



General Introduction

Chairman's Message 10

02
Company Overview 12

03
Key Performance 25
Indicators

Corporate Governance

Organizational Structure 28

02
Information for 34
Shareholders 46

03
Board of Directors 46

04
Supervisory Board 53

05
Remuneration and 72
Benefits of Board of Directors, Board of Directors, Board of Management and Supervisory Board
06
Assessment of Corporate Governance 74

Performance Report in 2019

Economy and Stock
Market Overview of
2019

02
Board of Director's
Report

03
Board of
Management's Report

Business Plan for 2020

Development strategy 2016 - 2020

O2

Targets and commitment by 2020

Sustainable Development Report

GRI 102: General 146
Disclosures 2016

02.
Statement from CEO 147

03.
GRI 200: Economic 156

04.
GRI 300: 159
Environmental

05.
GRI 400: Social 162

Financial Statements & Financial Safety Ratio Report

O1. 194
Financial statements

O2.
Financial safety ratio report 280



CREATING THE FOUNDATION

Mr. Nguyen Hong Tuan CHAIRMAN OF THE BOARD OF DIRECTOR

As a listed company on the stock market, we understand that building an effective corporate governance system is creating an environment of trust, transparency, financial stability and business ethics.

Starting with 7 co-founders, it is considered as the first 7 bricks laying the foundation for the Company, up to now, after 20 years of establishment and development, the operating foundation continues to be firmly built through the management system, based on Enterprise Law, Securities Act and the legal documents guiding the implementation, along with the assessment and applying selection according to good practices in Vietnam and ASEAN markets. In this way, we believe that BVSC will continue to develop stably and sustainably in the next period.

General Introduction O1 Chairman's Message O2 Company Overview O3 Key Performance Indicators

Chairman's message

Dear valued shareholders, clients, and business partners of BSVC,

2019 is associated with an important milestone in the history of BVSC when the Company has been in its 20th year of development with Vietnam's stock market. We choose "20 Years - Creating Together" to be the concept of this year's report as a tribute to the leaders from competent authorities, shareholders, clients and generations of BVSC's human resources who have accompanied and developed BVSC, and together with BVSC, have contributed to building Vietnam's stock market over the past two decades.

Last year recorded some highlights in Vietnam's economy, which continues to achieve high growth, with GDP of 7.02% and 2019 is also the second consecutive year that Vietnam's economic growth reached over 7% since 2011; however, although Vietnam's stock market keeps appealing to foreign investors, liquidity decreased sharply by 28.08% compared to 2018. Meanwhile, Circular 128/2018/TT-BTC of the Ministry of Finance, which officially came into effect from February 2019, has significantly changed the competitive landscape in the securities sector. The above context poses considerable challenges for both the Board of Directors and the Board of Management in making business orientations and requires leaders to continuously follow market movements in order to make timely decisions to obtain market opportunities and effectively manage risks to accomplish goals approved by the Annual General Meeting of Shareholders in 2019.

The context of the market in 2019 has radically affected the securities industry in general and the securities companies in particular. It is estimated that the total revenue of securities companies in the whole market decreased by 20% compared to 2018, of which most of the securities companies have not been able to meet their profit targets. For BVSC, we have exceeded the business plan assigned by the Annual General Meeting of Shareholders in 2019, the total revenue increased by 10% compared to the plan and increased by 3% over the same period, realized profit after tax reached 102% of the plan. Although brokerage revenue was seriously affected by the decline in market liquidity, the brokerage market share has increased by 23% compared to 2018, indicating clear progress in the context of unfavorable market conditions. 2019 also recorded the success of BVSC in the field of consultancy when revenue increased by 16% compared to the business plan and increase by 50% over the same period. BVSC became a consultant for outstanding deals in the market in 2019 and was once again honored as the Outstanding M&A Advisory Organization at the Annual M&A Forum 2019. With these achievements, the Board of Directors acknowledges the devoted dedication of the Board of Management and all employees of the Company.

On behalf of the Board of Directors, I would like to express my warmest sincere and profound thanks to the shareholders, clients, and partners who have always trusted and accompanied with the Company during the past 20 years.

On behalf of the BOD Chairman

Nguyen Hong Tuan



Mission - Vision - Core Value

Vision - Mission - Core Value

Bao Viet Securities Joint Stock Company (BVSC) is one of the most prestigious securities companies in Vietnam, providing professional financial products and investment services to domestic and foreign individuals and institutions, investment banks, and funds.

Officially established in 1999 with Vietnam Insurance Corporation (currently known as Bao Viet Holdings) as the founding shareholder under the management of Ministry of Finance, BVSC inherited the brand reputation and financial strength of the leading insurance corporation in Vietnam.

Commercial name	Bao Viet Securities Joint Stock Company
Business license	No. 01/GPHDKD issued by State Securities Commission on November 26, 1999
Charter capital	VND 722,339,370,000
Owners' equity at the time of December 31, 2019	VND 1,806,633,192,421
Address	Level 2 & 3, No.72 Tran Hung Dao St., Hoan Kiem Dist., Hanoi, Vietnam
Tel	(+84-24) 3928 8080
Fax	(+84-24) 3928 9888
Website	www.bvsc.com.vn
Ticker	BVS, listed on Hanoi Stock Exchange (HNX)



Mission

Inspire "The Solid Trust" to investors and enterprises though "Firm Commitment".



Maintain company's position as one of the leading securities companies in the market by delivering outstanding customer services and maximizing shareholder interest.





Core Value

- Prestige is the company's most important asset.
- Professional ethics is the most valuable quality for company's staffs.
- Risk management process is followed to limit risk exposure.

Milestones

BVSC was established by the founding shareholder – Vietnam Insurance Corporation (currently known as Bao Viet Holdings) under the supervision of Ministry of Finance.

1999

- Increased charter capital from VND 49.45 billion to VND 150 billion.
- BVSC's share (Ticker: BVS) was officially listed on Hanoi Securities Trading Center, currently known as Hanoi Stock Exchange.

2006

- Increased charter capital from VND 450 billion to VND 722.3 billion.
- Established Transaction
 Office at 146 Nguyen Van Cu,
 Dist. 5, Ho Chi Minh City.

2009

- Changed company's logo and brand recognition system.
- Relocated Ho Chi Minh Branch office to No.233 Dong Khoi St., Dist. 1, Ho Chi Minh City, also established Transaction Office 11 Nguyen Cong Tru, Dist. 1, Ho Chi Minh City.

2010

- Established Lang Ha Transaction Office at 14 Lang Ha St., Ba Dinh Dist., Hanoi.
- Established 233 Dong Khoi Transaction Office at 233 Dong Khoi, Dist. 1, Ho Chi Minh City.
- Relocated My Dinh Transaction
 Office to No. 519 Kim Ma, Ba Dinh
 Dist., Hanoi and renamed to Kim
 Ma Transaction Office.

2017

2000

Established Ho Chi Minh Branch and its transaction office .

2008

- Increased charter capital from VND 150 billion to VND 450 billion.
- Set up new Head Office and Transaction Office at No.8 Le Thai To St., Hoan Kiem Dist., Hanoi.
- Established Transaction Office No.1 at 94 Ba Trieu St., Hoan Kiem Dist., Hanoi.

2011

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

2016

2015

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

2019

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

· Relocated Head Office from

Hoan Kiem Dist., Hanoi.

Chi Minh Branch.

No. 8 Le Thai To St., Hoan Kiem

Dist. to 72 Tran Hung Dao St.,

• Established 174 Le Hong Phong

Transaction Office under Ho

• Celebrated 20-year anniversary of establishment.

Business Lines

Brokerage Services

01

Individual Clients

Being the first securities company established in Vietnam market, with more than 20 years of development, BVSC maintained its position as one of the leading firms in Vietnam's stock market. BVSC presently has nearly 70 thousand client accounts, is among Top 3 biggest bond brokerage houses and Top 10 biggest stocks and fund certificates brokerage houses in the market.

Institutional Clients

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

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

Custodian Services



BVSC provides securities custodian services for investors, including securities deposit, rights to exercise, stock transfer, stock mortgage, inheritance and donation, and odd lot share transaction. Custodian services are provided in a timely, efficient and prudent manner in accordance with regulations of State Securities Commission (SSC) and Vietnam Securities Depository (VSD).

Proprietary Trading

03

BVSC uses its own capital to invest for the purpose of increasing profits. Proprietary trading activities are conducted strictly with the principle of avoiding conflict with clients' interests.



Corporate Finance Advisory and Investment Banking Services

04

BVSC provides comprehensive services to enterprises including capital market services, debt market services, restructuring, M&A, and other corporate finance advisory services.

BVSC's investment banking activities with a wide range of products and services always provide clients with the best financial services. With the motto of 'Quality – Progress – Efficiency' and a goal of 'Maximizing client's interest', BVSC always tries to deliver the best quality services to different client segmentation.

Research and Investment Advisory

05

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 the accurate, objective, and updated quality of products to meet clients demands.

Currently, 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.

Network



Hanoi

Head Office

Address: Level 2 & 3, No.72 Tran Hung Dao, Tran Hung Dao

Ward, Hoan Kiem Dist.,

Hanoi.

Tel: (84-24) 3.928 8080 Fax: (84-24) 3.928 9888 Email: info-bvsc@baoviet.com.vn

Website: www.bvsc.com.vn

Headquarters Transaction Office

Address: Level 2, No. 72 Tran Hung Dao St., Hoan Kiem Dist., Hanoi.

(84-24) 3.928 8080/ Ext: 805

Fax: (84-24) 3.928 8999

Transaction Office No.1

Address: 94 Ba Trieu Str., Hoan Kiem

Dist., Hanoi.

Tel: (84-24) 3.928 9950/ Ext: 845

Fax: (84-24) 3.943 3012

Thanh Xuan Transaction Office

Address: Level 10, Center Building,

No. 1 Nguyen Huy Tuong St.,

Thanh Xuan Dist, Hanoi. (84-24) 3.928 8080/Ext: 888

Fax: (84-24) 3.237 3135

Lang Ha Transaction Office

Address: Floor 12, 14 Lang Ha Building, Ba

Dinh Dist., Hanoi.

(84-24) 3.928 8888/Ext: 873 Tel:

(84-24) 3.772 8682



Ho Chi Minh City

Ho Chi Minh Branch

Address: Level 8, Bao Viet Building,

233 Dong Khoi, Dist. 1,

HCMC.

(84-28) 3.914 6888 Tel: (84-28) 3.914 7999

Email: info.hcm@baoviet.com.vn Website: www.bvsc.com.vn

Branch Transaction Office

Address: 11 Nguyen Cong Tru, District 1,

HCMC.

Tel: (84-28) 3.821 8564/Ext 320 Fax: (84-28) 3.821 8566 / 3.914 1435

90 Cao Thang Transaction Office

Address: 90 Cao Thang, District 3,

HCMC.

(84-28) 3.837 7799 (84-28) 3.837 1100

233 Dong Khoi Transaction Office

Address: Floor G, Bao Viet Building,

233 Dong Khoi, District 1,

HCMC.

Tel: (84-28) 3.914 6888 Fax:

(84-28) 3.914 7999

174 Le Hong Phong **Transaction Office**

Address: 174 Le Hong Phong,

District 5, HCMC

Tel: (84-28) 3 914 6888 Fax: (84-28) 3.914 7999

20/21

Awards

Awards by the Management Authority

Prime Minister

Leading Company in the Emulation Movement in 2013

Ministry of Finance



- Certificate of Merit Achievement in Building and Developing Vietnam stock market in the period 2000 – 2005
- Certificate Achievement in Building and Developing Vietnam Stock Market in the period 2009 - 2014
- Certificate of Merit Achievement in Building and Developing
 Vietnam Securities Trading Association in the period of 2015 2018
- Emulation flag rewarded for outstanding achievements in the emulation movement of the Financial Sector in 2017
- Excellent Labor Collective 2016 2017

State Securities Commission of VietNam



Certificate - Outstanding achievement in Secondary Treasury Market in 2012

Hanoi Stock Exchange (HNX)



- Certificate for Contribution to the Development of Government Bond Market from 2009 to 2014
- Outstanding Member for seven consecutive years (2013 2019)
- Outstanding Member for period 2005 2016
- Top 30 Transparent Listed Companies for four consecutive years 2013 – 2014 -2015 -2016
- Securities Company Member Best Advisory Servicers 2005 2015

Ho Chi Minh Stock Exchange (HOSE)



Vietnam Securities Depository



- Top 5 Bond Brokerage Houses in 2015
- Top 10 Shares and Fund Certificates Brokerage Houses in 2016
- Outstanding Member for period 2018 2019
- Top 10 in Securities Transaction Payment in 2017
- Outstanding members in basic securities transaction payment operation 2018 - 2019

Other awards

Vietnam Book of Records



Vietnam Young Entrepreneur Association Central Committee



• Top 200 Vietnam Gold Star 2015

The First Securities Company in Vietnam

• Top 100 Vietnam Gold Star 2018

Vietnam Economic Times



Vietnam Strong Brand for six consecutive years 2013 – 2018

Best Annual Report Awards



Vietnam Listed Company Awards



• Top 10 Annual Reports for three consecutive years 2013-2014-2015

• Top 30 Annual Reports in 2012 and 2016

Top 10 best annual reports in two years: 2017-2018 - Medium cap group

22/23

Awards

Other awards





Top 100 Sustainable Enterprises in two years: 2018 - 2019



Vietnam Leading Brands



Top 10 Vietnam Leading Brands in 2019 – category Investment Banking

Vietnam Best Places to Work 2018



Top 50 Vietnamese Organizations With Attractive Employer Brand 2018

Annual M&A Forum



- The Best M&A Advisory Firm 2009 2014
- The Best Securities Company categories equitization/ divestment/ M&A advisory for 7 consecutive years 2013 – 2014 – 2015 – 2016 – 2017 – 2018 – 2019
- Outstanding Securities Company in M&A Consulting of the Decade 2009 - 2018



International Awards

Finance Asia

FinanceAsia

Best Equity House in Vietnam 2008

Global Banking and Finance Review



Best Brokerage House Vietnam 2015-2016-2017
Best Advisory House Vietnam 2016 - 2017

International Finance Magazine (Anh Quốc)



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



Key Performance Indicators (KPIs)

Unit million donas

				Unit: million dongs	
I. KPIs	2015	2016	2017	2018	2019
Total revenue & other income	287,179	327,313	483,681	547,579	563,655
- Brokerage services	84,024	99,887	207,668	171,590	135,859
- Advisory and underwriting services	9,491	9,548	8,402	7,330	11,023
- Financial Investment Interest Income	53,175	90,687	115,358	167,046	192,826
- Loan and receivables - Interest Income	120,095	98,486	122,540	168,791	193,702
- Revenue from guarantee, securities issuance, auction commission	1,028	272	926	280	63
- Revenue from securities depository	3,694	4,378	5,987	6,518	5,846
- Revenue from financial activities and others	15,672	24,055	22,801	26,024	24,336
Profit before taxes	120,325	121,487	152,423	122,480	151,163
Profit after taxes	116,105	102,174	122,445	103,532	135,510
Realized profit after taxes		88,844	112,880	131,652	127,930
Total Assets	1,667,827	1,879,659	2,198,954	2,927,161	2,397,853
Owners' Equity	1,450,740	1,567,685	1,698,104	1,692,152	1,806,633
II. Special KPIs	2015	2016	2017	2018	2019

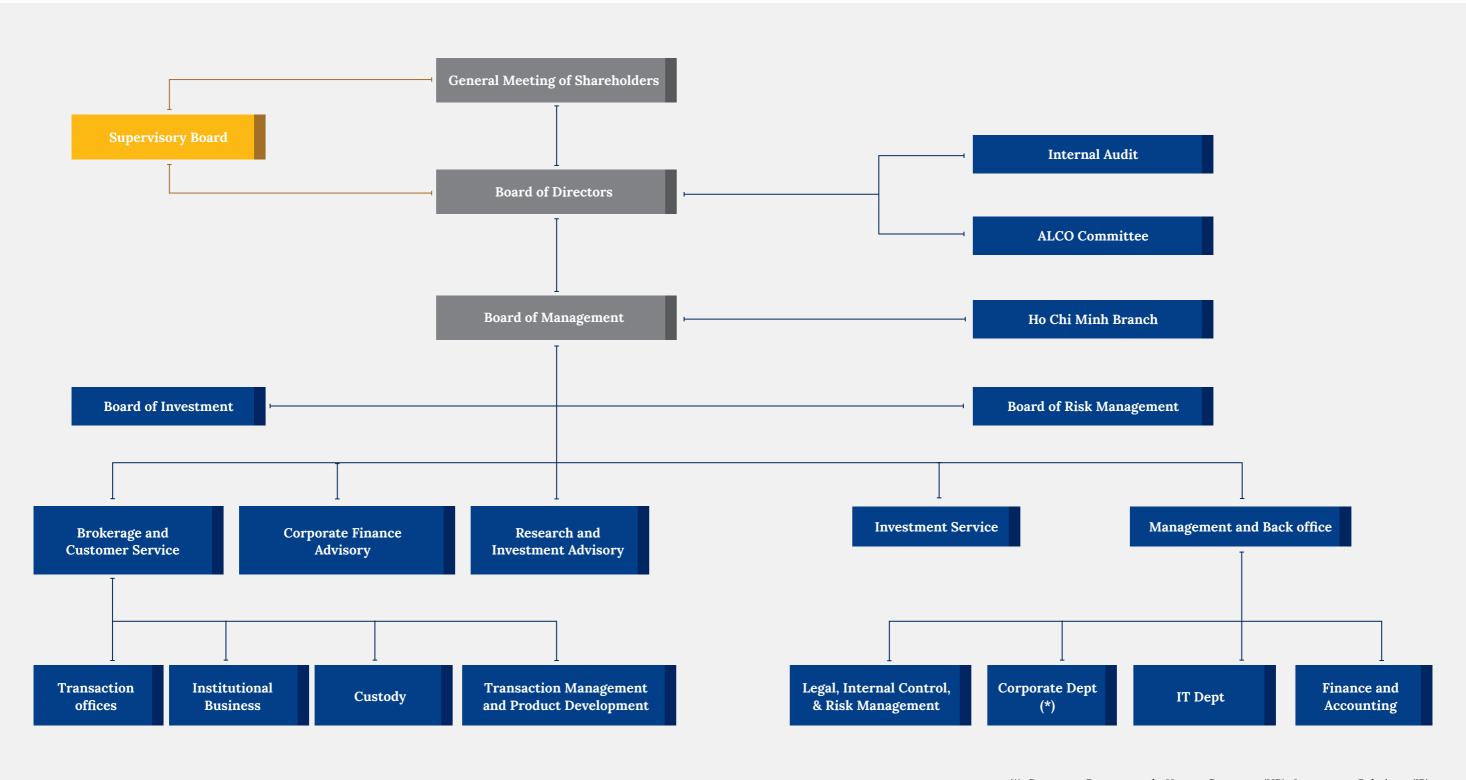
II. Special KPIs	2015	2016	2017	2018	2019
Liquid capital ratio	735%	678%	702%	738%	714%
Current ratio (Current Assets/Current Liabilities)	6,38	4,44	3,55	2,79	12,26
Quick ratio (Cash & cash equivalent / Current Liabilities)	2,07	4,22	3,48	2,75	12,02
EPS	1,552	1,339	1,479	1,741	1,693



Corporate Governance

- 01 Organizational Structure
- 02 Information for Shareholders
- 03 Board of Directors
- 04 Supervisory Board
- 05 Remuneration and Benefits of Board of Directors, Board of Management and Supervisory Board
- 06 Assessment of Corporate Governance

Organizational Structure



(*) Corporate Dept controls Human Resource (HR), Investment Relations (IR), Public Relations (PR), corporate plans and office management.

*** Subsidiaries, affiliates: None

Key personnel Board of Directors (BOD)



Mr. NGUYEN HONG TUAN Chairman of BOD (Non-managerial member)

- First appointment date of BVSC BOD: 27/06/2017.
- Date of birth: 31/03/1969
- Education: Bachelor of Credit Sector,
 Bachelor of English Language, Bachelor of Law, Master of Business Administration.

Working experience:

- 06/2017 now: BVSC BOD member.
- 05/2014 now: BOD member of Bao Viet Commercial Joint Stock Bank.
- 12/2011 09/2017: Acting CEO and CEO of Bao Viet Commercial Joint Stock Bank.
- 01/2009 12/2011: Vice CEO cum
 Director Transaction Office and Director
 of Retail Banking of Bao Viet Commercial
 Joint Stock Bank.
- 12/2006 12/2008: Project manager of Bao Viet Bank, a member of Bao Viet Bank's foundation preparatory board.
- 01/2006 11/2006: Deputy project manager of Bao Viet Investment Department.
- 4/1998 11/2005: Deputy Department manager of Capital Investment, Deputy Director of Bao Viet Investment Center.
- 12/1994 4/1998: Officer of Capital Investment Department of Vietnam Insurance Corporation.

Current positions at other companies:

- BOD member of Bao Viet Commercial Joint Stock Bank.
- Member of Board of Members of Bao Viet Insurance Corporation



Mr. NGUYEN QUANG HUNG Member of BOD (Non-managerial member)

- First appointment date of BVSC BOD: 27/06/2017.
- Date of birth: 02/04/1974
- Education: Bachelor of Economics, Bachelor of English Language, Master of Business Administration.

Working experience:

- 06/2017 now: BVSC BOD member.
- 01/2015 now: Deputy General Director – Bao Viet Insurance Corporation.
- 03/2014 12/2014: Director of Reinsurance Department Bao Viet Insurance Corporation.
- 03/2009 03/2014: Head of Reinsurance Bao Viet Insurance Corporation.
- 04/2004 03/2009: Deputy Head of Reinsurance – Bao Viet Insurance Corporation.
- 09/2001 05/2003: Specialist of Aon Re Singapore Reinsurance Brokerage Company.
- 08/1995 09/2001: Reinsurance Specialist - Bao Viet Insurance Corporation.

Current positions at other companies:

• Deputy General Director of Bao Viet Insurance Corporation.



Mr. NGUYEN ANH TUAN Member of BOD (Non-managerial member)

- First appointment date of BVSC BOD: 12/05/2016.
- Date of birth: 05/09/1977
- · Education: Master of Finance Banking.

Working experience:

- 05/2016 now: BVSC BOD Member.
- 11/2016 now: Director of Operation Management Division - Bao Viet Holdings.
- 5/2016 11/2016: Acting Director of Operation Management Division – Bao Viet Holdings.
- 04/2015 5/2016: Deputy Director of Operation Management Division - Bao Viet Holdings.
- 09/2014 04/2015: Deputy Head -Secretariat & General - Operation Management Division - Bao Viet Holdings.
- 12/2012 09/2014: Deputy Head Project Investment Department – Bao Viet Holdings Investment.
- 04/2011 12/2012: Deputy Head -Strategic Investment - Bao Viet Holdings Investment.
- 01/2006 04/2011: Key specialist managing and appraising investment projects – Bao Viet Holdings Strategic Investment Department.
- 11/2001 01/2006: Project Management Specialist – Project Management Department – Vietnam Insurance Corporation Investment Center

Current positions at other companies:

• Member of Board of members of Bao Viet Life Corporation.



Mr. LE VAN BINH Member of BOD (Non-managerial member)

- First appointment date: 2001.
- The latest re-appointment date: 15/04/2015.
- Date of birth: 02/01/1955.
- · Education: MBA.

Mr. NHU DINH HOA
Executive
(Managerial member)

- First appointment date: 03/04/2010.
- The latest re-appointment date: 15/04/2015.
- Date of birth: 12/04/1972.
- Education: Master of Accounting, University of Hawaii (USA); Bachelor of Business Administration.

Working experience:

- 2001 now: BVSC BOD Member
- 10/2007 01/2015: Standing Audit Committee, Internal Auditing Director - Bao Viet Holdings.
- 1994 10/2007: Deputy Head & Head of Finance and Accounting Department, Member of Board of members cum Chief Accountant -Vietnam Insurance Corporation.
- 1983 1994: Lecturer of Hanoi University of Finance and Accounting.

Current positions at other companies:

• None

Working experience:

- 04/2010 now: BVSC BOD Member
- 02/2010 now: BVSC CEO.
- 2005 02/2010: Deputy CEO of BVSC.
- 2000 2005: Head of Transaction Office, Head of Proprietary Trading and Advisory Department - BVSC.
- 1995 1999: Vietnam Insurance Corporation (now Bao Viet Holdings).

Current positions at other companies:

None

** As stipulated in Clause 7, Article 2, Decree No. 71/2017/ND-CP dated 06/06/2017 of the Government guiding corporate governance applicable to public companies, Mr. Nguyen Quang Hung is an independent member of BVSC BOD. Mr. Nguyen Quang Hung has been recognized by State Securities Commission as an independent member of BVSC BOD in the Minutes of BVSC operation investigation dated 11/12/2017.

BOD Members and ratio of shares holding over charter capital as of October 15, 2019

- Mr. Nguyen Hong Tuan: Chairman of BOD, representatively manages and holds 35% of BVSC's charter capital.
- Mr. Nhu Dinh Hoa: Managerial member of BOD, representatively manages and holds 10.15% of the charter capital (in which, representatively manages 10% investment capital of Bao Viet Holdings at BVSC and holds 0.15% personal shares).
- Mr. Nguyen Anh Tuan: Nonmanagerial member of BOD, representatively manages and holds 10% of charter capital.
- Mr. Nguyen Quang Hung: Nonmanagerial member of BOD, holds 0% of shares.
- Mr. Le Van Binh: Nonmanagerial member of BOD, holds 0% of shares.

Supervisory Board (SB)



Mr. Nguyen Xuan Hoa **Head of Supervisory Board**



Mr. Hoang Giang Binh Member of SB



Ms. Nguyen Thi Thanh Van Member of SB

- Appointment date: 15/04/2015.
- Date of birth: 11/03/1977
- Education: Master of Commercial Business Management.

Working experience:

- 04/2015 now: Head of SB.
- 01/2008 now: Head of Planning and Administration Information, Deputy Head, Head of Financial Planning Department; Deputy Director of Financial Management Division; Chief Accountant cum Head of Accounting Department, Head of International Accounting Department - Bao Viet Holdings.
- 11/2001 01/2008: Accountant, Deputy Head of Accounting Department - Bao Viet Insurance Corporation.
- 08/1999 10/2001: In charge of Accounting - Duy Hung Informatics Company.

Current positions at other companies:

- Chief Accountant, Head of Accounting Department, Head of International Accounting Department - Bao Viet Holdings.
- · Member of Board of members Bao Viet Insurance Corporation.
- Chairman of the Board of members Bao Viet Au Lac Company.

- Appointment date: 15/04/2015
- Date of birth: 14/12/1986

Working experience:

Holdings

• Education: Master of Accounting -Finance.

• 04/2015 - now: Member of BVSC SB

• 09/2015 - now: Investment

- Appointment date: 15/04/2015.
- Date of birth: 16/07/1982.
- · Education: Bachelor of Banking and Finance.

Working experience:

- 04/2015 now: Member of BVSC SB.
- Department Bao Viet Holdings • 08/2012 - 09/2015: Project Investment Department - Bao Viet
- 12/2011 05/2012: Hoan Kiem Branch - Military Commercial Joint Stock Bank
- 03/2009 09/2009: Accounting Department - Vietnam Television.

- 01/2005 now: Accountant, Deputy Head - Accounting Department, Bao Viet Holdings.

Current positions at other companies:

· Specialist of Investment Department, Strategic Investment Division - Bao Viet Holdings.

Current positions at other companies:

- · Deputy Head Accounting Department, Finance Management Division, Bao Viet Holdings.
- 12/2014 12/2018: Supervisor Bao Viet Life Corporation.

SB Members and ratio of shares holding over charter capital as of October 15, 2019

- Mr. Nguyen Xuan Hoa: Head of the SB, representatively manages and holds 4.92% of BVSC's charter capital.
- · Mr. Hoang Giang Binh: Member of the SB, holds 0% of BVSC's charter capital.
- Ms. Nguyen Thi Thanh Van: Member of the SB, holds 0% of BVSC's charter capital.

"In 2019, the Company has no changes in the Board of Management"

Executive Board



Mr. NHU DINH HOA



Mr. VO HUU TUAN Deputy CEO cum Director of Ho Chi Minh City Branch



Ms. NGUYEN THI THANH THUY **Deputy CEO**

- First appointment date: 02/2010.
- · Time holding CEO position: 10 years
- Age: 47
- · Education: Master of Accounting, Bachelor of Business Administration.
- First appointment date: 04/02/2008.
- Time holding the position of Deputy CEO cum Director of Ho Chi Minh Branch: 12 years.
- Age: 46.
- · Education: Master in Banking and Finance.
- First appointment date: 15/07/2010.
- Time holding the position of Deputy CEO: 09 years 05 months
- Age: 43
- Education: Master of Economics

Working experience:

- 02/2010 now: BVSC CEO.
- 2005 02/2010: Deputy CEO of BVSC.
- 2000 2005: Head of Transaction Office, Head of Proprietary Trading and Advisory Department, BVSC.
- 1995 1999: Vietnam Insurance Corporation (now Bao Viet Holdings).

In 2019, the Company had no changes in

the Board of Management

Working experience:

- 04/02/2008 now: Deputy CEO cum Director of Ho Chi Minh Branch - BVSC.
- 08/2007 02/2008: Director of Ho Chi Minh Branch.
- 10/2005 08/2007: Deputy Director of Ho Chi Minh Branch.
- 07/2002 09/2005: Head of Transaction Office of Ho Chi Minh City Branch.

Working experience:

- 07/2010 now: Deputy CEO of BVSC.
- 09/2009 07/2010: Head of Consulting Department.
- 09/2006 08/2009: Head of Transaction Department.
- 10/2003 08/2006: Deputy Head of Transaction Department

Current positions at other companies:

None

Current positions at other companies:

· BOD member of Imexpharm Pharmaceutical Joint Stock Company.

Current positions at other companies:

None

Ratio of holding voting shares of the Executive Board as of October 15, 2019

- Mr. Nhu Dinh Hoa: BOD member cum CEO, representatively manages and holds 10.15% of the Charter Capital (in which, representatively manages 10% investment capital of Bao Viet Holdings at BVSC and holds 0.15% personal shares).
- Ms. Nguyen Thi Thanh Thuy: Deputy CEO, holds 0.006% of the charter capital.
- Mr. Vo Huu Tuan: Deputy CEO cum Branch Director, holds 0.023% of the charter capital

Information for shareholders

BVS stock information as of December 31, 2019

Name of stock Listed exchange **BVS HNX** Number of listed shares Number of outstanding shares 72,233,937 shares 72,200,145 shares Market capitalization value Number of treasury shares VND 722 billion 33,792 shares Changes in charter capital during the year Earnings per share (EPS 2019) **VND 1,693** None

2019 Dividends

10% dividend payment on par value of 2018 profit after tax, in accordance with 2019 Annual General Meeting of Shareholders' Resolution No. 01/2019/NQ-HDQT, in two phases: Phase 1 – 7% of par value, paid on 28/02/2019; Phase 2 – 3% of par value, paid on 20/11/2019.

VND 24,990 Book value per share (BV) Market price as of December 31, 2019 VND 10,000/shares Highest price in 2019 VND 14,300/shares Lowest price in 2019 VND 9,600/shares Total trading volume in 2019 9,174,712 shares Total trading value in 2019 VND 103,315,231,000 Average trading volume in 2019 36,846 shares/day P/B **0,40**x P/E **5,33**x

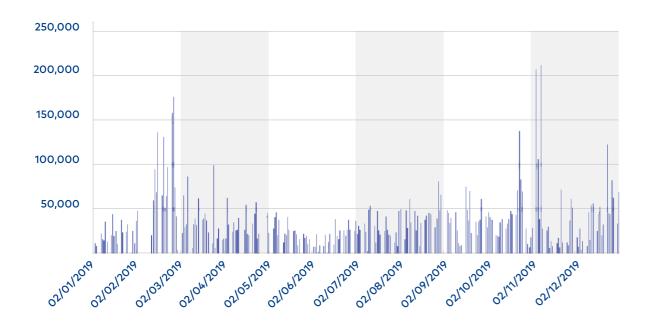
BVS's closing price compared to VnIndex's 01/01/2019 - 31/12/2019



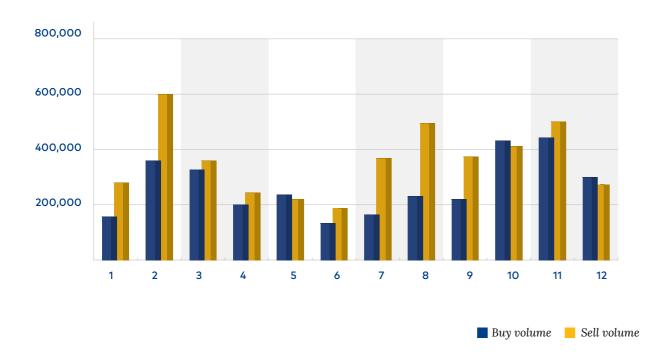
BVS's closing price compared to HNX Index's 01/01/2019 - 31/12/2019



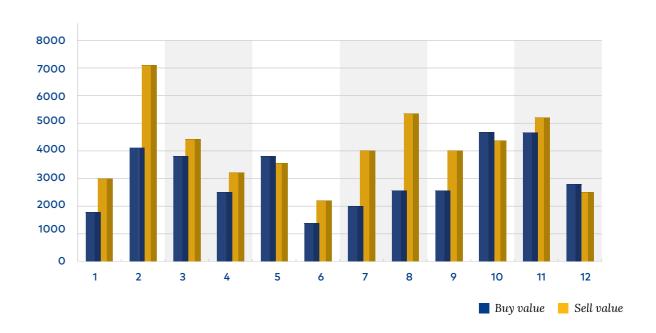
BVS trading volume 01/01/2019 - 31/12/2019



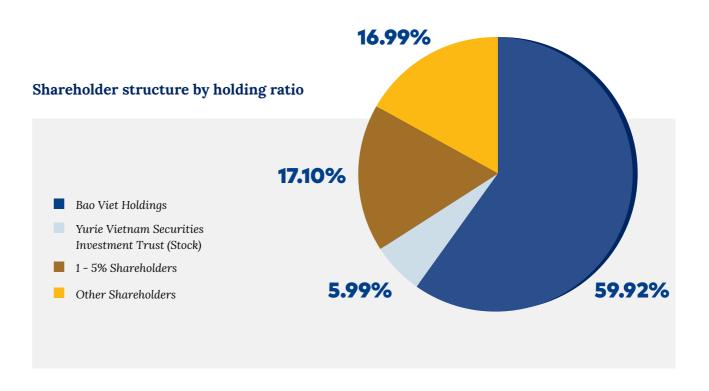
Foreign Investors' monthly trading volume



Foreign Investors' monthly trading value (Million VND)



List of shareholders as of 15/10/2019



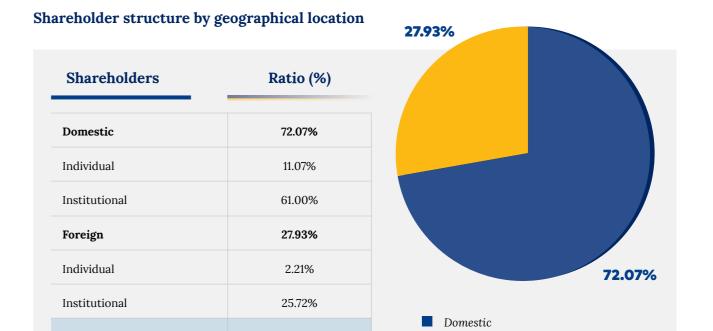
List of shareholders as of 15/10/2019 (Continued)

Changes in shareholders' equity:

- Changes in shareholders' equity in 2019: None
- Transaction of treasury stocks in 2019: None
- Other securities: None

Shareholder structure by ownership ratio

Shareholders	Number of shareholders	Number of shares	Percentage %
Holding less than 1%	2,698	12,270,554	16,99
Holding 1% - 5%	8	12,354,390	17,10
Holding 5% or more	2	47,608,993	65,91
Total	2,708	72,233,937	100
Holding less than 1% Holding 1% - 5% Holding 5% or more			16.99%

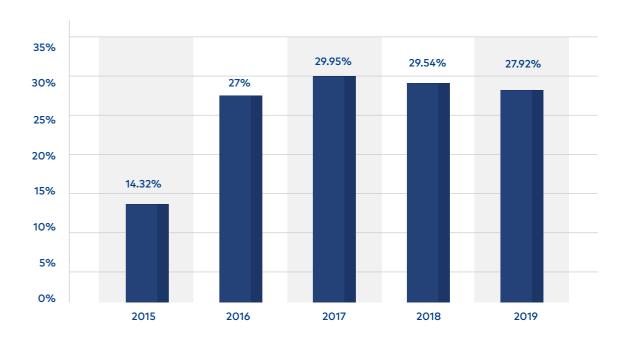


Foreign

100%

Foreign investors' ownership ratio 2015 -2019

Total



Assessment of investor relations (IR) activities in 2019

Ensuring legitimate rights, interests, and equality among shareholders

As a securities firm, a listed company, and a leading consultant on corporate finance advisory, BVSC specifically focuses upon legitimate rights, interests, and equality of shareholders. On this core principle, BVSC has activities, including 2019 Annual General Meeting of ensured that all shareholders, both domestic and foreign, individual and institutional, major and small, managerial and shareholders. and non-managerial, are treated equally and fairly.

BVSC specifies rights of shareholders in Article 20 of the 10th amendment and supplement of the Company Charter by types of stocks, including shareholders with common shares (common stockholders), shareholders with voting preference shares, shareholders with preference shares, and shareholders with redeemable preference shares.

Currently, all of BVSC's shareholders are common shareholders. The rights of shareholders are fully and strictly implemented by BVSC in 2019 through IR Shareholders and disclosure of information to investors

2019 Annual General **Meeting of Shareholders**

Shareholders' right to access information

BVSC held 2019 Annual General Meeting of Shareholders (AGM) on June 20, 2019. The invitation, agenda, reports, and other materials were sent directly to each shareholder via secured mails and published on the Company website at least 15 days prior to the Meeting date. The invitation letter was also published on a national newspaper and in both English and Vietnamese to facilitate foreign shareholders. At BVSC's 2019 Annual General Meeting, an interpreter directly served foreign shareholders for the best of their comprehension at the meeting.

The minutes and resolution of the AGM were read in the full at the Meeting before approval. The minutes and resolution of the meeting were disclosed immediately after the meeting and posted on the company's website.

Discussion and questioning at the Meeting At 2019 AGM, shareholders voted through the Presidium, including BOD Chairman, members, and the CEO. Also, at the 2019 Meeting, shareholders directly questioned the Presidium on important issues such as 2019 business plan, dividend, business results for the first quarter of 2019, margin lending, etc. Questions at the AGM were directly answered by the Presidium, noted on the Meeting Minutes, and posted on the Company's website.

In order to ensure shareholders' rights, the Company invited the financial report auditor's representatives to answer shareholders' questions.

Voting at the Meeting

At AGM on June 20, 2019, attending shareholders directly voted for important issues related to the Company's business activities, specifically as follows:

Content

2019 Annual General Meeting approval

Business activities	• 2018 business results and 2019 business plan
Reports	 Board of Directors' 2018 business performance and 2019 orientation Supervisory Board's 2018-2019 report 2018 audited financial statements
Profit distribution proposal and remuneration payment for BOD, SB, and Company Secretary	 2018 profit distribution proposal and 2019 plan 2018 remuneration payment and 2019 plan for BOD, SB, Company Secretary, and management;
Charter Amendment	 10th Amendment of the Company Charter Internal Regulation on Corporate governance

Each voting content, number of votes and voting rate of approval/disapproval/no opinion corresponding to each content were noted in detail in the minutes and resolution of 2019 Annual General Meeting, announced publicly at the Meeting, published within 24 hours, and archived on the website of the Company.



Assessment of investor relations (IR) activities in 2019 (Continued)

Ensuring legitimate rights, interests, and equality among shareholders (Continued)

Investor Relations Department (IR)

Over the past years, BVSC's IR Department has well performed its function connecting shareholders and investors. The full implementation of the rights and legitimate interests of shareholders as well as ensuring equal treatment among shareholders is always the core value of the Company. In fact, IR activities are to build trust and credibility in both BVSC's shareholders and the investment community. In 2019 IR activities were promoted in many perspectives.

Promote communication with shareholders

At BVSC, we always attach importance to the relationship of shareholders and investors (IR), we see shareholders as key stakeholders, vital to the success of BVSC's development strategy. The IR Department at BVSC always understands the factors that influence each investor's decisions, thereby building and implementing continuously and consistently connected communication activities. The mission of the IR Department at BVSC is to build the brand and image of the Company in the investment community in particular and the whole society in general.

Flexible information exchange channel

The IR Department at BVSC has been proactive in exchanging information with shareholders and investors. We have our own hotline and email to answer questions from shareholders, investors, and interested parties. Any inquiries, requests for information about the business situation of the Company will be immediately updated by the IR Department, the information to be processed will be responded within 48 hours.

Proactive participation in investment promotion activities

Not only at the Annual General Meeting of Shareholders, the shareholders have the opportunity to have direct dialogue with businesses, but BVSC also actively organizes meetings or participates in investment promotion conferences with the participation of domestic and international investors, funds and financial institutions to access and provide information on the business situation, development strategies of BVSC, contributing to promoting investment activities from the interested parties.

In 2019, BVSC held meetings with interested shareholders and investors as follows:

- June 2019: Organize a conference to introduce BVSC's market opportunities and investment opportunities to Chinese investors at the Company's Headquarter.
- Quarterly activities: Contact and answer investors' concerns every quarter after each financial statement publication (Tokai Tokyo Finance, Indovina bank, Seabank ...)

42/43

Improving quality and information disclosure channel

In 2019, BVSC continues to promote investor and shareholder relations activities, enhance information transparency and receive feedback to further improve corporate governance with specific activities such as:

- Attend seminars and online information sharing with investors to directly address issues that investors are interested in.
- Closely coordinate the Investor Relations department and other related departments to provide information to investors in a timely and effective manner.
- · Upgrade the company website, update financial information for domestic and foreign investors.
- Actively cooperate with media agencies, specialized economic, financial and securities channels to provide clear and valuable information to investors.
- Prepare a sustainability report integrated with the Annual Report in both Vietnamese and English versions for foreign investors.

Information and contact telephone number of the IR department are published in "Investor Relations" section on the Company's website.

Information disclosure and transparency

BVSC builds a standard information disclosure process in compliance with Circular No. 155/2015/TT-BTC of Ministry of Finance on information disclosure mechanism of stock market and exchanges. Our website is a means to effectively publish official information, supporting the implementation of the Company's information disclosure obligations. BVSC builds a separate Investor Relations section on the website for domestic and foreign shareholders to access important information of the Company in both Vietnamese and English. In "Investor Relations" section, beside basic information and documents such as Charter, governance regulations, regulations on organization of General Meeting of Shareholders, annual reports, audited financial statements, shareholders and stock information, etc., we also have "Information Release" topic to timely update information related to our operations. Invitations, AGM documents, notices of nomination, draft resolutions, AGM minutes, etc. are updated on Annual General Meeting Information section at least 10 days prior to the date of the Meeting.

Assessment of investor relations (IR) activities in 2019 (Continued)

Periodic information disclosure in 2019

18/01/2019	29/01/2019	29/03/2019	18/04/2019
Q4 2018 Financial Statements and separate financial statements	2018 Corporate Governance Report	2018 Financial Statements, separate Financial Statements, and Financial Safety Ratio report	2018 Annual report
19/04/2019	27/06/2019	19/07/2019	29/07/2019
Q1 2019 Financial Statements and separate Financial Statements	Periodic information disclosure of corporate bond issuance	Q2 2019 Financial Statements and separate Financial Statements	List of State shareholders and major shareholders as of June 30, 2019
29/07/2019	14/08/2019	18/10/2019	24/12/2019
Corporate Governance Report for the First 6 Months of 2019	2019 semi-annual Financial Statements and Financial Safety Ratio report (reviewed)	Q3 2019 Financial Statements and separate Financial Statements	Periodic information disclosure of corporate bond issuance
0.1 1 0 .1	44 4 4 4 4 4	•	

Other information disclosure in 2019

19/02/2019	22/02/2019	28/02/2019	22/04/2019
Resolution of BOD on the organization of the Annual General Meeting of Shareholders in 2019	Personnel change for Internal employee	Revise the decision to establish Thanh Xuan Transaction Office - directly under the Head Office	Resolution of BOD on adjusting the plan to organize the Annual General Meeting of 2019
06/06/2019	07/06/2019	12/06/2019	20/06/2019
Business plan for 2019	Resolution of BOD on the organization of the 2019 Annual General Meeting of Shareholders and documents of the 2019 Annual General Meeting of Shareholders	Appendix to amend the Audit Agreement 2019	Minutes and Resolution of the Annual General Meeting of Shareholders 2019
25/06/2019	15/07/2019	30/09/2019	01/11/2019
BOD approves the Company to sign contracts/ agreements/ transactions with Related Person or Related Persons of Internal employee of the Company	Appointment of Deputy General Director of the S Company	Resolution of BOD and the Last registration date to exercise the right to pay dividends in cash in the second phase of 2018	Decision on sanctioning administrative violations of tax *Information disclosure is posted in Investor
01/11/2019	13/11/2019	06/12/2019	Relations section of the
BOD assigns the Deputy CEO of the Branch	The plan to issue separate bonds in 2019 approved	Adjust the volume of bonds issued at the offering	Company's website and through information disclosure systems at Stock Exchanges and State Securities Commission.

IR's 2020 orientations

During the last year of BVSC's five-year strategy for 2015-2020, BVSC will continue to focus on further improving the efficiency and professionalism of investor relations, based on following principles:

- Complying with legal regulations on information disclosure of the stock market.
- Continuing to promote connection with shareholders and investors through in-person meeting at Annual General Meeting, publishing AGM materials in both English and Vietnamese, promoting cooperation to open up investment opportunities in Vietnam's stock market and BVSC.
- Proactively and timely providing transparent information on quarterly business result, personnel changes, etc. to investors directly and through the mass media channels, website & Fan page of the Company. The information will be published in both English and Vietnamese.
- Improving the website in a more friendly and accessible way, especially information searching engine and interoperability tools in investor relations section.

For further information, please contact:

Headquarter Address:

No. 72 Tran Hung Dao Street, Hoan Kiem District, Hanoi

Hotline:

(84-24)3.928 8080 (ext. 601)

Email:

info-bvsc@baoviet.com.vn

Website:

www.bvsc.com.vn



Board of Directors

Members and structure of the Board of Directors

BVSC's BOD includes 05 members, as follows:

No.	BOD Members	Title	BOD	leaving/ appointment
1	Mr. Nguyen Hong Tuan	Chairman	Chairman of BOD since 29/11/2018	Consolidate the personnel of the BOD
2	Mr. Nguyen Anh Tuan	Member	Since 12/05/2016	Consolidate the personnel of the BOD
3	Mr. Nhu Dinh Hoa	Member	Since 15/04/2015	Voting for the new term 2015 - 2020
4	Mr. Le Van Binh	Member	Since 15/04/2015	Voting for the new term 2015 - 2020
5	Mr. Nguyen Quang Hung	Member	Since 27/06/2017	Additional election member of BOD

Date of starting /leaving

Please see details about the Board of Directors in Chapter 2, Section 2 "Key Personnel – Board of Directors", from page 30 to page 31 of this report.

Sub-committees under Board of Directors:

Currently, the Board of Directors has not set up any sub-committees. Besides, with the aims to enhance the efficiency of corporate governance and supervision, BOD has issued a Resolution to assign tasks to each member in overseeing and monitoring each aspect of the Company's activities. In 2019, BOD members for the 2015-2020 term updated and assigned specific tasks as follows:

Mr. Nguyen Hong Tuan Chairman

To manage and coordinate the overall activities of BOD, oversee the policy and development strategy, HR and salary; supervise financial investments and management; perform the powers and duties of BOD Chairman in accordance with State laws and Company's Charter.

Reason for

46/47

Mr. Nhu Dinh Hoa BOD Member - CEO

To directly manage all the Company's daily business operations, take responsible for the Company's business performance; oversee the internal control under the authority of a CEO, propose business plans and strategies to BOD; perform the powers and duties of a BOD member and a CEO in compliance with State law and Company's Charter.

Mr. Nguyen Anh Tuan BOD Member

To oversee the investments of fixed assets, information technology, communication and branding of the Company; support the coordination among BVSC, Bao Viet Holdings and other members; perform the powers and duties of a BOD member as stipulated by the law and Company's Charter.

Mr. Nguyen Quang Hung BOD Member

To monitor the balance of the Company's assets and liabilities (ALCO), risk management, and legislation; perform the powers and duties of a BOD member as stipulated by law and Company's Charter.

Mr. Le Van Binh
BOD Member

To oversee the internal audit and independent audit; perform the powers and duties of a BOD member as stipulated by law and Company's Charter.

In addition, as a listed company, BOD has established an internal audit department to perform the supervision, assessment, and consultancy in an independent and objective manner over the conformity and compliance with the law, rules, resolutions of General Meeting of Shareholders & BOD; the compliance of business operations with Company's policies and processes, etc. The internal audit department is established to improve the transparency of business operations and increase the value of the Company while ensuring the compliance with Article 36 – Internal Audit, Circular No. 210/2012/TT-BTC providing guidance on the establishment and operation of securities companies.

For the time being, BOD structure for the term of 2015-2020 has 04 non-managerial members out of 05 members, including one independent member. Each member is assigned to oversee specific operations. That, combined with the role of the independent member and the effective performance of Internal Audit Division, ensures that BOD's directions are objective, timely, and in line with the Company's situation to assure the benefits of shareholders and the sustainable development of BVSC.

Company Secretariat

BOD has appointed a secretariat, including the following individuals, to assist BOD:

Ms. Bui Thi Mai Hien

Qualifications and Practicing Certificates

- Bachelor of Law
- Master of Business Administration
- Fund Management Practicing Certificate No. 00197/QLQ issued by SSC
- Certificate in Corporate Governance No. 18/QTCT 229/QD-TTNC issued by SSC dated 05/09/2013

Experience at BVSC

15 years working at BVSC

Appointment date

26/09/2013

Mr. Vu Duy Vuong

Qualifications and Practicing Certificates

- · Bachelor of Business Law
- Certificate in Lawyer Professional Training No. 15814/2012/LS dated 25/04/2013.

Experience at BVSC

09 years working at BVSC

Appointment date

10/09/2018

Persons in charge of corporate governance

In accordance with the regulations on corporate governance of public companies as prescribed in Article 18 on Persons in charge of corporate governance in Decree No. 71/2017/ND-CP, BOD appointed Mr. Vu Duy Vuong as the Company Secretary cum the Person in charge of corporate governance.

Trainings in corporate governance

BOD, SB, Secretary, and BOM members regularly update legal regulations and learn advanced management model from listed companies on Vietnam's stock market, participate in training courses, forums, seminars related to corporate governance, and proactively use recommended tools such as the Code of corporate governance following best practices for public companies in Vietnam, ASEAN corporate governance scorecard, and CAMEL regulations to improve standards and practice of governance at BVSC.

List of members with Corporate Governance certificates:

Mr. Le Van Binh — Certificate No. 06/QD229-TTNC dated 05/09/2013.

BOD Member

Mr. Nhu Dinh Hoa — Certificate No. 10/QD193-TTNC dated 31/07/2013.

Ms. Bui Thi Mai Hien — Certificate No. 18/QTCT 229 / QĐ-TTNC dated 5/9/2013.

Secretary

BOD Member

Board of Directors' performance in 2019:

Despite increasing, Vietnam stock market did not have an exciting trading year in 2019, with low market liquidity of VND4,659 billion/session, dropping 28.80% YoY under concerns about global trade instability, especially the US-China trade tensions and great competitive pressure after the issuance of Ministry of Finance's Circular 128, adjusting securities service price policy. Performing their roles and responsibilities prescribed in Company Charter and assigned by the AGM, BOD closely followed market developments in 2019 to have timely and comprehensive directions and decisions on the operation of the company. Last year, BOD organized the following activities:

Annual general meeting of shareholders

BOD successfully held the AGM of Shareholders on 20/06/2019. The AGM discussed and approved BOD's proposed matters regarding business and profit distribution plan, dividend payment, remuneration payment, Charter and corporate governance regulations.

(For details of the approved proposals, please refer to 2019 AGM section, from page 40 to page 41 of this report)

Decisions

BOD approved policies and issues within its authority under the provisions of the law and the Company's Charter. In order to make decisions carefully and effectively, BOD employed the following methods:

Organizing BOD meetings to discuss and make decisions on matters within its competence:

In accordance with Company's Charter, BOD's Operation Regulations, and 2019 plan, BOD held four (04) quarterly meetings. The Supervisory Board and the Management Board were invited to all the meetings. The organization of BOD meetings was in accordance with the Company's Charter and the provisions of the law. BOD members either attended or authorized other BOD members to attend the meetings and cast vote in a serious manner, complying with Company's Charter and BOD's Operation Regulation. The details are as follows:

Number of

No.	Member of BOD	Title	Date of starting/ leaving BOD	BOD meetings participated	Attendance rate	Reasons for absence
1	Mr. Nguyen Hong Tuan	Chairman	BOD Chairman since 29/11/2018	04	100%	
2	Mr. Nguyen Anh Tuan	Member	Since 12/05/2016	04 (01 proxy)	100%	
3	Mr. Nhu Dinh Hoa	Member	Since 15/04/2015	04	100%	
4	Mr. Le Van Binh	Member	Since 15/04/2015	04	100%	
5	Mr. Nguyen Quang Hung	Member	Since 27/06/2017	03	75%	Personal reason

Board of Directors' performance in 2019 (Continued)

Decisions (Continued)

Collecting opinions from BOD members in writing to approve for resolutions and decisions within the competence of BOD:

Beside organizing live sessions, BOD also made decisions on matters within its authority by consulting BOD members in writing to approve for Company's BOM proposals: 2019 risk policies and limits, asset procurement plan, salaries, bond issuance, proprietary trading proposals and other matters under BOD authority. BOD conducted 24 consultations with the Board members in writing this year.

Performance assessment of RMC and ALCO in 2019

According to the task assignment, Mr. Nguyen Quang Hung was BOD member overseeing ALCO and the Company's risk management activities. In 2019, Mr. Hung attended and conducted RMC and ALCO meetings with the following contents:

07/03/2019

- · Reporting results and updates on the progress of risk management solutions concluded by the Council in its fourth meeting in 2018.
- Assessing the level of major risks that affected performance in Q4 2018 and identifying risk trends of Q1 2019.
- Discussing to figure out risk management solutions for Q1 2019.
- Determining the meeting schedule of the Risk Management Council

06/06/2019

- · Reporting results and updates on the progress of risk management solutions concluded by the Council in the first meeting of 2019.
- Assessing the level of major risks that affected performance in Q1 2019 and identifying risk trends in Q2 and Q3 2019.
- · Discussing to figure out risk management solutions for Q2 and Q3 2019.
- · Developing a plan for risks review, identification, update and registration in all departments of the company in Q3 2019.

In 2019, BOD issued 31 Resolutions, directing and solving different issues, including the implementation of 2019 business plan, the Annual General Meeting of Shareholders in 2019; fixed asset investment and capital construction, salary plan, proprietary trading plan in 2019; bond private placement in 2019, the foundation of Investment committee, Branch managing personnel as well as other issues related to corporate governance under BOD competence.

The company has made detailed disclosure of the Board's resolutions during the year as prescribed in the 2019 corporate governance report published by the Company on January 30, 2020. All information disclosures are currently archived on the Company's website www.bvsc.com.vn.

The duty of BOD members is not limited to fulfilling tasks assigned in BOD meetings but also includes participating in Company's internal meetings, such as regular meetings on risk assessments of Risk Management Council (RMC), meetings of ALCO or meetings of investment committee. BOD members provided opinions within their expertise, shared valuable market experiences as well as offered orientations to improve Company's administration system in compliance with current regulations and international practices.

27/08/2019

- · Reporting results and updates on the progress of risk management solutions concluded by the Council in the second meeting of 2019.
- Assessing the level of major risks that affected the performance in Q2 2019 and identifying risk trends in Q3 and Q4 2019.
- · Discussing to figure out risk management solutions for Q3 and Q4 2019.
- Report the results of the Compliance Culture Survey and the progress of Risk Registration in all the Company's departments.

08/2019

07/2019

28/11/2019

- Reporting results and updates on the progress of risk management solutions concluded by the Council in the third
- · Discussing to figure out risk management solutions for Q4 2019 and Q1 2020.
- Report the progress of Risk Registration in all Company's departments.
- Building a plan to review and update 2020 Risk Policies and Risk Limits to submit for BOD's approval and reports on RM to submit to Government authorities.

11/2019

03/2019 06/2019

Activities of ALCO committee

Activities of the RMC

05/07/2019

 Evaluating the results of business operations and KPIs in Q1 and O2 2019: Analyzing indicators of Liabilities - Assets of BVSC

- meeting of 2019.
- · Assessing the level of major risks that affected the performance in Q3 2019 and identifying risk trends in Q4 2019 and Q1 2020.
- · Determining the meeting schedule of the Risk Management Council in 2020.

Board of Directors' performance in 2019 (Continued)

Independent BOD member's evaluation of BOD's 2019 performance

In accordance with Clause 3 Article 16 of Decree No. 71/2017/ND-CP, BOD requested a report on evaluation of BOD's 2019 performance from the independent BOD member, details as follows:

- The compliance and efficiency of the Company's governance structure: With 4/5 members are non-managerial, including one independent member, BOD Chairman not concurrently serving as CEO, BVSC's BOD structure fully satisfied criteria of legal compliance. In order to effectively promote the strength of each member in their roles, BOD issued a Resolution assigning the task of overseeing specific operation areas of the Company to each BOD member. Therefore, the directions of BOD were objective, timely, and in line with the Company's situation, ensuring the benefits of shareholders and the sustainable development of BVSC.
- BOD organized and maintained regular meetings on a quarterly basis to review, stay updated, and make timely decisions on the Company's business operations. In addition, to address the Company's recommendations and proposals between meetings, BOD also collected opinions from BOD members in writing. BOD's Resolutions and Decisions achieved a high level of consensus among its members, timely resolved the Company's needs in business operations and ensured the benefits of shareholders.
- The Supervisory Board attended all regular meetings convened and chaired by BOD Chairman and was adequately provided with all contents of collected written opinions from BOD members. Thereby, the Supervisory Board regularly offered BOD with timely feedback on the issues it received. Through these activities, SB effectively performed its supervising role to ensure that BOD's resolutions and decisions during the year were implemented carefully to ensure benefits for shareholders.
- BOD has always complied with the provisions of law, the Company's Charter and Resolutions of the General Meeting of Shareholders in its performance and also followed closely the business situation of the Company as well as changes of the stock market with the goal of sustainable development of BVSC.
- The members of the Board of Directors complied with the current law to not concurrently serve as BOD members at more than five (05) other companies to spend time, energy, and intelligence for the development of the Company. BOD members successfully completed tasks assigned by BOD, and at the same time, disclosed their related benefits in accordance with the Enterprise Law and other relevant legal documents. BOD members and their affiliated parties did not use any information acquired from their positions for personal interests or for the benefits of other organizations or individuals.

52/53

Reason for

Number of

Supervisory Board

Members and structure of the Supervisory Board

The Supervisory Board had 03 members, elected since the 2015 AGM of Shareholders, as follows:

No.	Members of the SB	Title	Date of starting/ leaving SB	leaving/ appointment
1	Mr. Nguyen Xuan Hoa	SB Head	Since 15/04/2015	Elected for the new term of 2015–2020
2	Ms. Nguyen Thi Thanh Van	Member	Since 15/04/2015	Elected for the new term of 2015-2020
3	Mr. Hoang Giang Binh	Member	Since 15/04/2015	Elected for the new term of 2015-2020

Information about the SB's members, term 2015 - 2020 is available on "Key Personnel" Part - Chapter 02 Section 02, on page 32 of this report.

Activities of Supervisory Board in 2019

Supervisory Board meetings

In 2019, Supervisory Board conducted four (04) meetings, in accordance with the Company's Charter and the provisions of the law. The details are as follows:

Meeting session	Contents of the meeting	SB members participated	Ratio
Q1 2019 meeting on 26/03/2019	 Acknowledging the estimated business results of 2018 and Q1 2019 Approving SB's Notes on BVSC's 2018 Financial Statements Evaluation Approving the 2018-2019 Report of BVSC's Supervisory Board Approving the 2019-2020 Plan of BVSC's Supervisory Board Other issues. 	3/3	100%
Q2 2019 meeting on 27/06/2019	 Acknowledging estimated business results in the first 5 months of 2019 Supervisory Board's operating plan for Q3. 	3/3	100%
Q3 2019 meeting on 26/09/2019	 Acknowledging estimated business results in the first 9 months of 2019 Supervisory Board's plan on monitoring and supervising BVSC's performance in the first 9 months of 2019. 	3/3	100%
Q4 2019 meeting on 10/11/2019	 Approving SB's examination plan on BVSC's performance in the first 9 months of 2019; Developing financial monitoring plans for BVSC in 2020. 	3/3	100%

54/55

Activities of Supervisory Board in 2019 (Continued)

The activities of Supervisory Board

In accordance with the duties and powers of Supervisory Board stipulated in Company's Charter, the Supervising and Examining Process of BVSC's SB, and SB's 2019 operation plan, Supervisory Board carried out the following activities:

Supervising the activities of BOD and BOM:

- Periodically supervising and examining BOD and BOM on their compliance with the provisions of law and the Company's Charter, implementation of the AGM's Resolution, BOD's resolutions, and compliance with Company's internal procedures and regulations on the corporate governance and administration.
- Attending all regular meetings of BOD, understanding, and supervising the governance and management of BOD and BOM; proposing solutions in organizing, managing, and administering the Company's business operations to BOD and BOM.

Supervising the implementation of the accounting and financial report systems:

- Reviewing, examining, and approving BVSC's 2019 Consolidated Financial Statements ("FS") and Headquarter FS in accordance with Vietnamese Accounting Standards and Accounting System, audited by Ernst & Young Vietnam ("EY").
- Reviewing the Management Letter 2018 of EY Vietnam and monitored the Company's performance.
- Examining Company's reasonableness, legality, integrity, and diligence in business operations and in accounting and collecting data for financial statements.

Supervising Company's regular business operations:

- Reporting at the 2019 Annual General Meeting of Shareholders on the results of supervision of the Company's business and financial performance in 2018 and submitting 2019-2020 action plan of the Board of Supervisors to the AGM
- Examining and supervising BVSC's business performance in 2018 and the first 9 months of 2019 and proposing recommendations to BOM.
- Proposing methods to organize the management and administration of the Company's business operations to BOD and BOM.
- Consulting BOD and BOM to review and strengthen the supervising and management of the Company's liabilities.
- The Supervisory Board verifies the reasonableness, legality, honesty, and caution in the management and administration of business operations of the Company.

Supervisory Board's evaluation of Company's 2019 performance

Supervising results of Company's operations and business performance

In 2019, BVSC actively and flexibly monitored market movements to develop strategic objectives and provide timely and reasonable decisions to maintain stable and sustainable business operations and achieved 2019 business objectives assigned by AGM, as well as successfully organized activities to celebrate 20th anniversary of the company foundation.

Information about 2019 business results is available on Report of BOM – Chapter III, from page 93 to page 100 of this report.

Supervising results of the implementation of accounting and financial report policy

2019 quarterly, semi-annual, and annual FSs were presented adequately and clearly with all events of the fiscal year in accordance with Vietnamese Accounting Standards and Accounting System both in general and for securities companies in particular. The semi-annual financial statements for 2019 are reviewed / audited by Ernst & Young Vietnam and there are no exceptions.

Supervisory Board agreed with the independent auditors that Company's 2019 FSs truthfully and fairly reflected the Company's financial situations as well as business results, cash flow situation, and changes in equity for the fiscal year ending December 31, 2019. The FSs were compiled in accordance with Vietnamese Accounting Standards and Corporate Accounting System, regulations, and guidance on accounting applicable to securities companies, and legal provisions of the preparation and presentation of the financial statements.

Activities of Supervisory Board in 2019 (Continued)

Supervisory Board's evaluation of Company's 2019 performance (Continued)

Supervising results of BOD and BOM

Board of Directors Performance

- In order to successfully implement the resolution approved by the 2019 AGM, BOD actively
 monitored the movements of both the domestic and the international stock market as
 well as the actual business operations of the Company to issue strategic and directional
 resolutions and decisions on the activities of BOM with the efforts to accomplish the 2019
 business plan.
- BOD organized and maintained regular meetings on a quarterly basis. In addition, BOD
 also consulted its members in writing to promptly approve, make decisions, and direct
 business operations of the Company in accordance with the developments of the stock
 market and actual business performance.
- BOD members attended all of the Board meetings and participated in the Board's activities, with high sense of responsibility and strictly complying with the laws and the company's charter, preserving the rights and interests of the Company in order to make the right and timely decisions to serve the Company's business and administration activities.
- BOD's Resolutions and Decisions achieved a high level of consensus among its members
 with a common objective of the Company's sustainable development; and at the same time,
 complied with the provisions of the Company's Charter and relevant Legal regulations.
- Supervisory Board acknowledged that: BOD operated within its competence and duties stipulated in the Company's Charter, internal documents and the provisions of the law; BOD has successfully fulfilled its task of managing the Company; no unusual event was found in BOD's management and governance.

Board of Management Performance

- BOM members are all experts with years of experience in the securities field, devoting their greatest efforts and high determination to successfully implement the Resolutions of the Company's AGM and BOD.
- In business operations, Company's BOM submitted monthly reports on the business performance every month and the plan and directions for the next month to BOD and SB.
- · BOM provided all documents that SB requested for inspection and supervision.
- Supervisory Board acknowledged that BOM proactively and flexibly observed market
 movements to provide timely, accurate, and effective solutions and decisions to
 maintain Company's stable and sustainable development; no unusual event was found
 in BOM's governance and administration activities.

Evaluation of the coordination between SB and BOD, BOM, and Shareholders

The remuneration and operating expenses of the SB and its members in 2019

SB's 2020 - 2021 operational plan

- SB, BOD, and BOM have maintained a close and smooth cooperation to protect the rights and interests of Shareholders and the Company, ensuring the compliance with the provisions of law and the Company's Charter for the sustainable development of BVSC
- With shareholders: in 2019, SB did not receive any request or complaint from shareholders or groups of shareholders as prescribed by the law and the Company's Charter.
- 2019, the SB members received the remuneration and other benefits in compliance with Decision No. 01/2019/NQ-DHDCD approved by 2019 AGM on 20/06/2019.

Details about SB's 2019 remuneration payments and other benefits are available on Chapter II, from page 72 to page 73 of this report.

 Operational expenses of the Supervisory Board in 2019: Compliance with the Regulations on remuneration, operating costs, benefits for members of the Board of Directors, Supervisory Board, Members of the Board of Managers, Company Secretary and Person in charge of Corporate governance; Internal expenditure regulations of the Company.

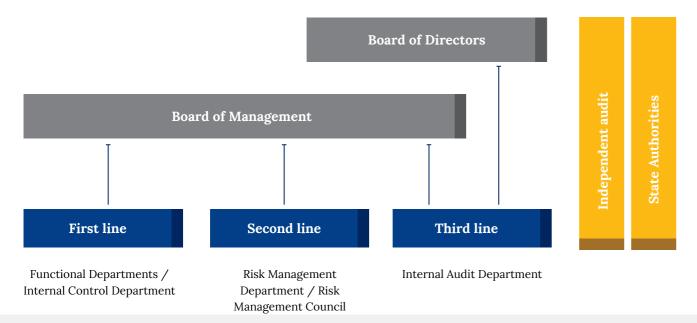
Based on the duties and powers of the Supervisory Board stipulated in the Company's Charter and the law, below are SB's 2020 – 2021 operating plan:

- To perform the duties and powers of the Supervisory Board in accordance with the provisions of law, the company's charter, internal regulations on corporate governance, examination, monitoring, and other regulations related to the operation of SB.
- To supervise the management and administration of the Board of Directors and the Board of Management through periodic control, and to attend all meetings of the Board to capture the Company's operations.
- To supervise the implementation of the accounting regime, the auditing/reviewing process of financial statements, and the Management Letter 2019 of the Independent Audit.
- To research and timely update newly issued mechanisms and policies; monitor and propose the amendments of unreasonable issues to ensure full and timely compliance with the provisions of the law.

Chapter II • Corporate Governance

Risk Management Model "Three-Line Defense"

BVSC applies the risk management model "Three-line defense" to allow separation of responsibilities among business departments, risk management department and internal audit/control department, business development while ensuring compliance with the principles of risk management and being operated effectively and closely at BVSC.



The first line of defense

contains functional departments / direct sales department and internal control department. The main task of these departments is to identify, assess, prevent, report and monitor risks arising in business activities and other operational processes through self-assessment, performance monitoring of the results of risk management and internal control measures at the departments.

The second line of defense

includes Risk Management Department and Risk Management Council. The mission of this line is to develop policies, procedures, guidelines on risk management and compliance control; to manage risks by setting advice and criticism for the First line of defense; managing risk portfolio, risk limits as well as monitoring, and issuing early warnings.

The third line of the defense

is the Internal Audit department, which is a part of BOD. The department is responsible for independent and objective inspection of the first and second lines of defense in order to support these defenses to improve risk management and internal control activities, thereby supporting the BOD, Board of Management in improving corporate governance, asset protection, reputation and sustainability of the Company.

58/59

Internal Audit

Role of Internal Audit

In the organizational structure of the risk management system at BVSC, the Internal Audit lies on the third line of Risk Management Model. Internal Audit is responsible for conducting independent inspections and evaluations, objectively advising on conformity and compliance with legal policies, regulations, and decisions of BOD, evaluating the compliance of business activities with internal policies and procedures at BVSC, thereby, improving effectiveness and increasing the value of corporate governance at BVSC.

Internal Audit process

Outlining scope

of each audit



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

- Audit planning: Annually, before the 31st of January, BVSC's Internal Audit prepares and submits the annual auditing plan to BOD for consideration and approval, including The review of the stock market situation last year, the yearly target of the department, risk assessment, audit plan, audit time, other expected tasks during the year, recommendations and other proposals (if any).
- Audit execution: The Internal Audit of BVSC prepares a detailed auditing plan and notifies
 the department to-be-audited about audit time, basis, scope, method, personnel involved,
 requirements for providing records, etc. On that basis, the Internal Audit performs audits
 including: designing control tests, conducting control tests, selecting audit samples, reviewing
 documents to determine the results of audit findings, and finish the audit (discussing and
 agreeing on the findings with the audited department, completing the files and documents
 of the audit).
- Internal Audit Reporting:
- The Internal Audit Department of BVSC shall prepare a report for each audit: The report must fully present the content and audit results in accordance with the required objectives set for each audit; propose recommendations for measures to handle errors and necessary solutions to improve the internal control system, improve the operational business process, the mechanisms, policies, and regulations of the State (if any), etc., thereby, improving the quality of the control system for the Company and increasing the value of corporate governance in the future.
- Internal Audit at BVSC shall prepare an annual Internal Audit report: Annually, before the 31st of January, the Internal Audit shall submit a report on the results of the previous Internal Audit plan and the Internal Audit plan for the next year to BOD.
- Internal Audit of BVSC prepares other reports arising in the year as requested by BOD.
- Post-audit review: This is the last step of the Internal Audit process at BVSC to ensure
 that the results and all recommendations, etc. of the audit would improve the financial
 management, accounting and other business activities of the auditing object. If the
 audited department fails to provide corrective measures, the Internal Audit must request
 clarification and report to the competent authorities for consideration and decision.

Internal Audit activities in 2019

In 2019, Internal Audit Department at BVSC continued to coordinate with Internal Control Department in conducting periodic audits at crucial professional departments related to management of money and assets of clients and the Company. The coordination between Internal Audit and Internal Control Department helps enhance the effectiveness in using resources, avoiding duplication of content and scope of work, saving time to other business divisions in the Company; meanwhile it also creates opportunity for mutual exchange in knowledge, experiences and skills between the two departments.

Under the direction of BOD, in 2019, the Internal Audit department of BVSC completed planned audits. Specifically:

Audited departments	Issues
Finance & Accounting Department Corporate Department	Compliance audit for internal spending regulations and Property management procurement process at the Headquarters
Information Technology Department	Compliance audit for IT Operating System, granting access rights to partners, updating securities transaction software and regulations of Stock Exchange on information technology infrastructure
Proprietary Trading Department	Compliance audit for proprietary transactions of both securities and listed fund certificates in accordance with the regulations of the Board of Directors and the Board of Management.
Transaction offices and Institutional business department	Compliance audit for transactions related to the authorization of securities transactions at the Company's Head Quarters
Corporate Department Transaction Management Department Finance & Accounting Department	Compliance audit for the declaration and commission payment for Business Development staff at the Company's Headquarters
Custody Department Finance & Accounting Department	Compliance audit for the reception, implementation of accounting of cash transactions and deposit/transfer of securities of the Client at the Company's Headquarters
Transaction offices and Institutional business department	Compliance audit for the securities transaction accounts of clients having bank accounts registered for outward transfer to receivers who are different from the account holder.

Other reports:

- Quick search reports arising at the request of the Board of Directors and the proposal of the Board of Management to provide quick and effective information for the management,
- Results of the implementation of the 2018 Internal Audit Plan and the proposed Internal Audit Plan for 2019,
- The prevention of money laundering in 2019.

In 2019, Internal Audit department did not identify any significant risks or compliance violations that are critical to audited activities. Compliance with legal procedures and policies was implemented by the employees. Errors in the operational process were corrected by the functional departments after obtaining the opinion from Internal Audit, helping to improve and promote the quality of work after the audit.

In 2019, Internal Audit Department did not identify any significant risks

2020 Internal audit plan

Obtaining the results of the internal audits and controls in 2019, referring to monthly risks report and quarterly report from the meetings of Risk Management Council of BVSC, the Internal Audit rated the risks affecting business activities of BVSC at low and medium level. From this assessment, the 2020 Internal Audit plan is to continue researching and proposing the implementation of periodic audits, to coordinate with the Internal Audit Department to develop audit plans for the following years and to complete the tasks that BOD has assigned in accordance with the plan.



Risk management



Located in the "second line of defense" of the risk management model, Risk Management Department is responsible for summarizing reports and information on risks from functional and compliance control departments.

Risks and risk management methods of BVSC, assessment of risk management activities in 2019 and orientation for 2020

The Risk Management Department (RMD) is the "second line of defense" in the risk management system of BVSC which responsible for synthesizing reports, risky information from operational divisions to identify, evaluate, collect feedbacks and propose solutions about related problems for CEO to decide and handle. Periodically, the Company conducts meetings to re-evaluate issues arising in the period, evaluate the effectiveness of risk management activities, thereby finding solutions, as well as action plans for risk management of the entire Company. RMD manages the overall risks and accumulated risks, as well as systematizes problems arising during the operation of the Company to identify risks and suggest proper administrative measures.

In order to manage risks, BVSC formulated an annual risk policy suitable for the risk appetite of the Company. BVSC has determined their risk appetite at a low and medium level. The medium level was caused by the impacts of typical fluctuations in the stock market in business operations of the Company. The risks that BVSC identified and actively managed include 6 main types: credit risk, market risk, liquidity risk, operational risk, legal risk, and reputation risk. Due to typical fluctuations of the stock market, the risk assessment methods at BVSC focus on quantitative and qualitative criteria or combine both criteria to measure the frequency and the risk levels.

Market risk

01

Identification

Market risk changes BVSC's assets and liabilities in a disadvantageous way. Market risk comes from investments which generate below-expectation profits due to market fluctuations.

Assessment methods

- Methods of exchanging, discussing, evaluating and multidimensional reporting among relevant departments to evaluate the fluctuation of common risk factors (systematic risks) of market risks such as interest rates in the banking market, VN-Index, GDP growth, etc. Systematic risks need to be addressed before taking the next steps to identify risks.
- The method of regularly monitoring and analyzing applies to specific
 investments (non-systematic risk) such as Interest rates in correspondence
 with terms at each bank; Fluctuation in stock prices; The operational and
 financial situation of the enterprise. One or several analytical models can be
 used such as SWOT, DuPont Equation, PESTEL model, etc. to assess specific
 risks for BVSC's potential asset investments.

Management measures

Market risk includes risks of the fluctuation in stock prices and deposits interest rates.

Equity risk

This risk directly impacts the business results of the Company through the provision of the stock portfolio. In addition to strictly complying with the risk limits applicable to investment activities approved by BOD, the Company also focuses on analyzing other basic and technical factors when selecting stocks for investment.

The risk assessment tools used by BVSC are scenario analysis and VAR calculation. By offering scenarios of different market conditions and levels of market risk, the impact of these risks on stock portfolios as well business performance of the Company is regularly and proactively evaluated and quantified.

Interest rate risk

Interest rate risk is identified to directly affect BVSC's term deposit and bond investment. As for bond investment, interest rate risk is assessed at a low level as the Company's bonds are held until maturity. For deposit investment, to reduce the impact of interest rate fluctuations on the deposit portfolio, in 2019, the Company actively restructured deposit portfolios. As a result, in 2019, the Company did not face any interest rate risk that affected the plan as well as investment results.

Chapter II • Corporate Governance • Risk management

Credit risk

02

Identification

This risk arises if BVSC's partners fail to pay their loan, payment obligations or perform these obligations later than the stipulated time.

Assessment methods

Credit risk is identified according to each partner and each debt portfolio, covering the operations with potential solvency risk. For example, for credit risk in margin trading, financial capacity and credit status of clients is assessed through quantitative criteria such as net asset value, time and value of the previous transaction, actual margin rate of the loan, etc. and other additional qualitative criteria like assessing the potential in relationships, financial capacity of clients, etc. Credit risk in bond investment is assessed by financial criteria of issued organizations such as analysis financial status; forecast on the cash flow of the enterprise to evaluate the ability to pay principal and interest at the due date; the ratio of the total collateral value over the total value of bonds issued), etc.

Management measures

At BVSC, credit risk is likely to cause losses/ damages in: term deposit investment, bond investment, and margin lending. As a precaution, BVSC has identified and proposed risk management measures for activities with potential credit risks. Specifically:

For term deposit

BVSC complies with the annual deposit/credit risk limit approved by BOD. Besides, BVSC has also selected partner banks with good credit rank according to the ratings of Bao Viet Holdings.

For bond investment activities

BVSC performs risk management in compliance with the investment limits set by BOD for both government bonds and corporate bonds. Each investment decision will be made after a careful and thorough evaluation of the credit status and the solvency risk of the issuer. In addition to an assessment of the financial ability and credibility, corporate bonds needed to be secured by collateral and the Company has had specific policies on the disposal of collateral in case of facing the solvency risk of the issuer (bondholders).

For margin trading

The Company continues to maintain management policies that have been proven effective after a long time of application. Specifically:

- An assessment of credibility and client classification before granting margin limits suitable with clients' financial capability and margin assets. Periodically review the group of clients with signs of accumulated risk in compliance with the risk limits issued by BVSC.
- Selecting the securities portfolio eligible for margin loan in accordance with Decision 87/2017/QD-UBCK issued on 25/01/2017, of State Securities Commission on Margin Trading and a list of stocks eligible for margin trading according to the announcement of State Securities Commission and Stock Exchange.
- Periodical review of the portfolio and margin trading limits for each stock.
- Developing a safe margin ratio complying with monitoring follow up calls to early notify clients about loan status and disposal of collateral in order to preserve capital for the Company in the process of the margin loan.

Liquidity risk

03

Identification

Liquidity risk occurs when BVSC is unable to fulfill its financial obligations at due date or convert financial instruments into cash at a reasonable price in the short-term due to the lack of liquidity in the market or lack of assets to fulfill the payment obligations to clients, or partners.

Assessment methods

Liquidity risk is identified by assessing the financial status and business prospects of BVSC. In addition, liquidity capability, fluctuation in price and stock trading volume compared to the market has to be measured, observed and supervised in at least the latest 3 months.

Management measures

For BVSC, this risk is considered at a very low level as the Company performs the separate management of investors' deposit. BVSC always accurately fulfills its payment obligations to VSD, Stock Exchanges and clients. If the financial safety ratio is considered as barometer for the liquidity of a securities company then at BVSC in 2019, this ratio continued to reach an average of over 700% for the whole year, far exceeding the regulated ratio of 180% of Ministry of Finance.

Chapter II • Corporate Governance • Risk management

Operational risk

04

Identification

Operational risk is driven by improper operations of processes, internal systems, or employees, deliberate wrongdoing, or external reasons.

Assessment methods

- The risk assessment method based on objectives: It is necessary to investigate factors that possibly make BVSC unable to achieve their business goals and plans in brokerage and investment banking operations such as qualifications of brokers and consultants; an update of products and quality of service packages. With the goal of ensuring the stable operation of information technology systems and proactively building incident scenarios to find effective measures to handle system errors, line errors, and other technical errors in the IT system, etc. to have effective and timely handling measures.
- The risk assessment method based on situations: With this method, it is necessary to suggest a hypothesis about the situation that may occur in reality, thereby considering technical facilities and employees' ability whether to solve those problems or not.
- The risk assessment method based on experience and precedents: Historically, it is essential to base on the experience and precedents to identify and assess risks. Measures applied in the past needed to be thoroughly analyzed. If it is a reasonable solution, it can be seen as a precedent to apply to similar risks later on.
- Mixed risk assessment method: This method combines many of the above methods to identify potential risks, possibilities, and impact levels. The mixed method is used by conducting annual reviews for all departments by internal control and risk management divisions. Potential risks can be assessed by conducting a review of the process, regulations, functions, and compliance. Then risk situations might be identified by assessing through objectives, tasks of the department; then measurements when unforeseen events happen are taken into consideration.

Management measures

At BVSC, operational risk is evaluated at a low level and managed under 04 types of risks including risks of financial reporting and control, human risk, risk of process/procedure and IT risk.

66/67

Financial reporting and control risks

This is the risk arising from drafting wrong financial statements and delaying the submission of reports to the Board of Directors, the State authorities or the disclosure of information for the public, etc. As a public company, BVSC has a sense of responsibility and action so that the financial statements are always published timely, ensuring the accuracy and transparency in the information provided.

In addition to selecting an independent audit company, which is one of the four leading and reputable audit firms in Vietnam, the Company also provides regulations on reporting time, post-auditing organization through internal control activities, ensuring compliance with legal regulations, internal regulations as well as financial and accounting regimes at BVSC. The Company has applied information technology, used and promoted effectively the core securities software system (FLEX); accounting software to make reports, limit manual errors and ensure timeliness.

Human risk

This risk is well controlled by BVSC because the Company has a long history of operation and has built a synchronous process from selection – training – coaching and strict work evaluation and control. In addition, since 2008, the Company has developed and issued a Code of Professional Ethics that complies with the standards set in the Model Code of Ethics issued by the Vietnam Association of Securities Businesses. Therefore, for staff working at BVSC, in addition to meeting high professional requirements, working skills, compliance with professional ethical principles is always a top priority.

Process/procedure risks

Process/procedure risk is one of the risks that the Company often faces during operation. Recognizing the magnitude of this risk, when committed to any new activity, BVSC always promotes specific and detailed operational procedures and guidelines, building a supportive technology system to support and train personnel to operate according to the procedure. In parallel with the operation of the professional division, the Internal Audit Department coordinates with the Internal Control Department of the Company to regularly organize the reviews, compliance control to ensure the correctness, suitability and effectiveness of the process compared to the actual work, and analyze the possibility of risks so that the process can be improved better, more consistent with the laws, regulations, and policies of the Company.

Technology system risks

Technology system risk is one of the major risks that securities companies, in general, have to face. At BVSC, this risk is rated at a low medium level because the risk has been managed through specific policies such as system operation and troubleshooting. In addition, BVSC has built a backup system, ensuring the continuity and smoothness of 24h/7 days of the system. The server system and database of BVSC are located at the data center of Bao Viet Group, meeting international TIER2 standards. In addition, the Company periodically continues to evaluate events that have happened to analyze and predict potential risks, from which a plan can be developed to manage those risks.

For users of professional software, the Company has issued a strict and appropriate decentralization policy according to the duties of each department and individual with the goal of reducing risks caused by errors in the operation or inadvertently or unintended use of the rights.

Legal Risk

05

Identification

Legal risk is identified as a risk arising from non-compliance with legal regulations related to business operation and from contracts' cancellation due to the illegality of the contracts, overstepping authority, lack of terms, incomplete standards, or other causes.

Assessment methods

Legal risk is identified through the coordination between RMD, Legal Division, Internal Control and other departments in reviewing process systems, regulations, types of documents used to ensure compliance with the provisions of law. At the same time, errors in the business operational process of BVSC are analyzed to draw lessons for the future.

Management measures

Legal risk at BVSC is assessed at a low medium level. Legal risk management at BVSC has been synchronously implemented from scientifically structuring scient organizations, decentralization, and delegating responsibilities from senior managers to mid-level and staff positions. The Company has established a Legal Department with personnel having law degrees to perform legal consultancy and provide legal assistance for and departments.

All internal operational instruction procedures in the Company or contracts/agreements with clients and partners are reviewed by the Legal Department to ensure compliance with current laws in order to minimize legal risks. In addition, the Legal Department also regularly updates legal documents to ensure that legal knowledge is conveyed to each member of the Company, thereby, everyone is more aware of legal compliance in daily activities.

Reputation risk

06

Identification

Reputation risk occurs when the Company has external or internal impacts that damage its image and brand.

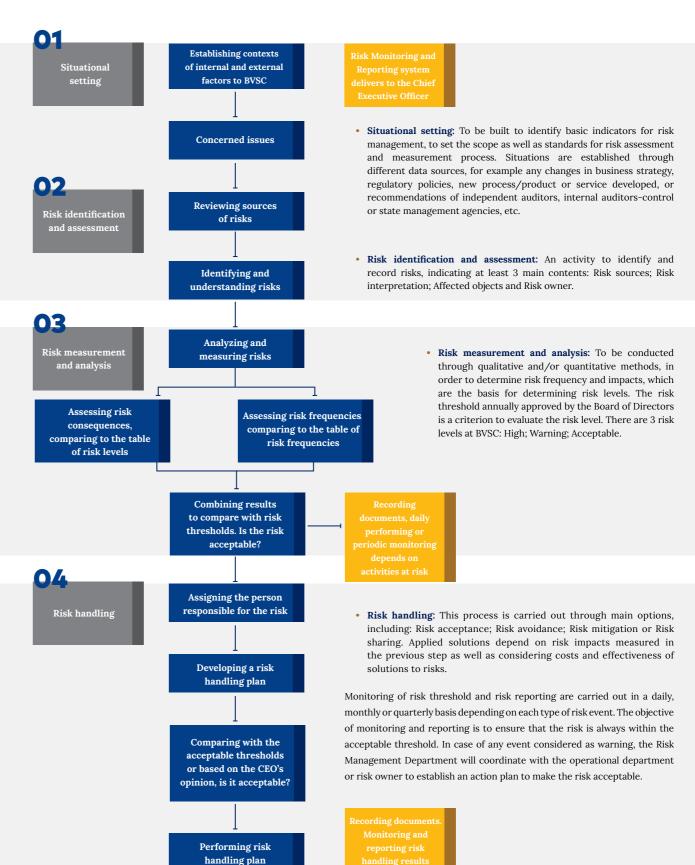
Assessment methods

Reputation risk may occur from the events of other risks, especially operational risk and legal risk. For example, employees fail to follow the process, violate professional ethics which lead to lawsuit from clients, employees violate law; insecurity of internal information, from uncontrolled speeches affecting the reputation of the enterprise or not complying with regulations on information disclosure (slow, inadequate, timely, etc.)

Management measures

Reputation risk is assessed at a low level at BVSC. Nonetheless, the Company is proactive in preventing this risk by constantly improving the quality of customer service, completing the organizational structure, professional working environment, building up good relationships with clients, shareholders, and partners. Feedbacks from clients, shareholders and partners are always a valuable source of information for BVSC to continue improving the quality of customer care, and strengthening the relationship with shareholders and partners to maintain our position as a leading, dynamic and professional securities company in Vietnam. At the same time, the Company has drawn up a sustainable development strategy as a way to prevent potential risks to its reputation.

Risk management process



Risk management activities in 2019

Thanks to risk management policies and procedures standardized and updated every year, risk management activities at BVSC in 2019 continued to be strictly implemented with high efficiency in risk identification and prevention at the Company's departments. Results of risk identification, evaluation and measurement, prevention and handling are notified to heads of involved departments for timely actions so as to minimize potential risks. Activities to be done including:

Implementation of risk management reports

Activities	Description
Monthly report	 Monthly risk report is sent to the Board of Management presenting 6 types of risks identified, measured and assessed in the month. At the same time, the report also updates the progress of management measures directed by the Risk Management Council in previous quarterly meetings, to ensure risks appropriately and timely resolved.
	 Prepare a monthly specialized report on risk accumulation in margin trading. The report provides information to assist the Board of Management to evaluate concentration in terms of outstanding loans and margin room in used as well as to be a basis for evaluation and adjustment of margin trading portfolio in the following month.
Quarterly report	Quarterly reports fully reflect material risks available in the Quarter. Quarterly reports are presented to the Risk Management Council of BVSC to discuss, analyze and propose timely and effective management measures.
Semi-annual report	Risk management reports for the first 6 months and the last 6 months of 2019 are sent to the SSC. Reports showed risks affecting BVSC's operations, compliance with risk thresholds, personnel statistics, assessment of business growth of BVSC, etc.
Annual report	Report on implementation of risk policies in 2018 and issuance of risk policies in 2019 to the SSC. The report summarized risk management activities undertaken by BVSC in 2018 and the plan of risk management at BVSC in 2019.

Risk identification, evaluation and review

Activities	Description
Risk registeration and risk profile update.	Operational departments coordinate with risk management department to conduct review and assessment of risk impacts and update risk events periodically. This then serves as a basis for updating the risk profile and developing management actions and handling plans. These activities are carried out annually, which enable BVSC to significantly reduce systematic risks.

70/71

Developing risk management culture

Activities	Description
Survey of compliance culture	In 2019, the Company conducted a survey of awareness about compliance culture for all employees, as well as collecting ideas about defects in company's regulations and procedures.

Review and update of risk policies

Activities	Description
Updates of risk thresholds 2020	 Risk thresholds in 2020 are updated in accordance with changes in the Investment Regulations adopted by the BOD and limits regulated by the law. Risk thresholds in 2020 have been added with thresholds for some main operational risks of the Company.

No risk events in BVSC in 2019

Compliance to risk thresholds was implemented. BVSC did not have incidents interrupting business activities.

Thanks to these efforts, BVSC has maintained its position as one of the best complying securities companies in Vietnam. This enabled BVSC to gain trust from its partners and clients who are securities investors, business partners, regulatory agencies and shareholders of the Company. Compliance to risk thresholds are maintained. BVSC did not have incidents interrupting business activities.

Orientations in risk management in 2020

In 2020, the Company plans to maintain the Risk Policy and Risk Thresholds approved by the BOD. Risk management activites will continue to be focused and conducted periodically and regularly for the effective management of the BOD.

In addition, training on risk management awareness is an essential task in 2020. In addition to internal training for employees on risk management awareness, the Risk Management Department also participates in training and research of new products on the market to quickly identify and assess potential risks, establish risk barriers and thresholds to take proactive prevention actions for safe and stable operation of the Company.

Chapter II • Corporate Governance •

Transactions, remunerations and benefits of the Board of Directors, the Internal Control and the Board of Management

Salaries, bonuses and remuneration of the BOD, Board of Management, Internal Control and Company Secretariat in 2019

Principles of salaries, bonuses and remuneration

For the Board of Directors, the Internal Control and the Company Secretariat

- Salary, allowances and benefits for the full-time Chairman of the BOD shall comply with Resolution No. 02/2019/NQ -HDQT issued by the BOD on the 13th of February, 2019.
- Payment of remuneration, operating costs and bonuses to the BOD's members, the Internal Control, the Company Secretariat and the Person in charge of Corporate Governance complies with provisions of Resolution No. 12/2019/ NQ-HDQT issued by the BOD on the 13th of May, 2019 and Resolution of the Annual General Meeting of Shareholders.

For the Board of Management & other managers

Payment of salaries and bonuses is performed in compliance with regulations on remuneration, based on business performance and performance assessment of each manager in the year.

Salaries, bonuses and remuneration paid in 2019

For remuneration of the BOD, Internal Control and Company Secretariat

Remuneration payment for the BOD's members, the Internal Control and the Company Secretariat shall comply with Article 6 of Resolution No. 01/2019/NQ-DHDCD approved by the Annual General Meeting of Shareholders 2019 of Bao Viet Securities Joint Stock Company, to be specific:

Title	Remuneration						
Member of Board of Directors	VND5,000,000/person/month						
Head of Internal Control	VND5,000,000/person/month						
Member of Internal Control	VND4,000,000/person/month						
Company Secretariat	VND4,000,000/person/month						

Total income of the BOD's members, Internal Control and Company Secretariat: VND3,096,425,934, including bonuses from profit after tax in 2018 according to Resolution No. 01/2019/NQ-DHDCD approved by the 2019 Annual General Meeting of Shareholders, remuneration and other salary-based benefits and welfare in cash in 2019.

For remuneration of the Board of Management & other managers

- · Total income of the Board of Management in 2019: VND6,368,784,568
- · Total income of other managers (excluding the Board of Management) in 2019: VND37,352,534,415

Note: Total income includes monthly salary, bonuses based on business performance and performance assessment in 2018 & 2019 and other benefits from the Company's welfare fund

72/73

Other benefits of the BOD, the Board of Management, the Internal Control, the Company Secretariat and other managers

Insurance policies

Non-executive members of the BOD and Internal Control: Currently, all members are working concurrently so they are entitled to insurance regimes at their workplaces.

The BOD's executive members, Board of Management, Company Secretary and other managers: are entitled to insurance regimes according to the Company's policies including:

- · Social insurance, medical insurance, unemployment insurance: Comply with provisions of law and salary levels specified in the Company's payroll
- · Comprehensive health insurance (Healthcare): The BOD's executive members, the Board of Managements are entitled to insurance program with the maximum compensation of VND 5.2 billion/person, covering all medical expenses incurred worldwide. Other managers are eligible for the insurance program with the maximum compensation of VND 1.05 billion/ person, covering all medical expenses incurred within Asia-Pacific region.
- · Life insurance: The company purchases life insurance for all employees.
- · Cancer insurance (K care): The BOD's executive members, the Board of Management, the highest program with the maximum insurance of VND 1.17 billion/person is applied. Other managers are eligible for the insurance with a maximum amount of VND 585 million/person.

Annual health check:

The BOD's members, Head of Internal Control, Board of Management of the Company: eligible for annual health check-ups and related payments covered according to actual expenses at high quality hospitals and health facilities in Vietnam.

Members of Internal Control, Company Secretary, Person in charge of corporate governance and other managers: eligible for regular health check-ups under the annual health check program for all employees of the Company.

Stock transactions of internal shareholders: None Contracts or transactions with internal shareholders:

Please refer to the Financial Statements section.

Phone usage:

Mobile phones: Each member of the BOD, the Internal Control, the Board of Management, the Company Secretary and the Person in charge of corporate governance are equipped with mobile phones valued at VND 15,000,000 to VND 30,000,000 VND every 2 years.

Telephone charges: Telephone charges of the BOD's Chairman and Chief Executive Officer are fully covered every month according to the actual expenses. Charges of The BOD's members, the Internal Control, Deputy Chief Executive Officers, Company Secretary and the Person in charge of corporate governance are covered from VND 800,000 to 1,500,000 VND per month.

In case of abroad business trips, telephone charges will be covered according to the actual costs approved by the Chief Executive Officer.

Car usage:

The BOD's members, Board of Management, Internal Control department and Company Secretary, Person in charge of corporate governance and other managers are allowed to use company cars to perform tasks of management, administration, inspection and monitoring of the Company's activities.

In case that company cars are not available, taxi card and/or on-demand taxi will be provided for travelling, business trips, transactions and all expenses incurred will be covered by the Company.

Domestic per diems: The company establishes a per diem policy including flight tickets, hotels, accommodation allowances according to each title and payment will be done based on invoices.

Abroad per diems: With reference to regulations of the Ministry of Finance.

According to provisions on reporting corporate governance situation, Article 11 of Circular No. 155/2015/TT-BTC dated on the 6th of October, 2015, the Company performed information disclosure for the Report on corporate governance on the Company website on the 30th of January, 2020. At the same time, the Company sent reports to the SSC, Hanoi Stock Exchange and Ho Chi Minh Stock Exchange for publication on their portals. The report includes the updated list of BVSC's related persons and transactions between BVSC and major shareholders, internal shareholders and stakeholders of internal persons as of the 31st of December, 2019. These reports and list are currently uploaded on the Company website at the following link: https://bit.ly/BVSC_QTCT_2019

Chapter II • Corporate Governance

Implementation of regulations on corporate governance

As a listed company on the securities market, we are aware that developing an effective corporate governance system means developing an environment of trust, transparency, financial stability and business ethics.

BVSC's system of documentation and internal regulations on corporate governance is established based on legal regulations on corporate governance applicable to listed companies, regulations applicable to securities companies and regulations on information disclosure on the securities market. In addition, every year, we conduct internal reviews with reference to good practices in the market as well as domestic and regional standards.

Implementation of regulations on corporate governance in 2019 is as follows

- The Company amended its Charter and developed a new internal regulation on corporate governance in accordance with Decree No. 71/2017/ND-CP and Circular No. 95/2017/TT-BTC. Revised charter and Regulation on corporate governance were approved by the 2019 Annual General Meeting of Shareholders at the meeting on the 20th of June, 2019. After the General Meeting of Shareholders' approval, the Company publicized information in accordance with the law.
- Research on enhancing the organization model with reference to guidelines in the Viet Nam Corporate Governance Code of Best Practices for Public Companies launched by the SSC and IFC in August, 2019. In the meeting of Quarter IV, 2019, the Company's BOD approved of establishing Committees under the BOD based on recommendations in the Corporate Governance Code and directed the Board of Management to perform procedures in order to comply with the Company's Charter and Governance Regulations.
- The Company complied with regulations on preparing Annual reports in accordance with Circular No. 155/2015/TT-BTC. The Company's annual report was in the TOP 10 Mid-cap Enterprises with the Best Annual Reports at the Listed Company Awards 2019.
- The BOD structure in 2019 ensured the balance between executive and non-executive members: BVSC maintained a ratio of which 4 out of 5 BOD members are non-executive members, which is higher than the ratio prescribed in Article 13 of Decree No. 71/2017/ND-CP. The BOD's Chairman is not concurrently holding the position of Chief Executive Officer.
- Performance Report of the BOD and Performance Report of the Internal Control at the Annual General Meeting of Shareholders were presented by BVSC in accordance with regulations stipulated in Articles 9 and 10 of Decree No. 71/2017/ND-CP.

74/75

Performance evaluation under camel rating system

During analyzing criteria from governance perspective, the Company refers to criteria of the CAMEL rating system (a system measuring the strength of a financial institution through 05 factors: Capital adequacy – Asset quality – Management – Earnings – Liquidity, developed by the National Credit Union Administration and recommended by the International Monetary Fund and the World Bank. Also, on the 9th of October, 2013, the SSC also issued Decision No. 617/QD–UBCK to promulgate CAMEL regulations guiding the classification of securities companies). According to this rating system, in 2019, BVSC scored a total of 87.7 points. Effective management is one factors that help the Company be rated as rank A according to the CAMEL regulation guiding the classification of Securities Companies by the SSC.

(Refer to Appendix I - CAMEL management criteria on page 188 - 189 of this report)

Evaluation according to ASEAN Corporate Governance Scorecard

Since 2016, with the desire to accomplish the Company's management system in accordance with regional and international standards, BVSC has assessed its management system with reference to ASEAN Corporate Governance Scorecard so that the company can set its own targets for improvement year by year.

Refer to this standard, in 2017 and 2018, evaluation and review by comparing with questionnaires under 5 standard categories, which are Rights of shareholders, Equitable treatment of shareholders, Role of stakeholders, Disclosure and transparency, and Responsibilities of the Board, showed that BVSC adhered to most of these standards. In addition, we also identified and set priority for a number of issues to be improved in 2019, including: preparing English version of Information Disclosure, the BOD's members playing a leadership role in the development/ implementation monitoring of the Company's strategy for at least one year (criterion E 1.5 ASEAN Corporate Governance Scorecard 2017-2018); Preparing the meeting schedule of the BOD at the beginning of the fiscal year (criterion E 3.1 ASEAN Corporate Governance Scorecard 2017-2018); enhancing criterion E.3.6 ASEAN Corporate Governance Scorecard 2017-2018 regarding access to the BOD's information for BOD meetings; complying with criterion E.3.8 by having company secretariats with legal expertise and certificate of lawyer professional training. In particular, the Company has the most remarkable improvement with criterion (B).C.1.1. under the category (B)C Role of stakeholders by establishing the sustainable development report 2019 which was certified by GRI to satisfy standards of information disclosure under the GRI Universal Standards 2016 (latest update). Details of the sustainable development report are presented in this annual report.



PROACTIVE ADAPTATION

MR NHU DINH HOA

CHIEF EXECUTIVE OFFICER

PROACTIVEADAPTATIONMR.NHUDINHHOACHIEF EXECUTIVE OFFICERIn 2019, the macro context is an interwoven picture between the stability of domestic macroeconomics and the instability of the world economy, making the stock market fail to make a breakthrough but the sideway trend is dominant. The market rallied but the liquidity dropped, the legal framework changed, the competitiveness increased... posing a problem for securities companies in general and for BVSC in particular on the ability to adapt to impacts from the business environment.

With BVSC, proactive adaptation is not only a message to employees, but we also evaluate and develop our business scenarios in line with market scenarios, whereby solutions are implemented with the most active and determined spirit in the whole company

Economic context and securities market in 2019

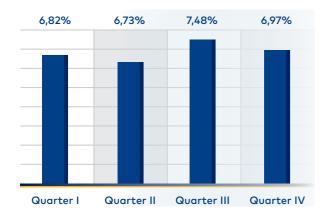
- 01 Economic context and securities market in 2019
- 02 The report of the Board of Directors
- 03 The report of the Board of Managements

Economic context and securities market in 2019

Economic context and securities market in 2019

Advantages in 2019

The GDP in 2019



The GDP of Vietnam in 2019 increased by 7.02% compared to that in 2018, exceeding the targets of 6.6-6.8% set by the National Assembly and many international organizations' forecasts. Specifically, the growth rates in the four quarters are 6.82%, 6.73%, 7.48%, and 6.97%, respectively. The main driving forces of the economic growth in 2019 were processing and manufacturing industry (up 11.29%) and service sectors such as transportation and warehousing (up 9.12%), wholesale and retail (up 8.82%), and financial activities, banking, insurance (up 8.62%).

The annual inflation rate saw a modest increase and was controlled below the target, set by the National Assembly. The average CPI in 2019 only rose by 2.79% compared to that in 2018, achieving the goal (less than 4% increase) defined by the National Assembly and experiencing the slightest increase in the past 3 years. Low inflation is the basis for the State Bank to reduce policy rates in the latter half of 2019.

The total import-export turnover of goods in 2019 exceeded USD500 billion, in which the export turnover reached USD263.45 billion, seeing a rise of 8.1% compared to that last year. The year of 2019 witnessed a strong growth of the domestic economic sector in exports with a growth rate of 17.7%, far higher than that in the foreign-invested economic sector (4.2%). The trade balance surplus reached USD11.12 billion, the highest in the last 4 years. The foreign exchange reserves of Vietnam soared by about USD20 billion to the highest level ever (about USD80 billion).

The exchange rate continued to remain stable. USD/VNDexchange rate were almost unchanged, without considerable changes in 2019. Accordingly, VND stood out as one of the most stable currencies in the region despite geopolitical uncertainties and domestic and international economic events. The overall balance of payment surplus makes the USD supply abundant, thereby helping VND to tackle objective risks such as the US-China trade war, the capital withdrawal trend in emerging markets, etc...

80/81

Challenges in 2019

The US-China trade war escalated. Starting in 2018, the US-China trade war continued throughout 2019 with new tariffs imposed by both the US and China on each other's goods. The average tariff levied by the US on Chinese goods rocketed from 3.1% in early 2018 to 21.2% in late 2019. Similarly, China's levy on American goods also soared from 8% to 21.8% in the same period. The escalation of the US-China trade war has become a factor making investors on the global financial market stay prudent.

The global economy decelerated. The world economy in 2019 continued to face various risks, not only from the US-China trade war but also the withdrawal of the United Kingdom from the European Union (Brexit) and the geopolitical tensions in the Middle East. The stagnation of the global trade resulted in the economic slowdown in most major economies. As a result of the downturn in the growth rate of Vietnam's major export markets, the growth of Vietnam's export turnover was 8%, halving its average in the last three years.

It can be said, within macro context, it is a picture interweaving the stability of the domestic macroeconomy and the instability of the world economy, making the securities market unable to make a significant trend breakthrough. The flat trend was the mainstream of 2019.

Stock market

Advantages in 2019

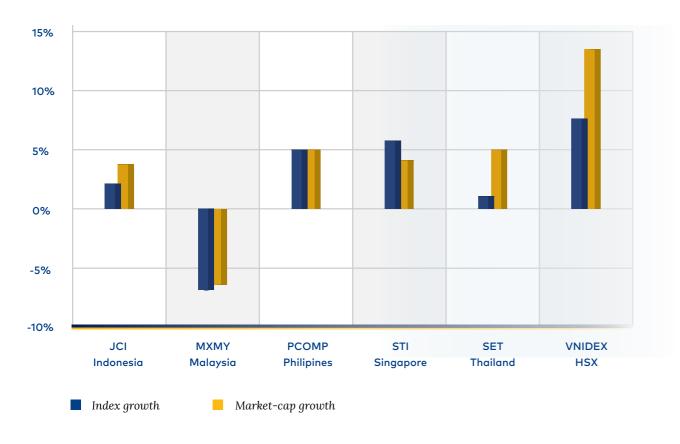
VnIndex saw a small rise in 2019. At the end of the year, VnIndex closed at 961 points, up 7.67%; HnxIndex closed at 102.51 points, down 1.65%; UpcomIndex closed at 56.56 points, up 7.06%.

The business performance of enterprises continued to maintain its growth momentum, especially banking enterprises. The profits of businesses on the strong growth momentum created a window of attractive investment opportunities for investors.

Foreign investors made net purchases with a large value (VND5,927.11 billion on 2 exchanges, namely HSX and HNX), creating more demand on the market on the one hand, and on the other hand, demonstrating attractiveness in pricing and the medium- and long-term potential of large listed enterprises.

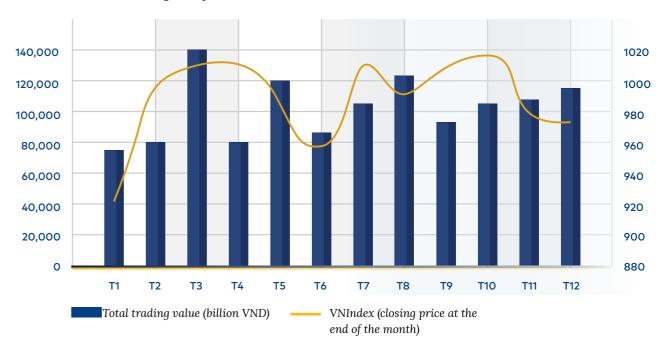
ETFs made a net cash injection into Vietnam's market in 2019. With the advantage of low investment costs, market risk and time-saving stock selection and portfolio management, the investment in ETFs is becoming increasingly attractive to investors. In addition, low-priced capital flows from Korea, Singapore, Thailand, etc. into Vietnam's stock market through M&A deals were the main channels of capital inflow for the securities market last year..

Growth rates of securities markets in the region



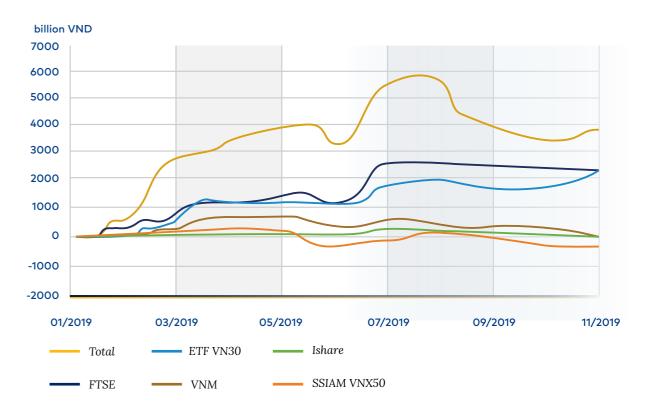
VnIndex and Vietnam stock market capitalization continue to show a strong uptrend in comparison to other stock markets in the region.

Indices and market liquidity



The average trading value per session of 03 exchanges reaches over VND4,666 billion/session, down 28.8% compared to 2018.

Foreign capital flows through some ETFs into Vietnam's market in 2019



A large proportion of foreign net injection in Vietnam's stock market came from ETFs.

Challenges in 2019

The world financial and securities market experienced significant fluctuation in 2019. The escalation of the US-China trade war and the growth slowdown in most major economies, especially China, boosted investors' demand for safe financial assets such as the US government bonds, highly stable currencies such as US dollar, Japanese yen, etc. and withdrawal from particularly risky financial assets like stocks.

The stock market was subject to intense competition from the rapid development of the domestic corporate bond market. In recent years, in terms of scale, diversity and accessibility to small investors encouraged tough competition for the stock market. The total number of bonds issued in 2019 reached VND280,141 billion, up 25% compared to that in 2018, raising the scale of corporate bond market to 11.3% of GDP. In the meantime, in the stock market, the average transaction value of all three exchanges in 2019 only reached VND4,661 billion/session, down 28.8% compared with 2018.

Vietnam's securities market has not yet been reclassified as an emerging-market. Despite high expectations for the reclassification to attract investment funds to Vietnamese market, Vietnamese market failed to satisfy every condition for the reclassification in 2019. The delay in fulfilling the criteria of MSCI and FTSE made the market incapable of attracting large capital inflow in 2019.



Changes in legal framework

Opportunities & Challenges

In 2019, the system of legal framework and policies in the field of securities and securities market continued to be completed, creating a comprehensive legal corridor, reforming the market to operate in accordance with the international trends and practices, providing both business opportunities and challenges for securities companies in general, and BVSC in particular in 2019 and the following years.

The first challenge was when Circular No. 128/2018/TT-BTC officially came into effect in February 2019, accordingly, regulations on brokerage fees for purchasing and selling stocks, fund certificates, and covered warrants were eliminated. Circular No. 128 created a new competition among securities companies with direct influences on brokerage revenue, however, was an opportunity for securities companies to improve service quality to entice and retain clients, rather than competing over price.

Securities Law 2019 officially adopted by the National Assembly and will come into force on the 1st of January, 2021. The new law was introduced with many notable changes in securities market organization, securities offerings, state management over securities and securities market, etc. This new law is expected to overcome limitations and shortcomings after more than 10 years of implementation and enforcement of Securities Law 2006. Besides, Decision No. 242/QD-TTg of the Prime Minister approving the scheme for "Restructuring securities and insurance markets by 2020 and vision 2025"; Circular No. 13/2019/TT-BTC making amendments to Circular No. 180/2015/TT-BTC providing guidance on registration, change, cancellation of securities trading on the trading system for unlisted securities of equitized State enterprises; Circular No. 21/2019/TT-BTC guiding initial public offering and transfer of state capital in form of book building, building a detailed legal framework for initial public offering and the transfer of state capital in form of book building; Circular No. 30/2019/TT-BTC providing guidance on registration, depositing, listing, trading and settlement of Government debt instruments (including Government bonds, Treasury bills, State-building bonds), government-guaranteed bonds issued by banks for social policies and municipal bonds, etc. The introduction of these documents exerted a direct impact on the business activities of securities companies in the market, gave companies the chance to seek new business opportunities, and was also a challenge in policy adjustment and business process, product package design, as well as employee training to accommodate changes in the legal framework.

Report of the Board of Directors

Evaluation of the Board of Directors on the performance of the Company in 2019

Regarding the implementation of tasks under 2019 AGM Resolution

Regarding the implementation of business tasks

For details of the business accomplishments in 2019, please refer to Part Report of the Board of Management - chapter III, from

page 93 to 100 of this report.

rate of 7.02%, the second consecutive year Vietnam's economic growth
reached over 7% since 2011 while Vietnam's securities market gained
despite 28.08% plunge in liquidity (compared to that in 2018). The
market was not lively and failed to create diverse opportunities for
investors to make profits. In addition, there was a fierce competition
among securities companies in the market, particularly the competition
over brokerage fees as the regulations on brokerage fees were officially
abolished in February 2019 when Circular No. 128/2018/TT-BTC of the
Ministry of Finance came into force. Well aware of these difficulties, the
Board of Directors ("BOD") directed the Executive Board to proactively
and flexibly monitor the developments of the market to make timely
decisions, produce right solutions, and seize market opportunities
with the goal of accomplishing the business tasks assigned by the
2019 Annual General Meeting of Shareholders ("AGM"). Details of the
business accomplishments in 2019 are as below:

2019 Realized 2019 Realized

In 2019, Vietnam's economy continued to achieve a high GDP growth

No.	Targets	Plan	Realized	vs. 2019 Plan	vs. 2018	
1	Total revenue and other earnings	510	564.05	110.60%	102.97%	
	Realized revenue and other earnings	440	500.21	113.68%	107.76%	
2	Total cost	365	412.89	113.12%	97.08%	
	Realized cost	294	356.92	121.40%	114.73%	
3	Profit before tax	145	151.16	104.25%	123.42%	
	Realized profit	146	143.29	98.14%	93.60%	
4	Profit after tax	128	135.51	105.87%	130.89%	
	Realized profit	126	127.93	101.53%	97.17%	

2019

2019

Unit: VND billion Source: Audited Financial Statement 2019

Regarding the implementation of other tasks

Implementing 2019 AGM Resolution, the BOD directed the Executive Board to:

- Handle 2018 profit distribution according to the Resolution including payment of dividends to shareholders with a rate of 10% on par value, setting up reserve funds, bonus and welfare funds for employees, etc.
- · Circulate and perform executive management corresponding to the 10th amended corporate charter and internal regulation of corporate governance adopted by the AGM and implement other contents approved by the AGM.
- Direct the Company to celebrate 20-year anniversary in a spirit of thriftiness and efficiency within the budget allowance as stipulated by 2019 AGM, through various activities, promoting the Company's image to the public and provoking pride, solidarity, and creativity among employees.

In 2019, a year full of challenges and difficulties, when the total revenue of securities companies in the market saw a decrease of more than 20% compared to 2018, most securities companies failed to complete the business plan assigned by the AGM. However, BVSC managed to exceed the business targets set by the 2019 AGM, with 3.74% market share in brokerage on all three exchanges, equivalent to 123.03% of 2018. With such business results, the BOD assessed that Executive Board well implemented the business tasks in 2019.

Increasing the Company's competence and competitiveness by directing it to focus on the following activities:

In order to promote the Company's competence and competitiveness in the market, the BOD directed the Company to implement the following activities:

- Perfecting the management and administration: The BOD directed the Company to review and revise the corporate charter and draft the Internal regulations of corporate governance ensuring compliance with Decree No. 71/2017/ND-CP, and model charter of public companies issued under Circular No. 95/2017/TT-BTC submitted to the AGM for approval; the BOD reviewed and approved the plan on equipping fixed assets and capital construction investment in 2019, the salary plan for 2019, the 2019 plan of proprietary trading investment to orientate BVSC's activities to complete the 2019 business plan assigned by the AGM; to promulgate regulations on remuneration, operating costs, bonuses for members of the BOD, Supervisors, Members of the Board of Management, Secretary, the Person in charge of corporate governance of the Company. In addition, on the basis of regulations on corporate governance model in Decree No. 71/2017/ND-CP and the set of corporate governance rules in accordance with the best practice for public corporations in Vietnam, the BOD directed the Company to set up the Project to strengthen the company's organizational structure to ensure the effectiveness of the BOD's operation, better the executive management, and make the corporate system streamlined, dynamic, professional, and effective.
- Strengthening risk prevention: The BOD reviewed and approved Risk Policies and Risk Limits in 2019 as proposed by the Company. Besides, the BOD suggested the Company being proactive in risk prevention during the operation, guaranteeing information security of BVSC's trading system, enhancing management and collection of bad debts. To provide timely guidance, the BOD assigned a member of the Board to undertake the risk management and directly participate in regular meetings of the Risk Management Board.
- Investing in IT infrastructure: Facing these challenges and opportunities from digital transformation occurring widely in all fields and businesses, especially businesses in the financial sector, changing the corporate governance methods, as well as the approach to client service, etc., the BOD directed the Company to invest in IT infrastructure improvement making it progressively advanced and modern, accelerate the implementation of key IT projects to enhance the quality of the executive management, as well as promoting business operations and meeting the competitive requirements of the 4th Industrial Revolution. In 2019, the Company ran various new software programs, especially the new product system IBond, Expense management software increasing utilities for clients; E-learning software, etc.
- Issuing additional bonds to supplement capital to business activities: On the 12th of November, 2019, the BOD approved the Company's proposal to issue VND300 billion of bonds to enhance the financial capacity of the Company and supplement capital for strategic orientation towards brokerage development in accordance with the development strategy for the period of 2016-2020 approved by the AGM. On the 20th of December, 2019, the Company succeeded in issuing VND100 billion of bonds in Phase 1.
- Developing new products to diversify clients' needs: In the context of intense competition among securities
 companies and grasping the business opportunities following the general trend in the market, the BOD
 directed the Company to accelerate the development of new products and services for clients. Since August
 2019, the Company officially launched the new products, iBondVar and IbondFix, opening new investment
 channels for clients to effectively diversify their investment portfolio.

88/89

Evaluation of the Board of Directors on the operation of the Executive Board

In 2019, the BOD monitored the operation of the Executive Board regarding the implementation of the Resolutions of the AGM and the BOD based on the following activities:

Through the periodic reporting mechanism:

During the process of operating the Company, the Executive Board complied with the mechanism of monthly, quarterly, semi-annual, and annual reporting on business activities, the financial status of the Company to the BOD and the Supervisory Board. In addition, the BOD indirectly exercised supervision by directing the Company to revise regulations and processes in order to strengthen the organization to ensure compliance with the law, transparency, and risk management during operation;

Through directions, resolutions, decisions of the BOD at meetings and written comment collections in 2019

(For details of the resolutions of the BOD in 2019, please refer to the Management Report 2019 of listed company issued by the Company on January 30, 2020);

Through the role of Internal Control

Through the role, functions, and responsibilities of internal control, the BOD comprehended and assessed the effectiveness of the internal controls system under the Executive Board, monitored the compliance with the law, policies and internal processes in the process of implementing business activities at the Company;

Through the supervision of the Independent member of the BOD:

The BOD assigned an Independent member of the Board to take charge of risk management and asset-liability management of the Company (ALCO Committee) and attend periodic meetings of the Risk Management Board and ALCO committee to report to the BOD for timely guidance;

Through the inspection and supervision of the Supervisory Board:

The BOD actively coordinated with the Supervisory Board under the operational supervision of the Supervisory Board to maintain safety and complete the governance and operation mechanism of BVSC;

Through the aforementioned mechanism of inspection and supervision, the BOD highly appreciates the Executive Board in 2019 for:

- Always proactively following the market developments to propose right business solutions and grasp market opportunities to achieve results exceeding the targets set by the AGM;
- Creating a business environment aiming at sustainable development, improving corporate governance, as well as risk management;
- Shaping a dynamic and effective working environment, promoting the spirit of solidarity and innovation, cultivating dedicated, professional, and creative work attitudes among the employees of the Company;
- Exercising rights and tasks assigned with care, honesty, efficiency, and disclosing related interests in accordance with the current law, Corporate Charter, and the Resolutions of the AGM and the BOD.

Regarding remuneration & benefits of the BOD

In 2019, the BOD received remuneration and other benefits in compliance with the provisions of Article 6 of Resolution No. 01/2019/NQ-ĐHĐCĐ approved by the AGM on the 20th of June, 2019.

For details of the payment of remuneration and other benefits of the BOD, please refer to section 7, chapter II, pages 72 to 73 of this report.

Evaluation of the Independent member of the BOD on the operation of the Board

In 2019, the Independent member of the BOD, Mr. Nguyen Quang Hung, presented a Report commenting and evaluating the operation of the BOD in 2019.

For details of the Report, please refer to chapter II, pages 52 of this report.

Meetings, resolutions, and decisions of the BOD

For details of the BOD meetings, resolutions, and decisions, please refer to chapter II, pages 49 to 51 of this report.

The operations of the Internal Audit

The operation of the Internal Audit in 2019:

For details of the operations of the Internal Audit, please refer to chapter II, pages 59 to 61 of this report.

Realizing social and environmental protection goals

In addition to economic goals, BVSC understands that environmental protection and social responsibility are the foundation for BVSC's long-term and sustainable success. Therefore in 2019, BVSC has been very active in implementation: volunteer activities, community support and social security; technology application to minimize environmental impacts; compliance with regulations on environmental protection and energy saving.

For details on the implementation of social and environmental objectives, please refer to Chapter 5: Sustainable development, from pages 146 to 187 of this report

The operational plan of the BOD in 2020

Based on the prediction on the economic conditions and the securities market in 2020 (please refer to chapter IV, pages 132 to 135 of this report), the BOD has agreed on the operational orientation and key tasks in 2020 as follows:

Focus on orientating and directing the Company to design the 2020 business plan to submit to the AGM for approval with the following expected targets:

Total revenue: VND533 billion, in which: Realizable revenue: VND489 billion, equivalent to 98% compared to 2019 realized revenue;

Profit after tax: VND138 billion, in which: Realizable profit after tax: VND136 billion, equivalent to 106.39% compared to 2019 realized profit after tax.

This plan is associated with the predictions on macroeconomic growth and the developments of the securities market as presented in chapter III of this report and can be adjusted to fit the actual situation of the economic growth and the securities market under the impact of COVID-19 pandemic.

2020 business orientation is to continue performing all business functions, promoting brokerage, consulting, proprietary trading, and investment activities, refine the advanced and modern IT system, improve the risk management, and prepare necessary conditions to effectively develop derivative products when the Company meets the conditions of Charter Capital.

Continue increasing the Company's competence and competitiveness through orientation and direction of the following activities:

- On the basis of the developments of the domestic and international securities markets, the fierce
 competition among securities companies in the market and the impact of COVID-19 pandemic on business
 operations of the Company, the BOD directed the Company to continue following and actively propose
 solutions to
- (i) produce and promptly adopt solutions to minimize influences on the business operations of the Company; (ii) offer solutions to help clients and partners directly affected by COVID-19 pandemic; (iii) research and create products, services to satisfy clients' taste in order to promote business activities and achieve targets approved by the AGM.
- The BOD directed the Company to consolidate the Company's organizational structure to
 - (i) boost the effectiveness of the BOD's operation, ensure compliance with the regulations on corporate governance, the set of corporate governance rules in accordance with the best practice for public corporations in Vietnam, thereby increasing the credibility and brand identity of BVSC as a listed company; (ii) ensure consistency of strategic orientation, policies, implementation process, and personnel throughout the Company;
 - (iii) make the corporate system streamlined, dynamic, professional, and effective;
- The BOD directed the Company to review and evaluate the implementation of the development strategy for the 2016-2020 period, research and develop the Strategy for the 2021-2025 period to submit to the 2021 AGM for approval;
- The BOD directed the Company to improve IT system by upgrading and modernizing the system, accelerate the progress of ongoing major IT projects to progressively carry out digital transformation to better meet the business needs and govern the Company in the era of dramatic and profound digital transformation in businesses;
- The BOD directed the Company to expedite the implementation of projects run by Bao Viet Holdings in synergy with subsidiaries so as to foster business growth and boost the effectiveness of the operation.



Report of the Board of Managemnts

Business performance in 2019

Market context -**Opportunities &** Challenges in 2019: In 2019, the domestic political and macroeconomic environment maintained its stability, making Vietnam one of the few markets attracting net capital inflows from foreign investors. However, while the world economy had been through a lot of volatility, the securities market was also adversely affected by external factors, such as the US-China trade war or changes in FED's policies, concerns about slowing global growth, etc. Accordingly, investors tended to look for safehaven assets such as government bonds and highly stable currencies, the US dollar and Japanese yen for example, and withdraw from risky financial assets such as stocks, which led to a decline in cash flow into the securities market.

According to Circular No. 128/2018/TT-BTC regulating prices of securitiesrelated services rendered by securities trading organizations effective from the 15th of February, 2019, the regulation on the minimum brokerage fee was removed, resulting in higher competition among securities companies. This new regulation, along with a sharp drop in market liquidity compared to last year and forecasts, directly affected brokerage revenue of most companies.

In addition to competition on brokerage fees, securities companies have adjusted its interest rate for margin & advance services, offered flexible financial products to attract clients. The competition got more intense when foreign securities companies from Korea and China, with their advantage of cheap capital supported by their parent companies abroad, launched product packages with highly competitive interest rates over domestic companies to attract clients and increase market share.

The macroeconomic situation and the securities market, together with challenges posed in 2019 as analyzed in Part 1 - chapter III of this Report, brought both business opportunities for securities companies and more challenging requirements in improving the competitive advantage in service provision and risk governance to achieve growth targets.

Advantages and disadvantages for BVSC

BVSC has the advantages of being a prestigious securities company with a longstanding history, stable operation with deep market knowledge, being honored with prestigious awards in consultancy and brokerage over the years and experienced staff with professional ethics. In addition, the huge investment in information technology and an effective risk management system for many years are favorable factors for the Company's activities in 2019.

However, the biggest challenge for BVSC is limited capital resources. On the other hand, the plan to increase charter capital has not been carried out due to some internal and external factors. This makes BVSC unable to deploy derivative securities, which reduced its competitive advantage and affected BVSC's market share in brokerage.

Overall assessment of BVSC's business performance in 2019

Considering the aforementioned context, under the direction of the Board of Directors, the Board of Management has proactively seized market opportunities and attempted to synchronously implement business solutions with results as follows:

2010 Paulinal 2010 Paulinal

No.	Targets	2019 2019 Realized Plan		2019 Realized vs. 2019 Plan	2019 Realized vs. 2018	
1	Total revenue and other incomes	564.05	510	110.60%	102.97%	
	Realized revenue and other incomes	500.21	440	113.68%	107.76%	
2	Total cost	412.89	365	113.12%	97.08%	
	Realized cost	356.92	294	121.40%	114.73%	
3	Profit before tax	151.16	145	104.25%	123.42%	
	Realized profit	143.29	146	98.14%	93.60%	
4	Profit after tax	135.51	128	105.87%	130.89%	
	Realized profit	127.93	126	101.53%	97.17%	

Unit: VND billion Source: Audited Financial statements 2019

In 2019, the securities market increased slightly, but the liquidity sharply decreased compared to the same period last year and forecast, the sideways movement was the main trend with few vibrant changes, making it difficult for billion, of which, realized profit before tax was VND143.29 investors to make profits from the market.

With its great effort and determination, BVSC has well fulfilled its business plan. Total revenue reached VND563.66 billion, equivalent to 110.5% of the target and increase by 2.94% compared to the same period last year. 3 core

activities including brokerage, proprietary trading, and account receivables made up nearly 90% of the Company's total revenue. Profit before tax of the year was VND151.16 billion, equivalent to 98.14% of the target and 93.60% of the same period last year. Profit after tax of the Company reached VND135.51 billion, of which, realized profit after tax reached VND127.93 billion, equivalent to 101.53% of the target and 97.17% of the same period last year.

Assessment of the implementation over the target

				Comparison %			
Indicators	Realized amount last year	Realized in 2019	2019 Target	Accumu- lated realized vs. target	Realized vs. last year		
I. Total revenue:	547,579	563,655	510,000	110.52%	102.94%		
1. Operating revenue	522,954	541,264	487,900	110.94%	103.50%		
1.1. Revenue from security brokerage	171,590	135,859	153,000	88.80%	79.18%		
1.2. Interest from loans and accounts receivables	168,791	193,702	171,000	113.28%	114.76%		
1.3. Interest from financial assets	167,046	192,826	147,900	130.38%	115.43%		
Of which: Realized interest from financial assets	83,449	128,988	77,900	165.58%	154.57%		
Unrealized interest from financial assets	83,597	63,838	70,000	91.20%	76.36%		
1.4. Revenue from underwriting and issuance agent services	280	63	100	62.60%	22.37%		
1.5. Revenue from security deposit	6,518	5,846	5,500	106.30%	89.69%		
1.6. Revenue from financial consultancy	7,330	11,023	9,500	116.03%	150.39%		
1.7. Revenue from other activities	1,399	1,945	900	216.14%	139.01%		
2. Revenue from financial activities	24,625	22,391	22,100	101.32%	90.93%		

Unit: VND million

Comparison %

Indicators	Realized amount last year	Realized in 2019	2019 Target	Accumu- lated realized vs. target	Realized vo last year
II. Total costs	(424.840)	(412.363)	(365.000)	112,98%	97,06%
1. Operating costs	(322.133)	(284.703)	(236.460)	120,40%	88,389
Of which:					
realized costs	(207.927)	(228.736)	(165.460)	138,24%	110,019
unrealized costs	(114.207)	(55.967)	(71.000)	78,83%	49,009
2. Financial costs	(27.618)	(39.505)	(47.140)	83,80%	143,049
3. Management costs	(75.089)	(88.156)	(81.400)	108,30%	117,409
III. Operating profit	122.740	151.292	145.000	104,34%	123,429
IV. Other gains/loss	(260)	(129)	-		
V. Total accounting profit before tax	122.480	151.163	145.000	104,25%	123,429
Of which: Realized accounting profit before tax	153.090	143.292	146.000	98,14%	93,609
VI. Corporate Income Tax (CIT	(18.948)	(15.653)	(17.000)	92,08%	82,619
Current corporate income tax expense	(21.438)	(15.362)	(20.000)	76,81%	71,659
2. Deferred corporate income tax expense	2.490	(291)	3.000		-11,719
VII. Total accounting profit after tax	103.532	135.510	128.000	105,87%	130,899
Of which: Realized accounting profit after tax	131.652	127.930	126.000	101,53%	97,179
VIII. Other comprehensive income after CIT	(2.308)	7.746			

Unit: VND million

Revenue

Brokerage revenue reached VND135.86 billion, accounting for 24.10% of the total realized revenue of the Company, equivalent to 88.80% of the target and only 79.18% of the same period last year. Brokerage revenue failed to meet the target due to market movements during the year when market liquidity was lower than forecast and 2018. Besides, Circular No. 128 removing the minimum brokerage fee also affected brokerage fee revenue. Meanwhile, the capital resource of BVSC is only at an average level, however the plan to increase charter capital was not implemented as expected. The Company was unable to provide derivative securities services, thus affecting the Company's competitiveness.

Profit from loans and account receivables was VND193.70 billion, equivalent to 113.28% of the target and 14.76% higher than the same period last year, accounting for 34.37% of the total revenue. Despite the limited capital, thanks to the proper capital management, the Company actively reallocated its own equity by reducing the investment rate in term deposits, the proportion of long-term stocks, and recovered maturing bond and increasing margin trading and money advance. In addition, the Company also had short-term bank loans with reasonable interest rates to meet the needs of short-term capital. At the end of 2019, the Company issued more 1,000,000 bonds with 2-year term, equivalent to VND100 billion, to supplement the Company's business fund, including margin trading and money advance.

Revenue from financial assets including proprietary trading and term deposit reached VND192.83 billion, equivalent to 130.08% of the target and 15.43% higher than the same period last year, accounting for 34.21% of the total revenue. In which realized revenue from financial assets achieved VND128.99 billion, equivalent to 165.58% of the target and increased by 54.57% over the same period last year. For securities investment, BVSC's operation method is to establish investment proportion of Flexible portfolio in line with market movements on the prudent basis.

Regarding term deposits, despite limited resources, BVSC always proactively invests in joint stock commercial banks with high safety ratios and competitive interest rates.

Revenue from financial advisory activities in 2019 reached VND11.02 billion, equivalent to 116.03% of the target and 50.39% higher than 2018. This is a successful year of BVSC's consulting activities in BVSC. The company understands market demand and trends and makes use of its advantages to successfully implement many capital raising contracts through issuing stocks and bonds. Additionally, the Company still promotes other strong advisory segments such as equitization consultancy, auction consultancy, corporate restructuring consultancy, etc. Remarkable deals in 2019 included deals with F88 Business JSC, Bao Viet Holdings, and Vinacomin Power Corporation, etc.

Revenue from security deposit reached VND5.85 billion, equivalent to 106.30% of the target and 89.69% of the same period last year. The decline in security deposit revenue was partly due to the decrease in trading value of the market during the year, leading to decline in the number of securities held and deposited at the Company.

Financial income reached VND22,391 billion, 101.32% of the plan and 90.93% of the same period last year. This income mainly came from unfixed deposit interest and a small part from realized exchange rate difference. However, this difference was insignificant, so it did not affect the Company's business results in the period.

Costs

The total revenue of the year increased by 2.94% but the total costs decreased by 2.94% compared to the same period last year. The Company has effectively managed costs to contribute to achieving business goals. The total costs in the period reached VND412.36 billion, equivalent to 112.98% of the target and 97.06% of the same period last year, to be specific:

Operating costs reached VND284.70 billion, equivalent to 120.40% of the target and decreased by 11.62% compared to the same period last year.

- The decrease of operating costs mainly comes from unrealized costs in the period of 55.97 billion, equivalent to 78.83% of the target and 51% lower than the same period last year. These are reevaluation of the difference between the increase in financial assets and cost of goods sold. Although this indicator has not been realized, hence, has no direct impact on the realized profit in the period, it also shows that the company has the proper proprietary trading strategy and its financial assets held at the end of the re-evaluation period has better business performance than the previous period.
- Realized business costs in the period reached VND228.74 billion, equivalent to 138.24% of the
 target, 10.01% higher than the same period last year mainly due to the increase in consulting
 activities costs, which is in line with the growth of consulting activities in 2019. Brokerage costs
 decreased compared to the target and the same period last year, in line with the decline in
 brokerage revenue.

Financial expenses in this period reached VND39.51 billion, 83.80% of the plan and 43.04% higher than the same period last year. Since the Company allocated loans for margin lending, interest expense increased accordingly. This increase, however, was lower than the plan and did not adversely influence the business results in the period.

Realized management cost is VND88.16 billion, equivalent to 108.30% of the target and 17.40% higher than the same period last year. Management costs are mostly employee salaries; costs to promote and support the Company's main business activities. Costs for outsourcing services slightly rose as the Company conducted activities for the programs to celebrate 20 years of the Company establishment, however, these costs were still effectively controlled and closely followed the plan.



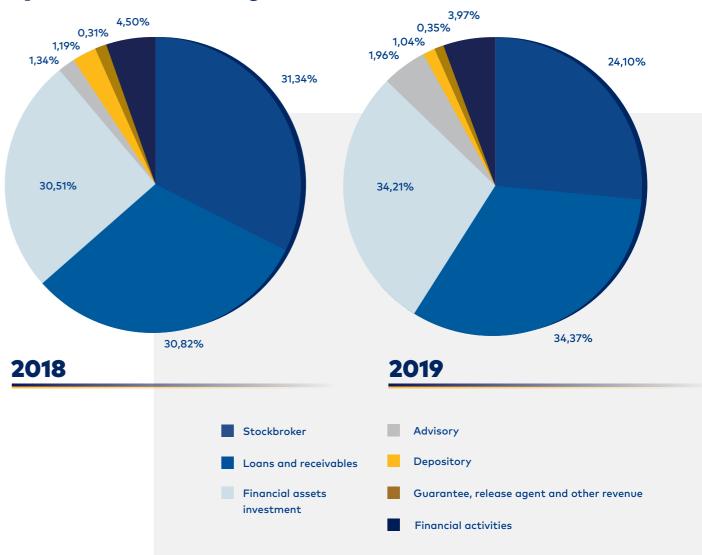
Revenue structure analysis:

Revenue	Realized in 2018	Rate	Realized in 2019	Rate	% change
1. Operating revenue	522.954	95,50%	541.264	96,03%	3,50%
1.1. Revenue from security brokerage	171.590	31,34%	135.859	24,10%	-20,82%
1.2. Interest from loans and accounts receivables	168.791	30,82%	193.702	34,37%	14,76%
1.3. Interest from financial assets	167.046	30,51%	192.826	34,21%	15,43%
Of which:					
realized interest	83.449	15,24%	128.988	22,88%	54,57%
unrealized interest	83.597	15,27%	63.838	11,33%	-23,64%
1.4. Revenue from underwriting and issuance agency services	280	0,05%	63	0,01%	-77,63%
1.5. Revenue from security deposit	6.518	1,19%	5.846	1,04%	-10,31%
1.6. Revenue from financial consultancy	7.330	1,34%	11.023	1,96%	50,39%
1.7. Revenue from other activities	1.399	0,26%	1.945	0,35%	39,01%
2. Revenue from financial activities	24,625	4.50%	22,391	3.97%	-9.07%
Total revenue (1) + (2)	547,579	100%	563,655	100%	2.94%

Unit: VND million

The Company's revenue comes from main activities such as brokerage, loans and account receivables, investment in financial assets (proprietary trading), depository, consultancies and other revenue. In which, loans and account receivables, financial assets and brokerage account for a large proportion in the revenue.

Changes in business revenue structure in 2018 and 2019 presented in the following chart:





Indicators	Rate		Realized in 2019	Rate		
1. Operating costs	(322.133)	75,82%	(284.703)	69,04%	-11,62%	
Of which: realized costs	(207.927)	48,94%	(228.736)	55,47%	10,01%	
unrealized costs	(114.207)	26,88%	(55.967)	13,57%	-51,00%	
2. Financial costs	(27.618)	6,50%	(39.505)	9,58%	43,04%	
3. Management costs	(75.089)	17,67%	(88.156)	21,38%	17,40%	
Total costs	(424.840)	100%	(412.363)	100%	-2,94%	

Unit: VND million

The Company's costs include operating costs, financial costs and management costs, with major proportion in operating costs, accounting for 69.04% of the total costs. This category includes direct costs for main business activities such as: Transaction fees to stock exchanges, security deposit fees, proprietary trading costs, etc. and operating costs for the business sector such as rental costs, depreciation of fixed assets, outsourcing services, etc. Of which realized operating costs during the period reached VND228.74 billion, accounting for 55.47% of the total costs and 10.01% higher than the same period last year. Unrealized operating costs was the decrease in re-evaluation of financial assets (proprietary trading). This cost was VND55.97 billion accounting for 13.57% of the total costs, declining by 51.0% over the same period last year.

- Financial costs are mainly interest costs from loans for short-term capital for margin trading, advance and other business activities. Financial cost reached VND39.51 billion in 2019 accounting for 9.58% of the total costs and 43.04% higher than the same period last year.
- Management costs reached VND88.16 billion, only 21.38% of the total costs, and 17.40% higher than the same period last year.

Thanks to proper cost structure where cost for business activities accounting for a large proportion such as brokerage, client services and proprietary trading, and well-controlled management costs BVSC managed to achieve higher to the profit than the target.

100/101

Assessments of business activities in 2019

Brokerage

With the aforementioned of market movements, Circular No. 128 with direct impacts on brokerage activities and competition among securities companies and disadvantages from capital barriers, brokerage performance in 2019 was as follows:

Transaction values in 2019

	20	018	20	019	Comparison to 2018		
Value	Market	Company	Market	Company	Market	Company	
HSX	1.346,02	81,11	989,09	75,17	73,48%	92,68%	
HNX	196,86	12,61	102,36	5,61	52,00%	44,46%	
UpCOM	93,49	5,84	73,47	6,49	78,58%	111,17%	
Total	1.636,37	99,56	1.164,92	87,27	71,19%	87,66%	

Unit: VND1,000 billion Source: HNX, HSX, BVSC

Brokerage performance in 2019

Indicator	2018	Target 2019	2019	% 2019 realized vs. 2018	% 2019 realized vs. target
Revenue (billion VND)	171,59	153	135,86	79,18%	88,80%
Market share (%)	3,04%	3,67%	3,74%	123,03%	101,91%
Number of accounts	65.135	67.530	66.649	102,32%	98,70%

Note: Market share is of BVSC's calculation at 3 stock exchanges

The above figures show that, although brokerage activities were directly affected by falling market liquidity, the company's efforts to increase market share in the past year through interest rates, competitive fees, new product launch of IBond Var & Ibond Fix, etc. brought the revenue of VND135.8 billion, reaching 89% of the target and approximately 80% of the same period even though the market liquidity in 2019 is only about 71% of 2018.

Source: HNX, HSX	Quarter I		Quarter II			Quarter III				Quarter IV						
,	Во	nds Stocks Bonds Stocks		Bonds		Stocks		Bonds		Stocks						
Market share	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX
Rank	4	4	6		4	4	6		4	5	7		6	3		
Share (%)	1.79%	Group with over 10% share	3.67%	2.37%	2.75%	Group with over 10% share	3.89%	2.93%	2.22%	Group with 5%-10% share	4.48%	2.70%	0.62%	Group with over 10% share	2.91%	2.78%

Market share of stocks & fund certificates

- Market share of stocks & fund certificates at all three stock exchanges reached 3.74%, equivalent to 123.03% of the same period last year.
- Bond brokerage market share on HSX reached 1.75% ranked the 5th in TOP 10, ranked the 3rd in TOP 10 and is in the group of Securities Company with over 10% brokerage market share.



These results proved BVSC's effective efforts through the synchronous deployment of solutions, namely:

- IT solutions for brokerage services: Completing the optimization of database system, launching new product system iBond, completing the integration of collection and payment software with Vietinbank, etc.
- Interest rate and transaction fees were attractive, competitive and regularly adjusted to suit
 the market. Despite limited resources, BVSC has made efforts in managing stable capital
 for margin trading and advances thanks to its effective financial governance with flexible
 solutions in order to satisfy clients' demands. In addition, BVSC has set up criteria of client
 classification and assessment in order to design the most appropriate and optimal financial
 service packages for clients.

- Human resource solutions: Building flexible, diversified and competitive brokerage policies is important for personnel recruitment of the Company. Recruitment rate in 2019 increased by 17.2% over the same period. During the past year, the Company continued to enhance training on technical analysis, conduct professional check and internal training to improve workforce quality. Internal emulation programs aimed at labor groups of different levels are promoted, which is the motivation for increasing productivity.
- Enhancing client services with updated high-quality products, particularly, the Company launched a promotion during the 20th anniversary of foundation called "Golden Birthday, Handful gifts" which is considered as a highlight to increase cohesion with clients.
- Institutional brokerage activities were promoted in the year with positive results: BVSC promoted and developed relationships with institutional clients through traditional sales channels and new channels added on the basis of international cooperation with major financial institutions in the world such as FengHe Fund Management, Gam Investment, Phatra Asset Management, FIM Partners, Baillie & Gifford, etc. BVSC's brokerage market shares in 2019 slightly increased by 1.37% over the same period last year.

BVSC promotes the business relationships with institutional clients through traditional sales channels and extends new sales channels based on international cooperation with major financial institutions around the world.

Proprietary trading

In 2019, BVSC continued to not expand proprietary trading to allocate capital on other business service. This is a suitable strategy in such unfavorable market developments, the capital demand for other business services was high while the company had not yet been able to raise the capital.

The capital proportion for BVSC's proprietary trading of securities and fund certificates remained at 30% of equity. The company promoted ETF certificate transactions with the total value in 2019 of nearly VND500 billion.

For bond investment, apart from trading transactions, BVSC have taken advantage of the consultant in bond issuance to find safe bond deals with good interest rates for the Company.

Depository

Requiring standardization and prudence, depository service is conducted in compliance with the regulations of Vietnam Securities Depository and the professionalism of BVSC. In 2019, BVSC was honored by Vietnam Securities Depository with the Outstanding Member award in payment of securities transactions for two consecutive years (2018 - 2019). Revenue from depository services reached VND5.85 billion, equivalent to 106.3% of the target.

During the year, the Company provided depository services for newly listed and listed companies on HSX, HNX, UPCOM with over 251 million shares. The company also finalized 3,200 depository lists of stocks and bonds to pay dividends, issue shares, collect opinions of shareholders and general meetings of shareholders, etc.

BVSC has closely cooperated with banks to fulfill clients' requests for money deposit and withdrawal, completing 759 deposit and 4,244 withdrawal transactions with a total of VND2.19 billion.

The company also finalized

3.200

depository lists of stocks

Received securities deposit

251

million shares



Outstanding members in basic securities transaction payment operation 2018 - 2019



Chapter III • 2019 Performance report • Report of the Board of Managements

Consultancy and underwriting service

While only making up a small proportion in the revenue structure, consulting is one of the core activities that contributed to BVSC's position in the market (please refer to the Prize Section in Chapter I of this report). BVSC constantly expands client network, promotes activities which are the company's strengths, such as consultancy in equitization, consolidation, merger, corporate restructuring, etc. In 2019, the Company signed 76 new contracts and completed consultancy for 60 contracts, which brought a revenue of over VND11 billion, equivalent to 116% of the target and 50% higher than the same period last year.

It can be said that 2019 is a successful year of BVSC not only in terms of revenue. BVSC completed a consulting deal for Samsung SDS Asia to buy 25 million shares private placement at CMC Technology Corporation. BVSC successfully advised Sumitomo Life to invest VND4,012 billion for more than 41 million shares of Bao Viet Holdings at a price of about 35% higher than the market price, making this deal one of a few outstanding deals in the securities market in the past year. This year, BVSC was continuously voted as "Outstanding M&A Advisory Firm in 2018-2019" at the M&A Forum 2019; "Top 10 brands in Vietnam in 2019 in Investment Banking (IB)"; "Best Securities Advisory Firm - 2019" by International Finance Magazine (IFM).

Revenue from Consultancy and Underwriting services in the last 3 years



Loans, account receivables and deposit interests

Loans and account receivables contributed a great revenue proportion to the business performance in 2019. Despite the limited capital, thanks to the proper capital management, the Company actively reallocated its equity by reducing investment in term deposits, lowering proportion of long-term stocks, and collecting matured bond while increasing margin lending and money advance. In addition, the Company also had short-term bank loans with reasonable interest rates to meet the needs of short-term capital. At the end of 2019, the Company issued more 1,000,000 bonds with 2-year term, equivalent to VND100 billion, as supplement to the Company's business fund, including for margin trading and money advance. These financial resources have offered margin trading at competitive interest rates, which will encourage clients to carry out securities trading, hence, increase brokerage share and enhance the capital efficiency of the company.

Revenue from loans, account receivables and deposit interest reached VND217.68 billion, 12.73% higher than the target.

106/107

Management and Support activities

Transaction management and product development

Transaction management and product development activities were stably maintained to ensure a smooth and secure transaction system, executing of millions of transaction orders during the past year.

To meet the actual demands of clients and the market, the research and product development activities have been continuously focused. In August 2009, the Company officially launched iBond, a new investment channel for clients to effectively diversify their investment portfolio. With the introduction of iBondVar and iBondFix, clients will have an additional investment option, as well as enjoy superior interest rates with a more flexible mechanism than traditional investment channels such as savings or certificates of deposits at the Bank.

Analytical research

With hundreds of analytical reports for different client-driven demands, including industry and company analyses, macroeconomic reports, technical and market analyses, in-session consultation, BVSC's products have been continuously improved and adhered to the investors' demand.

BVSC's analytical research activities have been following the right direction, confirming the Company's goal of continuously improving the quality of investment consultancy to serve clients better. In 2019, BVSC organized many seminars to introduce promising investment opportunities suitable to each specific portfolio of each fund to increase its effectiveness such as MB Capital, PTI, SSIAM, BVF, etc. Besides, the Company also ran macroeconomic seminars with leading speakers as a form of enhancing client service, especially for corporate ones.

BVSC's analysts are professional partners who are popular with the mass media, participating in hundreds of interviews, seminars on macro developments, market trends, etc. These activities also contribute to promote branding and enhance the image of BVSC.

Information technology

In the current context of extensive integration of the stock market, technical and information technology (IT) facilities play a key role in the development strategy of BVSC. This is a key activity with the goal of improving client service quality and optimizing the database system. In 2019, beside ensuring the maintenance of smooth operation of the transaction system, IT activities also focus on implementing the following projects:

- Launching iBond a new product system (August 2019) and continuing to implement iBond upgrade packages on BVS@trade and BVSC Mobile.
- Running online payment software project.
- · Upgrading the security system and standardizing the WAN network.
- Continuing researching and implementing a new website project to deliver the perfect utilities to clients.

Legislation and internal control

Legislation:

With the role of ensuring all activities of the Company to comply with the provisions of the law; thereby minimizing all legal risks and protecting the lawful rights and interests of the Company; in 2019, Legal Department has carried out various activities with achievements as follows:

Drafting & appraising internal documents of the Company

Legal Department is in charge of reviewing, drafting and submitting internal documents to the General Meeting of Shareholders, the Board of Directors and the CEO of the Company for approval and issuing 12 internal regulations, and processes of the Company and dozens of other internal documents related to executive management such as the 10th amendment of the Company's charter a corporate governance; Transaction process of iBond, the Registration process of online stock transaction & CTI, Process of receiving money transfer via electronic collection system, Process of updating securities transaction software system, etc.

Advising & providing legal support for the Board of Managers and functional Department

This is a regular activity during the year, Legal Department is responsible for providing legal consultation arising from the Company's business operations and client's request;

Drafting and appraising contracts and contract forms

In order to ensure maximum benefit of the Company, limit legal risks arising from contracts and agreements signed with partners and clients, Legal Department is responsible for drafting & appraising about 200 contracts and contract forms signed with clients & partners related to all aspects of the Company's activities.

Reasearching

In 2019 competent authorities built and issued many important new laws and policies affecting the development of the stock market, as well as the Company's business operations. With these changes, Legal Department was actively researching new regulations; contributing ideas and organizing seminars on collecting opinions to draft guiding documents for the amended 2019 Securities Law; participating in seminars on the implementation of new legal documents in order to fully understand the provisions of the law; from which to consult and advise the Board of Managers in was building regulations and business processes and solving arising issues related to the management, administration and business activities of the Company, as well as to develop the Department's Plan for 2020.

Internal Control:

Internal Control Department conducted inspections and assessments of compliance in all departments/ divisions of the Company in order to minimize risks arising from activities of the business and operational departments. Internal Control report provided recommendations and assessments to ensure proper compliance with the Company's processes and regulations as well as the current laws, ensuring the separation of money and assets management of the Client and the Company, the integrity and security of the Company's assets as well as reflect the level of reliability, accuracy, honesty, and the confidentiality of data and information.

In 2019, the goals of internal control continued to be expanded and strengthened compared to the previous years. Below are sessions of internal and compliance controls implemented in 2019:

108/109

Annual compliance control

Content

Main goal

1. Compliance control of the Internal Payment Regulations and Property Management Procurement Process.	 Ensure the expenses are reasonable and valid in accordance with the current laws and are accounted in accordance with the norms in the internal regulations of the Company. Ensure the Company's assets are procured reasonably, used and managed scientifically, safely and economically.
2. Compliance control of the Process of operating information technology system, Process of updating securities transaction software system and Regulations on system security.	 Ensure IT systems to operate according to the Company's procedures as well as comply with the regulations of the Stock Exchange in terms of infrastructure and technical requirements. Ensure safe storage and protection of client's transaction data in the event of an incident.
3. Compliance control of Proprietary trading regulations.	 Ensure compliance with the investment process in general as well as specific investment plans approved during the year. Ensure compliance in investment limits, risk limits, etc.
4. Compliance control of clients' securities transaction authorization activities.	 Ensure that the authorization documents are legally established at a public notary; information about authorized person, authorization term, authorized services, etc. is accurately declared on the software system. Ensure that the transactions of authorized persons comply with the provisions of law.
5. Compliance control of the brokerage assignment/transfer; declaration and payment of commission for client development brokers	 Ensure the accuracy of value, object, time arising and comply with internal policies and processes of the Company.
6. Compliance control of the depository Process regarding transactions, deposit/transfer of clients' securities.	 Ensure the accuracy of value, clients and transaction time. Ensure the accuracy and separation between clients' money and Company's money.
7. Compliance control of foreign clients' opening account at the Company's Branch	 Ensure that the documents for foreign clients' opening accounts at the Branch comply with the issued securities transaction process.
8. Compliance control of securities transaction accounts of clients having bank accounts registered for outward transfer to different receivers from the account holder.	• Ensure that the declaration of client records of securities transaction accounts registered for outward transfer other than the account holder is valid and matches the information on BVSC's management system

The results of annual compliance control in 2019 showed:

- Departments of the Company complied well with the Company's internal processes and laws. There were no significant
 violations of compliance or errors in the operational process of all the departments.
- Errors that were detected from the annual compliance controls of previous years tended to decrease and to be improved and corrected by each departments.
- The Company complied with internal processes and legal regulations in separating the management between clients'
 money and assets with the Company's. The Company's assets were well managed, which fulfilled the goal of integrity and
 safety. Business activity data and information ensure reliability, accuracy, honesty, and confidentiality.

Review of financial statements and securities transaction records In 2019, Internal Control Department coordinated with the relevant departments to review report before sending to State competent authorities. The Internal Control Department has reviewed more than 107 reports related to monthly operation reports, capital adequacy ratio reports, and cash balance reports of investors. At the same time, the Internal Control Department has received, inspected and stored more than 19,000 records and transaction orders of clients to ensure the completeness, reasonableness, and validity of the archives.

Communication and brand development

2019 is associated with an important milestone in the company's history when BVSC reached its 20th year of development along with Vietnam's stock market. Besides the annual activities, the highlight of the branding activities of 2019 is the implementation of serial events to celebrate this important milestone.

BVSC organized "Aspiration" live show at Hanoi Opera House and Gratitude Party "Thank you my love" in Ho Chi Minh City with the presence of popular singers such as Thanh Lam, Trong Tan, Uyen Linh, etc. to express gratitude to our partners, clients and the Company leaders of each development period, to celebrate the 20-years journey of foundation and, development and to raise aspiration towards a higher position in the future. In parallel, in order to express our great gratitude to clients on this occasion as well as the 55th anniversary of parent company - Bao Viet Holdings, the Company has implemented promotion programs in many different forms, thereby strengthening the close bond with our clients.

Besides, public relations activities throughout the year were all aiming to celebrate the above milestone and positioning BVSC brand as a reputable securities firm & transparent listed company. In 2019, BVSC was recognized and honored by different domestic and international management agencies and media organizations with valuable awards

such as "Outstanding member securities company on HNX and HSX 2018-2019", "Outstanding M&A Consulting Organization in Vietnam 2018-2019" at the annual M&A Forum; "Top 10 leading brands in Vietnam in 2019" in Investment Banking (IB) category; "Best Securities Advisory Firm - 2019" by International Finance Magazine – the UK, "Top 100 Sustainable Development Enterprises in 2019" - by Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with Ministry of Labor – Invalids and Social Affairs, Ministry of Natural Resources and Environment, Vietnam General Confederation of Labor awarded; "Top 10 Best Annual Reports 2019 – Medium-Cap Group" at the Vietnam Listed Company Awards 2019, etc.

Branding of the Company through internal communication is also focused, so that each BVSC employee will be a brand ambassador of BVSC. In 2019, with 20 years of establishment and development, BVSC promoted branding of the Company through a series of events called "20 years - From heart to action", with different contents and forms such as launching campaigns Change Yourself, Say No to Office Zombie, Seminar on Future Stories, Camping Contest with the theme "BVSC - Happy House", BVSC raised the spirit of innovation, professional & dedicated working attitude, teamwork and cooperation among all employees, which will help BVSC to sustainably develop in the future.



Series of events: "20 years_From heart to action"

110/111

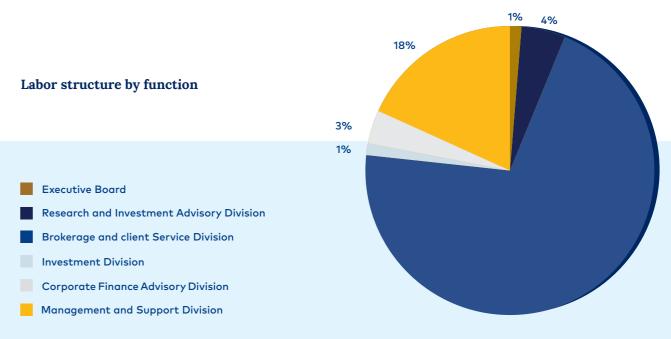
Human resource development

One of the key factors for sustainable development and creating competitive advantage of BVSC is human resources. For many years, BVSC has always set the goal of human development as a key task. BVSC's personnel policy focuses on four core values in order to raise the motivation level for employees and aim to build a sustainable competitive human resource. The four core values include Health, Knowledge, Equity and Collaboration which are integrated in a set of internal communication messages: **Strong health - Steady mind - Clear remuneration - Effective cooperation**. These four values are also the foundation throughout the policy directions on recruiting, training, remuneration and building up the Company's culture.

Recruitment:

The recruitment rate in 2019 was 17.2%, in which, recruiting new staff at Transaction offices accounted for 65%, consistent with the business orientation to promote the brokerage section. The total number of employees as of December 31, 2019 was 545 people in which, employees at the Headquarters and Branch accounted for 60% and 40%, respectively.

With the completion of recruitment module in human resource management software, BVSC has promoted online applications, which saves time and increases the initiative of candidates and shortens the selection and qualification process at the Company. BVSC also diversify the access to candidates in order to find the most suitable personnel for the vacancies. In 2019, the Company promoted the use of recruitment channel through social networks with related career groups, human resource forums, as well as connecting with associations such as CFA Association, FRM Association, etc. And large scale competitions such as Go Finance of National Economics University and Financial Student Contest 2019 of Foreign Trade University - Ho Chi Minh City Campus; BVSC also cooperated with universities to organize fieldtrip and introduce career opportunities for students of major universities such as National Economics University, Hanoi Law University, Foreign Trade University - Ho Chi Minh City Campus; Open University - Ho Chi Minh City Campus, University of Economics and Law - Ho Chi Minh City Campus. These activities contributed not only to the efficiency of the recruitment process but also to the Company's branding in the market. In 2019, BVSC was honored in the TOP 50 Vietnamese Attractive employers in the poll of the Best workplace in Vietnam organized by Alphabe under the sponsorship of VCCI.



Training:

With the goal of building a team of "Steady mind" to create a solid foundation for the sustainable development of the Company, BVSC has continued to improve the comprehensive training curriculum framework in terms of both qualification and skills. The highlight in 2019 is that BVSC officially transformed the internal training for brokers to an online training system. With this form of training, employees can actively arrange suitable training time according

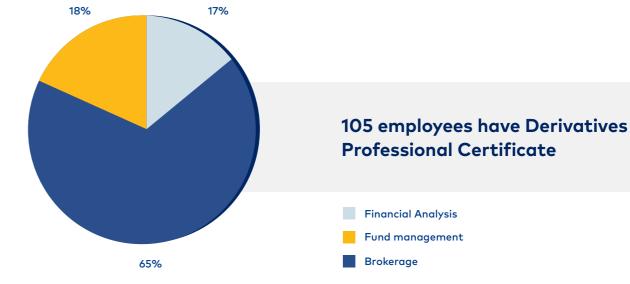
BVSC's training curriculum framework in 2019

	Subjects Content		Forms
Integration Training	All employees	 Company culture Ethics of securities practitioners Internal regulations and policies of the Company 	Online training through the e-learning system
Professional training	Employees at Brokerage division	 General knowledge about the stock market and BVSC BVSC's transaction software Transaction processes Basic analytical skill Technical analysis skill Practical transactions Risk management in securities transactions activities O7 professional certificates on securities and derivative securities certificates trained and granted by the State Securities Commission (mandatory) (*): Every year, the Company organizes a qualification test to brokers/depositors (directly supporting brokerage division in providing services to clients) to evaluate the quality of personnel as well as brokers and depositors limits, thereby developing an appropriate training plan and training content. 	 Online training through e-learning system Direct training with internal trainers of the Company Training with external trainers / Sending staff(s) to training courses On-the-job training
	Employee(s) at management & business support division	 Professional process of each department Intensive professional training according to the proposal of each department, each staff Training certificates related to the jobs of each position such as CFA, ACCA, CPA, CMT, SHRM 07 professional certificates on securities and derivative securities certificates trained and granted by the State Securities Commission (up to the requirements of each position) 	 Online training through e-learning system Training with external trainers / Sending staff to training courses For training costs for professional certificates On-the-job training
Skills training	Management & Leadership	Management & leadership skills: Leadership skills Motivation skills Coaching and mentoring skills Recruitment skills Persuasion and influence skills	Training with external trainers / Sending staff(s) to attend training courses
	Professionals & Staffs at Brokerage Division	Soft skills to improve working efficiency: Sales skills Negotiation and persuasion skills Business planning and management skills Presentation skills Problem-solving skills Time management skills Change management skills Teamwork skill	Training with external trainers / Sending staff(s) to training courses
	Specialists & Staffs at Management & Support Division	 Presentation skill Problem-solving skill Time management skill Change management skill Teamwork skill Skills in drafting documents, designing reports, etc. 	Training with external trainers / Sending staff(s) to training courses

112/113

to the programs, which are already installed on any device with an Internet connection. Training programs with online courses are tailored to each level in accordance with the employee's professional maturity. The implementation of online training has helped improve the efficiency of the training and saved a lot of time and expenses of the Company.

In 2019, BVSC has implemented 1,700 internal training hours on integration, brokerage, and risk management in business operations.



In 2019

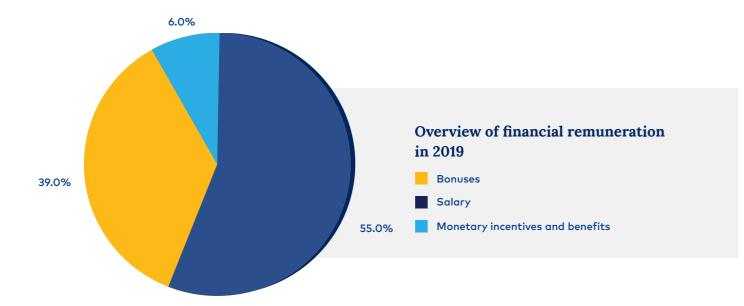
- 1 BILLION VND: Training expenses in 2019 reached, increased by 43% compared to the same period
- **334:** the total number of employees participating in training
- **4.544 hours:** total training hours, of which the total number of internal training hours is 1,700 hours.



Remuneration Equity is the core value when the Company develops remuneration policies for employees, therefore BVSC pays salaries based on job value assessment and bonuses based on the performance of each employee. Salary for employee is determined based on three key factors: capacity, problem-solving ability, and scope of responsibility; Every year, the Company conducts market salary surveys to evaluate and adjust salary policy to ensure the competitiveness. The average salary increase rate in 2019 was 21% higher than in 2018, higher than the average market salary increases of 8.9% according the Mercer - Talentnet salary survey.

> The Company pays bonuses based on the performance assessment of each employee. For brokers, the performance bonus policy is based on revenue generated. Assessment criteria, and bonus rate is clearly and transparently established and aimed at different groups of employees based on policies applicable to employees, brokerage team leaders, and managers. For employees in management and support division, the performance bonus is determined based on the result of annual performance evaluation of each individual. With effectiveness assessment based on job objectives, the payment of bonuses ensures objectivity and transparency.

The average income of employees at BVSC was 2019 is VND20.1 million VND/person/month.



Overview of financial remuneration in 2019 (Salary, bonuses and monetary incentives)

Salary

Job based salary

13th month salary

Overtime pay - up to 350%

Payment in lieu of unused annual leave

Allowance

Lunch

Uniform

Telephone

Specific work

Bonuses

Performance bonuses (management and support departments)

Sales bonuses (sales department) **Bonuses from** emulation program



In 2019, the Company continued to implement preeminent insurance policies including ly

social insurance, health insurance, unemployment insurance in accordance with the
regulations of the State, Comprehensive health insurance, Life insurance and Cancer
insurance. These insurance programs are built into specific benefit packages that clearly
apply to each position of each employee. Specifically:

ioa.	IS

Social insurance, · Ensure compliance with health insurance the State's regulations and unemployment to build a social security insurance system

- Financially support for employes in case of illness, accident, maternity, unemployment, retirement
- · Insurance regimes prescribed by the State

Benefits

- - · Total expenses of social insurance, health insurance and unemployment insurance in 2019: VND6.5 billion

premiums in accordance

with the regulations for all

employees of the Company

Implemented

in 2019

Fully pay insurance

- Risk protection and financial support for staff against risks of accident, sickness, disease or in case of maternity
- · Protected from risks within the territory of Vietnam, Asia Pacific and the global scope corresponding to each personnel
- Maximum insurance benefits payment corresponding to each personnel rank, from VND105 million/person to VND 5.2
- Number of employees having health examined and treated in 2019: 242 employees
- billion/person
- Total insurance benefits paid in 2019: VND1.6 billion

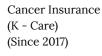
Life insurance (Since 2015)

Comprehensive

health insurance

(Since 2010)

- · Protect life and health of employees against unwanted risks during working time until retirement
- Accumulate finance to increase the income besides pension from the State's social insurance fund upon retirement
- · The employee will be entitled to the estimated value, in part or in full, of the life insurance policy upon retirement when completing the policy before retirement
- If unfortunately, there is a risk of death or permanent disability, the employee will be compensated by the insurance agency
- · The Company continued to provide life insurance for all employees in 2019

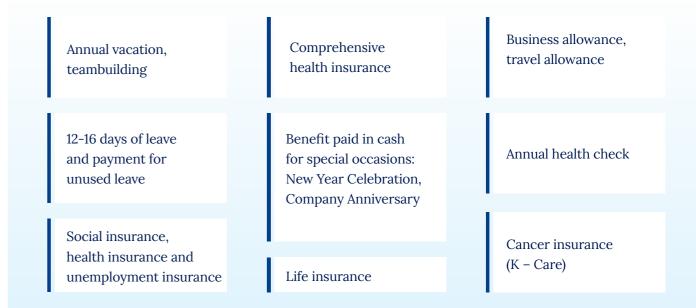


- Share risks and provide financial support against the risk of cancers which is increasing due to pressure on environmental pollution, food, etc.
- Insurance benefit payment in cash to the maximum level corresponding to each employee personnel rank upon detection of illness so that the employee has a financial support for treatment with coverage from VND 292 million/person to VND1.17 billion/person
- · The Company continued to provide cancer insurance for all employees in 2019



In addition to the preeminent insurance policy, employees are also entitled to many other welfare regimes such as annual health check, business allowances, vehicles for business trips, vacation, overtime, cash benefits paid on special occasions, etc. Current benefit packages have contributed to enhance the cohesion of employees to the Company, improving competitiveness on remuneration, and at the same time generating motivation in employees.

Welfare



Welfare for employees 2017 - 2019



Unit: VND billion

Working environment

One of the important values to raise motivation in employees is a great working environment. This value is especially important when Gen Y who account for over 50% of BVSC's current human resources and will possibly to increase in the future, tend to promote autonomy, creativity as well as the balance between work and life. Therefore, it is essential for BVSC to build a working environment aiming at promoting solidarity & support, creativity and internal cohesion.

In 2019, BVSC implemented a series of internal events to celebrate the 20th anniversary of the Company's establishment with the message "From heart to action" through many activities in different forms, thereby contributing to a professional, dynamic and highly cohesive working environment.

For more details on the content of human resources development, please see the Sustainable Development Chapter, from page 146 to 187 of this report.

Financial status analysis

Financial status

Criteria	2018	2019	% variation
*For non-credit organizations and non-bank financial institutions:			
Total asset	2.927.161	2.397.853	-18,08%
Net revenue	547.579	563.655	2,94%
Profits from business operations	122.740	151.292	23,26%
Other profits	(260)	(129)	50,21%
Profit before tax	122.480	151.163	23,42%
In which: Realized profits before tax	140.300	153.090	9,12%
Profits after tax	103.532	135.510	30,89%
In which: Realized profits after tax	131.652	127.930	-2,83%
Basic earnings per share	1.741	1.693	-2,81%
Capital adequacy ratio	738%	714%	-3,25%

Unit: VND million

- In 2019, the total asset reached VND2,397.85 billion, decreasing by VND529.31 billion or 33.12% compared to that of last year. Despite the decrease of more than VND500 billion in other payables, the Company's total asset remained higher than its current Owner's equity.
- Profit indicators are analyzed in Section II.1.
- The Company's capital adequacy ratios have always been at a high level over the years, more than 4 times higher than the State Securities Commission's requirements. In 2019, BVSC's capital adequacy ratio 714% decreasing slightly by 3.25%. This is a steady and high growth ratio compared to other companies in the industry, reflecting the Company's healthy financial position, efficient management of investments and solvency risks.

118/119

Key financial indicators

Criteria	2018	2019	Increase/ decrease
1. Criteria on liquidity			
 Hệ số thanh toán tổng quát: » Total Assets/Total debts 	2,37	4,06	71,1%
» Current ratio: Current Assets/Current liabilities	2,79	12,26	9,47
» Quick ratio (Cash and cash equivalents + Short-term investments)/Current liabilities	2,75	12,02	9,27
2. Capital structure			
Owner's equity/Total equity	57,81%	75,34%	17,54%
Liabilities/Total equity	42,19%	24,66%	-17,54%
Short-term loans/Total equity	4,44%	4,17%	-0,27%
Long-term loans/Total equity	10,69%	16,70%	6,01%
Liabilities/Owner's equity ratio	72,98%	32,72%	-40,26%
3. Performance			
Receivable turnover (Net income/average accounts receivable)	17,46	16,26	-1,20
Total asset turnover (Net income/Average total assets)	0,21	0,21	0,00
4. Profitability indicators			
After-tax profits/Net revenue	22,37%	21,73%	-0,64%
After-tax profits/Net revenue	18,91%	24,04%	5,13%
Profits from operating activities/Net revenue	22,41%	26,84%	4,43%
After-tax profit/Owner's Equity (Return on equity - ROE)	6,12%	7,50%	1,38%
After-tax profit/Total assets (Return on assets - ROA)	3,54%	5,65%	2,11%

Unit: VND million

The Company's financial indicators

01

The Company's solvency was consistently maintained at a high level, liabilities were substantially smaller than assets; therefore, the Company always had available resources for these liabilities. In 2018, the Company's solvency ratio was 2.37 times. In 2019, it was 4.06 times and the quick ratio was even higher as the Company reduced its short-term liabilities. The Company's assets were allocated safely and reasonably, with majority in short-term, highly liquid assets that can be easily converted into cash to meet the demand of matured accounts payable and payments when necessary. The Company fulfilled its clearing obligations with Vietnam Securities Depository, payment obligations with stock trading clients and other clients in an accurate, adequate, and punctual manner as committed. The Company focused on efficiently managing its capital and cash flows, ensuring that the capital and cash flow were stable, balanced, and encountered noilliquidity. That contributed to the sustainable development of the Company, as well as generated trust among partners and clients.

02

The Company's capital structure: The Company mainly operated on owner's contributed capital: The Owner's equity accounted for 75.34% and Liabilities accounted for 24.66% of the Company's total capital.

In 2019, there were some changes in the Company's capital structure. The Liabilities/Total equity ratio decreased by 17.54% from that of the same period last year, mainly due to the decrease in other short-term liabilities.

03

Performance indicators include accounts receivable turnover, working capital turnover, and total asset turnover, reflecting the Company's ability to "mobilize" during fiscal year 2019, specifically:

- The receivable turnover ratio was exponentially high at 16.26 times, showing that there
 were improvements in receivables collection, the Company generated no new overdue
 accounts receivable and avoided partners tying up its capital. This improvement allows
 the Company to be more active with its cash flows in operations.
- The working capital turnover reached 0.31 times, slightly decreased 0.07 times from that of the same period last year. This overall indicator is used to assess the Company's efficiency in leveraging working capital. The mild descent in working capital turnover shows that, in the same period, revenues were growing more slowly than the working capital was. While net revenues grew by 2.94%, the average working capital increased by 27.22%. The average working capital increased because by the end of 2019, the Company reduced short-term liabilities, overdrafts, limited the use of repo and issued VND 100 billion BVSC bonds to replenish its operating capital. Although the working capital turnover declined, the drop was insignificant and capital efficiency was already reflected in the Company's revenues and profits in the period.
- The Company's total asset turnover was 0.21 times. This indicator reflects the Company's capital efficiency. Since there were no significant fluctuations in revenues and the total asset, this year's total asset turnover remained the same as the previous year.

04

Profitability indicators:

- The profit before tax on net revenue ratio was 21.73% in 2019, seeing a slight decrease of 0.64% compared to that of the previous year. However, this year's profit after tax on net revenue ratio reached 24.04%, increasing by 5.13% from that of the same period last year. The difference came from gains after the revaluation of financial assets; last year's revaluation resulted in a loss. Revenues from revaluation are not subjected to current corporate income tax. Overall, the Company's 2019 business results show signs of growth in comparison to that of 2018. The growth indicator of profit after tax on net revenue proves that the Company's business performance was improved.
- The net profit on owner's equity ratio (ROE) was 7.50%, increasing by 1.38% over that of the same period last year; while net profit on assets ratio (ROA) reached 5.65%, growing by 2.11% compared to that of the same period last year because both the Company's net revenues and profit after tax increased from those of the previous year: Net revenues increased by 2.9% over the same period last year and profit after tax increased by 30.89%.
- The growth of ROE and ROA demonstrates significant improvements in the Company's capital and assets efficiency, especially its capital efficiency. The Company balanced the use of owner's equity and loan capital to exploit its competitive advantage in capital raising and scaling up.



Asset position

		Droportion		Droportion	Increase/	Increase/
Indicator	2018	in 2019	2019	in 2010	decrease	Increase/ Decrease percentage
		III 2018		111 2019	value	percentage

A. Current assets	2.547.077	87,02%	2.216.766	92,45%	(330,311)	-12,97%
I. Cash and cash equivalents	465.849	15,91%	174.237	7,27%	(291,612)	-62,60%
II. Short-term financial investments	2.049.591	70,02%	1.999.648	83,39%	(49,943)	-2,44%
III. Short-term accounts receivable	29.488	1,01%	39.861	1,66%	10,373	35,18%
	2.149	0,07%	3.020	0,13%	872	40,57%
B. Long-term assets	380.084	12,98%	181.087	7,55%	(198,997)	-52,36%
II. Fixed assets	16.648	0,57%	16.847	0,70%	199	1,19%
IV. Short - term financial investments	306.216	10,46%	118.581	4,95%	(187,635)	-61,28%
V. Other long-term assets	57.220	1,95%	45.659	1,90%	(11,561)	-20,20%
Total asset:	2.927.161	100%	2.397.853	100%	(529,308)	-18,08%

Unit: VND million

Asset structure:

In 2019, the Company's assets mainly consisted of short-term assets, accounting for 92.4% of the total assets, while long-term assets only accounted for 7.55% of the total asset.

The majorities of the Company's short-term assets are:

- Cash and cash equivalents: Cash and cash equivalents include the Company's cash in funds, bank deposits, and short-term investments with a term of up to 3 months, high liquidity, high convertibility into cash with low risk when converting, representing 7.27% of the total asset.
- Short-term investments: including short-term investments, loans, and receivables (margin lending, and money advance), and proprietary trading, accounting for 83.39% of the total asset.
- Other current accounts receivables and short-term assets made up 1.66% of the total asset.

The Company's long-term assets were mainly from long-term financial investments, accounting for 4.95% of the total asset while fixed and other long-term assets made up 2.61% of the total asset.

Changes in assets:

In 2019, the Company's total asset reached VND2,397.9 billion, decreasing by VND539.31 billion or 18.08%, mainly due to the short-term assets decrease (VND330.31 billion) and long-term assets decrease (VND198.99 billion):

Short-term assets decreased by VND330.31 billion or 12.97%, mainly because:

- Cash and cash equivalents dropped by VND291.61 billion or 62.60% from those of the same period last year, due to the decrease in cash and bank deposits.
- Short-term financial investments declined by VND49.94 billion or 2.44% over those of the same period last year, mainly because of the maturity of term deposits in the year.

Long-term assets decreased by VND198.99 billion or 52.36% over those of the same period last year, mainly due to the transition from long-term securities to short-term securities for the trading of short-term securities and the replenishment of capital for margin lending and advance services.

It can be seen that the majority of the Company's assets were short-term assets with high safety and liquidity; receivables and loans were strictly controlled in accordance with procedures to reduce risks. Assets were used flexibly and effectively; therefore, the Company's asset performance was efficient, contributing to its high business performance.



Equity and liabilities

Equity

Indicator	2018	Proportion in 2018	2019	Proportion in 2019	decrease	Increase/ Decrease percentage
-----------	------	--------------------	------	-----------------------	----------	-------------------------------

A. Liabilities	1.235.009	42,19%	591.220	24,66%	(643.789)	-52,13%
I. Short-term liabilities	914.347	31,24%	180.865	7,54%	(733.483)	-80,22%
II. Long-term liabilities	320.662	11,95%	410.355	17,11%	89.694	27,97%
B. Owner's equity	1.692.152	57,81%	1.806.633	75,34%	114.481	6,77%
I. Contributed equity from owners (including paid-in capitals)	1.332.096	45,51%	1.332.096	55,55%	-	
I. Funds and Retained earnings	360.056	12,30%	474.537	19,79%	114.481	31,80%
Total equity	2.927.161	100%	2.397.853	100%	(529.308)	-18,08%

Unit: VND million

Equity structure:

The Company's equity mainly came from the Owner's equity, accounting for 75.34%, with the majority in contributed capitals from owners and funds and retained earnings. The rest includes short-term and long-term liabilities which made up the remaining 24.66%.

Equity changes:

In 2019, the Company's liabilities decreased by VND643.80 billion compared to those of the same period last year, equivalent to a drop of 52.13%, mainly from short-term liabilities, with details as follows:

- Short-term liabilities decreased by VND733.48 billion or 80.22% because short-term loans, accounts payable to repo contracts, and other accounts payable all declined due to the expiration of economic contracts.
- Long-term liabilities increased by VND89.69 billion, mainly due to the issuance of additional 2-year BVSC_BONDs to replenish the Company's operating capital.

A sharp drop in short-term liabilities and an increase in long-term liabilities helped balance out debts, ensure on-time repayments of debts. The company had no bad debts and overdue debts.

In 2019, the owner's equity grew by VND114.48 billion or 6.77% over that of the same period last year. Although the Company paid dividends to the shareholders as committed, the owner's equity still increased considerably due to the supplement from profits after tax.

124/125

The analysis of the Company's financial position in 2019 showed that BVSC achieved steady growth in business performance. The financial position was stable and sustainable. The Company always fulfilled its goals of developing business operations efficiently while focusing on risk control and capital preservation. BVSC's financial statements are always transparent, providing useful information to investors, management authorities, and related parties.

Business performance evaluation under Camel framework

Assessing financial position, the Company refered to CAMELS rating system (the rating system used in assessing the condition of some financial institutions based on 05 factors of Capital - Asset quality - Management - Earnings - Liquidity, developed by the U.S. National Credit Union Administration and recommended by the International Monetary Fund and World Bank). In addition, on October 9, 2013, the State Securities Commission of Vietnam issued Decision No. 617/QD-UBCK on CAMEL framework to guide the classification of Securities Firms. BVSC's major financial indicators score 95/100 points, increasing 5 points over that of 2018. The improvement came from two factors: capital adequacy and profitability, showing that the Company's financial status was consistently growing.

(Please refer to Appendix 2, on page 190 to page 191 of this report.)

A leading brand in advisory, successfully carrying out major deals in 2019

iBond

Progressions in the year

Advisory services and securities underwriting remained as the Company's core activities. While they did not account for a large proportion of the total revenue, they contributed to the building of BVSC's brand reputation as well as supported the development of brokerage client base and investment opportunity scouting.

In 2019, BVSC continued to promote capital raising services through bond and stock issuance: raising capitals through bond issuance for F88 Trading Joint Stock Company; successfully consulting Samsung SDS Asia in its purchase of 25 million shares from CMC Corporation through a private placement; and especially the private placement advisory for Sumitomo Life buying more than 41 million shares from Bao Viet Holdings with the starting price that was 35% higher than the market price.

In 2019, BVSC continued to receive important awards at 2019 Vietnam M&A Forum – The best M&A consulting firm in 2018 - 2019; Top 10 Leading Brands in Vietnam – Investment Bank category; Best Securities Advisory Firm – 2019 by International Finance Magazine (IFM); and other awards.

In 2019, BVSC has launched its bond product - iBond, which consists of two products $iBond\ Var\ \&\ iBond\ Fix$, offering clients to have more diverse investment opportunities.

- Interest rates up to 8.81%/year
 - Flexible and fixed terms
 - Absolute safety •
- Redeemed automatically at maturity and at any desired time

Top 10 _____
Best annual reports

Top 100

Sustainable companies (CSI 100)

In 2019, BVSC reaffirmed its position as a credible and transparent listed company listed in Top 10 Best Annual Reports – the mid-cap category – in the poll for listed companies hosted by the State Securities Commission of Vietnam, Stock Exchanges, and Dau Tu Chung Khoan newspaper.

After incorporating sustainable development goals into its operation strategy, in 2019, BVSC was honored, for the second time in a row, one of Top 100 Sustainable Enterprises in Vietnam by the Vietnam Chamber of Commerce and Industry and the Business Council for Sustainable Development.

Improvements in organizational structure and management policy in 2019

The Board of Management's explanation on the Auditor's opinion

- Amended the Company's Charter and issued Corporate Governance Regulations: In compliance with the regulations on corporate governance in Decree No. 71/2017/ND-CP and the sample charter of public company issued with 95/2017/TT-BTC, the Company has made amendments to its Charter and issued its Internal regulations on Corporate governance; The 2019 Annual General Meeting of Shareholders approved both documents;
- Adjusted brokerage policy: As Circular No. 128/2018/TT-BTC on prices of securities-related services rendered by securities trading organizations and commercial banks in Vietnam's securities market went into force on the 15th of February 2019, the Company reviewed and revised its Brokerage fee policy. At the same time, the Company adjusted its flat-rate brokerage policies to improve competitiveness.
- · Researched to adjust management model: In compliance with the regulations on corporate governance in Decree No. 71/2017/ ND-CP and the Corporate Governance Code of Best Practices for public companies in Vietnam, the Board of Directors guided the Company to develop the Proposal for strengthening the Company's organizational model with following objectives: (i) to improve the performance of the Board of Directors, ensure the compliance with laws and regulations on corporate governance, and Corporate Governance Code of Best Practices for public companies in Vietnam; thereby, enhance the brand and reputation of BVSC as a listed company; (ii) to ensure consistency and synchronization in strategic orientations, policies, procedures, and personnel in the entire Company; (iii) to build an agile, dynamic, professional, and efficient corporate structure. The Proposal for strengthening the Company's organizational model was fundamentally approved by the Board of Directors to become the premise for the implementation in 2020;

The Auditor expressed an unqualified opinion as a result of the Company's financial statements. Therefore, there is no explanation of the Board of Management on the Auditor's opinion.

Business plan for 2020

01 Development strategy 2016 - 202002 2020 business plan

130/131

Development strategy 2016 - 2020

BVSC's 2016-2020 operations strategy was approved by the 2016 Annual General Meeting of Shareholders on May 12, 2016, and amendments were approved by the 2017 Annual General Meeting of Shareholders on June 27, 2017, details are as follows:

Vision and strategic objectives for the period of 2016-2020

Vision to 2020

Maintaining the position of a leading securities company, providing the most diverse and best securities services to clients, bringing the most satisfaction to shareholders.

Strategic objectives to 2020

- Revenue: Achieving an average growth of 9% over the 2016-2020 period.
- Profit after tax: Achieving an average growth of 6.5% over the 2016-2020 period.
- · Charter capital by 2020: VND1,500 billion.
- Return on equity (ROE): Achieving an average of 7% over the 2016-2020 period, reaching 8% by 2020.
- Return on charter capital (ROCC): Achieving an average growth of 11% over the 2016-2020 period
- Brokerage revenue/Total revenue: target 40% 50%.
- Market share of stocks and fund certificates: Reaching Top 5 largest securities company in market share by 2020

Orientations for strategy implementation over the 2016-2020 period

In order to implement 2016-2020 business strategy with the aforementioned vision and strategic objectives, BVSC plans the implementations as follows:

Clients, products, distribution channels, business area strategies

- Focusing on developing markets in domestic financial centers of Ha Noi, Ho Chi Minh City, Da Nang, etc. and exploiting foreign markets with representative offices or business cooperation.
- · Focusing on developing institutional clients.
- Expanding networks: Increasing the number of Transaction Offices and promoting the recruitment of brokers.
- Promoting consulting services and maintaining the leading position in M&A consultation in Vietnam's stock market.

Investment strategy

The proprietary trading investment strategy is flexible and suited to each period to seize
opportunities from the stock market and satisfy the demand of derivative securities trading, issuing
covered warrants to maximize the efficiency of capital, improving the profit/capital ratio to increase
the benefits for the shareholders.

Capital strategy

- In order to meet business demands, BVSC will need a minimum charter capital of VND1,200 billion, with a target of raising charter capital to VND1,500 billion by 2020 to improve the Company's financial capacity and competitiveness. Bao Viet Holdings will maintain the dominant ownership ratio at BVSC.
- BVSC will carry out issuance of shares to raise charter capital, prioritizing existing shareholders while, at the same time, seeking strategic shareholders.
- The capital is structured to prioritize the aforementioned business orientations, concentrating on brokerage, proprietary trading, IB operations, and brokerage support activities such as margin lending, advances, investments in information technology and other services, etc.

Corporate organization and governance

- Applying centralized governance model in product and services development strategies & policies; risk management, human resources, technology, while implementing decentralization to business functions.
- Enhancing the supervisory role of Internal Audit.
- Strengthening Communist Party's organization.

Professional strategy Financial strategy Three main pillars include: Issuing more shares to raise charter capital, prioritizing · Brokerage and financial existing shareholders while, services at the same time, seeking strategic shareholders to Consulting improve the Company's financial capacity and Proprietary trading competitiveness. Bao Viet Holdings will maintain the dominant ownership ratio at BVSC.

Governance model

- Applying centralized
 governance model in
 product and services
 development strategies
 & policies; risk
 management, human
 resources, technology,
 while implementing
 decentralization to business
 functions.
- Enhancing the supervisory role of Internal Audit.
- Strengthening Communist Party's organization.

2020 Business plan

Forecasts for the Economy and Stock Markets in 2020

Economic Forecast



Opportunities in 2020

The US-China trade war showing signs of cooling

Improvements in public investments

EVFTA coming into effect

At the dawn of 2020, the US and China signed Phase One trade agreement, in which two nations agree to suspend additional tariffs on each other's commodities. Although there remain various uncertainties, the temporary cooling off in the trade tension between the two countries will help stabilize market sentiment, encourage investment activities and the growth of the world's economy.

The amended Investment Law came into force since the beginning of 2020, creating expectation of further disbursement of public investments. Besides, Vietnam's public debt/GDP ratio has been significantly lower than the 65% upper bound, leaving room for an expansionary fiscal policy.

In February 2020, the European Parliament officially ratified EU-Vietnam Free Trade Agreement (EVFTA). This Agreement is expected to greatly benefit Vietnam, opening the door to a large and high-value consumer export market. Thanks to the Agreement, Vietnam's export value is estimated to increase by 4-6% annually in the next decade. Industries benefiting the most from the Agreement are textiles and garments, footwear, seafood, and agricultural products. In addition, EVFTA will also encourage investment from EU businesses in Vietnam in the coming time.

Challenges in 2020

Significantly low and potentially negative global economic growth in 2020

Sharp decline in Vietnam's GDP growth in 2020 compared to 2019

COVID-19 pandemic's potential risks on the macroeconomy including

The global outbreak of COVID-19 pandemic has forced many countries to implement "social distancing" measure and shut down various business activities. Accordingly, GDP growth in European countries and the US might strongly decline in the second quarter. If the pandemic is not controlled soon, these economies are likely to plunge into a recession (negative GDP growth for two consecutive quarters). European and American markets currently account for 47% of Vietnam's total export turnover, especially in industrial manufacturing and processing sectors. Therefore, this will be a great challenge for Vietnam's export industry in 2020.

Since the first quarter of 2020, Vietnam's economy has suffered from negative impacts of COVID-19 pandemic. GDP growth stood at 3.82% in Quarter I – the lowest in the last 10 years. The decline happens in all three sectors: agriculture – forestry – fishery, industry – construction, and services. As the Government has implemented a drastic "social distancing" measure since the end of March 2020, Vietnam's GDP growth will be significantly impacted in Quarter II, especially in services sector. In the baseline scenario when the pandemic is controlled in Vietnam and worldwide by the end of Quarter II, GPD growth is projected to quickly recover in Quarter III and IV. However, the GDP growth in 2020 will most likely be around 3.8-4.2%.

the bankruptcy of domestic enterprises due to insufficient operation fund, increased bad debts, liquidity risks for the banking system, frozen real estate market, and increased unemployment rate leading to social unrest, etc.

BVSC's forecasts of macroeconomic indicators in 2020

Key indicators	2019	20	20
Key mulcators		Government's target	BVSC's projection
GDP growth (%)	7.02	6.8	3.8-4.2
Average inflation (%)	2.79	< 4	3-3.5
Credit growth (%)	13.5	14	10-12
USD/VND exchange rate fluctuations (%)	0.1	N/A	< 3%
Export growth (%)	8.1	7	3-5
FDI disbursement growth (%)	6.7	N/A	2-5

Stock market in 2020

Opportunities in 2020

Vietnam's macroeconomic context is more stable than other economies in the region

The effective containment of COVID-19 will increase the investors' confidence in Vietnam's political system. Besides, even if GDP growth slows down, the stability of the banking system and the Government's ability to control the fluctuation of other macroeconomic indicators will be a positive highlight, attracting investors to Vietnam stock market.

The proportion of Vietnamese stocks in MSCI Frontier Markets Index has increased

In May 2020, when MSCI's annual review takes place, Kuwait will be officially reclassified as Emerging markets from Frontier Markets. Accordingly, the proportion of Vietnamese stocks in MSCI index is projected to increase from the current 17% to approximately 30%, helping the market to attract new capital flows of around \$200 million. Besides, Vietnam stock market also shows prospects of a reclassification to emerging markets by FTSE and MSCI.

There will possibly be more ETFs investing in the market

The market can also have expectations about ETFs tracking new indices like Vietnam Diamond Index (VN DIAMOND), Vietnam Financial Select Sector Index (VN FIN SELECT), and Vietnam Leading Financial Index (VN FIN LEAD), built by HOSE. Most of stocks in these three indices have reached their foreign ownership limit. These ETFs will partially address foreign investors' investment demands in quality stocks with limited or no available room for foreign ownership. Therefore, these domestic ETFs are expected to attract foreign inflows and, thereby, actively encourage market demand.

Challenges in 2020

The uncertainty of the international macroeconomic context, especially under the influence of COVID-19 pandemic

The prolonged pandemic negatively affects the business outlooks of listed companies in 2020 and possibly increase bad debts in banking system. The economic outlook is decelerating and risky, creating a fear that may prevent investors from investing in high-risk assets like stocks in the short term. Besides, other important events like the US presidential election in November 2020 and the US-China trade war, though having cooled off, pose significant risks to the stock market.

Risks of corporate bond debts

The corporate bond market has grown rapidly in the last 02 years. Total value of corporate bonds issued in 2019 was VND296.71 trillion. In 2018, this figure was VND224 trillion, while in 2017, the value of issued corporate bonds was VND115 trillion. Thus, within 2 years, the value of issued corporate bonds has increased 2.5 times. With such rapid development as well as the fact that business conditions in 2020 are not as favorable as in previous years, this market will possibly be facing more risks, which may create negative impacts to the stock market.

"the proportion of Vietnamese stocks in MSCI index is projected to increase from the current 17% to approximately 30%, helping the market to attract new capital flows of around \$200 million"

Advantages and disadvantages for BVSC in 2020

Advantages

A prestigious brand, stable operation, and experienced staff are good foundation for BVSC. BVSC continues to affirm its leading position in the market in terms of consulting services, creating a huge advantage for the Company to promote its consulting and IB services in 2020.

Disadvantages

The capital size remains at a low-average level while the capital raising plan has been delayed which limits the ability to meet client's needs for margin and advance services. Besides, it also affects the Company's participation in derivatives market, reducing the competitiveness of brokerage services.



Key plans and solutions for 2020

Goals for 2020

Based on the forecasts of the macroeconomic situation and Vietnam stock market in 2020, as well as the advantages and challenges of BVSC, the Company sets the business goals to submit to the 2020 Annual General Meeting of Shareholders as follows:

2020 Business Plan

No.	Criteria	Realized in 2019	2020 Target	% of 2020 plan/ 2019 realization
A	TOTAL REVENUE	564.05	533	94.50%
I	Realized revenue	500.21	489	97.76%
1	Brokerage	135.86	156	115.12%
2	Interest income from loans and receivables	217.72	205	94.16%
3	Proprietary trading	127.37	109	85.74%
4	Consulting. Underwriting	11.09	11.7	105.54%
5	Depository	5.85	5	88.94%
6	Other Revenue	2.34	1.5	64.11%
II	Unrealized revenue	63.84	44	68.92%
В	TOTAL COST	412.89	378	91.55%
I	Realized cost	356.92	336	94.14%
II	Unrealized cost	55.97	42	75.04%
Т	PROFIT BEFORE TAX	151.16	155	102.54%
	In which: Realized profit before tax	143.29	153	106.78%
D	PROFIT AFTER TAX	135.51	138	101.84%
	In which: Realized profit after tax	127.93	136	106.31%

Unit: billion VND

The 2020 business plan was prepared based on following optimistic forecasts and assumptions, as follows:

Forecasts about market conditions in 2020

- VNIndex averaged around 990 1,040 points in 2019.
- The average trading value was about VND5,400 billion/session.

Projected capital sources

Charter capital is expected to increase to VND1,083 billion.



This plan is based on forecasts about the market and the success in raising charter capital. However, as COVID-19 pandemic may pose unpredictable impacts on the economy and the stock market, the Annual General Meeting of Shareholders shall authorize the Board of Directors to adjust the 2020 business plan following the actual market movements.

Implementation plan

Brokerage activity

Objectives

• Revenue: VND156 billion

 Market share of stock & fund certificates brokerage: Reaffirming its TOP 10 position at the Exchanges.

Solutions

Products



· Launching products on Online Trading and Mobile Trading platforms.

- · Launching a new Front-end system.
- Researching to launch investment consulting products
- Upgrading iBond on BVSC@trade and BVSC Mobile.

Distribution Channels

- Focusing on institutional clients, client groups with high transaction values
- Exploiting markets in some countries such as Singapore, the Philippines, South Korea, the UK, etc.



Client policies

 Competitive and flexible margin & advance interest policies, fee policies, etc.



Human resources

- Continually promoting the recruitment of brokers: Recruitment rate is expected to increase by more than 10%.
- · Adjusting revenue-based commission policies for brokers.
- Enhancing the training and development of new brokerage team.
- · Planning emulation and honor programs.

Proprietary trading

In 2020, BVSC will continue its prudent investment strategy, controlling the investment proportions appropriately and flexibly in particular periods to ensure investment efficiency and portfolio safety. The Company will consider investing in sectors with positive assessment in BVSC's 2020 Strategic Report, such as Banking, IT, and Retail sales. Investments in corporate bonds will also be focused on in 2020. In addition, the Company will further promote trading activities on ETF market as well as other investment services that bring added value to clients. BVSC will focus on enhancing its operations in the ETF market as in 2020, there will be a series of newly established ETFs, which will become a potential service segment to increase revenue for BVSC in the future.

The Company will actively implement, in accordance with the regulations, term exchange with bonds currently held to maximize capital mobilization for short-term business activities.

Advisory and Underwriting

- Launching consulting services that are BVSC's strengths, such as M&A, corporate bond issuance, stock listing associated with IR activities.
- Continuing to expand networks with domestic and foreign buy sides.
- Exploiting the cross-selling advantage within Bao Viet Holdings to further expand client networks to implement consulting contracts that are the strength of BVSC.

Depository

- Launching depository services in strict compliance with legal regulations and professionalism
- \bullet Continuing to carry out signed contracts for shareholder's book management.

Loans and receivables

This business activity accounts for a large proportion of the revenue structure and supports brokerage activities; therefore, the Company continues to promote this business area in 2020 in the following main orientations:

- Focusing resources to meet the client's needs of margin trading loans and advance against securities.
- Actively seeking resources to mobilize capital, including short-term loans at joint-stock commercial banks and repos to raise short-term capitals and issuance of 1-year bonds to effectively exploit capital resources to serve clients.

Management and support

Transaction management and product development

In 2020, in addition to maintaining day-trading support system, the Company will focus on completing some important projects:

- Modifying Flex system to closely follow bidding package 04 of Stock Exchanges and VSD.
- · Upgrading Front-end system for BVSC's clients and brokers.
- · Carrying out internal training programs for the brokers.

Research

Research is identified as a key activity to improve client service quality. In 2020, in addition to maintaining periodic reporting, BVSC's research department will continue to enhance and improve the quality of each report type. Some key orientations include:

- Improving the quality of every type of report; increasing the frequency of indepth and focused thematic reports.
- Arranging business visits, keeping abreast of new developments; searching and screening investment opportunities.
- Cooperating with technical analysis to pick profitable trading time, increasing the level of detail in investment recommendations.

Information Technology

Some key projects to be implemented are:

- New modern website project, focusing on BVSC's services to clients, including a portal for BVSC's analysis reports.
- Upgrades in back-office system with new sets of features supporting transactions to provide information to domestic and international institutional clients in a more efficient way.
- Completion of the upgrading project to fully launch the new front-end online trading system to provide a convenient, flexible, and swift experience to BVSC's clients
- Data Warehouse & CRM implementation: Building the foundation for data warehouse system (multi-dimensional data integration and exploitation) and CRM to provide effective information exploitation tools.
- System upgrades to meet requirements of stock exchanges (HSX, VSD, HSX), expectantly completed in May 2020.
- Launching modules to support Market Maker ETF/Derivative/CW transactions once approved.
- Continuing to improve infrastructure for disaster recovery and backup services.
- Partially migrating employees' workstations to a centralized, virtual environment for better management of data security.

140/141

Human resource management and salary policy

In 2020, the Company will officially strengthen the organizational model after receiving the approval from Annual General Meeting of Shareholders. This project will enhance the consistency and coherence of the Company's apparatus, between strategic orientations and specific policies for some corporate governance functions like human resources and brand management.

Recruitment remains as an important task in 2020 to achieve the goal of developing brokerage activities. Flat rate brokerage policies will also be researched and updated to timely match market changes, increasing the competitiveness to attract talents.

The entire internal document system related to human resource management will be reviewed and revised in response to changes in the new Labor Law, creating the basis for human resources management in compliance with the changes of the law that will go into force in 2021.

Communication and Brand development

In addition to regular activities such as promoting communication to the public to position BVSC as a prestigious securities brand and strengthening the cooperation with Bao Viet Holdings and other members in communication activities and brand development of Bao Viet brand, another key mission of the Company in 2020 is to carry out the new website project that will serve as a modern and intelligent interaction channel with clients.

Besides, BVSC identifies internal communication as a branding channel for the Company. In 2020, internal communication will not be limited to BVSC, but on Workplace place, to the entire Bao Viet Holdings in the territory of Vietnam. The orientation for internal communication is to expand interactions in the entire system of Bao Viet.

Legislation

In 2020, the Government, Ministries, Departments, and State agencies will expectantly issue a series of guidelines to implement 2019 Securities Law and 2019 Labor Law. Therefore, the legal division will focus on tracking newly issued guiding Decrees and Circulars to review, modify, and finalize the Company's internal regulations and procedures, contract, and agreement forms to ensure the Company's proactive and timely compliance with applicable laws and regulations.

Internal Control

Throughout its terms, Internal Control's recommendations have helped the Board of Managers provide better management and risk prevention measures. The recognition and feedback that the Internal Control department has carried out also served as the basis for its operating plan in 2020.

In 2020, Internal Control aims to develop new control programs to not only inspect the compliance but also increase employee awareness about a transparent and efficient control environment, which helps minimize potential risks and enable sustainable development to BVSC and better values for shareholders.

Risk management

In 2020, the Risk Management department continues to implement Risk policy and Risk thresholds for 2020 approved by the Board of Directors and carry out regular activities to constantly support the management of the Board of Managers.

The training on risk management will be a focus in 2020. Beside organizing internal training programs to raise employee awareness about risk management, Risk Management department will participate in training courses and research new key products to early assess and identify risks from these products and propose barriers and risk limits to prepare for the Company's deployment of these products and services.



SHARING THE ASPIRATION

Being established from the vision and aspiration of previous generations 20 years ago, BVSC inherits the values and achievements from the past, consistent with the goal of sustainable development to bring added value to shareholders, the satisfaction for clients, the maturity for every employee and the happiness for the community



Sustainable development report

- 01 GRI 102: General Disclosures
- 02 Statement from CEO
- 03 GRI 200: Economic
- 04 GRI 300: Environmental
- 05 GRI 400: Social







GRI 102 General Disclosures 2016

Core option

102-1 Name of the organization 102-2 Activities, brands, products, and services

102-3 Location of headquarters

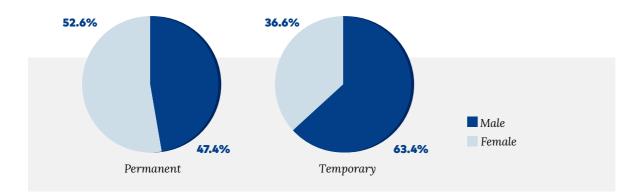
102-4 Location of operations 102-5 Ownership and legal form

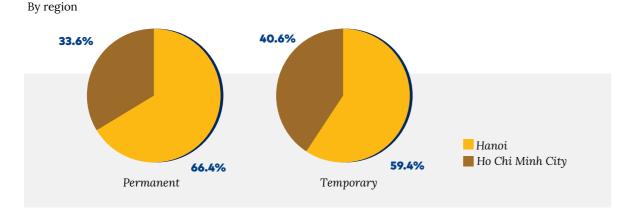
102-6 Markets served

(please see Chapter I, from page 12 to page 19 of this report)

102-8 Information on employees and other workers

By gender





102-13 Membership of associations

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

• GRI 102: General Disclosures 2016

Governance

102-18 Governance structure (please see Chapter II, Corporate Governance)

Strategy

102-14 Sustainable Development Statement from the Chief Executive Officer

Name of implementer: **NHU DINH HOA** Position: **Chief Executive Officer**



146/147

Dear Shareholders, Clients and Partners

In the current context of the world facing several challenges about the environment and society, almost every organization is under the interest of setting up their medium-term and long-term business goals in which sustainable development is one of the most interested and highly recommended pathways over the last few years.

As the very first securities company in the market that goes along with Vietnam Stock Market's development, BVSC understands the importance of our mission to develop sustainable as a way to build up truth in shareholder, client and to social community. We determined that sustainable development is one of the goals throughout our development strategy and we will follow that goal towards the green development of the country. Last year, with our important milestones of 20 years of operation in the stock market, we have concertized sustainable development mission to all yearly WIG, to make sure the balance between shortterm business goals with long-term sustainability.

In 2019, BVSC was honored 2nd time in a row in Top 100 Sustainable Businesses under the Assessment and Announcement program of Sustainable Enterprises in Vietnam organized by Vietnam Chamber of Commerce and Industry - VCCI in collaboration with the Ministry of Labor, Invalids and Social Affairs, Ministry of Natural Resources and Environment and Vietnam General Confederation of Labour. This award honors outstanding businesses whose operation strategy continuously focus on sustainable development in terms of social aspects, environmental protection and economy. This is a worthy recognition from authorized agencies to BVSC's effort and commitment through all this time.

All activities happened in 2019 along with achieving results will be presented in Sustainable Development report which integrated in the Company's Annual Report 2019. The content is prepared based on the Assessment criteria about sustainable development follow the most updated standards of GRI and also confirmed by GRI. Throughout this effort, we would like to reconfirm our commitment not only from within but also from our actions toward the Company's sustainable development goal.

Yours sincerely.

"Last year, with our important milestones of 20 years of operation in the stock market, we have concertized sustainable development mission to all yearly WIG, to make sure the balance between short-term business goals with long-term sustainability."

Stakeholder engagement

102-40/102-44

We identify our stakeholders based on possible impacts from BVSC's movements on them or parties whose interests and influences have a direct impact on our current operations. We build and develop relationships based on the fulfillment of long-term benefits among the parties; and these relationships are maintained by trust, transparency, and ethical standards of the business. We reach out to stakeholders through many approaches, with the aim to listen to each party's opinions and concerns for BVSC's activities, especially on corporate governance, resource development, economic growth, social and environmental contributions.



Percentage of total employees covered by collective bargaining agreements

100%

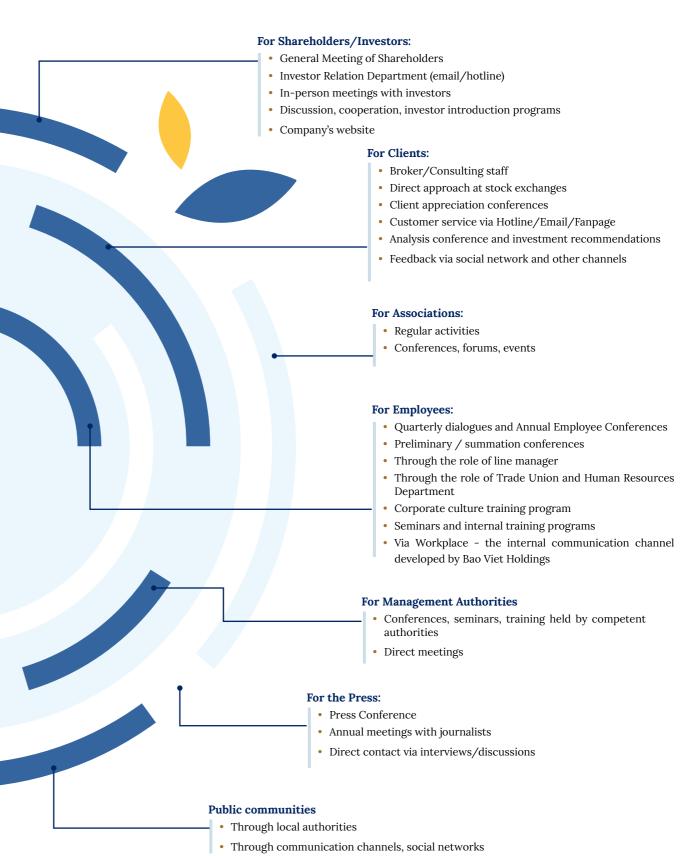


• GRI 102: General Disclosures 2016

102-43 Different approaches to stakeholders

The Company identifies our stakeholders and undertakes different approaches to figure out issues related to the following parties:

148/149



102-44 Key topics and concerns raised

Stakeholders	Topics and concerns	BVSC's responses
Shareholders/ Investors	 Positive business results Information transparency Corporate governance, company value Dividends 	 Completing the 2019 business plan approved by the AGM of Shareholders Proactively announcing information transparently and equally treating shareholders and investors Completing the corporate governance system, strengthening and professionalizing IR activities Fulfilling dividend commitment
Management authorities	 Complying with the law and performing tax obligations with the state. Proactively contributing to the development of the securities market in Vietnam. 	 Complying with legal regulations. Contributing to the state budget Participating in forums and proposing recommendations to legal frameworks for market development. Becoming a proactive member of Stock exchanges
Associations	 Becoming a member of associations and proactively participating in their activities Performing financial obligations to associations 	 Becoming a member of associations and proactively participating in activities of associations including the Vietnam Bond Market Association, Vietnam Association of Securities Business, and Vietnam Association of Financial Investors. Fulfill financial obligations according to the Association's regulations
Clients	 Good service quality and competitive price. Favorable transaction locations Convenient, safe and secure transaction Friendly, open and dedicated employees Diverse products to expand investment opportunities for clients 	 Enhancing the qualifications of the human resource and the quality of investment reports and recommendations. Implementing competitive and flexible policies of trading fees, margin interest, and advances Investing in facilities, expanding transaction network Upgrading the IT system, website Launching new products to serve the needs of many client groups Implementing promotions and appreciation events to increase client engagement
Press agencies	 Timely and convenient access to information about the Company's activities Coordinating with press agencies in the market communication 	 Proactively sending quarterly/semiannual/annual press releases on business results to the press Providing timely, transparent information about events/activities in the year Providing valuable and objective analysis, reviews about market trends Assigning experts to interview, answer press's questions in a timely manner

• GRI 102: General Disclosures 2016

Stakeholders Topics and concerns

Employees

- Ensuring employment and human resource development
- Receiving care on health, working conditions and labor safety
- · Personal development's need
- Opportunities for equitable development and recognized contributions.
- · Stable and competitive income
- Fair and professional working environment

- **BVSC's responses**
- Expanding business activities to create more jobs for employees
- Doing business effectively to ensure stable salary payment for employees, improving their life

150/151

- Developing competitive remuneration policies, consistent with market trends and performance-based.
- Providing employees with health insurance, life insurance, cancer insurance, etc. in addition to social, medical, and unemployment insurance required by the State
- Allocating budget for training activities, encouraging and creating conditions for employees to improve their professional qualifications and build training programs suitable to each professional position.
- Allocating budget and creating favorable conditions for Trade Unions and Youth Unions to play a role in building a friendly and open working environment
- Employee-related policies that aim to be fair & competitive



Public communities

- Ensuring fundamental living conditions for people in remote areas
- Investing in education and future generations
- Supporting areas affected by natural disasters to deal with the aftermaths
- Complying with regulations on environmental protection and energy saving
- Patients in difficult circumstances need encouragement and sharing

- Carrying out annual programs on social security; investing in the young generation, expressing gratitude for meritorious people, hunger and poverty reduction
- Supporting the local community through developing and helping with basic living conditions and health care for people in remote areas
- Proactively cooperating with Bao Viet Holdings in programs held by Bao Viet Holdings.
- Complying with local regulations on environmental protection
- Implementing solutions in business activities to save electricity and water
- Directly share with the disadvantaged at hospitals and health facilities



Partners/ suppliers

- Fair assessment and selection procedures
- Contract signing and implementation in compliance with the law and meeting the payment schedule
- Developing procedures for supplier assessment and selection
- Contracts revised by the Legal department to ensure the compliance with the provisions of law before being signed
- Conducting internal control over contract implementation procedures with suppliers
- Regularly re-evaluate the Partner's ability to provide products, services and capabilities to meet the needs of the Company.

Reporting practices

102 - 45/102-46: Reporting practices

Bao Viet Securities Joint Stock Company

All subsidiaries under Bao Viet Securities Joint Stock Company are included in the Financial statements of the Company and in this Sustainable Development report with the topic and content defined by following methods:

The Company defined the report content and topic boundaries after doing training from the Global Reporting Initiative on GRI standard reporting and collaborating with related departments of the Company.

BVSC's Sustainable Development Report identifies the report contents by following reporting principles according to GRI standards:

1. Principles for the report content:

Principles for the report content

Never before has mankind been witnessed such rapid changes in large scale and in-depth level in all aspects of world's social life because of the development process through all this time. Besides the positive and advanced aspects, it's hard to deny that the process has been continuously forcing all countries to face several urgent global issues which have been affected and even threatened the potential development of mankind, especially in exhaustion of natural resources and environment pollution, etc. Those are serious consequences of the old development concept (aligning development with economy growth). All of this forces mankind to look forward to a new, sounder and smarter concept of development - the Sustainable Development Strategy.

To be sure, no one can step aside development trajectory of the world and in Vietnam, sustainable development has been determined as a strategic and long-term goal by the State. Our current problem is how to maintain high level of economic growth while protecting the environment and also acting effectively against the impact of climate change in order to develop sustainably. Besides, the movement from traditional markets to green markets has been considered as an important step to create a huge influence financial channel in order to support the reconstruction of Vietnam economy and also aiming to sustainable development. Vietnam State Securities Commission encourages enterprises to participate in sustainable development voluntarily so they can maintain their effective business operation while ensuring the benefits of environment and society.

Materiality

In order to define report contents, the Company adheres to the principle of materiality. From there on, the Company develops a matrix to define key relevant parties receiving direct impact(s) (positive or negative impact) by the Company's activities and also critical issues which relevant parties are interested in, and compile them into the report.

Completeness

Information mentioned in the report has been backed up by completed data within clear terms of topic and time frame.

2. Principles for determining the report quality

Accuracy

All information in the report is measured and calculated in detail. Estimation is minimized in this report

Balance

The report is considered to disclose transparently both positive and negative indicators (if any)

Clarity

The report is explained and presented in plain language with limited technical terms.

Comparability

The majority of data in the report is compared to that of the corresponding previous periods.

Timelines

The report was prepared in March 2019 to present data from January 1, 2019 to December 31, 2019 to ensure that it is as timely and updated as possible.

• GRI 102: General Disclosures 2016

102-48 Restatements of information

Not available

102-50 Reporting period

Information presented in this report is based on data from January 1, 2019 to December 31, 2019.

102-51 Date of most recent report

2019-04-18 - Date of issuing the Sustainable Development Report integrated in the Annual Report.

102-52 Reporting cycle

Annually

102-53 Contact point for questions regarding the report:

Any questions, recommendations regarding BVSC's sustainable development activities as well as the report contents, please contact the following personnel:

Name
E-mail
Bouithimaihien@baoviet.com.vn
Company Secretary

Position Company Secretary
Phone number 0243 928 8080 - 600



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

This report is built in accordance with GRI Standards Core Option (choose to report on core issues)

• GRI 102: General Disclosures 2016

102-55 GRI content index

References

This report contains information referred to GRI 102: General Disclosures 2016, GRI 103: Management Approach 2016, GRI 201: Economic Performance 2016, GRI 302: Energy 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.

Exceptions: Not available



General **Disclosures 2016**



Organizational @--profile Page 146



Governance Page 146



Strategy Page 147



Stakeholder engagement Page 148



Ethics and integrity Page 152



Reporting practice Page 156-187



Economic









Management approach Page 159



Energy Page 161

154/155

Environmental







Employment Page 165

€£) G558







Occupational health and safety Page 171







Training and education Page 176



 Management approach Page 178



Diversity and equal opportunity Page 180







GRI 200 Economic

Economic Performance



GRI 103

Management Approach

103-1 Explanation of the material topic and its Boundary

BVSC is a listed company; therefore, we find that sustainable development strategies can only be realized when economic objectives are achieved. As we develop strong financial resources for our business, we can bring benefits and fulfill our obligations to stakeholders.

Where the impacts occur

BVSC determines economic performance through indicators of revenue, profit, and total assets. The positive growth rate over the years is a condition for BVSC to develop and undertake its activities with stakeholders.

The organization's involvement with the impacts

The Company is directly involved in impacts because its profit growth benefits shareholders/ investors, ensures their financial rights, improves services and benefits for clients, increases salary and welfare for employees, contributes to the state budget, and develops communities through social security programs.

There is no particular limitation on topic boundaries.

The management approach and its components

BVSC manages indicators of economic efficiency based on financial and non-financial indicators:

- · Financial indicators: total assets, the annual growth rate of revenue and profit, EPS growth, financial safety ratio, etc.
- · Non-financial indicators: market share, quality of human resources, quality of management team, etc.
- · Ensure that the Company always aims to sustainable development.

Commitments

Fulfill the plan approved by AGM of Shareholders Economic performance policy

Goals and targets

Economic performance plan in 2019:

Revenue

VND 510 billion

Realized after-tax profit

VND 126 billion

Stock and fund certificate brokerage market share

Top10 Securities Company with the highest market share

Responsibilities

The Board of Directors and Board of Management are responsible for managing issues related to economic performance indicators.

Resources

The Company has resources to develop its front offices like Brokerage Department, Advisory Department and Investment Department. In addition, the Company also has supportive resources, which are other related departments, to facilitate its operation.

Specific actions, such as procedures, projects, programs and initiatives

- Implement synchronous solutions including interest rate policy, fee policy, human resources ... to promote brokerage activities.
- · Launching new products for clients such as IBond Var and IBond fix to help diversify client
- · Changing the traditional human resource training method to e-learning online training
- Information technology solutions

For details, please see Chapter III from page 101 to page 107

Evaluation of the management approach

Regime for evaluation of Management approach

Monthly/quarterly reviews of targets.

Divisions are responsible for fulfilling their targets and preparing reports to submit to the Board of Management for supervision. Internal control and internal audit departments attend all meetings between business divisions with the Board of Management.

Results

Effective management approach helps the Company to manage indicators of business

Any adjustments on Management approach

No adjustment has been made in the reporting period

156/157



GRI 201

Economic Performance

Direct economic value generated and distributed



VND564,049,196,117



Operating costs

VND190,306,165,001



Employee wages and benefits VND139,388,277,073



Payments to providers of capital VND111,210,387,527



Payments to government VND79,818,060,057



Community investments VND391,450,000



Direct economic value generated and distributed (EVG&D)

VND42.934.856.459

In 2019, the total contribution to the State budget was over VND79 billion (including corporate income tax, personal income tax, value-added tax, and other taxes). Positive achievements of economic performance indicators help create a premise for expanding the business scale, ensuring employment and stable income for employees, as well as maintaining a stable contribution to the State budget.

201-3 Defined benefit plan obligations and other retirement plans

Legal obligations under benefit policies are fulfilled

Estimated value

VND10,934,920,626

Including cost of insurance: social insurance, medical health insurance, unemployment insurance, comprehensive health insurance, life insurance, cancer insurance.

Is there any other fund?

Percentage of salary contributed by employee or employer

The Company pays social insurance for employees in compliance with legal regulations, specifically:

Employees contribute

Employers contribute

10.5% 21.5%

In addition, the Company also buys life insurance for employees. Employees are entitled to life insurance contracts until their retirement (except for termination of labor contracts before retirement). At the time of retirement, employees will receive the Cash Surrender Value of the life insurance contract in addition to the monthly pension from the state fund of social insurance. This is part of the welfare policy to provide financial support and improve life quality for workers when they retire





GRI 300 Environmental

Energy - Water - Electricity - Material



GRI 103

Management approach

103-1 Explanation of the material topic and its Boundary

As an enterprise in the financial services industry, the business activities of BVSC do not directly and significantly affect the environment, however, BVSC always strives to align environmental objectives with the Company's activities, especially internal activities, by raising employees' awareness of environmental protection and energy saving in response to climate change, minimizing negative impacts on the environment.

Where the impacts occur

BVSC determines the amount of energy, water, electricity, and materials used by the Company during its operation as well as the compliance with the provisions of environmental law as the factors that directly affect the environment.

The organization's involvement with the impacts

BVSC's business activities consume electricity, water, and paper and litter waste. These are direct involvements from our business activities.

There are no specific limits on the scope of the topic.

103-2 The management approach and its components

The Company manages the amount of energy consumed through monthly bills. The energy consumption index and the cost of consumed electricity, water, and paper are shown on the bills.

During the operation process, the Company is aware that the management of an enterprise to adjust and use energy effectively and reasonably will contribute to minimizing the impact on the environment.

Responsibilities

Issues related to energy use in the Company are recorded and reported to the Board of Management by the head of the administrative & planning department.

Resources

The Administrative & Planning Department

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

Internal communication programs on economical and efficient use of energy In addition to communication to raise awareness of employees, the Company has implemented many specific measures to reduce the use of energy such as:

The air conditioning system



- Periodical maintenance of air conditioners including indoor units and outdoor units every 6 months to ensure the performance of the machine.
- Replace some air conditioners with those having Energy Efficiency labels from VNEEP
- Maintain the temperature of above 26°C during summer days and limit the use of warm conditioning in winter
- Turn off the entire air conditioning system after 17:30 every day.

Lighting system



- Maintain the use of energy-efficient lighting devices: energy-saving CFL bulbs
- In rooms with windows, leverage the natural light
- Turn off the entire lighting system after 17:30 every day

Water



Although the Company does not have to pay the annual cost of water use as it is included in the office rental costs, water saving is still actively propagated in the Company. In particular, the Company regularly checks for water leaks to avoid water loss, even for sanitation water, reuses clean water for plant watering; avoid using toilet water for the purpose of littering.

Paper



One of the best ways to use paper effectively is to reuse one-sided printing paper for internal documents.

Evaluation of the Management Approach

The mechanism for evaluating the effectiveness of the Management Approach

The administrative/planning department of the Company is the focal unit which is responsible for managing energy use. Assessments are organized annually within the enterprise and meetings are held when major fluctuations occur.

The results of the evaluation of the Management Approach

The management and assessment of the administrative & planning department are conducted under the control of the Board of Directors and well implemented, contributing to the effective management of energy consumption in the Company.

There are no adjustments regarding the Management Approach.

160/161



GRI 302 Energy



302-1 Energy consumption within the organization

Under human influence, the environment of the world is becoming increasingly harsh. Being aware of that, for many years, the Company maintains the provisions of the Company's Labor Regulations and further promotes the energy saving program "Power saving – Increasing income" for internal communication. Along with that, the calling movements on many internal news and poster systems were spread throughout the office area & transaction offices, help employees and clients of BVSC actively responded to that program

Electricity and water

In 2019, the total amount of electricity consumed by the Company is 425,360 kWh, this is the amount consumed by the entire company including the Headquarters, Branches and 8 Transaction Offices. The consumption of electricity has slightly declined, equivalent to a decrease of 7% compared to the same period last year, the total cost paid for this term in the year is about 1.64 billion dong. In the context of the personnel increase of more than 7% over the same period, the decrease in the amount of power usage shows that the energy saving at the Company has been effective. In addition, the Company actively responded to national programs on economical and efficient use of energy or assigned its staff to participate in the annual Earth Hour event to demonstrate its responsibility towards environmental protection and respond to climate change.

Paper

The economical and efficient use of paper and printing ink in the office is also strongly communicated by BVSC to all employees at the Headquarters, Branches and Transaction Offices. With the switch to digital mode: limiting the use of paper and ink when not necessary, increasing document exchange and online meetings helped BVSC cut down 11% paper consumption compared to 2018, the total paper volume in 2019 is only 1,476 grams consumed.

Power saving Increasing income



Paper consumption

1196 compared to 2018

In 2019, BVSC does not have any non-compliance with environmental laws and regulations.







GRI 400 Social

Employment



GRI 103

Management Approach

Explanation of the material topic and its Boundary

BVSC is a financial service company whereby services and products are mainly providing financial consultancy to clients. Therefore, human resources and employee's qualification are important parts in bringing good services to clients. The value generated by employees will contribute to the success and development of BVSC.

On the contrary, the growth of the Company's business operation, improvement in corporate business performance will also means an increase in employment scale, and improvement in remuneration and welfare.

Where the impacts occur

Defining employment as an important factor affecting directly to Company's business operation, BVSC always focuses on creating a good working environment and ensuring good remuneration and welfare regime in order to create the assurance in employees, hence personnel stabilization, keep high quality employee and attract qualified personnel in labor market.

The organization's involvement with the impacts.

Personnel policies including recruitment, training, remuneration and welfare have been built based on the orientation of Company's business strategy.

There are no specific limits on this topic at the Company.

The management approach and its components

Based on the orientation of Company's business strategy and the annual business plan, BVSC creates employment scale plan and detailed recruitment plan in accordance with the reality in order to effectively and on-time response to the demand of human resources of profesional divisions and to optimize Company's human resources.

Besides, BVSC creates competitive remuneration and welfare policies and regimes to support the attraction of good personnel, keep the qualified one and also stabilize Company's personnel.

Purpose of the management approach

- · Optimizing human resources, ensure suitable and effective employees, limit surplus of labor.
- Effectively maintaining and promoting policies package of remuneration and welfare to be suitable with each labor group, meanwhile improving the competitive ability of the Company in attracting excellent personnel in labor market.
- Detecting and solving outside-plan problems on-time.

162/163

Policies

Recruitment policies

Based on yearly employment plan, the Company creates set of detail and clear criteria to select specific candidate align with job description. The candidate assessment has to be fair, accurate and suitable throughout tests and interview from Board of Recruitment.

Remuneration policies

- Salary is determined based on the summary assessment of 3 groups of criteria: Capacity, ability
 to solve problems, and responsibility, along with others additional factors such as the rareness of
 positions, competitiveness level in the market.
- Bonus policies are built differently in each position but all based on the assessment of the working
 effectiveness. With business divisions, the performance bonus is determined by revenue/
 effectiveness generated. With management and support division, the performance bonus is
 determined based on the result of annual performance evaluation of each individual through goal
 assessment method.

Welfare policies

- The Company extracts welfare fund from yearly revenue after tax as stated in the Resolution of the Annual General Meeting of Shareholders to conduct the welfare program(s) in the year.
- Welfare policies are stated clearly by labor groups and levels, in collaboration with remuneration policies to create welfare packages to employees.
- Welfare policies are implemented through cash payments, insurance products, periodic health exams, annual leave, business trips, and other benefits.

Committments

BVSC commits to comply with Vietnamese Labor Code and enhances other additional benefits to employees.

Goals and targets

20%

100%

New recruitment rate

employees receive welfare regimes stated in the issued policies

Responsibilities

Related party Responsibility

Board of Management	Approving plan and orientation about policies related to employment and employees
Human resources	Directly implementing and/or collaborating with other departments to apply policies related to employment and employees
Internal control and risk management	Implementing management tasks and assessing human resource risks
Union executive committee	Protecting right and legal benefits of employees

Resources

		Detail	
Financia	al resource	 Recruitment expense: VND18 Remuneration expense: VND1 Welfare expense: VND15.3 bill 	123.5 billion
Human	resource —	Being in charge of the implementation and welfare of emp	entation of activities related to recruitment, loyees.
IT resou	irce ————————————————————————————————————		en used to centralized data and support human ated to recruitment, remuneration and welfare
Others		1	ompany as well as Bao Viet Holdings have been l of recruiters – Best places to work in Vietnam

Grievance mechanisms

Human resources department is the focal point for receiving information and complaints related to employees in the Company

Specific's actions, such as processes, projects, programs and initiatives

Recruitment -

BVSC promoted online application which help save time, increasing the activeness of candidates and also shortening selection process at the Company. BVSC also diversify the way of getting access to candidates in order to find the most suitable personnel for the vacancies. In 2019, BVSC promoted the use of recruitment channel through social networks with related career groups, human resource forums, as well as connecting with associations such as CFA Association, FRM Association, etc. and from large scale competitions such as Go Finance of National Economics University, Financial Student Contest 2019 of Foreign Trade University - Ho Chi Minh City Campus;

Remuneration — & Welfare

Salary for employee is determined based on three key factors: capacity, ability to solve problems, and scope of responsibility; Every year, the Company conducts market salary surveys to evaluate and adjust salary policy to ensure the competitiveness. The average salary increase rate in 2019 is 21% more than in 2018, the competitiveness is higher than the average market salary increases of 8,9% according to the Mercer - Talennet salary survey.

(For details, refer to Chapter III, pages 114 to 117 of this report)

Evaluation of the management approach

The mechanimsms for evaluating the effectiveness of the management approach

- Every year, Internal Audit and Risk Management Departments always review assessments about turnover rate of employee in order to check and warning about impacts that might affect the operation of the Company
- Human Resources Department always communicate, research and collect feedbacks from others
 professional Departments and Union Executive Committee about status of personnel as well as
 employee's opinions about renumeration and welfare's policies. Hence, they can assess its impact on
 effectiveness and make suitable adjustments to improve limits or explain unclear aspects to employees.

The results of the evaluating of the management approach

With this management approach, the Company can manage well human aspects in order to stabilize human resources, attract suitable employees from the market and ensure the competitiveness and also keep talents staying.

Any related adjustments to the management approach

The Company always conduct internal reviews for existing human policies in order to make suitable update, adjustment complied with current laws and the market's trends; to make sure those policies follow exactly with the Company's development goals and orientation.



GRI 401

Employment

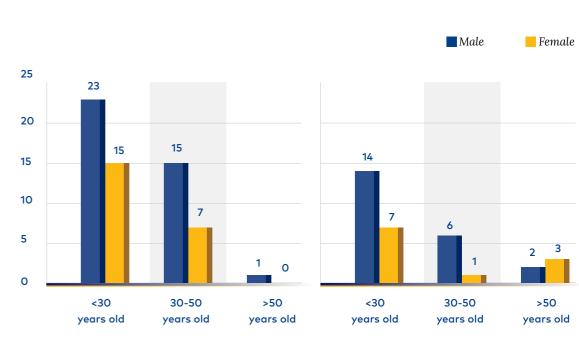
401-1 New employee hires and employee turnover

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

New employee hires

Rate

		Male			Female			Male			Female	
Age Group	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Hanoi	23	15	1	15	7	0	4.2%	2.8%	0.2%	2.8%	1.3%	0%
Ho Chi Minh City	14	6	2	7	1	3	2.6%	1.1%	0.4%	1.3%	0.2%	0.6%
Total by age group	37.0	21.0	3.0	22.0	8.0	3.0	6.8%	3.9%	0.6%	4.0%	1.5%	0.6%
Total by gender	61 33											
Total	94											

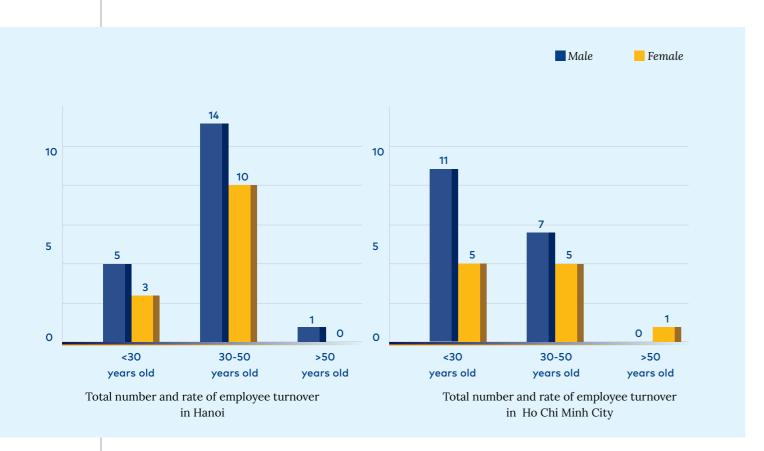


Total number and rate of new employee hires in Hanoi

Total number and rate of new employee hires in Ho Chi Minh City

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

	Turnover							Ra	ite			
		Male			Female	:		Male			Female	:
Age Group	<30	30- 50	>50	<30	30- 50	>50	<30	30- 50	>50	<30	30- 50	>50
Hanoi	5	14	0	3	10	0	0.9%	2.6%	0%	0.6%	1.8%	0%
Ho Chi Minh City	11	7	0	5	5	1	2.0%	1.3%	0%	0.9%	0.9%	0.2%
Total by age group	16,0	21,0	0	8,0	15,0	1,0	2.9%	3.9%	0%	1.5%	2.8%	0.2%
Total by gender	37 24											
Total		61										



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

Categories	Hanoi	Ho Chi Minh city
		ı
Life insurance	✓	✓
Health care	✓	✓
Cancer insurance	✓	✓
Parental leaves	✓	✓
Retirement provision	✓	✓
Stock ownership		
Others	✓	✓
Others explanations	Benefits paid in cash	Benefits paid in cash

Currently, the Company is carrying out business activities in the two largest cities of Vietnam, Hanoi and Ho Chi Minh City, where the economies are developed, densely populated with high-quality labor force.

401-3 Parental leave

	Male	Female
Total number of employees that were entitiled to parental leave	117	130
Total number of employees that took parental leave	5	15
Total number of employees that returned to work in the reporting period after parental leave ended	5	10
Total number of employees that returned to work after parental leave ended and were still employed 12 months after their return to work	5	10

100%

Return to work rate of employees that took parental leave

100%

Retention rate of employees that took parental leave

Occupational Health and Safety



GRI 103

Management Approach

103-1 Explanation of the material topic and its **Boundary**

Safety and health are one of the Company's main focuses when developing welfare policies for employees. Ensuring a safe working environment and having policies to protect workers' health will help employees feel secure; this also expresses the deep concern of the Management to employees, considering the human factor an important role in the Company; thereby increasing the employee's commitment to the Company.

Where the impacts occur

- · Insurance programs for employees: employees are provided with comprehensive health insurance, cancer insurance, and life insurance besides social insurance, medical health insurance, unemployment insurance following the State's regulations.
- · Health check-up program periodically

The organization's involvement with the impacts.

Health and safety policies are a part of welfare packages for employees which help create expediential assuarance and benefits to employees. Therefore, the Company can increase employee's working motivation and also their adherence.

There are no specific limits on this topic at the Company

103-2 The Management approach and its components

Insurance policies for employees are specifically and clearly built and classified by each group of employees and their positions, which makes employees feel secure and ensures benefits for them.

Purpose of the management approach

- · Ensuring transparency so that employees can be assured of their
- Minimizing false information about the Company's policies

Safety and health are one of the Company's main focuses when developing welfare policies for employees.

Policies

Policies of social insurance, health insurance

basis for paying social insurance, health insurance, and unemployment insurance insurance, unemployment in accordance with the State's regulations

Other insurance policies

Besides complying with social insurance, health insurance, and unemployment insurance policies of the State, the Company has developed and applied comprehensive health insurance policies (since 2010), life insurance policies (since 2015), and cancer insurance policies (since 2017) for all employees. These policies are specifically designed for each group, each position and issued by the CEO. In addition to the provisions of the Law, these supplemental insurance plans offer better benefits to employees.

The Company has developed salary systems for each job title and used it as a

Annual physical examination

Every year, the Company organizes periodic health check-up for employees at reputable Hospitals/International Clinics, ensure compliance with the

provisions of Law.

Official issued documents

Social insurance, health insurance, unemployment insurance	Follow strictly to the regulations of current Law
Health insurance	Statute of health insurance policy issued along with Decision No. $61/2016/QD-BVSC$ on the May 27, 2016 signed by CEO
Life insurance	Statute of life insurance policy issued along with Decision No. 161/2015/QĐ - BVSC on December 31, 2015 signed by CEO
Cancer insurance	Submission of regulation about cancer insurance was approved by CEO on August 17, 2017
Periodic health check-up	Regulated at Collective Bargaining Agreement signed between the Company and Employee's Representative

100%

of employees participate in social insurance, health insurance and unemployment insurance

Commitments

- Employees are able to work in a good, safe and sanitary working condition
- Employees are protected in both health and mental states in terms of finance against unexpected health risks

Goals and targets

- 100% of employees participate in social insurance, health insurance and unemployment insurance - Implementing supplemental insurance plans for employees
- · Offering a health check-up once a year

1	/	U	/	1	/

Responsibilities

Related parties

Responsibilities

Management	Approving insurance policies for employees
Human Resources	 Researching, developing and proposing policies to the Board of Management Directly implementing insurance policies for employees
Union Executive Committee	Proposing and cooperating to develop insurance policies to protect the rights and benefits of the employees

Resources

	Detail	
Financial resources		e, health insurance, unemployment insurance in 2019: nearly VND11 billion, increase 16% in
Human resources	 In charge of the implementation o	f insurance policies for employees

Grievance mechanisms

The Human resources department is the focal point for receiving information and complaints about the contents of insurance programs, and supporting to connect employees and insurance agencies in cases of insurance payments.

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

- · Continuously implementing insurance programs for employees including social insurance, health insurance, unemployment insurance pursuant to the State regulations and other additional insurance pursuant to Company's regulation.
- · Implementing periodic health check-up for employees.

103-3 Evaluation of the management approach

The mechanisms for evaluating the effectiveness of the management approach

- The Company implemented survey about employees' satisfaction levels to welfare policies including insurance policies.
- BVSC used survey reports about welfare polices from others companies in the market as a reference to compare with their current policies applied in the Company.

The results of the evaluation of the management approach

Via survey's result, the Company has received several positive feedbacks from employees related to current applied insurance policies. Moreover, while referenced to others welfare survey of companies in the market, BVSC has applied many preeminent and practical insurance policies to employees which comes to conclude that this management approach is effective.

Any related adjustments to the management approach

The Company will continuously research additional insurance policies to employees' relation in order to enhance employees' welfare.



GRI 403

Occupational health and safety

403-1 Occupational health and safety management system

A network of health and safety was established from members of all departments in the Company. They have been trained in knowledge about health and safety in corporate which complied by regulations.

The establishment of health and safety network effectively represented in official intercommittee about supported the Company in communication and implementation all activities related to health and safety and also insurance policies.

Employees whose work or workplace controled by the organization, are occupational health and safety between Board of Management and employees.



403-4 Topics about health and safety which are mentioned in an official agreement with Trade Union

In BVSC, the implementation of health and safety activities is ensured to comply with regulations of Laws. Moreover, the Company also mentioned about health and safety problems in the following documents, including:

- Collective Bargaining Agreement
- · Regulation documents/instructions about hygiene in work place
- · Regimes and regulations about health insurance, life insurance and cancer insurance.

Because the topics of health safety are regulated in many different documents, the ratio is difficult to be defined.

Training and Education



GRI 103

Management approach

Explanation of the material topic and its Boundary

- Training is an important factor to help the Company create a strong and professional labor force, helping employees regularly update with professional knowledge, Law's regulations and enhance their skills to catch up with market development.
- At BVSC, it is compulsory but also motivative to join training programs following planned curriculum for each groups.

Where the impacts occur

The Company's training programs and policies include:

Orientation training

Helping new employees to integrate immediately with new working environment and the Company's culture.

Professional training

Keeping employees up to date with regulations, policies and professional processes in order to perform well in their jobs;

Helping them improve their professional skills to promote self-development

Skills training

Helping employees improve their skills, thereby enhancing the productivity and quality of services provided to clients.

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

The Company created training curriculum framework and training policies for employees in order to help them improve skills and personal capacity.

There is no limit to the scope of this topic

172/173

103-2 The Management approach and its components

Training curriculum frameworks are built for different employees groups and different levels. The Company also issues specific regulations on training program related to career paths, promotions and remuneration of employees in order to encourage them finishing their own training program.

In addition, the Company encourages employees to participate in training courses to improve their professional qualifications and skills, thereby enhancing the Company's service quality

Purpose of the management approach

- Ensuring employees' quick adaption with workload and changes
- Improving employees' professional level and skills to meet requirements in each specific positions, hence improving services quality to ensure competitiveness in market.
- Creating back-up human resources for business implimentation and expansion of the Company

Policies

Orientation training program

Training about the Company's vision, mission, core values, history and achievements. Hence, new employees can understand corporate's culture, target's values in order to connect each employee to the development plan of the Company. In addition, employees also are trained about internal rules, regulations and policies of the Company as well as code of ethnics to make sure they can quickly adapt with new working environment, build their own success which attached with future of the Company.

Professional training program

The training curriculum framework is built for each professional division as follow:

- Brokerage: Training on professional certificates on securitues held by SSC to get job license; Internal training following training curricilum which is bulit specifically for new brokeragers.
- Management and Support Division: Training on professional certificates on securitues
 held by SSC to get job license (based on Law's requirement); BVSC will cover training
 fee for employees to get professional certificates like CFA, ACCA, CMT, SHRM, etc; and
 other professional training courses as required for each position.

Skill training program

Soft skills are trained to improve working effectiveness, management and leadership skills for managers.

Commitments

Ensuring to implement training programs and related regulations as issued by the Company

Goals and targets

15-20 hours/ yearThe number of minimum hours of training per saleman

12-15 hours/ year
The number of minimum hours of training per management and back officers

Responsibilities

Related parties

Responsibilities

Board of Management	Approving education and training programs
Human resources	 Being in charge of implementing/ coordinating the implementation of training programs as planned Being a focal point for proposing arising training programs (if any) Directly developing/ coordinating with other departments or partners to develop training programs
Professional divisions	Coordinating with HR department and/or partners to develop internal training programs for employees
Trading Management Department	Implementing and being responsible for internal training activities related to brokerage

Resources

Contents

Financial
resources
Llumon

The total cost of training in 2019: appx. VND 1 billion

- Human _____
- The number of internal lecturers: 07
- resources
- Number of officers in charge of training: 06
- Technology resources
- \bullet Remote training via video conference system between Hanoi and Ho Chi Minh City
- · Online training via e-learning system
- · Human resource software to manage the training activities of each employee

Grievance mechanisms

The Human Resources department is the focal point to directly receive and resolve employees' complaints related to training issues

174/175

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

- Continuously updating, renovating contents of training programs to be more suitable with changes in Laws, management authorities as well as new trends and knowledge in the market;
- Renovating training methods to attract and encourage employees to actively participate in the training; the Company has implemented internal training programs via e-learning system therefore employees can be active in arrange suitable time for training which helps to reduce training costs and time.
- Issuing positive learning methods to help employees improving their intentions to learn and self-develop (awards to encourage employees whose high score in training).
- The number of trainings implemented in 2019:

4,544h

Number of training hours in 2019

1,700h

Number of internal training hours

Orientation training	10 trainings for new hired employees
Professional training —— for brokerages staff	33 turns of employees joined training courses held by The Securities Research and Training Center of SSC
Internal training for new brokerages staff	18 internal training courses via both offline and online through e-learning system with 670 turns of employees. Moreover, the Company also organized many seminars to communicate with employees about new products, issued regulations and policies.
Other professional trainings	Analysis Ami technic for brokerage training course, Detection methods for cheating in financial report for analysis team, Corporate risk management for Risk management division, Virtual infrastructure management training courses for Information Technology Department, Insurance Professional Training
Skill trainings	Design presentation slide skill, skills for internal lecturer, Mindset Management, Work Effectiveness Improvement skill training, etc.

103-3 Evaluation of the management approach

The mechanisms for evaluating the effectiveness of the managemen approach

- Through human management software, the Company can supervise which employee hasn't join training courses
 as requested for each position, then issue a recommend notification to encourage employees finishing their
 training targets.
- * Through e-learning system, the Company can assess the proactive interaction and self-learning of employees.
- The participation in compulsory training courses will be a factor to consider employees for promotion, annual assessment in performance. As the result, the intention to join training course of employees will be improved.
- Every year, the Company will conduct assessment test for employees' capability. Hence, the Company can get orientation to build suitable, practical training plans and contents.

The results of the evaluation of the management approach

Based on the results of annual assessment for employees' capability, the Company have realized that employees' professional levels have improved. It means that the aforementioned management approach is effective.

Any related adjustments to the management approach

The Company will continue research, complete training programs, create training curriculum frameworks for more positions.

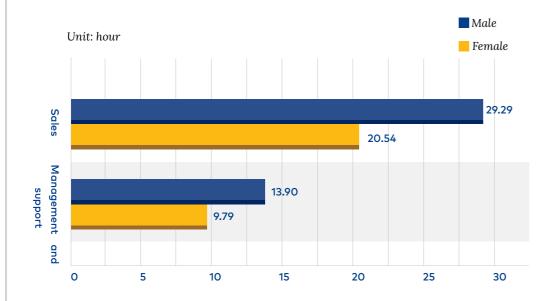


GRI 404

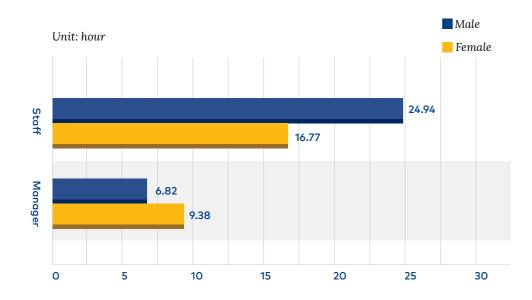
Training and Education in 2019

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 gender and employee category



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



The reason why hours of training in 2019 is lower than that in 2018 is because employees attended to some training courses last year in order to apply their knowledge to this year.

404-2 Programs implemented and assistance provided to upgrade employee skills.

To brokerage department

Following the strategic direction of the Company which focuses on brokerage activities, training for brokers is also more focused than other professional operations. Currently, the Company has built a standard internal training framework with 07 training courses from basic to advanced levels with internal trainers who have in-depth knowledge and many years of experience in the field of brokerage and knowledgeable about BVSC's products. In addition, staffs are also directly on-the-job training by the Brokers Team Leader.

To other professional departments

The Company provided funds for employees to join trainings to get work certificated from Global Business Associations like CFA, ACCA, CPA, CMT, SHRM, etc. Meanwhile, the Company always organizes or sends employees to join many professional training courses as specific requirement from each position. In each division/ departments, managers are well aware of the important of next generation in case of personnel fluctuation. Therefore, the next generation of employees are trained to meet the minimum requirements of job just in case.

The Company has a periodic staff rotation policy in some departments/divisions so that employees can work in different business segments. The rotation has been implemented in a narrow range due to the differences in characteristics of departments at BVSC, which requires deep expertise.



404-3 Percentage of total employees who received a regular performance and career development review during the reporting period

Classification	% Male	% Female
Staff	96.9	95.4
Managers	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 specifically stipulated in legal documents. BVSC is a Vietnamese enterprise so it is indispensable to comply with Vietnamese laws.

In BVSC, employees have equal positions and roles, are facilitated and promoted their capabilities for the overall development of the whole Company

Where the impacts occur

- The current ratio of female and male workers in the Company
- The proportion of female workers holding managerial positions from mid-level or above compared to male
- Policies on salary, bonus, and welfare between female workers and male workers

The organization's involvement with the impacts

At BVSC, the gender equality appeared in every daily activities of the Company, built and combined in corporate's culture and moreover, it became a crucial part in business operation.

There is no limit to the scope of this topic



103-2 The management approach and its components

In all the human resource policies of the Company, there is no difference limited by gender or ethnicity

Ensuring diversity and equal opportunity in the business will help all employees to develop their own capabilities and contribute to the development of the Company

Policies

- No gender and religion discrimination in personnel recruitment policy.
- No gender and religion discrimination in personnel development, staff planning, and appointment.
- · No gender and religion discrimination in salary, bonus, and welfare for employees' policy.

Commitments

Ensure to maintain diversity and equal opportunity for all employees in the Company

Goals and targets

Strive to increase the percentage of women in the senior management team of the Company

Responsibility, Resource, Grievance mechanisms, Specific actions, such as processes, projects, programs and initiatives:

Board of Management have focused on the diversity and equal opportunities to employees and made it become a part of corporate culture. Although at present, BVSC has not issued any specific policy on gender equality but the idea about it has been presented consistently in all policies related to employees.

103-3 Evaluation of the management approach

The mechanisms for evaluating the effectiveness of the management approach

Adopting reports on the ratio of men and women in the labor structure of the Company based on the annual personnel reports of the Company

The results of the evaluation of the management approach

Based on the reported data on the personnel situation at the Company, it can be seen that the Company has well implemented the management approach to diversity and equal opportunity

Any related adjustments to the management approach

There are no adjustments to this management approach

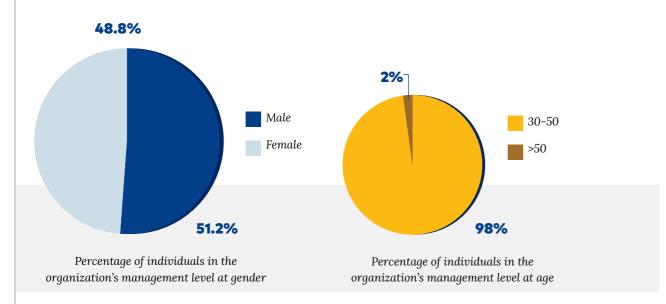


GRI 405

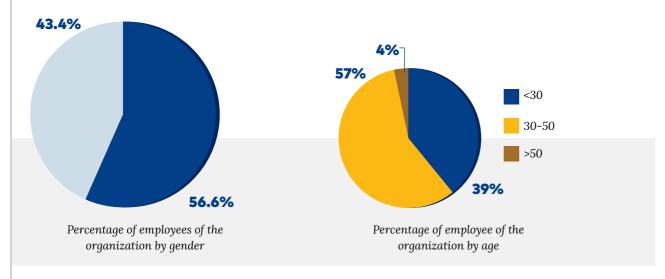
Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

Percentage of individuals within the organization's governance bodies

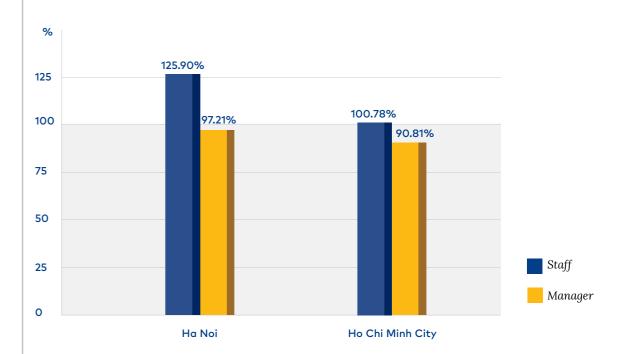


Percentage of employees per employee category:



Number of employees who are ethnic minorities: 03

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





Currently, the Company is carrying out business activities in the two largest cities of Vietnam, Hanoi and Ho Chi Minh City, where the economies are developed, densely populated with high-quality labor force

Social Security



GRI 103



Management Approach

As a role of companion, BVSC always try to improve their responsibility for the development of social community, in order to share the burden with the State under current circumstances

103-1 Explanation of the material and its Boundary

Over the few years, along with improving and developing business operation, BVSC has also paid attention to social security and considered it as an important target and mission in the sustainable development strategy as well as BVSC's responsibility to social community.

At BVSC, Social Security activities always express humanity to ensure the unite, sharing and supporting from community to people who are facing hardship, difficulties in life; together we are willing to support for a mutual development which improves social agreement, equality and fairness. As a role of companion, BVSC always try to improve their responsibility for the development of social community, in order to share the burden with the State under current circumstances.

Where the impacts occur

Implementation of Social Security programs for major areas:



Invest in future generations



Poverty reduction



Pay tribute to families with meritorious services to the Revolution

The organization's involvement with the impacts

The Company often directly organizes social security activities or cooperates with Bao Viet Holdings to carry out charity activities.

There is no limited scope for this topic.

103-2 Management approach and its components

The Company manages the implementation of Social Security programs through the Company's Trade Union, under the direction of the Board of Directors and the Executive Board. Programs are scheduled and budget planned, after implementation, the entire program results, actual costs are publicly and transparently disclosed in the final revision meeting.

The implementation of the program under the management approach aims to optimize social security programs, ensuring the right value will come to the right people.

103-3 Evaluation of the management approach

The mechanisms for evaluating the effectiveness of the management approach

The Company has not had a mechanism to evaluate the effectiveness of the Management Approach in a formal way. However, all annual Social Security programs of the Company are planned, organized, implemented and fully finalized in meetings.

In addition, the Company has realized the effectiveness of those programs through feedbacks from superior organizations and social network.

The results of the evaluation of the management approach

The review after each annual Social Security program and receiving feedbacks from outside is being carried out in an effective manner. However, the Company will plan to establish a mechanism for evaluating the effectiveness of the Management Approach and promulgate it in the future.

Any related adjustments to the management approach

There are no adjustments to the Adjustment Approach in this topic



Social security programs

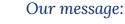
In 2019, with the message "20 Years – From heart to action", several programs had been organized throughout the year toward the celebration of the 20th establishment of Bao Viet Securities, and the social security programs at BVSC were truly spreading this message to the community. Those programs focus on clear targets including investment to education and young generations, poverty reduction, health treatment and tribute to heroes of martyrs, families with meritorious services to the Revolution.

Investment in education and young generation

Children is a future of family and society, who will build and protect our country in the years to come. Therefore, in BVSC, we pay close attention to protection, nurturing and education for young generation, improve their living conditions in terms of matter and mind, which contribute to a brighter and better future of our country. In 2019, BVSC organized 2 major programs aimed at pupils with a total cost of VND 225 million, which are:

The "Bring warmth to the highlands" program, in its 8th year, brought warm clothes, foods and learning tools to over 500 students at 2 kindergartens of Na Ngoi village, Ky Son District, Nghe An with the amount up to VND 181 million. In addition, BVSC gave 34 packages to disability students to encourage them overcome their hardships.

The "Sharing knowledge – Foresting the future" program at Hung Loi 1 Primary school, Soc Trang Province with 12 bicycles for students with good learning achievements, providing vehicles for them to favorably start secondary school next year which quite far from their houses, and along with 80 gift packages of workbooks and notebooks to students from grade 1 to 4. The total gifts worth of VND 34 million.



"20 Years -From heart to action"





The "Sharing knowledge - Foresting the future" program at Hung Loi 1 Primary school, Soc Trang



The "Bring warmth to the highlands" program at Na Ngoi village, Ky Son District, Nghe An

Pay tribute to heroes of martyrs, families with meritorious services to the Revolution

As an annual activity, BVSC commemorates Vietnamese War Invalids and Martyrs' Day on July 27 in gratitude and remembrance for the merits of martyrs and patriots who bravely sacrificed for the independence and freedom of our country... The Company also sent 14 gifts and best wishes to employees' families to express the spirit "when you drink water, think of its source" and gratitude for those who sacrificed their lives for the peace of the nation.

In addition, BVSC Trade Union also gave VND 30 million gift in cash to 927 training regimentals from Kep airport, Lang Giang District, Bac Giang for their contribution in protecting our country.



Investment in poverty reduction



The program "Sharing love – Warm spring" organized by Ho Chi Minh City Branch gave 150 gift packages to poverty families in 4 villages including Chau Hung, Tan Long, Tuan Tuc and Phu Loc, Thanh Tri District, Soc Trang. Each package consists of essential foods like rice, sugar, fish sauce, etc with the hope of bring a fully Tet to people who are in need.



Social security programs (Continued)

Investment in poverty reduction (Continued)



1,500 charitable meals for the disadvantaged at National Institute of Hematology and Blood Transfusion

Along with that, over the last 7 years, BVSC has implemented the "Charity meals" program at National Institute of Hematology and Blood Transfusion with the hope to help patients with difficulties are treated here. In 2019, we donated more than 1,500 charitable meals, worth more than VND 45 million.



BVSC Camping Competition - Full House

BVSC also very proactively joined charity activities like Terry Fox charity run for cancer patients, "Love in Tet" at De Xu Phinh village – Yen Bai, study encouragement campaign at Hoan Kiem District, etc. along with other charity programs organized by Bao Viet Holdings.



BVSC Open Football Championship 2019



Liveshow "Khat Vong" - Hanoi Opera House - November 14, 2019



Teambuilding at FLC Sam Son 2019



 ${\bf BVSC}\ Camping\ Competition\ \hbox{--}\ {\bf Full}\ {\bf House}$

Along with those abovementioned charity activities, in 2019 BVSC also proactively joined programs organized by Bao Viet Holdings like Charity program "Warm clothes for winter", "Blood Donation Day", "Tet planting day", etc.

Appendix I Managerial Ratios Defined by CAMEL

No.	Criteria	Value	2018	2019	Ratio
1	Years of management (BOD/BOM) in finance/securities of BOD Chairman	Over 5 years	100	100	4%
2	Years of management (BOD/BOM) in finance/securities of CEO)	Over 5 years	100	100	6%
3	Years of experience in finance/ securities of Chairman	Over 7 years	100	100	4%
4	Years of experience in finance/ securities of CEO	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 personnel changes (leaving the company) divided by total of number of positions)	04 middle managers left	0	0	4%
6	Professional procedure adequacy under Law on securities, and Regulations of Stock Exchange and Securities Depository Center	Implemented and meet actual demand	100	100	5%
7	Risk management policies in every activity	Established an independent Risk Management Department, fully promulgated policies to meet actual requirements	100	100	5%
8	Efficiency evaluation of the internal audit department	Established to fully meet efficiency requirements	100	100	5%

No.	Criteria	Value	2018	2019	Ratio
9	Quality control evaluation of investors'deposits in securities transactions	Established depository management procedure for monitoring	100	100	5%
10	Financial information Transparency	Published fully and timely on mass media without critical corrections after releasing	100	100	6%
11	Years of operation	Over 7 years	100	100	6%
12	Ratio of BVSC's transaction revenue (on both stock exchanges) to total transaction revenue of both exchanges HNX and HSX	2% - 5%	80	80	8%
13	Information technology modernity	Online trading system and Internal information management system MIS	80	80	5%
14	Owners' Equity compared to average	Top 15	100	70	5%
15	Stability and possibility of an increase (decrease) on owner's equity in the next 2 years. (Plan to increase company capital, profit or loss)	Prepared plan of raising capital with high feasibility	100	100	4%
16	Stable and sustainable growth reflected in the average revenue growth rate in the last 3 report periods (6 months)	Below 5%	60	30	6%
17	Usage of payment support fund of VSD due to the lack of money for clearing securities transactions	N/A	100	100	5%
18	Compliance (violation) of Laws on securities and stock market regulations in the last 6 months	N/A	100	100	6%
19	Number of licensed operations	4 professions	100	100	5%
	Total		91	87.7	

Appendix II Financial Ratios Defined by CAMEL

		Percentage		Points		
No.	Financial criteria	2018	2019	2018	2019	Ratio
1	C1 = Owners' Equity/Total Assets	57.8%	75.3%	80	100	10%
2	C2 = Owners' equity/Regulatory capital	564.1%	602.2%	100	100	10%
3	C3= Available capital	738.0%	714.0%	100	100	10%
4	A1 = Total assets adjusted to risks/ Total assets (excluding fixed assets)	92.79%	90.43%	100	100	5%
5	A2 = Provision/(Short-term investments + long-term investments + receivables)	4.3%	4.3%	80	80	10%
6	A3= After-tax profit/Total Revenue	1.0%	1.7%	100	100	10%
7	E1= After-tax profit/Total Revenue	18.9%	24.0%	70	100	10%
8	E2= After-tax profit/average owners' equity	6.1%	7.7%	70	70	10%
9	L1= Short-term assets/Short-term liabilities	278.6%	1,225.6%	100	100	15%
10	L2= Cash and cash equivalent/ Short-term liabilities	50.9%	96.3%	100	100	10%
	Total			90	95	

Classification

Component points	2018	2019	Ratio
Financial factor	90	95	70%
Managerial factor	91	87.7	30%
Total	90.3	92.81	

Points by CAMEL

Factors	2018	2019	
C (Capital Adequacy)	93.3	100.0	
A (Asset Quality)	92.0	92.0	
M (Management)	91	87.7	
E (Earnings)	70.0	85.0	
L (Liquidity)	100.0	100.0	

Combining both financial and managerial factors, the Company is rated A because the overall rating score is 92.81 points, meeting the criteria at least 80 points and there is no factor score of CAMEL below 65 points.

Conclusion

92.81
Total

The Company's overall grading score is above 80 and there is no CAMEL factor score below 65.

Combined financial statements & Financial safety ratio report

- O1 Combined financial statementsO2 Financial safety ratio report

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.

BVSC is a listed securities company in Vietnam stock market and aims at contributing to the development of Vietnam 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 margin lending activities.

The Company's head office is located at 2nd and 3rd floors, 72 Tran Hung Dao 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 2019, the Company's charter capital was VND 722,339,370,000 and owners' equity was VND 1,806,633,192,421.

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	Appointed on 29 November 2018
Mr. Nguyen Anh Tuan	Member	Appointed on 12 May 2016
Mr. Le Van Binh	Member	Appointed on 15 April 2015
Mr. Nhu Dinh Hoa	Member	Appointed on 15 April 2015
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 cum Director of Ho Chi Minh Branch	Reappointed on 5 May 2017

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 the Board of Directors

The Board of Directors of Bao Viet Securities Joint Stock Company ("the Company") is pleased to present its report and the combined financial statements of the Company (including its Head Office and Ho Chi Minh City Branch) as at 31 December 2019 and for year then ended.

Management's responsibility in respect of the combined financial statements

Management is responsible for the combined financial statements of each financial year which give a true and fair view of the combined financial position of the Company and of the combined results of its operations, its combined cash flows and its combined changes in owners' equity for the year. In preparing these combined financial statements, 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 combined financial statements; and
- Prepare the combined financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the combined 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.

Management confirmed that it has complied with the above requirements in preparing the consolidated financial statements as at 31 December 2019 and for year then ended.

196/19

Approval of the combined financial statements

We hereby approve the accompanying combined financial statements. These combined financial statements give a true and fair view of the combined financial position of the Company as at 31 December 2019 and of the combined results of its operations, its combined cash flows and its combined statement of 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 the financial statements.

On behalf of the Board of Directors:



Mr. Nguyen Hong Tuan Chairman

Hanoi, Vietnam 23 March 2020

Independent auditor's report

Reference: 60758149/20378388

To: Shareholders of Bao Viet Securities Joint Stock Company

We have audited the accompanying combined financial statements of Bao Viet Securities Joint Stock Company ("the Company"), as prepared on 23 March 2020 and set out on page 6 to 78 which comprise the combined statement of financial position as at 31 December 2019, the combined income statement, the combined cash flow statement and the combined statement of changes in equity for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the combined 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 the combined financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the combined 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 combined 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 and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined financial statements 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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 combined financial statements give a true and fair view, in all material respects, of the combined financial position of the Company as at 31 December 2019, and of the combined results of its operations, its combined cash flows and its combined 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 the combined financial statements.

Ernst & Young Vietnam Limited

Dang Phuong Ha

Deputy General Director Audit Practising Registration Certificate No: 2400-2018-004-1

Hanoi, Vietnam 23 March 2020 min

Nguyen Van Trung
Auditor
Audit Proposition Registration

Audit Practising Registration Certificate No: 3847-2016-004-1

Combined statement of financial position

B01-CTCK as at 31 December 2019

(Currency: VND)

Code	Items	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2.216.765.893.431	2.547.076.962.053
110	I. Financial assets		2.213.745.653.759	2.544.928.394.217
111	1. Cash and cash equivalents	5	174.237.228.080	465.849.247.326
111.1	- Cash		174.237.228.080	465.849.247.326
112	2. Financial assets at fair value through profit and loss (FVTPL)	7.1	421.327.957.700	252.425.875.043
113	3. Held-to-maturity investment (HTM)	7.3	10.022.246.575	51.600.000.002
114	4. Loans	7.4	1.514.325.651.880	1.682.728.337.545
115	5. Available-for-sale investment (AFS)	7.2	131.915.592.497	128.006.432.497
116	6. Provision for impairment of financial assets and mortgage assets	7.6	(77.943.762.861)	(65.169.527.850)
117	7. Receivables	8	17.888.832.396	20.925.796.544
117.2	7.1. Receivables and accrued dividend and interest		17.888.832.396	20.925.796.544
117.4	7.1.1. Undue accrued dividend and interest		17.888.832.396	20.925.796.544
118	8. Advances to suppliers	8	6.440.012.898	6.514.867.194
119	9. Receivables from services provided by the Company	8	4.243.758.225	6.415.254.928
122	10. Other receivables	8	27.271.866.068	11.615.840.687
129	11. Provision for impairment of receivables	8	(15.983.729.699)	(15.983.729.699)
130	II. Other current assets	9	3.020.239.672	2.148.567.836
131	1. Advances		583.827.230	200.751.380
132	2. Office supplies, materials and tools		486.898.450	388.072.553
133	3. Short-term prepaid expenses		1.949.513.992	1.559.743.903

200/201

	(Currency, VND)
	Beginning

Code	Items	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		181.087.292.225	380.084.227.603
210	I. Long-term financial assets		118.581.166.699	306.216.244.096
212	1. Investments		120.449.203.000	333.532.709.546
212.1	- Held-to-maturity investments	7.3	-	142.759.886.546
212.4	- Other long-term investments	7.2	120.449.203.000	190.772.823.000
213	2. Provision for impairment of long-term financial assets	7.6	(1.868.036.301)	(27.316.465.450)
220	II. Fixed assets		16.846.722.014	16.648.055.291
221	1. Tangible fixed assets	10	14.606.828.563	14.126.988.253
222	- Cost		35.972.723.069	40.799.362.388
223a	- Accumulated depreciation		(21.365.894.506)	(26.672.374.135)
227	2. Intangible fixed assets	11	2.239.893.451	2.521.067.038
228	- Cost		14.530.251.090	14.019.651.090
229a	- Accumulated amortization		(12.290.357.639)	(11.498.584.052)
250	III. Other non-current assets		45.659.403.512	57.219.928.216
251	1. Long-term deposits, collaterals and pledges		1.092.282.572	1.169.613.567
252	2. Long-term prepaid expenses	12	23.388.143.453	36.050.314.649
254	3. Deposits to Settlement Assistance Fund	13	21.178.977.487	20.000.000.000
270	TOTAL ASSETS		2.397.853.185.656	2.927.161.189.656

Combined statement of financial position (Continued)

B01-CTCK as at 31 December 2019

(Currency: VND)

Code	Items	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		591.219.993.235	1.235.009.147.192
310	I. Current liabilities		180.864.567.225	914.347.334.930
311	Short-term borrowings and financial leases		100.000.000.000	129.900.000.000
312	- Short-term borrowings	14	100.000.000.000	129.900.000.000
318	2. Payables for securities transactions	15	2.810.129.998	3.700.362.817
320	3. Short-term trade payables	16	2.904.469.374	2.622.604.004
321	4. Short-term advances from customers		7.017.431.817	2.771.000.000
322	5. Statutory obligations	17	7.654.954.770	8.099.520.084
323	6. Payables to employees		35.568.500.561	37.691.980.762
324	7. Employee benefits		1.165.913.810	967.203.941
325	8. Short-term accrued expenses	18	2.491.758.782	5.082.283.353
329	9. Other short-term payables	19	2.845.649.995	551.293.643.777
330	10. Provision for short-term payables		12.000.000.000	6.000.000.000
331	11. Bonus and welfare fund		6.405.758.118	6.061.490.456
332	12. Payables under bonds repo agreements	20	-	160.157.245.736
340	II. Non-current liabilities		410.355.426.010	320.661.812.262
346	1. Long-term bonds issued	21	400.387.697.434	312.922.170.663
356	2. Deferred tax liability	29.2	9.967.728.576	7.739.641.599

202/203

(Currency: VND)

Code	Items	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		1.806.633.192.421	1.692.152.042.464
410	I. Capital	22	1.806.633.192.421	1.692.152.042.464
411	1. 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	30.894.437.854	23.148.061.854
414	3. Charter capital supplementary reserve		42.517.552.484	36.121.049.159
415	4. Operational risk and financial reserve		42.517.552.484	36.121.049.159
417	5. Undistributed profit		358.607.795.379	264.666.028.072
417.1	5.1. Realized profit after tax		380.595.251.718	294.233.027.901
417.2	5.2. Unrealized loss after tax		(21.987.456.339)	(29.566.999.829)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2.397.853.185.656	2.927.161.189.656

Combined statement of financial position (Continued)

B01-CTCK as at 31 December 2019

Off-balance sheet items

(Currency: VND)

Code	Items	Notes	Ending balance	Beginning balance
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
004	1. Bad debts written off (VND)		390.400.000	390.400.000
006	2. Outstanding shares (number of shares)		72.200.145	72.200.145
007	3. Treasury shares (number of shares)		33.792	33.792
008	4. The Company's Financial assets listed/ registered at Vietnam Securities Depository centre ("VSD") (VND)	23.1	154.658.540.000	205.698.370.000
009	5. The Company's non-traded financial assets deposited at VSD (VND)	23.2 3.000.000.00		3.000.040.000
010	6. The Company's awaiting financial assets (VND)	23.3	385.900.000	2.213.300.000
012	7. The Company's financial assets which have not been deposited at VSD (VND)	23.4	174.686.470.000	174.686.470.000
	B. ASSETS AND LIABILITIES MANAGED UNDER AGREEMENT WITH INVESTORS			
021	Investors' financial assets listed/registered at VSD (VND)	23.5	26.179.273.156.000	24.918.883.010.000
021.1	a. Unrestricted financial assets (VND)		25.172.493.819.000	24.019.054.660.000
021.2	b. Restricted financial assets (VND)		234.606.360.000	279.960.730.000
021.3	c. Mortgage financial assets (VND)		509.936.430.000	312.755.540.000
021.4	d. Blocked financial assets (VND)		92.969.860.000	92.969.860.000
021.5	e. Financial assets awaiting settlement (VND)		169.266.687.000	214.142.220.000

204/205

Beginning

Notes Ending balance

Code	Items	Notes	Ending balance	balance	
022	2. Investors' non-traded financial assets deposited at VSD (VND)	23.6	15.519.200.000	205.695.930.000	
022.1	a. Unrestricted and non-traded financial assets deposited at VSD (VND)		5.844.020.000	2.146.660.000	
022.2	b. Restricted and non-traded financial assets deposited at VSD (VND)		9.675.180.000	203.549.270.000	
023	3. Investors' awaiting financial assets (VND)		119.419.034.000	221.116.530.000	
024b	4. Investor's financial assets which have not been deposited at VSD (VND)		2.492.322.700.000	1.809.322.700.000	
026	5. Investors' deposits (VND)		588.148.124.654	799.756.495.843	
027	a. Investors' deposits for securities trading activities under the Company's management (VND)	23.7	364.578.483.902	558.187.678.624	
028	b. Investors' synthesizing deposits for securities trading activities (VND)	23.7	223.301.242.574	235.604.670.445	
030	c. Securities issuers' deposits (VND)		268.398.178	5.964.146.774	
	6. Payables for investors (VND)		588.148.124.654	799.756.495.843	
031	a. Payables for investors' deposits for securities trading activities under the Company's management (VND)	23.8	564.487.860.800	734.555.769.517	
031.1	- Domestic investors' deposits for securities trading activities under the Company's management (VND)		563.256.823.806	733.215.022.591	
031.2	- Foreign investors' deposits for securities trading activities under the Company's management (VND)		1.231.036.994	1.340.746.926	
032	b. Payables to securities issuers (VND)		14.999.565.694	6.352.246.425	
035	c. Dividend, bond principal and interest payables (VND)		8.660.698.160	58.848.479.901	

Ms. Vu Thi Thuy Linh

Preparer
Deputy Head of Financial
Accounting Department

Ms. Nguyen Hong Thuy Approval Head of Financial Accounting Department **Mr. Nhu Dinh Hoa**Approval
Chief Executive Officer

Hanoi, Vietnam 23 March 2020

Code

Combined income statement

 $$B02\mbox{-}CTCK$$ for the year ended 31 December 2019

(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)		184.910.055.845	141.259.273.145
01.1	1.1. Gain from disposal of financial assets at FVTPL	24.1	51.447.253.099	37.337.826.892
01.2	1.2. Gain from revaluation of financial assets at FVTPL	24.2	63.837.989.373	83.596.850.159
01.3	1.3. Dividend, interest income from financial assets at FVTPL	24.3	69.624.813.373	20.324.596.094
02	2. Gain from held-to-maturity investments (HTM)	24.3	2.943.826.785	20.869.796.639
03	3. Gain from loans and receivables	24.3	193.702.056.566	168.791.290.501
04	4. Gain from available-for-sale (AFS) financial assets	24.3	4.971.727.400	4.917.148.400
06	5. Revenue from brokerage services	24.4	135.858.907.322	171.589.919.323
07	6. Revenue from underwriting and issuance agency services	24.4	62.602.909	279.843.553
09	7. Revenue from securities custodian services	24.4	5.846.382.979	6.518.202.269
10	8. Revenue from financial advisory services	24.4	11.022.954.544	7.329.571.942
11	9. Revenue from other operating activities	24.4	1.945.263.739	1.399.358.598
20	Total operating revenue		541.263.778.089	522.954.404.370
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		(139.063.068.343)	(150.518.432.512)
21.1	1.1. Loss from disposal of financial assets at FVTPL	24.1	(83.096.115.437)	(36.311.621.285)
21.2	1.2. Loss from revaluation of financial assets at FVTPL	24.2	(55.966.952.906)	(114.206.811.227)
24	2. Provision expense for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans	25	12.674.194.138	3.268.735.583
26	3. Expenses for proprietary trading activities		(2.929.485.497)	(2.161.594.969)
27	4. Expenses for brokerage services		(119.277.954.084)	(140.758.429.249)
30	5. Expenses for securities custodian services		(14.720.763.230)	(14.455.212.614
31	6. Expenses for financial advisory services		(12.491.091.723)	(8.908.412.506
32	7. Expenses for other operating activities		(8.894.414.299)	(8.599.965.543
40	Total operating expenses		(284.702.583.038)	(322.133.311.810

Code	Items	Notes	Current year	Previous year
------	-------	-------	---------------------	----------------------

	III. FINANCIAL INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		119.046	
42	2. Received and accrued dividends, non-fixed interest income		22.391.026.254	24.624.943.37
50	Total financial income		22.391.145.300	24.624.943.37
	IV. FINANCIAL EXPENSES			
51	1. Realized and unrealized foreign exchange differences		(1.976.854)	
52	2. Borrowing cost	26	(39.502.779.067)	(27.617.501.93
60	Total financial expenses		(39.504.755.921)	(27.617.501.93
62	V. GENERAL AND ADMINISTRATIVE EXPENSES	27	(88.155.629.150)	(75.088.804.92
70 VI. OPERATING PROFIT			151.291.955.280	122.739.729.0
	VII. OTHER INCOME AND EXPENSES			
71	1. Other income	28	394.272.728	214.282.7
72	2. Other expenses	28	(523.614.540)	(474.040.00
80	Net other loss		(129.341.812)	(259.757.29
90	VIII. PROFIT BEFORE TAX		151.162.613.468	122.479.971.7
91	1. Realized profit		143.291.577.001	153.089.932.8
92	2. Unrealized loss/profit		7.871.036.467	(30.609.961.06
100	IX. CORPORATE INCOME TAX (CIT) EXPENSES	29	(15.653.003.473)	(18.948.177.34
100.1	1. Current CIT expense		(15.361.510.496)	(21.438.219.16
100.2	2. Deferred CIT income/(expense)		(291.492.977)	2.490.041.83
200	X. PROFIT AFTER TAX		135.509.609.995	103.531.794.43
300	XI. OTHER COMPREHENSIVE (LOSS)/ INCOME AFTER TAX	31	7.746.376.000	(2.307.620.48
301	1. (Loss)/gain from revaluation of AFS financial assets		7.746.376.000	(2.307.620.48
400	Total other comprehensive (loss)/income		7.746.376.000	(2.307.620.48
500	XII. NET INCOME PER SHARE			
501	Earnings per share (VND/share)	32.2	1.693	1.7

w

Ms. Vu Thi Thuy LinhPreparer
Deputy Head of Financial
Accounting Department

Ms. Nguyen Hong ThuyApproval
Accounting Department

CÔNG TY CÔ PHẨN CHÚNG THOÁN CO BÁO VIỆT

Mr. Nhu Dinh Hoa Approval Chief Executive Officer

Hanoi, Vietnam 23 March 2020

Combined cash flow statement

B03-CTCK for the year ended 31 December 2019

(Currency: VND)

Code	Items	Current year	Previous year			
	I. CASH FLOWS FROM OPERATING ACTIVITIES					
01	1. Payment for purchase of financial assets	(52.573.822.607.317)	(57.014.488.834.403)			
02	2. Proceeds from sale of financial assets	52.909.923.549.908	56.712.306.950.318			
04	3. Dividend received	61.651.057.392	21.040.800.394			
05	4. Coupon and interest received	218.684.404.057	194.655.338.969			
06	5. Interest paid	(50.545.315.983)	(636.412.292)			
07	6. Payment to suppliers	(35.559.175.855)	(43.217.102.054)			
08	7. Payments to employees	(114.495.872.255)	(121.649.582.102)			
09	8. Tax paid	(71.057.257.918)	(91.679.452.289)			
11	9. Other cash receipts from operating activities	27.608.185.677.922	18.061.626.056.390			
12	10. Other cash payments for operating activities	(28.126.546.464.583)	(17.535.416.467.276)			
20	Net cash flows from/ (used in) operating activities	(173.582.004.632) 182.541.295				
	II. CASH FLOW FROM INVESTING ACTIVITIES					
21	1. Payment for purchase and construction of fixed assets. investment properties and other assets	(5.330.206.154)	(7.347.764.874)			
30	Net cash flow used in investing activities	(5.330.206.154)	(7.347.764.874)			
	III. CASH FLOWS FROM FINANCING ACTIVITIES					
33	1. Drawdown of borrowings	1.078.690.000.000	1.530.324.971.568			
33.2	1.1. Other borrowings	1.078.690.000.000	1.530.324.971.568			
34	2. Repayment of borrowings	(1.119.682.200.000)	(1.199.710.521.345)			
34.3	2.1. Repayment of other borrowings	(1.119.682.200.000)	(1.199.710.521.345)			
36	3. Dividend and profit paid to owner	(71.707.608.460)	(50.219.912.645)			
40	Net cash flow from financing activities	(112.699.808.460)	280.394.537.578			
50	IV. NET INCREASE IN CASH FOR THE YEAR	(291.612.019.246)	455.588.068.359			
60	V. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Notes: 5)	465.849.247.326	10.261.178.967			
61	Cash	465.849.247.326	10.261,178,967			
70	VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Notes: 5)	174.237.228.080	465.849.247.326			
71	Cash	174.237.228.080	465.849.247.326			

Cash flows from brokerage and trust activities of customers

Code	Items	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	54.392.648.561.090	82.942.739.057.445	
02	2. Cash payment for acquisition of securities on behalf of customers	(50.919.531.828.214)	(74.717.203.711.766)	
07	3. Cash receipt for settlement of securities transactions of customers	25.390.359.305.280	45.093.144.497.506	
09	4. Cash payment for custodian fees of customers	(3.384.346.741)	(5.762.773.996)	
12	5. Cash receipt from securities issuers	3.215.162.056.719	5.713.428.788.648	
13	6. Cash payment to securities issuers	(3.250.162.669.974)	(5.712.837.009.700)	
	7. Other cash inflows from brokerage and trust activities of customer	85.281.438.102.382	79.175.811.272.517	
	8. Other cash outflows from brokerage and trust activities of customers	(114.318.137.551.731)	(132.426.878.213.510)	
20	Net increase in cash for the year	(211.608.371.189)	62.441.907.144	
30	II. CASH AND CASH EQUIVALENTS OF CUSTOMERS AT THE BEGINNING OF THE YEAR			
31	Cash at banks at the beginning of the year:	799.756.495.843	737.314.588.699	
32	- Investors' deposits under the Company's management (Notes: 23.7)	558.187.678.624	415.638.533.838	
34	- Investors' synthesizing deposits for securities trading activities	235.604.670.445	318.869.139.597	
35	- Deposits of securities issuers	5.964.146.774	2.806.915.264	
40	III. CASH AND CASH EQUIVALENTS OF CUSTOMERS AT THE END OF THE YEAR			
41	Cash at banks at the end of the year:	588.148.124.654	799.756.495.843	
42	- Investors' deposits under the Company's management (Notes: 23.7)	364.578.483.902	558.187.678.624	
43	- Investors' synthesizing deposits for securities trading activities (Notes: 23.7)	223.301.242.574	235.604.670.445	
45	- Deposits of securities issuers	268.398.178	5.964.146.774	

Ms. Vu Thi Thuy Linh

Preparer Deputy Head of Financial Accounting Department **Ms. Nguyen Hong Thuy** Approval Head of Financial Accounting Department Mr. Nhu Dinh Hoa Approval Chief Executive Officer

Hanoi, Vietnam 23 March 2020

Combined statement of changes in owners' equity

В04-СТСК for the year ended 31 December 2019

Currency: VND

		Beginnin	g balance			Increase/(decrease	se)		Ending b	alance
Items	Notes	1 January 2018	1 January 2019	For th	e year ended 31 Decei	mber 2018	•	year ended mber 2019	31 December 2018	31 December 2019
				Increase		Decrease	Increase	Decrease		
A	В	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		29.538.463.475	36.121.049.159	6.582.585.684		-	6.396.503.325	-	36.121.049.159	42.517.552.484
3. Operational risk and financial reserves		29.538.463.475	36.121.049.159	6.582.585.684		-	6.396.503.325	-	36.121.049.159	42.517.552.484
4. Difference from revaluation of financial assets at fair value	31	25.455.682.334	23.148.061.854	17.363.384.960		(19.671.005.440)	13.692.850.000	(5.946.474.000)	23.148.061.854	30.894.437.854
5. Undistributed profit		281.475.143.206	264.666.028.072	131.651.713.676		(148.460.828.810)	135.509.609.995	(41.567.842.688)	264.666.028.072	358.607.795.379
5.1. Realized profit after tax		282.922.223.792	294.233.027.901	131.651.713.676		(120.340.909.567)	127.930.066.505	(41.567.842.688)	294.233.027.901	380.595.251.718
5.2. Unrealized profit/(loss) after tax		(1.447.080.586)	(29.566.999.829)	-		(28.119.919.243)	7.579.543.490	-	(29.566.999.829)	(21.987.456.339)
TOTAL		1.698.103.606.710	1.692.152.042.464	162.180.270.004		(168.131.834.250)	161.995.466.645	(47.514.316.688)	1.692.152.042.464	1.806.633.192.421
II. OTHER COMPREHENSIVE INCOME										
Gain from revaluation of AFS financial assets	31	25.455.682.334	23.148.061.854	17.363.384.960		(19.671.005.440)	13.692.850.000	(5.946.474.000)	23.148.061.854	30.894.437.854
TOTAL		25.455.682.334	23.148.061.854	17.363.384.960		(19.671.005.440)	13.692.850.000	(5.946.474.000)	23.148.061.854	30.894.437.854

Ms. Vu Thi Thuy Linh

Deputy Head of Financial Accounting Department

Hanoi, Vietnam 23 March 2020

Ms. Nguyen Hong Thuy

Approval Head of Financial Accounting Department

Mr. Nhu Dinh Hoa Approval Chief Executive Officer

Notes to the combined financial statements

B09 -CTCK as at 31 December 2019 and for the year then ended

The company

Bao Viet Securities Joint Stock Company ("the Company", "BVSC") is a joint-stock company established in Vietnam under 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. 36/GPĐC-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, underwriting and issuance agency services, financial advisory, securities investment advisory services and margin lending activities.

As at 31 December 2019, the Company's head office is located at floors 2 and 3, 72 Tran Hung Dao 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

Transaction office at Head Office (Hanoi)	72 Tran Hung Dao. Hoan Kiem District. Hanoi
Transaction office No. 1 (Hanoi)	94 Ba Trieu Str., Hoan Kiem Dist., Hanoi
Transaction office Thanh Xuan (Hanoi)	Floor 10, Hapulico Tower, No.1 Nguyen Huy Tuong, Thanh Xuan, Hanoi
Transaction office Lang Ha (Hanoi)	Floors 12, 14 Lang Ha Tower. Ba Dinh Dist., Hanoi
Transaction office Cao Thang (Ho Chi Minh City)	90 Cao Thang Str., District 3, Ho Chi Minh City
Transaction office 11 Nguyen Cong Tru (Ho Chi Minh City)	11 Nguyen Cong Tru Str., District 1, Ho Chi Minh City
Transaction office 233 Dong Khoi (Ho Chi Minh City)	233 Dong Khoi Str., District 1, Ho Chi Minh City
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 2019, the Company's charter capital was VND 722,339,370,000; owners' equity was VND 1,806,633,192,421 and total assets was VND 2,397,853,185,656.

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 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on establishment and operation of securities companies, Circular No. 07/2016/TT-BTC by the Ministry of Finance dated 18 January 2016 amended and supplemented 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 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.
- 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.
- Securities Company is 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, is allowed to
 trade listed bonds in accordance with relevant provisions on trading Government bonds.
- Securities Company must not by itself, 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.

Notes to the combined financial statements (Continued)

B09 -CTCK as at 31 December 2019 and for the year then ended

Basic of presentation

Applied accounting standards and system

The combined financial statements of the Company (the "Company"), expressed in Vietnam dong ("VND"), are prepared 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 Appendix No. 04 of Circular No. 210/2014/TT-BTC; Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and asset management companies and other Vietnamese Accounting Standards promulgated by the Ministry of Finance 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).

Applied accounting documentation system

The Company's applied accounting documentation system is the General Journal Voucher system.

Fiscal year

The Company's fiscal year starts on 1 January and ends on 31 December.

The Company also prepares its combined 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.

214/215

Combined financial statements

The Company prepares its combined financial statements for its Head Office and Ho Chi Minh City branch for the year ended 31 December 2018 to submit to authorities in accordance with requirements of Circular No. 155/2015/TT-BTC dated 6 October 2015 issued by Ministry of Finance. The Company also prepares the financial statements for the year ended 31 December 2019 for its Head Office.

Accounting currency

The combined financial statements are prepared in Vietnam Dong ("VND") which is the accounting currency of the Company.

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 legal regulations relating to the preparation and presentation of the combined financial statements.

Accordingly, the accompanying combined 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 combined financial position, the combined income statement, the combined cash flows and the combined changes in equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

B09 -CTCK as at 31 December 2019 and for the year then ended

Summary of significant accounting polices

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.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL are financial assets that satisfy either of the following conditions:

a) 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).

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 and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management 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 combined 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 combined 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 combined income statement.

216/217

Held-to-maturity investments (HTM)

HTM investments are non-derivative financial assets with determinable 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; and
- Those that meet the definition of loans and receivables.

HTM investments are recognized initially at 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 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 (directly or through the use of an allowance account) 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 year 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.

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 the investment, 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 indicate 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 combined income statement under "Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans".

B09 -CTCK as at 31 December 2019 and for the year then ended

Summary of significant accounting polices (Continued)

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 held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair value through profit or loss statements;
- 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 combined 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 combined income statement under "Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans".

218/219

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; or
- 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.

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 after tax" which is a part of the combined income statement.

As at the combined 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 combined 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.

B09 -CTCK
as at 31 December 2019
and for the year then ended

Summary of significant accounting polices (Continued)

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 provision.
- For securities registered for trading on UPCOM, their market prices are their closing prices on the trading day preceding the date 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 impairment 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 of financial assets is determined by cost less (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.146/2014/TT-BTC.

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 into 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.

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 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.

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 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.

B09 -CTCK as at 31 December 2019 and for the year then ended

Summary of significant accounting polices (Continued)

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 party.

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 combined statement of financial position in accordance with accounting principles relevant to the assets' classification.

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 combined income statement.

The Company has made allowance for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 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%

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 combined 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 combined income statement.

Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible 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

Leased assets

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 combined income statement on a straight-line basis over the lease term.

B09 -CTCK as at 31 December 2019 and for the year then ended

Summary of significant accounting polices (Continued)

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 combined income statement:

- Expenses for office renovation;
- Office rental fees; and
- Office equipment.

Sale and repurchase agreements

Securities sold under the agreements to be repurchased at a specified future date ("repo") are not derecognized from the combined statement of financial position. The corresponding cash received is recognized in the combined 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.

Bonds issued

Bonds issued by the Company are initially recorded at its face value and subsequently recognized at amortized cost using effective interest method.

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.

Employee benefits

Post-employment benefits

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary on a monthly basis. The Company has no further obligation to fund the post-employment benefits of its employees, other than the liability to pay Social Insurance Agency on a monthly basis.

Voluntary resignation benefits

- Voluntary resignation benefits: The Company has the obligation, under Section 48 of the Vietnam Labor Code 10/2012/QH13 effective from 1 May 2013, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment upto 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the lastest six-month period up to the resignation date.
- Retrenchment benefits: The Company has the obligation, under Article 17 of the Labor Code, to pay an allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such cases, the Company shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one-month salary for each year of employment, but no less than two-month salary. In accordance with Circular No. 180/2012/TT-BTC issued by Ministry of Finance on 24 October 2012, since 2012, the Company stopped accruing retrenchment allowance. Payments for retrenchment allowance are recognized as general and administrative expenses in the year in which they are incurred.

Unemployment insurance

According to Circular No. 32/2010/TT-BLĐTBXH providing guidance for Decree No. 127/2018/ND-CP on unemployment insurance, from 1 Jannuary 2009, the Company is required to contribute to the unemployment insurance at the rate of 1% salary and wage fund of unemloyment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to unemployment insurance.

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 combined income statement.

Foreign currency transactions

B09 -CTCK as at 31 December 2019 and for the year then ended

Summary of significant accounting polices (Continued)

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.

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:

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 turnover-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.

226/227

Interest income

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares in which only the number of shares is updated.

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.

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.

Cost of securities sold

The company applies weighted average method of the preceding day to calculate cost of equity securities sold and specific identification method to calculate cost of debt securities sold.

B09 -CTCK as at 31 December 2019 and for the year then ended

Summary of significant accounting polices (Continued)

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 combined income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in 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 income 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 income tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

228/229

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 combined 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 authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Owners' equity

Contributed capital

Contributed capital from stock issuance is recorded to account charter capital at par value.

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 combined income statement.
- Realized profit during the year is the net difference between total revenue and income, and total expenses in the combined income statement of the Company, except for gain or loss arising from revaluation of financial assets recognized in unrealized profit.

Reserves

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves:

	Percentage of profit after tax	Maximum balance
Charter Capital Supplementary Reserves	5%	10% of charter capital
Operational Risk and Financial Reserves Fund	5%	10% of charter capital

Other reserves are appropriated in accordance with the Resolution of the Annual General Meeting of Shareholders.

B09 -CTCK as at 31 December 2019 and for the year then ended

Summary of significant accounting polices (Continued)

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.

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 caculated and presented since there is no events that may reduce the Company's earnings per share.

Related parties

Parties are considered to be related parties of the Company if one party has the ability 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.

Items with nil balances

Items or balances required by Circular No. 334/TT-BTC dated 26 December 2016 and Circular No. 146/2014/TT-NHNN dated 6 October 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balances.

230/231

Cash and cash equivalents

	Ending balance VND	Beginning balance VND
Cash	174.237.228.080	465.849.247.326
Cash on hand	328.387.909	390.336.005
Cash at banks for operation of the Company	173.908.840.171	465.458.911.321
TOTAL	174.237.228.080	465.849.247.326

Value and volume of trading in the year

By the Company	Volume of trading in the year (Unit)	Value of trading in the year (VND)	
Shares	135.693.670	3.037.739.926.456	
Bonds	138.686.985	16.723.825.782.843	
Other securities	24.774.000	366.171.503.587	
TOTAL	299.154.655	20.127.737.212.886	

By investors	Volume of trading in the year (Unit)	Value of trading in the year (VND)	
Shares	4.384.475.250	83.773.558.471.084	
Bonds	343.763.033	42.975.454.589.326	
Other securities	8.895.760	93.884.437.900	
TOTAL	4.737.134.043	126.842.897.498.310	

B09 -CTCK as at 31 December 2019 and for the year then ended

Financial assets

Financial assets at fair value through profit or loss (FVTPL)

	Ending b	alance	Beginning	balance
	Cost (VND)	Fair value (VND)	Cost (VND)	Fair value (VND)
Listed shares	189.762.246.176	180.822.550.600	216.907.980.663	191.652.744.640
TIX	30.661.299.730	29.954.900.400	30.661.299.730	27.140.346.000
НРХ	15.600.000.000	15.810.000.000	-	-
Others	143.500.946.446	135.057.650.200	186.246.680.933	164.512.398.640
Unlisted shares	83.272.941.379	70.870.256.777	4.621.482.680	1.351.130.403
C21	67.581.339.000	59.758.216.414	-	-
PVO	-	-	3.318.480.000	1.206.720.000
Others	15.691.602.379	11.112.040.363	1.303.002.680	144.410.403
Fund certificates	37.661.457.049	39.260.500.000	28.510.785.394	29.422.000.000
E1VFVN30	29.961.457.049	29.520.000.000	18.510.785.394	17.172.000.000
FUESSV50	7.700.000.000	9.740.500.000	10.000.000.000	12.250.000.000
Corporate bonds	130.374.650.323	130.374.650.323	30.000.000.000	30.000.000.000
Hai An Technology Investment and Education Joint Stock Company	-	-	30.000.000.000	30.000.000.000
Bao Viet Commercial Joint Stock Bank	95.170.500.000	95.170.500.000	-	-
MBLAND Joint Stock Company	30.236.712.300	30.236.712.300	-	-
Others	4.967.438.023	4.967.438.023	-	-
TOTAL	441.071.294.927	421.327.957.700	280.040.248.737	252.425.875.043

Financial assets (Continued)

Available-for-sale financial assets (AFS)

Short term	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) (*)
Recognized at fair value	16.576.432.682	40.895.760.000	40.895.760.000	16.576.432.682	36.842.790.000	36.842.790.000
Fund certificates	16.576.432.682	40.895.760.000	40.895.760.000	16.576.432.682	36.842.790.000	36.842.790.000
VFMVF1	16.576.432.682	40.895.760.000	40.895.760.000	16.576.432.682	36.842.790.000	36.842.790.000
Recognized at cost	91.019.832.497	91.019.832.497	42.515.376.099	91.163.642.497	91.163.642.497	43.950.155.786
Other propriety investments	18.664.504.253	18.664.504.253	-	18.808.314.253	18.808.314.253	-
Shares	72.355.328.244	72.355.328.244	42.515.376.099	72.355.328.244	72.355.328.244	43.950.155.786
Seaprimexco Vietnam	24.000.000.000	24.000.000.000	8.983.650.000	24.000.000.000	24.000.000.000	7.083.375.000
MBLAND Joint Stock Company	28.800.000.000	28.800.000.000	21.360.000.000	28.800.000.000	28.800.000.000	24.144.000.000
Others	19.555.328.244	19.555.328.244	12.171.726.099	19.555.328.244	19.555.328.244	12.722.780.786
TOTAL	107.596.265.179	131.915.592.497	83.411.136.099	107.740.075.179	128.006.432.497	80.792.945.786

B09 -CTCK as at 31 December 2019 and for the year then ended

Financial assets (Continued)

Available-for-sale financial assets (AFS) (Continued)

Long term		Ending balance Beginning 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) (*)
Recognized at fair value	92.000.000.000	106.298.720.000	106.298.720.000	92.000.000.000	100.668.720.000	100.668.720.000
Fund certificates	92.000.000.000	106.298.720.000	106.298.720.000	92.000.000.000	100.668.720.000	100.668.720.000
Bao Viet Value Investment Fund (BVIF)	80.000.000.000	92.501.120.000	92.501.120.000	80.000.000.000	87.965.520.000	87.965.520.000
Bao Viet Prospect Fund (BVPF)	12.000.000.000	13.797.600.000	13.797.600.000	12.000.000.000	12.703.200.000	12.703.200.000
Recognized at cost	14.150.483.000	14.150.483.000	12.282.446.699	90.104.103.000	90.104.103.000	62.787.637.550
Shares	14.150.483.000	14.150.483.000	12.282.446.699	90.104.103.000	90.104.103.000	62.787.637.550
Global Real Estate Investment Joint Stock Company (GPINVEST)	14.150.483.000	14.150.483.000	12.282.446.699	14.150.483.000	14.150.483.000	11.738.980.800
Bac Ha Hydropower Joint Stock Company	-	-	-	75.953.620.000	75.953.620.000	51.048.656.750
TOTAL	106.150.483.000	120.449.203.000	118.581.166.699	182.104.103.000	190.772.823.000	163.456.357.550

^{(*):} For AFS financial assets recognized at cost, net carrying value is carrying value after deducting allowance for impairment.

Held-to-maturity investments (HTM)

Short-term	Ending balance (VND)	Beginning balance (VND)
Term deposits	10.022.246.575	51.600.000.002
Term deposits contracts	10.022.246.575	51.600.000.002
TOTAL	10.022.246.575	51.600.000.002
Long-term	Ending balance (VND)	Beginning balance (VND)
Listed bonds	-	52.502.619.425
Listed bonds Government bonds	-	52.502.619.425 52.502.619.425
Government bonds	-	52.502.619.425
Government bonds Unlisted bonds	-	52.502.619.425 90.257.267.121

Loans

	Ending balance (VND)	Beginning balance (VND)
Margin lending	1.287.737.369.585	1.452.056.655.240
Advances to customers for proceeds from securities sold	226.588.282.295	230.671.682.305
TOTAL	1.514.325.651.880	1.682.728.337.545

B09 -CTCK as at 31 December 2019 and for the year then ended

Financial assets (Continued)

Change in market values of financial assets

(Unit: VND)

	Ending balance				Beginnir	ng balance		
Financial assets	G (ADID)	Revaluation	Revaluation difference			Revaluation difference		
	Cost (VND)	Increase (VND)	Decrease (VND)	(VND)	Cost (VND)	Increase (VND)	Decrease (VND)	Revaluated value (VND)
FVTPL								
Short-term	441.071.294.927	11.220.595.561	(30.963.932.788)	421.327.957.700	280.040.248.737	9.763.130.675	(37.377.504.369)	252.425.875.043
Listed shares	189.762.246.176	9.178.988.264	(18.118.683.840)	180.822.550.600	216.907.980.663	7.511.785.775	(32.767.021.798)	191.652.744.640
Unlisted shares	83.272.941.379	1.107.297	(12.403.791.899)	70.870.256.777	4.621.482.680	1.344.900	(3.271.697.177)	1.351.130.403
Listed fund certificates	37.661.457.049	2.040.500.000	(441.457.049)	39.260.500.000	28.510.785.394	2.250.000.000	(1.338.785.394)	29.422.000.000
Bonds	130.374.650.323	-	-	130.374.650.323	30.000.000.000	-	-	30.000.000.000
TOTAL	441.071.294.927	11.220.595.561	(30.963.932.788)	421.327.957.700	280.040.248.737	9.763.130.675	(37.377.504.369)	252.425.875.043
AFS recognized at fair value								
Short-term	16.576.432.682	24.319.327.318	-	40.895.760.000	16.576.432.682	20.266.357.318	-	36.842.790.000
Unlisted fund certificates	16.576.432.682	24.319.327.318	-	40.895.760.000	16.576.432.682	20.266.357.318	-	36.842.790.000
Long-term	92.000.000.000	14.298.720.000	-	106.298.720.000	92.000.000.000	8.668.720.000	-	100.668.720.000
Unlisted fund certificates	92.000.000.000	14.298.720.000	-	106.298.720.000	92.000.000.000	8.668.720.000	-	100.668.720.000
TOTAL	108.576.432.682	38.618.047.318	-	147.194.480.000	108.576.432.682	28.935.077.318	-	137.511.510.000

B09 -CTCK as at 31 December 2019 and for the year then ended

Financial assets (Continued)

Provision for impairment of financial assets and mortgage assets

Ending balance (VND)	Beginning balance (VND)
----------------------	-------------------------

Short-term	77.943.762.861	65.169.527.850
For loans	29.439.090.550	17.956.041.139
- Margin lending	29.439.090.550	17.956.041.139
For AFS financial assets	48.504.672.311	47.213.486.711
- Shares	29.840.168.058	28.405.172.458
- Other proprietary investments	18.664.504.253	18.808.314.253
Long term	1.868.036.301	27.316.465.450
For AFS financial assets	1.868.036.301	27.316.465.450
- Shares	1.868.036.301	27.316.465.450
TOTAL	79.811.799.162	92.485.993.300

238/239

Detail of provision for impairment of financial assets

	Ba	sis of provisio	Allowance	(Addition)/		
Financial asset	Quantity	Book values (VND	Marketing value as at the reporting date (VND)	Allowance made for the current year (VND)	made for previous year (VND)	Reversal allowance for current year (VND)
I. HTM						
Term deposit	1	10.022.246.575	52.572.662.535	-	-	-
II. Loans		1.514.325.651.880	1.484.886.561.330	(29.439.090.550)	(17.956.041.139)	(11.483.049.411)
Margin lending		1.287.737.369.585	1.258.298.279.035	(29.439.090.550)	(17.956.041.139)	(11.483.049.411)
Advance lending		226.588.282.295	226.588.282.295	-	-	-
III. AFS						
1. Short term	7.055.627	91.019.832.497	42.515.376.099	(48.504.672.311)	(47.213.486.711)	(1.291.185.600)
Other propriety investment		18.664.504.253	-	(18.664.504.253)	(18.808.314.253)	143.810.000
Shares	7.055.627	72.355.328.244	42.515.376.099	(29.840.168.058)	(28.405.172.458)	(1.434.995.600)
Seaprimexco Vietnam	975.000	24.000.000.000	8.983.650.000	(15.016.350.000)	(16.916.625.000)	1.900.275.000
MBLAND Joint Stock Company	4.800.000	28.800.000.000	21.360.000.000	(7.440.000.000)	(4.656.000.000)	(2.784.000.000)
Others	1.280.627	19.555.328.244	12.171.726.099	(7.383.818.058)	(6.832.547.458)	(551.270.600)
2. Long term	1.630.414	14.150.483.000	12.282.446.699	(1.868.036.301)	(27.316.465.450)	25.448.429.149
Shares	1.630.414	14.150.483.000	12.282.446.699	(1.868.036.301)	(27.316.465.450)	25.448.429.149
Bac Ha Hydropower Joint Stock Company	-	-	-	-	(24.904.963.250)	24.904.963.250
Global Real Estate Investment Joint Stock Company (GPINVEST)	1.630.414	14.150.483.000	12.282.446.699	(1.868.036.301)	(2.411.502.200)	543.465.899
TOTAL		1.629.518.213.952	1.592.257.046.663	(79.811.799.162)	(92.485.993.300)	12.674.194.138

B09 -CTCK as at 31 December 2019 and for the year then ended

Receivables and advances to suppliers

	Ending balance (VND)	Beginning balance (VND)
Receivables and accrued dividend and interest	17.888.832.396	20.925.796.544
- Dividend	3.967.889.500	4.556.619.400
- Accrued interest from term deposits	2.884.364.028	-
- Accrued interest from margin	11.036.578.868	16.369.177.144
Receivables from services provided by the Company	4.243.758.225	6.415.254.928
Other receivables	27.271.866.068	11.615.840.687
Provision for impairment of receivables (*)	(15.983.729.699)	(15.983.729.699)
	33.420.726.990	22.973.162.460
Advances to suppliers	6.440.012.898	6.514.867.194
Creative Engineering Limited Company (Innotech)	1.404.480.000	1.404.480.000
Nam Nhat Limited Company	2.800.000.000	2.800.000.000
Vietnam Religare Technova Global Solutions Limited Company	1.447.875.000	1.447.875.000
Others	787.657.898	862.512.194
TOTAL	39.860.739.888	29.488.029.654

240/241

Details of provision for impairment of receivables

Doubtful debts	Balance of doubtful debts as at 31 December 2019	Beginning provision	Addition	Reversal	Ending provision
Provision for doubtful debts	15.983.729.699	15.983.729.699	-	-	15.983.729.699
Receivables	11.735.854.699	11.735.854.699	-	-	11.735.854.699
Nguyen Phuong Nam	4.000.000.000	4.000.000.000	-	-	4.000.000.000
Nguyen Manh Giao	1.780.000.000	1.780.000.000	-	-	1.780.000.000
Ha Thanh Hai	1.685.000.000	1.685.000.000	-	-	1.685.000.000
Others	4.270.854.699	4.270.854.699	-	-	4.270.854.699
Advances to suppliers	4.247.875.000	4.247.875.000	-	-	4.247.875.000
Nam Nhat Limited company	2.800.000.000	2.800.000.000	-	_	2.800.000.000
Others	1.447.875.000	1.447.875.000	-	-	1.447.875.000
TOTAL	15.983.729.699	15.983.729.699	-	-	15.983.729.699

Other short-term assets

	Ending balance (VND)	Beginning balance (VND)
Advances	583.827.230	200.751.380
Office supplies. materials and tools	486.898.450	388.072.553
Short-term prepaid expenses	1.949.513.992	1.559.743.903
- Healthcare insurance expense	572.911.587	472.253.636
- Software maintenance expense	699.298.304	691.348.303
- Others	677.304.101	396.141.964
Short-term pledges	-	-
TOTAL	3.020.239.672	2.148.567.836

B09 -CTCK as at 31 December 2019 and for the year then ended

Tangible fixed assets

	Machines and equipment (VND)	Means of transportation (VND)	Office equipment (VND)	Others (VND)	Total (VND)
Cost					
1 January 2019	36.229.668.161	4.264.275.167	248.648.500	56.770.560	40.799.362.388
Purchase during the year	1.928.806.154	2.921.700.000	-	-	4.850.506.154
Disposals	8.741.735.473	935.410.000	-	-	9.677.145.473
31 December 2019	29.416.738.842	6.250.565.167	248.648.500	56.770.560	35.972.723.069
Accumulated depreciation					
1 January 2019	22.654.936.452	3.781.075.419	192.995.869	43.366.395	26.672.374.135
Depreciation for the year	4.011.783.831	288.835.038	25.340.004	13.404.165	4.339.363.038
Disposals	8.710.432.667	935.410.000	-	-	9.645.842.667
31 December 2019	17.956.287.616	3.134.500.457	218.335.873	56.770.560	21.365.894.506
Net carrying amount					
1 January 2019	13.574.731.709	483.199.748	55.652.631	13.404.165	14.126.988.253
31 December 2019	11.460.451.226	3.116.064.710	30.312.627	-	14.606.828.563

Cost of fully depreciated tangible fixed asset but still in use as at 31 December 2019 is VND 13,764,354,353 (31 December 2018: VND 21,060,645,266).

242/243

Intangible fixed assets

	Software (VND)	Others (VND)	Total (VND)
Cost			
1 January 2019	11.051.862.834	2.967.788.256	14.019.651.090
Increase for the year	510.600.000	-	510.600.000
31 December 2019	11.562.462.834	2.967.788.256	14.530.251.090
Accumulated amortization			
1 January 2019	8.530.795.796	2.967.788.256	11.498.584.052
Amortization for the year	791.773.587	-	791.773.587
31 December 2019	9.322.569.383	2.967.788.256	12.290.357.639
Net carrying amount			
1 January 2019	2.521.067.038	-	2.521.067.038
31 December 2019	2.239.893.451	-	2.239.893.451

Cost of fully depreciated intangible fixed asset but still in use as at 31 December 2019 is VND 10,944,836,440 (31 December 2018: VND 10,470,716,440).

Long-term prepaid expenses

	Ending balance (VND)	Beginning balance (VND)
Office rental	18.859.413.282	28.289.119.938
Office equipment	1.786.810.145	2.351.650.457
Office renovation expenses	2.000.372.390	4.282.694.730
Expenses for bond issuance	337.027.307	1.018.655.567
Others	404.520.329	108.193.957
TOTAL	23.388.143.453	36.050.314.649

B09 -CTCK as at 31 December 2019 and for the year then ended

Deposits to settlement assistance fund

Movements of the deposits to settlement assistance fund during the year are as follows:

(Unit: VND)

As at 1 January 2018	20.000.000.000
As at 31 December 2018	20.000.000.000
Interest received during the year	1.178.977.487
As at 31 December 2019	21.178.977.487

Short term borrowing

(Unit: VND)

	Interest rate	Beginning balance	Additional borrowings during the year	Repayment during the year	Ending balance
Bank overdraft	6,4%	49.900.000.000	124.400.000.000	174.300.000.000	-
Short-term borrowings	6,5%	80.000.000.000	854.290.000.000	834.290.000.000	100.000.000.000
TOTAL		129.900.000.000	978.690.000.000	1.008.590.000.000	100.000.000.000

Payables for securities transactions

Ending balance (VND)	Beginning balance (VND)
----------------------	-------------------------

Payable to Stock Exchanges	2.267.115.582	3.019.395.567
Payable to Vietnam Securities Depository	543.014.416	680.967.250
TOTAL	2.810.129.998	3.700.362.817

Short-term trade payables

	Ending balance (VND)	Beginning balance (VND)
Payables to related parties (Note 32.1)	2.622.106.731	464.497.916
Binh Minh Garment Company Limited	112.446.600	34.183.200
South East Appraisal and Consulting Corporation	73.000.000	-
Financial Software Solutions Joint Stock Company	-	779.933.200
FPT Information System Company Limited	20.000.000	1.054.655.820
Others	76.916.043	289.333.868
TOTAL	2.904.469.374	2.622.604.004

Statutory obligations

Items	Beginning balance (VND)	Payable for the year (VND)	made for the year (VND)	Ending balance (VND)
Personal income tax	4.328.876.828	58.978.967.991	(59.365.766.165)	3.942.078.654
- Of the Company's employees	1.003.114.722	13.000.185.396	(13.036.045.506)	967.254.612
- Of investors	3.325.762.106	45.978.782.595	(46.329.720.659)	2.974.824.042
Corporate income tax (Note 29.1)	3.050.875.694	15.361.510.496	(14.906.260.111)	3.506.126.079
Value added tax	241.098.515	1.609.739.060	(1.841.009.025)	9.828.550
Other taxes	478.669.047	3.864.666.624	(4.146.414.184)	196.921.487
TOTAL	8.099.520.084	79.814.884.171	(80.259.449.485)	7.654.954.770

Payment

B09 -CTCK as at 31 December 2019 and for the year then ended

Short-term accrued expenses

	Ending balance (VND)	Beginning balance (VND)
A		
Accrued expenses for customers introduction commission	408.796.661	321.438.297
Accrued expenses for external services	1.833.647.053	4.206.896.928
Accrued borrowing Interest for financial institutions	249.315.068	553.948.128
TOTAL	2.491.758.782	5.082.283.353

Other short-term payables

	Ending balance (VND)	Beginning balance (VND)
Deposit for bond brokerage	-	500.000.000.000
Dividend payable to owners	-	50.245.777.925
Others	2.845.649.995	1.047.865.852
TOTAL	2.845.649.995	551.293.643.777

246/247

Face value

Payable under bond repo agreements

Repo contracts	Beginning balance (VND)	Sold during the year (VND)	Repurchased during the year (VND)	Allocated repo expense during the year (VND)	Ending balance (VND)	of bond under repo agreement as at 31 December 2019
Repo with credit institutions	160.157.245.736	-	(160.992.200.000)	834.954.264	-	-
TOTAL	160.157.245.736	-	(160.992.200.000)	834.954.264	-	-

Long-term bonds

	Ending balance (VND)	Beginning balance (VND)
Principal	400.000.000.000	300.000.000.000
Accrued interest using effective interest method	387.697.434	12.922.170.663
TOTAL	400.387.697.434	312.922.170.663

Long-term bonds included 3,000,000 BVSC_BOND_2018 and 1,000,000 BVSC_BOND_2019 with each bond's par value at VND 100,000 (total par value of VND 400,000,000,000). This is non-convertible bonds issued under Resolution No. 04/2018/NQ-HĐQT of the Company's Board of Director dated 26 March 2018 and under Resolution No. 27/2019/NQ-HĐQT of the Company's Board of Director dated 12 November 2019. The bonds issued by the Company were secured bonds with term of two (2) years and fixed interest rate of 8.5% p.a. The secured assets for bonds issued are receivables from margin lending services of the Company.

(Unit: VND)

Notes to the combined financial statements (Continued)

В09 -СТСК as at 31 December 2019 and for the year then ended

Owners' equity

Owners equity	Share capital VND	Share premium VND	Treasury shares VND	suppler rese	r capital nentary erve ND	Operational risk and financial reserve VND	Difference from revaluation of assets at fair value VND	Undistributed profit VND	(Unit: VND) Total VND
Beginning balance	722.339.370.000	610.253.166.720	(496.682.500)	36.1	121.049.159	36.121.049.159	23.148.061.854	264.666.028.072	1.692.152.042.464
Dividend paid to shareholders	-	-	-		-	-	-	(21.660.043.500)	(21.660.043.500)
Appropriation to charter capital supplementary reserve and operational risk and financial reserve	-	-	-	6.38	96.503.325	6.396.503.325	-	(12.793.006.650)	-
Appropriation of bonus and welfare fund of the year 2019 according to Resolution of the General Meeting of Shareholders	-	-	-		-	-	-	(7.109.192.538)	(7.109.192.538)
Revaluation of financial assets at fair value	-	-	-		-	-	9.682.970.000	-	9.682.970.000
Additional tax payment/Deferred income tax	-	-	-		-	-	(1.936.594.000)	(5.600.000)	(1.942.194.000)
Profit after tax for the year	-	-	-		-	-	-	135.509.609.995	135.509.609.995
Ending balance	722.339.370.000	610.253.166.720	(496.682.500)	42.5	517.552.484	42.517.552.484	30.894.437.854	358.607.795.379	1.806.633.192.421

Details of the Company's share capital as at 31 December 2019 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	100,0%

^(*) 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

B09 -CTCK as at 31 December 2019 and for the year then ended

Disclosure of off-balance sheet items

The Company's financial assets listed/registered at VSD

	Ending balance (VND)	Beginning balance (VND)
Unrestricted financial assets	142.554.320.000	202.839.450.000
Restricted financial assets	152.220.000	1.105.620.000
Financial assets awaiting settlement	11.952.000.000	1.753.300.000
TOTAL	154.658.540.000	205.698.370.000

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	3.000.000.000	3.000.040.000
TOTAL	3.000.000.000	3.000.040.000

The Company's awaiting financial assets

	Ending balance (VND)	Beginning balance (VND)	
Shares	385.900.000	2.213.300.000	
TOTAL	385.900.000	2.213.300.000	

The Company's financial assets which have not been deposited at VSD

	Ending balance (VND)	Beginning balance (VND)
Shares	72.686.470.000	72.686.470.000
Fund certificates	102.000.000.000	102.000.000.000
TOTAL	174.686.470.000	174.686.470.000

Investors' financial assets listed/registered at VSD

	Ending balance (VND)	Beginning balance (VND)
Unrestricted financial assets	25.172.493.819.000	24.019.054.660.000
Restricted financial assets	234.606.360.000	279.960.730.000
Pledged financial assets	509.936.430.000	312.755.540.000
Blocked financial assets	92.969.860.000	92.969.860.000
Financial assets awaiting settlement	169.266.687.000	214.142.220.000
TOTAL	26.179.273.156.000	24.918.883.010.000

B09 -CTCK as at 31 December 2019 and for the year then ended

Disclosure of off-balance sheet items (Continued)

Investors' non-traded financial assets deposited at VSD

	Ending balance (VND)	Beginning balance (VND)
Unrestricted and non-traded financial assets deposited at VSD	5.844.020.000	2.146.660.000
Restricted and non-traded financial assets deposited at VSD	9.675.180.000	203.549.270.000
TOTAL	15.519.200.000	205.695.930.000

Investor's deposits

	Ending balance (VND)	Beginning balance (VND)
Investors' deposits for securities trading activities under the Company's management	364.578.483.902	558.187.678.624
- of domestic investors	357.316.565.572	545.908.007.029
- of foreign investors	7.261.918.330	12.279.671.595
Investors' synthesizing deposits for securities trading activities	223.301.242.574	235.604.670.445
TOTAL	587.879.726.476	793.792.349.069

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	563.256.823.806	733.215.022.591
- of foreign investors	1.231.036.994	1.340.746.926
TOTAL	564.487.860.800	734.555.769.517

Investor's payables to the Company for securities services

	Ending balance (VND)	Beginning balance (VND)
Securities brokerage fee payables	2.380.074.024	2.783.270.970
Securities custodian fee payables	494.038.798	349.507.676
TOTAL	2.874.112.822	3.132.778.646

B09 -CTCK as at 31 December 2019 and for the year then ended

Operating income

Gain/loss from disposal of financial statements at FVTPL

Financial assets	Quantity (Unit)	Average selling price (VND/unit)	Proceeds (VND)	Weighted average cost at the end of transaction date (VND)	Gain/(loss) from disposal over the current year (VND)	Gain/(loss) from disposal over the previous year (VND)
I. GAINS						
Listed shares	10.315.510		219.652.829.204	208.885.137.488	10.767.691.716	29.008.490.568
FPT	453.540	54.163	24.565.215.000	23.211.174.421	1.354.040.579	-
HPG	458.800	32.001	14.681.939.500	13.332.326.422	1.349.613.078	1.425.909.027
MBB	1.138.100	21.606	24.590.000.000	23.242.683.173	1.347.316.827	1.159.933.992
TMT	2.800.000	10.600	29.680.000.000	28.000.103.500	1.679.896.500	-
Others	5.465.070		126.135.674.704	121.098.849.972	5.036.824.732	26.422.647.549
Unlisted shares	6.430.362		101.225.086.600	86.840.120.000	14.384.966.600	2.520.220.214
Fund certificates	9.217.000		138.693.173.000	134.729.891.184	3.963.281.816	889.889.257
Open-ended fund E1VFVN30	8.987.000	15.091	135.622.036.500	132.429.891.184	3.192.145.316	889.889.257
Open-ended fund FUESSV50	230.000	13.353	3.071.136.500	2.300.000.000	771.136.500	-
Listed bonds	12.879.870		1.346.456.696.531	1.334.550.509.803	11.906.186.728	2.327.237.877
Government bonds	3.370.000		371.959.940.000	360.755.395.092	11.204.544.908	9.000.000
Corporate bonds	9.509.870		974.496.756.531	973.795.114.711	701.641.820	2.318.237.877
Unlisted bonds	52.688.985		6.570.799.692.592	6.560.374.566.353	10.425.126.239	2.591.988.976
Corporate bonds	52.688.985		6.570.799.692.592	6.560.374.566.353	10.425.126.239	2.591.988.976
TOTAL	91.531.727		8.376.827.477.927	8.325.380.224.828	51.447.253.099	37.337.826.892

B09 -CTCK as at 31 December 2019 and for the year then ended

Operating income (Continued)

Gain/loss from disposal of financial statements at FVTPL (Continued)

Financial assets	Quantity (Unit)	Average selling price (VND/unit)	Proceeds (VND)	Weighted average cost at the end of transaction date (VND)	Gain/(loss) from disposal over the current year (VND)	Gain/(loss) from disposal over the previous year (VND)
II. LOSS						
Listed shares	52.128.332		1.107.727.244.098	1.177.658.434.948	(69.931.190.850)	(33.691.795.065)
KBC	8.058.570	14.997	120.854.037.270	125.177.855.834	(4.323.818.564)	(19.004.876)
SJS	471.310	16.387	7.723.532.500	12.637.985.307	(4.914.452.807)	(237.641.734)
SSI	4.055.460	22.242	90.200.156.880	94.875.288.437	(4.675.131.557)	(273.167.396)
VPI	3.111.960	40.266	125.306.181.360	130.702.320.000	(5.396.138.640)	-
Others	36.431.032		763.643.336.088	814.264.985.370	(50.621.649.282)	(33.161.981.059)
Unlisted shares	1.228.517		23.417.431.601	27.804.246.500	(4.386.814.899)	(949.099.720)
BSR	100.000	8.840	884.000.000	1.380.000.000	(496.000.000)	-
HNF	160.000	42.075	6.732.000.000	9.600.000.000	(2.868.000.000)	-
Others	968.517		15.801.431.601	16.824.246.500	(1.022.814.899)	(949.099.720)
Fund certificates	6.385.000		92.884.421.700	95.690.397.389	(2.805.975.689)	(1.590.646.500)
Open-ended fund E1VFVN30	6.385.000	14.547	92.884.421.700	95.690.397.389	(2.805.975.689)	(1.590.646.500)
Listed bonds	3.500.000		364.452.500.000	364.504.500.000	(52.000.000)	(80.080.000)
Government bonds	3.500.000		364.452.500.000	364.504.500.000	(52.000.000)	(80.080.000)
Unlisted bonds	500.500		110.237.000.000	116.157.133.999	(5.920.133.999)	-
MBLAND-TONKIN	500	100.000.000	50.000.000.000	50.915.133.999	(915.133.999)	-
TP_TD1424092	500.000	120.474	60.237.000.000	65.242.000.000	(5.005.000.000)	-
TOTAL	63.742.349		1.698.718.597.399	1.781.814.712.836	(83.096.115.437)	(36.311.621.285)

B09 -CTCK as at 31 December 2019 and for the year then ended

Operating income (Continued)

Gain/(loss) from revaluation of financial assets

Financial assets	Cost (VND)	Fair value (VND)	Revaluation difference at the end of the year (VND)	Revaluation difference at the beginning of the year (restated) (VND)	Net difference recorded this year (VND)	Increase (VND)	Decrease (VND)
I. FVTPL							
Listed shares	189.762.246.176	180.822.550.600	(8.939.695.576)	(25.255.121.924)	16.315.426.348	56.122.313.131	(39.806.886.783)
C32	10.099.896.688	8.870.974.600	(1.228.922.088)	(3.429.267.470)	2.200.345.382	5.383.165.482	(3.182.820.100)
TMT	50.000	27.350	(22.650)	(2.268.107.550)	2.268.084.900	8.120.104.550	(5.852.019.650)
SJS	5.498.226.635	6.098.580.000	600.353.365	(3.760.697.046)	4.361.050.411	7.204.100.411	(2.843.050.000)
Others	174.164.072.853	165.852.968.650	(8.311.104.203)	(15.797.049.858)	7.485.945.655	35.414.942.688	(27.928.997.033)
UPCOM shares	83.272.941.379	70.870.256.777	(12.402.684.602)	(3.270.466.376)	(9.132.218.226)	3.566.861.171	(12.699.079.397)
HNF	-	-	-	-	-	3.417.000.000	(3.417.000.000)
Khác	83.272.941.379	70.870.256.777	(12.402.684.602)	(3.270.466.376)	(9.132.218.226)	149.861.171	(9.282.079.397)
Listed fund certificates	37.661.457.049	39.260.500.000	1.599.042.951	911.214.606	687.828.345	4.148.815.071	(3.460.986.726)
E1VFVN30	29.961.457.049	29.520.000.000	(441.457.049)	(1.338.785.394)	897.328.345	3.310.015.071	(2.412.686.726)
FUESSV50	7.700.000.000	9.740.500.000	2.040.500.000	2.250.000.000	(209.500.000)	838.800.000	(1.048.300.000)
Unlisted bonds	130.374.650.323	130.374.650.323	-	-	-	-	-
TOTAL	441.071.294.927	421.327.957.700	(19.743.337.227)	(27.614.373.694)	7.871.036.467	63.837.989.373	(55.966.952.906)

B09 -CTCK as at 31 December 2019 and for the year then ended

Operating income (Continued)

Gain/(loss) from revaluation of financial assets (Continued)

Financial assets	Cost (VND)	Fair value (VND)	Revaluation difference at the end of the year (VND)	Revaluation difference at the beginning of the (restated) (VN)	he recorded this year year	Increase (VND)	Decrease (VND)
II. AFS							
Short-term	16.576.432.682	40.895.760.000	24.319.327.318	20.266.357	318 4.052.970.000	5.188.450.000	(1.135.480.000)
Unlisted fund certificates	16.576.432.682	40.895.760.000	24.319.327.318	20.266.357	318 4.052.970.000	5.188.450.000	(1.135.480.000)
VF1	16.576.432.682	40.895.760.000	24.319.327.318	20.266.357	.318 4.052.970.000	5.188.450.000	(1.135.480.000)
Long-term	92.000.000.000	106.298.720.000	14.298.720.000	8.668.720.0	5.630.000.000	8.504.400.000	(2.874.400.000)
Unlisted fund certificates	92.000.000.000	106.298.720.000	14.298.720.000	8.668.720.0	5.630.000.000	8.504.400.000	(2.874.400.000)
BVIF	80.000.000.000	92.501.120.000	12.501.120.000	7.965.520.0	4.535.600.000	7.286.400.000	(2.750.800.000)
BVPF	12.000.000.000	13.797.600.000	1.797.600.000	703,200.0	1.094.400.000	1.218.000.000	(123.600.000)
TOTAL	108.576.432.682	147.194.480.000	38.618.047.318	28.935.077	318 9.682.970.000	13.692.850.000	(4.009.880.000)

B09 -CTCK as at 31 December 2019 and for the year then ended

Operating income (Continued)

Dividend, interest income from FVTPL, HTM, loans and AFS financial assets

	Current year (VND)	Previous year (VND)
From FVTPL financial assets	69.624.813.373	20.324.596.094
- Shares	69.624.813.373	20.324.596.094
From HTM financial assets	2.943.826.785	20.869.796.639
- Bonds	1.321.580.212	18.286.679.974
- Term deposits	1.622.246.573	2.583.116.665
From loans	193.702.056.566	168.791.290.501
- Margin lending	169.654.204.556	144.544.436.211
- Advance proceeds from sale of securities for customers	24.047.852.010	24.246.854.290
From AFS financial assets	4.971.727.400	4.917.148.400
- Shares	4.971.727.400	4.971.727.400
TOTAL	271.242.424.124	214.902.831.634

262/263

Revenue from other activities

	Current year (VND)	Previous year (VND)
Revenue from brokerage services	135.858.907.322	171.589.919.323
Revenue from underwriting and issuance agency services	62.602.909	279.843.553
Revenue from securities custodian services	5.846.382.979	6.518.202.269
Revenue from financial advisory services	11.022.954.544	7.329.571.942
Other operating revenue	1.945.263.739	1.399.358.598
- Revenue from entrusted and auctions activities	85.843.871	245.960.286
- Revenue from management of investor transaction accounts	627.931.430	497.082.302
- Other revenues	1.231.488.438	656.316.010
TOTAL	154.736.111.493	187.116.895.685

B09 -CTCK as at 31 December 2019 and for the year then ended

Provision expenses for doubtful debt and impairment of financial assets

	Current year (VND)	Previous year (VND)	
Provision expense for margin lending (Note 7.7)	11.483.049.411	3.064.594.268	
Reversal of provision for AFS financial assets	(24.157.243.549)	(6.333.329.851)	
TOTAL	(12.674.194.138)	(3.268.735.583)	

Borrowing costs

	Current year (VND)	Previous year (VND)
Accrual coupon for bond issuance	25.750.458.277	12.922.170.663
Expense for bond issuance	681.628.260	344.980.797
Others accrued interest	13.070.692.530	14.350.350.471
TOTAL	39.502.779.067	27.617.501.931

264/265

General and administrative expenses

	Current year (VND)	Previous year (VND)
Payroll expenses for administrative staff	48.194.834.734	38.996.489.445
- Salary and bonus	46.511.700.889	37.654.149.960
- Social security, health insurance, union fee and unemployment insurance	1.683.133.845	1.342.339.485
Healthcare insurance expenses	1.655.148.487	2.334.084.108
Office supplies	599.090.586	439.235.944
Materials and tools	2.881.077.573	2.526.159.718
Depreciation of fixed asset	4.984.304.849	3.883.206.992
Tax and fee expenses	4.672.567.988	3.575.241.631
External service expenses	22.759.953.782	18.817.483.564
Others	2.408.651.151	4.516.903.526
TOTAL	88.155.629.150	75.088.804.928

Other income and expenses

	Current year (VND)	Previous year (VND)	
Other income	394.272.728	214.282.701	
Others	394.272.728	214.282.701	
Other expenses	523.614.540	474.040.000	
Tax penalty	3.175.886	-	
Expenses for disposal of fixed assets, tools and equipment	41.219.348	-	
Others	479.219.306	474.040.000	
Total	(129.341.812)	(259.757.299	

B09 -CTCK as at 31 December 2019 and for the year then ended

Corporate income tax

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 combined 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 combined 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 2018: 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	151.162.613.468	122.479.971.774
Adjustments to increase taxable profit		
Non-deductible expenses	939.001.975	3.621.134.268
Movement in revaluation of financial assets	17.896.620.988	12.450.209.125
Adjustments to decrease taxable profit		
Dividend income	(61.062.348.992)	(25.241.744.494)
Reversal of provision for impairment of financial assets using internal valuation method	(24.257.298.493)	(6.118.474.843)
Movement in revaluation of financial assets	(7.871.036.467)	-
Estimated taxable profit	76.807.552.479	107.191.095.830
Tax rate	20%	20%
Current CIT expense	15.361.510.496	21.438.219.166
CIT payable at the beginning of the year	3.050.875.694	8.027.075.760
CIT paid during the year	(14.906.260.111)	(26.414.419.232)
CIT payable at the end of the year	3.506.126.079	3.050.875.694

Deferred corporate income tax

The following are deferred tax liabilities recognized by the Company, and their movements thereon, during the current and prior reporting years:

	Combined statement of financial position		Combined income statement	
	Ending balance (VND)	Beginning balance (VND)	Current year (VND)	Previous year (VND)
Deferred CIT recorded in profit or loss	2.244.119.112	1.952.626.135	291.492.977	(2.490.041.825)
Deferred CIT recorded in OCI	7.723.609.464	5.787.015.464	1.936.594.000	(576.905.120)
TOTAL	9.967.728.576	7.739.641.599	2.228.086.977	(3.066.946.945)

	Ending balance (VND)	Beginning balance (VND)
Tax rate	20%	20%
Taxable temporary difference	49.838.642.879	38.698.207.993
In which:		
- Difference from revaluation of FVTPL financial assets	11.220.595.561	9.763.130.675
- Difference from revaluation of AFS financial assets	38.618.047.318	28.935.077.318
Deferred CIT payable	9.967.728.576	7.739.641.599

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	28.935.077.318	9.682.970.000	-	38.618.047.318
Deferred CIT	(5.787.015.464)	(1.936.594.000)	-	(7.723.609.464)
TOTAL	23.148.061.854	7.746.376.000	-	30.894.437.854

B09 -CTCK as at 31 December 2019 and for the year then ended

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)
	10 202 576 000	47.969.904.060
Income recorded directly to owners' equity	10.393.576.000	17.363.384.960
- Gain from revaluation of AFS financial assets	10.393.576.000	17.363.384.960
Expense recorded directly to owners' equity	(2.647.200.000)	(17.035.048.000)
- Loss from revaluation of AFS financial assets	(2.647.200.000)	(17.035.048.000)
Reclassification from owners' equity to income statement	-	(2.635.957.440)
TOTAL	7.746.376.000	(2.307.620.480)

Other information

Related party transaction

Related parties	Relationship	
Bao Viet Holdings	Parent company	
Bao Viet Life Corporation (BVL)	Fellow subsidiary	
Bao Viet Life Hanoi	Member of BVL	
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 Joint Stock Company	Fellow subsidiary	
Bao Viet Value Investment Fund	Fund owned by the same parent company	

Significant transactions with related parties for the year are as follows:

(Currency: VND)

Income/(expense)

		income/ (expense)		
Related parties	Transactions	Current year	Previous year	
	Securities transaction fee	48.012.000	294.475.794	
	Custodian fee	251.929.873	318.730.318	
	Reporting service fee	87.500.000	17.500.000	
	Advisory fee	265.000.000	163.636.364	
Bao Viet Holdings	Fees for dividend payout services on behalf of BVH and management of BVH's shareholders certificates	88.000.000	88.000.000	
	Accrued expense for IT services	(3.460.829.856)	(2.396.523.021)	
	Dividend paid	(12.984.357.900)	(30.296.835.100)	
	Advisory and management fee for ESOP	165.000.000	150.000.000	
	Securities transaction fee	7.305.938.779	14.007.545.149	
	Custodian fee	460.913.884	581.701.442	
Bao Viet Life Corporation	Office renting expense	(3.358.951.200)	(3.008.016.000)	
	Advisory fee for securities transfer	-	150.000.000	
D 47 4 7 6 7 7	Office renting expense 94 Ba Trieu	(498.000.000)	(498.000.000)	
Bao Viet Life Hanoi	Life insurance fee	-	(2.818.564.300)	
	Securities transaction fee	643.337.298	1.250.267.927	
Bao Viet Insurance Corporation	Custodian fee	10.615.044	27.088.924	
	Advisory fee for securities transfer	-	150.000.000	
Bao Viet Insurance Hanoi	Health insurance for employees	(1.378.829.650)	(1.089.864.842)	
Bao Viet Fund Management	Custodian fee	226.643.007	249.845.694	
Limited Company	Securities transaction fee	161.248.833	63.788.360	
Bao Viet Investment Joint Stock Company	Office renting expense	(6.113.090.104)	(6.108.060.162)	
	Airline ticket	-	(177.794.000)	
	Electric bill and parking fee	620.213.234	_	

B09 -CTCK as at 31 December 2019 and for the year then ended

Other information (Continued)

Related party transaction (Continued)

Amounts due to/from related companies as at 31 December 2019 are as follows:

(Currency: VND)

Related party	Transactions	Beginning balance	Debit	Credit	Ending balance
	Reporting service fee	-	87.500.000	87.500.000	-
	Fees for dividend payout services on behalf of BVH and management of BVH's shareholders certificates	88.000.000	100.000.000	188.000.000	-
	Advisory fee for issuance of stocks	-	-	200.000.000	(200.000.000)
Bao Viet Holdings	Advisory fee for organizing General Meeting of shareholders	-	-	_	-
	Advisory fee for transferring Trung Nam Phu Quoc	-	-	50.000.000	(50.000.000)
	Payables for IT services	(627.101.409)	2.883.788.328	3.043.329.645	(786.642.726)
	Advisory fee for transfer of VIGEBA	(50.000.000)	165.000.000	115.000.000	-
	Dividend payables	(30.296.835.100)	43.281.193.000	12.984.357.900	-
Bao Viet Life Corporation	Office rental at 11 Nguyen Cong Tru	-	4.028.918.400	4.856.122.800	(827.204.400)
(BVL)	Advisory fee	-	-	80.000.000	(80.000.000)
Bao Viet Fund Management Limited Company	Custodian fee	246.176.404	222.975.841	246.176.404	222.975.841
Bao Viet Insurance Hanoi	Healthcare insurance	(389.162.906)	1.027.764.896	901.735.414	(263.133.424)
	Office rental fee	-	4.664.692.780	6.113.090.104	(1.448.397.324)
Bao Viet	Parking fee	(41.580.000)	168.225.750	168.918.750	(42.273.000)
Investment Joint Stock Company	Electric bill	(33.755.010)	443.950.911	451.294.484	(41.098.583)
	Deposit for office renting	462.596.640	-	-	462.596.640

Transactions with other related parties

Remuneration to members of the Board of Management and the Board of Directors

	Current year (VND)	Previous year (VND)
Salary and bonus for the Board of Management of the Company and Ho Chi Minh City branch (*)	6.234.034.568	6.993.208.510
Salary and bonus for the Board of Directors and the Board of Supervisors (**)	2.928.399.634	1.747.476.647
TOTAL	9.162.434.202	8.740.685.157

^(*) Salary and bonus for the Board of Management comprise (i) amount occurring during the year and (ii) effective bonus of 2018 but paid in 2019.

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 outstanding shares 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 (VND)
Profit after tax - VND	135.509.609.995	103.531.794.433
Less: Unrealized profit/(loss) after tax - VND	(7.579.543.490)	28.119.919.243
Realized profit after tax - VND	127.930.066.505	131.651.713.676
Appropriation to bonus and welfare fund (*) - VND	(5.756.852.993)	(5.924.327.115)
Net profit after tax attributable to ordinary shareholders - VND	122.173.213.512	125.727.386.561
Weighted average number of ordinary shares	72.200.145	72.200.145
Earnings per share – VND	1.693	1.741

(*) The appropriation to bonus and welfare fund was estimated at 5% of realized profit after tax.

^(**) Salary and bonus for the Board of Directors and the Board of Supervisors in current year comprise (i) amount occurring during the period and (ii) effective bonus of 2018 but paid in 2019.

B09 -CTCK as at 31 December 2019 and for the year then ended

Other information (Continued)

Brokerage and

Operating lease commitments

The Company is renting offices under operating leases. As at 31 December 2019, the leases payable in the future under operating leases are as follows:

.,	31 December 2019 (VND)	31 December 2018 (VND)		
Less than 1 year	6.907.910.700	9.384.210.171		
From 1 to 5 years	2.435.353.300	8.166.284.500		
TOTAL	9.343.264.000	17.550.494.671		

Financial advisory

Segment information

	customer services (VND)	Financial investment (VND)	and other segments (VND)	TOTAL (VND)
Current year				
1. Segment income	357.861.095.076	192.825.610.030	12.968.218.283	563.654.923.389
2. Segment expenses	184.986.522.646	117.835.310.291	21.385.506.022	324.207.338.959
3. Allocated expenses	55.969.474.719	30.157.925.112	2.028.229.319	88.155.629.150
Profit before tax	116.905.097.711	44.832.374.627	(10.445.517.058)	151.291.955.280
Prior year				
1. Segment income	371.804.199.018	167.046.218.184	8.728.930.540	547.579.347.742
2. Segment expenses	185.895.738.062	146.346.697.630	17.508.378.049	349.750.813.741
3. Allocated expenses	50.984.999.866	22.906.818.789	1.196.986.273	75.088.804.928
Profit before tax	134.923.461.090	(2.207.298.235)	(9.976.433.782)	122.739.729.073

^(*) The Company has not presented assets and liabilities for each segment as there has been no guidance on allocation method and criteria.

272/273

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 Managements, 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 2019. 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 short-term term deposit, bonds and borrowings, repo transactions and margin activities. Interest rate risk of bond investments is assessed low as the 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.

B09 -CTCK as at 31 December 2019 and for the year then ended

Other information (Continued)

Financial risk management objectives and policies (Continued)

Equity price risk for the proprietary investment portfolio

The Company's listed and unlisted equity securities 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/QĐ/HĐQT-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.

The Company's listed equity securities are susceptible to market price risk. When share price decreases below average cost, the Company makes allowance for listed equity securities. Unlisted portfolio tends to decrease if the stock market suffers from a downturn. Therefore, if the share price decreases 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 price movement on the company's business performance, in recent years, BVSC creates limitation on investment in shares. As at 31 December 2019, the percentage of listed and unlisted is 17 % of the Company's Owners' Equity.

Scenario analysis is used to assess the impact of market volatility 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 December 2018		
Scenario 1	+10%	12.660.049.297
Scenario 2	-10%	(12.660.049.297)
31 December 2017		
Scenario 1	+10%	11.230.512.589
Scenario 2	-10%	(11.230.512.589)

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).

274/275

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 nor is forced for contract renewal. 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/QD-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.

B09 -CTCK as at 31 December 2019 and for the year then ended

Other information (Continued)

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 2019 are as follows:

(Currency: VND)

	No. left and and a fine	P	Past due but not impaired					
	Neither past due nor impaired	less than 3 months	3 - 6 months	6 - 12 month	over 1 year	Impaired	TOTAL	
31 December 2019								
Fixed maturity investments	10.022.246.575	-	-	-	-	-	10.022.246.575	
Bonds	-	-	_	-	-	-	-	
Term deposits	10.022.246.575	-	_	-	-	-	10.022.246.575	
Other financial assets	1.533.702.830.132	-	-	-	2.296.373.861	4.579.344.386	1.540.578.548.379	
Deposits to Settlement Assistance Fund	21.178.977.487	-	-	-	-	-	21.178.977.487	
Dividends receivable	3.967.889.500	-	-	-	-	-	3.967.889.500	
Receivables from securities trading activities	1.493.723.869.836	-	-	-	-	4.579.344.386	1.498.303.214.222	
Others	14.832.093.309	-	_	-	2.296.373.861	-	17.128.467.170	
Cash and cash equivalents	174.237.228.080	-	-	-	-	-	174.237.228.080	
TOTAL	1.717.962.304.787	-	-	-	2.296.373.861	4.579.344.386	1.724.838.023.034	

276/277

Details on credit quality by classes of assets for all financial assets (net of impairment) exposed to credit risk as at 31 December 2018 are as follows:

(Currency: VND)

	Past due but not impaired							
	Neither past due nor impaired	less than 3 months	3 - 6 months	6 - 12 months	over 1 year	Impaired	TOTAL	
31 December 2018								
Fixed maturity investments	194.359.886.548	-	-	-	-	-	194.359.886.548	
Bonds	142.759.886.546	-	-	-	-	-	142.759.886.546	
Term deposits	51.600.000.002	-	-	-	-	-	51.600.000.002	
Other financial assets	1.708.453.502.919	-	-	-	265.099.514	196.470.000	1.708.915.072.433	
Deposits to Settlement Assistance Fund	20.000.000.000	-	-	-	-	-	20.000.000.000	
Dividends receivable	4.556.619.400	_	-	-	-	-	4.556.619.400	
Receivables from securities trading activities	1.683.728.274.520	-	-	-	-	196.470.000	1.683.924.744.520	
Others	168.608.999	-	-	-	265.099.514	-	433.708.523	
Cash and cash equivalents	465.849.247.326	-	-	-	-	-	465.849.247.326	
TOTAL	2.368.662.636.793	-	-	-	265.099.514	196.470.000	2.369.124.206.307	

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.

B09 -CTCK as at 31 December 2019 and for the year then ended

Financial risk management objectives and policies (Continued)

Liquidity risk

Liquidity risk is the risk that the Compbany 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 setlement 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 above 700%, 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 2019 based on contractual undiscounted payments:

Currency: million VND	Overdue	On demand	Up to 1 year	01 - 03 years	03 - 05 years	05 - 15 years	Over 15 years	TOTAL
31 December 2019								
FINANCIAL ASSETS								
		T10.000	10.022					T00 744
Investments	-	512.689	10.022	-	-	-	-	522.711
Bonds	-	-	-	-	-	-	-	
Term deposits	-	-	10.022	-	-	-	-	10.022
Shares	-	512.689	-	-	-	-	-	512.689
Other financial assets	6.875	21.179	1.512.524	-	-	-	-	1.540.578
Deposits to Settlement Assistance Fund	-	21.179	-	-	-	-	-	21.179
Dividends receivable	-	-	3.968	-	-	_	-	3.968
Receivables from securities trading activities	4.579	-	1.493.724	-	-	-	-	1.498.303
Other	2.296	_	14.832	-	-	_	-	17.128
Cash and cash equivalents	-	-	174.237	-	-	-	-	174.237
TOTAL	6.875	533.868	1.696.783	-	-	-	-	2.237.526
FINANCIAL LIABILITIES								
Short-term borrowings	-	_	100.000	-	-	_	-	100.000
Long-term bonds issued	-	_	300.137	100.251	-	_	-	400.388
Accrued expenses	_	-	2.242	_	-	_	_	2.242
Payables from securities trading activities	-	-	2.810	-	-	_	-	2.810
Other payables	_	_	4.502	-	-	_	-	4.502
TOTAL	-	-	409.691	100.251	-	-	-	509.942

278/279

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2018 based on contractual undiscounted payments:

Currency: million VND	Overdue	On demand	Up to 1 year	01 - 03 years	03 - 05 years	05 - 15 years	Over 15 years	TOTAL
31 December 2018								
FINANCIAL ASSETS								
Investments	_	466.675	65.244	24.000	106.350	54.350	_	716.619
Bonds	_	- 400.073	12.000	24.000	106.350	54.350	_	196.700
Term deposits	_	_	10.022	24.000	-	-	_	10.022
Shares	_	466.675	10.022	_	_	_	_	466.675
Other financial assets	461	20.000	1.688.454	_	_	_	_	1.708.915
Deposits to Settlement Assistance Fund	-	20.000	-	-	-	-	-	20.000
Dividends receivable	-	-	4.557	_	_	-	-	4.557
Receivables from securities trading activities	196	-	1.683.729	-	-	-	-	1.683.925
Other	265	-	168	-	_	-	_	433
Cash and cash equivalents	-	-	465.849	-	-	-	-	465.849
TOTAL	461	486.675	2.219.547	24.000	106.350	54.350	-	2.891.383
FINANCIAL LIABILITIES								
Short-term borrowings	-	-	129.900	-	_	_	_	129.900
Long-term bonds issued	-	-	312.922	-	_	_	-	312.922
Accrued expenses	-	-	4.528	-	_	_	_	4.528
Payables from securities trading activities	-	-	3.700	-	-	-	-	3.700
Other payables	-	-	714.073	-	_	-	_	714.073
TOTAL	-	-	1.165.123	-	-	-	_	1.165.123

 $The \ Company \ assessed \ the \ concentration \ of \ risk \ with \ respect \ to \ repayment \ of \ its \ liabilities \ and \ concluded \ it \ to \ be \ low.$

Events after the balance sheet date

There is no event or circumstance arising since 31 December 2019 that requires adjustment or disclosure in the combined financial statements of the Company as at 31 December 2019 and for the year then ended.

Ms. Vu Thi Thuy Linh

Preparer

Deputy Head of Financial Accounting Department **Ms. Nguyen Hong Thuy** Approval Head of Financial

Accounting Department

Approval
Chief Executive Officer

Mr. Nhu Dinh Hoa

Hanoi, Vietnam 23 March 2020

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.

BVSC is a listed securities company in Vietnam stock market and aims at contributing to the development of Vietnam 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 margin lending activities.

The Company's head office is located at floors 2 and 3, 72 Tran Hung Dao 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 2019, the Company's charter capital was VND 722,339,370,000 and owners' equity was VND 1,806,633,192,421.

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	Appointed on 29 November 2018
Mr. Nguyen Anh Tuan	Member	Appointed on 12 May 2016
Mr. Le Van Binh	Member	Appointed on 15 April 2015
Mr. Nhu Dinh Hoa	Member	Appointed on 15 April 2015
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 2019
Mr. Vo Huu Tuan	Deputy Chief Executive Officer cum Director of Ho Chi Minh Branch	Reappointed on 5 May 2017

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.

Chương VI • Financial safety ratio report

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 2019.

Management's responsibility in respect of the financial safety ratio report

Management of the Company 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 ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios ("Circular 87") 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 2019.

Statement by Management

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 87 and Note 2.1 to the financial safety ratio report..

For and on behalf of Management:



Mr. Nhu Dinh Hoa Chief Executive Officer

Hanoi, Vietnam 23 March 2019

Independent auditors' report

To: The Shareholders of **Bao Viet Securities Joint Stock Company**

report of Bao Viet Securities Joint Stock Company ("the Company") as at 31 December 2019 as prepared on 23 March report, whether due to fraud or error. In making those 2020 and set out on pages 06 to 28. The financial safety ratio report has been prepared by the Company's Management relevant to the Company's preparation and fair presentation 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 ("Circular 87") 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 Circular 87 and Note 2.1 of 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 is 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

We have audited the accompanying financial safety ratio the auditors' judgment, including the assessment of the risks of material misstatement of the financial safety ratio risk assessments, the auditor considers internal control 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.

Reference No.: 60758149/21085188/ATTC

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

Opinion

In our opinion, the financial safety ratio report as at 31 December 2019 is prepared and presented, in all material respects, in accordance with the Circular 87 and Note 2.1 of 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

Dang Phuong Ha

Deputy General Director **Audit Practising Registration** Certificate No: 2400-2018-004-1

Hanoi, Vietnam 23 March 2020

Nguyen Van Trung Auditor **Audit Practising Registration**

Certificate No: 3847-2016-004-1

Chương VI • Financial safety ratio report

BAO VIET SECURITIES JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM Independence - Freedom - Happiness

Re: financial safety ratio report

Hanoi, 23 March 2020

Financial safety ratio report

As at: 31 December 2019

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 year;
- (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 **Mr. Le Thinh Vuong**Deputy Head of Legal and Internal control

Mr. Nhu Dinh Hoa Chief Executive Officer

Hanoi, Vietnam 23 March 2020

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	86.374.787.737
2	Total exposures to settlement risk	5	46.519.586.249
3	Total exposures to operational risk	6	95.028.922.682
4	Total exposures to risks (4=1+2+3)		227.923.296.668
5	Liquid capital	7	1.626.406.431.796
6	Liquid capital ratio (6=5/4) (%)		714%

Ms. Nguyen Hong Thuy Head of Financial Accounting Department **Mr. Le Thinh Vuong**Deputy Head of Legal and Internal control

Mr. Nhu Dinh HoaChief Executive Officer

Hanoi, Vietnam 23 March 2020

Notes to the financial safety ratio report

as at 31 December 2019

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 2019, the Company's head office is located at floors 2 and 3, 72 Tran Hung Dao 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:

No.	Name	Address
1	Transaction office at Head Office (Hanoi)	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 Thanh Xuan (Hanoi)	Floor 10, Hapulico Tower, No.1 Nguyen Huy Tuong, Thanh Xuan, 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 2019, the Company's charter capital was VND 722,339,370,000; owners' equity was VND 1,806,633,192,421 and total assets was VND 2,397,853,185,656.

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 shareholders.

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 realestate 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.

as at 31 December 2019

Basis of Presentation

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.

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)	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: • 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.		

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.

Reporting currency

The Company prepares this report in Vietnam Dong ("VND").

Summary of significant polices for the preparation of financial safety ratio report

Liquid capital ratio

Liquid capital ratio of the Company is determined using the formula specified in accordance with Circular 87 as follows:

In particular, total exposures to risks are the sum of exposures to market risk, settlement risk, and operational risk.

Liquid capital

In accordance with Circular 87, 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;

288/289

- · 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).

Decreases to liquid capital

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

- · Treasury shares (if any);
- Total decrease 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));
- 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.

as at 31 December 2019

Summary of significant polices for the preparation of financial safety ratio report (Continued)

Decreases to liquid capital (Continued)

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 87.

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

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 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.

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.

290/291

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, 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:

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:
- $\ensuremath{\text{\textit{w}}}$ 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 monetary 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.

Market risk coefficient

Market risk coefficient is determined for each type of assets as specified in Circular 87.

as at 31 December 2019

Summary of significant polices for the preparation of finicial safety ratio report (Continued)

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 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.

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 Company 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.

Increase in 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 are 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.

as at 31 December 2019

Summary of significant polices for the preparation of finicial safety ratio report (Continued)

Exposures to settlement risk

Exposures to settlement risk are the potential losses which may occur when a partner 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; 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

Settlement risk coefficient

Settlement risk coefficient is determined based on the type of counterparties and the overdue period as stipulated in Circular 87.

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	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}

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.

294/29!

as at 31 December 2019

Summary of significant polices for the preparation of finicial safety ratio report (Continued)

Exposures to settlement risk (Continued)

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:

Period	Value of assets exposed to settlement risk
--------	--

	A - For the selling transactions (seller is the brokerage activities)	he Company or its customers under the securities
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 t	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).

296/297

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 3.3.2.

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 lending 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 lending 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.

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.

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.

as at 31 December 2019

Exposures to market risk

	Investment items		Scale of risk (VND)	Exposures to risk (VND)
		(1)	(2)	$(3) = (1) \times (2)$
	I. Cash and cash equivalents, monetary market instruments			
1.	Cash (VND)	0	328.387.909	-
2.	Cash equivalents	0	173.908.840.171	-
3.	Valuable papers, negotiable instruments in the money market, Certificate of deposit	0	-	-
	II. Government bonds			
1.	Zero-coupon Government bonds	0	-	-
2.	Coupon Government bonds		-	-
2.1	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	-	-
	III. Corporate bonds			
	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	-	-
4	Listed bonds having maturity of 1 to under 3 years, including convertible bonds	10	-	-
1.	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	-	-
	Unlisted bonds having remaining maturity of less than 1 year, including convertible bonds	25	-	-
0	Unlisted bonds having maturity of 1 to under 3 years, including convertible bonds	30	35.204.150.323	10.561.245.097
2.	Unlisted bonds having maturity of 3 to under 5 years, including convertible bonds	35	-	-
	Unlisted bonds having maturity of more than 5 years, including convertible bonds	40	-	-

Investment items	Risk coefficient	Scale of risk	to risk
	%	(VND)	(VND)
	(1)	(2)	$(3) = (1) \times (2)$

		(-)	(-)	(-) (-) (-)		
	W.O.					
	IV. Shares					
1.	Ordinary shares, preferred shares of entities listed on Ho Chi Minh Stock Exchange; open-end fund certificates	10	197.547.927.650	19.754.792.765		
2.	Ordinary shares, preferred shares of entities listed on Hanoi Stock Exchange	15	22.532.447.550	3.379.867.132		
3.	Ordinary shares, preferred shares of unlisted public entities registered for trading on UPCoM					
4.	Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO	30	-	-		
5.	Shares of other public companies	50	57.374.473.524	28.687.236.762		
	V. Certificates of investment securities fund					
1.	Public funds, including public securities investment companies	10	54.693.360.000	5.469.336.000		
2.	Member funds, private securities investment companies	30	-	-		
	VI. Restricted securities trading					
1.	Securities temporarily suspended from trading	40	781.800	312.720		
2.	Delisted, cancelled securities	50	140.000	70.000		
	VII. Derivative securities					
1.	Index futures contracts	8	-	-		

Calculation:

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) Settled price at the end of the day = Closing price x Open volume

2.	Government bond futures contracts	3	-	-	

Calculation:

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) Settled price at the end of the day = Closing price x Open volume

as at 31 December 2019

Exposures to market risk (Continued)

Investment items	Risk coefficient %	Scale of risk (VND)	Exposures to risk (VND)
	(1)	(2)	(3) = (1) x (2)
VIII. Other securities			
Shares, capital contribution and other shares	80	-	-
Shares listed on foreign markets included in the benchmark	25	-	-
Shares listed on foreign markets not included in the benchmark	100	-	-
Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
Covered warrants listed on Hanoi Stock Exchange	10	-	-
Covered warrants issued by the Company		-	-
Calculation: Exposures to risk = $(P0 \times Q0 \times k - P1 \times Q1) \times R - MD$			
Securities acquired from hedging activities for the covered warrants issued by the Company (In case of covered warrants without interest)		-	-
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)			86.374.787.737

Exposures to settlement risk

Exposures to settlement risk (VND)

Risks of undue items (Note 5.1)	1.096.766.000
Risks of overdue items (Note 5.2)	45.422.820.249
TOTAL EXPOSURES TO SETTLEMENT RISK	46.519.586.249

Risks of undue items

Risk coefficient (%)		Ex	posures	to settle	ement risk (VI	ND)	Total exposures
	0%	0,8%	3,2%	4,8%	6%	8%	to settlement
Type of transactions	(1)	(2)	(3)	(4)	(5)	(6)	risk (VND)
Term deposits and loans without collaterals and receivables from securities trading operations, and other items exposed to settlement risk (*)	-	-	-	-	601.334.795	495.431.205	1.096.766.000
Securities lending, other agreements with similar nature	-	-	-	-	-	-	-
Securities borrowings, other agreements with similar nature	-	-	-	-	-	-	-
Reverse repurchase agreements, other agreements with similar nature	-	-	-	-	-	-	-
Repurchase agreements, other agreements with similar nature	-	-	-	-	-	-	_
TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDUE ITEMS							1.096.766.000

as at 31 December 2019

Exposures to settlement risk (Continued)

Risks of undue items (Continued)

The details of settlement risk coefficient by counterparties are determined as follows:

Counterparties of the Company
Counter parties of the Company

Settlement risk coefficient

Government, issuers guaranteed by the Government, Government and Central Banks of OECD countries; People's committees of provinces and centrally controlled municipalities	0%
Securities Stock Exchanges and Vietnam Securities Depository	0,80%
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	3,20%
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	4,80%
Credit institutions, financial institutions, and securities trading institutions being established and operating in Vietnam	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	10.022.246.575	-	-	6	601.334.795
Dividend receivables	3.967.889.500	-	-	8	317.431.160
Receivables from services provided by the Company	2.225.000.569	-	-	8	178.000.045
TOTAL	16.215.136.644	-	-		1.096.766.000

Risks of overdue items

Overdue period	Settlement risk coefficient (%)	Scale of risk (VND)	Exposures to settlement risk (VND)
0 - 15 days after payment due date or date of transferring securities	16	-	-
16 - 30 days after payment due date or date of transferring securities	32	-	-
31 - 60 days after payment due date or date of transferring securities	48	-	-
From 60 days and above	100	45.422.820.249	45.422.820.249
TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE PAYMENTS			45.422.820.249

Exposures to operational risk

Items	Amount (VND)
I. Total operating expenses incurring within 12 months up to December 2018	372.572.633.215
II. Deductions from total expenses (Note 6.1)	(7.543.057.513)
III. Total expenses after deductions (III = I – II)	380.115.690.728
IV. 25% of total expense after deductions (IV = 25% III)	95.028.922.682
V. 20% of the Company's legal capital	60.000.000.000
TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})	95.028.922.682

Deductions from total expenses

Items	Value (VND)
Depreciation expenses	5.131.136.625
Reversal of provision for impairment of short-term financial assets and mortgage assets	11.483.049.411
Reversal of provision for impairment of long-term financial assets	(25.448.429.149)
Provision for diminution in value of financial assets available for sale and other financial assets	1.291.185.600
TOTAL	(7.543.057.513)

as at 31 December 2019

Liquid capital

		Liquid capital			
No.	Contents	(1) Liquid capital (VND)			
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	Difference from revaluation of assets at fair value	30.894.437.854			
7	Charter capital supplementary reserves	42.517.552.484			
8	Operational risk and financial reserves	42.517.552.484			
9	Other funds belong to the owner's equity	-			
10	Undistributed profit	358.607.795.379			
11	Provision for impairment of assets	95.795.528.861			
12	Difference from revaluation of fixed assets	-			
13	Foreign exchange rate differences	-			
14	Convertible debts				
15	Total increase or decrease in securities investment value		16.965.735.020	291.80	
16	Other capital (if any)	-			
1A	TOTAL			1.885.463.278.06	
В	Current assets				
I	Financial assets				
1	Cash and cash equivalents				
_	Financial assets at fair value through profit and loss (FVTPL)				
2	- Securities exposed to market risk				
	- Securities deducted from liquid capital		2.675.400		
	Held-to-maturity (HTM) investments				
3	- Securities exposed to market risk				
	- Securities deducted from liquid capital		-		
4	Loans				

304/305

	Available-for-sale (AFS) financial assets
5.	- 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 has 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
10.	- Receivables due in 90 days or less
	- Receivables due in more than 90 days
	Internal receivables
11.	- Internal receivables due in 90 days or less
	- Internal receivables due in more than 90 days
40	Receivables due to error in securities transactions
12.	- Receivables due in 90 days or less
	- Receivables due in more than 90 days
	Other receivables
13.	- Other receivables due in 90 days or less
	- Other receivables due in more than 90 days
14	Provisions for impairment of receivables
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
3	Short-term prepaid expenses
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

Liquid capital

Notes to the financial safety ratio report (Continued)

as at 31 December 2019

Liquid capital (Continued)

	_	Liquid capital		
No.	Contents	(1) Liquid capital (2) Deductions (VND) (VND)		(3) Increases (VND)
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		95.170.500.000	
2.2	Investments in subsidiaries		-	
2.3	Investment in associates and joint ventures		-	
2.4	Other long-term investments		92.501.120.000	
II	Fixed assets		16.846.722.014	
III	Investment properties		-	
IV	Construction in progress		-	
v	Other long-term assets			
1	Long-term deposits, collaterals and pledges		1.092.282.572	
2	Long-term prepaid expenses		23.388.143.453	
3	Deferred income tax assets		-	
4	Deposit for Settlement Assistance Fund		21.178.977.487	
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 87		-	
1C	TOTAL			250.177.745.526

Contents	(1) Liquid capital (VND)	(2) Deductions (VND)	(3) Increases (VND)				
Escrow, collateral items							
Value of the escrow							
Value of deposit to Settlement Assistance Fund of VSD (for derivatives market)		-					
Value of deposit to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market)		-					
Value of cash escrow and banks' guarantee for issuing covered warrants		-					
Value of collaterals of obligations which due in more than ninety (90) days		-					
TOTAL			-				
LIQUID CAPITAL = 1A-1B-1C			1.626.406.431.796				
	Escrow, collateral items Value of the escrow Value of deposit to Settlement Assistance Fund of VSD (for derivatives market) Value of deposit to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market) Value of cash escrow and banks' guarantee for issuing covered warrants Value of collaterals of obligations which due in more than ninety (90) days TOTAL	Escrow, collateral items Value of the escrow Value of deposit to Settlement Assistance Fund of VSD (for derivatives market) Value of deposit to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market) Value of cash escrow and banks' guarantee for issuing covered warrants Value of collaterals of obligations which due in more than ninety (90) days TOTAL	Contents (1) Liquid capital (2) Deductions (VND) Escrow, collateral items Value of the escrow Value of deposit to Settlement Assistance Fund of VSD (for derivatives market) Value of deposit to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market) Value of cash escrow and banks' guarantee for issuing covered warrants Value of collaterals of obligations which due in more than ninety (90) days TOTAL				

Notes:

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

Event after the balance sheet date

There is no event or circumstance arising since 31 December 2019 that requires adjustment or disclosure in the combined financial statements of the Company as at 31 December 2019 and for the year then ended.

Ms. Nguyen Hong Thuy Head of Financial Accounting Department

Hanoi, Vietnam 23 March 2020 Mily

Mr. Le Thinh Vuong

Deputy Head of Legal

and Internal control

BAO VIEW - 1

Mr. Nhu Dinh HoaApprover
Chief Executive Officer

