

VNDIRECT announced business results with revenue reaching VND 7,000 billion in 2022, increased 21,10% YoY.

Hanoi, January 30th 2023

VNDIRECT Securities Joint Stock Company (HOSE: VND, “VNDIRECT” or “The Company”) published reports the performance as of 4th Quarter 2022 (Q4/2022).

Summary of business results and financial position in the 4th Quarter of 2022 and the whole year of 2022

- **Revenue:** In the Q4/2022, The Company reported net revenue of VND 1,961.97 billion, increased 1.24% YoY 2021. Total revenue in 2022 reaching VND 6,995.71 billion, increased 21.10% YoY.
- **Profit:** In 2022, The Company recorded profit before tax (PBT) reaching VND 1,727.80 billion; along with that, profit after tax (EAT) reached VND 1,365.94 billion.
- **Total Assets:** Total Assets at December 31st 2022 reached VND 38,770.12 billion, an increase of 5.21% compared to the end of 2021.
- **Equity:** The Company recorded total equity of VND 14,485.20 billion at December 31st 2022, an increase of 50,83% compared to the end of the 2021.
- **Market Capitalization:** Market capitalization of VNDIRECT had a strong correction along with the general market volatility, causing the capitalization to decrease to over VND 16,440 billion as of December 30th, 2022, although there was a strong recovery from the mid of November 2022 when VND market capitalization reached a short-term peak of over VND 20,000 billion in the mid of December 2022 due to a strong return from foreign capital flows, when the proportion of foreign investors' transaction value increased sharply from 6.2% in early 2022 to 16.20% of the total market transaction value.
- **Performance Efficiency:** In 2022, VNDIRECT has achieved ROAE (TTM) of 11.34% and ROAA (TTM) of 3.61%.

The market is not favorable, due to (1) interest rates increased sharply and (2) the State Bank of Vietnam (SBV) tightened credit for high-risk lending segments, including real estate investment, securities sector, which has a negative impact on investor sentiment causing liquidity in the market to shrink deeply and the index fluctuated strongly in a negative direction, while the average transaction value (VAT) on all 3 exchanges in 2022 decreased by 24.6% to VND 20,249 billion. The average liquidity of HOSE reached VND 17,240 billion/session (down 21.60% YoY), while the average trading value of HNX and UPCOM reached VND 1,938 billion/session (down 38.70%

YoY) and VND 1,072 billion/session (down 36.90% YoY), respectively.

As a result, those issues have made certain impacts on the Company's business results. However, VNDIRECT is still effectively promoting core business.

Business results by segment in the last quarter of 2022

▪ **Securities Services:**

- **Brokerage Fee:** As noted at the separate financial statements Q4/2022, brokerage revenue reached to VND 209.23 billion in Q4/2022, decreased VND 45.6 billion from the previous quarter result and reached VND 1,264.39 billion in total for 2022, decreased 21.97% YoY, in unfavorable market conditions when market liquidity has decreased by nearly 60% YoY and VN-Index has decreased by nearly 33% YoY from 1,498.28 points at the end of 2021.
- By the end of Q4/2022, VNDIRECT 's brokerage market share at HOSE was 7.51%, slightly decreased from 7.72% of the previous quarter, and for the whole year of 2022, VNDIRECT continues to maintain the 3rd position on HOSE at 7.88%, slightly up from 7.46% in 2021.
- Besides, VNDIRECT accounted for 9.84% market share in HNX, slightly up from 9.00% and 7.99% in UPCOM, slightly down from 8.74%. VNDIRECT retained its competitive position within the top 2 in the industry in terms of both HNX and UPCOM when the whole year reached 10% on HNX and 9.65% on UPCOM respectively.
- **Margin Lending Interest:** VND 335.37 billion posted in Q4/2022 revenue, down VND 42.1 billion from Q3/2022 and recorded VND 1,600.14 billion, up to 37.10% YoY in total accumulated revenue from margin lending for whole the year of 2022 due to the higher interest rate compared to the rate in 2021.

- **Investment Banking (IB):** VND 38.21 billion recorded in Q4/2022 revenue, sharply increased for VND 36.5 billion compared to the previous quarter and revenue from investment banking activities of the whole year 2022 reached VND 197.78 billion, decreased 24.41% YoY.

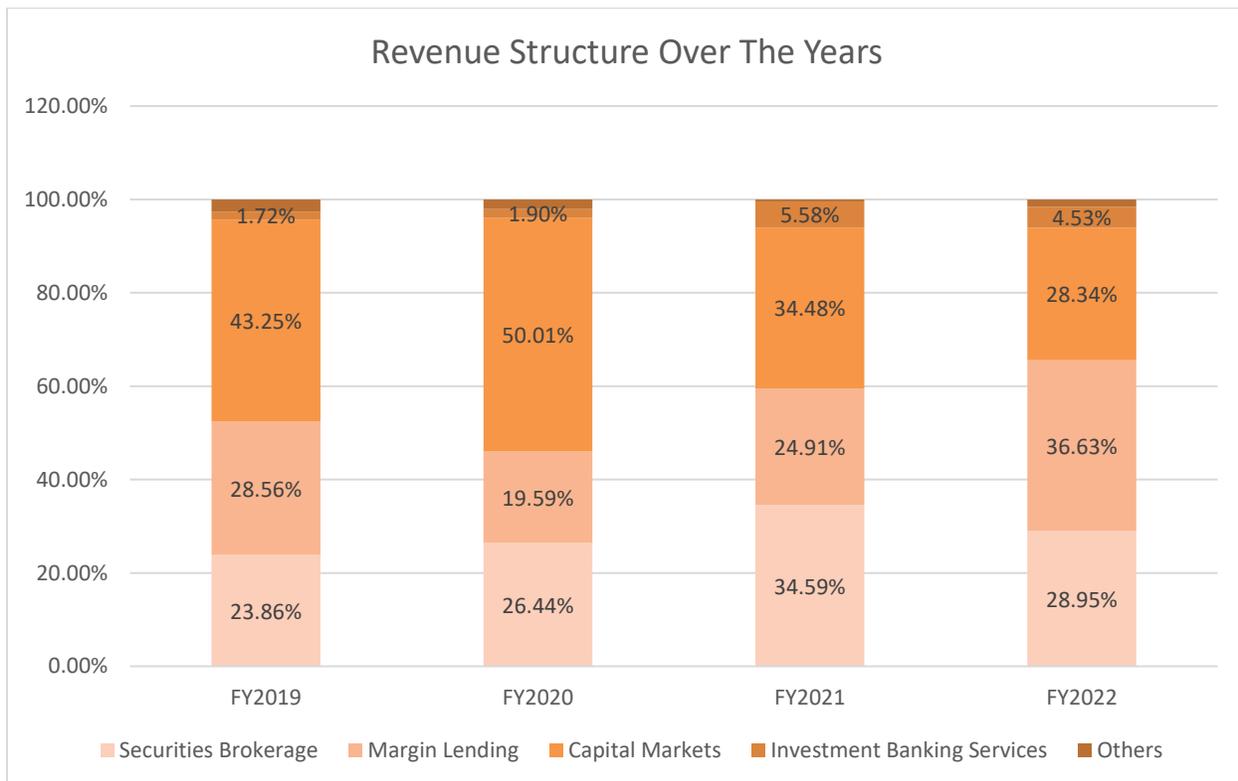
In the second half of 2022, the macro conditions, the money market and the stock market have negative volatility, and changes related to policies and legal corridors for the debt capital market such as Decree No. Decree 65/2022/ND-CP amending and supplementing a number of articles of Decree 153/2020/ND-CP stipulating the offering and trading of individual corporate bonds in the domestic market and the offering corporate bonds to the international market, affecting the capital raising plan of the Issuers when the issuance conditions change, the cost of mobilization increases, leading to a decrease in the size of the corporate bond underwriting strongly in the market in general and VNDIRECT in particular. Along with that, the handling of a series of violations by enterprises such as Tan

Hoang Minh and Van Thinh Phat related to the use of capital from bond issuance activities has affected investors' confidence in the debt capital market, affecting the overall operation of the Investment Banking segment.

- **Capital Market^(*):** The stock market had unfavorable movements in Quarter 3 and 4, affecting the performance of the investment portfolio, which was mainly the portfolio of stocks and bonds prop-trading. VNDIRECT recorded the Company's capital market business results in Q4/2022 of VND 187.17 billion, and accumulated for the whole year of 2022 to VND 1,237.95 billion, down 23.36% YoY.

In addition, unfavorable fluctuations of the money market from rising interest rates, difficult liquidity in the banking system, limited credit room, and rising exchange rates have affected the cost of capital, which led to the poor Company's business results.

^(*) *Capital Markets segment revenue is calculated by net-off of profit and loss from financial assets*



Source: VNDIRECT Separate FS of years

In 2022, VNDIRECT's revenue structure still remained balanced ratio compared to previous years in all 4 main pillars including capital market activities, margin lending activities, securities brokerage services and investment banking services.

Balance Sheet highlights Q4/2022

- **Financial assets:**

In the structure of financial assets, **certificates of deposit and contracts of deposit** are highly liquid assets with a scale of VND 12,913.78 billion (accounting for about 52.65% of financial assets, equivalent to 33.31% of total assets of VNDIRECT). The allocation of a large proportion to the deposit portfolio is to strengthen the liquidity buffer and minimize market and credit risks for the Company's Balance Sheet.

Bonds: The balance of corporate bonds and credit institutions bonds at VNDIRECT accounted for 32.45% and 6.99% of financial assets (equivalent to VND 7,958.80 billion and VND 1,715.57 billion, respectively). Meanwhile, the government bond balance at VNDIRECT reached VND 734.30 billion, accounting for 2.99% financial assets. In the unfavorable market conditions, VNDIRECT had to maintain a significant proportion of bonds in the structure of financial assets compared to previous years.

Stocks and securities: The balance of stocks and securities of VNDIRECT accounted for 4.92% of financial assets (equivalent to VND 1,207.35 billion). In which, listed stocks and other securities were recorded at VND 840.28 billion, accounting for 3.43% of financial assets and unlisted stocks and fund certificates accounted for 1.50% of financial assets. Keeping the allocation proportion low in the stock portfolio is for risk management in the context of a risky market.

- **The margin lending balance:** Margin balance in Q4/2022 reached VND 8,899.60 billion, decreased 42.39% compared to the end of 2021. In Q4/2022, the Company adjusted to increase the margin interest rate to 13.8%/year from 12%/year compared to the beginning of the year due to the higher market interest rate. The lending scale of VNDIRECT still has room to increase as the outstanding loan only accounts for 61.44% of equity compared to the maximum loan amount of 200% of equity.

Q4/2022 Activity Highlights

1. Raising Capital Highlights

VNDIRECT has more unsecured syndicated loan from international financial institutions

VNDIRECT successfully signed an unsecured loan contract with a value of USD 75 million (equivalent to nearly VND 1,850 billion), along with the right to increase the loan limit to a maximum of USD 200 million.

The loan was co-arranged by Taipei Fubon Commercial Bank Co Ltd and Maybank Securities Pte. Ltd (a member of the Maybank Investment Banking Group). The deal attracted the participation of 8 foreign banks from Asian markets such as Taiwan, Hong Kong and Singapore with a 100% unsecured structure. The loan limit has a withdrawal term of no more than 12 months with a reference interest rate that is compound interest overnight Secured Interest Rate (SOFR)

in accordance with international capital market practices.

The continued successful mobilization in the foreign capital market, especially in the context of negative developments in the world financial market and Vietnam's securities market recently, is a testament to VNDIRECT's position on the international capital market and affirms the solid financial capacity of the Company as well as affirms the positive confidence from international financial institutions with the future picture of Vietnam's economy.

2. Organizing seminars with economic and financial experts

VNDIRECT leaders and employees join hands in efforts to organize a series of events to contribute to the transparent development of the stock market (Dinsights)

Leaders and employees join hands in efforts to organize a series of events for investors, customers and partners of the Company in order to contribute to providing official information, providing knowledge sharing on macroeconomics, financial and monetary market, supporting the transparent development of the stock market. At the end of Q3/2022 and the beginning of Q4/2022, VNDIRECT in particular and the financial market in general had to go through a very difficult period of the international capital market in general and the Vietnamese market in particular, along with the false rumors about VNDIRECT.

Each VNDIRECTORS along with the Board of Directors calmly faced the immediate difficulties and continued the mission to protect the general development conditions of the market, refuting rumors that caused confusion for investors. Dinsight Forum was also born from here. DInsights is a forum to share market strategies of economic experts and business leaders representing many sectors, organized monthly by VNDIRECT in both face-to-face and online form. DInsights provides investors with up-to-date information, multi-dimensional views on the macro economy, challenges and opportunities of the market, from which to find the right approach. In addition, the forum is also a policy bridge, bringing recommendations and proposals from investors and businesses to state authorities.

3. Awards Highlights

VNDIRECT was honored as a strong brand in Vietnam for the second time in a row

On October 12, with the award **"Top 10 Vietnamese strong brands in financial services"** in 2022 awarded by Vietnam Economy magazine, VNDIRECT continued to affirm its leading position in the financial services sector, along with the commitment to accompanying customers on the investment path towards Financial Health and Sustainable Investment.

4. CSR Activities Highlights

VNDIRECT'S DAY

The most anticipated event of the year, where more than 1,600 VNDIRECTORS – across the country are present for each other, become grateful and connect with each other after more than 2 years of heavy influence of the Covid-19 pandemic.

The program with the theme "Being grateful is still happy", held in mid-December, fully encapsulated all emotions of employees through enthusiastic and creative performances; through a teambuilding game filled with energy, showing the spirit of commitment and passionate love for VNDIRECT. All of these have created beautiful memories and memorable moments in each employee. In addition, the teambuilding contest's prizes and products from the participating teams are donated to charity activities.

About VNDIRECT Securities Joint Stock Company

VNDIRECT Securities Joint Stock Company (HOSE: VND, “VNDIRECT” or “Company”) wishes to build and develop into a trusted financial institution providing transparent and reliable investment products which is supported by a team of integrity and professionalism as well as a multi-utility technology platform for all types of customers. With that goal, VNDIRECT will become the place of collective wisdom, stimulate capital flows among people & create opportunities for anyone to be an integral part contributing to a dream of a greater Vietnam Market.

Contact

Investor Relations Department

Ms. Do Thi Lan Anh

E: anh.dolan@vndirect.com.vn

This earning release is intended primarily for informational purposes, but there are forward-looking statements in VNDIRECT's expectations, intentions or strategies that may involve multiple risk factors and uncertainty. These forward-looking statements, including the forecasts, estimates, projections, expectations, and assumptions of VNDIRECT, are subject to risks, uncertainties, and other unforeseeable or implicit factors, which is beyond the control of VNDIRECT, may cause actual results in business activities, financial activities, or positions and achievements of VNDIRECT to differ significantly from those expressed or implied in future views. Unless otherwise provided by law, VNDIRECT is disclaimed from responsibility for updating such forward-looking statements to reflect future events or situations. Readers of this report should not consider these statements as commitments about VNDIRECT's business results, position, achievements, and future events and are advised not to rely on them excessively.