

Bao Viet Securities Joint Stock Company

Financial safety ratio report

31 December 2017



Bao Viet Securities Joint Stock Company

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Bao Viet Securities Joint Stock Company

GENERAL INFORMATION

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 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. 36/GPDC-UBCK dated 2 August 2017 issued by the State Securities Commission.

As at 31 December 2017, the Company's head office is located at floors 2 and 3, 72 Tran Hung Dao Street, Hoan Kiem District, Ha Noi and its Ho Chi Minh branch is located at Bao Viet Building, No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Dau Minh Lam	Chairman	Appointed on 12 May 2016
Mr. Le Van Binh	Member	Appointed on 15 April 2015
Mr. Pham Ngoc Tu	Member	Resigned on 27 June 2017
Mr. Nguyen Anh Tuan	Member	Appointed on 12 May 2016
Mr. Nhu Dinh Hoa	Member	Appointed on 15 April 2015
Mr. Nguyen Hong Tuan	Member	Appointed on 27 June 2017
Mr. Nguyen Quang Hung	Member	Appointed on 27 June 2017

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 15 April 2015
Mr. Hoang Giang Binh	Member	Appointed on 15 April 2015
Ms. Nguyen Thi Thanh Van	Member	Appointed on 15 April 2015

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr. Nhu Dinh Hoa	Chief Executive Officer	Reappointed on 5 May 2017
Mrs. Nguyen Thi Thanh Thuy	Deputy Chief Executive Officer	Reappointed on 14 July 2016
Mr. Vo Huu Tuan	Deputy Chief Executive Officer	Reappointed on 5 May 2017
	Director of Ho Chi Minh Branch	

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

Bao Viet Securities Joint Stock Company

REPORT OF MANAGEMENT

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 31 December 2017.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL SAFETY RATIO REPORT

Management confirmed that it has complied with the requirements of Circular No. 87/2017/TT-BTC dated 15 August 2017 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 in the preparation and presentation of the financial safety ratio report as at 31 December 2017.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial safety ratio report is prepared in accordance with the requirements of Circular No. 87/2017/TT-BTC dated 15 August 2017 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.

For and on behalf of management:



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam

26 March 2018

Reference No.: 60758149/19544708/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 2017 as prepared on 26 March 2018 and set out on pages 5 to 28. The financial safety ratio report has been prepared by the Company's Management in accordance with the regulations under Circular No. 87/2017/TT-BTC dated 15 August 2017 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 (collectively referred to as "the regulations on preparation of the financial safety ratio report") and Note 2.1 to the financial safety ratio report.

Management's responsibility

The Company's Management is responsible for the preparation and presentation of the financial safety ratio report in accordance with the regulations on preparation of the financial safety ratio report and Note 2.1 to the accompanying financial safety ratio report, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial safety ratio report that are 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' judgment, 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 2017 is prepared and presented, in all material respects, in accordance with the regulations on preparation of the financial safety ratio report and Note 2.1 to the financial safety ratio report.

Basis of preparation and restriction on use of audit report

Without modifying our opinion, we draw attention to Note 2.1 and Note 3 to the financial safety ratio report, which describes the applicable regulations, interpretations and policies to preparation of the financial safety ratio report. Also as 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. 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. 2071-2018-004-1

Hanoi, Vietnam

26 March 2018



Luong Thi Phuong Dung
Auditor
Audit Practising Registration
Certificate No. 3054-2014-004-1

BAO VIET SECURITIES JOINT STOCK
COMPANY

Official letter No. .../2018/ BVSC-TCKT

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SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

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Re: financial safety ratio report

Hanoi, 26 March 2018

FINANCIAL SAFETY RATIO REPORT

As at: 31 December 2017

To: **State Securities Committee**

We hereby confirm that:

- (1) The report is prepared on the basis of data updated at the reporting date and in accordance with the regulations under Circular No. 87/2017/TT-BTC dated 15 August 2017 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 period;
- (3) We bear full legal responsibility for the accuracy and truthfulness of the contents of our report.



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department



Ms. Vu Thu Hoa
Deputy Head of Internal control



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam

26 March 2018

Bao Viet Securities Joint Stock Company

FINANCIAL SAFETY RATIO REPORT (continued) as at 31 December 2017

Unit: VND

No	Items	Notes	Exposures to risk/ Liquid capital
1	Total exposures to market risk	4	105,478,784,216
2	Total exposures to settlement risk	5	37,695,229,236
3	Total exposures to operational risk	6	78,697,348,829
4	Total exposures to risks (4 = 1 + 2 + 3)		221,871,362,281
5	Liquid capital	7	1,557,349,252,782
6	Liquid capital ratio (6 = 5/4) (%)		702%



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department



Ms. Vu Thu Hoa
Deputy Head of Internal control



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam

26 March 2018

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT as at 31 December 2017

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 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. 36/GPDC-UBCK dated 2 August 2017 issued by the State Securities Commission.

The current principal activities of the Company are to provide brokerage services, custodian services, proprietary trading, and underwriting, financial advisory, securities investment advisory services and margin lending activities.

As at 31 December 2017, the Company's head office is located at floors 2 and 3, 72 Tran Hung Dao Street, Hoan Kiem District, Ha Noi 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)	From 1 January 2017 to 1 August 2017: 8 Le Thai To Str., Hoan Kiem Dist., Hanoi From 2 August 2017 to now: 72 Tran Hung Dao, Hoan Kiem Dist., Hanoi
2. Transaction office No. 1 (Hanoi)	94 Ba Trieu Str., Hoan Kiem Dist., Hanoi
3. Transaction office Kim Ma (Hanoi)	Floor 2, VIT Tower, 519 Kim Ma Str., Ba Dinh Dist., Hanoi
4. Transaction office Lang Ha (Hanoi)	Floor 12, 14 Lang Ha Tower, Ba Dinh Dist., Hanoi
5. Transaction office Cao Thang (Ho Chi Minh City)	90 Cao Thang Str., District 3, Ho Chi Minh City
6. Transaction office 11 Nguyen Cong Tru (Ho Chi Minh City)	11 Nguyen Cong Tru Str, District 1, Ho Chi Minh City
7. Transaction office 233 Dong Khoi (Ho Chi Minh City)	233 Dong Khoi Str., District 1, Ho Chi Minh City
8. Transaction office Le Hong Phong (Ho Chi Minh City)	Floors 1 & 2, 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 2017, the Company's charter capital was VND 722,339,370,000; owners' equity was VND 1,698,103,606,710 and total assets was VND 2,198,954,446,672.

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 to contribute to the development of Vietnam Stock market, to bring benefit to its clients, its investors and its stakeholders.

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

1. THE COMPANY (continued)

Main features of operation of the Company (continued)

Investment restrictions

The Company complies with Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on the establishment and operation of securities companies, Circular No. 07/2016/TT-BTC by the Ministry of Finance dated 18 January 2016 amending and supplementing certain articles of Circular No. 210/2012/TT-BTC and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- ▶ Securities companies are not allowed to purchase, contribute capital to invest in real-estate assets except for the purpose of using for head office, branches, and transaction offices directly 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 owners' equity 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 opened-end 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.

2. BASIS OF PRESENTATION

2.1 *The applicable regulations*

The financial safety ratio report of the Company is prepared and presented in accordance with regulations under Circular No. 87/2017/TT-BTC dated 15 August 2017 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 87"). Circular 87 has taken effective since 10 October 2017 and superseded Circular No. 226/2010/TT-BTC dated 31 December 2010 by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio and Circular No. 165/2012/TT-BTC dated 9 October 2012, amending and supplementing a number of articles of Circular No. 226/2010/TT-BTC. Below are some new points in Circular 87:

- Supplementing guidance on calculation of exposures to market risk for derivatives and covered warrant.
- Amending and clarifying the method for determining value of certain items presented in the Exposures to market risk, Exposures to settlement risk and Liquid capital tables.

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued) as at 31 December 2017

2. BASIS OF PRESENTATION (continued)

2.1 *The applicable regulations* (continued)

The financial safety ratio report of the Company is prepared on the basis of the financial data of the Company at the reporting date.

Interpretations internally applied for certain cases for which there is no specific guidance in Circular 87.

In the preparation and presentation of this report, the Company has applied the following interpretations based on the Company's understanding and own assessment for certain cases for which no specific guidance is available in Circular 87 as follows:

No	Items	The Company's interpretation
1	The item " Deductions from total expenses " (Clause 2, Article 8 – Exposures to Operational Risk, Circular 87/2017/TT-BTC)	To identify accurately total operating expenses incurring within twelve (12) consecutive months up to the reporting date, non-cash expenses incurred during the period are deducted from total expense. Accordingly, deductions from total expenses include: <ul style="list-style-type: none">▶ Depreciation expense;▶ Expense or reversal of provision for dilution of short-term, long-term financial assets and collaterals;▶ Expense or reversal of provision for dilution of receivables;▶ Expense or reversal of provision for dilution of other short-term assets;▶ Loss from revaluation of financial assets at fair value through profit and loss ("FVTPL").
2	The item " Additional exposures " (Clause 5, Article 9 - Exposures to market risk, Circular 87)	Increase exposures of market risk are adjusted to increase as follows: Scale of market risk of potential assets with market risk (not including increase exposure) x Increasing risk ratio.
3	The item " Additional exposures " (Clause 8, Article 10 - Exposures to settlement risk, Circular 87)	Increase exposures of settlement risk are adjusted to increase as follows: Scale of settlement risk of potential assets with settlement risk (not including increase exposure) x Increasing risk ratio.

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").

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT

3.1 *Liquid capital ratio*

Liquid capital ratio of the Company is determined using the formula specified in accordance with Circular No. 87/2017/TT-BTC as follows:

$$\text{Liquid Capital ratio} = \frac{\text{Liquid Capital} \times 100\%}{\text{Total exposures to risks}}$$

In particular, 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 No. 87/2017/TT-BTC, 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 reserve;
- ▶ Financial and operational risk reserve;
- ▶ 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 fixed assets' increased value revaluated in accordance with prevailing regulations (in case of positive revaluation), or minus the total 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).

3.3.1 *Decreases to liquid capital*

The Company's liquid capital is adjusted down for the following items:

- ▶ Treasury shares (if any);
- ▶ Total decreases in value of financial assets recognised at cost equivalent to the difference between fair 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 restricted trading 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 cover warrant, 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));

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

3.2 *Liquid capital* (continued)

3.2.1 *Decreases to liquid capital* (continued)

- ▶ The value of the Company's assets used as collaterals for the Company's liabilities with other institutions and individuals, of which the remaining terms are more than ninety (90) days, calculated as volume of assets * asset price * (1 – Market risk coefficient);
- ▶ Short-term assets include prepaid items, 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;
- ▶ Items related to qualified, reverse or disclaimer audit opinion in the audited financial statements (if any);
- ▶ Securities issued by the Company's related parties in the following cases:
 - The parent company, subsidiaries, joint ventures, associates of the Company;
 - Subsidiaries, joint ventures, associates of the Company's parent company.
- ▶ Securities with remaining restricted trading period exceeding 90 days from as from the calculation date;
- ▶ Irrecoverable items from other institutions and individuals which are assessed as completely insolvent, are determined at the contract value.

When determining the decreased value to liquid capital, the Company makes following deduction:

- ▶ For assets used as collaterals obligations with other entities and 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 other entities and individuals' assets, the decrease value shall be deducted by the minimal value of the followings: market value of the collaterals, book value.

Accordingly, market value of assets when calculating the deduction from decreased amount to liquid capital is determined as: volume of assets * asset price * (1 – Market risk coefficient) in accordance with Circular No. 87/2017/TT-BTC.

The Company does not calculate risk exposures for items that are deducted from liquid capital.

3.2.2 *Increases to liquid capital*

The Company's liquid capital is increased due to the following items:

- ▶ Total increases in value of financial assets recognised at cost equivalent to the difference between fair 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 87/2017/TT-BTC.

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

3.2 *Liquid capital* (continued)

3.2.2 *Increases to liquid capital* (continued)

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: cash and cash equivalents, money 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:

Exposures to market risk = Net position x Asset value x Market risk coefficient

In particular, net position is the net volume of securities held by the Company at the reporting date, after deducting the number of securities lent and adding the number of securities borrowed in accordance with prevailing regulations.

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, joint ventures, associates of the Company;
 - Subsidiaries, joint ventures, associates 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 money market which have been matured;
- ▶ Securities which have been hedged by put warrants or futures contracts; put 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 type of assets as specified in Circular No. 87/2017/TT-BTC.

3.3.2 *Asset price*

a. *Cash and cash equivalents, money 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 amount using the exchange rate published by credit institutions which are allowed to conduct foreign currencies trading at the calculation date.

Value of term deposit and money market instruments is the amount deposited or acquisition cost plus accrued interest as at the calculation date.

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

3.3 *Exposures to market risk* (continued)

3.3.2 *Asset price* (continued)

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 plus accrued interest: acquisition cost; face value and price determined by the internal valuation methods.

Value of unlisted bonds is the highest of the following plus accrued interest: 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 are determined based on the quoted closing prices on Ho Chi Minh Stock Exchange and Hanoi Stock Exchange.

Value of unlisted shares which have been registered on the unlisted public companies market (UPCoM) is the quoted closing prices of the latest trading day prior to the date of calculation.

In case there is no transaction for listed shares or shares registered on UPCoM during more than two (2) weeks prior to the date of calculation, value of these shares is the highest of the following values: 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 is the highest of the following values: book value, par value, price determined by internal valuation methods of the Company.

Value of shares which are registered or custody 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 to 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 in term of dissolution, or of bankruptcy is 80% liquidated value of the shares at the latest balance sheet date, 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

Value of public close-end fund and ETF fund is the closing price of the latest trade date prior to the date of calculation. In case public close-end fund has no transactions in more than two (02) weeks prior to the date of calculation, 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 date of calculation.

Value of other funds/shares is price determined by the internal methods of the Company.

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

3.3 *Exposures to market risk* (continued)

3.3.3 *Increase of exposures to market risk*

Exposures to market risk of assets increase 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 is adjusted in accordance with following principles:

- ▶ An increase of 10% if the total value of investment accounts for more than 10% to 15% of the owners' equity of the Company;
- ▶ An increase of 20% if the total value of investment accounts for more than 15% to 25% of the owners' equity of the Company;
- ▶ An increase of 30% if the total value of investment accounts for more than 25% of the owners' equity of the Company.

Dividends, coupons, preference right of securities (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.

3.4 *Exposures to settlement risk*

Exposures to settlement risk are the potential losses which may occur when a partner fails to fulfill 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; loans to organizations and individuals; securities borrowing contracts in accordance with legal regulations; repurchase agreements and reversed repurchase agreements in accordance with prevailing regulations; margin loans in accordance with prevailing regulations; receivables, other receivables and other assets 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 = Settlement risk coefficient of partner x Value of assets exposed to settlement risk

- ▶ 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; loans to organizations and individuals; 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

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

3.4 Exposures to settlement risk (continued)

3.4.1 Settlement risk coefficient

Settlement risk coefficient is determined based on the type of counterparties and the overdue period as stipulated in Circular No. 87/2017/TT-BTC.

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 and loans without collaterals	Total loan value
2.	Securities lending	$\text{Max}\{(\text{Market value of the contract} - \text{Collateral value (if any)}), 0\}$
3.	Securities borrowing	$\text{Max}\{(\text{Collateral value} - \text{Market value of the contract}), 0\}$
4.	Reverse repurchase agreements	$\text{Max}\{(\text{Contract value based on purchase price} - \text{Market value of the contract} \times (1 - \text{Market risk coefficient})), 0\}$
5.	Repurchase agreements	$\text{Max}\{(\text{Market value of the contract} \times (1 - \text{Market risk coefficient}) - \text{Contract value based on selling price}), 0\}$
6.	Margin contracts (loans to customers to purchase securities)/other economic agreements with the similar nature	$\text{Max}\{(\text{Margin balance} - \text{Collateral value}), 0\}$

Balances include outstanding loan principal, interest and other fees.

Customers' collateral value is determined according to Note 3.2.1. In case the value of collaterals does not have any reference in the market, its value is determined by the internal methods of the Company.

Value of assets is determined according to Note 3.3.2.

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

3.4 Exposures to settlement risk (continued)

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 date 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).

c. Receivables, matured bonds, matured debt instruments

Value of assets exposed to settlement risk is the value of receivables equivalent to par value, plus unsettled accrued interest, related costs and less cash received previously (if any).

3.4.3 Deduction of collateral

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:

- ▶ Partners 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.

Deduction to value of asset is determined as follows:

Collateral value = Volume of assets x Asset price x (1 – Market risk coefficient)

Assets price is determined in accordance with Note 3.4.2

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

3.4 *Exposures to settlement risk* (continued)

3.4.4 *Increase in exposures to settlement risk*

Exposures to settlement risk increase in following cases:

- ▶ Increase 10% if the total value of term deposit, loans, undue receivables, repurchase agreements, reverse repurchase agreements and lendings to an organization, an individual and a group of related organizations, individuals (if any) accounts for more than 10% to 15% of the owners' equity of the Company;
- ▶ Increase 20% if the total value of term deposit, loans, undue receivables, repurchase agreements, reverse repurchase agreements and lending to an organization, an individual and a group of related organizations, individuals (if any) accounts for more than 15% to 25% of the owners' equity of the Company;
- ▶ Increase 30% if the total value of term deposit, loans, undue receivables, repurchase agreements, reverse repurchase agreements and lendings 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), accounts 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.

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") which has been recognized as expense in the period.

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

4. EXPOSURES TO MARKET RISK

<i>Investment items</i>		<i>Risk coefficient %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
I. Cash and cash equivalents, monetary market instruments				
1.	Cash (VND)	0	10,261,178,967	-
2.	Cash equivalents	0	218,122,254,736	-
3.	Valuable papers, negotiable instruments in the money market, Certificate of deposit	0	-	-
II. Government bonds				
4.	Zero-coupon Government bonds	0	-	-
5.	Coupon Government bonds			
5.1	Government bonds (include treasury bond and construction bond 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	85,490,648,713	2,564,719,461
III. Corporate bonds				
6.	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	-	-
	Listed bonds having maturity of 1 to under 3 years, including convertible bonds	10	-	-
	Listed bonds having maturity of 3 to under 5 years, including convertible bonds	15	-	-
	Listed bonds having maturity of more than 5 years, including convertible bonds	20	-	-
7.	Unlisted bonds having remaining maturity of less than 1 year, including convertible bonds	25	-	-
	Unlisted bonds having maturity of 1 to under 3 years, including convertible bonds	30	-	-
	Unlisted bonds having maturity of 3 to under 5 years, including convertible bonds	35	71,192,298,691	24,917,304,542
	Unlisted bonds having maturity of more than 5 years, including convertible bonds	40	-	-

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

4. EXPOSURES TO MARKET RISK (continued)

<i>Investment items</i>		<i>Risk coefficient %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
IV. Shares				
8.	Ordinary shares, preferred shares of entities listed on Ho Chi Minh Stock Exchange; open-end fund certificates	10	134,162,877,110	13,416,287,711
9.	Ordinary shares, preferred shares of entities listed on Hanoi Stock Exchange	15	42,754,303,600	6,413,145,540
10.	Ordinary shares, preferred shares of unlisted public entities registered for trading on UPCoM	20	105,199,281,100	21,039,856,220
11.	Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO	30	-	-
12.	Shares of other public companies	50	63,398,654,044	31,699,327,022
V. Certificates of investment securities fund				
13.	Public funds, including public securities investment companies	10	54,277,610,000	5,427,761,000
14.	Member funds, private securities investment companies	30	-	-
VI. Restricted securities trading				
15.	Securities temporarily suspended from trading	40	781,800	312,720
16.	Delisted, cancelled securities	50	140,000	70,000
VII. Derivative securities				
17.	Index futures contracts	8	-	-
<p>Calculation:</p> <p>Exposure to risk = (Settled price at the end of the day – Value of securities to fulfil future contractual obligations) x risk coefficient of futures contracts – Margin value (The contribution to the clearing fund for the open position of the securities company)</p> <p>Settled price at the end of the day = Closing price x Open volume</p>				
18.	Government bond futures contracts	3	-	-
<p>Calculation:</p> <p>Exposure to risk = (Settled price at the end of the day – Value of securities to fulfil future contractual obligations) x risk coefficient of futures contracts – Margin value (The contribution to the clearing fund for the open position of securities company)</p> <p>Settled price at the end of the day = Closing price x Open volume</p>				

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

4. EXPOSURES TO MARKET RISK (continued)

Investment items		Risk coefficient %	Scale of risk VND	Exposure to risk VND
		(1)	(2)	(3) = (1) x (2)
VIII. Other securities				
19.	Shares, capital contribution and other shares	80	-	-
20.	Shares listed on foreign markets included in the benchmark	25	-	-
21.	Shares listed on foreign markets not included in the benchmark	100	-	-
22.	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
23.	Covered warrants listed on Hanoi Stock Exchange	10	-	-
24.	Covered warrants issued by the Company		-	-
Calculation:				
Exposures to risk = $(P_0 \times Q_0 \times k - P_1 \times Q_1) \times R - MD$				
25.	Securities acquired from hedging activities for the covered warrants issued by the Company (In case of covered warrants without interest)		-	-
26.	The 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 warranties.		-	-
Total Exposures to market risk (I+II+III+IV+V+VI+VII+VIII+IX)				105,478,784,216

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

5. EXPOSURES TO SETTLEMENT RISK

	<i>Exposures to settlement risk VND</i>
Risks of undue items (<i>Note 5.1</i>)	6,902,552,667
Risks of overdue items (<i>Note 5.2</i>)	30,792,676,569
Supplemental exposures to settlement risk	-
Total exposures to settlement risk	37,695,229,236

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 and loans without collaterals and receivables from securities trading operations, and other items exposed to settlement risk (*)		-	-	-	-	6,902,552,667	-	6,902,552,667
2. Securities lendings, other agreements with similar nature		-	-	-	-	-	-	-
3. Securities 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								6,902,552,667

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

5. EXPOSURES TO SETTLEMENT RISK (continued)

5.1 Risks of undue items (continued)

The 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 and Vietnam Securities Depository	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, and securities trading institutions being established and operating in Vietnam	6%
(6)	Other entities and individuals	8%

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	30,792,676,569	30,792,676,569
TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE PAYMENTS				30,792,676,569

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

6. EXPOSURES TO OPERATIONAL RISK

	<i>Items</i>	<i>Amount VND</i>
I.	Total operating expenses incurring within 12 months up to December 2017	361,347,808,022
II.	Deductions from total expenses (<i>Note 6.1</i>)	46,558,412,707
III.	Total expenses after deductions (III = I – II)	314,789,395,315
IV.	25% of total expense after deductions (IV = 25% III)	78,697,348,829
V.	20% of the Company's legal capital	60,000,000,000
TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})		78,697,348,829

6.1 Deductions from total expenses

	<i>Value VND</i>
Depreciation expenses	1,926,382,682
Provision expense for the impairment of short-term financial assets and mortgage assets	8,231,989,254
Reversal of provision for the impairment of long-term financial assets	(2,190,000,000)
Loss from revaluation of financial assets at FVTPL	38,590,040,771
	46,558,412,707

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

7. LIQUID CAPITAL

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
A	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	Gain/(loss) from revaluation of assets at fair value	25,455,682,334		
7	Charter capital supplementary reserve	29,538,463,475		
8	Operational risk and financial reserve	29,538,463,475		
9	Other funds belong to the owner's equity	-		
10	Undistributed profit	281,475,143,206		
11	Provision for impairment of assets	95,754,728,883		
12	Difference from revaluation of fixed assets	-		
13	Foreign exchange rate differences	-		
14	Convertible debts			-
15	Total increase or decrease in securities investment value		1,972,655,800	36,947,359,889
16	Other capital (if any)	-		
1A	Total			1,828,833,039,682

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

7. LIQUID CAPITAL (continued)

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		1,044,800	
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		4,442,711,205	
8.	Covered warrant have not yet been fully issued			
9.	The underlying securities for the purpose of hedging purpose 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		-	
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 transaction			
	- 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		6,821,181,789	
14.	Provision for impairment of receivables			

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

7. LIQUID CAPITAL (continued)

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
B	Current assets			
II	Other current assets			
	Advances			
1.	- 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		212,376,870	
3.	Short-term prepaid expenses		571,512,788	
4.	Short-term deposits, collaterals and pledges		17,700,000	
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			12,066,527,452
C	Non-current assets			
I	Long-term financial assets			
1.	Long-term receivables		-	
2.	Investments			
	HTM investments			
2.1	- Securities exposed to market risk			
	- Securities are deducted from liquid capital		90,261,587,034	
2.2	Investments in subsidiaries		-	
2.3	Investment in associates and joint ventures		-	
2.4	Other long-term investments		85,315,680,000	
II	Fixed assets		14,135,215,848	
III	Investment properties		-	
IV	Construction in progress		-	
V	Other long-term assets			
1.	Long-term deposits, collaterals and pledges		1,152,476,115	
2.	Long-term prepaid expenses		47,393,820,391	
3.	Deferred income tax assets		-	
4.	Deposit for Settlement Assistance Fund		21,158,480,060	
5.	Other long-term assets		-	
VI	Provision for impairment of non-current assets			
	The qualified, adversed or disclaimed items on the audited, reviewed financial statements that are not deducted according to Article 5, Circular 87/2017/TT-BTC			
1C	Total			259,417,259,448

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

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	Value of deposit to Settlement Assistance Fund of VSD (for derivative market)		-	
1.2	Value of deposit 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				1,557,349,252,782

Notes:






Non-applicable for the preparation of the financial safety ratio report

Bao Viet Securities Joint Stock Company

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 31 December 2017

8. EVENTS AFTER REPORTING DATE

There is no matter or circumstance that has arisen since the reporting date that requires adjustments or disclosures in the financial safety ratio report as at 31 December 2017.

		
Ms. Nguyen Hong Thuy Head of Financial Accounting Department	Ms. Vu Thu Hoa Deputy Head of Internal control	Mr. Nhu Dinh Hoa Chief Executive Officer

Hanoi, Vietnam

26 March 2018

