

CTCP Chứng Khoán Bản Việt  
Số: 92../2022/CV-KT.VCSC

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM  
Độc lập – Tự do – Hạnh phúc  
Ngày 30 tháng 03 năm 2022

**CÔNG BỐ THÔNG TIN TRÊN CÔNG THÔNG TIN ĐIỆN TỬ CỦA  
ỦY BAN CHỨNG KHOÁN NHÀ NƯỚC VÀ VNX, HSX, HNX**  
(có thể sử dụng để công bố thông tin đồng thời đến UBCKNN và SGDCK)

Kính gửi: Ủy ban Chứng khoán Nhà nước  
Sở Giao dịch Chứng khoán Việt Nam  
Sở Giao dịch Chứng khoán TP HCM  
Sở Giao dịch Chứng khoán Hà Nội

Công ty: Công ty Cổ phần Chứng Khoán Bản Việt  
Mã chứng khoán: VCI

Địa chỉ trụ sở chính: Lầu 15, Tháp Tài Chính Bitexco, số 02 Hải Triều, quận 1, TP HCM

Điện thoại: 028-39143588

Fax: 028-39143209

Người thực hiện công bố thông tin: Đinh Quang Hoàn – Phó Tổng Giám Đốc

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Loại thông tin công bố: ☐ 24 giờ ☐ 72 giờ ☐ Bất thường ☐ Theo yêu cầu ☒ Định kỳ

Nội dung thông tin công bố:

- Báo cáo thường niên năm 2021

Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 30/03/2022 tại đường dẫn: <http://www.vcsc.com.vn>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố.

Tài liệu đính kèm:

- Báo cáo thường niên năm 2021

Người đại diện công bố thông tin/  
(Ký tên, ghi rõ họ tên, chức vụ, đóng dấu)

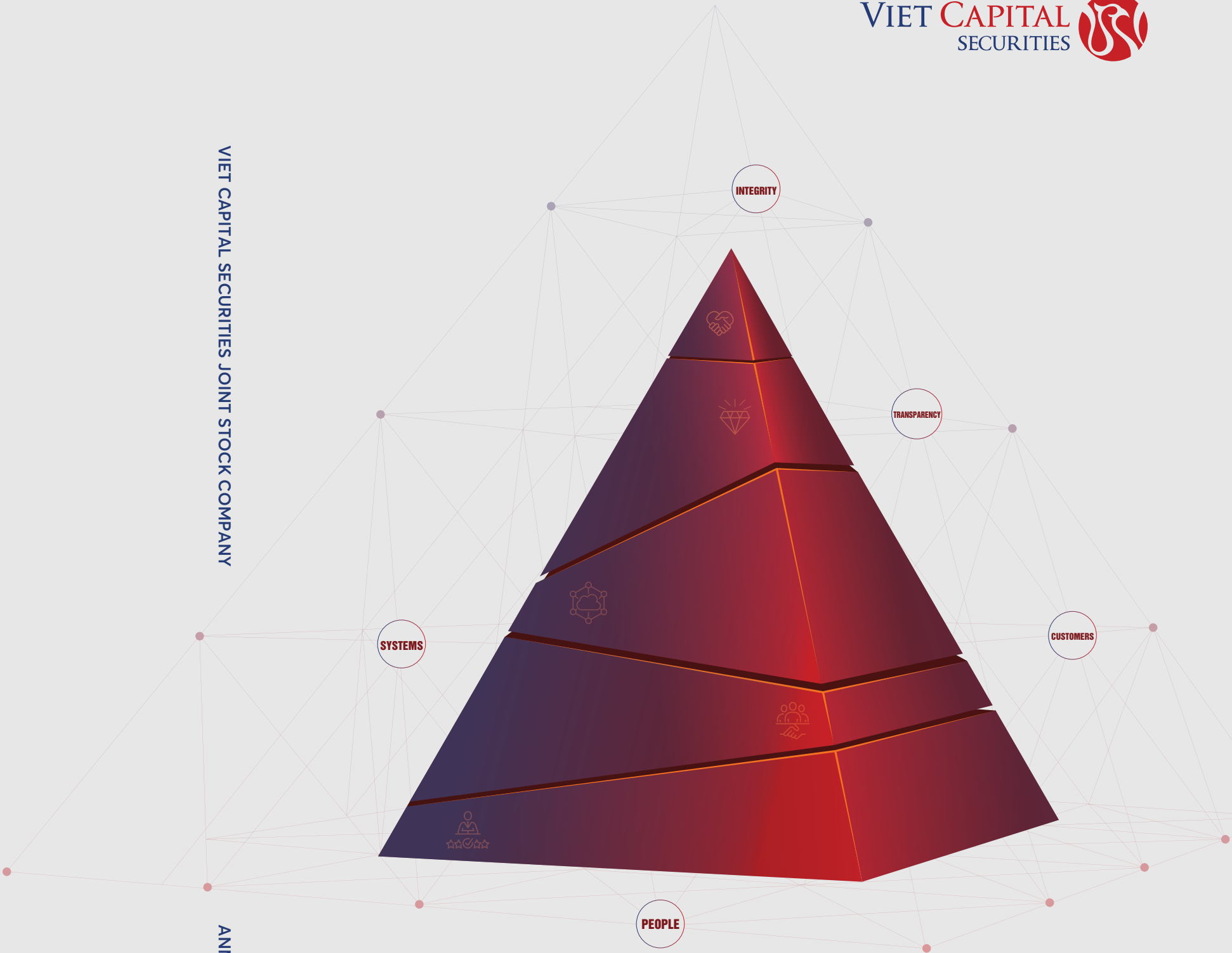


ĐINH QUANG HOÀN  
Phó Tổng Giám Đốc



VIET CAPITAL SECURITIES JOINT STOCK COMPANY

ANNUAL REPORT 2021



YOUR VALUE AHEAD FROM  
**OUR SUSTAINABILITY**

ANNUAL REPORT 2021



SCAN TO VIEW  
ONLINE VERSION



# CONTENTS

ANNUAL REPORT 2021



## Your Value Ahead From Our Sustainability

2022 MARKS THE 15<sup>TH</sup> ANNIVERSARY OF THE INCEPTION OF THE VCSC BRAND, OFFICIALLY USHERING IN "A NEW ERA" OF TRANSFORMATIONAL IMPROVEMENTS ACROSS ALL FACETS, CONSTANTLY INNOVATING AND IMPROVING HIGH-QUALITY PRODUCTS AND COMPREHENSIVE SERVICES - ALL WHILE ADHERING TO THE CUSTOMER-CENTRIC PRINCIPLE OF SUSTAINABLE DEVELOPMENT.

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MESSAGE FROM

# The Chairperson



**D**omestic and international business communities encountered continued obstacles in 2021 due to COVID-induced unexpected impacts. However, in the middle of uncertainty lies opportunities, where many businesses successfully carried out spectacular transformation towards **"a new era"** of sustainable development, responsiveness, and adaptability. VCSC is proud to be one of the brands that made our mark in 2021's business landscape by overcoming all challenges to **CREATE SUSTAINABLE VALUES** for the future.

## To valued shareholders, valued clients, and valued colleagues,

The relentless efforts of the VCSC ship to weather the storm paid off with an impressive result that went beyond expectation, fortifying VCSC's leading position in the Vietnamese stock market.

The 2021 net revenue was recorded at VND3,733bn (+115% YoY) with the profit before tax of VND1,851bn (+95% YoY). Earnings per share reached VND4,502 (+93% YoY). Net return on average equity (ROAE)

reached 27.1% by the end of 2021. In the light of successful COVID-19 vaccine trials announced at the end of 2020, we expected that the stock market would witness a great bounce back at the start of 2021, helping boost VCSC's business performance. Therefore, we set a target of profit before tax (PBT) of VND1,250bn (+31% YoY) in 2021. As VN-Index finished the year at 1,498 points, PBT fulfilled 148% of 2021 guidance.



The 2021 net revenue  
(VND billion)

**3,733**  
+115% YoY



Profit before tax  
(VND billion)

**1,851**  
+95% YoY

Additionally, VCSC demonstrated the continued focus on enhanced social responsibility through a series of activities in the prevention and control of COVID-19 to ensure the health and safety of staff and customers, while maintaining operational efficiency and constantly improved service quality.

On behalf of the Board of Directors, I express my gratitude for the VCSC staff's dedication and business operational capabilities, which are the key factors and motivators laying a solid foundation for VCSC to push the boundaries and create spectacular breakthroughs.

The family of VCSC will always uphold the spirit of solidarity and perseverance on the journey towards our shared goals regardless of any unexpected circumstances. We believe that each individual's unceasing personal development is the building block of a sustained VCSC brand.

Marking the 15<sup>th</sup> year of VCSC's development, 2022 is a crucial stepping stone to a "new roaring era" highlighted by the comprehensive transformational improvements of VCSC, in which customer-oriented innovation and service quality improvement are placed at our core.

Embedded with a positive, proactive, astute, and determined attitude, VCSC, without any doubt, will continue to strive forward with great responsibility and determination to realize the shared goals of fostering core values to promote the added values of sincere gratitude to the community, shareholders, clients, and employees. To this end, 2022 is going to witness VCSC's spectacular breakthroughs on the journey of creating sustainable values via bold transformation, the conquest of obstacles, and robust future-oriented strategies.

I would like to express my heartfelt appreciation to our valued shareholders and clients on behalf of the entire VCSC for your trust and companionship so far. This is the most powerful motivator for VCSC to keep its faith and determination supported by its vision, missions, and social responsibility.

Best regards,

**Nguyen Thanh Phuong**  
The Chairperson of the Board



# Creating Sustainable values

The year 2021 saw continued multidimensional fluctuations in international politics as a result of the pandemic's impact. Surviving in the face of external difficulties and obstacles to promote sustainable development requires exceptional efforts and a solid value foundation for organizations. This explains VCSC's spectacular breakthrough over the last year in the ability to innovate, defining future-oriented core values.

**T**he solid, bright flame pyramid represents VCSC team's enthusiasm, which has been painstakingly built and cultivated over the last 14 years.

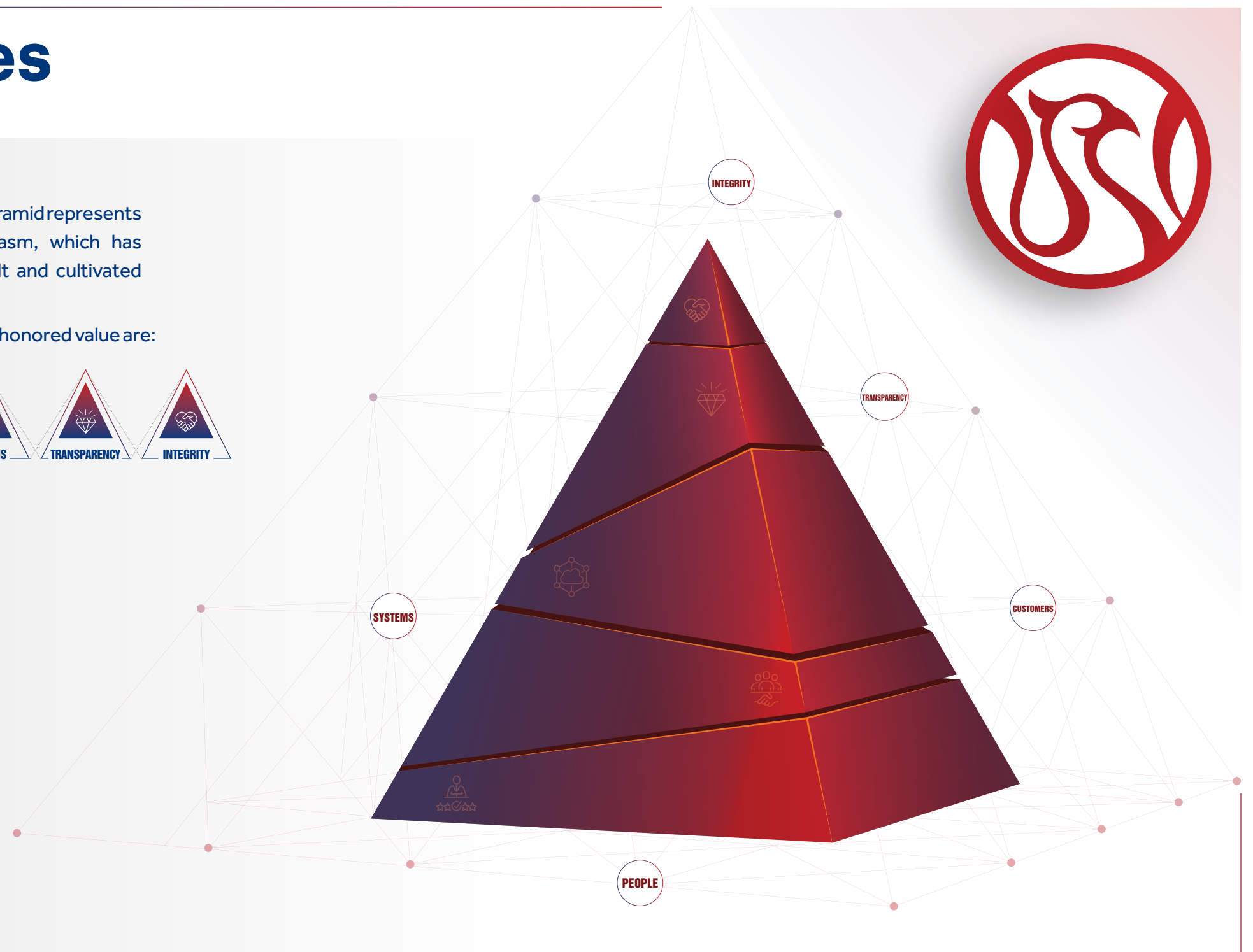
The five pillars of VCSC's time-honored value are:



That is the premise for future continued expansion as affirmed by VCSC's iconic image - the pyramid - forecasting multidimensional growth, which appears on the cover of the Annual Report 2021 themed **CREATING SUSTAINABLE VALUES**.

Additionally, 2022 marks the 15<sup>th</sup> anniversary of the inception of the VCSC brand, officially ushering in "a new era" of transformational improvements across all facets, constantly innovating and improving high-quality products and comprehensive services - all the while adhering to the customer-centric principle of sustainable development.

In that spirit, the theme of the Annual Report 2021, **CREATING SUSTAINABLE VALUES** reinforces the Board of Directors and associates of VCSC's affirmation of the spectacular breakthrough achieved in fiscal year 2021. We eagerly await the start of the "new roaring era," in the milestone year of 2022.



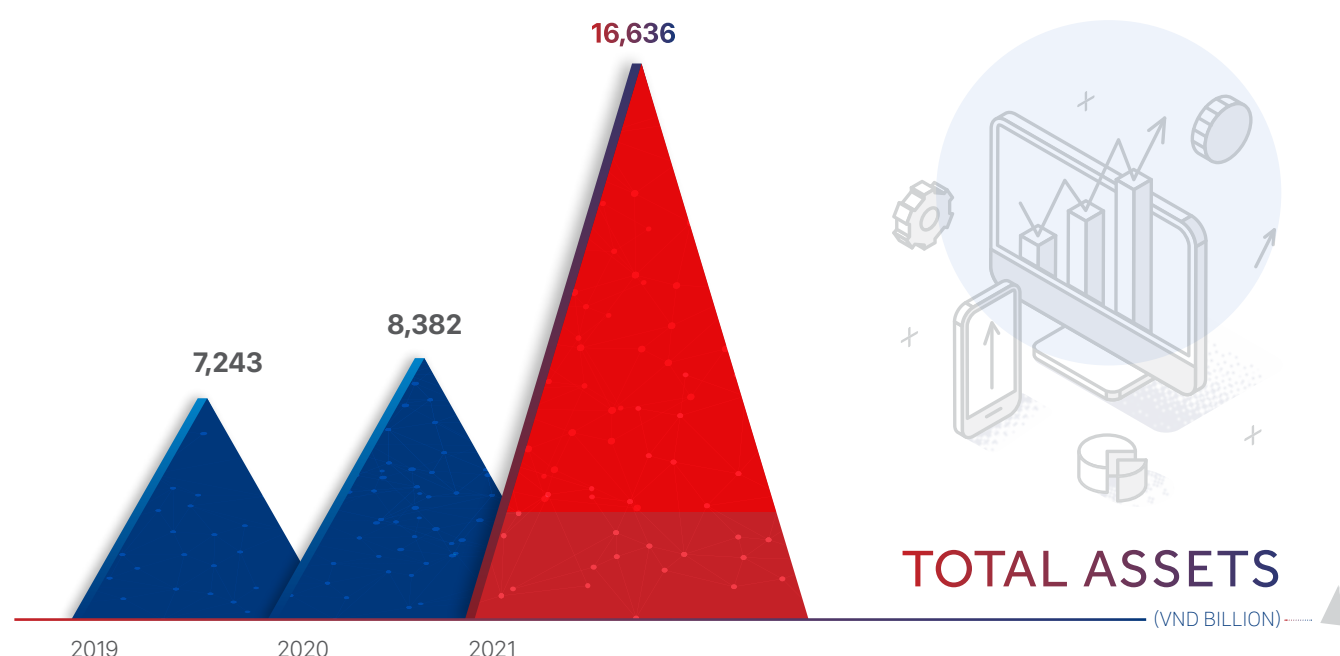


# Financial Highlights

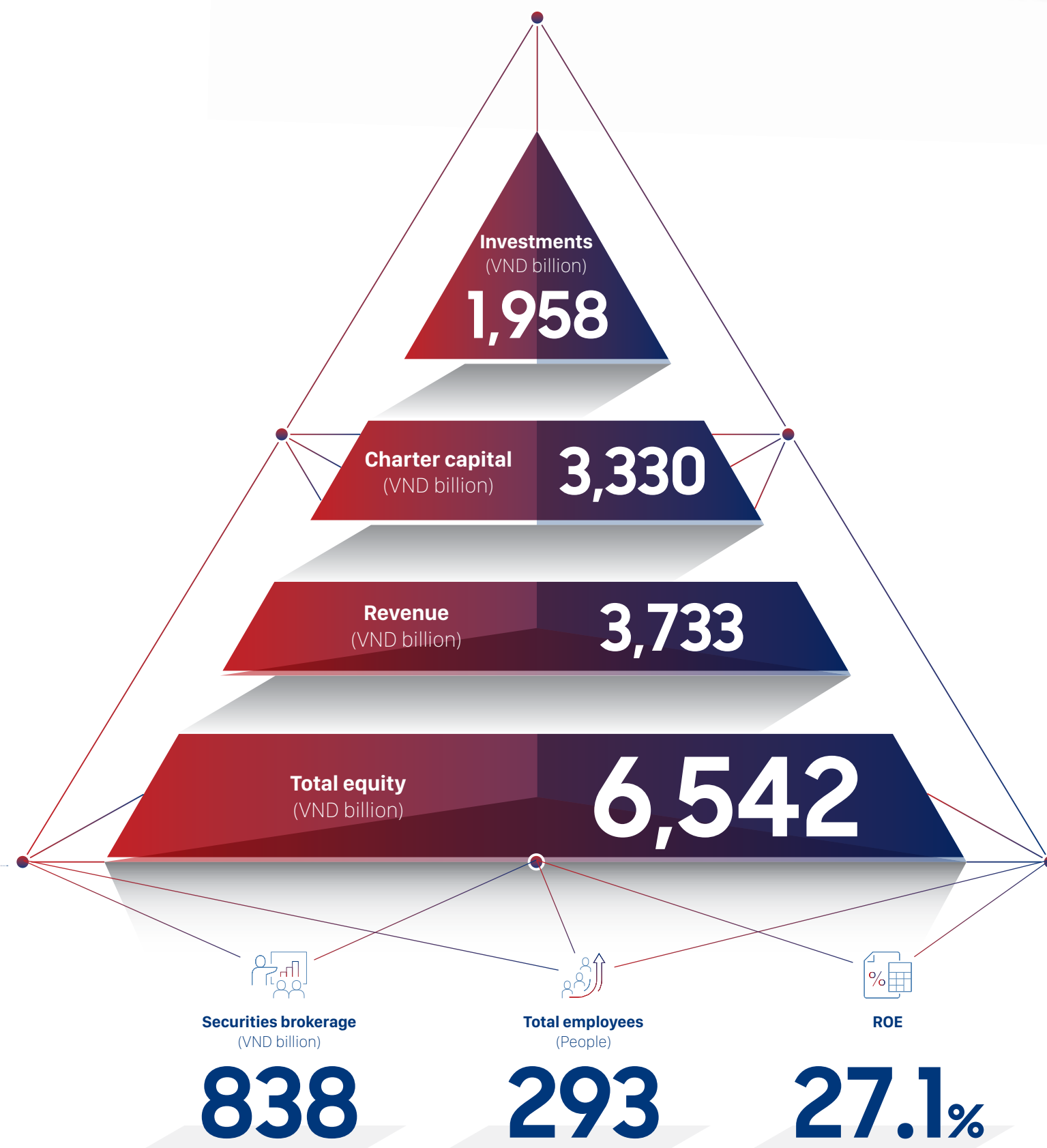
V CSC successfully completed its 2021 guidance set at the shareholder meeting in April with full-year 2021 profit before tax recording VND1,851 billion, 95% higher than 2020 (VND951 billion), and surpassing 2021 guidance (VND1,250 billion) by 48%. The results were achieved on the basis of a deep understanding of the market.

The Company maintained its superior return metrics against peers with ROE and ROA of 27.1% and 12.0% vs a domestic peer median of 22.5% and 8.0%, respectively. The 3-year average ROE (2019-2021) stood at 21.0% amid tough market conditions in 2019 and COVID-19's disruptions in 2020 and 2021. Regarding its financial position, the Company's net debt to equity ratio increased

to 1.10x in 2021 from 0.60x in 2020, which was partly the result from an offshore syndicated loans that the company raised in 2021 to enjoy low international interest rate, allowing the company to offer competitive interest rate for margin lending activity. Equity increased by 44.7% YoY, which maintained the high buffer of the financial adequacy ratio of the Company.



# 16,636







## 2021 FINANCIAL HIGHLIGHTS (continued)

(Units: VND million; unless otherwise stated)

Items	2019	2020	2021	Change 2021/20
<b>BUSINESS RESULTS</b>				
<b>Total revenue</b>	<b>1,550,889</b>	<b>1,736,098</b>	<b>3,732,755</b>	<b>115.0%</b>
Securities brokerage	324,469	438,911	837,962	90.9%
Investments	703,582	842,287	1,958,186	132.5%
Margin lending	343,649	306,804	599,932	95.5%
Corporate advisory and others	179,188	148,096	336,674	127.3%
<b>Total expense</b>	<b>(685,937)</b>	<b>(785,059)</b>	<b>(1,882,170)</b>	<b>139.7%</b>
<b>Profit before tax</b>	<b>855,007</b>	<b>951,039</b>	<b>1,850,585</b>	<b>94.6%</b>
<b>Profit after tax</b>	<b>693,181</b>	<b>768,912</b>	<b>1,498,718</b>	<b>94.9%</b>
<b>ROE</b>	<b>18.0%</b>	<b>17.9%</b>	<b>27.1%</b>	<b>9.2 ppts</b>
<b>ROA</b>	<b>10.1%</b>	<b>9.8%</b>	<b>12.0%</b>	<b>2.1 ppts</b>
<b>ASSETS</b>				
Total assets	7,242,960	8,382,405	16,636,265	98.5%
Charter capital	1,644,000	1,656,000	3,330,000	101.1%
Equity	4,052,853	4,521,487	6,541,863	44.7%
Gross leverage ratio (x)	1.79x	1.85x	2.54x	-
Total Debt / Equity ratio (x)	0.62x	0.74x	1.27x	-
Net Debt / Equity ratio (x)	0.43x	0.60x	1.10x	-
Capital adequacy ratio (CAR)	596%	534%	400%	-
<b>PER SHARE METRICS</b>				
Adjusted diluted EPS (VND)	2,120	2,334	4,502	
Number of outstanding shares as of year-end	164,349,985	165,600,000	333,000,000	
Dividend/share (VND)	1,500	3,000	Pre-paid VND1,200/ share, the rest TBD	
<b>TOTAL EMPLOYEES (PEOPLE)</b>	<b>245</b>	<b>226</b>	<b>293</b>	

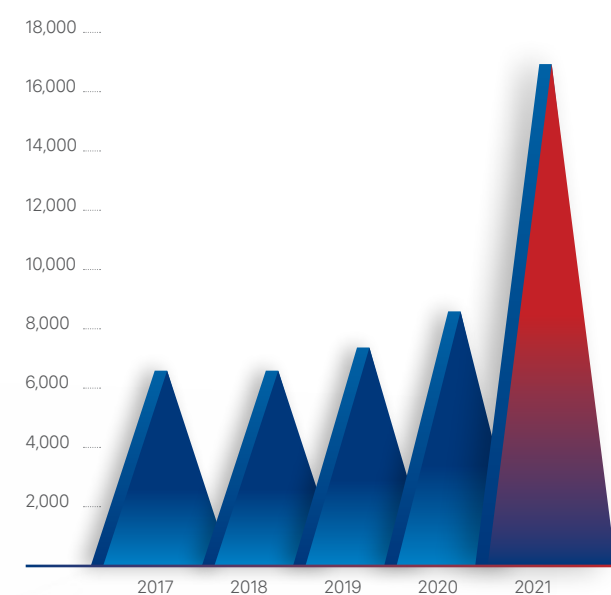
(Units: VND million; unless otherwise stated) - Source: VCSC.



Profit before tax	VCSC	
	Growth (YoY)	Actual (% of target)
2015	64.6%	150.5%
2016	38.2%	104.0%
2017	93.1%	146.0%
2018	26.0%	100.0%
2019	-15.5%	100.6%
2020	11.2%	172.9%
<b>2021</b>	<b>94.6%</b>	<b>148.0%</b>

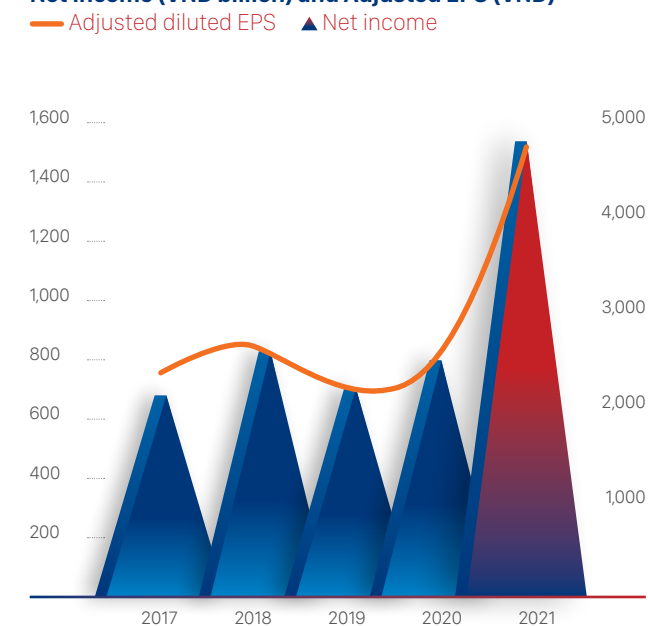
Source: VCSC

**Total assets (VND billion)**



Source: VCSC

**Net income (VND billion) and Adjusted EPS (VND)**



Source: VCSC

# VCSC

## IMPRINT TRANSFORMATION

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## COMPANY OVERVIEW

Viet Capital Securities Joint Stock Company's inception in 2007 laid the first foundation for the 15-year journey of the Company's community-oriented development via the realization of its mission and goals. The founding team and more than 240 VCSC members witnessed a spectacular 2021 in terms of business performance, owing to the collective steadfastness, enthusiasm, and unremitting efforts. In particular, VCSC completed 148% of the set plan with an impressive growth of profit before tax, up 95% YoY.



Completed

**148%** of the set  
plan



with an impressive growth of profit before tax

Up **95%** YoY





VCSC



## VIET CAPITAL SECURITIES JOINT STOCK COMPANY

English name	: Viet Capital Securities Joint Stock Company
Abbreviated name	: VCSC
Ticker	: VCI
Website	: <a href="https://www.vcsc.com.vn">https://www.vcsc.com.vn</a>
Business Registration Certificate	No. 0305299779 granted by the Department of Planning and Investment of Ho Chi Minh City, first issued on November 6 <sup>th</sup> , 2007 and 18 <sup>th</sup> amendment on February 17 <sup>th</sup> , 2022
Establishment license	No.68/UBCK-GP by State Securities Commission on November 6, 2007



• Charter capital - Updated on July 12, 2021 (VND)

**3,330,000,000,000**

Headquarter	: Bitexco Financial Tower, 15 <sup>th</sup> Floor, 2 Hai Trieu street, District 1, HCMC
Tel	: (+84) 28 3914 3588
Fax	: (+84) 28 3914 3209



## OTHER BRANCHES AND OFFICES



### HANOI BRANCH

109 Tran Hung Dao Street,  
Hoan Kiem District, Hanoi  
Tel: (+84) 24 6262 6999  
Fax: (+84) 24 6278 2688

### DONG DA TRANSACTION OFFICE

9 Nguyen Ngoc Doan Street,  
Dong Da District, Hanoi  
Tel: (+84) 24 6262 6999  
Fax: (+84) 24 6278 2688

### NGUYEN HUE TRANSACTION OFFICE

Vinatex - Tai Nguyen building, 1<sup>st</sup> and 3<sup>rd</sup> floor,  
10 Nguyen Hue Street, District 1, Ho Chi Minh City  
Tel: (+84) 28 3914 3588  
Fax: (+84) 28 3914 3209

### HAM NGHI TRANSACTION OFFICE

81 - 83 - 83B - 85 Ham Nghi Street,  
District 1, Ho Chi Minh City  
Tel: (+84) 28 3914 3588  
Fax: (+84) 28 3821 6186

### PASTEUR TRANSACTION OFFICE

Sailing Tower, 8<sup>th</sup>, 111A Pasteur Street,  
District 1, Ho Chi Minh City  
Tel: (+84) 28 3914 3588 (403)

## BUSINESS SEGMENTS





# CORE VALUES

## VISION

Viet Capital Securities Joint Stock Company aspires to become a leading prestigious financial institution, which ensures our core values are aligned with the shared goals of the domestic and international investor community via excellent quality service and sustainable investment opportunities, together moving forwards with the entrepreneurial, ever-curious and innovative mindset of “The Leader”.



## MISSION

### FOR CUSTOMERS

VCSC provides top-of-the-line services and effective solutions tailored to customers' needs, reflected through our ethics, dedication, responsibility, and high level of expertise.

### FOR SHAREHOLDERS

VCSC is committed to delivering practical values and long-term benefits by proactively adapting Company's operation to any changes with utmost prudence and transparency.

### FOR EMPLOYEES

VCSC delivers a working environment meeting international standards along with morality, fairness, efficiency, and promotion opportunities.



### RESPONSIBILITIES TOWARDS INVESTOR COMMUNITY

We always define our position as a startup working towards the shared goals of the investor community and a reliable companion delivering core values with excellent service and sustainable investment opportunities.

### HUMAN DEVELOPMENT

Peoples and prestige are the most valuable assets of the organization. As a result, we pay special attention to talent attraction, retention, and development by providing training programs as well as professional development and promotion opportunities.

### CUSTOMER-CENTRIC APPROACH

Customer benefits and satisfaction are always placed at our core.

### ETHICS AND TRANSPARENCY

Financial statements are audited by reputable international auditing agencies. Internal policies are developed and applied appropriately towards the mitigation of conflicts of interest.





# BREATHROUGH TO SUCCESS

## 2007-2008

### OFFICIAL OPERATION & BRANCH OPENING

VCSC was established and officially operated in November.

**Charter capital:** VND360 billion.

First branch opening in Hanoi.

## 2009-2010

### TRADING SYSTEM UPGRADE & INCREASE IN CHARTER CAPITAL

Deployed one of the most advanced trading systems in the industry, provided by Tong Yang.

**Charter capital** increased to VND378 billion.

Opening of Nguyen Cong Tru transaction office in Ho Chi Minh City.

Top 10 securities companies on HNX in Q2, 2010.

## 2011-2013

### ORGANIZED VIETNAM ACCESS DAY & TOP 3 BROKERAGE MARKET SHARE ON HOSE

Successful organized Vietnam Access Day for the first time with more than 300 domestic and international guests, speakers and investment funds.

**Charter capital** increased to VND398.4 billion.

Resources reallocation and improvement of business activities.

**2011:** Top 6 securities companies by market share on HNX.

**2012:** Top 5 securities companies by market share on HSX.

**2013:** Top 3 securities companies by market share on HSX.

# 2021

## EXCEEDING SALES TARGET, MILESTONE ACHIEVEMENT

- Successfully organized annual Vietnam Access Day online
- Opened Dong Da transaction office & Partnership brokerage department
- Signed a capital loan agreement with a limit of USD100 million (equivalent to VND2,300 billion) with an extendable limit of up to USD150 million (equivalent to VND3,450 billion)



Charter capital doubled to (VND billion)

# 3,330



Equity increased by 45% compared to the end of 2020 (VND billion)

# 6,542



# TOP 5

of securities brokerage houses on HSX

## 2019-2020

### MAINTAINED MARKET SHARE & ACHIEVED BUSINESS PLAN

Maintained brokerage market share, strengthened consulting activities.

Remained among top securities companies by market share on the HSX.

**Charter capital** reached VND1,656 billion.

**Equity** reached VND4,521 billion by the end of 2020.

## 2017-2018

### LISTED ON HOSE & FORTIFIED POSITION IN TOP 3

Listed on the Ho Chi Minh City Stock Exchange on July 7, 2017.

Maintained brokerage market share, strengthened consulting activities.

**Charter capital** reached VND1,200 billion.

**Equity** reached VND3,020 billion by the end of 2017.

## 2014-2015

### PERFORMANCE BREAKTHROUGH & REMAINED IN TOP 3 BY MARKET SHARE

Vietnam Access Day became the largest annual investment seminar attracting hundreds of domestic and international investors and leading businesses.

Performance breakthrough with ROE of over 30%.

**Charter capital** increased to VND500 billion.

# Significant Events

1

SIDE BY SIDE

## Into the new era



The 2021 Annual General Meeting (AGM), held on April 9, 2021, agreed and set the target revenue of VND2,050 billion - an increase of 18.5% compared to 2020, the expected profit before tax of VND1,250 billion - up 31.4%, and the expected dividend payout of 10-15% of par value. At this meeting, shareholders elected the BOD members for the 2021-2026 term.

Additionally, the BOD and BOS presented documents to the Meeting for approval on additional significant issues. These included the bonus share issuance to increase charter capital from equity (at a ratio of 1:1); the second cash dividend payout in 2020 at a rate of 20% (equivalent to 30% of par value in total in 2020, as 10% was paid in December 2020); the dividend plan for 2021 at 10-15% of par value; and the issuance of 900,000 ESOP shares at VND15,000.

The turbulence of the COVID-19 pandemic in 2020 and 2021 had a profound effect on the world economy, of which Vietnam is a member. VCSC overcame all obstacles by embracing them as a push to successfully “weather the storm” with major breakthroughs owing to the determination and solidarity of the entire leadership team and employees.

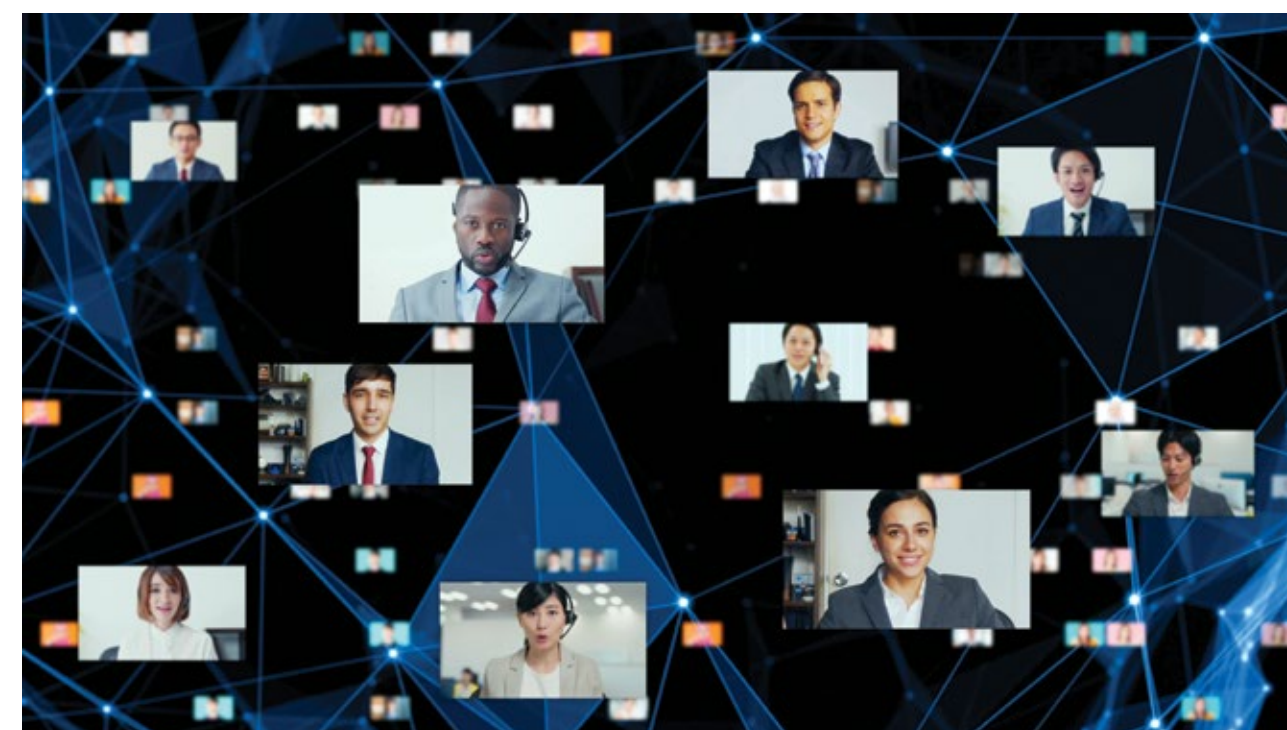
Accordingly, VCSC's net revenue reached VND3,733 billion last year, an increase of 115% year on year, while profit before tax reached VND1,851 billion, a y.o.y increase of 95%. This was accompanied by numerous accomplishments in the field of exclusive consultation, including the sale of 49% of FE CREDIT shares to a Japanese investor.

2

## Platform

FOR SUCCESS IN INVESTMENT

VCSC's Institutional Sales and Brokerage Department, through continuous learning and substantial investment in advanced digital technology, has provided a wide variety of best-quality services to clients.



More than  
**+400**  
groups and individual phone calls were carried out to support our clients

Vietnam Access Day (virtual call)  
With more than  
**+450**  
representatives from prestigious investment funds

More than 400 groups and individual phone calls were carried out to support our clients. Plus, virtual quarterly investor meetings, which were unheard before the pre-pandemic period, were also conducted with the assistance of listed companies. Online conferences were highly appreciated by businesses and investment funds due to their effectiveness in maintaining communication in the context of COVID-induced travel restriction on face-to-face gatherings.

With more than 450 representatives from prestigious investment funds, 35 of Vietnam's leading enterprises, and 17 high-profile experts/speakers, the Vietnam Access Day (VAD), hosted via virtual calls for the first time, achieved success beyond expectation. The seminar was a valuable opportunity for foreign investors to meet and connect with many top companies in Vietnam in the fields of consumer goods, banking and finance, information technology and real estate, etc.



# Highlighted Achievements



## RECIPIENT OF ALPHA SOUTHEAST ASIA'S AWARDS FOR 12 CONSECUTIVE YEARS

- "Best M&A House backed by private equity funds in Southeast Asia" - 2019, 2020, 2021
- "Best IPO/Equity deal in Vietnam" - 2021
- "Best Institutional Broker" - 2012, 2013, 2014, 2018
- "Best Investment Bank and M&A House" - 2017
- "Best ECM House in the period 2007 - 2016"
- "Best Small to Mid-Cap Corporate Finance House in Vietnam" - 2011, 2012, 2013, 2015
- "Best Equity House in Vietnam" - 2013
- "Best Equity House" - 2011



## RECIPIENT OF VIETNAM M&A FORUM'S AWARDS FOR 12 CONSECUTIVE YEARS

- "Best M&A Adviser in 2009 - 2021"



## RECIPIENT OF FINANCE ASIA'S AWARDS IN 7 YEARS OUT OF 10 YEARS

- "Best ECM House in Vietnam" - 2021
- "Best Broker in Vietnam" - 2016, 2017, 2018
- "Best Investment Bank in Vietnam" - 2012, 2015, 2016, 2017
- "Best ECM Company in Vietnam" - 2017
- "Best Equity House in Vietnam" - 2011
- "Best Securities Company in Vietnam" - 2016



## 2021 AWARDS FROM GLOBAL BRANDS MAGAZINE (GBM)

- "Best Investment Bank" - 2021
- "Best Equity House" - 2021
- "Best M&A House" - 2021



by Nhip Cau Dau Tu Magazine - 2021



Forbes 50 - 2019, 2021



by VietnamNet & Vietnam Report - 2021



## AWARD FROM EUROMONEY

Best Investment Bank in Vietnam - 2015 -



## AWARD FROM HANOI STOCK EXCHANGE

Top 3 securities company with the best advisory services in the period 2005 - 2015



## AWARD FROM THE ASSET ASIAN AWARDS

Best Broker in Vietnam - 2011 -



## AWARD FROM PEOPLE'S COMMITTEE OF HO CHI MINH CITY

Saigon Enterprise of the year - 2011 -

# 2021

VCSC continued to receive prestigious international awards from

## Alpha Southeast Asia & Global Brands Magazine

- Best Domestic M&A House
- Best ECM House and Largest Institutional Broker in Vietnam
- Best Investment Bank
- Best Equity House
- Best M&A House in Vietnam



## ALONG WITH THE MOST PRESTIGIOUS AWARDS IN THE COUNTRY

- TOP 50 BEST-PERFORMING COMPANIES IN VIETNAM
- TOP 500 LARGEST ENTERPRISES IN VIETNAM
- TOP 50 MOST PROFITABLE ENTERPRISES IN VIETNAM

# BUSINESS RESULTS VCSC 2021

## FY2021 FINANCIAL SUMMARY

Net revenue  
(VND billion)

# 3,733

### NET REVENUE

VCSC reported net revenues of VND3,733 billion in FY2021, 115% higher than FY2020 (VND1,736 billion). FY2021 revenue fulfilled 182% of 2021 guidance (VND2,050 billion).

Profit before tax  
(VND billion)

# 1,851

### PROFIT BEFORE TAX (PBT)

VCSC reported profit before tax of VND1,851 billion, 95% higher than FY2020 (VND951 billion). FY2021 profit before tax fulfilled 148% of 2021 guidance (VND1,250 billion).

Earnings per share (EPS)  
(VND)

# 4,502

### EARNINGS PER SHARE (EPS)

VCSC reported EPS of VND4,502 in FY2021, surging 93% compared to FY2020.

Return on equity (ROE)  
(%)

# 27.1

### RETURN ON EQUITY (ROE)

Trailing-twelve-month (TTM) ROE was 27.1% for FY2021 (33.4% if get of differences in equity due to asset revaluation is included).

Total equity  
(VND billion)

# 6,542

### TOTAL EQUITY

VCSC's total equity reached VND6,542 billion as end of December 2021, increasing by 45% compared to end of December 2020.

## Q4 2021 & FY2021 BUSINESS SEGMENT HIGHLIGHTS

Brokerage recorded revenue  
(VND billion)

# 838

### BROKERAGE

For FY2021, brokerage recorded revenue of VND838 billion (91% higher than FY2020) and profit before tax of VND304 billion (64% higher than FY2020).

Trading activities value retained positive momentum was the key driver of robust retail brokerage revenue growth of 113% in FY2021 compared to FY2020. Foreign trading activities also recorded strong revenue growth of 65% in FY2021 compared to FY2020.

VCSC ranked no. 5 on the Ho Chi Minh City stock exchange (HOSE) in FY2021, with brokerage market share reached 4.87%.

VCSC continues to pursue a strategy of maximizing profit for shareholders, as evidenced by the fact that VCSC's return on equity (ROE) remains outstanding compared to other securities companies in the market, reaching 27.1% for FY2021 (33.4% if get of differences in equity due to asset revaluation is included).

In 2021, VCSC was one of the few securities companies that did not raise new capital, so the company continues to achieve high EPS growth and maintain a high ROE.



Investment Banking revenue  
(VND billion)

# 337

### INVESTMENT BANKING

For FY2021, VCSC's Investment Banking reported revenue of VND337 billion (increasing 127% compared to 2020) and profit before tax of VND216 billion compared to a profit before tax of VND102 billion in FY2020.

VCSC recorded revenue and profit from the transaction involving the sale of a 49% stake in FE CREDIT from VPBank to Sumitomo Mitsui Banking Corporation (SMBC). Besides this deal, the success of VCSC's Investment Banking business in 2021 was marked by the completion of the IPO and listing of Dat Xanh Services (DXS). In addition, in FY2021, VCSC's Investment Banking team was in the process of finalizing notable advisory deals, including but not limited to Masan Meat Life's transfer of its animal feed business to De Heus Vietnam. Revenues from this unfinished deal were not yet recognized in Q4 2021.

Profit before tax  
(VND billion)

# 216





## BUSINESS RESULTS

### VCSC 2021 (continued)

#### BUSINESS SEGMENT HIGHLIGHTS (continued)



Investment revenue  
(VND billion)

# 1,958

Profit  
(VND billion)

# 1,091

Margin lending revenue  
(VND billion)

# 600

Profit  
(VND billion)

# 239

#### INVESTMENT

For FY2021, VCSC reported Investment revenue of VND1,958 billion (132% higher than FY2020) and profit of VND1,091 billion (112% higher than FY2020).

In 2021, VCSC record a strong growth in covered warrant business with more than 20 newly issued covered warrants. This segment recorded revenue of VND57 billion in 2021 compared to VND5 billion in 2020 and profit of VND25 billion compared to VND2 billion in 2020.

VCSC continues to pursue a conservative accounting policy when profits from the revaluation of some of the company's long-term investments are recognized in equity instead of directly reflecting on operating profit. The net of differences in equity due to asset revaluation amounted to VND1,666 billion as of end of December 2021, increasing by 290% compared to end of December 2020.

Even as the pandemic took its toll on the global and local financial industries, VCSC saw massive growth in investment performance, which was made possible by VCSC's ability to remain agile and act on signs of stock market improvement. This result was in line with VCSC's goals for sustainable development, which were inspired by unrivaled resources and a broad vision.

#### MARGIN LENDING

VCSC's margin lending balance as end of December 2021 reached VND7,701 billion, increasing by 98% compared to end of December 2020.

For FY2021, VCSC reported Margin lending revenue of VND600 billion (96% higher than 2020) and profit of VND239 billion (60% higher than FY2020).

#### FY2021 FINANCIAL POSITION HIGHLIGHTS

VCSC's total asset  
(VND billion)

# 16,636

VCSC's debts totaled VND8,327 billion as of end of December 2021, increasing by 147% compared to end of December 2020. All the debts remained short-term and were mainly used to fund margin lending activities.

VCSC's debt to equity ratio reached 127.3% at end of December 2021 compared to 74.4% at end of December 2020.

VCSC's total asset reached VND16,636 billion at end of December 2021, increasing 98% compared to end of December 2020.

#### NOTABLE CORPORATE ACTIONS IN FY2021



**In April 2021**, VCSC paid the second and final FY2020 interim cash dividend of VND2,000/share (FY2020 total cash dividend is VND3,000/share).



**In May 2021**, VCSC issued 900,000 ESOP shares (equivalent to 0.5% total outstanding shares in May).



**In June 2021**, VCSC completed 1:1 bonus share issuance (equivalent to 166.5 million new shares). At end of December 2021, VCSC's total outstanding shares are 333.0 million shares.



**In November 23**, VCSC has successfully signed a syndicated offshore loan financing for USD100 million (equivalent to VND2,300 billion) with greenshoe option to extend up to USD150 million (equivalent to VND 3,450 billion). The syndicated loan has short-term interest rates based on the international money market and is expected to be disbursed in 2 instalments. Expanding foreign loans at sizeable tranches at competitive costs will give VCSC more resources to promote the company's business. VCSC will distribute the above loan to securities brokerage services and financial support services for customers, especially margin lending activities, with competitive cost and volume.



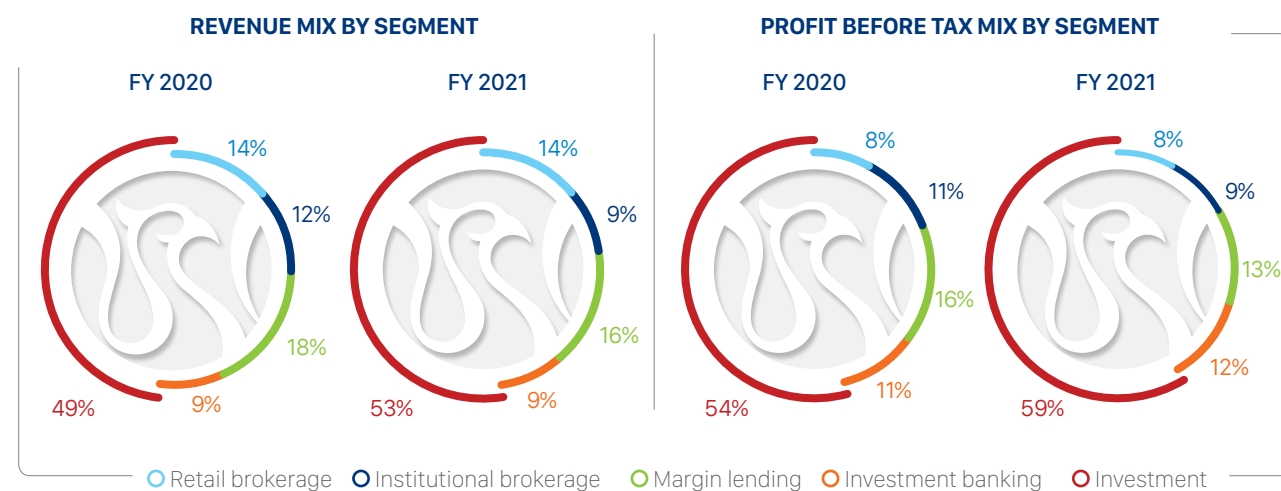
**In December 2021**, VCSC paid the first FY2021 interim cash dividend of VND1,200/share.



## BUSINESS RESULTS

### VCSC 2021 (continued)

#### BUSINESS SEGMENT HIGHLIGHTS (continued)



#### INCOME STATEMENT HIGHLIGHTS

VND billion	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021	Change
<b>Total revenue</b>								
Brokerage	84	169	212	229	228	439	838	91%
Retail	44	92	124	132	158	237	505	113%
Institutional	40	77	88	98	70	202	333	65%
Margin Lending	59	105	138	158	198	307	600	96%
Investment Banking	45	1	3	102	230	148	337	127%
Investment	92	506	526	433	493	842	1958	132%
<b>Operating expenses</b>	<b>107</b>	<b>346</b>	<b>254</b>	<b>397</b>	<b>329</b>	<b>522</b>	<b>1326</b>	<b>154%</b>
Loss on FVTPL (1)	30	165	126	140	220	203	650	220%
Provisions (2)	0	0	0	0	0	0	0	N.M.
Other operating expenses (Net of (1) and (2))	77	181	129	258	109	319	676	112%
<b>Financial expenses</b>	<b>33</b>	<b>49</b>	<b>86</b>	<b>98</b>	<b>135</b>	<b>191</b>	<b>368</b>	<b>93%</b>
<b>Profit before tax</b>	<b>116</b>	<b>364</b>	<b>504</b>	<b>399</b>	<b>584</b>	<b>951</b>	<b>1851</b>	<b>95%</b>
Brokerage	24	63	81	71	89	185	304	64%
Retail	4	45	31	20	48	79	144	83%
Institutional	20	17	50	50	41	106	160	51%
Margin lending	19	75	46	32	86	150	239	60%
Investment banking	33	-19	-5	44	196	102	216	112%
Investment	40	245	382	251	212	514	1091	112%
<b>Net profit after tax</b>	<b>95</b>	<b>292</b>	<b>410</b>	<b>329</b>	<b>467</b>	<b>769</b>	<b>1499</b>	<b>95%</b>

#### BALANCE SHEET HIGHLIGHTS

VND billion	FY 2018	FY 2019	FY 2020	FY 2021
<b>Balance sheet highlights</b>				
Cash and cash equivalents	1,144	795	643	1,132
FVTPL	425	795	615	1,222
Held-to-maturity (HTM)	-	262	106	754
Margin lending	2,792	3,032	3,882	7,701
Available-for-sale (AFS)	2,039	1,731	2,713	5,324
<b>Debt</b>	<b>2,320</b>	<b>2,563</b>	<b>3,364</b>	<b>8,327</b>
Short-term debts	2,320	2,563	3,364	8,327
Long-term debts	0	0	0	0
<b>Total Assets</b>	<b>6,510</b>	<b>7,243</b>	<b>8,382</b>	<b>16,636</b>
<b>Total Liabilities</b>	<b>2,867</b>	<b>3,191</b>	<b>3,861</b>	<b>10,094</b>
<b>Total Equity</b>	<b>3,643</b>	<b>4,052</b>	<b>4,522</b>	<b>6,542</b>

Key financial ratios	FY 2018	FY 2019	FY 2020	FY 2021
Total Debts / Equity	63.7%	63.2%	74.4%	127.3%
Net Debts (*) / Equity	32.3%	43.6%	60.2%	110.0%
Total Liabilities / Total Assets	44.0%	44.1%	46.1%	60.7%
ROA	12.7%	10.1%	9.8%	12.0%
ROE	24.7%	18.0%	17.9%	27.1%
<b>ROE (**)</b>	<b>28.5%</b>	<b>19.9%</b>	<b>19.7%</b>	<b>33.4%</b>
BVPS (VND)	11,174	12,330	13,652	19,645

(\*) Net debt = Total debts - CCE (Cash & cash equivalents)

(\*\*) This ROAE ratio is calculated based on Total Equity net of differences due to asset revaluation



The above results of VCSC come from the company's persistent focus on the interests of VCSC's customers, shareholders, and investors, which will continue to be the priorities for VCSC's activities in the future.



# INTRINSIC VALUE

31	2021 Outlook
38	Human resources
52	Investment bank
54	Securities brokerage and market share
56	Institutional Sales & Brokerage
58	Research and analysis
60	Investment division
62	Customer service and product management
64	Information technology
66	Product development
68	Strong intrinsic value



## 2021 Outlook

The VN-Index surprised on the upside with a gain of 36% as domestic retail investors drove trading volume and the index to record highs. As a result, the VN-Index has outperformed both global markets and neighboring 'TIPS' markets over past two years. As of the end of 2021, Vietnam's total market cap expanded by 46% YoY to USD344bn, representing 94% of 2021 nominal GDP.



VN-Index

# 36%



Vietnam's total market cap

# 344

USD billion  
representing 94% of GDP





## MACRO 2021



### THE RAPID SPREAD OF COVID-19 LED TO LOCKDOWNS IN SOUTHERN VIETNAM DURING Q3 2021

From the start of the pandemic through the end of June 2021, Vietnam recorded only 15,000 COVID-19 cases. However, the ultrafast transmission of the Delta variant, which caused the Government to implement a lockdown in HCMC and strict social distancing measures in southern Vietnam in Q3 2021, resulted in serious disruptions in production and other economic activities.



### THE UNEMPLOYMENT RATE REACHED A MULTIYEAR HIGH IN Q3 2021

Vietnam's total labor force dropped to 49.1 million in Q3 2021 with the labor force participation rate hitting the lowest level in a decade at 65.6% before improving to 50.7 million and 67.7% in Q4 2021, respectively. Also, the unemployment rate climbed to a more-than-10-year high of 3.7% in Q3 2021 before sliding to 3.3% in Q4 2021.



### VIETNAM MADE TREMENDOUS PROGRESS IN ITS VACCINE ROLLOUT

As of end-2021, more than 90% of Vietnam's population over the age 18 were fully vaccinated, while nearly 56% of children aged 12-17 were fully vaccinated. This fast vaccination progress helped the reopening of almost all economic activities.



Source: General Statistics Office of Vietnam (GSO), VCSC

### A STRONG COMEBACK IN Q4 PUSHED FY2021 GDP GROWTH TO **2.58%**

Due to serious disruptions in several economic activities, Vietnam's GDP growth of -6.02% in Q3 2021 was the first time that the country recorded a negative GDP growth rate. However, the economy recovered strongly with GDP growth at 5.22% in Q4 2021, lifting FY2021 GDP growth to 2.58% due to the reopening of almost all economic activities thanks to fast vaccination progress, effective restriction measures and the Government's supportive policies.



### SERVICES SECTOR WAS HIT HARDEST BY COVID-19

The services sector plunged 8.57% YoY in Q3 2021 before increasing 5.42% YoY in Q4 2021, driving full-year 2021 growth to 1.22% vs 2.34% in 2020. The rebound of the services sector was led by healthcare & social services, finance, banking & insurance, information & communication, and wholesale & retail. However, several services sub-sectors continued to suffer from the pandemic, including accommodation & catering services, administrative services, and art & entertainment.



### MANUFACTURING SECTOR WAS THE KEY DRIVER OF THE ECONOMY

The industry & construction sector grew 6.52% YoY in Q4 2021 (vs a decline of 4.4% YoY in Q3 2021), driving full-year 2021 growth to 4.82% YoY. The manufacturing sub-sector was the key driver, rebounding by 7.96% YoY in Q4 2021 (vs a decline of 4.09% YoY in Q3 2021) and 6.37% YoY for full-year 2021. Additionally, the agriculture, forestry & fishery sector grew 2.9% YoY in FY2021, which was the strongest growth rate over the past three years.





### RETAIL SALES IMPROVED TOWARD YEAR-END BUT REMAINED WEAK

A mandatory social distancing period in Q3 2021 – which led to a diminished labor force, falling household income, rising unemployment and restrictions on foreign travelers entering Vietnam – continued to depress domestic consumption and retail sales in Q3 2021. However, the reopening of the economy since October 2021 helped retail sales of goods & services in Q4 2021 jump 28.1% QoQ, but they still edged down by 2.8% YoY. Overall retail sales in 2021 declined 3.8% YoY in nominal terms (vs +1.7% in 2020) and 6.2% in real terms (vs -3.0% YoY in 2020).

Total registrations (new FDI/expansion/  
M&A) increased 9.2% YoY to  
(USD billion)

31.2

Vietnam's exports soared 19.0% YoY  
(USD billion)

336.3

Vietnam's imports soared 26.5% YoY  
(USD billion)

332.3

### REGISTERED FDI TO EXPAND PROJECTS JUMPED TO A RECORD HIGH

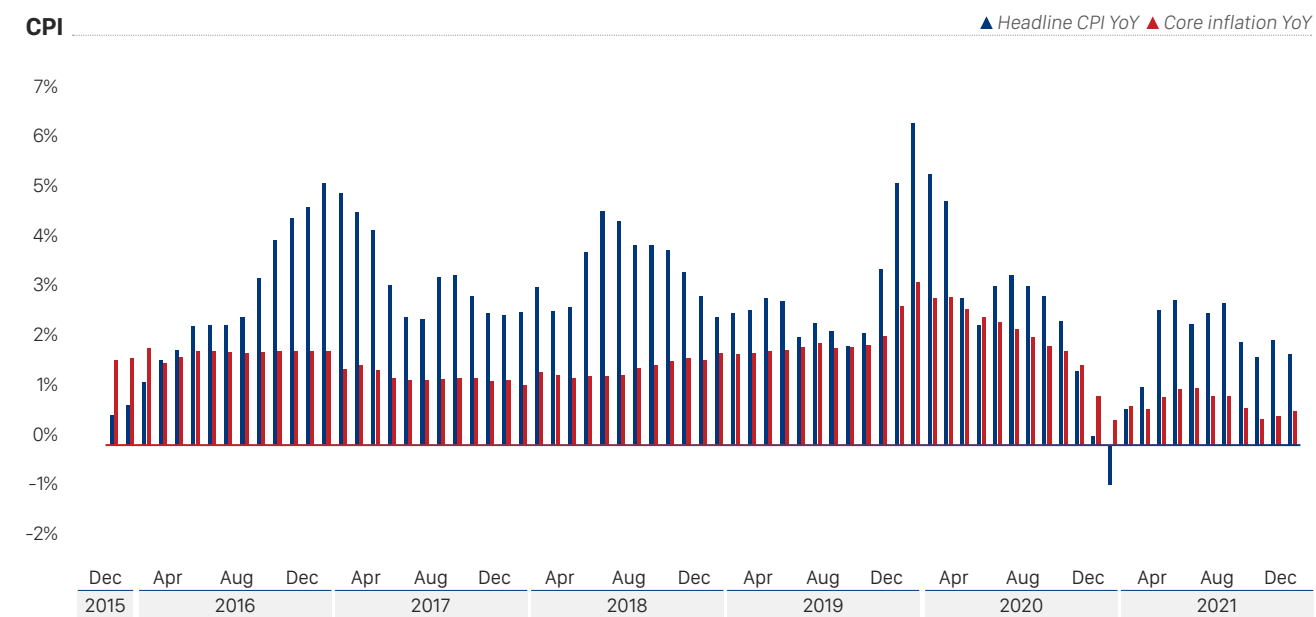
In 2021, FDI disbursement reached USD19.7bn – a decline of only 1.2% YoY. Meanwhile, total registrations (new FDI/expansion/M&A) increased 9.2% YoY to USD31.2bn with FDI pledges to expand projects soaring 40.5% YoY to an all-time high of USD9.0bn.

### TRADE BALANCE REVERTED TO A SURPLUS AT YEAR-END

Despite disrupted supply chains that gave manufacturers and exporters difficulties in terms of input materials, transportation fees and logistics, Vietnam's robust vaccination progress helped to resume production activities and boost trade in the final quarter of 2021. Vietnam's exports surged 19.4% YoY in Q4 2021 from only 3% in Q3 2021, leading to a trade surplus of USD6.5bn in Q4 2021 (vs a trade deficit of USD2.0bn in 9M 2021). For full-year 2021, Vietnam's exports and imports soared 19.0% YoY and 26.5% YoY to USD336.3bn and USD332.3bn, respectively, leading to a trade surplus of USD4.0bn in 2021, according to the GSO's estimates.

### AVERAGE CPI REMAINED AT A SIX-YEAR LOW

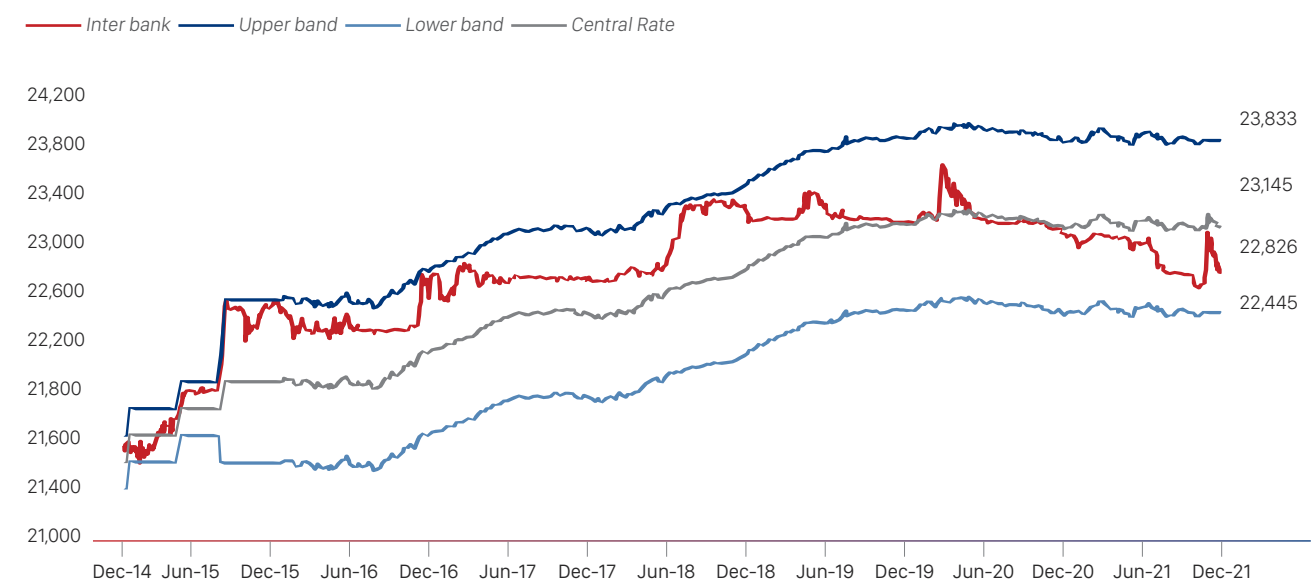
As of December 2021, headline CPI rose 1.81% YoY. Meanwhile, average CPI in 2021 increased 1.84% – well below the Government's target cap of 4% and the lowest level since 2016. Despite surging oil and other commodity prices, declines of food/foodstuff prices and services that are under the State's management helped to restrain inflation.



Source: GSO, VCSC

### THE DONG STRENGTHENED AGAINST USD DESPITE A RISING GREENBACK IN GLOBAL MARKETS

As of December 31, 2021, the USD/VND interbank exchange rate was quoted at 22,826 – a VND appreciation of 1.2% YoY against the USD. A stronger dong in 2021 was supported by solid foreign inflows from FDI disbursement, exports and overseas remittance. Also, the State Bank of Vietnam's (SBV) reduced intervention in the FX market – notably with the SBV's pause of USD accumulation in H1 2021 due to the US's investigation on currency manipulation.



Source: Bloomberg, VCSC



## MARKET PERFORMANCE



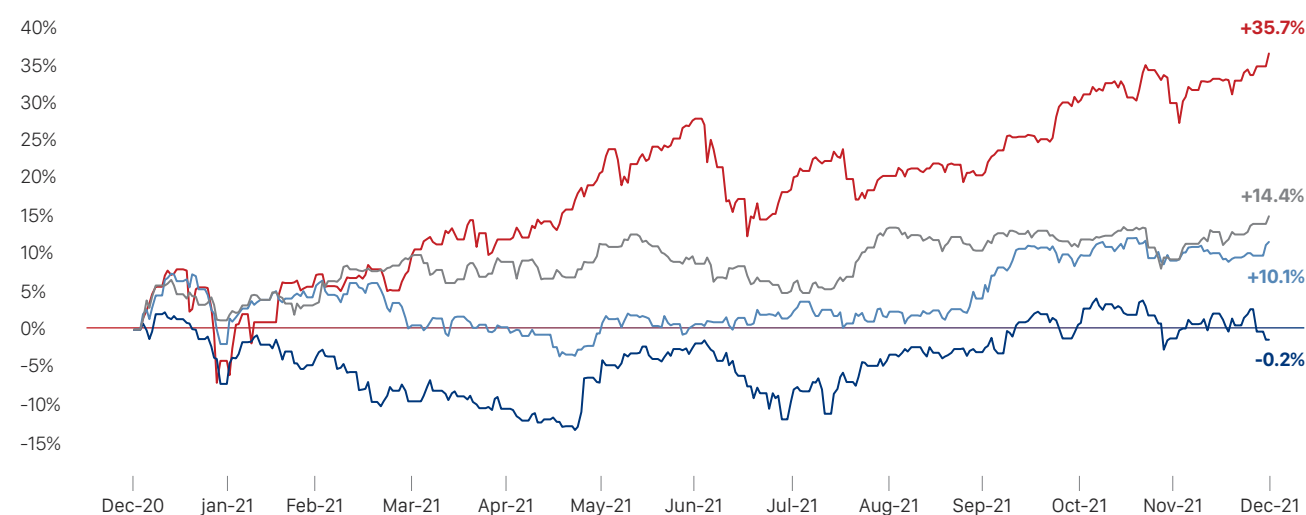
### GLOBAL MARKETS RECORDED BIG GAINS IN 2021

As of the end of 2021, the Dow Jones and S&P 500 soared 18.7% YoY and 26.9% YoY, respectively, closing the year at record highs thanks to an economic recovery supported by substantial stimulus packages. The MSCI Frontier Markets Index (MXFM) also surged 16.4% YoY; however, the MSCI Emerging Markets Index (MXEF) edged down by 4.6% YoY.

### THE VN-INDEX (VNI) APPROACHED 1,500 AT THE END OF 2021

The VN-Index surprised on the upside with a gain of 36% as domestic retail investors drove trading volume and the index to record highs. As a result, the VN-Index has outperformed both global markets and neighboring 'TIPS' markets over past two years. As of the end of 2021, Vietnam's total market cap expanded by 46% YoY to USD344bn, representing 94% of 2021 nominal GDP.

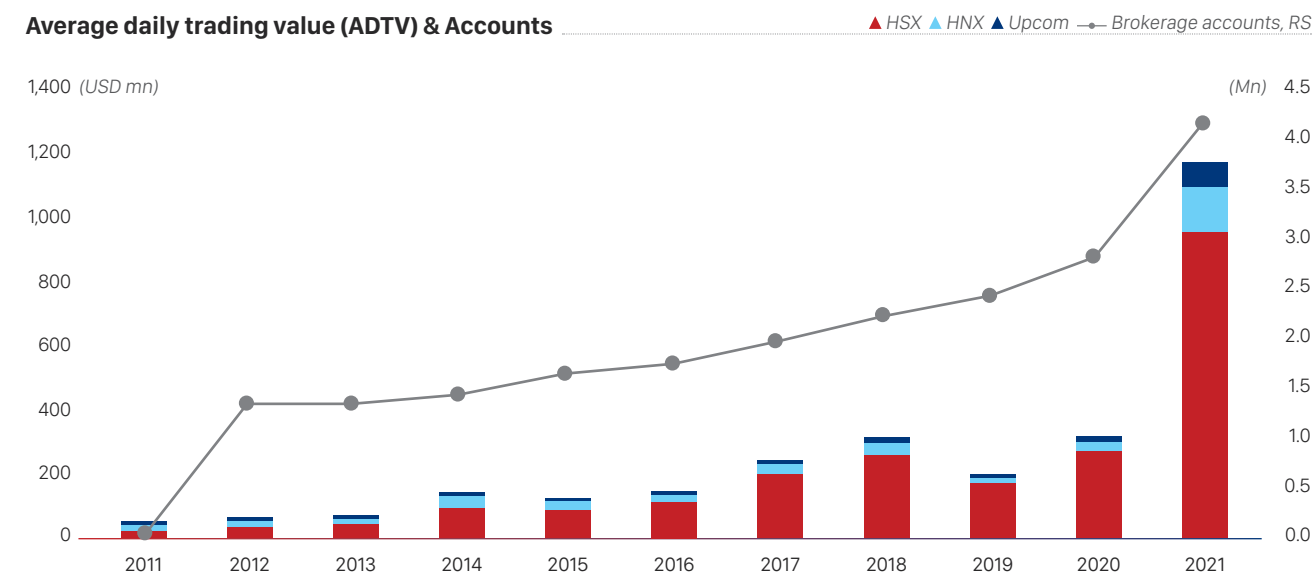
### Selected ASEAN indices - 2021 performance in local currency



Source: Bloomberg, VCSC

### DOMESTIC RETAIL INVESTORS DROVE THE BULL MARKET IN 2021

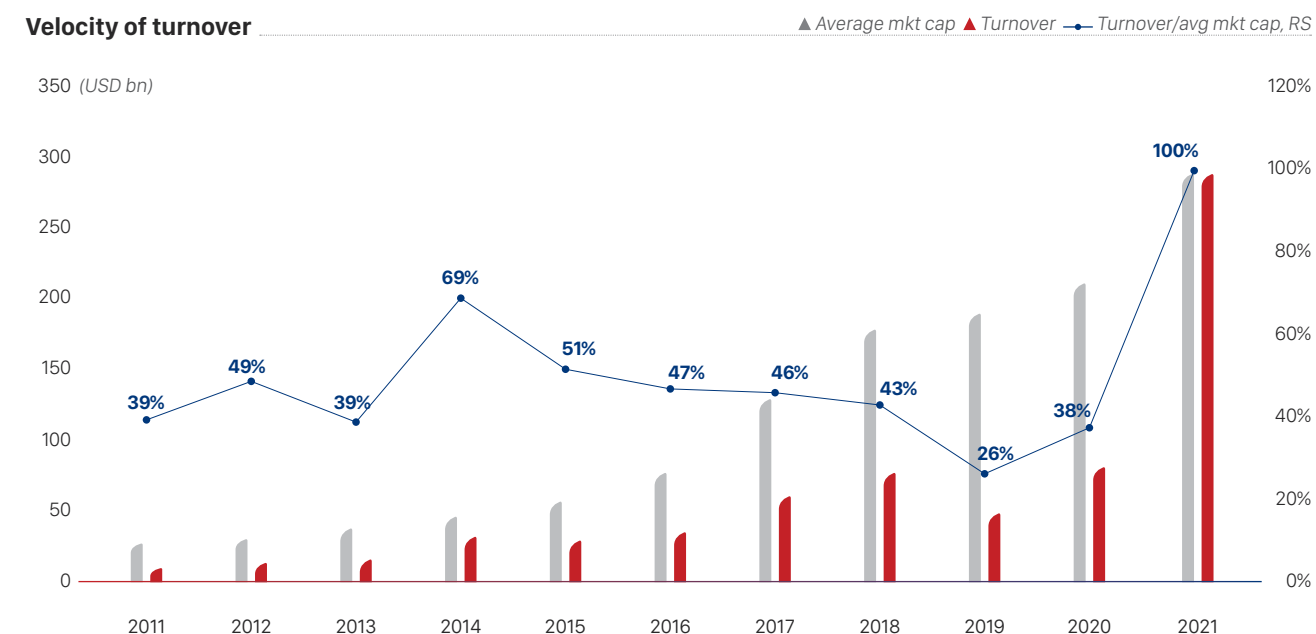
The recovery in the VN-Index following the bear market in Q1 2020 was led by domestic investors with the total number of brokerage accounts increasing by nearly 50% to 4.1 million. Meanwhile, foreign investors were net sellers of about USD2.5bn of Vietnamese shares in 2021.



Source: Bloomberg, VCSC

### MARKET LIQUIDITY HIT A RECORD HIGH

Average daily trading value (ADTV) on the three bourses combined soared from USD319m in 2020 to USD1.15bn in 2021 while the velocity of turnover in Vietnam (the value of trading vs average market capitalization) increased to 100% in 2021 – the highest level in the past 10 years.



Source: Bloomberg, VCSC



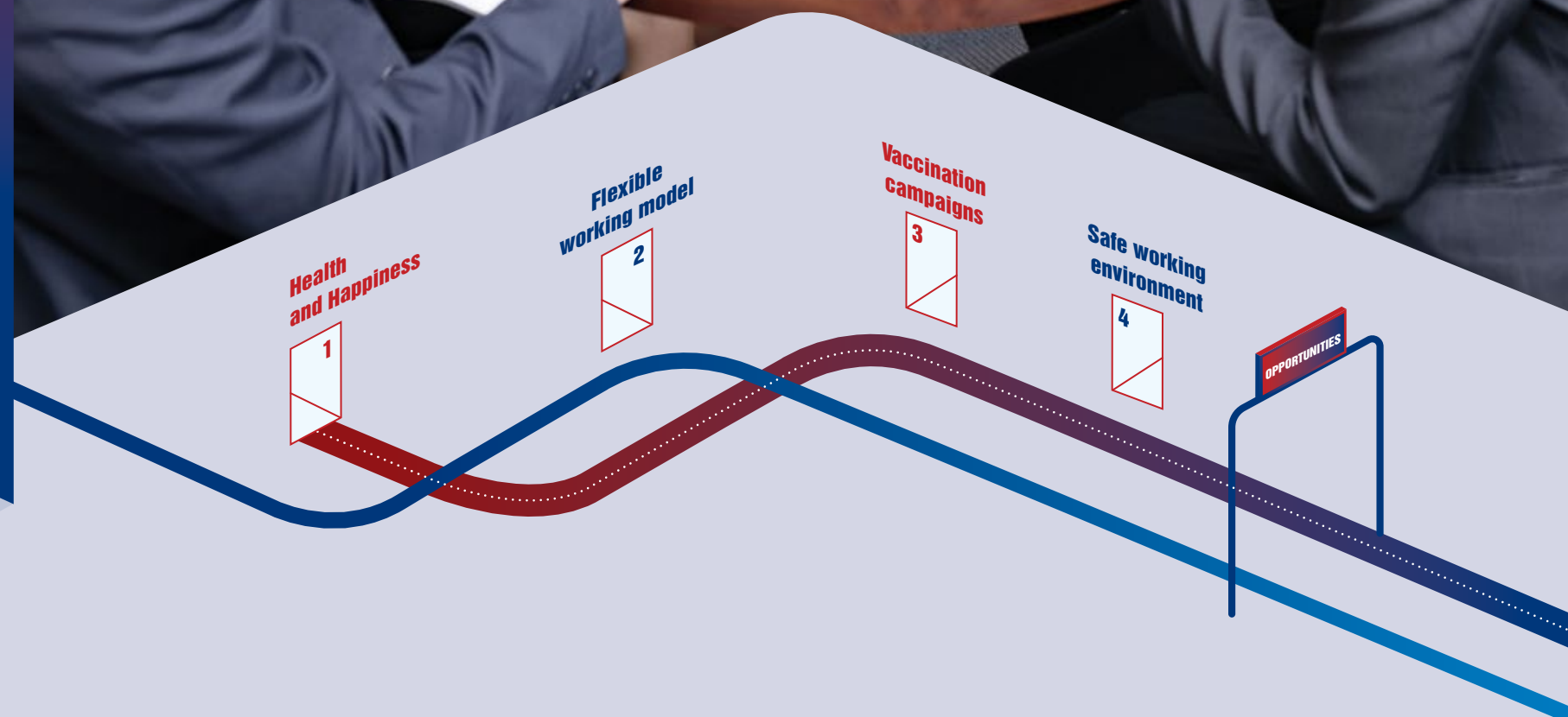
# Human resources

## VCSC TURNING CHALLENGES INTO OPPORTUNITIES

Going through the year 2021 with numerous challenges to domestic and international businesses due to the traumatic impact of the COVID-19 pandemic, society was subject to many substantial changes. This posed great challenges for human resources and the existing technology in this industry, leading to new normalcy where increased demand for online work necessitates a more accessible, visual, confidential, and user-friendly network of platforms that can be utilized at anytime and anywhere.

This new reality creates a push for VCSC to overcome these obstacles by promoting digital transformation, hence embracing the advent of the digital economy. Plus, it is the only way for users to continue business operation, as the majority of our staff shifted from an office-based to a work-from-home environment. To our staff, the workplace and their personal life have become more inextricably linked than ever. As a result, from a management perspective, this requires an appropriate approach to foster better connections between employees. In regards to the needs of our clients, these are opportunities for us to maximize our products and services in terms of simplicity, convenience, speediness and security while still guaranteeing pre-pandemic satisfaction.

The COVID-19 pandemic has enabled us to change our working practices regarding technology application and digitalization. This helps improve our working processes as well as changes our mindset towards our staff's welfare and operational structure. On this note, VCSC has been doing our best to make our staff well-equipped with necessary resources as our commitment to stand side-by-side in this turbulent time.







1

## HEALTH AND HAPPINESS



During the turbulent year of 2021, VCSC was striving to maintain a workplace with close connection, positivity and happiness. The prerequisite for our staff's peace of mind during a prolonged pandemic was to ensure productivity, adequate salary package and insurance policy. We were out of sight but not out of mind. The Board of Management and the entire company sent encouraging messages to those who got infected with COVID-19 - F0 and those who had close contact with infected patients - F1. This came as a booster dose for our staff so that they could overcome their difficulties. At the same time, we timely adopted new policies in line with the country's regulations on supporting employees to ensure their welfare and benefits during the pandemic.

2

## FLEXIBLE WORKING MODEL



In 2021, VCSC transitioned to a work-from-home environment from a traditional office setting. Accordingly, the rapid adoption of "work from home" policy resulted in abrupt changes in management and task assignment. Despite these obstacles, we worked hard to improve our human resource management policies to maintain employee morale and connection. To keep social connections during social distancing, VCSC sought ways to combine various factors, namely human resources, processes, connectivity, and technology - to maximize productivity. In parallel, we promoted communications via email and online channels to send important messages to our employees and clients.

"By seizing opportunities presented as obstacles, VCSC demonstrated its remarkable adaptability to online working platforms and operational procedures necessitated by the COVID-19 pandemic."



3

## VACCINATION CAMPAIGNS

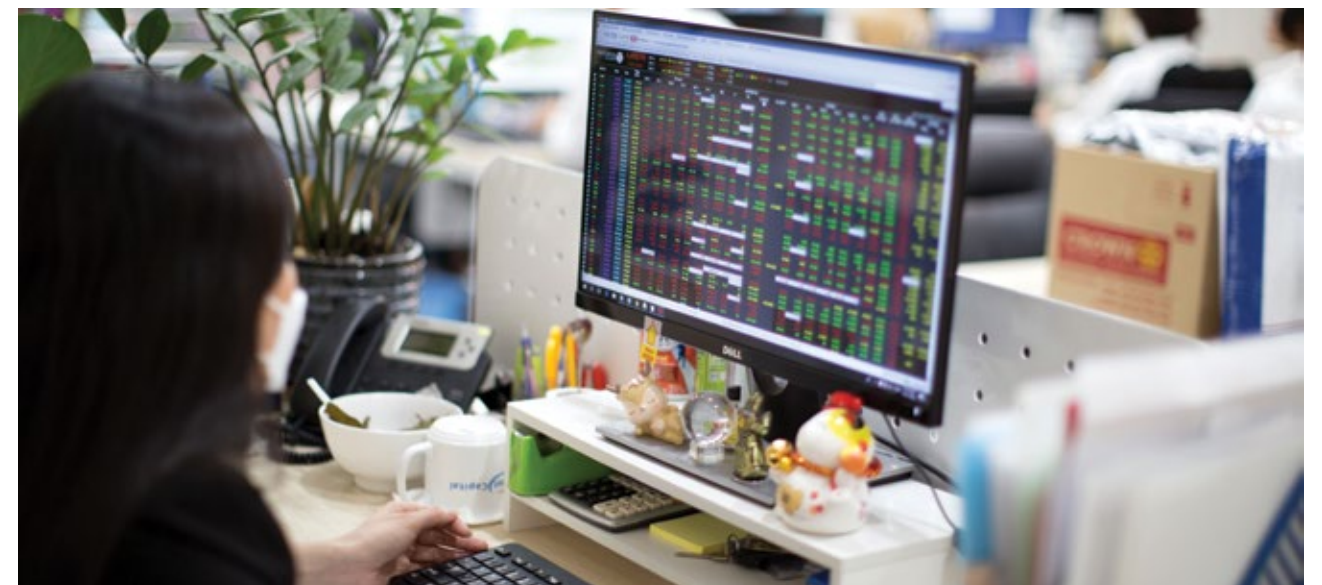


In the face of pandemic, vaccines were the glimpse of hope for a healthy workplace and protected employees. What we were most proud of is that no one was left behind despite the prolonged impact of the pandemic. VCSC robustly adopted healthcare policies for both our employees and clients. Our vaccination campaign was successfully rolled out with all of our staff and their relatives receiving two doses of the COVID-19 vaccine.

4

## PROTECTED WORKING ENVIRONMENT

VCSC welcomed our staff back to the office with a safe and disinfected working environment, where all employees were tested for COVID-19. We also carried out internal communications on safety principles, especially 5K, to prevent and control the pandemic.







## SUSTAINABLE HUMAN RESOURCES

Due to the pandemic's complicated and unpredictable course, it wreaked havoc on the global economy, leaving profound impacts on the lives of workers. As a result, most of the businesses faced human resources challenges that prioritize adaptability, maintain stability before moving onto sustainable development. At VCSC, we value the "human" factor as a catalyst

for sustainable growth. Particularly, effective human resource management entails not only utilizing employee professional knowledge and abilities but also expressing recognition, creating favorable conditions for their development, upholding all spiritual values as well as ensuring their trust in the Company.

THEREFORE, WE ARE CONSISTENTLY

### DEVELOPING LONG-TERM HUMAN RESOURCE STRATEGIES

THIS WILL HELP NURTURE AND SUSTAIN HIGH-QUALITY HUMAN RESOURCES  
WHERE STAFF RECEIVE BENEFITS WORTH THEIR CONTRIBUTIONS.



## THE SUCCESS OF VCSC TODAY COMES FROM OUR STAFF'S DEDICATION

At VCSC, all staff are guaranteed to have opportunities for comprehensive development with appropriate salary and benefit policy. The attraction of an ideal working environment at VCSC is inspired by our appreciation and promotion of human values. We unceasingly implement new/adjusted policies to ensure equality and transparency in the performance review, which allows the contribution of our staff to be objectively and deservedly recognized. From there, we can develop a proper human resource management system that, in turn, can facilitate personal development in terms of mindset, profession and other aspects. In addition, meetings with colleagues, partners and clients in their respective businesses are also opportunities for VCSC's employee to increase their learning curve.

According to our statistics, VCSC's turnover rate in 2021 decreased by 50% compared to that of 2020, from 17.24% to 8.71%. This indicates that our human resource policies, focusing on the maintenance of a happy workplace and timely recognition of staff service despite uncertainty, paid off well.



Number of employees  
in 2021 (People)

# 293



**Recruitment:** the first step to strong human resources

**Training:** short-term investments but long-term impacts

**Promotion:** the key for talent retention

**Remuneration:** for work-life balance

**Code of conduct:** for the sustainable development of stakeholders

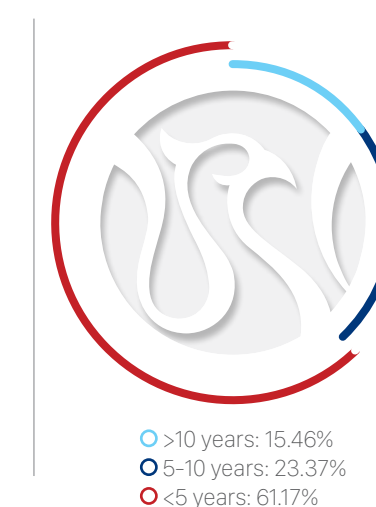
By age group (%)



By gender(%)



By the number of years worked (%)





## HUMAN RESOURCES POLICY AND ITS ADJUSTMENTS

### TALENT ATTRACTION POLICY

In 2021, travel restrictions imposed barriers to recruitment, specifically the talent attraction process - one of the HRM's primary functions. To overcome these barriers, we invested in flexible and robust HR technology, rolled out flexible working and hiring models across the organization, and focused on an agile approach.



At VCSC, we build and develop human resources in accordance with the company's strategic goals. By investing carefully and thoroughly in every recruitment plan, we manage to identify excellent and enthusiastic candidates whose qualifications and expertise can provide great support to business strategies. The recruitment process is standardized and consistent across various communication channels such as websites, social networks, job search websites, and internal platforms. It also includes fair and transparent remuneration policies.

Our top priority is to fill open positions from our existing employee pool. Internal mobility fosters strong bonds among employees and allows employees at all levels to hone existing skills while developing new ones. One of our key strategies for advancing our existing employees' careers, increasing employee satisfaction, and attracting top talent is to provide them with opportunities for growth at work.



We maintain and develop our strategies for developing young talent through the annual Internship Program. Young talents bring enthusiasm, dynamism, and novel approaches to clients to VCSC. Their commitment to their jobs and contributions to the success of VCSC is also impressive. Young talents are given opportunities at VCSC to gain experience in a dynamic working environment as well as knowledge and skills from our seasoned team. VCSC stands out as one of the best choices for talented candidates due to its positive brand image, fair and competitive remuneration policies, and highly engaged working environment.

We believe that when our employees work in an environment that respects human values and promotes comprehensive professional and personal growth, they are motivated to maximize their potential and enthusiastically contribute to collective growth. As a result, VCSC has made consistent efforts over the years to create an ideal work environment imbued with the spirit of a comprehensive corporate culture associated with the sustainable VCSC brand.

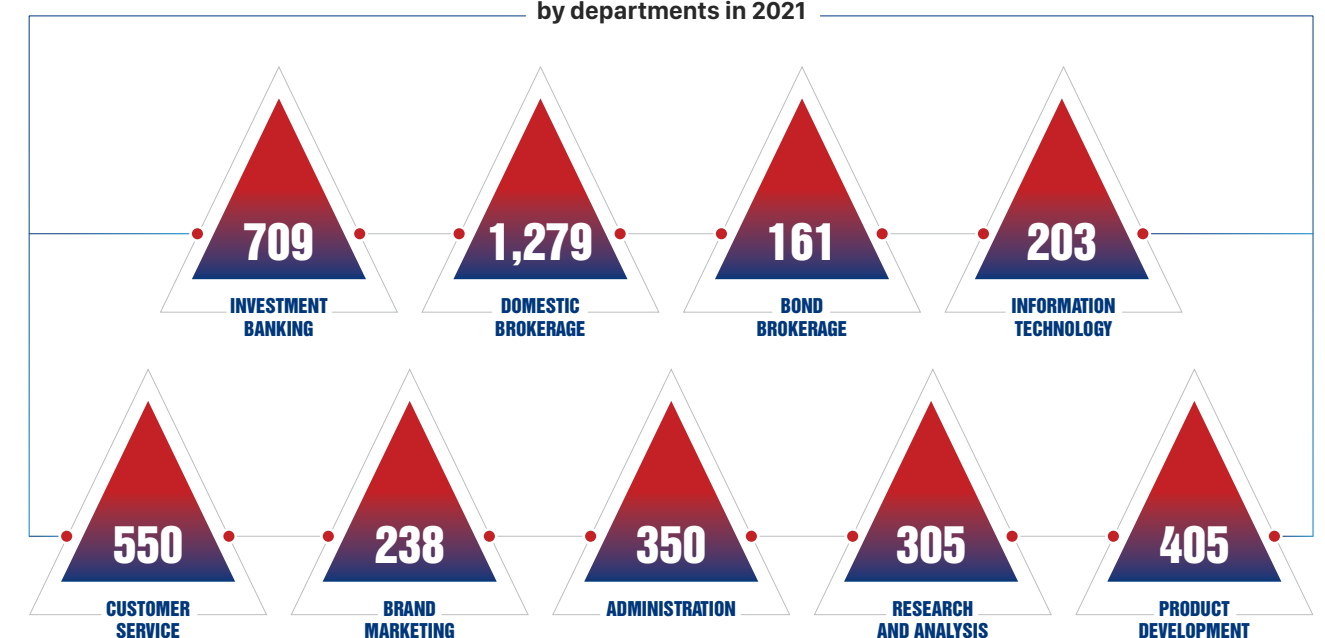
- Talents recruitment from different cultures: Vietnam, USA, UK, France, Australia, Canada, India, the Netherlands, etc.
- Talents recruitment regardless of backgrounds, ethnics, ages, gender and level of education.

Total potential candidates  
**4,000**

#### Some outstanding universities:

Foreign Trade University, HCMC University of Economics, RMIT, Banking University of HCMC and other national and foreign universities.

#### Number of potential candidates by departments in 2021







## HR TRAINING AND DEVELOPMENT POLICY



THE FOCUS OF OUR "RIGHT PEOPLE FOR THE RIGHT JOBS" STRATEGY  
IS TO MAXIMIZE EACH EMPLOYEE'S WORK CAPACITY

Throughout internal training programs, VCSC aims to build an inclusive learning culture in the Company, where each employee is eager to enhance not only their professional capacity but also task-based or position-based skills that complements their work.

These programs, which are meticulously designed for all levels, meet not only the State Securities Commission's requirements, but also provide highly-applicable knowledge for professional practices. This ensures a team of experienced and self-manageable personnel. VCSC also takes great pride in the increasing number of employees obtaining international practice certificates such as CFA and ACCA over the years.



Additionally, VCSC's human resource development policies place an emphasis on quality, adaptability, and market innovation, particularly in the context of the COVID-19 pandemic. We have invested in the deployment of Elearning platform for the entire staff. The goal is to keep up with the digital training trends, where learning platforms are accessible anytime and anywhere. Our staff can self-learn from diverse learning resources that are available on any device regardless of time and place. With over 300 newly developed lessons in a

variety of formats, including Microlearning, Gamification Video, among others, we create consistent and digitized training content that is attractive and visually appealing, which helps motivate and inspire employees. Besides, we utilize Zoom to hold internal training courses and professional seminars to ensure timely updated work-related knowledge for employees.

In 2021, we were delighted to launch a series of webinars, named Securities in the COVID-19 pandemic - Safe and Sustainable Investment with VCSC, for new investors. The webinar received positive feedback from nearly 2,000 participants after 6 live streaming events covering 4 different topics. This incredible run was owing to the dedicated sharing of prestigious experts and guests at VCSC and Dragon Capital on valuable investing information from basic to advance. All of these factors have prompted us to research and develop more interactive and informative webinars in the future.



## HIGHLIGHTED COURSES

- Orientation training for new recruits
- Broker training
- Data analyst training
- Innovation to success
- Smart feedback at the workplace
- Portfolio management
- Potential client engagement
- Investment management mastery
- English proficiency and relevant skills training
- Technical and fundamental analysis skills

We maintain a cost-sharing policy for all training courses, which enables our employees to participate in professional training via a wide range of formats that are appropriate for their job position, task, department, and training program. We also place a premium on providing comprehensive training and development for all of our employees.

**Business Division:** We ensure our staff all have securities-practising certificate as required by the State Securities Commission of Vietnam. We also promote internal training and conduct online tests twice a year to enhance the quality of our brokers.

**Investment Banking:** The top priority is the obtaining of the certificate for price appraiser issued by the Minister of Finance.

**Research and Analysis Division:** We encourage staff to take CFA exams for Level that suit them.

**Information Technology Division:** Network management is critical to business operation. With this in mind, we send our IT team to training courses hosted by well-known institutes once a year to help them expand their skills in handling and fixing incidents, as well as stabilizing system operation.

Besides professional training, we also encourage employees to participate in soft skills training to improve their interactions, performance and career outlook. Skills included in the training are effective communication, impactful presentation, negotiation, customer service, memorization, etc. The training is conducted annually and by experienced training centers.



Number of employees  
with CFA certificate

20







INTRINSIC VALUE  
HUMAN RESOURCES (continued)

HR REMUNERATION AND WELFARE POLICY

We always strive to develop, implement and timely adjust our salary, bonus and remuneration policies to attract and reward talents.

- 

Our salary, bonus, and remuneration policies are developed and adjusted in line with each employee's contribution to the Company's performance, taking labor market research and surveys into consideration to ensure fairness, transparency, and appropriateness.
- 

The income of each employee is in direct proportion to their contributions to VCSC's business performance. This keeps employees enthusiastic and inspires them to take ownership of their work, resulting in maximum efficiency at work. This also helps VCSC overcome difficult times and develop at a faster and stronger pace.

Average profit per employees throughout the years

Year	Profit before tax	Number of employees	VND/person
2017	802,977,679,615	216	3,717,489,257
2018	1,011,455,908,924	245	4,128,391,465
2019	855,007,109,256	245	3,489,824,936
2020	951,038,957,081	226	4,208,136,978
2021	1,850,585,393,088	293	6,315,991,103

VCSC is committed to ensuring that HR policies that cover employees' legitimate rights and benefits strictly comply with the applicable law and the Labour Law, as well as regulations on health insurance, social insurance and unemployment insurance.

- 

VCSC maintains ESOP annually to improve the rights and responsibilities of the employees, and enhance their engagement with the Company.
- 

VCSC takes care of employee health via comprehensive annual health check and PVI employee-standard insurance scheme.
- 

VCSC strives to improve employee morale through team building activities such as sports events, Company foundation date, year-end parties, family days, children's day, and team building activities in domestics and international locations. VCSC's employees have traveled to Hongkong, Cambodia, Thailand, Japan, Korea, Singapore and Malaysia.
- 

VCSC has always developed and improved the in-house newsletter Hi VCSC which aggregates and shares internal information to improve team cohesiveness.
- 

VCSC maintains flexible welfare policies for business travel, sick, maternity, international women's day, wedding anniversary, mobile bills, parking fees, etc.
- 

VCSC maintains a leave policy covering annual leave, marriage leave, bereavement leave, paternity leave, and training leave.

TRANSPARENT AND EFFECTIVE PERFORMANCE REVIEW POLICY



A critical success factor is the development of current and future leaders. With this in mind, we conduct an evaluation process every 6 months to find excellent employees and advance them to higher positions, as well as to detect poor-performing employees and design appropriate training in due course.

Employees are encouraged to evaluate their own performance and identify their own strengths and weaknesses. They can then take the initiative to discuss their future personal development plans with managers and reach a final agreement.

Our evaluation process employs a variety of criteria to ensure the most accurate reflection of an employee's performance. To evaluate group work, 360-degree reviews are one of our most common choices. This allows

supervisors, employees, and colleagues to evaluate each other on aspects including performance, risk management, compliance, and diversity. We also conduct surveys among related departments, typically the survey of the Brokerage Division, to evaluate the performance of each employee in the Research and Analysis Department. Based on such feedback analysis of the Research and Analysis Department can be improved, allowing the Brokerage Division to give the most accurate consultation to clients.

A comprehensive evaluation process is our commitment to equal employment opportunity. This enables the BOM to make informed decisions, ensuring promotion and access to opportunities is given to employees who deserve it.

Responsible and enthusiastic employees are always well-recognized and rewarded."



Competitive income



Annual salary adjustment



Annual promotion review



Top-market salary, bonus and remuneration policy





## BUSINESS ETHICS - KEY TO SUCCESS AT VCSC



"BUSINESS ETHICS IS THE MOST VALUABLE INTANGIBLE ASSET OF EACH PRACTITIONER"

Viet Capital Securities Joint Stock Company's (VCSC) vision is to establish itself as one of the leading investment banks in Vietnam and the Asia Pacific region. Our mission is to provide the highest quality services to our clients. A whole-hearted approach to work is the northern star that guides VCSC through each and every task.



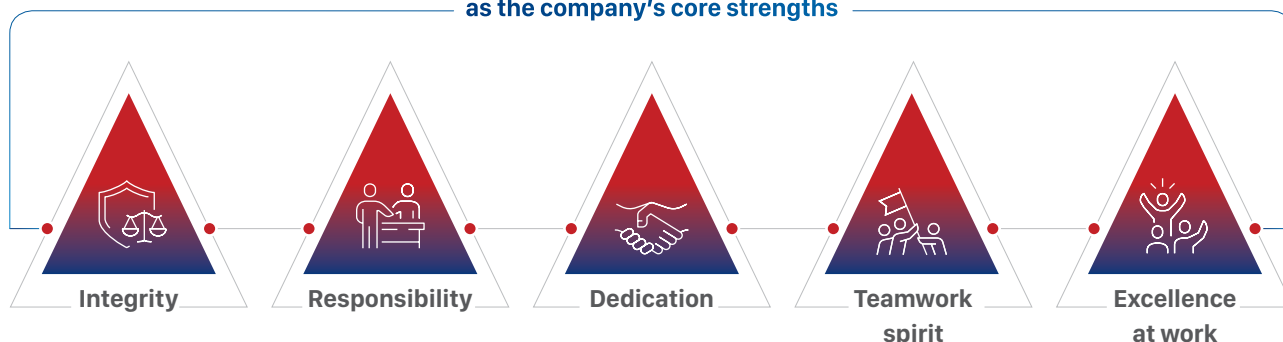
Dedicated to a client-centric and ownership of task approach, our business perspective emphasizes: providing high-quality services to clients, creating added value for stakeholders, and fostering community trust. If a company plans to expand in a sustainable way, it must rely on the integrity and professionalism of all of its employees, including the Board of Directors. As a result, we always work hard to build strong relationships with stakeholders and conduct business for the sake of their long-term development.

Our success is based on the long-established trust and support of our stakeholders - our clients, shareholders, and employees. The company's long-term success must be built on the integrity and professionalism of the Board of Management and the entire staff.

Newly recruited employees are all informed of the code of professional ethics. At VCSC the Code of Ethics is used as the lighthouse to create and maintain trust and compliance in the company.

"For the benefit of our partners, and to ensure trust in and the long-term viability of VCSC, we are committed to operating in accordance with professional ethics standards."

At VCSC, these following values are recognized as the company's core strengths



### At VCSC, responsibilities of each employee require

- Comply with all rules and regulations
- Engage wholeheartedly in teamwork
- Build a reputation for reliability and professionalism
- Act with honesty, integrity, objectivity, responsibility, care, and diligence
- Protect and use efficiently all assets and resources at VCSC
- Treat all stakeholder equally
- Report violations of laws and regulations
- Improve continuously to perfect skills.

### At VCSC, basic principles of communication is upheld

- Be straightforward and proactive
- Provide detailed guidance to employees and stakeholders
- Appoint spokesperson for media issues and investor relation
- Refuse to make public comments on clients, competitors, as well as personal issues or ongoing investigations
- Refuse to make comments on rumors.

### VCSC is committed to

- Complying with relevant laws, regulations, policies and standards
- Maintaining an exemplary management process and a law-abiding and strictly-controlled working environment
- Avoiding mistakes and any potential risk of wrongdoing during the implementation of Code of Conduct.

### Confidentiality of information

- VCSC is committed to maintaining absolute confidentiality and protecting client information
- Preserve the confidentiality of any information provided by clients, unless disclosure is required by law or authorized by clients
- Handle internal communication carefully
- Receive, process, and archive information with care
- Comply with regulations on confidential of information.



# Investment bank



The COVID-19 pandemic in 2021, specifically 4 consecutive months of strict social distancing in important economic hubs in Vietnam such as Ho Chi Minh City and Hanoi, posed difficulties for the Vietnamese M&A and IPO market. International flights remained suspended, limiting foreign investors' due diligence activities to virtual meetings and outsourcing via Vietnamese consulting companies. Uncertainty over the end of the pandemic and the resumption of global economic activities, as well as the necessity to preserve cash in response to unexpected crises, continued to be the drivers behind investors' hesitation in investing and hindered valuation in M&A transactions. Meanwhile, the continuous net selling of foreign funds in the Vietnamese stock market had a significant impact on the IPO market.

Under such circumstances, VCSC's successful IB consulting deals in the past year have taken a tremendous leap in terms of scale, sector diversity as well as structure and implementation process:

- Giving consultation to Dat Xanh Real Estate Services Joint Stock Company on its IPO and HOSE listing with the deal value of around USD150 million and the capitalization of around USD500 million. This was the only IPO deal implemented in Vietnam under newly effective regulations on listing activities in the Securities Law 2019. The deal drew a lot of interest and involvement from the financial community, including reputable foreign institutional investors, as well as high participation of domestic and international individual investors. The transaction proved that VCSC didn't only focus on and have advantages in deals that focused on foreign institutional clients as assumed in the market;
- Giving consultation to VPBank on the transfer of 49% of capital contribution held by Vietnam Prosperity Joint Stock Commercial Bank in FE CREDIT to a subsidiary of the leading Japanese financial group - Sumitomo Mitsui Financial Group (SMFG). The transaction set a record for the highest M&A value in the financial sector in Vietnam (USD1.4 billion). Furthermore, this deal was completed in the context of the consumer loan landscape heavily impacted by COVID-19;

**A**mid those challenges, VCSC constantly expanded our expertise and developed new skills in order to propel clients and investors out of hesitation to get to the final decisions, thereby advancing the transactions as planned and avoiding being stalled indefinitely due to the pandemic.

- Giving consultation to Masan MEATLife on the transfer of the entire animal feed production business and the signing of a strategic cooperation agreement with De Heus Group on the supply of animal feed and hogs. In addition to its size (USD600-700 million), the success of this deal also lay in fulfillment of strict post-merger requirements from both the buyer and seller to ensure the 3F chain would be maintained in each party's future development strategy;
- Giving consultation to shareholders of Song Tien Real Estate Corporation on the transfer of control of the company and the signing of a strategic cooperation agreement with Hung Thinh Corporation in developing the project of Nhon Phuoc Tourist Urban Area (also known as Angel Island) with a scale of 204.7 ha;
- Giving consultation to Nam Kim Steel Joint Stock Company on the sale of 10 million treasury shares valued at nearly USD15 million.

Although total revenue hasn't been recognized (due to the nature of Investment Bank activities), the above deals helped VCSC's Investment Bank generate a record revenue of (VND billion)

**337** in 2021, up **127%** compared to 2020 (VND148 billion)

And contributed to VCSC's total profit before tax for the year

**12%**



Thanks to those accomplishments over the last year, VCSC continued to be awarded and listed in major categories by the region's top respected financial magazines:

- 'Best Investment Bank in Vietnam', 'Best Equity House in Vietnam' and 'Best M&A House in Vietnam' voted by Global Brands;
- 'Best ECM House in Vietnam' voted by Finance Asia;
- 'Best M&A House in Vietnam' and 'Best Small to Mid-Cap Corporate Finance House' voted by Alpha Southeast Asia;
- 'Best IPO deal in Vietnam' and 'Best domestic M&A deal in Vietnam' voted by Alpha Southeast Asia;
- 'Best Investment Bank and Finance House in Vietnam' voted by Asiamoney;
- 'Best Equity House in Vietnam' voted by Global Business Outlook.

As the question over the successful containment of COVID-19 is left unanswered, uncertainty is expected to prolong over the year 2022. However, VCSC expects that Vietnam will continue to be an attractive destination for global manufacturing corporations, thereby maintaining M&A deal flow from foreign investors. Meanwhile, there may be room for domestic M&A deals to grow as due diligence procedures are more accessible to domestic buyers than foreign investors, who don't have a commercial presence

in Vietnam. To some extent, the withdrawal of foreign funds that invest in listed stocks is unlikely to continue after the net selling spree in 2020 and 2021; however, the fact that there are various investment alternatives on a global scale will continue to hinder IPO or capital raising activities of enterprises, especially for massive deals that go beyond the mid- and long-term buying power of individual investors.





# Securities brokerage and market share



**V**CSC continued to consolidate its position as Top 5 securities by market share on the HSX with 4.87%, a decrease of 2.82 percentage points compared to 2020. The reason for that was mainly due to the growth of domestic individual transactions in 2021. Meanwhile, foreign transactions, which made up a relatively high proportion of VCSC's market share, had a reduced relative presence of the overall market. Plus, the growth of the domestic brokerage division could not keep up with the market overall increase the shortfall in foreign transaction value.

## UNDERLYING SECURITIES

Despite the COVID-19 pandemic, Vietnam's stock market in 2021 still achieved 35.73% growth compared to the end of 2020, as VN-Index reached 1,498.28 point. Liquidity on the stock market continuously set records in both volume and matched orders. The average daily trading value of the three trading venues in 2021 was VND26,589 billion/session (USD1.16 billion/session), which was 3.6 times higher than in 2020. Furthermore, the session on November 19, 2021 witnessed the record-breaking trading value of up to VND56,100 billion.

In 2021, the Vietnamese stock market achieved another milestone as VN-Index successfully surpassed the 1,200-point level after two failed attempts in 2007 and 2018. This 1,200-point threshold, which has remained for the past 20 years, was quickly surpassed as VN Index broke the 1,500-point level on November 25, 2021.

In terms of numbers of newly opened accounts, the domestic individual investor segment continued to set a record in 2021 with more than 1.5 million accounts, 1.5 times higher than the combined total number of newly opened accounts in 2017, 2018, 2019, and 2020 (1.04 million accounts). The current total accumulated number of securities accounts is more than 4 million. The cash flow of domestic investors was the key enabler for the VN-Index to achieve new milestones. On the other hand, foreign investors remained as net sellers.

The 10 largest brokers on HOSE accounted for 65.78% of the whole industry's trading value in 2021, an increase of 1.38% compared to 2020 (62.6% in 2019 and 64.47% in 2020). This year witnessed the rise of VPS, VNDS, TCBS, among others. These were securities companies that focused on promoting technology development to catch up with the online trading trends during the pandemic.

VCSC continued to consolidate its position as Top 5 securities by market share on the HSX with 4.87%, a decrease of 2.82 percentage points compared to 2020. The reason for that was mainly due to the growth of domestic individual transactions in 2021. Meanwhile, foreign transactions, which made up a relatively high proportion of VCSC's

market share, had a reduced relative presence of the overall market. Plus, the growth of the domestic brokerage division could not keep up with the market overall increase to make up for the shortfall in foreign transaction value. VCSC currently has more than 75,000 active securities accounts (+50% YoY) with domestic brokerage revenue of 838 billion VND (+92% YoY, compared to 2020), brokerage revenue per staff headcount of 8.93 billion VND/person (+109.6% YoY, compared to 4.26 billion VND/person in 2020). As a result, VCSC still maintains its top-market revenue per staff headcount, proving the excellent performance of the Domestic Brokerage Division.



## Top 10 Securities Companies by market share on HOSE in 2021

No.	Name	Abbreviation	Market share
1	VPS Securities Joint Stock Company	VPS	16.14%
2	SSI Securities Corporation	SSI	11.05%
3	VNDirect Securities Corporation	VNDS	7.46%
4	Ho Chi Minh City Securities Corporation	HSC	6.71%
5	<b>Viet Capital Securities Joint Stock Company</b>	<b>VCSC</b>	<b>4.87%</b>
6	Techcom Securities Joint Stock Company	TCBS	4.57%
7	Mirae Asset Securities (Vietnam) Limited Liability Company	MAS	4.44%
8	MB Securities Joint Stock Company	MBS	4.27%
9	FPT Securities Joint Stock Company	FPTS	3.38%
10	KIS Vietnam Securities Corporation	KIS	2.89%

## BOND BROKERAGE

Established at the beginning of January 2021, Bond Brokerage Department's main activity is to develop new products and services related to bond brokerage for clients, including government bonds and corporate bonds.

At VSCS, the effective and flexible operation of our unique bond trading system at the Bond Brokerage Department is

ensured by a team of highly competent and seasoned staff upholding the Company's core values and culture, under SOPs and regulations in accordance with professional practices. As a result, independent analysis and recommendations are timely provided to best meet clients' demand with profitable investment opportunities.

## DERIVATIVE SECURITIES

In 2021, the total trading volume of VN30 index futures contracts was 47,302,880, and the average daily trading volume recorded 189,212 contracts (+19% YoY).

As of November 2021, domestic investors accounted for 96.87% (compared to 99.15% in 2020) of the total market trading volume, which meant the proportion of foreign transactions increased from 0.85% in 2020 to 3.13% in 2021. Data from HNX also showed that foreign investors and institutional investors were more active in the market, in which foreign investors' transactions accounted for 3.13% of the total market trading volume. Transactions of domestic institutional investors (including proprietary traders) stood at 25.51% of the whole market trading

volume, a significant increase compared to 13.29% in 2020. This indicated that the interest of domestic institutional investors towards the derivatives market increased.

According to statistics from HNX on August 6, 2021, the day marking its 1000th session on the derivatives market, 423,639 opened accounts were recorded (+144.3% YoY, compared to 173,395 accounts at the end of 2020).

Given that the derivatives market makes up a relatively low proportion of total fee revenue, we have decided to focus our derivative activities to servicing institutional clients and proprietary trading rather than individual clients.

VCSC currently has more than

**75,000**

active securities accounts

Domestic brokerage revenue  
(VND billion)

**838**



# Institutional Brokerage



The VCSC's Institutional Brokerage is proud to be regarded as one of the leading expert teams in the Vietnamese securities industry. We provide comprehensive, professional financial products and services, as well as a broad network of businesses, to financial institutional investors in the United States and abroad.

**D**espite the negative impact of the COVID-19 pandemic but unexpectedly a surge in turnover that overloaded the HOSE trading system, VCSC's Institutional Brokerage has always strived to maintain an exceptional level of service and to continuously improve the client experience. The objective was to provide added value to our investors, partners, and clients, thereby forming the basis for success in 2021 that exceeded expectations.

Revenue from institutional brokerage increased by

# 65%

year over year in 2021

while the VCSC brand retained the top position in terms of foreign brokerage market share, accounting for more than

# 26.1%



VCSC held over

# 400

online meetings in response to COVID-induced travel restrictions in 2021 to provide consultations to our customers

Vietnam Access Day attracting over

# 455

domestic and foreign investors



VCSC held over 400 online meetings in response to COVID-induced travel restrictions in 2021 to provide consultations to our customers. Simultaneously, we hosted a successful

virtual investment conference (Vietnam Access Day - VAD). This was Vietnam's largest annual event, providing market information and investment opportunities and attracting over 455 domestic and foreign investors, 35 of the nation's largest enterprises, as well as experts and speakers from diverse backgrounds. VAD is regarded as an excellent resource for financial investors seeking to learn more about businesses and invest in them. This benefited not only the liquidity of presenter's equities and increased access to finance, but also attracted investment into Vietnam's market, thereby creating a strong push for economic growth through a more accessible stock market.

Additionally, we successfully implemented the work-from-home model in accordance with pandemic prevention and control regulations. This proved to be an excellent solution for ensuring the health and safety of the entire community and our staff, thereby ensuring stable operation and service quality despite a prolonged period of social distancing and issues in healthcare and business.

2021 was a banner year for the VCSC brand, as our team facilitated a slew of high-value and complicated transactions involving market heavyweights. This was a reaffirmation of the prestige, position, and capability of VCSC and Institutional Brokerage in the face of common challenges.

The following factors contributed to 2021's extraordinary success:

- 1 Ensuring the quality of service and recommendations, as well as providing clients with excellent market updates, which was accomplished through the efforts of a team of highly qualified, experienced, and dedicated personnel;
- 2 Investing in the development of information technology infrastructure and the application of cutting-edge technology in order to provide efficient and accurate service and optimize the client experience;
- 3 Adjusting governance methods in response to market fluctuations.





# Research and Analysis



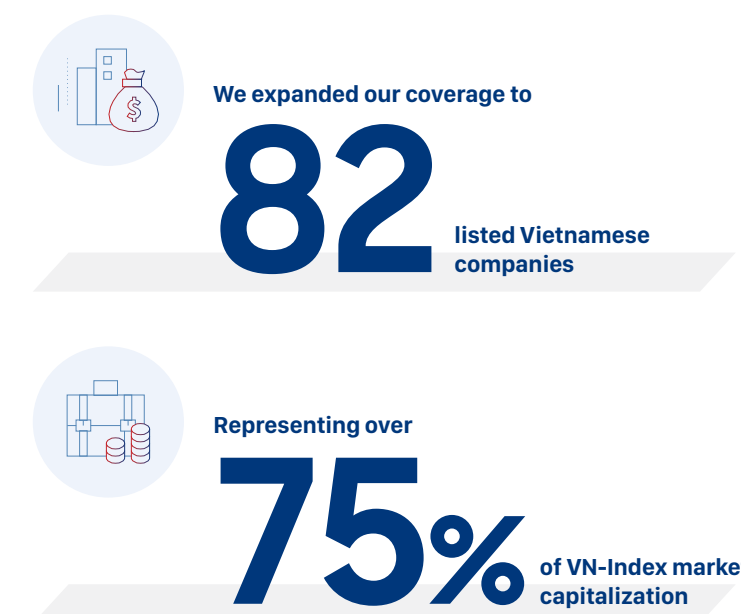
**V**iet Capital Securities' research team strives to provide in-depth analysis and actionable and timely recommendations for investors in Vietnam. Our Research Department is organized into sector teams, each of which is led by an experienced team manager. This structure allows analysts to develop deep knowledge of their industries under the guidance of their managers. Analysts are required to present their recommendations through regular webinars and meetings with our institutional clients and seminars for our retail brokers. This not only helps to communicate our recommendations to our clients but also helps analysts to develop a solid understanding of clients' needs. In addition, our analysts are encouraged and supported to pursue professional development, for example through participating in the CFA program.

Despite further significant challenges in 2021 caused by the coronavirus pandemic, our research team remained fully operational throughout the year. We expanded our coverage to 82 listed Vietnamese companies, representing over 75% of VN-Index market capitalization and approximately two thirds of Vietnam's total market cap. Our coverage universe is continually evolving and focuses on stocks which offer investible market cap and liquidity, are important to the economy of Vietnam, and/or which we believe offer high growth prospects or attractive valuations. Stocks under active coverage are updated via in-depth reports published at least once every quarter. During the year, we also published reports on over 20 other small and mid-cap companies.

Our research includes daily and monthly commentaries on the Vietnamese market, investment strategy reports, industry reports, company earnings reports, analysis and recommendations, fixed income reports and comprehensive macroeconomic analysis. Our reports are published in both English and Vietnamese to serve our domestic and international client base.

Although the coronavirus pandemic again restricted the scope for face-to-face meetings in 2021, our analysts maintained regular contact with listed companies and our institutional clients through increased virtual meetings and conference calls and supported Viet Capital Securities' 'Vietnam Access Days' investment

conference in May 2021. With vaccination rates rising rapidly in Vietnam and around the world, we look forward to fewer disruptions from the pandemic and easing restrictions on international travel in 2022. Regardless of how these issues evolve, we will seek to expand our stock coverage further and continue to support our clients with research-based insights and actionable ideas on listed companies in Vietnam.





# Investment division



 CONSUMER  
SECTOR

 RETAIL  
SECTOR

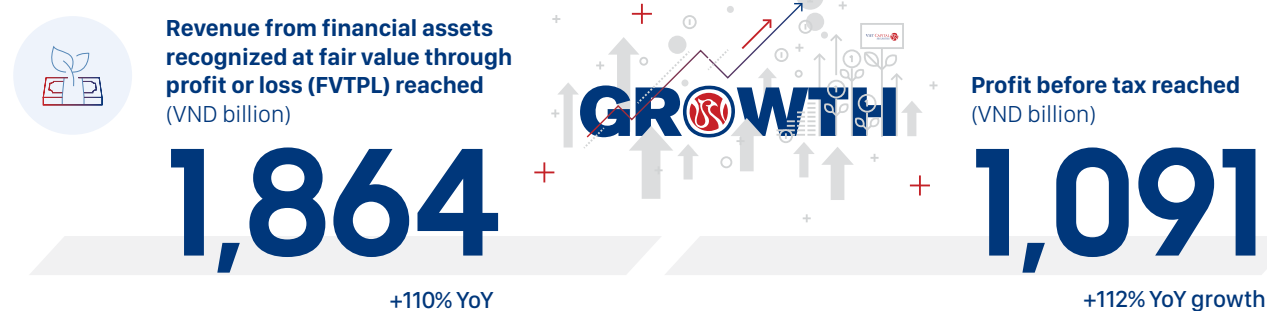
 FINANCIAL  
SECTOR

 TECHNOLOGY  
SECTOR



**V**CSC prioritizes long-term investments in potential enterprises rather than short-term trading. We pay special attention to enterprises operating in the sectors of consumer, retail, finance, technology, etc. which capitalize on a domestic market of 90+ million consumers.

## Investment performance in 2021:



**2**022 MARKS THE 15<sup>TH</sup> ANNIVERSARY OF THE INCEPTION OF THE VCSC BRAND, OFFICIALLY USHERING IN A "NEW ERA" OF TRANSFORMATIONAL IMPROVEMENTS ACROSS ALL FACETS, CONSTANTLY INNOVATING AND IMPROVING HIGH-QUALITY PRODUCTS AND COMPREHENSIVE SERVICES - ALL THE WHILE ADHERING TO THE CUSTOMER-CENTRIC PRINCIPLE OF SUSTAINABLE DEVELOPMENT.






# Department of Customer Service and Product Management



The year 2021 will be remembered for the Department of Customer Service and Product Management's (CS) encouraging achievements in securely and effectively managing loans, as well as a significant increase in new account opening. In the face of shared challenges, VCSC's domestic and international partners have expressed satisfaction and confidence in our success in warrant issuance, bond issuance, custodian dealer, bond payout, and quick transaction report.

 **New accounts recorded by the CS department in 2021 (Multiple)**

# 4.5

higher than those in 2020

 **The CS department has completed all necessary procedures for purchasing and selling bonds with an issue value of more than (VND billion)**

# 1,600

- With more than 22,500 new accounts recorded by the CS department in 2021 - 4.5 times higher than those in 2020, VCSC has proven the efficiency of focused investment in 4.0 application (eKYC) to quickly adapt to pandemic volatility, enable customers to open new accounts just in one click without the need for face-to-face contact and contribute to the explosive growth of the stock market.
- The payment, withdrawal and remittance transactions for customers has traditionally been well-managed. However, with the introduction of the fast deposit service via BIDV's ID 96296, customers can even shorten their transaction time when depositing into securities accounts, compared to our traditional method - just in a few minutes.
- The margin lending in 2021 did not record any accounts with non-performing loans. This is testament to the CS department's untiring efforts to strictly follow the regulations on call margin, prompting customers on their debts and reacting to forced margin selling for capital recovery. In addition, as our derivative securities activities are well-supervised within the acceptable ratio, no warnings are received from VSD.
- As the bond market has grown significantly since the start of 2021, the CS department has completed all necessary procedures for purchasing and selling bonds with an issue value of more than VND1,600 billion in the form of VCI bonds. Additionally, VCSC has signed custodian dealer contracts and made corporate bond payouts for MML, PDR, HDG, and GEG, among others.
- Daily confirmation of post-transaction results for foreign-based institutional customers is made promptly with utmost accuracy.
- The depository activities are carried out effectively and securely to satisfy all customers' needs - with a total service fee of over VND6 billion in 2021.
- In addition, the CS department has closely coordinated with the IT department to research and develop screening products and pilot new management software.
- For the issuance of warrants, the CS department has introduced 25 codes in 5 tranches, reaching a value of VND32 billion.



# Information technology

## VCSC'S TRANSACTION PLATFORM

Recognizing the critical role of information technology in the context of Industry 4.0 integration, particularly in the financial business community, VCSC focuses on developing a core operation platform by identifying ways to improve the technology in VCSC's core transaction system and diversify customer channels - apps, websites, and mobile.



To provide customers with an exclusive high-quality service experience and specialized competitive advantages through the integrated trading system platform, VCSC has always been a forerunner in investing in technology infrastructure, while constantly reviewing and modifying our internal operating procedures. The IT department is committed to harnessing the operation and management of the trading system, as well as with service quality management technology in accordance with development strategy.

Additionally, VCSC has enhanced its system efficiency and saved customers time and money by upgrading our existing system and expanding our networks with added utility. These include the following notable highlights:

- ① Establish commercial systems, upgrade security and increase the intranet bandwidth.
- ② Establish infrastructure for newly developed branches in Vietnam, as well as Work-from-Home infrastructure for the entire business; strengthen internal infrastructure for the Product Development Department; upgrade two internet services by eightfold from 50 Mbps QT to 400 Mbps; service legacy air conditioners while installing new ones in the server room.
- ③ Conduct audits for all applications and services provided to customers.
- ④ Set up a control system for most devices and server.
- ⑤ Evaluate the current state of information security (Phase 1 in building ISMS).
- ⑥ Maintain the old air conditioning system and install new ones for the server room.
- ⑦ Join the 'Digital Transformation' Talk show held by IDG in November.



VCSC places considerable emphasis on security and risk management throughout its operations. Additionally, we focus heavily on improving services for investors and domestic and international institutions through strategic plans that promote scale and networking.

- ▶ Continue upgrading internet devices, increasing the current bandwidth by tenfold.
- ▶ Support partners in setting up an IT management system in compliance with the most advanced standards.
- ▶ Build the ISMS system in compliance with ISO 27001 standard.
- ▶ Pilot public services and intranet system.
- ▶ Prepare necessary infrastructure to make our internal system ready for uploading some services to our cloud storage.
- ▶ Coordinate with stock exchanges and partners to enhance transaction quality and related functions.
- ▶ Cooperate with banks to apply digital technology (identification, payment) to the transaction system, and strengthen connection efficiency and transaction processing speed.
- ▶ Deploy the V-MobileS, V-Web, and upgraded version of V-Pro to bring optimal customer service experience.
- ▶ Coordinate with relevant departments to deploy new product and service packages.
- ▶ Develop tools to manage internal transaction systems, and reduce internal operating costs.



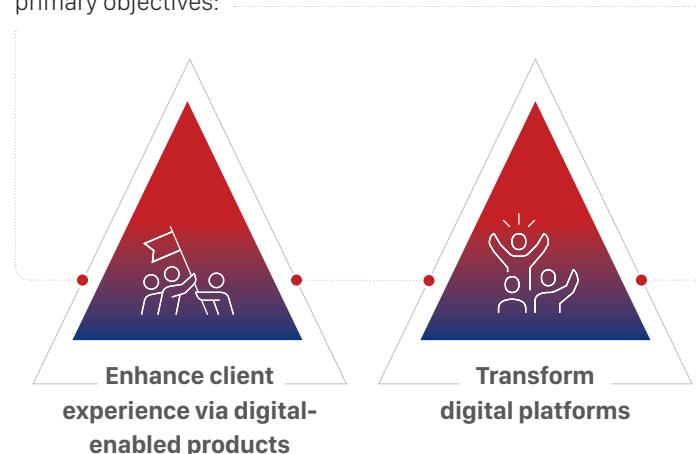
# Product development



## AMID DIFFICULTIES

Vietnam faced a difficult year in 2021 due to disruptive 4.0 technology and the impact of the COVID-19 pandemic. These factors contributed to the emergence of many new domestic market movements. It is these challenges and opportunities that motivated us to change, adapt and commit to delivering more added value to our clients and investors via VCSC's products.

Product Development Department maintains continued focus on creating major breakthroughs in client experience by flexibly applying modern technology and promoting digital transformation, as set out in the strategic plan for the period 2022-2025. In particular, the specific plan for 2022 will aim at consolidating the system and laying the groundwork for two primary objectives:

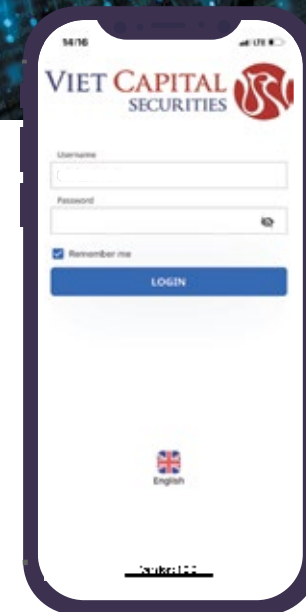


## ENHANCE CLIENT EXPERIENCE VIA DIGITAL-ENABLED PRODUCTS

As continuous improvement and innovations become the new norm, VCSC seeks to build an ecosystem of highly practical and unique-in-style products that deliver breakthrough client experience. Notably, new products were offered with cutting-edge technology such as face recognition in 2021. Customers now can open accounts and access our services in a much faster and more convenient way. Going forward, 2022 is expected to be a watershed moment for the trading ecosystem upon the launch of Master Trade and Bond Trader, which is a reaffirmation of our goal to take client experience to the next level.

## TRANSFORM DIGITAL PLATFORMS

At VCSC, we believe that a good user experience should be derived from the understanding of clients' needs. Hence, we not only strive to ensure the operational efficiency of the digital platform but also to improve our customer services quality via digitized and streamlined procedures. In 2021, VCSC robustly invested in customer service automation platforms (eKYC) to provide timely assistance for clients during registration and service use. Moving towards 2022, eCRM, customer platform, among others will be our top priorities to facilitate optimized client experience.



Conquering new heights always presents both challenges and opportunities, which requires a high level of faith, enthusiasm, and perseverance. With all of our achievements thus far, we believe that 2022 will witness the rise of VCSC as the market leader regarding technology innovation and application on offer in the finance sector in Vietnam.





STRONG INTRINSIC

# Value



Number of Employees  
(People)

293

Vietnam's stock market wrapped up a sublime 2021 with remarkable milestones. VN-Index had an amazing run to nearly 1,500 points (+36% YoY) and was among the 10 top fastest-appreciating stock indexes in the world. This was owing to the booming cash flow from new investors, together with continued positive economic growth of Vietnam in the context of complicated COVID-19 pandemic.

The revenue in 2021, +115% YoY  
(VND billion)

3,733

Under the BOM's great vision and appropriate orientation, plus the wholehearted efforts of 293 employees - a modest number compared to that in other leading securities companies in the market, VCSC proudly overcame enormous obstacles to earn the revenue of VND3,733 billion in 2021 (+115% YoY) and profit before tax of VND1,851 billion (+95% YoY).

Accordingly, the impressive average profit per employee of VCSC was approximately VND6.3 billion.

Profit before tax, +95% YoY  
(VND billion)

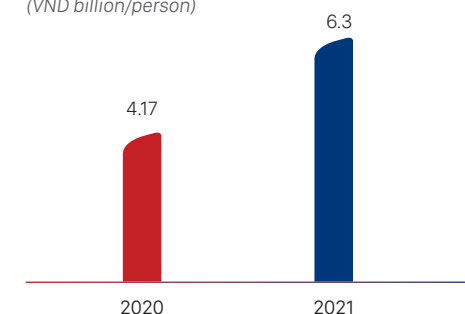
1,851

VCSC has for many years led on the metric of PBT per employee. In 2021, with 293 employees, VCSC generated VND6.3bn per person. This meant that after an explosive year of the stock market, VCSC successfully demonstrated its operational efficiency via the utilization of existing resources and productivity improvement, thereby achieving outstanding business performance.

VCSC generated  
(VND billion/person)

6.3

VCSC's average profit per employee  
(VND billion/person)

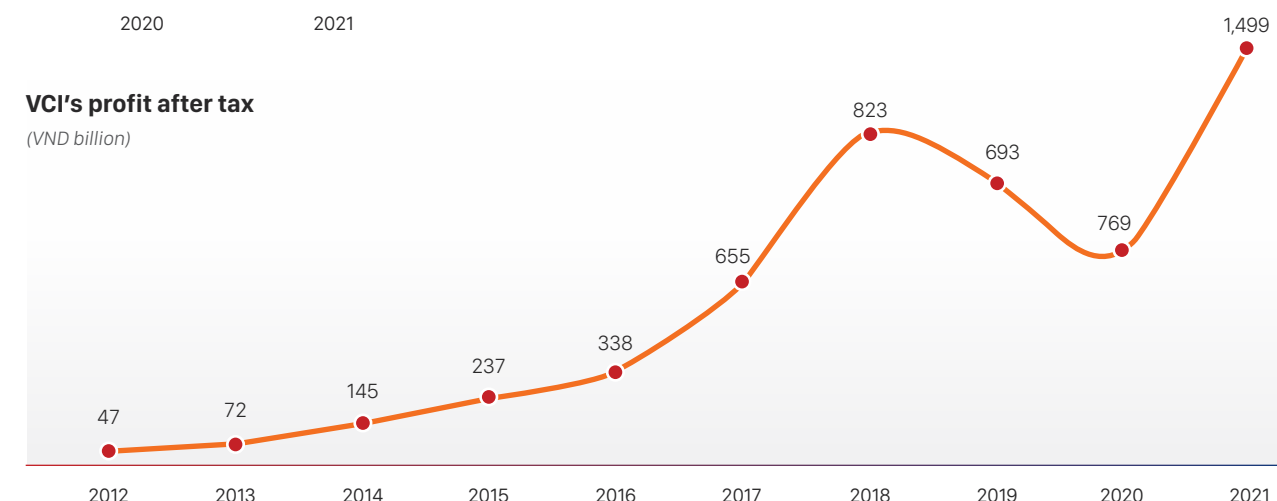


Upon an outstanding performance in 2020, at the Annual General Meeting in April 2021, the BOM targeted the revenue of VND2,050 billion and profit before tax of VND1,250 billion by the end of the year. In particular, VCSC expected that IPO transactions, M&A transactions, and fundraising would reach USD200 million, USD2.3 billion, and USD100 million respectively, among which M&A was considered as VCSC's core business, especially the private sector segment.

As an Investment Banking (IB) powerhouse, VCSC firmly believes that this segment will continue to make further breakthroughs in the years ahead. In 2021, we implemented many large deals with an accumulated value of nearly VND50,000 billion, spanning across various fields such as consumer finance, consumer goods, and logistics, among others.

The great vision of the BOM has been demonstrated via the profit of VND1,851 billion (+95% YoY), exceeding the target of 48% and record-breaking profit after tax of VND1,499 billion (+95% YoY).

VCI's profit after tax  
(VND billion)



VCSC witnessed growth across all segments, in which proprietary trading made the largest contribution with the profit of VND1,091 billion (+112% YoY). Investment banking also saw an increase in revenue and profit that reached VND337 billion (+127% YoY) and VND216 billion (+118% YoY), respectively. In 2021, VCSC's IB also made great strides with impressive consulting

deals such as the sale of 49% of FE CREDIT to Sumitomo Mitsui Banking Corporation (SMBC) as well as the IPO and listing of Dat Xanh Real Estate Limited Company (DXS).

In addition, VCSC gave consultation to the deal for Masan Meatlife on the transfer of animal feed production business to De Heus Vietnam. The revenue from this deal wasn't recognized in 2021 due to the ongoing finalization of relevant procedures.

Company's market capitalization  
surpassing USD1 billion for the first time  
(VND billion)

24,242

As of December 31, 2021, VCI's stock price reached VND72,800 per share, approximately 2.6 times higher than that at the beginning of the year. This hence marked the Company's market capitalization at VND24,242 billion, surpassing USD1 billion for the first time.



# FINANCIAL POSITION AND RISK MANAGEMENT

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75 Risk management



## 2021 Financial Highlights

### TAXES AND OTHER PAYABLES TO THE STATE BUDGET

The Company strictly fulfills its obligations regarding value added tax, corporate income tax and other payables to the State in accordance with current regulations.

#### THE BALANCE OF TAX PAYABLES AND OTHER PAYABLES TO THE STATE AS OF DECEMBER 31, 2021, IS AS FOLLOWS:

Unit: VND million	December 31, 2019	December 31, 2020	December 31, 2021
Value added tax-local	2,071	2,009	-2
Corporate income tax - current	45,803	67,713	99,507
Personal income tax	1,159	1,585	3,934
Personal income tax on securities income that the Company pays on behalf of others	6,787	24,549	54,190
<b>Total</b>	<b>55,820</b>	<b>95,855</b>	<b>157,628</b>

Source: Financial statements



## 2021 FINANCIAL HIGHLIGHTS (continued)

### TAXES AND OTHER PAYABLES TO THE STATE BUDGET (continued)

#### MOVEMENTS IN TAX AND OTHER PAYABLES TO THE STATE BUDGET

##### DURING THE YEAR WERE AS FOLLOWS:

Unit: Million VND	January 01, 2021	Incurred	Paid	December 31, 2021
Value added tax-local	2,009	26,867	28,878	-2
Corporate income tax - current	67,713	309,547	277,754	99,507
Personal income tax	1,585	61,643	59,294	3,934
Personal income tax on securities income that the Company pays on behalf of others	24,549	355,411	325,770	54,190

Source: Financial statements

### DEBT OBLIGATIONS

Due debts are always paid by the Company on time and in full under the contract or loan agreement. The Company does not have overdue debts.

#### THE COMPANY HAS NO OVERDUE LIABILITIES OVER ONE YEAR.

##### AS OF DECEMBER 31, 2021, THE BALANCE OF SHORT-TERM AND LONG-TERM DEBTS WAS AS FOLLOWS:

Unit: Million VND	December 31, 2019	December 31, 2020	December 31, 2021
<b>Short-term debt</b>	<b>2,532,550</b>	<b>3,364,450</b>	<b>8,326,750</b>
Short-term borrowings	1,450,980	2,696,130	6,362,680
Short-term corporate bonds	1,081,570	668,320	1,964,070
Long-term debt	0	0	0
<b>Total</b>	<b>2,532,550</b>	<b>3,364,450</b>	<b>8,326,750</b>

Source: Financial statements

### LIABILITIES

Unit: Million VND	December 31, 2019	December 31, 2020	December 31, 2021
Short-term liabilities	3,089,095	3,733,857	9,615,482
Long-term liabilities	102,259	127,061	478,920
<b>Total</b>	<b>3,191,354</b>	<b>3,860,919</b>	<b>10,094,402</b>

Source: Financial statements

### SHORT-TERM RECEIVABLES

Unit: Million VND	December 31, 2019	December 31, 2020	December 31, 2021
Accounts receivable	44,767	221,799	236,147
Service fee receivables	7,681	14,833	30,823
Others	63,260	5,939	-
Advance payments	282,143	18,748	20,165
Provisions for receivables	(1,925)	(1,928)	(1,928)
<b>Total</b>	<b>395,926</b>	<b>259,391</b>	<b>285,206</b>

Source: Financial statements

### PAYABLES

Unit: Million VND	December 31, 2019	December 31, 2020	December 31, 2021
Short-term payables	556,545	369,407	1,288,732
Long-term payables	102,259	127,062	478,920
<b>Total</b>	<b>658,804</b>	<b>496,469</b>	<b>1,767,652</b>

### FINANCIAL SAFETY RATIOS

Per Circular No. 87/2017/TT-BTC of the Ministry of Finance dated August 15, 2017, securities companies must maintain a capital adequacy ratio (CAR) of at least 180%. VCSC always maintains well-above the requirement, ensuring the financial safety of the company.

Unit: Million VND	December 31, 2019	December 31, 2020	December 31, 2021
Market risk	403,665	604,397	1,137,173
Liquidity risk	16,692	17,348	59,971
Operational risk	171,033	193,608	377,637
Total risk	591,390	815,353	1,574,780
Available funds	3,525,586	4,353,081	6,305,155
Capital adequacy ratio	596%	534%	400%



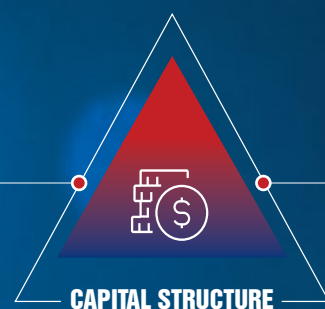
## 2021 FINANCIAL HIGHLIGHTS (continued)

### KEY FINANCIAL METRICS



#### LIQUIDITY

VCSC's current ratio maintained at healthy level of 1.72x in 2021, indicating a strong ability to meet short-term obligations.



#### CAPITAL STRUCTURE

VCSC maintained healthy capital structure with low debt to equity ratio against the regulatory cap of 500% applied to securities companies.



#### PROFITABILITY

Net margin remained high in 2021. VCSC sustained high ROEs through varying market cycles with average ROE during 2015-2021 stood at 25.0%. The Company's 2021 ROE remained well above the peer median of 22.5% and stood at the high-end in the industry.

Item	Unit	2019	2020	2021
<b>▲ LIQUIDITY RATIO</b>				
Current ratio	Times	2.32	2.23	1.72
<b>▲ CAPITAL STRUCTURE</b>				
Total liabilities/Total assets	%	44.0%	46.1%	60.7%
Total debt/equity	%	62.5%	74.4%	127.3%
Net debt/equity	%	42.9%	60.2%	110.0%
Asset turnover	%	22.6%	22.2%	29.8%
<b>▲ PROFITABILITY RATIO</b>				
PBT margin	%	55.8%	54.8%	49.6%
Net margin	%	44.7%	44.3%	40.2%
ROE	%	18.0%	17.9%	27.1%
ROA	%	10.1%	9.8%	12.0%
Adjusted diluted EPS	VND	2,120	2,334	4,502
BVPS	VND	12,330	13,652	19,645

Source: VCSC



## Risk management

**V**CSC REPORTED SUCCESSFUL FINANCIAL GUIDANCE COMPLETION DURING THE COVID-19 CHAOS THANKS TO ITS EXTENSIVE KNOWLEDGE OF THE MARKET. THE RISK MANAGEMENT SYSTEM WILL BE COMPREHENSIVELY UPGRADED, BASED ON LESSONS LEARNED FROM 2021, TO ENSURE THE COMPANY'S STREAMLINED OPERATION AND HIGH PERFORMANCE.

# Risk management

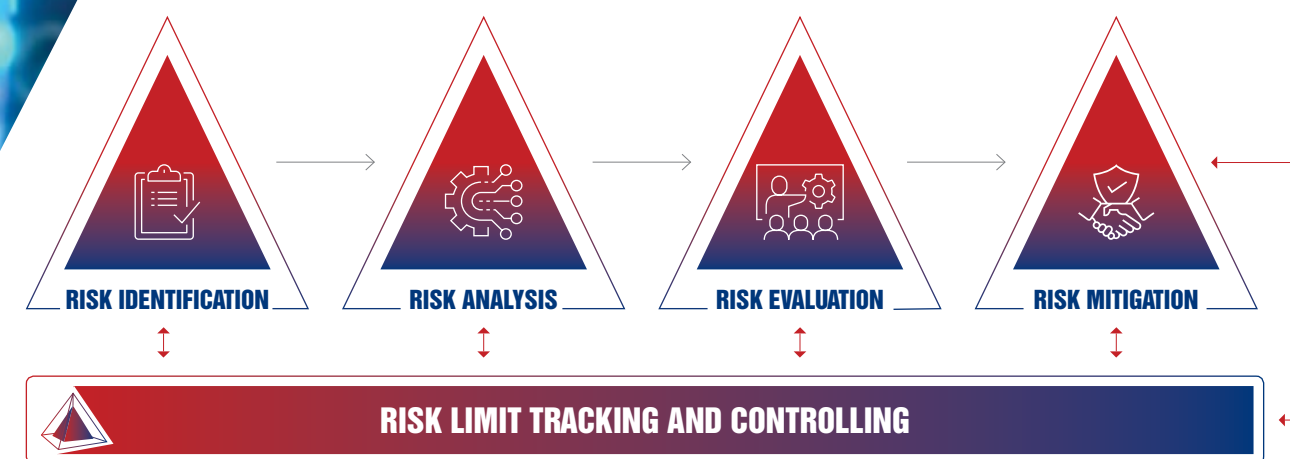
**R**isk management is a continuous process performed throughout the implementation of business strategies. This balances risks and opportunities, and serves as a framework for sound decision-making.

Risk management also forms a topic of company culture. Risk culture is a set of personal and organizational values, attitudes, capabilities, and behaviors towards identifying risk management methods and establishing commitments of the Board of Management.

As specified in laws, procedures, and internal policies, responsibility for risk management is assigned to all levels, to every head of division and employee. This aims to create an effective risk-based system applied uniformly throughout the company. The risk management system helps enhance the Company's operational efficiency by empowering employees with more responsibilities and giving them accurate performance reviews.

At VCSC, compliance monitoring and risk management are conducted in accordance with Decision no. 105/QĐ-UBCK dated February 26<sup>th</sup>, 2013 by the State Securities Commission of Vietnam. The risk management policies and process system are also completed in line with ISO 31000 and integrated into the Company's strategies.

The risk management process:



## RISK MANAGEMENT SYSTEM ENSURES

- Supervision by the Board of Supervisors, Internal Audit and Internal Control;
- Clear and transparent risk management strategies reflected in long-term risk policies and in each period set by the BOD;
- Implementation plan with full policies and procedures;
- Management, inspection, and regular review by the General Director;
- Risk management policies and risk limits are developed and implemented, risk management information system is established.

The risk management system is designed to identify, measure, monitor, report, and handle risks in an effective manner. It also helps the Company fulfill its compliance obligations at all times.

Risk management is implemented in an independent, objective, honest and well-documented manner. The function-specific department and risk management department operate separately and independently, the person in charge of a function-specific department will not lead the risk management department, and vice versa.

Internal guidelines are clearly communicated to all involved employees, helping them to better understand their duties and responsibilities, and elaborate on relevant risk management processes if needed. Internal guidelines are regularly reviewed and updated.





## THE COMPANY'S CONTROL ENVIRONMENT

The internal control environment at VCSC is a set of standards, processes, and structures that serve as the foundation for internal control throughout the organization. Employees' awareness of control activities is influenced by the control environment. As a result, the BOD and BOM must embody ethical values and set a good example for the team.

### OBJECTIVES AND PROCEDURES IMPLEMENTED TO ESTABLISH AN INTERNAL CONTROL ENVIRONMENT INCLUDE

1

#### Commitment to integrity, ethical values, and behaviors across the Company

- The Company develops standards and a code of conduct for employees.
- Code of ethics is utilized to evaluate the BOD, employees, and partners.
- New hires are required to participate in the orientation training that introduces them to the Company's regulations, standards, conduct, and sanctions for violations of the code of ethics.

2

#### The BOD demonstrates independence from the BOM and maintains oversight

- Clearly define the BOD's roles and responsibilities on governance and oversight.
- Establish policies and make decisions on the meetings between the BOD and the BOM.
- Establish open and effective communication channels between the BOD, Internal Audit, and the Independent Auditor, ensuring timely operational reporting.

3

#### Appropriate structures, reporting lines, authorities, and responsibilities

- Clearly define the structure, roles, responsibilities, and reporting lines; evaluate the appropriateness of organizational structure.
- Define authorities of each level of governance and management.
- Create and maintain job descriptions; ensure labor contracts are properly signed.
- Clearly define roles of Internal Audit.

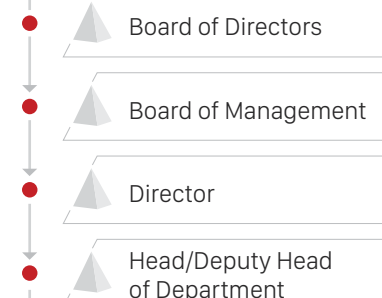
4

#### Commitment to attract, develop, and retain competent talents

- Establish requirements for employees' competencies, knowledge, and skills; develop a process of evaluating competencies and behaviors.
- Align Competency and Knowledge standards, requirements, and assessments with policies and decisions on recruiting, training, and retaining staff.
- Develop the succession plan for key personnel positions.



The Company established a centralized control system with vertical mechanism:



## REPORTING LINE, RESPONSIBILITY, AND AUTHORITY

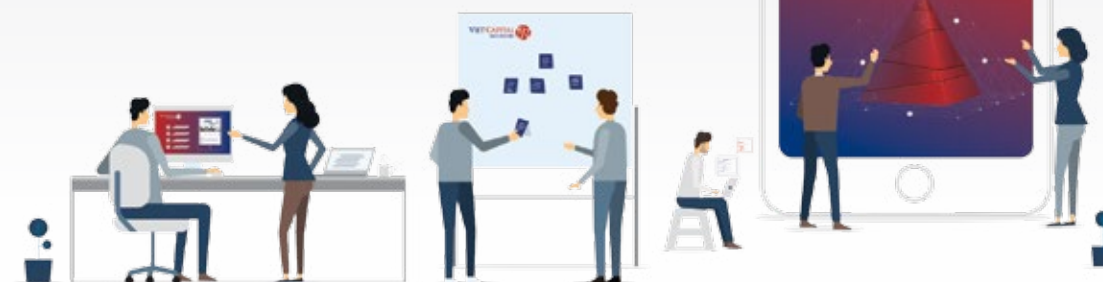
The General Director, overseeing day-to-day operations, is mainly responsible to the BOD. Meanwhile, Directors and Heads/Deputy Heads of Department directly manage a specific function or team and are responsible to the General Director and the BOD.

The top-down mechanism is used for responsibility assignment. At the Headquarters and Branches, the Head of Department will delegate tasks to the Deputy Head and each employee. With the instruction of the Seniors or Head of Department, employees can better understand their responsibilities and processes, and ensure double-checking is implemented within the department or between departments.

## ORIENTATION FOR RISK MANAGEMENT IN 2022

Since 2020, as Vietnam's stock market has been recovering from the COVID-19 pandemic's effects, it has consistently hit record highs. The VN-Index, in particular, surpassed 1,300 and 1,500 benchmarks from a low of 600 points – the lowest dip in 2020 – and daily market liquidity exceeded USD2 billion. As a result, risk management at VCSC will face new challenges in 2022.

Consequently, VCSC places considerable emphasis on continuous risk management improvement in accordance with current market conditions and international best practices.



By 2022, we intend to expand training activities aimed at increasing employee awareness of risk prevention and facilitating risk identification and management practices within each department. Additionally, risk monitoring and evaluation are strengthened to ensure the security of investments, such as derivatives and covered warrants. Additionally, given the current robust stock market, VCSC places a premium on balancing liquidity risk and demand for margin lending. Following its success in 2021, VCSC will continue to manage payment risk in 2022 by ensuring earnings quality, most notably by maintaining a capital adequacy ratio greater than 180% – a standard set by the State Securities Commission of Vietnam. On a legal and operational level, the Company will review and update its regulations and policies to ensure they comply with applicable law and are consistent with the trend toward digital transformation in business operations.

# CORPORATE GOVERNANCE

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95	Key personnel



## Professional ethics

Embedded with the mindset of “**The Leaders**”, VCSC has always been moving forward with the entrepreneurial, ever-curious, and innovative spirit throughout 15 years of operation. We acknowledge that a sustainable business, in addition to preminent products and services, dedication, and professionalism, must be also built on its responsibilities to each client, partner, colleague, shareholder, and community. This, for us, is the key factor and the core strategy on the journey towards sustainable development.





### FOR CUSTOMERS



- Provide customers with top-of-the-line services.
- Enhance trustworthiness and credibility.
- Commit to fulfilling responsibilities in a professional and constructive manner.
- Commit to preserving confidentiality and protecting customer information.

### FOR PARTNERS & COLLEAGUES



- Ensure integrity and professional manner.
- Commit to preventing conflicts of interest.
- Commit to taking appropriate measures when handling violations (if any).

### FOR SHAREHOLDERS



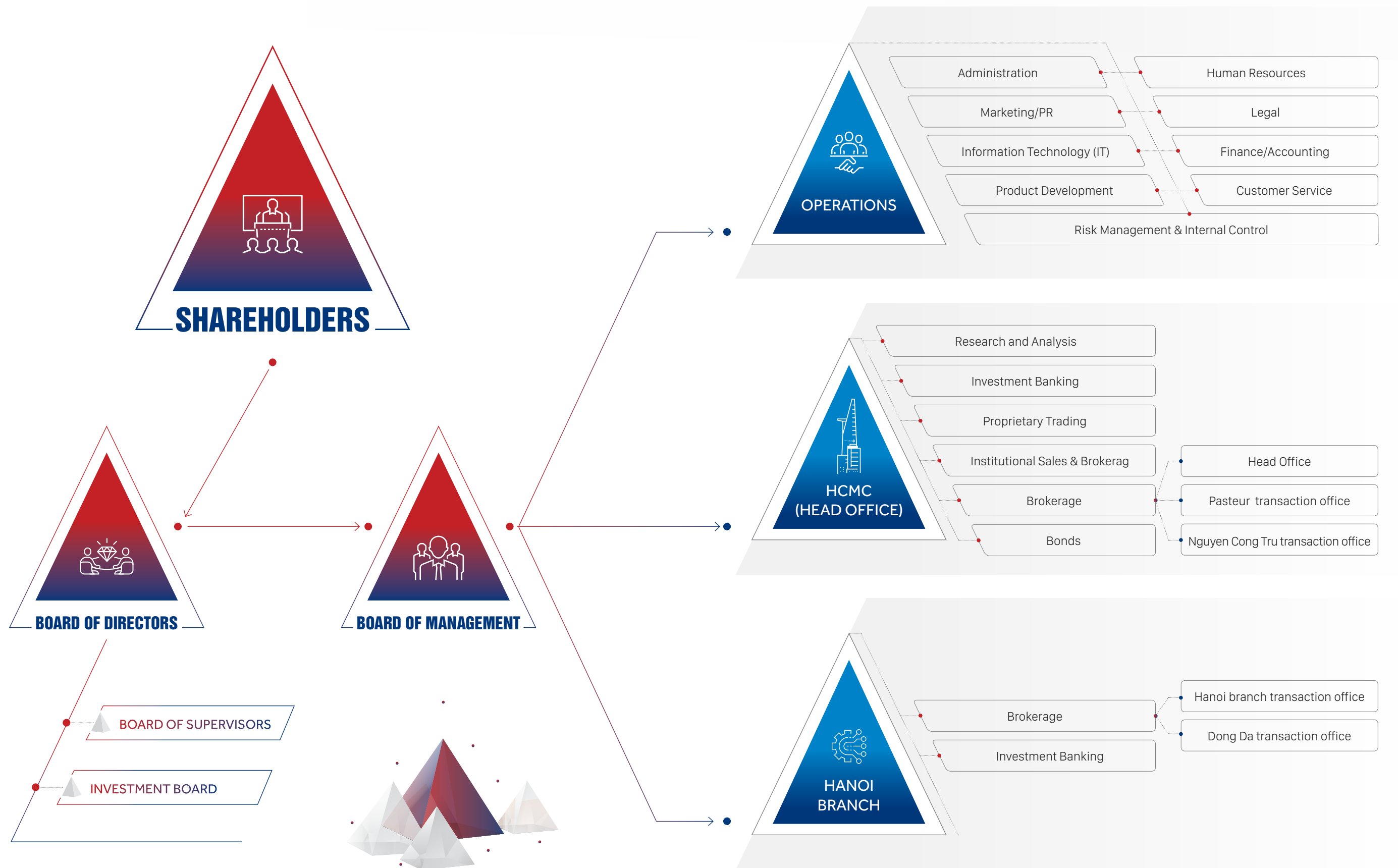
- Commit to complying with codes, regulations, policies, and standards of business ethics.
- Secure investments as well as bring about substantial and sustainable profits for shareholders.

### FOR COMMUNITY



- Commit to thoroughly complying with the international laws of anti-money laundering, corruption, and counter-terrorism.
- Fulfill commitments in accordance with international regulations and conventions.
- Proactively carry out voluntary and community service activities.

# ORGANIZATIONAL Structure







# The Board of Directors

## BOARD OF DIRECTORS



Ms. **NGUYEN THANH PHUONG**

*Chairwoman*

Mrs. Phuong is a founder of Viet Capital Securities Company and Viet Capital Asset Management (VCAM). She has served as Chairwoman of VCSC and VCAM since their inception in 2007. Ms. Phuong is a member of the Viet Capital Bank's board of directors (VCCB). As Chairwoman, Ms. Phuong is responsible for establishing the vision, business development strategy, governance model, and assisting the Board of Management in achieving the goal of making Viet Capital Group the market's leading financial services provider. She previously worked as the Deputy Director of Finance at Holcim Joint Venture Vietnam, a subsidiary of the Swiss multinational corporation Holcim, and as the Director of Investment at Vietnam Holding Asset Management Company. Mrs. Phuong earned a bachelor's degree in finance and banking from Hanoi's National University of Economics and a master's degree in business administration (MBA) from Geneva's International University.



Mr. **TO HAI**

*Member of Board of Directors*

Mr. Hai has served as General Director since the Company's inception in 2007. Mr. Hai possesses extensive experience in corporate finance advisory, investment banking, and the stock market in Vietnam. Mr. Hai is well-known as an expert with a long history of advising on equitization, initial public offerings, and financial restructuring. He holds a bachelor's degree in industrial management from Ho Chi Minh City's Technical University and a master's degree in finance and banking from Australia's University of Sydney. Additionally, Mr. Hai was certified by Vietnam's State Securities Commission.



Mr. **TRAN QUYET THANG**

*Member of Board of Directors*

Mr. Thang is the current Chairman of the Board of Directors of R.C. Real Estate Development Financing Joint Stock Company (REFICO). He has a wealth of experience in finance, investment, and management. He holds law degrees from prestigious universities in Germany and the United Kingdom - Martin Luther University and The College of Law London, respectively. He is also the founder of the law firm Thang & Associates. Additionally, he was a founding member and served as General Director of Saigon Securities JSC (SSI). Mr. Thang is also the President of the Fund Investment Committee of Aureos Funds (UK), a global leader in private equity.



Mr. **NGUYEN LAN TRUNG ANH**

*Member of Board of Directors*

Mr. Nguyen Lan Trung Anh is the current General Director of Phoenix Holdings, a company that primarily invests in financial services, technology, solar energy, consumer/retail, sports, and communications.

He previously spent eight years as a member of the investment management team at IDG Ventures Vietnam, the country's first venture capital fund with a USD100 million initial investment.

He was named a young leader on the 2018 Forbes Vietnam 30 Under 30 list. Mr. Trung Anh is also a director of Vietcredit (consumer finance), Kredivo Vietnam (buy now, pay later), VCAM (asset management), Timo (digital bank), Moca (payment - divested to Grab), Interloan (P2P lending), XLE (sports and communications), and PCP (solar energy). He also oversees Phoenix Holdings' investment team, which is responsible for identifying new sources of capital for financial and technology service companies.

He graduated from Foreign Trade University with a bachelor's degree in foreign trade.



## BOARD OF DIRECTORS



Mr.   
**LE PHAM NGOC PHUONG**

*Member of Board of Directors*

Mr. Phuong holds a Bachelor of Science degree in economics. He has a wealth of experience in finance and accounting. He served as Director of Finance and Chief Accountant of Khai Vy-Duyen Hai Joint Stock Company from 2002 to 2016, as well as Deputy Chief Executive Officer of VM Group and Director of Finance of Tan Tien Plastic Package Joint Stock Company. Mr. Phuong is currently serving as the Deputy Chief Executive Officer of Finance for D1 Joint Stock Company and the Deputy Chief Executive Officer for Lothamilk Joint Stock Company.



Ms.   
**NGUYEN VIET HOA**

*Member of Board of Directors*

Ms. Hoa has been an independent member of the Board of Directors of Viet Capital Securities Company (VCSC) since April 2021. She is currently a chairwoman of Ben Thanh Trading & Service JSC. Ms. Hoa graduated with a bachelor's degree in Accounting - Auditing and a master's degree in Economics from the University of Economics Ho Chi Minh City.



Mr.   
**NGUYEN HOANG BAO (HENRY NGUYEN)**

*Member of Board of Directors*

Mr. Nguyen Bao Hoang (Henry) is currently the General Director of Timo, Vietnam's leading digital bank, and also serves as Chairman of Phoenix Holdings, a holding company focused on technology, consumer/retail, finance, sports, and communications. Henry was previously the General Director of IDG Ventures Vietnam, a venture capital firm focused on consumer goods, technology, communications, and telecommunications companies in Vietnam. Additionally, he serves as the McDonald's Corporation of Vietnam's Franchise Development Director. He is also a member of the Fulbright University Vietnam Board of Trustees, the country's first private, not-for-profit university.

Apart from his involvement in domestic companies, he serves as the Chief Executive Officer of the Los Angeles Football Club (LAFC), which competes in the Major League Soccer (MLS) tournament. Henry was recognized by the

World Economic Forum as a Young Global Leader and is a member of the Asia Society 21. The Asia Society of Northern California bestowed upon him the honorary title of "Asian Game Changer." The award recognizes his leadership contributions to ways of working, business, art, and education, all of which contribute to cross-cultural understanding. He is also Chairman of the Operation Smile Vietnam Foundation's Sponsorship Committee and a member of the American Chamber of Commerce in Vietnam. Additionally, he is a member of the Southeast Asian Business Association, an organization dedicated to promoting economic integration among Southeast Asian countries.

Mr. Henry earned a BA from Harvard University, a Ph.D. in medicine from Northwestern University, and an MBA from the Kellogg School of Management at Northwestern University.





## REPORT OF THE BOARD OF DIRECTORS (continued)

### BOARD OF DIRECTORS' ACTIVITIES IN 2021

#### BOARD OF DIRECTORS' MEETINGS IN 2021

No.	BOD Member	Position	Date of resignation/ appointment to BOD	Number of BOD meetings attended	Rate	Reason for absence from meetings
1	Ms. Nguyen Thanh Phuong	Chairwoman of BOD	April 09, 2021	18	100%	
2	Mr. To Hai	Member of BOD	April 09, 2021	18	100%	
3	Mr. Nguyen Hoang Bao	Member of BOD	April 09, 2021	18	100%	
4	Mr. Tran Quyet Thang	Member of BOD	April 09, 2021	18	100%	
5	Mr. Nguyen Lan Trung Anh	Member of BOD	April 09, 2021	18	100%	
6	Mr. Le Pham Ngoc Phuong	Member of BOD	April 09, 2021	18	100%	
7	Ms. Nguyen Viet Hoa	Member of BOD	April 09, 2021	18	100 %	



#### BOD'S OVERSIGHT ROLES TOWARDS THE BOM

- The BOD is responsible for supervising the implementation of the BOD's and AGM's resolutions, business plans, and investment plans.
- Additionally, the BOD supervises the General Director's activities to ensure that the company's operations are safe and in accordance with applicable laws and AGM resolutions.

#### ACTIVITIES OF THE COMMITTEES UNDER THE BOD

- Activities of the committees under the BOD: The BOD has yet to establish such committees.

#### RESOLUTIONS/DECISIONS OF BOD IN 2021

No.	Resolution No.	Date of issuance	Content
1	03/2021/NQ-HĐQT.VCSC	Feb 22, 2021	Closing the shareholders list for Annual General Meeting 2020
2	06/2021/NQ-HĐQT.VCSC	Apr 09, 2021	Electing Chairman of the Board of Directors of Viet Capital Securities Company (VCSC)
3	07/2021/NQ-HĐQT.VCSC	Apr 12, 2021	Implementing the plan to issue shares under the ESOP for employees, issuing Regulations on issuance of shares to employees of Viet Capital Securities Stock Company and the list of employees can purchase shares under the Resolution of the 2021 Annual General Meeting of Shareholders
4	08/2021/NQ-HĐQT.VCSC	Apr 12, 2021	Second dividend payment in 2020
5	13/2021/NQ-HĐQT.VCSC	May 07, 2021	Bond issuance 2021, issue size VND500 billion
6	14/2021/NQ-HĐQT.VCSC	May 14, 2021	Second bond issuance in 2021, value of VND250 billion
7	15/2021/NQ-HĐQT.VCSC	May 20, 2021	Issuing shares to increase charter capital from the Company's equity
8	18/2021/NQ-HĐQT.VCSC	May 20, 2021	Third bond issuance in 2021, value of VND500 billion
9	20/2021/NQ-HĐQT.VCSC	Jun 16, 2021	Fourth bond issuance in 2021, value of VND110 billion
10	21/2021/NQ-HĐQT.VCSC	Jun 25, 2021	Recall of bonds issued in 2020
11	24/2021/NQ-HĐQT.VCSC	Aug 11, 2021	Fifth bond issuance in 2021, value of VND50 billion
12	25/2021/NQ-HĐQT.VCSC	Aug 12, 2021	Recall of bonds issued in the second bond issuance tranche in 2021
13	26/2021/NQ-HĐQT.VCSC	Aug 12, 2021	Recall of bonds issued on third bond issuance tranche in 2021
14	28/2021/NQ-HĐQT.VCSC	Sep 15, 2021	Sixth bond issuance in 2021, value of VND200 billion
15	31/2021/NQ-HĐQT.VCSC	Oct 14, 2021	Seventh bond issuance in 2021, value of VND300 billion
16	33/2021/NQ-HĐQT.VCSC	Nov 10, 2021	Eighth bond issuance in 2021, value of VND100 billion
17	34/2021/NQ-HĐQT.VCSC	Nov 11, 2021	Ninth bond issuance in 2021, value of VND100 billion
18	36/2021/NQ-HĐQT.VCSC	Nov 26, 2021	Recall of bonds issued on sixth bond issuance tranche in 2021
19	37/2021/NQ-HĐQT.VCSC	Dec 06, 2021	1 <sup>st</sup> dividend advanced payment of 2021
20	39/2021/NQ-HĐQT.VCSC	Dec 13, 2021	Recall of bonds issued on second bond issuance tranche in 2021
21	42/2021/NQ-HĐQT.VCSC	Dec 20, 2021	Recall of bonds issued in 2020.

#### SALARY, BONUS, ESOP FOR KEY EMPLOYEES IN 2021

	Salary (Unit: VND)	Bonus (Unit: VND)	ESOP (Unit: Share)
<b>A. BOD (Member of the BODs (*))</b>			
<b>B. BOM</b>	<b>7,698,890,000</b>	<b>28,000,000,000</b>	<b>14,000,000</b>
Mr. To Hai	2,738,150,000	-	-
Mr. Đinh Quang Hoan	2,480,370,000	16,000,000,000	70,000
Mr. Nguyen Quang Bao	2,480,370,000	12,000,000,000	70,000

(\*) The company is not entitled to pay salaries to members of the BODs



# The Board of Supervisors

## BOARD OF SUPERVISORS



Mr. **TRUONG NGOC HOAI PHUONG**

Head of Board of Supervisors

Mr. Phuong has more than 10 years working in Vietnam and abroad for large enterprises such as UPS (Singapore), and Capella Holdings where he was in charge of internal supervision and risk management. He is a longtime member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Singapore (ICPAS).



Ms. **BUI THI MINH NGUYET**

Member of Board of Supervisors

Ms. Nguyet is currently employed by Phoenix Holdings Limited as Chief Accountant. Previously, she worked at Viet Capital Investing Limited Company, where she was in charge of the accounting department's organization and implementation. She has extensive experience in finance, accounting, and auditing at some of Vietnam's leading companies, including KPMG and Viet Capital Bank. She earned a degree in accounting and auditing from the University of Economics in Ho Chi Minh City.



Ms. **TRUONG THI HUYEN TRANG**

Member of Board of Supervisors

Ms. Huyen Trang graduated from the University of Economics with a degree in finance and accounting. She currently is Chief Accountant at Viet Capital Real Estate Company. She has more than a decade of experience in accounting and auditing at various organizations.

### MEMBER OF BOS IN 2021

No.	Member of BOS	Position	Date of resignation/ appointment to BOS	Number of BOD meetings attended	Rate	Reason for absence from meetings
1	Ms. Bui Thi Minh Nguyet	Member of BOS		01	100%	
2	Ms. Dang Ngoc Thao Uyen	Member of BOS	Resigned from June 24, 2020	0	0%	Resignation
3	Ms. Truong Thi Huyen Trang	Member of BOS		01	100%	
4	Mr. Truong Ngoc Hoai Phuong	Head of BOS	Appointed from June 24, 2020	01	100%	

## ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2021

### BOS'S OVERSIGHT ROLES TOWARDS THE BOD, BOM AND SHAREHOLDERS IN 2021

The BOS is responsible for supervising the activities of the BOD and General Director in managing and governing the Company. The BOS is accountable to the law, the annual general meeting, and shareholders. The BOS is responsible for ensuring that the company's management, accounting, and financial statement are reasonable, legal, and secure. Additionally, the BOS is tasked with the responsibility of evaluating quarterly and six-month earnings releases, financial statements, and performance reviews of the BOD and AGM.

### COORDINATION BETWEEN BOS AND BOD, BOM AND OTHER MANAGERS

In the event the BOS identifies the violation of the law or the company's charter by BOD members, BOM members, or other managers, the BOS must inform the BOD of such violations in writing within 48 hours, and require the violators to stop their current behaviors and seek corrective measures.

### OTHER ACTIVITIES OF THE BOS (IF ANY)

Other duties might be assigned to the BOS as requested by the company's charter or the AGM.



# BOARD OF Management

## BOARD OF MANAGEMENT



Mr.   
**TO HAI**

Chief Executive Officer

(Refer to the Board of Directors,  
Page 86)



Mr.   
**DINH QUANG HOAN**

Deputy General Director

Mr. Hoan has been a part of VCSC since its commencement. Mr. Hoan has over two decades of experience in the financial consulting, accounting, and auditing industries. Mr. Hoan previously served as a Deputy Head of Consulting at Bao Viet Securities JSC's Ho Chi Minh City branch. He oversaw the issuance and listing of securities, as well as the underwriting, equitization, and restructuring of businesses. Previously, he was the Chief of the Auditing Department at KPMG, where he was responsible for auditing projects and financial reviews for multinational corporations and small businesses. He earned a master's degree in economics with a concentration in finance and a bachelor's degree in accounting and auditing from the Ho Chi Minh City University of Economics. He is a Ministry of Finance-certified independent auditor and a long-standing member of the Association of Chartered Certified Accountants - United Kingdom (ACCA).



Mr.   
**NGUYEN QUANG BAO**

Deputy General Director

Mr. Bao has been a member of VCSC since 2008. Mr. Bao has extensive experience in commercial banking and securities. He was an early participant in Vietnam's stock market. He applied his experience and expertise to the valuation, development of equitization plans, and auctions of numerous businesses in a variety of industries, as well as to the development and launch of multiple products for other securities firms. Before joining VCSC, he served as Deputy General Director cum Ho Chi Minh City Branch Director of Bank of Investment and Development of Vietnam Securities Company, Deputy Director of Service Division cum Hai Phong Branch Director of Saigon Securities Company. He is the Bachelor of Credit of Banking Academy and Bachelor of Finance and Credit of Hanoi Finance and Accounting University.

# KEY Personnel



Mr.   
**NGO VINH TUAN**

Head of Investment Banking

Mr. Tuan has over 20 years of experience in the fields of investment and financial advisory services. Before joining VCSC, he was a member of the Investment Committee and the Board of Directors of USA Alden Global Capital/Smith Management Venture Investment Funds where he led the analyst team. Earlier on, he was the Director of Investment at Fonds Stratégique d'Investissement (FSI) in Paris, France.

He also held analyst and investment banking positions at well-known institutions such as Credit Suisse and Bank of America Merrill Lynch in London and Deloitte Consulting.

Mr. Tuan holds a master's degree in business administration from the Wharton School at the University of Pennsylvania and a bachelor's degree from the Ecole Supérieure de Commerce in Grenoble, France.



Ms.   
**PHAM THI THANH**

Director of Investment Banking -  
Hanoi Branch

Ms. Thanh has over 20 years of finance experience. Before joining VCSC, she worked at the Ministry of Finance and Vincom Securities Joint Stock Company as Director of Corporate Finance Advisory and Online Trading. She has accomplished various M&A, fundraising, restructuring, and listing advisory deals in Vietnam.

Ms. Thanh is also one of the most experienced equitization advisors for State-owned corporations.

She holds a BA degree in banking and finance from the National Economics University and a Master's degree in financial management from the University of Melbourne, Australia. Ms. Thanh is also recognized as a professional fund management practitioner by the State Securities Commission of Vietnam and as a valuation practitioner by the Ministry of Finance.



Mr.   
**NGUYEN QUOC DUNG**

Brokerage Director -  
Institutional Clients

Mr. Dung has over 20 years of experience in finance and auditing. He has joined VCSC since the Company's inception in November 2007 and worked in Investment Bank Division, before moving to Institutional Sales & Brokerage in 2010.

Previously, he had extensive experience in finance and auditing for manufacturing, distribution, and auditing corporations such as L'oreal, Heineken and Tiger Beer, and KPMG.

Mr. Dung holds an MBA degree from the French - Vietnamese Center for Management Education (CFVG), a program sponsored by the French government and the Vietnamese Ministry of Education and Training. He also holds a BA degree in corporate finance from the University of Economics Ho Chi Minh City.



## KEY PERSONNEL (continued)



Mr.   
**ALASTAIR FRASER MACDONALD,**  
**CFA, CIPM**

*Head of Research*

Mr. Macdonald has been Head of Research since 2018. He has more than 25 years of experience in

equity research in Thailand, Singapore, Japan, and Vietnam.

Mr. Macdonald previously worked as Head of Research at Kasikorn Securities and Macquarie Securities in Thailand and as a senior analyst covering Japanese stocks at Macquarie in Tokyo. Before working in Asian markets, Mr. Macdonald held the position of Marketing Manager at Gartmore Investment Management in London.

Mr. Macdonald holds an MA degree in natural sciences and economics from Trinity College, Cambridge.



Ms.   
**CHAU THIEN TRUC QUYNH**

*Head of Local Brokerage*

Ms. Quynh currently holds the position of Head of Local Brokerage and has more than 20 years of experience in the Vietnamese stock market. From 2005 to 2007, she worked as Deputy Head of Enterprise Financial Consulting Division and Head of the Brokerage Division at the Bank for Foreign Trade of Vietnam Securities Company – one of the largest securities companies in Vietnam.

From 2001 to 2005, she worked as a specialist in Enterprise Financial Consulting for the Bank of Investment and Development of Vietnam Securities Company. Her experience at securities companies enables her to achieve satisfaction from numerous individual and organizational clients via her professional brokerage services ensuring good returns on investments.

Ms. Quynh graduated with a BA and MA degree in finance and banking from the University of Economics of Ho Chi Minh City. She also gained the Executive MBA from the joint program of University of Economics of Ho Chi Minh City and School of Management at the Université du Québec à Montréal (ESG UQAM), Canada.



Mr.   
**LY DIEN ANH**

*Brokerage Director*

Mr. Dien Anh participated in Vietnam's stock market in its early days, starting his career at Bao Viet Securities Company in 2000. He is now the Brokerage Director of VCSC. Earlier on, he was the Brokerage Director at East Asia Securities Company.

Mr. Dien Anh graduated from the University of Economics in Ho Chi Minh City, majoring in Banking and Finance.



Mr.   
**PHAM THANH VU**

*Brokerage Director*

Mr. Vu has 15 years of experience in securities brokerage in Vietnam's stock market. He is currently Brokerage Director of VCSC, responsible for the Active Brokerage System (ABS | VCSC).

Mr. Vu is a pioneer in the development of the model of sustainable brokerage. In particular, the model aims at training interns, who are 3rd-year university students, to become dedicated and experienced brokers with extensive knowledge and good ethics. He also promotes the role of broker as Investor Relations (IR) specialist to enhance the engagement of shareholders from various fields. He aspires to turn VCSC into a professional brand in the eyes of investors via communications products, which amplifies the stories of enterprises to the right investors, thereby increasing brand awareness.

Mr. Vu graduated from the University of Economics – Law and holds a Master of Business Administration from Ho Chi Minh City Technical University (HuTech) in the Finance – Banking sector.



Mr.   
**PHAN XUAN NGUYEN**

*Brokerage Director – Head Office*

Mr. Nguyen has a bachelor's degree in banking and finance. He has over 15 years of experience in the securities market. Mr. Nguyen has worked at Viet Capital Securities Company from its first days and has held many positions. Officially holding the position of Brokerage Director at Head Office at the end of 2019, Mr. Nguyen, along with brokers of the Head Office, is expected to utilize current achievements to create better connections within VCSC for further development.

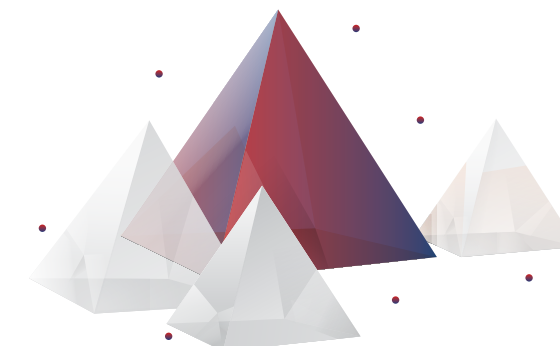


Mr.   
**DOAN MINH THIEN**

*Chief Accountant*

Mr. Thien has over 17 years of experience in finance and accounting. Previously, he was Deputy of the Department of Finance and Accounting at Petrosetco Distribution Joint Stock Company.

Mr. Thien holds a BA degree in corporate finance from the University of Economics of Ho Chi Minh City.





# BREAKTHROUGH TOWARDS A NEW ERA

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102 VCSC 2022 business plan



## 2022 Outlook

**FDI ATTRACTIONS ENDURE; POLICY TO REMAIN SUPPORTIVE IN 2022**

In 2022, Vietnam's economy could rebound strongly with a growth rate of

**7.8%** in 2022 as:



All domestic activities have resumed in addition the potential to fully reopen international commercial flights thanks to high vaccination coverage.



The domestic outlook looks bright amid a continuing global recovery that should support demand while further enhancing exports, production and FDI.



Also, the Government's stimulus package and a low interest rate environment should boost investment and production as well as supporting household consumption.

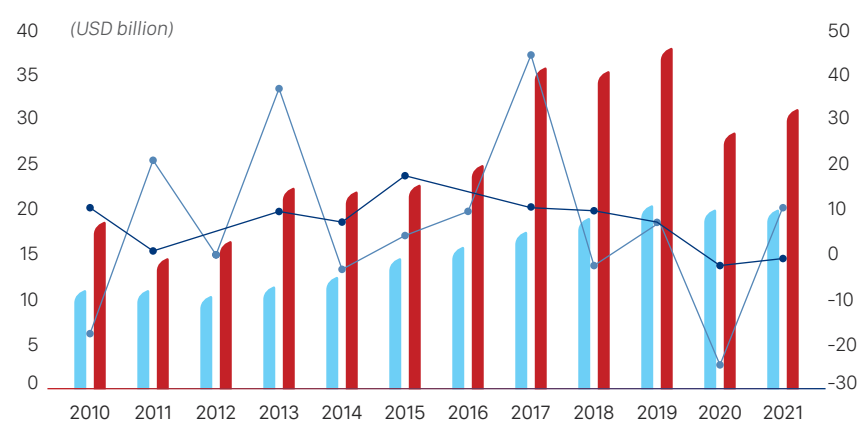


### FAST VACCINATION PROGRESS TO SUPPORT THE REOPENING OF ECONOMY

Production and service businesses have reopened thanks to the country's high vaccination coverage. Meanwhile, some international commercial flights have relaunched since the beginning of 2022 with the potential for a complete resumption in H2 2022. This reopening does not only support the outlook of tourism sector but also boosts investment promotion and research activities, which should help to accelerate FDI disbursement throughout the year.

### Registered and disbursed FDI

▲ Disbursed FDI (LS) ▲ Registered FDI (LS)  
● Disbursed FDI (%YoY, RS) ● Registered FDI (%YoY, RS)



Source: Ministry of Planning and Investment (MoPI), VCSC

### STRONG GLOBAL ECONOMIC GROWTH TO SUPPORT THE DOMESTIC OUTLOOK

Bloomberg consensus forecasts global GDP growth at 4.4% in 2022, while the International Monetary Fund (IMF) is forecasting a growth rate of 4.9%. Improving global demand should underpin investment, production and trade activities in Vietnam, which should in turn boost job creation and enhance consumer confidence as well as household consumption.

#### Bloomberg's consensus forecasts

GDP growth, YoY (%)	2014	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F
World	3.6	3.5	3.3	3.8	3.6	2.8	-3.3	5.8	4.4	3.6
European Union	1.8	2.4	2.0	2.7	2.0	1.8	-6.4	5.4	4.3	2.5
<b>Countries</b>										
United States	2.5	3.1	1.7	2.3	3.0	2.2	-3.5	5.6	3.9	2.5
China	7.4	7.0	6.8	6.9	6.7	6.0	2.3	8.0	5.2	5.3
Japan	0.3	1.6	0.8	1.7	0.6	0.0	-4.7	1.8	2.9	1.4
South Korea	3.2	2.8	3.0	3.2	2.9	2.0	-1.0	4.0	3.0	2.5
Vietnam	6.0	6.7	6.2	6.8	7.1	7.0	2.9	2.3	7.2	6.8

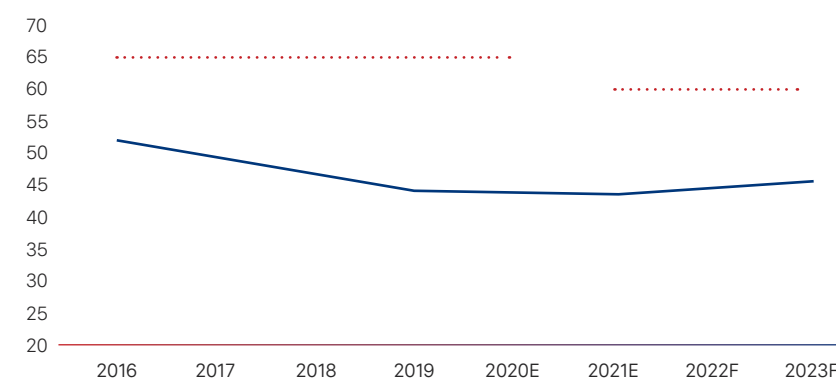
Source: Bloomberg, VCSC

### GOVERNMENT'S FISCAL POLICY REMAINS SUPPORTIVE

At the beginning of 2022, the National Assembly passed a draft resolution on fiscal & monetary measures to support a socioeconomic recovery for 2022-2023. According to the Government, the stimulus package - which has an estimated value of VND350tn (USD15.3bn) - is equivalent to 4.1% of 2021's nominal GDP. The program could lift the fiscal deficit by around 1.2%/year in two years and public debt to 49%-50% of GDP by 2025 (vs 43.7% currently), according to the Government's estimates.

### Public debt / GDP (%)

— Public debt (%) ..... Public debt cap (60%)



Source: Ministry of Finance (MoF), VCSC

### INTEREST RATE ENVIRONMENT COULD REMAIN LOW

Interest rates could increase modestly in 2022 due to external pressure. However, the interest rate environment could remain low compared to those in recent years as the Government is keen to promote a strong recovery in growth while inflation to remain under control thanks to easing global commodity prices and the Government's flexibility to manage prices of certain goods and services in the CPI basket.

### THE DONG TO STAY STABLE

A strengthening greenback in the global market could put some depreciation pressure on the VND against the USD in 2022. However, the USD/VND exchange rate could stay stable thanks to strong foreign inflows from solid FDI disbursement, exports and remittance inflows.

### HOWEVER, SOME FACTORS COULD THREATEN THE RECOVERY MOMENTUM OF THE ECONOMY

A rapid spread of new COVID-19 variants remained as one of top concerns as it could trigger stricter-than-expected lockdown / social distancing measures domestically or/and internationally, which could

again cause disruptions to internal or/and external supply chains, production and services. Meanwhile, China's "zero COVID" policy, which could potentially lead to prolonged congestions at borders between Vietnam and China. In addition, the unexpected movements of global commodity prices could fuel a higher-than-expected inflation while Fed signaled three rate hikes in 2022, which could create some difficulties for the SBV in maintaining a low interest rate environment.

In contrast, the economy could recover stronger than expected if the opening of economic activities is accelerated or/and the Government increases its supportive policy for labors and businesses affected by the COVID-19 epidemic.



# Business plan



1

## MAINTAINING GROWTH MOMENTUM, STRENGTHENING THE NO. 1 POSITION IN INVESTMENT BANKING

Capital inflows from institutional investors and large corporations hit record highs in 2021 with the total value of M&A deals reaching more than USD5tn globally, according to statistics from Reuters. We expect investors to remain optimistic in 2022.

Along with the reopening of international flight routes and minimizing the mandatory quarantine period upon entry, international investors will be able to come to Vietnam and Vietnamese companies will be able to organize roadshows as well as get back in touch with foreign investors. This will be an important driving force for capital flow into Vietnam as disbursement from investment funds mostly stalled in 2020.

**W**ith the No. 1 position in investment banking, we can confidently affirm that we will maintain and further strengthen our leading position in this business in 2022. VCSC has been always maintained relationships with enterprises as well as domestic and international investment funds.

We are also a trusted advisor for many leading listed companies in Vietnam. VCSC's ongoing projects have a high transaction value estimated at VND40,000bn in 2022 in various sectors such as real estate, consumer goods, aviation and industrial parks, among others.

2

## PROMOTING RETAIL BROKERAGE



The securities brokerage segment is expected to remain tough in 2022 with fierce competition from securities companies with high margin lending strategies and discount/free transaction fees along with high commissions for brokers to attract new clients and experienced investors who are trading at other securities companies.






The surge in the number of retail investors participating in the stock market as well as the trading value of retail customers accounting for 90% of market liquidity were the main driving forces behind the boom in the stock market in 2021.

**W**e will focus on developing retail brokerage for these investors in order to seize this booming opportunity. This is one of our key strategies for 2022.

3

## PUSHING FOR HIGHER PARTICIPATION IN THE BOND MARKET

Following the fast growth in 2021, the Bond Department of VCSC will promote these following key initiatives in 2022:

-  Finish the bond trading system in Q1-Q2 2022;  
Select and advise clients with reputable brand names to issue bonds;
-  Increase VCSC's brand recognition as a bond distributor through the media and distribution channels;
-  Actively connect with partners for bond distribution channels to increase the capacity and speed of bond distribution;
-  Build a bond trading team, increasing both in number of personnel and improving team capability;
-  Put effort into expanding the new customer base to increase transaction value of both stocks and bonds with emphasis on retail customers in areas where there has not been strong development in bond distribution.





## THE STOCK MARKET 2022



The Government targets GDP growth of 6%-6.5% in 2022. We believe this growth is achievable thanks to several supporting factors, including (1) a high vaccination rate (>90% of population over 18 years old) that helped Vietnam reopen most of its domestic activities and fully resume international commercial flights; (2) the recovery of the global economy (according to Bloomberg forecasts, global GDP growth is likely to be as high as 4.4% in 2022) and an improved domestic outlook should support demand and boost exports, manufacturing and FDI capital flows; and (3) a stimulus package from the Government (equivalent to about 4.1% of GDP in 2021) that is expected to be disbursed in 2022-2023 and a low interest rate environment will further promote investment and production as well as household consumption. According to VCSC's Research Department, we forecast EPS growth of the VN-Index will be around 23% for 2022, corresponding to a trailing P/E of 15.9x and a 12-month forward P/E of 13.1x as of end-2022.

Nevertheless, we cannot exclude certain risks that might severely affect the Vietnamese stock market, such as unpredictability caused by new virus variants, China's "zero-Covid" policy causing a prolonged border closure, and a likely increase in inflation due to support policies of countries around the world.

Unit: VND million

Items	2021 Actual	2022 Target
Revenue	3,707,069	3,240,000
Profit before tax	1,850,585	1,900,000





# SUSTAINIBILITY REPORT

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## Orientation for sustainable development



VCSC's vision is  
TO BECOME ONE OF  
**the leading  
investment banks  
in Vietnam.**

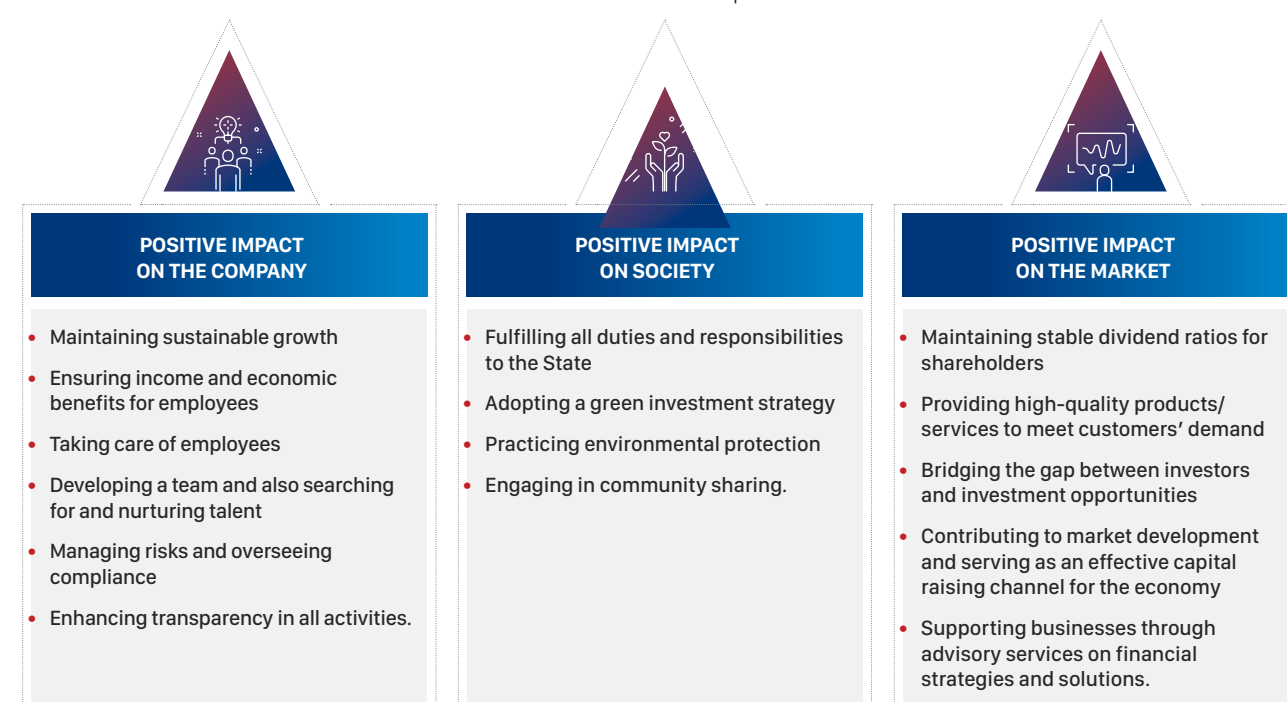


### STRATEGIC ORIENTATION FOR SUSTAINABLE DEVELOPMENT

**W**e acknowledge that a well-established and sustainable VCSC must be built on the premise of its BOM's and staff's responsibility, solidarity, and integrity.

Also, the trust and support of our stakeholders, which include but are not limited to our clients, shareholders, and employees, play a key factor that not only leads us to success but also opens up new horizons for our sustainable development journey.

VCSC's mission is to provide services of the highest quality in a professional manner, standing as a testament to the phenomenal growth we have long sustained. We always strive to maintain the best relationship and business operations for the sustainable development of our partners.





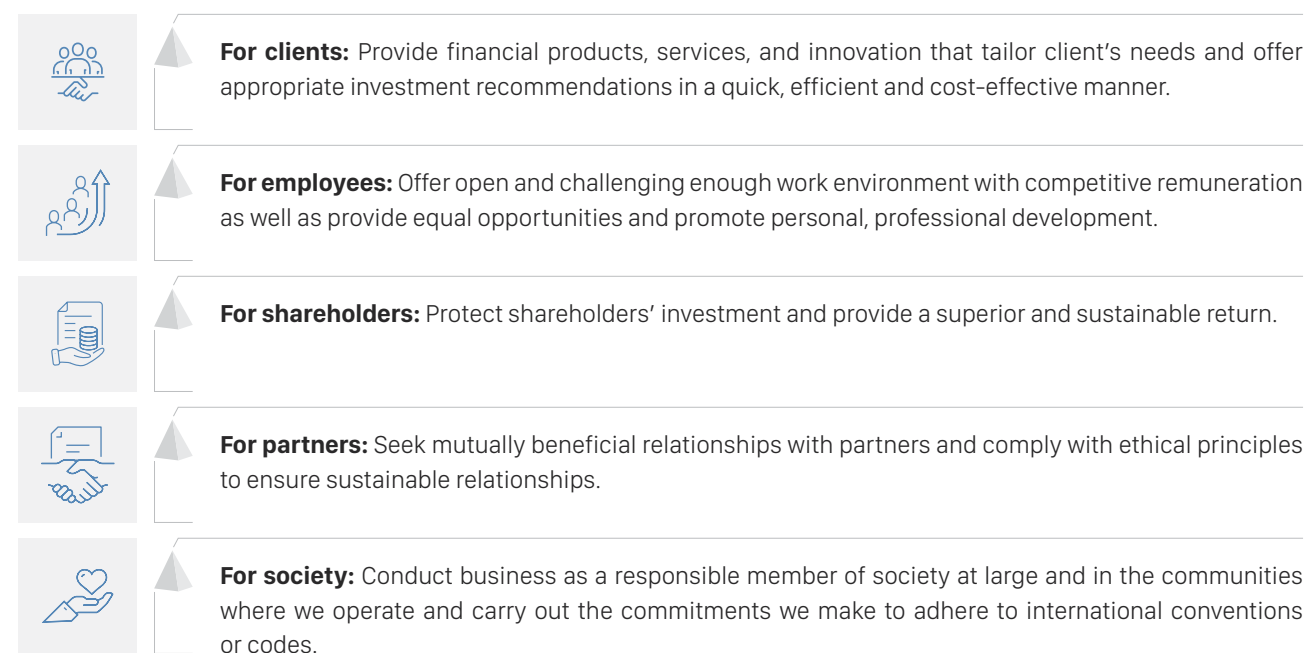


## ORIENTATION FOR SUSTAINABLE DEVELOPMENT (continued)

### MANAGEMENT MODEL FOR SUSTAINABLE DEVELOPMENT



### PRINCIPLES OF SUSTAINABLE DEVELOPMENT



### OBJECTIVES OF SUSTAINABLE DEVELOPMENT AT VCSC

VCSC has unceasingly invested in research and development to come out with various initiatives, with a view to driving the growth of the domestic stock market and contributing to Vietnam's socio-economic development.

To this end, VCSC has made a significant contribution in the following aspects:

- Providing stable employment for employees.
- Contributing to the development of the financial securities industry.
- Raising capital to boost Vietnam's economic growth.
- Promoting the growth of businesses with more efficient use of capital.
- Enhancing strong corporate governance and business transparency.
- Offering opportunities for youth development and empowerment.
- Raising living standards of communities.







# Report overview

## REPORT CONTENT

**T**he Sustainable Development Report 2021 highlights VCSC's sustainable orientation by reviewing the Company's active and effective operation in the past year as well as the limits that need to be addressed, and plans for future activities.



VCSC has prepared a Sustainability Report in compliance with Global Reporting Initiative (GRI) guidelines with detailed and systematic disclosures based on G4 Guidelines. The report was developed in accordance with "GRI Standards: Core option" and focuses on the following categories of disclosures: economic performance; labor practices and decent work; training and education; product and service labeling; and local communities.

This report was developed by VCSC's Sustainability Report Group that includes members of the Communications Department, Accounting Department, Human Resources Department, and the Board Secretary who manage the most relevant functions in VCSC regarding data and information relating to sustainable development activities.

## REPORT SCOPE

VCSC's Sustainable Development Report 2021 is considered as a supplementary and indispensable document attached to the Company's 2021 Annual Report and 2021 financial statements.

The report reflects the results of the Company's operations in 2021 and also refers to the direction and objectives of VCSC for sustainable development in the coming years. The report covers data and activities across the entire business, including VCSC's head office and its transaction offices across the country.

The implementation of sustainable development activities is closely related to VCSC's corporate social responsibility strategy, as driven by the Company's mission and vision, and is framed within the full compliance of corporate internal control procedures and national and international provisions, including those on competition, human rights, and environmental law.

## CONTACT



For any information and suggestions for the VCSC's Sustainable Development Report, please contact:

**Viet Capital Securities Joint Stock Company (VCSC)**

Email: [info@vcsc.com.vn](mailto:info@vcsc.com.vn)

Address: Bitexco Financial Tower, 15<sup>th</sup> Floor, 2 Hai Trieu Street, District 1, HCMC, Vietnam



# Sustainable development

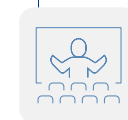
**V**CSC acknowledges that all of its activities are relevant to internal and external stakeholders, including employees, shareholders, clients/investors, and the local community.

Aiming at ensuring sustainable development in all relationships, VCSC regularly engages with stakeholders via the following activities:



### Clients/Investors

- Organizing workshops.
- Scheduling in-person meetings with clients
- Supporting clients via Call center, Customer service center, and Services Department
- Supporting clients via VCSC's website
- Sending regular emails detailing business results, account changes, and other useful information
- Installing suggestions box at transaction offices



### Shareholders

- Holding Annual General Meeting
- Scheduling in-person meetings with investors
- Presenting Company's business operations for investors
- Facilitating Q&A via VCSC's website
- Sending emails to shareholders and investors



### Employees

- Holding quarterly or yearly team briefings
- Holding direct meetings with the Board of Directors
- Celebrating birthdays of employees
- Exchanging information via internal phone and email
- Organizing team building program
- Organizing quarterly interactive activities or quarterly family and children's day, etc.



### Local communities

- Assisting youth organizations and university students' unions in organizing events for the youth
- Participating in community development activities
- Helping the less fortunate
- Participating in environmental protection and communities activities.



# Report of Sustainable development activities

## CONTRIBUTION TO THE STATE BUDGET

**A**s an enterprise with superior operations and notable accomplishments, VCSC has always met its obligations to the State Budget in terms of tax and other payables, with amounts increasing over time.

Throughout 2020 and 2021, the global economy, including Vietnam's, faced significant challenges and disruption as a result of COVID-19's effects. Despite these obstacles, VCSC overcame them and ensured effective management of the Company's and Investors' capital, ensuring stable growth, high profitability, and a consistent contribution to the State Budget. We owe our success to business acumen and management.



**We contributed to the State Budget in 2020, in particular (VND billion)**

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## ACTIVE ENGAGEMENT IN MARKET DEVELOPMENT



We have acted in accordance with state legal provisions and other applicable regulations while remaining cognizant of our obligations to investors, issuers, and regulators, as well as our roles in the development of the economy and, in particular, the stock market. Additionally, VCSC has always made an effort to contribute to the development of the stock market's legal system and to improve its practicality. Another objective that we are constantly pursuing is the establishment of a transparent, regulated, and stable stock market.

Additionally, the IT Department has upgraded the infrastructure and core trading software over the years to increase system performance, earn the trust of domestic and foreign investors, and maintain a disaster recovery site for security, data backup, and risk management purposes during system failure or disaster events.

## SECURITY AND TRANSPARENCY IN THE INVESTOR'S ASSET MANAGEMENT

**D**edicated to sustainable development goals via a client-centric approach, we aim to ensure not only sustainable investments but also secured asset management for investors.

With strictly controlled, clear, and transparent investment, risk management, and internal control processes, VCSC strives to build trust, transparency, and high asset growth for investors.







## REPORT OF SUSTAINABLE DEVELOPMENT ACTIVITIES (continued)

### CREATING SUSTAINABLE VALUES



AFTER A 14-YEAR JOURNEY MARKED BY UPS AND DOWNS, VCSC RECOGNIZES THAT THE GOAL OF SUSTAINABLE DEVELOPMENT MUST BE FOUNDED ON THE EXTREMELY SUSTAINABLE VALUES WE FOSTER IN ALL ASPECTS OF OUR COMMUNITY.



To that end, VCSC has always acted in the best interests and rights of shareholders. This was emphasized further during the pandemic, which had a profound effect on all aspects of life. Protecting shareholders', partners', clients', and employees' rights and interests in the face of socioeconomic uncertainty is critical to VCSC's future growth and position.

**V**CS's north star is stability, transparency, equity, and sustainable development. A "healthy" stock market can only exist if the legitimate rights and interests of investors - market makers - are safeguarded.

As of December 20<sup>th</sup>, 2021  
VCSC had nearly  
(Shareholders)

**13,657**

Organizations  
(Shareholders)

**131**

Individuals  
(Shareholders)

**13,526**

1<sup>st</sup> dividend payment in Jan, 2021  
(VND/share)

**1,200**

Charter capital  
(VND billion)

**3,330**

VCSC adheres to and respects the policy of protecting shareholders' rights in order to ensure shareholders receive equal treatment. VCSC had nearly 13,657 shareholders as of December 20<sup>th</sup>, 2021, including nearly 131 organizations and 13,526 individuals. Shareholders have the following rights: the right to attend and speak at annual general meetings of shareholders; the right to receive dividends at the rate approved at annual general meetings of shareholders; the right to purchase additional shares in proportion to their current holdings; the right to freely transfer their shares to another person; and the right to participate in any decision regarding fundamental corporate changes. At VCSC, the State's laws and the Company's charters are strictly and transparently followed, all shareholders receive equal treatment without preferential treatment, and the Board of Directors makes decisions by majority vote.

VCSC is proud to be a pioneer in researching, implementing, and investing in the 4.0 infrastructure system. We are constantly improving the dissemination of information through our diverse communication channels, including our website, email, and mobile applications, in a safe, secure, convenient, and user-friendly manner. This enables shareholders and investors to stay informed and transact in a timely and accurate manner.

In the context of globalization, our resources are available on the website in both Vietnamese and English to keep domestic and international investors informed of the latest developments, to improve service quality, to expand our penetration, and to strengthen our stock market position.

**A**dditionally, VCSC emphasizes a consistent dividend policy to maintain a favorable benefit-profit ratio, a high return on shareholder equity, and a favorable retained earnings ratio. This is regarded as a prerequisite and critical factor for investors when selecting a reputable and potentially profitable stock for long-term investment.



## RISK MANAGEMENT SYSTEM



**A**t VCSC, a risk management system is built and operated throughout the Company, including a complete organizational structure and a consistent operating mechanism with a set of risk management processes.

The risk management system is designed to identify, measure, monitor, report, and handle risks, especially material risks that impact the Company's business operations, in an effective manner. It also helps the Company fulfill its compliance obligations at all times.

### Risk management system ensures:

- 1 The Board of Supervisors' engagement and close oversight; Management, inspection, and regular review by the BOM;**
- 2 The Board of Supervisors' engagement and close oversight; Management, inspection, and regular review by the BOM;**
- 3 Implementation plan with adequate policies and procedures in place;**
- 4 Development and implementation of risk management policies, procedures as well as risk limits, along with the establishment of risk management information system.**

As specified in laws, procedures, and internal policies, responsibility for risk management is assigned to all levels, to every Head of Department and employee. This aims to create an effective risk-based system applied uniformly throughout the Company.

The risk management system helps enhance the Company's operational efficiency by empowering employees with more responsibilities and giving them accurate performance reviews.

Furthermore, VCSC also developed separate risk management systems for each function/department in line with the overall framework.

Every year, VCSC develops and publishes a risk policy that lays the foundation for regular risk management activities. Risk levels, risk limits, and risk tolerance are defined for each business activity and approved by the BOD.

Risk management policy is geared toward guidance on the management of risks in a clear, specified, and detailed structure, ensuring employees' understanding of the roles and responsibilities assigned to their departments and themselves regarding risk management.

## ACTIONS FOR CUSTOMERS

**V**CSC promotes innovation with the goal of ensuring investors' satisfaction and protecting their legitimate rights, while also benefiting the entire stock market. We are fully cognizant of the fact that our efforts can have a tangible effect on market development.



VCSC's extraordinary success is due in large part to continuous improvement in trading protocols, application upgrades, client engagement via diverse social media channels, and partnership programs with technology pioneers such as VPBank, BIDV, MOMO E-wallet, and TIMO E-wallet.

We believe that the primary driver of sustainable development is the creation of client value. As a result, VCSC has made significant investments in the technology infrastructure necessary to develop novel digital applications. This ensures that investors have timely access to information and can conduct transactions quickly.

**In addition to direct client support by a team of well-trained and professional personnel, VCS offers a wide variety of digital platforms and apps, including:**

- VPro and V-Web Trading - online trading platforms** that allow investors to have promptly updated information on the stock market and real-time transactions.
- V-mobile - a trading app** that is both available on iOS and Android with advanced features tailored for trading demand.
- V-BOND - a bond transactions system** that enables clients to trade and keep track of their portfolio online with the latest news in the bond market.
- eKYC facilitates** onboarding of new investors in a simple and convenient manner. Account registration and money deposit are in just a few clicks.

**Robust online trading platforms and apps, clear and sufficient trading protocols, dedicated customer service.**





## INTERNAL ACTIVITIES

In 2021, global socio-economic development was continuously devastated by the profound impacts of COVID-19. Sharing the same fate with other affected businesses in Vietnam, the Company's BOM adopted flexible policies in response to the current circumstance, in which the health and safety of the entire staff were considered a top priority. As of January 2022, 100% of employees were vaccinated up to the booster shot.

100%  
OF VCSC'S EMPLOYEES  
ARE VACCINATED

VIET CAPITAL  
SECURITIES



All VCSC employees  
were vaccinated against COVID-19

100% PROTECTION

FOR THEMSELVES  
& CUSTOMERS



Realizing that a healthy community can be achieved if only its members are safe, VCSC places the utmost emphasis on employee health, guaranteeing utmost safety for clients, partners, and investors, and more importantly, contributing to a disease-free community.

## Promoting SPORTSMANSHIP

VCSC fully sponsors the company's sports clubs, including football, badminton, tennis, among others in addition to basic performance incentives. Not only weekly training sessions, but VCSC also hosts friendly tournaments between these clubs with various divisions and departments.



The club membership allows VCSC employees to live a healthy lifestyle, hence promoting solidarity and better connection as well boosting productivity.



## Teambuilding ACTIVITIES

Internal events such as the Year-End Party, International Children's Day, International Women's Day, and a Happy Birthday Celebration for staff have been held over the years. Last January, VCSC's leadership team and staff gathered in a cozy atmosphere for the year-end party themed "Into The Next Era" to celebrate a breakthrough year filled with impressive accomplishments.

The company trip, colloquially referred to as Awayday, is the largest annual activity for all VCSC employees nationwide. Traditionally, the company trip lasts two to three days and is packed with a variety of team-building activities designed to help VCSC members strengthen their bonds. However, due to the ongoing pandemic, VCSC temporarily postponed this annual program in 2021, making 2022 all the more worthwhile with an abundance of internal activities.

These internal events are intended to foster communication between the leadership team and employees, as well as between departments. The objective is to foster a positive work environment that fosters both individual and organizational growth.







## CSR ACTIVITIES

# Spread love for a better future



1. Implementing "Zero cost Supermarket" project
2. Donating to Thong Nhat hospital's fund for COVID-19 prevention
3. Sending medical equipments and medical testing machines (Roche) to frontline hospitals in Ho Chi Minh City

## VCSC JOIN HANDS WITH THE COMMUNITY IN THE FIGHT AGAINST COVID-19

Spreading love, helping the less fortunate, and joining hands with the community to overcome challenges are building blocks in VCSC's CSR (Corporate Social Responsibility) activities. We believe that the contribution to humane society are the core foundation for VCSC's sustainable development. Acknowledging our role in community support, VCSC proactively seeks opportunities to offer meaningful assistance to the community, particularly those heavily affected by the impacts of COVID-19 pandemic in 2021.

## MEALS OF LOVE

Dedicated to helping community in time of uncertainty, accompanying frontline doctors in the fight against COVID-19 is one of the most memorable journeys that VCSC had the chance to participate in in 2021. With 800 charity meals wholeheartedly and carefully prepared for frontline forces on a daily basis, VCSC and other benefactors from D1-Concepts and Khang Dien Real Estate hope that our efforts, though inconsiderable, act as a token of appreciation to the "blouse soldiers" who have steadfastly fought against the pandemic.



## ADOPTING 300 CHILDREN ORPHANED BY COVID-19 PANDEMIC

After implementing "Arms of love" project, VCSC cooperated with International Dairy Products Joint Stock Company (IDP) to adopt 300 orphans and committed to sponsoring these children until the age of 18, with a support level from VND2m to VND3m for each child per month.

The aim of this activity is to ensure that the orphans are provided with conditions which enable them to develop in all aspects, thereby becoming a good citizen with great future prospects.

With a deep sense of community responsibility on the journey of sustainable development, VCSC treasures every opportunity to support underprivileged children. We believe that this is a noble gesture showing our Vietnamese traditional spirit of mutual affection, becoming the driving force to spread love and solidarity across the country.

VCSC hopes that this project will reach out to all children across the country so that they are all equally loved and cared by community, as well as provided with opportunities to develop comprehensively for a better future.

## Nỗi Vòng Tay Yêu Thương



In addition, VCSC always pays special attention to sponsoring charity activities in all aspects:

- Sending medical equipment and medical testing machines (Roche) to frontline hospitals in Ho Chi Minh City
- Implementing "Zero cost Supermarket" project
- Donating to Thong Nhat hospital's fund for COVID-19 prevention and control fund
- Offering support for people affected by the pandemic in some provinces and cities such as Thai Binh, Hoa Binh, Hau Giang, Dien Bien, etc.





# GRI Content index

## GENERAL DISCLOSURES

GRI	Public information	Report content	Page
<b>Strategy and Analysis</b>			
G4-2	Description of key impacts, risks, and opportunities	Orientation for sustainable development; Sustainability-oriented corporate governance	107
<b>Organizational Profile</b>			
G4-3	Name of the organization	Report overview	13
G4-4	Primary brands, products, and services	Business segments - Annual report	15
G4-5	Location of organization's headquarters	Company information - Annual report	14
G4-7	Nature of ownership and legal form	Company information - Annual report	16
G4-8	Markets served	Company information - Annual report	31
G4-9	Scale of the organization	Company information - Annual report	19
G4-10	Breakdown of workforce	Engaging staff on sustainable development	38
<b>Identified Material Aspects and Boundaries</b>			
G4-18	Explain the process for defining the report content and the aspect boundaries. Explain how the organization has applied the reporting principles for defining report content	Engaging stakeholders on sustainable development; Identification of material aspects	
<b>Strategy and Analysis</b>			
G4-19	List all the material aspects identified in the process for defining report content	Identification of material aspects	24
G4-22	Report the effect of any restatements of information provided in previous reports, and reasons for such restatements	No restatement of information in this report	27
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries	No significant changes	28

GRI	Public information	Report content	Page
<b>Stakeholder engagement</b>			
G4-24	List of stakeholder groups engaged by the organization	Engaging stakeholders on sustainable development	111
G4-25	Basis for identification and selection of stakeholders	Engaging stakeholders on sustainable development	110
G4-26	Approaches to stakeholder engagement	Engaging stakeholders on sustainable development	110
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Engaging stakeholders on sustainable development	115
<b>Report profile</b>			
G4-28	Reporting period	Report overview	
G4-29	Date of most recent previous report	2022 (for 2021 reporting)	
G4-30	Reporting cycle	Annually	
G4-31	Contact point for questions	Report overview	
<b>Governance</b>			
G4-34	Governance structure of the organization	Organizational structure - Annual report	86
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	Behaviors towards stakeholders	
<b>Highest Governance Body's Role in Setting Purpose, Values, and Strategy</b>			
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	Risk management - Annual report; Sustainability-oriented corporate governance	71
<b>Remuneration and Incentives</b>			
G4-51	Report the remuneration policies for the highest governance body and senior executives	Remuneration and benefits of the BOD and BOS - Annual report	81



## SPECIFIC DISCLOSURES

GRI	Public information	Report content	Page
<b>ECONOMIC GOALS</b>			
<b>Economic performance</b>			
G4-EC1	Direct economic value generated and distributed	Sustainable economic growth	
<b>Direct economic impacts</b>			
G4-EC8	Significant indirect economic impacts	Sustainable economic growth	
<b>SOCIAL GOALS</b>			
<b>Labor practices and decent work</b>			40
<b>Employment</b>			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Engaging staff on sustainable development	43
G4-LA2	Benefits provided to full-time employees by significant locations of operation	Engaging staff on sustainable development	48
<b>Training and Education</b>			
G4-LA9	Average hours of training per year per employee	Engaging staff on sustainable development	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Engaging staff on sustainable development	45
<b>Diversity and Equal Opportunity</b>			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Engaging staff on sustainable development	48



GRI	Public information	Report content	Page
<b>Equal Remuneration for Women and Men</b>			
G4-LA13	Ratio of basic salary and emuneration of women to men by employee category, by significant locations of operation	Engaging staff on sustainable development	48
<b>Local Communities</b>			
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Community-oriented activities	122
<b>Product Responsibility</b>			
G4-S01	Results of surveys measuring customer satisfaction	Actions for customers	119



# VALUE AFFIRMATION

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- 130 Shareholder structure
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## STOCK INFORMATION & Investor interactions

**V**CSC achieved a record-high profit in 2021 as a result of favorable market movements, the BOM's effective business strategy, and the constant efforts of the employees. VCSC's stock price increased drastically by the end of 2021.





## STOCK INFORMATION

# & Investor interactions

## STOCK INFORMATION

COVID-19 still posed great uncertainty in 2021, particularly for the Vietnamese economy and business operations. These impacts were reflected in Vietnam's stock market with all-time high trading volume across three trading venues in 2021. This was attributed to the rapid COVID-19 vaccination

rollout, low-interest rates, promising business performance of several listed companies, and investors' high expectations for economic recovery and companies' earnings growth in 2021. As a result, high market liquidity helped propel securities firms forward, especially the brokerage and margin lending segments. In addition, there was also a significant increase in the number of M&A deals and IPO transactions in 2021, owing to the VN-Index's strong recovery and positive market sentiment. However, the booming stock market also posed challenges for securities companies due to fierce competition in brokerage and margin lending, as well as the continued net selling of foreign investors from the frontier and emerging markets.

As VN-Index finished the year at  
(Points)

# 1,498

VCSC exceeded the above target by  
(%)

# 48

VCSC's stock price increased  
drastically to  
(VND)

# 72,800

up 162% compared to the price  
at the beginning of the year

At the start of 2021, VCSC's BOM anticipated that with the prospect of a successful COVID-19 vaccination campaign by the end of 2020, the stock market would bounce back, thereby improving VCSC's business results. Therefore, we set a target of profit before tax of VND1,250bn (+31% YoY) in 2021. As VN-Index finished the year at 1,498 points accompanied by explosive liquidity, VCSC exceeded the above target by 48%.

VCSC achieved a record-high profit in 2021 as a result of favorable market movements, the BOM's effective business strategy, and the constant efforts of the employees. Thus, VCSC's stock price increased drastically to VND72,800 by the end of 2021, up 162% compared to the price of VND27,740 at the beginning of the year.

Sharing the same patterns with other stocks in the market, VCSC's stock saw a rapid plunge in price under strong market correction in the first half of 2020, especially during the COVID-19 outbreak in March resulting in a nationwide social distancing order in the first two weeks of April. As the pandemic was basically contained in the second half of 2020, market liquidity benefited from economic recovery after a major COVID-induced disruption and SBV's policy rate cut, which led to the resurgence of the VN-Index from 656 points in March 2020 to 1,104 points by the end of 2020. This helped lift VCSC business results and stock price.

**A**s Vietnam's macroeconomic prospects are looking up, the stock market is expected to continue this wonderful run in 2022. This, along with the effective and astute business strategy, would give a huge boost for the BOM's conviction on another watershed year for VCSC's business operations in 2022.

## INVESTOR INTERACTIONS



**I**n 2021, VCSC continued to provide regular, comprehensive, and accurate company updates.

Along with our quarterly financial statements, VCSC published quarterly business reports that detailed the operations and financial performance of each division and department. Due to the fourth wave of COVID-19 in Vietnam, direct contact and face-to-face meetings between our company and investors were hampered. VCSC, on the other hand, maintained online meetings with institutional investors to keep

them informed of our business's progress, results, and prospects. Additionally, in December 2021, the Department of Investor Relations and the Domestic Brokerage Division co-hosted the VCSC Edu webinar. The goal was to provide valuable investing knowledge to VCSC's clients via the sharing of representatives from investment funds, individual investors, and VCSC's BOM.

**The email portal: [ir@vcsc.com.vn](mailto:ir@vcsc.com.vn)** received investors' requests for information about our overall strategy and financial status, which was promptly responded to by relevant departments. Through these information channels, VCSC's BOM worked closely with those who have interests in VCI stock, either in group meetings or one-on-one meetings.





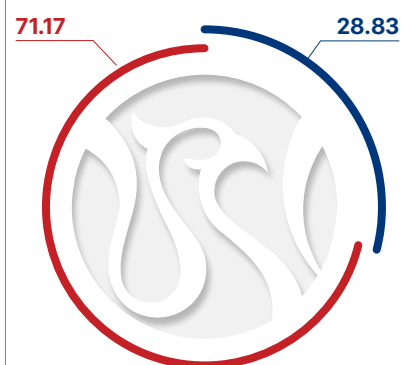
## SHAREHOLDER STRUCTURE

# SHAREHOLDER INFORMATION

AS OF 20/12/2021

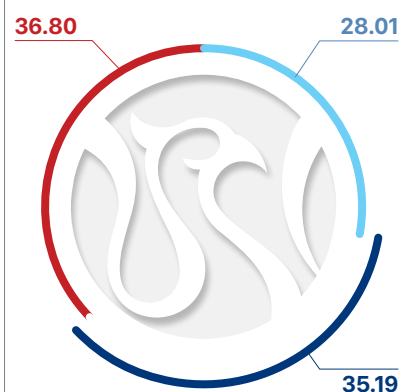
No.	Category	Number of Shares	Value (10,000 VND)	Ratio (%)
▲	<b>TOTAL EQUITY</b>	<b>333,000,000</b>	<b>3,330,000,000,000</b>	<b>100%</b>
1	<b>Internal shareholders</b>			
	BOM, BOD, BOS, CA	96,004,556	960,045,560,000	28.83%
2	<b>Other shareholders</b>			
	Retail and institutional	236,995,444	2,369,954,440,000	71.17%
▲	<b>TOTAL EQUITY</b>	<b>333,000,000</b>	<b>3,330,000,000,000</b>	<b>100%</b>
1	Shareholders owning 5% or more	93,288,022	932,880,220,000	28.01%
2	Shareholders owning 1% to less than 5%	117,168,936	1,171,689,360,000	35.19%
3	Shareholders owning under 1%	122,543,042	1,225,430,420,000	36.80%
▲	<b>TOTAL EQUITY</b>	<b>333,000,000</b>	<b>3,330,000,000,000</b>	<b>100%</b>
1	Foreign shareholders	69,016,913	690,169,130,000	20.73%
2	Local shareholders	263,983,087	2,639,830,870,000	79.27%

Structure of shareholders in shares (%)



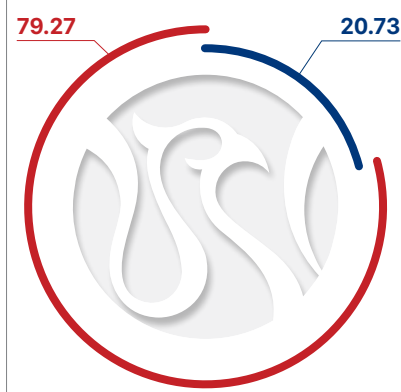
○ Internal shareholders  
○ Other shareholders

Structure of shareholders in quantity brackets (%)



○ Shareholders owning 5% or more  
○ Shareholders owning 1% to less than 5%  
○ Shareholders owning under 1%

Structure of shareholders by individual & foreign (%)



○ Foreign shareholders  
○ Local shareholders

## LIST OF MAJOR SHAREHOLDERS

No.	Individual / Organization	Number of Shares	Number of deposited shares	Ownership ratio (%)
1	To Hai	75,719,766	12,680,000	22.74%
2	Truong Nguyen Thien Kim	17,568,256	4,000,000	5.27%

## LIST OF INTERNAL SHAREHOLDERS

No.	Name	Position	Total	Proportional ownership (%)
<b>BODS</b>				
1	Nguyen Thanh Phuong	Chairwoman	13,500,000	4.05%
2	To Hai	Member	75,719,766	22.74%
3	Tran Quyet Thang	Member	540,000	0.16%
4	Nguyen Hoang Bao	Member	0	0%
5	Le Pham Ngoc Phuong	Member	0	0%
6	Nguyen Lan Trung Anh	Member	0	0%
7	Nguyen Viet Hoa	Member	0	0%
<b>BOM</b>				
1	Dinh Quang Hoan	Deputy General Director	3,919,950	1.18%
2	Nguyen Quang Bao	Deputy General Director	2,126,400	0.64%
<b>BOS</b>				
1	Truong Ngoc Hoai Phuong	Chief Supervisor	0	0.00%
2	Bui Thi Minh Nguyet	Member	0	0.00%
3	Truong Thi Huyen Trang	Member	0	0.00%
<b>CHIEF ACCOUNTANT</b>				
1	Doan Minh Thien	Chief Accountant	190,000	0.06%
<b>IN CHARGE OF CORPORATE GOVERNANCE</b>				
1	Bui Vu Hoang Tuyen	In charge of corporate governance	8,440	0.00%
<b>TOTAL</b>			<b>96,004,556</b>	<b>28.83%</b>



**Establishment and operation licence**

No. 68/UBCK-GP dated 6 November 2007 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 52/GPDC-UBCK was issued on 12 July 2021.

**Board of Directors**

Ms. Nguyen Thanh Phuong	Chairperson
Mr. To Hai	Member
Mr. Tran Quyet Thang	Member
Mr. Nguyen Hoang Bao	Member
Mr. Le Pham Ngoc Phuong	Member
Mr. Nguyen Lan Trung Anh	Member
Ms. Nguyen Viet Hoa	Member (from 09.04.2021)
Mr. Huynh Richard Le Minh	Member (from 09.04.2021)

**Board of Supervision**

Mr. Truong Ngoc Hoai Phuong	Chief Supervisor
Ms. Bui Thi Minh Nguyet	Member
Ms. Truong Thi Huyen Trang	Member

**Board of Management**

Mr. To Hai	General Director
Mr. Nguyen Quang Bao	Deputy General Director
Mr. Dinh Quang Hoan	Deputy General Director

**Legal Representative**

Mr. To Hai	General Director
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**Registered office**

15<sup>th</sup> Floor, Bitexco Financial Tower  
No. 2, Hai Trieu Street, District 1 Ho Chi Minh City, Vietnam

**Auditor**

PwC (Vietnam) Limited

**STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE FINANCIAL STATEMENTS**

The Board of Management of Viet Capital Securities Joint Stock Company ("the Company") is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations, cash flows and changes in equity for the year then ended. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or errors.

**APPROVAL OF THE FINANCIAL STATEMENTS**

We hereby approve the accompanying financial statements as set out on pages 136 to 205 which give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

**ON BEHALF OF THE BOARD OF MANAGEMENT**



**To Hai**  
Chief Executive Officer

Ho Chi Minh City, Vietnam  
10 March 2022





## FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF VIET CAPITAL SECURITIES JOINT STOCK COMPANY

We have audited the accompanying financial statements of Viet Capital Securities Joint Stock Company ("the Company") which were prepared on 31 December 2021 and approved by the Board of Management on 10 March 2022. The financial statements comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 136 to 205.

### THE BOARD OF MANAGEMENT'S RESPONSIBILITY

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and true and fair presentation of the 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### AUDITOR'S OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

### OTHER MATTER

The independent's auditor report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



**Tran Thi Thanh Truc**  
Audit Practising Licence No.  
3047-2019-006-1  
Authorised signatory

Report reference number: HCM11493  
Ho Chi Minh City, 10 March 2022

**Doan Tran Phuong Thao**  
Audit Practising Licence No.  
4701-2019-006-1



# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

Form B01 - CTCK

Code	ITEMS	Note	As at	
			31.12.2021 VND	31.12.2020 VND
	<b>ASSETS</b>			
<b>100</b>	<b>CURRENT ASSETS</b>		<b>16,568,965,942,558</b>	<b>8,312,170,798,945</b>
<b>110</b>	<b>Financial assets</b>		<b>16,415,067,989,149</b>	<b>8,214,643,150,141</b>
111	Cash and cash equivalents	3.1	1,131,748,599,533	642,512,983,590
111.1	Cash		1,131,748,599,533	642,512,983,590
111.2	Cash equivalents		-	-
112	Financial assets at fair value through profit or loss ("FVTPL")	3.2(a)	1,221,516,469,435	614,823,602,299
113	Investments held to maturity ("HTM")	3.2(b)	753,719,000,000	106,000,000,000
114	Loans	3.3	7,701,237,131,479	3,881,642,718,172
115	Available-for-sale financial assets ("AFS")	3.2(c)	5,323,810,269,012	2,712,657,552,909
116	Provisions for impairment loss of financial assets and collaterals	3.3	(2,169,825,587)	(2,384,027,974)
117	Receivables	3.4	236,146,930,094	221,798,617,565
117.1	Receivables from disposals of financial assets		188,294,807,000	200,850,615,300
117.2	Dividend and interest receivables		47,852,123,094	20,948,002,265
117.4	Dividend and interest receivables not yet due		47,852,123,094	20,948,002,265
118	Prepayments to suppliers	3.5	20,164,828,099	18,747,621,456
119	Service-related receivables	3.4	30,823,037,084	14,833,156,124
122	Other receivables	3.4	-	5,939,376,000
129	Provisions for doubtful debts	3.4	(1,928,450,000)	(1,928,450,000)
<b>130</b>	<b>Other current assets</b>		<b>153,897,953,409</b>	<b>97,527,648,804</b>
131	Advances		530,106,947	631,993,037
132	Office tools and supplies		76,961,000	62,740,000
133	Short-term prepaid expenses		2,574,424,574	5,499,112,767
135	Value Added Tax to be reclaimed		1,543,240	-
137	Other current assets	3.7(a)	150,714,917,648	91,333,803,000
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>67,299,004,559</b>	<b>70,234,326,495</b>
<b>220</b>	<b>Fixed assets</b>		<b>13,155,825,424</b>	<b>14,384,201,512</b>
221	Tangible fixed assets	3.6(a)	9,960,774,421	8,034,947,913
222	Historical cost		62,383,707,160	56,115,140,796
223a	Accumulated depreciation		(52,422,932,739)	(48,080,192,883)
227	Intangible fixed assets	3.6(b)	3,195,051,003	6,349,253,599
228	Historical cost		49,981,431,542	49,981,431,542
229a	Accumulated amortisation		(46,786,380,539)	(43,632,177,943)
<b>240</b>	<b>Construction in progress</b>	<b>3.6(c)</b>	<b>5,809,600,000</b>	<b>5,649,600,000</b>
<b>250</b>	<b>Other non-current assets</b>		<b>48,333,579,135</b>	<b>50,200,524,983</b>
251	Long-term pledged assets, mortgaged assets, security deposits		4,927,625,066	5,987,200,091
252	Long-term prepaid expenses		10,702,485,700	12,950,546,970
254	Deposits in the Settlement Support Fund	3.7(b)	22,591,443,032	21,169,262,072
255	Other non-current assets	3.7(c)	10,112,025,337	10,093,515,850
<b>270</b>	<b>TOTAL ASSETS</b>		<b>16,636,264,947,117</b>	<b>8,382,405,125,440</b>

The notes on pages 146 to 205 are an integral part of these financial statements.

Code	ITEMS	Note	As at	
			31.12.2021 VND	31.12.2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>10,094,401,701,730</b>	<b>3,860,918,605,726</b>
<b>310</b>	<b>Current liabilities</b>		<b>9,615,482,121,617</b>	<b>3,733,857,117,341</b>
311	Short-term borrowings		6,362,680,000,000	2,696,130,000,000
312	Short-term borrowings	3.9	6,362,680,000,000	2,696,130,000,000
316	Short-term issued bonds	3.9	1,964,070,000,000	668,320,000,000
318	Trading obligations	3.10	79,581,842,302	18,874,600,217
320	Short-term trade payables	3.11	587,193,591,020	100,113,858,204
321	Short-term customers' advances	3.12	52,551,076,244	7,971,369,863
322	Taxes and other payables to the State	3.13	157,629,858,019	95,855,416,887
323	Payables to employees		326,845,972,777	89,086,690,581
324	Accrued employees' welfares		140,272,500	-
325	Short-term accrued expenses	3.14	72,911,685,779	29,820,525,679
329	Other short-term payables	3.15	11,877,822,976	27,684,655,910
<b>340</b>	<b>Non-current liabilities</b>		<b>478,919,580,113</b>	<b>127,061,488,385</b>
356	Deferred income tax liabilities	3.16	478,919,580,113	127,061,488,385
	<b>TOTAL LIABILITIES</b>		<b>10,094,401,701,730</b>	<b>3,860,918,605,726</b>
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>6,541,863,245,387</b>	<b>4,521,486,519,714</b>
<b>410</b>	<b>Owners' equity</b>		<b>6,541,863,245,387</b>	<b>4,521,486,519,714</b>
411	Owners' capital		3,334,500,000,000	2,240,917,295,890
411.1	Share capital	3.17	3,330,000,000,000	1,656,000,000,000
411.1a	Ordinary shares with voting rights		3,330,000,000,000	1,656,000,000,000
411.2	Share premium	7.1	4,500,000,000	584,917,295,890
411.5	Treasury shares		-	-
412	Revaluation reserve	3.18	1,665,653,687,451	426,695,337,106
414	Supplementary capital reserve		67,496,330,852	115,757,247,094
415	Financial risk and operation reserve		233,096,330,852	165,600,000,000
417	Undistributed earnings	3.19	1,241,116,896,232	1,572,516,639,624
417.1	Realised profits after tax		1,024,259,038,107	1,504,450,539,793
417.2	Unrealised profits		216,857,858,125	68,066,099,831
	<b>TOTAL EQUITY</b>		<b>6,541,863,245,387</b>	<b>4,521,486,519,714</b>
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>16,636,264,947,117</b>	<b>8,382,405,125,440</b>

The notes on pages 146 to 205 are an integral part of these financial statements.





## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION (CONTINUED)

Form B01 - CTCK

#### OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31.12.2021	31.12.2020
<b>A</b>	<b>ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT</b>			
004	Bad debts written off (VND)	4.1	25,145,170,448	25,145,170,448
005	Foreign currencies (VND equivalent)	4.2	237,318,007,088	22,604,539,518
006	Number of shares in issue (shares)	4.3	333,000,000	165,600,000
			-	-
			<b>Quantity</b>	
008	Securities listed/registered at Vietnam Securities Depository (VSD)	4.4	98,582,364	69,691,744
010	Securities purchased and awaiting settlement	4.5	5,226,586	3,090,532
012	Securities not in custody of VSD	4.6	24,922,159	23,132,381
014	Covered warrants authorised but not yet issued	4.7	33,417,400	3,897,980
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS</b>		<b>Quantity</b>	
021	Securities listed/registered at the Vietnam Securities Depository ("VSD")		2,770,078,395	2,399,005,498
021.1	<i>Freely traded securities</i>		2,223,890,918	1,990,739,149
021.2	<i>Restricted securities</i>		175,669,929	171,542,642
021.3	<i>Pledged securities</i>		326,821,911	185,095,066
021.4	<i>Suspended securities</i>		1,863,441	18,542,161
021.5	<i>Securities awaiting settlement</i>		41,832,196	33,086,480
023	Securities purchased and awaiting settlement		38,060,123	14,485,745

#### OFF STATEMENT OF FINANCIAL POSITION ITEMS (continued)

Code	ITEMS	As at	
		31.12.2021	31.12.2020
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)</b>	<b>Value (VND)</b>	
026	Customers' deposits	3,134,359,469,453	2,750,620,249,557
027	Customers' deposits for securities trading	1,427,063,444,480	1,933,455,555,057
027.1	Customers' deposits at VSD	38,650,610,938	85,260,570,917
029	Cash blocked for trading settlements	1,707,296,024,973	817,164,694,500
029.1	<i>Cash blocked for trading settlements of domestic customers</i>	1,677,096,776,973	701,736,173,400
029.2	<i>Cash blocked for trading settlements of foreign customers</i>	30,199,248,000	115,428,521,100
031	Payables to customers relating to their deposits at the Company for securities trading	1,427,063,444,480	1,933,455,555,057
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	1,227,164,620,341	1,480,145,300,524
032.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	199,898,824,139	453,310,254,533
035	Payables for dividends, bond principals and coupons payments on behalf	1,669,649,100	3,476,242,800

**Nguyen Thi Lan**  
Preparer

**Doan Minh Thien**  
Chief Accountant



**To Hai**  
Chief Executive Officer  
10 March 2022

The notes on pages 146 to 205 are an integral part of these financial statements.

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# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

Form B02 - CTCK

		For the year ended	
Code	ITEMS	31.12.2021 VND	31.12.2020 VND
<b>OPERATING INCOME</b>			
01	Income from FVTPL financial assets	1,864,457,170,207	889,393,998,425
01.1	Realised gains on disposal of FVTPL financial assets	1,589,792,906,521	893,175,954,490
01.2	Increase/(decrease) in upward revaluation of FVTPL financial assets	182,633,550,307	(60,530,814,811)
01.3	Dividends and interest income from FVTPL financial assets	55,110,709,878	56,734,539,167
01.4	Increase in downward revaluation of covered warrants liabilities	36,920,003,501	14,319,579
02	Income from HTM financial assets	3,303,443,834	18,647,875,460
03	Interest income from loans and receivables	576,917,998,289	295,297,126,841
04	Dividend income from AFS financial assets	94,549,192,664	-
06	Brokerage fee income	857,252,510,639	466,368,923,917
07	Underwriting income and placing fee income	272,727,272	2,600,000,000
08	Investment consultancy service income	10,566,741,414	9,462,667,650
09	Custody service income	9,567,780,983	11,975,207,024
10	Financial consultancy service income	274,717,254,545	24,802,444,775
11	Other operating income	15,463,904,645	11,043,346,471
<b>20</b>	<b>TOTAL OPERATING INCOME</b>	<b>3,707,068,724,492</b>	<b>1,729,591,590,563</b>
<b>OPERATING EXPENSES</b>			
21	Losses from FVTPL financial assets	(650,260,538,269)	(203,461,038,032)
21.1	Realised losses on disposal of FVTPL financial assets	(616,696,682,328)	(273,047,363,561)
21.2	(Increase)/decrease in downward revaluation of FVTPL financial assets	(24,561,465,059)	72,499,436,591
21.4	Increase in upward revaluation of covered warrants liabilities	(9,002,390,882)	(2,913,111,062)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans	214,202,387	38,400,000
26	Proprietary trading activities	(30,162,262,479)	(13,197,922,818)
27	Brokerage expenses	(570,693,058,669)	(267,851,032,315)
30	Custody service expenses	(10,360,354,702)	(10,978,331,489)
31	Financial consultancy service expenses	(58,245,253,838)	(17,519,912,924)
32	Other operating expenses	(6,626,556,952)	(9,034,647,654)
<b>40</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>(1,326,133,822,522)</b>	<b>(522,004,485,232)</b>

The notes on pages 146 to 205 are an integral part of these financial statements.

		For the year ended	
Code	ITEMS	31.12.2021 VND	31.12.2020 VND
<b>FINANCIAL INCOME</b>			
41	Foreign exchange gains	20,675,000,000	1,280,000,000
42	Dividend income and interest income from demand deposits	4,941,869,946	4,578,556,094
<b>50</b>	<b>TOTAL FINANCIAL INCOME</b>	<b>25,616,869,946</b>	<b>5,858,556,094</b>
<b>FINANCIAL EXPENSES</b>			
51	Foreign exchange losses	(9,741,600,000)	(5,300,000,000)
52	Interest expense	(330,776,772,616)	(173,513,458,172)
55	Other financial expenses	(27,321,991,009)	(11,809,305,565)
<b>60</b>	<b>TOTAL FINANCIAL EXPENSES</b>	<b>(367,840,363,625)</b>	<b>(190,622,763,737)</b>
<b>62</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(187,858,228,291)</b>	<b>(72,405,019,485)</b>
<b>70</b>	<b>OPERATING RESULT</b>	<b>1,850,853,180,000</b>	<b>950,417,878,203</b>
<b>OTHER INCOME AND EXPENSES</b>			
71	Other income	69,316,632	621,078,878
72	Other expenses	(337,103,544)	-
<b>80</b>	<b>NET OTHER (EXPENSES)/INCOME</b>	<b>(267,786,912)</b>	<b>621,078,878</b>
<b>90</b>	<b>NET ACCOUNTING PROFIT BEFORE TAX</b>	<b>1,850,585,393,088</b>	<b>951,038,957,081</b>
91	Realised profit	1,664,595,695,221	941,969,126,784
92	Unrealised profit	185,989,697,867	9,069,830,297
<b>100</b>	<b>BUSINESS INCOME TAX</b>	<b>(351,867,017,760)</b>	<b>(182,126,667,660)</b>
100.1	Business income tax - current	(309,748,513,618)	(182,422,798,514)
100.2	Business income tax - deferred	(42,118,504,142)	296,130,854
<b>200</b>	<b>NET PROFIT AFTER TAX</b>	<b>1,498,718,375,328</b>	<b>768,912,289,421</b>
<b>300</b>	<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>1,238,958,350,345</b>	<b>100,394,190,636</b>
301	Increase in upward revaluation of AFS financial assets	1,238,958,350,345	100,394,190,636
<b>400</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,238,958,350,345</b>	<b>100,394,190,636</b>
<b>EARNINGS PER SHARE</b>			
501	Basic earnings per share (VND/share)	4,502	2,334
502	Diluted earnings per share (VND/share)	4,502	2,334

Nguyen Thi Lan  
Preparer

Doan Minh Thien  
Chief Accountant



To Hai  
Chief Executive Officer  
10 March 2022

The notes on pages 146 to 205 are an integral part of these financial statements.





**FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS**  
 (Indirect method)

Form B03b - CTCK

		For the year ended	
Code	ITEMS	31.12.2021 VND	31.12.2020 VND
	<b>Cash flows from operating activities</b>		
01	Net profit before tax	1,850,585,393,088	951,038,957,081
02	Adjustments for:	290,207,389,587	162,664,702,012
03	Depreciation and amortisation	7,496,942,452	10,634,646,105
04	Provisions	(214,202,387)	(35,400,000)
06	Interest expenses	330,776,772,616	173,513,458,172
07	Profits from investing activities	-	(500,000,000)
08	Accrued interest income	(47,852,123,094)	(20,948,002,265)
10	<b>Changes in non-cash expenses</b>	<b>24,561,465,059</b>	<b>(72,499,436,591)</b>
11	Increase/(decrease) in downward revaluation of FVTPL financial assets	24,561,465,059	(72,499,436,591)
18	<b>Changes in non-cash income</b>	<b>(182,633,550,307)</b>	<b>60,530,814,811</b>
19	(Increase)/decrease in upward revaluation of FVTPL financial assets	(182,633,550,307)	60,530,814,811
30	<b>Changes in working capital</b>	<b>(5,732,733,292,320)</b>	<b>(1,673,271,187,005)</b>
31	(Increase)/decrease in FVTPL financial assets	(448,620,781,888)	192,048,083,867
32	(Increase)/decrease in HTM financial assets	(647,719,000,000)	155,500,000,000
33	Increase in loans	(3,819,594,413,307)	(849,367,261,185)
34	Increase in AFS financial assets	(1,372,194,365,758)	(881,289,977,120)
35	Decrease/(increase) in receivables from disposals of financial assets	12,555,808,300	(200,850,615,300)
36	Decrease in dividend and interest receivables	20,948,002,265	44,767,477,295
37	Increase in service-related receivables	(15,989,880,960)	(7,152,071,852)
39	Decrease in other receivables	5,939,376,000	57,321,090,000
40	(Increase)/decrease in other assets	(58,253,927,260)	72,597,781,552
41	(Decrease)/increase in accrued expenses (excluding interest expenses)	(12,674,208,749)	19,142,542,631
42	Decrease/(increase) in prepaid expenses	5,172,749,463	(712,337,571)
43	Business income tax paid	(277,954,908,256)	(160,512,817,898)
44	Interest paid	(275,011,403,767)	(225,296,366,647)
45	Increase in trade payables	485,662,526,173	351,300,413,507
46	Increase in employee welfare payables	140,272,500	-
47	Increase in tax and other payables to the State (excluding business income tax paid)	339,720,423,356	43,223,650,380
48	Increase/(decrease) in payables to employees	237,759,282,196	(17,776,014,051)
50	Increase/(decrease) in other payables	88,803,338,332	(265,045,502,541)
52	Other payments for operating activities	(1,422,180,960)	(1,169,262,072)

60	Net cash outflows for operating activities	(3,750,012,594,893)	(571,536,149,692)
	<b>Cash flows from investing activities</b>		
61	Purchases of fixed assets	(6,428,566,364)	(13,821,350,820)
62	Proceeds from disposals of fixed assets	-	500,000,000
70	<b>Net cash outflows for investing activities</b>	<b>(6,428,566,364)</b>	<b>(13,321,350,820)</b>

			For the year ended	
Code	ITEMS	Note	31.12.2021 VND	31.12.2020 VND
	Cash flows from financing activities			
71	Proceeds from issuance of shares		13,500,000,000	13,452,168,000
72	Payments for share repurchases		-	(852,000,000)
73	Proceeds from borrowings	6.1	16,591,566,600,000	7,065,840,000,000
74.3	Repayments of borrowings	6.2	(11,629,266,600,000)	(6,233,940,000,000)
76	Payment of dividends	3.15	(730,123,222,800)	(411,641,446,500)
80	Net cash inflows from financing activities		4,245,676,777,200	432,858,721,500
90	Net increase/(decrease) in cash and cash equivalents		489,235,615,943	(151,998,779,012)
101	Cash and cash equivalents at beginning of year	3.1	642,512,983,590	794,511,762,602
101.1	Cash		642,512,983,590	789,511,762,602
101.2	Cash equivalents		-	5,000,000,000
103	Cash and cash equivalents at end of year	3.1	1,131,748,599,533	642,512,983,590
103.1	Cash		1,131,748,599,533	642,512,983,590

Additional information relating to the statement of cash flows is presented in Note 6.

The notes on pages 146 to 205 are an integral part of these financial statements.

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FINANCIAL STATEMENTS  
STATEMENT OF CASH FLOWS (continued)

Form B03b - CTCK

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

		For the year ended	
Code	ITEMS	31.12.2021 VND	31.12.2020 VND
Cash flows of brokerage and entrustment activities			
01	Brokerage trading proceeds	157,293,871,174,113	119,198,958,061,970
02	Brokerage trading payments	(216,584,590,063,755)	(194,827,680,368,677)
07	Receipts for settlement of customers' transactions	59,729,621,830,519	77,690,059,796,252
07.1	Net movement in customers' margin accounts at VSD for derivative trading	(46,609,959,979)	76,418,458,553
11	Payments for custody fees of customers	(10,360,354,702)	(10,978,331,489)
20	Net increase in customers' deposits	381,932,626,196	2,126,777,616,609
30	Customers' deposits at beginning of year	2,754,096,492,357	627,318,875,748
31	Cash at bank	2,754,096,492,357	627,318,875,748
32	Customers' deposits for securities trading under monitoring of the Company	1,933,455,555,057	385,530,590,048
34	Cash blocked for clearing and settlement	820,640,937,300	241,788,285,700
40	Customers' deposits at end of year	3,136,029,118,553	2,754,096,492,357
41	Cash at bank	3,136,029,118,553	2,754,096,492,357
42	Customers' deposits for securities trading under monitoring of the Company	1,427,063,444,480	1,933,455,555,057
44	Cash blocked for clearing and settlement	1,708,965,674,073	820,640,937,300

Nguyen Thi Lanh  
Preparer

Doan Minh Thien  
Chief Accountant



To Hai  
Chief Executive Officer  
10 March 2022

The notes on pages 146 to 205 are an integral part of these financial statements.



FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY

Form B04 - CTCK

Items	As at		For the year ended 31 December 2021		For the year ended 31 December 2020		As at	
	1.1.2020	1.1.2021	Increase	Decrease	Increase	Decrease	31.12.2020	31.12.2021
I. Changes in equity								
1. Owners' capital	2,228,317,127,890	2,240,917,295,890	13,000,592,110	(400,424,110)	167,850,000,000,000	(584,917,295,890)	2,240,917,295,890	3,334,500,000,000
1.1 Ordinary shares with voting rights	1,644,000,000,000	1,656,000,000,000	12,000,000,000	-	167,400,000,000,000	-	165,600,000,000,000	3,330,000,000,000
1.2 Share premium	585,317,720,000	584,917,295,890	-	(400,424,110)	4,500,000,000	(584,917,295,890)	584,917,295,890	4,500,000,000
1.3 Treasury shares	(1,000,592,110)	-	1,000,592,110	-	-	-	-	-
2. Supplementary capital reserve	77,674,425,835	115,757,247,094	38,082,821,259	-	67,496,330,852	(115,757,247,094)	115,757,247,094	67,496,330,852
3. Financial risk and operation reserve	156,079,089,425	165,600,000,000	9,520,910,575	-	67,496,330,852	-	165,600,000,000	233,096,330,852
4. Revaluation reserve	326,301,146,470	426,695,337,106	100,394,190,636	-	1,238,958,350,345	-	426,695,337,106	1,665,653,687,451
5. Undistributed earnings	1,263,234,061,037	1,572,516,639,624	768,912,289,421	(459,629,710,834)	14,987,718,375,328	(1,830,118,118,720)	1,572,516,639,624	1,241,116,896,232
5.1 Realised profits after tax	1,202,423,825,444	1,504,450,539,793	761,656,425,183	(459,629,710,834)	13,499,926,617,034	(1,830,118,118,720)	1,504,450,539,793	1,024,259,038,107
5.2 Unrealised profits	60,810,235,593	68,066,099,831	7,255,864,238	-	148,791,758,294	-	68,066,099,831	216,857,858,125
Total	4,051,605,850,657	4,521,486,519,714	929,910,804,001	(460,030,134,944)	4,551,169,387,377	(2,530,792,661,704)	4,521,486,519,714	6,541,863,245,387



Doan Minh Thien  
Chief Accountant

Nguyen Thi Lanh  
Preparer

To Hai  
Chief Executive Officer  
10 March 2022

The notes on pages 146 to 205 are an integral part of these financial statements.





# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Form B09 – CTCK

### 1 GENERAL INFORMATION

Viet Capital Securities Joint Stock Company ("the Company") is a joint stock company incorporated in Vietnam under Establishment and operation licence No. 68/UBCK – GP dated 6 November 2007 issued by State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 52/GPDC-UBCK was issued on 12 July 2021.

The Company was listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 233/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 30 June 2017.

#### Head quarter and contact information

The Company is headquartered in Ho Chi Minh City, at 15th floor of Bitexco Financial Tower, 2 Hai Trieu Street, District 1.

Contact point:

Email: info@vcsc.com.vn

Telephone: (+84) 8 3914 3588

#### Articles of association

The Company's Articles of association was approved on 19 April 2017 and last modified on 23 June 2021.

#### Headcount

As at 31 December 2021, the Company had 291 employees (as at 31 December 2020: 228 employees).

#### Capital size

	As at 31 December 2021 ("the reporting date") VND
The Company's charter capital	3,330,000,000,000
Total owners' equity	6,541,863,245,387
Total assets	16,636,264,947,117

#### Principal activities

The principal activities of the Company include provision of securities brokerage service, proprietary securities trading, underwriting and securities custodian services, securities investment consultancy service and corporate finance consultancy service, margin lending service and derivatives trading.

#### Investment objectives and investment restrictions

The investment objectives of the Company are to maximise earnings. The Company's investment activities shall align to the Company's strategies and comply with applicable securities regulations.

#### Network of operation

As at the reporting date, the Company had 1 branch and 3 transaction offices in Vietnam.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System, Circular 210/2014/TT-BTC dated 30 December 2014 ("Circular 210/2014/TT-BTC"), Circular 334/2016/TT-BTC dated 27 December 2016 ("Circular 334/2016/TT-BTC"), Official Letter No. 6190/BTC-CĐKT dated 12 May 2017 ("Official Letter 6190/BTC-CĐKT") and Circular 23/2018/TT-BTC dated 12 March 2018 ("Circular 23/2018/TT-BTC") all issued by the Ministry of Finance, and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

The accompanying financial statements are not intended to present financial position, results of operations, cash flows and changes in equity in accordance with accounting principles generally accepted in jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss ("FVTPL") and available-for-sale financial assets ("AFS") based on market value or fair value (in case market value is indeterminable).

The financial statements in the Vietnamese language are the official statutory financial statements of the Company. The financial statements in the English language have been translated from the Vietnamese version.

#### 2.2 Accounting estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Market value/fair value of financial assets (Note 2.7 and Note 3.2)
- Provisions for impairment loss of HTM financial assets and loans (Note 2.7 and Note 3.2)
- Provision for doubtful debts (Note 2.8 and Note 3.4)
- Assessment of collectibility of other receivables and other assets (Note 3.4, Note 3.5 and Note 3.7(a)).

#### 2.3 Form of records applied

The Company uses the accounting software tailored in general journal to record its transactions.

#### 2.4 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

#### 2.5 Currency

The financial statements are presented in Vietnamese Dong ("VND"), which is also the Company's accounting currency.

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in profit or loss of the statement of comprehensive income.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Cash and cash equivalents (continued)**

Monetary assets and liabilities denominated in foreign currencies at the reporting date, except borrowings and liabilities that have been hedged, are respectively translated at the buying and selling exchange rates at the reporting date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the reporting date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts.

Foreign exchange differences arising from these translations are recognised as income or expenses in profit or loss of the statement of comprehensive income.

**2.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank of the Company, security deposit for covered warrants issued and other short-term investments with maturity within three (3) months since purchase, which are highly liquid, readily convertible to cash and subject to an insignificant risk of conversion.

Cash of customers for securities trading activities and cash of issuers are accounted for off statement of financial position.

**2.7 Financial assets***(a) Classification and measurement**(i) Financial assets measured at fair value through profit or loss ("FVTPL")*

Financial assets at fair value through profit or loss are financial assets held for trading or designated by the Board of Management at initial recognition at fair value through profit or loss.

A financial asset is classified as held for trading if meeting one of the following conditions:

- It is purchased or created for resale/repurchase in short term; or
- At initial recognition, it constitutes a part of an identified portfolio of financial instruments which are traded for short-term profits; or
- It is a derivative (except those defined as financial guarantees or effective hedges).

At initial recognition, the Board of Management designates a financial asset at fair value through profit or loss if such designation promotes the fairness of its presentation due to one of the following reasons:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency (also called as "accounting mismatch") that would otherwise arise due to different bases; or
- It gives rise to a group of financial assets whose performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and internally disseminated to the Company's key management (as defined in Vietnamese Accounting Standard on Related parties disclosure) such as Board of Directors, Board of Management and major shareholders.

Financial assets at fair value through profit or loss are initially recorded at cost exclusive of transaction costs. Transaction costs related to purchases of FVTPL financial assets are expensed off immediately.

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is indeterminable). Those shares, including derivatives to be settled in shares, that not traded on active market or those whose fair value is not reliably determined are accounted at cost.

All gains or losses from change in fair value of FVTPL financial assets are recognised in profit or loss of the statement of comprehensive income.

*(ii) Held-to-maturity financial assets ("HTM")*

HTM financial assets are non-derivative financial assets with the following characteristics:

- Payments are fixed or determinable;
- Maturity is fixed; and
- The Company has positive intention and ability to hold those assets to maturity.

The following assets are excluded from HTM financial assets:

- Non-derivatives classified as FVTPL financial assets at initial recognition;
- Non-derivatives classified as available-for-sale ("AFS") financial assets; and
- Non-derivatives qualifying conditions to be classified as loans and receivables.

No financial assets shall not be classified held-to-maturity if the Company has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of HTM financial assets before maturity (more than insignificant in relation to the total amount of HTM financial assets) other than sales or reclassifications that:

- are so close to maturity or the financial asset's call date (less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after the Company has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.





## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Financial assets (continued)

#### (a) Classification and measurement (continued)

##### (ii) Held-to-maturity financial assets ("HTM") (continued)

HTM financial assets are initially recorded at cost inclusive of directly attributable purchase costs, subsequently measured at amortised cost using effective interest rate method ("EIR").

Effective interest method is a method used in calculating the amortised cost of an HTM financial asset or a group of HTM financial assets and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the financial instrument's expected life, or a shorter period where appropriate, to the net present value of a financial asset or a financial liability.

Amortised cost of HTM financial assets is determined at historical cost less principal received plus (or less) accumulated amortisation using effective interest rate method between historical cost and maturity value, less impairment loss (if any).

As at reporting date, HTM investments are provided for impairment loss when there is any objective evidence of impairment or uncollectibility as a result of one or more events that occurred subsequently to the initial recognition and affected estimated future cash flows of HTM investments. Objective evidence of impairment may include:

- Significant financial difficulty of the issuer or the obligor;
- A breach of contract, such as default or delinquency in interest or principal payments;
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

(i) Adverse changes in the payment status of borrowers in the group; or

(ii) National or local economic conditions that correlate with defaults on the assets in the group;

Provision for impairment of HTM financial assets is determined at the difference of the estimated recoverable amount and the carrying value of HTM financial assets at the reporting date. Provision/(reversal of provision) for such impairment is debited/credited to expenses in profit or loss of the statement of comprehensive income.

HTM financial assets are classified as current and non-current assets in the statement of financial position based on their remaining maturity as at the reporting date.

##### (iii) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

During the year, the Company had the following types of loans:

- Margin loans: the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/QD-UBCK issued by the State Securities Commission on 25 January 2017. According to this regulation, the initial margin (ratio of net equity to market value of security to be purchased on margin as at trading date) is set by the Company but shall be not lower than 50%. The margin loans are collateralised by securities eligible for margin lending; and
- Trading advances: the amounts advanced to customers at the trading date. These amounts are repaid within two (2) trading days.

Loans are initially recorded at cost and subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost of loans is determined at historical cost less principal received plus (or less) accumulated amortisation using effective interest rate between historical cost and maturity value, less impairment loss (if any).

As at reporting date, loans are provided for impairment loss when there is any objective evidence of impairment. Provision for impairment of loans is determined at the difference of market value of collateral and the carrying value of loans at the reporting date. Provision/(reversal of provision) for such impairment is debited/credited to expenses in profit or loss of the statement of comprehensive income.

##### (iv) Available-for-sale financial assets ("AFS")

Available-for-sale financial assets are non-derivative financial assets that are not classified as FVTPL, HTM, loans nor receivables.

Available-for-sale financial assets are initially recorded at cost inclusive of directly attributable purchase cost.

At the reporting date, AFS financial assets are measured at fair value. Those shares not traded on active market or those whose fair value is not reliably determined are accounted at cost.

All gains or losses from revaluation of AFS financial assets are accounted for directly in equity (other comprehensive income) through the statement of changes in equity, exclusive of impairment losses. Such recognition is applied until the asset is de-recognised.

At derecognition, accumulated gains or losses in equity are recognised in profit or loss of the statement of comprehensive income as a reclassification. Gains using effective interest method is recognised in profit or loss of the statement of comprehensive income in accordance with Standard on Revenue recognition.

As at reporting date, AFS financial assets are provided for impairment loss when there is any objective evidence of impairment.

Objective evidence of impairment for debt instruments may include those identified as for HTM financial instruments.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Financial assets (continued)

#### (a) Classification and measurement (continued)

#### (iv) Available-for-sale financial assets ("AFS") (continued)

Objective evidence of impairment for equity instruments may include:

- Significant changes which adversely affect the issuer's operations as a result of their impacts on the technological, market, economic or legal environment, and indicates that the cost of the equity instrument may not be recovered;
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost;

Provision for impairment is determined at the difference of the estimated recoverable amount and the carrying value of AFS financial assets at the reporting date.

Impairment loss of AFS financial asset is recorded directly to previously recognised revaluation gain in equity (if any), when there is objective evidence that the AFS financial asset is impaired, accumulated revaluation loss in equity is reclassified to profit or loss of the statement of comprehensive income despite that asset is yet derecognised.

#### (b) Reclassification

##### (i) Reclassification of non-FVTPL financial assets upon disposal

Non-FVTPL financial assets are reclassified to FVTPL financial assets before disposal. Accumulated revaluation of AFS financial assets in equity will be recorded on the statement of comprehensive income as a reclassification.

##### (ii) Reclassification due to change in intention/ability to hold the financial assets

Reclassification of financial assets due to change in intention/ability to hold the assets is permitted, provided that:

- Non-derivative FVTPL financial assets that are not required to be classified as FVTPL at initial recognition may be reclassified as loans and receivables in limited circumstances or cash and cash equivalents if meeting certain conditions for reclassification. Gains and losses from revaluation of FVTPL financial assets arising before the reclassification are not reversed.
- If the change in intention/ability to hold a financial asset results in it being inappropriately reclassified as an HTM asset, that asset must be reclassified as AFS and re-measured at fair value. Difference between its carrying value and fair value is recognised in profit or loss of the statement of comprehensive income as a reclassification.

#### (c) Recognition/de-recognition

Purchases and sales of financial assets are recognised on trade date - the date on which the Company becomes a party to the contractual provisions of the instruments.

Financial assets are de-recognised when the right to receive cash flows from the financial assets has expired or the Company has transferred substantially all risks and rewards of ownership of those financial assets.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement but has neither transferred substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises 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.

#### (d) Initial recognition

FVTPL financial assets are initially recognised at purchase cost exclusive of transaction costs. Other financial assets are initially recorded at historical cost including directly attributable purchase cost.

Bonus issues and stock dividends are initially recognised as financial assets at nil cost.

#### (e) Determination of market value/fair value

The Company applies valuation bases for financial assets in accordance with Circular 91/2020/TT-BTC on 13 November 2020 regarding capital adequacy ratio of securities trading entities ("Circular 91/2020/TT-BTC") (2020: Circular 87/2017/TT-BTC on 15 August 2017) and Circular 146/2014/TT-BTC on 6 October 2014 regarding financial regimes for securities companies and fund management companies ("Circular 146/2014/TT-BTC"), all issued by the Ministry of Finance in determining the market value/fair value of financial assets, in particular:

##### (i) Shares listed on stock exchanges, shares of the public companies registered for trading on the Unlisted Public Company Market ("UPCoM")

These shares are revalued at the closing price of the latest trading date prior to the valuation date.

##### (ii) Other shares

Other shares are revalued basing on the Company's valuation techniques. Shares without sufficient trading information and whose fair value cannot be reliably measured are be stated at cost.

##### (iii) Bonds listed on stock exchanges

These bonds are revalued based on the quoted price (clean price) of outright transactions on stock exchanges at the latest trading date prior to the valuation date plus accumulated accrued interest.

Bonds those do not trade for more than two (2) weeks prior to the valuation date are revalued at purchase price plus accumulated accrued interest.

##### (iv) Unlisted bonds

Unlisted bonds are revalued at purchase price plus accumulated accrued interests.

##### (v) Certificates of open-ended funds/exchange traded fund ("ETF")

Certificates of open-ended funds/ETF are revalued at net asset value per one (1) on their latest reporting date prior to valuation date of the Company.

##### (vi) Delisted shares, shares suspended for trading, shares paused for trading from sixth day onwards

These shares are revalued at their book value on the recent reporting date.





## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Financial assets (continued)

#### (f) Recognition of gains/(losses)

##### Purchase transaction costs

Transaction costs related to purchases of FVTPL financial assets are expensed off in profit or loss of the statement of comprehensive income, while transaction costs related to purchases of other financial assets are included in the purchase cost of these assets.

##### Selling transaction costs

Selling transaction costs are expensed off in profit or loss of the statement of comprehensive income.

##### Gain/(loss) on disposal

Gain/(loss) on disposal of financial assets are accounted for as income/(expenses) in profit or loss of the statement of comprehensive income. Costs of disposed financial assets are determined using the weighted average method up to the end of trading dates.

##### Provision/(reversal of provision) for impairment of financial assets

Provision/(reversal of provision) for impairment of financial assets is debited/(credited) to expenses in profit or loss of the statement of comprehensive income.

### 2.8 Receivables

Receivables comprise receivables from disposal of financial assets, dividend and interest receivable, service-related receivables, receivables from trading errors and other receivables. Receivables are recorded on an accrual basis and presented at cost less provision for impairment or uncollectibility (if any).

Receivables are classified as current and non-current assets in the statement of financial position based on their remaining maturity as at the reporting date.

Provision for doubtful debts is made for each outstanding amount based on number of days past due according to initial payment commitment (ignoring any mutually agreed extension) or based on the estimated loss that may arise. Bad debts are written off when identified.

Provision/(reversal of provision) for impairment is debited/credited to expenses in profit or loss of the statement of comprehensive income.

### 2.9 Futures

Futures are listed derivatives in which the parties commit to:

- Buy or sell a quantity of underlying asset at a pre-determined price on a pre-determined future date; or
- Settle the difference between the pre-determined transaction price and the price of the underlying asset on the pre-determined future date.

The Company accounts for futures in accordance with guidance of the Official Letter 6190/BTC-CDKT, in particular:

#### Proprietary trading activities

Deposit for derivatives trading activities is accounted as 'Other current assets' in the statement of financial position.

Securities deposited for derivatives trading activities are not de-recognised but rather monitored under sub-accounts of the same type of financial assets and separately disclosed in the financial statements.

Gain (or loss) on futures position are determined and settled on a daily basis at the difference between the closing settlement price on accounting date and that on the latest trading date. Gain (or loss) on futures position is accounted as realised income (or expense) in the statement of comprehensive income under item 'Gain (or loss) on disposal of FVTPL financial assets'.

Interest arising on deposit for derivatives trading activities is accounted as a financial income in the statement of comprehensive income under item 'Dividend income and interest income from demand deposits'.

#### Brokerage activities

Deposit in Derivatives Clearing Fund is accounted as 'Other non-current assets' in the statement of financial position.

Revenue on futures brokerage is accounted in the statement of comprehensive income under item 'Brokerage fee income'.

Cash and securities deposited for derivatives trading activities of customers is accounted for off statement of financial position under item 'Customers' deposits for derivatives trading' and 'Customers' deposits at VSD'.

### 2.10 Accounting treatments for pledged investments

During the year, the Company had pledged certain investments to secure its contractual obligations.

According to the provisions of the pledged contracts, during the contract terms, the Company may not use the pledged assets to sell, transfer, enter into sale and repurchase agreements or swap contracts with any other third party.

If the Company fails to fulfill its obligations, the pledgees have the right to use the pledged assets as means to secure the Company's obligations after a stipulated point of time since which the obligations become to past due.

Pledged assets are presented in the statement of financial position following accounting policies applied to the type of assets into which they are classified.

### 2.11 Fixed assets

#### Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes all costs necessary to bring the assets to working condition for their intended use. Subsequent expenditures can be capitalised only if they result in probable future economic benefits from using the assets. Unqualified expenditures are immediately expensed off.



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

Form B09 - CTCK

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Fixed assets (continued)

#### *Depreciation and amortisation*

Fixed assets are depreciated/amortised using the straight-line method to write off the historical cost of the fixed assets over their estimated useful lives. The principal annual rates used are:

Motor vehicles	16.67%
Office equipments	33.33%
Computer software	33.33% - 50%

#### *Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the statement of comprehensive income.

#### *Construction in progress*

Construction in progress represents the cost of assets in the course of completion for operation or administrative purposes, including all necessary costs for qualifying assets. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

### 2.12 Leased assets

Leases where a significant portion of the risks and rewards incidental to the asset ownership are retained by the lessor are classified as operating leases. Operating lease payments are charged to the statement of comprehensive income on a straight-line basis over the lease term.

### 2.13 Prepaid expenses

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be recognised as fixed assets under prevailing regulations. Prepaid expenses are initially recorded at cost and allocated to expenses over their estimated useful lives using straight-line method.

### 2.14 Pledged assets, mortgaged assets, security deposits in long-term

Short-term/long-term security deposits are recognised when the Company makes its payments in accordance with the contractual terms and are classified as other current/non-current assets.

### 2.15 Liabilities

#### *(a) Recognition/de-recognition*

Liabilities are recognised when the Company has an obligation as a result of receipts of assets, commits or becomes a party to the contractual provisions. Liabilities are de-recognised when such obligations are fully discharged. Liabilities are recognised on an accrual basis and on prudence concept.

#### *(b) Classification*

Classifications of liabilities are based on the type of transactions on which they arise as follows:

- Borrowings;
- Issued bonds;
- Trading obligations;
- Covered warrant liabilities;
- Trade payables arising from purchases of financial assets, goods or services;
- Advances from customers; and
- Other payables including non-trade payables and those not arising from purchases of financial assets, goods and services.

Liabilities are classified as current and non-current liabilities in the statement of financial position based on their remaining year from the reporting date to their maturity dates.

### 2.16 Offsetting financial instruments

Financial liabilities are contractual obligations to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, or contracts that may be settled in the Company's own equity instruments.

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company has an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.17 Borrowings

Borrowings include borrowings from banks, financial institutions, finance companies and other entities. Borrowings are stated at cost as at reporting date.

Borrowings are classified as current and non-current liabilities in the statement of financial position based on their remaining year from the reporting date to their maturity dates.

### 2.18 Issued bonds

Issued bonds are initially recognised at their issuance prices. Premiums/(discounts) are determined at issuances and allocated to borrowing costs or capitalised during the bond tenors using straight-line method.

Issued bonds balances are presented on a net basis (par values plus unallocated premiums or minus unallocated discounts at the reporting date).

Issued bonds are classified as current and non-current liabilities in the statement of financial position based on their tenors.





## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.19 Covered warrants

Covered warrant is a collateralised securities issued by the securities companies that gives the holders the right to buy from (call warrant) or sell to (put warrant) the warrant issuer an underlying asset at a pre-determined price, at or by a pre-determined point of time, or receive an amount of cash at the difference between exercise price and price of the underlying asset on exercise date. The securities companies issuing covered warrants are required to deposit cash and financial assets, or obtain bank guarantees to secure their obligations to the warrant holders.

The Company accounts for covered warrants in accordance with guidance of the Circular 23/2018/TT-BTC, in particular:

#### *Covered warrants issued by the Company*

Proceeds from issuance of warrants are accounted as covered warrant liabilities.

When the Company buys back covered warrants it issued for market-making purpose, or when the covered warrants are delisted and buybacks are mandatory, positive (or negative) differences between buyback price and carrying value of covered warrants are recognised as gain (or loss) in the statement of comprehensive income.

All costs incurred for buybacks and issuance of covered warrants are expensed off immediately. Indemnifications for customers due to late payments are accounted as other expenses.

As at reporting date, covered warrants are fair valued. Increase (or decrease) in fair value of covered warrants is recognised in gain (or loss) in the statement of comprehensive income.

Gain (or loss) on expiry of covered warrant is recognised as gain (or loss) on disposal of FVTPL financial assets in the statement of comprehensive income.

Authorised quantity of covered warrants, issued quantity of covered warrants and buyback quantity of covered warrants are monitored off the statement of financial position. Such quantities as at reporting date are disclosed in off the statement of financial position items.

#### *Securities used as hedges against covered warrants*

Securities used as hedges against position of covered warrants are monitored under separate accounts and revalued at reporting date. Revaluation result is accounted similarly to FVTPL financial assets.

#### *Proprietary trading of covered warrants*

When the Company purchases covered warrants issued by other issuers for investing purpose, such covered warrants are accounted as FVTPL financial assets.

### 2.20 Income tax paid on behalf of investors

According to the prevailing taxation regulations in Vietnam, the Company is required to withhold foreign contractor tax of 0.1% on trading proceeds of foreign institutional investors and pay on their behalf. For individual investors (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on their trading proceeds. The Company will declare and make tax payment on behalf of these investors. For local institutional investors, the Company is not responsible for withholding tax as these entities are responsible for their own tax payments and declarations.

### 2.21 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses of the year.

### 2.22 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligations. If the time value of money is material, provisions will be measured at the present value using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the obligations. The increases in the provision due to passage of time are recognised as financial expenses.

Changes in the provision balances during the year are debited or credited to operating expenses.

### 2.23 Provision for severance allowances

In accordance with Vietnamese Labor Code, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee has actually worked for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labor regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of each year on the basis that each employee is entitled to half of an average monthly salary for each working period. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the reporting date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

### 2.24 Equity

#### (a) Owners' capital

Owners' capital is recorded according to the actual amounts contributed and is recorded according to the par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and bought back by itself but not yet cancelled at the reporting date. Treasury shares are recorded at cost and deducted from equity. The Company does not account for gains/(losses) from purchase/sale, issuance/cancellation of its equity instruments.

- Treasury shares bought back before the effective date of Securities Law 2019 (1 January 2021) are shares issued by the Company and bought back by itself but not yet cancelled and may be reissued before statutory deadline according to securities regulations.
- Treasury shares bought back after 1 January 2021 shall be cancelled resulting a reduction in charter capital. The Company had not bought back its shares after 1 January 2021 until the issuance date of these financial statements.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.24 Equity (continued)

#### (b) Revaluation reserve

Revaluation reserve reflects the differences arising on revaluation of AFS.

#### (c) Financial and operational risk reserve and supplementary capital reserve

According to Circular 146/2014/TT-BTC, the securities companies and fund management companies are required to make annual appropriation to the financial and operational risk reserve and supplementary capital reserve at 5% of the post-tax profit for each reserve in each of its profitable years until the accumulated balance of each reserve reaches 10% of the charter capital.

Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from the parties causing damages and insurance companies and the utilisation of indemnity funds and the relevant provisions made.

Supplementary capital reserve serves as a financial resource to increase charter capital.

#### (d) Undistributed earnings

Undistributed earnings represent cumulative undistributed post-tax profits at the reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit/(loss) of the year is the total difference between gain and loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the statement of comprehensive income and deferred income tax arising from such revaluation.

Realised profit during the year is the difference between total revenue, income and total expenses in the statement of comprehensive income, except for gain or loss arising from revaluation of financial assets recognised in unrealised profit/(loss).

### 2.25 Dividend

The Company's dividend declaration is recognised as a liability in the financial statements when the dividend is approved by in the General Meeting of Shareholders or when the Board of Directors declares interim dividends in accordance with the Company Charter and prevailing regulations.

Dividend base for distribution is post-tax realised profits after deducting amounts appropriated to financial and operational risk reserve and supplementary capital reserve.

### 2.26 Assets of customers and liabilities to customers

Assets of customers and liabilities to customers are presented as off statement of financial position including:

- Customers' deposits for securities trading, cash of securities issuers and related liabilities; and
- Financial assets of customers.

### 2.27 Revenue and income recognition

#### (a) Revenue from provision of services to investors

Revenue from provision of services to investors comprises securities brokerage fees, securities underwriting fees, financial consultancy fees, securities custody service and entrustment service fees.

Revenue from the provision of services is recognised in the statement of comprehensive income when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the provision of services is only recognised when all four following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of a service delivery transaction cannot be ascertained, revenue is recognised in proportion to the recognised and recoverable cost.

Revenue deductions include price discounts. Revenue deductions incurred in the same period of the related revenue are recorded as a deduction from the revenue of that period.

Revenue deductions incurred after the reporting date but before the issuance of the financial statements are recorded as a deduction from the revenue of the reporting period.

#### (b) Income from proprietary trading of financial assets

Income from proprietary trading of financial assets comprises gain/(loss) from sales or disposal of financial assets and dividend income.

Gain/(loss) from sales or disposal of financial assets is measured as difference between selling price before selling costs and costs of securities disposed. Costs of securities disposed are determined using the weighted average method up to the end of trading dates.

Dividend income is recognised in the statement of comprehensive income when the Company's right to receive dividend is established, except for scrip dividends whose quantity is added to the Company's securities portfolio and is not recognised as income.

#### (c) Income from working capital management

Income from working capital management comprises interest income from deposits at bank, income from HTM investments, income from margin loans and trading advances. This income is recognised on an accrual basis unless collectability is in doubt.

#### (d) Other income

Other income includes non-recurring income generated from activities other than those generating the revenue and income described above.





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.28 Expenses

#### (a) Recognition

Expenses are recognised on an accrual basis, matching with revenue and on prudence concept.

#### (b) Classification

Expenses are classified by function as follows:

- Operating expenses;
- Financial expenses;
- General and administrative expenses; and
- Other expenses.

### 2.29 Financial income

Financial income reflects income from investment activities arising during the year mainly including interest income from bank deposits and foreign exchange gains.

### 2.30 Financial expenses

Financial expenses are expenses incurred in the year for financial activities mainly including interest expenses and foreign exchange losses.

### 2.31 Borrowing costs

Borrowing costs that are directly attributable to the construction or completion of any qualifying assets are capitalised during the period that is required to complete and prepare the asset for its intended use.

In respect of general-purpose borrowings, a portion of which used for the purpose of construction or completion of any qualifying assets, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on that assets. The capitalisation rate is the weighted average of the interest rates applicable to the Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are charged to expenses in the statement of comprehensive income when incurred.

### 2.32 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses, outside services, stationery expenses, depreciation expenses, transportation expenses, rental and other administrative expenses.

### 2.33 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from operations and trading activities in other countries that the Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit at the current tax rates. Current and deferred income tax should be recognised as an income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 2.34 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including the Board of Directors and the Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Company considers the substance of the relationship, and not merely the legal form.

### 2.35 Segment reporting

A segment is a separable component of the Company engaged in providing services and investing (business segment) or providing services and investing within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment.

### 2.36 Nil items

Items required by Circular 334/2016/TT-BTC, Official Letter 6190/BTC-CĐKT and Circular 23/2018/TT-BTC that are not presented in these financial statements indicate nil items.

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

### 3.1 Cash and cash equivalents

	As at	
	31.12.2021 VND	31.12.2020 VND
Cash		
Cash on hand	577,800,477	960,096,290
Cash at bank	1,131,170,799,056	641,552,887,300
	<b>1,131,748,599,533</b>	<b>642,512,983,590</b>



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.2 Financial assets

(a) Financial assets measured at fair value through profit or loss ("FVTPL")

As at 31 December 2021	Comparison to market price or fair value			Market value/ fair value VND
	Cost VND	Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	851,299,716,153	273,373,185,965	(27,319,684,446)	1,097,353,217,672
Certificates of deposit (*)	100,000,000,000	-	-	100,000,000,000
Unlisted bonds (*)	14,163,251,763	-	-	14,163,251,763
Unlisted fund certificates (*)	10,000,000,000	-	-	10,000,000,000
<b>Total</b>	<b>975,462,967,916</b>	<b>273,373,185,965</b>	<b>(27,319,684,446)</b>	<b>1,221,516,469,435</b>

As at 31 December 2020	Comparison to market price or fair value			Market value/ fair value VND
	Cost VND	Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	457,279,318,135	89,701,189,793	(2,756,717,629)	544,223,790,299
Unlisted and unregistered shares (*)	28,907,300,000	-	-	28,907,300,000
Underlying assets designated as hedges for covered warrants	27,498,567,893	1,038,445,865	(1,501,758)	28,535,512,000
Unlisted bonds (*)	13,157,000,000	-	-	13,157,000,000
<b>Total</b>	<b>526,842,186,028</b>	<b>90,739,635,658</b>	<b>(2,758,219,387)</b>	<b>614,823,602,299</b>

(\*) Those financial instruments are not traded in an active market, whilst their fair value is not reliably measured, hence stated at cost.

	As at 31 December 2021		As at 31 December 2020	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
<b>Listed shares and shares traded on UPCoM</b>	<b>851,299,716,153</b>	<b>1,097,353,217,672</b>	<b>457,279,318,135</b>	<b>544,223,790,299</b>
Khang Dien House Trading and Investment Joint Stock Company (KDH)	151,103,163,136	415,571,245,800	95,478,111,044	167,353,073,700
Masan Group Corporation (MSN)	388,580,716,249	363,888,000,000	16,680,436,247	17,673,320,000
Others	311,615,836,768	317,893,971,872	345,120,770,844	359,197,396,599
<b>Unlisted and unregistered shares</b>	<b>-</b>	<b>-</b>	<b>28,907,300,000</b>	<b>28,907,300,000</b>
Sai Gon Investment Construction and Trading Real Estate JSC	-	-	26,846,800,000	26,846,800,000
Tay Ho Investment and Construction JSC	-	-	2,060,500,000	2,060,500,000
<b>Underlying assets designated as hedges for covered warrants</b>	<b>-</b>	<b>-</b>	<b>27,498,567,893</b>	<b>28,535,512,000</b>
Hoa Phat Group Joint Stock Company (HPG)	-	-	17,552,107,933	18,291,885,000
Vietnam Prosperity Joint Stock Commercial Bank (VPB)	-	-	8,737,055,501	8,989,500,000
Others	-	-	1,209,404,459	1,254,127,000
<b>Certificates of deposit</b>	<b>100,000,000,000</b>	<b>100,000,000,000</b>	<b>-</b>	<b>-</b>
<b>Unlisted bonds (**)</b>	<b>14,163,251,763</b>	<b>14,163,251,763</b>	<b>13,157,000,000</b>	<b>13,157,000,000</b>
<b>Unlisted fund certificates</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>975,462,967,916</b>	<b>1,221,516,469,435</b>	<b>526,842,186,028</b>	<b>614,823,602,299</b>

The value of FVTPL shares being pledged for short-term borrowings as at 31 December 2021 is presented in Note 3.8.





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.2 Financial assets (continued)

###### (a) Financial assets measured at fair value through profit or loss ("FVTPL") (continued)

(\*\*) Detailed information of certificates of deposit are as follows:

	As at 31.12.2021 VND	Features	Issuance date	Maturity date	Interest rate per annum	Par value/ share VND
<b>Issuers</b>						
Domestic commercial bank	100,000,000,000	Unsecured	30.12.2021	30.12.2022	5%	100,000,000,000

(\*\*\*) Detailed information of unlisted bonds are as follows:

	As at 31.12.2021 VND	Features	Issuance date	Maturity date	Interest rate per annum	Par value/ share VND
<b>Unlisted bonds</b>						
Unlisted bond	13,157,000,000	Convertible, without warrant, unsecured	02.11.2020	02.11.2025	11%	1,000,000
Unlisted bond	1,006,251,763	Convertible, with warrants, unsecured	12.11.2019	12.11.2022	6%	1,000,000,000
	<b>14,163,251,763</b>					

The value of FVTPL shares being pledged for short-term borrowings as at 31 December 2021 is presented in Note 3.8.

###### (b) Held-to-maturity financial assets ("HTM")

	As at 31.12.2021		As at 31.12.2020	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Short-term deposits	642,329,000,000	-	16,000,000,000	-
Corporate bonds	5,000,000,000	-	5,000,000,000	-
Security deposit for covered warrants issued	106,390,000,000	-	5,000,000,000	-
Certificates of deposit	-	-	80,000,000,000	-
	<b>753,719,000,000</b>	<b>-</b>	<b>106,000,000,000</b>	<b>-</b>

Details of held-to-maturity financial assets are as follows:

Issuers	Issue date	Maturity date	Par value	Coupon
<i>Short-term deposits</i>			<i>642,329,000,000</i>	
Foreign bank (*)	18.11.2021	30.11.2022	625,625,000,000	3.2%
Foreign bank (*)	12.5.2021	12.5.2022	16,704,000,000	4.4%
<i>Corporate bonds</i>			<i>5,000,000,000</i>	
Domestic commercial bank	11.9.2020	11.9.2027	5,000,000,000	8.5%
<i>Security deposit for covered warrants issued (**)</i>			<i>106,390,000,000</i>	
Domestic commercial bank	(*)	(*)	106,390,000,000	3.5% - 3.9%

(\*) These short-term deposits are being pledged for short-term borrowings as at 31 December 2021 is presented in Note 3.9(i)

(\*\*) This represents security deposit at custodian banks in relation to covered warrants issued by the Company with maturity over 3 months.



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.2 Financial assets (continued)

###### (c) Available-for-sale financial assets ("AFS")

As at 31 December 2021		Comparison to market price or fair value		
	Cost VND	Gain VND	Loss VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM	2,236,662,240,537	1,851,962,817,056	(15,005,867,294)	4,073,619,190,299
Underlying assets designated as hedges for covered warrants	300,376,493,448	61,669,518,833	(4,159,359,281)	357,886,653,000
Unlisted and unregistered shares	704,704,425,713	187,600,000,000	-	892,304,425,713
Carried at cost (*)	296,464,425,713	-	-	296,464,425,713
Carried at fair value (**)	408,240,000,000	187,600,000,000	-	595,840,000,000
<b>Total</b>	<b>3,241,743,159,698</b>	<b>2,101,232,335,889</b>	<b>(19,165,226,575)</b>	<b>5,323,810,269,012</b>

As at 31 December 2020		Comparison to market price or fair value		Market value/ fair value VND
		Cost VND	Gain VND	
Listed shares and shares traded on UPCoM	1,758,078,325,813	533,463,647,633	(94,476,250)	2,291,447,497,196
Unlisted and unregistered shares	421,210,055,713	-	-	421,210,055,713
Carried at cost (*)	421,210,055,713	-	-	421,210,055,713
<b>Total</b>	<b>2,179,288,381,526</b>	<b>533,463,647,633</b>	<b>(94,476,250)</b>	<b>2,712,657,552,909</b>

	As at 31.12.2021		As at 31.12.2020	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
<b>Listed shares and shares traded on UPCoM</b>	<b>2,236,662,240,537</b>	<b>4,073,619,190,299</b>	<b>1,758,078,325,813</b>	<b>2,291,447,497,196</b>
Khang Dien House Trading and Invest Joint Stock Company (KDH)	452,567,246,223	534,020,653,200	-	-
International Dairy Products Joint Stock Company (IDP)	440,985,822,375	1,290,905,866,000	440,985,822,375	440,985,822,375
Mobile World Investment Corporation (MWG)	150,542,126,824	388,664,622,900	77,753,188,852	229,717,891,400
Ha Do Group Joint Stock Company (HDG)	325,705,938,800	786,568,251,000	-	-
Others	866,861,106,315	1,073,459,797,199	1,239,339,314,586	1,620,743,783,421
<b>Underlying assets designated as hedges for covered warrants</b>	<b>300,376,493,448</b>	<b>357,886,653,000</b>	<b>-</b>	<b>-</b>
Khang Dien House Trading and Invest Joint Stock Company (KDH)	51,286,089,496	60,516,600,000	-	-
Mobile World Investment Corporation (MWG)	25,750,694,140	66,482,280,000	-	-
Others	223,339,709,812	230,887,773,000	-	-
<b>Unlisted and unregistered shares</b>	<b>704,704,425,713</b>	<b>892,304,425,713</b>	<b>421,210,055,713</b>	<b>421,210,055,713</b>
National Payment Corporation of Vietnam (NAPAS) (**)	408,240,000,000	595,840,000,000	286,040,000,000	286,040,000,000
VPBank SMBC Finance Company Limited (*)	161,294,370,000	161,294,370,000	-	-
Others (*)	135,170,055,713	135,170,055,713	135,170,055,713	135,170,055,713
<b>Total</b>	<b>3,241,743,159,698</b>	<b>5,323,810,269,012</b>	<b>2,179,288,381,526</b>	<b>2,712,657,552,909</b>





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.2 Financial assets (continued)

##### (c) Available-for-sale financial assets ("AFS") (continued)

(\*) These shares do not have listed prices on the market and their fair value cannot be reliably measured. Hence, their fair value is stated at cost.

(\*\*) The fair value of equity investment in NAPAS is estimated based on management's valuation models following multiples approach. The fair value is determined as the simple average of two values derived from price-to-earning (PE) ratio model and price-to-book (PB) ratio model.

The value of AFS shares being pledged for short-term borrowings as at 31 December 2021 is presented in Note 3.8.

##### 3.3 Loans and provisions

##### (a) Loans

	As at 31.12.2021		As at 31.12.2020	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Margin loans (*)	7,515,786,303,555	(2,169,825,587)	3,758,105,223,519	(2,384,027,974)
Trading advances	185,450,827,924	-	123,537,494,653	-
<b>Total</b>	<b>7,701,237,131,479</b>	<b>(2,169,825,587)</b>	<b>3,881,642,718,172</b>	<b>(2,384,027,974)</b>

(\*) Securities purchased on margin are held by the Company as collaterals for margin loans. The market value of collateral assets as at 31 December 2021 was VND48,721,316,206,750 (as at 31 December 2020: VND17,980,801,537,100)

##### (b) Provisions for impairment loss of financial assets and collaterals

The movement of provisions for impairment loss of financial assets and collaterals during the year is as follows:

	Opening balance VND	Provided VND	Reversed VND	Closing balance VND
Margin loans	2,384,027,974	-	(214,202,387)	2,169,825,587

##### 3.4 Receivables

	As at 31.12.2021		As at 31.12.2020	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Carrying value VND
<b>Receivables from disposals of financial assets</b>				
Receivables from disposals of listed equities	187,029,585,000	-	200,542,089,400	-
Receivables from disposals of covered warrants	1,265,222,000	-	308,525,900	-
	<b>188,294,807,000</b>	<b>-</b>	<b>200,850,615,300</b>	<b>-</b>
<b>Dividend and interest receivables</b>				
Dividend and interest receivables not yet due	47,852,123,094	-	20,948,002,265	-
<b>Service-related receivables</b>				
Service fee receivables	30,823,037,084	1,928,450,000	14,833,156,124	1,928,450,000
<b>Other receivables</b>				
Receivables from share purchases for a brokerage contract	-	-	5,939,376,000	-
	<b>266,969,967,178</b>	<b>1,928,450,000</b>	<b>242,571,149,689</b>	<b>1,928,450,000</b>

Movement of provisions for doubtful debts during the year is as follows:

	Doubtful amount		Provision			
	Opening balance VND	Closing balance VND	Opening balance VND	Provided VND	Reversed VND	Closing balance VND
Service-related receivables	1,928,450,000	1,928,450,000	1,928,450,000	-	-	1,928,450,000
Besra Vietnam Limited Company	582,450,000	582,450,000	582,450,000	-	-	582,450,000
QVD Aqua JSC	462,000,000	462,000,000	462,000,000	-	-	462,000,000
Other customers	884,000,000	884,000,000	884,000,000	-	-	884,000,000
	1,928,450,000	1,928,450,000	1,928,450,000	-	-	1,928,450,000



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.5 Prepayment to suppliers

	As at	
	31.12.2021 VND	31.12.2020 VND
Prepayment for purchase of unlisted securities	18,049,315,068	18,049,315,068
Others	2,115,513,031	698,306,388
	<b>20,164,828,099</b>	<b>18,747,621,456</b>

##### 3.6 Fixed assets

###### (a) Tangible fixed assets

	Vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>			
As at 1.1.2021	4,785,892,156	51,329,248,640	56,115,140,796
New purchases	-	3,092,260,910	3,092,260,910
Transfer from construction in progress (Note 3.6(c))	2,952,394,545	223,910,909	3,176,305,454
<b>As at 31.12.2021</b>	<b>7,738,286,701</b>	<b>54,645,420,459</b>	<b>62,383,707,160</b>
<b>Accumulated depreciation</b>			
As at 1.1.2021	2,386,348,910	45,693,843,973	48,080,192,883
Charge for the year	892,722,068	3,450,017,788	4,342,739,856
<b>As at 31.12.2021</b>	<b>3,279,070,978</b>	<b>49,143,861,761</b>	<b>52,422,932,739</b>
<b>Net book value</b>			
As at 1.1.2021	2,399,543,246	5,635,404,667	8,034,947,913
<b>As at 31.12.2021</b>	<b>4,459,215,723</b>	<b>5,501,558,698</b>	<b>9,960,774,421</b>

As at 31 December 2021, the Company had no outstanding commitments to purchase/sale of tangible fixed assets.

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2021 was VND47,126 million (as at 31 December 2020: VND42,731 million).

###### (b) Intangible fixed assets

	Computer software VND
<b>Historical cost</b>	
As at 1.1.2021 and as at 31.12.2021	49,981,431,542
<b>Accumulated amortisation</b>	
As at 1.1.2021	43,632,177,943
Charge for the year	3,154,202,596
<b>As at 31.12.2021</b>	<b>46,786,380,539</b>
<b>Net book value</b>	
As at 1.1.2021	6,349,253,599
<b>As at 31.12.2021</b>	<b>3,195,051,003</b>

As at 31 December 2021, the Company had no outstanding commitments to purchase/sale of intangible fixed assets.

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2021 was VND39,020 million (as at 31 December 2020: VND40,487 million).

###### (c) Construction in progress

Movements in construction in progress during the year are as follows:

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	5,649,600,000	6,939,777,881
Increase	3,887,381,898	9,196,474,820
Transfer to tangible fixed assets (Note 3.6(a))	(3,176,305,454)	(2,988,952,701)
Transfer to intangible fixed assets (Note 3.6(b))	-	(7,497,700,000)
Transfer to prepaid expenses	(551,076,444)	-
<b>Closing balance</b>	<b>5,809,600,000</b>	<b>5,649,600,000</b>





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the year ended 31 December 2021

#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.7 Other assets

###### (a) Other current assets

	As at	
	31.12.2021 VND	31.12.2020 VND
Deposits for derivatives trading activities (*)	150,714,917,648	91,333,803,000

(\*) This is the Company's deposits for its proprietary derivatives trading activities in compliance with Decision No. 96/QĐ-VSD dated 23 March 2017 of the Vietnam Securities Depository.

###### (b) Deposits in the Settlement support fund

According to Decision No. 45/QĐ-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an additional annual contribution equivalent to 0.01% of the total value of brokered securities in the previous year up to the maximum limit of VND2.5 billion in any one year. The maximum amount of contribution is VND20 billion.

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	21,169,262,072	20,000,000,000
Additional contribution	-	-
Interest allocated	1,422,180,960	1,169,262,072
<b>Closing balance</b>	<b>22,591,443,032</b>	<b>21,169,262,072</b>

###### (c) Other non-current assets

This is Derivatives trading Settlement Fund. According to the Policy on Management and Use of Derivatives trading clearing fund issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 by the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.

##### 3.8 Pledged assets

	As at	
	31.12.2021 VND	31.12.2020 VND
<b>Held-to-maturity financial assets ("HTM")</b>		
Short-term deposits (Note 3.2(b))	642,329,000,000	16,000,000,000
<b>Listed shares and shares traded on UPCoM</b>		
FVTPL shares (Note 3.2(a))	-	163,225,000,000
AFS shares (Note 3.2(c))	2,128,160,000,000	855,800,000,000
	<b>2,770,489,000,000</b>	<b>1,035,025,000,000</b>

These assets are pledged as collaterals for the Company's short-term borrowings (Note 3.9).

#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.9 Borrowings and issued bonds

Details of movements in borrowings and issued bonds during the year are as follows:

	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
<b>Short-term borrowings</b>				
Foreign bank (i)	-	2,260,000,000,000		2,260,000,000,000
Domestic bank (ii)	400,000,000,000	3,380,000,000,000	(2,780,000,000,000)	1,000,000,000,000
Foreign bank (iii)	931,200,000,000	928,616,600,000	(938,836,600,000)	920,980,000,000
Domestic bank (iv)	350,000,000,000	1,660,000,000,000	(1,510,000,000,000)	500,000,000,000
Domestic bank (v)	-	1,700,000,000,000	(1,200,000,000,000)	500,000,000,000
Domestic bank (vi)	499,000,000,000	2,689,000,000,000	(2,759,000,000,000)	429,000,000,000
Domestic bank (vii)	160,000,000,000	670,000,000,000	(530,000,000,000)	300,000,000,000
Foreign bank (viii)	140,730,000,000	138,300,000,000	(140,730,000,000)	138,300,000,000
Foreign bank (ix)	115,200,000,000	459,890,000,000	(460,690,000,000)	114,400,000,000
Domestic bank (x)	100,000,000,000	453,000,000,000	(453,000,000,000)	100,000,000,000
Domestic bank (xi)	-	500,000,000,000	(400,000,000,000)	100,000,000,000
<b>Total short-term borrowings</b>	<b>2,696,130,000,000</b>	<b>14,838,806,600,000</b>	<b>(11,172,256,600,000)</b>	<b>6,362,680,000,000</b>
<b>Issued bonds (xii)</b>	<b>668,320,000,000</b>	<b>1,752,760,000,000</b>	<b>(457,010,000,000)</b>	<b>1,964,070,000,000</b>
<b>Total</b>	<b>3,364,450,000,000</b>	<b>16,591,566,600,000</b>	<b>(11,629,266,600,000)</b>	<b>8,326,750,000,000</b>

(i) This is a syndicated loan from foreign banks under a credit limit of USD150 million open until 30 November 2022. The Company hedged the foreign exchange rate risk on 100% of the outstanding balances by entering a currency forward contract with a local commercial bank. The forward term approximates the loan term. This loan is secured by a term deposit at lending bank (Note 3.8).

(ii) These are drawdowns from a domestic bank under an unsecured credit limit of VND1,000 billion open until 25 February 2022.

(iii) This is a syndicated loan from foreign bank under a credit limit of USD40 million open until 13 May 2023. The Company hedged the foreign exchange rate risk on 75% of the outstanding balances by entering swap foreign currency contracts with local commercial banks. The swap term approximates the loan term. This loan is secured by a term deposit at lending bank (Note 3.8).

(iv) These are drawdowns from a domestic bank under a credit limit of VND1,000 billion open until 9 April 2022, including an unsecured credit limit of VND800 billion and a secured credit limit of VND200 billion. The balance as at 31 December 2021 was within the unsecured limit and required no pledged assets.



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

Form B09 - CTCK

For the year ended 31 December 2021

#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.9 Borrowings and issued bonds (continued)

- (v) These are drawdowns from a domestic bank with a credit limit of VND1,000 billion open until 25 March 2022, including an unsecured credit limit of VND800 billion and a secured credit limit of VND200 billion. These loans are secured by securities included in the Company's AFS financial assets (Note 3.8).
- (vi) These are drawdowns from a domestic bank under a credit limit of VND1,100 billion open until 23 August 2022, including an unsecured credit limit of VND900 billion and a secured credit limit of VND200 billion. These loans are secured by securities included in the Company's FVTPL and AFS financial assets (Note 3.8).
- (vii) These are drawdowns from a domestic bank under a credit limit of VND300 billion open until 21 December 2021 and in progress of extension. The balance is secured by securities included in the Company's AFS financial assets (Note 3.8).
- (viii) This is a drawdown from a foreign bank under an unsecured credit limit of USD6 million granted on 11 March 2019 and automatically renewed every year since granting date.
- (ix) This is a drawdown from a foreign bank under an unsecured credit limit of USD5 million granted on 3 October 2017 and automatically renewed every year since granting date.
- (x) These are drawdowns from a domestic bank under a credit limit of VND500 billion open until 31 March 2022.
- (xi) These are drawdowns from a domestic bank under an unsecured credit limit of VND300 billion open until 17 June 2022.
- (xii) These are registered unconvertible bonds issued privately to individuals and entities according to the Board of Directors' resolutions. The bonds have a same par value of VND10,000,000 and a same tenor of 1 - 2 years since issue date. The bondholders reserve the right to put the bonds before their maturities. Interest rates are applied depend on the holding time of the bondholders.

As at 31 December 2021, there were no bonds issued to a related party (as at 31 December 2020: none).

All proceeds of borrowings and issued bonds are used to supplement working capital. The borrowings and issued bonds bear interest from 3.02% to 11% per annum depending on the time of drawdown/issuance (2020: from 3.02% to 11% per annum).

As at 31 December 2021 and as at 31 December 2020, there were neither borrowings nor issued bonds past due but not yet settled.

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.

##### 3.10 Trading obligations

	As at	
	31.12.2021 VND	31.12.2020 VND
Covered warrant payables (Note 5.2)	58,858,728,000	7,332,770,800
Payable to Ho Chi Minh City Stock Exchange	18,797,160,047	9,699,468,529
Payable to Hanoi Stock Exchange	1,005,210,960	853,711,798
Payable to Vietnamese Securities Depository	920,743,295	988,649,090
	<b>79,581,842,302</b>	<b>18,874,600,217</b>

As at 31 December 2021 and as at 31 December 2020, there were no trading obligations past due but not yet settled.

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.

##### 3.11 Trade payables

	As at	
	31.12.2021 VND	31.12.2020 VND
Payables for purchases of listed securities on stocks exchanges	517,001,230,000	95,298,300,000
Payables for purchases unlisted securities	66,780,000,000	-
Payable to VSD - loss in derivatives trading	2,977,730,000	4,714,590,000
Payables for purchases of goods and services	86,368,020	83,736,804
Payables for purchase of covered warrants	348,263,000	17,231,400
	<b>587,193,591,020</b>	<b>100,113,858,204</b>

As at 31 December 2021 and as at 31 December 2020, the Company had no trade payables due to related parties.

As at 31 December 2021 and as at 31 December 2020, there were no payables past due but not yet settled.

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.

##### 3.12 Customers' advances

These balances are mainly advances for service-related activities.





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.13 Taxes and other payables to the State Budget

	As at	
	31.12.2021 VND	31.12.2020 VND
Corporate income tax - current	99,506,790,795	67,713,185,433
Income tax on capital transfers paid on behalf of investors	54,189,541,107	24,548,798,650
Personal income tax	3,933,526,117	1,584,580,331
Value added tax	-	2,008,852,473
	<b>157,629,858,019</b>	<b>95,855,416,887</b>

Movements in tax and other payables to the State Budget during the year were as follows:

	As at 1.1.2021 VND	Incurred VND	Paid VND	As at 31.12.2021 VND
Corporate income tax - current	67,713,185,433	309,748,513,618	(277,954,908,256)	99,506,790,795
Income tax on capital transfers paid on behalf of investors	24,548,798,650	355,410,975,551	(325,770,233,094)	54,189,541,107
Personal income tax	1,584,580,331	61,642,673,287	(59,293,727,501)	3,933,526,117
Value added tax - local	2,008,852,473	26,869,024,271	(28,877,876,744)	-
	<b>95,855,416,887</b>	<b>753,671,186,727</b>	<b>(691,896,745,595)</b>	<b>157,629,858,019</b>

##### 3.14 Accrued expenses

	As at	
	31.12.2021 VND	31.12.2020 VND
Interests on borrowings	64,249,022,318	24,721,227,333
Others	8,662,663,461	5,099,298,346
	<b>72,911,685,779</b>	<b>29,820,525,679</b>

##### 3.15 Other payables

	As at	
	31.12.2021 VND	31.12.2020 VND
Advances from customers (i)	-	15,000,000,000
Operation fund of the Board of Directors (Note 8(b))	9,123,667,500	10,932,367,500
Dividends payable to shareholders (ii)	2,289,043,140	1,612,265,940
Other payables	465,112,336	140,022,470
	<b>11,877,822,976</b>	<b>27,684,655,910</b>

(i) These are advances from customers according to securities brokerage contracts so that the Company uses these advances to settle these customers' transactions

(ii) Details of movements in dividends payable to shareholders are as follows:

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	1,612,265,940	1,227,733,440
Cash dividend declared during the year	730,800,000,000	412,025,979,000
<i>In which</i>		
<i>Dividend of 2019 (Note 7.1(i))</i>	-	246,425,979,000
<i>1st dividend of 2020 (Note 7.1(iii))</i>	-	165,600,000,000
<i>2nd dividend of 2020 (Note 7.1(vi))</i>	331,200,000,000	-
<i>1st dividend of 2021 (Note 7.1(vii))</i>	399,600,000,000	-
Dividend paid	(730,123,222,800)	(411,641,446,500)
<b>Ending balance</b>	<b>2,289,043,140</b>	<b>1,612,265,940</b>

The unpaid dividends as at the reporting dates were due to some shareholders who have not yet claimed for their dividends.

Other than (ii), there were no payables past due but not yet settled.

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

Form B09 - CTCK

#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.16 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	As at	
	31.12.2021 VND	31.12.2020 VND
Deferred income tax assets to be recovered within 12 months (i)	433,965,117	1,056,563,890
Deferred income tax liabilities to be payable within 12 months (ii)	(479,353,545,230)	(128,118,052,275)
	<b>(478,919,580,113)</b>	<b>(127,061,488,385)</b>

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	(127,061,488,385)	(102,259,071,579)
(Charged)/credited to profit or loss (Note 5.5)	(42,118,504,142)	296,130,854
Recognised directly in equity	(309,739,587,586)	(25,098,547,660)
<b>Closing balance</b>	<b>(478,919,580,113)</b>	<b>(127,061,488,385)</b>

##### (i) Details of deferred income tax assets are as below:

	As at	
	31.12.2021 VND	31.12.2020 VND
Deductible temporary differences:		
Revaluation losses of covered warrant of VCSC (Note 5.2)	-	2,898,791,483
Provisions for margin loans	2,169,825,587	2,384,027,974
	<b>2,169,825,587</b>	<b>5,282,819,457</b>
At tax rate of 20%:		
Deferred income tax assets to be recovered within 12 months	<b>433,965,117</b>	<b>1,056,563,890</b>

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

##### (ii) Details of deferred income tax liabilities are as below:

	As at	
	31.12.2021 VND	31.12.2020 VND
Taxable temporary differences:		
Accrued interest receivable	43,628,294,179	19,239,673,718
Revaluation losses of FVTPL financial assets (Note 5.1(b))	246,053,501,519	87,981,416,271
Revaluation gains of AFS financial assets (Note 3.2(b))	2,082,067,109,314	533,369,171,383
Revaluation gains of covered warrant of VCSC (Note 5.2)	25,018,821,136	-
	<b>2,396,767,726,148</b>	<b>640,590,261,372</b>
At tax rate of 20%:		
Deferred income tax liabilities to be payable within 12 months	<b>479,353,545,230</b>	<b>128,118,052,275</b>

##### 3.17 Owners' capital

##### (a) Number of shares

	As at	
	31.12.2021 VND	31.12.2020 VND
Number of shares registered	333,000,000	165,600,000
Number of shares issued	333,000,000	165,600,000
Number of shares repurchased	-	-
	<b>333,000,000</b>	<b>165,600,000</b>

As at 31 December 2021 and as at 31 December 2020, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

##### (b) Movement of share capital

	For the year ended	
	31.12.2021	31.12.2020
Opening quantity	165,600,000	164,349,986
New shares issued	167,400,000	1,200,000
Shares repurchased	-	(71,000)
Treasury shares reissued	-	121,014
<b>Closing quantity</b>	<b>333,000,000</b>	<b>165,600,000</b>





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the year ended 31 December 2021

#### 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

##### 3.18 Revaluation reserve

	As at	
	31.12.2021 VND	31.12.2020 VND
Revaluation gains of AFS financial assets (Note 3.2(c))	2,082,067,109,314	533,369,171,383
Adjusted for: deferred tax liabilities	(416,413,421,863)	(106,673,834,277)
	<b>1,665,653,687,451</b>	<b>426,695,337,106</b>

The movement of revaluation reserve during the year is as follows:

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	426,695,337,106	326,301,146,470
Recognised in equity	1,238,958,350,345	100,394,190,636
Closing balance	<b>1,665,653,687,451</b>	<b>426,695,337,106</b>

##### 3.19 Undistributed earnings

Movements of undistributed earnings during the current year are as follows:

	As at 31.12.2020 VND	Profit for the year VND	Dividend declared VND	Appropriations to reserves VND	Capital increase from owner's equity VND	As at 31.12.2021 VND
Realised profits after tax	1,504,450,539,793	1,349,926,617,034	(730,800,000,000)	(134,992,661,704)	(964,325,457,016)	1,024,259,038,107
Unrealised profits after tax	68,066,099,831	148,791,758,294	-	-	-	216,857,858,125
Undistributed earning	<b>1,572,516,639,624</b>	<b>1,498,718,375,328</b>	<b>(730,800,000,000)</b>	<b>(134,992,661,704)</b>	<b>(964,325,457,016)</b>	<b>1,241,116,896,232</b>

Movements of undistributed earnings during the prior year are as follows:

	As at 31.12.2020 VND	Profit for the year VND	Dividend declared VND	Appropriations to reserves VND	As at 31.12.2021 VND
Realised profits after tax	1,202,423,825,444	761,656,425,183	(412,025,979,000)	(47,603,731,834)	1,504,450,539,793
Unrealised profits after tax	60,810,235,593	7,255,864,238	-	-	68,066,099,831
Undistributed earning	<b>1,263,234,061,037</b>	<b>768,912,289,421</b>	<b>(412,025,979,000)</b>	<b>(47,603,731,834)</b>	<b>1,572,516,639,624</b>

#### 4 NOTES TO OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

##### 4.1 Bad debts written off

	As at	
	31.12.2021 VND	31.12.2020 VND
Margin loans	25,145,170,448	25,145,170,448

Bad debts written off were margin loans in 2011 that were not fully collected due to diminution in value of collateral assets. The Company had made full provision for the uncollected amount before writing them off according to Resolution No. 09/2015/QĐ-HĐTQ.VCSC of the Board of Directors dated 19 October 2015.

##### 4.2 Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies as follows:

	As at	
	31.12.2021	31.12.2020
<b>Original amount</b>		
US Dollar	10,335,519	861,862
British Pound	83,960	61,356
Euro	19,215	6,592
<b>VND equivalent</b>		
US Dollar	234,256,245,326	20,579,719,026
British Pound	2,585,237,357	1,872,154,971
Euro	476,524,405	152,665,521
	<b>237,318,007,088</b>	<b>22,604,539,518</b>

##### 4.3 Number of shares in issue

	As at	
	31.12.2021	31.12.2020
<b>Ordinary shares</b>		
Quantity in issue within 1 year	167,400,000	1,200,000
Quantity in issue for 1 year or more	165,600,000	164,400,000
	<b>333,000,000</b>	<b>165,600,000</b>

##### 4.4 Securities listed/registered at Vietnam Securities Depository

	As at	
	31.12.2021	31.12.2020
<b>Financial assets (quantity)</b>		
Freely traded securities	76,829,064	38,836,180
Pledged securities	16,700,000	26,650,000
Securities awaiting settlement	5,053,300	4,205,564
	<b>98,582,364</b>	<b>69,691,744</b>

##### 4.5 Securities purchased and awaiting settlement

	As at	
	31.12.2021	31.12.2020
<b>Financial assets (quantity)</b>		
Securities awaiting settlement	5,226,586	3,090,532

##### 4.6 Securities not in custody of VSD

	As at	
	31.12.2021	31.12.2020
<b>Financial assets (quantity)</b>		
Freely traded securities	22,184,159	20,394,381
Suspended securities	2,738,000	2,738,000
	<b>24,922,159</b>	<b>23,132,381</b>



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS (continued)

##### 4.7 Covered warrants authorised but not yet issued

		As at 31.12.2021					
Issuance date	Maturity date	Issuance date	Maturity date	Number of covered warrants authorised for issue	Number of unsubscribe covered warrants	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
FPT/VCSC/M/Au/T/A3	FPT Corporation (FPT)	09.07.2021	10.01.2022	1,000,000	-	848,100	151,900
FPT/VCSC/M/Au/T/A4	FPT Corporation (FPT)	23.11.2021	24.05.2022	3,000,000	-	27,200	2,972,800
HPG/VCSC/M/Au/T/A2	Hoa Phat Group JSC (HPG)	09.07.2021	10.01.2022	3,000,000	-	2,988,100	11,900
HPG/VCSC/M/Au/T/A3	Hoa Phat Group JSC (HPG)	23.11.2021	24.05.2022	3,000,000	-	918,100	2,081,900
KDH/VCSC/M/Au/T/A3	Khang Dien House Trading and Investment JSC (KDH)	09.08.2021	10.02.2022	3,000,000	-	1,784,300	1,215,700
MBB/VCSC/M/Au/T/A2	Military Commercial Joint Stock Bank (MBB)	09.08.2021	10.02.2022	3,000,000	-	2,164,800	835,200
MSN/VCSC/M/Au/T/A2	Masan Group Corporation (MSN)	10.09.2021	14.03.2022	2,000,000	-	1,790,500	209,500
MSN/VCSC/M/Au/T/A4	Masan Group Corporation (MSN)	23.11.2021	24.05.2022	3,000,000	-	51,300	2,948,700
MWG/VCSC/M/Au/T/A1	Mobile World Investment Corporation (MWG)	10.09.2021	14.03.2022	2,000,000	-	1,227,100	772,900
MWG/VCSC/M/Au/T/A3	Mobile World Investment Corporation (MWG)	15.10.2022	10.02.2022	1,500,000	-	1,253,800	246,200
MWG/VCSC/M/Au/T/A6	Mobile World Investment Corporation (MWG)	23.11.2021	24.05.2022	3,000,000	-	147,800	2,852,200
PNJ/VCSC/M/Au/T/A2	Phu Nhuan Jewelry Joint Stock Company (PNJ)	10.09.2021	14.03.2022	2,000,000	-	1,099,400	900,600
PNJ/VCSC/M/Au/T/A2	Phu Nhuan Jewelry Joint Stock Company (PNJ)	15.10.2022	10.02.2022	1,500,000	-	854,400	645,600
PNJ/VCSC/M/Au/T/A5	Phu Nhuan Jewelry Joint Stock Company (PNJ)	23.11.2021	24.05.2022	3,000,000	-	93,800	2,906,200
STB/VCSC/M/Au/T/A1	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	09.07.2021	10.01.2022	3,000,000	-	2,571,100	428,900
STB/VCSC/M/Au/T/A2	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	23.11.2021	24.05.2022	3,000,000	-	384,200	2,615,800
TCB/VCSC/M/Au/T/A2	Vietnam Technological and Commercial Joint Stock Bank (TCB)	10.09.2021	14.03.2022	2,000,000	-	1,998,000	2,000
VHM/VCSC/M/Au/T/A1	Vinhomes Joint Stock Company (VHM)	09.08.2021	10.02.2022	3,000,000	-	2,963,100	36,900
VIC/VCSC/M/Au/T/A2	Vingroup Joint Stock Company (VIC)	23.11.2021	24.05.2022	3,000,000	-	79,200	2,920,800
VNM/VCSC/M/Au/T/A2	Viet Nam Dairy Products Joint Stock Company (VNM)	09.07.2021	13.01.2022	3,000,000	-	2,985,300	14,700
VNM/VCSC/M/Au/T/A3	Viet Nam Dairy Products Joint Stock Company (VNM)	23.11.2021	24.05.2022	3,000,000	-	66,000	2,934,000
VPB/VCSC/M/Au/T/A3	Vietnam Prosperity Joint Stock Commercial Bank (VPB)	10.09.2021	14.03.2022	2,000,000	-	1,997,500	2,500
VRE/VCSC/M/Au/T/A1	Vincom Retail Joint Stock Company (VRE)	23.11.2021	24.05.2022	3,000,000	-	125,300	2,874,700
ACB/VCSC/M/Au/T/A1	Asia Commercial Joint Stock Bank (ACB)	23.11.2021	24.05.2022	3,000,000	-	164,200	2,835,800
				62,000,000	-	28,582,600	33,417,400
FPT/VCSC/M/AU/T/A2	FPT Joint Stock Company (FPT)	29.10.2020	09.04.2021	1,000,000	-	21,350	978,650
HPG/VCSC/M/AU/T/A1	Hoa Phat Group Joint Stock Company (HPG)	29.10.2020	09.04.2021	1,000,000	-	467,760	532,240
MSN/VCSC/M/AU/T/A1	Massan Group Joint Stock Company (MSN)	29.10.2020	09.04.2021	1,000,000	-	14,550	985,450
VNM/VCSC/M/AU/T/A1	Viet Nam Dairy Products Joint Stock Company (VNM)	29.10.2020	09.04.2021	1,000,000	-	293,620	706,380
VPB/VCSC/M/AU/T/A2	Vietnam Prosperity Joint Stock Commercial Bank (VPB)	29.10.2020	09.04.2021	1,000,000	-	304,740	695,260
				5,000,000	-	1,102,020	3,897,980

##### 4.8 Futures

Futures positions which are still open as at reporting date are as follows:

			As at 31.12.2021			As at 31.12.2020		
Contract symbol	First trading date	Last trading date	Open quantity	Closing settlement price	Open short position	Open quantity	Closing settlement price	Open position
VN30F2201	19.11.2021	20.01.2022	2,202	1,537,000	338,447,400,000	-	-	-
VN30F2101	20.11.2020	21.01.2021	-	-	-	3,231	1,083,900	350,208,090,000
			338,447,400,000			350,208,090,000		





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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## 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

### 5.1 Net realised gain on disposals of FVTPL financial assets and covered warrants

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Realised gains on disposal of FVTPL financial assets	1,589,792,906,521	893,175,954,490
<i>In which:</i>		
Underlying securities	1,283,077,542,959	808,127,958,877
Derivatives	298,086,692,000	81,855,511,000
Covered warrants redeemed	3,098,142,001	1,510,542,303
Covered warrants expired	5,530,529,561	1,681,942,310
Realised losses on disposal of FVTPL financial assets	(616,696,682,328)	(273,047,363,561)
<i>In which:</i>		
Underlying securities	(303,204,365,047)	(168,475,650,165)
Derivatives	(297,705,817,000)	(104,432,282,000)
Covered warrants redeemed	(8,587,327,082)	(139,431,396)
Covered warrants expired	(7,199,173,199)	-
	<b>973,096,224,193</b>	<b>620,128,590,929</b>

Details by category are as follows:

	Quantity disposed VND	Sales proceeds VND	Costs of disposals (*) VND	Realised gains/ (losses) in this period VND	Realised gains in the comparative period VND
Shares	380,662,308	18,880,847,127,181	17,887,255,262,650	993,591,864,531	619,994,664,364
Bonds	42,364,950	6,922,238,647,387	6,949,835,360,189	(27,596,712,802)	6,949,678,044
Fund certificates	88,516,708	2,070,005,913,496	2,056,092,131,076	13,913,782,420	12,707,966,304
Certificates of deposit	7,074	4,351,427,553,483	4,351,463,309,720	(35,756,237)	-
Net realised gain on disposal of underlying securities				979,873,177,912	639,652,308,712
Net realised gain/(loss) on futures position				380,875,000	(22,576,771,000)
Net (loss)/gain on redemption of covered warrants issued by the Company				(5,489,185,081)	1,371,110,907
Net (loss)/gain on expiry of covered warrants issued by the Company				(1,668,643,638)	1,681,942,310
				<b>973,096,224,193</b>	<b>620,128,590,929</b>

(\*) Costs of underlying securities are determined using the weighted average method up to the end of trading dates.

### 5.2 Revaluation result of FVTPL financial assets and covered warrants liabilities

#### (a) Revaluation result of FVTPL financial assets

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Increase/(decrease) in upward revaluation	182,633,550,307	(60,530,814,811)
(Increase)/decrease in downward revaluation	(24,561,465,059)	72,499,436,591
	<b>158,072,085,248</b>	<b>11,968,621,780</b>

Details of revaluation of FVTPL financial assets by category are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation losses 31.12.2021 VND	Accumulated revaluation gains 31.12.2020 VND	Credited/ (charged) to profit or loss VND
Listed shares and shares traded on UPCoM	851,299,716,153	1,097,353,217,672	246,053,501,519	86,944,472,164	159,109,029,355
Unlisted and unregistered shares	-	-	-	-	-
Underlying assets designated as hedges for covered warrants	-	-	-	1,036,944,107	(1,036,944,107)
Unlisted bonds	14,163,251,763	14,163,251,763	-	-	-
	<b>865,462,967,916</b>	<b>1,111,516,469,435</b>	<b>246,053,501,519</b>	<b>87,981,416,271</b>	<b>158,072,085,248</b>

#### (b) Revaluation result of covered warrants liabilities

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Increase in downward revaluation	36,920,003,501	14,319,579
Increase in upward revaluation	(9,002,390,882)	(2,913,111,062)
	<b>27,917,612,619</b>	<b>(2,898,791,483)</b>

Details of revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains as at 31.12.2021 VND	Accumulated revaluation losses as at 31.12.2020 VND	Credited to profit or loss VND
Covered warrants	83,877,549,136	58,858,728,000	25,018,821,136	(2,898,791,483)	27,917,612,619



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### NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the year ended 31 December 2021

#### 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

##### 5.3 Dividends and interest income from financial asset FVTPL

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Dividend income	50,986,767,890	46,033,065,876
Interest income	4,123,941,988	10,701,473,291
	<b>55,110,709,878</b>	<b>56,734,539,167</b>

##### 5.4 General and administrative expenses

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Staff costs	137,742,773,794	32,943,437,965
Outsourced services	21,200,474,739	17,595,600,997
Stationery expenses	4,871,934,093	3,607,819,610
Depreciation and armotisation	1,265,276,256	1,384,432,374
Provision for doubtful debts	-	3,000,000
Other expenses	22,777,769,409	16,870,728,539
	<b>187,858,228,291</b>	<b>72,405,019,485</b>

##### 5.5 Business income tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Accounting profit before tax	1,850,585,393,088	951,038,957,081
Tax calculated at a rate of 20%:	370,117,078,618	190,207,791,416
Adjustment:		
Non-taxable income	(19,714,245,933)	(8,965,955,641)
Non-deductible expenses	1,263,101,235	884,831,885
Under-provisions of previous years	201,083,840	-
Business income tax charge (*)	<b>351,867,017,760</b>	<b>182,126,667,660</b>
Charged/(credited) to profit or loss:		
Business income tax - current	309,748,513,618	182,422,798,514
Business income tax - deferred (Note 3.16)	42,118,504,142	(296,130,854)
	<b>351,867,017,760</b>	<b>182,126,667,660</b>

(\*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

The tax authorities have finalised the Company's business income tax up to 31 December 2020.

##### 5.6 Earnings per share

###### (a) Basic earnings per share

According to prevailing regulations, basic earnings per share are calculated by dividing the net profit attributable to shareholders after deducting the appropriations to bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus shares issued during the year and excluding treasury shares.

Other comprehensive income is not included in earnings to calculate earnings per shares as such treatment is not guided by authority.

	For the year ended	
	31.12.2021	31.12.2020 (Restated) (*)
Accounting profit after tax attributable to ordinary shareholders (VND)	1,498,718,375,328	768,912,289,421
Less amount allocated to bonus and welfare funds (VND)	-	-
Net profit after tax attributable to ordinary shareholders (VND)	1,498,718,375,328	768,912,289,421
Weighted average number of ordinary shares in issue (shares)	332,897,253	329,457,788
Basic earnings per share (VND/share)	<b>4,502</b>	<b>2,334</b>

(\*) Basic earnings per share for the year end 31 December 2020 was restated to take into account the effect of bonus issue in 2021 (Note 7(iv)) on the weighted average number of ordinary shares in issue, as following:

	For the year end 31 December 2020		
	Audited	Adjustment	Restated
Net profit after tax attributable to ordinary shareholders (VND)	768,912,289,421	-	768,912,289,421
Weighted average number of ordinary shares in issue (shares)	164,728,894	164,728,894	329,457,788
Basic earnings per share (VND)	<b>4,668</b>		<b>2,334</b>

###### (b) Diluted earnings per share

The Company did not have potentially diluted ordinary shares during the year and until the issuance date of these financial statements. As a result, diluted earnings per share is equal to basic earnings per share.

## 6 NOTES TO THE STATEMENT OF CASH FLOWS

### 6.1 Proceeds from borrowings

Proceeds from borrowings are loan drawdowns and proceeds from issuance of bonds (Note 3.9).

### 6.2 Repayments of principals of borrowings

Repayments of borrowings are loan repayments and bond repayments (Note 3.9).





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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## 7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

### 7.1 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

Details of changes in equity during the year are as follows:

		Share capital VND	Share premium VND	Treasury shares VND	Revaluation reserve VND	Supplementary capital reserve VND	Financial risk and operation reserve VND	Undistributed earnings VND	Total VND
<b>As at 1.1.2020</b>		<b>1,644,000,000,000</b>	<b>585,317,720,000</b>	<b>(1,000,592,110)</b>	<b>326,301,146,470</b>	<b>77,674,425,835</b>	<b>156,079,089,425</b>	<b>1,263,234,061,037</b>	<b>4,051,605,850,657</b>
Post-tax profit for the year		-	-	-	-	-	-	768,912,289,421	768,912,289,421
Final dividend of the year 2019	(i)	-	-	-	-	-	-	(246,425,979,000)	(246,425,979,000)
Share issue under ESOP program	(ii)	12,000,000,000	-	-	-	-	-	-	12,000,000,000
Interim dividend of the year 2020	(iii)	-	-	-	-	-	-	(165,600,000,000)	(165,600,000,000)
Shares repurchase		-	(400,424,110)	1,000,592,110	-	-	-	-	600,168,000
Revaluation of AFS financial assets		-	-	-	100,394,190,636	-	-	-	100,394,190,636
Appropriate to statutory reserves (Note 2.24(c))		-	-	-	-	38,082,821,259	9,520,910,575	(47,603,731,834)	-
<b>As at 31.12.2020</b>		<b>1,656,000,000,000</b>	<b>584,917,295,890</b>	<b>-</b>	<b>426,695,337,106</b>	<b>115,757,247,094</b>	<b>165,600,000,000</b>	<b>1,572,516,639,624</b>	<b>4,521,486,519,714</b>
Bonus issue to existing shareholders	(iv)	1,665,000,000,000	(584,917,295,890)	-	-	(115,757,247,094)	-	(964,325,457,016)	-
Post-tax profit for the year		-	-	-	-	-	-	1,498,718,375,328	1,498,718,375,328
Revaluation of AFS financial assets		-	-	-	1,238,958,350,345	-	-	-	1,238,958,350,345
Share issue under ESOP program	(v)	9,000,000,000	4,500,000,000	-	-	-	-	-	13,500,000,000
Final dividend of the year 2020	(vi)	-	-	-	-	-	-	(331,200,000,000)	(331,200,000,000)
Interim dividend of the year 2021	(vii)	-	-	-	-	-	-	(399,600,000,000)	(399,600,000,000)
Appropriate to statutory reserves (Note 2.24(b))		-	-	-	-	67,496,330,852	67,496,330,852	(134,992,661,704)	-
<b>As at 31.12.2021</b>		<b>3,330,000,000,000</b>	<b>4,500,000,000</b>	<b>-</b>	<b>1,665,653,687,451</b>	<b>67,496,330,852</b>	<b>233,096,330,852</b>	<b>1,241,116,896,232</b>	<b>6,541,863,245,387</b>

- (i) According to the Resolution of the Annual General Meeting of Shareholders on 24 June 2020, the final dividend for the year 2019 was 15% (equivalent to VND1,500 VND/share) of the Company's charter capital of VND1,644,000,000,000 and to be settled in cash. Accordingly, on 29 June 2020, the Board of Directors decided to pay dividend from earnings of 2019 to shareholders in the final registry as at 17 July 2020. The settlement date is 3 August 2020.
- (ii) According to the Resolution of the Annual General Meeting of Shareholders on 24 June 2020 and the Resolution of the BOD dated 20 July 2020, the Company issued 1,200,000 ordinary shares under ESOP program on 31 August 2020. All of proceeds were contribution of employees. The Company accounted for the capital contribution at the issue price being equal to par value of VND10,000/share. The issued shares are suspended for one (1) year since issue date.
- (iii) According to the Resolution of the Annual General Meeting of Shareholders on 24 June 2020, the planned dividend rate of 2020 ranges from 10% to 15%. Accordingly, on 9 December 2020, the Board of Directors declared the first dividend of 2020 at 10% (equivalent to VND1,000 VND/share) of the Company's charter capital of VND1,656,000,000,000 and to be settled in cash to shareholders in the final registry as at 23 December 2020. The settlement date was 31 December 2020.
- (iv) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021, the share bonus issue at the ratio of 1 : 1 was approved, in which a shareholder holding 1 existing shares would be entitled to 1 new share. Accordingly, the Company issued 166,500,000 additional shares on 23 June 2021.

- (v) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021 and the Resolution of the BOD dated 12 April 2021, the Company issued 900,000 ordinary shares under ESOP program on 12 May 2021. The Company accounted for the difference between the par value of VND10,000 per share and the issue price of VND15,000 as share premium. The issued shares are suspended one (1) year since issue date.
- (vi) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021, the final dividend for the year 2020 was 20% (equivalent to VND2,000 VND/share) of the Company's charter capital of VND1,656,000,000,000 and to be settled in cash. Accordingly, on 15 April 2021, the Board of Directors decided to pay dividend from earnings of 2020 to shareholders in the final registry as at 4 May 2021. The settlement date was 17 May 2021.
- (vii) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021, the planned dividend rate of 2021 ranges from 10% to 15%. Accordingly, on 6 December 2021, the Board of Directors declared the first dividend of 2021 at 12% (equivalent to VND1,200 VND/share) of the Company's charter capital of VND3,330,000,000,000 and to be settled in cash to shareholders in the final registry as at 20 December 2021. The settlement date was 29 December 2021.



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### NOTES TO THE FINANCIAL STATEMENTS (continued)

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#### 7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)

##### 7.2 Distributed earnings

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Undistributed earnings brought forward	1,504,450,539,793	1,202,423,825,444
Realised profits incurred in the year (Note 3.19)	1,349,926,617,034	761,656,425,183
Capital increase from undistributed profits	(964,325,457,016)	-
Appropriation to:		
Supplementary capital reserve	(67,496,330,852)	(38,082,821,259)
Financial risk and operation reserve	(67,496,330,852)	(9,520,910,575)
Distributable profits during the year	(730,800,000,000)	(412,025,979,000)
Residual profits distributable to shareholders	1,024,259,038,107	1,504,450,539,793
Distributed profits during the year	730,800,000,000	412,025,979,000
Income tax withheld	(28,362,323,840)	(15,259,257,750)
Net amount distributed to shareholders	<b>702,437,676,160</b>	<b>396,766,721,250</b>

#### 8 RELATED PARTY DISCLOSURES

Related party	Relationship
Viet Capital Commercial Joint Stock Bank	Under same member of Board of Directors ("BOD")
Viet Capital Asset Management JSC (VCAM)	Under same member of BOD
Viet Capital Balanced Fund	Under same member of BOD
International Dairy Product JSC (IDP)	Under same member of BOD
Board of Directors and Board of Management	Key management

#### (a) Related party transactions

During the year, the following transactions were carried out with related parties:

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
<b>Viet Capital Commercial Joint Stock Bank</b>		
Revenues on brokerage services, custody services, consultancy services and other services	<b>6,045,842,109</b>	<b>4,557,902,134</b>
	For the year ended	
	31.12.2021 VND	31.12.2020 VND
<b>Viet Capital Asset Management JSC</b>		
Revenue on brokerage services	87,336,360	329,972,715
<b>Viet Capital Balanced Fund</b>		
Revenue on brokerage services	7,645,118	22,811,661
<b>Key management compensation</b>		
Salary and other benefits	83,988,890,000	6,395,740,000
In which:		
Mr. To Hai	2,738,150,000	2,128,580,000
Mr. Dinh Hoan Bao	2,480,370,000	2,133,580,000
Mr. Nguyen Quang Bao	2,480,370,000	2,133,580,000
Bonus according to 2020 result	3,850,000,000	-
Bonus according to 2021 result (*)	71,900,000,000	-
<b>Board of Directors</b>	<b>540,000,000</b>	<b>-</b>

(\*) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021, the Board of Directors is entitled to bonus only when profit before tax of 2021 is higher than actual profit before tax of 2020. If it is the case, bonus for Board of Director is 8% of the excessive profit before tax beyond the actual profit before tax of 2020 amounting to VND951 billion.





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the year ended 31 December 2021

#### 8 RELATED PARTY DISCLOSURES (continued)

##### (b) Year-end balances with related parties

	As at	
	31.12.2021 VND	31.12.2020 VND
<b>Board of Directors</b>		
Operation fund of the Board of Directors (Note 3.15)	9,123,667,500	10,932,367,500
<b>Key management compensation</b>		
Salary and other benefits	71,900,000,000	-

#### 9 SEGMENT REPORTING

The Board of Directors of the Company determines that the management decisions of the Group are based primarily on the types of services provided by the Company. As a result, the primary segment reporting of the Company is presented in respect of the Company's business segments.

##### (a) Geographical segments

The principal activities of the Company are carried out within Vietnam territory. Risks and returns of the Company are not materially affected by distinctions between geographical areas. On these grounds, the Board of Management determines that the Company has only one geographical segment.

##### (b) Business segments

Brokerage and services segment generates revenues and incurs expenses related to securities brokerages, underwriting, agency, custody and other securities services.

Proprietary trading segment generates revenues and incurs expenses related to FVTPL financial assets, AFS financial assets, and derivatives.

Lending segment generates revenues and incurs expenses related to margin loans, trading advances and HTM financial assets.

Consulting segment generates revenues and incurs expenses related to financial consultancy service and investment consultancy service.

Income and expenses based on the Company's business activity segments are as follows:

	For the year ended 31 December 2021				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Revenue and income (*)	882,556,923,539	1,959,006,362,871	580,221,442,123	285,283,995,959	3,707,068,724,492
Expenses	(587,679,970,323)	(868,698,742,658)	(179,350,219,328)	(58,245,253,838)	(1,693,974,186,147)
In which:					
Direct cash expenses	(556,725,983,015)	(679,037,373,668)	-	(55,351,143,702)	(1,291,114,500,385)
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	-	214,202,387	-	214,202,387
Total depreciation and amortisation of fixed assets	(5,746,832,507)	(210,968,025)	-	(273,865,664)	(6,231,666,196)
Allocation of long-term and short-term prepaid expenses	(25,207,154,801)	(1174,459,055)	-	(2,620,244,472)	(29,001,858,328)
Other allocated expenses	-	(188,275,941,910)	(179,564,421,715)	-	(367,840,363,625)
Segment result	294,876,953,216	1,090,307,620,213	400,871,222,795	227,038,742,121	2,013,094,538,345
Net financial income					25,616,869,946
General and administration expenses					(187,858,228,291)
Net other income					(267,786,912)
Operating result					1,850,585,393,088
(*) All of revenues are from services rendered to external customers, and all of income is generated from transactions with external partners.					

	For the year ended 31 December 2020				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Revenue and income (*)	491,987,477,412	884,287,679,932	319,051,320,794	34,265,112,425	1,729,591,590,563
Expenses	(307,175,511,034)	(285,037,610,194)	(109,142,791,575)	(11,271,336,166)	(712,627,248,969)
In which:					
Direct cash expenses	(277,152,619,014)	(202,361,613,628)	-	(9,472,593,881)	(488,986,826,523)
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	-	38,400,000	-	38,400,000
Total depreciation and amortisation of fixed assets	(8,326,876,812)	(499,202,919)	-	(424,134,000)	(9,250,213,731)
Allocation of long-term and short-term prepaid expenses	(21,696,015,208)	(735,221,485)	-	(1,374,608,285)	(23,805,844,978)
Other allocated expenses	-	(81,441,572,162)	(109,181,191,575)	-	(190,622,763,737)
Segment result	184,811,966,378	599,250,069,738	209,908,529,219	22,993,776,259	1,016,964,341,594
Net financial income					5,858,556,094
General and administration expenses					(72,405,019,485)
Net other income					621,078,878
Operating result					951,038,957,081
(*) All of revenues are from services rendered to external customers, and all of income is generated from transactions with external partners.					



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 9 SEGMENT REPORTING (continued)

##### (b) Business segments (continued)

Assets and liabilities based on the Company's business activity segments are as follows:

	As at 31 December 2021				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Segment assets	86,752,629,731	7,437,703,560,985	9,081,346,938,559	3,201,894,333	16,609,005,023,608
Unallocated assets					27,259,923,509
<b>Total assets</b>					<b>16,636,264,947,117</b>
Segment liabilities	438,525,528,602	4,670,202,304,006	4,307,990,309,332	-	9,416,718,141,940
Unallocated liabilities					677,683,559,790
<b>Total liabilities</b>					<b>10,094,401,701,730</b>
Total expense incurred for purchases of fixed assets					73,870,000
In which:					
Fixed assets in segments	66,143,524	3,855,984	-	3,870,492	73,870,000
Fixed assets in unallocated assets					-

Assets and liabilities based on the Company's business activity segments are as follows:

	As at 31 December 2020				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Segment assets	73,008,017,638	3,924,612,711,275	4,346,453,577,136	3,749,109,642	8,347,823,415,691
Unallocated assets					34,581,709,749
<b>Total assets</b>					<b>8,382,405,125,440</b>
Segment liabilities	112,579,684,417	1,690,880,568,686	1,798,404,516,851	15,000,000,000	3,616,864,769,954
Unallocated liabilities					244,053,835,772
<b>Total liabilities</b>					<b>3,860,918,605,726</b>
Total expense incurred for purchases of fixed assets					7,613,828,701
In which:					
Fixed assets in segments	5,116,644,170	234,002,864	-	476,354,940	5,827,001,973
Fixed assets in unallocated assets					<b>1,786,826,728</b>

#### 10 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to financial risks including market risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise the adverse effect of these risks on the Company's performance.

The Board of Management of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Board of Management establishes the detailed policies such as risk identification and measurement, investment strategy and limits. Risk management policies and systems are reviewed regularly to tackle the changes and align to market trends.

Financial risk management is carried out by finance personnel. The finance personnel measure actual exposures against the limits set and prepare periodical reports for the review of the Board of Management.

The information presented below is based on information received from the Board of Management.

##### (a) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Company, resulting in a financial loss to the Company. It arises principally from cash at banks, debt instruments, receivables and other assets.

The maximum exposure to credit risk equals to the total of carrying amounts of balances exposed to credit risk before provision, collateral held or other credit enhancements, in particular:

	As at	
	31.12.2021 VND	31.12.2020 VND
<i>Cash and cash equivalents (Note 3.1)</i>	<i>1,131,170,799,056</i>	<i>641,552,887,300</i>
Demand deposits	1,131,170,799,056	641,552,887,300
<i>Financial assets at fair value through profit or loss ("FVTPL") (Note 3.2(a))</i>	<i>114,163,251,763</i>	<i>13,157,000,000</i>
Certificates of deposit	100,000,000,000	-
Corporate bonds	14,163,251,763	13,157,000,000
<i>Held-to-maturity (HTM) investments (Note 3.2(b))</i>	<i>753,719,000,000</i>	<i>106,000,000,000</i>
Term deposits	642,329,000,000	16,000,000,000
Security deposit for covered warrants issued	106,390,000,000	5,000,000,000
Corporate Bonds	5,000,000,000	5,000,000,000
Transferable certificate of deposit	-	80,000,000,000





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 10 FINANCIAL RISK MANAGEMENT (continued)

##### (a) Credit risk (continued)

*Credit risk exposure (continued)*

	As at	
	31.12.2021 VND	31.12.2020 VND
<i>Loans (Note 3.3)</i>	<i>7,701,237,131,479</i>	<i>3,881,642,718,172</i>
Margin loans	7,515,786,303,555	3,758,105,223,519
Trading advances	185,450,827,924	123,537,494,653
<i>Receivables (Note 3.4)</i>	<i>266,969,967,178</i>	<i>242,571,149,689</i>
Receivables from disposals of financial assets	188,294,807,000	200,850,615,300
Dividends and interest receivable	47,852,123,094	20,948,002,265
Service-related receivables	30,823,037,084	14,833,156,124
Other receivables	-	5,939,376,000
<i>Prepayment to suppliers (Note 3.5)</i>	<i>18,049,315,068</i>	<i>18,049,315,068</i>
Prepayment for purchase of unlisted securities	18,049,315,068	18,049,315,068
<i>Other current assets (Note 3.7(a))</i>	<i>150,714,917,648</i>	<i>91,333,803,000</i>
Deposit for derivatives trading	150,714,917,648	91,333,803,000
<i>Other long-term assets</i>	<i>4,927,625,066</i>	<i>5,987,200,091</i>
Pledged assets, mortgaged assets, security deposits in long-term	4,927,625,066	5,987,200,091
<b>Total credit risk exposure</b>	<b>10,140,952,007,258</b>	<b>5,000,294,073,320</b>

##### (i) Balances with banks and financial companies

Balances with banks and financial companies include demand deposits, term deposits, escrow accounts, certificates of deposit, and accrued interest.

All bank balances are placed with credit institutions with high creditworthiness or qualified by the State as clearing settlement members. Balances with banks are continuously monitored by treasury function in compliance with the Company's policies and periodically reported to the Board of Management. Credit risk from balances with banks is assessed as low.

As at 31 December 2021 and as at 31 December 2020, there were no balance with banks that were past due nor impaired.

##### (ii) Corporate bond

Corporate bonds in Company's FVTPL and HTM portfolios are unsecured bonds issued by listed entities with bond issuance plans approved by the State Securities Commission. Details of the bonds' features are presented in Note 3.2(a). Investment appraisals related to these debt securities are approved accordance with the Company's investment policies.

Debt securities portfolio is continuously monitored by treasury function in compliance with the Company's policies and periodically reported to the Board of Management. Credit risk from debt securities is assessed as low.

As at 31 December 2021 and as at 31 December 2020, there were no debt security that exceeds 10% of the Company's equity.

As at 31 December 2021 and as at 31 December 2020, there were no debt security that were past due nor impaired.

##### (iii) Trading advances and deposit for derivatives trading activities

Trading advances are collected from Vietnam Securities Depository. Deposit for derivatives trading activities is also placed with this entity.

Vietnam Securities Depository is a state-owned entity and has no history of payment defaults.

Vietnam Securities Depository requires its members to deposit into the Settlement support fund and the Derivatives trading clearing fund to secure their trading obligations.

The securities companies may fulfil customers' securities trading orders only when the customers' balances maintain enough (100%) cash or securities and must carry out further steps to ensure payments prior to execution of the trades.

Credit risk from trading advances and deposit for derivatives trading activities is assessed as low.

As at 31 December 2021 and as at 31 December 2020, there were no balance with Vietnam Securities Depository that were past due nor impaired.



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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#### 10 FINANCIAL RISK MANAGEMENT (continued)

##### (a) Credit risk (continued)

##### (iv) Margin loans

Margin loans are secured by eligible securities listed on the stock exchanges. Under the prevailing regulations on margin lending, the loan limit is set at 50% of the eligible securities' value. Ineligible securities are defined by the stock exchanges on a frequently basis. Eligible securities are approved and frequently updated by Margin lending risk management function based on several criteria including volatility and liquidity.

Customer Services department is responsible for the continuous review of margin loan report which includes balances, collateral assets and margin maintenance ratio. When the margin maintenance ratio falls below 40% (regulated level: 30%), the system alerts and the Company makes margin calls. When the margin maintenance ratio falls below 30%, the Company forcibly sells out collateral assets to collect the loans.

The market value of collateral assets as at 31 December 2021 was VND48,721,316,206,750 (as at 31 December 2020: VND17,980,801,537,100).

According to prevailing securities regulations, the margin loan limit applicable to an individual customer or an institution customer is 3% of the securites company's equity. As at 31 December 2021 and as at 31 December 2020, there were no margin loan balance that exceeds 3% of the Company's equity.

Analysis of credit quality of margin loans as at reporting date is as follows:

	As at	
	31.12.2021 VND	31.12.2020 VND
Past due and impaired	2,169,825,587	2,678,427,974
Past due but not impaired	-	-
Neither past due nor impaired	7,513,616,477,968	3,755,426,795,545
Provision made	(2,169,825,587)	(2,384,027,974)
<b>Net balance</b>	<b>7,513,616,477,968</b>	<b>3,755,721,195,545</b>

##### (v) Receivables

Credit exposure is restricted by transacting with counterparties with high creditworthiness and obtaining security where necessary.

As at 31 December 2021 and as at 31 December 2020, there were no receivable that exceeds 10% of the Company's equity.

Analysis of credit quality of receivables as at reporting date is as follows:

	Past due and impaired VND	Past due but not impaired VND	Neither past due nor impaired VND	Total VND
<b>As at 31.12.2021</b>				
Current	-	-	265,041,517,178	265,041,517,178
Overdue less than 1 month	-	-	-	-
Overdue for more than 3 months	1,928,450,000	-	-	1,928,450,000
	<b>1,928,450,000</b>	<b>-</b>	<b>265,041,517,178</b>	<b>266,969,967,178</b>
Provision made	(1,928,450,000)	-	-	(1,928,450,000)
<b>Net balance</b>	<b>-</b>	<b>-</b>	<b>265,041,517,178</b>	<b>265,041,517,178</b>
<b>As at 31.12.2020</b>				
Current	-	-	240,642,699,689	240,642,699,689
Overdue less than 1 month	-	-	-	-
Overdue for more than 3 months	1,928,450,000	-	-	1,928,450,000
	<b>1,928,450,000</b>	<b>-</b>	<b>240,642,699,689</b>	<b>242,571,149,689</b>
Provision made	(1,928,450,000)	-	-	(1,928,450,000)
<b>Net balance</b>	<b>-</b>	<b>-</b>	<b>240,642,699,689</b>	<b>240,642,699,689</b>





## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the year ended 31 December 2021

#### 10 FINANCIAL RISK MANAGEMENT (continued)

##### (b) Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate according to changes in market prices. The Company's market risks include interest rate risk, currency risk and share price risk.

The Company manages this risk through sensitivity analysis of variables that would impact its financial position and performance, diversification of its investment portfolio, critical appraisal of securities within limited exposures, and hedging where necessary.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk mainly from its term deposits, certificates of deposit, investments in bonds, loans and borrowings.

The Company manages this risk through analysis of market competition in order to obtain the most favourable interest rate for its intended operations while still staying within limited exposures.

The Company's term deposits, certificates of deposit, investments in bonds, loans and borrowings are at fixed rates and held for short-term purposes, therefore interest rate risk is minimal.

- Market price risk

Shares held by the financial asset portfolio, open positions in futures, and covered warrants issued by the Company are affected by market risk due to the uncertainty in the future value of these shares. The Company manages its share price risk by setting up investment limits and hedging where necessary. The Investment Committee of the Company also takes part in appraisal and approval of investment in shares and issuance of covered warrants.

As at 31 December 2021, had the prices of securities increased/decreased by 10% with all other variables being held constant (including tax rate), the Company's profit before tax for the year would have been higher/lower by VND614,802,061,045 (as at 31 December 2020: higher/lower by VND296,994,029,441).

- Currency risk

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cashflows in foreign currencies and entered swap foreign currency contracts and currency forward contracts (Note 3.9).

The Company's operations are exposed to risk of certain currencies, mainly the United States Dollar ("USD").

The Company's currency exposure to the USD is as follows:

	Original currency USD		Equivalent to VND	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<b>Financial assets</b>				
Cash	10,335,519	861,862	234,256,245,326	20,579,719,026
<b>Financial liabilities</b>				
Borrowings (the parts not yet hedged)	(21,000,000)	(11,000,000)	(482,945,000,000)	(255,930,000,000)
<b>Net financial liability</b>	<b>(10,664,481)</b>	<b>(10,138,138)</b>	<b>(248,688,754,674)</b>	<b>(235,350,280,974)</b>
<b>Net currency exposure</b>	<b>(10,664,481)</b>	<b>(10,138,138)</b>	<b>(248,688,754,674)</b>	<b>(235,350,280,974)</b>

As at 31 December 2021, if the USD had strengthened/weakened by 10% (estimated % change in exchange rate) against the VND with all other variables being held constant, the Company's profit before tax for the year would have been lower/higher by VND24,868,875,467 respectively as a result of increase/decrease in foreign exchange losses on translation of USD-denominated financial instruments (as at 31 December 2020: lower/higher by VND23,535,028,097, respectively).

##### (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty or fail to perform its financial obligations.

The Company's approach to managing liquidity risk is to ensure that it will always have sufficient reserves of cash to meet its liquidity requirements in the short term and long term.

The Company's assets used as collaterals against its obligations are presented in Note 3.8.

The table below presents the Company's financial liabilities at contractual undiscounted cash flows falling due within 1 year:

	As at	
	31.12.2021 VND	31.12.2020 VND
Short-term borrowings (Note 3.9)	6,362,680,000,000	2,696,130,000,000
Short-term issued bonds (Note 3.9)	1,964,070,000,000	668,320,000,000
Trading obligation (Note 3.10)	79,581,842,302	18,874,600,217
Short-term trade payables (Note 3.11)	587,193,591,020	100,113,858,204
Short-term accrued expenses (Note 3.14)	72,911,685,779	29,820,525,679
Short-term other payables (Note 3.15)	11,877,822,976	27,684,655,910
<b>Total financial liabilities</b>	<b>9,078,314,942,077</b>	<b>3,540,943,640,010</b>



## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the year ended 31 December 2021

#### 10 FINANCIAL RISK MANAGEMENT (continued)

##### (d) Capital Adequacy Ratio

Capital Adequacy Ratio ("CAR") is an indicator that measures the Company's financial safety and ability to meet its financial obligations and absorb certain losses resulting from risks arising during its business operation.

CAR is calculated and presented in the Company's monthly capital adequacy ratio report in accordance with Circular 91/2020/TT-BTC (as at 31 December 2020: Circular 87/2017/TT-BTC issued by the Ministry of Finance on 15 August 2017), pursuantly the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 31 December 2021, the Company's CAR was 400% (as at 31 December 2020: 535%).

#### 11 OPERATING LEASE COMMITMENTS

The Company is currently renting offices under operating leases. The future minimum lease payments under non-cancellable operating leases were as follows:

	As at	
	31.12.2021 VND	31.12.2020 VND
Within 1 year	19,231,527,348	16,158,205,798
Between 1 and 5 years	13,972,557,162	14,203,945,743
<b>Total minimum payments</b>	<b>33,204,084,510</b>	<b>30,362,151,541</b>

#### 12 CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised in the financial statements was as follows:

	As at	
	31.12.2021 VND	31.12.2020 VND
Trading platform	8,714,400,000	8,474,400,000

#### 13 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions during the year	Value of transactions during the year VND
<b>a) Of the Company</b>		
Shares	688,055,635	34,905,219,002,423
Bonds	84,315,176	9,672,603,234,824
Future contracts	192,779	25,922,302,160,000
Covered warrants	31,321,200	113,010,092,000
<b>b) Of investors</b>		
Shares	14,445,147,997	562,440,837,963,585
Bonds	393,177,104	40,465,543,118,201
Future contracts	516,652	70,416,393,060,000
Covered warrants	73,186,800	247,684,159,000
	<b>15,715,913,343</b>	<b>744,183,592,790,033</b>

#### 14 SUBSEQUENT EVENTS

From 1 January 2022, Circular 114/2021/TT-BTC issued by the Ministry of Finance on 17 Dec 2021 took effective, accordingly:

- The financial regimes applicable to securities companies and fund management companies stipulated in Circular 146/2014/TT-BTC are rescinded.
- Supplementary capital reserve made in accordance with Circular 146/2014/TT-BTC shall be added to the Company's charter capital in line with Securities Law 2019 and related guidances and the Company's charter.
- Financial risk and operation reserve made in accordance with Circular 146/2014/TT-BTC shall be added to the Company's charter capital or utilised in line with resolution of Annual General Meeting of shareholders, Securities Law 2019 and related guidances, the Company's charter, and ensuring financial safety ratio pursuantly to securities regulations.

Other than this fact, there have been no further significant subsequent events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

The financial statements were approved by the Board of Management on 10 March 2022.

**Nguyen Thi Lan**  
Preparer

**Doan Minh Thien**  
Chief Accountant



**To Hai**  
Chief Executive Officer



**REPRESENTATIVE OF  
VIET CAPITAL SECURITIES JOINT STOCK COMPANY**

**29 March 2022**



**To Hai**  
**Chief Executive Officer**

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