

TECHNOLOGICAL INNOVATION
FAR-REACHING EXPANSION

ANNUAL REPORT 2018

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GENERAL INTRODUCTION

**STANDING THE GROUND
MARCHING FORTH**

COMPANY INFORMATION

Company name in Vietnamese: Công ty TNHH Chứng khoán Ngân hàng Thương mại Cổ phần Ngoại Thương Việt Nam.

Company name in English: VIETCOMBANK SECURITIES CO. LTD (VCBS).

Date of establishment: January 07th 2002 under Decision No.27/QĐ-HĐQT of the Board of Directors, Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank).

The Establishment and Operation License No. 09/GPHDKD dated 24 April 2002 issued by the State Securities Commission.

The latest adjustment no. 63/GPDC-UBCK granted by the State Securities Commission on December 29, 2017.

Company business:

VCBS is licensed to provide all securities-related products and services in accordance with legal regulations.

Charter capital: VND 1,000,000,000,000 (One thousand billion Vietnam Dong).

Head Office: 12th & 17th Floor, Vietcombank Tower, 198 Tran Quang Khai, Hoan Kiem District, Hanoi.

Tel: (84-24)-39366990 - **Fax:** (84-24)-39360262

Website: www.vcbs.com.vn

MILESTONES

2002

- Being the first securities company providing online priceboard (www.vcbs.com.vn) and on-line trading platform (Cyber Investor) to investors.
- Being the leading securities company tapping bond market (which had solely been dominated by commercial banks) and underwriting the issuance of Government Bond worth VND 1,000 billion.
- Opening VCBS Branch in Ho Chi Minh city (VCBS HCMC).

2003

- Being the advisor and underwriter of Imexco's share issuance, marking the first firm commitment underwriting in Vietnam's stock market.

2004

- Being the advisor and underwriter of Eximbank shares issuance (VND 200 billion in value), the largest firm commitment underwriting deal in the first 5 years of Vietnam's stock market.

2005

- Receiving Certificate of Merit from Vietnam's Minister of Finance for outstanding performance in the IPO of POSTEF (POT), which was the first IPO conducted at Hanoi Securities Trading Center – predecessor of the current Hanoi Stock Exchange (HNX).
- Receiving Certificate of Merit from Vietnam's Governor of State Bank for outstanding contributions in 2004.
- Receiving Certificate of Merit from Vietnam's Minister of Finance for building & developing the stock market from 2000 to 2005.

2006

- Increasing Charter Capital from VND 60 billion to VND 200 billion.
- Receiving Certificate of Merit from Vietnam's Prime Minister for socio-economic achievements
- Receiving Certificate of Merit from the Chairman of HCMC People Committee for contributions to municipal bond underwriting.
- Receiving Certificate of Merit from Vietnam's Minister of Finance for outstanding achievements in capital market development.

2007

- Being the advisor of Vietcombank's IPO, one of the largest IPOs in Vietnam.
- Underwriting Vietnam Steel Corporation's bond issuance (VND 400 billion in value) and Song Da Corporation bond issuance (VND 300 billion in value).
- Opening VCBS Branch in Da Nang city (VCBS Da Nang).

2008

- Reorganizing after 5 years of operation.
- Opening VCBS Transaction Office at Vietcombank Hai Duong.

2009

- Increasing Charter Capital from VND 200 billion to VND 700 billion.
- Among the first securities companies qualifying for connecting with Ho Chi Minh Stock Exchange (HSX) online trading system.
- Receiving "Prestigious Securities Brand" Award for being among Outstanding Investment Bankers.
- Receiving "Outstanding Securities Company" Award from Hanoi Stock Exchange.

2010

- Opening VCBS Branch in Can Tho city (VCBS Can Tho).
- Among the first securities companies qualifying for connecting with Hanoi Stock Exchange (HNX) online trading system.
- Receiving Certificate of Merit from the Chairman of HCMC People Committee for years of excellent performance.

2011

- Opening VCBS Branch in Vung Tau city (VCBS Vung Tau).
- Being the first securities company to execute major M&A deals between banks, namely:
 - » The merger of ShinhanVina Joint-Venture Bank and Shinhan Vietnam Bank.
 - » The merger of First Joint Stock Commercial Bank, Vietnam Tin Nghia Joint Stock Commercial Bank and Saigon Joint Stock Commercial Bank.

MILESTONES (CONTINUED)

2012

- Receiving Certificate of Merit from the Chairman of State Securities Commission for "Outstanding achievements in the secondary bond market's operations in 2012".
- Brokering M&A deals between:
 - » Saigon Hanoi Joint Stock Commercial Bank and Hanoi Building Joint Stock Commercial Bank.
 - » Vietnam Italy Steel JSC. and Song Da Steel JSC.
- Underwriting Vinaenco's bond issuance (VND 250 billion in value).
- Consulting for and arranging BIM Seafood's bond issuance (VND 250 billion in value).

2013

- Among the top members in the primary and secondary bond markets regarding market share.
- Among the top ten brokerage houses of shares and fund certificates on HSX.
- Underwriting CII's bond issuance (VND 1,000 billion in value) and Vinacomin's bond issuance (VND 5,000 billion in value).
- Successfully arranging M&A deals between Song Da 9 JSC and Song Da 91 JSC; and between Someco Song Da and Someco Hoa Binh.

2014

- Among top 4 brokerage houses of Government Bond & Treasury Bill with more than 10% market share.
- Receiving Certificate of Merit from the Chairman of State Securities Commission for outstanding achievements in developing Vietnam's bond market from 2009 to 2014.
- Successfully issuing VCBS bonds (VND 200 billion in value) to clients.
- Receiving "Outstanding Member in 2009-2014" Award from HNX.
- Among top 10 brokerage houses of shares and fund certificates on HSX.

2015

- Underwriting the bond issuance by Masan Consumer Holdings (MCH) (VND 9,000 billion in value), which was a subsidiary of Masan Group.
- Underwriting the bond issuance by Vinpearl Nha Trang bond issuance (VND 2,300 billion in value), which was a subsidiary of Vingroup.
- Officially launching new trading platforms, including Home Trading, Web Trading, Mobile Trading and App Trading modules.

- Among top 5 stock listing consultants and auction agency on HSX.
- Receiving "Outstanding Member in 2005-2015" Award from HNX.
- Successfully issuing VCBS bonds to clients (VND 300 billion in value).
- Establishing Giang Vo transaction office in Hanoi and Hai Phong representative office in Hai Phong city.

2016

- Advising for and underwriting the issuance of Vietcombank's bond (8,000 billion VND in value).
- Receiving Certificate of Merit from Minister of Finance for outstanding contribution to the development of Vietnam's stock market.
- Receiving "Outstanding Member of Vietnam's stock market 2015-2016" Award from HNX.
- Opening VCBS representative office in Binh Duong city.

2017

- Increasing Charter Capital from VND 700 billion to VND 1,000 billion.
- Being the only auction agency in the state capital divestment from Saigon Beer - Alcohol - Beverage Corporation (SAB) whose transaction value through VCBS totaling VND 110,000 billion.
- Honored by Vietnam Securities Depository Center (VSD) as "Outstanding Member in stock and payment transactions".
- Honored by HNX as "Outstanding Securities Company Member in 2017".
- Honored by HNX as "Outstanding Member of the Treasury Bond Market in 2017".

2018

- Being auction agency in Vietnam Construction and Import-Export Joint Stock Corporation's divestment deal whose value totaling VND 7,366 billion.
- Successfully arranging M&A deals for foreign investors to purchase shares of Vietnam Textile and Garment Group (10%), Vietnam - Italy Steel JSC. (45%), PAN Group JSC. (8.97%).
- Being the ninth member in the market to provide derivative securities trading service.
- Honored by Vietnam Securities Depository (VSD) as "Outstanding member in stock depository service in 2018" and "Outstanding member in payment and stock transactions in 2018".
- Honored by HNX and HOSE as "Outstanding member in 2017 - 2018".

STATEMENTS FROM CHAIRWOMAN AND CEO



2018 witnessed an outstanding performance of VCBS when the company successfully carried out many major deals contributing to the market's growth.

Dear valued clients,

2018 is a year of impressive growth of Vietnam's economy when 12 socio-economic development targets proposed by the National Assembly at the beginning of the year have been achieved or exceeded. GDP grew by 7.08%, which was the highest in the past 11 years. Inflation has been kept at below 4% threshold for 3 consecutive years. Despite rising pressure at the end of the year, exchange rates and interest rates remained stable under the cautious administration and supervision of the State Bank of Vietnam. In spite of positive domestic macroeconomic factors, major international economic events such as US-China trade tensions or FED's interest rate hikes made Vietnam's stock market experience strong volatility resulting in investors' expectation changing continuously. VN Index peaked in mid-April at more than 1,200 points, then fell into a bearish cycle before recovered partially in the later half of the year. However, due to relatively low liquidity, the recovery is not remarkable and VN Index closed the year at 892 points.

In that context, as the 100%-owned subsidiary of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), VCBS utilized its 17 years of operating experience in Vietnam's stock market, its modern online trading system and extensive network and its team of competent professionals with constant efforts in order to exceed 2018's business targets and create a solid foundation for achieving 2019's business plan, contributing to the development of Vietnam's stock market as well as receiving the trust of partners and investors with increasing reputation.

2018 witnessed an outstanding performance of VCBS when the company successfully carried out many major deals contributing to the market's growth, namely being the only auction agency selected in the state capital divestment from Saigon Beer-Alcohol-Beverage Corporation (Sabeco) whose total transaction value through VCBS reaching VND 110,000 billion; being auction agency for the state capital divestment from Vietnam Construction and Import-Export Joint Stock Corporation (VCG) whose total transaction value reaching VND 7,366 billion; successfully arranging M&A deals for foreign investors to purchase shares of Vietnam Textile and Garment Group (10%), Vietnam - Italy Steel JSC. (45%), PAN Group JSC. (8.97%),...; and underwriting the issuance of corporate bonds whose value totaling trillions VND.

STATEMENTS FROM CHAIRWOMAN AND CEO (CONTINUED)

Moreover, VCBS is one of the first securities company to provide the market with derivative trading products and launch Portfolio Management Entrustment product (VCBS Privilege) for individual clients with substantial asset size besides traditional standardized products and services. Moreover, in order to meet clients increasing demand, VCBS opened Hoang Mai transaction office in October 2018, expanding the company's branches in Hanoi to 3 transaction offices.

Contributions to the development of the stock market from VCBS were recognized through being honored by Ho Chi Minh Stock Exchange and Hanoi Stock Exchange as "Outstanding Member in 2017-2018", and by Vietnam Securities Depository (VSD) as "Outstanding Member in stock depository services in 2018" and "Outstanding member in payment of stock transactions in 2018". These achievements in 2018 proved the determination and continuous effort of all staff throughout the company to grow even stronger in the coming year.

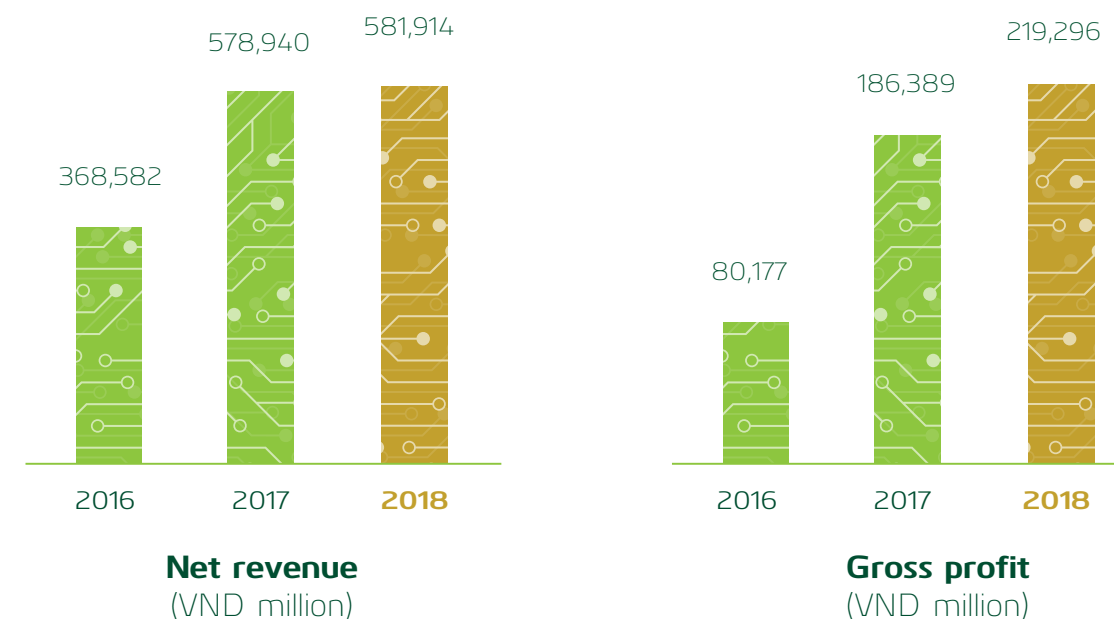
As a member of Vietcombank's system, VCBS will continue to promote business by providing all-in-one products from commercial banking to investment banking. Accordingly, investment banking will be the core business to develop other services provided by the company, such as (i) expanding and completing institutional clients' products and corporate finance consulting; (ii) improving services' quality and deploying new product packages to serve diverse demands of retail clients; (iii) concentrating resources to accelerate the construction of information technology system and thereby providing clients with modern, safe and confidential experiences. Other necessary conditions such as personnel quality along with other integral solutions are also promoted to improve the company's business model.

In the coming time, despite the challenging context in the stock market, VCBS commits to be a reliable partner for both domestic and international investors, enterprises and financial institutions. VCBS will continue to provide products with diversity and high quality, and constantly strive to bring utmost benefits to clients.

Chairwoman
NGUYEN THI KIM OANH

CEO
LE MANH HUNG

FINANCIAL HIGHLIGHTS



Indicator table (Unit: VND million)

Item	2016	2017	2018
Net revenue	368,582	578,940	581,914
Operating expense	(157,548)	(225,345)	(178,877)
Financial income	2,279	2,364	2,552
Financial expense	(62,350)	(82,859)	(89,516)
General and administrative Expenses	(70,786)	(86,711)	(96,777)
Gross profit	80,177	186,389	219,296
Other income/expense		76	254
Profit before tax	80,177	186,464	219,550
Profit after tax	65,723	151,715	171,919
Charter capital	700,000	1,000,000	1,000,000
Current ratio	165.80%	197.74%	193.16%
Total liabilities /Total assets	56.33%	60.97%	51.18%
Total liabilities/ Total Stock holder equity	128.98%	156.19%	104.84%
Total Asset Turnover	15.71%	19.76%	18.85%
Gross profit margin	17.89%	26.21%	29.54%
ROA	5.80%	11.90%	12.76%
ROE	2.53%	4.65%	5.57%
Capital adequacy ratio	265%	308%	367%

BUSINESS DEVELOPMENT ORIENTATION

VCBS continues to improve its administrative capability and expense management and builds its management processes following the latest optimal standards.

After experiencing the year 2018 with high volatility, we view that the market size will witness positive changes in 2019. Thanks to state capital divestments from large corporations like VEAM, Lilama, Viglacera, etc., investors may expect abundant moneyflows returning to the market in 2019. In addition, the successful signing of CPTPP will help a number of industries to be more competitive in export activities such as seafood, textiles, etc. However, investors still face challenges, including inflation pressure in the domestic market and uncertain developments from America, China and Europe.

As the market is expected to grow both in terms of size and quality, Securities Law was amended to be consistent with international common practices and assist Vietnam's stock market to quickly integrate with the global market and speed up the ranking promotion process. However, this change also created more competition among securities companies, requiring VCBS to have more intensive innovations to enhance its position. In 2019, VCBS orientates its' business model toward international standards with the vision to become the leading investment bank in Vietnam. The company will strengthen its cooperation with Vietcombank and utilize the parent company's infrastructure resources, networks and client database to create all-in-one financial solution packages for clients. VCBS continues to improve its administrative capability and expense management and builds its management processes following the latest optimal standards. In 2019, VCBS set revenue target at VND 642 billion and profit-before-tax target at VND 230 billion.





NET REVENUE
581.91
VND BILLION

PROFIT
BEFORE TAX
219.55
VND BILLION

PROFIT
AFTER TAX
171.92
VND BILLION

EXECUTIVE BOARD'S REPORT

**CONSISTENTLY
FOLLOWING THE ORIENTATION**

VIETNAM'S ECONOMY AND STOCK MARKET OVERVIEW IN 2018

GDP growth in 2018 reached 7.08% - the highest rate in the last 11 years thanks to significant contribution from service and processing industries. In addition, FDI disbursements remained high while consumption demand continued to record positive signals to support economic growth. Inflation in 2018 only increased by 2.98%, while average CPI in 2018 increased by 3.54% compared with 2017's figure and was lower than the National Assembly's target of 4%. Central exchange rate increased by 1.78% by the end of 2018 and the depreciation of VND is lower than that of other currencies in the region, showing the effectiveness of the SBV's administrative policies. Deposit interest rates gradually stabilized after having increased by 30-50 basis points during the first days of the 4th quarter while lending interest rates did not witness any major volatility.

However, 2018 witnessed strong fluctuations in the stock market when the index rose sharply and peaked along with remarkably high liquidity in the first four months of the year. However, during the remaining eight months, the index fell into a bearish correction phase and VN Index and HNX Index decreased by 9.32% and 10.81% by the end of 2018 respectively. Average market liquidity reached 253 million shares, equivalent to VND 6,173 billion (including both order-matching and put-through transaction value). 2018 also recorded many milestones of Vietnam's stock market, i.e. a series of large-cap stocks were listed and traded, changing the rankings of top 10 biggest stocks in the market in terms of capitalization; the booming of the derivative market; and FTSE putting Vietnam into its watchlist for ranking promotion; etc.

VN-Index: - 9.32%

HNX-Index: -10.81%



BUSINESS PERFORMANCE IN 2018

Despite facing high volatility both in the market and macroeconomic context in 2018, VCBS recorded positive growth in terms of revenue and profit and exceeded business targets.

REVENUE REACHED

581.91

VND BILLION



Despite facing high volatility both in the market and macroeconomic context in 2018, VCBS recorded positive growth in terms of revenue and profit and exceeded business targets. Revenue reached VND 581.91 billion, and net profit after tax reached VND 171.92 billion.

The performance was made by the persistent, flexible and appropriate management of VCBS in 2018, especially in fields such as Investment and Treasury & Bond trading. The company also developed and promoted new products to benefit clients the most. Specifically, VCBS became the ninth member in the derivative market of Hanoi Stock Exchange and launched Portfolio Management Entrustment product (VCBS Privilege).

PROFIT AFTER TAX REACHED

171.92

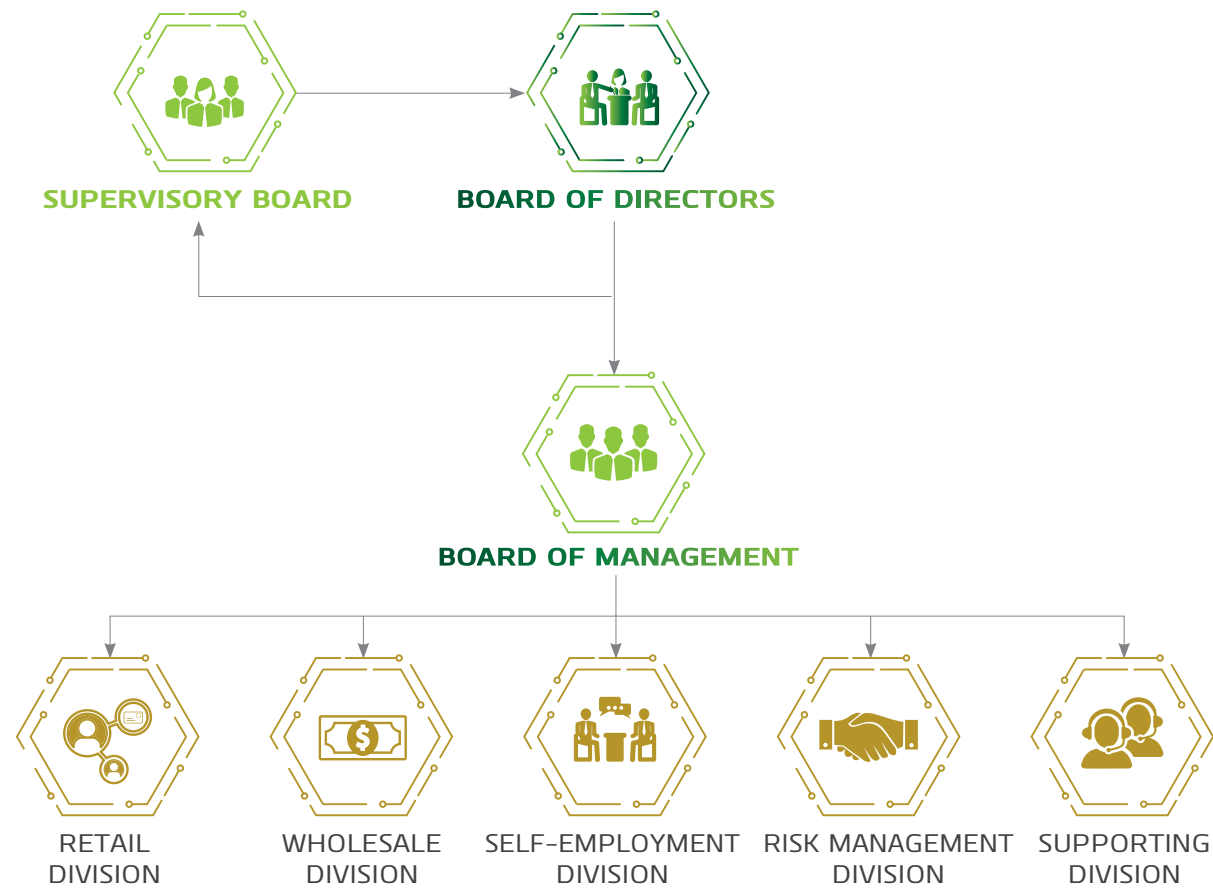
VND BILLION



ORGANIZATIONAL STRUCTURE

**UNITING TO
STRENGTHEN INNER POWER**

ORGANIZATIONAL STRUCTURE



LIST OF BOARDS' MEMBERS

NAME	POSITION
MS. NGUYEN THI KIM OANH	DEPUTY GENERAL DIRECTOR OF VIETCOMBANK CHAIRWOMAN OF VCBS BOD
MS. HOANG DIEM THUY	MEMBER OF VCBS BOD
MR. LE MANH HUNG	MEMBER OF VCBS BOD, CEO
MR. TRAN VIET ANH	DEPUTY CEO
MR. LE VIET HA	DEPUTY CEO
MR. TRAN VIET HUNG	DEPUTY CEO DIRECTOR OF HO CHI MINH BRANCH
MR. PHAN ANH VU	DEPUTY CEO
MS. NGUYEN THUY QUYNH	HEAD OF SUPERVISORY BOARD

INTRODUCTION OF EXECUTIVE BOARD



Ms. **NGUYEN THI KIM OANH**
DEPUTY GENERAL DIRECTOR OF
VIETCOMBANK, CHAIRWOMAN OF VCBS BOD

Ms. Nguyen Thi Kim Oanh is currently holding the position of Deputy General Director of Vietcombank, Chairwoman of VCBS's Board, Chairwoman of Vietnam Bond Market Association. Ms. Nguyen Thi Kim Oanh holds a Master degree in Finance and Banking from the University of New South Wales, Australia.



Ms. **HOANG DIEM THUY**
MEMBER OF THE BOARD OF DIRECTOR

Ms. Hoang Diem Thuy holds the following positions: Head of Asset Liability Management Department – Vietcombank Head Office, Member of VCBS Board of Director. Ms. Hoang Diem Thuy holds an MBA from the National Economics University and CFVG.



Mr. **LE MANH HUNG**
MEMBER OF THE BOARD OF DIRECTOR – CEO

Mr. Le Manh Hung has been working for VCBS since 2007. With many years of experience in Finance and Banking, Mr. Le Manh Hung has held the position of Head of Equity Investment Department, Deputy Director of VCBS before being appointed to the position of VCBS Director. Mr. Le Manh Hung holds a Master of Business Administration (MBA) degree in Finance from California State University – East Bay (USA).

INTRODUCTION OF MANAGEMENT BOARD & SUPERVISORY BOARD



Mr. **LE MANH HUNG**
CEO

Mr. Le Manh Hung has been working for VCBS since 2007. With many years of experience in Finance and Banking, Mr. Le Manh Hung has held the position of Head of Equity Investment Department, Deputy Director of VCBS before being Appointed to the position of VCBS Director. Mr. Le Manh Hung holds a Master of Business Administration (MBA) degree in Finance from California State University - East Bay (USA).



Mr. **TRAN VIET HUNG**
DEPUTY CEO
DIRECTOR OF HO CHI MINH BRANCH

Mr. Tran Viet Hung has been working for Vietcombank since 2006. Mr. Tran Viet Hung was Deputy Head of Asset and Liability Management Department at Vietcombank Head Office, and VCBS's Head of Capital and Bond Trading department before being appointed as Deputy Director of VCBS. Mr. Tran Viet Hung received his BA in Foreign Trade from the Foreign Trade University.

Mr. **TRAN VIET ANH**
DEPUTY CEO

Mr. Tran Viet Anh has been working for Vietcombank since 1994, with 8 years of experience in forex, money market, and derivatives in domestic and international market (at Vietcombank Treasury Department); 16 years of experience in the securities market including brokerage, corporate finance, M&A, project investment, securities trading (at VCBS), investment fund management, asset management (at VCBF); 10 years of corporates management experiences. Mr. Tran Viet Anh obtained his MBA at Solvay Business School, Brussels, Belgium and his BA degree at Foreign Trade University - Hanoi, Vietnam.



Mr. **PHAN ANH VU**
DEPUTY CEO

Mr. Phan Anh Vu joined VCBS since 2002; he was Manager of Brokerage Department, Head Office before being promoted to the position of Deputy CEO of VCBS. Mr. Phan Anh Vu holds a Master Degree in Finance from the University of Queensland - Australia.



Mr. **LE VIET HA**
DEPUTY CEO

Mr. Le Viet Ha held various key positions in the management team of VCBS before being promoted to the position of Deputy CEO of VCBS. He graduated from Banking Academy in Banking and Finance and holds a Bachelor Degree of Law from Hanoi Law University.



Ms. **NGUYEN THUY QUYNH**
HEAD OF SUPERVISORY BOARD

Ms. Nguyen Thuy Quynh has been working for VCBS for several years and held key positions in the management team of VCBS before being promoted as Head of Supervisory Board. Ms. Nguyen Thuy Quynh graduated from Finance - Banking Department, University of Hanoi National Economics.



BUSINESS OPERATIONS

**EXPANSION OF
INVESTMENT CONNECTIONS**

INDIVIDUAL CLIENTS

HIGHLIGHTS



INCREASING INVESTORS' BENEFITS

VCBS always listens to and is ready to meet the specific demands of each client by providing tailored product packages. VCBS deployed active trading service package at competitive price to help clients reduce transaction costs. With this package, clients will benefited from the lowest fees applied to all transactions and the most competitive margin interest rate in the market. At the same time, clients demanding support from professionals can choose their own brokers and investment advisors. Accordingly, they will receive direct recommendation on investment opportunities and effective portfolio management strategy at a reasonable price when trading at VCBS.

Thanks to the collaboration between Research & Analysis and Investment Banking departments and the application of modern valuation and appraisal

models, VCBS provided our clients with effective investment recommendations through professional analysis reports on macroeconomic, important sectors/industries in the economy and enterprises in the stock market.

Given that risks always exist in the stock market, VCBS recommends appropriate strategies to maximize profit and maintain sustainable asset growth for clients. Our team of Investment Advisors will constantly improve expertise and strive to be a reliable partner for all clients.

CONSTANTLY CREATING NEW PROFITABLE INVESTMENT CHANNELS

VCBS is one of the pioneers in the market in providing advisory service for and underwriting bond issuances aiming to individual investors. Individual clients have the opportunity to become bondholders of leading

businesses with high growth potential, which was the domain of financial institutions alone in the past.

In 2018, VCBS successfully arranged the issuance of corporate bonds by reputable companies with high growth potential like KSB, VPI, DRH, etc. These corporate bonds were available to be liquidated through market making operation and transactions on secondary market at VCBS. This was a very flexible product for investors as they could enjoy higher bond yields but were still able to return to the stock market in case of bullish trend appearing.

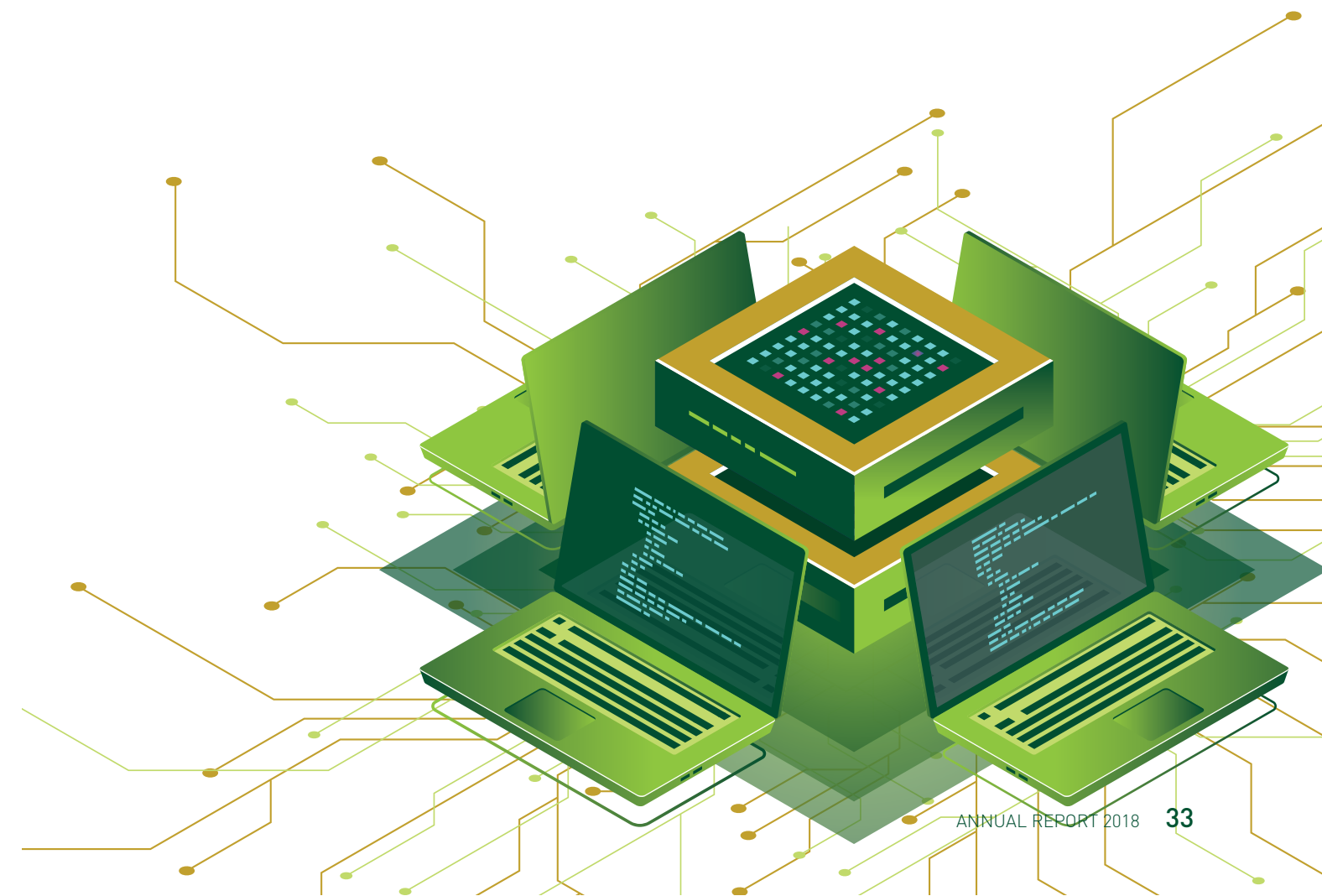
VCBS will continue to bring new corporate bond products for clients with more choices to diversify their investment portfolio and ensure their capital's profitability in the coming time.

Remarkably in 2018, VCBS officially launched the Portfolio Management Entrustment product (VCBS

Privilege). This was a cooperation between VCBS and clients, through entrustment agreement, securities accounts of clients were managed by experienced experts of VCBS. When using VCBS Privilege, clients could minimize effort but were still able to monitor investment efficiency over time.

STATE-OF-THE-ART AND CONVENIENT ONLINE TRADING SYSTEM

VCBS continues to provide new features and utilities on the state-of-the-art trading platform (VCBS Trading) in the market currently. Clients can experience the latest, most modern and completely convenient technology via modules such as VCBS - Web Trading, VCBS - Home Trading, VCBS - Mobile Web Trading and VCBS - Mobile App Trading.



INDIVIDUAL CLIENTS (CONTINUED)

The multi-way order placing platform and synchronous utility system effectively support investors' trading efficiency. Outstanding features includes:

- Placing orders at the best buying/selling price;
- Placing orders according to securities balance;
- Placing conditional orders;
- Placing put-through orders;
- Automatic risk warning system;
- Margin/Short-term margin with competitive interest rates;
- Quick Margin with no interest on the first 3 trading days;
- Transaction of Rights to receive money from securities selling/Automatic cash advancement;
- Cash deposit at the end of the day to increase capital usage efficiency;
- Online execution of rights.

MODERN AND PROFESSIONAL CUSTOMER CARE SERVICE

As one of the pioneers in the application of modern technology in business as well as customer care, in the past time, VCBS has launched modern customer care and support system called VCBS Contact Center.

VCBS Contact Center is a system that uses advanced technology and artificial intelligence to provide clients with support from VCBS through many communication devices such as online website, phone, email, messages and other smart devices.

Via intelligent and automatic identification and allocation system, questions and problems from customers will be received and responded immediately by professionals and experienced consultants. Thereby, customers can save time when finding information about products and services and carrying out securities transactions quickly and accurately.

At the same time, VCBS Contact Center also applied artificial intelligence technology to provide customers with smart services in querying their trading accounts 24/7 through hotline 1900 98 9999.

Some typical features offered by VCBS Contact Center to clients:

- Multi-channel communication with VCBS via: online website, phone, email, instant messaging and other smart devices.
- Automatically 24/7 responding when clients query on account balance and transaction results of the day;
- Intelligent identification and automatic allocation system to provide immediate care from professionals and experienced consultants;
- 3-party conference between Customer - Consultant - VCBS Expert;
- Voice message to contact VCBS for support, etc.

WIDE CLIENT NETWORK

With the desire to provide clients with both commercial banking and investment banking services, VCBS continued to cooperate with Vietcombank branches to expand customer care network by establishing Hoang Mai Transaction Office in 2018. With this, VCBS now have 04 (four) Transaction Offices including 02 (two) Branches and 06 (six) Representative Offices nationwide.

In the coming time, VCBS will continue to cooperate with Vietcombank to expand customer care network aiming to bring professional securities services to investor community across the country.



CORPORATE CLIENTS

HIGHLIGHTS



MAINTAINING TRUST AND COOPERATION FROM DOMESTIC AND INTERNATIONAL PARTNERS

As one of the first companies in Vietnam's stock market, VCBS had 17 years developing alongside the market. The more the market developed, the more diverse clients' demand became. Therefore, VCBS always targets at improving and expanding the services provided to customers. For corporate clients, so far VCBS Corporate Finance Advisory Division can provide all service as follows:

- Capital raising consultancy:** Arranging issuance of shares and bonds, being securities issuance agency, underwriting securities issuance;
- Corporate finance restructuring consultancy:** Capital divestment and equitization/business organization form changing consultancy, debt & equity swap/stock swap consultancy, share issuance consultancy to pay dividends/from equity.
- Mergers and acquisitions (M&A) consultancy:** Strategic partner seeking and share buying, selling or business merging consultancy.
- Other consulting services:** Advising on share listing and trading registration on UPCOM, on registering/stopping being public company, on investors' relation management.

As a 100%-owned subsidiary of Vietcombank, VCBS inherits professional administrative policies and receives solid support from the parent bank in terms of financial resource and client network. Additionally, VCBS and its Corporate Finance Advisory Division also continuously improve the management model and personnel quality, as well as expand client database and build close relationships with regulatory bodies.

In 2018, investment banking operation of VCBS grasped numerous remarkable achievements and continued to affirm its position as one of the leading investment banks in Vietnam's stock market. Thanks to the extensive experience and insight of the market, VCBS successfully carried out many deals and continued to be trusted by State Corporations and major enterprises in plenty of business fields.

In terms of capital raising advisory services, VCBS consulted for and underwrote over VND 10 trillion value of bonds for organizations including Vietcombank (VCB), Binh Duong Minerals and Construction Joint Stock Company (KSB), Van Phu-Invest Investment Corporation (VPI), DRH Holdings (DRH), Fecon Corporation (FCN), etc., advised on share issuances of Agriculture Printing And Packaging Joint Stock Company (INN), underwrote with firm commitment the share issuance of Fecon JSC. (FCN), and advised on the share issuance of Seafood Joint Stock Company No.4, etc.

Regarding consulting service on corporate finance restructuring, VCBS helped Vietnam Posts and Telecommunications Group and MobiFone Corporation to successfully divest from a number of its member companies and advised on the divestment of Dong Nai Rubber Corporation from Ho Chi Minh City Commercial Joint Stock Bank (HDB). VCBS also advised on Vietcombank's divestment from Orient Commercial Joint Stock Bank (OCB), Vietnam Export Import Commercial Joint Stock Bank (EIB), Military Commercial Joint Stock Bank (MBB), Saigon Bank For Industry And Trade (SGB) and Cement Finance JSC. (CFC); on the equitizations of Dak Lak Rubber Limited Company, Song Da Corporation, etc. Noticeably, by late 2017 and early 2018, VCBS cooperated with Vietcombank to support Ministry of Industry and Trade to successfully divest state capital from Saigon Beer-Alcohol-Beverage Corporation (SABECO). Not only contributing to the success of the share auction, after the result of the auction was determined, VCBS also supported both Ministry of

Industry and Trade and the only winning bidder which was Vietnam Beverage Ltd. to complete required procedures to carry out the transaction of shares via Vietnam Securities Depository Center, officially ending the transfer of 53.59% of SABECO shares from the State to Vietnam Beverage Company Limited and successfully closing the deal. With a value of nearly VND 110 trillion (equivalent to nearly US\$5 billion), this is record divestment deal in terms of size by the Government of Vietnam so far and is also a remarkable deal in the region. Besides, the fact that VCBS was the only auction agency whose service being chosen by investors also affirms the reputation of VCBS on Vietnam's stock market.

In addition to maintaining the above traditional products, VCBS also sees great potential from foreign investors when witnessing the increasing foreign capital flowing into Vietnam. Thanks to the effective support from domestic and foreign partners, especially Mizuho (strategic partner of Vietcombank - the parent Bank of VCBS), M&A consultancy is also highly promoted. VCBS contributed to a number of successful M&A deals such as Kyoee Steel buying shares of Vietnam - Italy Steel Joint Stock Company (VIS), Sojitz Corporation buying shares of PAN Group (PAN) through private issuance, etc.

In the coming time, thanks to the support from Vietcombank and the smooth cooperation between Vietcombank, VCBS and Mizuho, VCBS will keep focusing on areas with great added value such as M&A consultancy, bond issuance underwriting for institutional and individual clients, share issuance underwriting, etc.



FINANCIAL INSTITUTION CLIENTS

HIGHLIGHTS

Honored by Hanoi Stock Exchange (HNX) and Vietnam Bond Market Association (VBMA) as one of nine outstanding members in the government bond market in 2018 regarding the participation extent in primary market and secondary market, compliance with members' obligations and the participation extent in market development programs.

Ranked top in terms of bond auction brokerage market share in 2018 (among the group with over 10% market share) and being one of 15 official members eligible to participate in the government bond auction market in 2019.

Targeting to maintain the current market share of government bond brokerage on HNX among the Top 3 with over 10% market share, and of listed corporate bond brokerage on Ho Chi Minh Stock Exchange as the 2nd biggest brokerage house.

SOLIDIFYING THE CURRENT POSITION IN THE MARKET



With experienced staffs that are knowledgeable of local and international practices, products for financial institutional clients at VCBS completely changed the financial marketing 2018. Along with the reputation and position of VCBS in the market, through a series of investment connection activities and events with domestic and international partners, VCBS continued to affirm the leading position in the Investment Banking business, typically as follows:

- Hosting "Investor Connecting Day Japan – Vietnam" event with Mizuho Bank. The event attracted many delegates representing financial groups, FDI enterprises and reputable Japanese companies seeking investment and cooperation opportunities in Vietnam. This was an annual event organized by VCBS to share information about the business environment and potential investment and cooperation opportunities in Vietnam.

- Organizing programs to visit and seek potential companies across the country with topics meeting financial institutional clients' demands. Through these programs, clients of VCBS had the opportunity to understand companies' business operations and prospects in Vietnam.

- Organizing seminars presenting macroeconomic prospects and investment opportunities for major financial institutional clients in Hanoi and Ho Chi Minh City. Through these events, VCBS strengthened and expanded its large financial institutional client network domestically and internationally (Citibank, Standard Chartered Bank, HSBC, Deutsche Bank, EIB, OCB, Saigon Bank, Prudential, Manulife, AIA, Generali Life, FWD Life, Dragon Capital, Vinacapital, TCB Fund, VFM, etc.).

CONTINUING TO GROW

Thanks to the support of database system, macro research information, in-depth financial and market reports, economic sectors, detailed assessment on corporate performance; trading system with state-of-the-art technology in the market; along with Corporate Client Division and professional consultants with years of experience in the financial market, VCBS continues to provide effective and timely investment advisory products and services to give clients profitable opportunities in 2019.

Making use of the strength of a large economic corporation, VCBS will join forces with Vietcombank to provide all-in-one financial service packages for clients in 2019. In addition, due to the cooperation between Vietcombank, VCBS and Mizuho Bank, M&A consulting will be promoted in 2019.

In terms of securities distribution, VCBS will expand to and access both domestic and foreign potential customers, as well as actively seek companies planning to equitize or conduct IPO and share listing to provide foreign companies looking to become financial investors or strategic partners with investment opportunities.

For long-term benefits and sustainable development, VCBS will continue to invest and improve the quality of direct sales team and senior staff and core technology system to provide foreign financial institutions and foreign companies with outstanding features and utilities in the coming time, through which enhance clients' trading efficiency and security level.





SUSTAINABLE DEVELOPMENT REPORT

**PROMOTION OF
HUMANITARIANISM**

PRESTIGE AND EXPERIENCE

Travelling with the stock market from the beginning and having personnel with in-depth understanding of the investment environment, legal policies and client demand, as well as a modern, user-friendly and secured transaction technology.

As a 100%-owned subsidiary of Vietcombank, VCBS inherited 55 years of experience and a strong reputation in the banking & finance field, together with solid financial foundation, modern technology system and an extensive client network. VCBS services have been trusted and used by reputable foreign financial institutions, including Mizuho, Shinhan, Citibank, Deutsche Bank, Standard Chartered Bank, ANZ Bank, and ABN AMRO Bank, and major domestic corporation like Vietnam Minerals Group, VNPT, EVN, SCIC, Song Da Corporation, Vietnam Steel Corporation, PJICO, Vinamilk, Vietnam Airlines, etc.

Travelling with the stock market from the beginning and having personnel with in-depth understanding of the investment environment, legal policies and client demand, as well as a modern, user-friendly and secured transaction technology. VCBS is the leading financial intermediary trusted by clients and is the reputable partner of domestic and international financial institutions, banks, securities companies, insurance companies, finance companies and investment funds operating in Vietnam.



INDEPENDENT, OBJECTIVE AND HONEST SUPERVISION

The Supervisory Board comprises of 03 members, including the Head of Supervisory Board and one (01) full-time member and one (01) concurrent member who represents the Owner to supervise all business activities and corporate governance of the Company independently, objectively and honestly.

The Supervisory Board shall examine the fairness, legality, integrity and prudence in the management and execution of business activities; in accounting, auditing, making statistics and financial statements in the Company; and in conducting decisions of the Owner.

Through supervision, the Supervisory Board can promptly issue risk warnings and discover problems in the operational and regulatory process to propose the Board of Directors and the Board of Management for adjustment and improvement of internal control procedures to prevent and hinder risks and ensure operational secure. The Supervisory Board successfully fulfilled their assigned duties.



RISK MANAGEMENT SYSTEM UNDER INTERNATIONAL STANDARDS



To be able to cope with the increasing risks on the stock market and ensure sustainable development, from the beginning, the Company has always strived to build a complete risk management system at the request of regulatory bodies and work towards meeting international standards of investment banking risk management.

In addition to being in accordance with the risk management orientation of Vietcombank, the risk management framework of VCBS always complies with the requirements of Circular 210/2012/TT-BTC of the Ministry of Finance and Decision No. 105/QĐ-UBCK of the State Securities Commission.

Besides, orientating all employees to participate in risk management to ensure that all risks in each operation are identified, controlled and minimized, VCBS implemented the risk management structure including 03 independent protection layers, namely:

- **1st floor** including front units and supportive units, where risks arise directly, is responsible for directly implementing risk management measures in daily operations;
- **2nd floor** including independent centralized risk management departments such as Risk Management Division, Compliance Department is responsible for developing, maintaining and monitoring the company's risk management activities;
- **3rd floor** includes independent monitoring departments such as Internal Audit Department and Supervisory Board. These units implement monitoring measures to ensure compliance with the strategies, policies and risk management regulations set by the Company.

RISK MANAGEMENT SYSTEM UNDER INTERNATIONAL STANDARDS (CONTINUED)

A complete cycle of risk management activities in VCBS includes: i) risk identification, ii) risk measurement and assessment, iii) risk limit determination, iv) risk monitoring, v) risk handling.

Thanks to the standardized system of risk management policies and procedures, risk management in VCBS continued to be conducted thoroughly and comply strictly with the risk management policies and limits that were approved by the Board of Directors in 2018. Activities implemented include:

- **Completion of risk management framework:**

In 2018, the Company's policies and procedures on risk management continued to be improved and updated to fit business practices, namely changes in the risk management policy of the parent bank as well as the emergence of potential risks from new business operations such as derivative securities and portfolio entrustment. Risk management procedures for critical risks were reviewed and revised. Additionally, documents guiding the implementation of processes and regulations were added, contributing to the improvement of risk management.

- **Creating and spreading risk management culture:**

Aiming to improve the effectiveness of risk management model, training activities to improve awareness on risks and special risk prevention are carried out thoroughly. Internal training sessions are held quarterly and at the same time, domestic and foreign consultants with rich experience in risk management are invited to participate in the training courses to contribute to the improvement of employees' risk management capability.

- **Market risk management:** In the context of complicated market movements due to unpredictable fluctuations of the index and liquidity, risk from stock price fluctuations receives special attention from the Company.

In order to minimize unwanted damage from market risks, Risk Management Department must always maintain close cooperation with other departments to monitor, evaluate, assess and forecast market & investment strategy, and to review the system of limits, warnings and handling procedures.

Moreover, risk assessment tools such as scenario analysis and capital calculation using VaR method are also used by the Company in market risk assessment. By building scenarios in different market conditions, the Company's portfolio is evaluated, quantified by the extent of market risk as well as the impact of these risks on business results preodically in a proactive manner. The calculation of capital according to VaR method also helps VCBS comply with the parent bank in implementing the Basel II.

- **Risk management in margin lending:**

Recognizing credit risks that may arise, all decisions regarding margin portfolio, lending limits applied to each group of clients are made carefully and comply with the regulations of the authority and the internal risk management procedures of the Company. The lending portfolio is carefully formed and complies with the State Securities Commission's regulations and the Company's risk appetite from time to time. Stocks are graded and classified based on liquidity factors, price fluctuations and stock valuation according to their

financial statement analysis and business results. Based on these stock ratings, the Company will set lending limit according to the stocks' quality. The list of stocks used as collateral is reviewed periodically, and suddenly if necessary, to update the volatility situation of stocks in a timely manner. A system of limits is also built aiming to control the concentration of outstanding loans along with warning levels to promptly conduct debt recovery, including criteria like total margin lending limit; maximum limit per client; maximum limit per stock code; safety threshold; warning rate; force-selling rate; etc. The management of outstanding loans, concentration level by clients and by stocks and risk ratios is also done daily to quickly detect risky signs. Clients using VCBS financial support services are also evaluated with the criteria and principles set by the Company in the current time.

- **Liquidity risk management:**

Cash flow forecasting system is periodically updated and liquidity status is supervised daily. The Company also develops contingency plans for capital adequacy. During 17 years of operation, the Company has always met capital demand for investment plans as well as payment obligations. The financial safety ratio of the Company reached 371% as of December 31, 2018, far exceeding the rate set by the State Securities Commission of 180%.

- **Legal risk management:**

Legal risks happen to the Company in the process of complying with laws due to changes in regulations, failures to comply with regulations and disputes or lawsuits

with partners during the daily operation of the Company. In order to limit these risks, new and amended legal documents are always updated promptly, published widely and integrated into the Company's operational procedures and regulations.

Next year, the Company will continue to pursue prudent risk management strategy, promote compliance with policies and regulations while ensure the security and efficiency of capital. The Risk Management Department will focus on promoting the identification and prevention of risks and increasing human resources to ensure risk management objectives applied to existing activities and products, as well as preparing the deployment of new products and policies. In addition, the internal risk management framework will also be updated to ensure its consistency with the scale of the Company and the market. Moreover, the Company also plans to upgrade technology and invest in software systems to support risk measurement and ensure that risk assessment is done as quickly, objectively, and accurately as possible.



HUMAN RESOURCE DEVELOPMENT

VCBS has been creating high quality human resources with professional education in the fields of Economics, Finance, Banking, Law, and with certificates like CPA, ACCA, CFA, certificates issued by the State Securities Commission, etc.

These professionals have years of experience working at investment banks, fund management companies, consulting firms, etc. domestically and internationally. In 2018, VCBS continued to improve its operating model approaching international investment banking model; established new departments to increase and diversify revenue sources; provide clients with diverse products and features to promote sustainable development of the Company.

Along with maintaining the high quality of personnel, VCBS also creates opportunities for generations of young students to access and experience reality in a professional financial environment, helping them obtain knowledge and further their education. In the past 10 years, VCBS is the co-organizer and sponsor of the I-INVEST competition, alongside the Foreign Trade University, which is a competition for students studying in the economic field in Northern Vietnam. Through the competitions, candidates may receive internship in the Company. VCBS realized that along with academic education, after participating in the actual working environment, students will become confident and be clearer of their career goals. These well-trained and young human resource will contribute greatly to the development of the securities industry in the future.



STATE-OF-THE-ART TRADING TECHNOLOGY AND DIVERSE RANGE OF PRODUCTS

From the first days of establishment, VCBS aims that to develop business, it is necessary to make appropriate investment in modern and secure technological facilities. With the support of professional management software's, VCBS is always one of the leading companies to apply information technology to serve clients' business and transaction needs.

VCBS always focuses on conducting market research and developing new products and services. The company has been implementing market research in diverse forms to develop products and services meeting clients' demand, such as through local and foreign seminars on the financial market and the stock market and market surveys. This helps cooperating with domestic and foreign investment organizations and issuers in development of products and services meeting market's demand. Market research activities have had a very positive impact on the Company's product and service development strategy and business orientation, contributing significantly to revenue growth and business performance lastly.



SOCIAL RESPONSIBILITY

VCBS regularly organizes Revolution origins' visits and political activities associated with the admission of new members in the Communism Party (the Party). Last year, Party branch of VCBS organized a visit to Ca Mau to express gratitude and enhance the value of Tradition, Humanity and Sacrifice of predecessors and improve morale of employees.

In VCBS, business operations not only serve the market development and clients' interest but also contain responsibilities to the society and community. Community activities such as charity programs, humanitarian activities, etc. are required to organize in a regular basis and also included when evaluating business environment quality of the Company. Continuously maintaining and fostering this tradition, VCBS employees actively participated in programs such as the blood donation festival "Loving Red Drop" & "Loving Drop of Blood" hosted by the regulatory bodies and Vietcombank; charity program in Minh Tam Shelter orphanage of Linh Son Pagoda, Thoi An Ward, District 12, Ho Chi Minh City with total donated value of VND 28,000,000; the program "Hand in hand 2018" to give gifts to orphans at St. An Bui Chu orphanage in Xuan Truong Town, Xuan Truong District, Nam Dinh Province with total donated value of over VND 53,000,000; the "Mid-Autumn Festival for orphans" program to give more than 200 gifts to the Buddhist Social Charity Foundation at Ky Quang II Temple, Go Vap District, Ho Chi Minh City with total value of VND 52,490,000; the program to express gratitude to families of war invalids and patriotic martyrs on July 27th along with the volunteer program assisting disadvantaged communities hosted by the Labor Union and the Youth Union of VCBS.

Activities to enhance cohesion and understanding within the company as well as Vietcombank are also regularly organized by the Company. Programs like women football friendly match between VCBS and Vietcombank Transaction Center; "Happy Children" and "Mid-Autumn Festival Celebration" programs for children of employees in the Company; "Art Festival" of Vietcombank; teambuilding activities in Nha Trang; etc. contributed greatly to the improvement of mutual relationship within the Company as well as between VCBS and Vietcombank Branches, paving roads for more effective business opportunities and operations in the future.



OPERATIONAL NETWORK

HEAD OFFICE

12th & 17th Floor, Vietcombank Tower,
198 Tran Quang Khai Str., Hoan Kiem Dist., Hanoi City.

Tel : (84-24) 3 936 6990

Fax: (84-24) 3 936 0262

Giang Vo Transaction Office

1st Floor, C4 Giang Vo Building, Giang Vo Ward,
Ba Dinh Dist., Hanoi City

Tel : (84-24) 3 726 5551

Fax: (84-24) 3 726 5550

Tay Ho Transaction Office

1st and 3rd Floor, 565 Lac Long Quan Str.,
Tay Ho Dist., Hanoi City

Tel : (84-24) 3 219 1048 (ext: 100)

Fax: (84-24) 3 219 1049

HCMC BRANCH

1st & 7th Floor, Green Star Building, 70 Pham Ngoc
Thach Str., Ward 6, 3rd district, Ho Chi Minh City.

Tel : (84-28) 3 820 8116

Fax: (84-28) 3 820 8117

Sai Gon South Transaction Office

3rd floor, V6 Building, Plot V, Him Lam new urban
area, 23 Nguyen Huu Tho Str., Tan Hung Ward,
District 7, Ho Chi Minh City.

Tel : (84-28) 3 775 1409

Fax: (84-28) 3 775 1416

DA NANG BRANCH

12th Floor, 135 Nguyen Van Linh Str., Vinh Trung,
Thanh Khe Dist., Da Nang City.

Tel : (84-236) 3 888 991

Fax: (84-236) 3 888 881

CAN THO REPRESENTATIVE OFFICE

1st Floor, Vietcombank Can Tho building,
7 Hoa Binh Str., Ninh Kieu Dist., Can Tho City.

Tel : (84-292) 3 750 888

Fax: (84-292) 3 750 878

VUNG TAU REPRESENTATIVE OFFICE

1st Floor, No. 27 Le Loi Str., Vung Tau City,
Ba Ria - Vung Tau Province.

Tel : (84-254) 3 513 974

Fax: (84-254) 3 513 979

DONG NAI REPRESENTATIVE OFFICE

1st and 2nd Floor, 79 Hung Dao Vuong Str.,
Trung Dung Ward, Bien Hoa City, Dong Nai Province

Tel : (84-251) 3 918 815

Fax: (84-251) 3 918 817

AN GIANG REPRESENTATIVE OFFICE

7th Floor, Vietcombank An Giang Building,
30 - 32 Hai Ba Trung Str., My Long Ward,
Long Xuyen City, AnGiang Province.

Tel : (84-296) 3 949 843

Fax: (84-296) 3 841 845

HAI PHONG REPRESENTATIVE OFFICE

11 Hoang Dieu Str., Minh Khai Ward,
Hong Bang District, Hai Phong City.

Tel : (84-225) 3 821 630

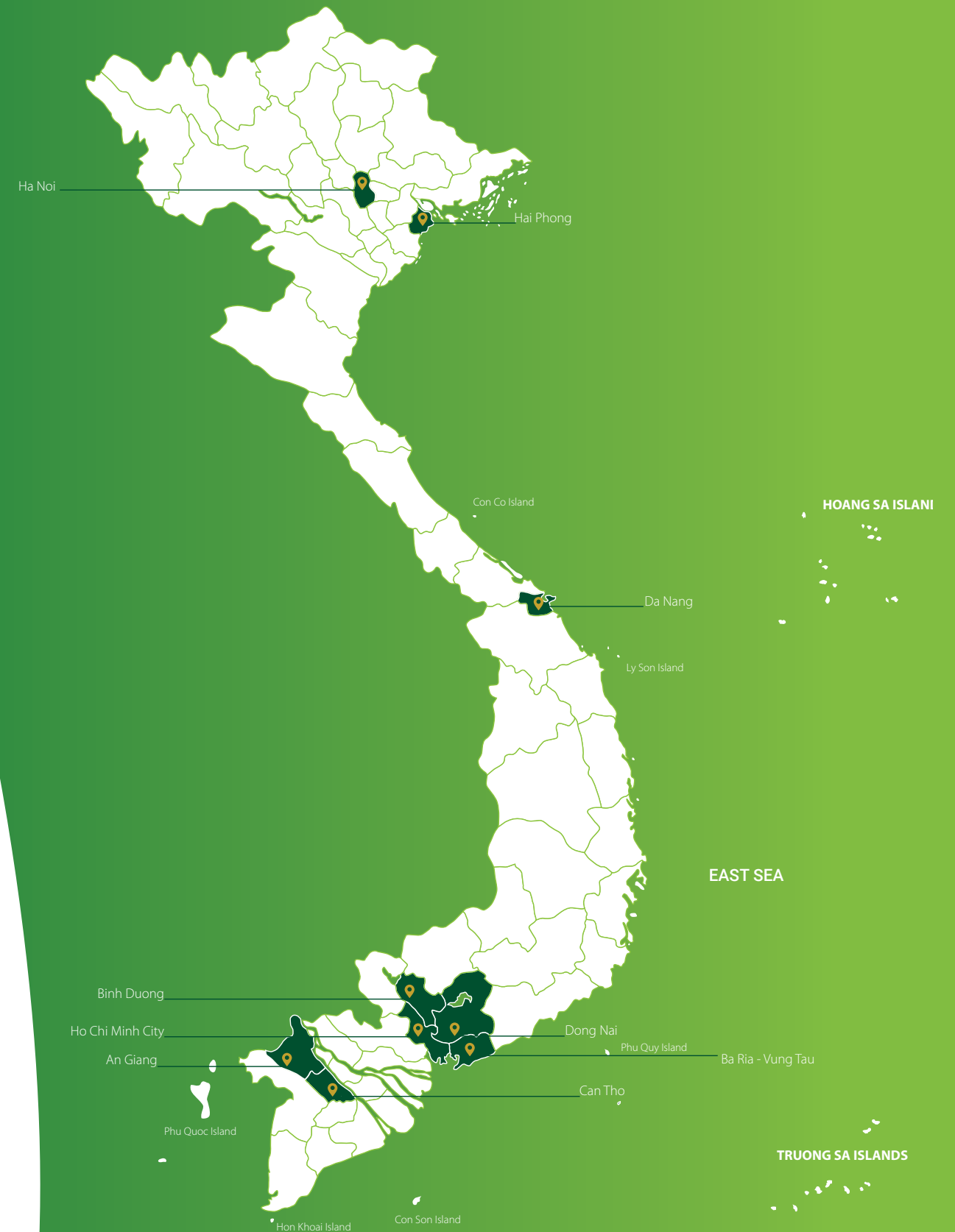
Fax: (84-225) 3 821 633

BINH DUONG REPRESENTATIVE OFFICE

3rd Floor, 516 Cach Mang Thang Tam Str.,
Phu Cuong Ward, Thu Dau Mot City, Binh Duong
Province.

Tel : (84-274) 3 855 771

Fax: (84-274) 3 855 775





FINANCIAL STATEMENTS

**READY
TO GO FAR**

CORPORATE INFORMATION

Establishment and Operation License No.	09/GPHĐKD	24 April 2002
	The Establishment and Operation License was issued by the State Securities Commission of Vietnam.	
	The most recent amended licence No. 63/GPDC-UBCK was issued by the State Securities Commission of Vietnam on 29 December 2017.	
Board of Members	Ms. Nguyen Thi Kim Oanh	Chairwoman
	Ms. Hoang Diem Thuy	Member
	Mr. Le Manh Hung	Member
Supervisory Board	Ms. Nguyen Thuy Quynh	Head of the Board
	Ms. La Thi Hong Minh	Member
	Ms. Tran Kim Van	Member
Board of Management	Mr. Le Manh Hung	Director
	Mr. Tran Viet Anh	Deputy Director
	Mr. Le Viet Ha	Deputy Director
	Mr. Phan Anh Vu	Deputy Director
	Mr. Tran Viet Hung	Deputy Director
Registered Office	17 th Floor, Vietcombank Tower 198 Tran Quang Khai Street Hoan Kiem District Hanoi, Vietnam	
Auditor	KPMG Limited Vietnam	

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Vietcombank Securities Company Limited ("the Company") presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2018.

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 of the Ministry of Finance on accounting guidance applicable to securities companies ("Circular 210"), and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company's Board of Management:

- » the financial statements set out on pages 62 to 75 give a true and fair view of the financial position of the Company as at 31 December 2018, and of the result of operation, cash flows and changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 of the Ministry of Finance on accounting guidance applicable to securities companies ("Circular 210") and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting; and
- » at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Company's Board of Management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of Management



Le Viet Ha
Deputy Director

Hanoi, 14 March 2019

INDEPENDENT AUDITOR'S REPORT

TO THE OWNER VIETCOMBANK SECURITIES COMPANY LIMITED

We have audited the accompanying financial statements of Vietcombank Securities Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2018, the statements of income, cash flows and changes in equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 14 March 2019, as set out on pages 62 to 75.

MANAGEMENT'S RESPONSIBILITY

The Company's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for securities companies prescribed in Circular No. 210/2014/TT-BTC dated 30 December 2014 of the Ministry of Finance on accounting guidance applicable to securities companies ("Circular 210"), Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement.

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

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

AUDITOR'S OPINION

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Vietcombank Securities Company Limited as at 31 December 2018, and of its results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for securities companies prescribed in Circular No. 210/2014/TT-BTC dated 30 December 2014 of the Ministry of Finance on accounting guidance applicable to securities companies ("Circular 210"), Circular No. 334/2015/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting.

KPMG LIMITED

Vietnam

Audit Report No.: 18-02-25062018/KPMG-VCBS-19-1



Tran Anh Quan
Practicing Auditor Registration
Certificate No. 0306-2018-007-1
Deputy General Director

A blue ink signature of Pham Thi Thuy Linh.

Pham Thi Thuy Linh
Practicing Auditor Registration
Certificate No. 3065-2019-007-1

Hanoi, 14 March 2019

STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND (Reclassified)
ASSETS				
A. CURRENT ASSETS (100 = 110 + 130)	100		2,866,183,002,522	3,225,288,961,503
I. Financial assets	110		2,863,465,908,737	3,222,262,956,156
1. Cash and cash equivalents	111	5	101,389,635,384	71,742,763,211
1.1. Cash	111.1		101,389,635,384	71,742,763,211
2. Financial assets at fair value through profit or loss (FVTPL)	112	7(a)	1,869,576,404,133	1,891,861,782,955
3. Held-to-maturity investments	113		-	60,000,000,000
4. Loans	114	7(c)	794,389,521,057	954,349,198,971
5. Available-for-sale financial assets	115	7(d)	8,069,913,000	8,190,000,000
7. Accounts receivable	117	8	38,765,963,139	115,862,427,489
7.1. Receivables from sales of financial assets	117.1		479,360,000	62,125,910,560
7.2. Receivables and accrued dividends, interest from financial assets	117.2		38,286,603,139	53,736,516,929
7.2.2. Accrued dividends and interest not due	117.4		38,286,603,139	53,736,516,929
8. Prepayment to suppliers	118		1,380,711,754	178,299,000
9. Receivables from services provided by the securities company	119	9	6,023,104,204	3,835,518,423
12. Other receivables	122	10	47,392,955,181	118,257,475,585
13. Allowance for impairment of accounts receivable	129	11	(3,522,299,115)	(2,014,509,478)
II. Other current assets	130		2,717,093,785	3,026,005,347
1. Advances	131		10,000,000	10,000,000
2. Office equipment, tools and supplies	132		992,592,700	39,597,800
3. Short-term prepaid expenses	133	12(a)	1,714,201,085	2,476,107,547
4. Short-term deposits and collaterals	134		300,000	500,300,000

Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND (Reclassified)
B. LONG-TERM ASSETS (200 = 220 + 250)	200		43,518,364,109	39,560,108,961
I. Fixed assets	220		7,260,048,806	12,139,245,880
1. Tangible fixed assets	221	13	7,260,048,806	6,911,526,426
- Cost	222		51,333,140,211	46,834,410,610
- Accumulated depreciation	223a		(44,073,091,405)	(39,922,884,184)
3. Intangible fixed assets	227	14	-	5,227,719,454
- Cost	228		23,733,828,001	23,733,828,001
- Accumulated amortisation	229a		(23,733,828,001)	(18,506,108,547)
II. Other long-term assets	250		36,258,315,303	27,420,863,081
1. Long-term deposits and collaterals	251		3,275,147,775	3,166,629,375
2. Long-term prepaid expenses	252	12(b)	2,983,167,528	4,254,233,706
4. Deposits at Payment Support Fund	254	16	20,000,000,000	20,000,000,000
5. Other long-term assets	255		10,000,000,000	-
TOTAL ASSETS (270 = 100 + 200)	270		2,909,701,366,631	3,264,849,070,464

STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 31 December 2018

Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

		Code	Note	31/12/2018 VND	1/1/2018 VND (Reclassified)
C.	LIABILITIES (300 = 310 + 340)	300		1,489,244,524,525	1,990,485,644,934
I.	Current liabilities	310		1,483,837,492,855	1,631,086,179,660
1.	Short-term borrowings and finance lease liabilities	311	17	913,154,581,963	1,153,686,186,586
1.1.	Short-term borrowings	312		913,154,581,963	1,153,686,186,586
4.	Short-term bonds issued	316	22	213,600,000,000	-
6.	Payables for securities trading activities	318	18	3,236,094,908	3,803,180,286
8.	Accounts payable to suppliers short-term	320	19	3,664,743,314	7,127,418,179
9.	Advances from customers short-term	321		235,600,000	1,409,100,000
10.	Taxes and others payable to the State Treasury	322	20	14,760,386,557	14,304,800,840
11.	Payables to employees	323		32,457,199,117	52,935,968,355
12.	Employees' benefits payables	324		58,480,750	2,458,166
13.	Accrued expenses – short-term	325	21	9,081,964,795	15,008,099,629
16.	Short-term deposits and collaterals received	328		-	910,679,178
17.	Other short-term payables	329		533,382,915	429,642,070
19.	Bonus and welfare fund	331		14,607,438,607	4,264,614,515
20.	Government bonds under sale and repurchase agreements	332		278,447,619,929	377,204,031,856
II.	Long-term liabilities	340		5,407,031,670	359,399,465,274
4.	Long-term bonds issued	346	22	-	352,100,000,000
14.	Deferred tax liabilities	356	15	5,407,031,670	7,299,465,274

The accompanying notes are an integral part of these financial statements

Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

		Code	Note	31/12/2018 VND	1/1/2018 VND (Reclassified)
D.	EQUITY (400 = 410)	356		1,420,456,842,106	1,274,363,425,530
I.	Owner's equity	410		1,420,456,842,106	1,274,363,425,530
1.	Capital	411		1,000,000,000,000	1,000,000,000,000
1.1.	Contributed capital	411.1		1,000,000,000,000	1,000,000,000,000
2.	Fair value reserve	412		(96,069,600)	-
4.	Reserve to supplement charter capital	414		13,919,618,247	5,016,253,615
5.	Financial and operational risk reserve	415		55,854,344,207	46,950,979,575
6.	Other reserves	416		30,762,096,449	30,762,096,449
7.	Retained profits	417		320,016,852,803	191,634,095,891
7.1.	Realised profits	417.1		327,625,567,500	205,213,050,100
7.2.	Unrealised losses	417.2		(7,608,714,697)	(13,578,954,209)
	TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)	440		2,909,701,366,631	3,264,849,070,464

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 31 December 2018

Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

OFF-BALANCE SHEET ITEMS

	Code	Note	31/12/2018 VND	1/1/2018 VND
A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS				
8.	008	23(a)	297,834,490,000	397,695,600,000
9.	009	23(b)	40,000	287,030,000
10.	010	23(c)	500,000,000	930,400,000
12.	012	23(d)	49,827,190,000	46,801,140,000
B. ASSETS AND PAYABLES ON ASSETS MANAGED UNDER COMMITMENTS WITH CUSTOMERS				
1.	021	23(e)	34,106,592,010,000	28,941,654,960,000
a.	021.1		28,870,424,550,000	22,637,498,210,000
b.	021.2		200,719,260,000	252,734,590,000
c.	021.3		4,951,500,390,000	5,888,883,890,000
d.	021.4		190,000,000	190,000,000
e.	021.5		83,757,810,000	162,348,270,000
2.	022	23(f)	15,166,370,000	48,463,300,000
a.	022.1		7,316,290,000	28,546,490,000
b.	022.2		7,850,080,000	19,916,810,000
3.	023	23(g)	62,456,400,000	125,621,860,000
7.	026		1,217,012,869,286	1,384,136,001,020
7.1.	027	23(h)	974,421,061,569	998,325,808,317
a.	027.1		42,895,580,420	-
7.2.	028	23(h)	163,610,833,436	260,459,470,686
7.3.	029	23(h)	3,938,637,403	85,866,821,132
a.	029.1		2,316,372,919	84,248,340,724
b.	029.2		1,622,264,484	1,618,480,408
7.4.	030	23(i)	75,042,336,878	39,483,900,885

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Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

	Code	Note	31/12/2018 VND	1/1/2018 VND
8.	031	23(j)	1,142,262,136,871	1,344,908,226,208
8.1.	031.1		986,798,548,801	1,247,006,170,264
8.2.	031.2		109,416,548,189	97,902,055,944
8.3.	031.3		46,047,039,881	-
12.	035	23(k)	74,750,732,415	39,227,774,812

Prepared by:

Le Thu Hien
General Accountant

Hanoi, Vietnam
14 March 2019

Approved by:

Le Thi Ngoc Tram
Chief Accountant

Le Viet Ha
Deputy Director

The accompanying notes are an integral part of these financial statements

STATEMENT OF INCOME

for the year ended 31 December 2018

Form B02 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

		Code	Note	2018 VND	2017 VND
I	OPERATING REVENUE				
1.1.	Gains from financial assets at FVTPL	01		213,485,592,740	246,233,915,994
a.	Gains from sales of financial assets at FVTPL	01.1	24(a)	105,489,549,170	87,615,987,120
b.	Gains from revaluation of financial assets at FVTPL	01.2	26	(3,502,872,302)	64,236,833,421
c.	Dividends, interest from financial assets at FVTPL	01.3	24(b)	111,498,915,872	94,381,095,453
1.2.	Gains from held-to-maturity investments	02	24(b)	7,405,160,000	5,949,521,918
1.3.	Income from loans and receivables	03	24(b)	109,639,116,278	94,114,224,457
1.4.	Gains from available-for sale financial assets	04		120,087,000	-
1.6.	Revenue from securities brokerage service	06	24(c)	154,532,997,320	151,657,704,915
1.7.	Revenue from securities underwriting and issuance agency services	07	24(c)	15,549,652,369	40,512,108,842
1.9.	Revenue from securities custody service	09	24(c)	16,184,283,842	6,463,787,398
1.10.	Revenue from financial consulting services	10	24(c)	8,653,184,554	8,724,141,057
1.11.	Other operating revenue	11	24(c)	56,344,693,334	25,284,458,121
	Total operating revenue	20		581,914,767,437	578,939,862,702
II	OPERATING EXPENSES				
2.1.	Losses from financial assets at FVTPL	21		33,736,463,056	76,674,767,746
a.	Losses from sales of financial assets at FVTPL	21.1	25	44,247,958,771	32,946,700,915
b.	(Gains)/losses from revaluation of financial assets at FVTPL	21.2	26	(10,965,671,692)	43,377,746,997
c.	Transaction costs of financial assets at FVTPL	21.3		454,175,977	350,319,834
2.4.	Allowance for impairment of financial assets and doubtful debts, and borrowing costs	24		-	1,185,800,000
2.6.	Expenses for securities trading	26		13,204,579,255	15,461,907,931
2.7.	Expenses on securities brokerage activities	27		88,858,231,501	94,637,280,263
2.8.	Expenses for securities underwriting and issuance agency services	28		9,248,812,587	16,649,933,728
2.10.	Expenses on securities custody service	30		21,459,321,475	13,300,798,637
2.11.	Expenses for financial consulting services	31		10,679,508,702	7,435,009,505
2.12.	Expenses for other services	32		1,690,178,862	-
	Total operating expenses	40		178,877,095,438	225,345,497,810

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Form B02 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

		Code	Note	2018 VND	2017 VND
III	FINANCIAL INCOME				
3.1.	Realised and unrealised foreign exchange gains	41	27	51,696,690	10,164,472
3.2.	Revenue, accrued dividends and interest in the year	42	27	2,500,571,316	2,353,408,915
	Total financial income	50		2,552,268,006	2,363,573,387
IV	FINANCIAL EXPENSES				
4.1.	Realised and unrealised foreign exchange losses	51	28	16,294,184	2,766,968
4.2.	Interest expense	52	28	89,499,765,339	82,855,858,455
	Total financial expenses	60		89,516,059,523	82,858,625,423
VI	GENERAL AND ADMINISTRATION EXPENSES	62	29	96,777,326,189	86,711,445,999
VII	OPERATING PROFIT (70 = 20 + 50 - 40 - 60 - 62)	70		219,296,554,293	186,387,866,857
VIII	OTHER INCOME AND EXPENSES				
8.1.	Other income	71		260,086,756	75,772,545
8.2.	Other expenses	72		6,309,091	-
	Total results of other activities (80 = 71 - 72)	80		253,777,665	75,772,545
IX	TOTAL ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)	90		219,550,331,958	186,463,639,402
9.1.	Realised profit	91		212,087,532,568	165,604,552,978
9.2.	Unrealised profit	92	26	7,462,799,390	20,859,086,424

The accompanying notes are an integral part of these financial statements

STATEMENT OF INCOME (CONTINUED)

for the year ended 31 December 2018

Form B02 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

		Code	Note	2018 VND	2017 VND
X.	INCOME TAX EXPENSES	100		47,631,706,325	34,749,100,367
10.1.	Income tax expense – current	100.1	30	49,500,122,529	25,506,726,592
10.2.	Income tax (benefit)/expense – deferred	100.2	30	(1,868,416,204)	9,242,373,775
XI.	ACCOUNTING PROFIT AFTER TAX (200 = 90 – 100)	200		171,918,625,633	151,714,539,035
XII.	OTHER COMPREHENSIVE INCOME AFTER TAX				
12.1	Changes in fair value of available-for-sale financial assets	301		(96,069,600)	-
	TOTAL COMPREHENSIVE INCOME	400		171,822,556,033	151,714,539,035

Prepared by:



Le Thu Hien
General Accountant

Hanoi, Vietnam
14 March 2019

Approved by:



Le Thi Ngoc Tram
Chief Accountant

Le Viet Ha
Deputy Director

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

(Indirect method)

Form B03 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

		Code	Note	2018 VND	2017 VND
I.	CASH FLOWS FROM OPERATING ACTIVITIES				
1.	Profit before tax	01		219,550,331,958	186,463,639,402
2.	Adjustments for	02		52,640,133,314	36,497,004,797
	- Depreciation of fixed assets	03		10,076,768,874	11,686,289,908
	- Allowances and provisions	04		1,507,789,637	1,077,720,759
	- Unrealised foreign exchange gains	05		(33,674,263)	(462,018)
	- Interest expense	06		89,499,765,339	82,855,858,455
	- Gains from investment activities	07		(10,123,913,134)	(8,378,385,378)
	- Accrued interest income	08		(38,286,603,139)	(50,744,016,929)
3.	Increase in non – cash expenses	10		(10,965,671,692)	43,377,746,997
	- Losses from revaluation of financial assets at FVTPL	11		(10,965,671,692)	43,377,746,997
4.	Decrease in non-cash income	18		3,502,872,302	(64,236,833,421)
	- Gains from revaluation of financial assets at FVTPL	19		3,502,872,302	(64,236,833,421)
5.	Changes in working capital	30		234,982,381,804	(668,854,945,054)
	- Decrease/(increase) in financial assets at FVTPL	31		29,748,178,212	(456,332,797,536)
	- Decrease in held-to-maturity investments	32		60,000,000,000	60,600,000,000
	- Decrease/(increase) in loans	33		159,959,677,914	(262,760,934,473)
	- Decrease /(increase) in receivables from sales of financial assets	35		61,646,550,560	(62,125,910,560)
	- Decrease in receivables and accrued dividends, interest from financial assets	36		50,744,016,929	32,681,242,123
	- (Increase)/decrease in receivables from services provided	37		(2,187,585,781)	5,861,950,646
	- Decrease in other receivables	39		72,954,795,207	100,210,915,052
	- (Increase)/decrease in other assets	40		(10,952,994,900)	1,359,563,960
	- Decrease/(increase) in prepayments	42		2,032,972,640	(1,199,601,934)
	- Corporate income tax paid	43		(51,461,176,210)	(19,613,506,528)
	- Interest paid	44		(95,231,899,876)	(81,411,229,081)

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 December 2018
(Indirect method)

Form B03 – CTCK

(Issued under Circular No. 334/2016/TT-BTC
dated 27/12/2016 of the Ministry of Finance)

	Code	Note	2018 VND	2017 VND
- (Decrease)/increase in payables to suppliers	45		(4,665,087,619)	2,349,267,947
- (Decrease)/increase in provision for employees' benefits	46		(13,240,300,536)	2,402,666
- (Decrease)/increase in taxes and other payables to the State (excluding corporate income tax paid)	47		(1,394,494,371)	2,667,639,788
- (Decrease)/increase in payables to employees	48		(20,478,769,238)	26,694,122,072
- Decrease in other payables	50		(2,491,501,127)	(17,838,069,196)
Net cash flows from operating activities	60		499,710,047,686	(466,753,387,279)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Payments for purchases of fixed assets	61		(5,197,571,800)	(5,642,005,250)
2. Proceeds from disposals of fixed assets	62		218,181,818	75,454,545
4. Receipts from other investments	65		12,898,231,316	8,302,930,833
Net cash flows from investing activities	70		7,918,841,334	2,736,380,128
III. CASH FLOWS FROM FINANCING ACTIVITIES				
3. Proceeds from borrowings	73		37,504,727,069,351	16,547,258,789,227
3.2. Other borrowings	73.2		37,504,727,069,351	16,547,258,789,227
4. Payments to settle principals of borrowings	74		(37,982,709,086,198)	(16,057,784,645,349)
4.3. Payments to settle other principals of borrowings	74.3		(37,982,709,086,198)	(16,057,784,645,349)
Net cash flows from financing activities	80		(477,982,016,847)	489,474,143,878
IV. Net cash flows from financing activities (90 = 60 + 70 + 80)	90		29,646,872,173	25,457,136,727
V. Cash and cash equivalents at the beginning of the year	101		71,742,763,211	46,285,626,484
Cash	101.1		71,742,763,211	46,285,626,484
VII. Cash and cash equivalents at the end of the year (103 = 90 + 101)	103	5	101,389,635,384	71,742,763,211
Cash	103.1		101,389,635,384	71,742,763,211

The accompanying notes are an integral part of these financial statements

Form B03 – CTCK

(Issued under Circular No. 334/2016/TT-BTC
dated 27/12/2016 of the Ministry of Finance)

CASH FLOWS OF CUSTOMERS FROM BROKERAGE AND UNDERWRITING ACTIVITIES

ITEMS	Code	2018 VND	2017 VND
I. Cash flows of customers from brokerage and underwriting activities			
1. Proceeds from sales of customers' securities	01	344,083,766,653,043	316,256,353,305,062
2. Payments for purchases of customers' securities	02	(394,856,407,804,365)	(358,776,235,912,286)
7. Receipts of deposits of customers for securities transactions	07	50,733,417,333,360	43,212,605,724,731
8. Payment to settle securities transactions of customers	08	(154,333,193,170)	(151,353,413,982)
11. Payments of securities custody fees of customers	11	(9,124,556,595)	(4,838,053,040)
14. Receipts from securities issuers	14	29,199,729,757,775	14,998,279,419,923
15. Payments to securities issuers	15	(29,164,171,321,782)	(14,986,871,170,344)
(Decrease)/Increase net cash during the year	20	(167,123,131,734)	547,939,900,064
II. Cash and cash equivalents of customers at the beginning of the year	30	1,384,136,001,020	836,196,100,956
Cash at banks at the beginning of the year:	31	1,384,136,001,020	836,196,100,956
- Deposits of investors for securities transactions managed by the Company	32	998,325,808,317	626,422,466,206
- Collective deposits of customers for securities transactions	33	260,459,470,686	127,784,172,652
- Deposits for clearance and settlement of securities transactions	34	85,866,821,132	53,913,810,792
- Deposits of securities issuers	35	39,483,900,885	28,075,651,306
III. Cash and cash equivalents of customers at the end of the year (40 = 20 + 30)	40	1,217,012,869,286	1,384,136,001,020
Cash at banks at the end of the year:	41	1,217,012,869,286	1,384,136,001,020
- Deposits of investors for securities transactions managed by the Company	42	974,421,061,569	998,325,808,317
- Collective deposits of customers for securities transactions	43	163,610,833,436	260,459,470,686
- Deposits for clearance and settlement of securities transactions	44	3,938,637,403	85,866,821,132
- Deposits of securities issuers	47	75,042,336,878	39,483,900,885

Prepared by:

Approved by:



Le Thu Hien
General Accountant

Hanoi, Vietnam
14 March 2019





Le Thi Ngoc Tram
Chief Accountant

Le Viet Ha
Deputy Director

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

Form B04 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Ministry of Finance)

	Opening balance			Increases/Decreases			Closing balance	
	1/1/2017	1/1/2018	2017	2018		31/12/2017	31/12/2018	
		Reclassified	Increases	Decreases	Increases	Decreases	Reclassified	
	VND	VND	VND	VND	VND	VND	VND	
I. Changes in equity								
1. Capital	700,914,795,416	1,000,000,000,000	300,000,000,000	(914,795,416)	-	-	1,000,000,000,000	1,000,000,000,000
- Contributed capital	700,000,000,000	1,000,000,000,000	300,000,000,000	-	-	-	1,000,000,000,000	1,000,000,000,000
- Other equity capital	914,795,416	-	-	(914,795,416)	-	-	-	-
2. Fair value reserve	-	-	-	-	-	(96,069,600)	-	(96,069,600)
3. Reserve to supplement charter capital	21,884,133,763	5,016,253,615	5,016,253,615	(21,884,133,763)	8,903,364,632	-	5,016,253,615	13,919,618,247
4. Financial and operational risk reserve	41,953,025,960	46,950,979,575	5,016,253,615	(18,300,000)	8,903,364,632	-	46,950,979,575	55,854,344,207
5. Other equity funds	30,762,096,449	30,762,096,449	-	-	-	-	30,762,096,449	30,762,096,449
6. Retained profits	337,718,286,958	191,634,095,891	151,714,539,035	(297,798,730,102)	171,918,625,634	(43,535,868,722)	191,634,095,891	320,016,852,803
6.1. Realised profits	337,718,286,958	205,213,050,100	135,027,269,896	(267,532,506,754)	165,948,386,122	(43,535,868,722)	205,213,050,100	327,625,567,500
6.2. Unrealised profits/(loss)	-	(13,578,954,209)	16,687,269,139	(30,266,223,348)	5,970,239,512	-	(13,578,954,209)	(7,608,714,697)
TOTAL	1,133,232,338,546	1,274,363,425,530	461,747,046,265	(320,615,959,281)	189,725,354,898	(43,631,938,322)	1,274,363,425,530	1,420,456,842,106

Prepared by:



Le Thu Hien
General Accountant

Hanoi, Vietnam
14 March 2019

Approved by:



Le Thi Ngoc Tram
Chief Accountant

Le Viet Ha
Deputy Director

The accompanying notes are an integral part of these financial statements



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