

No. 03/2025/BC-BVSC

Hanoi, May 31, 2025

**REPORT OF THE BOARD OF DIRECTORS**  
**BAO VIET SECURITIES JOINT STOCK COMPANY**  
**TO 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

*To: Esteemed Shareholders and Shareholder Representatives,*

The Board of Directors (“**BOD**”) of Bao Viet Securities Joint Stock Company (“**BVSC**”) is honored to present to the Annual General Meeting of Shareholders (“**AGM**”) the BOD’s performance report for 2024 and the strategic directions for 2025, as follows:

**1. SITUATION OVERVIEW**

In 2024, the continued maintenance of low domestic interest rates has helped domestic cash flow maintain stability and become the main driver for the market. Many economic support policies were also enacted, including the amended Land Law, Law on Credit Institutions, etc. In an effort to upgrade market status, the Ministry of Finance officially issued Circular 68/2024/TT-BTC, eliminating the pre-funding requirement for foreign investors, in addition to the positive business results of listed enterprises as favorable factors for the market in 2024.

However, on the contrary, the US Federal Reserve's (FED) decision to maintain interest rates at high levels longer than expected has put pressure on domestic monetary policy management. Foreign investors' net selling reached a record in 2024 with a total value of up to VND90 trillion, four times higher than in 2023. In particular, the amount of capital withdrawn by foreign investors through ETFs up to VND 22 trillion was also a major disadvantage for the market.

The VN-Index recorded a 12% increase, with most of this increase occurring in the first quarter and remaining almost flat in the remaining three quarters, failing to surpass the 1,300-point threshold many times. At the end of the year, the VN-Index closed at 1,266.78 points, up 136.85 points compared to 2023, while the HNX-Index decreased by 3.61 points, closing at 227.43 points. Although market liquidity has declined since mid-year, the average trading volume per session in 2024 on all three exchanges reached VND 21,018 billion/session, an average increase of 19% compared to 2023.

**2. PERFORMANCE OF THE BOD AND MEMBERS IN 2024**

In 2024, guided by the Company’s Development Strategy for the 2021–2025 period, and in accordance with the Company Charter, the Board of Directors’ Operational Regulations, as

well as the tasks assigned by the General Meeting of Shareholders, the Board of Directors (BOD) closely followed market developments to provide timely and comprehensive guidance and decisions for the Company's fields of operation. The activities of the BOD during the year were as follows:

### ***2.1. Organizing General Meeting of Shareholders***

The BOD, in collaboration with the Board of Supervisors and the Board of Management, successfully organized the 2024 Annual General Meeting of Shareholders on April 23, 2024. The meeting discussed and approved key issues submitted by the Board of Directors such as: 2024 Business Plan; The audited 2023 Financial Statements; The 2023 profit allocation plan and the 2024 profit distribution plan; Remuneration for the Board of Directors, Board of Supervisors, and Corporate Secretary in 2024; Election of two additional BOD members following the resignation of two incumbent members.

### ***2.2. Deciding on matters within its authority:***

Throughout 2024, the BOD held (04) regular meetings to discuss and approve matters within its authority, with all of which attended by the Supervisors and members of the Board of Directors.

In addition, the BOD conducted 33 written consultations and issued 36 key Resolutions, focusing on key matters such as holding the 2024 Annual General Meeting of Shareholders, approval of the 2024 Business Plan, Salary and compensation plan, 2024 Proprietary trading plan and Asset procurement plan, profit distribution plan for 2023, reappointment of the Director of the Ho Chi Minh City Branch, selection of independent auditors for the financial statements of 2024, 2025, 2026, etc. *(For full details of the BOD's Resolutions, please see Section 5, Part I of the Corporate Governance Report No. 07/2025/BVSC-HDQT dated January 24, 2025, which has been publicly disclosed on the Company's official website at: <https://www.bvsc.com.vn/danhmuc/quan-he-nha-dau-tu/quan-tri-cong-ty/>).*

## **3. BOD'S ASSESSMENT ON THE COMPANY'S PERFORMANCE IN 2024**

### ***3.1. Regarding the implementation of tasks in line with the Resolution of 2024 General Meeting of Shareholders***

#### ***a. Business tasks***

To implement the 2024 business plan assigned by the General Meeting of Shareholders, the BOD directed the Board of Management to closely monitor market developments in order to synchronously deploy solutions in human resources, technology, product services, risk management, enhance information security, and promote a comprehensive digital transformation strategy across the Company with a strong determination to complete the 2024 business tasks. BVSC exceeded the set business plan, specifically:

- Total revenue reached VND 993 billion, equal to 113.3% of the plan (VND 877 billion). Of which realized revenue was VND 949 billion, equal to 114.6 % of the plan (VND 828 billion).



– Profit after tax reached VND 200 billion, equal to 111% of the plan (VND 182 billion).  
Realized profit after tax reached VND 206 billion, equal to 125.1% of the plan (VND165 billion).

With the above business results, the Board of Management and the Company excellently completed the business tasks in 2024.

b. *Other tasks*

In accordance with the Resolutions of 2024 General Meeting of Shareholders, the BOD, in coordination with the Board of Supervisors and the Board of Management, implemented the following tasks: Profit distribution for 2023 in accordance with the Resolutions of the General Meeting of Shareholders, including payment of dividends to shareholders at a rate of 08% of the par value per share, provisioning for reserves, investment and development funds, bonus and welfare funds, and bonus for the board of management; ensuring the operations of the BOD and its Committees in accordance with the 2024 operational orientation approved by the General Meeting of Shareholders.

c. *Selection of an auditing firm to audit the Financial Statements of 2024, 2025, and 2026*

The Board of Directors, in coordination with the Board of Supervisors and the Board of Management, selected Ernst & Young Vietnam Limited as the auditing firm to audit the Financial Statements for 2024, 2025 & 2026 under a contract worth VND 1,070,850,000.

d. *Evaluation of the implementation of the Development Strategy for the 2021-2025 period*

Based on the Company's business performance over the 2021–2024 period, the Board of Directors directed a comprehensive review and evaluation of the 2021–2025 Development Strategy. The results show that up to now, BVSC is well on track to achieving its strategic goals. Specifically:

- *Financial objectives:* The average realized revenue growth in the 2021–2024 period reached 16%; The average profit after tax (PAT) growth in the 2021–2024 period reached 11%; The average realized PAT growth in the 2021–2024 period reached 18%; The average after tax return on equity (ROE) during the 2021–2024 period reached 9.5%; The average after tax return on charter capital (ROCC) during the 2021–2024 period reached 28% per annum.

- *Non-financial objectives:* The Company has consistently maintained a market share of 2–3% in the brokerage of stocks and fund certificates. BVSC was ranked among the Top 10 brokerage firms with the largest equity and fund certificate market share in 2022, as recognized by VNX, and remained in the Top 10 in terms of trading market share on the HNX in 2023 and 2024. In addition, the Company has consistently been ranked among the Top 10 firms with the largest government bond trading market share for many consecutive years.

**3.2. Enhancing the Company's capacity and competitiveness** by directing the Company to implement synchronous solutions, with priority given to:





a. *Improving service quality to increase customer experience and strengthen customer care efforts, such as:* launching the new mobile application “BVSC Invest” with enhanced features and high security; introducing Non-prefunding services for foreign institutional investors from November 2024; continuously improving products and designing promotional programs offering preferential fee rates and attractive margin interest rates in celebration of the Company’s 25th anniversary; implementing cross-selling and sales promotion initiatives in collaboration with other subsidiaries of Bao Viet Holdings in celebration of Bao Viet’s 60th anniversary.

b. *Ensuring flexible use of capital to optimize the company's performance,* strengthening negotiations with commercial banks to increase short-term loans, and proactively seeking fundraising channels to meet the customer needs.

c. *Promote the comprehensive digital transformation in line with the Development Strategy for the 2021-2025 period,* including: launching the iBroker application to support brokers in customer care; investing in monitoring, protection and backup software and services to enhance the security and safety of the Company’s trading system, as well as customer currency and securities transactions, etc.

#### **4. BOD’S SUPERVISION OVER THE ACTIVITIES OF THE BOARD OF MANAGEMENT**

Throughout the year, the BOD has supervised and directed the Board of Management in implementing the Resolutions of General Meeting of Shareholders (GMS) and the BOD through periodic reports, directives, resolutions, decisions of the BOD and the roles of the committees under the BOD and the Internal Audit Agency, as well as through the inspection and supervision of the Board of Supervisors.

Based on the aforementioned inspection and supervision mechanisms, the BOD highly appreciated the Board of Management in 2024 for: (i) proactively staying abreast of market developments to propose flexible and synchronous solutions in terms of products, services, capital, human resources, technology, and risk management so that the Company can successfully complete its business plan in 2024; (ii) developing new products and services and comprehensive digital transformation activities in line with the Development Strategy for the period 2021-2025; (iii) exercising the assigned rights and duties with care, honesty, efficiency, and disclosing related interests in accordance with the provisions of applicable laws, the Company’s Charter, and resolutions of the GMS and the BOD.

#### **5. REMUNERATION AND OPERATING EXPENSES OF THE BOD**

**5.1. Remuneration and bonuses of the BOD:** In 2024, the BOD members received remuneration and other benefits in accordance with Point d, Clause 1, Article 5, and Article 6 of Resolution No. 01/2024/NQ-AGM of the 2024 Annual General Meeting of Shareholders (*For details, refer to Section 1 of the Proposal on Remuneration for the Board of Directors, Board of Supervisors & Company Secretary in 2024 and the payment plan for 2025, presented later in the Meeting*).

**5.2. Operating expenses of the BOD:** In compliance with the regulations on



remuneration, operating expenses, and bonus policies for members of BOD, Board of Supervisors (BOS), Board of Management (BOM), the Company Secretary, and persons in charge of corporate governance; as well as the Company's internal expenditure regulations.

**6. REPORT ON TRANSACTIONS BETWEEN THE COMPANY AND BOD, BOS, BOM MEMBERS, AND THEIR RELATED PERSONS; TRANSACTIONS BETWEEN THE COMPANY AND OTHER COMPANIES IN WHICH BOD, BOS, BOM MEMBERS ARE FOUNDING MEMBERS OR HAVE HELD MANAGERIAL POSITIONS WITHIN THE LAST 3 YEARS PRIOR TO THE TRANSACTION DATE.**

***6.1. Transactions between the Company and BOD, BOS, BOM members:***

During the year, except for the collection of securities trading fee from certain members of the BOD, BOS, and BOM who opened securities trading accounts in accordance with the Company's regulations at the same fee as other customers of the Company, the Company did not enter into or execute any contractual transactions with these individuals.

***6.2. Transactions between the Company and related persons of BOD, BOS, BOM members: transactions between the Company and companies in which BOD, BOS, BOM members are founding members or holds managerial positions within the past 3 years prior to the transaction date:***

In 2024, the Company entered into and executed transactional contracts with Bao Viet Holdings and its member companies. These contracts and transactions all had a value of less than 10% of the Company's total assets recorded in the latest audited financial statements. The execution and signing of these contracts strictly complied with the provisions of the Company's Charter. Details of these transactions were presented in the 2024 audited financial statements (audited by Ernst & Young) and the 2024 Corporate Governance Report. These reports have been publicly disclosed in accordance with applicable law.

**7. INDEPENDENT BOD MEMBER'S ASSESSMENT OF THE BOD'S PERFORMANCE IN 2024**

Pursuant to Clause 4, Article 280 of Decree No. 155/2020/ND-CP guiding the implementation of the Law on Securities 2019, the Board of Directors (BOD) requested the Independent BOD Member to submit an assessment report on the BOD's performance in 2024. The assessment results are as follows:

**7.1.** Compliance and effectiveness of the Company's governance structure: With 4 out of 5 non-executive BOD members, including one independent member, and the Chairman not concurrently holding the CEO position, BVSC's Board of Directors was in full compliance with law applicable to listed securities companies. In addition, the BOD issued a resolution assigning responsibilities for specific areas of the Company's operations to each BOD member. The BOD also established 03 specialized committees, namely: Corporate Governance, Nomination & Remuneration Committee; Audit Committee; Risk Management and Asset and liability Committee ("*RM & ALCO Committee*"). As a result, BOD's directives were objective, timely, and



transparent in closely alignment with the Company's operations and for the rights and interests of shareholders.

7.2. The BOD convened and maintained regular quarterly meetings with the participation of the BOS and BOM. All BOD Resolutions were made based on the unanimous consensus of the BOD members. In performing its functions and duties, the BOD has strictly complied with law, the Company's Charter, and resolutions of GMS.

7.3. The signing and execution of contracts between the Company and shareholders (or their authorized representatives) holding more than 10% of the Company's charter capital, as well as between the Company and members of the BOD, BOS, BOM, other managers, and their related persons, were carried out honestly, prudently, and in full compliance with the Company's Charter and applicable laws.

7.4. All BOD members fully adhered to law such as not concurrently serving as a BOD member for more than five (05) years at another company, allowing them to dedicate sufficient time, effort, and intellect to the development of the Company.

## **8. ACTIVITIES OF THE COMMITTEES AND UNITS UNDER THE BOARD OF DIRECTORS**

### ***8.1. Activities of the Committees under the Board of Directors***

In the year, the three Committees under the Board of Directors carried out the following activities:

a. *Corporate Governance, Nomination & Remuneration Committee (CGNR Committee):* The CGNR Committee provided consultation, support, and reports to the BOD on 10 advisory opinions and assessments, covering matters related to salary funds, the appointment of senior personnel, evaluation of corporate governance policies, and oversight of corporate governance issues.

b. *Risk Management & ALCO Committee (RM & ALCO Committee):* The RM & ALCO Committee appraised the Risk Policy and Risk Limits for 2024 and submitted them to the BOD for approval. The Committee also attended and contributed opinions at 4 meetings of the Company's Risk Management Council, while reviewing and assessing the adequacy, effectiveness, and efficiency of the risk management system under the Board of Management.

c. *Audit Committee:* The Audit Committee appraised the 2023 Audit Report and the 2024 Audit Plan submitted by the Internal Audit Department for BOD's approval; It directed professional activities of the Internal Audit Department and undertook other tasks as assigned by the BOD, especially in assessing the Company's compliance with internal policies and regulations.

### **8.2. Activities of the Internal Audit Department**

In 2024, under the direction of the Board of Directors and the direct supervision of the Audit Committee, BVSC's Internal Audit Department ("***Internal Audit***") successfully conducted 10 audits, focusing on key areas such as proprietary trading activities, information technology operations, internal spending and procurement regulations, and asset management. In 2024, the



Internal Audit Department did not record any material risk events or non-compliances in the audited activities. Operational errors discovered during the audits were promptly corrected by the respective departments following Internal Audit's recommendations, thereby contributing to improved operational quality and enhanced control processes.

## **9. SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PROTECTION**

In parallel with its economic goals, BOD also recognized environmental protection and social responsibility as fundamental factors for the long-term and sustainable success of BVSC. In 2024, under the direction of the BOD, the Company continued to promote social welfare activities with a total budget of nearly VND 1.064.604.713, including notable initiatives such as:

Launching a fund-raising campaign that encouraged enthusiastic participation from employees, while also allocating over VND 400,000,000 from the Company's welfare fund to support communities in Northern provinces affected by Storm No. 3 (Yagi).

On the occasion of the 80th anniversary of the Vietnam People's Army and the 35th anniversary of All-People National Defense Day, and in the spirit of "The rear supporting the frontlines" to help build strong and comprehensive border regions, BVSC coordinated with Tra Linh Border Guard Station to implement the "Warming the Highlands 2024" Program in Trung Khanh District, Cao Bang Province, with activities including: funding the construction of a stage and school equipment for Xuan Noi commune's kindergarten; donating funds to install solar-powered light poles under the "Lighting up the Borders" program; Providing financial support to build housing for two extremely disadvantaged households, in alignment with the Government's initiative on eliminating makeshift and dilapidated housing; visiting and encouraging border soldiers and sponsoring the construction of a sports facility at Tra Linh Border Guard Station, with a total contribution of VND 300,000,000.

In addition, the Company also prioritized the researches and applications of technology in its business operations to minimize environmental impacts, comply with environmental protection regulations during construction, and prioritize the purchase of energy-saving and eco-friendly equipment. BVSC launched the "5S Culture" movement to its staff to create a tidy and clean working environment, while minimizing wasted time searching for files, documents, and waste of materials, enhancing a sense of responsibility, creating comfort at work, thereby increasing labor productivity.

## **10. OPERATIONAL ORIENTATION IN 2025**

In 2025, Vietnam's stock market is forecast to face a number of challenges such as uncertainty in the policy forecast of the new US administration, concerns about possible taxes on Vietnam's exports, competition from other investment channels with attractive and safe returns such as real estate, gold, and dollars against stocks, and a large volume of maturing corporate bonds increasing the risk of insolvency of businesses and affecting banking NPLs. Factors supporting the market included: A unified and stable political and social environment; Strong economic growth momentum in the final year of the current government term; The potential upgrade of Vietnam's stock market to FTSE's Secondary Emerging Market status in 2025; The



continuation of a low interest rate environment and high credit growth, which may support sustained domestic capital flows; the outlook for listed companies remains positive, with sustained and stable business growth rate... as key highlights of the year.

Based on the advantages and disadvantages as expected, the Board of Directors has agreed on the following operational orientation and key tasks in 2025:

***10.1. Focusing on directing and guiding the Company to complete its business plan in 2025 with the following indicators:***

- Total revenue: VND 1068 billion; of which, realized revenue is VND 1025 billion.
- Profit after corporate income tax (“Profit after tax”): VND 195 billion; of which, Realized profit after tax: VND 180 billion.

For business orientation in 2025, BVSC will continue to deploy all business operations, strengthen risk management, and promote the development of new products and services on technology platforms.

***The Board of Directors respectfully requests the General Meeting of Shareholders to review, approve, and authorize the Board of Directors to proactively adjust the business plan in the event of unexpected significant fluctuations in the stock market.***

**10.2. Further improvement of the Company’s capacity and competitiveness**

Based on actual market developments, the Board of Directors (BOD) has set strategic directions and instructed the Company to implement a comprehensive range of measures to promote the growth of the following key business segments: Brokerage, Advisory & Underwriting, Issuing Agency Services, and Proprietary Trading. The Company will also continuously improve its product offerings and design promotional programs with attractive fee incentives and margin interest rates, while upgrading systems to enhance service quality and improve customer experience.

To increase business capital, the BOD continues to direct the Company to flexibly utilize its capital to optimize efficiency and returns. This includes strengthening negotiations with Commercial Banks to secure additional short- and long-term loans, aiming to improve the balance and stability of the capital structure. Simultaneously, the Company will implement bond issuance plans and proactively explore alternative fundraising channels to meet customer needs.

BOD directed the Company to continue accelerating comprehensive digital transformation and applying AI across its operations to enhance business efficiency and improve customer service experience. At the same time, the Company is focusing on investing in IT systems to ensure the security and safety of its trading platform and clients’ cash and securities transactions.

The BOD has directed the Company to review and assess the implementation of the 2021–2025 Development Strategy, and to conduct research and formulate the 2026–2030 Strategy, which will be submitted for approval at the 2026 Annual General Meeting of Shareholders.

The BOD has also instructed the Company to continue promoting effective



implementation of social welfare programs and community-oriented activities in alignment with sustainable development goals and supporting the promotion of the Company's brand.

Moreover, in order to leverage the advantages of Bao Viet Holdings ecosystem, BOD shall continue to direct the Company to promote the implementation of joint projects between Bao Viet Holdings and its members to promote business growth and enhance operational efficiency.

Above is the Report on the Activities of the BOD in 2024 and the Operational Orientation for 2025. The BOD respectfully would like to submit to the General Meeting of Shareholders for approval.

We would like to wish our esteemed shareholders and delegates good health and happiness, and a successful Meeting./.

**Recipients:**

- As above;
- Archive: Secretariat.

**ON BEHALF OF BOARD OF DIRECTORS**

**CHAIRMAN**  
  
*Nguyễn Hong Tuan*