

**SOLIDARITY FOR STRENGTH,
REACHING OUT TO FLY**



2016

annual report

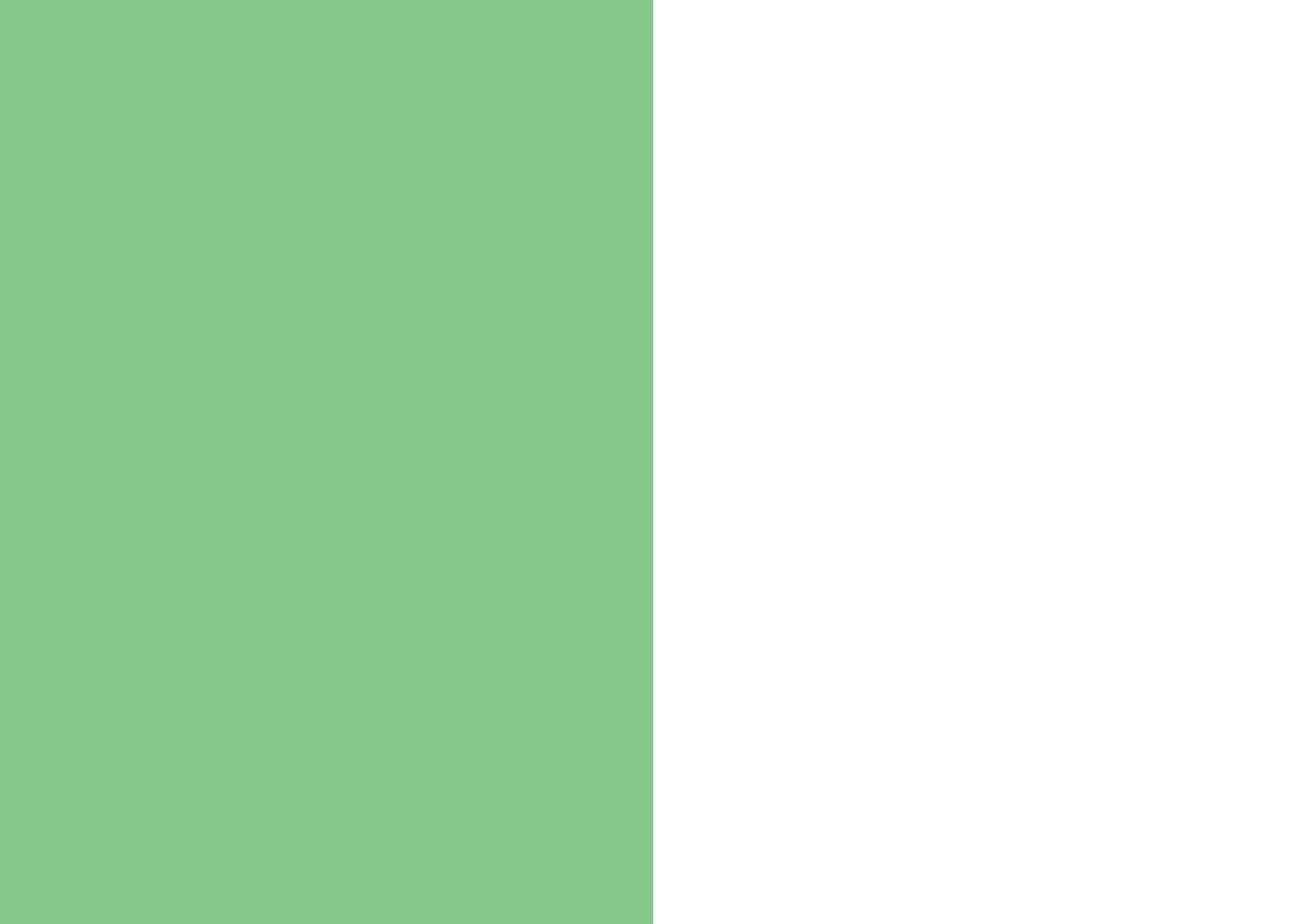


TABLE OF CONTENT

01 INTRODUCTION

- 08 Message from Chairman of the Board of Directors
- 10 Company introduction

02 CORPORATE GOVERNANCE

- 26 Organizational structure
- 28 Key personnel
- 32 Information for shareholders
- 40 Board of Directors
- 48 Board of Controllers
- 56 Internal audit
- 58 Risk management
- 64 Remuneration transactions and benefits
- 66 ASEAN Corporate Governance Scorecard Assessment

04 BUSINESS PLAN IN 2017

- 140 Development strategy in the period of 2016 – 2020
- 142 Objectives and action commitments in 2017

03 REPORT OPERATING SITUATION IN 2016

- 102 Overview of the economy and the stock market in 2016
- 104 Report of Board of Directors
- 106 Report of Board of Management

05 SUSTAINABLE DEVELOPMENT

- 156 Message of General Director about sustainable development
- 158 Sustainable development strategy at BVSC in the period of 2016 – 2020
- 160 Assessment of sustainable development in 2016 at BVSC
- 178 Some basic criteria for assessing PTBV at BVSC (according to GRI)

06 FINANCIAL REPORT

- 192 Combined financial statements
- 266 Financial safety ratio report

ANNEX

- ANNEX I – MANAGERIAL NORMS UNDER CAMEL REGULATIONS
- ANNEX II - MANAGERIAL NORMS UNDER CAMEL REGULATIONS
- ANNEX III - REPORTING COMPLIANCE UNDER GRI

CHAPTER

01

INTRODUCTION

Message from Chairman of the Board of Directors	06
Company introduction	08

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

| DEAR BVSC'S VALUED SHAREHOLDERS, CLIENTS AND PARTNERS

On behalf of the Board of Directors of Bao Viet Securities Joint Stock Company (BVSC), I would like to express sincere gratitude to the Shareholders, Customers and Partners who has trusted and cooperated with BVSC in 2016 and in 17 years of establishment and development.

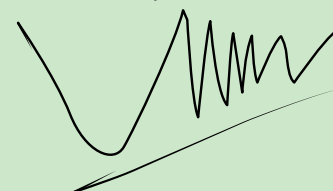
The year 2016 recorded some highlights in the economy when liquidity of banking system was high, lending interest rates and exchange rates stabilized. However, the economy still faced challenges as GDP growth was lower than the Government's target while the headline inflation escalated, and export growth improved compared to 2015 but remained relatively low over the past six years. Regarding the stock market, the year 2016 marked various positive factors of the market as VnIndex reached 660 - 680 and remained stable around this threshold during most of the second half of the year and market liquidity grew by 20% yoy. The year also witnessed many important events such as the divestment of state capital in VNM, the increase of foreign ownership ratio, the debut of large companies as SAB and BHN, and the launch of VNX-Allshare index. These events represented a steady growth of Vietnam stock market on the path of international integration and development. However, in some periods, the market still exposed its "vulnerability" due to the influence of peripheral factors such as the FED rate hike, the decline of oil prices, the slump of global stock market. In addition, complicated market movement in 2016 along with stock price manipulation was challenge for market participants.

The year 2016 marked the beginning of a new development process aiming at the target of sustainable development for BVSC. The 5-year strategic plan for the period of 2016-2020 was approved at the Annual General Meeting of Shareholders on May 12, 2016 with aims to maintain the position of a leading securities company, provide various securities services of the best quality, and bring shareholders the greatest satisfaction. At the Annual General Meeting of Shareholders, a business strategy was adopted with focus on 3 major business lines, including Brokerage-Financial Services, Advisory and Investment. Moreover, the centralized management model will be completed and financial capacity will be improved to maintain its competitive position in the market. Business plan for 2016 was also approved with a target of achieving a revenue of VND314 billion and a profit before tax of VND122 billion. Profit after tax is expected to reach VND97.6 billion.

Amid advantages and disadvantages in the market, the Board of Directors always took control of market movement and provided timely direction. With efforts and strong determination of the Board of Directors and all staff members, the company earned a revenue of VND294.17 billion, a profit before tax of VND119.3 billion and a profit after tax of VND101.7 billion, fulfilling 104.2% of the after-tax profit target. Although total revenue fell short of the target, it still rose by 2.5% compared to 2015. Moreover, revenue from some major services provided by the Company such as brokerage and advisory services, loans and receivables all recorded a growth from 2015. In addition, thanks to efficient financial management and risk management, BVSC's performance, profitability and liquid capital ratios were high and BVSC were among top securities companies with highest business efficiency in the market.

It can be asserted that earnings result in 2016, an important year of the 5-year strategy during 2016-2020, plays an essential role in pursuing the Company's strategy, initially confirming the Company's sustainable strategic orientation amid continuous changes of business environment. Once again, on behalf of the Board of Directors, I would like to express my gratitude to the shareholders, customers and partners for your co-operation with BVSC. I would also like to give my sincere thanks to all the staff members of the Company for their hard work and contribution to the overall success of BVSC in the past and in the future.

ON BEHALF
OF THE BOARD OF DIRECTORS
Chairperson



Dau Minh Lam

It can be asserted that earnings result in 2016, an important year of the 5-year strategy during 2016-2020, plays an essential role in pursuing the Company's strategy, initially confirming the Company's sustainable strategic orientation amid continuous changes of business environment.



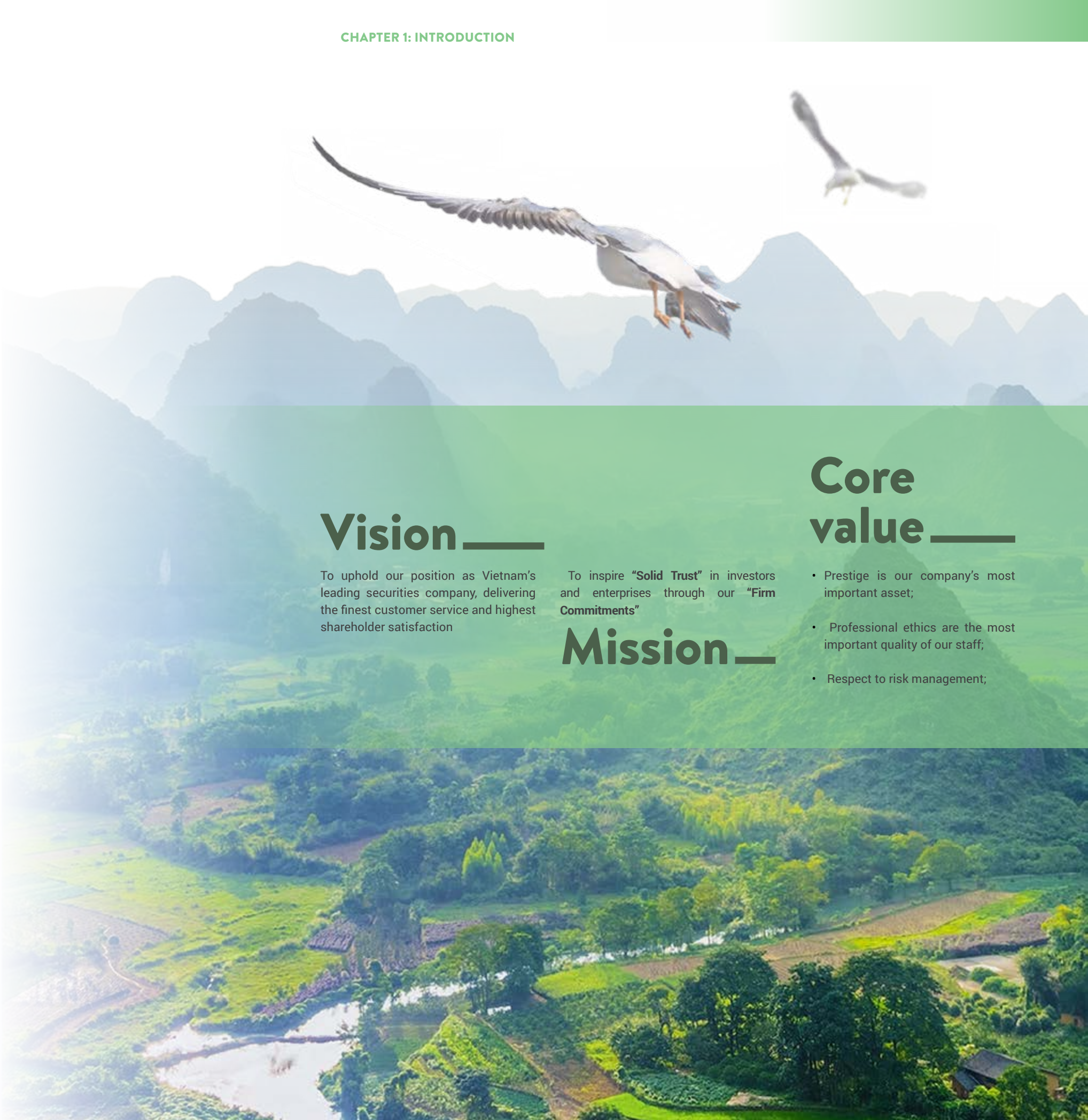
COMPANY
INTRODUCTION

| VISION – MISSION – CORE VALUE

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

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

TRANSACTION NAME	BAO VIET SECURITIES JOINT STOCK COMPANY
Business License	No. 01/GPHDKD granted by the State Securities Commission, on November 26, 1999
Charter capital	VND 722,339,370,000
Owner’s equity as at December 31, 2016	VND 1,548,162,323,584
Address	No. 8, Le Thai To, Hoan Kiem District, Hanoi
Phone	04.39288080
Fax	04.39289888
Website	www.bvsc.com.vn
Ticker	BVS, listed on Hanoi Stock Exchange (HNX)



Vision_____

To uphold our position as Vietnam’s leading securities company, delivering the finest customer service and highest shareholder satisfaction

Core
value_____

- Prestige is our company’s most important asset;
- Professional ethics are the most important quality of our staff;
- Respect to risk management;

To inspire “Solid Trust” in investors and enterprises through our “Firm Commitments”

Mission_____



DEVELOPMENT HISTORY

1999

BVSX was established with the founding shareholder, Vietnam Insurance Corporation (currently known as Bao Viet Holdings), under the supervision of the Ministry of Finance.

2006

- Raised charter capital from VND49.45 billion to VND150 billion
- BVSC's share (Ticker: BVS) was officially listed on the Hanoi Securities Trading Center, currently known as Hanoi Stock Exchange (HNX)

2000

Established the Branch of BVSC and opened a Transaction office in Ho Chi Minh City.

2008

- Raised charter capital from VND150 billion to VND450 billion.
- Set up BVSC's head office and transaction floor, No 8, Le Thai To, Hoan Kiem District, Hanoi
- Opened Transaction office No.1 at No 94, Ba Trieu, Hoan Kiem District, Hanoi

2009

- Raised charter capital from VND450 billion to VND722.3 billion.
- Opened Transaction office at No 146, Nguyen Van Cu, District 5, Ho Chi Minh City
- Marked the 10th anniversary

2010

- Introduce new logo and brand recognition system.
- Relocated Brach office to No 233, Dong Khoi, District 1, Ho Chi Minh City and set up Transaction office at No 11, Nguyen Cong Try, District 1, Ho Chi Minh City

2012

- BVS was selected in the HNX 30 – IDX Index

2011

Opened My Dinh Transaction office at No 8, Nguyen Co Thach, Tu Liem District, Hanoi

2014

- Marked the 15th anniversary

2015

- Set up Lang Ha Transaction office at 14 Lang Ha, Ba Dinh District, Hanoi
- Set up a Transaction office 233 Dong Khoi at No 233, Dong Khoi, District 1, Ho Chi Minh City
- My Dinh Transaction office was moved to No 519, Kim Ma, Ba Dinh District, Hanoi and renamed Kim Ma Transaction office

2016

- Transaction office 146 Nguyen Van Cu was moved to 90 Cao Thang and renamed Transaction office 90 Cao Thang

| MAJOR BUSINESS ACTIVITIES

01

Brokerage

Individual client brokerage

As the first securities company in Vietnam stock market, in more than 17 years of establishment and development, BVSC maintained its position as one of the leading securities companies in the market. At present, BVSC has more than 45,000 client accounts. The Company is among the TOP 3 biggest bond brokerage houses and TOP 10 biggest share and fund certificate brokerage houses in the market

Institutional client brokerage

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

With the commitment to “Place clients at the focal point” of its development strategy, BVSC has been synchronous investment in the information technology system, human resources and research and development in order to improve the service quality and diversify the portfolio of products and services to better satisfy the investment demand of institutional clients.

02

Custodian services

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

03

Proprietary trading

BVSC uses its own capital for investment activities for the purpose of profits. Proprietary trading activities are conducted on the basis of strict compliance with the principle of avoiding interest conflict with clients.



04

Corporate finance advisory and Investment banking services

As a professional advisory company, BVSC provides a variety of services to enterprises, namely capital market services, debt market services, restructuring, M&A, and other corporate finance advisory services.

With a diverse portfolio of products and services for investment banking activities, BVSC always delivers the best financial services to clients. With the motto “Quality – Progress – Efficiency” and the objective “Maximize customers’ interests”, BVSC experts always try to satisfy the demand of each group of customers.

05

Analysis and Investment advisory services

With highly qualified, experienced and sharp-minded analysts who closely follow the market, BVSC’s analysis and Investment advisory services over the past years have been highly valued for its diversity and quality, meeting customers’ demand for accurate, objective and updated analysis.

At present, BVSC provides a diverse and comprehensive portfolio of analysis reports, including macro-economy analysis, stock market commentary, bond reports, investment strategy reports, and industry and company reports. Especially, BVSC’s portfolio analysis and investment advisory reports are always appreciated and highly valued by investors for the quality.



| OPERATION NETWORK

HEAD OFFICE:

Address: No. 8 Le Thai To, Hoan Kiem District, Hanoi
Tel: (84-4) 3.928 8080
Fax: (84-4) 3.928 9888
Email: info-bvsc@baoviet.com.vn
Website: www.bvsc.com.vn

TRANSACTION OFFICE OF HEAD OFFICE

Address: Floor 1. No. 8 Le Thai To, Hoan Kiem District, Hanoi
Tel: (84-4) 3.928 8080 / Ext 804
Fax: (84-4) 3.928 8999

TRANSACTION OFFICE NO.1

Address: 94 Ba Trieu, Hoan Kiem District, Hanoi
Tel: (84-4) 3.928 9950
Fax: (84-4) 3.943 3012

KIM MA TRANSACTION OFFICE

Address: Floor 2, 519 Kim Ma Building, Ba Dinh District, Hanoi
Tel: (84-4) 3.928 8080
Fax: (84-4) 3.237 3135

LANG HA TRANSACTION OFFICE

Address: Floor 1, 14 Lang Ha Building, Ba Dinh District, Hanoi
Tel: (84-4) 3.928 8888
Fax: (84-4) 3.772 8682

HO CHI MINH CITY
BRANCH

Address: Floor 8, Bao Viet Holdings Building, 233 Dong Khoi, District 1, Ho Chi Minh City
Tel: (84-8) 3.914 6888
Fax: (84-8) 3.914 7999
Email: info.hcm@baoviet.com.vn

TRANSACTION OFFICE OF THE BRANCH

Address: 11 Nguyen Cong Tru, District 1, Ho Chi Minh City
Tel: (84-4) 3.821 8564 / Ext 320 – 327
Fax: (84-8) 3.821 8566 / 3.914 1435
Email: brokerage.hcm@baoviet.com.vn

146 NGUYEN VAN CU TRANSACTION OFFICE

Address: 146 Nguyen Van Cu, District 1, Ho Chi Minh City
Tel: (84-8) 3.837 7799
Fax: (84-8) 3.837 1100

233 DONG KHOI TRANSACTION OFFICE

Address: Floor G, Bao Viet Building, 233 Dong Khoi, District 1, Ho Chi Minh City
Tel: (84-8) 3.914 6888
Fax: (84-8) 3.914 7999

AWARDS

Awards honored by Regulatory Agencies

PRIME MINISTER

- Leading company in emulation movement



MINISTRY OF FINANCE

- Certificate of Merit for achievement in building and developing Vietnam stock market over 2000-2005
- Certificate of Merit for achievement in building and developing Vietnam stock market over 2009-2014



STATE SECURITIES COMMISSION OF VIETNAM

- Certificate of Merit for Outstanding achievements in the secondary bond market operations in 2012



HANOI STOCK EXCHANGE (HNX)

- Certificate of merit for positive contributions to the development of Government Bond market over 2009-2014



- Typical member for 4 consecutive years 2013 – 2014 – 2015 – 2016
- Typical member Securities Company in 2005-2016



HANOI STOCK EXCHANGE (HNX)

- Top 30 Transparent Listed Company for 4 consecutive years 2013 - 2014 – 2015 - 2016



- The member Securities Company offering the best Advisory Service 2005-2015



HOCHIMINH STOCK EXCHANGE (HOSE)

- Typical Securities company: TOP 5 biggest bond brokerage houses in 2015



- Typical Securities company: TOP 10 biggest share and fund certificate brokerage houses in 2015



Other awards

VIETNAM BOOK OF RECORDS

- The First Securities Company in Vietnam



VIETNAM YOUNG ENTREPRENEUR ASSOCIATION CENTRAL COMMITTEE

- Vietnam Gold Star 2015



VIETNAM ECONOMIC TIMES

- Vietnam strong brand for four consecutive years 2013 – 2014 – 2015 -2016



BEST ANNUAL REPORT AWARDS

- Top 10 annual reports for 3 consecutive years 2013 – 2014 -2015
- To 30 annual reports in 2012



THE VIETNAM M&A FORUM

- Excellent M&A Advisory Firm 2009-2014



- Excellent Equitization Advisory Organization 2013-2014



- Excellent Securities Company for Equitization/Divestment in State-owned enterprises 2015



- Typical securities company of the year and best for merger advisory item 2016



International awards

FINANCE ASIA

- Best Equity House in Vietnam 2008



GLOBAL BANKING AND FINANCE REVIEW

- Best brokerage house Vietnam 2015-2016
- Best equity house Vietnam 2016



| BASIC INDICATORS OF KPIS

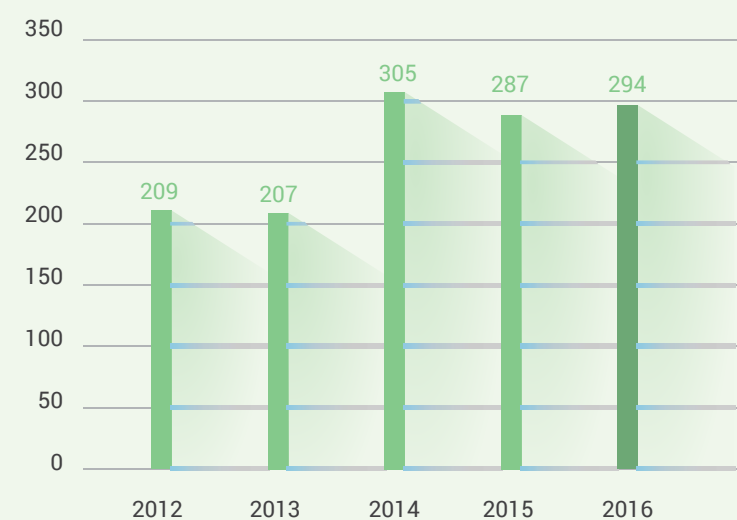
(Unit: Billion dong)

	2012	2013	2014	2015	2016
BASIC INDICATORS					
Total Revenue	208,669,756,466	207,350,609,633	305,343,799,112	287,179,455,911	294,155,671,629
Revenue from brokerage services	48,803,171,620	44,720,895,335	108,679,704,730	84,023,709,261	99,886,761,357
Revenue from advisory and underwriting services	5,243,683,338	7,923,037,641	5,615,873,939	10,518,759,351	9,819,820,940
Revenue from proprietary trading	54,729,249,587	50,138,398,752	61,025,574,026	53,174,893,673	37,457,677,100
Revenue from other services (*)	99,893,651,921	104,568,277,905	130,022,646,417	139,462,093,626	146,991,412,232
Pretax profit	77,318,185,142	85,817,719,866	131,642,224,052	120,324,624,019	119,306,206,190
Net profit	77,318,185,142	85,817,719,866	131,642,224,052	116,105,180,030	101,714,420,306
Total assets	1,534,858,360,507	1,792,694,852,348	1,883,734,671,165	2,108,291,107,867	1,855,255,471,025
Owners' equity	1,125,631,201,074	1,212,053,905,365	1,341,205,921,867	1,450,739,880,694	1,548,162,323,584
SPECIFIC INDICATORS					
Liquid capital ratio	453%	553%	773%	735%	678%
Current ration (Current assets/current liabilities)	3.04	2.83	3.11	6.38	4.37
Quick ratio (Cash and cash equivalents/ Current liabilities)	1.46	0.92	3.11	2.07	0.38
Earnings per share	1,071	1,188	1,732	1,552	1,345

Notes: Some figures of 2015 in the annual report for 2016 were different from those in the Annual Report for the year 2015 due to recalculation in accordance with Circular 210 of the Ministry of Finance providing guidance on accounting policy applicable to securities companies

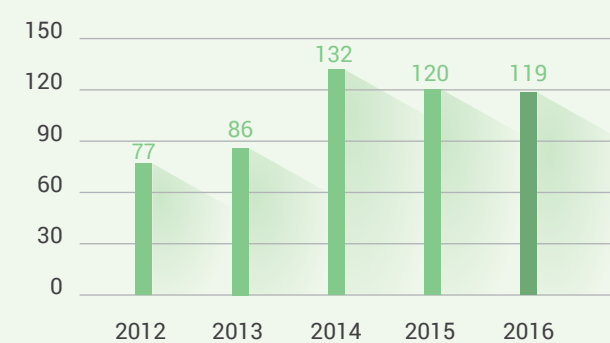
Total Revenue

(Unit: Billion dong)



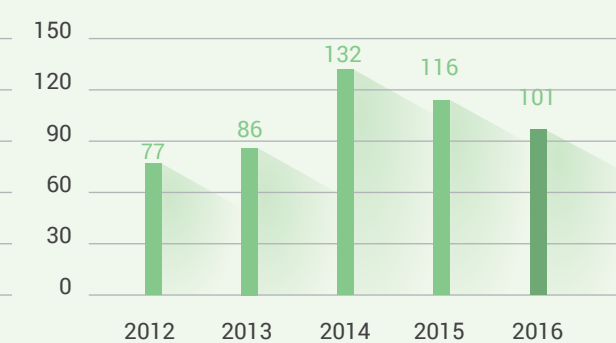
Pretax profit

(Unit: Billion dong)



Net profit

(Unit: Billion dong)



FOSTERING INTERNAL RESOURCES

With the expectation of a new height for the next 5 years of development, BVSC understands the challenges to face, opportunities to embrace. Therefore, we always nourish essential resources, cherish core values to be ready to begin new journeys and move on to new goals.



CHAPTER

02

CORPORATE GOVERNANCE

Organizational structure	28
Key personnel	30
Information for shareholders	34
Board of Directors	42
Board of Controllers	50
Internal audit	58
Risk management	60
Remuneration transactions and benefits	66
ASEAN Corporate Governance Scorecard Assessment	68

Within the framework of this report, we have implemented some presentations and evaluation on the BVSC's corporate governance system that most commonly refers to the criteria under the ASEAN Corporate Governance Scorecard. We believe that this positioning is the right path for us to further improve our corporate governance system in line with regional and international market standards.

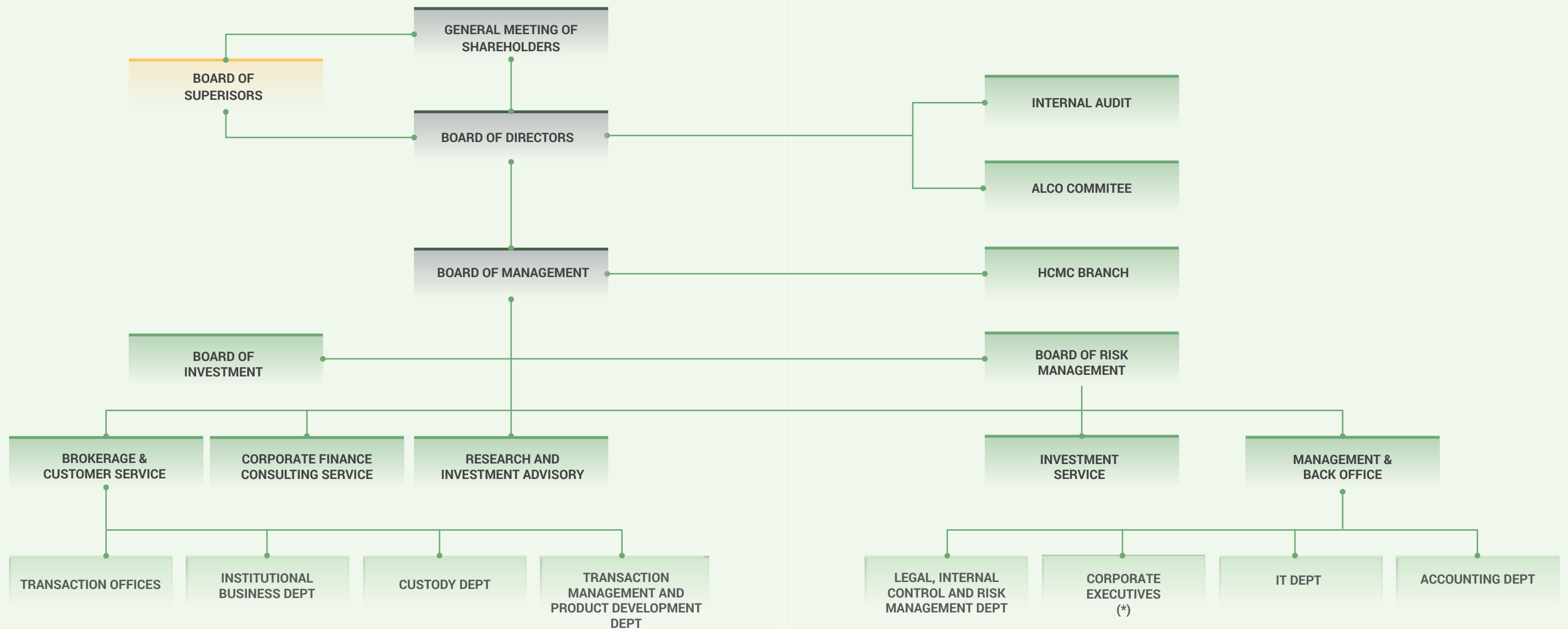


With the desire to reach new heights in our business strategy for the period of 2016-2020, we understand that it is necessary to build a good corporate governance foundation for the Company to achieve its sustainable development goals. We are aware that building an effective corporate governance system is about building an environment of trust, transparency, financial stability and business ethics.

BVSC's corporate governance system is built on the basis of the Enterprise Law, Securities Law and guiding documents in line with the experience of BVSC in the course of 17 years of establishment and development. However, over the past five years, BVSC's corporate governance system has continued access to the advanced standards under the international practice. Within the framework of this report, we have implemented some presentations and evaluation on the BVSC's corporate governance system that most commonly refers to the criteria under the ASEAN Corporate Governance Scorecard. This scorecard is based on the ASEAN Corporate Governance Scorecard in 2015-2016, an initiative of the ASEAN Capital Markets Forum (ACMF) with assistance from ADB. We believe this positioning is the right path for us to further improve our corporate governance system in line with regional and international market standards, is a way to build trust with the shareholders of BVSC in particular and the investors in the market in general.

MR. NHU DINH HOA
Member of the Board of Directors
General Director

ORGANIZATIONAL STRUCTURE



(*) The Corporate executives shall implement the functions of human resource management (HR), investor relations (IR), public relations (PR), general planning and administration.

*** Subsidiaries, associated companies: None

KEY PERSONNEL

BOARD OF DIRECTORS



MR. DAU MINH LAM

Chairman of the Board of Directors (Non-executive)

First appointment date: 12/05/2016

Age: 38

Qualification: Master of Banking and Finance

WORK EXPERIENCE

- 05/2016 - present: Chairman of the Board of Directors of BVSC.
- 12/2014 - present: Member of the Board of Directors of Baoviet Holdings
- 04/2015 - present: Chairman of the Board of Members-Bao Viet Fund Management Company.
- 12/2014 - 04/2015: Director of Investment Service - Baoviet Holdings.
- 04/2015 - 01/2017: General Director of Bao Viet Fund Management Company.
- 01/2006 - 12/2014: Deputy Head of General Accounting; Head of Investment of unlisted shares; Deputy General Director; Investment Director of Bao Viet Fund Management Company.
- 11/2001 - 12/2005: technician of the Project Management Unit; Deputy Head of Direct Investment, Investment Center, Vietnam Insurance Corporation.
- 02/2001 - 11/2001: Specialist of the Construction Company No. 17, Truong Son Construction One Member Limited Liability Corporation

OTHER POSITIONS

- Member of the Board of Directors of Baoviet Holdings;
- Chairman of the Board of Members of Bao Viet Fund Management Company;
- Member of the Board of Directors of Bao Viet Commercial Joint Stock Bank;
- Member of the Board of Directors of Bao Viet Life Insurance Corporation; Member of the Board of Directors of Lam Dong Tourist Joint Stock Company.



MR. PHAM NGOC TU

Member of the Board of Directors (Non-executive)

First appointment date: 16/09/2015

Age: 37

Qualification: Master of Economics

WORK EXPERIENCE

- 09/2015 - present: Member of BOD of BVSC.
- 05/2015 - present: Deputy Director in charge of Financial Management - Baoviet Holdings
- 04/2015 - 05/2015: Deputy Director in charge of Internal audit - Baoviet Holdings
- 06/2014 - 07/2015: Member of BOD of Vietnam Water and Environment Investment Corporation (Viwaseen) - Ministry of Construction
- 05/2004 - 10/2014: Member of the BOARD OF CONTROLLERS; Deputy Head of INSTITUTIONAL BUSINESS; Chief Controller; Chief Accountant of Vietnam Water and Environment Investment Corporation (Viwaseen) - Ministry of Construction
- 10/2001 - 04/2004: Specialist of Accounting Department, Water Supply and Sewerage Construction and Investment Company (WASECO) - Ministry of Construction; In charge of Accounting for Branch of Waseco Company in Hanoi.

OTHER POSITIONS

- Deputy Director in charge of Financial Management - Baoviet Holdings



MR. NGUYEN ANH TUAN

Member of the Board of Directors (Non-executive)

First appointment date: 12/05/2016

Age: 39

Qualification: Master of Banking and Finance

WORK EXPERIENCE

- 05/2016 - present: Member of BOD of BVSC.
- 11/2016 - present: Director of Operations Management - Baoviet Holdings
- 05/2016-11/2016: Acting Director of Operations Management - Baoviet Holdings.
- 04/2015 - 05/2016: Deputy Director of Operations Management - Baoviet Holdings.
- 09/2014 - 04/2015: Deputy Head of the General Secretariat - Operations Management - Baoviet Holdings.
- 12/2012 - 09/2014: Deputy Head of the Project Investment Board - Investment Service - Baoviet Holdings.
- 04/2011 - 12/2012: Deputy Head - Strategic Investment Board - Investment Service - Baoviet Holdings.
- 01/2006 - 04/2011: Principal Specialist in charge of Investment Project Management and Assessment - Strategic Investment Board - Baoviet Holdings.
- 11/2001 - 01/2006: Project Management Specialist - Project Management Department - Investment Center of Vietnam Insurance Corporation.

OTHER POSITIONS

- Member of BOD of Bao Viet Tokio Marine Insurance Company Limited;
- Vice Chairman of BOD of Sai Gon - Ha Long Tourism and Hotel Joint Stock Company;
- Chairman of Board of Representatives of BVFED Fund.



MR. LE VAN BINH

Member of the Board of Directors (Non-executive)

First appointment date: 15/04/2015

Age: 61

Qualification: Master of Business Administration

WORK EXPERIENCE

- 2001 - present: Member of BOD of BVSC
- 10/2007 - 01/2015: Standing Committee of Auditing, Director of Internal Auditing - Baoviet Holdings
- 1994 - 10/2007: Deputy Head, Head of Accounting, Member of BOD cum Chief Accountant - Vietnam Insurance Corporation
- 1983 - 1994: Lecturer at Hanoi University of Finance and Accountancy

OTHER POSITIONS

None



MR. NHU DINH HOA

Member of the Board of Directors (Executive)

First appointment date: 15/04/2015

Age: 44

Qualification: Master of Accounting, Bachelor of Business Administration

WORK EXPERIENCE

- 04/2010 - present: Member of BOD of BVSC
- 02/2010 - present: General Director of BVSC
- 2005 - 2010: Deputy General Director of BVSC
- 2000 - 2005: Head of Transactions, Head of Advisory and Securities self-trading
- 1995 - 1999: Vietnam Insurance Corporation (Baoviet Holdings now)

OTHER POSITIONS

None

Structure of BOD and the proportion of shares in the Charter capital as of 16/03/2017

- Mr. Dau Minh Lam: Chairman of BOD, Management Representative and holds 25% of charter capital
- Mr. Nhu Dinh Hoa: Member of the BOD, Management Representative and holds 10.15% of charter capital (in which Management Representative of 10% of the capital of Baoviet Holdings at BVSC, personal ownership by 0.15%)
- Mr. Nguyen Anh Tuan: Non-executive member, Management Representative and holds 10% of charter capital
- Mr. Pham Ngoc Tu: Non-executive member, Management Representative and holds 10% of charter capital of BVSC
- Mr. Le Van Binh: Non-executive member of BOD: owns 0% of shares

| BOARD OF CONTROLLERS



MR. NGUYEN XUAN HOA
Head of Board of Controllers

First appointment date: 15/04/2015
Age: 39
Education: Master of Business Administration

WORK EXPERIENCE

- 04/2015 - present: Head of Board of Controllers of BVSC
- 01/2008 - present: Head of Planning and Management Information, Deputy Head, Head of Financial Planning; Deputy Director of Financial Management; Chief Accountant cum Head of Accounting, Head of International Accounting - Bao Viet Holdings
- 11/2001-01/2008: Accountant, Deputy Head of Head Office Accounting Department - Bao Viet Insurance Corporation
- 08/1999-10/2001: Accounting Manager - Duy Hung Informatics Company

OTHER CURRENT POSITIONS

- Chief Accountant, Head of Accounting, Head of International Accounting - Bao Viet Holdings
- Member of Board of Members - Bao Viet Insurance Corporation



MR. HOANG GIANG BINH
Member of the Board of Controllers

First appointment date: 15/04/2015
Age: 30
Education: Master of Accounting - Finance

WORK EXPERIENCE

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

OTHER CURRENT POSITIONS

- Specialist - Board of Investment, Strategy and Investment Service - Bao Viet Holdings



MS. NGUYEN THI THANH VAN
Member of the Board of Controllers

First appointment date: 15/04/2015
Age: 34
Education: Bachelor of Banking and Finance

WORK EXPERIENCE

- 04/2015 - present: Member of Board of Controllers of BVSC
- 01/2005 - present: Accountant, Deputy Head of Accounting, Bao Viet Holdings

OTHER CURRENT POSITIONS

- Deputy Head of Accounting, Financial Management Service - Bao Viet Holdings
- 12/2014 - present: Controller - Bao Viet Life Insurance Corporation

| EXECUTIVE BOARD



MR. NHU DINH HOA
General Director

First appointment date: 02/2010
Duration of serving as General Director: 06 years, 10 months.
Age: 44
Education: Master of Accounting, Bachelor of Business Administration

WORK EXPERIENCE

- 02/2010 - present: General Director of BVSC
- 2005 - 2010: Deputy General Director of BVSC
- 2000 - 2005: Head of Transaction, Head of Securities Advisory and Self-trading - BVSC
- 1995 - 1999: Vietnam Insurance Corporation (now Bao Viet Holdings)

OTHER CURRENT POSITIONS

None



MR. VO HUU TUAN
Deputy General Director cum Director of Ho Chi Minh City Branch

First appointment date: 04/02/2008
Duration of serving as Deputy General Director cum Director of Ho Chi Minh City Branch: 08 years.
Age: 42
Education: Master of Banking and Finance

WORK EXPERIENCE

- From 04/02/2008 - present: Deputy General Director cum Director of Ho Chi Minh City Branch - BVSC
- From 08/2007 - 02/2008: Director of Ho Chi Minh City Branch
- From 10/2005 to 08/2007: Deputy Director of Ho Chi Minh City Branch
- From 07/2002 to 09/2005: Head of Transaction Office of Ho Chi Minh City Branch

OTHER CURRENT POSITIONS

- Member of BOD of Imexpharm Pharmaceutical JSC, Nosafood JSC; Member of Board of Members of BVIF Fund



MS. NGUYEN THI THANH THUY
Deputy General Director

First appointment date: 15/07/2010
Duration of serving as Deputy General Director: 06 years 09 months.
Age: 40
Education: Master of Economics

WORK EXPERIENCE

- From 07/2010 - present: Deputy General Director of BVSC
- From 09/2009 to 07/2010: Head of Advisory
- From 09/2006 to 08/2009: Head of Transaction
- From 10/2003 to 08/2006: Deputy Head of Transaction Department

OTHER CURRENT POSITIONS

None

Composition of the Board of Controllers and the percentage of shareholding in the Charter Capital as of 16/03/2017

- Mr. Nguyen Xuan Hoa: Head of Board of Controllers, representing to manage and holding 4.92% of BVSC's charter capital
- Mr. Hoang Giang Binh: Member of Board of Controllers, holding 0% of BVSC's charter capital
- Ms. Nguyen Thi Thanh Van: Member of Board of Controllers, holding 0% of BVSC's charter capital

Shareholding percentage with voting rights of the Board of Management as of 16/03/2017

- Mr. Nhu Dinh Hoa: Member of the Board of Directors cum General Director of the Company - representing and holding 10.15% of Charter Capital (Of which, the management representative of 10% of capital of Bao Viet Holding at BVSC holding 0.15% of charter capital)
- Ms. Nguyen Thi Thanh Thuy: Deputy General Director - holding 0.006% of charter capital.
- Mr. Vo Huu Tuan: Deputy General Director cum Branch Director - holding 0.023% of charter capital.

INFORMATION FOR SHAREHOLDERS

| SHARES

Total shares issued

72,233,937 Shares

Treasury shares

33,792 Shares

Shares in circulation

72,200,145 Shares

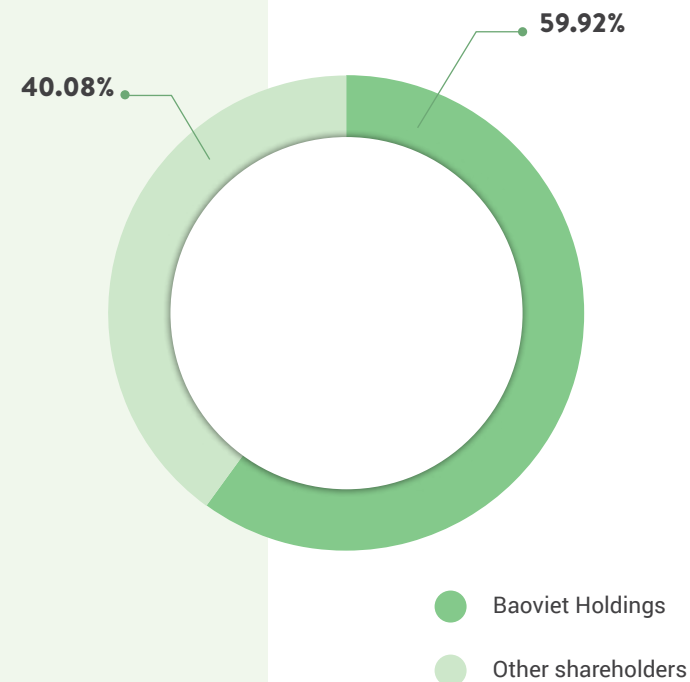
Ordinary shares

72,200,145 Shares

Shares restricted to transfer

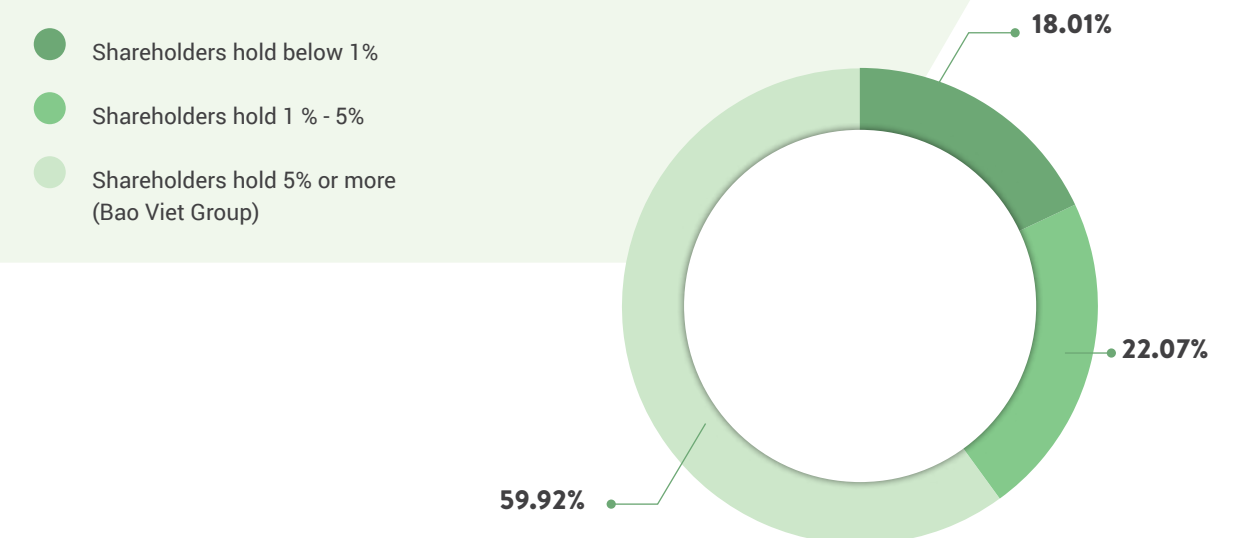
0 Shares

Shareholder structure under the proportion as of 16/03/2017

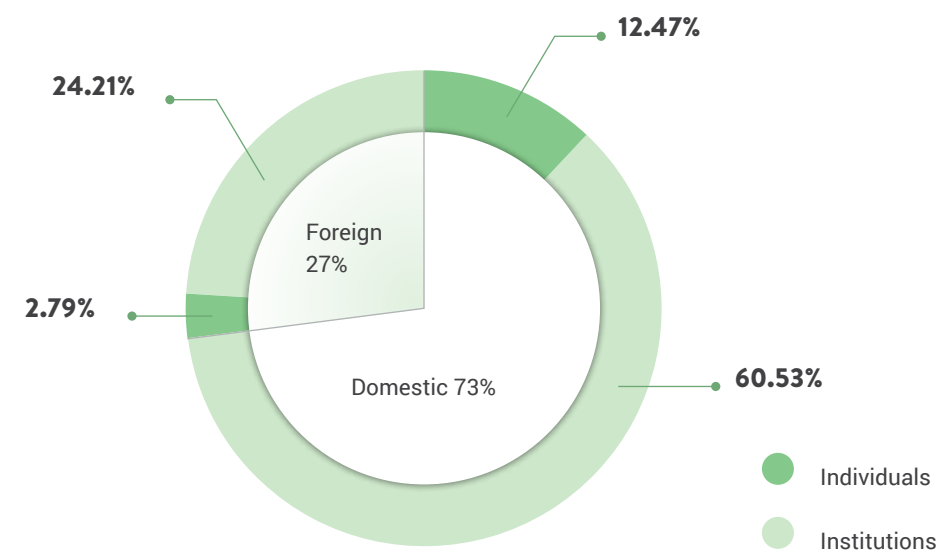


Shareholder structure according to major shareholders, minor shareholders as of 16/03/2017

SHAREHOLDER	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	RATE %
Shareholders hold below 1%	3,167	13,008,614	18.01
Shareholders hold 1 % - 5%	10	15,944,130	22.07
Shareholders hold 5% or more	1	43,281,193	59.92
Total	4,058	72,233,937	100.00



Shareholder structure according to geography as of 16/03/2017:



Changes in owner's equity:

- Changes in owners' equity in 2016: none
- Trading of treasury shares made in 2016: none

CONTENT	NUMBER OF TREASURY SHARES ON 31/12/2015		NUMBER OF TREASURY SHARES INCREASED IN TERM (*)		NUMBER OF TREASURY SHARES ON 31/12/2016	
Number of Treasury Shares	33,792	0.044%	0	0%	33,792	0.044%

- Other securities: None

SHAREHOLDER OPERATIONS IN 2016

ENSURE THE RIGHTS AND LEGAL BENEFITS OF THE SHAREHOLDERS,
OFFER FAIR TREATMENT TO THE SHAREHOLDERS

As a typical securities company in the market and a listed company as well, BVSC pays special attention to ensuring the rights and benefits of the shareholders, and offering fair treatment to the shareholders. On the basis of this core principle, BVSC ensures that all the Company’s shareholders, including domestic and foreign shareholders, individual and institutional shareholders, major and minor shareholders, executive and non-executive shareholders must be offered treatment in a fair and equitable manner. The rights of shareholders are specified in Article 18, the 8th Amendment Regulation of BVSC.



Annual General Meeting of Shareholders in 2016

Right of shareholders to access to information

On 12/5/2016, BVSC held the Annual General Meeting of Shareholders in 2016. Letter of invitation to attend the meeting, agendas, expected reports and documents were sent directly to each shareholder via registered mail by BVSC and published on the Company’s website 15 days prior to the date of General Meeting. In addition, the letter of invitation was published on a newspaper with a national distribution channel. This letter was published in both English and Vietnamese by the Company in order to facilitate the foreign shareholders. At the General meeting in 2016, the Company arranged a direct interpreter for foreign shareholders so that they could approach and fully capture information at the meeting.

All records and General meeting resolutions were fully and publicly read aloud at the meeting before approval voting. The records and resolutions were published within 24 hours after the meeting and published on the company’s website.

Processes and procedures for holding the meeting, and the election regulations always ensure fair treatment of shareholders.

Current Charter and Regulations for holding General meeting of the Company have set out the principles and orders to ensure fair treatment among shareholders when exercising their rights. The Regulations for holding General meeting in 2016 specified: if the shareholder does not participate directly, he may authorize another person on his behalf to attend and vote at the General meeting.

The Regulations on election of members of the Board of Directors at the General meeting of Shareholders in 2016 stipulated that all shareholders holding the Company’s ordinary shares continuously for 6 months as of the time to fix the list of shareholders attending the meeting, including minor shareholders, reserve the right to form a group (over 5%) to nominate candidates and vote for their nominees. The Regulations for holding General meeting and Regulations on election are now posted in the section of Investor relations on the Company’s website.

Discussion and query at the meeting

At the General meeting in 2016, the shareholders voted for approving the Presidium including the Chairman of BOD, members of BOD and General Director. Also at the meeting in 2016, the shareholders directly questioned the Presidium on key issues such as the Company Strategy for 2016-2020 period, business plan in 2017, share price, personal ownership of BOD, Executive Board, etc. The Questions directly asked at the meeting were directly answered by the Presidium. The contents of questioning were also recorded at the Meeting record and stored on the company’s website.

In order to ensure the benefits of the shareholders, the Company invited a representative of the financial statement audit unit to the meeting in 2016 to answer the shareholders’ questions related to independent audit.

Voting at the meeting

At the General meeting of Shareholders on 12/5/2016, the shareholders have directly voted for the important issues related to the business activities of the Company, specifically as follows:

CONTENT	GENERAL MEETING OF SHAREHOLDERS IN 2016 VOTED FOR APPROVAL
Business activities	<ul style="list-style-type: none">Approval of the Income statement in 2015 and Financial statements of the companyApproval of the Business Strategy in the period 2016 - 2020Approval of the Business Plan in 2016
Reports	<ul style="list-style-type: none">Approval of the performance report in 2015 and operation orientation in 2016 of BODApproval of the performance report and evaluation results of the financial statements in 2015 of the Company’s Board of Controllers which have been auditedApproval of the Board of Management’ report on the performance in 2015 and the plan in 2016
Profit distribution	<ul style="list-style-type: none">Approval of the profit distribution plan in 2015, profit distribution plan in 2016
Remuneration policy	<ul style="list-style-type: none">Approval of the remuneration payment in 2015 and remuneration payment plan in 2016 for the BOD, Board of Controllers, Secretariat
Amendments to the Charter	<ul style="list-style-type: none">Approval of a revised Charter under the Enterprise Law 2014
Additional election, replacement of members of BOD	<ul style="list-style-type: none">Approval of the number of members in BOD to be supplemented or replaced in the rest of 2015-2020 tenureApproval of the regulations on election, candidacy, nomination list,Election and approval of additional election results, replacement of BOD in the rest of 2015-2020 tenure

Records and resolutions of the General Meeting of Shareholders in 2016 recorded the content of voting, the number of votes and the percentage of votes for approval/ disapproval/ no opinion, corresponding to each aspect and publicly presented at the meeting and published within 24 hours after ending the General meeting as well as stored on the Company’s website.

Investor relations (IR)

Over the past years, BVSC’s department of investor relations has implemented its function in a good manner as a bridge between the shareholders and investors. The shareholders have the opportunity to talk face-to-face to the corporate not only at the Annual General meeting of Shareholders, but BVSC also actively holds the meetings and exchanges with the investors, funds and financial institutions at home and abroad in order to approach and answer questions as well as provide information on the business and development strategies of BVSC.

In 2016, BVSC held meetings with shareholders and investors with interest as follows:

Date: 10/06/2016	PYN - Elite Fund
Date: 24/06/2016	Mirae Asset Securities Company Limited
Date: 08/10/2016	MNC - Indonesia Securities Company
Date: 21/10/2016	Quoc Thai Quan An International - Hong Kong Company Limited
Date: 05/12/2016	Asia Frontier Capital (AFC)

Information and telephone number of IR department are posted directly in the section “Investor relations” on the Company’s website. This creates the initiative and timely interaction if the shareholders need to contact and learn about the Company’s operations.

Address: Company Headquarters, No. 8, Le Thai To,
Hoan Kiem District, Hanoi

Hotline: (84-4) 3.928 8080 (ext: 604)

Email: info-bvsc@baoviet.com.vn

Website: www.bvsc.com.vn



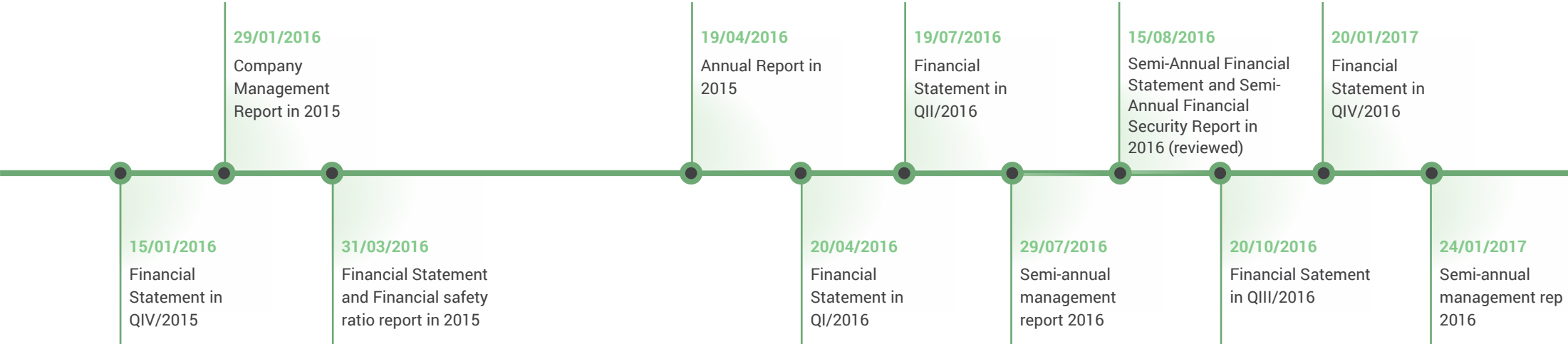
INFORMATION DISCLOSURE AND TRANSPARENCY

In 2016, BVSC has been voted as one of the top 30 listed companies recognized as being most transparent on the Hanoi Stock Exchange 4 consecutive times, which confirms BVSC's transparency in terms of its organization and operation in the market.

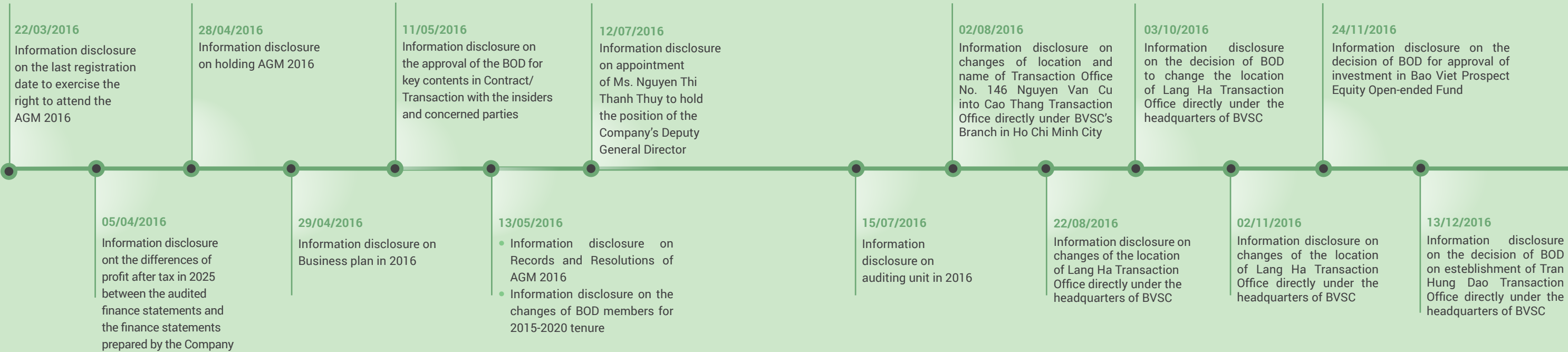
The Company's annual report has announced information not only about business results and financial indicators but also non-financial information including the stable development goals, policies for employees, community development programs, stakeholder relationships, risk analysis and risk management solutions. The report also presents sufficient and detailed information of each member in the Board of Directors, Board of Controllers and Executive Board, their income data and number of shares owned. It also provides the details of transactions of related parties to ensure the Company's business operation in favour of all investors. The annual report has been presented in both Vietnamese and English and stored on the Company's website so that it can be easily accessed by foreign shareholders.

At BVSC, the Company has formulated a standard information disclosure procedure based on the Circular No. 155/2015/TT-BTC of the Ministry of Finance on information disclosure on the securities market and the Regulations at the stock exchanges. The person in charge of disclosing the information is the General Director and is the legal representative of the Company.

Schedule of periodic information disclosure activities relating to production and business activities in 2016



Schedule of other information disclosure activities relating to production and business activities in 2016



* All contents of information disclosure are posted in the section "Investor relations" on the Company's website and via the information disclosure systems at the Stock Exchanges and the State Securities Commission

BOARD OF DIRECTORS

MEMBERS AND STRUCTURE OF BOD

BOD of BVSC consists of 05 members. In 2016, new members were elected at the Annual General Meeting of Shareholders to replace 02 members of BOD for the rest of 2015-2020 tenure. The changes in BOD in 2016 are as follows:

STT	MEMBER OF BOD	POSITION	DATE OF STARTING BEING/NO LONGER BEING MEMBER OF BOD	REASON FOR DISMISSAL/ APPOINTMENT
1	Mr. Dau Minh Lam	Chairman	Since 12/05/2016	Appointed as the capital representative of Baoviet Holdings, elected to replace Mr. Phan Kim Bang because of his resignation letter
2	Mr. Nguyen Anh Tuan	Member	Since 12/05/2016	Appointed as the capital representative of Baoviet Holdings, elected to replace Mr. Bui Tuan Trung because of his resignation letter
3	Mr. Nhu Dinh Hoa	Member	Since 15/04/2015	
4	Mr. Pham Ngoc Tu	Member	Since 15/09/2015	
5	Mr. Le Van Binh	Thành viên	Since 15/04/2015	
6	Mr. Phan Kim Bang	Chairman	Until 12/05/2016	With resignation letter
7	Mr. Bui Tuan Trung	Member	Until 12/05/2016	With resignation letter

Please refer to the details of Company’s Board of Directors in Chapter 2, Section 2, “Key personnel - Board of Directors” from page 30 to page 31 of this report.

TRAINING CERTIFICATE OF CORPORATE GOVERNANCE

The list of BOD members who have Certificate of Corporate Governance is as follows:

- **Mr. Dau Minh Lam - Member of BOD:** Certificate No. 17/QTCT216-TTNC dated 26/10/2015
- **Mr. Le Van Binh - Member of BOD:** Certificate No. 06/QD229-TTNC dated 05/09/2013
- **Mr. Nhu Dinh Hoa - Member of BOD:** Certificate No. 10/QD193-TTNC dated 31/07/2013
- **Mr. Pham Ngoc Tu - Member of BOD:** Certificate No. 30/QTCT216-TTNC dated 26/10/2015

In 2016, three-fifths of BOD members attended the training courses related to corporate governance, specifically as follows:

- 10/2004: Advanced training course on risk management and internal control
- 11/2016: Advanced training course on communication crisis management

SUB-COMMITTEES OF BOD

BOD has not established the sub-committees yet, however, in order to strengthen the direction and supervision of the Company’s activities, BOD has assigned each member to supervise and monitor each field of the Company. In 2016, BOD for 2015-2020 tenure has updated and assigned tasks specifically as follows:

- **Mr. Dau Minh Lam - Chairman of BOD:**
Take general responsibility, coordinate the activities of BOD, take responsibility for policies and development strategies, personnel and payroll; exercise the powers and duties of the Chairman of BOD in accordance with the provisions of the Company Charter and laws.
- **Mr. Nhu Dinh Hoa - Member of BOD – General Director:**
Directly take responsibility for the company’s day-to-day business operations, take responsibility for the company’s business results; take responsibility for internal control within the authority of the General Director; propose the business plans and business strategies to report to BOD; exercise the powers and duties of the members of BOD and the General Director in accordance with the provisions of the Company Charter and laws.
- **Mr. Nguyen Anh Tuan - Member of BOD:**
Take responsibility for procurement of fixed assets, manage finance, communications and trademarks of the Company; support the cooperation between BVSC and affiliates of Baoviet Holdings; exercise the powers and duties of the members of BOD in accordance with the provisions of the Company Charter and laws.
- **Mr. Pham Ngoc Tu - Member of BOD:**
Take responsibility for balancing debit - credit of the Company (ALCO Committee); take responsibility for risk management, affairs; exercise the powers and duties of the members of BOD in accordance with the provisions of the Company Charter and laws.
- **Mr. Le Van Binh - Member of BOD:**
Take responsibility for internal audit and independent audit; exercise the powers and duties of the members of BOD in accordance with the provisions of the Company Charter and laws.

In the structure of BOD for 2015-2020 tenure, currently 4/5 members do not participate in the execution, the Chairman of BOD does not hold the position of the General Director, so the direction of BOD must ensure the objectivity in favour of shareholders and the development of BVSC.

| SECRETARIAT

In order to support BOD, BOD has appointed the Company's secretariat including the following individuals:

MS. BUI THI MAI HIEN

- First appointment date: 26/9/2013
- Work experience at BVSC: 12 years
- Bachelor of Law, Master of Business Administration
- Fund Management Practicing Certificate No. 00197/QLQ issued by the State Securities Commission dated 17/4/2009.
- Corporate Governance Certificate No. 18/QTCT 229/QD-TTNC issued by the State Securities Commission on 5/9/2013

MR. PHAN DINH HIEU

- First appointment date: 23/8/2016
- Work experience at BVSC: 07 years
- Bachelor of General Accounting, Master of Business and Management
- Fund Management Practicing Certificate No. 001170/QLQ issued by the State Securities Commission on 11/11/14

| BOD'S ACTIVITIES IN 2016

In 2016, BOD has implemented its functions and duties in accordance with the provisions of law, the Company's Charter and on the basis of work assignment to each member and the work plan. BOD has strongly promoted the leading role to run the Company in a comprehensive manner, including the review, orientation and implementation of the strategic plan approved by the General Meeting of Shareholders in 2016 for the period of 2016-2020 and the organization model, the approval of policies and risk limits in 2016, business targets and budget in 2017, and the performance supervision. Besides, BOD also directly reviews and approves the payroll, fixed asset investment plan as well as the appointment of senior management positions.

Not only performing the functions and duties as assigned, at the BOD meetings and internal meetings involved by the members of BOD such as the periodic risk assessment meeting of the Risk Management Council (RMC), the meetings of ALCO Committee or the Board of Investment, the BOD members directly give their comments in the field of expertise, share the precedent in the market, provide orientation and directions so as to help the Company improve its governance system in accordance with current regulations and international practices.

| MEETINGS OF BOD IN 2016

In compliance with the provisions in the Charter and Regulations on operation of BOD, as well as the working program in 2016, BOD has maintained its operation with 05 (five) members. In 2016 ,the BOD held four (4) meetings; the Board of Controllers involved in all meetings of BOD as the observers.

The report acknowledged the participation in BOD meetings of BOD members meetings for the fiscal year ended December 31, 2016 as follows:

NO.	MEMBER OF BOD	POSITION	DATE OF STARTING BEING/ NO LONGER BEING MEMBER OF BOD	NUMBER OF MEETINGS INVOLVED BY BOD	PERCENTAGE	REASONS FOR ABSENCE
1	Mr. Dau Minh Lam	Chairman	Since 12/05/2016	03	100%	
2	Mr. Le Van Binh	Member	Since 15/04/2015	03	75%	Personal business
3	Mr. Nhu Dinh Hoa	Member	Since 15/04/2015	04	100%	
4	Mr. Nguyen Anh Tuan	Member	Since 12/05/2016	03	100%	
5	Mr. Pham Ngoc Tu	Member	Until 15/09/2015	04	100%	
6	Mr. Phan Kim Bang	Chairman	Until 12/05/2016	01	100%	
7	Mr. Bui Tuan Trung	Member	Until 12/05/2016	01	100%	

| BOD'S ACTIVITIES IN 2016

The contents approved by BOD in 2016

NO.	RESOLUTION NO.	DATE	CONTENT
1	03/2016/NQ/HĐQT-BVSC	17/03/2016	<ul style="list-style-type: none"> Regarding the plan for holding for the Annual General Meeting of Shareholders in 2016
2	05/2016/NQ/HĐQT-BVSC	28/04/2016	<ul style="list-style-type: none"> Regarding the approval the business plan and documents prepared for the Annual General Meeting of Shareholders in 2016
3	06/2016/NQ/HĐQT-BVSC	28/04/2016	<ul style="list-style-type: none"> Regarding the approval of the Company's income plan and plan for procurement of fixed assets in 2016.
4	16/2016/NQ/HĐQT-BVSC	10/05/2016	<ul style="list-style-type: none"> Approve the business results in 1st Quarter, 2016; Review the contents related to the preparation of the Annual General Meeting of Shareholders in 2016 of Bao Viet Securities Corporation; Approve the List of key contents included in the Contract/ Transaction with insiders and concerned parties of BVSC.
5	19/2016/NQ/HĐQT-BVSC	12/05/2016	<ul style="list-style-type: none"> Elect Mr. Dau Minh Lam to hold the position of Chairman of the Board of BVSC for the term 2015 - 2020.
6	23/2016/NQ/HĐQT-BVSC	23/08/2016	<ul style="list-style-type: none"> Pass the policies of reviewing and restructuring the organizational structure, functions and duties of branches and professional departments of BVSC; Recognize the business results in the first 6 months; Set out orientation of business operations for derivatives and covered warrant; Assign tasks to each member of the BOD and implement the orientation of the BOD in 2016; The plan to increase capital, solutions to cooperate and deploy securities loans under Circular 07/2016/TT-BTC, bond issuing, risk management, brand communication; Dismissal and appointment of the Company's secretary.
7	29/2016/NQ-HĐQT/BVSC	20/12/2016	<ul style="list-style-type: none"> Approve the investment in the bonds of Bao Viet Joint Stock Commercial Bank offered by VPBank Securities and make purchase of bond futures with clients; Replace Decision No. 26/2016/QD - HDQT/BVSC dated December 07, 2016.
8	30/2016/NQ-HĐQT/BVSC	20/12/2016	<ul style="list-style-type: none"> Recognize some targets to be achieved in 2016; Recognize the expectations and solutions proposed for the business plan in 2017; Recognize the implementation of Resolutions, Decisions of the BOD of BVSC.

NO.	DECISION NO.	DATE	CONTENT
1	02/2016/QĐ/HĐQT-BVSC	29/01/2016	<ul style="list-style-type: none"> Issue the basic salary scale and set the standards and conditions applicable to each job title
2	04/2016/QĐ/HĐQT-BVSC	22/03/2016	<ul style="list-style-type: none"> Approve the plan to change location and rename the Transaction Office No. 146 Nguyen Van Cu
3	20/2016/QĐ/HĐQT-BVSC	12/07/2016	<ul style="list-style-type: none"> Regarding the reappointment of Deputy General Director - Ms. Nguyen Thi Thanh Thuy
4	21/2016/QĐ/HĐQT-BVSC	15/07/2016	<ul style="list-style-type: none"> Regarding the stop of salary payment for full-time members of BOD
5	24/2016/QĐ – HĐQT/BVSC	03/10/2016	<ul style="list-style-type: none"> Regarding the changes in location of Lang Ha Transaction Office
6	25/2016/QĐ-HĐQT/BVSC	24/11/2016	<ul style="list-style-type: none"> BOD's Decision on the approval of investment in Bao Viet Prospect Equity Open-ended Fund
7	26/2016/QĐ-HĐQT/BVSC	26/11/2016	<ul style="list-style-type: none"> Approve the bond investment of Bao Viet Commercial Joint Stock Bank offered and traded term bonds with customers by the Techcom Securities Company Limited
8	27/2016/QĐ-HĐQT/BVSC	09/12/2016	<ul style="list-style-type: none"> Regarding the establishment of Tran Hung Dao Transaction Office
9	28/2016/QĐ-HĐQT/BVSC	09/12/2016	<ul style="list-style-type: none"> Regarding the approval of policy and plan for the relocation of head office
10	31/2016/QĐ-HĐQT/BVSC	27/12/2016	<ul style="list-style-type: none"> BOD Decision on the approval of bond investment of Masan Group Corporation.

| ALCO AND RMC COMMITTEE MEETINGS

In the assignment of duties of the Board of Directors, Mr. Pham Ngoc Tu - a member of the Board of Directors is in charge of balancing the assets of the Company (ALCO Committee) and risk management. In the year 2016, Mr. Pham Ngoc Tu directly attended and directed the meetings of the Risk Management Council (RMC) and the ALCO committee with specific contents as follows:

Meetings of Risk Management Council (RMC)

NO.	DATE	CONTENT
1	25/02/2016	<ul style="list-style-type: none">Assessing risk in quarter IV / 2015 and identifying risk trend in the first quarter and discussing solutions to discuss management solution of this potential risk.Implementation planning:<ul style="list-style-type: none">Performing rehearsal of disconnection with the Hanoi Stock ExchangeEditing and updating website administration process: bvsc.com.vnMeeting schedule of Risk Management Council in 2016
2	02/06/2016	<ul style="list-style-type: none">Assessing risk in quarter I/ 2016 and identifying risk trend in the first quarter and discussing solutions to discuss management solution of this potential risk.Planning implementation of risk register in the provision
3	26/8/2016	<ul style="list-style-type: none">Assessing risk in quarter II/ 2016 and identifying risk trend in the first quarter and discussing solutions to discuss management solution of this potential risk.<ul style="list-style-type: none">Reporting risk register results and discussing critical risks registered to find the best planExchanging to find new measures to better manage market risks / credit risks in margin operations in the face of extraordinary market movements
4	15/11/2016	<ul style="list-style-type: none">Assessing risk in quarter III/ 2016 and identifying risk trend in the first quarter and discussing solutions to discuss management solution of this potential risk.Reviewing and updating the risk policies and risk limits ro submit to the BOD for approval for the year of operations in 2017



Meetings of the ALCO Committee

NO.	DATE	CONTENT
1	12/7/2016	<ul style="list-style-type: none">Report on the implementation of recommendations of the ALCO committee of Bao Viet Holdings at the second quarter and third quarter of 2015.Assessing results of production and business activities and Key Performance Indicators in the first 6 months of 2016;

BOARD OF CONTROLLERS

MEMBERS AND STRUCTURE OF BOARD OF CONTROLLERS

The structure of the Board of Controllers of BVSC consists of three members elected from the Annual General Meeting of Shareholders in 2015 with the following members:

NO.	MEMBER OF BOARD OF CONTROLLERS	POSITION	DATE OF STARTING BEING/ NO LONGER BEING A MEMBER OF BOARD OF CONTROLLERS	REASON FOR DISMISSAL/ APPOINTMENT
1	Mr. Nguyen Xuan Hoa	Head of the Board of Controllers	Since 15/04/2015	Elected for new term 2015-2020
2	Ms. Nguyen Thi Thanh Van	Member	Since 15/04/2015	Elected for new term 2015-2020
3	Mr. Hoang Giang Binh	Member	Since 15/04/2015	Elected for new term 2015-2020

In 2016, the Head of the Board of Controllers participated in the training program, the seminar on corporate governance as follows:
- Seminar on Financial Management: Asian Insurance CFO Summit organized by Asian Insurance Review and E & Y from May 25, 2016 to May 27, 2016 in Bangkok, Thailand.

Information about the members of the Board of Controllers in the term: 2015-2020, please refer to the Human Resources section - chapter 02, section 02 from page 28-page 29 in this report.

ACTIVITIES OF BOARD OF CONTROLLERS IN 2016

Between two Annual General Meeting of Shareholders in 2016 - 2017, the Board held meetings, regularly exchanged opinions through electronic mail and agreed to perform the following tasks:

- Carrying out the inspection and control of business activities in the first 6 months of 2016 of BVSC and making recommendations to the Executive Board of the Company;
- Reviewing recommendation letter of an investor / a shareholder on “the company’s attention on information safety and system security” to coordinate with the Board of Directors (BOD) and the Executive Board to valueate the information safety and system security and to reply to the investor/ shareholder;
- There are opinions on the consolidated financial statement and the financial statements of the head office in 2016 of BVSC audited by Ernst & Young Vietnam (EY) for the purpose of advising the Board of Directors to consider and approve;
- Fully attending regular meetings of the Board of Directors to capture and supervise the management and operation of the Company.
- Reviewing the management letter of Ernst & Young Vietnam (EY) and monitoring the performance of the Company.

- Conducting periodic inspection and control of the Company’s General Meeting of Shareholders’ performance, business situation and financial situation in the financial year 2016.
- Supervising the Board of Directors and the Executive Board in managing and operating the Company.
- Examining rationality, legality, truthfulness and level of prudence in the management and administration of business activities; in organization of accounting, statistics and financial reporting of the Company
- Recommending the Board of Directors, the Executive Board on measures to organize management and operation of business activities of the Company.
- Recommending the Board of Directors, the Executive Board on review, strengthen monitoring and management of the debts of the Company.
- Recommending the Board of Directors and Executive Board to continue to improve internal procedures and regulations, especially regulations related to margin lending to further facilitate the process of running the business of the Company on the basis of ensuring compliance with the provisions of the Law.

ASSESSMENT OF THE BOARD OF CONTROLLERS ON THE COMPANY’S ACTIVITIES IN 2016

Result of monitoring the operation and business results of the Company

In 2016, despite the recovery of Vietnam’s economy, there were still many difficulties and challenges; BVSC’s business activities are influenced by the State’s policies on tightening management of margin lending as well as competition among enterprises. In that context, BVSC has actively and flexibly followed the market development in order to set strategic objectives and to propose solutions, timely policy decisions, to maintain stable and sustainable business activities in order to achieve the objectives of operation which has been assigned by the General Board of Shareholders in 2016, as follows:

- Total revenue in 2016 reached VND 294 billion which was equivalent to 93.7% of the plan in 2016 was approved by the General Shareholders’ Meeting (VND314 billion), a growth of 2.28% over 2015, of which the brokerage and revenue from margin lending have grown significantly.
- Profit before tax reached VND 119 billion which was equivalent to 97.8% of the plan in 2016 was approved by the General Board of Shareholders (VND 122 billion).
- After-tax profit reached VND101.7 billion which was equivalent to 104.2% of the plan for 2016 was approved by the General Shareholders Meeting (VND 97.6 billion).
- Total assets in 2016 reached VND1,855 billion, up to VND188 billion which was equivalent to 11%) from 2015. The financial structure/ total assets was 98.03% which was slightly up from 97.94 % at the end of 2015. The structure of short-term assets / total assets structure was 72.35%, including the small fluctuation from short term to long term of the financial assets.

- Increase, decrease and ownership structure equity structure to December 31, 2016 of the Company as follows:

TARGETS	AS AT 31/12/2015	CHANGES IN YEAR		AS AT 31/12/2016
		INCREASE	DECREASE	
Chartered capital contributed	722,339	-	-	722,339
Capital surplus	610,253	-	-	610,253
Treasury shares	(228)	-	(269)	(497)
Reserve fund to supplement charter capital	18,809	5,085	-	23,894
Financial reserve fund and professional risk	18,809	5,085	-	23,894
Undistributed profits	80,758	87,520	-	168,278
TOTAL	1,450,740	97,691	(269)	1,548,162

(Source: Financial statement audited by BVSC in 2016)

- The financial security ratio as well as basic indicators of debt situation, liquidity are high. Some basic financial indicators are as follows:

NO.	TARGETS	UNIT	2016	2015
1	CAPITAL ADEQUACY RATIO	%	678	735
2	SOLVENCY INDICATOR			
2.1	Short-term payment ratio	Times	4.37	6.38
3	CAPITAL STRUCTURE NORMS			
3.1	Debt ratio vs. total assets	%	0.17	0.13
3.2	Equity ratio vs. total capital	%	83.4	87.0
4	TARGET FOR PROFITABILITY			
4.1	ROE	%	6.6	8.0
4.2	ROA	%	5.48	6.96
5	BASIC EARNINGS PER SHARE	VND/CP	1.345	1.552

(Source: Financial statement, financial statement of 2016 audited by BVSC)

Results of monitoring the implementation of accounting and financial reporting

In the year 2016, due to the change in the accounting system was applied to the securities company, the Company adjusted the presentation of the financial statements; accordingly, the consolidated financial statements made adjustments to the beginning of the period as well as details of changes in the explanatory notes. The Company also prepared the financial statements of its head office in accordance with Circular 155/2015 / TT-BTC on the disclosure of information on the securities market; accordingly, the financial statements for the head office and the general financial statements of the whole company was applied to units having dependent accounting branches.

The semi-annual and full year 2016 financial statements of BVSC were fully and transparently presented with information on events in FY 2016 in accordance with Accounting Standards and Vietnamese accounting system in general and securities companies in particular. The above audited financial statements were audited / considered by EY and there was no comment excepting opinions of the auditor.

The Board of Controllers agreed with the independent auditors that the consolidated financial statements and financial statements of the Company's head office in 2016 reflected honestly and reasonably, in all material respects, the consolidated financial position and financial position of the Company's head office as at 31 December 2016 as well as the results of its operations, cash flow and situation of changes in consolidated equity and equity of the head office in the financial year ending on the same day in accordance with Vietnamese Accounting Standards, Business Accounting System of Vietnam, Accounting regulations and guidelines applied to securities companies, legal regulations related to the preparation and presentation of the financial statements.

Results of monitoring for the Board of Directors, the General director and other managers

On activities of the Board of Directors

Through the monitoring, the Board of Controllers found that:

- The Board of Directors conducted periodic or extraordinary meetings in accordance with the regulations to implement the resolutions of the General Board of Shareholders in accordance with the business operation of the Company. The meetings of the Board of Directors were in accordance with the BOD's working regulations. The Board of Directors followed closely the actual operation of the Company to issue resolutions aimed at directing operations.
- The Board of Controllers was provided Resolutions, Minutes of the Meetings of the Board of Directors by the Board of Directors.
- In the meetings of the Board of Directors in particular and the activities of the Board of Directors in general, the members of the Board of Directors participated fully and worked with the spirit of high responsibility with the motto of compliance with the law and putting the interests of the Company on the top to make timely decisions to serve business activities in accordance with the resolutions of the General Board of Shareholders and the provisions of the Law.
- The meetings of the BOD were attended by all members of the BOD. The Resolutions and Decisions of the Board of Directors reached high consensus of the members of the Board of Directors with the aim of ensuring the interests of the shareholders and the development of the Company.
- The resolutions and decisions of the Board of Directors strictly complied with the provisions of the Charter of the Company and the provisions of the relevant laws. The BOD has completed the management of the Company.
- The Board of Directors disclosed periodically and extraordinarily information (if any) in accordance with the regulations of the State Securities Commission and the law.
- Through the monitoring process, the Board of Controllers did not notice any abnormalities in the management and operation of the BOD.

On activities of the General Director and other managers

Through the monitoring, the Board of Controllers found that:

- The members of the Executive Board (General Director and Deputy General Directors) made great efforts in carrying out the resolutions of the General Board of Shareholders and the Board of Directors.

- In the process of operating the business, the Company's Management Board had monthly reports on the business activities in the month and plans and directions of the next month to report to the Board of Directors.
- The Executive Board provided sufficient documents at the request of the the Board of Controllers to serve the inspection and supervision.
- The Executive Board periodically and unexpectedly disclosed management information, financial information and other information in the execution and management of the Company in accordance with the regulations of the State Securities Commission and under the law.
- Through the monitoring process, the Board of Controllers did not notice any abnormalities in the management and operation of the Executive Board.

Assessing the operational coordination between the Board of Controllers and the Board of Directors, the Executive Board and the shareholders

Between the Board of Controllers, the Board of Directors and the Executive Board maintained a close working relationship in principle for the benefit of the shareholders and the Company to ensure compliance with the provisions of law, the Company Charter and the internal regulations.



For the shareholders: Between the two Sessions of the General Board of Shareholders in 2016 - 2017, the Board of Controllers did not received complaints from the shareholders or groups of shareholders whose ownership and holding time in accordance with the law and the 8th amended and supplemented charter of BVSC.

REMUNERATION AND OPERATING EXPENSES OF THE BOARD OF CONTROLLERS AND CONTROLLERS IN 2016

- The remuneration of the Board of Controllers in 2016: In 2016, the Board of Controllers received the remuneration for each member (before personal income tax), details are as follows:
 - Head of the Board of Controllers: 5 million VND/person/month
 - Controllers: 4 million VND/person/month
- Operational expenses of the Board of Controllers in 2016: Complying with regulations and rules on the internal expenses of Bao Viet Securities Joint Stock Company.

OTHER ACTIVITIES OF THE BOARD OF CONTROLLERS (IF ANY):

None



OPERATIONAL PLAN OF THE BOARD OF CONTROLLERS BETWEEN TWO SESSIONS OF ANNUAL GENERAL MEETING OF SHAREHOLDERS 2017-2018

Considering on the functions and tasks of the Board of Controllers defined in the 8th amended and supplemented charter of BVSC and the regulations relating to the operation of the Board of Controllers, the Board of Controllers planned activities between the two sessions of the Annual General Meeting of Shareholders 2016-2017; details are as follows:

- Organizing the supervision of the implementation of Management letter in 2016 of the independent auditor;
- Performing periodic audits, full attendance of the members in the sessions of the Board of Directors to understand the Company's performance and to implement function of supervising the management and the administration of the Board of Directors and the Executive Board;
- Studying and promptly updating new mechanisms and policies to promulgate, supervise and propose amendments and / or supplements to matters which are still inappropriate to ensure full and timely compliance with the provisions of law;
- Implementing other tasks as prescribed.

INTERNAL AUDIT

As the third line of defense in the risk management system at BVSC, the Internal Audit is responsible for independent evaluation of conformity and compliance with the law, charter and governing decisions of Board of Directors. Evaluate the compliance of business operations with internal policies and procedures.

In 2016, the Internal Audit carried out 7 audits; increased 3 audits compared to 2015, and maintained post-audit activities for the previous audits. In addition to key auditing operations such as: auditing of brokerage, auditing of custody operations, auditing of information technology systems and auditing of investment, in 2016, the internal audit also audited the operations of the Accounting Department, Corporate Executives related to internal spending, purchasing and managing fixed assets at the Company.

The results of the audit in 2016 and the post-audit showed that the operations performed by internal auditors complying with the current law and internal regulations of BVSC. Audit findings in 2015 will not recur in 2016. The audit findings (if any) will be corrected immediately after obtaining the opinion of the internal audit.

In 2017, in addition to completing the tasks in accordance with the annual plan submitted to the BOD, internal auditors continuously update and identify potential new risks that may arise during the operation. Continue the research and access to internal audit software that is consistent with BVSC management culture and specialization to improve efficiency in internal auditing.

Audited processes and regulations in the year:

NO.	AUDITED TARGET	CONTENTS OF AUDITING
1	Corporate Executive	<ul style="list-style-type: none"> Brokerage management process Investment, procurement and asset management process at BVSC
2	IT Department	<ul style="list-style-type: none"> IT system operation process Process of updating the stock trading software system at BVSC under Decision 525/QĐ-SGDHN on the regulation on IT infrastructure connected to the Stock Exchange
3	Board of Investment	<ul style="list-style-type: none"> Investment regulations issued by the BOD Investment procedures promulgated by General Director of BVSC
4	Custody Department	<ul style="list-style-type: none"> Custody process of money transactions Online transfer process
5	Transaction Offices	<ul style="list-style-type: none"> Stock trading process
6	Legal, Internal Control Department	<ul style="list-style-type: none"> Process control and keeping securities transaction record of customers
7	Accounting Department	<ul style="list-style-type: none"> BVSC internal expenditure regulation Investment, procurement and asset management process at BVSC



RISK MANAGEMENT

| RISKS AND RISK MANAGEMENT MEASURES IN BVSC

There are six main risks identified and managed: credit risk, liquidity risk, market risk, operational risk, reputation risk and legal risk.

01

CREDIT RISK

This is the identified risk that causes loss / damage if a partner of BVSC fails to pay, pays or performs these obligations later than the stipulated time. At BVSC, credit risk is likely to affect operations such as term deposit investments, bond investments and margin trading.

To prevent this, for term deposits, BVSC complies with the principle of credit limit in accordance with the policies and limits of Bao Viet Holdings. In addition, BVSC only makes deposits at well-rated banks.

For bond investments including government bonds and corporate bonds, BVSC performs risk management on the principle of compliance with the investment limits set by the Board of Directors. Every investment decision is made after careful and thorough assessment of the issuer's credit worthiness and solvency risk. For corporate bonds, in addition to assessing the financial and business capacity and trust, the corporate bonds are secured with collaterals and the company has a specific policy on dealing with collaterals in case of facing the payment risk of the issuing organization (bond holder).

For margin trading, the Company continues to maintain management policies that have proven to be effective after a long period of application. That is:

- Evaluate credit ratings and classify customers for deposit limits in accordance with customers' financial ability and deposited assets.
- Select the portfolio of collateralized loans in accordance with Decision No. 637/2011/QĐ-UBCK dated August 30, 2011 of the State Securities Commission on margin trading and the list of traded stocks according to the announcement of the State Securities Commission and stock exchanges.
- Build a safe deposit margin and comply with the margin call.

02

LIQUIDITY RISK

Liquidity risk is a risk that occurs when BVSC cannot pay its due financial obligations or cannot convert its financial instruments into cash at a reasonable price in the short-term due to shortages of market liquidity or lack of assets to fulfill obligations to pay customers.

With BVSC, this is a very low risk, as the company implements the management of depositors' deposits. If financial security criteria is a measure for the liquidity of a securities company, at BVSC in 2016, this ratio reached 586%, exceeding 180% of the SSC's regulations.

03

MARKET RISK

Market risk is the risk that changes in asset values or liabilities of BVSC and make them unfavorable. Market risk derives from investments where the return on that investment is not as initially expected due to market fluctuations. Market risk includes the risks associated with stock price fluctuations, interest rates on deposits.

• Stock price risk

This risk directly affects the business performance of the Company through the provision of stock portfolio investment. In addition to strictly adhering to the investment limits, the Company also focuses on the analysis of other technical and fundamental factors when selecting invested shares.

The risk assessment tool that BVSC uses is scenario analysis. By offering different scenarios for market conditions, stock portfolio assessments quantify levels of market risk as well as the impact of these risks on business performance of the Company periodically and actively.

• Interest rate risk

Interest rate risk is the identified risk that has a direct impact on the term deposit and bond investment of BVSC. With bond investment, interest rate risk is assessed at a low level as the Company's bonds are held to maturity. In order to reduce the impact of interest rate fluctuations on the deposit portfolio, in 2016, the Company actively restructured the deposit term for these investments. As a result, in 2016, the company did not encounter any interest rate risk event that affected the plan as well as its investment results.

04

OPERATIONAL RISK

Operational risk is the risk of causing any loss resulting from the process, system or employees inside the Company that operates improperly, do things wrong intentionally or through external causes.

At BVSC, operational risk is assessed at a low level and is governed by four types of risk including reporting and financial control risk; Human risk; Process / procedure risk and technology system risk.

• Reporting and financial control risk

This is the risk arising from the wrong financial statements and delays in sending the statements to the management board of the company, state management agencies or the disclosure of information to public... As a public company, BVSC have a sense of responsibility and acts so that the financial statements are always published timely, ensuring the accuracy and transparency in the information provided.

In addition to selecting independent auditing companies as one of the four leading and most reputable accounting firms in Vietnam, the Company also provides regulations on the time of making reports, the organization of the post-control report to ensure the compliance with the laws, internal regulations as well as financial and accounting regimes at BVSC. The company has applied information technology, used and promoted the efficiency of core securities software system (FLEX); Accounting software for reporting, manual error limitation and ensuring the timeliness.

04 OPERATIONAL RISK (CONTINUED)

• Human risk

This risk at BVSC is considered to be low as the Company has a long-term process and builds a synchronous process from the recruiting, training, tight control of job evaluation. In addition, since 2008, the Company has developed and issued the code of ethics in accordance with the standards set in the code of professional ethics issued by the Association of Securities Business. Therefore, the staff working at BVSC must meet the high professional requirements and work skills in addition to the professional ethics.

• Process / procedure risk

Process / procedure risk is one of the risks that the company must face frequently in the course of its operations. The identification of this risk should be done before starting any new operation; BVSC always issues the operational guidelines, develops supportive technology systems and manages the operation in accordance with the procedures. In parallel with the operations of the professional service, the Company's internal control department conducts periodic reviews and inspections to ensure the correctness, suitability and effectiveness of the process with the entity. At the same time, this department also analyzes the possibility of risks from which to improve the process in accordance with the provisions of the law and regulations and policies of the Company.

• Technology system risk

Technology system risk is one of the major risks faced by securities companies in general. At BVSC, this risk is rated at a low level as managed through specific policies such as system operation and troubleshooting process. In addition, BVSC has built up a back-up system that ensures continuity and smoothness throughout the system. The database system of BVSC is located at the data center of Bao Viet Holdings, the international standard TIER2. In addition, periodically, the company performs an assessment of events to analyze, anticipates potential risks that may occur, and then manages the potential risks. At the level of the user of the professional software, the company issues a decentralized policy that is strict and appropriate to the duties of each department and individual to reduce the risk of errors caused by errors in operation or encroaching power accidentally or intentionally.

05 REPUTATION RISK

Reputation risk is the risk that occurs when the Company encounters external or internal damage to their image or brand. Reputation risk is assessed at a low level at BVSC. Nevertheless, the Company always takes the initiative in preventing this risk by constantly improving the quality of customer service, perfecting the organizational structure, professional working environment, building a good relationship with customers, shareholders and partners. The company develops sustainable development strategies as a way to prevent potential risks to the Company's reputation.

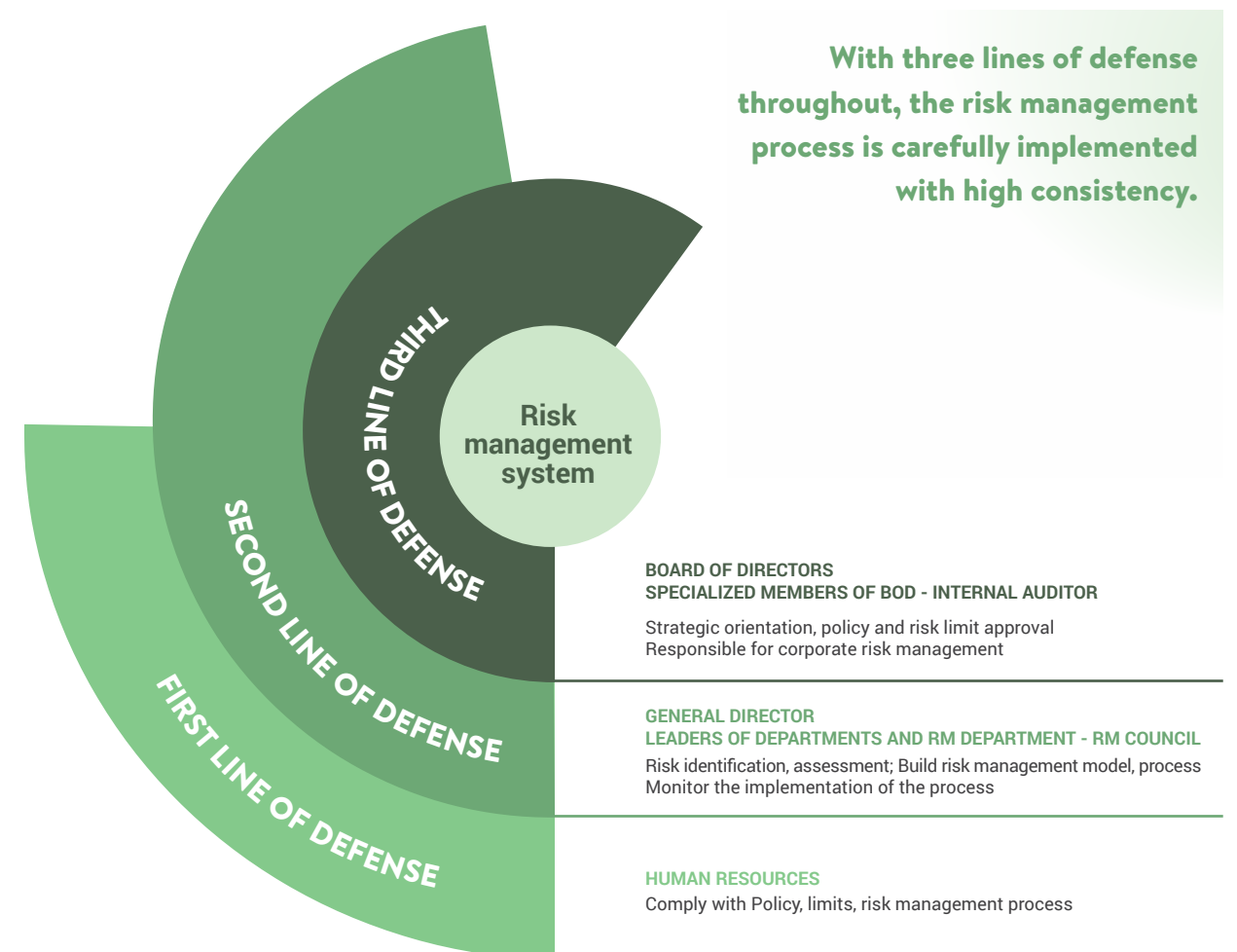
06 LEGAL RISK

Legal risk is identified as the risk arising from noncompliance with legal regulations related to business operations and from the cancellation of contracts due to unlawful contracts, excess of authority, lack of terms or incomplete standards, or other causes.

Legal risk at BVSC is rated low or average. BVSC implements legal risk management in a coordinated manner from the organizational structure of science, decentralization and accountability from senior leadership to mid-level and staff positions. The company has set up a Legal Department with qualified lawyers to provide legal advice and legal support to the Board of Directors and professional departments.

All internal process manuals within the company or contracts/ agreements with customers and partners are considered by the Legal Department to ensure compliance with applicable laws to reduce legal risk. In addition, the Legal Department regularly updates legal documents with the aim of ensuring that legal knowledge is communicated to each member of the company, from which all members understand more about law-abiding in daily activities.

BVSC's risk management system is summarized as follows:



RISK MANAGEMENT REVIEW IN 2016 AND THE ORIENTATION IN 2017

With the foundation of the policy system, the process of risk management has been standardized, the risk management in BVSC in 2016 continues to be seriously implemented, bringing good effectiveness in identifying and preventing risks in professional departments of the Company.

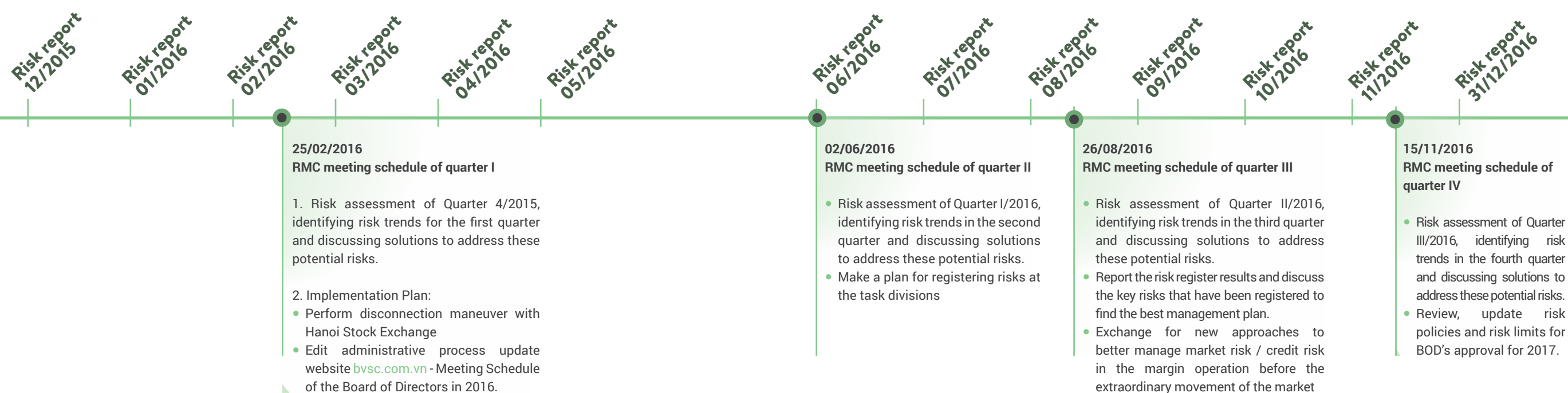
Risk Management department has organized and implemented the following activities:

- Update risk policies and limits in line with changes in policies and executive work of the BOD.
- Collaborate with the professional departments to organize risk assessment and identification at each department within the company.
- Quarterly, organize meetings of the Risk Management Council, which inform and update the status of key risks at the company such as market risk, credit risk,

legal risks, operational risks, etc. These risks have been exchanged, analyzed and put into practice by the members of the BOD in a timely and effective manner. (See RMC meetings at page ... of this report).

- Each month, Risk Management Department sends its risk report to the Board of Directors to report major events that occur during the month. At the same time, the report also updates the implementation of management measures guided by the Risk Management Council in previous quarterly meetings, ensuring that the risks have been properly and promptly handled.
- Continuously review and implement warnings about liquidity risk and market risk for margin lending.
- Review the pricing model applied at the Analysis and Counseling Dept. to ensure that models are used appropriately to prevent potential risks from misapplication of the model.

Histogram of risk report and assessment and RMC meeting schedule



In 2017, the Risk Management Department will implement the Risk Management Policy approved by the Board of Directors for 2017. Continue regular activities to serve the administration of the Board of Management. Take new training courses and research new products and services to evaluate and identify potential risks, propose risk prevention and risk limits for new products and services when the company deploys.

TRANSACTIONS, REMUNERATION AND BENEFITS OF BOD, BOARD OF CONTROLLERS AND BOARD OF MANAGEMENT

The payment of remuneration to members of the Board of Directors, Board of Controllers and Company Secretary is in accordance with the provisions of Article 6 of Resolution No. 02/2016/NQ-DHĐCĐ dated 12/05/2016 of the General Board of Shareholders 2016. The specific payments are as follows:

Remuneration of the Board of Directors, Board of Controllers and Company Secretary in 2016

NO.	POSITION	FORM OF WORK		REMUNERATION
		Full-time	Part-time	
1	Chairman of the Board of Directors		X	7,000,000 VND/ person / month
2	Member of the Board of Supervisors		X	5,000,000 VND/ person / month
3	Member of the Board of Directors	X		Salary as regulated by the Company
4	Head of the Board of Controllers		X	5,000,000 VND/ person / month
5	Member of the Board of Controllers		X	4,000,000 VND/ person / month
6	Company secretary		x	4,000,000 VND/ person / month

Other benefits of the Board of Directors, Board of Controllers and Company Secretary

- Bonus benefit: In addition to the remuneration benefit as set out in the above resolution, in 2016, the members of the Board of Directors, the Board of Controllers and the Company Secretary are also entitled to receive the bonus from the bonus fund of the Company is 430,000,000 VND from the after-tax profit in 2015.
 - Social insurance, health insurance and other types of insurance:
 - For part-time and non-managing members of BVSC: insurance policies as prescribed in the unit of the members.
 - For full-time and managing members of the Board of Directors: social insurance, health insurance, unemployment insurance, comprehensive health insurance and life insurance according to the general policy of BVSC
- Annual health check:
 - For part-time and non-managing members of BVSC: the annual health check as prescribed by the member units.
 - For full-time members and managing members of the BOD: annual health checks under the general regulations of BVSC.
 - Car use: use company car and taxi card.
 - Telephone use: For full-time members of the Board of Directors and managing members of the Board of Directors, the telephone expenses are paid in accordance with the general regulations of BVSC.

Total remuneration and income paid in 2016 for the Board of Directors, Board of Controllers and Company Secretary: 1.632.983.486 VND

(The remuneration and incomes of the Board of Directors, Board of Controllers, and Company Secretary include remuneration in 2016, bonuses in 2015 from the bonus fund and income paid to the full-time members of the Board of Directors from the company salary fund)

Income of the Board of Management in 2016: 5.283.266.750 VND

Income of managers (excluding the Board of Management) in 2016: 27.949.426.506 VND

(Income of Board of Management and managers include salaries in 2016, performance bonuses for the two years 2015 and 2016)

Trading of shares of internal shareholders:
none

Contracts or transactions with internal shareholders:

(Please refer to section 21 - Financial Statements-from page 244 to page 246 in this report).

In addition, we have announced BVSC's related person list and transactions with major shareholders, internal shareholders and related persons in 2016 in the Report on Management of listed companies on January 24, 2017 to the State Securities Commission, Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange. The report is stored in the section "Investor Relations" on the company website

The implementation of corporate governance regulations:

In 2016, the Company continued to comply with governance regulations in line with Circular No. 121/2012/TT-BTC of the Ministry of Finance regulating corporate governance applicable to public companies. Circular No. 210/2012/TT-BTC and Circular No. 07/2016/TT-BTC amending and supplementing a number of articles of the Ministry of Finance No. 210/2012/TT-BTC regulating the organization and operation of the securities companies and other relevant legal documents. On that basis, the Company has reviewed the Charter of the company to update the new legal regulations and this Charter has been approved at the Company's annual shareholders' meeting in May 2016 and revised relevant operational procedures and regulations to comply with the current laws.

Assessing corporate performance under Camel regulations

When analyzing the criteria in terms of governance, the Company refers to the criteria of the CAMEL rating system (a financial institution rating system based on five fundamental elements: Capital - Asset Quality - Management - Earnings - Liquidity developed by the US Treasury Department and recommended by the International Monetary Fund and the World Bank. On 09/10/2013, the State Securities Commission of Vietnam has also issued Decision No. 617/QĐ-UBCK to promulgate CAMEL regulations guiding the classification of securities companies), the group of governance targets of BVSC reaching 89.8 out of 100 shows that the company has a strong and advanced management system.

(Refer to Annex I - Governance criteria under Camel).

Group of governance targets of BVSC

89.8/100 Points

EVALUATION OF COMPANY GOVERNANCE

REFERENCE TO SCORECARD OF ASEAN GOVERNANCE

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC				COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION	IMPROVEMENT PLAN	
A	RIGHTS OF SHAREHOLDERS							
A.3.1	Shareholders have the opportunity, which are expressed by the agenda content, remuneration (fees, benefits in kind and other remuneration) or any increase in remuneration for members of Board of Directors who are not managed.	✓	✓	✓			Short-term priority is taken in information announcement in English	
A.3.3	Company has allowed to select each member of Board of Directors	✓	✓	✓				
A.3.4	The company has announced nominations and voting procedures used, both of these procedures are announced before the general meeting is conducted	✓	✓	✓				
A.3.5	The minutes of the latest General Meeting of Shareholders(GMS) have noted that shareholders have the opportunity to ask questions or recommend issues	✓	✓	✓		Information of Resolution Minutes are published and stored onto Website	Short-term priority is taken in information announcement in English	
A.3.6	The minutes of the latest GMS has realized the questions or answers	✓	✓	✓		Information of Resolution Minutes are published and stored onto Website	Short-term priority is taken in information announcement in English	
A.3.7	Results announced by the latest GMS includes the resolution (s) of the General Meeting	✓	✓	✓		Information of Resolution Minutes are published and stored onto Website	Short-term priority is taken in information announcement in English	
A.3.8	The company has announced the result of the nomination including the number of votes casted, objections, and blank slips for each draft of comments to the latest GMS	✓	✓	✓		Information of Resolution Minutes are published and stored onto Website	Short-term priority is taken in information announcement in English	
A.3.9	The company has announced the list of members of the Board of Directors attending the nearest GMS	✓	✓	✓		Information of Resolution Minutes are published and stored onto Website	Short-term priority is taken in information announcement in English	
A.3.10	The Chairman of the BOD had attended the latest GMS	✓	✓	✓		Information of Resolution Minutes are published and stored onto Website	Short-term priority is taken in information announcement in English	

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
A.3.11	General Director/CEO/Chairman have attended the latest GMS	✓	✓	✓		At the 2016 GMS, General Director is also a member of Chairman Crew	Short-term priority is taken in information announcement in English	
A.3.12	Chairman of the Audit Committee has attended the latest GMS					Company does not have Audit Committee, only available internal audit staff under the BOD		
A.3.13	Company has organized the latest GMS at the place where it is convenient to come	✓	✓	✓	✓	The invitation for GMS is written in English		
A.3.14	Company has agreed to vote in absence	✓	✓	✓				
A.3.15	Company has voted based on the shareholder votes (not by raising hand) for all resolutions given at the latest GMS	✓	✓	✓				
A.3.16	The company has announced the appointment of an independent party (vote checker / inspector) to count and / or appraise votes at the GMS							
A.3.17	The Company has publicly announced on the next working day about the results of voting on all resolutions at the latest GMS	✓	✓	✓		Published in 24 hours	Short-term priority is taken in information announcement in English	
A.3.18	The Company has a minimum prior notice of 21 days for all resolutions					Company complies with regulation of legislation and current ordinance, notice is sent 10 days in advance		
A.3.19	the company has provided the basis, information and explanation for each item in the resolution draft needed to be approved by shareholders in the notice of the GMS / documents of GMS / Draft and / or the attached reports	✓	✓	✓			Short-term priority is taken in information announcement in English	
A.5.1	The Company has publicly announced policies / practices to encourage shareholders, including organization shareholders, to attend GMS or to participate in and contribute to the Company's operations.	✓	✓	✓				

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION			COMPLIANCE OF BVSC				COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)		IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION	IMPROVEMENT PLAN	
B	EQUITY WITH SHAREHOLDER								
B.1.1	Each common share of the Company is entitled with one vote	✓	✓	✓					
B.1.2	In case the company has more than one type of share, does the Company announce the number of votes attached to each type of shares (e.g., via website / report / stock exchange / homepage of the regulator)?	✓					Article 12.1.2 of the Charter of BVSC stipulates: “The Company may issue other preferential shares after the approval of the GMS and in accordance with the provisions of law.” However, at present, the Company does not issue any other shares other than common shares.		
B.2.1	Is each resolution given in the latest GMS only concerned with one part of the draft resolution, i.e. series of content are not included in the same resolution?								
B.2.2	Have notices and documents of the latest GMS fully been translated into English and published on the same day as local language documents?	✓	✓	✓			The company translated a part of the document into English. At the GMS, the company provides direct interpretation, serving foreign shareholders.	Short-term priority is taken in information announcement in English	
B.2.3	Does Company provide a biography of the member / board member (at least, age, qualification, first date of appointment, experience, and term of office of the board member in other listed companies), who will be elected/ re-elected?	✓	✓	✓		✓	The Company has provided resumes of members of the Board of Directors in the voting materials, and stored on the website and presented in the Annual Report in both English and Vietnamese.		
B.2.4	Is the auditor, who is going to be elected/re-elected clearly defined?	✓	✓	✓				Short-term priority is taken in information announcement in English	

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
B.2.5	Is there any explanation on policy of dividend?	✓	✓	✓				
B.2.6	Is the final dividend payables published?	✓	✓	✓				
B.2.7	Is the Authorization letter to attend the GMS easily provided?	✓	✓	✓	✓			
B.3.2	Is the board member required to report about company stock transaction within 3 working days?	✓	✓	✓				
B.5.2	Does the company announce that transactions with related parties are made in a way that ensures the transaction is reasonable and in compliance with market mechanism?	✓	✓	✓	✓	Transactions made with related parties are disclosed in audited financial statements in both English and Vietnamese.		

	<div><div></div>>=70% compliance</div> <div><div></div>>=70% compliance</div> <div><div></div><=30% compliance</div>	EVALUATION OF SITUATION			COMPLIANCE OF BYSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION	IMPROVEMENT PLAN	
C	ROLES OF RELATED BENEFICIAL PARTIES							
C.1.1	Promulgate regulations and enforce efforts to protect customers	✓	✓			The regulations and enforcement of efforts to protect clients are reflected in the company's policy documents such as Code of Ethics, Business Processes during customer transactions.		
C.1.2	Explain procedures on selection process and activities of vendors/provider	✓	✓			Issued regulations / policies on the selection of contractors / suppliers in accordance with the provisions of the law in the field of business; According to accounting principles / policies, taxes and other company governance principles.		
C.1.3	Describe the company's efforts to ensure that the company's value chain is friendly to environment or consistent with promoting sustainable development.	✓	✓	✓	✓	Organize and promote the implementation of resource-saving and environment protection programs such as saving of energy, water, printing paper ... These contents are reflected in the annual report in English and Vietnamese.		
C.1.4	Describe the company's efforts to interact with the communities where it is operating	✓	✓			The company adheres well to local government regulations where it is headquartered and located its branches / transaction offices, and actively participates in community programs administered by local authorities.		
C.1.5	A description of the company's anti-corruption program and procedures					The anti-corruption programs and procedures are regulated by the Company in the regulations / policies on investment in procurement of fixed assets, internal expenditure regulations in the company, etc. Monitoring compliance with these regulations / procedures is carried out annually through the role of Internal Auditor		
C.1.6	Describe how to protect the interests of creditors	✓	✓					

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
C.1.7	Health and safety of customers	✓	✓					
C.1.8	Selection and criteria applicable for suppliers / contractors	✓	✓				Already issued regulations / policies on the selection of contractors / suppliers in accordance with the provisions of the law in the field of business; According to accounting principles / regimes, taxes and other company governance principles	
C.1.9	Environmentally-friendly value chain	✓	✓					
C.1.10	Interact with community	✓	✓	✓			The company actively participates in community development programs such as blood donation, charity at hospitals, mountainous schools, offshore islands and mobilize all employees to join in	Short-term priority is taken in information announcement in English
C.1.11	Anti-corruption prevention program						The anti-corruption programs and procedures are regulated by the Company in the regulations / policies on investment in procurement of fixed assets, internal expenditure regulations in the company, etc. Monitoring compliance with these regulations / procedures is carried out annually through the role of Internal Auditor	
C.1.12	Rights of interests of creditors	✓	✓					
C.1.13	The company has its own section / report on corporate responsibility or sustainable development report section	✓	✓	✓		✓	Presented in the annual report in both English and Vietnamese.	
C.2.1	The company also provides contact information on the company's website or annual report so that related parties (e.g. customers, suppliers, the public, etc.) can use or raise their voice about their concerns or claims about possible violations of their rights	✓	✓	✓		✓		

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
C.3.1	The company has published a clear policy on employee health, safety and protection	✓	✓	✓		Internal disclosure (not posted on the website) given in documents such as Internal Labor Regulations, Collective Labor Agreement, Healthcare Insurance Policy.	Short-term priority is taken in information announcement in English	
C.3.2	The company has published relevant information about employee health, safety and protection programs	✓	✓	✓		Internal disclosure (not posted on the website) given in documents such as Internal Labor Regulations, Collective Labor Agreement, Healthcare Insurance Policy.	Short-term priority is taken in information announcement in English	
C.3.3	The company has provided employee training and development programs	✓	✓	✓				
C.3.4	The company has published relevant information about the employee training and development program	✓	✓	✓		Internal announcement of the company, the division in charge is human resources under department of General Planning and Administration.	Short-term priority is taken in information announcement in English	
C.4.1	The company has promulgated an employee complaint procedure for illegal behavior (including corruption) or improper ethics.							
C.4.2	The company has provided a policy or procedure to protect employees / individuals from retaliation for disclosure of unlawful / unethical behavior?							

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION			COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION	IMPROVEMENT PLAN	
D	DISCLOSURE OF INFORMATION AND TRANSPARENCY							
D.1.1	“Information about shareholders with disclosing the identity of the real owner, who holds 5% of the CP or more”	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.1.5	Does the company disclose the detail about its parent company, subsidiaries, affiliates, joint ventures, and companies with other special purposes, SPEs / SPVs?	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.2.1	Main risks?	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.2.2	Target of the Company	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.2.3	Financial effectiveness index	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.2.4	Financial effectiveness target	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.2.5	Dividend sharing policy	✓	✓	✓			Short-term priority is taken in information announcement in English	
D.2.7	Biographical details (at least, age, qualification, first appointment date, relevant experience, and any other member of the listed company) of the member of the Board of Directors	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		

	<div> <div></div> <div>>=70% compliance</div> </div> <div> <div></div> <div>>=70% compliance</div> </div> <div> <div></div> <div><=30% compliance</div> </div>	EVALUATION OF SITUATION						COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION	IMPROVEMENT PLAN	
D.2.8	Train and / or participate in continuous training programs that each member of the BOD attends	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.2.9	The number of meetings held by the Board of Directors during the year	✓	✓	✓	✓	Presented in the governance report to submit to the SSC and the Transaction Exchange, published in the Annual Report in English and Vietnamese.		
D.2.10	Details of participation of each member of the BOD relating to the meetings have been conducted	✓	✓	✓	✓	Presented in the governance report to submit to the SSC and the Transaction Exchange, published in the Annual Report in English and Vietnamese.		
D.2.11	Details about the remuneration of each member of the Board	✓	✓	✓	✓	Published in the Annual Report in English and Vietnamese		
D.2.12	The annual report is available statement and declaration to confirm the company's full compliance with corporate governance rules and, in the event of noncompliance, is there any identification and explanation for such issues?							
D.3.2	Does the Company disclose the name of related parties and the relationship with each significant / important relevant party?	✓	✓	✓	✓	Published in Audit Report and the Annual Report in English and Vietnamese		
D.3.3	Does the Company disclose the nature and value of significant / important transaction relevant parties	✓	✓	✓	✓	Explained in detail at the Financial and Audit statement in English and Vietnamese		

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
D.5.1	Is the audit service fee published ?						Available improvement plan	
D.5.2	Is the non- audit service fee published?						Available improvement plan	
D.5.3	Is the audit service fee higher than non-audit service fee?						Available improvement plan	
D.6.1	Quarterly report	✓	✓	✓			Available improvement plan and further providing Information Announcement in English	
D.6.2	Website of the Company	✓	✓	✓	✓			
D.6.3	Opinion of analyst	✓	✓	✓	✓			
D.6.4	Information from media /press conference	✓	✓	✓			Available improvement plan and further providing Information Announcement in English	
D.7.1	Is audited annual financial statement published within 120 days from the ending date of financial year?	✓	✓	✓	✓	Published in Vietnamese and English within 90 days from the ending date of financial year		
D.7.2	Is annual report published within 120 days from the ending date of financial year?	✓	✓	✓	✓	Published within 20 days from the date of issuing the audited financial statement		
D.7.3	Is the faithfulness and reasonableness of the annual financial statements confirmed by the Board of Directors and / or executives?	✓	✓	✓	✓	Presented in the Report of BOD in the audited financial statement in English and Vietnamese		

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
D.8.1	Business operation	✓	✓	✓	✓	Presented in the Report of BOD in the audited financial statement in English and Vietnamese		
D.8.2	Financial statement of the current year and previous year	✓	✓	✓	✓	Published in English and Vietnamese		
D.8.3	Materials are provided in report, which is sent to analysts and media agencies	✓	✓	✓			Available improvement plan and further providing Information Announcement in English	
D.8.4	Ownership structure	✓	✓	✓	✓	Presented in the annual report in Vietnamese and English and website		
D.8.5	Group structure					Company does not follow group model		
D.8.6	Annual report can be downloaded	✓	✓	✓	✓			
D.8.7	Notice of GMS and/ or extraordinary GMS	✓	✓	✓	✓			
D.8.8	Minutes of GMS and/ or extraordinary GMS	✓	✓	✓			Short-term priority is taken in information announcement in English	
D.8.9	Institution of Company (Internal regulation, Memorandum and Articles of Association)	✓	✓	✓			Available improvement plan and further providing Information Announcement in English	
D.9.1	The company has published contact information (telephone, fax and email) of the leader / department in charge for investor relations.	✓	✓	✓	✓	Presented in the annual report in Vietnamese and English and website		

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION			COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION	IMPROVEMENT PLAN	
E	RESPONSIBILITIES OF BOD							
E.1.1	Company has published governance policies/articles of operation of BOD	✓	✓	✓		Documents are stored on BVSC website	Available improvement plan and further providing Information Announcement in English	
E.1.2	Is role and responsibilities of member of BOD stipulated clearly?	✓	✓	✓		Company conducted to announce information about resolution/ decision under regulation of law on announcement of information on the security market		
E.1.3	Does the Company declare about vision and mission	✓	✓	✓		Regulations mentioned in the article of association and resolution of BOD on assignment of tasks	Available improvement plan and further providing Information Announcement in English	
E1.4	Does the BOD consider about vision and mission/strategy in the latest financial year?	✓	✓	✓	✓	Presented in the Annual Report in English and Vietnamese and website.		
E1.5	Does member of BOD monitor/ follow implementation of strategy of the company?	✓	✓	✓		BOD conducts to review annually		
E1.6	Is detail of Code of Ethics or behavior published?	✓	✓	✓		Conduct to monitor and evaluate annually	Available improvement plan and further providing Information Announcement in English	
E.2.1	Does the Company publish about compliance of members of BOD, senior leaders and employees?	✓	✓				Available improvement plan	
E.2.2	Does the Company announce about compliance of all members of BOD, senior leaders and employees with the Code of Rules?						Available improvement plan	
E.2.3	Does the Company announce about implementation and supervision in complying with Code of Conduct and Behavior						Available improvement plan	

	<div><div>>=70% compliance</div><div>>=70% compliance</div><div><=30% compliance</div></div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
E.3.1	Is the meeting of BOD scheduled in advance when the financial year starts?	✓	✓	✓				
E.3.2	Is the meeting of BOD organized 6 times/year?					At the present, at least 4 meetings are organized during the year	Available improvement plan	
E.3.3	Does each BOD member attend a minimum of 75% of the BOD meetings of the year?	✓	✓	✓	✓	Information is published in the annual report in English and Vietnamese		
E.3.4	Does the Company require two thirds of the Board members to attend the meetings in which the resolutions are adopted.	✓	✓	✓				
E.3.5	Does the non-executive board member of the company hold a private meeting at least once a year without the presence of executive members?							
E.3.6	Are documents for Board meetings provided to the Board of Directors at least five business days before the Board meeting?	✓	✓					
E.3.7	Does company secretary play an important role in supporting the Board of Directors to fulfill their responsibilities?	✓	✓	✓				
E.3.8	Is the company secretary trained about legislation, accounting or practice of secretary works?	✓	✓	✓				

	<div><div></div>>=70% compliance</div> <div><div></div>>=70% compliance</div> <div><div></div><=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BYSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
E.3.12	Does the Company publish policies/ practices on remuneration (fees, allowances, grants in kind and other bonuses (meaning that the effective use of short-term and long-term incentives and policies) for member of BOD and general directors?	✓	✓	✓	✓	The disclosure of remuneration, bonuses for Board of Directors and CEO is presented in the Annual report in Vietnamese and English.		
E.3.13	Is the remuneration structure for non-executive board members published?	✓	✓	✓	✓	Announced in the Resolution of the GMS, annual report in English and Vietnamese		
E.3.14	Is the remuneration of member of BOD and/or senior leader approved by Shareholder or Board of Directors?	✓	✓	✓	✓	The BOD approved the salary policy for members of the Executive Board, senior executives. Data is disclosed in the Annual Report in Vietnamese and English		
E.3.19	Does the company announce the internal control process/the risk management system being implemented by the company	✓	✓	✓	✓	Presented in the Annual Report in English and Vietnamese		
E.3.20	Does the annual report state that board members have reviewed key controls of the company (including operational, financial and compliance controls) and risk management system	✓	✓	✓	✓	Presented in the Annual Report in English and Vietnamese		
E.3.21	Does te company announce the manner of management of main risks	✓	✓	✓	✓	Presented in the Annual Report in English and Vietnamese		
E.3.22	Does annual report present the announcement of members of the board of directors or the audit subcommittee on the adequacy of the company's internal controls / risk management system.	✓	✓	✓	✓	Presented in the Annual Report in English and Vietnamese		

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION		COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016	
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION		IMPROVEMENT PLAN
E.4.4	Are roles and responsibilities of chairperson publicly announced ?	✓	✓	✓		Announced in the Articles of Association and Resolution of BOD on task assignment.		
E.4.6	Does the Company announce about variety policy about members of BOD						Available improvement plan	
E.5.1	Does the Company provide orientation program for new member of BOD						Available improvement plan	
E.5.2	Does the Company provide incentive policy to encourage members of BOD to participate into professional training programs?						Available improvement plan	
	EVALUATION OF SOME CRITERION UNDER PENALTY QUESTION GROUP							
B.1.1(P)	Has the company been found guilty of insider transactions involving members of the board of directors, executives and employees over the past three years?							
B.2.1(P)	Is there a case that does not comply with the laws, rules and regulations related to considerable or significant transactions with related party over the past three years?							
C.1.1(P)	Is there any lawbreaking on Labor / employment / consumer / bankruptcy / trade / competition or the environment?							

	<div><div></div> >=70% compliance</div> <div><div></div> >=70% compliance</div> <div><div></div> <=30% compliance</div>	EVALUATION OF SITUATION			COMPLIANCE OF BVSC			COMPLIANCE SITUATION OF ENTERPRISES LISTED UNDER KS 2015-2016
		IF THE COMPANY IS AVAILABLE THIS POLICY (TICK ✓ IF ANY)	POLICY IMPLEMENTED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED (TICK ✓ IF ANY)	IMPLEMENTATION IS PUBLISHED IN ENGLISH (TICK ✓ IF ANY)	FURTHER EXPLANATION	IMPROVEMENT PLAN	
C.1.2(P)	Is there any penalties applied by the management agency related to labor/ human resource/customer/debt/ trade/competition or environment?		NA					
D.1.1(P)	Does the Company receive “exclusive opinions” in the independent audit report?		NA					
D.1.2(P)	Does the Company receive any “disadvantage opinion?” In the independent audit report?		NA					
D.1.3(P)	Does the company receive any “Disclaimer opinion” in the independent audit report?		NA					
D.1.4(P)	Does the company revise financial statement in the past year because of the reasons which are different from changes in accounting policy?	Available, but it is because of changes in accounting policy						
E.3.1(P)	(In the past two years), is there any member of the BOD or senior executive to be employee or member of present independent audit company?		NA					

WINGS TO DREAMS

Being the first year on the 5-year journey, 2016 marked a new beginning, with the efforts of all employees of BVSC to overcome the difficulties and challenges to bring confidence and long-term commitments to customers and shareholders.



CHAPTER

03

REPORT OPERATING
SITUTATION IN 2016

Overview of the economy and the stock market in 2016	104
Report of Board of Directors	106
Report of Board of Management	108

OVERVIEW OF THE ECONOMY AND THE STOCK MARKET IN 2016

| ECONOMY

Favorable factors in 2016

Manufacturing was constantly expanding. Manufacturing in Vietnam has seen positive changes throughout 2016 as PMI continued to remain above 50 points within 12 months. Notably, this index peaked at 54 in November - the highest level within 18 months. Three important sub-indices of PMI are the number of new orders, output and employment have been markedly improved over the months.

Liquidity of the banking system was abundant and the lending interest rates were relatively stable. The liquidity of the banking system is quite abundant in most of the year 2016. The most obvious manifestation of this phenomenon is the interbank rates down to a record low level. In addition, the lending interest rates are also relatively stable (at some times, slightly adjusted). Bad debt throughout the system continued its downtrend, falling to only 2.46% as of 30/11/2016 compared with 2.72% of the previous year..

Rate was relatively stable. For most of the year 2016, the USD / VND exchange rate was relatively stable, except for some times after the “Brexit” events and Mr Donald Trump journey as US president. Figures as at 31/12/2016 showed that the central rate and the interbank exchange rate of VND in USD were down 1.2% compared with the beginning of the year.

Survival challenges in 2016

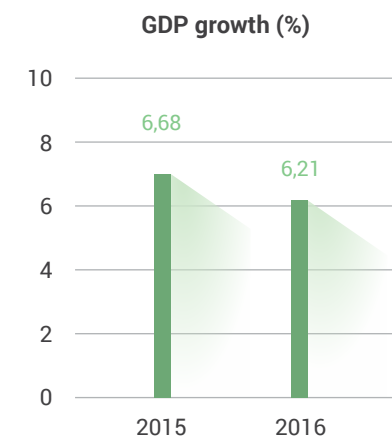
GDP growth was lower than expected. GDP growth of Vietnam in 2016 reached 6.21%. In which, in the first quarter, it increased by 5.48%; in the second quarter, it increased by 5.78%; In the third quarter, it increased by 6.56%; in the fourth quarter, it increased by 6.68%. The increase was lower than the 6.68% increase in 2015 and the target growth rate of 6.3-6.5% set by the Government. This was mainly due to the low growth of agriculture-forestry-fishery and the declining mining industry in comparison with 2015.

Total inflation index increased rapidly. Total inflation index to the end of December, 2016 increased by 4.74% YoY. In 2016, with a price adjustment schedule of two groups of goods managed by the State such as Health and Education, the growth of total CPI has been strongly affected by increase of two these groups. It is estimated that two groups such as health and education alone contributed 3.3% of the total 4.74% increase in total CPI in 2016.

Export growth was relatively low. Export turnover in 2016 was estimated at 176 billion USD, up to 8.6% YoY. Although there was a slight improvement compared to 2015, the export growth in 2016n was still relatively low in six past years, reflecting the difficulties of the world economy still having negative impacts on the export of Vietnam, especially in terms of prices of raw materials and agricultural products.

PMI peaked at
54 points
in November

CPI increased by
4.74%



| STOCK MARKET

Favorable factors in 2016

The year 2016 marked a significant growth year for the VnIndex, when it first emerged on the sideways channel formed in 2014 and 2015 (range of 510-640) and stable trading around the range of 660. -680 points for the most of the second half of the year.

Top industry sectors (according to ICB sector classification) achieved outstanding growth. The most prominent growth was in steel (+ 156%) and pharmaceutical (+ 72%) groups. In particular, steel stocks expanded broadly in most sectors in the industry due to improved business results, as well as the positive impact from the change in protection tax policies; Pharmaceutical sector in addition to the growth in core business activities, also from the expectation of open foreign room in enterprises in the sector.

This was also the year when many important events took place, such as the sale of state capital in VNM, opening of foreign rooms, large enterprises in the stock market such as SAB, BHN and the launch of VNX-Allshare common index and etc These events represented the steady progress of the Vietnam stock market on the path of development and integration. In fact, this was also considered a factor that had a direct impact and motivation for the growth momentum of VnIndex in 2016.

Difficulties and challenges in 2016

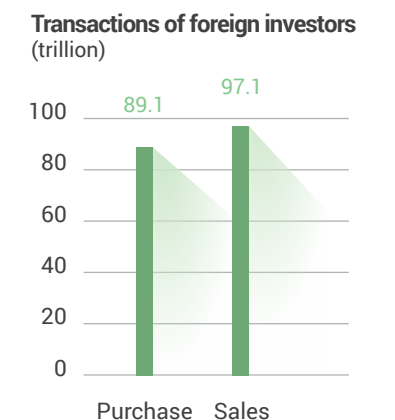
Despite the growth of VnIndex and some of the favorable factors mentioned above, in 2016, the market still showed “vulnerability” in some stages and there were many difficulties and challenges.

The market was been divided by the growth in the large capital stocks while the small and medium capital stocks did not perform well. Only 5 stocks with the most positive impacts on VnIndex (GAS, ROS, SAB, VNM, VIC) helped the index gain more than 105 points. Besides, the market had many stocks with liquidity conditions, which made the margin risk of securities companies increase.

In a few stages, the market ws still showing “vulnerability” (which can be observed at the pace of decline at the beginning of the year) due to the impact from peripheral factors such as interest rate rise of the FED, oil price decrease, strongly adjusted global stock market and etc despite the stable growth of the domestic economy, the business results of the enterprises on both stock exchanges achieved high growth.

Foreign investors’ net sale for the first time since 2006 until now with selling value focusing on HOSE while still light net purchase on HNX. Specifically, foreign services purchased VND89.1 trillion and sold VND97.1 trillion on HOSE, net selling was more than VND7.9 trillion, more than the net buying value of both 2014 and 2015.

Most prominent growth
in O2 steel
(+156%)
and pharmaceutical
(+72%)



REPORT OF BOARD OF DIRECTORS

ASSESSMENT OF BOARD OF DIRECTORS ON OPERATING RESULTS OF THE COMPANY IN 2016

For implementation of business tasks under the Resolution of the Annual General Meeting of Shareholders in 2016

At the meeting on 12/05/2016, the General Meeting of Shareholders approved the business targets for the company with the total target revenue of 314 billion dong, before – tax profits were expected to reach 122 billion dong, after – tax profits were planned to gain 97.6 billion dong. With this task, the Board of Directors has led the Company to overcome the disadvantages of the Market, mad efforts to implement business solutions synchronized to achieve the objectives as assigned.

ITEM	IMPLEMENTATION IN 2016 (BILLION DONG)	% COMPARED TO THE PLAN (%)
Total revenues and others	294.15	93.7%
Total costs	174.1	90.4%
Before-tax profits	119.3	97.8%
After – tax profits	101.71	104.2%

Thus, in the difficult market conditions, with this result, the Board of Directors assessed the company's efforts to complete its 2016 business tasks, achieving 104.2% of its after-tax profit target.

Improve the company’s competitiveness and capacity by leading the Company to focus on the following areas:

- Detail the five- year strategic action plan for 2016-2020:** The BOD has directed and urged the Board of Management to directly review and detail the Company's action strategy in accordance with the contents approved at the Annual General Meeting of Shareholders in 2016 for 5 next years - 2016-2020.

Direct the development of capital mobilization plan of the Company: The Board of Directors directs the Company to develop a capital mobilization plan in line with the development objectives for the period of 2016-2020, closely following the roadmap for the operation of the derivative stock market and daily stock trading in accordance with the applicable law.

Direct the preparation of the derivative stock market: The Board of Directors records reports and directions for conducting business on derivative securities and covered warrant securities of the Company. The BOD directs the company to study to prepare the IT hardware and software infrastructure to prepare for technical infrastructure
- conditions for participating in the derivatives stock market.

Approve the organizational restructuring plan in line with the business strategy for the period of 2016-2020: The Board of Directors approves the policy reviewing and restructuring of the organizational structure, functions and duties of the Branch and professional divisions of BVSC; The Board of Directors instructs the General Director of the Company to continue to complete the draft organizational model, to elaborate specific implementation plans and roadmaps, in line with the development orientations and plans of BVSC from time to time to report to the BOD for consideration and determination.

Risk management, brand communication: The Board of Directors has directed the Company to develop media crisis prevention plans under various scenarios and assumptions, in line with the practical implementation. The Board of Directors directs the Company to pay more attention to the risk management, confidentiality and information security of BVSC's transaction system.

ASSESSMENT OF THE BOD ON MANAGING OPERATIONS OF THE BOARD OF MANAGEMENT

In 2016, the BOD supervised the activities of the Board of Management based on the following activities:

Through periodic reporting mechanism: In the course of operation, the Board of Directors has complied with the monthly, quarterly, semi-annual and annual reports on the business situation of financial position of the Company sent to the BOD. In addition, the supervision has been indirectly implemented by the BOD through the Company's guidelines to review the regulations and procedures to strengthen the organization to ensure compliance with the law and clear operations. In the BOD sessions, the BOD has also asked the Company to strengthen risk management in the complex market stages.

Through the directions and resolutions of the BOD at the BOD meetings in 2016. *(For details of the resolutions and guiding documents, see also the contents approved by the Board of Directors in 2016 from page 44 to page 45 of this report)*

Through the roles of internal auditors: Through the roles and responsibilities of internal auditors, the Board of Directors grasps and evaluates the effectiveness of the internal control system under the Board of Management, compliance with laws, policies and internal procedures during the implementation of business operations in the Company.

Through the inspection and supervision of the Board of Supervisors: In 2016, the Board of Supervisors controlled all activities of the Company twice to ensure compliance with the law and the assignment of the Board of Directors. The BOD has actively coordinated with the Board of Supervisors, under the supervision of the Board of Supervisors, to maintain the safety and perfection of BVSC's operations.

Through the activities as mentioned above, in the 2016, the BOD acknowledged and appreciated the efforts of the Board of Management in the process of executing the Company to successfully fulfill its business missions assigned by the General Meeting of shareholders. In addition, during the management process, the Board of Management has complied with the management decree in the Company's Charter and Regulations as well as the BOD's resolutions and guidelines.

FOR REMUNERATION OF BOD

In 2016, the BOD received remuneration in accordance with Article 6 of the Annual General Meeting of Shareholders *(For details of payment of remuneration to the BOD, please see Section 7, Chapter II, pages 64-65 of this report).*

ACTION PLAN OF THE BOARD OF DIRECTORS IN 2017

On the basis of forecasting economic conditions and the stock market in 2017 *(please refer to the pages 142 – 143 of this report)*, the BOD has agreed to focus on activities and key tasks in 2017 as follows:

Concentrate on and instruct the company to develop the business plan 2017 for submission to the general meeting of shareholders for approval with the following criteria:

Total revenues	324 billion dong
Before-tax profits	128 billion dong
After – tax profits	102 billion dong

Business orientation in 2017 is to continue to implement all business operations, focusing on promoting brokerage, consulting, self-employment and risk management. The BOD directs the Company to prepare necessary conditions for effective deployment of derivative products.

Continue to improve the capacity and competitiveness of the Company through the direction and instructions for the following activities:

- Direct the Company to keep abreast of market changes and regulations to actively adjust the strategic plan for the period of 2016-2020 in line with the market conditions and development orientation of the Company.
- Focus on directing the Company to develop and implement capital mobilization plans (stocks, bonds, etc.) in order to meet the capital demands for business activities as well as to meet the scale of capital market for participating tin derivative market to increase sales and profits.
- Direct Ho Chi Minh City branch to focus on developing and deploying branch development solutions approved by the BOD.
- Strengthen the supervisory role of the BOD for the operation of the Company by reviewing, revising and promulgating operational regulations, decentralization of governance, reporting regime, by promoting Internal Auditors as well as coordination with the Company's Board of Supervisors.

REPORT OF BOARD OF MANAGEMENT

| OPERATION SITUATION IN 2016

Opportunities and challenges in 2016

Positive factors from the economy and stock market developments along with the shortcomings of the year as analyzed in Part 1, Chapter III in this report are both opportunities and a challenges for BVSC in 2016. The issuance of Circular No. 07/2016 of the Ministry of Finance has significantly affected the business of BVSC, while almost securities companies belonging to commercial banks or some securities companies which are willing to accept the high legal risk level are almost unaffected. On the other hand, the market was quite complicated in 2016 with quite a lot of manipulation of securities prices, together with a strong restructuring of the securities companies of the Ministry of Finance and the SSC on the one hand creating extremely healthy business environment but also a great challenge among large securities companies as the level of competition in all business areas is increasing demand for securities companies to constantly improve quality of services, professionalism to increase competitiveness, maintain the position.

Advantages and disadvantages of BVSC

BVSC has the advantages of being an experienced securities company with a reputable brand, stable operation, ambitious market, experienced staff and professional ethics.

However, the current business network is still small, some new transaction offices have found difficulties in exploiting the market in the context of fierce competition between securities companies. In addition, the capital scale of BVSC is only medium while the capital mobilization plan not implemented in 2016 is difficult challenges for BVSC to promote brokerage activities, thereby boosting sales growth and brokerage market share as well as the accompanying financial services.

BVSC is a reputable, stable, market-savvy securities company with a large and loyal customer base with experienced and ethical staff.



After – tax profits
101,7
billion dong

General assessment of BVSC’s business results in 2016

In May 2016, Annual General Meeting of Shareholders passed the norms of business for the company with total revenue target of 314 billion dong, expected profits before and after taxes were 122 and 97.6 billion dong. Business plan is developed with the market scenario with the average liquidity of 2,800 - 3,000 billion dong / session. The VNIndex was varied in the range of 610 - 650 points.

By the end of 2016, the VNI index closed was at 664.87 points, up to 14.8% over the same period, the market liquidity reached 3044 billion dong per session, up to 19.52% compared to the average level in 2015 and increased lightly by 1.5% compared to the Company’s forecast.

With the efforts and determination of the Executive Board and the whole staff uniformly implementing business solutions, by the end of 2016, results are achieved as follows:

Unit: Billion dong

NO.	TARGET	RESULTS IN 2016	PLAN IN 2016	RATIO COMPARED TO PLAN	RATIO COMPARED TO THE SAME PERIOD
1	Total revenues	294,156	314,000	93.68%	102.28%
2	Tổng chi phí	174,089	192,000	90.70%	104.30%
3	Before – tax profits	119,306	122,000	97.80%	99.16%
4	After – tax profits	101,714	97,600	104.21%	87.60%

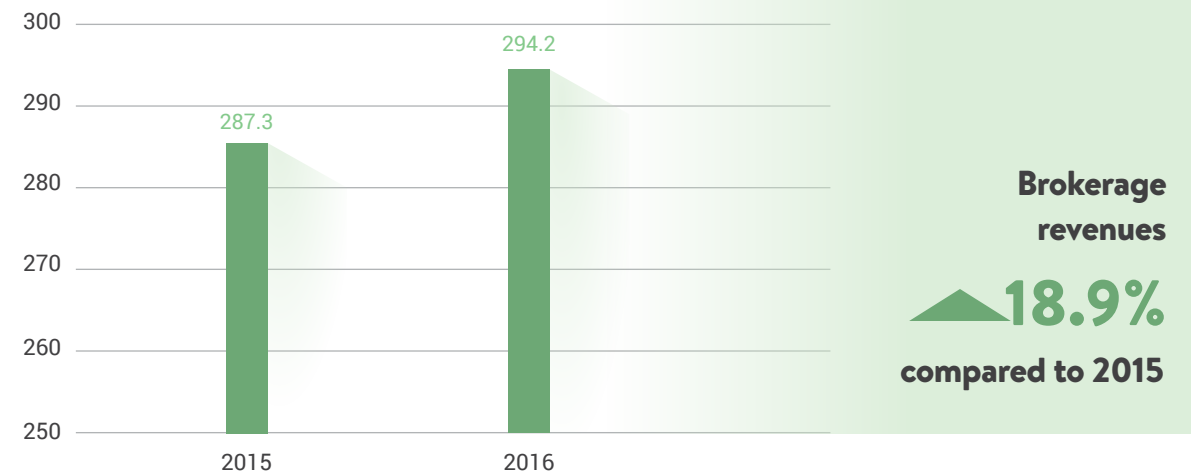
Assessment of implementation compared to the plan

Unit: Million dong

TARGET	IMPLEMENT AT THE SAME PERIOD OF THE PREVIOUS YEAR	IMPLEMENTATION IN 2016	PLAN IN 2016	COMPARISON %	
				RATIO OF ACCUMULATIVE IMPLEMENTATION COMPARED TO THE PLAN IN YEAR	RATIO OF ACCUMULATIVE IMPLEMENTATION COMPARED TO THE PLAN IN YEAR
REVENUES	287,179	294,156	314,000	93.7%	102.4%
Revenues from securities brokerage	84,024	99,887	110,000	90.8%	118.9%
Revenues from securities investment, capital contribution (receivables from financial asset investment)	53,175	37,458	47,515	78.8%	70.4%
Revenues from the agents issuing securities	1,028	272	550	49.5%	26.5%
Revenues from financial consultancy	9,491	9,548	9,200	103.8%	100.6%
Revenues from security depositing	3,694	4,378	2,500	175.1%	118.5%
Revenues from loans, deposits	120,095	136,975	134,355	101.9%	114.1%
Other revenues	15,672	5,639	9,880	57.1%	36.0%
Corporate management and business costs	(166,862)	(174,089)	(192,000)	90.7%	104.3%
NET PROFITS FROM BUSINESS ACTIVITIES	120,318	120,066	122,000	98.4%	99.8%
Other profits (losses)	7	(760)	-	-	-
TOTAL ACCOUNTING PROFITS BEFORE TAXES	120,325	119,306	122,000	97.8%	99.2%
Current corporate income taxes	(4,219)	(17,592)	(24,400)	72.1%	416.9%
CORPORATE INCOME AFTER – TAX PROFITS	116,105	101,714	97,600	104.2%	87.6%

FOR REVENUES

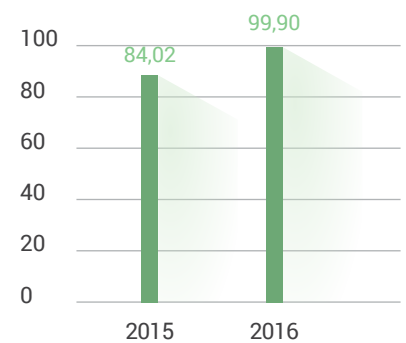
Total revenues for 2015 – 2016 (billion dong)



In 2016, total revenues of 2016 reached VND 294.2 billion, equivalent to 93.7% of the plan and 102.4% of the same period last year. Despite a slight increase over the same period, however, revenues in 2016 have not reached the target due to the following reasons:

- Brokerage revenues were just 90.8% of the plan: For brokerage activities, 2016 was a year of continuous efforts, despite facing fierce competitiveness from the companies in the industry and due to capital scale constraints, BVSC still strived to keep pace with its target, earning 99.9 billion dong, fulfilling 90.8 percent of the plan and increasing by 18.9 percent over the same period last year. Brokerage revenues increased over 2015 due to market growth in 2016 (compared to the end of 2015, the index rose + 14.8% in terms of points and + 25.7% in value of transactions, meanwhile, the increase/decrease of Hnxindex was + 0.2% and -4% respectively contributed to the brokerage revenues of BVSC up to 18.9% over the same period last year. However, the brokerage revenues did not meet BVSC's expectations due to the impact of the capital source to meet the demand for margin transactions of customers. At the time of planning, the Company set a target of VND 110 billion in brokerage revenues on the basis of increasing capital plan through the plan to increase charter capital and issuing more bonds. Due to the fact that the capital raising plan has not yet been implemented and there is a legal change when the Ministry of Finance's Circular No. 07 was issued which affected the margin for customer service, brokerage revenues did not reach as expected.
- Self-employment revenues (income from investment of financial assets) reached VND37.5 billion, equivalent to 78.8% of the target which was VND47.5 billion, equal to 70.4% of the same period last year. First of all, the reason for this decline was: The capital used for securities investment and fund certificates was not as expected due to the expected capital increasing plan. The company reduced its investment in equity to translate into customer support transactions, margin lending and advances.

MG revenues for 2015 – 2016 (billion dong)



- Financial consultancy revenues in 2016 reached VND9.5 billion, fulfilling 103.8% of plan and slightly increasing by 0.6% over the same period of 2015. The achievement was because the Company has closely followed the plan, utilized its advantages to successfully implement many contracts on merger consultancy (M & A), corporate equitization consultancy, divestment and etc.

- Depository revenues reached VND4.4 billion, fulfilling 75.1% of plan and 18% higher than the same period last year. The growth in depository income was partly due to the growth of BVSC's brokerage and securities transactions and depository activities in comparison with the previous year; This was followed by BVSC's efforts to promote the management of shareholders' books, depository of unlisted securities.

- Revenues from margin lending, advances and deposit interest reached VND137 billion, equivalent to 101.9% of plan and up to 14.1% compared to the same period last year. The reasons for this growth were due to:

- The Company actively restructured its capital sources, investment capital inflows, term deposits into margin lending, advances for securities sales, and serving for securities trading clients.

- With limited business capital, BVSC took reasonable and effective measures to manage capital, the short-term turnaround of business capital was high (the capital use efficiency in 2016 was 0.27 times, increasing by 0.02times compared with 2015 was 0.25 times), ensuring the demand for margin loans, advances of customers with competitive interest rates in the market (margin lending rate of 12.5% / year, interest rates of advance loan was 12% per year).

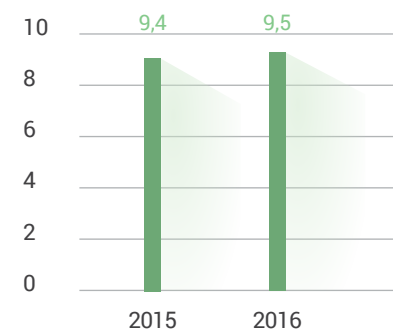
- Investments of deposits at banks with high credit rating and interest rates for gaining interest. The average deposit rate was about 6.0%.

- Other revenues reached VND5.6 billion, down to 43% from the target set mainly due to a reduction in asset management fees for securities trading loans by commercial banks. (Due to the effect of Circular No. 07/2016 / TT-BTC, from March 2016, securities companies were not guaranteed the loans of customers with third parties, therefore, the company did not collect fees from the services of asset management as expected). This was a positive result in the situation of business capital of the Company compared to competitors as limited, contributing significantly to the business results of 2016 of the Company.

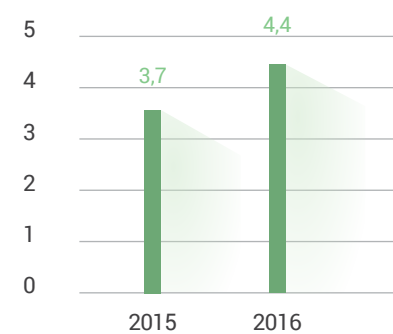
Capital use performance

0.27 times
increasing by **0.02**
compared to 2015

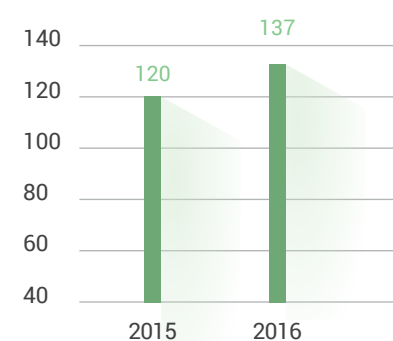
Financial consultancy revenues for 2015 – 2016 (billion dong)



Depository revenues for 2015 – 2016 (billion dong)



Revenues from margin loans, advance, deposit investment interest (billion dong)



FOR COSTS

Business expenses and administrative expenses were 174.1 billion dong, equivalent to 90.4% of the plan and slightly increasing by 4.3% over the same period last year. The reduction in costs compared to the plan was due to:

- Direct business expenses decreased by 33% compared to the plan and VND27.3 billion compared to the target of VND41 billion, mainly due to the provision for securities return value (the increase in end-of-year compared to the same period last year, and the return value of securities sold during the period) resulted in a decrease in total costs of sales.
- Management expenses, operating expenses of VND146.7 billion, equal to 97% of the plan of VND150 billion was due to:
 - The cost of salaries decreased compared to the plan because the Company did not fulfill its revenue target, especially the brokerage revenues, therefore, the salary fund also decreased.
 - The company has implemented several solutions to effectively control costs.

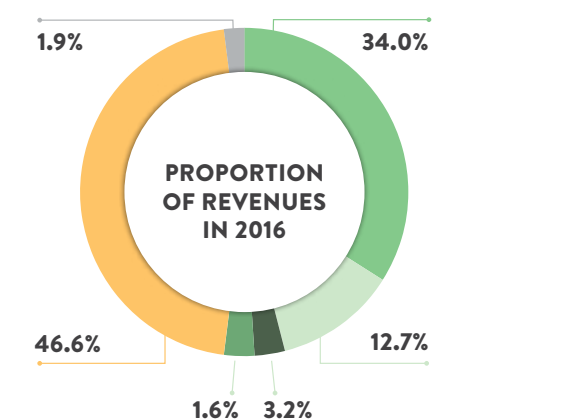
Analysis of revenue proportion, structure

TARGET	IMPLEMENTATION IN 2015	PROPORTION	IMPLEMENTATION IN 2016	PROPORTION	% OF CHANGE
Revenues from securities brokerage	84,024	29.3%	99,887	34.0%	18.9%
Revenues from securities investment, capital contribution (receivables from investment of financial assets)	53,175	18.5%	37,458	12.7%	-29.6%
Revenues from guarantees, agent issuing securities, trust of auction	1,028	0.4%	272	0.1%	-73.5%
Revenues from financial consultancy	9,491	3.3%	9,548	3.2%	0.6%
Revenues from securities depositing	3,694	1.3%	4,378	1.5%	18.5%
Revenues from loans and receivables	120,095	41.8%	136,975	46.6%	14.1%
Others	15,672	5.5%	5,639	1.9%	-64.0%
Total	287,179	100.0%	294,156	100.0%	2.4%

- Revenues of brokerage activities reached 99.9 billion, up to 18.9% over the same period last year, accounting for 34% of total revenues. This was an important activity, contributing the second largest revenue s in total revenues of the company.

- Revenues from securities investment, capital contribution (receivables from investment in financial assets) reached VND37.5 billion, down to 29.6% compared to the same period of the year, accounting for 12.7% of total revenues.

- Revenues from financial consultancy reached VND9.5 billion, up to 0.6% compared to the same period last year, accounting for 3.2% of total revenues.



- Proportion of revenues in 2016
- Revenues from securities investment, capital contribution (receivables from financial asset investment)
- Revenues from loans, interest of deposit
- Revenues from guarantees, agent issuing securities, security depositing
- Others
- Revenues from brokerage activities

- Revenue from loans, deposit interests: including interest income from margin lending, advances from clients for securities transactions, and interest from deposit contracts. This activity accounts for the largest revenue of the company, reaching VND137 billion, up 14.1% y / y, accounting for 46.6% of the total revenue.
- Turnover from underwriting, securities issuance and depository, securities depository contributed VND 4.7 billion and accounted for only 1.6% of total revenue.
- Other revenues include asset management fee, OTC quotation fee, reporting fee ... This activity accounted for 1.9% and contributed VND 5.6 billion to total revenue.

Analysis of cost proportion, structure

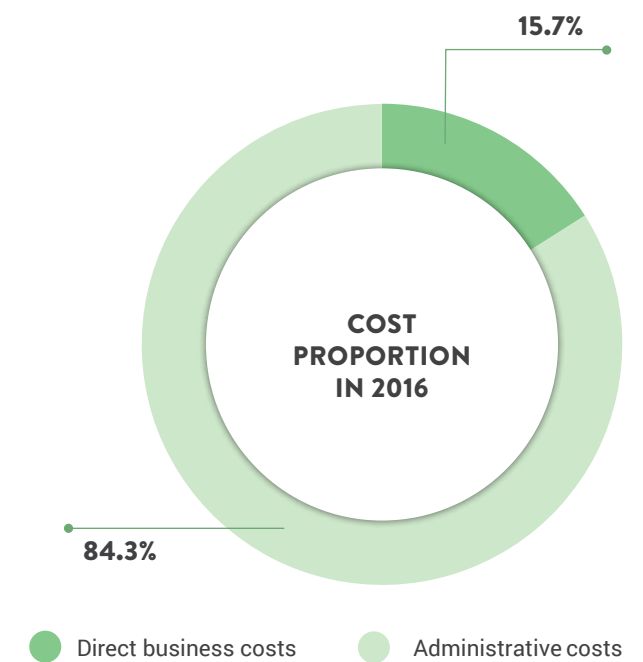
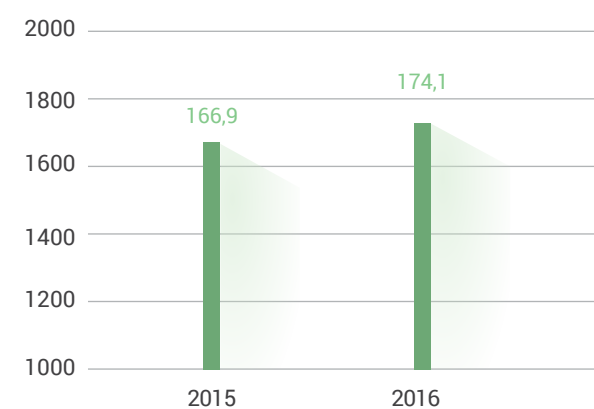
TARGET	IMPLEMENTATION IN 2015	PROPORTION	IMPLEMENTATION IN 2016	PROPORTION	% OF CHANGE
DIRECT BUSINESS COSTS	26,139	15.7%	27,343	15.7%	4.6%
Costs of brokerage, depositing	22,850	13.7%	29,158	16.7%	27.6%
Loss from sales of financial assets	14,431	8.6%	13,632	7.8%	-5.5%
Extraction from provision/return of provision of financial assets	(18,642)	-11.2%	(22,715)	-13.0%	21.8%
Costs of consultancy, guarantee	2,225	1.3%	135	0.1%	-93.9%
Other business costs	5,276	3.2%	7,133	4.1%	35.2%
MANAGEMENT COSTS	140,723	84.3%	146,747	84.3%	4.3%
Staff costs	92,513	55.4%	96,383	55.4%	4.2%
• Salaries and benefits	82,500	49.4%	84,035	48.3%	1.9%
• Social insurance, health insurance, Union funds, unemployment insurance, healthcare insurance, life insurance,	10,013	6.0%	12,348	7.1%	23.3%
Costs of depreciation of fixed assets	3,055	1.8%	2,096	1.2%	-31.4%
Costs of materials, labor tools	2,528	1.5%	2,987	1.7%	18.2%
Provisions for bad receivables	2,681	1.6%	-	0.0%	-100.0%
Costs of outsourced services	32,193	19.3%	37,467	21.5%	16.4%
• Where: Costs of office lease	17,817	10.7%	18,859	10.8%	5.9%
Other costs in cash	7,754	4.6%	7,813	4.5%	0.8%
Total	166,862	100.0%	174,089	100.0%	4.3%

Business operations and operating costs, management costs.

Direct operating expenses accounted for 15.7% of total expenses, including:

- Expenses for brokerage and depository activities are costs incurred directly for brokerage and registration activities such as transaction fees, depository fees paid to transaction offices; Costs of leasing equipment for transaction connection, membership fees paid to transaction offices, securities transfer fees and etc. In 2016, brokerage and depository fees were VND 29.2 billion, up to 27.6% over the same period last year due to the growth of brokerage and depository revenues; accounting for 16.7% of total costs.
- Expenses for investing in financial assets included losses on the sales of financial assets, direct expenses for securities investments, provisioning of financial assets. In 2016, securities selling losses were VND13.6 billion, down to 5.5% and accounting for 7.8% of total costs. In 2016, the company re-invested VND22.7 billion from equity investments and fund certificates, resulting in a 13% decrease in total costs, which was also a factor to reduce business costs and increase business efficiency in the period.
- Costs of consultancy and underwriting activities accounted for only 0.1% of the total costs; mainly expenses for the implementation of consultancy contracts arose.
- Other business expenses reached VND7.1 billion, up to 35.2% in the same period last year, accounting for 4.1% of total costs. This was mainly the costs to support transactions, analysis such as the costs of connecting the information system, the interest expenses of overdraft.

Total costs for 2015- 2016 (Billion dong)



Administrative expenses accounted for 84.3% of the total expenses, including management costs of the direct business unit and operating expenses of the support and management unit, specifically:

- Staff costs: including all expenses of salaries, expenses for employees such as insurance, trade union funds, training, costumes and etc for all employees of the company. These costs accounted for the largest proportion of total expenses, reaching VND 96.4 billion, of which salary was VND 84 billion, accounted for 55.4% of the total costs. In 2016, wage costs fluctuated not too large compared to 2015, only slightly increasing by 1.9% but other benefits to employees such as expenses for compulsory insurances (social insurance, health insurance, unemployment insurance) and life insurance, comprehensive insurance and etc , increasing by 23.3% over 201 5 due to the fact that since 2016, the company had restructured its new job titles and salary scale system as required. The Labor Code stipulated that the level of remittance of compulsory insurance as well as trade union fees on new salaries were higher than that of 2015.
- Costs of outsourced services included the costs of leasing office, utilities, propaganda, advertising, the costs of using outsourced IT systems, and outsourced costs for public works. These expenses accounted for the second proportion, followed by the salary costs, it was VND 37.5 billion, accounting for 21.5% of the total costs.
- Remaining costs of asset depreciation, material costs, distribution of tools and other monetary expenses were VND12.9 billion, accounting for 7.4% of total expenses.

Assessment of business results of the Company compared to the companies in the same industry

TARGET	HCM	SSI	TVS	BVS	BSI	VND	CTS	SHS	VIX	VDS	MBS	PSI	AGR
Listing market	HSX	HSX	HSX	HNX	HSX	HNX	HNX	HNX	HNX	HNX	HNX	HNX	HSX
Total assets (billion dong)	3,617	13,228	1,361	1,855	1,446	5,174	1,421	3,314	1,093	1,593	3,518	640	1,660
Equity (billion dong)	2,392	7,153	610	1,548	984	1,948	1,070	1,113	798	763	1,324	603	1,648
Charter capital (billion dong)	1,273	4,901	534	722	902	1,550	904	1,000	701	700	1,221	598	2,120
Revenues (billion dong)	825	2,315	183	294	652	750	236	566	189	238	515	88	135
After – tax profits (billion dong)	305	875	67	102	115	186	83	87	54	49	17	5	(405)
EPS (VND)	2,395	1,698	1,388	1,345	1,275	1,232	920	866	765	704	136	84	(1,919)
After – tax profits/DT	36.91%	37.80%	36.65%	34.58%	17.64%	24.84%	35.24%	15.30%	28.37%	20.72%	3.24%	5.69%	-299.54%
DT/TTS	22.81%	17.50%	13.41%	15.86%	45.09%	14.50%	16.61%	17.08%	17.33%	14.94%	14.63%	13.75%	8.15%

Sources: HNX, Audited financial statements of securities companies

In 2016, BVSC reached TOP 5 of the highest Indicators of profitability in stock-market.

| ASSESSMENT OF FIELDS IN 2016

Brokerage

In 2016, brokerage continued to be the focus and accounted for the second largest share in BVSC's revenue structure. Although revenues and brokerage market share were not as expected due to the impacts of the decline in brokerage funds, revenues were up 18.9% over 2015.



Brokerage results in 2016 as follows:

Table of transaction data in 2016

(Unit: Trillion dong)

Transaction value	2015		2016		Comparison in the same period of 2015	
	Market	Company	Market	Company	Market	Company
In HSX	482.42	36.10	602.63	42.47	124.92%	117.64%
In HNX	135.04	11.32	129.65	9.00	96.01%	79.57%
In Upcom	14.29	0.99	31.95	3.56	223.59%	360.32%
Total	631.74	48.41	764.22	55.03	120.97%	113.69%

Brokerage results in 2016

Target	2015	Plan in 2016	2016	% implementation compared to the same period	% implementation compared to the plan in 2016
Revenues (billion dong)	84.02	110	99.89	118.88%	90.81%
Transaction share (%)	3.83%	4.32%	3.60%	93.99%	83.33%
Quantity of accounts	48,221	51,000	50,711	105.16%	99.43%

(Note: % market is general market data in 03 markets: HNX, HSX and Upcom)

Diagram of CP and CCQ shares in HSX in 2016

(Unit:%)

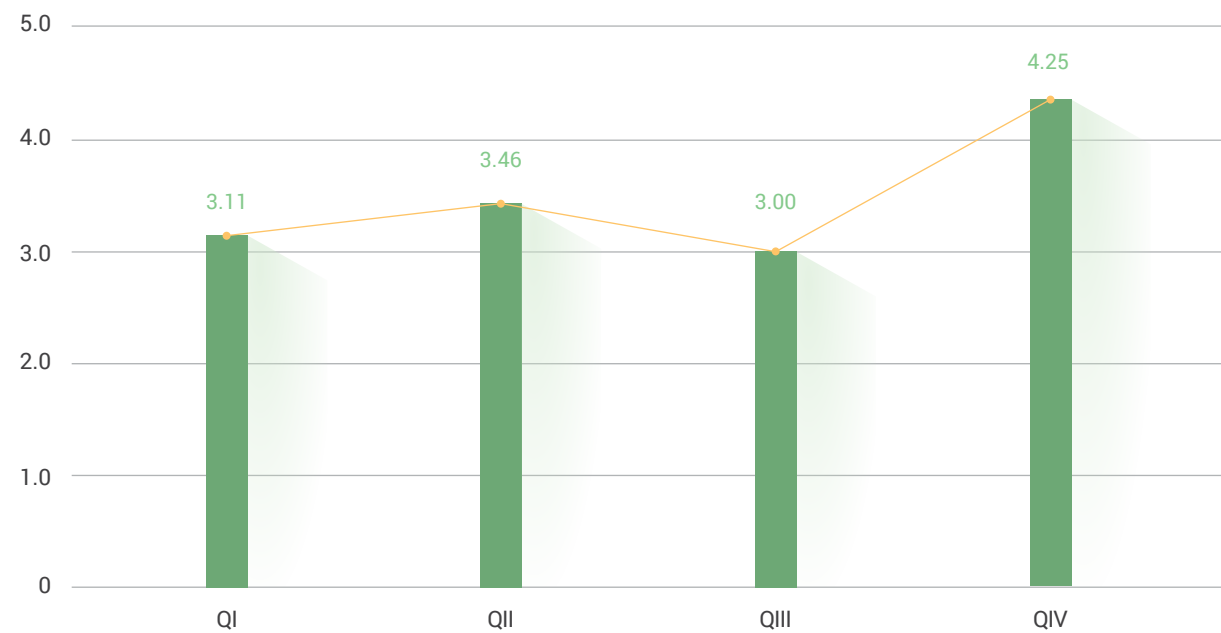


Diagram of CP and CCQ shares in HNX in 2016

(Unit:%)

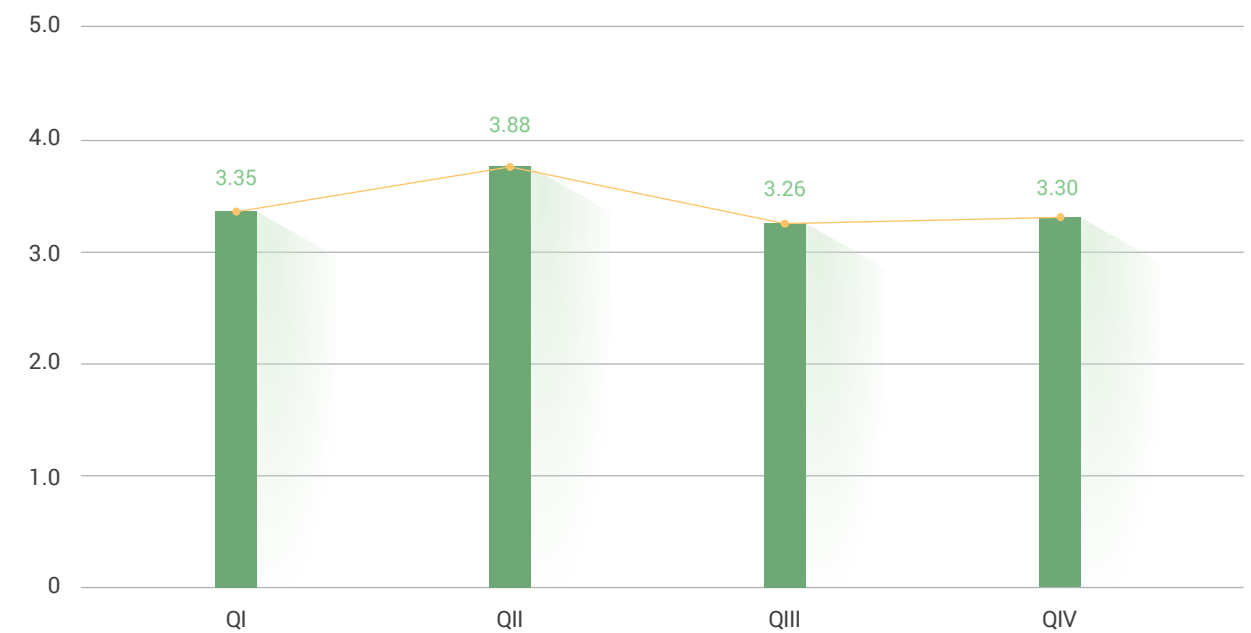


Table on ranking transaction share in HNX and HSX

TRANSACTION SHARE	QUARTER I				QUARTER II				QUARTER III				QUARTER IV			
	BONDS		SHARES		BONDS		SHARES		BONDS		SHARES		BONDS		SHARES	
	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX	HSX	HNX
POSITION IN TOP 10	2	3	N/A	10	2	3	10	8	2	4	N/A	N/A	3	2	7	N/A
SHARE (%)	33.09	Group obtaining share accounting for 10%	3.11	3.35	7.67	Group obtaining share accounting for 10%	3.46	3.88	5.47	Group obtaining share accounting from 5 to 10%	3.00	3.26	6.45	Group obtaining share accounting for 10%	4.25	3.30

In 2016, the Company implemented strongly solutions to promote brokerage activities. In particular:

Invest in furniture, equipment and space of the current transaction offices



In order to improve the quality of customer service, the Company implemented the project of transforming 146 Nguyen Van Cu Transaction Office at 146 Nguyen Van Cu Street, District 1, Ho Chi Minh City to 90 Cao Thang Street, Ward 4, District 3, Ho Chi Minh City and renamed 146 Nguyen Van Cu Transaction Office to Cao Thang Transaction Office under the approval of the State Securities Commission of Vietnam in Decision No. 774 / QD-UBCK. Renovate furniture at Transaction Office No.14 at Ba Trieu Street, Hoan Kiem District, Hanoi to improve the quality of customer service and innovate the image of BVSC.

The investment in facilities, space, utilities to communicate with customers at transaction offices was in the plan to improve the quality of customer service as well as promote the image and brand of BVSC as part of medium-term plan to develop brokerage activities of BVSC.



Financial services with competitive interest rates



BVSC always maintained margin interest rates and advances competitive equity and regularly adjusted to match market interest rates. In addition, the Company designed financial services packages suitable to each customer, criteria for classification and customer assessment was also developed consistently and synchronously, periodically carried out customer assessment to ensure the delivery of appropriate service packages.

Flexible transaction fee policies



BVSC always maintained a flexible and diversified fee policy based on the mode and scale of transactions, especially the company encouraged customers to use the online transaction services with the lowest fee on the market.

Promote the promotions for customer care



In addition to promotions for customers on the occasion of the opening of the transaction office, anniversary of the company's establishment, in 2016, BVSC launched a large promotion program under the integrated program (Bao Viet Mega Sale) with the member unit of Baoviet Group. This was the first large-scale promotion program on the whole of Bao Viet Group, which would be launched in late 2016 with the total prize value of up to 5 billion VND. BVSC had the opportunity to participate in and win prizes in the form of dial-up, as well as have the opportunity to own financial products integrated between insurance - banking - securities under the Bao Viet brand. This program had attracted over 3,000 customers of BVSC and contributed to increase revenues in the last months of the year.

Increase the recruitment and training of human resources, attractive salary and bonus policies linked to sales emulation program.



The company launched a full-scale brokerage staff check-in in July, 2016 with a broad range of expertise covering macroeconomics knowledge, fundamental analytics, and technical analytics, knowledge of the product as well as the operations on the software system. Through the test results, the Company conducted internal training to standardize and improve professional knowledge as well as prevent operational risks of the staff.

The salary and bonus policy designed specifically for brokers was considered as a lever that drives the market in 2016. With an average bonus of 35-40% / sales plus many attractive financial incentives such as comprehensive health insurance, life insurance ... were recognized as highly competitive remuneration policies in the market. And also, the company continuously launched the emulation programs in the brokers such as "Opportunities at hand, receiving big gifts," "Forecasting the index", "Going to the destination" ... with diverse and attractive rewards which contributed much to motivation, boosting brokerage revenue growth, especially in the last months of the year.

On the brokerage segment of institutional clients: This was the segment that achieved remarkable results in 2016. Although accounting for a modest proportion in the company's brokerage revenue structure, in 2016, revenues from institutional clients were VND 25.1 billion, up to 91.74% against 2015, CP & CCQ share of institutional clients was 0.54%, accounting for 15% of the company's overall market share and increasing by 86.21% compared to 2015. This was a good result after a number of measures to improve the quality of customer service, especially IT solutions.

In 2016, the company promoted the development of institutional clients, contacted and met with foreign funds such as Tokai Tokyo Financial Holdings, Inc., Infra Red - Mezzamine 27 foreign institutional accounts and 12 local institutional accounts. In addition, the customer care was invested in depth through visits, regular meetings with funds, domestic and foreign investment organizations, seminars organized by the topic, newspaper Periodic reports and in-depth analysis of macro, market, business ... for clients such as BVF, VN.Holding, Kingsmead, Prudential and Manulife ... The company also promoted to work with foreign institutions such as Bualuang Securities and Grandeur Peak Global Fund to introduce investment opportunities in the market.

Self-employment

In 2016, BVSC continued to invest in listed stocks and fund certificates with the credit limit approved by the Board of Directors. Loss cutting threshold was 10%. The investment structure adhered to the principle of 80% in the form of value investment and 20% in trading transactions.

Self-employment transactions in 2016 mainly focused on mid-cap stocks. The investment method of BVSC was to set the investment proportion of the portfolio flexible and suitable for each stage of the market on the principle of prudence. For bond investment, BVSC disbursed VND 160 billion into corporate bonds, contributing to balance the investment structure, creating stable revenues for the Company.

Consultancy and underwriting

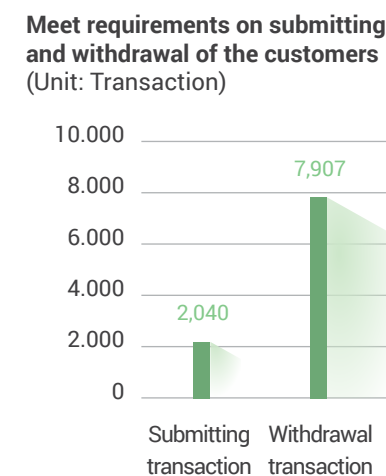
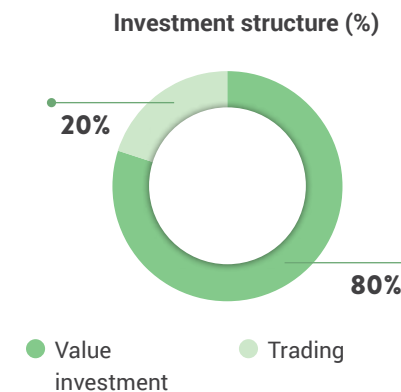
In 2016, taking advantage of market opportunities and policies to promote the registration of concentrated transactions of public companies, BVSC implemented many advisory services on issuance, listing consultancy and Upcom registration consultancy. In addition, 2016 continued to be a key year for restructuring SOEs of the Government. Therefore, in the year, BVSC strengthened the signing and implementation of the contracts on equitization consultancy and SOE divestiture contracts. As a result, the Company signed 103 new consultancy contracts and completed 123 contracts. In 2016, BVSC was selected by M & A Vietnam as the most typical and Best Security Company - Mergers and Acquisitions Category. Total revenues of consulting and underwriting services in 2016 reached VND9.82 billion, accounting for 116.2% of the year plan.

Stock depositing

Securities depositing activities shall be implemented in accordance with the regulations of the Depository Center. During the year, the company received to deposit securities for newly listed companies and listed on the HSX, HNX and UPCOM with the number of over 358 million shares. Closing over 2,000 stock and bond depository lists to pay dividends, issue additional shares, get shareholders' opinions, and shareholders' congresses ... BVSC worked closely with banks to well meet the requirements of withdrawing money from customers, implemented 2,040 submitting transactions and 7907 withdrawing transactions with a total amount of over 2.605 billion dong. In 2016, revenues from depository activities reached VND4.38 billion, accounting for 175.1% of the plan.

Other business activities

Revenues from other business activities mainly came from services such as advances, margin lending, deposit investment and etc which were the largest proportion of the company's revenue structure. Revenues in the year were VND 137 billion, accounting for 46.63% of the total revenues of the Company, reaching 101.9% of the plan and equal to 114.1% over the same period last year.



Management and support

Transaction management and product development

The new department was set up in 2014 with a focus on managing the trading system and developing products for investors. With this orientation, the Transaction Management and Product Development Department focused on three main tasks: transaction system management, product research and development, and staff training for the brokers. In 2016, in addition to the IT department operating the daily trading system to ensure stable and smooth delivery of services to more than 1.3 million transactions smoothly and safely in the year, the department completed three business processes and completed the missing procedures to prepare for the next year to meet the demand for new products to be traded in the next year. In 2016, the Transaction Management Department held 1 advanced training course and 8 basic training courses for brokers with nearly 50 attendees.

Legislation and Internal Control

Legal attention has helped the Company's business operations to be implemented safely and effectively, prevent legal risks, ensure the existence and sustainable development of the Company.

In 2016, there were many significant changes in the securities law, such as Circular No. 11/2016 / TT-BTC on derivatives, Circular No 203/2015/TT-BTC replacing Circular No. 74/2011 / TT. Circular No. 07/2016 / TT-BTC on amending and supplementing Circular 210/2012 / TT-BTC guiding the operation of securities companies. The functions, duties as the focal point of the Company's documents, the Legal Department actively participated in the drafting or legal review of 15 internal procedures and 40 samples of the Company in accordance with new legal regulations, contributing to improve the legal framework for the management, operation and operation of the Company. In which important documents such as the 8th amendment of the Company, the draft regulation on financial management, the draft regulation on representatives of capital in organizations and enterprises with capital and the process of regulating the operational processes of the "backbone" operations in the Company such as the Securities Trading Process, the Depository Transaction Process, Collaborate with the Internal Control Department to prepare and issue the Process of Filing were known bases basis for the control and archival of transaction records of customers.

In addition, the Legal Department of the Company also advised on the legal risks of transactions by giving opinions, consulting opinions or directly participating in the negotiation of transactions, agreement with customers, partners.

Internal controls included controls on compliance with the transaction process, depository, margin lending, self-trading and IT operations. In particular, Internal Control Department conducted 14 internal compliance controls on its operations at its headquarters and branch offices. This was a regular activity and is closely coordinated with the Company's internal auditor. In addition, the Internal Control Department processed the sale of 11,699 turns of escrow account and called for additional collateral for more than 4,731 accounts, received and checked and archived 60,000 records and transaction records of the Customers at the Company.

1,3 million
orders transacted
smoothly and safely

14
controls in compliance

inspection and storage
60,000
turns of documents
and order notes

The results showed that staffs of the company strictly followed the company's management process and policies as well as comply with the law. In spite of the fact that the company issued the procedures, it has identified and put in place risk hedging in each business operation, but further development of the guideline, updating according to the change of the government's legal policies as well as the changing realities of transactions on the stock market were also a matter of concern.

Throughout the periods, potential operating risks had been identified, which in turn gave the Executive Board more information to better manage risk management measures.

Analytical research

With the release of 312 quarterly and monthly reports on industry and company analysis, 12 macro reports, periodic market or abnormal events, 251 daily market newsletters of high quality for customers, it could be said that BVSC's products had continuously been improved and closely monitored the demand of investors. Analytical research activities of BVSC had been invested in the right direction, affirming the company's goal to constantly improve the quality of investment advice to customers.

In 2016, BVSC carried out research and completed the products of macroeconomic analysis - stock market and analysis on the industry - company periodically and in depth subjects, strengthened the investment consultancy activities for corporate clients and individuals through conferences, dialogues to meet face-to-face or indirectly through the brokerage division as well as to promote the branding of the company through the media channels.

Information Technology

In 2016, the company completed the deployment of Windows 10 operating system and office tool kit to most of its employees with updates from security patch manufacturers to avoid significant risks and improvements on security situation at user's computer. At the request of the State Securities Commission, the company initially implemented a roadmap for independent separation of infrastructure in service deployment. In addition, the company also completed the development of the BVGATE system for integration and the new inspection and acceptance of the new Front - office software. The company's telephone system was also installed and purchased entirely to improve the quality of internal and external communications.



Brand communication

The media strategy focused on building the brand name BVSC as a reputable securities company and a transparent listing company, aiming at sustainable development. With this goal, the company continued to promote the media to the public with hundreds of professional interviews for Newspapers and Television, periodic advertising and event ... Website of the Company was an official mean through which the company promoted publicity of business results, product policies, services, human resource development policies, organizational changes and operation, development strategy and etc.

The media strategy focused on building the brand name BVSC as a reputable securities company and a transparent listing company, aiming at sustainable development. With this goal, the company continued to promote the media to the public with hundreds of professional interviews for Newspapers and Television, periodic advertising and event ... Website of the Company was an official mean through which the company promoted publicity of business results, product policies, services, human resource development policies, organizational changes and operation, development strategy and etc.

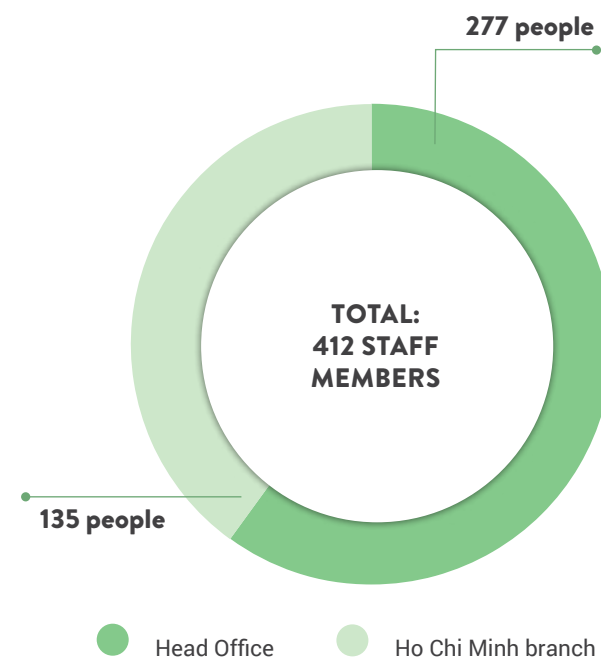
Brokerage emulation programs in each stage, programs on emulation on forecasting index and etc throughout the four quarters of the year helped to boost the emulation of business achievement, as well as to develop corporate culture for the company.

(For more information on performance evaluation and branding, see Achievements & Awards at page 16 to page 19, and Sustainable Development at page 176 to page 181 in this report)

Human resource development

Recruitment: Strategic orientation of the company has been to promote brokerage activities, in the past years, the main focus of the business was to develop the brokerage team and business development staff. In 2016, the Company aimed to promote the quality brokerage team in parallel with the quantitative expansion towards the goal of sustainable development. BVSC recruitment rate in 2016 was 21.1%, in which the ratio of new brokerage staff, business development staff in the transaction office accounted for a large proportion (83.3%). Other new line positions were mainly substitutes for replacing retired personnel or ineffective personnel. The rate of use in 2016 decreased compared to 2015, which was mainly due to the company's large volume of new routes in the period from 2010 to 2015 and the period 2016-2020. It's more about training, and focused on more experienced staff rather than bulk ones.

By the time of 31/12/2016, the total number of staff at BVSC was 412. Of which: Head Office: 277 people and Branch in HCMC: 135 people/.



Training: Due to the specific nature of the securities industry, compliance with business processes was particularly important. Therefore, the Company focused on providing internal training for the brokerage team by developing and designing learning maps with the contents of professional training programs and skills for the work. Specifically, every month, the Transaction Management and Product Development Department regularly organized basic and advanced professional training courses with contents focusing on products and services, delivery systems, stock exchange system, legal regulations and professional processes of the company ... In 2016, the Company organized 10 internal training courses with more than 50 participants. And in July 2016, according to annual practice, the company held a qualification examination of the brokerage staff to assess the quality of personnel. Exam content did not only focus on macro knowledge, technical analysis, fundamental analysis but also on knowledge of products, services, processes and systems. Through the survey results, the company assessed the limited knowledge of employees, from which to develop appropriate training plan to improve the quality of staff.

The company has focused on providing internal training for the brokerage team by developing and designing a learning map with the most appropriate and practical training curriculum content for the work

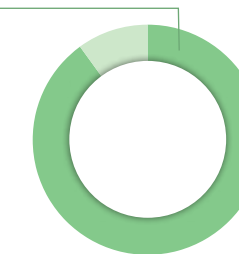
124
employees joining
training courses

67
employees gaining
derivative business
practice certificates

In 2016, the company reviewed and strengthened the training of personnel who completed the securities professional certificates to apply for practice certificates. In 2016 alone, the Company sent 124 employees to attend training courses held by the SSC's Securities Research and Training Center. To prepare personnel for the plan to deploy derivative securities business in the coming time, the Company sent personnel to participate in training courses on "Derivative and Equity Securities" organized by the SSC in Hanoi and HCMC. The total number of participants attending the training course was 78, with a passing rate of 86%, which was a high rate compared to other securities firms in the market. Up to 31/12/2016, the total number of licensed practitioners was 111 personnel, of which 67 were practitioners of derivatives practice certificates; Practice certificates were defined as one of the criteria for assessing the staffing, planning, appointment, salary increase, performance evaluation.

86%

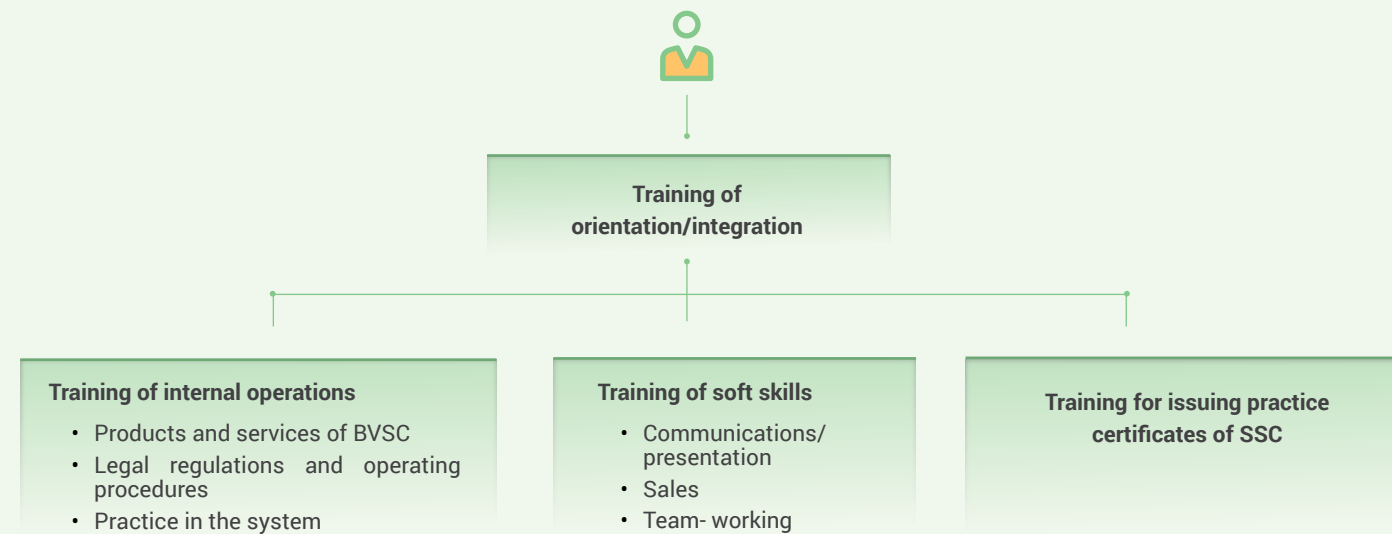
Ratio of passing training
course "derivative securities
and derivative
securities market"



In 2016, the company completed the English language training project for middle level managers, developed by Language Link since the end of 2015, in addition, with consultation and cooperation with PACE Entrepreneurship School - a leading organization specializing in management and leadership skills in Vietnam, BVSC successfully completed the training program "Developing Effective KPIs" for the leadership team in order to equip the skill management levels to develop KPIs for performance. This was the first step in the preparation for the design and development of the system of evaluation criteria in the whole company in the future.



PROCESS FOR TRAINING BROKERS IN BVSC



Salaries and benefits

The Company continued to apply the agreed payment policies based on the assessment of work associated with the performance of each individual in accordance with the market trend as well as the operation of the Company. For brokers, compensation policies for brokerage staff and transaction office leaders continued to promote high efficiency in encouraging and motivating staff. With the annual revenue-driven compensation plan designed and adjusted in line with the general trend of the market and the increase in competitiveness that attracted good people. This was one of the important factors in promoting the development of brokerage activities, expanding the customer network and increasing the market share of the Company. In addition, the Brokerage Team's policy created more opportunities for qualified staff to demonstrate and affirm themselves, thereby creating opportunities for career advancement and development for employees. As well as developing the adjacent force for the medium and long-term human resources strategy of the Company.

In the past year 2016, many leaders performed very well their roles, developing the group with a large number of members, resulting in high revenue and significant increase in income. Through the Team Leader program, the Company implemented the planning and appointment of 01 Deputy Manager of the Transaction Office. This was

considered to be a success of the Team Leader program in the process of developing succession personnel.

If salaries and bonuses were considered an effective lever in motivating business, welfare was seen as a factor that strengthened engagement with the business. In addition to participating in compulsory insurance as required by the State, the addition of a Healthcare insurance would also provide a general health check that periodically provided practical assessments for employees, creating peace of mind in the process of working at BVSC. The Unemployment Insurance Program was a new welfare policy implemented by the Company since 2015 with the goal of protecting employees from unexpected risks during their work. Until retirement, a supplementary financial contribution would be provided in addition to the pension received from the state social protection fund. It could be said that the current welfare policies contributed to increasing the cohesion of the employees towards the Company in order to improve the competitive advantage of retaining and attracting human resources in the market.

For more information on human resources development, please refer to the chapter on Sustainable Development, from page 166 to page 175 of this report.

CHAPTER 3: REPORT OPERATING SITUATION IN 2016

ANALYSIS OF FINANCIAL POSITION

Financial position

Unit: Million dong

TARGET	2015	2016	% INCREASE/ DECREASE
Total asset value	1,667,827	1,855,255	11.2%
Net revenues	287,179	294,156	2.4%
Profits from business activities	120,318	120,066	-0.2%
Other profits	7	(760)	
Before-tax profits	120,325	119,306	-0.8%
After-tax profits	116,105	101,714	-12.4%
Basic interest on shares (dong/1 share)	1552	1345	-13.3%
Safe capital availability	735%	678%	-7.8%

- Total assets were restated according to the change in accounting regime (In 2016, the Company applied the accounting system in accordance with TT334 / 2016 / TT-BTC, accordingly, the total assets in 2016 would increase by VND 187.4 billion, up to 11.2% over the same period last year.
- This growth indicator represented the growth in the scale of the company, growth in asset and capital categories.
- The liquidity ratio of the Company has always been very high over the years, more than 3-4 times higher than the ratio prescribed by the SSC. Although in 2016, the liquidity ratio has fallen by 7.8% over the same period last year (mainly due to rearrangement of indicators in the new accounting system), but this ratio was also very high compared to other companies in the same industry. This showed the company had a healthy financial status, good control of investment risks and payment risks and operations of the Company.

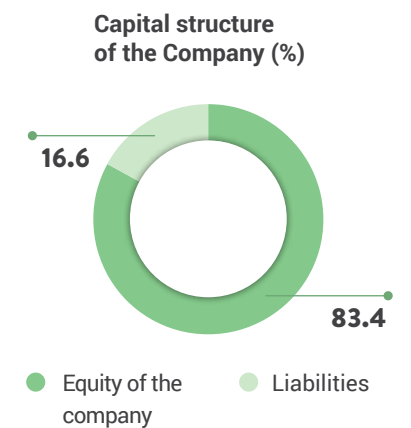
Total assets
11.2%

Major financial targets

TARGET	2015	2016	% DECREASE/ INCREASE
TARGET ON PAYMENT ABILITY			
Factor of overall payment: Total assets/total liabilities	7.68	6.04	-1.64
Factor of short – term payment: Current assets/Long – term liabilities	6.38	4.37	-2.17
Factor of quick payment: Current assets – Inventories/short – term liabilities	6.30	4.16	-2.15
TARGET OF CAPITAL STRUCTURE			
Factor of liabilities/total assets	0.13%	0.17%	0.04
Factor of liabilities/equity	0.15%	0.20%	0.05
TARGET OF PERFORMANCE			
Cycle of receivables (net revenues/ average receivables)	0.88	7.53	6.66
Cycle of working capital (Net revenues/ average working capital)	0.25	0.27	-0.02
Cycle of total assets (Net revenues/total average assets)	0.16	0.17	0.01
TARGET OF PROFITABILITY			
Factor of after-tax profits/net revenues	40.43%	34.58%	-5.9
Factor of profits from business activities/ net revenues	41.90%	40.82%	-1.1
Factor of after – tax profits/ROE equity	8.00%	6.57%	-1.4
Factor of after – tax profits/ROA total assets	6.96%	5.48%	-1.5

Financial targets of the Company:

- **Payment ability of the company was always maintained at a high level** (from 4 up to 6 times from the quick ratio to the general payment). Since the payables were much smaller than the existing assets, the Company was ready to source the debts. The Company's assets were arranged in a safe and reasonable manner, focusing mainly on short-term, highly liquid assets and easily convert into cash to meet maturity and pay when needed. This was also a strength of the company, over many years, the company has maintained the stability and safety in liquidity: the obligation to clearing VSD payment, obligation for paying the customers trading securities and other customers of the Company was always executed accurately and fully in time as committed. The company always focused on managing the capital and cash flow, ensuring stable and stable liquidity and no loss of liquidity or capital. This contributed to the sustainable development of the Company, as well as brought trust to partners and customers.
- **Capital structure of the company:** The company operated mainly as capital contribution of the owners: The equity of the company accounted for 83.4% of total capital and liabilities account for only 16.6%. Also, the debt ratio on the Company's total assets and equity was only 0.17% and 0.20%, respectively, indicating that the Company was always active in business capital. This was also advantageous in the context of fierce competition of the stock market and capital market when the company maintained stable and regular capital, limiting debts as well as limiting payment risks for business activities.
- **Performance criteria:** turnover targets for receivables, working capital, and total asset turnover were not high, this was partly due to the business nature of securities trading Margin lending usually had a term of three months and a specific feature of the stock market in each period of the decision.
- **Profitability ratios:** The target of pre-tax profit on net revenue remained stable compared to the previous year, reaching 40.8%. However, in 2016, the company had to pay the loss. Corporate income tax was higher than that of 2015, therefore, the net profit margin ratio had decreased slightly from 40.4% in 2015 to 34.5% in 2016. Despite the slight decrease, the ratio was quite high, reflecting stable, efficient business operations, good cost control and risk to reach the expected return.

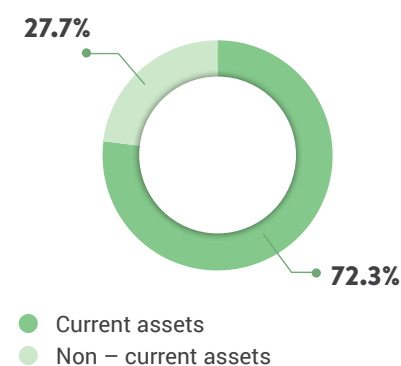


Situation of assets

TARGET	2015	PROPORTION IN 2015	2016	PROPORTION IN 2016	INCREASE/ DECREASE	RATIO % DECREASE/ INCREASE
A. CURRENT ASSETS	1,384,954	83.0%	1,342,247	72.3%	(42,708)	-3.1%
Cash and cash equivalents	448,757	26.9%	117,958	6.4%	(330,799)	-73.7%
Short – term investments	919,168	55.1%	1,158,403	62.4%	239,234	26.0%
Short – term receivables	15,498	0.9%	62,587	3.4%	47,089	303.8%
Other current assets	1,530	0.1%	3,298	0.2%	1,768	115.6%
B. LONG TERM ASSETS	282,873	17.0%	513,009	27.7%	230,136	81.4%
Fixed assets	2,947	0.2%	5,171	0.3%	2,224	75.5%
Long – term investments	250,049	15.0%	479,676	25.9%	229,627	91.8%
Other long – term assets	29,877	1.8%	28,162	1.5%	(1,715)	-5.7%
TOTAL ASSETS	1,667,827	100%	1,855,255	100%	187,429	11.2%

Structure of assets

- The Company's 2016 assets were mainly formed by short-term assets, accounting for 72.3% of total assets; Long-term assets accounted for only 27.7% of total assets. Short-term assets of the Company mainly included:
 - Cash and cash equivalents: The Company's deposits, short-term investments (less than 3 months) and advances on securities sales accounting for 6.4% of total assets.
 - Short-term investments include short-term investments, loans and receivables (margin lending, advances on securities sales), and proprietary trading, accounting for 64.2% of total assets.
 - Short-term receivables: accounting for 3.4% of total assets.
- Long-term assets of the Company mainly came from long-term financial investments (26%) and other long-term assets, accounting for 1.8% of total assets.

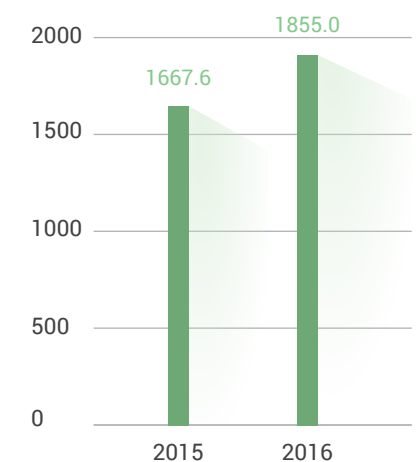


Changes of assets

The Company's 2016 assets were presented in accordance with TT334 / 2016 / TT-BTC, whereby the client's securities trading proceeds were excluded from the company's assets. Total assets reached VND1,855 billion, up to VND187.4 billion, corresponding to an increase of 11.2%, mainly due to an increase from short-term assets.

- Cash and cash equivalents decreased by VND330.8 billion or 73.7% in the same period of the year mainly due to the reduction of short-term deposits to focus on lending Margin, meet customer service utilities.
- Financial asset investment also increased by 239.2 billion dong, mainly from over 3-month deposits (an increase of 230 billion dong) and an increase in outstanding loans (up to 130 billion dong), two This represented a 26% increase in financial asset investments over the same period last year.
- Long-term assets increased by VND 230.1 billion, equivalent to 81.4% over the same period last year, mainly due to the Company's investment in corporate bonds, stocks and fund certificates.

It can be seen that the majority of the Company's assets were short-term assets with high liquidity and safety, receivables and loans were strictly monitored in accordance with procedures to limit risks. Assets were used flexibly and effectively so the efficiency of asset utilization is quite good, contributing to high business efficiency for the Company.

Total assets for 2015- 2016
(Billion dong)

Capital sources, situation of liabilities

Capital sources

Đơn vị: triệu đồng

TARGET	2015	PROPORTION 2015	2016	PROPORTION 2016	DECREASE/ INCREASE	RATIO % DECREASE/ INCREASE
A. LIABILITIES	217,087	13.0%	307,093	16.6%	90,006	41.5%
Short – term liabilities	217,087	13.0%	307,093	16.6%	90,006	41.5%
Long – term liabilities	-	-	-	-	-	-
B. EQUITY	1,450,740	87.0%	1,548,162	83.4%	97,422	6.7%
Contributed capital of the owner (including surplus)	1,332,365	-	1,332,096	-	-	-
Funds and profits not distributed	118,375	-	216,066	-	-	-
TOTAL CAPITAL	1,667,827	100.0%	1,855,255	100.0%	187,429	11.2%

- Capital Structure: The Company's resources were formed mainly from equity, accounting for 83.4% of total capital contribution of owners and funds, profit retained. The rest were debts (short-term debt) accounting for 16.6%.
- Capital change:
 - The Company's liabilities in 2016 increased by VND90 billion over the same period last year, corresponding to an increase of 41.5% mainly due to the increase in short-term loans to meet short-term business needs of the Company.
 - Equity increased by VND97.4 billion, mainly from the profits made in the year, resulting in higher return on equity and reserve funds respectively.
- The Company was always in control of the debt to ensure the ability to pay on time. The company's payment ratio was always high, cash equivalents and short-term assets were always higher than debt repayments were ready to pay for mature debts. The short-term loan of the Company was an overdraft secured by the deposit contract and always paid in accordance with the specified term. The company had no bad debt and overdue debt.

When assessing the financial situation, refer to the criteria of the CAMEL rating system (a strong financial status assessment system of a financial institution based on 05 Capital - Asset Quality - Management - Turnover - The liquidity level developed by the USGC and recommended by the IMF and the World Bank, and on October 9, 2013, the State Securities Commission of Vietnam also issued Decision No. 617 / QD-UBCK to issue CAMEL regulations guiding the classification of securities companies. The group of financial indicators of BVSC reached 91/100, increasing by 6 points compared to 2015, the Company had a stronger financial position.

Refer to Appendix II in page 186 at this report.

91/100
6 points
compared to 2015



ADVANCES IN THE YEAR

2016 was the first year in the five-year process that BVSC set out in its strategy for 2016-2020, when it was the foundation for BVSC to reinforce all aspects of its bigger operations and services in the coming time.



Profit after tax exceeded the plan

Although the stock market had experienced strong growth over the past year, there were many challenges and fierce competition among the securities companies, while BVSC operates under limited financial resources, BVSC's efforts have been made in all aspects, synchronously implementing business solutions to achieve the plan approved by the shareholders. By the end of 2016, after tax profit of the company reached VND 101.7 billion, accounting for 104.2% of the plan.



Strengthening international cooperation

Attending the 3rd Asean Securities Brokerage Network (Asean Brokerage Network), where BVSC introduced and promoted images to hundreds of representatives from Asean Securities Exchange, Securities and large financial institutions in the region are part of an action plan to promote international cooperation under the five-year strategic plan. At this conference, BVSC conducted 7 bilateral meetings with securities companies in the region, and BVSC, in particular, is the only securities company to sign MOU with MNC Securities Company from Indonesia. This was considered one of the most successful events not only within the framework of two enterprises, but a remarkable result in the efforts to promote international cooperation in the region by the Hanoi Stock Exchange and the ASEAN Stock Exchange.



Honor the brand with prestigious awards

2016 continued to be a successful year for the company in terms of brand development. Bao Viet Securities has been honored with many prestigious awards by market management agencies and media organizations, thereby strengthening the image of BVSC as a prestige securities brand. The market, at the same time, was a transparent listing business. Also in 2016, for the second time, BVSC was honored with the "Best Brokerage House Vietnam 2016" and "Best Equity House 2016" awards by UK's Global Banking & Finance Review for the initial international integration.

For details on the awards in 2016 please see more from page 16 to page 19.

IMPROVEMENTS ON CO CAU ORGANIZATION AND POLICY OF MANAGEMENT IN 2016

In 2016, the Company relocated and renamed 146 Nguyen Van Cu Transaction Office to 90 Cao Thang Transaction Office at 90 Cao Thang, District 3, Ho Chi Minh City. Ho Chi Minh. During the year, the Company continued to conduct research and review existing brokerage policies to consider supplementing some articles to sui management policy and general trend of the market. In addition, in the year, the company issued regulatory instruments about the standard brokerage platform to help the leaders of the transaction office, brokerage team had clear goals in the business.

EXPLANATION OF THE BOARD OF MANAGEMENT AGAINST AUDITING IDEAS

The opinion on of the Company's financial statements was fully accepted. Therefore there was no explanation of the Board of Management for the opinion of the Auditors.

WILLING TO CHALLENGES

Identifying important goals and strategic direction is essential to provide a buffer for long-term and sustainable development. We believe that this will be a period for BVSC to speed up to gain better achievements.



CHAPTER

04

BUSINESS PLAN IN 2017

Development strategy in the period of 2016 – 2020 142

Objectives and action commitments in 2017 144

DEVELOPMENT STRATEGY IN THE PERIOD OF 2016 – 2020

BVSC's operating strategy for the period 2016-2020 is approved by the Annual General Meeting of Shareholders on May 12, 2016 as follows:

VISION AND STRATEGIC OBJECTIVES FOR THE PERIOD OF 2016-2020

Vision by 2020

Maintaining a leading securities company, providing the best and most diversified securities services for our clients, bringing the best satisfaction to shareholders.

Strategic objectives by 2020

- **Revenues:** set the average growth target for 2016-2020 to gain 9%.
- **After-tax profit:** set the average growth target for the period of 2016-2020 to gain 6.5%.
- **Charter capital by 2020:** Expected to increase to 1,500 billion dong.
- **EAT /ROE ratio:** set an average goal for the period of 2016-2020 about 7%, by 2020 it is expected to reach 8%;
- **Net Profits/ Chartered Ratio (ROCC):** the average target for the period of 2016-2020 is about 11%
- **Brokerage / Total Revenue:** Targets are from 40 ° / 50%.
- **CP & CCQ market share:** set the target to be in the top five of securities companies with the largest market by 2020.

By 2020
TOP 5
Of securities
companies with
the largest share

DEVELOPMENT STRATEGIES FOR THE PERIOD OF 2016-2020

For the implementation of the business strategy for the period of 2016-2020 towards the vision and strategic objectives mentioned above, BVSC is planning the implementation solutions as follows:

Strategies on customers, products, distribution channel, business area:

- Concentrate on market development at domestic finance centers of Hanoi, Ho Chi Minh City, Da Nang ... and exploit foreign markets through representative offices or business cooperation.
- Focus on customer organization development.
- Expand the network: increasing the number of transaction offices and increase the brokerage employment.
- Promote consultancy services and maintain the leading M & A brand in the Vietnam stock market.

Investment strategy

- Prudent proprietary investment strategy; Ensure compliance with the State regulations on financial safety and investment limits.
- Investment strategy is medium-term and combined with a small part of short-term trading to ensure investment efficiency and safety of the portfolio.

Capital Strategy

- In order to meet the business demand, BVSC will need a minimum chartered capital of VND1,200 billion and set a target to raise its chartered capital to VND1,500 billion by 2020 to improve its financial capacity and competitiveness. Baoviet Group will maintain its dominant stake in BVSC.
- BVSC will launch an increase in charter capital, with priority given to existing shareholders while seeking strategic shareholders.
- The structure of capital use is prioritized for the above mentioned business orientations, concentrating resources on brokerage, self-trading, IB activities, and brokerage activities such as margin, advance, public investment., information technology and other services ...

Organization and Corporate Governance

- Centralized Governance model for developing product and service development strategies and policies; Risk management, human resources, technology, decentralization of business functions;
- Enhance the monitoring role of the Internal Auditor.
- Strengthen Party organization.



SECTOR STRATEGY

03 major points:

- Brokerage and financial services
- Consultancy
- Self – employment



FINANCIAL STRATEGY

Issue additional shares to increase charter capital, in which priority for existing shareholders and seek strategic shareholders to improve financial capacity and competitiveness, in which Bao Viet Group will maintain dominant ownership at BVSC.



GOVERNANCE MODEL

- Centralized management of the functions: financial management; Human Resource Management; Risk management; Product development; Information Technology; Analytical research. Perform decentralization of business functions
- Enhance the monitoring role of the Internal Auditor
- Strengthen the Party organization

OBJECTIVES AND ACTION COMMITMENTS IN 2017

| FORECAST OF THE ECONOMY AND STOCK MARKET IN 2017

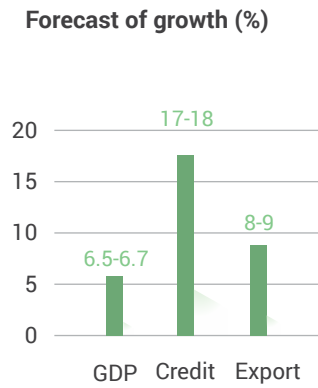
Economy

Chances

- **GDP growth is forecasted at 6.5-6.7%.** Government targets growth in 2017 at 6.7%, higher than in 2016. Some factors are expected to help GDP The positive growth in 2017 is forecasted to weaken the El Nino phenomenon. The Government focuses on accelerating the disbursement of public investment and the positive impact of the FTAs that Vietnam has signed with EU partners, Korea, Eurasian Economic Coalition and etc.
- **Credit growth is likely to be relatively high (17-18%).** With demand for bank loans from businesses increasing as the economy recovers, we think that this goal can be achieved. With regard to structure, credit is expected to grow strongly in the export sector, Agriculture-rural areas, small and medium – scale enterprises.
- **Exporting promises to continue to grow.** Exports in 2017 are expected to continue to grow as the largest US export market (about 20%) is expected to have good economic growth and be the leader of the world economy. Although the TPP has stalled after Donald Trump took office as President of the United States, if Vietnam exploits the existing free trade agreements, Vietnam’s exports still have much growth potential in the coming period. It is forecasted that export growth in 2017 will be at 8-9%.

Challenges

- **Inflation is forecasted to continue at a high level.** We believe that inflation in 2017 is likely to continue to be relatively or slightly higher than 2016 because of some potential risks such as oil prices recovering after the decision to cut output of Inside and outside of OPEC; two health and education groups continue to follow the path of price hikes and the impact of the loosening of the monetary easing policy in two past years.
- **Interest rates are likely to increase slightly by 0.5-1%** due to three main reasons: First, credit is expected to remain high to support growth. Secondly, inflation will continue to be under pressure and this will cause banks to raise their deposit rates. Third, SBV needs to maintain a reasonable breadth of VND interest rates against the US dollar, and the Fed’s expectation of three additional rate adjustments in 2017 will put pressure on VND interest rates.
- **Exchange rate pressures.** The USD / VND exchange rate is forecasted to increase by 3-5% in 2017. This projection is based on the projection that Vietnam’s total payment balance will be difficult to sustain in surplus due to its ability to record again protection policy of US and some other countries. In addition, the withdrawal of the new president from the TPP will have an impact on foreign direct investment in Vietnam. In addition, the loosened monetary policy of the SBV in recent years will partly put downward pressure on VND.



Interest rate can be decreased lightly at

0.5-1%

The USD / VND exchange rate is forecasted to increase

3-5%

BVSC forecasts macro-targets in 2017 as follows:

MAJOR TARGETS	2016	2017	
		TARGETS OF THE GOVERNMENT	BVSC’S FORECAST
GDP growth (%)	6.21	6.7	6.5 - 6.7
Average inflation (%)	2.66	4	3-4
USD/VND exchange rate change (%)	1.2	N/A	3-5
Export growth (%)	8.6	6-7	8-9
Distributed FDI growth (%)	-8.2	N/A	-5-0
Credit growth (%)	18.71	18	17 - 18

Stock market

Opportunities

- **The prospect of upgrading the Vietnam stock market to emerging market will create an expectation for cash flow.** Although the upgrading process will likely last long and there are still many issues that need to be overcome to be approved by MSCI, however, the prospect of upgrading the stock market in Vietnam is quite clear. In the short term (2-3 years), if MSCI is expected to put forward Vietnam on the annual review list.
- **Opening foreign rooms in some enterprises - specific industries, divesting state-owned enterprises and listing roadmap of large enterprises on the market will continue to be a factor supporting the market.** For opening foreign rooms, can expect the Government will promulgate policies stimulate, support the operation of business room in 2017, promote the stock market vibrant, especially in sectors such as banking, insurance In addition, 2017 will see many companies on the stock market such as Vietjet, Thaco Truong Hai, Petrolimex and Vinatex ... similar to the case of SAB , BHN in 2016, it is expected that this new group of enterprises will help the momentum of the market.
- **The roadmap for the deployment of derivative products, the new transaction mechanism (T0, waiting stock market) will attract more investment cash flow and increase liquidity for the market.** After finalizing the legal framework, preparations for building a trading and settlement system for the derivatives market are being planned and will be implemented in 2017. This is an important milestone in the roadmap. The development of Vietnam’s stock market helped attract more new cash flow and this also created the basis for Vietnam’s stock market to move closer to the emerging market classification standards of MSCI.

Challenges

- **China’s economic turmoil may be considered as the most significant risk of the year.** Chinese debt is on an alarming scale based on international standards. In the scenario the Chinese government loses control, the real debt crisis will cause unpredictable implications not only for the economy but also for the global economic growth. Vietnam’s economy will also be hit hard when it has more commercial and financial activities close to China.
- **Impact from US policies under President Donald Trump.** For Vietnam, Donald Trump’s policy orientation will likely have two negative effects. Firstly, in terms of trade, the TPP’s disapproval caused Vietnam to lose the chance of deep integration from a comprehensive free trade agreement. Second, the strong uptrend of the USD, if continued in the medium term, will cause much pressure on the domestic exchange rate movement. This is a risk for foreign cash flow in 2017.
- **The price of Vietnamese shares, though not expensive, is also not cheap in the eyes of foreign investors.** The strong uptrend of the Vietnam stock market since early 2012 has led to the P / E of VnIndex increasing from 8.7 (low in the region at the time of 2012) to the current level around 17 (average level in the zone Area). As a result, foreign net buying of foreigners has been declining over the years and it is noteworthy that they have been net sellers on HOSE in 2016. The market needs to add new strong enough momentum to succeed, continue on the higher prices, reach the top of the regional markets.

Forecast scenario of market movements in 2017

TARGET	POSITIVE	AVERAGE	NEGATIVE
GDP growth (%)	6.7-6.9	6.5-6.7	6.3-6.5
Interest rate change (increase)	0-0.5%	0.5-1.0%	1.0-1.5%
P/E VNINDEX	17-18	15-16	13-14
Average EPS growth	11-12%	9-10%	7-8%
Average VNINDEX	750-770	670-690	590-610
Average GTGD per session (total in 3 years)	VND3,400 billion	VND3,250 billion	VND3,100 billion

Advantages - Difficulties of BVSC in 2017

Advantages

BVSC has maintained its position as a leading securities company, a prestige brand, stable operation. BVSC has been actively preparing early on for human resources, technology systems, business processes, new product operating regulations ... ready to supply new products in 2017 as soon as the SSC and transaction offices approve.

Difficulties

Macroeconomics is forecasted to still have many challenges and the stock market has many difficulties for companies in general and for BVSC in particular. In addition, the scale of capital is still medium compared to the market while the capital mobilization plan may be delayed so it does not immediately add financial resources to promote effective business activities immediately from the beginning of the year.



PLAN AND MAJOR SOLUTIONS IN 2017

Targets of the plan in 2017

Based on forecasts of the macroeconomic situation and Vietnam stock market in 2017, BVSC sets the 2017 business targets for the General Meeting of Shareholders on the basis of forecasts of market movements at the average, specific levels as follows:

Unit: billion dong

NO.	TARGET	IMPLEMENTATION IN 2016	PLAN IN 2017	% PLAN COMPARED TO THE PLAN IN 2016
A	TOTAL REVENUES	294.17	324	110.1%
1	Self – employment	37.46	59.65	159.2%
2	Gains from loans and receivables	136.97	139.75	102.0%
3	Brokerage	99.86	110	110.2%
4	Issuance underwriting	0.3	0.1	33.3%
5	Consultancy, issuance underwriting	9.54	11.2	117.4%
6	Depositing	4.38	3.1	70.8%
7	Other revenues	5.66	0.2	3.5%
B	TOTAL COSTS	174.86	196	112.1%
C	BEFORE – TAX PROFITS	119.31	128	107.3%
D	AFTER – TAX PROFITS	101.71	102	100.3%

Solutions to implement

BROKERAGE ACTIVITIES:

Target:

- Revenues: 110 billion dong
- CP & CC brokerage market share: 4.20%. Maintaining a top 10 position in the exchange.

Solution:

- **Product:**
 - Focus resources on deploying CKPS products when the CKPS market is officially deployed.
 - Promote the provision of analytical products for investment advice to customers.
 - Deploy products and services on the technology platform as home trading system, mobile trading.
 - Perform bond maturity
- **Distribution channel:**
 - Promote online and brokerage staff training.
 - Promote market access in Asean countries such as Indonesia, Malaysia, Thailand, etc. through activities connected with securities companies in the ASEAN region.
 - Implement distribution through cross-selling synergies with companies within Bao Viet Group.
- **Promote integrated marketing and customer care programs:**

BVSC continues to cooperate with Baoviet Holdings and affiliates to promote integrated marketing programs such as “Mega Sale”, “Sunshine, Green Sea together with Bao Viet”, “Grand Sale” ... To thank our customers and create cross-selling opportunities within the Group.

In addition, the events of gratitude to customers on the occasion of establishment of the Company, Tet programs, birthday and mini seminars will be promoted by the Company in 2017 to increase the benefits for customers when trading at BVSC.

SELF - EMPLOYMENT

- **Stock investment, unlisted fund certificate (investment of OTC):**
 - Make the divestment of OTC investments when conditions permit to divest, ensuring the maximum benefit of the Company.
 - Only invest in disbursed OTC shares held by issuing additional capital increase to maintain and maintain the ownership ratio.
 - Only invest in shares of companies planning to list within 1 year provided that the company is a consultant and must perform a successful listing advisory within one year after disbursement.
- **Stock investment, listing CCQ:**
 - The investment limit is maintained at a prudent scale, with a maximum loss limit of 10%.
 - The value of investment in listed shares will be actively adjusted according to market developments and supplement and capital support for brokerage activities when not disbursed.
- **Bond investment:**
 - Expected disbursements for corporate bonds, ensuring portfolio balance.
 - The Company will actively carry out the maturity trading of bonds to mobilize capital for short-term trading activities (margin, advance) for business activities and mining Maximize the resources.

**CONSULTANCY**

In 2017, BVSC will continue to restructure the BOD's new business-oriented consultancy. In parallel, the Company will focus on implementing some key tasks as follows:

- Deliberately deploy consultancy contracts for issuers of securities (bonds, shares) to raise capital and enhance the ability to engage in proprietary trading;
- Consultancy is the strength of BVSC, such as equitization, merger, merger and corporate restructuring.
- Research and apply diversified financial products in developed markets in line with Vietnam's stock market. Pre-IPO products, warrant offerings, will need to be researched, especially with the introduction of derivative products;
- Actively seek out financial advisory, issuance and listing contracts with large, well-run private firms;
- Co-ordinate with the members of the Group to participate in the Combined Project, thereby strengthening the signing of corporate client consultancy contracts, seek suitable investment opportunities for the Group and its member units to join the combined project.

MANAGEMENT AND SUPPORT:

Transaction Management and Product Development: With careful preparation in 2016, in 2017, BVSC will deploy a range of products for customers. All services of BVSC will be applied in the trading online module, mobile trading system with different operating systems (IOS, Android ...) and for home appliances. In addition, it will continue to maintain and improve the quality of its internal training courses for its employees as well as maintain the operation of the support system for daily trading activities.

ANALYTICAL RESEARCH:

Analytical activity is identified as a key activity to improve the quality of customer service. In addition to maintaining periodic reporting items, in 2017, BVSC will continue to improve and improve the quality of each report. Some key directions include: Increased frequency of in-depth reports, focusing on hot topics of the macro economy and stock market are of interest to investors; Enhancing business visits, adhering to new developments; Seek and screen investment opportunities by potential industry, increase the level of speculation in investment recommendations.

INFORMATION TECHNOLOGY

The key objectives of IT in 2017 are to complete the restructuring of the IT infrastructure and maximize the efficiency of infrastructure and people to create value to support the business operations of the company.

IT policies and plans in 2017 are also particularly focused and prepared to best meet the medium and long-term plans /changes of the regulatory authorities, as well. Like BVSC's business strategy.

The key tasks in 2017 are as follows:

- **Implement a completely new front-office system** to provide direct, active, full and effective service of BVSC to customers through the Online trading channel including web, specialized version - for customers and agents on PC and mobile devices, expected from 1st Quarter.
- **Prepare the necessary steps for the new connection model** with stock exchange offices, VSDs are expected to be operational by 2018, such as the restructure of IT infrastructure in Hanoi and Ho Chi Minh City, upgrading the core database system, upgrading the security infrastructure for internal operation. And online trading
- **BVSC focuses on implementing sub-projects for administration** such as upgrading website replacement, creating tools to support data mining, reporting, operating support and risk management, deploying tools Support for job management and administration requirements for business departments.

PERSONNEL ORGANIZATION AND WELFARE POLICY:

In 2017, the company will continue to improve the organizational structure in the direction of centralized management, strengthen the human resources for the brokerage activities as well as continuously review the policy of appropriate brokerage agreement. With changes in the market, increasing competitiveness is to attract human resources and strategic orientation for development in the period of 2016 - 2020.

In parallel, the Company will continue to step up the training and focus on the internal training of new products and services of the company for the staff to improve the quality of human resources for investment advice and customer service.



COMMUNICATION AND DEVELOPMENT OF TRADE BRAND:

Continue to strengthen the cooperation with Bao Viet Group and its affiliates in order to strengthen Bao Viet's brand in general, BVSC in particular as well as increase the benefits for BVSC's customers through integrated projects. Power on brand, communication, integrated marketing like Tet calendar Project, Grandsale, Megasale and etc is one of the major tasks of BVSC in 2017.

In parallel, communications in 2017 will continue to build the brand name of BVSC, a well-known securities company and transparent listing company through active media plans for the year. The focus of the company is on the cooperation with specialized press agencies in various forms such as cooperation in building the topic, sending analysts to participate in seminars and workshops

LEGAL FRAMEWORK, INTERNAL CONTROL AND RISK MANAGEMENT:

In the year 2017, BVSC's legal, internal control & management activities will focus on implementing the following key solutions:

- Research new legal regulations from which to advise company leaders, departments and clients on legal issues arising in the course of operation, jointly develop and implement Business processes, sample contracts / agreements of new securities services products such as derivative securities, secured warranties, day trading; Strengthen the review, adjustment and systematization of internal procedures, regulations and regulations of the Company in accordance with the changes of law, increase the initiative and promote effectiveness in the operation of the whole company.
- Develop new control programs in addition to compliance audits also enhances the company's employees' awareness of a transparent and effective control environment. Deploying the Risk Management Policy approved by the Board for operation in 2017. Research new products and services to assess and identify potential risks early, propose building risk, risk limits for these new products and services when implemented by the company.

REACHING OUT TO FLY

Be consistent with the intrinsic core values within about 20 years, continuous efforts with the transformation strategies, BVSC is ready for the next journey with the spirit of a pioneer in the market.



CHAPTER

05

SUSTAINABLE DEVELOPMENT

Message of General Director about sustainable development	158
Sustainable development strategy at BVSC in the period of 2016 – 2020	160
Assessment of sustainable development in 2016 at BVSC	162
Some basic criteria for assessing PTBV at BVSC (according to GRI)	184

MESSAGE OF GENERAL DIRECTOR ABOUT SUSTAINABLE DEVELOPMENT

This is
the 5th consecutive year
BVSC has been implementing
**the Sustainable
Development Report**

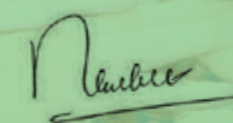
as an additional document, closely linked to the
Company's Annual Financial Statements and
Sustainable Development Report as part of the
Sustainable Development Report of the Global
Renovation Institution (GRI).

The strategy of sustainable development that Bao Viet Securities Joint Stock Company pursues is a strategy that focuses on the successful implementation of sustainable and stable economic growth while simultaneously implementing the environmental and social objectives in order to increase the value of the company, to ensure the harmony of the interests of shareholders, employees and other stakeholders.

In 2016, the first year of the operational strategy for the period of 2016 - 2020 witnessed the efforts and determination of the company's staffs in implementing their business tasks with the completion of 104% of the profit plan of after-tax profits. Positive business results are a precondition for the company's commitment to its employees in ensuring stable income, competitive welfare policies, and building a professional and cohesive working environment. In addition, the Company is constantly increasing its social responsibility through volunteer programs to spread the human values to the community.

This is the 5th consecutive year, BVSC has been implementing the Sustainable Development Report as an additional document that is closely aligned with the Company's Annual Financial Statements and Reports, in line with the Sustainable Development Report Of the Global Renovation Institution (GRI). We again want to affirm our vision and commitment to sustainable development, not just pure statements but also concrete action plans and evaluation criteria. We are grateful that by this effort and determination we are affirming our prestige in the market as well as the belief of shareholders and stakeholders of the Company.

GENERAL DIRECTOR OF BVSC



Mr. Nhu Dinh Hoa

STRATEGY OF SUSTAINABLE DEVELOPMENT AT BVSC FOR 2016 – 2020

VISION

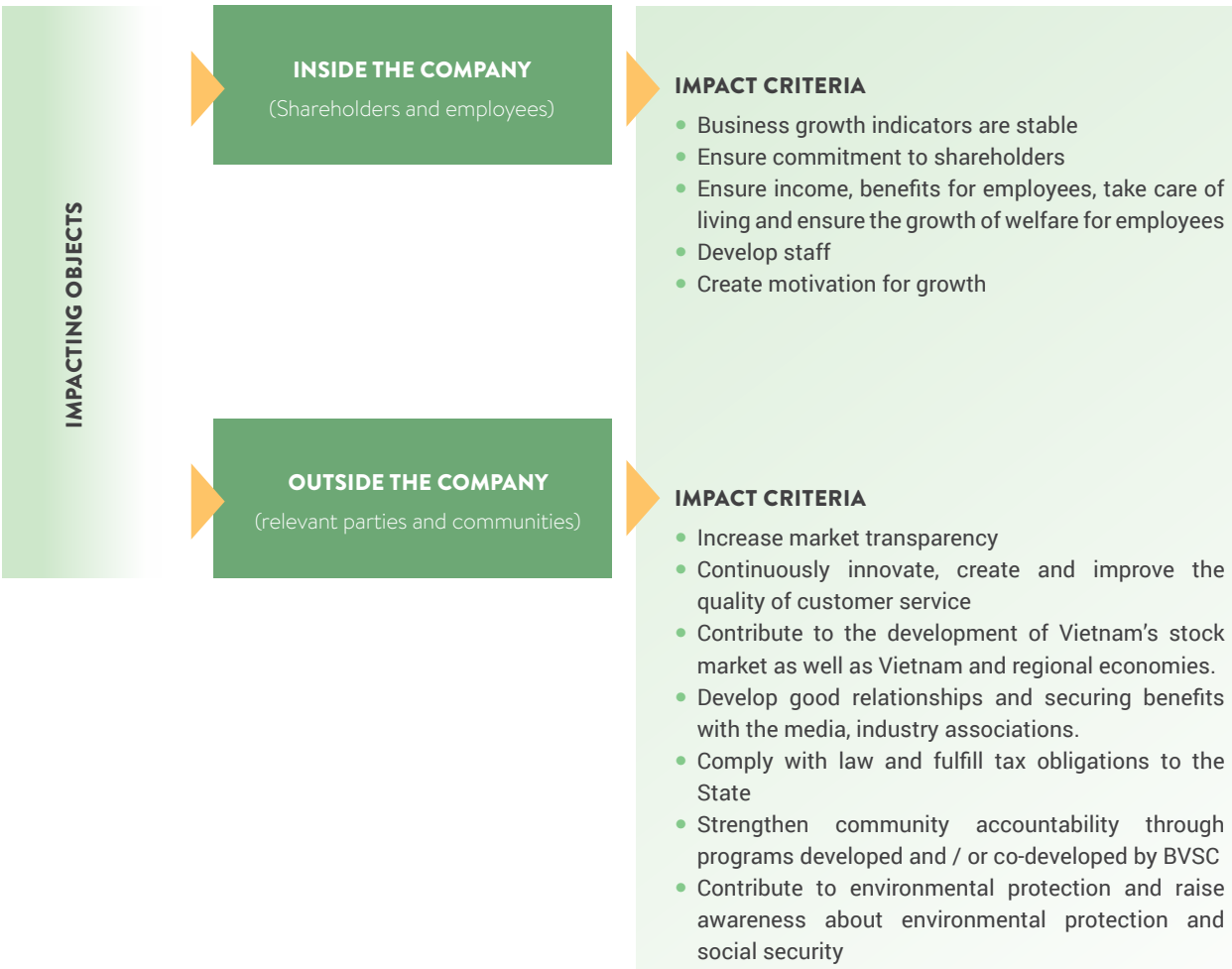
Maintain the position of leading securities company, provide securities services, provide the most satisfaction to shareholders, create a professional working environment for employees, benefit the stakeholders and make positive contributions to the community.

GOVERNANCE MODEL
FOR SUSTAINABLE
DEVELOPMENT AT BVSC

As a member of Bao Viet Holdings, BVSC always follows the Holdings' Sustainable Development orientation and accompanies the activities launched by the Holdings. Therefore, in order to implement effective sustainable development strategy, BVSC develops a corporate governance model that is closely linked with the Holdings.



MODEL OF IMPLEMENTING AND ASSESSING
SUSTAINABLE DEVELOPMENT PLANS AT BVSC



ASSESSMENT OF OPERATIONS IN 2016

| OVERALL ASSESSMENT OF OPERATING RESULTS IN 2016 COMPARED TO THE PLAN GIVEN

CRITERIA	OBJECTIVES IN 2016	ASSESSMENT OF RESULTS
Business growth	<ul style="list-style-type: none"> Complete annual business plan: <ul style="list-style-type: none"> Revenues: VND314 billion, Before tax profits: VND 122 billion After tax profits: VND 97.6 billion Complete CP & CCQ market share: 4.32% 	<ul style="list-style-type: none"> Target revenue: 93.7% of the plan EBT target: 97.8% of the plan EAT target: 104% of plan The brokerage market share in 2016 reached 83.33% of the plan
	<ul style="list-style-type: none"> Comply with the law and perform well tax obligations to the State. 	<ul style="list-style-type: none"> Implement well During the operation, BVSC always complies with and enforces the law, and performs its tax obligations well. In 2016, the company contributed to the state budget: VND16,476,510,295.
Guarantee commitments with relevant parties	<ul style="list-style-type: none"> With shareholders: preserve and grow capital, transparency to hold firm belief 	<ul style="list-style-type: none"> Reach 104.1% of profit after tax plan. Total assets increased by 11.2% compared to 2015. Equity up 6.7% over 2015. Being one of the 30 transparent and delicious corporate clients in HNX.
	<ul style="list-style-type: none"> With the customers: improve service quality, develop new products 	<ul style="list-style-type: none"> Policies on competitive fees, interest rate Promote customer care
	<ul style="list-style-type: none"> With management agencies and media agencies: enhance cooperation and promote the development of the stock market. 	<ul style="list-style-type: none"> Be a devoted member of the stock exchanges. Promote communication cooperation.
	<ul style="list-style-type: none"> With associations: Be active members of Bond Business Association, Association of Association Annual Activities, Vietnam securities business association 	<ul style="list-style-type: none"> Be active members and participate in all annual activities of the Association Implement financial obligations very well
	<ul style="list-style-type: none"> For employees: Ensure stable income, strengthen benefits, create professional working environment 	<ul style="list-style-type: none"> Implement commitments with employees very well

CRITERIA	OBJECTIVES IN 2016	ASSESSMENT OF RESULTS
Strengthen social responsibilities	<ul style="list-style-type: none"> Maintain stable and stable social security programs: "Charity meal" and "Bring warmth to upland". Actively participate in Bao Viet Group's social security programs 	<ul style="list-style-type: none"> Implement good programs and plans. Cooperate actively with Baoviet Group in the programs launched by the Group.
Protect the environment and use energy effectively	<ul style="list-style-type: none"> Comply with local regulations for environmental protection Implement solutions in business and production to save power, water 	<ul style="list-style-type: none"> Always comply with and implement well



Detailed evaluation of performance in 2016 is as follows:

BUSINESS OBJECTIVES

In 2016, BVSC made efforts to develop all resources, synchronously implemented business solutions that achieved results in line with objectives approved by General Board of Shareholders, which was the fundamental for BVSC to fulfill its responsibilities to the stakeholders towards the goal of sustainable development.

Post-tax profit reached 104.1% compared with the plan: Total revenue in the year reached 294.2 billion by 102.4% over the same period of last year. Post-tax profit reached 101.71 billion, reaching 104.2% of the year plan.

Total assets increased by 11.2% over the same period last year: Total assets of BVSC at the time of 31/12/2016 was 1,855.2 billion, up 187.4 billion, up 11.2% over the same period of last year. This increase represents the growth in size of BVSC compared to other securities companies in the market.

High financial safety objectives: The available capital safety norm of BVSC in 2016 was 678% which always reached very high level over the years, 3 to 4 times higher than the ratio prescribed by the Ministry of Finance. Although the available capital safety ratio decreased by 7.6% in 2016 over the same period of last year as consequence from the changes of objectives in accordance with the new circular, this is still a high ratio compared to securities companies in same sector.

ENSURE COMMITMENT TO RELEVANT PARTIES

Comply with the law and well fulfill tax obligations to the State

Throughout the operation, BVSC has always focused on business development on the basis of complying with State laws as well as fully fulfilling tax obligations. BVSC's professional operations strictly adhere to the legal regulations of the competent state agencies. In the year of 2016, the securities law has many important changes such as Circular No.11/2016 on derivatives securities, Circular No.203 instead of Circular No.74/2011 guiding transactions on the stock market, Circular No.07/2016 amending and modifying Circular No.210/2012, guiding activities of securities companies, BVSC has actively reviewed and updated the procedures, internal regulations and forms of the company to ensure that the business processes are always complied with all applicable laws and regulations.

In addition, BVSC always performs its tax obligations. In 2016, the company contributed VND16,5 billion to the state budget, higher four times than 2015.

For shareholders

In 2016, BVSC has completed 104.1% of its planned post-tax profit and equity increase of VND98 billion compared to 2015, EPS of VND 1,345 billion. With the business results achieved, the Company has fulfilled its commitment to its

shareholders and proceeded to implement the dividend payment commitment to shareholders as the resolution approved by General Board of Shareholders in 2016.

In addition to satisfactory financial objectives, BVSC continuously strengthens its operations, enhances its management and improves transparency to increase the value of the company. In 2016, BVSC continues to be voted as one of 30 typical transparent corporates in HNX, as well as to be listed in TOP 10 listed companies with the best annual market report. It can be said that, the achievement of non-financial objectives is an important factor contributing to the company's stable and sustainable development.

Further information, please refer to the paragraph Shareholder Relation, section 03, chapter 02 from page 34 to 39 of this report

For customers

With the commitment to the quality improvement of customer services, BVSC has continuously upgraded IT system and launched new products, especially the project "Front office software system and Online trading" with the goal of helping clients make proactive, flexible, convenient and effective investment activities anytime and anywhere. The most competitive margin, margin service and competitive price policy in the market have

been also maintained by BVSC. At the same time, the company has always promoted customer care through periodical investment consultancy and promotion programs, especially in 2016, Mega Sale program in cooperation with Baoviet Holdings and the member units have brought opportunities to use integrated security packages - securities - banking for BVSC's customers. For preparation for derivatives, BVSC has actively researched and designed derivatives securities products for the best service delivery in 2017.

During the year, the transaction office having addressed at 146 Nguyen Van Cu was moved to the new address at 90 Cao Thang with a completely new facilities; the facilities of the 94 Ba Trieu Transaction Office renovated to create the friendly and convenient transaction space for customers.

For regulatory authorities and media agencies

During the 17 years of establishment and development, as the first securities company in the Vietnam stock market, BVSC has always been a typical member which well fulfilled its member obligations at stock exchanges. In 2016, BVSC also actively contributed to promoting and perfecting the legal framework for the launch of new products, especially the preparation of derivatives in 2017. In 2016, BVSC has actively cooperated with Hanoi Stock Exchange in

the event of ASEAN Securities Exchange. BVSC's efforts have also been recognized and honored by management agencies. In 2016, BVSC continued to be voted "Top 30 most transparent corporates in 2015 - 2016" for the 4th time in a row awarded by the HNX, as well as a typical member of both HNX and HSX.

In building media relations, a two-way communication mechanism has been always assured by BVSC, providing sufficient and diversified information needed. As a result, last year, BVSC continued to be recognized by many awards from news agencies and domestic and foreign media such as "Strong Brands of Vietnam" for the third year in a row, double award for two key fields "Best Brokerage House Vietnam" and "Best Equity House Vietnam" 2016 by the Global Banking & Finance Review, the "The best and the most typical Securities Company, Merger" at the M & A 2016 forum.

For associations

BVSC has currently been a member of domestic associations such as the Vietnam Association of Securities Business, Bond Market Association ... For the activities of associations, the Company has always actively involved and contributed building ideas. In the year of 2016, BVSC also paid VND 197.2 million in operation fees, equivalent to 111% compared to 2015.

Profit after tax
VND **101.71 billion**

104.2%
reached over the plan

Total annual revenue
VND **294.2 billion**

102.4%
over the same period
last year



ENSURE COMMITMENT TO RELEVANT PARTIES

For employees

According to the strategic orientation of the company in promoted brokerage activities, in 2016, BVSC has continued to focus mainly on using the brokerage team and business development employees. The recruitment proportion of 2016 was 21.1%, of which majority for human resources at transaction offices (accounting for 83.3%). Human resources of other divisions and departments have always maintained at a stable level. The replacement has aimed at supplementing employees who leaves or work less effective. HR structure has been kept reasonably in many different aspects. The proportion of employees with university and post-graduate degrees accounts for nearly 90% and mainly between the ages of 25 and 40. The young labor force, low key personnel turnover, relatively balanced seniority labor structure enable the company to maintain both the creative momentum and the inheritance of experience among the employees. It is said that this is an important human capital source with the characteristics of the company's business in the securities industry - a continuous fluctuation business.

Chart of labor structure by age

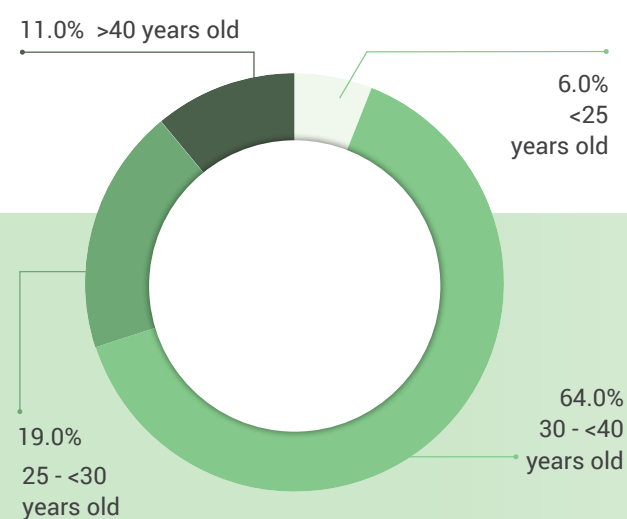


Chart of labor structure by working seniority

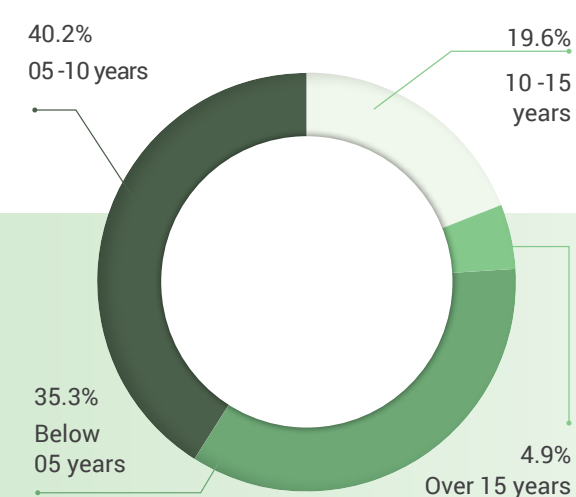
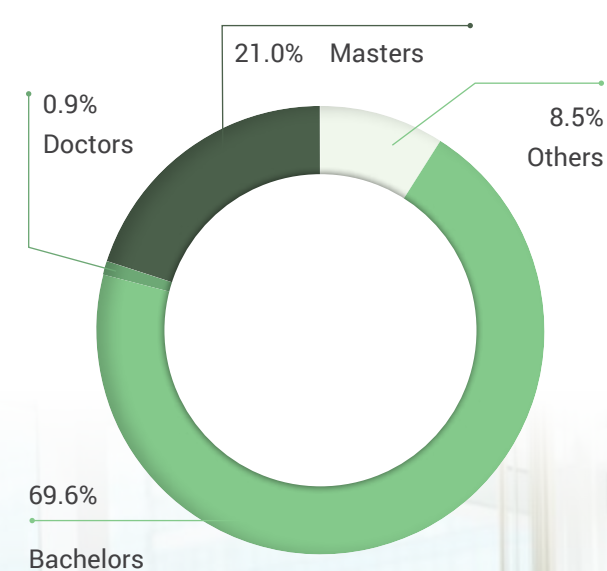


Chart of labor structure by qualification



Good business performance makes it important for BVSC to promote the implementation of commitments made to employees in creating employment opportunities, stable incomes and training and promotion opportunities, welfare policies and gender equality commitments within the Company.





ENSURE COMMITMENT TO RELEVANT PARTIES

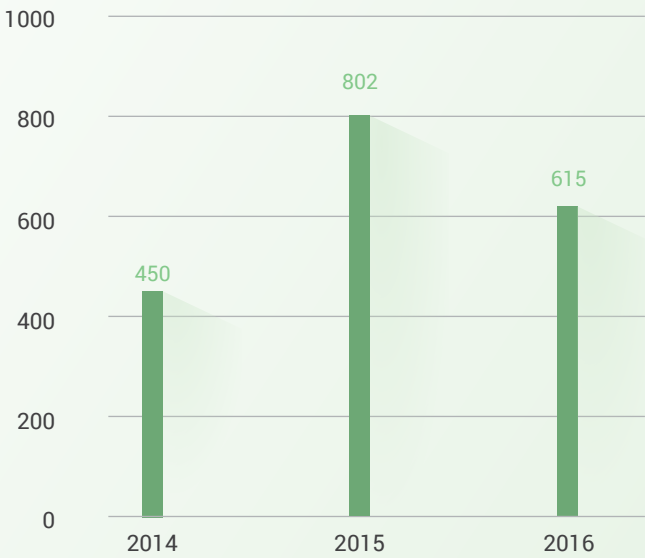
For employees (continued)

Training and education is a focus area with intensive investment priority with the orientation to build a human resources who are highly qualified, professional manner, dedicated to customers and highlighted professional ethics. Over the years, BVSC has gradually shifted its training strategy towards focusing more on internal training to specialize professional knowledge into job solving skills. This is a true and practical orientation to improve the quality of our human resources, thereby improve the quality of our customer service.

In 2016, the total number of employees attending the training courses was 246 personnel turns, equivalent to 6,040 training hours, including participation in training courses for securities practitioners granted by the SSC and Participate in internal training programs on products, services, systems, business processes. In addition, the Company has also continuously sent its employees to participate in the seminar programs on human resource management, communication management, risk management, technology updating knowledge and new trends in management.



Chart of training cost in 2014 -2016 (Unit: million VND)



A success achieved in training activities in 2016 was the training for personnel preparation for the derivatives business deployment plan in the coming time. The company's employees were appointed to participate in training courses on "Derivatives and Derivatives Market" organized by the State Securities Commission in Hanoi and Ho Chi Minh City. The total number of participants was 78, with a pass rate of 86%, a high percentage compared to other securities firms in the market. Up to December 31, 2016, the total number of licensed practitioners was 111 persons, of which 67 of derivative license.

Chart of practice certificate structure



| ENSURE COMMITMENT TO RELEVANT PARTIES

For employees (continued)

The Company's compensation and benefit policy is based on assessing the value of work associated with work efficiency to ensure compliance with market trends and competitiveness in finding qualified human resources as well as attracting talent. In addition, for the direct business units, the Company implements the business contracting policies such as the compensation and benefit policy for brokerage as turnover, the decentralization of the transaction offices and the treatment policy for leadership of the transaction office, policies of the brokerage team, bonus policy for the investment group, compensation policy for corporate clients to increase the incentive mechanism for qualified employees, encourage and create motivation for them to improve work efficiency, direct contribution to the completion of the overall business plan of the Company.

The total income paid in the year for employees was VND 89.3 billion, equivalent to average income of VND 18.9 million / person / month. The income structure of the company's employees includes: monthly salary; Monthly / quarterly business bonus for direct business units with business contracting policies; 13th month salary; salary for performance; Salary for leave days not yet received and other cash expenses.

The enforcement of compulsory insurance policies for employees was ensured its compliance with regulations by the Company. Female employees at the Company are entitled to 6 months maternity leave and return to work for 1 hour per day during the period of raising children under 12 months. From January 01, 2016, male employees at the Company are entitled to maternity leave under the regime from 05 to 14 days when the wife gives birth. In 2016, the company has performed maternity procedures for 17 cases, including 06 male and 11 female. In addition, the Company also strictly complies with other regulations such as sick leave, convalescence, retirement, etc., to ensure maximum benefits for employees and no complaints on policies for workers in 2016.

In addition, the Company has improved welfare policy through the provision of Health Care products to employees. This program implemented by the Company since 2010 has brought practical value to the workers. Healthcare card holders can choose to receive medical treatment at all domestic and international hospitals and are covered by the RHC. And from 2015, the company has implemented a new welfare policy - as the life insurance "An Huong Dien Vien" for all employees. With the benefit of this insurance product, employees will be protected against unexpected risks during their employment, and by the time they retire they will be financially secure. Pensions are provided by the state social protection fund. This policy has received very positive feedback from employees and considered a long-term focus program to enhance the competitive advantage of retaining and attracting human resources in the market. In 2016, the company has continued 02 insurance programs for workers to increase the cohesion of employees with the company. Besides, the company continues to organize 01 periodical health check for employees at Viet Xo Friendship Hospital in Hanoi and Diag Center Intertional International Clinic in Ho Chi Minh City.

Average income
18,9
Million VND/ person/ month



Overview of financial treatment in 2017

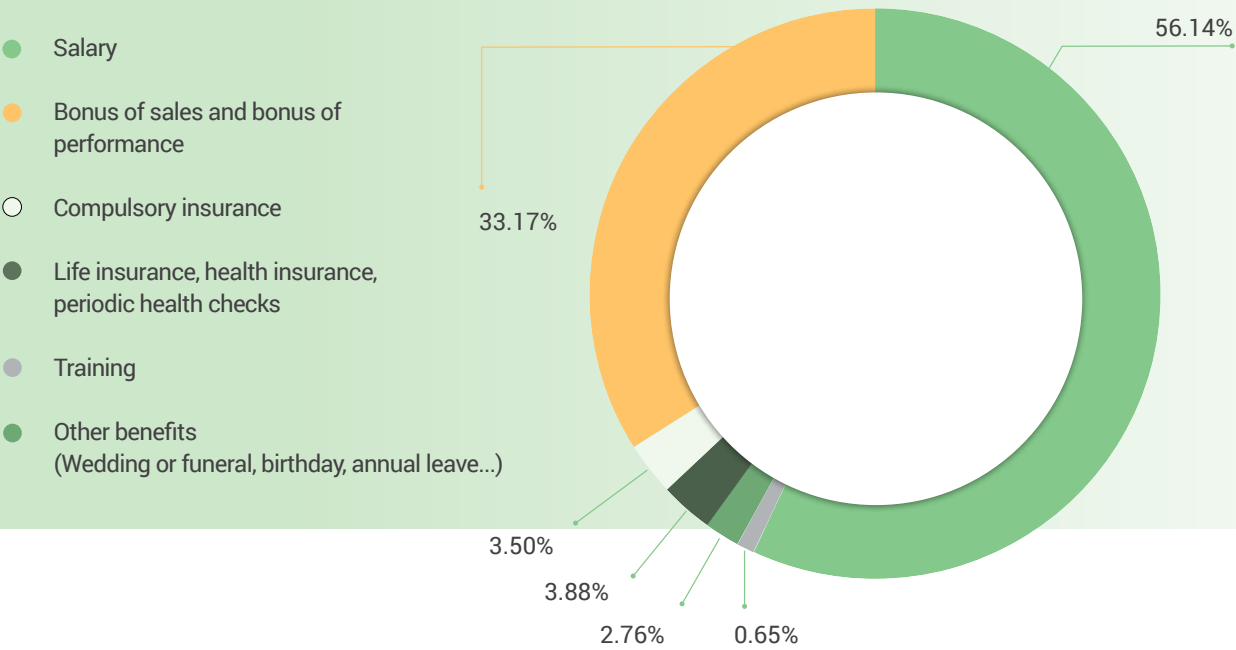
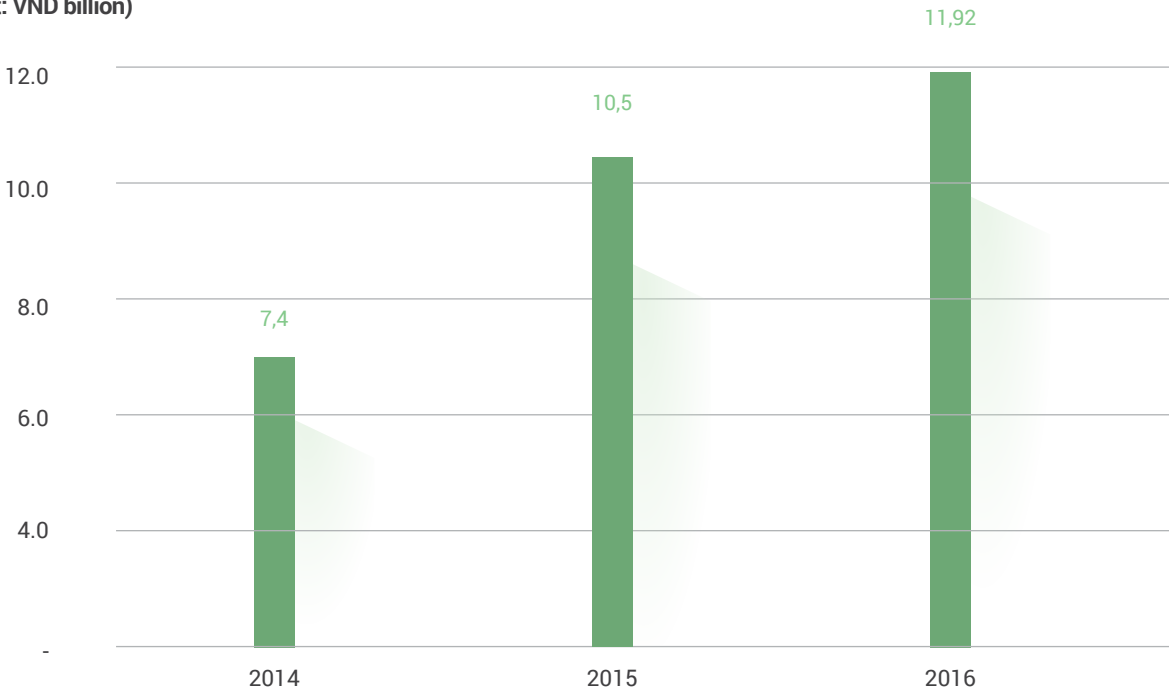


Chart of benefits for employees
(Unit: VND billion)



| ENSURE COMMITMENT TO RELEVANT PARTIES

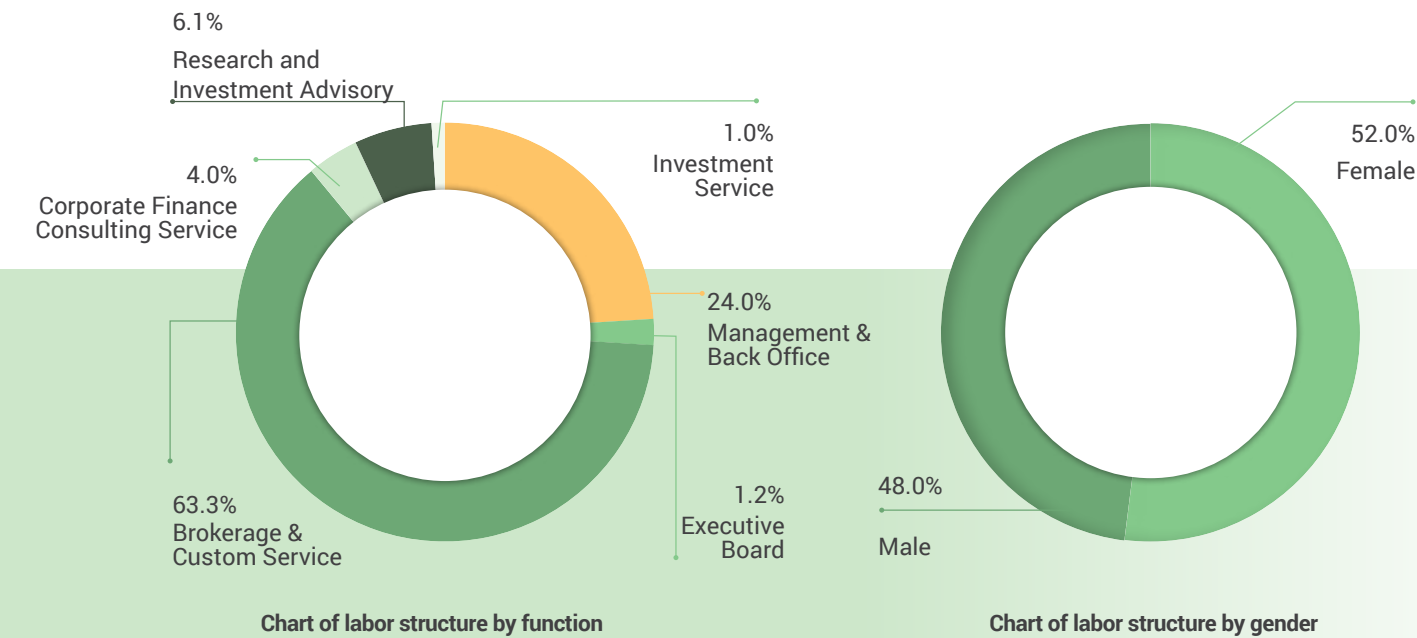
For employees (continued)

In addition to financial benefit policies, the creation of a professional, efficient, equitable, friendly, open and highly individually valued working environment is specially focused by the company. Employees' Conference held in June 2016 is an opportunity for employees to make recommendations and suggestions to the Company in enforcement of laws, collective bargaining agreement as well as the initiative contributed to complete the annual business plan. After the Employees' Conference, the corporate cultural training courses for the all employees at the Head Office and Ho Chi Minh City branch were organized in July 2016 and August 2016 with aim at promoting the spirit of unity and enhancing corporate culture of the Company. At the head office, the program was taken place in Ha Long City and at Ho Chi Minh City Branch, at Nam Cat Tien National Park. The "Nam Cat Tien" journey of the employees of the company's branch has left an unforgettable impression in the hearts of all employees involved. Not just a cultural training program, the journey has created a wonderful space with the challenges designed in the program for all members who want to affirm determination, commitment to unity overcoming the same challenges towards a common goal.

Gender equality is one of BVSC's priorities in labor policy. The Company's recruitment and benefit policy does not discriminate on gender. Female employees are provided with employment opportunities, salaries and promotion opportunities similar to men's. At BVSC, the proportion of female employees accounts for 52% of the total number of employees, of which the proportion of women holding senior and middle management positions accounts for 44% of the total number of middle and senior managers.

In addition to good compliance with the labor law regulations for female employees such as maternity, working with child labor ... The company also has its own welfare programs and policies for caring for female employees through the role of trade union organizations such as International Women's Day (8/3), Vietnamese Women's Day (20/10), female childbirth...

Corporate culture training for employees of the Headquarter in Ha Long City in August, 2016



“Nam Cat Tien” Journey of employees of Ho Chi Minh City Branch in July, 2016



BVSC employee conference in June, 2016

STRENGTHEN SOCIAL RESPONSIBILITY

BVSC’s own annual programs and accompanying programs with Baoviet Holdings were simultaneously launched in 2016. The program “charity rice” has been a quarterly program organized by BVSC for 5 years. In 2016, BVSC continued to hold 4 sessions at the National Institute of Hematology and Blood Transfusion, offering 1,746 meals for patients and their family members in Departments of Pediatrics, Thalassemia and Hemophilia.

The program named “Bring warmth to the upland” has been an annual program launched by BVSC in the fifth year. Sympathy to the loss of people in Quang Binh flood area, the “Bring warmth to the upland” for people in far-flung areas flooded in areas where rare units can be reached was made in 2016. The “Bring warmth to the upland” campaign in 2016 was joined by Friendship Hospital to Tan Trach Village, Thuong Trach Commune, Bo Trach District, Quang Binh Province, giving gifts of foodstuff for 561 households, giving 130 Scholarships for preschool pupils and free medical examination and treatment for nearly 4,000 people.

For the programs launched and organized by Baoviet Holdings, BVSC is an active member. In May, 2016, during the journey “towards the fatherland’s sea and islands” of Financial Division - Bank of the Union of Central Enterprises organized by Baoviet Holdings, BVSC’s employees were participated. The journey was carried out medical examination and treatment for many soldiers and soldiers in the district of Bach Long Vi and jointly built libraries for the island district. BVSC also joined the relief group organized by Baoviet Holdings to visit and give gifts to people in 11 communes in Quang Binh - Ha Tinh flood in 10/2016.

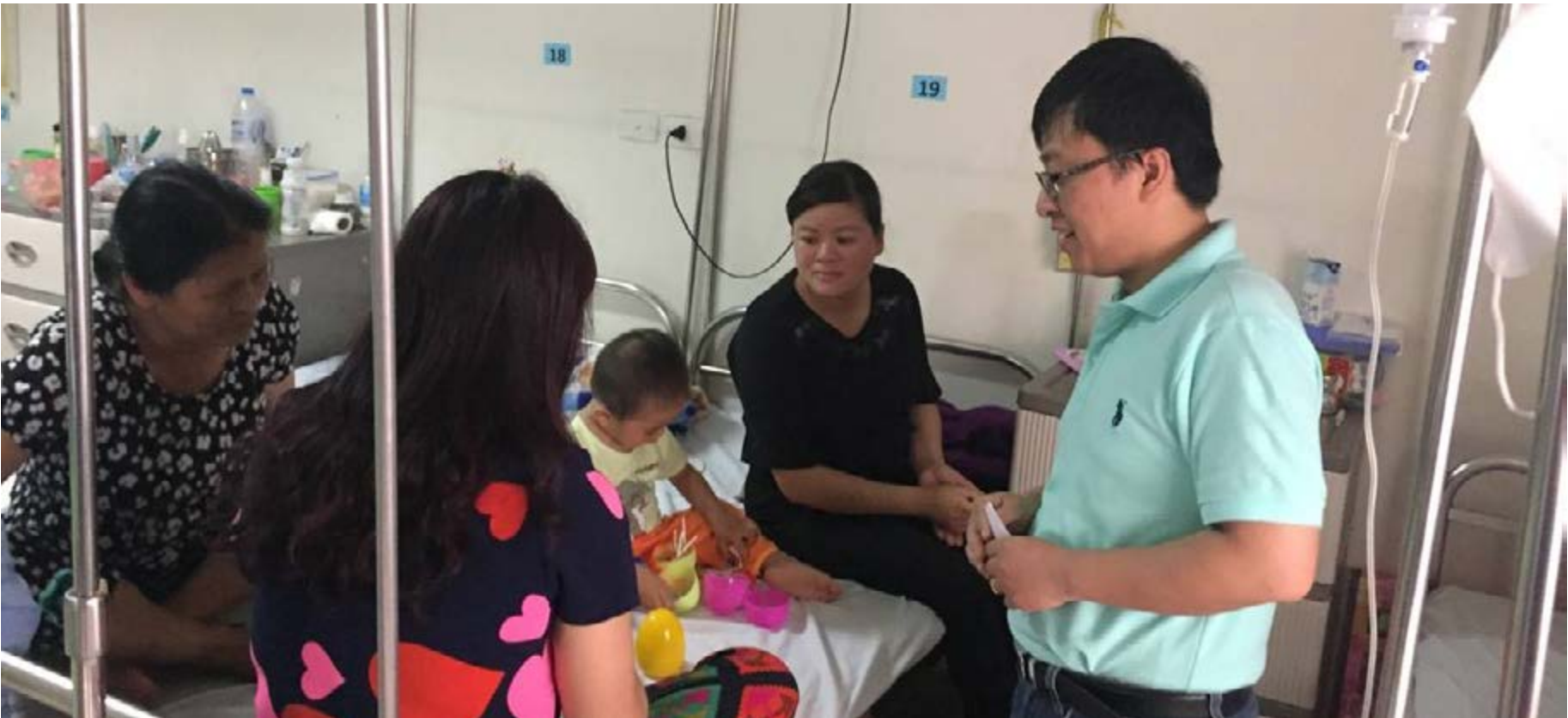
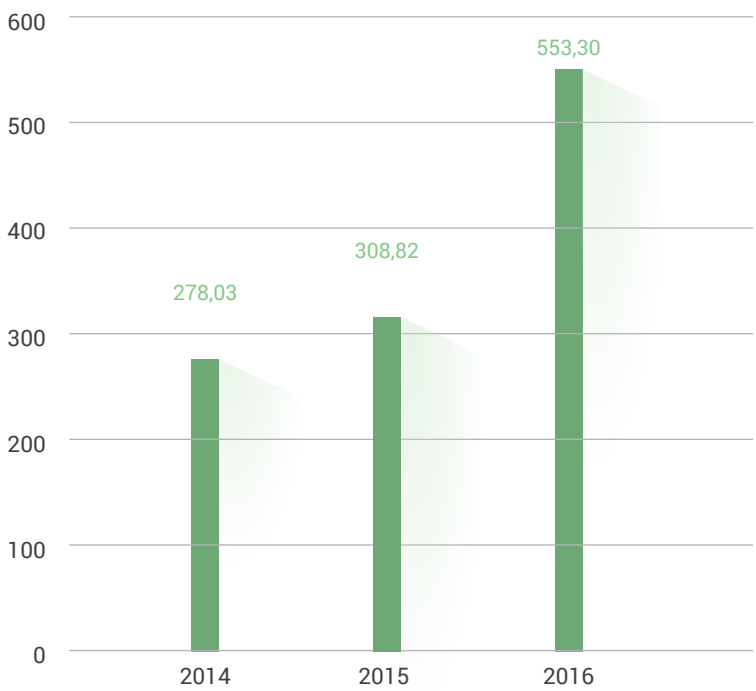


Chart of total cost of social security activities in 2014-2016
(Unit: Million dong)



1,700+
helpings were given
in 4 sessions of the
“Charitable helpings”
program

“Bring warmth to upland”
journey

500+
gifts

130+
scholarships

4,000
people got free medical
examination and medicine





Save
15%
of air conditioner capacity

A cornert
“Clean and beautiful working
table, effective working corner”

| ENVIRONMENTAL PROTECTION AND ENERGY SAFETY

In 2016, BVSC launched the contest of “Clean working desk - Effective working corner” in the whole company. All employees are encouraged to regularly clean their desks neatly and tidily, arrange their files and documents scientifically in order to keep the environment fresh in the workplace. The contest received a response from 100% of employees, after the launching period so far, the Company has received a lot of positive feedback. All working corners are consistent with the norms given by the Company.

Deploy energy saving program: In the past year, BVSC has been actively in communicating energy saving program in office buildings through internal newsletters, posters and direct campaigns...

Energy saving solution for air conditioners:

The entire air conditioning system in the Company is encouraged to turn on at 26 degrees or higher in the summer and limit the use of air-conditioning in warmer days in the winter. The company also sanitizes the air conditioning system every 6 months in order to save about 15% of the capacity of air conditioners.

Lighting energy saving solution:

The company changed the lighting system in the office to energy saving light bulbs, actively used natural light instead of using lights. The use of entire lighting system in the hall and hallways is limited to the maximum. The company issued the regulations requiring the employees to check and turn off all electric lighting before leaving the office.





Office paper saving solution:

In order to enhance awareness of saving, BVSC has encouraged all employees in the company to re-use one-sided paper. Accordingly, the one-sided paper documents not in use will be stored, all the internal documents are not required to print by new paper will be printed on one-sided paper, the result is that the company saved 20% of paper cost in 2016.

PLAN FOR IMPLEMENTATION IN 2017

OBJECTIVES

In order to realize the strategic vision of sustainable development of this period, with the guideline of “Efficient and responsible business”, BVSC identifies three objectives as the basis for implementing the plan of sustainable development, including: Growth business sustainably, ensure commitment to relevant parties and Enhance social responsibility

NORMS	OBJECTIVES	SOLUTIONS
 <p>Growth business</p>	<ul style="list-style-type: none"> Complete the annual business plan: <ul style="list-style-type: none"> Revenues - VND 324 billion, Profit after tax: VND 102 billion. Complete the CP&CCQ market share plan: reach 4.20%. 	<ul style="list-style-type: none"> Focus on enhancing brokerage activities through activities such as product development, quality improvement of investment consulting products, flexible margin and advance service policies with competitive interest rates, IT system upgrading, enhancement of recruitment of brokerage employees. Strengthen the implementation of consulting activities as strength: M&A consulting, equitization and divestment of SOEs. Stick close on market developments for effective self-employment and good risk management. Manage cost efficiently.
 <p>Ensure commitment to relevant parties</p>	<ul style="list-style-type: none"> Comply with laws and implement tax obligations to the State. For shareholders: preserve and grow capital, be transparent to keep faith. For customers: improve the quality of customer services, develop new products. For regulatory agencies and media agencies: strengthen cooperation, promote the development of the stock market. For associations: as an active member of the Bond Business Association, Vietnam Association of Securities Business and Vietnam Association of Financial Investors. For employees: ensure stable income, strengthen welfare, create professional working environment. 	<ul style="list-style-type: none"> • Always implement and comply with legal provisions in the course of operation, well perform the obligation of tax contribution to the state budget. • For shareholders: make an effort to complete the business plan to preserve and grow capital, improve the quality of information disclosure to the public, and enhance investor relations (IR) in order to increase the value of the Company. • For customers: complete the project of “Front office software system and online trading” with preminent features that help customers use at anytime, anywhere through online trading system by all operating systems on the website (web trading) or mobile devices (mobile trading) or fixed devices (home trading). • For regulatory agencies and media agencies: strengthen cooperation, contribute ideas to promote and perfect the legal framework for the launch of new products, cooperate with transaction offices in the connection with operation and/ or test transaction of new products. Enhance cooperation with specialized media agencies as well as online channels. • For Associations: continue being an active member, actively participate in the activities of the Association and fulfill financial obligations to promote the development of the Association. • For employees: Ensure stable employment opportunities for employees, promote training, maintain and improve existing welfare policies and competitive incomes.
 <p>Enhance social responsibility</p>	<ul style="list-style-type: none"> Maintain social security programs that have been deployed stably: “Charitable helpings” and “Bring warmth to upland”. Actively participate in social security programs in the direction of Baoviet Holdings. 	<ul style="list-style-type: none"> Continue launching the program of “Charitable helpings” at the National Institute of Hematology and Blood Transfusion and the program of “Bring warmth to upland” in association with Youth Union of Friendship Hospital to give gifts, free medical examination and treatment in upland communes in the Northern Mountains. Continue implementing the social security programs in accordance with the direction and policy of Baoviet Holdings: the blood donation program of “Bao Viet - Vietnamese belief”, the program of “Bao Viet towards the fatherland's sea and islands” combined gifts and free medical examination and treatment.
 <p>Environmental protection and effective energy use</p>	<ul style="list-style-type: none"> Comply with local regulations in environmental protection Implement solution in production and business to save power and water 	<ul style="list-style-type: none"> Comply with the local regulations on environmental hygiene, safety order and encourage all employees to raise awareness of environmental protection, keep public hygiene Implement internal emulation programs under the Departments on practice of energy saving Honor solutions, initiatives of employees on energy savings

SOME BASIC NORMS FOR ASSESSMENT OF SUSTAINABLE DEVELOPMENT IN BVSC (UNDER GRI)

NORMS	UNIT	DATA IN 2016
Number of branches, transaction offices	office	7
Total number of employees	person	412
ECONOMY		
Total revenue and other income	million dong	294.2
Profit before tax	million dong	119.3
Total tax paid to the state budget	million dong	16.5
Total payments to employees (Including salaries and other welfare payments)	million dong	89.3
Total cost of electricity, water	billion dong	1.552
Total cost of contribution to professional associations	million dong	197.2
SOCIETY		
EMPLOYEES		
The rate of female employees	%	52
The rate of female employees who are managers in the total number of employees	%	44
STRUCTURE BY LABOR AGE		
Under 25 years old	%	6
25-<30 years old	%	19
30-<40 years old	%	64
>=40 years old	%	11
Fund for Social Security and Health Insurance, Unemployment Insurance, Healthcare Insurance, Life Insurance	billion dong	7.2
INVESTMENT FOR COMMUNITY ACTIVITIES		
Total implementation costs	million dong	553.30
Poverty reduction	million dong	467.25
Investment for education, young generation	million dong	26.05
Gratefulness for heroic martyrs	million dong	30
Other social security activities	million dong	30

ANNEXES

Annex I – Managerial norms under camel regulations

Annex II – Financial norms under camel

Annex III –Reporting compliance under GRI

ANNEX I

MANAGERIAL NORMS UNDER CAMEL REGULATIONS

NO.	NORMS	VALUE	POINT IN 2015	POINT IN 2016	RATE
1	Years of leadership (in the Board of Management/ CEO) in the field of finance/ securities of the Chairman of BOD	Over 5 years	100	100	4%
2	Years of leadership (in the Board of Management/ CEO) in the field of finance/ securities of the Director/ CEO	Over 5 years	100	100	6%
3	Years of experience in the field of finance/ securities of the Chairman of BOD	Over 7 years	100	100	4%
4	Years of experience in the field of finance/ securities of the Director/ CEO	Over 7 years	100	100	6%
5	Stability of key leadership positions (Director (CEO, CFO), Deputy Director, Head of professional departments) in the last 3 years. Calculated by the total number of personnel changes in these positions (leaving the company)/ total of these positions	Approximately 6%	30	60	4%
6	The adequacy of professional procedures under the law on securities and regulations of the Transaction offices, Securities Custody Center	Fully promulgated, well met the actual needs.	100	100	5%
7	Risk management policies for all activities	Established independent risk management department, the policies was issued in full, well met the actual requirements.	100	100	5%
8	Assessment of the operational capability of the internal inspection and control department	Established, fully met the requirements for effective operation.	100	100	5%
9	Assessment of the control quality of the deposits by investors for stock exchange	Deposits of investors were managed at commercial banks. The company had a professional process and internal control performing periodic compliance control.	100	100	5%

NO.	NORMS	VALUE	POINT IN 2015	POINT IN 2016	RATE
10	The transparency level of financial information	Financial information was published publicly, fully and timely on the mass media and no substantial repairs were made after the date of publication.	100	100	6%
11	Years of operation	Over 7 years	100	100	6%
12	The proportion of turnover of share transaction implemented through the company (over two offices)/ Total transaction turnover of the market (total transaction turnover of two offices)	Estimated at from 2% to under 5%	80	80	8%
13	Modernity of information technology systems	There was an online trading system, an effective internal management information system MIS	80	80	5%
14	Scale of equity of the company compared to the average	Compared in the top 10 securities companies	90	100	5%
15	Stability and ability to increase (or decrease) equity in the next 2 years. (plan to increase capital, profit or loss)	Plans and prospects for capital increase with high feasibility	100	100	4%
16	The stability, sustainability of growth reflected in the average revenue growth rate in the last 3 reporting periods (6 months)	No growth in 2016	30	0	6%
17	Use of the payment support fund of the Securities Custody Center due to the lack of money for clearing securities transaction	No use	100	100	5%
18	Situation of compliance (violation) of legal regulations in securities and stock market in the last 6 months	No violation	100	100	6%
19	The number of licensed specialists of the Company	5 specialists	100	100	5%
Total			89.9	89.8	

ANNEX II

MANAGERIAL NORMS UNDER CAMEL REGULATIONS

FINANCIAL NORMS UNDER CAMEL	POINT				RATE
	2015	2016	2015	2016	
CI = Equity/Total assets	86.9%	83.4%	100	100	10%
C2 = Equity/Legal capital	483.6%	516.1%	100	100	10%
C3= Available capital ratio	736.0%	678.0%	100	100	10%
AI = Ratio of total asset value after adjustment of risk/ Total assets (excluding fixed assets)	90.7%	88.81%	100	80	5%
A2 = Provision ratio/(Short-term investments + long-term investments + receivables)	10.1%	6.8%	0	50	10%
A3= Receivable ratio/ Total assets	35.7%	3.4%	80	100	10%
E1 = Profit after tax/Total revenue	40.4%	34.6%	100	100	10%
E2= Profit after tax/Average equity	8.3%	6.8%	70	70	10%
LI = Short-term asset ratio/ Short-term debt	211.5%	437.1%	100	100	15%
L2= Ratio of cash and cash equivalents / Short-term debt	49.6%	38.4%	100	100	10%
Point for financial factors			85	91	70%
Point for managerial factors			89.9	89.8	30%
Total			86.47	90.64	

ANNEX III

REPORTING COMPLIANCE UNDER GRI

This report includes information disclosure based on standards of Instruction on reporting sustainable development of the GRI

GRI	INFORMATION PUBLISHED	CONTENT IN REPORT	PAGE
OVERVIEW			
G4-1	Statement by senior leaders of the enterprise	Message from Chairman of BOD	06, 07
G4-2	Description of impacts, risks, and main opportunities	Risk management	60 - 65
G4-3	Name of the enterprise	Vision, Mission, Core value - General Information about the Company	08, 09
G4-4	Main products and services	Fields of operation - General Information about the Company	13, 13
G4-5	Headquarter address	Vision, Mission, Core values - General Information about the Company	08, 09
G4-6	Number of countries where the enterprise operates, the names of the countries in which the enterprise operates or the countries concerned	Vision, Mission, Core values - General Information about the Company	08, 09
G4-7	Type of ownership, legal model	Vision, Mission, Core value - General Information about the Company	08, 09
G4-8	Service market	Operation network	14, 15
G4-9	Business size	Vision, Mission, Core value - General Information about the Company	08, 09
G4-10	Statistics on the workforce	For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
G4-11	Percentage that employees are entitled to under the collective bargaining agreement	100%, see more at the item: For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
G4-12	Description of supply chain of the enterprise	Fields of operation - General Information about the Company	12, 13
G4-13	Changes in the reporting process related to the size, structure, ownership, and supply chain of the enterprise	BVSC had no changes related to this content	
G4-14	Report on whether or not the enterprise has given advance warning about potential problems affecting the environment	Risk management	60 - 65
G4-15	List of regulations, statutes, or activities related to the economic, social and environmental issues built by the enterprise.	Management model of sustainable development at BVSC	160
G4-16	Members of Associations	Vietnam Association of Securities Business	
G4-19	List of key issues in the report content development process	Table of contents of the report	

ANNEX III

REPORTING COMPLIANCE UNDER GRI

GRI	INFORMATION PUBLISHED	CONTENT IN REPORT	PAGE
G4-22	Explanation on the effect of adjusting the information provided in previous reports and the reasons for the adjustment	The report had no significant changes relating to the content requested	
G4-23	Significant change over previous reporting period (in terms of scope and related issues)	The report had no significant changes relating to the content requested	
G4-34	Preliminary of managerial apparatus including leaders at the highest level Clarification of departments responsible for decisions on economic, environmental and social issues	Organizational structure - Key personnel	28 - 33
		The management model of sustainable development at BVSC	160
G4-35	Decentralization for economic, environmental and social issues	The management model of sustainable development at BVSC	160
G4-36	The enterprise has appointed a specialized position on economic, environmental and social issues	The management model of sustainable development at BVSC	160
G4-37	The consulting participation process, responses of parties in connection with the highest level related to economic, environmental and social issues.	The management model of sustainable development at BVSC	160
G4-38	Reports on the component of leaders at the highest level and relevant committees	Key personnel - Corporate management	30 - 33
G4-39	Clarification in case the Chairman of the BOD is also the General Director of the enterprise	Key personnel - Corporate management	30 - 33
G4-40	The process of electing the BOD and committees affiliated, the standards applied for the nomination and selection of members of the BOD	The important contents approved by the General Meeting of Shareholders on 12/05/2016 - Shareholder relations	37
Role of the BOD in establishing objectives, values and strategies			
G4-44	The process of performance assessment of the BOD. The next action after performance assessment include changing members or implementation process of the enterprise.	Board of Directors - Corporate management	42 - 49
G4-45	The role of the BOD in identifying, managing effects, risks and opportunities related to economy - environment - society.	Internal control	58, 59
Remuneration and Benefits			
G4-52	Remuneration policy for the BOD and Board of Leaders	Transactions, remuneration and benefits of the BOD, Board of Management and Board of Controllers - Corporate Management	66, 67

GRI	INFORMATION PUBLISHED	CONTENT IN REPORT	PAGE
G4-54	The comparative rate between individuals with the highest remuneration in the year with the average remuneration for employees	Chart of average income of employees - For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
G4-55	The rate of growth between individuals with the highest remuneration in the year with the average remuneration for employees	For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
SPECIFIC CONTENTS			
Economic objectives - Economic efficiency			
G4-EC1	Economic values were created and allocated	Performance assessment in 2016 - Report of the Board of Management	108-115
FS	Note further about the values of community investment programs and the allocation of community investment by each subject matter	Some norms for assessment of sustainable development at BVSC in 2016	162,163
G4-EC2	The scope of responsibility of the enterprise with the pension fund	For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
G4-EC4	Significant financial support from the Government	None	
Energy			
G4-EN3	Energy consumption of the company	Some norms on assessing PTBV at BVSC in 2016	180,181
Social objectives			
G4-LA1	Total workforce, new employment rate, the percentage of severance categorized by age, gender and region	For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
G4-LA2	Allowances for full time employees not for temporary or part-time employees	For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
G4-LA8	Average number of training hours per year	For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
G4-LA9	Skill development and learning programs	Training Roadmap - Human Resource Development - Report of the Board of Management	128-131
G4-LA12	The composition of management apparatus and employee classification by gender, age group, member of ethnic minority groups, and norms reflecting the different levels of diversity.	For employees - Ensure commitments to relevant parties - Sustainable development in 2016	166-175
Product liability			
FS15	Policy on the design and sale of products and services	Transaction Management and Product Development - Report of the Board of Management	124

CHAPTER

06

FINANCIAL REPORT

Combined financial statements	194
Financial safety ratio report	272

GENERAL INFORMATION

| THE COMPANY

Bao Viet Securities Joint Stock Company (“the Company”) is a joint-stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People’s Committee and Business Licence No. 01/GPHDKD issued on 26 November 1999 by the State Securities Commission with its original charter capital of VND 43,000,000,000.

On 13 December 2006, the Company’s shares were officially traded on Hanoi Securities Trading Center (now Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN issued on 30 November 2006 by Hanoi Securities Trading Center (now Hanoi Stock Exchange) and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK issued on 13 December 2006 by Vietnam Securities Depository. On 10 December 2009, the Company was granted Amended Certificate of securities operating license No.01/GPHDKD in accordance with Decision No.288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

The Company’s Head Office is located at Bao Viet Holding Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Holding Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

| MAIN FEATURES OF OPERATION OF THE COMPANY

Capital

The Company’s charter capital as at 31 December 2016 was VND 722,339,370,000. Its owners’ equity was VND 1,548,162,323,584 and its total assets were VND 1,855,255,471,025.

Investment objective

Being a listed securities company in the Vietnamsecurities market with main business activities of brokerage service, proprietary trading, underwriting, securities investment advisory and financial advisory services. The Company aims to contribute to the development of the securities market and bring benefits to its customers, investors and shareholders.

Investment restrictions

The Company complies with Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on the establishment and operation of securities companies, Circular No. 07/2016/TT-BTC dated 18 Jan 2016 amending and supplementing certain articles of Circular No. 210/2012/TT-BTC and other prevailing regulations on investment restrictions.

| BOARD OF DIRECTORS

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

NAME	POSITION	DATE OF APPOINTMENT/RESIGNATION
Mr. Dau Minh Lam	Chairman	Appointed on 12 May 2016
Mr. Phan Kim Bang	Chairman	Appointed on 15 April 2015 Resigned on 12 May 2016
Mr. Le Van Binh	Member	Appointed on 15 April 2015
Mr. Pham Ngoc Tu	Member	Appointed on 15 September 2015 Approved by the Annual General Meeting of Shareholders on 12 May 2016
Mr. Nguyen Anh Tuan	Member	Appointed on 12 May 2016
Mr. Nhu Dinh Hoa	Member	Appointed on 15 April 2015
Mr.Bui Tuan Trung	Member	Appointed on 15 April 2015 Resigned on 12 May 2016

REPORT THE BOARD OF DIRECTORS

The Board of Directors of Bao Viet Securities Joint Stock Company (“the Company”) is pleased to present its report and the combined financial statements of the Company (including Head Office and Ho Chi Minh Branch) as at 31 December 2016 and for year then ended.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE COMBINED FINANCIAL STATEMENTS

Management is responsible for the combined financial statements of each financial year which give a true and fair view of the combined financial position of the Company and of the combined results of its operations, its combined cash flows and its combined changes in equity for the year. In preparing those combined financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the combined financial statements; and
- Prepare the combined financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the combined financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying combined financial statements.

APPROVAL OF THE COMBINED FINANCIAL STATEMENTS

We hereby approve the accompanying combined financial statements. These combined financial statements give a true and fair view of the combined financial position of the Company as at 31 December 2016 and of the combined results of its operations, its combined cash flows and its combined changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

On behalf of the Board of Directors:



Mr. Dau Minh Lam
Chairman

Hanoi, Vietnam
27 March 2017

BOARD OF SUPERVISION

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

NAME	POSITION	DATE OF APPOINTMENT
Mr. Nguyen Xuan Hoa	Head of the Board	Appointed on 15 April 2015
Mr. Hoang Giang Binh	Member	Appointed on 15 April 2015
Ms. Nguyen Thi Thanh Van	Member	Appointed on 15 April 2015

BOARD OF MANAGEMENT

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

NAME	POSITION	DATE OF APPOINTMENT
Mr. Nhu Dinh Hoa	Chief Executive Officer	Appointed on 18 March 201 Reappointed on 05 May 2014
Ms. Nguyen Thi Thanh Thuy	Deputy Chief Executive Officer	Appointed on 15 July 2013 Reappointed on 14 July 2016
Mr. Vo Huu Tuan	Deputy Chief Executive Officer, Director of Ho Chi Minh Branch	Appointed on 04 February 2011 Reappointed on 05 May 2014

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nhu Dinh Hoa - Chief Executive Officer.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

INDEPENDENT AUDITOR’S REPORT

To: Shareholders of Bao Viet Securities Joint Stock Company

We have audited the accompanying combined financial statements of Bao Viet Securities Joint Stock Company (“the Company”), as prepared on 27 March 2017 and as set out on page 6 to 68 which comprise the combined statement offinancial position as at 31December 2016, and the combined income statement, the combined cash flow statement and the combined statement of changes in equity for the year then ended and the notes thereto.

MANAGEMENT’S RESPONSIBILITY

The Company’s management is responsible for the preparation and fair presentation of the combined financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS’ RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the combined financial statements give a true and fair view, in all material respects, of the combined financial position of the Company as at 31 December 2016, and of the combined results of its operations, its combined cash flows and its combined changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



Trinh Hoang Anh
Deputy General Director
Audit Practising Registration
Certificate No: 2071-2013-004-1

Hanoi, Vietnam
29 March 2017

Le Duc Linh
Auditor
Audit Practising Registration
Certificate No: 1672-2013-004-1

COMBINED STATEMENT OF FINANCIAL POSITION

B01-CTCK

Ngày 31 tháng 12 năm 2016

Currency: VND

CODE	ITEMS	NOTES	ENDING BALANCE	BEGINNING BALANCE (restated)
100	A. CURRENT ASSETS		1,342,246,508,351	1,384,954,077,402
110	I. Financial assets		1,338,948,130,517	1,383,423,878,457
111	1. Cash and cash equivalents	5	117,958,400,723	448,757,097,003
111.1	a. Cash		7,450,071,427	7,429,510,896
111.2	b. Cash equivalents		110,508,329,296	441,327,586,107
112	2. Financial assets at fair value through profit and loss (FVTPL)	7.1	122,951,021,045	155,616,277,733
113	3. Held-to-maturity investment (HTM)	7.3	270,317,549,562	129,318,769,974
114	4. Loans	7.4	735,872,635,238	604,420,360,977
115	5. Available	7.2	107,519,517,159	119,293,555,739
116	6. Allowance for impairment of financial assets and mortgage assets	7.5	(78,258,018,426)	(89,480,512,517)
117	7. Receivables	8	11,910,433,601	6,675,483,428
117.2	a. Receivables and accrued dividend and interest		11,910,433,601	6,675,483,428
117.4	• Undue accrued dividend and interest		11,910,433,601	6,675,483,428
118	8. Advances to suppliers	8	43,439,389,731	7,267,526,791
119	9. Receivables from services provided by the Company	8	4,647,585,392	4,326,787,354
122	10. Other receivables	8	18,490,846,191	13,129,761,674
129	11. Allowance for impairment of receivables	8	(15,901,229,699)	(15,901,229,699)
130	II. Other current assets	9	3,298,377,834	1,530,198,945
131	1. Advances		585,158,321	272,900,000
132	2. Office supplies, materials and tools		643,803,564	51,800,000
133	3. Short-term prepaid expenses		2,069,415,949	1,205,498,945

CODE	ITEMS	NOTES	ENDING BALANCE	BEGINNING BALANCE (restated)
200	B. NON-CURRENT ASSETS		513,008,962,674	282,872,796,629
210	I. Long-term financial assets		479,676,335,859	250,049,142,157
212	1. Investments		509,676,335,859	291,541,209,306
212.1	a. Held-to-maturity investments	7.3	328,525,852,859	123,765,236,306
212.4	b. Other long-term investments	7.2	181,150,483,000	167,775,973,000
213	2. Allowance for impairment of long-term financial assets	7.5	(30,000,000,000)	(41,492,067,149)
220	II. Fixed assets		5,170,777,810	2,947,129,741
221	1. Tangible fixed assets	10	4,744,127,379	2,836,465,169
222	a. Cost		31,215,559,419	27,402,412,859
223a	b. Accumulated depreciation		(26,471,432,040)	(24,565,947,690)
227	2. Intangible fixed assets	11	426,650,431	110,664,572
228	a. Cost		10,944,836,440	10,470,716,440
229a	b. Accumulated depreciation		(10,518,186,009)	(10,360,051,868)
240	III. Construction in progress		299,200,000	-
250	IV. Other non-current assets		27,862,649,005	29,876,524,731
251	1. Long-term deposits, collaterals and pledges		910,476,115	929,518,415
252	2. Long-term prepaid expenses	12	5,804,553,803	7,765,245,937
254	3. Deposits to Settlement Assistance Fund	13	21,147,619,087	21,181,760,379
270	TOTAL ASSETS		1,855,255,471,025	1,667,826,874,031

CODE	ITEMS	NOTES	ENDING BALANCE	BEGINNING BALANCE (restated)
300	C. LIABILITIES		307,093,147,441	217,086,993,337
310	I. Current liabilities		307,093,147,441	217,086,993,337
311	1. Short-term borrowings and financial leases		159,677,448,472	29,150,839,917
312	a. Short-term borrowings	14	159,677,448,472	29,150,839,917
318	2. Payables for securities transaction activities	15	2,626,052,705	1,594,540,397
320	3. Short-term trade payables	16	1,164,460,710	3,458,445,466
321	4. Short-term advances from customers		2,174,300,000	2,165,200,000
322	5. Statutory obligations	17	5,975,905,431	4,197,669,597
323	6. Statutory obligations		27,576,248,485	32,511,526,691
324	7. Employee benefits		1,059,403,485	843,407,495
325	8. Employee benefits	18	1,910,464,843	1,251,727,954
329	9. Other short-term payables		21,186,218,824	21,818,191,432
331	10. Bonus and welfare fund		4,616,514,149	4,553,578,461
332	11. Payables under bond repo agreements		79,126,130,337	115,541,865,927
400	D. OWNERS' EQUITY		1,548,162,323,584	1,450,739,880,694
410	I. Capital	19	1,548,162,323,584	1,450,739,880,694
411	1. Share capital		1,332,095,854,220	1,332,364,536,720
411.1	a. Contributed capital		722,339,370,000	722,339,370,000
411.1a	• Shares with voting rights		722,339,370,000	722,339,370,000
411.2	b. Share premium		610,253,166,720	610,253,166,720
411.5	c. reasury shares		(496,682,500)	(228,000,000)
414	2. Charter capital supplementary reserve		23,894,449,402	18,808,728,387
415	3. Operational risk and financial reserve		23,894,449,402	18,808,728,387
417	4. Undistributed profit		168,277,570,560	80,757,887,200
417.1	• Realized profit		168,277,570,560	80,757,887,200
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,855,255,471,025	1,667,826,874,031


OFF-BALANCE SHEET ITEMS

B01-CTCK
Currency: VND/unit


Currency: VND/unit

CODE	ITEMS	NOTE	ENDING BALANCE	BEGINNING BALANCE (restated)
A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS				
004	1. Bad debts written off (VND)		390,400,000	390,400,000
006	2. Outstanding shares (unit)		72,200,145	72,218,737
007	3. Treasury shares (unit)		33,792	15,200
008	4. The Company's Financial assets listed/registered at Vietnam Securities Depository centre ("VSD") (VND)	20.1	115,205,940,000	121,691,760,000
009	5. The Company's non-traded financial assets deposited at VSD (VND)	20.2	3,000,000,000	8,000,000,000
010	6. The Company's awaiting financial assets (VND)	20.3	1,577,100,000	6,003,500,000
012	7. The Company's financial assets which have not been deposited at VSD (VND)	20.4	356,553,980,000	196,441,750,000
B. ASSETS AND LIABILITIES MANAGED UNDER AGREEMENT WITH INVESTORS				
021	1. Investors' financial assets listed/registered at VSD (VND)	20.5	29,375,393,580,000	22,552,015,320,000
021.1	a. Unrestricted financial assets (VND)		28,622,801,930,000	22,005,500,140,000
021.2	b. Restricted financial assets (VND)		206,691,910,000	158,446,710,000
021.3	c. Pledged financial assets (VND)		470,168,980,000	220,631,660,000
021.5	d. Financial assets awaiting settlement (VND)		75,730,760,000	167,436,810,000
022	2. Investors' non-traded financial assets deposited at VSD (VND)	20.6	15,151,330,000	9,088,820,000
022.1	a. Unrestricted and non-traded financial assets deposited at VSD (VND)		13,742,840,000	5,823,450,000
022.2	b. Restricted and non-traded financial assets deposited at VSD (VND)		1,408,490,000	3,265,370,000
023	3. Investors' awaiting financial assets (VND)		124,511,530,000	225,887,100,000
024b	4. Investor's financial assets which have not been deposited at VSD (VND)		1,989,322,700,000	1,587,112,700,000

CODE	ITEMS	NOTE	ENDING BALANCE	BEGINNING BALANCE (restated)
B. ASSETS AND LIABILITIES MANAGED UNDER AGREEMENT WITH INVESTORS (continued)				
026	5. Investors' cash deposits (VND)		482,807,490,320	440,464,233,836
027	5.1. Investors' cash deposits for securities trading activities under the Company's management (VND)	20.7	160,686,058,057	415,569,063,793
028	5.2. Investors' cash deposits for securities trading activities (VND)	20.7	308,360,826,219	-
029	5.3. Investors' cash deposits for securities transaction clearing and settlement	20.7	-	24,771,814,200
029.1	a. Domestic investors' cash deposits for securities transaction clearing and settlement (VND)		-	24,629,874,200
029.2	b. Foreign investors' cash deposits for securities transaction clearing and settlement (VND)		-	141,940,000
030	5.4. Securities issuers' cash deposits (VND)		13,760,606,044	123,355,843
031	6. Payables for investors' cash deposits for securities trading activities under the Company's management (VND)	20.8	468,093,752,442	418,022,303,403
031.1	a. Domestic investors' cash deposits for securities trading activities under the Company's management (VND)		466,819,169,926	418,022,303,403
031.2	b. Foreign investors' cash deposits for securities trading activities under the Company's management (VND)		1,274,582,516	-
032	7. Payables to securities issuers (VND)		6,277,306,478	14,170,077,885
035	8. Dividend, bond principal and interest payables (VND)		8,436,431,400	8,271,852,548



Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department



Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer

Hanoi, Vietnam
27 March 2017

COMBINEDINCOME STATEMENT

B02-CTCK

cho năm tài chính kết thúc ngày 31 tháng 12 năm 2016

Currency: VND

CODE	ITEMS	NOTE	CURRENT YEAR	PREVIOUS YEAR (restated)
I. OPERATING REVENUE				
01	1. Gain from financial assets at fair value through profit and loss (FVTPL)		18,553,937,224	32,544,852,164
01.1	a. Gain from disposal of financial assets at FVTPL	21.1	15,193,937,255	26,324,205,264
01.3	b. Dividend, interest income from financial assets at FVTPL	21.2	3,359,999,969	6,220,646,900
02	2. Gain from held-to-maturity investments (HTM)	21.2	31,170,368,395	38,815,814,975
03	3. Gain from loans and receivables	21.2	98,486,397,721	84,378,727,486
04	4. Gain from Available-for-sale (AFS) financial assets	21.2	7,805,501,100	3,734,910,700
06	5. Revenue from brokerage services	21.3	99,886,761,357	84,023,709,261
07	6. Revenue from underwriting and issuance agency services	21.3	272,264,577	1,028,025,755
09	7. Revenue from securities custodian services	21.3	4,377,884,402	3,694,319,217
10	8. Revenue from advisory services	21.3	9,547,556,363	9,490,733,596
11	9. Other operating revenue	21.3	5,638,608,312	15,678,426,454
20	Total operating revenue		275,739,279,451	273,389,519,608
II. OPERATING EXPENSES				
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		(13,631,600,256)	(14,415,942,790)
21.1	a. Loss from disposal of financial assets at FVTPL	21.1	(13,631,600,256)	(14,415,942,790)
24	2. Allowance expenses for doubtful debt, impairment of financial assets and borrowing cost funding loans	22	22,714,561,240	18,642,386,572
26	3. Expenses for proprietary trading activity		(1,643,725,612)	(2,323,666,092)
27	4. Expenses for brokerage services		(84,798,521,554)	(79,443,343,024)
28	5. Expenses for underwriting and issuance agency services		(19,502,727)	(133,263,604)
30	6. Expenses for securities custodian services		(10,569,303,357)	(9,118,820,635)
31	7. Expenses for advisory services		(6,999,594,128)	(7,758,484,603)
32	8. Other operating expenses		(7,618,224,162)	(6,847,443,373)
40	Total operating expenses		(102,565,910,556)	(101,398,577,549)

Currency: VND

CODE	ITEMS	NOTE	CURRENT YEAR	PREVIOUS YEAR (restated)
III. FINANCIAL INCOME				
42	1. Non-fixed dividend and interest income		18,416,392,178	13,789,936,303
50	Total financial income		18,416,392,178	13,789,936,303
IV. FINANCIAL EXPENSES				
51	1. Realized and unrealized foreign exchange differences		(538,982)	-
52	2. Borrowing cost		(6,678,986,795)	(4,452,177,943)
60	Total financial expenses		(6,679,525,777)	(4,452,177,943)
62	V. GENERAL AND ADMINISTRATIVE EXPENSES	23	(64,843,820,398)	(61,011,117,967)
70	VI. OPERATING PROFIT		120,066,414,898	120,317,582,452
VII. OTHER INCOME AND EXPENSES				
71	Other income	24	9,563,637	435,363,636
72	Other expenses	24	(769,772,345)	(428,322,069)
80	Net other (loss)/income		(760,208,708)	7,041,567
90	VIII. PROFIT BEFORE TAX		119,306,206,190	120,324,624,019
91	Realized profit		119,306,206,190	120,324,624,019
100	IX. CORPORATE INCOME TAX (CIT) EXPENSES	25	(17,591,785,884)	(4,219,443,989)
100.1	1. Current CIT expense		(17,591,785,884)	(4,219,443,989)
200	X. PROFIT AFTER TAX		101,714,420,306	116,105,180,030
XI. NET INCOME PER SHARE				
501	Earnings per share (VND/share)	26.2	1,345	1,552

Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department

Hanoi, Vietnam
27 March 2017

Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer

COMBINED CASH FLOW STATEMENT

B03a-CTCK

cho năm tài chính kết thúc ngày 31 tháng 12 năm 2016

Currency: VND

CODE	ITEMS	NOTE	CURRENT YEAR	PREVIOUS YEAR (restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Payment for purchase of financial assets		(9,514,256,067,435)	(7,256,278,560,387)
02	2. Proceeds from sale of financial assets		9,194,636,435,641	7,491,687,103,792
03	3. Payments to Settlement Assistance Fund		-	(546,738,778)
04	4. Dividend received		3,061,482,000	33,965,702,685
05	5. Coupon and interest received		124,270,331,381	111,903,763,898
06	6. Interest paid		(750,419,430)	(389,680,674)
07	7. Payment to suppliers		(24,360,327,157)	(21,383,269,167)
08	8. Payments to employees		(81,860,970,601)	(76,698,046,406)
09	9. Tax paid		(53,780,395,649)	(36,385,625,123)
11	10. Other cash inflows from operating activities		8,495,232,760,192	5,232,716,120,346
12	11. Other cash outflows for operating activities		(8,600,492,415,467)	(5,461,145,331,983)
20	Net cash flows (used in) /from operating activities		(458,299,586,525)	17,445,438,203
II. CASH FLOW FROM INVESTING ACTIVITIES				
21	1. Purchase and construction of fixed assets, investment properties and other long-term assets		(3,025,718,310)	(1,602,849,444)
22	2. Proceeds from disposals of fixed assets, investment properties and other long-term assets		-	418,000,000
30	Net cash flow used in investing activities		(3,025,718,310)	(1,184,849,444)

Currency: VND

CODE	ITEMS	NOTE	CURRENT YEAR	PREVIOUS YEAR (restated)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Drawdown of borrowings		3,264,046,926,787	1,717,355,256,948
33.2	1.1. Other borrowings		3,264,046,926,787	1,717,355,256,948
34	2. Repayment of borrowings		(3,133,520,318,232)	(1,688,204,417,031)
34.3	2.1. Repayment of other borrowings		(3,133,520,318,232)	(1,688,204,417,031)
40	Net cash flow from financing activities		130,526,608,555	29,150,839,917
50	IV. NET INCREASE/(DECREASE) IN CASH FOR THE YEAR		(330,798,696,280)	45,411,428,676
60	V. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	448,757,097,003	403,345,668,327
61	Cash		7,429,510,896	107,740,644,314
62	Cash equivalents		441,327,586,107	295,605,024,013
70	VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	117,958,400,723	448,757,097,003
71	Cash		7,450,071,427	7,429,510,896
72	Cash equivalents		110,508,329,296	441,327,586,107

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS

B03a-CTCK

Currency: VND

CODE	ITEMS	NOTE	CURRENT YEAR	PREVIOUS YEAR (restated)
I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS				
01	1. Cash receipt from sale of securities on behalf of customers		54,306,797,912,705	43,475,855,816,691
02	2. Cash payment for acquisition of securities on behalf of customers		(49,912,516,856,704)	(33,487,633,136,420)
07	3. Cash receipt for settlement of securities transactions of customers		26,761,480,031,473	15,341,310,576,814
09	4. Cash payment for custodian fees of customers		(3,265,972,882)	(3,018,469,380)
12	5. Cash receipt from securities issuers		3,682,685,837,137	201,021,162,022
13	6. Cash payment to securities issuers		(3,686,580,690,412)	(391,990,962,622)
	7. Other cash inflows from brokerage and trust activities of customer		40,807,752,116,930	31,375,347,122,466
	8. Other cash outflows from brokerage and trust activities of customers		(71,914,009,121,763)	(56,553,243,303,111)
20	Net increase/(decrease) in cash for the year		42,343,256,484	(42,351,193,540)
30	II. CASH AND CASH EQUIVALENTS OF CUSTOMERS AT THE BEGINNING OF THE YEAR			
31	Cash at banks at the beginning of the year:		440,464,233,836	482,815,427,376
32	• Investors' cash deposits under the Company's management	20.7	415,569,063,793	434,653,019,376
33	• Investors' cash deposits for securities transaction clearing and settlement	20.7	24,771,814,200	48,162,408,000
35	• Cash deposits of securities issuers		123,355,843	-

Currency: VND

CODE	ITEMS	NOTE	CURRENT YEAR	PREVIOUS YEAR (restated)
40	III. CASH AND CASH EQUIVALENTS OF CUSTOMERS AT THE END OF THE YEAR			
41	Cash at banks at the end of the year:		482,807,490,320	440,464,233,836
42	• Investors' cash deposits under the Company's management	20.7	160,686,058,057	415,569,063,793
43	• Investors' cash deposits for securities trading activities	20.7	308,360,826,219	-
44	• Investors' cash deposits for securities transaction clearing and settlement		-	24,771,814,200
45	• Cash deposits of securities issuers		13,760,606,044	123,355,843



Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department



Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer

Hanoi, Vietnam
27 March 2017

COMBINED STATEMENT OF CHANGES IN OWNERS' EQUITY

B04-CTCK

cho năm tài chính kết thúc ngày 31 tháng 12 năm 2016

Currency: VND

ITEMS	Notes	OPENING BALANCE		INCREASE/(DECREASE)				ENDING BALANCE	
		01 JANUARY 2015	01 JANUARY 2016	FOR THE YEAR ENDED 31 DECEMBER 2015		FOR THE YEAR ENDED 31 DECEMBER 2016		31 DECEMBER 2015	31 DECEMBER 2016
				INCREASE	DECREASE	INCREASE	DECREASE		
A	B	1	2	3	4	5	6	7	8
I. CHANGES IN OWNERS' EQUITY									
1. Share capital	19	1,332,364,536,720	1,332,364,536,720	-	-	-	(268,682,500)	1,332,364,536,720	1,332,095,854,220
1.1. 1 Shares with voting rights		722,339,370,000	722,339,370,000	-	-	-	-	722,339,370,000	722,339,370,000
1.2. Share premium		610,253,166,720	610,253,166,720	-	-	-	-	610,253,166,720	610,253,166,720
1.3. Treasury shares		(228,000,000)	(228,000,000)	-	-	-	(268,682,500)	(228,000,000)	(496,682,500)
2. Charter capital supplementary reserves		14,322,179,098	18,808,728,387	4,486,549,289	-	5,085,721,015	-	18,808,728,387	23,894,449,402
3. Operational risk and financial reserve fund		14,322,179,098	18,808,728,387	4,486,549,289	-	5,085,721,015	-	18,808,728,387	23,894,449,402
4. Undistributed profit		(19,802,973,049)	80,757,887,200	116,116,070,030	(15,555,209,781)	101,729,019,750	(14,209,336,390)	80,757,887,200	168,277,570,560
TOTAL		1,341,205,921,867	1,450,739,880,694	125,089,168,608	(15,555,209,781)	111,900,461,780	(14,478,018,890)	1,450,739,880,694	1,548,162,323,584


 Ms. Vu Thi Thuy Linh
 Preparer
 Deputy Head of Financial
 Accounting Department

Hanoi, Vietnam
 27 March 2017


 Ms. Nguyen Hong Thuy
 Approval
 Head of Financial
 Accounting Department


 Mr. Nhu Dinh Hoa
 Approval
 Chief Executive Officer

NOTES TO THE COMBINED FINANCIAL STATEMENT

As at 31 December 2016 and for year then ended

1. THE COMPANY

B09-CTCK

Bao Viet Securities Joint-Stock Company (“the Company”, “BVSC”) is a joint stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People’s Committee and Operating Licence No. 01/ GPHDKD issued on 26 November 1999 by the State Securities Commission with its original charter capital of VND 43,000,000,000.

On 13 December 2006, the Company’s shares were officially traded on Hanoi Securities Trading Centre (now called Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN dated 30 November 2006 issued by Hanoi Securities Trading Centre (now Hanoi Stock Exchange) and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK dated 13 December 2006 issued by Vietnam Securities Depository Centre. On 10 December 2009, the Company was granted Amended Certificate of securities operating license No.01/GPHDKD in accordance with Decision No.288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

The principal activities of the Company are brokerage service, custodian service, proprietary trading, underwriting, and corporate finance and investment advisory service.

The Company’s Head Office is located at Bao Viet Holding Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Holding Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

The Company has transaction offices as follows:

NAME	ADDRESS
Transaction office at Head Office (Hanoi)	Bao Viet Holding Building, No.8 Le Thai To Str., Hoan Kiem Dist., Hanoi
Transaction office No. 1 (Hanoi)	94 Ba Trieu Str., Hoan Kiem Dist., Hanoi
Transaction office Kim Ma (Hanoi)	Floor 2, VIT Tower, 519 Kim Ma Str., Ba Dinh Distr., Hanoi
Transaction office Lang Ha (Hanoi)	Floor 12, 14 Lang Ha Tower, Ba Dinh Dist., Hanoi
Transaction office Cao Thang (Ho Chi Minh City)	90Cao Thang Str., District 3, Ho Chi Minh City
Transaction office 11 Nguyen Cong Tru (Ho Chi Minh City)	11 Nguyen Cong Tru, District 1, Ho Chi Minh City
Transaction office 233 Dong Khoi (Ho Chi Minh City)	233 Dong Khoi Str., District 1, Ho Chi Minh City

2. BASIS OF PRESENTATION

2.1 Applied accounting standards and system

The financial statements of the Company (the “Company”), expressed in Vietnam dong (“VND”), are prepared in accordance with Vietnamese Enterprise Accounting System, the accounting policies applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014 providing guidance on accounting policies applicable to securities companies, Circular No.334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing appendix No.2 and No.4 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and fund management companies and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and

- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

2.2 Applied accounting documentation system

The Company’s applied accounting documentation system is the General Journal Voucher system.

2.3 Fiscal year

The Company’s fiscal year starts on 1 January and ends on 31 December.

The Company also prepares its interim combined financial statements quarterly.

2.4 Combined financial statements

The Company prepares its combined financial statements for its Head Office and Ho Chi Minh branch for the year ended 31 December 2016 to submit to authorities as required by Circular No. 155/2015/TT-BTC dated 6 October 2015 issued by Ministry of Finance. The Company also prepares the financial statements of its Head Office for the year ended 31 December 2016.

2.5 Accounting currency

The combined financial statements are prepared in VND which is also the Company’s accounting currency.

B09-CTCK

3. STATEMENT ON THE COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

The Board of Management confirms that the Company has complied with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies as set out in Circular No.210/2014/TT-BTC dated 30 December 2014, Circular No.334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing appendix No.2 and No.4 of Circular No. 210/2014/TT-BTC in preparing the combined financial statements.

Accordingly, the accompanying combined income statement, combined statement of financial position, combined cash flow statement, combined statement of change in owners' equity and notes to the combined financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the combined financial position, the combined results of operations, the combined cash flows and the combined changes in equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies and disclosures

On 30 December 2014, the Ministry of Finance issued Circular No.210/2014/TT-BTC providing guidance on accounting policies applicable to securities companies ("Circular 210"). This Circular replaces Circular No. 95/2008/TT-BTC dated 24 October 2008 of the Ministry of Finance providing guidance on accounting policies applicable to securities companies and Circular No. 162/2010/TT-BTC dated 20 October 2010 amending and supplementing Circular No. 95/2008/TT-BTC. Circular 210 is applicable to fiscal year beginning on or after 1 January 2016. Circular 210 prescribes contents concerning accounting vouchers, chart of accounts as well as method of preparing and presenting the financial statements of securities companies.

On 27 December 2016, the Ministry of Finance issued Circular No.334/2016/TT-BTC amending, supplementing and replacing Appendix No.2 and No.4 of Circular 210/2014/TT-BTC dated 30 December 2014 ("Circular 334").

Circular 210 and Circular 334 lead to the following significant changes:

- Changes in name and content of the financial statements: balance sheet is renamed as statement of financial position, cash flow statement from brokerage and trust activities of investors is separately presented as a part of the basic financial statements.

- Financial assets are categorised into four groups: financial assets at fair value through profit and loss, available-for-sale financial assets, held-to-maturity investments and loans.
- Assets and liabilities of securities companies and investors (including cash deposits, securities investment and accounts payable) are separately managed.

In addition, Circular 210 and Circular 334 provide guidance on measurement of financial assets as follows:

- Financial assets at fair value through profit and loss (FVTPL): are recognized at fair value in the statement of financial position of the Company. Difference arisen from the revaluation of these assets is recognized in the income statement.
- Available-for-sale financial assets (AFS): are recognized at fair value. Any gain or loss arisen from revaluation of AFS is recognized directly in owners' equity (Other comprehensive income) in the statement of changes in owners' equity, except for loss from impairment of AFS.

- Held-to-maturity financial assets (HTM): are recognized at amortized cost using effective interest rate method.
- Loans: are recognized at amortized cost using effective interest rate method.

Circular 210 and Circular 334 is applicable to fiscal year beginning on or after 1 January 2016.

The Company has restated the comparative figures of previous period in accordance with Circular 210 and Circular 334's requirements as presented in Note 26.5.

4.2 Accounting policies issued but not yet taken effect

On 20 November 2015, the National Assembly of Vietnam passed the Law on Accounting No. 88/2015/QH13 ("the new Accounting Law"). The new Accounting Law extends its governing scope to electronic accounting documents and allows the application of fair value basis for some types of assets and liabilities whose value frequently varies in line with market fluctuation, provided that the fair value of these assets and liabilities can be reliably determined. The new Law on Accounting takes effect from 1 January 2017.

4.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

Cash deposits from customers for securities trading and cash deposits from securities issuers are presented on the off-balance sheet.

4.4 Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL are financial assets that satisfy either of the following conditions:

a) it is classified as held for trading. A financial asset is classified as held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the short term;
- There is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B09-CTCK

4.4 Financial assets at fair value through profit and loss (FVTPL) (continued)

b) upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognising gains or losses on a different basis.
- The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial assets at FVTPL are initially recognized at cost and subsequently recognized at cost minus any losses due to revaluation of financial assets as the prevailing Law on Accounting does not allow the use of fair value basis.

Transaction costs relating to the purchase of the financial assets at FVTPL are recognized when incurred as expenses for proprietary trading in the combined income statement.

4.5 Held-to-maturity investments (HTM)

HTM investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- those that the entity upon initial recognition designates as FVTPL;
- those that the entity designates as AFS; and
- those meet the definition of loans and receivables.

HTM investments are recognized initially at cost plus (+) transaction costs which are directly attributable to the investments such as brokerage fee, trading fee, issuance agent fee and banking transaction fee. After initial recognition, HTM investments are recognized at amortised cost using effective interest method.

The amortised cost of HTM investments is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility (if any).

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

4.6 Loans

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

- those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the entity upon initial recognition designates as available for sale; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

Loans are recognized initially at cost. After initial recognition, loans shall be measured at amortised cost using the effective interest method.

The amortised cost of loans is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility (if any).

Margin lending

Margin lending is giving line of credit to customers for the purposes of securities investment and is pledged by cash or securities purchased. Margin lending is recognized initially at cost. After initial recognition, margin lending shall be still measured at cost and be assessed impairment (if any).

4.7 Available-for-sale financial assets (AFS)

AFS financial assets are those non-derivative financial assets that are designated as AFS or are not classified as:

- loans and receivables;
- HTM investments; or
- Financial assets at FVTPL.

AFS financial assets are recognized initially at cost plus (+) transaction costs which are directly attributable to the purchase of the financial assets. After initial recognition, AFS financial assets are subsequently measured at cost as the prevailing Law on Accounting does not allow the use of fair value basis.

4.8 Impairment of financial assets

Impairment of FVTPL, AFS and HTM financial assets

FVTPL, AFS and HTM financial assets are assessed at the reporting date whether there is objective evidence that those assets are impaired.

Allowance for transferable securities is the difference between the original cost and market value of the financial assets as at the reporting date in accordance with Circular No. 146/2014/TT-BTC. Market value is the transferrable value of the financial assets as at the most recent transaction date, provided that this transaction date is within one month prior to the date of setting up the allowance. Any increase or decrease in balance of allowance is recognized in "Allowance expenses for doubtful debt, impairment of financial assets and borrowing cost funding loans" in the combined income statement.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B09-CTCK

4.8 Impairment of financial assets (continued)

Impairment of FVTPL, AFS and HTM financial assets (continued)

Market value/fair value of the securities is determined on the following basis:

- For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the nearest trading day when there were actual transactions preceding the date of setting up the allowance.
- For securities registered for trading on UPCoM, their market prices are their closing prices on the trading day preceding the date of setting up the allowance.
- For the delisted securities and suspended trading securities from the sixth day afterwards, their prices are the book value at the latest financial reporting date.
- The market price for unlisted securities and securities unregistered for trading on UPCoM used as a basis for setting up the allowance is the average of actual trading prices quoted by 3 securities companies conducting transactions within one month before the date of setting up the allowance.
- For securities which do not have reference prices from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at the assessment date.

Allowance for impairment of loans

For financial assets classified as loans, Company assesses these individually upon apparent evidence of significant impairment in their value. Any increase or decrease in balance of allowance is recognized in "Allowance expenses for doubtful debt, impairment of financial assets and borrowing cost funding loans" in the combined income statement.

4.9 Derecognition of financial assets

A financial asset (or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset; or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is not derecognized. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4.10 Reclassification of financial assets

Reclassification when selling financial assets not belong to FVTPL

Securities company when selling financial assets not belong to FVTPL must reclassify financial assets from other assets related to financial asset FVTPL. Reclassified differences of financial asset AFS is followed currently in "Revaluation of assets recognized at fair value" will be recognized in appropriated revenue or expense accounts at reclassify date when selling financial assets AFS.

Reclassification due to changes in plan or hold ability

Securities company can reclassify financial assets into other suitable financial asset group due to changes in plan or hold ability, in which:

Financial asset FVTPL, which is non-derivative and is not required to reclassify to FVTPL at initial recognition can be recognized to Loans and receivables under specific circumstances or Cash and cash equivalents if satisfying the conditions of this group. Any gains, losses recorded due to reclassify FVTPL before reclassify date will not be reversed.

If classification of an investment to held-to-maturity due to changes in plan or hold ability is not suitable, this investment must be transferred to main group asset AFS at fair value. Difference between book value and fair value will be recorded in combined income statement – Revaluation of assets recognized at fair value.

4.11 Receivables

Receivables are initially recorded at cost and subsequently always presented at cost.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the allowance balance are recorded as "General and administrative expenses" in the income statement.

The Company has made allowance for doubtful receivables in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance. Accordingly, the allowance rates for overdue receivables are as follows:

OVERDUE PERIOD	ALLOWANCE RATE
From over six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

| 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B09-CTCK

4.12 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

4.13 Intangible assets

Intangible assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

4.14 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Machinery and equipment	3 - 8 years
Means of transportation	6 - 8 years
Office equipment	3 - 5 years
Software	3 - 5 years
Others	3 - 5 years

4.15 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

4.16. Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the statement of financial position and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortized over the period of one (01) to three (03) years to the income statement:

- Expenses for office renovation;
- Office rental fees; and
- Office equipment.

4.17. Repurchase agreements

Securities sold under the agreements to be repurchased at a specified future date (“repo”) are not derecognized from the combined statement of financial position. The corresponding cash received is recognized in the combined statement of financial position as a liability. The difference between the sale price and repurchase price is treated as interest expense and is accrued over the life of the agreement using the straight-line method.

4.18. Borrowings

Borrowings are presented under the principal amount at the reporting date.

4.19. Payables and accrued expenses

Payables and accrued expenses are recognized for amounts to be paid in the future for interest of convertible bond, goods and services received, whether or not billed to the Company.

4.20. Employee benefits

4.20.1. Post employment benefits

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 18% of an employee’s basic salary on a monthly basis. The Company has no further obligation to fund the post-employment benefits of its employees, other than the liability to pay Social Insurance Agency on a monthly basis.

4.20.2. Voluntary resignation and retrenchment benefits

Voluntary resignation benefits: the Company has the obligation, under Article 42 of the Labor Code dated 2 April 2002, to pay an allowance to voluntarily resigning employees, equal to half of one-month’s basic salary for each year of employment plus wage allowances (if any) until 31 December 2008. Commencing 01 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period based on the average monthly salary of the most recent 06 months up to the reporting date;

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B09-CTCK

4.20. Employee benefits (continued)

4.20.2. Voluntary resignation and retrenchment benefits (continued)

Retrenchment benefits: the Company has the obligation, under Article 17 of the Labor Code, to pay an allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such cases, the Company shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one month salary for each year of employment, but no less than two-month salaries. In accordance with Circular No. 180/2012/TT-BTC issued by Ministry of Finance on 24 October 2012, since 2012, the Company stopped accruing retrenchment allowance. Payments for retrenchment allowance are recognized as administrative expenses in the period in which they are incurred.

4.20.3. Unemployment insurance

According to prevailing regulations, the Company is required to pay the unemployment insurance at 1% of salary fund of employees who engage in the unemployment insurance program and deduct 1% from each employer's basic salary to contribute to the Unemployment Insurance Fund.

4.21. Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly.

- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the period and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the period are taken to the combined income statement.

4.22. Treasury shares

Equity instruments issued by the Company which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

4.23. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from brokerage services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

Revenue from trading of securities

Revenue from trading of securities is determined by the difference between the selling price and the weighted average cost of securities sold.

Other income

Revenues from irregular activities other than turnover-generating activities are recorded to other incomes as stipulated by VAS 14 – “Revenue and other income”, including: Revenues from asset liquidation and sale; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which had been written off and included in the preceding period expenses; payable debts which are now recorded as revenue increase as their owners no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues.

Interest income

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares which only the number of shares is updated.

Other revenues from rendering services

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

4.24. Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred.

4.25. Cost of securities sold

The company applies moving weighted average method to calculate cost of equity securities sold and specific identification method to calculate cost of debt securities sold.

| 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B09-CTCK

4.26. Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the statement of financial position.

Current income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is

probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.27. Owners' equity

Contributed capital

Contributed capital from stock issuance is recorded at account charter capital in par value.

Undistributed profit

Unrealised profit of the period is the total differences between gain or loss arising from revaluation of FVTPL financial assets or other financial assets through profit and loss in the combined income statement. As the prevailing Law on Accounting does not allow the use of fair value basis, those differences are recorded as allowance for impairment expense and recognized as realised profit.

Realised profit during the year is the net difference between total revenue and income, and total expenses in the combined income statement of the Company, except for gain or loss arisen from revaluation of financial assets recognized in unrealised profit.

Reserves

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves:

	PERCENTAGE OF PROFIT AFTER TAX	MAXIMUM BALANCE
Charter Capital Supplementary Reserve	5%	10% of charter capital
Operational Risk and Financial Reserve Fund	5%	10% of charter capital

Other reserves are created in accordance with the Resolution of the Annual General Meeting of Shareholders.

4.28. Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval by the Annual General Meeting Shareholders after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

4.29. Items with nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/TT-BTC dated 26 December 2016 and Circular No. 146/2014/TT-NHNN dated 31 December 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balance.

| 5. CASH AND CASH EQUIVALENTS

B09-CTCK

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE (RESTATED)
Cash	7,450,071,427	7,429,510,896
Cash on hand	68,111,127	155,880,047
Cash atbanks for operation of the Company	7,381,960,300	5,938,728,849
Cash for securities transaction clearing and settlement	-	1,334,902,000
Cash equivalents	110,508,329,296	441,327,586,107
Total	117,958,400,723	448,757,097,003

| 6. VALUE AND VOLUME OF TRADING IN THE YEAR

	VOLUME OF TRADING IN THE PERIOD (UNIT)	VALUE OF TRADING IN THE PERIOD (VND)
1. BY THE COMPANY		
• Shares	47,741,764	664,140,412,049
• Bonds	1,701,470	1,910,179,400,000
• Other securities	4,368,030	56,260,595,200
	53,811,264	2,630,580,407,249
2. BY INVESTORS		
• Shares	3,751,594,687	54,381,731,583,000
• Bonds	521,134,976	57,629,873,910,968
• Other securities	219,67	2,272,974,700
	4,272,949,333	112,013,878,468,668

| 7. FINANCIAL ASSETS

B09-CTCK

7.1. Financial assets at fair value through profit or loss (FVTPL)

Currency: VND

	ENDING BALANCE		BEGINNING BALANCE	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
1. LISTED SHARES	95,625,192,416	91,566,608,020	116,979,121,693	98,272,771,100
TIX	26,803,284,730	34,077,223,850	27,573,868,250	21,666,825,000
SHB	11,852,599,364	10,384,500,000	-	-
HVX	10,304,249,630	4,345,260,000	10,304,249,630	4,634,944,000
VAF	9,206,621,517	7,125,125,150	10,386,374,620	8,798,220,000
Others	37,458,437,175	35,634,499,020	68,714,629,193	63,172,782,100
2. UNLISTED SHARES	7,901,854,100	2,086,463,300	7,664,326,040	1,856,565,826
PVO	6,600,000,000	1,900,000,000	6,600,000,000	1,696,000,000
PMT	1,059,173,000	122,000,000	1,059,173,000	156,000,000
Others	242,681,100	64,463,300	5,153,040	4,565,826
3. FUND CERTIFICATES	19,423,974,529	20,170,000,000	30,972,830,000	31,308,256,000
E1SSHN30	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
E1VFN30	9,423,974,529	10,170,000,000	20,972,830,000	21,308,256,000
TOTAL	122,951,021,045	113,823,071,320	155,616,277,733	131,437,592,926

7. FINANCIAL ASSETS(continued)

B09-CTCK

7.2. Available-for-sale financial assets (AFS)

Currency: VND

	ENDING BALANCE		BEGINNING BALANCE	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
SHORT-TERM	107,519,517,159	64,959,246,782	119,293,555,739	73,284,057,064
Shares	71,966,770,224	36,810,586,782	59,194,945,224	20,600,799,664
Seaprimexco Vietnam	24,000,000,000	842,400,000	24,000,000,000	-
Duc Quan Investment and Development JSC	20,000,000,000	20,000,000,000	-	-
Mediplantex National Pharmaceutical Joint Stock Company	7,875,000,000	3,896,812,500	7,875,000,000	4,015,200,000
Hanoi Phamar Joint Stock Company	-	-	6,987,720,000	3,228,741,792
Others	20,091,770,224	12,071,374,282	20,332,225,224	13,356,857,872
Fund certificates	16,576,432,682	28,148,660,000	41,060,815,365	52,683,257,400
Fund certificates	16,576,432,682	28,148,660,000	33,152,865,365	47,160,600,000
Quỹ Đầu Tư Năng Động Việt Nam (VFA)	-	-	7,907,950,000	5,522,657,400
Others proprietary investment	18,976,314,253	-	19,037,795,150	-
LONG-TERM	181,150,483,000	154,564,129,000	167,775,973,000	127,475,905,851
Shares	89,150,483,000	59,673,729,000	87,775,973,000	46,283,905,851
Bac Ha Hydropower Joint Stock Company	75,000,000,000	45,000,000,000	75,000,000,000	37,548,000,000
Global Petroleum Investment Joint Stock Company	14,150,483,000	14,673,729,000	12,775,973,000	8,735,905,851
Fund certificates	92,000,000,000	94,890,400,000	80,000,000,000	81,192,000,000
Bao Viet Value Investment Fund (BVIF)	80,000,000,000	82,888,000,000	80,000,000,000	81,192,000,000
Bao Viet Prospect Fund (BVPF)	12,000,000,000	12,002,400,000	-	-
TOTAL	288,670,000,159	219,523,375,782	287,069,528,739	200,759,962,915

7. FINANCIAL ASSETS (continued)

B09-CTCK

7.3. Held-to-maturity investments (HTM)

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
SHORT-TERM		
1. Term deposits	270,317,549,562	129,318,769,974
Term deposits contracts	270,317,549,562	129,318,769,974
Total	270,317,549,562	129,318,769,974
LONG-TERM		
1. Term deposits	94,527,294,444	-
Term deposits contracts	94,527,294,444	-
2. Listed bonds	73,707,723,293	123,765,236,306
BID10306	-	50,057,513,014
TD1318024	21,157,312,332	21,157,312,331
TD1424092	52,550,410,961	52,550,410,961
3. Unlisted bonds	160,290,835,122	-
BVB122022	90,272,071,233	-
MSN122020	70,018,763,889	-
Total	328,525,852,859	123,765,236,306

7.4. Loans

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Margin lending	735,872,635,238	604,420,360,977
TOTAL	735,872,635,238	604,420,360,977

7.5. Allowance for impairment of financial assets and mortgage assets

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
SHORT-TERM	(78,258,018,426)	(89,480,512,517)
For Financial assets at FVTPL	(18,545,278,797)	(24,990,838,390)
• Shares	(18,545,278,797)	(24,990,838,390)
For loans	(5,580,241,934)	(4,473,358,017)
• Margin lending	(5,580,241,934)	(4,473,358,017)
For AFS financial assets	(54,132,497,695)	(60,016,316,110)
• Shares	(35,156,183,442)	(38,593,228,360)
• Fund certificates	-	(2,385,292,600)
• Other proprietary investments	(18,976,314,253)	(19,037,795,150)
LONG TERM	(30,000,000,000)	(41,492,067,149)
For AFS	(30,000,000,000)	(41,492,067,149)
• Shares	(30,000,000,000)	(41,492,067,149)
TOTAL	(108,258,018,426)	(130,972,579,666)

| 7. FINANCIAL ASSETS (continued)

B09-CTCK

7.6. Detail of allowance for impairment of financial assets

Currency: VND

NO.	FINANCIAL ASSETS	BASIS OF ALLOWANCE THIS YEAR				PREVIOUS YEAR ALLOWANCE	(ADDITION)/ REVERSAL ALLOWANCE
		QUANTITY	BOOK VALUE (VND)	MARKET VALUE AS AT THE REPORTING DATE	THIS YEAR ALLOWANCE		
I	FVTPL	10,167,250	122,951,021,045	113,823,071,320	(18,545,278,797)	(24,990,838,390)	6,445,559,593
	HVX	724,210	10,304,249,630	4,345,260,000	(5,958,989,630)	(5,669,305,630)	(289,684,000)
	PVO	500,000	6,600,000,000	1,900,000,000	(4,700,000,000)	(4,904,000,000)	204,000,000
	VAF	563,251	9,206,621,517	7,125,125,150	(2,081,496,367)	(1,588,154,620)	(493,341,747)
	TIX	842,453	26,803,284,730	34,077,223,850	-	(5,907,043,250)	5,907,043,250
	Others	7,537,336	70,036,865,168	66,375,462,320	(5,804,792,800)	(6,922,334,890)	1,117,542,090
II	HTM	1,600,070	598,843,402,421	610,054,792,670	-	-	-
	TD1318024	200,000	21,157,312,332	22,203,441,555	-	-	-
	TD1424092	500,000	52,550,410,961	61,125,524,743	-	-	-
	BVB122022	900,000	90,272,071,233	90,272,071,233	-	-	-
	MSN122020	70	70,018,763,889	70,942,900,076	-	-	-
	Term deposits		364,844,844,006	365,510,855,063	-	-	-
III	LOANS		735,872,635,238	737,449,748,476	(5,580,241,934)	(4,473,358,017)	(1,106,883,917)
	Margin lending		735,872,635,238	737,449,748,476	(5,580,241,934)	(4,473,358,017)	(1,106,883,917)
IV	AFS	21,378,334	288,670,000,159	219,523,375,782	(84,132,497,695)	(101,508,383,259)	17,375,885,564
	Bac Ha Hydropower JSC.	6,000,000	75,000,000,000	45,000,000,000	(30,000,000,000)	(37,452,000,000)	7,452,000,000
	Seaprimexco Vietnam	975,000	24,000,000,000	842,400,000	(23,157,600,000)	(24,000,000,000)	842,400,000
	Other proprietary investments		18,976,314,253	-	(18,976,314,253)	(19,037,795,150)	61,480,897
	Others	14,403,334	170,693,685,906	173,680,975,782	(11,998,583,442)	(21,018,588,109)	9,020,004,667
	Total	33,145,654	1,746,337,058,863	1,680,850,988,248	(108,258,018,426)	(130,972,579,666)	22,714,561,240

8. RECEIVABLES AND ADVANCES TO SUPPLIERS

B09-CTCK
Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Receivables and accrued dividend and interest	11,910,433,601	6,675,483,428
<i>Dividend</i>	<i>4,050,125,350</i>	<i>4,289,400</i>
<i>Accrued interest from term deposits</i>	<i>702,953,079</i>	<i>1,238,342,821</i>
<i>Accrued interest from margin</i>	<i>7,157,355,172</i>	<i>5,432,851,207</i>
Receivables from services provided by the Company	4,647,585,392	4,326,787,354
Other receivables	18,490,846,191	13,129,761,674
Allowance for impairment of receivables (*)	(15,901,229,699)	(15,901,229,699)
	19,147,635,485	8,230,802,757
Advances to suppliers	43,439,389,731	7,267,526,791
Thu Do II Limited Company (advance of 5 years office rental fee)	37,718,826,600	-
Others	5,720,563,131	7,267,526,791
TOTAL	62,587,025,216	15,498,329,548

(*) Details of allowance for impairment of receivables:

DOUBTFUL DEBTS	BALANCE OF DOUBTFUL DEBTS AS AT 31 DECEMBER 2016	BEGINNING ALLOWANCE	ADDITION	REVERSAL	ENDING ALLOWANCE
<i>Currency: VND</i>	<i>15,901,229,699</i>	<i>15,901,229,699</i>	<i>-</i>	<i>-</i>	<i>15,901,229,699</i>
<i>Nguyen Manh Giao</i>	<i>1,780,000,000</i>	<i>1,780,000,000</i>	<i>-</i>	<i>-</i>	<i>1,780,000,000</i>
<i>Ha Thanh Hai</i>	<i>1,685,000,000</i>	<i>1,685,000,000</i>	<i>-</i>	<i>-</i>	<i>1,685,000,000</i>
<i>Nguyen Phuong Nam</i>	<i>4,000,000,000</i>	<i>4,000,000,000</i>	<i>-</i>	<i>-</i>	<i>4,000,000,000</i>
<i>Nam Nhat Limited Company</i>	<i>2,800,000,000</i>	<i>2,800,000,000</i>	<i>-</i>	<i>-</i>	<i>2,800,000,000</i>
<i>Other</i>	<i>5,636,229,699</i>	<i>5,636,229,699</i>	<i>-</i>	<i>-</i>	<i>5,636,229,699</i>
<i>Total</i>	<i>15,901,229,699</i>	<i>15,901,229,699</i>	<i>-</i>	<i>-</i>	<i>15,901,229,699</i>

9. OTHER SHORT-TERM ASSETS

	ENDING BALANCE	BEGINNING BALANCE
Advances	585,158,321	272,900,000
<i>Office supplies, materials and tools</i>	<i>643,803,564</i>	<i>51,800,000</i>
<i>Short-term prepaid expenses</i>	<i>2,069,415,949</i>	<i>1,205,498,945</i>
<i>Healthcare insurance for employees</i>	<i>414,049,625</i>	<i>393,758,550</i>
Software maintenance expenses	691,348,303	733,946,068
Others	964,018,021	77,794,327
TOTAL	3,298,377,834	1,530,198,945

10. TANGIBLE FIXED ASSETS

B09-CTCK
Currency: VND

	MACHINES AND EQUIPMENT	MEANS OF TRANSPORTATION	OFFICE EQUIPMENT	OTHERS	TOTAL
COST					
Beginning balance	22,394,874,421	4,264,275,167	743,263,271	-	27,402,412,859
New purchase	3,788,716,000	-	-	56,770,560	3,845,486,560
Disposal	-	-	32,340,000	-	32,340,000
Ending balance	26,183,590,421	4,264,275,167	710,923,271	56,770,560	31,215,559,419
ACCUMULATED DEPRECIATION					
Beginning balance	20,849,404,734	3,018,990,602	697,552,354	-	24,565,947,690
Depreciation for the year	1,618,356,058	286,072,764	27,876,168	5,519,360	1,937,824,350
Disposal	-	-	32,340,000	-	32,340,000
Ending balance	22,467,760,792	3,305,063,366	693,088,522	5,519,360	26,471,432,040
NET CARRYING AMOUNT					
Beginning balance	1,545,469,687	1,245,284,565	45,710,917	-	2,836,465,169
Ending balance	3,715,829,629	959,211,801	17,834,749	51,251,200	4,744,127,379

Cost of fully depreciated tangible fixed asset but still in use as at 31 December 2016 is VND24,262,497,167 (31 December 2015: VND14,887,379,767).

11. INTANGIBLE FIXED ASSETS

B09-CTCK
Currency: VND

	SOFTWARE	OTHERS	TOTAL
COST			
Beginning balance	7,502,928,184	2,967,788,256	10,470,716,440
Increase during the year	474,120,000	-	474,120,000
Ending balance	7,977,048,184	2,967,788,256	10,944,836,440
ACCUMULATED AMORTIZATION			
Beginning balance	7,465,358,035	2,894,693,833	10,360,051,868
Amortization for the year	85,039,718	73,094,423	158,134,141
Ending balance	7,550,397,753	2,967,788,256	10,518,186,009
NET CARRYING AMOUNT			
Beginning balance	37,570,149	73,094,423	110,664,572
Ending balance	426,650,431	-	426,650,431

Cost of fully depreciated intangible fixed asset but still in use as at 31 December 2016 is VND10,470,716,440 (31 December 2015: VND8,287,037,040).

12. LONG-TERM PREPAID EXPENSES

Currency: VND

	ENDING BALANCE	ENDING BALANCE
Office equipment	1,722,798,071	2,626,167,509
Office renovation expenses	778,957,168	4,225,217,983
Other long-term prepaid expenses	3,302,798,564	913,860,445
TOTAL	5,804,553,803	7,765,245,937

13. ADVANCES TO SETTLEMENT ASSISTANCE FUND

Advances to settlement assistance fund represent amounts deposited at Vietnam Securities Depository.

According to Decision No. 57/QĐ-VSD dated 28 May 2012 issued by the General Director of the Vietnam Securities Depository and Decision No. 87/2007/QĐ-BTC dated 22 October 2007 by the Minister of Finance regarding the issuance of regulations on the registration, custody, clearing and settlement of securities, and Circular No. 43/2010/TT-BTC dated 25 March 2010 regarding the amendment and supplement of the regulations, Decision No.27/QĐ/VSD dated 13 March 2015 and Decision No.45/QĐ/VSD date

22 May 2014 issued by the General Director of Vietnam Securities Depository regarding the management and usage Settlement Assistance Fund, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND 2.5 billion per annual. The maximum amount of the deposit is VND 20 billion for securities companies which have brokerage and proprietary trading operations.

Movements of the advance to settlement assistance fund during the year are as follows:

Currency: VND

	ENDING BALANCE	ENDING BALANCE
Beginning balance	21,181,760,379	19,453,261,222
Annual addition	-	546,738,778
Interest received	(1,181,760,379)	-
Interest accrued for the year (*)	1,147,619,087	1,181,760,379
TOTAL	21,147,619,087	21,181,760,379

(*) Tiền lãi phân bổ trong năm được ghi nhận dựa trên tiền lãi phân bổ được Trung tâm Lưu ký Chứng khoán Việt Nam thông báo cho năm tài chính 2016.

14. SHORT-TERM BORROWINGS

Currency: VND

	INTEREST RATE %	BEGINNING BALANCE	ADDITIONAL BORROWINGS DURING THE YEAR	REPAYMENT DURING THE YEAR	ENDING BALANCE
Short-term borrowings					
Overdraft	6.2%	29,150,839,917	216,081,996,833	245,232,836,750	-
Overdraft	6.0%	-	3,047,964,929,954	2,888,287,481,482	159,677,448,472
TOTAL		29,150,839,917	3,264,046,926,787	3,133,520,318,232	159,677,448,472

15. PAYABLES FOR SECURITIES TRANSACTION ACTIVITIESB09-CTCK
Currency: VND

	ENDING BALANCE	BEGINNING BALANCE (RESTATED)
Payable to Stock Exchanges	2,153,949,582	1,208,970,924
Payable to Vietnam Securities Depository	472,103,123	385,569,473
TOTAL	2,626,052,705	1,594,540,397

16. TRADE PAYABLES

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE (RESTATED)
Payables to related parties (Note 26.1)	331,239,720	3,240,645,547
ABC Vietnam Communication Joint Stock Company	306,120,000	-
South East Appraisal and Consulting Corporation	153,000,000	-
Others	374,100,990	217,799,919
TOTAL	1,164,460,710	3,458,445,466

17. STATUTORY OBLIGATIONSB09-CTCK
Currency: VND

NO.	ITEMS	BEGINNING BALANCE (RESTATED)	PAYABLE FOR THE YEAR	PAYMENT MADE DURING THE YEAR	ENDING BALANCE
1	Personal income tax	2,988,443,407	33,024,539,659	(32,535,073,994)	3,477,909,072
	• For employees of the Company	794,645,376	6,715,173,137	(6,692,854,365)	816,964,148
	• For investors	2,193,798,031	26,309,366,522	(25,842,219,629)	2,660,944,924
2	Corporate income tax	946,200,687	17,594,997,762	(16,476,510,295)	2,064,688,154
3	Value added tax	110,274,372	1,176,764,759	(1,045,147,349)	241,891,782
4	Other taxes	152,751,131	3,762,329,303	(3,723,664,011)	191,416,423
	TOTAL	4,197,669,597	55,558,631,483	(53,780,395,649)	5,975,905,431

18. ACCRUED EXPENSESB09-CTCK
Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
SHORT-TERM		
Accrued expenses for introducing customers	844,733,609	160,980,365
Accrued expenses for external services	1,065,731,234	664,893,189
Other accrued expenses	-	425,854,400
	1,910,464,843	1,251,727,954

19. OWNERS' EQUITY

B09-CTCK

Currency: VND

	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARE	CHARTER CAPITAL SUPPLEMENTARY RESERVE	OPERATIONAL RISK AND FINANCIAL RESERVE	UNDISTRIBUTED PROFIT	TOTAL
Beginning balance	722,339,370,000	610,253,166,720	(228,000,000)	18,808,728,387	18,808,728,387	80,757,887,200	1,450,739,880,694
Appropriation of bonus and welfare fund of year 2015 according to Resolution of the General Meeting of Shareholders	-	-	-	-	-	(4,037,894,360)	(4,037,894,360)
Appropriation of Charter capital supplementary reserves and Operational risk and Financial reserves	-	-	-	5,085,721,015	5,085,721,015	(10,171,442,030)	-
Purchase of treasury shares	-	-	(268,682,500)	-	-	-	(268,682,500)
Profit after tax for the year	-	-	-	-	-	101,714,420,306	101,714,420,306
Other increases	-	-	-	-	-	14,599,444	14,599,444
Ending balance	722,339,370,000	610,253,166,720	(496,682,500)	23,894,449,402	23,894,449,402	168,277,570,560	1,548,162,323,584

(*) treasury shares are not included in number of shares and par value.

Details of the Company's share capital as at 31 December 2016 are as follows:

	NUMBER OF SHARES (*) (UNIT)	PAR VALUE (*) (VND)	OWNERSHIP (%)
Bao Viet Holdings	43,281,193	432,811,930,000	59.9%
Other shareholders	28,918,952	289,189,520,000	40.1%
	72,200,145	722,001,450,000	100.0%

19. OWNERS' EQUITY (continued)B09-CTCK
Currency: VND

Details of the Company's shares are as follows:

	ENDING BALANCE	BEGINNING BALANCE
Authorized shares	72,233,937	72,233,937
Common shares	72,233,937	72,233,937
Preference shares	-	-
Issued and fully paid shares	72,233,937	72,233,937
Common shares	72,233,937	72,233,937
Preference shares	-	-
Repurchased shares (Treasury shares)	33,792	15,200
Common shares	33,792	15,200
Preference shares	-	-
Outstanding shares	72,200,145	72,218,737
Common shares	72,200,145	72,218,737
Preference shares	-	-

20. DISCLOSURE OF OFF-BALANCE SHEET ITEMS**20.1. The Company's financial assets listed/registered at VSD**

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Unrestricted financial assets	113,684,440,000	117,700,660,000
Financial assets awaiting settlement	1,521,500,000	3,991,100,000
TOTAL	115,205,940,000	121,691,760,000

20.2. The Company's non-traded financial assets deposited at VSD

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Unrestricted and non-traded financial assets deposited at VSD	3,000,000,000	8,000,000,000
TOTAL	3,000,000,000	8,000,000,000

20.3. The Company's awaiting financial assets

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Shares	1,577,100,000	6,003,500,000
TOTAL	1,577,100,000	6,003,500,000

20.4 The Company's financial assets which have not been deposited at VSD

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Shares	94,553,980,000	88,641,750,000
Bonds	160,000,000,000	-
Fund certificates	102,000,000,000	107,800,000,000
TOTAL	356,553,980,000	196,441,750,000

20.5. Investors' financial assets listed/registered at VSD

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Unrestricted financial assets	28,622,801,930,000	22,005,500,140,000
Restricted financial assets	206,691,910,000	158,446,710,000
Pledged financial assets	470,168,980,000	220,631,660,000
Financial assets awaiting settlement	75,730,760,000	167,436,810,000
TOTAL	29,375,393,580,000	22,552,015,320,000

20.6. Investors' non-traded financial assets deposited at VSD

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Unrestricted and non-traded financial assets deposited at VSD	13,742,840,000	5,823,450,000
Restricted and non-traded financial assets deposited at VSD	1,408,490,000	3,265,370,000
TOTAL	15,151,330,000	9,088,820,000

20. DISCLOSURE OF OFF-BALANCE SHEET ITEMS (continued)

B09-CTCK

20.7. Investor's cash deposits

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Investors' cash deposits for securities trading activities under the Company's management	160,686,058,057	415,569,063,793
• of domestic investors	143,772,358,678	398,249,889,849
• of foreign investors	16,913,699,379	17,319,173,944
Investors' cash deposits for securities trading activities	308,360,826,219	-
Investors' cash deposits for securities transaction clearing and settlement	-	24,771,814,200
• of domestic investors	-	24,629,874,200
• of foreign investors	-	141,940,000
TOTAL	469,046,884,276	440,340,877,993

20.8. Payables to investors

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Payables for investors' cash deposits for securities trading activities under the Company's management		
• of domestic investors	466,819,169,926	418,022,303,403
• of foreign investors	1,274,582,516	-
TOTAL	468,093,752,442	418,022,303,403

20.9. Investor's payables to the Company for securities services

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Securities brokerage fee payables	1,993,622,518	2,018,686,766
Securities custodian fee payables	252,064,415	274,375,708
TOTAL	2,245,686,933	2,293,062,474

21. OPERATING REVENUE

B09-CTCK

21.1. Gain/loss from disposal of financial statementsat FVTPL

NO.	FINANCIAL ASSETS	QUANTITY (UNIT)	SELLING PRICE (VND/UNIT)	PROCEEDS (VND)	WEIGHTED AVERAGE COST AT THE END OF TRANSACTION DATE (VND)	GAIN/(LOSS) FROM DISPOSAL OVER THE CURRENT YEAR (VND)	GAIN/(LOSS) FROM DISPOSAL OVER THE PREVIOUS YEAR (VND)
I	GAIN						
1	Listed shares	9,649,440		159,917,947,002	154,308,403,457	5,609,543,545	15,292,299,366
	REE	952,840	22,919	21,838,106,243	20,743,184,896	1,094,921,347	920,068,360
	VHC	-	-	-	-	-	2,257,160,400
	Others	8,696,600		138,079,840,759	133,565,218,561	4,514,622,198	12,115,070,606
2	Unlisted shares	194,131		1,486,624,600	1,450,842,636	35,781,964	-
	KLS	194,016	7,652	1,484,569,600	1,449,967,636	34,601,964	-
	Others	115		2,055,000	875,000	1,180,000	-
3	Fund certificates	2,303,820		38,214,860,900	28,863,599,154	9,351,261,746	10,922,333,898
	VFMVF1	1,000,000	25,699	25,698,570,000	16,576,432,683	9,122,137,317	10,591,859,898
	E1VFN30	1,303,820	9,600	12,516,290,900	12,287,166,471	229,124,429	330,474,000
4	Listed bonds	500,000		50,000,000,000	49,877,650,000	122,350,000	-
	BID10306	500,000	100,000	50,000,000,000	49,877,650,000	122,350,000	-
5	Unlisted bonds	150,000		150,075,000,000	150,000,000,000	75,000,000	109,572,000
	VPBANK.BOND.2016.12	150,000	1,000,500	150,075,000,000	150,000,000,000	75,000,000	-
	TP/SHB2015B	-	-	-	-	-	109,572,000
	Total	12,797,391		399,694,432,502	384,500,495,247	15,193,937,255	26,324,205,264
II	LOSS						
1	Listed shares	8,365,116		80,674,196,020	88,990,627,344	(8,316,431,324)	(14,351,242,790)
	PHC	167,600	8,108	1,358,889,744	2,989,902,116	(1,631,012,372)	(2,269,261,300)
	FCM	1,112,990	5,386	5,994,947,235	6,792,905,827	(797,958,592)	(61,266,000)
	HAG	300,000	8,680	2,603,999,800	3,241,448,288	(637,448,488)	(2,129,952,990)
	SJS	96,000	20,913	2,007,611,071	2,072,204,544	(64,593,473)	(2,559,076,770)
	Others	6,688,526		68,708,748,170	73,894,166,569	(5,185,418,399)	(7,331,685,730)
2	Unlisted shares	1,264,862		11,052,383,540	13,767,026,672	(2,714,643,132)	-
	DUOCHANOI	359,388	12,600	4,528,288,800	6,987,720,000	(2,459,431,200)	-
	Others	905,474		6,524,094,740	6,779,306,672	(255,211,932)	-
3	Fund certificates	780,000		5,307,424,200	7,907,950,000	(2,600,525,800)	(64,700,000)
	VFMVFA	780,000	6,804	5,307,424,200	7,907,950,000	(2,600,525,800)	-
	E1VFN30	-		-	-	-	(64,700,000)
	TOTAL	10,409,978		97,034,003,760	110,665,604,016	(13,631,600,256)	(14,415,942,790)

21. OPERATING REVENUE (continued)

B09-CTCK

21.2. Dividend, interest income from FVTPL, HTM, loans and AFS financial assets

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
From FVTPL financial assets	3,359,999,969	6,220,646,900
• -Shares	3,359,999,969	6,220,646,900
From HTM financial assets	31,170,368,395	38,815,814,975
• Bonds	11,098,238,776	16,889,086,809
• Term deposits	20,072,129,619	21,926,728,166
From loans	98,486,397,721	84,378,727,486
• Margin lending	83,276,506,746	62,022,578,636
• Advance proceeds from sale of securities for customers	15,209,890,975	22,356,148,850
From AFS financial assets	7,805,501,100	3,734,910,700
• Shares	7,782,982,000	3,734,910,700
• Others	22,519,100	-
TOTAL	140,822,267,185	133,150,100,061

21.3. Revenue from other activities

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Revenue from brokerage services	99,886,761,357	84,023,709,261
Revenue from underwriting and issuance agency services	272,264,577	1,028,025,755
Revenue from advisory services	9,547,556,363	9,490,733,596
Revenue from securities custodian services	4,377,884,402	3,694,319,217
Other operating revenue	5,638,608,312	15,678,426,454
Revenue from entrusted and auctions activities	225,393,640	30,810,299
Revenue from management of investor transaction accounts	3,920,030,732	9,731,467,215
Other revenues	1,493,183,940	5,916,148,940
TOTAL	119,723,075,011	113,915,214,283

22. ALLOWANCE EXPENSES FOR DOUBTFUL DEBT AND IMPAIRMENT OF FINANCIAL ASSETS

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Allowance expense for margin lending	1,106,883,917	-
Reversal of allowance of FVTPL	(6,445,559,593)	(20,906,908,890)
(Reversal)/ addition of allowance of AFS	(17,375,885,564)	2,264,522,318
TOTAL	(22,714,561,240)	(18,642,386,572)

23. GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR (RESTATED)
Payroll expenses for administrative staff	36,725,029,115	30,962,606,658
• Salary and bonus	35,286,425,902	30,145,817,257
• Social security, health insurance, union fee and unemployment insurance	1,438,603,213	816,789,401
Healthcare insurance expenses	1,764,904,759	2,293,349,406
Office supplies	412,546,227	572,076,107
Materials and tools	791,886,067	490,928,639
Depreciation of fixed asset	1,590,474,459	1,681,598,632
Tax and fee expenses	3,644,269,254	3,923,593,817
External service expenses	16,853,276,661	16,096,177,231
Allowance for doubtful debts	-	2,680,500,000
Other expenses	3,061,433,856	2,310,287,477
TOTAL	64,843,820,398	61,011,117,967

24. OTHER INCOME AND EXPENSES

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
OTHER INCOMES	9,563,637	435,363,636
Proceed from disposal of fixed assets, tools and equipment	7,363,637	435,363,636
Other revenues	2,200,000	-
OTHER EXPENSES	769,772,345	428,322,069
Contract penalty	76,000,000	-
Expenses for disposal of fixed assets, tools and equipment	111,339,820	-
Other expenses	582,432,525	428,322,069
TOTAL	(760,208,708)	7,041,567

25. CORPORATE INCOME TAX

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the combined financial statements could change later upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the combined income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted by the reporting date.

CORPORATE INCOME TAX (continued)

B09-CTCK

The estimated current corporate income tax in this year and previous year is represented in the table below:

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
PROFIT BEFORE TAX	119,306,206,190	120,324,624,019
Adjustments		
Decrease: Income from dividend	(11,142,981,969)	(9,955,557,600)
Reversal of previous non-deductible expense	(22,080,951,064)	(6,215,780,020)
Loss carried forward	-	(85,402,317,610)
Increase: Non-deductible expenses	1,876,656,262	428,322,069
ESTIMATED TAXABLE PROFITS	87,958,929,419	19,179,290,858
Tax rate	20%	22%
ESTIMATED CURRENT CIT	17,591,785,884	4,219,443,989
CIT payable/(prepaid) at the beginning of the year	946,200,687	(3,273,243,302)
CIT paid during the year	(16,476,510,295)	-
CIT penalty paid but recovered from the third party	3,211,878	-
CIT PAYABLE AT THE END OF THE YEAR	2,064,688,154	946,200,687

26. OTHER INFORMATION**26.1. Related party transaction**

Significant transactions with related parties for the year are as follows:

Currency: VND

RELATED PARTY	RELATIONSHIP	TRANSACTIONS	INCOME/(EXPENSE)	
			CURRENT YEAR	PREVIOUS YEAR
Bao Viet Holdings	Parent company	Securities transaction fee	205,804,128	130,744,612
		Custodian fee	87,892,741	194,856,967
		Reporting service fee	70,000,000	52,500,000
		Advisory fee	210,000,000	278,000,000
		Fees for dividend payout services on behalf of BVH and management of BVH's shareholders certificates	88,000,000	176,000,000
		Office renting expense	(7,500,437,246)	(7,486,023,768)
		Information technology expense	(3,535,223,997)	(2,694,231,519)
Bao Viet Value Investment Fund	Fellow subsidiary	Securities transaction fee	222,396,900	-
		Dividend received	4,000,000,000	-
Bao Viet Life Corporation (BVL)	Fellow subsidiary	Securities transaction fee	10,487,830,206	5,262,753,695
		Custodian fee	629,241,796	426,905,304
		Office renting expense	(3,008,016,000)	(3,008,016,000)

Currency: VND

RELATED PARTY	RELATIONSHIP	TRANSACTIONS	INCOME/(EXPENSE)	
			CURRENT YEAR	PREVIOUS YEAR
Bao Viet Life Hanoi	Member of BVL	Office renting expense	(498,000,000)	(498,000,000)
		Life insurance	(2,840,544,400)	(2,886,731,000)
Bao Viet Insurance Corporation (BVGI)	Fellow subsidiary	Securities transaction fee	1,176,713,587	786,899,960
		Custodian fee	27,437,566	28,822,471
Bao Viet Insurance Hanoi	Member of BVGI	Healthcare insurance for employees	(993,719,160)	(989,353,329)
		Office renting expense	-	(95,850,000)
Bao Viet Fund Management Limited Company	Fellow subsidiary	Securities transaction fee	140,517,808	85,020,836
		Custodian fee	229,515,324	193,318,520
Bao Viet Investment Joint Stock Company	Fellow subsidiary	Office renting expense	(6,107,456,949)	(5,165,365,502)
		Building management expense	(1,724,581,365)	(1,602,859,509)

Amounts due to/from related companies as at 31 December 2016 are as follows:

Currency: VND

RELATED PARTY	RELATIONSHIP	TRANSACTIONS	RECEIVABLES/(PAYABLES)	
			ENDING BALANCE	BEGINNING BALANCE
Bao Viet Holdings	Parent company	Receivable of fees relating to management of shareholder certificates	-	44,000,000
		Custodian fee	-	91,794,601
		Receivables from dividend payout service on behalf of BVH	88,000,000	132,000,000
		Information technology expense	(821,215,545)	(2,694,231,519)
		Other payables	-	(155,106,492)
Bao Viet Value Investment Fund	Fellow subsidiary	Dividend receivables	4,000,000,000	-
Bao Viet Insurance Hanoi	Member of BVGI	Healthcare insurance	(331,239,720)	(315,007,140)
Bao Viet Fund Management Limited Company	Fellow subsidiary	Custodian fee	225,717,294	183,471,722
Bao Viet Investment Joint Stock Company	Fellow subsidiary	Electricity expense	-	(76,300,396)

26. OTHER INFORMATION (continued)

B09-CTCK

26.1. Related party transaction (continued)**Transactions with other related parties**

Remuneration to members of the Board of Management and the Board of Directors

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Salary and bonus for the Board of Management of the Company and Ho Chi Minh branch (*)	5,283,266,750	5,185,634,675
Salary and bonus for the Board of Directors and the Board of Supervisors (**)	1,632,983,446	1,758,465,000
	6,916,250,196	6,944,099,675

(*) Salary and bonus for the Board of Management comprises (i) amount occurring during the period and (ii) bonus of 2015 but paid in 2016 (iii) advance bonus of 2016.

(**) Salary and bonus for the Board of Directors and the Board of Supervisors comprises (i) amount occurring during the period, (ii) effective bonus of 2015 but paid in 2016 and (iii) salary for full-time Members of the Board of Directors.

26.2. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the data used in the basic earnings per share computations:

	CURRENT YEAR	PREVIOUS YEAR (RESTATED *)
Net profit after tax - VND	101,714,420,306	116,105,180,030
Appropriation bonus and welfare fund (**)- VND Net profit after tax attributable to ordinary shareholders - VND	(4,577,805,889)	(4,037,894,360)
Net profit after tax attributable to ordinary shareholders - VND	97,136,614,417	112,067,285,670
Weighted average number of ordinary shares	72,204,793	72,218,737
Earnings per share - VND	1,345	1,552

(*) Comparative figures are restated due to the effect of appropriation bonus and welfare fund from profit after tax of year 2015 on undistributed profit for ordinary shares according to the Resolution of the Annual General Meeting of Shareholders in 2016.

(**) For the year ended 31 December 2016, the Company calculates profit after tax distributed for ordinary shareholders based on estimated appropriation bonus and welfare fund of year 2016 equivalents to 5% of profit after tax after appropriation compulsory reserves.

26.3. Operating lease commitments

The Company is renting offices under operating leases. As at 31 December 2016, the lease payments paid in the future under operating leases as follows:

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Less than 1 year	22,152,736,391	17,761,956,043
From 1 to 5 years	22,988,775,223	24,356,333,790
TOTAL	45,141,511,614	42,118,289,833

26.4. Financial risk management objectives and policies

The purpose of Risk Management System ("Risk Management") of the Company ("BVSC") is to minimize the risk events as well as to facilitate BVSC to achieve stable, safe and efficient business goals and profits.

BVSC has established the Risk Management Council ("RMC") to provide the framework and implementation of Risk Management, to advise and resume the responsibility to Chief Executive Officer ("CEO") for risk management activities at BVSC.

Risk Management activities are implemented consistently from the Board of Directors ("BOD"), the Board of Managements, the Heads of Departments to all employees. In May 2013, a member of the BOD has been appointed to: Periodically review risk management policies, risk limit; Timely resolve the limitations of risk management activities based on CEO's reports; Review and assess the efficiency and effectiveness of risk management function at BVSC.

At the executive level, the routine activities of the Risk Management Committee have been maintained since 2011. Besides, BVSC has also operated under the guidance of the SSC on establishment and operation of the risk management system, specified in Decision 105/2013/UBCK. The Company established Risk Management Department to carry out risk management and be

responsible for operational risk management activities to the General Director at BVSC. The Company issued the risk management policy; risk limits, risk management procedures to carry out risk management seriously and effectively.

In addition to the activities of risk management, BVSC has established ALCO Committee, in charge of consulting Board of Management about the management of Assets and Liabilities of the Company properly. Moreover, ALCO Committee has operated periodically since 2011.

The priority aim of BVSC is to maintain adequate funds to support business development and ensure the requirement of payment according to the regulations. BVSC continually met full requirements of funding in the year.

Risk Management activities are monitored, reported monthly by Risk Management Department. Quarterly, BVSC holds risk meeting to review incurred risk during the period, identify and assess the influence of significant risk to the Company's business activities in general as well as its financial instruments in particular.

The Company is exposed to 3 types of risk: market risk, credit risk and liquidity risk in its normal operation.

Management reviews and agrees policies for managing each of these risks which are summarized below.

| 26. OTHER INFORMATION (continued)

B09-CTCK

26.4. Financial risk management objectives and policies(continued)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. BVSC is subject to two types of risk: interest rate risk and price risk of financial instruments. The Company is not exposed to foreign currency risk as the Company does not hold foreign currency as at 31 December 2016. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments and loans & receivables investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The financial instruments of BVSC which are exposed to interest rate risk are term deposit, bonds, loans & borrowings, repo transactions and margin activities. Interest rate risk of bond investments is assessed low as the bonds held by the Company are fixed coupon rate. Interest rate risk of term deposit is assessed below average as the downward tendency of interest rate risk has a direct impact on interest income. However, the Board of Management believes that this risk is acceptable, considering the balance between liquidity, gain from term deposit and readiness for investment opportunities in the stock market.

The Company manages interest rate risk by monitoring closely related markets, in order to obtain interests, which produce benefits for the purposes of managing limited risk of the Company.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages equity price risk by placing a limit on equity investments. The Company's Board of Directors reviews and approves all equity investment decisions in accordance with investment policy 01/2015/QĐ/HĐQT-BVSC issued on 20 January 2015.

The Company's listed equity securities are susceptible to market price risk. When share price decreases below average cost, the Company makes allowance for listed equity securities. Unlisted portfolio tends to decrease if the stock market suffers from a downturn. Therefore, if the share price decreases sharply, both listed & unlisted portfolio with the positive correlation lead to higher risk, which directly affects the business performance expressed through making allowance.

With the purpose of reducing the impact of market risk, in particular of the risk of share price movement on the company's business performance, in certain of recent years, BVSC tends to restructure the portfolio by reducing investment in shares. As at 31 December 2016, the percentage of listed and unlisted is 17.1 % of the Company's Owners' Equity.

Scenario analysis is used to assess the impact of market volatility on P/L by building different scenario. The analysis as below shows the impact of listed portfolio volatility on P/L when stock exchange index move +/-10%:

	CHANGE IN VARIABLES	IMPACT ON PROFIT BEFORE TAX (VND)
31 December 2016		
Scenario 1	+10%	3,259,380,778
Scenario 2	-10%	(4,342,614,532)
31 December 2015		
Scenario 1	+10%	2,992,742,509
Scenario 2	-10%	(7,064,008,313)

Stock volatility risks of transactions traded on margin

The stock market high volatility may cause the total value of collateral assets to be lower than total debt. This makes BVSC suffer the liquidity risks from clients and investors.

Credit risk

Credit risk is the risk that counterparty will not make payment or transfer assets on time as commitments. The Company is exposed to credit risk from its investment in term deposits, corporate bonds and margin lending.

Term deposits

For the purpose of credit risk management, BVSC has term deposits only in banks which have the credit ratings in group 1 and 2 according to the internal assessment of its parent company's risk management department. In addition, BVSC also complies with credit limit for each bank as approved by the Board of Director at the beginning of each year. In fact, BVSC does not suffer from any late payment or forced for renewal contracts. The Company evaluates the concentration of credit risk in respect to bank deposit is as low.

Bonds

BVSC owns government bonds and corporate bonds in the principle of compliance with the investment limits regulated by the Board of Directors. Every investment decision is made in accordance with the Company's investment procedure, in which the credit ratings and the solvency of issuer are assessed in detail with due care. The Company is exposed to risk when the issuer has difficulties in making interest and principal payment and when the Company has to handle collaterals (if any) when the issuer is in solvency situation. Government bonds are less risky than corporate bonds as these bonds are guaranteed by the Government.

Margin lending

The company constructs policy of assessing credit rating and classifying investors to manage this type of risk. This policy is conducted by analyzing and assessing investors' history of transaction value, asset and information of credit ratings and their compliance with the Company's policy while conducting transactions with the Company as well as in other securities companies (if any). All investors must be assessed before signing the margin contracts. In addition, the Company regularly maintains the assessment to ensure the information is updated and credit risks for these transactions are minimized.

| 26. OTHER INFORMATION (continued)

B09-CTCK

26.4. Financial risk management objectives and policies(continued)

Credit risk (continued)

Besides, the Company also holds a large number of investors' shares as collaterals in providing margin service. In order to manage such collaterals as well as hedging against double risk arising from the volatility in market price and concentration risk from various investors, the Company has set up policy on the management of the allowed collaterals as well as the limit on each security accepted as collateral. These portfolios are built from the analysis and assessment such factors as: volatility in share price, the liquidation of each share in a month, etc. Such portfolios comply with Decision No.09/QĐ-UBCK dated 8 January 2013 amending the regulation guiding on the margin trading of securities.

Credit risk for these transactions is also managed by building a set of collateral ratios and conditions for handling collaterals in order to recover the fund in case the investors' credit ratings decreased or the investors fail to provide additional collaterals or repay the loans at maturity.

With consistent risk management policy, these margin transactions are assessed as average credit risk.

Details on credit quality by classes of assets for all financial assets (net of impairment) exposed to credit risk as at 31 December 2016 are as follows:

Currency: VND

	NEITHER PAST DUE NOR IMPAIRED	PAST DUE BUT NOT IMPAIRED				IMPAIRED	TOTAL
		LESS THAN 3 MONTHS	3 – 6 MONTHS	6 – 12 MONTHS	OVER 1 YEAR		
31 DECEMBER 2016							
Fixed maturity investments	598,843,402,421	-	-	-	-	-	598,843,402,421
Bonds	233,998,558,415	-	-	-	-	-	233,998,558,415
Term deposits	364,844,844,006	-	-	-	-	-	364,844,844,006
Other financial assets	771,498,123,991	-	-	-	-	-	771,498,123,991
Deposits to Settlement Assistance Fund	21,147,619,087	-	-	-	-	-	21,147,619,087
Dividend receivables	4,050,125,350	-	-	-	-	-	4,050,125,350
Receivables from securities trading activities	739,443,370,994	-	-	-	-	-	739,443,370,994
Others	6,857,008,560	-	-	-	-	-	6,857,008,560
Cash and cash equivalents	117,958,400,723	-	-	-	-	-	117,958,400,723
TOTAL	1,488,299,927,135	-	-	-	-	-	1,488,299,927,135

| 26. OTHER INFORMATION (continued)

B09-CTCK

26.4. Financial risk management objectives and policies(continued)

Credit risk (continued)

Details on credit quality by classes of assets for all financial assets (net of impairment) exposed to credit risk as at 31 December 2015 are as follows:

Currency: VND

	NEITHER PAST DUE NOR IMPAIRED	PAST DUE BUT NOT IMPAIRED				IMPAIRED	TOTAL
		LESS THAN 3 MONTHS	3 – 6 MONTHS	6 – 12 MONTHS	OVER 1 YEAR		
31 DECEMBER 2015							
Fixed maturity investments	251,873,887,749	-	-	-	-	-	251,873,887,749
Bonds	123,765,236,306	-	-	-	-	-	123,765,236,306
Term deposits	128,108,651,443	-	-	-	-	-	128,108,651,443
Other financial assets	635,536,362,787	-	-	-	-	-	635,536,362,787
Deposits to Settlement Assistance Fund	21,181,760,379	-	-	-	-	-	21,181,760,379
Dividend receivables	4,289,400	-	-	-	-	-	4,289,400
Receivables from securities trading activities	607,398,540,934	-	-	-	-	-	607,398,540,934
Others	6,951,772,074	-	-	-	-	-	6,951,772,074
Cash and cash equivalents	448,757,097,003	-	-	-	-	-	448,757,097,003
TOTAL	1,336,167,347,539	-	-	-	-	-	1,336,167,347,539

Neither past due nor impaired: financial assets or the loans with interest or principal payments not yet past due and there is no evidence of impairment.

Past due but not impaired: financial assets with past due interest and principal payments but the Company believes that these asset are not impaired as they are secured by collaterals and has confidence in the customer's credit worthiness and other credit enhancements.

| 26. OTHER INFORMATION (continued)

B09-CTCK

26.4. Financial risk management objectives and policies(continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to the shortage of funds. The Company's objective is to match cash inflows and outflows with the same maturity. Liquidity risk arises when the company involves in business activities that include short term financial obligations such as clearing activity.

Beside, liquidity risk may exist when the securities used as collateral in margin trading cannot be liquidated due to the shortage of demand. The Company strictly follows regulations from authorities and internal policy on trading margin in order to mitigate liquidity risk.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2016 based on contractual undiscounted payments:

Currency: million VND

	NO MATURITY	UP TO 1 YEAR	01-03 YEARS	03-05 YEARS	05-15 YEARS	OVER 15 YEARS	TOTAL
31 December 2016							
FINANCIAL ASSETS							
Investments	308,943	359,575	150,056	24,000	160,700	-	1,003,274
Bonds	-	87,058	45,680	24,000	160,700	-	317,438
Term deposits	-	272,517	104,376	-	-	-	376,893
Shares	308,943	-	-	-	-	-	308,943
Other financial assets	20,000	751,498	-	-	-	-	771,498
Deposits to Settlement Assistance Fund	20,000	1,148	-	-	-	-	21,148
Dividend receivables	-	4,050	-	-	-	-	4,050
Receivables from securities trading activities	-	739,443	-	-	-	-	739,443
Others	-	6,857	-	-	-	-	6,857
Cash and cash equivalents	-	117,958	-	-	-	-	117,958
TOTAL	328,943	1,229,031	150,056	24,000	160,700	-	1,892,730
FINANCIAL LIABILITIES							
Short-term borrowings	-	159,677	-	-	-	-	159,677
Accrued expenses	-	1,910	-	-	-	-	1,910
Payables from securities trading activities	-	2,626	-	-	-	-	2,626
Other payables	-	101,477	-	-	-	-	101,477
TOTAL	-	265,690	-	-	-	-	265,690

| 26. OTHER INFORMATION (continued)

B09-CTCK

26.4. Financial risk management objectives and policies(continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2015 based on contractual undiscounted payments:

Currency: million VND

	NO MATURITY	UP TO 1 YEAR	01-03 YEARS	03-05 YEARS	05-15 YEARS	OVER 15 YEARS	TOTAL
31 December 2015							
FINANCIAL ASSETS							
Investments	316,187	142,396	42,160	18,800	122,450	-	641,993
Bonds	-	11,080	42,160	18,800	122,450	-	194,490
Term deposits	-	131,316	-	-	-	-	131,316
Shares	316,187	-	-	-	-	-	316,187
Other financial assets	20,000	615,537	-	-	-	-	635,537
Deposits to Settlement Assistance Fund	20,000	1,182	-	-	-	-	21,182
Dividend receivables	-	4	-	-	-	-	4
Receivables from securities trading activities	-	607,399	-	-	-	-	607,399
Other receivables	-	6,952	-	-	-	-	6,952
Cash and cash equivalents	-	448,757	-	-	-	-	448,757
TOTAL	336,187	1,206,690	42,160	18,800	122,450	-	1,726,287
FINANCIAL LIABILITIES							
Short-term borrowings	-	29,151	-	-	-	-	29,151
Accrued expenses	-	1,252	-	-	-	-	1,252
Payables from securities trading activities	-	1,595	-	-	-	-	1,595
Other payables	-	140,819	-	-	-	-	140,819
TOTAL	-	172,817	-	-	-	-	172,817

The Company assessed the concentration of risk with respect to repayment of its liabilities and concluded it to be low.

26.5. Restatement of comparative figures

Due to effects of changes in accounting policies and requirements for financial statement preparation and presentation in accordance with Circular 210 and Circular 334, certain comparative figures on the financial statements for the previous year have been restated to be comparable with that for the current year.

a. Extract from the combined statement of financial position

Currency: VND

ASSETS	NOTE	31 DECEMBER 2015 (STATED)	RESTATE	31 DECEMBER 2015 (RESTATED)
A. CURRENT ASSETS		1,829,345,297,544	(444,391,220,142)	1,384,954,077,402
Cash	[1]	447,893,744,732	(440,464,233,836)	7,429,510,896
Cash equivalents	[2]	316,750,000,000	124,577,586,107	441,327,586,107
Short-term investments (**)	[3]	396,264,219,872	(396,264,219,872)	-
Allowance for impairment of short-term investments (**)	[3]	(85,007,154,500)	85,007,154,500	-
Financial assets at fair value through profit and loss (FVTPL) (*)		-	155,616,277,733	155,616,277,733
Loans (*)	[3]	-	604,420,360,977	604,420,360,977
AVAILABLE-FOR-SALE INVESTMENT (AFS) (*)	[3]	-	119,293,555,739	119,293,555,739
Allowance for impairment of financial assets and mortgage assets (*)	[3]	-	(89,480,512,517)	(89,480,512,517)
Receivables from customers (**)	[4]	2,456,575,334	(2,456,575,334)	-
Advances to suppliers (*)	[4]	9,413,140,391	(2,145,613,600)	7,267,526,791
Receivables from securities trading activities (**)	[2], [4]	731,743,484,438	(731,743,484,438)	-
Other receivables	[4]	28,675,676,048	(15,545,914,374)	13,129,761,674
Allowance for doubtful debts (**)	[4]	(20,374,587,716)	20,374,587,716	-
Allowance for impairment of receivables (*)	[4]	-	(15,901,229,699)	(15,901,229,699)
Receivables and accruals dividend and interest (*)	[3]	-	6,675,483,428	6,675,483,428
Receivables from services provided by the Company (*)	[4]	-	4,326,787,354	4,326,787,354
Other current assets (**)	[5]	324,700,000	(324,700,000)	-
Advances (*)	[5]	-	272,900,000	272,900,000
Office supplies, materials and tools (*)	[5]	-	51,800,000	51,800,000
B. NON-CURRENT ASSETS		278,945,810,323	3,926,986,306	282,872,796,629
Available-for-sales securities (**)	[3]	237,736,573,000	(237,736,573,000)	-
Held-to-maturity investments	[3]	49,877,650,000	73,887,586,306	123,765,236,306
Other long-term investments (*)	[3]	-	167,775,973,000	167,775,973,000
TOTAL ASSETS		2,108,291,107,867	(440,464,233,836)	1,667,826,874,031

(*) New items in the statement of financial position as required by Circular 210 and Circular 334

(**) Items which were no longer presented in the statement of financial position in accordance with Circular 210 and Circular 334

| 26. OTHER INFORMATION (continued)

B09-CTCK

26.5. Restatement of comparative figures (continued)

a. Extract from the combined statement of financial position (continued)

Currency: VND

RESOURCES	NOTE	31 DECEMBER 2015 (STATED)	RESTATE	31 DECEMBER 2015 (RESTATED)
C. LIABILITIES		657,551,227,173	(440,464,233,836)	217,086,993,337
I. Current liabilities		657,551,227,173	(440,464,233,836)	217,086,993,337
Payables for securities transaction activities	[1]	440,135,301,795	(438,540,761,398)	1,594,540,397
Shares dividend, bond principal and interest payables on behalf of issuers(**)	[1]	8,271,852,548	(8,271,852,548)	-
Payables to securities issuers(**)	[1]	14,103,367,895	(14,103,367,895)	-
Employee benefits (*)	[6]	-	843,407,495	843,407,495
Other short-term payables	[1], [6]	2,209,850,922	19,608,340,510	21,818,191,432
TOTAL LIABILITIES AND OWNERS' EQUITY		2,108,291,107,867	(440,464,233,836)	1,667,826,874,031

(*) New items in the statement of financial position as required by Circular 210 and Circular 334

(**) Items which were no longer presented in the statement of financial position in accordance with Circular 210 and Circular 334.

Details about adjustments in main items are as follows:

[1] Reclassify investors' deposits from on-balance sheet to off-balance sheet

[2] Reclassify advance proceeds from sale of securities for customersto cash equivalent in accordance with Circular 210 and Circular 334

[3] Reclassify investment portfolio in accordance with Circular 210 and Circular 334

[4] Reclassify receivables in accordance with Circular 210 and Circular 334

[5] Reclassify other assets in accordance with Circular 210 and Circular 334

[6] Reclassify borrowings in accordance with Circular 210 and Circular 334

b. Extract from the combined income statement:

Currency: VND

ITEMS	NOTE	PREVIOUS YEAR (STATED)	RESTATE	PREVIOUS YEAR (RESTATED)
Revenue from securities trading and investments (**)	[7]	53,216,596,270	(53,216,596,270)	-
Revenue from other activities (**)	[7]	135,695,261,513	(135,695,261,513)	-
Revenue from entrusted and auctions activities (**)	[7]	30,810,299	(30,810,299)	-
Gain from disposal of FVTPL (*)	[7]	-	26,324,205,264	26,324,205,264
Dividend, interest income from FVTPL (*)	[7]	-	6,220,646,900	6,220,646,900
Gain from Available-for-sale (AFS) (*)	[7]	-	3,734,910,700	3,734,910,700
Gain from held-to-maturity investments (HTM) (*)	[7]	-	38,815,814,975	38,815,814,975
Gain from loans and receivables (*)	[7]	-	84,378,727,486	84,378,727,486
Other operating revenue (*)	[7]	-	15,678,426,454	15,678,426,454
Net revenue from operating activities (**)	[7]	287,179,455,911	(287,179,455,911)	-
Total operating revenue (*)	[7]	-	273,389,519,608	273,389,519,608
Loss from disposal of FVTPL (*)	[8]	-	(14,415,942,790)	(14,415,942,790)
Allowance for doubtful debt, impairment of financial assets and borrowing cost funding loans (*)	[8]	-	18,642,386,572	18,642,386,572
Expenses for proprietary trading activity (*)	[8]	-	(2,323,666,092)	(2,323,666,092)
Expenses for brokerage services (*)	[8]	-	(79,443,343,024)	(79,443,343,024)
Expenses for underwriting and issuance agency services (*)	[8]	-	(133,263,604)	(133,263,604)
Expenses for securities custodian services (*)	[8]	-	(9,118,820,635)	(9,118,820,635)
Expenses for advisory services (*)	[8]	-	(7,758,484,603)	(7,758,484,603)
Other operating expenses (*)	[8]	-	(6,847,443,373)	(6,847,443,373)
Operating expenses (**)	[8]	(105,850,755,492)	105,850,755,492	-
Total operating expenses (*)	[8]	-	(101,398,577,549)	(101,398,577,549)
Non-fixed dividend and interest income (*)	[7]	-	13,789,936,303	13,789,936,303
Total financial income (*)	[7]	-	13,789,936,303	13,789,936,303
Borrowing cost (*)	[8]	-	(4,452,177,943)	(4,452,177,943)
Total financial expenses (*)	[8]	-	(4,452,177,943)	(4,452,177,943)
Gross profit from operating activities (**)	[7]	181,328,700,419	(181,328,700,419)	-
Operating profit (**)	[7]	120,317,582,452	(120,317,582,452)	-
Profit before tax (*)		-	120,317,582,452	120,317,582,452
Other profit/(loss) (**)		7,041,567	(7,041,567)	-
Net other (loss)/income (*)		-	7,041,567	7,041,567
PROFIT BEFORE TAX		120,324,624,019	-	120,324,624,019

(*) New items in the income statement as required by Circular 210 and Circular 334

(**) Items which were no longer presented in the income statement in accordance with Circular 210 and Circular 334

[7] Reclassify operating revenues in accordance with Circular 210 and Circular 334

[8] Reclassify operating expenses in accordance with Circular 210 and Circular 334

| 26. OTHER INFORMATION (continued)

B09-CTCK

26.5. Restatement of comparative figures (continued)

c. Extract from the combined cash flow statement:

Currency: VND

ITEMS	NOTE	PREVIOUS YEAR (STATED)	RESTATE	PREVIOUS YEAR (RESTATED)
Cash and cash equivalents at the beginning of the year	[9]	710,556,071,690	(307,210,403,363)	403,345,668,327
Cash (*)	[9]	590,556,071,690	(482,815,427,376)	107,740,644,314
Cash equivalents (*)	[9]	120,000,000,000	175,605,024,013	295,605,024,013
Cash and cash equivalents at the end of year	[9]	764,643,744,732	(315,886,647,729)	448,757,097,003
Cash (*)	[9]	447,893,744,732	(440,464,233,836)	7,429,510,896
Cash equivalents (*)	[9]	316,750,000,000	124,577,586,107	441,327,586,107
CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS (*)				
II. Cash and cash equivalents of customers at the beginning of the year (*)	[9]			
Cash at banks at the beginning of year: (*)	[9]	-	482,815,427,376	482,815,427,376
• Investors' cash deposits under the Company's management (*)	[9]	-	434,653,019,376	434,653,019,376
• Investors' cash deposits for securities transaction clearing and settlement (*)	[9]	-	48,162,408,000	48,162,408,000
III. Cash and cash equivalents of customers at the end of year (*)	[9]			
• Cash at banks at the end of the year: (*)	[9]	-	440,464,233,836	440,464,233,836
• Investors' cash deposits under the Company's management (*)	[9]	-	415,569,063,793	415,569,063,793
• Investors' cash deposits for securities transaction clearing and settlement (*)	[9]	-	24,771,814,200	24,771,814,200
• Cash deposits of securities issuers (*)	[9]	-	123,355,843	123,355,843

(*) New items in the cash flow statement as required by Circular 210 and Circular 334

(**) Items which were no longer presented the cash flow statement in accordance with Circular 210 and Circular 334

[9] Reclassify cash flows in accordance with Circular 210 and Circular 334

| 27. EVENTS AFTER THE BALANCE SHEET DATE

As at the date of this report, there have been no events or circumstances arisen since 31 December 2016, that requires adjustment or disclosure in the combined financial statements as at and for the year ended 31 December 2016.



Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department

Hanoi, Vietnam
27 March 2017



Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer

GENERAL INFORMATION

| THE COMPANY

Bao Viet Securities Joint Stock Company (“the Company”) is a joint-stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People’s Committee and Business Licence No. 01/GPHDKD issued on 26 November 1999 by the State Securities Commission with its original charter capital of VND 43,000,000,000.

On 13 December 2006, the Company’s shares were officially traded on Hanoi Securities Trading Center (now Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN issued on 30 November 2006 by Hanoi Securities Trading Center and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK issued on 13 December 2006 by Vietnam Securities Depository. On 10 December 2009, the Company was granted Amended Certificate of securities operating license No.01/GPHDKD in accordance with Decision No. 288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

The Company’s head office is located at Bao Viet Group Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Group Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

| MAJOR FEATURES OF THE COMPANY’S OPERATION

Capital

The Company’s charter capital as at 31 December 2016 was VND 722,339,370,000. Its owners’ equity was VND 1,548,162,323,584 and its total assets were VND 1,855,255,471,025.

Investment objectives

Being a listed securities company in Vietnam securities market, major business activities of the Company include brokerage service, proprietary trading, underwriting, securities investment advisory and financial advisory services. The Company aims at contributing to the development of securities market and offering benefits to its customers, investors and shareholders.

Investment restrictions

The Company complies with Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on the establishment and operation of securities companies, Circular No. 07/2016/TT-BTC dated 18 Jan 2016 amending and supplementing certain articles of Circular No. 210/2012/TT-BTC and other prevailing regulations on investment restrictions.

| BOARD OF DIRECTORS

NAME	POSITION	DATE OF APPOINTMENT/ RESIGNATION
Mr. Dau Minh Lam	Chairman	Appointed on 12 May 2016
Mr. Phan Kim Bang	Chairman	Appointed on 15 April 2015 Resigned on 12 May 2016
Mr. Pham Ngoc Tu	Member	Appointed on 15 September 2015 Approved by the Shareholders’ Annual General Meeting on 12 May 2016
Mr. Nguyen Anh Tuan	Member	Appointed on 12 May 2016
Mr. Nhu Dinh Hoa	Member	Appointed on 15 April 2015
Mr. Le Van Binh	Member	Appointed on 15 April 2015
Mr. Bui Tuan Trung	Member	Appointed on 15 April 2015 Resigned on 12 May 2016

| BOARD OF SUPERVISION

Members of the Board of Supervision for the financial year ended 31 December 2016 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT
Mr. Nguyen Xuan Hoa	Head of the Board	Appointed on 15 April 2015
Mr. Hoang Giang Binh	Member	Appointed on 15 April 2015
Ms. Nguyen Thi Thanh Van	Member	Appointed on 15 April 2015

| BOARD OF MANAGEMENT

Members of Board of Management for the financial year ended 31 December 2016 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT
Mr. Nhu Dinh Hoa	Chief Executive Officer	Appointed on 18 March 2011 Reappointed on 05 May 2014
Mrs. Nguyen Thi Thanh Thuy	Deputy Chief Executive Officer	Appointed on 15 July 2013 Reappointed on 14 July 2016
Mr. Vo Huu Tuan	Deputy Chief Executive Officer Director of Ho Chi Minh Branch	Appointed on 04 February 2011 Reappointed on 05 May 2014

| LEGAL REPRESENTATIVE

The legal representative of the Company for the financial year ended 31 December 2016 and at the date of this report is Mr. Nhu Dinh Hoa - Chief Executive Officer.

| AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Bao Viet Securities Company (“the Company”) is pleased to present its report and the financial safety ratio report (the liquid capital ratio report) of the Company as at 31 December 2016.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE FINANCIAL SAFETY RATIO REPORT (THE LIQUID CAPITAL REPORT)

Management confirmed that it has complied with the requirements of Circular No. 226/2010/TT-BTC on 31 December 2010 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios and Circular No. 165/2012/TT-BTC dated 9 October 2012 amending and supplementing a number of articles of Circular No. 226/2010/TT-BTC for the financial year ended 31 December 2016.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial safety ratio report (the Liquid capital ratio report) is prepared in accordance with the requirements of Circular No. 226/2010/TT-BTC on 31 December 2010 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios and Circular No. 165/2012/TT-BTC dated 9 October 2012 amending and supplementing a number of articles of Circular No. 226/2010/TT-BTC.

For and on behalf of the Board of Management:



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam
27 March 2017

INDEPENDENT AUDITORS’ REPORT

Reference: 60780870/18715138-VKD

To: Shareholders of Bao Viet Securities
Joint Stock Company

We have audited the accompanying financial safety ratio report (liquid capital ratio report) of Bao Viet Securities Joint Stock Company (“the Company”) as at 31 December 2016 as prepared on 27 March 2017 and set out on pages 6 to 27. The financial safety ratio report (liquid capital ratio report) has been prepared by the Company’s management in accordance with regulations of Circular No. 226/2010/TT-BTC dated 31 December 2010 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios and Circular No. 165/2012/TT-BTC dated 9 October 2012 amending and supplementing some articles of Circular No. 226/2010/TT-BTC (collectively referred to as “the regulations on preparation of the financial safety ratio report (liquid capital ratio report)”) and Note 2.1 to the financial safety ratio report (liquid capital ratio report).

Management’s responsibility

The Company’s management is responsible for the preparation and presentation of the financial safety ratio report (liquid capital ratio report) in accordance with the regulations on preparation of the financial safety ratio report (liquid capital ratio report) and Note 2.1 to the accompanying financial safety ratio report (liquid capital ratio report), and for such internal control as management determines is necessary to enable the preparation and presentation of the financial safety ratio report (liquid capital ratio report) 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 safety ratio report (liquid capital ratio report) based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to reasonable assurance about whether the financial safety ratio report (liquid capital ratio report) is free from material misstatements.



Trinh Hoang Anh
Deputy General Director
Audit Practicing Registration
Certificate No. 2071-2013-004-1

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial safety ratio report (liquid capital ratio report). The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial safety ratio report (liquid capital ratio report), whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial safety ratio report (liquid capital ratio report) in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial safety ratio report (liquid capital ratio report).

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

Opinion

In our opinion, the financial safety ratio report (liquid capital ratio report) as at 31 December 2016 is prepared and presented, in all material respects, in accordance with the regulations on preparation of the financial safety ratio report (liquid capital ratio report) and Note 2.1 to the financial safety ratio report (liquid capital ratio report).

Basis of preparation and restriction on use of audit report

Without modifying our opinion, we draw attention to Note 2.1 and Note 3 to the financial safety ratio report (liquid capital ratio report), which describes the applicable regulations, interpretations and policies to preparation of the financial safety ratio report (liquid capital ratio report). Also as describes in Note 2.2 the financial safety ratio report (liquid capital ratio report) is prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report (liquid capital ratio report). As a result, this report may not be suitable for other purposes.

Ernst & Young Vietnam Limited



Le Duc Linh
Auditor
Audit Practicing Registration
Certificate No. 1672-2013-004-1

Hanoi, Vietnam
29 March 2017

FINANCIAL SAFETY RATIO REPORT

(LIQUID CAPITAL RATIO REPORT)

As at: 31 December 2016


TO: STATE SECURITIES COMMISSION

We hereby confirm that:


- (1) The report is prepared based on the updated data at the reporting date in accordance with Circular No. 226/2010/TT-BTC on 31 December 2010 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios and Circular No. 165/2012/TT-BTC dated 9 October 2012 amending and supplementing a number of articles of Circular No. 226/2010/TT-BTC;

(2) Subsequent events after the date of this report that can have effects on the financial position of the Company will be updated in the next reporting period;


(3) We bear full legal responsibility for the accuracy and truthfulness of the contents of our report.



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department



Ms. Vu Thu Hoa
Deputy Head of Internal control




Mr. Nhu Dinh Hoa
Chief Executive Officer


Hanoi, Vietnam
27 March 2017

Unit: VND


NO.	ITEMS	NOTES	EXPOSURES TO RISK/ LIQUID CAPITAL
1	Total exposures to market risk	4	104,795,553,946
2	Total exposures to settlement risk	5	42,295,024,007
3	Total exposures to operational risk	6	60,000,000,000
4	Total exposures to risk (4=1+2+3)		207,090,577,953
5	Liquid Capital	7	1,404,194,639,403
6	Liquid Capital ratio (6=5/4) (%)		678%



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department



Ms. Vu Thu Hoa
Deputy Head of Internal control



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam
27 March 2017

NOTES TO THE FINANCIAL SAFETY RATIO REPORT

(LIQUID CAPITAL RATIO REPORT)

As at: 31 December 2016

| THE COMPANY

Bao Viet Securities Joint Stock Company (“the Company”) is a joint-stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People’s Committee and Business Licence No. 01/GPHDKD issued on 26 November 1999 by the State Securities Commission with its original charter capital of VND 43,000,000,000.

On 13 December 2006, the Company’s shares were officially traded on Hanoi Securities Trading Center (now Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN issued on 30 November 2006 by Hanoi Securities Trading Center and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK issued on 13 December 2006 by Vietnam Securities Depository. On 10 December 2009, the Company was granted Amended Certificate of securities operating license No.01/GPHDKD in accordance with Decision No. 288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

The principal activities of the Company are brokerage service, custodian service, proprietary trading, underwriting, and corporate finance and investment advisory service.

The Company’s head office is located at Bao Viet Group Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Group Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

| BASIS OF PRESENTATION

The applicable regulations

The financial safety ratio report (liquid capital ratio report) of the Company is prepared and presented in accordance with Circular No. 226/2010/TT-BTC dated 31 December 2010 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios and Circular No. 165/2012/TT-BTC dated 9 October 2012 amending and supplementing a number of articles of Circular No. 226/2010/TT-BTC.

The financial safety ratio report (the liquid capital ratio report) is prepared based on the financial figures of the Company at the reporting date.

Interpretations internally applied for certain cases for which there is no specific guidance in Circular No. 226/2010/TT-BTC and Circular No. 165/2012/TT-BTC amending and supplementing Circular No. 226/2010/TT-BTC

In the preparation and presentation of this report, the Company has applied the following interpretations for certain cases for which no specific guidance is available in Circular No. 226/2010/TT-BTC and Circular No. 165/2012/TT-BTC based on the Company’s understanding and own assessment as follows:

NO.	ITEMS	THE COMPANY’S INTERPRETATION
1	The item “Retained earnings and undistributed profit after tax before establishing statutory reserves” (Item g, Clause 1, Article 4 – Liquid Capital, Circular No. 226/2010/TT-BTC)	This item is determined by the sum of: <ul style="list-style-type: none">Retained earnings;Undistributed profit after tax as at 31 December 2016;Ending balance of allowance as at 31 December 2016.
2	The item “Receivables” (Item g, Clause 1, Article 9 - The exposures to settlement risk, Circular No. 226/2010/TT-BTC)	“Receivables” also include other receivables and other assets exposed to settlement risk and the exposures to settlement risk are calculated using the formula specified in Circular No. 226/2010/TT-BTC.

Purpose of preparation

The financial safety ratio report (liquid capital ratio report) is prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report (liquid capital ratio report) and may not be suitable for other purposes.

Reporting currency

The Company prepares this report in Vietnam dong (“VND”).

| SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF
FINANCIAL SAFETY RATIO REPORT (LIQUID CAPITAL RATIO REPORT)

Liquid capital ratio

Liquid capital ratio is a measure of financial safety of the Company, reflecting the Company's ability to quickly settle its financial obligations and its ability to absorb the risks arising in the course of business operations.

Liquid capital ratio of the Company is determined using the formula specified in Circular No. 226/2010/TT-BTC and Circular 165/2012/TT-BTC as follows:

Liquid Capital x 100%

Liquid Capital ratio =

Total exposures to risks

In particular, total exposures to risks are the sum of exposures to market risk, exposures to settlement risk, and exposures to operational risk.

Liquid Capital

As stipulated in Circular No. 226/2010/TT-BTC, the Company's liquid capital is the total equity that can be converted into cash within ninety (90) days. In particular:

- Owners' equity, excluding redeemable preferred shares (if any);
- Share premium;
- Treasury stock;
- Supplementary capital reserves;
- Investment and development fund;
- Operational risk and financial reserves;
- Other reserves belonging to owners' equity;
- Retained earnings and undistributed profit after tax before making statutory reserves;
- The difference of fixed asset revaluation (50% of the increase or 100% of the decrease);
- Differences in foreign exchange rate;
- Minorities' interests.

The Company's liquid capital is adjusted (i.e.increased/decreased) for the following items:

Increases to Liquid Capital

- Convertible debts of the Company with original maturity of 5 years;
- Debts with original maturity of more than 10 years which have been registered to supplement the Company's liquid capital with the State Securities Commission; and
- Total surplus value of investments, excluding the securities issued by the Company's related parties as well as securities restricted to transfer with the remaining restriction period of more than 90 days as from the date of the financial safety ratio report (liquid capital ratio report)..

The maximum value of items used to supplement liquid capital is 50% of the Company's owners' equity. Regarding convertible debts and debts registered to supplement the Company's liquid capital with the State Securities Commission, the Company deducts 20% of their original value each year during the last five (05) years prior to maturity/conversion into common shares and deducts 25% of residual value quarterly during the last four (04) quarters prior to maturity/conversion into common shares.

Decreases to liquid capital

- Redeemable preferred shares and treasury shares (if any);
- Total decreased value of investments, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than 90 days as from the date of financial safety ratio report (liquid capital ratio report);
- Long-term assets and short-term assets with the remaining recovery period or settlement period of more than 90 days;
- The qualified items on the audited financial statements (if any);
- Securities issued by parent company, subsidiaries, joint ventures and associates of the Company;
- Securities issued by subsidiaries, joint ventures and associates of the parent company; and
- Securities restricted to transfer with the remaining restriction period of more than 90 days as from the date of financial safety ratio report (liquid capital ratio report).

When determining the adjustments to decrease from the liquid capital, the Company reduces the value adjusted by an amount equal to the minimum value of the market value of the assets, the book value and the residual value of the obligations (for assets used as collaterals for the obligations of the Company or third parties) and the minimum value of the market value and the book value of assets (for assets secured by the customers' assets)..

Exposures to market risk

Exposures to market risk are the potential losses which may occur when the market value of the Company's assets fluctuates in a negative trend and are determined by the Company at the end of the transaction day using the following formula:

Exposures to market risk

=

Net position

x

Asset price

x

Market risk coefficient

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

Market risk shall be determined with regard to the following assets:

- Securities on the proprietary trading account, including securities in transfer from sellers;
- Securities received as supports from other individuals and organizations in accordance with prevailing regulations, including securities borrowed for the Company and securities borrowed on behalf of other individuals and organizations;
- Customers' securities taken by the Company as collateral and later used, re-pledged, put in an escrow account or provided as loans to a third party by the Company;
- Cash, cash equivalents, other instruments and valuable papers owned by the Company; and
- Securities under firm commitment issuance underwriting contracts, which remain undistributed and for which full payment has not been received in the issuance underwriting duration.

Securities and assets specified above do not include:

- Treasury stock;
- Securities issued by parent, subsidiaries, joint ventures and associates of the Company;
- Securities issued by subsidiaries, joint ventures and associates of the parent company of the Company;
- Securities restricted to transfer with the remaining restriction period of more than 90 days as from the date of financial safety ratio report (liquid capital ratio report); and
- Due debt instruments and valuable papers.

Market risk coefficient

Market risk coefficient is determined for each item of assets as specified in Circular No. 226/2010/TT-BTC.

Asset price

a. Cash and cash equivalents, money market instruments

Value of cash in VND is the balance of cash at the calculation date.

Value of cash in foreign currencies is the equivalent value in VND using the exchange rate published by credit institutions which are allowed to conduct foreign currencies trading at the calculation date.

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

| SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (LIQUID CAPITAL RATIO REPORT) (CONTINUED)

Exposures to market risk (Continued)

Asset price (Continued)

b. Bonds

Value of listed bonds is the average price quoted on the trading system of Securities Stock Exchange on the latest trading day plus accrued interest. In case there is no transaction for such bonds during more than two (2) weeks prior to the date of calculation, the value of bonds is the highest of the following values: acquisition cost; face value and price determined by the internal valuation methods, including accrued interest.

Value of unlisted bonds is the highest of the following values: quoted price on the quotation system selected by the Company (if any); acquisition cost plus accrued interest; price determined by the internal valuation methods, including accrued interest.

c. Shares

Value of listed shares is determined based on the quoted closing prices on the Ho Chi Minh Stock Exchange and the Hanoi Stock Exchange of the latest trading day prior to the date of calculation.

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

In case there is no transaction of the shares during more than two (2) weeks prior to the date of calculation or the shares are suspended, delisted or cancelled, value of these shares is the highest of the following values: book value; acquisition cost and price determined by internal valuation methods of the Company.

Value of shares which are registered or custodied but have not been listed or registered for trading is the average price of quotations from at least three (03) securities companies which are not related to the Company on the latest trading

day prior to the date of calculation. If there is no sufficient quotation from at least three (03) securities companies, the value of shares is the highest of the following values: quoted price; value determined in the latest reporting period; book value; acquisition cost; price determined by internal valuation methods of the Company.

d. Fund certificates

Value of fund certificate are determined based on the quoted closing prices of the latest trading day prior to the date of calculation. In case there is no transactions of the fund certificates during more than two (2) weeks prior to the date of calculation, value of these fund certificates is the net asset value (NAV) per fund certificate of the latest reporting date prior to the date of calculation.

Adjustment to increase the exposures to market risk

Except for the securities under firm commitment issuance underwriting contract, Government bonds and bonds guaranteed by the Government, exposures to market risk of an asset will be adjusted to increase if the Company makes significant investment in such assets. The exposures to market risk will be adjusted in accordance with the following principles:

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

Dividends, coupons, preference right of shares (if any) or interest of deposits, cash equivalents, negotiable instruments and valuable papers shall be added to the value of asset for the purpose of determining the exposures to market risk.

Exposures to settlement risk

Exposures to settlement risk are the potential losses which may occur when a partner fails to fulfill its settlement obligation or transfer assets on time as committed. Exposures to settlement risk are determined at the transaction date as follows:

- For term deposits at credit institutions; loans to organizations and individuals; securities borrowing contracts in accordance with legal regulations; repurchase agreements and reversed repurchase agreements in accordance with prevailing regulations; margin loans in accordance with prevailing regulations; receivables, other receivables and other assets exposed to settlement risk, exposures to settlement risk before the date of securities transfer / cash settlement / contract liquidation shall be determined using the following formula:

Exposures to settlement risk = Settlement risk coefficient of partner x Value of assets exposed to settlement risk.

- For underwriting contracts in the form of firm commitment signed with other organizations in a syndicated underwriting contract in which the Company is the lead underwriter, the exposures to settlement risk value equals 30% of the remaining value of unpaid underwriting contracts.

- For overdue receivables, other receivables and other assets, securities which have not been received on time, including securities and cash which have not been received from term deposits at credit institutions; loans to organizations and individuals; securities borrowing contracts in accordance with prevailing regulations; repurchase and reverse repurchase agreements in accordance with prevailing regulations; matured margin loans in accordance with prevailing regulations, exposures to settlement risk is determined as follows:

Exposures to settlement risk = Settlement risk coefficient by time x Value of assets exposed to settlement risk.

| SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (LIQUID CAPITAL RATIO REPORT) (CONTINUED)

Exposures to settlement risk (continued)

Settlement risk coefficient

Settlement risk coefficient is determined based on the type of counterparties and the overdue period as stipulated in Circular No. 226/2010/TT-BTC.

Settlement/transfer period of securities is T+2 (for listed securities), T+1 (for listed bonds); or T+n (for transactions outside the official trading system within n days under agreement of both parties).

Value of assets exposed to settlement risk

a. Purchase or sale of securities for customers or the Company

Value of assets exposed to settlement risk is the market value of the contract determined as follows:

- Value of assets exposed to settlement risk in securities borrowing and lending contracts, margin trading, repurchase transactions, margin lending, repurchase or reverse repurchase agreements:

NO.	TYPE OF TRANSACTION	VALUE OF ASSETS EXPOSED TO SETTLEMENT RISK
1	Term deposits and loans without collaterals	Total loan value
2	Securities lending	$\text{Max}\{(\text{Market value of the contract} - \text{Collateral value (if any)}), 0\}$
3	Securities borrowing	$\text{Max}\{(\text{Collateral value} - \text{Market value of the contract}), 0\}$
4	Reverse repurchase agreements	$\text{Max}\{(\text{Contract value based on purchase price} - \text{Market value of the contract} \times (1 - \text{Market risk coefficient})), 0\}$
5	Repurchase agreements	$\text{Max}\{(\text{Market value of the contract} \times (1 - \text{Market risk coefficient}) - \text{Contract value based on selling price}), 0\}$
6	Margin contracts (loans to customers to purchase securities)/other economic agreements with the similar nature	$\text{Max}\{(\text{Margin balance} - \text{Collateral value}), 0\}$

Margin balance includes outstanding loan principal, interest and other fees.

Collateral value is the market value of collaterals. In case the value of collaterals has no reference in the market, its value is determined by the internal methods of the Company.

- Value of assets exposed to settlement risk in securities trading

NO.	PERIOD	VALUE OF ASSETS EXPOSED TO SETTLEMENT RISK
A – FOR THE SELLING TRANSACTIONS (THE SELLER IS THE COMPANY OR ITS CUSTOMERS UNDER THE SECURITIES BROKERAGE ACTIVITIES)		
1	Before the settlement date/period	0
2	After the settlement date/period	$\frac{\text{Market value of the contract (if market value is less than trading value)}}{0 \text{ (if market value is greater than trading value)}}$
B – FOR THE BUYING TRANSACTIONS (THE BUYER IS THE COMPANY OR THE COMPANY’S CUSTOMER)		
1	Before the securities transfer date/period	0
2	After the securities transfer date/period	$\frac{\text{Market value of the contract (if market value is less than trading value)}}{0 \text{ (if market value is greater than trading value)}}$

b. Receivables, matured bonds, matured debt instruments

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

Deduction to value of assets exposed to settlement risk

The value of collaterals shall be deducted from the Company’s value of assets exposed to settlement risk if the related contracts and transactions satisfy the following conditions:

- Partners or customers use collaterals to ensure their fulfillment of obligations and their collaterals are cash, cash equivalents, valuable papers, negotiable instruments on the money market, securities listed and registered on the Securities Stock Exchange, Government bonds, bonds guaranteed by the Ministry of Finance;
- The Company has rights to control, manage, use, and transfer collaterals if partners fail to make payment fully and timely as agreed in the contracts..

Value of asset subjected to deduction is determined as follows:

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

| SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (LIQUID CAPITAL RATIO REPORT) (CONTINUED)

Exposures to settlement risk (continued)

Increase in exposures to settlement risk

Exposures to settlement risk are adjusted to increase in the following cases:

- An increase of 10% if the value of loans to an organization, an individual and a group of related organizations / individuals (if any) accounts for from 10% to 15% of the owners' equity of the Company;
- An increase of 20% if the value of loan to an organization, an individual and a group of related organizations / individuals (if any) accounts for from 15% to 25% of the owners' equity of the Company;
- An increase of 30% if the value of loan to an organization, an individual and a group of related organizations / individuals (if any), or an individual and related parties of that individual (if any), accounts for more than 25% of the owners' equity of the Company.

Net-off of assets exposed to settlement risk

Values of assets exposed to settlement risk are net-off if fully satisfying the following conditions:

- Settlement risk is attributable to the same partners;
- Settlement risk arises in the same type of transactions;
- The net-off has been agreed in written documents by both parties.

Settlement/transfer period of securities is T+2 (for listed securities), T+1 (for listed bonds); or T+n (for transactions outside the official trading system within n days under agreement of both parties).

Exposures to operational risk

Exposures to operational risk are the potential losses which may occur due to technical errors, system errors and business processes, human errors during performing their work, or due to the lack of capital resulting from expenses, losses arising from investment activities, or other objective reasons.

Exposures to operational risk of the Company are determined at the higher of 25% of the Company's operating expenses within twelve (12) consecutive months up to the latest month and 20% of the Company's legal capital.

The Company's operating expenses are determined from total expenses incurring in the period less: depreciation expense; allowance expense for the impairment of short-term and long-term investments; and allowance for doubtful debts.

| EXPOSURES TO MARKET RISK

INVESTMENT ITEMS	RISK COEFFICIENT (%)	SCALE OF RISK (VND)	EXPOSURES TO RISK (VND)
	(1)	(2)	(3) = (1) x (2)
I. CASH AND CASH EQUIVALENTS, MONEY MARKET INSTRUMENTS		117,958,400,723	-
Cash (VND)	0	7,450,071,427	-
Cash equivalents	0	110,508,329,296	-
Valuable papers and negotiable instruments in the money market	0	-	-
II. GOVERNMENT BONDS		83,328,966,298	2,499,868,989
Zero-coupon Government bonds	0	-	-
Coupon Government bonds		83,328,966,298	2,499,868,989
Government bonds, Government bonds of OECD countries or guaranteed by the Government or the Central Bank of the OECD countries, Bonds issued by international institutions such as IBRD, ADB, IADB, AfDB, EIB and EBRD	3	83,328,966,298	2,499,868,989
Project bonds guaranteed by the Government or Ministry of Finance having remaining maturity of less than 1 year;	3	-	-
Project bonds guaranteed by the Government, Ministry of Finance having remaining maturity of 1 to 5 years;	4	-	-
Project bonds guaranteed by the Government, Ministry of Finance having remaining maturity of more than 5 years;	5	-	-
III. CORPORATE BONDS		70,942,900,076	21,282,870,023
Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	-	-
Listed bonds having maturity of 1 to 5 years, including convertible bonds	15	-	-
Listed bonds having maturity of more than 5 years, including convertible bonds	20	-	-
Unlisted bonds having remaining maturity of less than 1 year, including convertible bonds	25	-	-
Unlisted bonds having maturity of 1 to 5 years, including convertible bonds	30	70,942,900,076	21,282,870,023
Unlisted bonds having maturity of more than 5 years, including convertible bonds	40	-	-

| EXPOSURES TO MARKET RISK (CONTINUED)

INVESTMENT ITEMS	RISK COEFFICIENT (%)	SCALE OF RISK (VND)	EXPOSURES TO RISK (VND)
	(1)	(2)	(3) = (1) x (2)
IV. SHARES		243,191,434,294	76,997,326,214
Ordinary shares, preferred shares of entities listed on Ho Chi Minh Stock Exchange; open-end fund certificates	10	93,103,769,770	9,310,376,977
Ordinary shares, preferred shares of entities listed on Hanoi Stock Exchange	15	18,546,762,100	2,782,014,315
Ordinary shares, preferred shares of unlisted public entities registered for trading through UPCoM system	20	2,885,054,300	577,010,860
Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO	30	-	-
Shares of other public companies	50	128,655,848,124	64,327,924,062
V. CERTIFICATES OF SECURITIES INVESTMENT FUNDS		40,151,060,000	4,015,106,000
Public funds, including public securities investment companies	10	40,151,060,000	4,015,106,000
Private funds, including private securities investment companies	30	-	-
VI. SECURITIES UNDER TRADING RESTRICTION		921,800	382,720
Securities suspended temporarily from trading	40	781,800	312,720
Delisted, cancelled securities	50	140,000	70,000
VII. OTHER SECURITIES		-	-
Shares, contributed capital and other securities	80	-	-
TOTAL EXPOSURES TO MARKET RISK (I+II+III+IV+V+VI+VII)			104,795,553,946

| EXPOSURES TO SETTLEMENT RISK

	Exposures to settlement risk VND
Risks before payments are due (Note 5.1)	22.015.656.180
Risks of overdue payments (Note 5.2)	15.901.229.699
Increase in exposures to settlement risk (Note 5.3)	4.378.138.128
Exposures to settlement risk	42.295.024.007

Risks before payments are due

The exposures to settlement risk of undue items are determined as follows:

TYPE OF TRANSACTIONS	EXPOSURES TO RISK(VND)						TOTAL EXPOSURES TO RISK (VND)
	(1)	(2)	(3)	(4)	(5)	(6)	
1. Term deposits and loans without collaterals	-	-	-	-	21,890,690,640	-	21,890,690,640
2. Securities lendings	-	-	-	-	-	-	-
3. Securities borrowings	-	-	-	-	-	-	-
4. Reverse repurchase agreements	-	-	-	-	-	-	-
5. Repurchase agreements	-	-	-	-	124,965,540	-	124,965,540
6. Margin trading contracts (loans to customers to purchase securities)/ other agreements with similar nature	-	-	-	-	-	-	-
TOTAL EXPOSURES TO SETTLEMENT RISK BEFORE PAYMENT TERMS							22,015,656,180

| EXPOSURES TO SETTLEMENT RISK (CONTINUED)

Risks before payment term (continued)

Details of settlement risk coefficients by counterparties are determined as follows:

COUNTERPARTIES OF THE COMPANY		SETTLEMENT RISK COEFFICIENT
(1)	Government, issuers guaranteed by the Government, Ministry of Finance, State Bank, Government and Central Banks of OECD countries; People's committees of provinces and centrally-controlled municipalities	0%
(2)	Securities Stock Exchanges and Vietnam Securities Depository	0.8%
(3)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and have credit ratings in accordance with the internal policies of the Company	3.2%
(4)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and do not meet the requirements specified in the internal policies of the Company or which are not established in OECD countries	4.8%
(5)	Credit institutions, financial institutions, and securities trading institutions being established and operating in Vietnam	6%
(6)	Other entities and individuals	8%

Risks of overdue payments

The total exposures to settlement risk of overdue items are as follows:

NO.	OVERDUE PERIOD	SETTLEMENT RISK COEFFICIENT (%)	SCALE OF RISK (VND)	EXPOSURES TO SETTLEMENT RISK (VND)
1	0 – 15 days after the settlement date	16	-	-
2	16 – 30 days after the settlement date	32	-	-
3	31 – 60 days after the settlement date	48	-	-
4	From 60 days and above	100	15,901,229,699	15,901,229,699
TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE PAYMENTS				15,901,229,699

Increase in exposures to settlement risk

The increase in exposures to settlement risk is determined as follow:

	Increment coefficient	Amount VND
The value of loans provided to an institution, individual and the group of related institutions accounts for between 10% and 15% of owner equity	10%	-
The value of loans provided to an institution, individual and the group of related institutions accounts for between 15% and 25% of owner equity	20%	364,844,844,006
The value of loans provided to an institution, individual and the group of related institutions accounts for over 25% of owner equity	30%	-
Total		72,968,968,801
Settlement risk coefficient		6%
Total increase in exposures to settlement risk		4,378,138,128

| EXPOSURES TO OPERATIONAL RISK

ITEMS	AMOUNT (VND)
I. Total operating expenses incurring within 12 months	186,985,386,089
II. Deductions from total expenses (Note 6.1)	(15,018,084,874)
III. Total expenses after deductions (III = I – II)	202,003,470,963
IV. 25% of total expense after deductions (IV = 25% III)	50,500,867,741
V. 20% legal capital of the Company	60,000,000,000
TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})	60,000,000,000

Deductions from total expenses

	Amount VND
Depreciation expenses	2,193,974,953
Allowance for impairment of short-term securities investments	(11,622,492,678)
Allowance for impairment of long-term securities investment	(8,270,067,149)
Allowance for doubtful debts	2,680,500,000
	(15,018,084,874)

| LIQUID CAPITAL

NO.	CONTENTS	LIQUID CAPITAL		
		LIQUID CAPITAL VND	DEDUCTIONS VND	INCREASES VND
A	EQUITY	(1)	(2)	(3)
1	Owners' equity, excluding of redeemable preferred shares	722,339,370,000		
2	Share premium	610,253,166,720		
3	Treasury shares	(496,682,500)		
4	Supplementary capital reserve	23,894,449,402		
5	Investment and development fund	-		
6	Operational risk and financial reserve	23,894,449,402		
7	Other reserves belonging to owners' equity	-		
8	Retained earnings and undistributed profit after tax before making statutory reserves (Note 7.1)	292,436,818,685		
9	Differences in asset revaluation (50% increasing or 100% decreasing)	-		
10	Differences in foreign exchange rate	-		
11	Minorities' interests	-		
12	Convertible debts			-
13	Total increase or decrease of securities in financial investments (Note 7.2)		50,729,636,897	32,061,340,943
1A	TOTAL			1,653,653,275,755

NO.	CONTENTS	LIQUID CAPITAL		
		LIQUID CAPITAL VND	DEDUCTIONS VND	INCREASES VND
B	SHORT-TERM ASSETS			
I	Cash and cash equivalents			
II	Short-term financial investments		529,060	
1.	Short-term financial investments		529,060	
	Securities exposed to market risks			
	Securities deducted from Liquid Capital (Note 7.3)		529,060	
2.	Allowance for impairment of short-term securities investments			
III	Short-term receivables		43,439,389,731	
1.	Trade receivables		-	
	Receivables from customers due in 90 days or less			
	Receivables from customers due in more than 90 days		-	
2.	Advances to suppliers		43,439,389,731	
3.	Short-term internal receivables		-	
	Internal receivables due in 90 days or less			
	Internal receivables due in more than 90 days		-	
4.	Receivables from securities trading		-	
	Receivables from securities trading due in 90 days or less			
	Receivables from securities trading due in more than 90 days		-	
5.	Other receivables		-	
	Other receivables due in 90 days or less			
	Other receivables due in more than 90 days		-	
6.	Allowance for doubtful short-term debts			

| LIQUID CAPITAL (continued)

NO.	CONTENTS	LIQUID CAPITAL		
		LIQUID CAPITAL VND	DEDUCTIONS VND	INCREASES VND
B	SHORT-TERM ASSETS			
IV	Inventories		643,803,564	
V	Other short-term assets		2,069,415,949	
1.	Short-term prepaid expenses		2,069,415,949	
2.	Deductible VAT			
3.	Tax and other receivables from the State			
4.	Other short-term assets		-	
4.1	Advances		-	
	Advances to be cleared in 90 days or less			
	Advances to be cleared in more than 90 days		-	
4.2	Other receivables, short-term assets		-	
1B	Total			46,153,138,304
C	LONG-TERM ASSETS			
I	Long-term receivables, including receivables from trust activities		-	
1.	Long-term trade receivables		-	
	Long-term receivables from customers due in 90 days or less			
	Long-term receivables from customers due in more than 90 days		-	
2.	Capital investments in subsidiaries			
3.	Long-term internal receivables		-	
	Long-term internal receivables due in 90 days or less			
	Long-term internal receivables due in more than 90 days		-	

STT	NỘI DUNG	VỐN KHẢ DỤNG		
		VỐN KHẢ DỤNG VND	KHOẢN GIẢM TRỪ VND	KHOẢN TĂNG THÊM VND
C	LONG-TERM ASSETS			
4.	Other long-term receivables		-	
	Other long-term receivables due in 90 days or less			
	Other long-term receivables due in more than 90 days		-	
5	Allowance for long-term doubtful debts			
II	Fixed assets		5,170,777,810	
III	Investment properties		-	
IV	Long-term financial investments		170,272,071,233	
1.	Investments in subsidiaries		-	
2.	Investments in associates and joint-venture		-	
3.	Long-term investments in securities		170,272,071,233	
	Securities exposed to market risk			
	Securities deducted from Liquid Capital (Note 7.3)		170,272,071,233	
4.	Other long-term investments		-	
5.	Allowance for impairment of long-term securities investments			
V	Other long-term assets		27,862,649,005	
	Assets qualified in audited financial statements that are not deducted in accordance with Article 5-Circular 226		-	
1C	TOTAL			203,305,498,048
TOTAL LIQUID CAPITAL = 1A-1B-1C				1,404,194,639,403

| LIQUID CAPITAL (continued)**Retained earnings and undistributed profit after tax before making statutory reserves**

	Carrying value VND
Undistributed profit after tax	168,277,570,560
Allowance for impairment of short-term securities investments	(78,258,018,426)
Allowance for impairment of long-term securities investment	(30,000,000,000)
Allowance for doubtful debts	(15,901,229,699)
Retained earnings and undistributed profit after tax before making statutory reserves (5 = 1-2-3-4)	292,436,818,685

Increases and decreases in value of securities

Details of the increases and decreases in value of securities in financial investments which are adjusted to liquid capital as at 31 December 2016 are as follows:

	Carrying value VND	Market value VND	Difference VND
Increases			
Listed shares	32,271,712,029	40,942,602,290	8,670,890,261
Unlisted shares	14,151,972,400	14,676,391,100	524,418,700
Listed bonds	73,707,723,293	83,328,966,298	9,621,243,005
Unlisted bonds	70,018,763,889	70,942,900,076	924,136,187
Fund certificates	38,000,407,211	50,321,060,000	12,320,652,789
	228,150,578,822	260,211,919,765	32,061,340,943
Decreases			
Listed shares	63,215,951,327	50,488,074,530	(12,727,876,797)
Unlisted shares	85,886,714,000	47,884,953,900	(38,001,760,100)
	149,102,665,327	98,373,028,430	(50,729,636,897)

Securities deducted from Liquid Capital

	Carrying value VND
Short term	
Shares issued by parent company	529,060
	529,060
Long term	
Bond issued by associates of parent company of the company	90,272,071,233
Securities issued by subsidiary company of parent company	80,000,000,000
	170,272,071,233

| EVENTS AFTER THE REPORTING DATE

There is no matter or circumstance that has arisen since the reporting date that requires adjustments or disclosures in the financial safety ratio report (liquid capital ratio report).



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department

Hanoi, Vietnam
27 March 2017



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Chief Executive Officer



