop sustainably.

The growth and development in business activities as well as the improvement of business efficiency of the Company will help improve the scale of employment, quality of life for employees, and create a happy working environment.

i. Where the impacts occur

Determining that employment is an important factor that directly affects the Company's business activities, BVSC always focuses on building a good working environment and ensuring a good salary, bonus and welfare regime, with a clear career development plan so as to create peace of mind for employees to maintain stable personnel, retain good workers as well as attract a quality workforce in the market.

ii. The organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.

Based on the Company's strategic business orientation, the Company implements policies related to environment including recruitment, training, employees' compensation and welfare policies in order to build a safe and happy environment.

There is no limit to the boundaries of topics in this report.



103-2 The management approach and its components

- Based on the Company's strategic business orientation and annual business plan, BVSC develops a plan on scale of employment as well as a detailed labor recruitment plan; in accordance with the actual situation to meet the labor resources promptly and effectively for the professional departments as well as optimize the human resources of the Company.
- BVSC develops competitive salary, bonus, and welfare policies to help attract good employees, retain good people and stabilize company personnel.

i. Purpose of the management approach

- Optimize human resources, ensure suitable and effective human resources, and limit the redundancy of labor.
- Enhance the Company's competitiveness in attracting good personnel in the market through appropriate salary and benefit packages for each group of employees.

ii. Policies

Recruitment policy

Based on the annual personnel plan, the Company develops specific and clear candidate selection criteria associated with the job description of that position. The evaluation and selection of candidates must ensure fairness, accuracy and suitability through the selection rounds and interviews of the Recruitment Council.

Salary and bonus policy:

- The employee's salary is determined based on the evaluation of criteria belonging to 3 groups of factors: capacity, problem solving ability, responsibilities on the detailed job description of each specific position, while considering other additional factors such as scarcity of positions, level of competition in the market and ensure internal fairness.
- The bonus policy is built for different positions, but they are all based on performance evaluation. For business divisions, performance bonus is determined according to revenue/business performance. For the support and management departments, the performance bonus is determined based on the results of each individual's performance evaluation according to the objective evaluation method.

Welfare policy:

- Welfare policy is built to meet the needs of employees, ensure sustainability in line with the Company's long-term orientation, help employees feel happy, show the concern of the Company to employees.
- Welfare policy is clearly defined according to labor groups and ranks, combined with salary and bonus policies to create incentive packages for employees, thereby encouraging, retaining employees, and improving competitiveness in the market.
- Welfare policy is implemented through forms such as cash payments, insurance products, periodical health check-ups, vacations, paid birthdays, working regimes, and other welfare regimes, etc.

EMPLOYMENT (continued)

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103-2 The management approach and its components

iii. Commitments

BVSC commits to always ensuring compliance with the provisions of the Labor Law in Vietnam and increasing other additional benefits for employees.

iv. Goals and targets

The rate of new recruitment is 12-18%, of which the proportion of brokerage recruitment accounts for 85%

↑ 12%–18%

employees are entitled to welfare regimes according to issued policies.

100%



v. Responsibilities

| Stakeholder | Responsibility |
|---|---|
| Executive Board | Approve plans and orientations on policies related to employment and employees. |
| HR Department | Directly implement and/or coordinate with professional departments implementing policies related to employment and employees. |
| Internal control and risk management department | Perform human resource risk assessment and control. |
| Executive committee of the Trade Union | Protect the legitimate rights and interests of employees. |

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vi. Resources

| Resources | Content |
|----------------------|---|
| Financial resources | <ul style="list-style-type: none"> Recruitment cost: VND 172 billion. Costs for payment of salaries, bonuses and allowances for employees: VND 252 billion. Cost of welfare for employees: VND 24,9 billion. |
| Human resources | A team of specialized personnel in charge of human resources to ensure the implementation of activities related to recruitment, salary, bonus and welfare for employees. |
| Technology resources | Human resource software is used to centralize data and support the Human Resources Department in the work related to recruitment, salary and benefits for employees. |
| Other resources | Reputation and employer brand of the Company in the market. |

vi. Grievance mechanisms

Human Resources Department is the unit that directly receives and resolves complaints in arising issues related to employees at the Company.



vii. Specific actions, such as processes, projects, programs and initiatives

For recruitment policy: In addition to searching for candidates suitable to the recruitment requirements for each specific position according to the annual demand for additional personnel, in 2022, the Company launched the Future Broker program in Ha Noi and Next Gen program in Ho Chi Minh City. These 02 programs are designed to recruit and train exclusively for students who are about to graduate and apprentice at BVSC to become full-time employees of the Company, in which the Future Broker program focuses on recruiting brokerage team, and the Next Gen program expands to recruit many other positions in the Company. These programs combine recruitment and training to build a good quality successor team in the future.

The Company's recruitment process is always guaranteed to be fair and transparent. The recruitment plan is widely published on the media and the Company's website with clear recruitment criteria. The Company applies assessment tools such as face-to-face interviews, professional tests, practical exercises, etc. to accurately evaluate the candidate's ability and suitability.

EMPLOYMENT (continued)



For salary and bonus policy:

The Company ensures full payment of monthly salary, 13th month salary and performance bonus for employees. For the business division, the performance bonus is determined according to the issued business bonus policies. Business bonus policies are regularly reviewed and adjusted to match trends and ensure competition with the market. Especially, in 2022, the Company has applied the evaluation tool according to the set of KPIs for the Brokerage team and the Brokerage Team Leader to help improve the evaluation and reward work efficiency of these clients in a more equitable manner. For the support and management division, the performance bonus is determined based on the results of each staff's performance evaluation according to the objective evaluation method. In 2022, the Company participates in Mercer's salary survey to have an accurate assessment of the Company's level of compensation and competitiveness through the current salary and bonus policy compared to competitors in the market.



For welfare policy:

In 2022, the Company will ensure to fully implement the social insurance regime in accordance with state regulations and renew 03 additional insurance programs for employees including: comprehensive health insurance with 5 insurance packages including: Platinum, Diamond, Gold, Silver & Standard correspond to 5 groups of personnel at different levels of responsibility for different functions – tasks; cancer insurance and life insurance. In 2022, the Company has developed and implemented a new salary scale and payroll system in accordance with the Government's Decree No. 38/2022/ND-CP on regulations on regional minimum wages for employees in order to ensure their rights in accordance with the provisions of the Law and increase the welfare of employees. The total cost of insurance for BVSC's employees in 2022 is more than VND 14 billion. The Company has also implemented periodical health checks for employees at hospitals with good service quality in Hanoi and Ho Chi Minh City, including adding a list of screening tests for some cancers. The Company ensures the leave regime for employees in accordance with the provisions of the Law and at the same time continues to implement the My Birthday – My Choice and holiday regime; accordingly, an employee can choose to take any day off in his/her birthday month and still receive full salary. In addition, the Company continues to provide monetary benefits to employees on special occasions, as well as implement other welfare regimes, etc.

(For details, please refer to Chapter II from pages 28–67 of this Report)



Total cost of insurance
for BVSC's employees

14 billion VND

The Company ensures full payment of
monthly salary, 13th month salary

The Company will ensure to fully implement
the social insurance regime in accordance
with state regulations

The implementation of My Birthday – My
Choice program



103-3 Evaluation of the management approach

i. The mechanisms for evaluating the effectiveness of the management approach;

- Every year, the internal control and risk management departments regularly review and evaluate the indicators of personnel fluctuations to inspect and warn about the effects on the Company's operations.
- The Human Resources Department regularly exchanges, learns, and gathers feedback from professional departments and the Executive Committee of the Trade Union on the department's personnel, as well as comments on salary, bonus, and welfare policies for staff and evaluates the impact of the policies on work performance to consider and make timely adjustments for the shortcomings, resolve the problems of staffs so that they feel secure at work.

ii. The results of the evaluation of the management approach;

With this management approach, the Company can effectively control the human factor to stabilize human resources, attract suitable candidates in the market, ensure competition, and retain qualified staff.

iii. Any related adjustments to the management approach.

The Company regularly reviews the existing human resources policies to promptly update and amend them in accordance with the provisions of the law as well as market trends, ensuring the right objectives and orientations of the Company.



EMPLOYMENT (continued)

VIỆC LÀM

**GRI
401**

GRI 401: Employment

401-1 New employee hires and employee turnover

Total number and rate of new employee hires during the reporting period, by age group, gender and region.

| | New hire | | | | | | Rate | | | | | |
|------------------|----------|-------|-----|--------|-------|-----|--------|-------|-------|--------|-------|-------|
| | Male | | | Female | | | Face | | | Female | | |
| | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 |
| Hanoi | 19 | 9 | | 16 | 4 | 2 | 2.72% | 1.29% | | 2.29% | 0.57% | 0.29% |
| Ho Chi Minh City | 11 | 4 | 2 | 14 | 5 | 1 | 1.58% | 0.57% | 0.29% | 2.01% | 0.72% | 0.14% |
| Total by age | 30 | 13 | 2 | 30 | 9 | 3 | 4.30% | 1.86% | 0.29% | 4.30% | 1.29% | 0.43% |
| Total by gender | | 45 | | | 42 | | | 6.45% | | | 6.02% | |
| Total | 87 | | | | | | 12.46% | | | | | |

Total number and rate of employee turnover during the reporting period, by age group, gender and region.

| | Discharge | | | | | | Rate | | | | | |
|------------------|-----------|-------|-----|--------|-------|-----|-------|-------|-----|--------|-------|-----|
| | Male | | | Female | | | Male | | | Female | | |
| | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 |
| Hanoi | 6 | 22 | | 6 | 7 | | 0.86% | 3.15% | | 0.86% | 1.00% | |
| Ho Chi Minh City | 2 | 13 | | 9 | 4 | | 0.29% | 1.86% | | 1.29% | 0.57% | |
| Total by age | 8 | 35 | | 15 | 11 | | 1.15% | 5.01% | | 2.15% | 1.58% | |
| Total by gender | | 43 | | | 26 | | | 6.16% | | | 3.72% | |
| Total | 69 | | | | | | 9.89% | | | | | |



In 2022, the recruitment rate of BVSC was 12.46%, in which the recruitment rate mainly focused on the brokerage team with the proportion accounting for more than 86%. At the same time, according to statistics, new hires were mainly under the age of 30, accounting for nearly 70%. Recruitment in 2022 was in line with the Company's business orientation when continuing to promote brokerage. Moreover, the Company continues to boost the recruitment of young, motivated, and dynamic staff to build the successor team in the future, as well as develop the adaptability to changes in young human resources.

Employees who leave their jobs also mainly focused on the brokers team and business development cooperation with ineffective results. Every month, the Company shall review and evaluate the case with unsatisfactory business results and consider terminating the contract to ensure efficiency in management. And this number of discharges shall be replaced and recruited to ensure the balance and efficiency of the Company's business.

Recruitment rate of BVSC in 2022

12.46%

Proportion of brokerage team

86%

EMPLOYMENT (continued)



401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

| | Hanoi | Ho Chi Minh city |
|----------------------------|------------------|------------------|
| Life insurance: | Yes | Yes |
| Health care | Yes | Yes |
| Insurance for cancers | Yes | Yes |
| Parental leave | Yes | Yes |
| Retirement provision | Yes | Yes |
| The rights holding shares | No | No |
| Other welfares | Yes | Yes |
| Explanation of other parts | Welfares in cash | Welfares in cash |

Currently, the Company is operating in the two largest cities of Vietnam, Hanoi and Ho Chi Minh City, which have a developed economy with the dense population and concentration of many qualified labors force.

401-3 Parental leave

| | Male | Female |
|---|------|--------|
| Total number of employees that were entitled to parental leave, by gender | 135 | 147 |
| Total number of employees that took parental leave, by gender | 3 | 12 |
| Total number of employees that returned to work in the reporting period after parental leave ended, by gender | 3 | 9 |
| Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender | 3 | 9 |

Return to work and retention rates of employees that took parental leave, by gender

100%

Employee retention rate after parental leave

100%

OCCUPATIONAL HEALTH AND SAFETY



GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

- Safety and health are important issues, not only to ensure the health of employees but also to actively contribute to improving employees' work efficiency, quality of life, and sense of security at work, as well as boosting the employer's brand's value in the marketplace.
- The welfare policy focusing on occupational safety and health has shown the management's deep attention to staff, improved competitiveness to attract candidates in the labor market as well as enhanced the staff's cohesion to the Company.

i. Where the impacts occur

As a company operating in the securities industry, the risks of occupational accidents or occupational diseases related to the working environment are almost non-existent. However, staff may still face potential impacts on their health and mental such as psychological stress, work pressure, common diseases of office staff such as backache, eye disease, neck pain, health effects due to Covid-19, etc. and other mental health issues. Therefore, the Company regularly focuses on building a safe, healthy, and happy working environment and offers measures to support the mental health of staff.

ii. The organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.

The policy on safety and health is a part of the welfare policy package for staff, creating peace of mind and practical benefits for them, thereby enhancing work motivation and cohesion of staff with the Company.

There are no specific limitations on the boundary of this topic at the Company.

103-2 The management approach and its components

Insurance policies for staff are specifically developed by the Company, and divided into labor groups and positions. This helps staff feel secure and ensures their interests.

- Ensure clarity and transparency so that staff feel secure about the benefits that they are entitled to.
- Minimize incorrect information about the Company's policies.

OCCUPATIONAL HEALTH AND SAFETY (continued)



103-2 The management approach and its components (continued)

i. Policies

Social insurance policies, health insurance, unemployment insurance:

The Company creates a salary scale at each specific title, and it is used as a basis for paying social insurance, health insurance, and unemployment insurance as required by the State.

Other additional insurance policies:

In addition to ensuring compliance with social insurance, health insurance, and unemployment insurance policies as required by the State, the Company has developed and implemented a comprehensive health insurance policy (applied from 2010), life insurance policy (applied from 2015), insurance policy for cancers (applied from 2017) for all staff at the Company, specifically built for each type of object and each staff position, issued by the General Director. These are additional insurance policies for staff, increasing benefits for staff outside the provisions of the Law.

Periodic health examination:

Every year, the Company organizes periodic health examinations for staff at major and reputable international hospitals/clinics in the market, ensuring compliance with the provisions of the Law.

“BVSC– Safe and happy working environment”:

This is the program built to mainly focus on implementing the prevention of the Covid-19 at BVSC with a total budget of more than VND3 billion from 2021. Until the beginning of 2022, when the Covid-19 pandemic was still affecting, the Company continued to implement this program by providing a full of pandemic prevention equipment, ensuring compliance with the pandemic prevention under the guidance of the Ministry of Health, as well as developing appropriate work-from-home methods to ensure the health and safety of staff. After the pandemic, the Company focused on the health of staff by communicating post-Covid health information, as well as designing a list of periodic health examinations in 2022 including many items for screening post-Covid effects.

Sports and arts movements...:

Through the role of the trade union, the Youth Union of the Company organizes movements, sports, and cultural activities, seminars to share about health care... so that staff can attend to improve their health and mental. The Company founded clubs including: BVSC RUN Jogging Club, Yoga Club, and Football Club so that employees can join in maintaining regular exercise.



Official documents issued include:

- Social insurance, health insurance, unemployment insurance: In accordance with the provisions of current Laws.
- Comprehensive health insurance: Regulations on health insurance policies issued together with Decision No. 61/2016/QĐ-BVSC dated 27 May 2016 of the CEO of the Company.
- Life insurance: Regulations on life insurance policies issued together with Decision No. 161/2015/QĐ-BVSC dated 31 December 2015 of the CEO of the Company and Regulations on life insurance policies for managers at the Company issued together with Decision No. 51A/2021/QĐ-BVSC dated 20 July 2021 of the CEO of the Company.
- Insurance for cancers: Regulations on insurance policies for cancer signed and approved by the General Director in the Report dated 17 August 2017.
- Organizing periodic health examination: Regulations in Collective Labor Agreement of the Company with Worker's Representation.
- Resolution No. 13/2021/NQ-HDQT of the Board of Directors approving the implementation of the Program “BVSC – Safe and Happy Working Environment.”
- Regulations on salary payment to work from home during the period of social distancing: issued together with Decision No. 06/2022/QĐ-BVSC dated 23 February 2022.

ii. Commitments

- Employees work in a good environment, ensuring occupational safety and hygiene.
- Employees are both physically and financially protected against unfortunate health risks.

iii. Objectives and targets

- 100% of staff participated in social insurances, health care and unemployment insurance.
- Implementing additional insurance programs for staff that the Company has built.
- Organizing periodic health examination once a year.



Staff participated in social insurances, health care and unemployment insurance

100%

OCCUPATIONAL HEALTH AND SAFETY (continued)



103-2 The management approach and its components (continued)

iv. Responsibilities

| Stakeholder | Responsibility |
|--|---|
| Executive Board | Approving policies and insurance budgets for staff, approving and issuing regulations on the Covid pandemic prevention. |
| Human Resources Department | <ul style="list-style-type: none"> Researching and developing policies to propose to the Board of Management for application and implementation. Directly implementing insurance policies for staff Deploying generative works related to staff protection during the Covid-19 pandemic. |
| Executive Committee of the Trade Union | <p>Recommending and coordinating the development of insurance policies for staff and supervision the implementation to protect their rights and benefits.</p> <p>Organizing and maintaining sports activities to improve health training for staff</p> |

v. Resources

| Resources | Content |
|--------------------|--|
| Financial resource | <ul style="list-style-type: none"> The cost of payment of social insurance, health insurance and unemployment insurance: VND8.11 billion. The cost of buying additional insurance including comprehensive health insurance, cancer insurance and life insurance: VND5.15 billion. The cost of periodic health examination for staff: VND742 million. The cost of equipment and materials for the prevention of the Covid-19 pandemic The cost maintaining the operation of clubs and regular sports activities of the Company |
| Human resources | The staff in charge of human resources, the staff of trade unions, ensure the implementation of operations related to insurance policies for staff. |

vi. Grievance mechanisms

The Human Resources Department is the focal point to receive information and complaints about the contents of insurance programs, as well as the focal point to support the connection between staff and insurance units when resolving related insurance payments.

vii. Specific actions, such as processes, projects, programs and initiatives

- In 2022, the Company has developed and implemented a new salary scale and payroll system in accordance with the Government's Decree No. 38/2022/ND-CP on regulations on the minimum wage by region for staff working under labor contracts, and at the same time in line with the new organizational structure model after merging departments in the direction of centralized administration, contributing to the overall remuneration policy for staff at each title group. The Company fully participates in social insurance, health insurance, and unemployment insurance for staff as required by the State, all benefits related to the staff's insurance regime are guaranteed to be made full, quick, and timely payment.
- In addition, the Company continues to renew comprehensive health insurance, cancer insurance, and life insurance policies for staff according to the policies issued. In 2022, the Company upgraded the comprehensive health insurance welfare package (Healthcare Insurance) to give better health care and protection benefits for staff.
- During the year, the Company has implemented periodic health examinations for all staff at Hong Ngoc International General Hospital (Hanoi) and Careplus Clinic (Ho Chi Minh City), where satisfy medical examination and treatment according to the standards of the Ministry of Health as well as service quality. In addition, the Company also added a list of health examinations for some common cancer screening tests and post-covid health screening to further enhance the benefits of staff.
- Health training activities for staff were strengthened and promoted in 2022. At the 23rd anniversary of the Company's foundation, the Company successfully organized the 23 RACE and many other meaningful activities. The Company also joined in the Sports Festival "Living healthily with Bao Viet" organized by Bao Viet Holdings. In addition to participating in major sports events during the year, BVSC continued to maintain health training movements for staff through activities of Football, Yoga, and Jogging Clubs.

103-3 Evaluation of the management approach

i. The mechanisms for evaluating the effectiveness of the management approach;

- The Company conducted staff satisfaction surveys with their welfare policies, including policies related to insurance.
- Through the report of survey results on welfare policies of enterprises in the market, the Company compared with current policies applied at BVSC.

ii. The results of the evaluation of the management approach;

As the survey results, the Company received positive feedback from staff about the insurance policies that the Company is applying. Besides, according to the survey report on happy human resources organized by Anphabe, 92% of staff at BVSC are satisfied with the welfare policies that BVSC is providing and 78% of staff think that their welfare has competitiveness with similar workplaces. As a result, it is clear that the effectiveness of this management approach is high.

iii. Any related adjustments to the management approach.

The Company shall research and supplement insurance policies for staff relatives, contributing to enhancing staff welfare.

OCCUPATIONAL HEALTH AND SAFETY (continued)



GRI 403: Occupational Health and Safety

403-1 Workers representation in formal joint management-worker health and safety committees

- The Executive Committee of the Trade Union is the staff representation involved in proposing and coordinating the development of insurance policies for staff and supervising the implementation to protect their rights and benefits. In addition, the Executive Committee of the Trade Union is also the focal point, coordinating with the Youth Union and the Company's Communication Department to suggest and organize the implementation of numerous programs, including sporting and cultural events, in order to raise staff morale and promote physical activity.
- The safety and hygiene network was established with members who are officers working in all departments in the Company, trained in the knowledge of safety and hygiene at the enterprise in accordance with regulations. The creation of the safety and hygiene network effectively supports the Company in communication, as well as implementing activities related to occupational safety and health and the Company's insurance policies.
- During the pandemic period, the Covid-19 pandemic prevention steering committee continued to perform its role in prevention at the workplace. The members of the Covid-19 pandemic prevention steering committee are key officers working in all departments, mastering the state's regulations related to pandemic prevention, the guidance of the Ministry of Health, and the implementation process in the business plan during the period of the Covid-19 pandemic to promptly give instructions to staff in the department when pandemic situations occur.

Percentage of staff whose work or workplace is managed by the organization, represented in official inter-committee occupational health and safety between the management and staff:

100%

403-4 Health and safety topics covered in formal agreements with trade unions

At BVSC, safety and health are implemented to ensure compliance with the provisions of the Law.

In addition, the Company mentioned health and safety issues in specific documents including:

- The collective labor agreement.
- Written regulations/guidance on hygiene at the workplace.
- Rules and regulations on health insurance, life insurance and cancer insurance.
- The guidance documents related to the prevention of the Covid-19 pandemic and the regimes for staff applied throughout the Company.

Because health and safety topics are specified in many different documents, it is difficult to determine the percentage.

EDUCATION AND TRAINING



GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

Training is an important factor to help staff supplement new knowledge and improve skills, thereby enhancing their working efficiency, the quality of the Company's products and services, and making business performance for the Company.

i. Where the impacts occur

Training activities are implemented at all business units in the Company, where the staff needs to be trained and develop knowledge and skills to meet job requirements, adapt to the changes through the Company's training programs include:

- Orientation training: Helping new employees to quickly get acquainted with the new workplace and company culture.
- Professional training: Assisting personnel in staying up to date on legislation, policies, and professional processes in order for them to perform their responsibilities properly; Helping staff enhance their professional qualifications so that they can develop themselves.
- Skills training: Assisting employees in improving their skills in order to provide better service to clients.

ii. The organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.

The Company develops training program frameworks and training policies for staff to help improve their qualifications and skills.

There is no limitation on the boundary of this topic.

103-2 The management approach and its components

Training frameworks are developed for each group of staff and for different positions, the Company gives specific regulations associating training with the promotion route, salary increase, and reward policies to encourage staff to complete the training program according to their job position.

In addition, the Company encourages staff to join in training courses to improve professional qualifications and skills, thereby enhancing the quality of the Company's services.

Purposes of the management approach:

- Assure the ability to quickly adapt to work and changes from the business environment and legal regulations.
- Improve professional qualifications and job handling skills to meet requirements for each specific position, thereby increasing service quality to ensure competition in the market.
- Build backup resources for business plans implemented and expanded of the Company.



EDUCATION AND TRAINING (continued)



103-2 The management approach and its components (continued)

i. Policies

Orientation training programs: Training on the vision, mission, core values, history and achievements of the Company, thereby understanding the corporate culture, target values to connect staff with the development plan of the Company. In addition, staff is also disseminated internal rules, regulations, policies of the Company, and professional ethics rules so that staff can quickly integrate into the new working environment, creating the success of the commitment to the Company in the future.

Professional training programs: The framework of professional training programs is developed for each specific professional division:

- For the brokerage divisions: Training on securities professional certificates organized by State Securities Commission of Vietnam to apply for a practicing certificate; Internal training according to the training program developed specifically for the brokerage team;
- For support and management divisions: Training on securities professional certificates organized by the State Securities Commission of Vietnam to apply for a practicing certificate (depending on the positions as required by the Law); funding cost for staff participating in training for professional certificates such as the Chartered Financial Analyst, The Association of Chartered Certified Accountants, Chartered Market Technician, Certified Professional...; other professional training courses as required by each professional position.
- In addition to the training program for official staff, the Company also implements the Future Broker Program specifically designed to recruit and train students who are about to graduate for the position of Broker and Next Gen program expanding other positions (Broker and Non-Broker) in the Company to build a new generation human resource with good quality in the future.

Skill training programs: Training soft skills to improve working efficiency, management and leadership skills for managers.

ii. Commitments

Assuring compliance with training programs and relevant regulations issued by the Company.

iii. Goals and targets

Minimum training hours for per salesperson:

15–20 hours/year

Minimum training hours for per management and support staff:

12–15 hours/year



iv. Responsibilities

| Stakeholder | Responsibilities |
|------------------------------------|--|
| Executive Board | Approving the training plans and programs. |
| Human Resources Department | <ul style="list-style-type: none"> • Being responsible for implementing/coordinating to implement the training programs according to the plan. • Being the focal point for implementing the proposals for training programs arising (if any). • Directly developing/coordinating with professional departments or partners to build and organizing training programs. |
| Professional departments. | Coordinating with Human Resources Department and/or partners to develop internal training programs for staff. |
| Transaction Management Department. | Implementing and taking responsibility for internal training activities related to securities brokerage operations. |

v. Resources

| Resources | Content |
|----------------------|---|
| Financial resource | <ul style="list-style-type: none"> • Training cost in 2022: VND2.1 billion. |
| Human resources | <ul style="list-style-type: none"> • Number of in-house lecturers: 11 people. • Number of employees in charge of training: 07 people. |
| Technology resources | <ul style="list-style-type: none"> • Distance learning through the online system connecting Hanoi and Ho Chi Minh City. • Training through the eLearn online system. • Human resources software system to manage the implementation of training activities for each staff. |

vi. Grievance Mechanisms

The Human Resources Department is the direct focal point for receiving and resolving staff's complaints related to training problems.

vii. Specific actions, such as processes, projects, programs and initiatives

- In 2022, BVSC continued to promote internal training. Professional process training programs, new products, and services were mainly deployed in the form of online training on the elearn.baoviet.vn training portal so that staff can actively arrange their time to participate appropriately and effectively, lecturers also easily control the training time of trainees, bringing positive effects in this internal training.

EDUCATION AND TRAINING (continued)



103-2 The management approach and its components (continued)

vii. Specific actions, such as processes, projects, programs and initiatives (continued)

- In 2022, the Company continued to successfully deploy the training course of the Future Broker Program in Hanoi, and develop and implement the new Next Gen Program in Ho Chi Minh City. The training content of these two programs was updated and edited by internal lecturers to suit the changes in regulations, new processes, and program objectives. In addition, the program is also designed with a special topic on Digital Skills to help trainees quickly adapt to digital transformation in businesses.
- In 2022, the Company assigned 526 employees to participate in professional training courses depending on the training demands of each specific position. In addition, the Company has supported the staff to participate in studying and taking international certification such as the Chartered Financial Analyst, Association of Chartered Certified Accountants, Chartered Market Technician, etc. with the total cost of more than VND11 million. In addition, in 2022, the Company also organized training courses for BVSC's staff such as training courses on advanced Excel skills, and clients service mindsets...
- Furthermore, the Company regularly reviewed and supervised staff's participation in training programs to take positive methods to help them improve their sense of learning and self-development.

103-3 Evaluation of the management approach

i. The mechanisms for evaluating the effectiveness of the management approach;

- Through human resource management software, the Company could control the employee who have not attended the training courses prescribed for each position, made announcements, and requested staff to participate, thereby promoting staff attend the training.
- Basing on the eLearn system to assess the activeness, interaction and self-learning of staff.
- Participating in training according to the mandatory regulations shall be one of the factors considered when evaluating staff for the appointment, and annual performance evaluation, thereby raising awareness of participation in staff training.

ii. The results of the evaluation of the management approach;

According to the evaluation results of actively participating in training courses and the results of the final examination, the Company found that the professional qualifications of staff have met the job requirements and improved over the years. As a result, it is clear that the effectiveness of this management approach is high.

iii. Any related adjustments to the management approach.

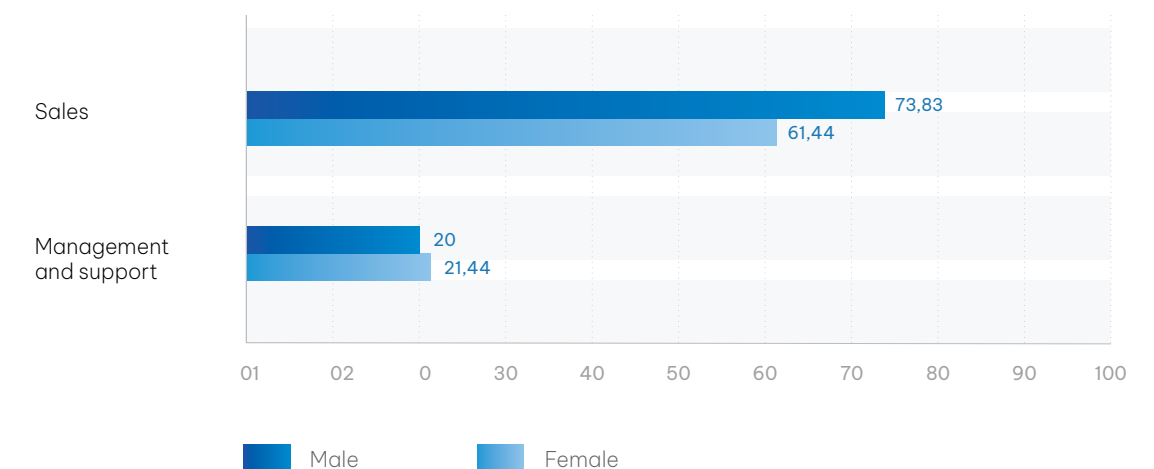
The Company shall continue to research and improve training programs, develop more training frameworks for many positions in the Company.



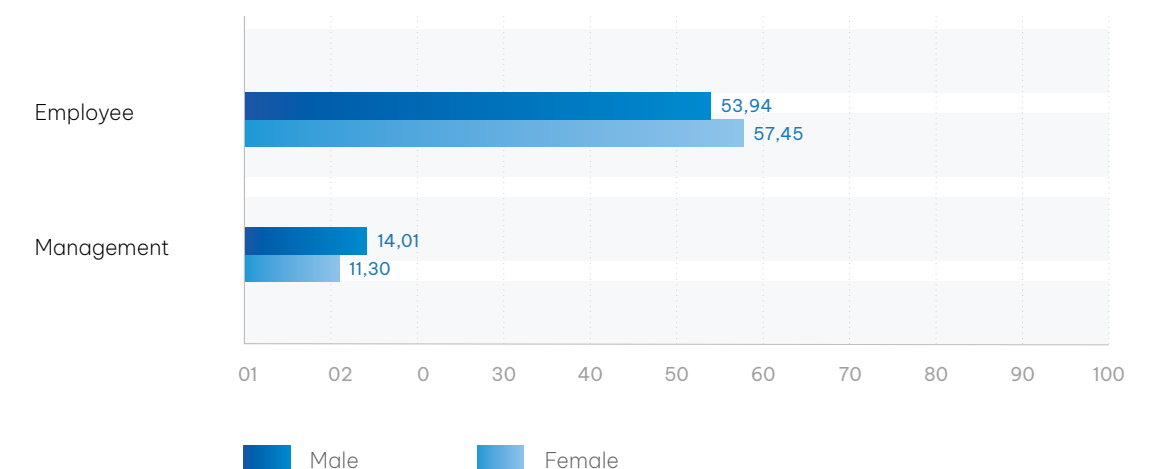
GRI 404: Education and training

404-1 Average hours of training per year per employee

Average hours of training that the organization's employees have undertaken during the reporting period, by employee category:



Average hours of training that the organization's employees have undertaken during the reporting period, by employee level



In 2022, the Company continued to promote internal training activities for sales staff through the eLearn online training system; Brokerage training courses, training to guide regulations and processes newly issued, and training on new products and services were held regularly. At the same time, the Company implemented 02 courses of the Future Broker Program 2022 in Hanoi and the Next Gen program in Ho Chi Minh City. Total training hours in 2022 was 16,958 hours, including 9,869 hours of internal training and on-job training.

EDUCATION AND TRAINING (continued)



404-2 Programs for upgrading employee skills and transition assistance programs

For the brokerage divisions:

- For newly-recruited staff without experience: Training through the Future Broker Program for Broker positions and the Next Gen Program expands training for many positions in the Company (Broker and Non-Broker) including 24 topics divided into 3 Stages which were Training – Training – Real combat took place in 8 weeks, adhered to the ASK competency framework model (Knowledge – Skills – Attitude) together with 1-on-1 via job training. In 2022, the Company successfully implemented the training course of the Future Broker program in Hanoi and the Next Gen program in Ho Chi Minh City, recruited 15 qualified brokers to sign official contracts with the Company.
- For currently staff: Conducting training courses on new products and services, newly issued processes and regulations, new system user manuals, etc. In 2022, the Company has deployed training programs on open-exchange traded fund products, introducing new products and services Investment trust, introducing new features of the online training system, etc.

For other professional departments:

- The Company encouraged, facilitated as well as provided cost support for staff to participate in training courses and issue professional certificates suitable to their professional majors such as the Chartered Financial Analyst, The Association of Chartered Certified Accountants, Chartered Market Technician, Certified Professional...
- In 2022, the Company organized or sent staff to participate in professional training courses according to the job requirements of each specific position such as a training course on detecting fraud in financial statements; valuation model of real estate projects; recruitment and interview skills; Enterprise risk management...
- For management levels: The Company sent staff to participate in seminars, leadership training, and training programs for manager levels such as leadership skills training – High-performance team building, internal level design, and building salary structure...

404-3 Percentage of employees receiving regular performance and career development reviews

| Level | % Male | % Female |
|------------|--------|----------|
| Employee | 100 | 100 |
| Management | 100 | 100 |

DIVERSITY AND EQUAL OPPORTUNITY



GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

- Gender equality is one of the basic rights and obligations of Vietnamese citizens specified in legal documents. BVSC is a Vietnamese company, so compliance with Vietnamese laws is inevitable.
- The creation of a diverse and equal working environment shall help staff feel respected, promote their ability to contribute to the overall development of the Company; At the same time, it also helps the Company find and attract diverse candidates from different sources.
- The scope of this topic includes policies and methods to assure the recruitment, training and development of staff, performance evaluation, compensation all based on the ability and skills of the staff.

i. Where the impacts occur

Recruitment policies, staff training and development, performance evaluation, remuneration policies shall affect diversity and equal opportunities at BVSC.

ii. The organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.

Diversity and equal opportunities at BVSC are shown in the daily activities of the Company, built and formed into corporate culture, and become an indispensable part of business operations.

There is no specific limitation on the boundary of this topic.

103-2 The management approach and its components

In all human resource policies of the Company, there are no differences or restrictions by gender or ethnicity.

i. Policies

- *For recruitment policies:* From planning and promoting recruitment to interviewing and selecting candidates, BVSC provides opportunities for all qualified individuals, regardless of gender, religion, or ethnic minorities.
- *For human resources training and development policies, staff planning and appointment:* All staff had the opportunity to participate in training and individual development in accordance with the job position as well as the job requirements so that they could perfect their knowledge and skills. The staff planning and appointment were performed according to the individual ability, regardless of gender, religion or ethnic minorities.

DIVERSITY AND EQUAL OPPORTUNITY (continued)



103-2 The management approach and its components (continued)

- *For the salary, bonus and welfare policies for staff:* The payment of salary, bonuses, and welfare to staff is complied with the provisions of the policy issued, without discrimination of gender, religion, or ethnic minorities.
- Additionally, the Company has consistently created a welcoming and secure workplace where employees are appreciated and treated fairly.

ii. Commitments

Maintain diversity and fair opportunity for all employees in the Company.

iii. Goals and targets

Make efforts to boost the ratio of women in the company's senior leadership team.

iv. Responsibilities, resources, grievance mechanisms, specific actions, such as processes, projects, programs and initiatives:

Diversity and equal opportunities for staff have always respected by the managers and become the corporate culture. Although at present, BVSC has not issued its own specific policies on diversity and equal opportunity, the perspective on diversity and equal opportunity is shown throughout all policies related to staff in the Company.

103-3 Evaluation of the management approach

i. The mechanisms for evaluating the effectiveness of the management approach:

Through reports on the gender ratio in the Company's workforce structure based on annual human resource reports.

ii. The results of the evaluation of the management approach:

With the reported data on the Company's human resource situation, it is clear that the Company has successfully implemented the management approach to diversity and equal opportunity.



iii. Any related adjustments to the management approach.

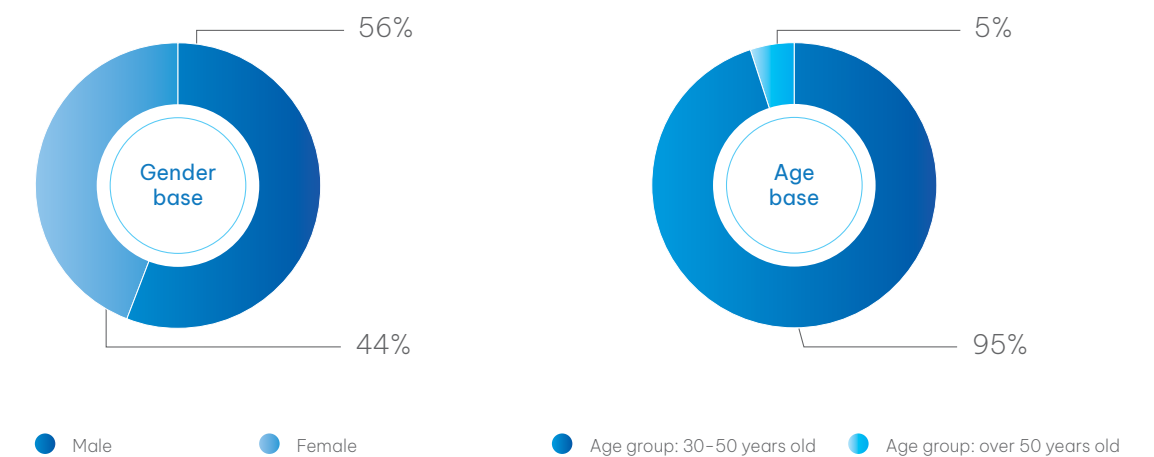
There are no adjustments to the management approach.



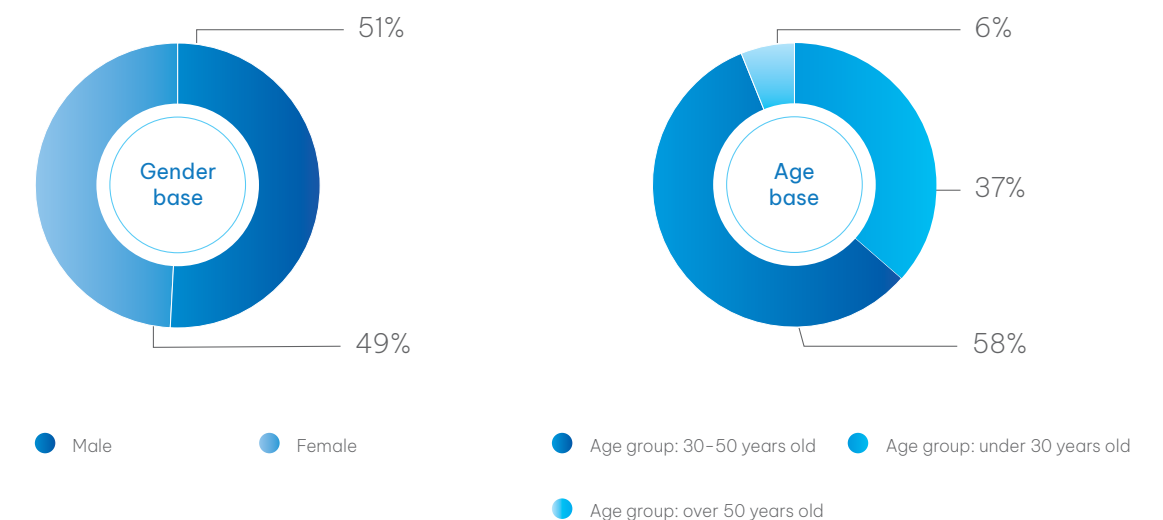
GRI 405: Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

Percentage of individuals within the organization's governance bodies



Percentage of employees per employee category

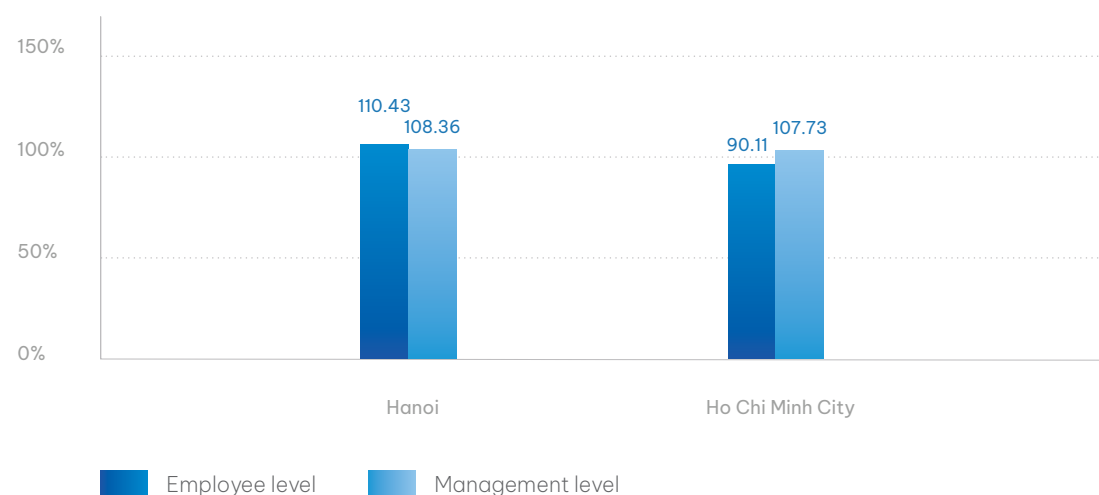


DIVERSITY AND EQUAL OPPORTUNITY (continued)



GRI 405: Diversity and Equal Opportunity (continued)

405-2 Ratio of basic salary and remuneration of women to men



At BVSC, senior and middle managers are mainly in the age group of 30–50 years old (accounting for 95%) and the age group over 50 years old (accounting for 5%). This helps the Company to promote the advantages of knowledge, experience, and sophistication of Gen X management staff, and at the same time coordinate with the creativity, dynamism, and innovation of Gen Y.

The age structure for staff at the employee level is more diverse. Statistics show that the age of BVSC employees is shifting from under 30 to 30–50 years old, indicating that employees are staying with the company longer. Besides, during the year, the Company continued to promote Gen Z recruitment to add young candidates who are adaptable and fast-learning to ensure the diversity and sustainability of the workforce and develop the successor team in the future. In addition, BVSC also has ethnic diversity (BVSC has 05 staff members who are ethnic minorities).

In the labor structure at BVSC, both at management and staff levels, with the percentage of male and female is quite similar. For income, BVSC does not discriminate on income payment policies between male and female. According to the data, it can be seen that the income percentage of female comparing to male in Hanoi and Ho Chi Minh City is different, but the difference in this income percentage is not significant, mainly due to the influence of the brokerage team's income is paid according to the revenue generated.

Senior and middle managers are mainly in the age group of **30–50** years old (95%)

BVSC also has ethnic diversity **05** staff members who are ethnic minorities

LOCAL COMMUNITIES



GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

“Social security has always been a major concern for BVSC in recent years, along with the promotion and growth of business operations, as it is seen as a goal and a crucial task in the plan for sustainable development, as well as a duty to the social community.

At BVSC, social security issues always show humanity, ensure solidarity, sharing, and community support for difficult and risky situations in life, unanimously support to develop together, and create the effect promoting consensus, equality, and social justice. Acting the role of companion, BVSC has always tried to enhance its responsibility for the development of the social community.

i. Where the impacts occur

BVSC divides social security into 3 main segments:

- Investing in future generations.
- Showing the gratitude to the family with meritorious services to the revolution.
- Hunger eradication and poverty reduction, repairing the consequences of natural disasters, pandemics and medical support.

ii. The organization's involvement with the impacts.

The Company often directly organized social security or cooperates with Bao Viet Holdings to perform meaningful volunteer activities.

There is no boundary in this topic.

103-2 The management approach and its components

The Company managed the implementation of Social Security programs through the Company's Trade Union, under the direction of the Board of Directors and the Board of Management. Programs had planned and budgeted. After implementation, all program results and actual costs were transparently published in the review meeting.

The implementation of the program according to the management method aims to optimize social security programs and ensure the right subjects are shared.

LOCAL COMMUNITIES (continued)

MANAGEMENT
APPROACHGRI
103

103-3 Evaluation of the management approach

i. The mechanisms for evaluating the effectiveness of the management approach;

The Company haven't had a formal mechanism to evaluate the effectiveness of the management method. However, for all annual Social Security programs of the Company, they were planned, organized, and evaluated after implementation. In addition, the Company recognized the effectiveness of the implementation programs through feedback from superior mass organizations and through social networks.

ii. The results of the evaluation of the management approach;

Review all annual Social Security programs as well as external feedback of the Company effectively performed. However, the Company shall plan to establish a mechanism to evaluate the effectiveness of the management approach and issue it in the coming time.

iii. Any related adjustments to the management approach.

There isn't any adjustment related to the management approach in this topic.

Social Security programs

INVESTING IN EDUCATION AND THE YOUNG GENERATION

Children are the future of the family and society, they are the generation to develop and protect the country in the future. Recognizing this, at BVSC, we have especially concerned about protecting, caring and educating to improve the material and spiritual life for the future "green sprout" of the country, contributing to creating a bright future and durability for the country. In the past few years, BVSC has always prioritized the budget for educational development, sponsoring learning tools for remote areas, and giving presents and scholarships to disadvantaged children.

Launching the program to donate textbooks and school supplies

After the Covid-19 pandemic was controlled, all activities returned to normal, and the students were returned to the lecture hall to continue pursuing their dreams of learning. On that occasion, the Executive Board of the Trade Union and the Youth Union of BVSC jointly launched a program to donate textbooks and school supplies to 350 children who are students at the following schools: Phiang Mut Primary School, Muong Gion Commune, Quynh Nhai District; Ca Nang Secondary School, Ca Nang Commune, Quynh Nhai District and Continuing Education Center of Quynh Nhai District - Son La Province. The program called for: 558 textbooks, more than 3,500 notebooks to encourage and support children to study better and overcome difficult circumstances.



BVSC has always prioritized
the budget for educational
development

Donate textbooks and
school supplies

558 textbooks

3500 notebooks



"Bring warmth to the highlands" in Nam Chay commune, Van Ban district, Lao Cai province.

INVESTING IN HUNGER ERADICATION AND POVERTY REDUCTION

The program "Bringing warmth to the highlands 2022"

In 2022, BVSC continued to implement a charity program called "Bring warmth to the highlands" in Nam Chay commune, Van Ban district, Lao Cai province. Nam Chay is located at the highest place with the height of 2875 meters, bumpy terrain, and poor roads, so the population clusters live far apart. Therefore, the transportation of necessities and trade in the District is especially difficult. The whole commune has 535 households, mainly Hmong ethnic groups, living with 3285 people, including 1,196 children and 1,193 children who are ethnic minorities. The Commune's poverty rate is 55.1% (295 poor households), which is currently one of the communes with the highest poverty percentage in Lao Cai province with limited intellectual level.

With the spirit of mutual love, wishing to contribute a small part of the effort to improve living and learning conditions for students at kindergarten and primary school, as well as partly support people in Nam Chay commune to overcome difficulties, build houses and roads in the cold winter coming nearly. The BVSC's charity group got more than 300 km to arrive at Nam Chay commune, Van Ban district, Lao Cai, however, in order to approach the deepest school site in the commune, it took more than 1 hour to drive the motorbike and walk on 8km of mountain road with many muddy and slippery potholes. It can be seen that the living and learning conditions of the people and students here are still poor and lacking. BVSC has organized to give more than 500 presents valued at nearly VND400 million which are winter clothes, blankets, rice and water tanks, construction materials, etc. to students and help kindergartens and primary schools of commune in Nam Chay 3 region, Van Ban district build sanitation works.

BVSC has organized to give

500 presents

Total presents valued

≈ VND 400 million

LOCAL COMMUNITIES (continued)



"Mutual love" Program with Ho Chi Minh Branch

Programs: "Sharing love, warm Spring"

With the spirits of "Mutual love and support, the leaves protect tattered ones", helping poor individuals, households and students on the occasion of Lunar New Year, Ho Chi Minh City Branch has implemented a meaningful charity program "Sharing love, warm Spring" in Soc Trang province. The program gave 100 presents, including rice, instant noodles, cooking oil, salt, and sugar, etc. with the total value of VND30 million. This is an annual activity of BVSC with the desire to contribute a part of its strength to the community through practical and meaningful activities during the Lunar New Year.

"Mutual love" Program

The program "Mutual love" was held at Tinh That Hanh Phap Duong - Quarter 13, Ward 3, Go Vap District, giving food to poor households, near-poor households, and families under preferential treatment policy. BVSC has cooperated with the authorities and the Red Cross in the area, giving 150 presents valued at more than VND 37 million, including essential food for the people here.

Supporting to donate gratitude houses to students with difficult circumstances

With the spirits of "Mutual love and support, the leaves protect tattered ones", BVSC cooperated with Dien Bien Provincial Women's Union to support the building cost of 01 house of gratitude for especially disadvantaged students in the province.

BVSC has organized to give

150 presents



REPAIRING THE CONSEQUENCES OF NATURAL DISASTERS AND THE ENVIRONMENT

Supporting the Central region to overcome Super Typhoon Noru

At the end of September 2022, Super Typhoon Noru entered the central provinces of our country, causing heavy rain and floods in a large area, and heavy loss of life and property in the central coastal provinces. The lives of many households in flood-affected areas were facing many difficulties. Faced with that situation, in order to promptly help flood-affected people to overcome difficulties, protect from natural disasters, and stabilize their lives soon, BVSC's Trade Union actively contacted and joined hands to call for money donations, necessary supplies to work with localities and functional forces to best support people in the central floodplains to overcome difficulties.

EXPRESSING THE PROFOUND GRATITUDE TO HEROIC MARTYRS, THE FAMILY WITH MERITORIOUS SERVICES TO THE REVOLUTION

The historic paths in 2022 of BVSC Cell

On September 17 and 18 September 2022, the Party cell of Bao Viet Securities Company had the historic path in Quang Nam Province with meaningful gratitude activities. The delegation held an incense offering ceremony at the Vietnamese Heroic Mother Monument (the statue of Mother Thu) on the top of Cam Mountain, Phu Thanh village, Tam Phu commune, Tam Ky city, Quang Nam province. At the same time, listening to the history of the birth of Vietnamese heroic mother statue, as well as the life of Mother Thu. Experiencing two long resistance wars, our nation defeated the enemy to gain independence and freedom for the country, millions of people had to die, in which, there were nearly 50,000 heroic Vietnamese mothers across the country.



LOCAL COMMUNITIES (continued)

EXPRESSING THE PROFOUND GRATITUDE TO HEROIC MARTYRS, THE FAMILY WITH MERITORIOUS SERVICES TO THE REVOLUTION (continued)

Simultaneously, the delegation visited Ky Anh tunnels, known as the legend in the ground. Ky Anh Tunnels formed in the historical context of the struggle against the US at the most drastic stage in the Quang Nam battlefield from 1964 to 1975. The war between Ky Anh's army and the people took place extremely fiercely, heroically, and creatively, holding on to defeat and destroy many enemy forces.

In addition to visiting historical sites, the BVSC Branch visited and gave presents to the 99-year-old Vietnamese mother Hero Ho Thi Ngo and 10 mothers and wives of martyrs in Thach Tan hamlet, Tam Thang commune, Tam Ky city, Quang Nam province with each present valued at VND2,000,000.

“ The historical path was a very meaningful activity organized annually by the BVSC to enhance the education on political thought and revolutionary history for its members.



The historical path in Quang Nam



Giving presents to policy families, families with Soldiers, martyrs in Quang Nam

Giving presents to families with meritorious services to the Revolution in Dien Bien province on the occasion of the 75th anniversary of War Invalids and Martyrs' Day

In order to celebrate the 75th anniversary of Invalids and Martyrs' Day (27 July 1947 - 27 July 2022); Responding to the call for support from benefactors of the Women's Union of Dien Bien province, BVSC cooperated with local leaders to organize a program to visit and give presents to policy families, families with Soldiers, martyrs and people with meritorious services to the revolution in the province donated 01 ton of rice as a present to families with meritorious services in Tuan Giao district, Dien Bien province.

Visiting and giving gratitude presents to families with meritorious services to the Revolution at BVSC

On the occasion of the 73rd anniversary of Invalids and Martyrs' Day on 27 July 2022, the Company organized meaningful activities to express gratitude to the earlier generations who devoted and sacrificed for national independence. The Company's Management Board directly visited and gave presents to the families of officials and staff of the Company who were in the category of families with meritorious services to the Revolution.

APPENDIX I: CAMEL GORVERNANCE QUALITY FACTORS

| No. | Criteria | Value | 2021 Score | 2022 Score | Weight |
|-----|---|---|------------|------------|--------|
| 1 | Number of years as director (in BODs/ General Director)) in finance/securities field of Chairman of the Board | Over 5 years | 100 | 100 | 4% |
| 2 | Number of years as director (in BODs/ General Director) in the finance/securities field of Directors/General Director | Over 5 years | 100 | 100 | 6% |
| 3 | Number of years of experience in the financial/ securities field of Chairman of the Board | Over 7 years | 100 | 100 | 4% |
| 4 | Number of years of experience in the securities field of Director/General Director | Over 7 years | 100 | 100 | 6% |
| 5 | Stability of key personnel (CEO, CFO, Deputy Directors, Department Heads) in the last 3 years (Total number of key personnel changes (leaving the company)/total number of positions) | Over 20% | 0 | 0 | 4% |
| 6 | The adequacy of professional processes in compliance with securities law and regulations of Stock Exchanges and Vietnam Securities Depository | Fully issued, meeting actual requirements | 100 | 100 | 5% |
| 7 | Risk management policies in each activity | Establish an independent Risk Management Department, fully issue policies to meet actual requirements | 100 | 100 | 5% |
| 8 | Efficiency evaluation of the internal control and inspection | Established and fully meet all requirements | 100 | 100 | 5% |
| 9 | Evaluation of quality control of investors' deposits for securities trading | Strict management on investors' deposits | 100 | 100 | 5% |
| 10 | Transparency of financial information | Disclosed publicly, fully and timely on mass media without material corrections after disclosure | 100 | 100 | 6% |

| No. | Criteria | Value | 2021 Score | 2022 Score | Weight |
|-------|--|--|------------|------------|--------|
| 11 | Number of operation years | Over 7 years | 100 | 100 | 6% |
| 12 | Proportion of stock trading volume made through the Company (on the two Stock Exchanges) in the total trading volume of the market (total trading volume of the two Stock Exchanges) | From 2% to under 5% | 80 | 80 | 8% |
| 13 | Modernity of IT system | Online trading platform and internal management information System MIS | 80 | 80 | 5% |
| 14 | The Company's equity size compared to the market | The remaining group | 50 | 50 | 5% |
| 15 | Stability and feasibility of an increase/a decrease of the equity in the next 2 years. (Have a plan to raise capital, make a profit or suffer a loss) | Prepared plan of capital raising with high feasibility | 100 | 100 | 4% |
| 16 | Stability and sustainability of growth, reflected in the average revenue growth rate in the last 3 reporting periods (6 months each) | No growth | 100 | 0 | 6% |
| 17 | Usage of payment assistance fund of VSD for securities transactions clearing and settlement | No usage | 100 | 100 | 5% |
| 18 | Compliance (violation) of legal regulations in the securities field in the last 6 months | No violation | 100 | 100 | 6% |
| 19 | Number of Company's licensed operations | 4 operations | 100 | 100 | 5% |
| Total | | | 90,9 | 84,9 | |

APPENDIX II – CAMEL FINANCIAL FACTORS

| No. | Criteria | Value | | Score | | Weight |
|-------|--|--------|--------|-------|------|--------|
| | | 2021 | 2022 | 2021 | 2022 | |
| 1 | C1 = Total Equity/Total Assets | 37,5% | 56,5% | 20 | 80 | 10% |
| 2 | C2 = Total Equity/ Legal Capital | 857,8% | 872,4% | 100 | 100 | 10% |
| 3 | C3 = Liquid capital | 464,0% | 654,0% | 100 | 100 | 10% |
| 4 | A1 = Total risk-adjusted assets/Total assets (excluding fixed assets) | 92,25% | 91,61% | 100 | 100 | 5% |
| 5 | A2 = Provision/ (short-term investments + long-term investments + receivables) | 1,5% | 2,5% | 80 | 80 | 10% |
| 6 | A3 = Receivables/ Total Assets | 3,7% | 3,9% | 100 | 100 | 10% |
| 7 | E1 = Net Profit After Taxes / Total Revenue | 24,7% | 15,9% | 100 | 70 | 10% |
| 8 | E2 = Net Profit After Taxes / Average Total Equity | 14,1% | 6,8% | 70 | 70 | 10% |
| 9 | L1 = Current Assets/ Current Liabilities | 160,1% | 220,2% | 100 | 100 | 15% |
| 10 | L2 = Cash and cash equivalents/ Current Liabilities | 23,4% | 33,2% | 80 | 100 | 10% |
| Total | | | | 85 | 90 | |

TOAL RANKING SCORE

| Component score | 2021 Score | 2022 Score | Weight |
|--------------------------|--------------|--------------|--------|
| Financial score | 85 | 90 | 70% |
| Governance quality score | 90,9 | 84,9 | 30% |
| Total Score | 86,77 | 88,47 | |

SCORES OF CAMEL'S FACTORS

| Factor | 2021 Score | 2022 Score |
|----------------------|------------|------------|
| C (Capital Adequacy) | 73,3 | 93,3 |
| A (Asset Quality) | 92,0 | 92,0 |
| M (Management) | 90,9 | 84,9 |
| E (Earnings) | 85,0 | 70,0 |
| L (Liquidity) | 92,0 | 100,0 |

Total ranking score

88,5 points

BVSC is ranked A

Combining both Financial and Governance quality factors, the Company is ranked A because its total score is 88.5 points, meeting the criteria of the total score of at least 80 points without any factor score of CAMEL below 65 points.

Note: RANK A: The total score is at least 80 points and there is no CAMEL factor score below 65.

06

Financial Statements

GENERAL INFORMATION

THE COMPANY

Bao Viet Securities Joint Stock Company (“BVSC” or “the Company”) is a joint-stock company established under Vietnam’s Law on Enterprises in accordance with Incorporation Licence No. 4640/GP-UB dated 1 October 1999 by the Hanoi People’s Committee, Business Licence No. 01/GPHDKD dated 26 November 1999 by the State Securities Commission and Amended Certificate of Securities Operating License No.01/GPHDKD, which was granted under Decision No. 03/GPĐC-UBCK dated 10 January 2022 issued by the State Securities Commission.

BVSC is a listed securities company on the Vietnam’s stock market with the goal of contributing to the development of the Vietnam’s stock market while also benefiting its clients, investors, and shareholders.

The current principal activities of the Company are to provide brokerage services, custodian services, proprietary trading, underwriting and issuance agency services, financial advisory, securities investment advisory services and other financial services under the regulations of the Ministry of Finance.

The Company’s head office is located at 1st, 4th and 7th floor, No. 8 Le Thai To Street, Hoan Kiem District, Hanoi and its Ho Chi Minh branch is located at Bao Viet Building, No. 233 Dong Khoi Street, District 1, Ho Chi Minh City.

As at 31 December 2022, the Company’s charter capital was VND 722,339,370,000 and owners’ equity was VND 2,180,939,806,045.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

| | | |
|-----------------------|----------|---|
| Mr. Nguyen Hong Tuan | Chairman | Reappointed on June 22 nd 2020 |
| Mr. Nguyen Anh Tuan | Member | Reappointed on June 22 nd 2020 |
| Mr. Nhu Dinh Hoa | Member | Reappointed on June 22 nd 2020 |
| Mr. Nguyen Quang Hung | Member | Reappointed on June 22 nd 2020 |
| Mr. Le Xuan Nam | Member | Appointed on June 22 nd 2020 |

SUPERVISORY BOARD

Members of the Supervisory Board during the year and at the date of this report are:

| | | |
|--------------------------|-------------------|---|
| Mr. Nguyen Xuan Hoa | Head of the Board | Reappointed on June 22 nd 2020 |
| Mr. Hoang Giang Binh | Member | Reappointed on June 22 nd 2020 |
| Ms. Nguyen Thi Thanh Van | Member | Reappointed on June 22 nd 2020 |

BOARD OF MANAGEMENT

Members of Board of Management during the year and at the date of this report are:

| | | |
|----------------------------|--------------------------------|---|
| Mr. Nhu Dinh Hoa | Chief Executive Officer | Reappointed on May 05 th 2022 |
| Mrs. Nguyen Thi Thanh Thuy | Deputy Chief Executive Officer | Reappointed on July 15 th 2022 |

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nhu Dinh Hoa – Chief Executive Officer.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

The Board of Directors of Bao Viet Securities Joint Stock Company (“the Company”) is pleased to present this report and approves the financial statements of the Company (including its Head Office and Ho Chi Minh City Branch) as at 31 December 2022 and for year then ended.

BOARD OF MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of the Company is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company and of the results of its operations, its cash flows and its changes in owners’ equity for the year. In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Management of the Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirmed that it has complied with the above requirements in preparing the financial statements as at 31 December 2022 and for year then ended.

GENERAL INFORMATION (continued)

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements. These financial statements give a true and fair view of the financial position of the Company as at 31st December 2022 and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of the Board of Directors:



Mr. Nguyen Hong Tuan

Chairman

Hanoi, Vietnam
28th March 2023

INDEPENDENT AUDITORS' REPORT

Reference: 60758149/22994378

To: Shareholders of Bao Viet Securities Joint Stock Company

We have audited the accompanying financial statements of Bao Viet Securities Joint Stock Company ("the Company"), as prepared on 28th March 2023 and set out on page 5 to 76 which comprise the statement of financial position as at 31st December 2022, the income statement, the cash flow statement and the statement of changes in owners' equity for the year then ended and the notes thereto.

Board of Management's responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (continued)

Số tham chiếu: 60758149/22994378

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31st December 2022, and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



Trinh Hoang Anh

Deputy General Director

Audit Practising Registration
Certificate No. 2071-2023-004-1

Hanoi, Vietnam
28th March 2023

Huynh Nhat Hung

Auditor

Audit Practising Registration
Certificate No. 5040-2019-004-1

STATEMENT OF FINANCIAL POSITION

as at 31st December 2022

Currency: VND

| Code | ITEMS | Notes | 31 st December 2022 | 31 st December 2021 |
|------------|---|----------|--------------------------------|--------------------------------|
| 100 | A. CURRENT ASSETS | | 3,652,011,176,555 | 5,502,631,015,506 |
| 110 | I. Financial assets | | 3,647,806,810,797 | 5,495,078,417,628 |
| 111 | 1. Cash and cash equivalents | 5 | 149,529,318,217 | 66,560,460,232 |
| 111.1 | 1.1. Cash | | 149,529,318,217 | 66,560,460,232 |
| 112 | 2. Financial assets at fair value through profit and loss (FVTPL) | 7.1 | 400,962,056,427 | 737,876,271,000 |
| 113 | 3. Held-to-maturity investments (HTM) | 7.3 | 628,037,300,819 | 998,420,757,339 |
| 114 | 4. Loans | 7.4 | 2,254,798,696,008 | 3,374,602,084,018 |
| 115 | 5. Available-for-sale investments (AFS) | 7.2 | 136,894,154,506 | 166,980,951,477 |
| 116 | 6. Provision for impairment of financial assets and mort-gaged assets | 7.6 | (74,031,210,006) | (59,929,583,989) |
| 117 | 7. Receivables | 8 | 30,999,425,008 | 28,442,905,266 |
| 117.1 | 7.1. Receivables from disposal of financial assets | | - | 5,228,700,000 |
| 117.2 | 7.2. Receivables and accrued dividend and interest | | 30,999,425,008 | 23,214,205,266 |
| 117.4 | 7.2.1. Undue accrued dividend and interest | | 30,999,425,008 | 23,214,205,266 |
| 118 | 8. Advances to suppliers | 8 | 4,232,401,524 | 5,854,290,376 |
| 119 | 9. Receivables from services provided by the Company | 8 | 119,411,739,932 | 180,823,047,480 |
| 122 | 10. Other receivables | 8 | 13,045,316,061 | 12,967,497,128 |
| 129 | 11. Provision for impairment of receivables | 8 | (16,072,387,699) | (17,520,262,699) |
| 130 | II. Other current assets | 9 | 4,204,365,758 | 7,552,597,878 |
| 131 | 1. Advances | | 485,200,000 | 576,073,980 |
| 132 | 2. Office supplies, materials and tools | | 959,561,833 | 816,271,618 |
| 133 | 3. Short-term prepaid expenses | | 2,731,925,974 | 1,445,398,955 |
| 134 | 4. Short-term deposits, collaterals and pledges | | - | 4,714,853,325 |
| 135 | 5. Deductible VAT | | 27,677,951 | - |
| 200 | B. NON-CURRENT ASSETS | | 205,639,663,521 | 216,666,468,119 |
| 210 | I. Long-term financial assets | | 158,916,403,455 | 176,359,811,937 |
| 212 | 1. Investments | | 161,857,787,455 | 183,499,514,737 |
| 212.4 | 1.1. Other long-term investments | 7.2 | 161,857,787,455 | 183,499,514,737 |
| 213 | 2. Provision for impairment of long-term financial assets | 7.6 | (2,941,384,000) | (7,139,702,800) |

STATEMENT OF FINANCIAL POSITION (continued)

as at 31st December 2022

Currency: VND

| Code | ITEMS | Notes | 31 st December 2022 | 31 st December 2021 |
|------------|--|-------|--------------------------------|--------------------------------|
| 220 | II. Fixed assets | | 17,097,900,297 | 15,266,410,605 |
| 221 | 1. Tangible fixed assets | 10 | 13,146,335,742 | 11,490,519,741 |
| 222 | 1.1. Cost | | 44,434,192,335 | 39,087,878,799 |
| 223a | 1.2. Accumulated depreciation | | (31,287,856,593) | (27,597,359,058) |
| 227 | 2. Intangible fixed assets | 11 | 3,951,564,555 | 3,775,890,864 |
| 228 | 2.1. Cost | | 20,505,031,090 | 18,688,531,090 |
| 229a | 2.2. Accumulated amortization | | (16,553,466,535) | (14,912,640,226) |
| 250 | III. Other non-current assets | | 29,625,359,769 | 25,040,245,577 |
| 251 | 1. Long-term deposits, collaterals and pledges | | 2,057,714,330 | 1,505,962,340 |
| 252 | 2. Long-term prepaid expenses | 12 | 6,701,936,540 | 2,355,462,127 |
| 254 | 3. Deposits to Settlement Assistance Fund | 13 | 20,865,708,899 | 21,178,821,110 |
| 270 | TOTAL ASSETS | | 3,857,650,840,076 | 5,719,297,483,625 |
| 300 | C. LIABILITIES | | 1,676,711,034,031 | 3,574,845,820,516 |
| 310 | I. Current liabilities | | 1,658,279,740,016 | 3,436,050,702,885 |
| 311 | 1. Short-term borrowings and financial leases | | 980,000,000,000 | 2,505,695,690,235 |
| 312 | 1.1. Short-term borrowings | 14 | 980,000,000,000 | 2,505,695,690,235 |
| 318 | 2. Payables for securities transactions | 15 | 5,908,362,982 | 7,981,798,248 |
| 320 | 3. Short-term trade payables | 16 | 3,376,948,519 | 6,410,545,384 |
| 321 | 4. Short-term advances from customers | | 19,531,500,000 | 17,512,000,000 |
| 322 | 5. Statutory obligations | 17 | 21,919,359,899 | 39,562,386,569 |
| 323 | 6. Payables to employees | | 93,578,140,134 | 106,035,660,130 |
| 324 | 7. Employee benefits | | 1,416,505,119 | 1,662,975,688 |
| 325 | 8. Short-term accrued expenses | 18 | 14,592,319,837 | 22,519,184,275 |
| 327 | 9. Short-term unearned revenues | | 359,457,407 | - |
| 329 | 10. Other short-term payables | 10 | 491,727,571,277 | 608,157,437,593 |
| 330 | 11. Short-term provisions | | 16,700,000,000 | 47,000,000,000 |
| 331 | 12. Bonus and welfare fund | | 9,169,574,842 | 11,601,441,890 |
| 332 | 13. Payables under bond repo contracts | 21 | - | 61,911,582,873 |

Currency: VND

| Code | ITEMS | Notes | 31 st December 2022 | 31 st December 2021 |
|------------|--|-----------|--------------------------------|--------------------------------|
| 340 | II. Non-current liabilities | | 18,431,294,015 | 138,795,117,631 |
| 346 | 1. Long-term bonds issued | 20 | - | 100,194,517,884 |
| 356 | 2. Deferred income tax liability | 29.2 | 18,431,294,015 | 38,600,599,747 |
| 400 | D. OWNERS' EQUITY | | 2,180,939,806,045 | 2,144,451,663,109 |
| 410 | I. Owners' equity | 22 | 2,180,939,806,045 | 2,144,451,663,109 |
| 411 | Share capital | | 1,332,095,854,220 | 1,332,095,854,220 |
| 411.1 | 1.1. Contributed capital | | 722,339,370,000 | 722,339,370,000 |
| 411.1a | 1.1.1. Ordinary shares | | 722,339,370,000 | 722,339,370,000 |
| 411.2 | 1.2. Share premium | | 610,253,166,720 | 610,253,166,720 |
| 411.5 | 1.3. Treasury shares | | (496,682,500) | (496,682,500) |
| 412 | 2. Difference from revaluation of assets at fair value | 30 | 59,236,315,172 | 98,097,052,517 |
| 414 | 3. Charter capital supplementary reserve | | 59,379,106,210 | 59,379,106,210 |
| 415 | 4. Operational risk and financial reserve | | 59,379,106,210 | 59,379,106,210 |
| 417 | 5. Undistributed profit | | 670,849,424,233 | 595,500,543,952 |
| 417.1 | 6.1. Realized profit after tax | | 681,546,584,393 | 539,394,596,105 |
| 417.2 | 6.2. Unrealized profit after tax | | (10,697,160,160) | 56,105,947,847 |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 3,857,650,840,076 | 5,719,297,483,625 |

STATEMENT OF FINANCIAL POSITION (continued)

as at 31st December 2022

OFF-BALANCE SHEET ITEMS

| Code | ITEMS | Notes | 31 st December 2022 | 31 st December 2021 |
|---|---|-------|--------------------------------|--------------------------------|
| A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS | | | | |
| 002 | 1. Pledged materials and valuable papers received | | 129,328,625,000 | 10,975,070,000 |
| 004 | 2. Bad debts written-off (VND) | | 390,400,000 | 390,400,000 |
| 006 | 3. Outstanding shares (number of shares) | | 72,200,145 | 72,200,145 |
| 007 | 4. Treasury shares (number of shares) | | 33,792 | 33,792 |
| 008 | 5. The Company's Financial assets listed/registered at Vietnam Securities Depository centre ("VSD") (VND) | 23.1 | 143,089,350,000 | 150,042,180,000 |
| 009 | 6. The Company's non-traded financial assets deposited at VSD (VND) | 23.2 | 3,004,290,000 | 11,236,630,000 |
| 010 | 7. The Company's awaiting financial assets (VND) | 23.3 | 964,000,000 | 964,000,000 |
| 012 | 8. The Company's financial assets which have not been deposited at VSD (VND) | 23.4 | 176,585,180,000 | 173,722,470,000 |
| B. ASSETS AND LIABILITIES MANAGED UNDER AGREEMENT WITH INVESTORS | | | | |
| 021 | 1. Investors' financial assets listed/registered at VSD (VND) | 23.5 | 24,449,106,297,000 | 33,515,146,677,000 |
| 021.1 | a. Unrestricted financial assets (VND) | | 19,735,655,567,000 | 30,450,558,426,000 |
| 021.2 | b. Restricted financial assets (VND) | | 137,872,000,000 | 990,197,190,000 |
| 021.3 | c. Mortgaged financial assets (VND) | | 4,102,437,630,000 | 1,373,800,880,000 |
| 021.4 | d. Blocked financial assets (VND) | | 91,138,630,000 | 261,969,860,000 |
| 021.5 | e. Financial assets awaiting settlement (VND) | | 382,002,470,000 | 438,620,321,000 |
| 022 | 2. Investors' non-traded financial assets deposited at VSD (VND) | 23.6 | 436,435,060,000 | 41,561,430,000 |
| 022.1 | a. Unrestricted and non-traded financial assets deposited at VSD (VND) | | 18,026,560,000 | 31,339,810,000 |
| 022.2 | b. Restricted and non-traded financial assets deposited at VSD (VND) | | 418,408,500,000 | 10,221,620,000 |
| 023 | 3. Investors' awaiting financial assets (VND) | | 241,299,703,000 | 384,983,446,000 |
| 024b | 4. Investor's financial assets which have not been deposited at VSD (VND) | | 1,091,028,300,000 | 2,436,395,460,000 |
| 026 | 5. Investors' deposits (VND) | | 1,021,781,924,960 | 1,520,073,202,821 |
| 027 | a. Investors' deposits for securities trading activities under the Company's management (VND) | 23.7 | 455,008,406,883 | 589,359,627,581 |
| 028 | b. Investors' synthesizing deposits for securities trading activities (VND) | 23.7 | 555,024,350,334 | 926,900,195,324 |

| Code | ITEMS | Notes | 31 st December 2022 | 31 st December 2021 |
|-------|--|-------|--------------------------------|--------------------------------|
| 030 | c. Securities issuers' deposits (VND) | | 11,749,167,743 | 3,813,379,916 |
| 031 | 6. Payables for investors' deposits for securities trading activities under the Company's management (VND) | 23.8 | 1,010,080,512,903 | 1,490,314,586,561 |
| 031.1 | a. Domestic investors' deposits for securities trading activities under the Company's management (VND) | | 1,000,447,654,521 | 1,481,492,118,883 |
| 031.2 | b. Foreign investors' deposits for securities trading activities under the Company's management (VND) | | 9,632,858,382 | 8,822,467,678 |
| 032 | 7. Payables to securities issuers (VND) | | 1,947,662,639 | 20,114,979,630 |
| 035 | 8. Dividend, bond principal and interest payables (VND) | | 9,753,749,418 | 9,643,636,630 |



Ms. Vu Thi Thuy Linh

Preparer

Deputy Head of Financial
Accounting Department



Ms. Nguyen Hong Thuy

Approver

Chief Accountant



Mr. Nhu Dinh Hoa

Approver

Chief Executive Officer

Hanoi, Vietnam
28th March 2023

INCOME STATEMENT

For the year ended 31st December 2022

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|-------------------------------|---|-------|--------------------------|--------------------------|
| I. OPERATING REVENUE | | | | |
| 01 | 1. Gain from financial assets at fair value through profit and loss (FVTPL) | | 107,752,985,461 | 223,614,964,605 |
| 01.1 | 1.1. Gain from disposal of financial assets at FVTPL | 24.1 | 33,301,518,303 | 82,272,506,281 |
| 01.2 | 1.2. Gain from revaluation of financial assets at FVTPL | 24.2 | 25,398,264,472 | 94,366,484,980 |
| 01.3 | 1.3. Dividend, interest income from financial assets at FVTPL | 24.3 | 49,053,202,686 | 46,975,973,344 |
| 02 | 2. Gain from held-to-maturity investments (HTM) | 24.3 | 50,642,025,591 | 31,105,614,175 |
| 03 | 3. Gain from loans and receivables | 24.3 | 325,812,286,324 | 361,765,431,577 |
| 04 | 4. Gain from available-for-sale financial assets (AFS) | 24.3 | 4,815,207,000 | 1,262,622,800 |
| 06 | 5. Revenue from brokerage services | 24.4 | 320,154,341,569 | 467,669,525,660 |
| 07 | 6. Revenue from underwriting and issuance agency services | 24.4 | 23,476,070,167 | 28,326,733,881 |
| 08 | 7. Revenue from securities advisory services | | 200,000,000 | - |
| 09 | 8. Revenue from securities custodian services | 24.4 | 9,501,824,770 | 9,233,492,094 |
| 10 | 9. Revenue from financial advisory services | 24.4 | 8,774,610,453 | 12,696,040,438 |
| 11 | 10. Revenue from other operating activities | 24.4 | 4,136,704,167 | 2,645,622,229 |
| 20 | Total operating revenue | | 855,266,055,502 | 1,138,320,047,459 |
| II. OPERATING EXPENSES | | | | |
| 21 | 1. Loss from financial assets at fair value through profit and loss (FVTPL) | | (159,431,264,233) | (94,956,436,467) |
| 21.1 | 1.1. Loss from disposal of financial assets at FVTPL | 24.1 | (56,775,770,359) | (60,652,536,748) |
| 21.2 | 1.2. Loss from revaluation of financial assets at FVTPL | 24.2 | (102,655,493,874) | (34,303,899,719) |
| 24 | 2. Reversal of provision/(provision expense) for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans | 25 | (9,903,307,217) | 20,620,452,684 |
| 26 | 3. Expenses for proprietary trading activities | | (3,552,724,401) | (4,014,518,902) |
| 27 | 4. Expenses for brokerage services | | (263,684,519,800) | (374,212,365,036) |
| 28 | 5. Expenses for underwriting and issuance agency services | | (17,550,000) | (765,295,455) |
| 30 | 6. Expenses for securities custodian services | | (17,930,838,586) | (21,876,135,558) |
| 31 | 7. Expenses for financial advisory services | | (14,795,922,712) | (18,379,759,357) |
| 32 | 8. Expenses for other operating activities | | (13,972,886,366) | (15,942,152,048) |
| 40 | Total operating expenses | | (483,289,013,315) | (509,526,210,139) |

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|---------------------------------------|--|-----------|--------------------------|--------------------------|
| III. FINANCIAL INCOME | | | | |
| 41 | 1. Gains on exchange rate differences | | 8,968 | - |
| 42 | 2. Received and accrued dividends, non-fixed interest income | | 66,278,248,752 | 8,792,447,997 |
| 50 | Total financial income | | 66,278,257,720 | 8,792,447,997 |
| IV. FINANCIAL EXPENSES | | | | |
| 51 | 1. Losses on exchange rate differences | | (8,995,173,322) | - |
| 52 | 2. Borrowing costs | 26 | (134,707,639,269) | (108,584,696,879) |
| 60 | Total financial expenses | | (143,702,812,591) | (108,584,696,879) |
| 62 | V. GENERAL AND ADMINISTRATIVE EXPENSES | 27 | (115,303,233,805) | (177,412,970,802) |
| 70 | VI. OPERATING PROFIT | | 179,249,253,511 | 351,588,617,636 |
| VII. OTHER INCOME AND EXPENSES | | | | |
| 71 | 1. Other income | 28 | 2,299,928,912 | 80,406,311 |
| 72 | 2. Other expenses | 28 | (545,427,150) | (641,069,458) |
| 80 | Net other loss | | 1,754,501,762 | (560,663,147) |
| 90 | VIII. PROFIT BEFORE TAX | | 181,003,755,273 | 351,027,954,489 |
| 91 | 1. Realized profit | | 258,260,984,675 | 290,965,369,228 |
| 92 | 2. Unrealized profit | | (77,257,229,402) | 60,062,585,261 |
| 100 | IX. CORPORATE INCOME TAX (CIT) EXPENSES | 29 | (34,115,869,042) | (68,083,633,071) |
| 100.1 | 1. Current CIT expense | | (44,569,990,437) | (58,763,703,478) |
| 100.2 | 2. Deferred CIT (expense)/income | | 10,454,121,395 | (9,319,929,593) |
| 200 | X. PROFIT AFTER TAX | | 146,887,886,231 | 282,944,321,418 |
| | In which: Realized profit after tax | | 213,690,994,238 | 232,201,665,750 |
| 300 | XI. NET INCOME PER SHARE INCOME AFTER TAX | 30 | (38,860,737,345) | 50,195,376,909 |
| 301 | 1. (Loss)/Gain from revaluation of AFS financial assets | | (38,860,737,345) | 50,195,376,909 |
| 400 | Total other comprehensive Income | | (38,860,737,345) | 50,195,376,909 |
| XII. NET INCOME PER SHARE | | | | |
| 501 | Earnings per share (VND/share) | 32.3 | 2,782 | 3,042 |

INCOME STATEMENT (continued)

For the year ended 31st December 2022




Ms. Vu Thi Thuy Linh

Preparer
Deputy Head of Financial
Accounting Department

Ms. Nguyen Hong Thuy

Approver
Chief Accountant



Mr. Nhu Dinh Hoa

Approver
Chief Executive Officer

Hanoi, Vietnam
28th March 2023

CASH FLOW STATEMENT

For the year ended 31st December 2022

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|--|---|----------|----------------------------|----------------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 01 | 1. Payment for purchase of financial assets | | (113,345,723,733,130) | (162,638,517,876,841) |
| 02 | 2. Proceeds from sale of financial assets | | 115,104,289,115,149 | 160,914,945,141,392 |
| 04 | 3. Dividend received | | 12,017,721,211 | 12,829,543,897 |
| 05 | 4. Interest received | | 423,915,558,186 | 411,165,336,074 |
| 06 | 5. Interest paid | | (97,276,334,001) | (81,050,953,335) |
| 07 | 6. Payments to suppliers | | (61,675,103,841) | (90,265,850,888) |
| 08 | 7. Payments to employees | | (266,380,845,889) | (245,565,153,709) |
| 09 | 8. Tax paid | | (233,039,482,433) | (220,051,107,984) |
| 11 | 9. Other cash receipts from operating activities | | 7,578,278,520,262 | 31,933,516,784,039 |
| 12 | 10. Other cash payments for operating activities | | (7,281,774,280,894) | (31,631,080,776,484) |
| 20 | Net cash flows from/(used in) operating activities | | 1,832,631,134,620 | (1,634,074,913,839) |
| II. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| 21 | 1. Payments for purchase and construction of fixed assets, investment properties and other assets | | (3,648,437,536) | (3,890,321,120) |
| 30 | Net cash flow used in investing activities | | (3,648,437,536) | (3,890,321,120) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| 33 | 1. Drawdown of borrowings | | 11,550,161,276,864 | 13,503,606,787,212 |
| 33.2 | 1.1. Other borrowings | | 11,550,161,276,864 | 13,503,606,787,212 |
| 34 | 2. Repayment of borrowings | | (13,239,434,299,083) | (11,831,172,096,977) |
| 34.3 | 2.1. Repayment of other borrowings | | (13,239,434,299,083) | (11,831,172,096,977) |
| 36 | 3. Dividend and profit paid to owner | | (56,740,816,880) | (56,787,476,480) |
| 40 | Net cash flow (used in)/from financing activities | | (1,746,013,839,099) | 1,615,647,213,755 |
| 50 | IV. NET INCREASE/(DECREASE) IN CASH FOR THE YEAR | | 82,968,857,985 | (22,318,021,204) |
| 60 | V. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 5 | 66,560,460,232 | 88,878,481,436 |
| 61 | Cash | | 66,560,460,232 | 88,878,481,436 |
| 70 | VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 5 | 149,529,318,217 | 66,560,460,232 |
| 71 | Cash | | 149,529,318,217 | 66,560,460,232 |

CASH FLOW STATEMENT (continued)

For the year ended 31st December 2022

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|---|--|-------|--------------------------|------------------------|
| I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS | | | | |
| 01 | 1. Cash receipt from sale of securities on behalf of customers | | 109,959,873,384,658 | 221,709,371,906,358 |
| 02 | 2. Cash payment for acquisition of securities on behalf of customers | | (94,322,729,367,344) | (213,916,025,806,315) |
| 07 | 3. Cash receipt for settlement of securities transactions of customers | | 20,608,784,302,550 | 40,532,340,826,903 |
| 09 | 4. Cash payment for custodian fees of customers | | (4,501,189,900) | (5,684,928,101) |
| 12 | 5. Cash receipt from securities issuers | | 7,165,571,954,953 | 10,206,689,960,289 |
| 13 | 6. Cash payment to securities issuers | | (7,195,230,471,300) | (10,365,929,664,291) |
| | 7. Other cash inflows from brokerage and trust activities of customers | | 116,620,590,635,956 | 184,670,420,942,248 |
| | 8. Other cash outflows from brokerage and trust activities of customers | | (153,330,650,527,434) | (232,487,162,148,426) |
| 20 | Net (decrease)/increase in cash for the year | | (498,291,277,861) | 344,021,088,665 |
| 30 | II. CASH AND CASH EQUIVALENTS OF CUSTOMERS AT THE BEGINNING OF THE YEAR | | | |
| 31 | Cash at banks at the beginning of the year: | | 1,520,073,202,821 | 1,176,052,114,156 |
| 32 | - Investors' deposits under the Company's management | 23.7 | 589,359,627,581 | 599,761,947,810 |
| 34 | - Investors' synthesizing deposits for securities trading activities | | 926,900,195,324 | 493,104,582,949 |
| 35 | - Deposits of securities issuers | | 3,813,379,916 | 83,185,583,397 |
| 40 | III. CASH AND CASH EQUIVALENTS OF CUSTOMERS AT THE END OF THE YEAR | | | |
| 41 | Cash at banks at the end of the year: | | 1,021,781,924,960 | 1,520,073,202,821 |
| 42 | - Investors' deposits under the Company's management | 23.7 | 455,008,406,883 | 589,359,627,581 |
| 43 | - Investors' synthesizing deposits for securities trading activities | 23.7 | 555,024,350,334 | 926,900,195,324 |
| 45 | - Deposits of securities issuers | | 11,749,167,743 | 3,813,379,916 |





Ms. Vu Thi Thuy Linh

Preparer
Deputy Head of Financial
Accounting Department

Ms. Nguyen Hong Thuy

Approver
Chief Accountant

Mr. Nhu Dinh Hoa

Approver
Chief Executive Officer

Hanoi, Vietnam
28th March 2023

STATEMENT OF CHANGE IN OWNERS' EQUITY

for the year ended 31st December 2012

| ITEMS | Notes | Beginning balance | | Increase/(decrease) | | | | Ending balance | |
|--|-------|------------------------------|------------------------------|---|--------------------------|---|--------------------------|--------------------------------|--------------------------------|
| | | 1 st January 2021 | 1 st January 2022 | For the year ended 31 st December 2021 | | For the year ended 31 st December 2022 | | 31 st December 2021 | 31 st December 2022 |
| | | | | Increase | Decrease | Increase | Decrease | | |
| A | B | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| I. CHANGES IN OWNERS' EQUITY | | | | | | | | | |
| 1. Share capital | 22 | 1,332,095,854,220 | 1,332,095,854,220 | - | - | - | - | 1,332,095,854,220 | 1,332,095,854,220 |
| 1.1 Ordinary shares | | 722,339,370,000 | 722,339,370,000 | - | - | - | - | 722,339,370,000 | 722,339,370,000 |
| 1.2 Share premium | | 610,253,166,720 | 610,253,166,720 | - | - | - | - | 610,253,166,720 | 610,253,166,720 |
| 1.3 Treasury shares | | (496,682,500) | (496,682,500) | - | - | - | - | (496,682,500) | (496,682,500) |
| 2. Charter capital supplementary reserves | | 47,769,022,922 | 59,379,106,210 | 11,610,083,288 | - | - | - | 59,379,106,210 | 59,379,106,210 |
| 3. Operational risk and financial reserves | | 47,769,022,922 | 59,379,106,210 | 11,610,083,288 | - | - | - | 59,379,106,210 | 59,379,106,210 |
| 4. Difference from revaluation of financial assets at fair value | 30 | 47,901,675,608 | 98,097,052,517 | 71,031,954,496 | (20,836,577,587) | 6,804,264,620 | (45,665,001,965) | 98,097,052,517 | 59,236,315,172 |
| 5. Difference of exchange rate | | - | - | - | - | 8,968 | (8,968) | - | - |
| 6. Undistributed profit | | 399,208,093,183 | 595,500,543,952 | 282,944,321,418 | (86,651,870,649) | 213,690,994,238 | (138,342,113,957) | 595,500,543,952 | 670,849,424,233 |
| 6.1 Realized profit after tax | | 393,844,801,004 | 539,394,596,105 | 232,201,665,750 | (86,651,870,649) | 213,690,994,238 | (71,539,005,950) | 539,394,596,105 | 681,546,584,393 |
| 6.2 Unrealized (loss) /profit after tax | | 5,363,292,179 | 56,105,947,847 | 50,742,655,668 | - | - | (66,803,108,007) | 56,105,947,847 | (10,697,160,160) |
| TOTAL | | 1,874,743,668,855 | 2,144,451,663,109 | 377,196,442,490 | (107,488,448,236) | 220,495,267,826 | (184,007,124,890) | 2,144,451,663,109 | 2,180,939,806,045 |
| II. OTHER COMPREHENSIVE INCOME | | | | | | | | | |
| Gain from revaluation of AFS financial assets | 30 | 47,901,675,608 | 98,097,052,517 | 71,031,954,496 | (20,836,577,587) | 6,804,264,620 | (45,665,001,965) | 98,097,052,517 | 59,236,315,172 |
| TOTAL | | 47,901,675,608 | 98,097,052,517 | 71,031,954,496 | (20,836,577,587) | 6,804,264,620 | (45,665,001,965) | 98,097,052,517 | 59,236,315,172 |



Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department

Hanoi, Vietnam
28th March 2023



Ms. Nguyen Hong Thuy
Approver
Chief Accountant



Mr. Nhu Dinh Hoa
Approver
Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS

as at 31st December 2022 and for the year then ended

1. THE COMPANY

Bao Viet Securities Joint Stock Company (“the Company” or “BVSC”) is a joint-stock company established under Vietnam’s Law on Enterprises in accordance with Incorporation License No. 4640/GP-UB dated 1 October 1999 by the Hanoi People’s Committee, Business License No. 01/GPHDKD dated 26 November 1999 by the State Securities Commission and Amended Certificate of Securities Operating License No.01/GPHDKD, which was granted under Decision No. 03/GPĐC-UBCK dated 10 January 2022 issued by the State Securities Commission.

The current principal activities of the Company are to provide brokerage services, custodian services, proprietary trading, underwriting and issuance agency services, financial advisory, securities investment advisory services and other financial services under the regulations of the Ministry of Finance.

As at December 31, 2022, the Company headquarter is located at No.8 Le Thai To Street, Hoan Kiem District, Hanoi, on the 1st, 4th, and 7th floors, while its Ho Chi Minh branch is located at Bao Viet Building, No. 233 Dong Khoi Street, District 1, Ho Chi Minh City.

The Company has transaction offices as follows:

| Name | Address |
|---|---|
| 1. Transaction office at Head Office (Hanoi) | 1 st floor, 8 Le Thai To, Hoan Kiem District, Hanoi |
| 2. Transaction office No.1 (Hanoi) | 94 Ba Trieu Str., Hoan Kiem District, Hanoi |
| 3. Transaction office Thanh Xuan (Hanoi) | Floor 10, Hapulico Tower, No.1 Nguyen Huy Tuong, Thanh Xuan, Hanoi |
| 4. Transaction office Thanh Cong (Hanoi) | Floor 10, 88 Lang Ha Sky City Building, Dong Da District, Hanoi |
| 5. Transaction office 11 Nguyen Cong Tru (Ho Chi Minh City) | 11 Nguyen Cong Tru Str., District 1, Ho Chi Minh City |
| 6. Transaction office 81 Cao Thang (Ho Chi Minh City) | Floor 2, Do Thanh Building, 81 Cao Thang Str., Ward 3, District 3, Ho Chi Minh City |
| 7. Transaction office 233 Dong Khoi (Ho Chi Minh City) | G floor, 233 Dong Khoi Str., District 1, Ho Chi Minh City |
| 8. Transaction office 174 Le Hong Phong (Ho Chi Minh City) | G & 1st floor, 174 Le Hong Phong Str., District 5, Ho Chi Minh City |

Main features of operation of the Company

Charter capital

As at 31 December 2022, the Company’s charter capital was VND 722,339,370,000; owners’ equity was VND 2,180,939,806,045 and total assets was VND 3,857,650,840,076.

Investment objective

As a listed securities company in the Vietnam stock market, the Company’s current principal business activities are to provide brokerage services, custodian services, proprietary trading, underwriting, financial advisory, securities investment advisory services and margin lending activities. The Company aims at contributing to the development of Vietnam Stock market as well as bringing benefit to its clients, its investors, and its shareholders.

Investment restrictions

The Company is required to comply with Article 28 of Circular No. 121/2020/TT-BTC dated 31 December 2020 providing guidance on operation of securities companies by the Ministry of Finance. The current applicable practices on investment restrictions are as follows:

- A securities company is not allowed to purchase, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- A securities company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- A securities company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. A securities company,

licensed to engage in self-trading, is allowed to trade listed bonds in accordance with relevant provisions on trading Government bonds.

- A securities company must not by itself, or authorize another organization or individuals to:
 - a. Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers;
 - b. Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company;
 - c. Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization;
 - d. Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund certificates, ETF and open-ended fund;
 - e. Invest or contribute capital of more than ten percent (10%) in the total paid-up capital of a limited liability company or of a business project;
 - f. Invest more than fifteen percent (15%) of its owners’ equity in a single organization or of a business project;
 - g. Invest more than seventy percent (70%) of its total owners’ equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total owners’ equity in unlisted shares, capital contribution and a business project.
- A securities company may establish or acquire a fund management company as a subsidiary. In this case, the securities company is not required to comply with points c, d, e mentioned above.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

2. BASIS OF PRESENTATION

2.1. Applied accounting standards and system

The financial statements of the Company are expressed in Vietnam dong (“VND”) in accordance with Vietnamese Enterprise Accounting System, the accounting regulation and guidance applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No.334/2016/TT-BTC dated 27 December 2016 by the Ministry of Finance amending, supplementing and replacing Appendix No. 02 and 04 of Circular No. 210/2014/TT-BTC and other Vietnamese Accounting Standards as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No.12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

2.2. Applied accounting documentation system

The Company’s applied accounting documentation system is the General Journal Voucher system.

2.3. Fiscal year

The Company’s fiscal year starts on 1 January and ends on 31 December.

The Company also prepares its interim financial statements for the six-month period ended 30 June and its quarterly financial statements for the three-month period ended 31 March, 30 June, 30 September and 31 December each year.

2.4. Financial statements

The Company prepares its financial statements for the year ended 31 December 2022 to submit to authorities in accordance with requirements of Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by Ministry of Finance.

2.5. Accounting currency

The financial statements are prepared in Vietnam Dong (“VND”) which is also the accounting currency of the Company.

3. STATEMENT ON COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

Management of the Company confirms that the Company has complied with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

Accordingly, the accompanying financial statements, including their utilization are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the financial position, results of operations, cash flows and changes in owners’ equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Changes in accounting policies

The accounting policies adopted by the Company in preparation of the financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2021, except for the followings:

Circular 114/2021/TT-BTC annulling Circular 146/2014/TT-BTC issued on 06 October 2014 by Ministry of Finance guiding the financial regime for securities companies and fund management companies (“Circular 114”), whereby Circular 114:

- Annuls entirely Circular 146/2014/TT-BTC issued on 06 October 2014 by the Minister of Finance guiding the financial regime for securities companies and fund management companies;
- Requires that the provision for impairment of

securities shall follow Circular No. 48/2019/TT-BTC (“Circular 48”) dated 08 August 2019 guiding the accounting and tax treatment of provisions for devaluation of inventories, losses on investments, doubtful debts and warranties for products, services and construction work and Circular 24/2022/TT-BTC amendments and supplements to several articles of Circular 48;

- Provides guidance on handling the balance of Charter Capital Supplementary Reserve, Operational Risk and Finance Reserve as presented in Note 4.26;
- Circular 114 takes effect from February 1, 2022 and applies from fiscal year 2022.

4.2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

Cash deposited by customers for securities trading and cash deposited by securities issuers are presented on the off-balance sheet.

4.3. Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL are financial assets that satisfy either of the following conditions:

- It is classified as held for trading. A financial asset is classified as held for trading if:
 - It is acquired or incurred principally for the purpose of selling or repurchasing it in the short term;
 - There is evidence of a recent actual pattern of short-term profit-taking; or
 - It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

b. Upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognizing gains or losses on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the company's risk management policy or investment strategy.
- Financial assets at FVTPL are initially recognized at cost (acquisition cost of the assets excluding transaction cost arising from the purchase) and subsequently recognized at fair value.

Increase in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous period is recognized into the income statement under "Gain from revaluation of financial assets at FVTPL". Decrease in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous period is recognized into the income statement under "Loss from revaluation of financial assets at FVTPL".

Transaction costs relating to the purchase of the financial assets at FVTPL are recognized when incurred as expenses in the income statement.

4.4. Held-to-maturity investments (HTM)

HTM investments are non-derivative financial assets with determinable or fixed payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- Those that the entity upon initial recognition designates as at FVTPL;
- Those that the entity designates as AFS;
- Those that meet the definition of loans and receivables.

HTM investments are recognized initially at cost (assets' acquisition cost plus (+) transaction costs which are directly attributable to the investments such as brokerage fee, trading fee, issuance agent fee and banking transaction fee). After initial recognition, HTM investments are subsequently measured at amortised cost using the effective interest method.

Amortized cost of HTM investments is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus (-) any reduction for impairment or uncollectibility (if any).

The effective interest rate method is a method of calculating the cost allocation on interest income or interest expense in the period of a financial assets or a group of HTM investments.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or liabilities.

HTM investments are subject to an assessment of impairment at the financial statement date. Provision is made for an HTM investment when there is any objective evidence that the investment is unrecoverable or there is uncertainty of recoverability, resulting from one or more events that has occurred after the initial recognition of the investment and that event has an impact on the estimated future cash flows of the investment that can be reliably estimated. Evidence of impairment may include a drop in the fair value/market value of debt, indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. When there is any evidence of impairment, provision for an HTM investment is determined as the negative difference between its fair value and amortized cost at the assessment date. Any increase/decrease in the balance of provision is recognized in the income statement under "*Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans*".

4.5. Loans

Loans are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:

- The amounts the Company has the intent to immediately sell or will sell in a near future, which

are classified as assets held for trading, and like those which, upon initial recognition, the company categorized as such recognized at fair value through profit or loss;

- The amounts categorized by the Company as available for sale upon initial recognition; or
- The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

Loans are recognized initially at cost. After initial recognition, loans shall be measured at amortised cost using the effective interest rate.

Amortized cost of loans is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus (+) or minus (-) the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility (if any).

Margin lending

Margin lending is the investors' use of credit limits granted by the Company for the purposes of securities investment, pledged by cash or securities purchased. Margin is recognized initially at cost. After initial recognition, margin shall be still measured at cost and be assessed for impairment (if any).

Loans are subject to an assessment of impairment at the financial statement date. Provision is made for loan based on its estimated loss which is determined by the negative difference between the market value of securities used as collaterals for such loan and the loan balance. Any increase/decrease in the balance of provision is recognized in the income statement under "*Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans*".

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

4.6. Available-for-sale financial assets (AFS)

AFS financial assets are non-derivative financial assets which are designated as AFS or are not classified as:

- a. Loans and receivables;
- b. HTM investments;
- c. Financial assets at FVTPL.

AFS financial assets are recognized initially at cost (purchase price plus (+) transaction costs which are directly attributable to the purchase of the financial assets). After initial recognition, AFS financial assets are subsequently measured at fair value, except when fair value can not be determined reliably. In that case, AFS financial assets will continue to be accounted at cost.

Difference arising from the revaluation of AFS financial assets in comparison with previous period is recognized under "Gain/(loss) from revaluation of AFS financial assets" in "Other comprehensive income" which is a part of the income statement.

As at the financial statement date, the Company assessed whether there is any objective evidence that an AFS financial asset is impaired. Any increase/decrease in the balance of provision is recognized in the income statement under "*Provision expenses for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans*".

- When an equity instrument is classified as available-for-sale, evidence of impairment includes a significant or prolonged decline in the fair value of the investment below its original cost. 'Significant' is to be evaluated against the original cost of the asset and 'prolonged' indicates the period in which the fair value has been below its original cost. When any evidence of impairment exists, provision is determined as the difference between the AFS asset's cost and fair value at the assessment date.
- When a debt instrument is classified as available-for-sale, the assessment of impairment is conducted using the same criteria as those applied for HTM investments. When there is any evidence of impairment, provision for an AFS asset is determined as the negative difference between its fair value and amortized cost at the assessment date.

4.7. Fair value measurement

Fair value/market value of the securities is determined as follows:

- For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the revaluation.
- For unlisted securities registered for trading on UpCom, their market prices are the average price within the last 30 transaction days before the time of setting up the provision.

- For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- The market price for unlisted securities and securities unregistered for trading used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions at the latest date within one month preceding the revaluation date.

For securities which do not have reference price from the above sources, the revaluation is determined based on the financial performance and the book value of securities issuers as at the assessment date.

For the purpose of determining CIT taxable profit, the tax base for financial assets is determined by cost minus (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.48/2019/TT-BTC dated 8 August 2019 and Circular No. 24/2022/TT-BTC dated 07 April 2022.

4.8. Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - The Company has transferred substantially all the risks and rewards of the asset; or
 - The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The continued participant in transferred assets in the form of guarantee will be recognized at smaller value between the initial carrying value of the assets and the maximum amount that the Company is required to pay.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

4.9. Reclassification of financial assets

Reclassification when selling financial assets other than FVTPL

When selling financial assets other than FVTPL, securities companies are required to reclassify those financial assets to financial assets at FVTPL. The difference arising from the revaluation of financial assets AFS which is recognized in "Gain/(loss) from revaluation of financial assets AFS" will be recognized as corresponding revenue or expenses at the date of reclassification of financial assets AFS for selling purpose.

Reclassification due to change in purpose or ability to hold

Securities companies are required to reclassify financial assets to their applicable categories if their purpose or ability to hold has changed, consequently:

- Non-derivative financial assets at FVTPL that are not required to classify as financial asset at FVTPL at the initial recognition can be classified as loans and receivables in some special cases or as cash and cash equivalents if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed.
- Due to changes in purposes or ability to hold, some HTM investments are required to be reclassified into AFS financial assets and measured at fair value. The difference arising from revaluation between carrying value and fair value are recognized under "Gain/loss from revaluation of assets at fair value" in Owners' equity.

4.10. Recognition of mortgaged financial assets

During the year, the Company had mortgaged/pledged financial assets which are used as collaterals for financial obligations of the Company.

According to the terms and conditions of the mortgage/pledge contracts, during the valid period of the contracts, the Company is not allowed to sell, transfer or use the mortgaged/pledged assets under repurchase or swap contracts with any other third parties.

In case the Company is unable to fulfill its obligations, the mortgagee/pledgee is allowed to use the mortgaged/pledged assets to settle the obligations of the Company after a period specified in the mortgage/pledge contracts, since the obligations due date.

The mortgaged/pledged assets are monitored in the Company's statement of financial position in accordance with accounting principles relevant to the assets' classification.

4.11. Receivables

Receivables are initially recorded at cost and subsequently always presented at cost.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the allowance balance are recorded as "General and administrative expenses" in the income statement.

The Company has made allowance for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 and Circular No. 24/2022/TT-BTC dated 07 April 2022 issued by the Ministry of Finance. Accordingly, the allowance rates for overdue receivables are as follows:

| Overdue period | Allowance rate |
|--|----------------|
| From over six (6) months to less than one (1) year | 30% |
| From one (1) year to less than two (2) years | 50% |
| From two (2) years to less than three (3) years | 70% |
| From three (3) years and above | 100% |

4.12. Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization.

The cost of a fixed asset comprises of its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

4.13. Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

| | |
|-------------------------|-------------|
| Machinery and equipment | 3 – 8 years |
| Means of transportation | 6 – 8 years |
| Office equipment | 3 – 5 years |
| Software | 3 – 5 years |
| Others | 3 – 5 years |

4.14. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

4.15. Prepaid expenses

Prepaid expenses, including short-term prepaid expenses and long-term prepaid expenses in the statement of financial position, are amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortized over the period of one (01) to five (05) years to the income statement:

- Expenses for office renovation;
- Office rental fees; and
- Office equipment.

4.16. Sale and repurchase agreements

Securities sold under the agreements to be repurchased at a specified future date (“repo”) are not derecognized from the statement of financial position. The corresponding cash received is recognized in the statement of financial position as a liability. The difference between sale price and repurchase price is treated as interest expense and is accrued over the life of the agreement using the straight-line method.

4.17. Bonds issued

Bonds issued by the Company are initially recorded at its face value and subsequently recognized at amortized cost using effective interest method.

4.18. Payables and accrued expenses

Payables and accrued expenses are recognized for amounts to be paid in the future for interest of convertible bond, goods and services received, whether or not billed to the Company.

4.19. Employee benefits

4.19.1. Post-employment benefits

- Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency. According to Decision No. 595/QĐ-BHXH effective July 1, 2017, the Company has made monthly contributions to the retirement and survivorship fund to the Vietnam Social Insurance Agency at the rate of 14% on the salary according to job or title and salary allowance (if any) of officers and employees. The company also deducts 3% of salary according to job or title and salary allowance (if any) of officials and employees to participate in health insurance.

4.19.2. Unemployment insurance, resignation benefits and Retrenchment benefits

- According to Article 57 of the Law on Employment No. 38/2013/QH13 effective from 01 January 2015

and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, the Company is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance participants and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance. According to Decision No. 28/2021/QĐ-TTg of the Prime Minister, from 01 October 2021, the Company is entitled to reduce the unemployment insurance contributions rate of 1% mentioned above to 0% within 12 months.

- Resignation benefits: According to the Labor Code No. 45/2019/QH14 effective from January 1, 2021 and Decree No. 145/2020/ND-CP of the Government – detailing and guiding the implementation of the Labor Code on working conditions and labor relations, the Company has the obligation to pay a severance allowance equal to half a month's salary for each year of service to employees who resign voluntarily and fully meet all the criteria as prescribed by law. The qualified working period used for the calculation of resignation benefits shall be the total period during which the employee actually worked for the employer minus the time over which the employee participated in the unemployment insurance program in accordance with the provisions of the law on unemployment insurance and the time for which the employer already paid the severance allowance to the employee. The average monthly salary used in this calculation will be based on the average salary of the last six months up to the time of resignation of the employee.
- Retrenchment benefits: The Company has the obligation to pay unemployment benefits to employees who lose their jobs due to changes in structure, technology or merger, consolidation or separation of enterprises. In this case, the

Company will be obliged to pay a job loss allowance with a total amount equivalent to one month's salary for each year of service but not less than two months' salary.

4.20. Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly;
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currencies at the end of the year are taken to the income statement.

4.21. Treasury shares

Equity instruments issued by the Company which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

4.22. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

Revenue from brokerage services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

Revenue from trading of securities

Revenue from trading of securities is determined by the difference between the selling price and the weighted average cost of securities sold.

Other income

Revenues from irregular activities other than revenue-generating activities are recorded to other incomes as stipulated by VAS 14 – “Revenue and other income”, including: Revenues from asset liquidation and sale; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which had been written off and included in the preceding year expenses; payable debts which are now recorded as revenue increase as their owners no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues.

Interest income

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Revenue is recognized when the Company's entitlement to receive the dividend is established. Stocks dividend received are not recognized as revenue and the respective increase in the number of shares are updated in the total shares held.

Other revenues from rendering services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

4.23. Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction, or formation of a particular asset that take a sufficiently long time to be ready for its intended use or sale are capitalized as part of the cost of the respective asset.

4.24. Cost of securities sold

The company applies weighted average method on the preceding day to calculate cost of equity securities sold and weighted average method to calculate cost of debt securities sold.

4.25. Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the reporting date.

Current income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in owners' equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against

which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset realized, or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authorities and the Company intends to settle its current tax assets and liabilities on a net basis.

4.26. Owners' equity

Contributed capital

Contributed capital from stock issuance is recorded to account charter capital at par value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

- Unrealized profit of the year is the total differences between gain or loss arising from revaluation of FVTPL financial assets or other financial assets through profit and loss in the income statement.
- Realized profit during the year is the net difference between total revenue and income, and total expenses in the income statement of the Company, except for gain or loss arising from revaluation of financial assets recognized in unrealized profit.

Reserves

From 2021 backward, the Company appropriated annual profit after tax to reserves as follows:

| | Percentage of profit after tax | Maximum balance |
|---|--------------------------------|------------------------|
| Charter Capital Supplementary Reserves | 5% | 10% of charter capital |
| Operational Risk and Financial Reserves | 5% | 10% of charter capital |

On 17 December 2021, the Ministry of Finance issued Circular 114/2021/TT-BTC to annul Circular No. 146/2014/TT-BTC of the Minister of Finance guiding the financial regime for public securities companies, fund management companies. Whereby:

- For the balance of the Capital Supplementary Reserve set up according to the provisions of Circular No. 146/2014/TT-BTC: used to supplement the charter capital according to current regulations;
- For the balance of the and Operational Risk and Financial Reserves set up according to the provisions of Circular No. 146/2014/TT-BTC: used to supplement charter capital or used under the decision of the General Meeting shareholders, the Board of members or the Chairman of the company in accordance with current regulations.

4.27. Appropriation of net profits

Net profit after tax is available for appropriation to shareholders based on approval by the Annual General Meeting Shareholders after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

4.28. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are not calculated and presented since there is no events that may reduce the Company's earnings per share.

4.29. Related parties

Parties are considered to be related parties of the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other parties are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of the family of any such individuals.

4.30. Items with nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 September 2014, Circular No. 334/TT-BTC dated 26 December 2016 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balances.

5. CASH AND CASH EQUIVALENTS

| | Ending balance (VND) | Beginning balance (VND) |
|--|------------------------|-------------------------|
| Cash | 149,529,318,217 | 66,560,460,232 |
| Cash on hand | 116,351,818 | 232,801,687 |
| Cash at banks for operation of the Company | 149,412,966,399 | 66,327,658,545 |
| TOTAL | 149,529,318,217 | 66,560,460,232 |

6. VALUE AND VOLUME OF TRADING IN THE YEAR

| | Volume of trading in the year (Unit) | Value of trading in the year (VND) |
|--------------------------|--------------------------------------|------------------------------------|
| 1. By the Company | | |
| Shares | 83,951,199 | 2,376,175,647,560 |
| Bonds | 40,022,883 | 4,838,186,846,223 |
| Other securities | 6,142,060 | 122,332,538,598 |
| TOTAL | 130,116,142 | 7,336,695,032,381 |
| 2. By investors | | |
| Shares | 9,420,462,792 | 214,076,851,361,954 |
| Bonds | 198,258,133 | 21,991,044,958,902 |
| Other securities | 134,163,984 | 303,731,848,280 |
| TOTAL | 9,752,884,909 | 236,371,628,169,136 |

7. FINANCIAL ASSETS

7.1. Financial assets at fair value through profit or loss (FVTPL)

| | Ending balance | | Beginning balance | |
|-------------------|------------------------|------------------------|------------------------|------------------------|
| | Cost (VND) | Fair value (VND) | Cost (VND) | Fair value (VND) |
| Listed shares | 163,779,150,920 | 160,838,365,450 | 147,818,216,294 | 208,634,241,010 |
| Unlisted shares | 1,527,198,988 | 1,100,572,496 | 1,981,656,200 | 2,813,809,642 |
| Fund certificates | 55,802,210,678 | 52,094,677,700 | 37,795,364,326 | 46,329,470,630 |
| Unlisted bonds | 186,928,440,781 | 186,928,440,781 | 480,098,749,718 | 480,098,749,718 |
| TOTAL | 408,037,001,367 | 400,962,056,427 | 667,693,986,538 | 737,876,271,000 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

7.2. Available-for-sale financial assets (AFS)

| | Ending balance | | | Beginning balance | | |
|---------------------------------|------------------------|------------------------|--------------------------------------|------------------------|------------------------|--------------------------------------|
| | Cost (VND) | Carrying value (VND) | Fair value/ Net carrying value (VND) | Cost (VND) | Carrying value (VND) | Fair value/ Net carrying value (VND) |
| SHORT TERM | | | | | | |
| Recognized at fair value | 16,576,432,682 | 51,200,280,000 | 51,200,280,000 | 16,576,432,682 | 78,132,880,000 | 78,132,880,000 |
| Listed fund certificates | 16,576,432,682 | 51,200,280,000 | 51,200,280,000 | 16,576,432,682 | 78,132,880,000 | 78,132,880,000 |
| Recognized at cost | 85,693,874,506 | 85,693,874,506 | 35,563,939,239 | 88,848,071,477 | 88,848,071,477 | 38,688,942,636 |
| Other propriety investments | 15,338,915,258 | 15,338,915,258 | - | 18,496,504,253 | 18,496,504,253 | - |
| Unlisted shares | 70,354,959,248 | 70,354,959,248 | 35,563,939,239 | 70,351,567,224 | 70,351,567,224 | 38,688,942,636 |
| TOTAL | 102,270,307,188 | 136,894,154,506 | 86,764,219,239 | 105,424,504,159 | 166,980,951,477 | 116,821,822,636 |
| LONG TERM | | | | | | |
| Recognized at fair value | 108,285,757,806 | 147,707,304,455 | 147,707,304,455 | 108,284,163,406 | 169,349,031,737 | 169,349,031,737 |
| Listed share | 15,285,757,806 | 19,918,579,250 | 19,918,579,250 | 15,284,163,406 | 19,316,487,900 | 19,316,487,900 |
| Unlisted fund certificates | 93,000,000,000 | 127,788,725,205 | 127,788,725,205 | 93,000,000,000 | 150,032,543,837 | 150,032,543,837 |
| Recognized at cost | 14,150,483,000 | 14,150,483,000 | 11,209,099,000 | 14,150,483,000 | 14,150,483,000 | 7,010,780,200 |
| Unlisted shares | 14,150,483,000 | 14,150,483,000 | 11,209,099,000 | 14,150,483,000 | 14,150,483,000 | 7,010,780,200 |
| TOTAL | 122,436,240,806 | 161,857,787,455 | 158,916,403,455 | 122,434,646,406 | 183,499,514,737 | 176,359,811,937 |

(*) For AFS financial assets recognized at cost, net carrying value is carrying value after deducting allowance for impairment.

7.3. Held-to-maturity investments (HTM)

| | Ending balance (VND) | Beginning balance (VND) |
|-----------------------------|------------------------|-------------------------|
| Short-term | | |
| 1. Term deposits | | |
| Term deposits contracts (*) | 628,037,300,819 | 998,420,757,339 |
| TOTAL | 628,037,300,819 | 998,420,757,339 |

(*) The term deposit contracts in VND at credit institutions have remaining terms from one (01) month to one (01) year and have interest rates from 5.10% p.a to 8.70% p.a.

7.4. Loans

| | Ending balance (VND) | Beginning balance (VND) |
|-----------------------|--------------------------|--------------------------|
| Margin lending (*) | 1,870,447,859,022 | 2,670,081,302,288 |
| Advances to customers | 384,350,836,986 | 704,520,781,730 |
| TOTAL | 2,254,798,696,008 | 3,374,602,084,018 |

(*) Investors' securities participating in margin lending transactions are held by the Company as collateral for these loans of the investors with the Company. As at 31 December 2022 and 31 December 2021, the market value of securities used as collateral for margin lending are VND 3,832,347,082,830 and VND 5,452,733,585,166, respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

7.5. Change in market values of financial assets

| Financial assets | Ending balance | | | | Beginning balance | | | |
|---------------------------------|------------------------|-----------------------|-------------------------|---------------------------|------------------------|------------------------|----------------------|---------------------------|
| | Revaluation difference | | | | Revaluation difference | | | |
| | Cost (VND) | Increase (VND) | Decrease (VND) | Revaluated value (VND) | Cost (VND) | Increase (VND) | Decrease (VND) | Revaluated value (VND) |
| FVTPL | | | | | | | | |
| Short-term | 408,037,001,367 | 18,111,076,110 | (25,186,021,050) | 400,962,056,427 | 667,693,986,538 | 70,381,683,086 | (199,398,624) | 737,876,271,000 |
| Listed shares | 163,779,150,920 | 16,246,550,755 | (19,187,336,225) | 160,838,365,450 | 147,818,216,294 | 60,989,910,886 | (173,886,170) | 208,634,241,010 |
| Unlisted shares | 1,527,198,988 | 11,267,442 | (437,893,934) | 1,100,572,496 | 1,981,656,200 | 838,940,339 | (6,786,897) | 2,813,809,642 |
| Listed fund certificates | 55,802,210,678 | 1,853,257,913 | (5,560,790,891) | 52,094,677,700 | 37,795,364,326 | 8,552,831,861 | (18,725,557) | 46,329,470,630 |
| Bonds | 186,928,440,781 | - | - | 186,928,440,781 | 480,098,749,718 | - | - | 480,098,749,718 |
| TOTAL | 408,037,001,367 | 18,111,076,110 | (25,186,021,050) | 400,962,056,427 | 667,693,986,538 | 70,381,683,086 | (199,398,624) | 737,876,271,000 |
| AFS | | | | | | | | |
| Short-term | 102,270,307,188 | 34,623,847,318 | - | 136,894,154,506 | 105,424,504,159 | 61,556,447,318 | - | 166,980,951,477 |
| Recognized at fair value | | | | | | | | |
| Unlisted fund certificates | 16,576,432,682 | 34,623,847,318 | - | 51,200,280,000 | 16,576,432,682 | 61,556,447,318 | - | 78,132,880,000 |
| Recognized at cost | | | | | | | | |
| Other propriety investment | 15,338,915,258 | - | - | 15,338,915,258 | 18,496,504,253 | - | - | 18,496,504,253 |
| Unlisted shares | 70,354,959,248 | - | - | 70,354,959,248 | 70,351,567,224 | - | - | 70,351,567,224 |
| Long-term | 122,436,240,806 | 39,421,546,649 | - | 161,857,787,455 | 122,434,646,406 | 61,064,868,331 | - | 183,499,514,737 |
| Recognized at fair value | | | | | | | | |
| Listed shares | 15,285,757,806 | 4,632,821,444 | - | 19,918,579,250 | 15,284,163,406 | 4,032,324,494 | - | 19,316,487,900 |
| Unlisted fund certificates | 93,000,000,000 | 34,788,725,205 | - | 127,788,725,205 | 93,000,000,000 | 57,032,543,837 | - | 150,032,543,837 |
| Recognized at cost | | | | | | | | |
| Unlisted shares | 14,150,483,000 | - | - | 14,150,483,000 | 14,150,483,000 | - | - | 14,150,483,000 |
| TOTAL | 224,706,547,994 | 74,045,393,967 | - | 298,751,941,961 | 227,859,150,565 | 122,621,315,649 | - | 350,480,466,214 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

7.6. Provision for impairment of financial assets and mortgaged assets

| | Ending balance (VND) | Beginning balance (VND) |
|----------------------------|-----------------------|-------------------------|
| Short-term | 74,031,210,006 | 59,929,583,989 |
| For loans | 23,901,274,739 | 8,855,327,898 |
| Margin lending | 23,901,274,739 | 8,855,327,898 |
| For AFS financial assets | 50,129,935,267 | 51,074,256,091 |
| Unlisted shares | 34,791,020,009 | 32,577,751,838 |
| Other propriety investment | 15,338,915,258 | 18,496,504,253 |
| Long term | 2,941,384,000 | 7,139,702,800 |
| For AFS financial assets | 2,941,384,000 | 7,139,702,800 |
| Unlisted shares | 2,941,384,000 | 7,139,702,800 |
| TOTAL | 76,972,594,006 | 67,069,286,789 |

7.7. Detail of provision for impairment of financial assets

| No. | Financial asset | Basis of provision in current year | | | Allowance made for previous year (VND) | Reversal allowance for current year (VND) | (Addition)/ |
|--------------|----------------------------|------------------------------------|--------------------------|--|--|---|-------------------------|
| | | Quantity | Book values (VND) | Marketing value as at the reporting date (VND) | | | |
| I | HTM | | 628,037,300,819 | 628,037,300,819 | - | - | - |
| 1 | Term deposit | | 628,037,300,819 | 628,037,300,819 | - | - | - |
| II | Loans | | 2,254,798,696,008 | 2,230,897,421,269 | (23,901,274,739) | (8,855,327,898) | (15,045,946,841) |
| 1 | Margin lending | | 1,870,447,859,022 | 1,846,546,584,283 | (23,901,274,739) | (8,855,327,898) | (15,045,946,841) |
| 2 | Advance lending | | 384,350,836,986 | 384,350,836,986 | - | - | - |
| III | AFS | 9,093,924 | 99,844,357,506 | 46,773,038,239 | (53,071,319,267) | (58,213,958,891) | 5,142,639,624 |
| 1 | Short term | 7,055,906 | 85,693,874,506 | 35,563,939,239 | (50,129,935,267) | (51,074,256,091) | 944,320,824 |
| | Other propriety investment | - | 15,338,915,258 | - | (15,338,915,258) | (18,496,504,253) | 3,157,588,995 |
| | Shares | 7,055,906 | 70,354,959,248 | 35,563,939,239 | (34,791,020,009) | (32,577,751,838) | (2,213,268,171) |
| 2 | Long term | 2,038,018 | 14,150,483,000 | 11,209,099,000 | (2,941,384,000) | (7,139,702,800) | 4,198,318,800 |
| | Shares | 2,038,018 | 14,150,483,000 | 11,209,099,000 | (2,941,384,000) | (7,139,702,800) | 4,198,318,800 |
| TOTAL | | | 2,982,680,354,333 | 2,905,707,760,327 | (76,972,594,006) | (67,069,286,789) | (9,903,307,217) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

8. RECEIVABLES AND ADVANCES TO SUPPLIERS

| | Ending balance (VND) | Beginning balance (VND) |
|---|------------------------|-------------------------|
| Receivables from selling financial assets | - | 5,228,700,000 |
| Dividend receivables and interest accrual | 30,999,425,008 | 23,214,205,266 |
| Dividends, corporate bonds' coupon interest | 4,225,526,000 | 592,658,460 |
| Accrued interest from term deposits | 10,923,563,783 | 1,421,098,833 |
| Accrued interest from margin | 15,850,335,225 | 21,200,447,973 |
| Receivables from services provided by the Company | 119,411,739,932 | 180,823,047,480 |
| Other receivables | 13,045,316,061 | 12,967,497,128 |
| | 163,456,481,001 | 222,233,449,874 |
| Advances to suppliers | 4,232,401,524 | 5,854,290,376 |
| Advances to related parties | - | 707,561,455 |
| Supplier H_TC161 | 2,800,000,000 | 2,800,000,000 |
| Supplier H_TC144 | - | 1,447,875,000 |
| Others | 1,432,401,524 | 898,853,921 |
| | 4,232,401,524 | 5,854,290,376 |
| Provision for impairment of receivables and advances to suppliers (*) | (16,072,387,699) | (17,520,262,699) |
| TOTAL | 151,616,494,826 | 210,567,477,551 |

(*) Details of provision for impairment of receivables and advances to suppliers:

| Doubtful debts | Balance of doubtful debts as at 31 st December 2022 | Beginning provision balance (restated) | Addition/ Reversal | Ending provision balance |
|-------------------------------------|--|--|------------------------|--------------------------|
| Provision for doubtful debts | 17,520,262,699 | 17,520,262,699 | - | 17,520,262,699 |
| Receivables | 13,272,387,699 | 13,272,387,699 | - | 13,272,387,699 |
| Customer H_CN1022 | 4,000,000,000 | 4,000,000,000 | - | 4,000,000,000 |
| Customer H_CN1012 | 1,780,000,000 | 1,780,000,000 | - | 1,780,000,000 |
| Customer H_CN1013 | 1,685,000,000 | 1,685,000,000 | - | 1,685,000,000 |
| Other | 5,807,387,699 | 5,807,387,699 | - | 5,807,387,699 |
| Prepayments for suppliers | 2,800,000,000 | 4,247,875,000 | (1,447,875,000) | 2,800,000,000 |
| Supplier H_TC161 | 2,800,000,000 | 2,800,000,000 | - | 2,800,000,000 |
| Supplier H_TC144 | - | 1,447,875,000 | (1,447,875,000) | - |
| TOTAL | 16,072,387,699 | 17,520,262,699 | (1,447,875,000) | 16,072,387,699 |

9. OTHER CURRENT ASSETS

| | Ending balance (VND) | Beginning balance (VND) |
|--------------------------------------|----------------------|-------------------------|
| Advances | 485,200,000 | 576,073,980 |
| Office supplies, materials and tools | 959,561,833 | 816,271,618 |
| Short-term prepaid expenses | 2,731,925,974 | 1,445,398,955 |
| Healthcare insurance expense | 812,500,000 | 538,292,347 |
| Software maintenance expense | 657,487,431 | 99,999,998 |
| Others | 1,261,938,543 | 807,106,610 |
| Short-term pledges | - | 4,714,853,325 |
| TOTAL | 4,176,687,807 | 7,552,597,878 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

10. TANGIBLE FIXED ASSETS

| | Machines and equipment (VND) | Means of transportation (VND) | Office equipment (VND) | Others (VND) | Total (VND) |
|---------------------------------|------------------------------|-------------------------------|------------------------|--------------|----------------|
| Cost | | | | | |
| 1 st January 2022 | 31,262,023,072 | 7,604,065,167 | 165,020,000 | 56,770,560 | 39,087,878,799 |
| Purchased during the year | 4,439,934,636 | 1,674,280,000 | 83,794,160 | - | 6,198,008,796 |
| Disposed | - | (851,695,260) | - | - | (851,695,260) |
| 31 st December 2022 | 35,701,957,708 | 8,426,649,907 | 248,814,160 | 56,770,560 | 44,434,192,335 |
| Accumulated depreciation | | | | | |
| 1 st January 2022 | 23,104,296,760 | 4,271,271,738 | 165,020,000 | 56,770,560 | 27,597,359,058 |
| Depreciation for the year | 3,939,550,063 | 602,004,364 | 638,368 | - | 4,542,192,795 |
| Disposed | - | (851,695,260) | - | - | (851,695,260) |
| 31 st December 2022 | 27,043,846,823 | 4,021,580,842 | 165,658,368 | 56,770,560 | 31,287,856,593 |
| Net carrying amount | | | | | |
| 1 st January 2022 | 8,157,726,312 | 3,332,793,429 | - | - | 11,490,519,741 |
| 31 st December 2022 | 8,658,110,885 | 4,405,069,065 | 83,155,792 | - | 13,146,335,742 |

Cost of fully depreciated tangible fixed asset but still in use as at 31 December 2022 is VND 22,412,682,915 (31st December 2021: VND 27,388,035,035).

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

11. INTANGIBLE FIXED ASSETS

| | Software (VND) | Others (VND) | Total (VND) |
|---------------------------------|----------------|---------------|----------------|
| Cost | | | |
| 1 st January 2022 | 15,720,742,834 | 2,967,788,256 | 18,688,531,090 |
| Increase for the year | 1,816,500,000 | - | 1,816,500,000 |
| 31 st December 2022 | 17,537,242,834 | 2,967,788,256 | 20,505,031,090 |
| Accumulated amortization | | | |
| 1 st January 2022 | 11,944,851,970 | 2,967,788,256 | 14,912,640,226 |
| Amortization for the year | 1,640,826,309 | - | 1,640,826,309 |
| 31 st December 2022 | 13,585,678,279 | 2,967,788,256 | 16,553,466,535 |
| Net carrying amount | | | |
| 1 st January 2022 | 3,775,890,864 | - | 3,775,890,864 |
| 31 st December 2022 | 3,951,564,555 | - | 3,951,564,555 |

Cost of fully amortized intangible fixed asset but still in use as at 31 December 2022 is VND 13,449,551,090 (31st December 2021: VND 11,132,386,440).

12. LONG-TERM PREPAID EXPENSES

| | Ending balance (VND) | Beginning balance (VND) |
|-------------------|----------------------|-------------------------|
| Office equipment | 2,880,903,416 | 2,174,388,414 |
| Office renovation | 1,512,863,410 | - |
| Software license | 342,632,255 | - |
| Others | 1,965,537,459 | 181,073,713 |
| TOTAL | 6,701,936,540 | 2,355,462,127 |

13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

Movements of the deposits to settlement assistance fund during the year are as follows:

| | VND |
|--|-----------------------|
| As at 1st January 2021 | 21,350,120,520 |
| Interest received during the year | (1,350,120,520) |
| Interest allocated during the year | 1,178,821,110 |
| As at 31st December 2021 | 21,178,821,110 |
| Interest received during the year | (1,178,821,110) |
| Interest allocated during the year | 865,708,899 |
| As at 31st December 2022 | 20,865,708,899 |

14. SHORT TERM BORROWING

| | Beginning balance (VND) | Additional borrowings during the year (VND) | Repayment during the year (VND) | Ending balance (VND) |
|---------------------------|--------------------------|---|---------------------------------|------------------------|
| Overdrafts | 547,695,690,235 | 5,878,353,108,848 | 6,376,048,799,083 | 50,000,000,000 |
| Short-term borrowings (*) | 1,958,000,000,000 | 5,673,000,000,000 | 6,701,000,000,000 | 930,000,000,000 |
| TOTAL | 2,505,695,690,235 | 11,551,353,108,848 | 13,077,048,799,083 | 980,000,000,000 |

(*) Borrowings in VND from credit institutions have maturity from 01 month to 12 months and interest rates from 3.70% to 8.70% p.a. Collateral assets are deposit contracts, bonds of the Company. At the reporting date, the borrowing balances have been settled.

15. PAYABLES FOR SECURITIES TRANSACTIONS

| | Ending balance (VND) | Beginning balance (VND) |
|--|----------------------|-------------------------|
| Payable to Stock Exchanges | 5,217,090,134 | 7,309,961,319 |
| Payable to Vietnam Securities Depository | 691,272,848 | 671,836,929 |
| TOTAL | 5,908,362,982 | 7,981,798,248 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

16. SHORT-TERM TRADE PAYABLES

| | Ending balance (VND) | Beginning balance (VND) |
|--|----------------------|-------------------------|
| Payables to related parties (Note 32.1) | 778,056,615 | 1,751,390,300 |
| Payables to asset purchases | 2,151,000,000 | - |
| Deposit by customers for securities purchase brokerage | - | 4,024,930,000 |
| Others | 447,891,904 | 634,225,084 |
| TOTAL | 3,376,948,519 | 6,410,545,384 |

17. STATUTORY OBLIGATIONS

| No. | Items | Beginning balance (VND) | Payable for the year (VND) | Payment made for the year (VND) | Ending balance (VND) |
|-----|-----------------------------------|-------------------------|----------------------------|---------------------------------|-----------------------|
| 1 | Personal income tax | 18,656,218,377 | 168,646,673,051 | (174,721,701,652) | 12,581,189,776 |
| | Of the Company's employees | 4,460,842,195 | 51,499,229,226 | (53,788,718,059) | 2,171,353,362 |
| | Of retail investors | 14,195,376,182 | 117,147,443,825 | (120,932,983,593) | 10,409,836,414 |
| 2 | Corporate income tax (Note 29.1) | 20,348,743,709 | 44,569,990,437 | (55,999,824,703) | 8,918,909,443 |
| | Including: | | | | |
| | Deduction of corporate income tax | - | - | (310,000,000) | (310,000,000) |
| 3 | Value added tax | 474,429,699 | 645,250,084 | (920,330,255) | 199,349,528 |
| 4 | Other taxes | 82,994,784 | 3,609,781,648 | (3,472,865,280) | 219,911,152 |
| | TOTAL | 39,562,386,569 | 217,471,695,220 | (235,114,721,890) | 21,919,359,899 |

18. SHORT-TERM ACCRUED EXPENSES

| | Ending balance (VND) | Beginning balance (VND) |
|---|-----------------------|-------------------------|
| Accrued commission for customers introduction | 1,569,513,453 | 1,700,399,730 |
| Accrued expenses for external services | 893,467,602 | 2,662,621,530 |
| Accrued borrowing interest for banks | 2,003,013,698 | 3,836,936,984 |
| Accrued borrowing interest for other institutions and individuals | 10,126,325,084 | 14,319,226,031 |
| TOTAL | 14,592,319,837 | 22,519,184,275 |

19. OTHER SHORT-TERM PAYABLES

| | Ending balance (VND) | Beginning balance (VND) |
|------------------------------|------------------------|-------------------------|
| Deposit management contracts | 488,238,780,855 | 605,742,316,469 |
| Others | 3,488,790,422 | 2,415,121,124 |
| TOTAL | 491,727,571,277 | 608,157,437,593 |

20. LONG-TERM BONDS

| | Ending balance (VND) | Beginning balance (VND) |
|--|----------------------|-------------------------|
| Principal | - | 100,000,000,000 |
| Accrued interest using effective interest method | - | 194,517,884 |
| TOTAL | - | 100,194,517,884 |

Long-term bonds included 1,000,000 BVSH2123001 with par value of each bond of VND 100,000 (total par value of VND 100,000,000,000). These non-convertible bonds were issued under Resolution No. 30/2021/NQ-HĐQT of the Company's Board of Directors dated 01 December 2021, have term of two (02) years and interest rate specified in the Company's bonds private placement plan. As of November 30, 2022, the Company has repurchased the issued bonds.

21. PAYABLES UNDER BOND REPO CONTRACTS

| | Beginning balance (VND) | Sale during the year (VND) | Repurchase during the year (VND) | Repo expenses accrued during the year (VND) | Ending balance (VND) |
|--------------------------|-------------------------|----------------------------|----------------------------------|---|----------------------|
| Repo contract (*) | | | | | |
| Corporate | 61,911,582,873 | - | (62,385,500,000) | 473,917,127 | - |
| TOTAL | 61,911,582,873 | - | (62,385,500,000) | 473,917,127 | - |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

22. OWNERS' EQUITY

22.1. Changes in owners' equity

| | Share capital (VND) | Share premium (VND) | Treasury shares (VND) | Charter capital supplementary reserve (VND) | Operational risk and financial reserve (VND) | Difference from revaluation of assets at fair value (VND) | Undistributed profit (VND) | Total (VND) |
|---|------------------------|------------------------|--------------------------|---|---|--|-------------------------------|--------------------------|
| As at 1st January 2022 | 722,339,370,000 | 610,253,166,720 | (496,682,500) | 59,379,106,210 | 59,379,106,210 | 98,097,052,517 | 595,500,543,952 | 2,144,451,663,109 |
| Dividends paid to owners (*) | - | - | - | - | - | - | (57,760,116,000) | (57,760,116,000) |
| Appropriation of bonus and welfare fund and bonus fund for executives according to the Resolution of the General Meeting of Shareholders 2021 (*) | - | - | - | - | - | - | (12,538,889,950) | (12,538,889,950) |
| Profit after tax for the year | - | - | - | - | - | - | 213,690,994,238 | 213,690,994,238 |
| Difference from revaluation of assets available for sales | - | - | - | - | - | (38,860,737,345) | (66,803,108,007) | (105,663,845,352) |
| Other decrease | - | - | - | - | - | - | (1,240,000,000) | (1,240,000,000) |
| As at 31st December 2022 | 722,339,370,000 | 610,253,166,720 | (496,682,500) | 59,379,106,210 | 59,379,106,210 | 59,236,315,172 | 670,849,424,233 | 2,180,939,806,045 |

(*) According to the Resolution of the 2022 Annual General Meeting of Shareholders on April 22, 2022:

Regarding the plan to use profits of 2021, the Company appropriated VND 12,538,889,950 to the bonus, welfare and bonus fund of the Board of Management and has paid a dividend for the 2021 fiscal year of 8% (VND 800/share) based on charter capital of VND 722,001,450,000, equivalent to VND 57,760,116,000. The dividend payment was made in October 2022.

| | Share capital (VND) | Share premium (VND) | Treasury shares (VND) | Provision for Investment and Development Fund (VND) | Operational risk and financial reserve (VND) | Difference from revaluation of assets at fair value (VND) | Undistributed profit (VND) | Total (VND) |
|--|------------------------|------------------------|--------------------------|--|--|---|-------------------------------|--------------------------|
| As at 1st January 2021 | 722,339,370,000 | 610,253,166,720 | (496,682,500) | 47,769,022,922 | 47,769,022,922 | 47,901,675,608 | 399,208,093,183 | 1,874,743,668,855 |
| Dividends paid to owners | - | - | - | - | - | - | (57,760,116,000) | (57,760,116,000) |
| Appropriation of Charter capital supplementary Reserve and Operational Risk and Finance Reserve | - | - | - | 11,610,083,288 | 11,610,083,288 | - | (23,220,166,576) | - |
| Appropriation of bonus and welfare fund and bonus fund for executives according to the 2021 AGM's Resolution | - | - | - | - | - | - | (5,671,588,073) | (5,671,588,073) |
| Profit after tax for the year | - | - | - | - | - | - | 282,944,321,418 | 282,944,321,418 |
| Difference from revaluation of AFS | - | - | - | - | - | 50,195,376,909 | - | 50,195,376,909 |
| As at 31st December 2021 | 722,339,370,000 | 610,253,166,720 | (496,682,500) | 59,379,106,210 | 59,379,106,210 | 98,097,052,517 | 595,500,543,952 | 2,144,451,663,109 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

22. OWNERS' EQUITY (continued)

Details of the Company's share capital as at 31 December 2022 are as follows:

| | Number of shares (*) (Unit) | Par value (*) (VND) | Ownership (%) |
|--------------------|-----------------------------|------------------------|---------------|
| Bao Viet Holdings | 43,281,193 | 432,811,930,000 | 59.9% |
| Other shareholders | 28,918,952 | 289,189,520,000 | 40.1% |
| TOTAL | 72,200,145 | 722,001,450,000 | 100% |

(*) Treasury shares are not included in number of shares and par value.

Details of the Company's shares are as follows:

| | Ending balance (Unit) | Beginning balance (Unit) |
|--------------------------------------|-----------------------|--------------------------|
| Authorized shares | 72,233,937 | 72,233,937 |
| Common shares | 72,233,937 | 72,233,937 |
| Issued and fully paid shares | 72,233,937 | 72,233,937 |
| Common shares | 72,233,937 | 72,233,937 |
| Repurchased shares (Treasury shares) | 33,792 | 33,792 |
| Common shares | 33,792 | 33,792 |
| Outstanding shares | 72,200,145 | 72,200,145 |
| Common shares | 72,200,145 | 72,200,145 |

23. DISCLOSURE OF OFF-BALANCE SHEET ITEMS

23.1. The Company's financial assets listed/registered at VSD

| | Ending balance (VND) | Beginning balance (VND) |
|--------------------------------------|------------------------|-------------------------|
| Unrestricted financial assets | 142,937,350,000 | 148,580,180,000 |
| Restricted financial assets | 152,000,000 | 152,000,000 |
| Financial assets awaiting settlement | - | 1,310,000,000 |
| TOTAL | 143,089,350,000 | 150,042,180,000 |

23.2. The Company's non-traded financial assets deposited at VSD

| | Ending balance (VND) | Beginning balance (VND) |
|---|----------------------|-------------------------|
| Unrestricted and non-traded financial assets deposited at VSD | 3,004,290,000 | 11,236,630,000 |
| TOTAL | 3,004,290,000 | 11,236,630,000 |

23.3. The Company's awaiting financial assets

| | Ending balance (VND) | Beginning balance (VND) |
|--------------|----------------------|-------------------------|
| Shares | 964,000,000 | 964,000,000 |
| TOTAL | 964,000,000 | 964,000,000 |

23.4. The Company's financial assets which have not been deposited at VSD

| | Ending balance (VND) | Beginning balance (VND) |
|-------------------|------------------------|-------------------------|
| Shares | 74,585,180,000 | 71,722,470,000 |
| Fund certificates | 102,000,000,000 | 102,000,000,000 |
| TOTAL | 176,585,180,000 | 173,722,470,000 |

23.5. Investors' financial assets listed/registered at VSD

| | Ending balance (VND) | Beginning balance (VND) |
|--------------------------------------|---------------------------|---------------------------|
| Unrestricted financial assets | 19,735,655,567,000 | 30,450,558,426,000 |
| Restricted financial assets | 137,872,000,000 | 990,197,190,000 |
| Pledged financial assets | 4,102,437,630,000 | 1,373,800,880,000 |
| Blocked financial assets | 91,138,630,000 | 261,969,860,000 |
| Financial assets awaiting settlement | 382,002,470,000 | 438,620,321,000 |
| TOTAL | 24,449,106,297,000 | 33,515,146,677,000 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

23.6. Investors' non-traded financial assets deposited at VSD

| | Ending balance (VND) | Beginning balance (VND) |
|---|------------------------|-------------------------|
| Unrestricted and non-traded financial assets deposited at VSD | 18,026,560,000 | 31,339,810,000 |
| Restricted and non-traded financial assets deposited at VSD | 418,408,500,000 | 10,221,620,000 |
| TOTAL | 436,435,060,000 | 41,561,430,000 |

23.7. Investor's deposits

| | Ending balance (VND) | Beginning balance (VND) |
|--|--------------------------|--------------------------|
| Investors' deposits for securities trading activities under the Company's management | 455,008,406,883 | 589,359,627,581 |
| Of domestic investors | 445,868,150,704 | 589,050,499,995 |
| Of foreign investors | 9,140,256,179 | 309,127,586 |
| Investors' synthesizing deposits for securities trading activities | 555,024,350,334 | 926,900,195,324 |
| Deposits of securities issuers | 11,749,167,743 | 3,813,379,916 |
| TOTAL | 1,021,781,924,960 | 1,520,073,202,821 |

23.8. Payables to investors

| | Ending balance (VND) | Beginning balance (VND) |
|---|--------------------------|--------------------------|
| Payables for investors' deposits for securities trading activities under the Company's management | | |
| Of domestic investors | 1,000,447,654,521 | 1,481,492,118,883 |
| Of foreign investors | 9,632,858,382 | 8,822,467,678 |
| TOTAL | 1,010,080,512,903 | 1,490,314,586,561 |

23.9. Investor's payables to the Company for securities services

| | Ending balance (VND) | Beginning balance (VND) |
|-----------------------------------|----------------------|-------------------------|
| Securities brokerage fee payables | 981,717,336 | 3,842,591,744 |
| Securities custodian fee payables | 690,823,323 | 802,332,620 |
| TOTAL | 1,672,540,659 | 4,644,924,364 |

24. OPERATING INCOME

24.1. Gain/loss from disposal of financial statements at FVTPL

| No. | Financial assets | Proceeds (VND) | Weighted average cost at the end of transaction date (VND) | Gain/(loss) from disposal in current year (VND) | Gain/(loss) from disposal in previous year (VND) |
|-----------|----------------------|--------------------------|--|---|--|
| I | GAINS | | | | |
| 1 | Listed shares | 620,049,524,642 | 595,000,031,383 | 25,049,493,259 | 63,600,984,318 |
| 2 | Unlisted shares | 1,385,759,986 | 464,400,000 | 921,359,986 | 936,050,500 |
| 3 | Fund certificates | 11,737,608,000 | 11,521,312,086 | 216,295,914 | 4,943,830,767 |
| 4 | Listed bonds | 1,044,387,233,000 | 1,039,094,424,831 | 5,292,808,169 | 11,855,882,806 |
| 5 | Certificates deposit | 7,183,987,674,405 | 7,182,166,113,430 | 1,821,560,975 | 935,757,890 |
| | TOTAL | 8,861,547,800,033 | 8,828,246,281,730 | 33,301,518,303 | 82,272,506,281 |
| II | LOSSES | | | | |
| 1 | Listed shares | 561,961,527,738 | 593,729,691,201 | (31,768,163,463) | (24,449,113,246) |
| 2 | Unlisted shares | - | - | - | (4,590,490,600) |
| 3 | Fund certificates | 31,867,800,000 | 34,172,870,688 | (2,305,070,688) | (1,676,205,272) |
| 4 | Listed bonds | 1,512,637,315,000 | 1,535,238,182,329 | (22,600,867,329) | (29,775,157,484) |
| 5 | Certificates deposit | 728,553,271,021 | 728,654,939,900 | (101,668,879) | (161,570,146) |
| | TOTAL | 2,835,019,913,759 | 2,891,795,684,118 | (56,775,770,359) | (60,652,536,748) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

24. OPERATING INCOME (continued)

24.2. Gain/(loss) from revaluation of financial assets

| No. | Investment portfolio | Cost (VND) | Fair value (VND) | Revaluation difference at the end of the year (VND) | Revaluation difference at the beginning of the year (VND) | Net difference recorded this year (VND) | Increase (VND) | Decrease (VND) |
|-----|----------------------------|------------------------|------------------------|--|--|--|-----------------------|--------------------------|
| I | FVTPL | | | | | | | |
| 1 | Listed shares | 163,779,150,920 | 160,838,365,450 | (2,940,785,470) | 60,816,024,716 | (63,756,810,186) | 22,454,920,132 | (86,211,730,318) |
| 2 | Unlisted shares | 1,527,198,988 | 1,100,572,496 | (426,626,492) | 832,153,442 | (1,258,779,934) | 707,386,988 | (1,966,166,922) |
| 3 | Listed fund certificates | 55,802,210,678 | 52,094,677,700 | (3,707,532,978) | 8,534,106,304 | (12,241,639,282) | 2,235,957,352 | (14,477,596,634) |
| 4 | Unlisted bonds | 186,928,440,781 | 186,928,440,781 | - | - | - | - | - |
| | TOTAL | 408,037,001,367 | 400,962,056,427 | (7,074,944,940) | 70,182,284,462 | (77,257,229,402) | 25,398,264,472 | (102,655,493,874) |
| II | AFS | | | | | | | |
| | Short-term | 16,576,432,682 | 51,200,280,000 | 34,623,847,318 | 61,556,447,318 | (26,932,600,000) | - | (26,932,600,000) |
| 1 | Unlisted fund certificates | 16,576,432,682 | 51,200,280,000 | 34,623,847,318 | 61,556,447,318 | (26,932,600,000) | - | (26,932,600,000) |
| | Long-term | 108,285,757,806 | 147,707,304,455 | 39,421,546,649 | 61,064,868,331 | (21,643,321,682) | 6,804,264,620 | (28,447,586,302) |
| 1 | Listed shares | 15,285,757,806 | 19,918,579,250 | 4,632,821,444 | 4,032,324,494 | 600,496,950 | 2,128,222,050 | (1,527,725,100) |
| 2 | Unlisted fund certificates | 93,000,000,000 | 127,788,725,205 | 34,788,725,205 | 57,032,543,837 | (22,243,818,632) | 4,676,042,570 | (26,919,861,202) |
| | TOTAL | 124,862,190,488 | 198,907,584,455 | 74,045,393,967 | 122,621,315,649 | (48,575,921,682) | 6,804,264,620 | (55,380,186,302) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

24. OPERATING INCOME (continued)

24.3. Dividend, interest income from FVTPL, HTM, loans and AFS financial assets

| | Current year (VND) | Previous year (VND) |
|--|------------------------|------------------------|
| From FVTPL financial assets | 49,053,202,686 | 46,975,973,344 |
| Shares | 11,418,779,011 | 10,271,173,347 |
| Gain from FVTPL bonds | 37,634,423,675 | 36,704,799,997 |
| From HTM financial assets | 50,642,025,591 | 31,105,614,175 |
| Bonds | - | 5,236,730,475 |
| Term deposits | 50,642,025,591 | 25,868,883,700 |
| From loans | 325,812,286,324 | 361,765,431,577 |
| Margin lending | 265,861,078,811 | 273,607,678,180 |
| Advance proceeds from sale of securities for customers | 59,951,207,513 | 88,157,753,397 |
| From AFS financial assets | 4,815,207,000 | 1,262,622,800 |
| Shares | 4,815,207,000 | 1,262,622,800 |
| TOTAL | 430,322,721,601 | 441,109,641,896 |

24.4. Revenue from other activities

| | Current year (VND) | Previous year (VND) |
|--|------------------------|------------------------|
| Revenue from brokerage services | 320,154,341,569 | 467,669,525,660 |
| Revenue from underwriting and issuance agency services | 23,476,070,167 | 28,326,733,881 |
| Revenue from securities investment advisory | 200,000,000 | - |
| Revenue from financial advisory services | 8,774,610,453 | 12,696,040,438 |
| Revenue from securities custodian services | 9,501,824,770 | 9,233,492,094 |
| Other operating revenue | 4,136,704,167 | 2,645,622,229 |
| Revenues from entrusted and auctions activities | 112,262,000 | 22,155,538 |
| Revenue from management of investor transaction accounts | 3,425,363,144 | 1,921,084,063 |
| Other revenues | 599,079,023 | 702,382,628 |
| TOTAL | 366,243,551,126 | 520,571,414,302 |

25. PROVISION EXPENSES FOR DOUBTFUL DEBT AND IMPAIRMENT OF FINANCIAL ASSETS

| | Current year (VND) | Previous year (VND) |
|---|----------------------|-------------------------|
| (Reversal of provision)/provision expense for margin lending (Note 7.7) | 15,045,946,841 | (20,767,122,952) |
| (Reversal of provision)/provision expense for AFS financial assets | (5,142,639,624) | 146,670,268 |
| TOTAL | 9,903,307,217 | (20,620,452,684) |

26. BORROWING COSTS

| | Current year (VND) | Previous year (VND) |
|--------------------------------------|------------------------|------------------------|
| Repo expenses | 473,917,127 | 172,582,873 |
| Accrual coupon for bond issuance | 3,902,506,165 | 8,443,095,668 |
| Interest expense for loans from bank | 92,742,069,852 | 73,624,602,646 |
| Others accrued interest | 37,589,146,125 | 26,344,415,692 |
| TOTAL | 134,707,639,269 | 108,584,696,879 |

27. GENERAL AND ADMINISTRATIVE EXPENSES

| | Current year (VND) | Previous year (VND) |
|---|------------------------|------------------------|
| Payroll expenses for administrative staff | 76,782,686,802 | 120,692,645,928 |
| Salary and bonus | 74,838,131,317 | 118,975,705,453 |
| Social security, health insurance, union fee and unemployment insurance | 1,944,555,485 | 1,716,940,475 |
| Healthcare insurance expenses | 721,927,118 | 12,550,459,449 |
| Office supplies | 801,502,150 | 277,266,643 |
| Materials and tools | 897,787,801 | 1,151,101,419 |
| Depreciation of fixed assets | 6,107,265,893 | 5,856,316,528 |
| Tax and fee expenses | 6,390,418,738 | 5,502,929,937 |
| External service expenses | 20,296,486,478 | 18,521,065,462 |
| Others | 3,305,158,825 | 12,861,185,436 |
| TOTAL | 115,303,233,805 | 177,412,970,802 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

28. OTHER INCOME AND EXPENSES

| | Current year (VND) | Previous year (VND) |
|--------------------------|----------------------|----------------------|
| Other income | 2,299,928,912 | 80,406,311 |
| Disposal of fixed assets | 286,333,000 | 29,272,727 |
| Others | 2,013,595,912 | 51,133,584 |
| Other expenses | (545,427,150) | (641,069,458) |
| Late payment penalties | (997,150) | (1,313,268) |
| Disposal of fixed assets | - | (95,116,110) |
| Others | (544,430,000) | (544,640,080) |
| TOTAL | 1,754,501,762 | (560,663,147) |

29. CORPORATE INCOME TAX

29.1. Current corporate income tax

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change later upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted by the reporting date. The corporate income tax ("CIT") applicable to the Company is 20% of the estimated taxable profit (in 2021: 20%).

The estimated current corporate income tax of the Company is represented in the table below:

| | Current year (VND) | Previous year (VND) |
|---|------------------------|------------------------|
| Profit before tax | 181,003,755,273 | 351,027,954,489 |
| Adjustments to increase taxable profit | | |
| Non-deductible expenses | 593,588,410 | 20,017,634,453 |
| Unrealized loss | 77,257,229,402 | - |
| Provisions for impairment calculated using internal evaluation method | 15,045,946,841 | 1,673,495,518 |
| Reversal provision expenses | - | 13,462,937,291 |
| Adjustments to decrease taxable profit | | |
| Dividend income | (16,233,986,011) | (11,533,796,147) |
| Unrealized gain | - | (60,062,585,261) |
| Reversal of provisions using internal valuation method | (9,829,959,306) | (20,767,122,952) |
| Provision for realized financial assets | (24,986,622,426) | - |
| Estimated taxable profit | 222,849,952,183 | 293,818,517,391 |
| Tax rate | 20% | 20% |
| Current CIT expenses | 44,569,990,437 | 58,763,703,478 |
| Current CIT recognized in other comprehensive income (OCI) | - | - |
| CIT payable at the beginning of the year | 20,348,743,709 | 5,260,339,154 |
| CIT paid during the year | (55,999,824,703) | (43,675,298,923) |
| CIT payable at the end of the year | 8,918,909,443 | 20,348,743,709 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

29.2. Deferred corporate income tax

The following are deferred tax liabilities recognized by the Company, and their movements thereon, during the current and prior reporting year:

| | Statement of financial position | | Income statement | |
|---|---------------------------------|-------------------------|-------------------------|-----------------------|
| | Ending balance (VND) | Beginning balance (VND) | Current year (VND) | Previous year (VND) |
| Deferred CIT recorded in profit or loss | 3,622,215,221 | 14,076,336,616 | (10,454,121,395) | 9,319,929,593 |
| Deferred CIT recorded in OCI | 14,809,078,795 | 24,524,263,131 | (9,715,184,337) | 12,548,844,228 |
| TOTAL | 18,431,294,016 | 38,600,599,747 | (20,169,305,732) | 21,868,773,821 |

| | Ending balance (VND) | Beginning balance (VND) |
|---|-----------------------|-------------------------|
| Tax rate | 20% | 20% |
| Taxable temporary differences | 92,156,470,077 | 193,002,998,735 |
| In which: | | |
| Difference from revaluation of FVTPL financial assets | 18,111,076,110 | 70,381,683,086 |
| Difference from revaluation of AFS financial assets | 74,045,393,967 | 122,621,315,649 |
| Deferred CIT payable | 18,431,294,016 | 38,600,599,747 |

30. ACCUMULATED OTHER COMPREHENSIVE INCOME

| Items | Beginning balance (VND) | Movement during the year (VND) | Reclassification from owners' equity to income statement (VND) | Ending balance (VND) |
|---|-------------------------|--------------------------------|--|-----------------------|
| Difference from revaluation of AFS financial assets | 122,621,315,649 | (48,575,921,682) | - | 74,045,393,967 |
| Deferred CIT | (24,524,263,132) | 9,715,184,337 | - | (14,809,078,795) |
| TOTAL | 98,097,052,517 | (38,860,737,345) | - | 59,236,315,172 |

31. ADDITIONAL INFORMATION FOR STATEMENT OF CHANGES IN OWNER'S EQUITY

Incomes and expenses, gains or losses which are recorded directly to owners' equity:

| | Current year (VND) | Previous year (VND) |
|---|-------------------------|-----------------------|
| Income recorded directly to owners' equity | 480,397,560 | 50,195,376,909 |
| Gain from revaluation of AFS financial assets | 480,397,560 | 50,195,376,909 |
| Expense recorded directly to owners' equity | (39,341,134,905) | - |
| Loss from revaluation of AFS financial assets | (39,341,134,905) | - |
| TOTAL | (38,860,737,345) | 50,195,376,909 |

32. OTHER INFORMATION

32.1. Related parties transactions

In the normal course of business, the Company has transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. A party is considered to be related to the Company if:

- Directly or indirectly through one or more intermediaries, who:
 - Controls or is controlled by or is under common control by the Company (including parent companies, subsidiaries);
 - Has contributed capital (owns 5% or more of charter capital or voting share capital) to the Company and thereby has significant influence over the Company;
 - Has joint control of the Company;

- Related party is a joint venture or associate of which the Company is a joint venture or associate (owns more than 11% of charter capital or voting share capital, but is not a subsidiary);
- Related party whose member is a key person in the Board of Directors or Board of Directors of the Company;
- The related party is a close member of the family of any individual mentioned in (a) or (c); or
- Related party is an entity that is directly or indirectly controlled, jointly controlled, or significantly influenced, or has voting power, by any of the individuals referred to in subparagraph (c) or (d).

| Related parties | Relationship |
|--|---------------------------------------|
| Bao Viet Holdings | Parent company |
| Bao Viet Life Corporation (BVL) | Fellow subsidiary |
| Bao Viet Insurance Corporation (BVGI) | Fellow subsidiary |
| Bao Viet Insurance Hanoi | Member of BVGI |
| Bao Viet Fund Management Limited Company | Fellow subsidiary |
| Bao Viet Investment One Member Limited Liability Co. | Fellow subsidiary |
| Bao Viet Value Investment Fund | Fund owned by the same parent company |
| Bao Viet Commercial Joint Stock Bank | Associate of the Group |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

32.1. Related parties transactions (continued)

Significant transactions with related parties for the year ended 31 December 2022 are as follows:

Currency: VND

| Related parties | Transactions | Current year | Previous year |
|--|--|------------------|------------------|
| Bao Viet Holdings | Securities transaction fee | 122,975,736 | 337,651,687 |
| | Custodian fee | 214,648,513 | 231,473,236 |
| | Reporting service fee | 105,000,000 | 87,500,000 |
| | Advisory fee | 100,000,000 | 100,000,000 |
| | Accrued expense for IT services | (440,124,392) | (1,662,203,836) |
| | Office rental | (6,161,904,000) | - |
| | Dividend paid | (34,624,954,400) | (34,624,954,400) |
| | Dividends, shareholders management fee | 88,000,000 | 88,000,000 |
| Bao Viet Life Corporation | Custodian fees | 230,215,982 | 623,962,084 |
| | Securities transaction fee | 1,758,024,151 | 6,325,617,940 |
| | Office rental fee – 11 NCT | (3,372,884,400) | (3,246,317,600) |
| | Office rental fee – 94 BT | (486,681,813) | (498,000,000) |
| | Life insurance premium for management | - | (18,500,000,000) |
| | Life insurance premium for employees | (2,887,728,580) | (2,810,594,054) |
| Bao Viet Insurance Corporation (BVGI) | Securities transaction fee | 715,320,420 | 728,482,560 |
| | Custodian fee | 5,764,293 | 20,130,017 |
| | Health insurance premium for employees | (1,955,000,000) | (1,266,618,141) |
| | Cancer insurance premium | (258,092,900) | (239,209,425) |
| Bao Viet Fund Management Limited Company | Securities transaction fee | 1,323,476,288 | 1,652,273,570 |
| | Custodian fee | 1,523,700 | 359,672,915 |
| | Securities management fee | 247,543,650 | 355,827,339 |
| | Advisory fee | 200,000,000 | - |
| Bao Viet Investment One Member Limited Liability Co. | Office rental at 233 Dong Khoi | (6,377,868,288) | (6,237,042,857) |
| | Flight ticket fee | (166,419,875) | (108,367,300) |
| | Interior renovation and installation fee at 8 Le Thai To | (884,451,819) | (707,561,455) |
| | Building management fee | (1,785,168,000) | - |
| Bao Viet Investment Fund (BVIF) | Dividend | 4,000,000,000 | - |

Amounts of receivables and payables from/due to related companies as at 31 December 2022 are as follows:

Currency: VND

| Related party | Transactions | Beginning balance | Debit | Credit | Ending balance |
|---------------------------------------|---|-------------------|---------------|-----------------|----------------|
| Bao Viet Holdings | Advisory fee for transfer of Trung Nam Phu Quoc | (50,000,000) | - | - | (50,000,000) |
| | Information technology services | (755,727,193) | 1,085,820,496 | (440,124,397) | (110,031,094) |
| | Shareholders' book management, dividend payment | 88,000,000 | - | (88,000,000) | - |
| | Providing stock volatility reports fee | - | 105,000,000 | - | 105,000,000 |
| | Deposit for office rental | - | 564,841,200 | - | 564,841,200 |
| | Health insurance | (427,328,660) | 1,730,726,987 | (1,954,999,827) | (651,601,500) |
| Bao Viet Insurance Corporation (BVGI) | Office rental | (1,324,061,640) | 7,701,929,928 | (6,377,868,288) | - |
| | Deposit for office rental | 483,171,840 | - | - | 483,171,840 |
| | Other expenses | - | - | (166,419,875) | (166,419,875) |
| Bao Viet Investment Fund (BVIF) | Dividend | - | 4,000,000,000 | - | 4,000,000,000 |

Transactions with other related parties

Remunerations to members of the Board of Directors, Supervisory Board; salaries of the, Board of Management and other executive officers:

| | Current year (VND) | Previous year (VND) |
|---|----------------------|----------------------|
| Remunerations of the Board of Directors and Supervisory Board | 1,778,128,482 | 1,786,366,004 |
| Salaries of the Board of Managements | 2,038,912,750 | 2,053,461,910 |
| | 3,817,041,232 | 3,839,827,914 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

32. OTHER INFORMATION (continued)

32.2. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of preparation of the financial statements, net profit after tax used to calculate basic earnings per share does not include other comprehensive income items since there is no detailed guidance on the matter. Additionally, only realized profit after tax are used to calculate earnings per share.

The following reflects the data used in the basic earnings per share computations:

| | Current year (VND) | Previous year (Restated) (VND) |
|--|--------------------|--------------------------------------|
| Profit after tax – VND | 146,887,886,231 | 282,944,321,418 |
| Minus: Unrealized profit/(loss) after tax – VND | (66,803,108,007) | 50,742,655,668 |
| Realized profit after tax – VND | 213,690,994,238 | 232,201,665,750 |
| Appropriation to Bonus and welfare fund (*) – VND | (12,821,459,654) | (12,538,889,951) |
| Net profit after tax attributable to ordinary shareholders – VND | 200,869,534,584 | 219,662,775,799 |
| Weighted average number of ordinary shares | 72,200,145 | 72,200,145 |
| Earnings per share – VND | 2,782 | 3,042 |

(*) Profit used to calculate the earnings per share for the year ended 31 December 2021 has been adjusted against the figures presented in the financial statements for the same period to reflect the actual appropriation of retained earnings of 2021 to bonus and welfare fund according to the Resolution of the General Meeting of Shareholders No. 362/2022/BVSC-QLHD dated 22 April 2022.

Profit used to calculate earnings per share for the year ended 31 December 2022 has been adjusted for the estimated appropriation to bonus and welfare funds at 6% of profit after tax in the year, according to profit distribution plan in 2022, following the Resolution of the General Meeting of Shareholders No. 362/2022/BVSC-QLHD dated 22 April 2022.

No transactions of ordinary shares or potential ordinary equity transactions occurred between the balance sheet date and the completion date of financial statements.

32.3. Operating lease commitments

The Company is renting offices under operating leases. As at 31 December 2022, the leases payable in the future under operating leases are as follows:

| | Current year (VND) | Previous year (VND) |
|-------------------|-----------------------|-----------------------|
| Less than 1 year | 13,069,682,388 | 11,836,627,888 |
| From 1 to 5 years | 16,570,794,464 | 23,320,428,852 |
| TOTAL | 29,640,476,852 | 35,157,056,740 |

32.4. Segment information

| | Brokerage and customer services (VND) | Financial investment (VND) | Financial advisory & underwriting and issuance agency services (VND) | Other segments (VND) | Total (VND) |
|--------------------------|---|----------------------------------|--|-------------------------|------------------------|
| Current year | | | | | |
| 1. Segment income | 655,468,452,663 | 163,210,218,052 | 32,450,680,620 | 70,414,961,887 | 921,544,313,222 |
| 2. Segment expenses | 440,364,117,818 | 157,841,349,010 | 14,813,472,712 | 13,972,886,366 | 626,991,825,906 |
| 3. Allocated expenses | 82,011,934,928 | 20,420,793,294 | 4,060,215,403 | 8,810,290,181 | 115,303,233,805 |
| Profit before tax | 133,092,399,917 | (15,051,924,252) | 13,576,992,505 | 47,631,785,340 | 179,249,253,511 |
| Prior year | | | | | |
| 1. Segment income | 838,668,449,331 | 255,983,201,580 | 41,022,774,319 | 11,438,070,226 | 1,147,112,495,456 |
| 2. Segment expenses | 483,906,074,521 | 99,117,625,637 | 19,145,054,812 | 15,942,152,048 | 618,110,907,018 |
| 3. Allocated expenses | 129,708,866,134 | 39,590,485,194 | 6,344,602,026 | 1,769,017,448 | 177,412,970,802 |
| Profit before tax | 225,053,508,676 | 117,275,090,749 | 15,533,117,481 | (6,273,099,270) | 351,588,617,636 |

(*) The Company has not presented assets and liabilities for each segment as there has been no guidance on allocation method and criteria.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

32. OTHER INFORMATION (continued)

32.5. Implementing the conclusion of the Inspectors of the Ministry of Finance

During the year, the Company reversed the provisions for doubtful receivables, provision for impairment of financial assets and mortgaged assets according to the Minutes of Inspection of the Ministry of Finance dated April 25, 2022, as follows:

| | Amount (VND) |
|--|-------------------------|
| Decrease provision for impairment of financial assets and mortgaged assets | (18,496,504,253) |
| Decrease provision for impairment of receivables and advances to suppliers | (15,369,303,699) |
| | (33,865,807,952) |

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The purpose of Risk Management System (“Risk Management”) of the Company (“BVSC”) is to minimize the risk events as well as to facilitate BVSC to achieve stable, safe and efficient business goals and profits.

Risk Management activities are implemented consistently from the Board of Directors (“BOD”), Board of Management, and Heads of Departments to all employees.

Risk Management Department is responsible for monitoring, summarizing and monthly reporting of risk management activities. Risk Management Committee has quarterly meetings to review risks incurred during the quarter, identify and assess the impacts of significant risks to the Company’s business activities in general as well as its financial instruments in particular.

The Company’s financial instruments are exposed to 3 main risks: market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. BVSC is subject to two types of market risk: interest rate risk and price risk of financial instruments. The Company is not exposed to foreign currency risk as it does not hold foreign currency as at 31 December 2022. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and loans and receivables.

Interest rate risk

The financial instruments of BVSC which are exposed to interest rate risk are term deposit, bonds and short-term borrowings; repo transactions and margin activities. Interest rate risk of bond investments is assessed low as almost bonds held by the Company have fixed-rate coupons. Interest rate risk of term deposit is assessed as average. However, Management believes that this risk is acceptable, considering the balance between liquidity needs, gain from term deposit and the readiness for investment opportunities in the stock market.

The Company manages interest rate risk by monitoring closely related markets, in order to obtain interests, which produce benefits for the purpose of managing limited risk of the Company.

Equity price risk for the proprietary investment portfolio

Listed and unlisted equity securities held by the Company are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages equity price risk by placing a limit on equity investments. The Company’s BOD reviews and approves all equity investment decisions in accordance with investment policy 01/2015/QD/HDQT-BVSC issued on 20 January 2015. Each year, the BOD revises the limit on equity investments to adapt the market condition and the Company’s strategy. The latest Appendix on the Company’s Approval hierarchy and Investment Limit was issued by the BOD on 17 March 2017.

Listed equity securities, fund certificates held by the Company are susceptible to market price risk. When share and fund certificate price decreases below average cost, the Company makes allowance. The portfolio of unlisted shares and fund certificates tends to decrease if the stock market suffers from a downturn. Therefore, if the share’s and fund certificate’s price decrease sharply, both listed and unlisted portfolios, with their positive correlation, will lead to higher risk, which directly affects the business performance via the provision expenses made.

With the purpose of reducing the impact of market risk, in particular of the risk of share and fund certificate price movement on the company’s business performance, in recent years, BVSC creates limitation on investment in shares. As at 31 December 2022, the percentage of listed and unlisted is 21% of the Company’s Owners’ Equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

Equity price risk for proprietary proportion (continued)

Scenario analysis is used to assess the impact of market volatility of shares and fund certificates portfolio on its results of operation in different scenarios. The below analysis shows the impact of listed portfolio volatility on profit/loss when stock exchange index moves +/-10%:

| | Change in variables | Impact on profit before tax (VND) |
|--------------------------------|---------------------|-----------------------------------|
| 31 st December 2022 | | |
| Scenario 1 | +10% | 9,463,811,621 |
| Scenario 2 | -10% | (12,666,045,953) |
| 31 st December 2021 | | |
| Scenario 1 | +10% | 131,537,623 |
| Scenario 2 | -10% | (1,150,402,480) |

Stock volatility risks of transactions traded on margin: The stock market’s high volatility may cause the total value of collateral assets to be lower than total debt, leading to liquidity risks from customers, (Refer to credit risk management).

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its investment in term deposits, corporate bonds and margin lending.

Term deposits

For the purpose of credit risk management, BVSC complies with credit limit for each bank as approved by the Board of Director at the beginning of each financial year. In fact, BVSC does not suffer from any late payment or forced for renewal contracts. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

Bonds

BVSC follows the limits set out by its BOD when investing in government bonds and corporate bonds. Every investment decision is made in accordance with the Company’s investment procedures, in which the credit ratings and the solvency of the issuer are assessed in detail with due care. The main risk is levied with issuer’s difficulties in making interest and principal payment and the recoverability of collaterals (if any) in the case of default. Government bonds are less risky than corporate bonds as these bonds are guaranteed by the Government.

Margin lending

The Company developed a policy of assessing customers’ credit rating to manage this type of risk. This policy is conducted by analyzing and assessing investors’ history of transaction values, assets and information of credit ratings. In addition, the Company assesses and revises customers’ rating on monthly basis to ensure updated database is in place to minimize credit risk from customers.

The Company also developed policy of managing the list of shares which are eligible for margin activities as well as margin limitation of each share. These share collateral listings are built from the analysis and assessment of factors such as: volatility in share prices, the liquidation of each share in a month, etc. Such listings should also comply with Decision No. 87/QĐ-UBCK dated 25 January 2017 by State Securities Committee providing the regulations guiding on the margin trading of securities.

Credit risk is also managed by building a set of collateral ratios and conditions for handling collaterals in order to recover the fund in case the investors’ credit ratings decreased or the investors fail to provide additional collaterals or repay the loans at maturity. With consistent risk management policy, these margin transactions are assessed as having medium credit risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Details on credit quality by classes of assets for all financial assets (net of impairment) exposed to credit risk as at 31st December 2022 are as follows:

Currency: VND

| | Neither past due nor impaired | Past due but not impaired | | | | Impaired | Total |
|--|-------------------------------|---------------------------|--------------|---------------|----------------|------------------|-------------------|
| | | Less than 3 months | 3 - 6 months | 6 - 12 months | Over 1 year | | |
| 31 st December 2022 | | | | | | | |
| Fixed maturity investments | 628,037,300,819 | - | - | - | - | - | 628,037,300,819 |
| Bonds | - | - | - | - | - | - | - |
| Term deposits | 628,037,300,819 | - | - | - | - | - | 628,037,300,819 |
| Other financial assets | 2,440,934,255,082 | - | - | - | 13,082,801,414 | (23,551,774,739) | 2,430,465,281,757 |
| Deposits to Settlement Assistance Fund | 20,865,708,899 | - | - | - | - | - | 20,865,708,899 |
| Dividend receivables | 4,225,526,000 | - | - | - | - | - | 4,225,526,000 |
| Receivables from securities trading activities | 2,271,763,480,414 | - | - | - | 99,673,967 | (23,551,774,739) | 2,248,311,379,642 |
| Others | 144,079,539,769 | - | - | - | 12,983,127,447 | - | 157,062,667,216 |
| Cash and cash equivalents | 149,529,318,217 | - | - | - | - | - | 149,529,318,217 |
| TOTAL | 3,218,500,874,118 | - | - | - | 13,082,801,414 | (23,551,774,739) | 3,208,031,900,793 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Details on credit quality by classes of assets for all financial assets (net of impairment) exposed to credit risk as at 31 December 2021 are as follows:

Neither past due nor impaired: financial assets or the loans with interest or principal payments not yet past due and there is no evidence of impairment.

Past due but not impaired: financial assets with past due interest and principal payments but the Company believes that these asset are not impaired as they are secured by collaterals and has confidence in the customer's credit worthiness and other credit enhancements.

Currency: VND

| | Neither past due nor impaired | Past due but not impaired | | | | Impaired | Total |
|--|-------------------------------|---------------------------|--------------|---------------|-------------|----------------|-------------------|
| | | Less than 3 months | 3 – 6 months | 6 – 12 months | Over 1 year | | |
| 31 st December 2021 | | | | | | | |
| Fixed maturity investments | 998,420,757,339 | - | - | - | - | - | 998,420,757,339 |
| Bonds | - | - | - | - | - | - | - |
| Term deposits | 998,420,757,339 | - | - | - | - | - | 998,420,757,339 |
| Other financial assets | 3,571,139,043,693 | - | - | - | 390,074,118 | 20,518,364,999 | 3,592,047,482,810 |
| Deposits to Settlement Assistance Fund | 21,178,821,110 | - | - | - | - | - | 21,178,821,110 |
| Dividend receivables | 9,261,200 | - | - | - | - | - | 9,261,200 |
| Receivables from securities trading activities | 3,370,191,756,871 | - | - | - | 79,673,967 | 20,518,364,999 | 3,390,789,795,837 |
| Others | 179,759,204,512 | - | - | - | 310,400,151 | - | 180,069,604,663 |
| Cash and cash equivalents | 66,560,460,232 | - | - | - | - | - | 66,560,460,232 |
| TOTAL | 4,636,120,261,264 | - | - | - | 390,074,118 | 20,518,364,999 | 4,657,028,700,381 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to the mismatch between short-term assets and liabilities. The Company's objective is to match cash inflows and outflows with the same maturity. Liquidity risk arises when the company involves in business activities that include short term financial obligations such as clearing and settlement activities of settlement obligation for VSD, Stock Exchanges, and investors.

The Company's policies strictly comply with regulations from authorities and internal policy on balancing cash flows and liquidity management. BVSC has never incurred a liquidity crisis when involving in clearing activities or other settlement activities. The usable capital ratio of BVSC has always remained about averaged 575%, which is much higher than the required ratio of 180%.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2022 based on contractual undiscounted payments:

Currency: million VND

| | Overdue | On demand | Up to 1 year | 01 - 03 years | 03 - 05 years | 05 - 15 years | More than 15 years | Total |
|--|-----------------|----------------|------------------|---------------|---------------|---------------|--------------------|------------------|
| 31st December 2022 | | | | | | | | |
| FINANCIAL ASSETS | | | | | | | | |
| Investments | - | 373,789 | 836,863 | - | - | - | - | 1,210,652 |
| Bonds | - | - | 188,528 | - | - | - | - | 188,528 |
| Term deposits | - | - | 648,335 | - | - | - | - | 648,335 |
| Shares | - | 373,789 | - | - | - | - | - | 373,789 |
| Other financial assets | (23,552) | 20,866 | 2,433,151 | - | - | - | - | 2,430,465 |
| Deposits to Settlement Assistance Fund | - | 20,866 | - | - | - | - | - | 20,866 |
| Dividend receivables | - | - | 4,226 | - | - | - | - | 4,226 |
| Receivables from securities trading activities | (23,552) | - | 2,271,863 | - | - | - | - | 2,248,311 |
| Others | - | - | 157,063 | - | - | - | - | 157,063 |
| Cash and cash equivalents | - | - | 149,529 | - | - | - | - | 149,529 |
| TOTAL | (23,552) | 394,655 | 3,419,544 | - | - | - | - | 3,790,647 |
| FINANCIAL LIABILITIES | | | | | | | | |
| Short-term borrowings | - | - | 980,000 | - | - | - | - | 980,000 |
| Long-term bonds issued | - | - | - | - | - | - | - | - |
| Accrued expenses | - | - | 2,463 | - | - | - | - | 2,463 |
| Payables from securities trading activities | - | - | 5,908 | - | - | - | - | 5,908 |
| Other payables | - | - | 5,955 | - | - | - | - | 5,955 |
| TOTAL | - | - | 994,326 | - | - | - | - | 994,326 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31st December 2022 and for the year then ended

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31st December 2021 based on contractual undiscounted payments:

Currency: million VND

| | Overdue | On demand | Up to 1 year | 01 - 03 years | 03 - 05 years | 05 - 15 years | More than 15 years | Total |
|--|---------|-----------|--------------|---------------|---------------|---------------|--------------------|-----------|
| 31st December 2021 | | | | | | | | |
| FINANCIAL ASSETS | | | | | | | | |
| Investments | - | 386,862 | 1,372,332 | 22,000 | 22,000 | 164,450 | - | 1,967,644 |
| Bonds | - | - | 342,220 | 22,000 | 22,000 | 164,450 | - | 550,670 |
| Term deposits | - | - | 1,030,112 | - | - | - | - | 1,030,112 |
| Shares | - | 386,862 | - | - | - | - | - | 386,862 |
| Other financial assets | 20,518 | 21,179 | 3,550,350 | - | - | - | - | 3,592,047 |
| Deposits to Settlement Assistance Fund | - | 21,179 | - | - | - | - | - | 21,179 |
| Dividend receivables | - | - | 9 | - | - | - | - | 9 |
| Receivables from securities trading activities | 20,518 | - | 3,370,271 | - | - | - | - | 3,390,790 |
| Other | - | - | 180,070 | - | - | - | - | 180,070 |
| Cash and cash equivalents | - | - | 66,560 | - | - | - | - | 66,560 |
| TOTAL | 20,518 | 408,041 | 4,989,243 | 22,000 | 22,000 | 164,450 | - | 5,626,252 |
| FINANCIAL LIABILITIES | | | | | | | | |
| Short-term borrowings | - | - | 2,505,696 | - | - | - | - | 2,505,696 |
| Long-term bonds issued | - | - | - | 100,195 | - | - | - | 100,195 |
| Accrued expenses | - | - | 4,363 | - | - | - | - | 4,363 |
| Payables from securities trading activities | - | - | 7,982 | - | - | - | - | 7,982 |
| Other payables | - | - | 65,588 | - | - | - | - | 65,588 |
| TOTAL | - | - | 2,583,628 | 100,195 | - | - | - | 2,683,823 |

The Company assessed the concentration of risk with respect to repayment of its liabilities and concluded it to be low.




NOTES TO THE
FINANCIAL STATEMENTS

(continued)

as at 31st December 2022 and for the year then ended

34. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since 31 December 2022 that requires adjustment or disclosure to be made in the Company’s financial statements.

| | | |
|--|---|--|
|  |  |  |
| Ms. Vu Thi Thuy Linh Preparer Deputy Head of Financial Accounting Department | Ms. Nguyen Hong Thuy Approver Chief Accountant | Mr. Nhu Dinh Hoa Approver Chief Executive Officer |

Hanoi, Vietnam
28th March 2023

FINANCIAL SAFETY RATIO REPORT

GENERAL INFORMATION

The Company

Bao Viet Securities Joint Stock Company (“the Company”) is a joint-stock company established under Vietnamese Enterprise Law pursuant to Incorporation Licence No. 4640/GP-UB dated 1 October 1999 granted by the Hanoi People’s Committee, Business Licence No. 01/GPHDKD dated 26 November 1999 granted by the State Securities Commission and Amended Certificate of Securities Operating License No.01/GPHDKD, which was granted under Decision No. 03/GPĐC-UBCK dated 10 January 2022 issued by the State Securities Commission.

BVSC is a listed securities company on Vietnam’s stock market and aims at contributing to the development of Vietnam’s stock market as well as bringing benefit to its clients, its investors and its shareholders.

The current principal activities of the Company are to provide brokerage services, custodian services, proprietary trading, underwriting and issuance agency services, financial advisory, securities investment advisory services and other financial services under the regulations of the Ministry of Finance.

The Company’s head office is located at 1st, 4th and 7th floors, No. 8, Le Thai To Street, Hoan Kiem District, Hanoi and its Ho Chi Minh branch is located at Bao Viet Building, No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

As at 31 December 2022, the Company’s charter capital was VND 722,339,370,000 and owners’ equity was VND 2,180,939,806,045.

Board of Directors

Members of the Board of Directors during the year and at the date of this report are:

| | | |
|-----------------------|----------|-----------------------------|
| Mr. Nguyen Hong Tuan | Chairman | Reappointed on 22 June 2020 |
| Mr. Nguyen Anh Tuan | Member | Reappointed on 22 June 2020 |
| Mr. Nhu Dinh Hoa | Member | Reappointed on 22 June 2020 |
| Mr. Nguyen Quang Hung | Member | Reappointed on 22 June 2020 |
| Mr. Le Xuan Nam | Member | Appointed on 22 June 2020 |

Board of Supervision

Members of the Board of Supervision during the year and at the date of this report are:

| | | |
|--------------------------|-------------------|---------------------------|
| Mr. Nguyen Xuan Hoa | Head of the Board | Appointed on 22 June 2020 |
| Mr. Hoang Giang Binh | Member | Appointed on 22 June 2020 |
| Ms. Nguyen Thi Thanh Van | Member | Appointed on 22 June 2020 |

Board of Management

Members of the Board of Management during the year and at the date of this report are:

| | | |
|----------------------------|--------------------------------|-----------------------------|
| Mr. Nhu Dinh Hoa | Chief Executive Officer | Reappointed on 5 May 2022 |
| Mrs. Nguyen Thi Thanh Thuy | Deputy Chief Executive Officer | Reappointed on 15 July 2022 |

Legal Representative

The legal representative of the Company during the year and at the date of this report is Mr. Nhu Dinh Hoa – Chief Executive Officer.

Auditors

The auditors of the Company are Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

The Board of Management of Bao Viet Securities Joint Stock Company (“the Company”) is pleased to present its report and the financial safety ratio report of the Company as at 31st December 2022.

Board of Management’s responsibility in respect of The Financial Safety Ratio Report

The Board of Management of the Company confirmed that it has complied with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio (“Circular 91”) and Note 2.1 to the financial safety ratio report in the preparation and presentation of the financial safety ratio report as at 31 December 2022.

Statement by The Board of Management

The Board of Management of the Company does hereby state that, in its opinion, the accompanying financial safety ratio report is prepared in accordance with the requirements of Circular 91 and Note 2.1 of the financial safety ratio report.

On behalf of the Board of Management:

Mr. Nhu Dinh Hoa

Chief Executive Officer

Hanoi, Vietnam
28th March 2023

FINANCIAL SAFETY RATIO REPORT (continued)

Reference No.: 60758149/22994378/ATTC

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Bao Viet Securities Joint Stock Company

We have audited the accompanying financial safety ratio report of Bao Viet Securities Joint Stock Company ("the Company") as at 31 December 2022 prepared on 28 March 2023 and set out on pages 5 to 31. The financial safety ratio report has been prepared by the Company's Management in accordance with the regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio ("Circular 91") and Note 2.1 to the financial safety ratio report.

Board of Management's responsibility

The Company's Board of Management is responsible for the preparation and presentation of the financial safety ratio report in accordance with Circular 91 and Note 2.1 to the accompanying financial safety ratio report, and for such internal control as management determines necessary to enable the preparation and presentation of the financial safety ratio report to be free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial safety ratio report based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial safety ratio report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial safety ratio report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial safety ratio report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial safety ratio report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of policies used as well as evaluating the overall presentation of the financial safety ratio report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial safety ratio report as at 31 December 2022 is prepared and presented, in all material respects, in accordance with Circular 91 and Note 2.1 to the financial safety ratio report.

Basis of preparation and restriction on use of audit report

We draw attention to Note 2.1 and Note 3 to the financial safety ratio report, which describes the applicable regulations and the summary of significant policies for the preparation of financial safety ratio report. As also described in Note 2.2, the financial safety ratio report is prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report of the Company. As a result, this report may not be suitable for other purposes.

Ernst & Young Vietnam Limited



Trinh Hoang Anh

Deputy General Director

Audit Practising Registration
Certificate No. 2071-2023-004-1

Huynh Nhat Hung

Auditor

Audit Practising Registration
Certificate No: 5040-2019-004-1

Hanoi, Vietnam
28th March 2023

BAO VIET SECURITIES
JOINT STOCK COMPANY
Dispatch No:..... /2022/BVSC-TCKT
Re: financial safety ratio report

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness
Hanoi, 28th March 2023


FINANCIAL SAFETY RATIO REPORT


As at: 31 December 2022


To: State Securities Committee

We hereby confirm that:

- 1. The report is prepared on the basis of updated data at the reporting date and in accordance with the regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio;
- 2. Subsequent events after the date of this report that can have effects on the financial position of the Company will be updated in the next reporting year;
- 3. We bear full legal responsibility for the accuracy and truthfulness of the contents of the report.


Ms. Nguyen Hong Thuy
Chief Accountant


Mr. Le Thinh Vuong
Deputy Head of Legal and Internal control



Mr. Nhu Dinh Hoa
Chief Executive Officer


Hanoi, Vietnam
28th March 2023


SYNTHESIZING TABLE ON EXPOSURES TO RISKS AND LIQUID CAPITAL

Unit: VND

| No. | Items | Notes | Exposures to risk / Liquid capital |
|-----|-------------------------------------|-------|------------------------------------|
| 1 | Total exposures to market risk | 4 | 108,139,841,991 |
| 2 | Total exposures to settlement risk | 5 | 83,041,904,422 |
| 3 | Total exposures to operational risk | 6 | 130,876,724,110 |
| 4 | Total exposures to risks (4=1+2+3) | | 322,058,470,523 |
| 5 | Liquid capital | 7 | 2,105,222,707,229 |
| 6 | Liquid capital ratio (6=5/4) (%) | | 654% |


Ms. Nguyen Hong Thuy
Chief Accountant


Mr. Le Thinh Vuong
Deputy Head of Legal and Internal control


Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam
28th March 2023

NOTES TO THE FINANCIAL SAFETY RATIO REPORT

as at 31st December 2022

1. THE COMPANY

Bao Viet Securities Joint Stock Company (“the Company”) is a joint-stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB dated 01st October 1999 by the Hanoi People’s Committee, Business Licence No. 01/GPHDKD dated 26th November 1999 by the State Securities Commission and Amended Certificate of Securities Operating License No. 01/GPHDKD, which was granted under Decision No. 03/GPĐC-UBCK dated 10 January 2022 issued by the State Securities Commission.

The current principal activities of the Company are to provide brokerage services, custodian services, proprietary trading, underwriting and issuance agency services, financial advisory, securities investment advisory services and other financial services under the regulations of the Ministry of Finance.

As at 31 December 2022, the Company’s head office is located at 1st, 4th and 7th floors, 8 Le Thai To Street, Hoan Kiem District, Hanoi and its Ho Chi Minh branch is located at Bao Viet Building, No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

The Company has transaction offices as follows:

| Name | Address |
|---|---|
| 1. Transaction office at Head Office (Hanoi) | 1 st floor, 8 Le Thai To, Hoan Kiem District, Hanoi |
| 2. Transaction office No.1 (Hanoi) | 94 Ba Trieu Str., Hoan Kiem District, Hanoi |
| 3. Transaction office Thanh Xuan (Hanoi) | Floor 10, Hapulico Tower, No.1 Nguyen Huy Tuong, Thanh Xuan District, Hanoi |
| 4. Transaction office Thanh Cong (Hanoi) | Floor 10, 88 Lang Ha Sky City Building, Dong Da District, Hanoi |
| 5. Transaction office 11 Nguyen Cong Tru (Ho Chi Minh City) | 11 Nguyen Cong Tru Str., District 1, Ho Chi Minh City |
| 6. Transaction office 81 Cao Thang (Ho Chi Minh City) | Floor 2, Do Thanh Building, 81 Cao Thang Str., Ward 3, District 3, Ho Chi Minh City |
| 7. Transaction office 233 Dong Khoi (Ho Chi Minh City) | G floor, 233 Dong Khoi Str., District 1, Ho Chi Minh City |
| 8. Transaction office 174 Le Hong Phong (Ho Chi Minh City) | G & 1st floor, 174 Le Hong Phong Str., Ward 3, District 5, Ho Chi Minh City |

Main features of operation of the Company

Charter capital

As at 31 December 2022, the Company’s charter capital was VND 722,339,370,000, owners’ equity was VND 2,180,939,806,045 and total assets was VND 3,857,650,840,076.

Investment objective

As a listed securities company in the Vietnam’s stock market, the Company’s current principal business activities are to provide brokerage services, custodian services, proprietary trading, underwriting, financial advisory, securities investment advisory services and margin lending activities. The Company aims at contributing to the development of Vietnam’s Stock market as well as bringing benefit to its clients, its investors, and its shareholders.

Investment restrictions

The Company is required to comply with Article 28 of Circular No. 121/2020/TT-BTC dated 31 December 2020 providing guidance on operation of securities companies by the Ministry of Finance. The current applicable practices on investment restrictions are as follows:

- Securities companies are not allowed to purchase, contribute capital to invest in real-estate investment except for the purpose of using for head office, branches, and transaction offices serving professional business activities of the securities company.
- Securities companies may invest in real estate investment and fixed assets on the principle that the carrying value of the fixed assets and real estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- Securities companies are not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities Company, licensed to engage in self-trading activity, is allowed to trade listed bonds in accordance with relevant regulation on trading Government bonds.
- Securities companies must not by themselves, or authorize another organization or individuals to: Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund certificates, ETF and open-ended fund; Invest or contribute capital of more than fifteen percent (15%) in the total paid-up capital of a limited liability company or of a business project; Invest more than fifteen percent (15%) of its owners’ equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total owners’ equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total owners’ equity in unlisted shares, capital contribution and a business project.
- Securities company may form or acquire a fund management company as a subsidiary. In this case, the securities company is not required to comply with points mentioned above.

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

2. BASIS OF PRESENTATION

2.1. The applicable regulations

The financial safety ratio report of the Company is prepared and presented in accordance with the regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio ("Circular 91"). This financial safety ratio report is prepared on the basis of the financial data of the Company at the reporting date.

2.2. Purpose of preparation

The financial safety ratio report is prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report and may not be suitable for other purposes.

2.3. Reporting currency

The Company prepares this report in Vietnam dong ("VND").

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT

On 13th November 2020, the Ministry of Finance issued Circular No. 91/2020/TT-BTC ("Circular 91") on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio, to replace Circular No. 87/2017/TT-BTC dated 15th August 2017. The main amendments of Circular 91 include:

- Supplementing, amending and clarifying a number of indicators determining liquid capital and risk values;
- Amending and supplementing a number of contents on the financial safety report templates corresponding to the above changes.

Circular 91 took effect from 01st January 2021.

3.1. Liquid capital ratio

Liquid capital ratio of the Company is determined using the formula specified in accordance with Circular 91 as follows:

$$\text{Liquid Capital ratio} = \frac{\text{Liquid Capital} \times 100\%}{\text{Total exposures to risks}}$$

In which, total exposures to risks are the sum of exposures to market risk, settlement risk, and operational risk.

3.2. Liquid capital

In accordance with Circular 91, the Company's liquid capital is the total equity that can be converted into cash within ninety (90) days, details as follows:

- Owners' equity, excluded redeemable preferred share (if any);
- Share premium, excluded redeemable preferred share (if any);
- Conversion option of convertible bonds – Equity component (applicable to securities companies which are convertible bonds issuer);
- Other owners' equity;
- Differences from revaluation of assets at fair value;
- Foreign exchange rate differences;
- Charter capital supplementary reserves;
- Financial and operational risk reserves;
- Other reserves belonging to owner's equity in accordance with prevailing regulations;
- Undistributed retained earnings;
- Balance of provision for impairment of assets;
- Fifty percent (50%) of the increase of fixed assets' value in accordance with prevailing regulations (in case of positive revaluation), or 100% of the total the decreased value (in case of negative revaluation);
- Decreases to liquid capital (Note 3.2.1);
- Increases to liquid capital (Note 3.2.2); and
- Other capital (if any).

3.2.1. Decreases to liquid capital

The Company's liquid capital is decreased due to the following items:

- Treasury shares (if any);
- Total decrease in value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report;
- The escrow value, in case the Company places collateral assets to the banks for banks' guarantee upon the Company's issuance of covered warrants, is determined as the minimal value of the followings: the value of banks' guarantee and the value of collateral assets (equivalent to volume of assets * asset price * (1 – Market risk coefficient));

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

3.2.1. Decreases to liquid capital (continued)

- The value of the Company's assets used as collaterals for the Company's obligations with other institutions and individuals, of which the remaining terms are more than ninety (90) days, (equivalent to volume of assets * asset price * (1 – Market risk coefficient));
- Short-term assets including prepayments, receivables and advances of which the remaining recovery period or settlement period is more than ninety (90) days, and other short-term assets;
- Long-term assets;
- The qualified, adverse or disclaimed items on the audited and reviewed financial statements (if any);
- Securities issued by the Company's related parties in the following cases:
 - The parent company, subsidiaries of the Company;
 - Subsidiaries of the Company's parent company.
- Securities restricted to transfer with the remaining restricted period of more than 90 days as from the calculation date;
- Irrecoverable items from other counter parties which are assessed as completely insolvent, are determined at the contract value.

When determining the decreased value to liquid capital, the Company adjusts to reduce the decreasing value as follows:

- For assets being used to secure the Company's obligations to other organizations or individuals the decrease value shall be deducted by the minimal value of the followings: market value of the assets, residual value of the obligation;
- For assets secured by assets belonging to other organizations or individuals, the decrease value shall be deducted by the minimal value of the followings: market value of the collaterals, book value.

Accordingly, value of the collateral used in calculating the deduction from the decreases to liquid capital is determined as: quantity of the asset * asset price * (1 – Market risk coefficient) in accordance with Circular 91.

The decreases to liquid capital of the items in current and non-current assets do not include the following items:

- Assets exposed to market risk in accordance with Circular 91, except for securities issued by a subsidiary, parent company or subsidiary of the Company's parent company or securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of calculation;
- Contracts and transactions exposed to liquidity risk in accordance with Circular 91;
- Provisions for impairment of assets;
- Provision for bad debts.

The Company does not calculate exposures to risk for items deducted from the liquid capital.

3.2.2. Increases to liquid capital

The Company's liquid capital is increased due to the following items:

- Total increase in value of financial assets recognized at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report; and
- Debts that are convertible to equity, including: convertible bonds, preferred shares and other debt instruments registered to supplement liquid capital with the State Securities Commission and satisfied all conditions stated in Clause 2, Article 7 of Circular 91.

The total value of debt items used to supplement liquid capital must not exceed 50% of the Company's owners' equity. Regarding convertible debts and debts registered to supplement the Company's liquid capital with the State Securities Committee, the Company deducts 20% of their original value each year during the last five (05) years prior to maturity/conversion into common shares and deducts 25% of residual value quarterly during the last four (04) quarters prior to maturity/conversion into common shares.

3.3. Exposures to market risk

Exposures to market risk are the potential losses which may occur when the market value of assets which the Company possesses or expected to possess under underwriting issuance commitment fluctuates in negative trend. Exposures to market risk for such assets as stated in Clause 2, Article 9 of Circular 91, including: cash and cash equivalents, monetary market instruments, bonds, shares, funds/shares of securities investment companies are determined by the Company at the end of the transaction day using the following formula:

$$\text{Exposures to market risk} = \frac{\text{Net position} \times \text{Asset value}}{\text{Market risk coefficient}}$$

In particular, net position is the net volume of securities held by the Company at the reporting date, after being deducted by the number of securities lent and increased by the number of securities borrowed in accordance with prevailing regulations. Exposures to market risk of securities not yet fully distributed from underwriting contracts in the form of a firm commitment, covered warrants issued by the Company and future contracts are determined using the formula presented in Note 3.3.2.

Assets which are excluded when determining exposures to market risk include:

- Treasury shares;
- Securities issued by related parties of the Company in the following cases:
 - The parent company, subsidiaries of the Company;
 - Subsidiaries of the Company's parent company.
- Securities restricted to transfer with the remaining restricted period of more than ninety (90) days as from the calculation date;
- Bonds, debt instruments and valuable papers in the monetary market which have been matured;
- Securities which have been hedged by sell warrants or futures contracts; sell warrants and put options which have been used to hedge for underlying securities.

3.3.1. Market risk coefficient

Market risk coefficient is determined for each account of assets as specified in Appendix I of Circular 91.

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

3.3.2. Asset price

a. Cash and cash equivalents, monetary market instruments

Value of cash in VND is the cash balance at the calculation date. Value of cash in foreign currencies is the equivalent in VND using the exchange rate published by credit institutions which are allowed to conduct foreign currencies trading at the calculation date.

Value of cash equivalent and money market instruments is the amount deposited or acquisition cost plus accrued interest using the effective interest rate as at the calculation date.

b. Bonds

Value of listed bonds is the average price quoted on the trading system of Securities Stock Exchange on the latest trading day plus accrued interest. In case there is no transaction for such bonds during more than two (2) weeks prior to the date of calculation, the value of bonds is the highest of the following values, accrued interest including: acquisition cost; face value and price determined by the internal valuation methods.

Value of unlisted bonds is the highest of the following, including accrued interest values included: quoted price on the quotation system selected by the Company (if any); acquisition cost; face value; price determined by the internal valuation methods.

c. Shares

Value of listed shares is determined based on the quoted closing prices on Ho Chi Minh Stock Exchange and Hanoi Stock Exchange on the latest trading day prior to the date of calculation.

Value of unlisted shares which have been registered on the Unlisted Public Company Market (UpCom) is the quoted closing prices on the latest trading day prior to the date of calculation.

In case there is no transaction for listed shares or shares registered for trading on UpCom within more than two (2) weeks prior to the date of calculation, value of these shares is the highest of the following: book value; acquisition cost and price determined by internal valuation methods of the Company.

Value of shares which are suspended from trading, delisted or cancelled share is the highest of the following values: book value, par value and price determined by internal valuation methods of the Company.

Value of shares which are registered or custodied but has not been listed or registered for trading is the average price of quotations from at least three (03) securities companies which are not related parties of the Company on the latest trading day prior to the date of calculation. If there are no sufficient quotation from at least three (03) securities companies, the value of shares is the highest of the following values: quoted price; value determined in the latest reporting period; book value; acquisition cost; price determined by internal valuation methods of the Company.

Value of shares of organizations under dissolution, or of bankruptcy is 80% of the liquidated value of such shares at the date of preparation on the latest balance sheet, or price determined by internal methods of the Company.

The value of other shares or capital contributions is the maximum of book value; acquisition cost/value of capital contribution; price determined by internal methods of the Company.

d. Funds/Shares of securities investment companies /ETF fund

Value of public closed-end fund is the closing price of the latest trading date prior to the calculation date. In case public close-end fund has no transactions in more than two (02) weeks prior to the calculation date, the value is calculated by net asset value ("NAV") per fund certificate at the latest reporting period prior to the calculation date.

Value of member fund/open-end fund/shares of securities investment companies in private issues is the NAV per unit of contributed capital/fund certificate/shares at the latest reporting period prior to the calculation date.

Value of other funds/shares is price determined by the internal methods of the Company.

e. Future contract

Exposures to market risk of futures contracts are determined by the following formula:

Exposures to market risk = Max {((Settled price at the end of the day – Securities purchasing value) x Market risk coefficient of futures contract – Margin value), 0}

In which:

- Settled price at the end of the day = Closing price x Open volume.

- Securities purchasing value is the value of underlying securities purchased by the Company to cover for future contractual obligations.
- Margin value is the value of assets that the Company deposits for investment, proprietary trading and market making transactions related to futures contracts.

3.3.3. Supplemental exposures to market risk

Exposures to market risk of assets are increasingly adjusted in case that the Company over-invests in these assets, except for the securities under firm commitment issuance underwriting contract, Government bonds and bonds guaranteed by the Government. The exposures to market risk are adjusted in accordance with following principles:

- An increase of 10% if the total value of investment in shares and bonds of a securities issuer accounts for more than 10% to 15% of the owners' equity of the Company;
- An increase of 20% if the total value of investment in shares and bonds of a securities issuer accounts for more than 15% to 25% of the owners' equity of the Company;
- An increase of 30% if the total value of investment in shares and bonds of a securities issuer accounts for more than 25% of the owners' equity of the Company.

Dividends, coupons, preference right of shares (if any) or interest of deposits, cash equivalents, negotiable instruments and valuable papers shall be added to the value of asset for the purpose of determining the exposures to market risk.

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

3.4. Exposures to settlement risk

Exposures to settlement risk are the potential losses which may occur when a counter party fails to fulfil its settlement obligation or transfer assets on time as committed. Exposures to settlement risk are determined at the transaction date as follows:

- For term deposits at credit institutions; certificates of deposit issued by credit institutions; securities borrowing contracts in accordance with legal regulations; repurchase agreements and reversed repurchase agreements in accordance with prevailing regulations; margin loan contracts in accordance with prevailing regulations; receivables from customers in securities trading activities; receivables from matured bonds, valuable papers, mature debt instruments that have not yet been paid; other receivables, contracts, transactions and capital usages exposed to settlement risk.
- Exposures to settlement risk before the date of securities transfer, cash settlement, contract liquidation shall be determined using the following formula:
- Exposures to settlement risk = Value of assets exposed to settlement risk x Settlement risk coefficient of partner
- For underwriting contracts in the form of firm commitment signed with other organizations in a syndicated underwriting contract in which the Company is the lead underwriter, the exposures to settlement risk value equals 30% of the remaining value of unpaid underwriting contracts.
- For overdue receivables, other receivables and other assets, securities which have not been received on time, including securities and cash which have not been received from term deposits at credit institutions; certificates of deposit issued by credit institutions; securities borrowing contracts in accordance with prevailing regulations; repurchase and reverse repurchase agreements in accordance with prevailing regulations; matured margin loans in accordance with prevailing regulations, exposures to settlement risk is determined as follows:

Exposures to settlement risk = Settlement risk coefficient by time x Value of assets exposed to settlement risk.

3.4.1. Settlement risk coefficient

Settlement risk coefficient is determined based on the type of counterparties and the period as specified in Appendix III, Circular 91.

3.4.2. Value of assets exposed to settlement risk

a. Securities borrowing, securities lending, margin lending, repurchase agreements of customers or of the Company

Value of assets exposed to settlement risk is the market value of the contract determined as follows:

- Exposures to settlement risk is as follows:

| No. | Type of transaction | Value of assets exposed to settlement risk |
|-----|--|---|
| 1 | Term deposits, certificates of deposit, unsecured loans; contracts, transactions, capital usage according to Point k, Clause 1, Article 10 of Circular 91. | Total balance of deposit account, certificate of deposit, loan value, contract value, transaction value plus dividends, bond interests, preference value (for securities) or deposits interests, loan interests, other surcharges (for credit). |
| 2 | Securities lending | Max{(Market value of the contract - Collateral value (if any)), 0} |
| 3 | Securities borrowing | Max{(Collateral value - Market value of the contract), 0} |
| 4 | Reverse repurchase agreements | Max{(Contract value based on purchase price - Market value of the contract x (1 - Market risk coefficient)), 0} |
| 5 | Repurchase agreements | Max{(Market value of the contract x (1 - Market risk coefficient) - Contract value based on selling price), 0} |
| 6 | Margin contracts (loans to customers to purchase securities)/Other economic agreements with the similar nature | Max{(Margin balance - Collateral value), 0} |

Margin balance includes outstanding loan principal, interest and other fees.

Customers' collateral value is determined in line with **Note 3.4.3**. In case the value of collateral does not have any reference in the market, its value is determined by the internal methods of the Company.

Asset price is determined in accordance with **Note 3.3.2**.

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

3.4.2. Value of assets exposed to settlement risk (continued)

b. Securities trading

Value of assets exposed to settlement risk in securities trading is as the following standard:

| No. | Period | Value of assets exposed to settlement risk |
|---|-------------------------------------|--|
| A. For the selling transactions (seller is the Company or its customers under the securities brokerage activities) | | |
| 1 | Before the settlement date | 0 |
| 2 | After the settlement date | Market value of the contract (if market value is less than trading value) 0 (if market value is greater than trading value) |
| B. For the buying transactions (buyer is the Company or the Company's customer) | | |
| 1 | Before the securities transfer date | 0 |
| 2 | After the securities transfer date | Market value of the contract (if market value is less than trading value) 0 (if market value is greater than trading value) |

Settlement/transfer period of securities is T+2 (for listed securities), T+1 (for listed bonds); T+n (for transactions outside the official trading system within n days under agreement of both parties), or in accordance with prevailing regulations (for derivatives).

c. Receivables, matured bonds, matured debt instruments

Value of assets exposed to settlement risk is the value of receivables calculated based on par value, plus unsettled accrued interest, related costs and less cash received previously (if any).

d. Receivables, other receivables and other contracts, transactions, capital usages and assets with potential settlement risk

For contracts and transactions specified at Point k, Clause 1, Article 10, Circular 91, the Company determines as follows:

$$\text{Value of settlement risk} = \text{Value of the asset at risk of payment} \times 100\%$$

For advances with the remaining repayment period of less than 90 days, the Company determines as follows:

| Value of assets exposed to settlement risk | Risk coefficient | Exposures to settlement risk |
|--|---|------------------------------|
| Value of all advances | accounts for from 0% to 5% of owners' equity at the date of calculation | 8% |
| | accounts for above 5% of owners' equity at the date of calculation | 100% |

3.4.3. Decreases to value of collaterals

The value of collaterals shall be deducted from the Company's value of assets exposed to settlement risk if the related contracts and transactions satisfy the following conditions:

- Counterparties or customers use collaterals to ensure their fulfilment of obligations and their collaterals are cash, cash equivalents, valuable papers, negotiable instruments on the money market, listed securities and securities registered on the Securities Stock Exchange, Government bonds, bonds guaranteed by the Ministry of Finance;
- The Company has rights to control, manage, use, and transfer collaterals if partners fail to make payment fully and timely as agreed in the contracts.

Value of asset subjected to deduction is determined as follows:

$$\text{Collateral value} = \text{Quantity of assets} \times \text{Asset price} \times (1 - \text{Market risk coefficient})$$

Assets price is determined in accordance with **Note 3.3.2.**

3.4.4. Supplemental exposures to settlement risk

Exposures to settlement risk are increasingly adjusted in the following cases:

- An increase of 10% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 10% to 15% of the owners' equity of the Company;
- An increase of 20% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 15% to 25% of the owners' equity of the Company;
- An increase of 30% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any), or an individual and related parties of that individual (if any), account for more than 25% of the owners' equity of the Company.

3.4.5. Net bilateral clearing value of assets exposed to settlement risk

Value of assets exposed to settlement risk is subject to net bilateral clearing in cases:

- Settlement risk relating to the same partner;
- Settlement risk occurred to the same type of transaction;
- The net bilateral clearing is agreed in advance via documents.

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

3.5. Exposures to operational risk

Exposures to operational risk are the potential losses which may occur due to technical errors, system errors and business processes, human errors during performing their work, or due to the lack of capital resulting from expenses, losses arising from investment activities, or other objective reasons.

Exposures to operational risk of the Company is determined at the higher of 25% of the Company's operating expenses within twelve (12) consecutive months up to reporting date or 20% of the Company's legal capital.

The Company's operating expenses are determined from total expenses incurred in the period less: depreciation expense; reverse/provision expense for the impairment of short-term, long-term financial asset and mortgage assets; provision expense/reversal of the impairment of receivable; provision expense/reversal of the impairment of other short-term asset; and loss from revaluation of financial assets at fair value through profit and loss ("FVTPL"), interest expense and loss from revaluation outstanding covered warrants payables which has been recognized as expense in the year.

4. EXPOSURES TO MARKET RISK

| Investment items | | Risk coefficient % | Scale of risk (VND) | Exposures to risk(VND) |
|--|--|--------------------|---------------------|------------------------|
| | | (1) | (2) | (3) = (1) x (2) |
| I. Cash and cash equivalents, monetary market instruments | | | | - |
| 1 | Cash (VND) | 0 | 149,529,318,217 | - |
| 2 | Cash equivalents | 0 | - | - |
| 3 | Valuable papers, transferable instruments in the money market, certificates of deposit | 0 | - | - |
| II. Government bonds | | | | |
| 4 | Zero-coupon Government bonds | 0 | - | - |
| 5 | Coupon Government bonds | 0 | - | - |
| 5.1 | Government bonds (including treasury bonds and construction bonds previously issued), Government bonds of OECD countries or guaranteed by the Government or the Central Bank of the OECD countries, bonds issued by international institutions such as IBRD, ADB, IADB, AFDB, EIB and EBRD | 3 | - | - |
| III. Bonds of credit institutions | | | | 8,400,000,000 |
| 6.1 | Bonds of credit institutions having remaining maturity of less than 1 year, including convertible bonds | 3 | - | - |
| 6.2 | Bonds of credit institutions having remaining maturity of 1 to under 3 years, including convertible bonds | 8 | - | - |
| 6.3 | Bonds of credit institutions having remaining maturity of 3 to under 5 years, including convertible bonds | 10 | - | - |
| 6.4 | Bonds of credit institutions remaining maturity of 5 years or more, including convertible bonds | 15 | 56,000,000,000 | 8,400,000,000 |
| IV. Corporate bonds | | | | |
| Listed corporate bonds | | | | - |
| 7.1 | Listed bonds having remaining maturity of less than 1 year, including convertible bonds | 8 | - | - |
| 7.2 | Listed bonds having remaining maturity of 1 to under 3 years, including convertible bonds | 10 | - | - |
| 7.3 | Listed bonds having remaining maturity of 3 to under 5 years, including convertible bonds | 15 | - | - |
| 7.4 | Listed bonds having remaining maturity of 5 years or more, including convertible bonds | 20 | - | - |

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

| Investment items | | Risk coefficient % | Scale of risk (VND) | Exposures to risk(VND) |
|--|--|--------------------|---------------------|------------------------|
| | | (1) | (2) | (3) = (1) x (2) |
| Unlisted corporate bonds | | | | 35,913,672,763 |
| 8.1 | Unlisted bonds having remaining maturity of less than 1 year, including convertible bonds | 15 | 13,184,340,009 | 1,977,651,001 |
| 8.2 | Unlisted bonds having remaining maturity of 1 to under 3 years, including convertible bonds | 20 | 10,000,000,000 | 2,000,000,000 |
| 8.3 | Unlisted bonds having remaining maturity of 3 to under 5 years, including convertible bonds | 25 | - | - |
| 8.4 | Unlisted bonds having remaining maturity of 5 years or more, including convertible bonds | 30 | - | - |
| 8.5 | Unlisted bonds issued by other company having remaining maturity of less than 1 year, including convertible bonds | 25 | 57,744,135,088 | 14,436,033,772 |
| 8.6 | Unlisted bonds issued by other company having remaining maturity of 1 to under 3 years, including convertible bonds | 30 | - | - |
| 8.7 | Unlisted bonds issued by other company having remaining maturity of 3 to under 5 years, including convertible bonds | 35 | 49,999,965,684 | 17,499,987,989 |
| 8.8 | Unlisted bonds having issued by other company remaining maturity of 5 years or more, including convertible bonds | 40 | - | - |
| V. Shares | | | | 56,772,134,584 |
| 9 | Ordinary shares, preferred shares of entities listed in Ho Chi Minh Stock Exchange; open-ended fund certificates | 10 | 217,160,929,000 | 21,716,092,900 |
| 10 | Ordinary shares, preferred shares of entities listed in Hanoi Stock Exchange | 15 | 14,212,383,600 | 2,131,857,540 |
| 11 | Ordinary shares, preferred shares of unlisted public entities registered for trading through UpCoM system | 20 | 26,307,235,660 | 5,261,447,132 |
| 12 | Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO | 30 | - | - |
| 13 | Shares of other public companies | 50 | 55,325,474,024 | 27,662,737,012 |
| VI. Certificates of securities investment funds | | | | 7,053,508,521 |
| 14 | Public funds, including public securities investment companies | 10 | 70,535,085,205 | 7,053,508,521 |
| 15 | Member funds, including private securities investment companies | 30 | - | - |

| Investment items | | Risk coefficient % | Scale of risk (VND) | Exposures to risk(VND) |
|---|---|--------------------|---------------------|------------------------|
| | | (1) | (2) | (3) = (1) x (2) |
| VII. Restricted securities trading | | | | 526,124 |
| 16 | Securities of unlisted public companies which are warned due to the delay in disclosing audited/ reviewed financial statements as required | 30 | - | - |
| 17 | Listed securities which are warned | 20 | - | - |
| 18 | Listed securities which are controlled | 25 | - | - |
| 19 | Securities temporarily suspended from trading | 40 | 1,035,310 | 414,124 |
| 20 | Delisted, cancelled securities | 80 | 140,000 | 112,000 |
| VIII. Derivative securities | | | | - |
| 21 | Stock index futures contracts | 8 | - | - |
| 22 | Government bond futures contracts | 3 | - | - |
| IX. Other securities | | | | - |
| 23. | Shares listed in foreign markets included in the benchmark | 25 | - | - |
| 24. | Shares listed in foreign markets not included in the benchmark | 100 | - | - |
| 25. | Covered warrants listed on Ho Chi Minh Stock Exchange | 8 | - | - |
| 26. | Covered warrants listed on Hanoi Stock Exchange | 10 | - | - |
| 27 | Shares and bonds issued by non-public companies that do not have the most recent audited financial statements available up to the reporting date or have audited financial statements available, but such financial statements were given an adverse, disclaimer or qualified audit opinion | 100 | - | - |
| 28. | Shares, capital contribution and other securities | 80 | - | - |
| 29. | Covered warrants issued by the Company | | - | - |
| Calculation: Market risk = Max {((P0 x Q0 x k - P1 x Q1) x R - MD), 0} | | | | |
| 30 | Securities formed from hedging activities for the covered warrants issued (in case covered warrants are not profitable) | 10 | - | - |
| 31 | The positive difference between the value of the underlying securities used by the Company to hedge against the risks of covered warrants and the value of the underlying securities necessary to hedge for covered warrants. | 10 | - | - |
| Total Exposures to market risk (I+II+III+IV+V+VI+VII+VIII+IX) | | | | 108,139,841,991 |

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

5. EXPOSURES TO SETTLEMENT RISK

| Exposures to settlement risk (VND) | |
|--|-----------------------|
| Risks of undue items (Note 5.1) | 38,584,304,614 |
| Risks of overdue items (Note 5.2) | 39,973,662,438 |
| Risks of advances, other contracts and transactions (Note 5.3) | 38,816,000 |
| Supplemental exposures to settlement risk (Note 5.4) | 4,445,121,370 |
| Total exposures to settlement risk | 83,041,904,422 |

5.1. Risks of undue items

| Type of transactions | | Risk coefficient (%) | | Exposures to settlement risk (VND) | | | | | Total exposures to settlement risk (VND) |
|---|---|----------------------|------|------------------------------------|------|----------------|-------------|----------------|--|
| | | 0% | 0,8% | 3,2% | 4,8% | 6% | 8% | | |
| | | (1) | (2) | (3) | (4) | (5) | (6) | | |
| 1 | Term deposits, certificates of deposits, loans without collaterals and receivables from securities trading operations, and other items exposed to settlement risk | - | - | - | - | 37,682,238,049 | 902,066,565 | 38,584,304,614 | |
| 2 | Financial assets lending/other agreements with similar nature | - | - | - | - | - | - | - | |
| 3 | Financial assets borrowings/other agreements with similar nature | - | - | - | - | - | - | - | |
| 4 | Reverse repurchase agreements/other agreements with similar nature | - | - | - | - | - | - | - | |
| 5 | Repurchase agreements/other agreements with similar nature | - | - | - | - | - | - | - | |
| TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDUE ITEMS | | | | | | | | 38,584,304,614 | |

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

Details of settlement risk coefficient by counterparties are determined as follows:

| No. | Counterparties of the Company | Settlement risk coefficient |
|-----|---|-----------------------------|
| 1 | Government, issuers guaranteed by the Government, Government and Central Banks of OECD countries; People's committees of provinces and centrally - controlled municipalities | 0% |
| 2 | Securities Stock Exchanges, Vietnam Securities Depository and Clearing Corporation | 0.8% |
| 3 | Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and have credit ratings in accordance with the internal policies of securities trading institutions | 3.2% |
| 4 | Credit institutions, financial institutions, and securities trading institutions which are not established in OECD countries, or which are established in OECD countries and do not meet the requirements specified in the internal policies of securities trading institutions | 4.8% |
| 5 | Credit institutions, financial institutions, securities trading institutions, securities investment funds, securities investment companies being established and operating in Vietnam | 6% |
| 6 | Other entities and individuals | 8% |

(*) Details:

| | Carrying value (VND) | Value of collaterals (VND) | Carrying amount without collaterals (VND) | Settlement risk coefficient by counterparties (%) | Exposures to settlement risk (VND) |
|---|------------------------|----------------------------|---|---|------------------------------------|
| Term deposit | 628,037,300,819 | - | 628,037,300,819 | 6 | 37,682,238,049 |
| Dividend receivables | 4,225,526,000 | - | 4,225,526,000 | 8 | 338,042,080 |
| Receivables from services provided by the Company | 7,050,306,062 | - | 7,050,306,062 | 8 | 564,024,485 |
| | 639,313,132,881 | - | 639,313,132,881 | | 38,584,304,614 |

5.2. Risks of overdue items

| No. | Overdue period | Settlement risk coefficient (%) | Scale of risk (VND) | Exposures to settlement risk (VND) |
|---|--|---------------------------------|---------------------|------------------------------------|
| 1 | 0 - 15 days after payment due date or date of transferring securities | 16 | - | - |
| 2 | 16 - 30 days after payment due date or date of transferring securities | 32 | - | - |
| 3 | 31 - 60 days after payment due date or date of transferring securities | 48 | - | - |
| 4 | From 60 days and above | 100 | 39,973,662,438 | 39,973,662,438 |
| TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE PAYMENTS | | | | 39,973,662,438 |

5.3. Risks of advances

| No. | Overdue period | Settlement risk coefficient (%) | Scale of risk (VND) | Exposures to settlement risk (VND) |
|---|--|---------------------------------|---------------------|------------------------------------|
| 1 | Advances accounting for 0% to 5% of owners' equity at the calculation date | 8 | 485,200,000 | 38,816,000 |
| 2 | Advances accounting over 5% of owners' equity at the calculation date | 100 | - | - |
| TOTAL EXPOSURES TO SETTLEMENT RISK OF ADVANCES | | | | 38,816,000 |

5.4. Supplemental exposures to settlement risk

Exposures to settlement risk is supplemented for deposit contracts and certificates of deposits with financial institutions of which the total deposit amount accounts from more than 10% to more than 25% of the Owners' equity of the Company.

| No. | Detail | Settlement risk coefficient (%) | Scale of risk (VND) | Exposures to settlement risk (VND) |
|--|---|---------------------------------|---------------------|------------------------------------|
| 1 | Term deposits and accrued interest at Vietnam Joint Stock Commercial Bank for Industry and Trade Bank | 20% | 22,225,606,849 | 4,445,121,370 |
| TOTAL SUPPLEMENTAL EXPOSURES TO SETTLEMENT RISK | | | | 4,445,121,370 |

6. EXPOSURES TO OPERATIONAL RISK

| Items | Amount (VND) |
|---|------------------------|
| I Total operating expenses incurring within 12 months up to 31 December 2022 | 776,956,355,903 |
| II Deductions from total expenses (Note 6.1) | 253,449,459,464 |
| III Total expenses after deductions (III = I - II) | 523,506,896,439 |
| IV 25% of total expense after deductions (IV = 25% III) | 130,876,724,110 |
| V 20% Minimum charter capital for business operations of securities companies | 50,000,000,000 |
| TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V}) | 130,876,724,110 |

6.1. Deductions from total expenses

| | Value (VND) |
|--|------------------------|
| Depreciation expenses | 6,183,019,104 |
| Reversal of provision for impairment of short-term financial assets and mortgaged assets | 15,045,946,841 |
| Provision expenses for impairment of long-term financial assets | (4,198,318,800) |
| Reversal of provision for impairment of other short-term financial assets | (944,320,824) |
| Loss from revaluation of financial assets at FVTPL | 102,655,493,874 |
| Interest expenses | 134,707,639,269 |
| Total | 253,449,459,464 |

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

7. LIQUID CAPITAL

| No. | Contents | Liquid capital | | |
|-----------|--|-------------------------|---------------------|--------------------------|
| | | Liquid capital (VND) | Deductions (VND) | Increases (VND) |
| | | (1) | (2) | (3) |
| A | Owners' equity | | | |
| 1 | Owners' equity, excluded redeemable preferred shares (if any) | 722,339,370,000 | | |
| 2 | Share premium, excluded redeemable preferred shares (if any) | 610,253,166,720 | | |
| 3 | Treasury shares | (496,682,500) | | |
| 4 | The conversion option of convertible bonds option – equity component | - | | |
| 5 | Other owners' equity | - | | |
| 6 | Difference from revaluation of assets at fair value | 59,236,315,172 | | |
| 7 | Charter capital supplementary reserves | 59,379,106,210 | | |
| 8 | Operational risk and financial reserves | 59,379,106,210 | | |
| 9 | Other funds belong to the owner's equity | - | | |
| 10 | Undistributed profit | 670,849,424,233 | | |
| 11 | Provision for impairment of assets | 93,044,981,705 | | |
| 12 | Difference from revaluation of fixed assets | - | | |
| 13 | Foreign exchange rate differences | - | | |
| 14 | Convertible debts | | | - |
| 15 | Total increase or decrease in securities investment value | | 4,167,633,024 | 210,457,700 |
| 16 | Other capital (if any) | - | | |
| 1A | Total | | | 2,270,027,612,426 |

| No. | Contents | Liquid capital | | |
|----------|---|-------------------------|---------------------|--------------------|
| | | Liquid capital (VND) | Deductions (VND) | Increases (VND) |
| | | (1) | (2) | (3) |
| B | Current assets | | | |
| I | Financial assets | | | |
| 1 | Cash and cash equivalents | | | |
| 2 | Financial assets at fair value through profit and loss (FVTPL) | | | |
| | • Securities exposed to market risk | | | |
| | • Securities deducted from liquid capital | | 1,703,835,800 | |
| 3 | Held-to-maturity (HTM) investments | | | |
| | • Securities exposed to market risk | | | |
| | • Securities deducted from liquid capital | | - | |
| 4 | Loans | | | |
| 5 | Available-for-sale (AFS) financial assets | | | |
| | • Securities exposed to market risk | | | |
| | • Securities deducted from liquid capital | | - | |
| 6 | Provision for impairment of financial assets and mortgage assets | | | |
| 7 | Receivables (Receivables from disposal of financial assets, Receivables and accruals from dividend and interest income) | | | |
| | • Receivables due in 90 days or less | | | |
| | • Receivables due in more than 90 days | | - | |
| 8 | Covered warrant not yet issued | | | |
| 9 | The underlying securities for the purpose of hedging when the issuing covered warrant | | - | |
| 10 | Receivables from services provided by the Company | | | |
| | • Receivables due in 90 days or less | | | |
| | • Receivables due in more than 90 days | | - | |

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

7. LIQUID CAPITAL (continued)

| No. | Contents | Liquid capital | | |
|-----------|---|----------------------|------------------|----------------------|
| | | Liquid capital (VND) | Deductions (VND) | Increases (VND) |
| | | (1) | (2) | (3) |
| 11 | Internal receivables | | | |
| | • Internal receivables due in 90 days or less | | | |
| | • Internal receivables due in more than 90 days | | - | |
| 12 | Receivables due to error in securities transactions | | | |
| | • Receivables due in 90 days or less | | | |
| | • Receivables due in more than 90 days | | - | |
| 13 | Other receivables | | | |
| | • Other receivables due in 90 days or less | | | |
| | • Other receivables due in more than 90 days | | 4,232,401,524 | |
| 14 | Provisions for impairment of receivables | | | |
| II | Other current assets | | | |
| 1 | Advances | | | |
| | • Advances with the remaining repayment term of 90 days or less | | | |
| | • Advances with the remaining repayment term of more than 90 days | | - | |
| 2 | Office supplies, tools and materials | | 959,561,833 | |
| 3 | Short-term prepaid expenses | | 2,731,925,974 | |
| 4 | Short-term deposits, collaterals and pledges | | - | |
| 5 | Deductible value added tax | | - | |
| 6 | Tax and other receivables from the State | | - | |
| 7 | Other current assets | | - | |
| 8 | Provision for impairment of other current assets | | | |
| 1B | Total | | | 9,627,725,131 |

| No. | Contents | Liquid capital | | |
|------------|--|----------------------|-----------------------|------------------------|
| | | Liquid capital (VND) | Deductions (VND) | Increases (VND) |
| | | (1) | (2) | (3) |
| C | Non-current assets | | | |
| I | Long-term financial assets | | | |
| 1 | Long-term receivables | | - | |
| 2 | Investments | | | |
| 2.1 | HTM investments | | | |
| | • Securities exposed to market risk | | | |
| | • Securities are deducted from liquid capital | | - | |
| 2.2 | Investment in associates and joint ventures | | - | |
| 2.3 | Other long-term investments | | 108,453,920,000 | |
| II | Fixed assets | | 17,097,900,297 | |
| III | Investment properties | | - | |
| IV | Construction in progress | | - | |
| V | Other long-term assets | | 29,625,359,769 | |
| 1 | Long-term deposits, collaterals and pledges | | 2,057,714,330 | |
| 2 | Long-term prepaid expenses | | 6,701,936,540 | |
| 3 | Deferred income tax assets | | - | |
| 4 | Deposit for Settlement Assistance Fund | | 20,865,708,899 | |
| 5 | Other long-term assets | | - | |
| VI | Provision for impairment of non-current assets | | | |
| | The qualified, adverse or disclaimed items on the audited, reviewed financial statements that are not deducted according to Article 5, Circular 91/2020/TT-BTC | | - | |
| 1C | Total | | | 155,177,180,066 |

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)

as at 31st December 2022

7. LIQUID CAPITAL (continued)

| No. | Contents | Liquid capital | | |
|----------------------------------|--|-------------------------|--------------------------|--------------------|
| | | Liquid capital (VND) | Deductions (VND) | Increases (VND) |
| | | (1) | (2) | (3) |
| D | Escrow, collateral items | | | |
| 1 | Value of the escrow | | | |
| 1.1 | The value of contribution to Settlement Assistance Fund of VSD (for derivative market) | | - | |
| 1.2 | The value of contribution to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market) | | - | |
| 1.3 | Value of cash escrow and banks' guarantee for issuing covered warrants | | - | |
| 2 | Value of collaterals of obligations which due in more than ninety (90) days | | - | |
| 1D | Total | | | - |
| LIQUID CAPITAL = 1A-1B-1C | | | 2,105,222,707,229 | |

(*) Note: Non-applicable for the preparation of the financial safety ratio report

8. EVENTS AFTER THE BALANCE SHEET DATE

There is no event or circumstance arising since 31 December 2022 that requires adjustment or disclosure in the safety ratio report of the Company as at 31 December 2022.

Ms. Nguyen Hong Thuy
Chief Accountant

Mr. Le Thanh Vuong
Deputy Head of Legal and
Internal control



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam
28th March 2023

