

# **VNDIRECT Securities Corporation**

Financial safety ratio report

30 June 2024



# VNDIRECT Securities Corporation

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# VNDIRECT Securities Corporation

## GENERAL INFORMATION

### THE COMPANY

VNDIRECT Securities Corporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam according to Business Registration No.0103014521 issued by Hanoi Department of Planning and Investment dated 07 November 2006, Business Registration No. 0102065366 amended for the twelfth time on 26 July 2024, Securities Trading License No. 22/UBCK-GPHDKD issued by the State Securities Commission of Vietnam dated 16 November 2006 and Amended License for Establishment and Operation of Securities Company (The latest Amended License No. 59/GPĐC-UBCK dated 30 July 2024).

The current principal activities of the Company are to provide brokerage service, securities trading, underwriting for securities issues, custodian service, finance and investment advisory service, margin lending service, cash advances and derivatives services.

The Company's charter capital as at 30 June 2024 was VND 12,178,440,090,000 (as at 31 December 2023: VND 12,178,440,090,000).

As at 22 July 2024, the Company's charter capital was VND 15,222,999,080,000.

The Company's Head Office is located at No. 01 Nguyen Thuong Hien Street, Nguyen Du Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 30 June 2024, the Company has branches located in Thanh Xuan – Hanoi, Ho Chi Minh City, Da Nang, Vinh – Nghe An, Can Tho, Binh Duong, Quang Ninh, Nam Dinh, Thanh Hoa and transaction offices located in Da Nang City, Ho Chi Minh City and Hanoi.

As at 30 June 2024, the Company had two (02) associates.

### BOARD OF DIRECTORS

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

<i>Name</i>	<i>Title</i>	<i>Appointment/Resignation date</i>
Ms. Pham Minh Huong	Chairwoman	Appointed on 11 November 2006, Reappointed on 25 April 2022, Resigned on 26 April 2023, Appointed on 18 September 2023
Mr. Mai Huu Dat	Vice Chairman	Appointed on 21 July 2022
Mr. Nguyen Vu Long	Member	Appointed on 25 April 2022, Resigned on 26 April 2023, Appointed on 18 September 2023
Mr. Vu Hien	Member	Appointed on 26 March 2009, Reappointed on 25 April 2022
Mr. Vu Viet Anh	Independent Member	Appointed on 25 April 2022

### BOARD OF SUPERVISION

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

<i>Name</i>	<i>Title</i>	<i>Appointment date</i>
Ms. Hoang Thuy Nga	Head of the Board of Supervision	Appointed on 21 April 2013, Reappointed on 25 April 2022
Ms. Nguyen Ngoc Mai	Member	Appointed on 17 June 2023
Ms. Huynh Thanh Binh Minh	Member	Appointed on 28 April 2012, Reappointed on 25 April 2022

# VNDIRECT Securities Corporation

## GENERAL INFORMATION (continued)

### MANAGEMENT

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

<i>Name</i>	<i>Title</i>	<i>Appointment date</i>
Mr. Nguyen Vu Long	General Director	Appointed on 18 September 2023
Mr. Dieu Ngoc Tuan	Managing Director	Appointed on 31 October 2022

### LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report are Ms. Pham Minh Huong - Chairwoman of the Board of Directors; Mr. Nguyen Vu Long - General Director and Mr. Dieu Ngoc Tuan - Managing Director.

### AUDITORS

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



# VNDIRECT Securities Corporation

## REPORT OF MANAGEMENT

Management of VNDIRECT Securities Corporation ("the Company") is pleased to present this report and the financial safety ratio report of the Company as at 30 June 2024.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL SAFETY RATIO REPORT

Management of the Company confirmed that it has complied with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio ("Circular 91") and *Note 2.1* to the financial safety ratio report in the preparation and presentation of the financial safety ratio report as at 30 June 2024.

### STATEMENT BY THE MANAGEMENT

Management of the Company does hereby state that, in its opinion, the accompanying financial safety ratio report is prepared in accordance with the requirements of Circular 91 and *Note 2.1* to the financial safety ratio report.

For and on behalf of Management:



Mr. Nguyen Vu Long  
General Director

Hanoi, Vietnam

14 August 2024

Reference: 12125389/E-67573032-ATTC/LR

## REPORT ON REVIEW OF FINANCIAL SAFETY RATIO REPORT

**To: The Shareholders of  
VNDIRECT Securities Corporation**

We have reviewed the accompanying financial safety ratio report of VNDIRECT Securities Corporation ("the Company") as at 30 June 2024 as prepared on 14 August 2024 and set out on pages 6 to 32. The report has been prepared by the Company's management in accordance with the regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio ("Circular 91") and *Note 2.1* to the financial safety ratio report.

### ***Management's responsibility***

The Company's management is responsible for the preparation and fair presentation of the financial safety ratio report in accordance with Circular 91 and *Note 2.1* to the accompanying financial safety ratio report, and for such internal control as management determines necessary to enable the preparation and presentation of the financial safety ratio report to be free from material misstatement, whether due to fraud or error.

### ***Auditors' responsibility***

Our responsibility is to express a conclusion on this financial safety ratio report based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – Review of Financial Information Performed by Independent Auditors of the Entity.

A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial safety ratio report is not prepared and presented, in all material aspects, in accordance with Circular 91 and *Note 2.1* to the financial safety ratio report.

***Basis of preparation and restriction on use of review report***

Without modifying our opinion, we draw attention to *Note 2.1* and *Note 3* to the financial safety ratio report, which describes the applicable regulations and the summary of significant policies for the preparation of financial safety ratio report. As also described in *Note 2.2*, the financial safety ratio report is prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report of the Company. As a result, this report may not be suitable for other purposes.

**Ernst & Young Vietnam Limited**



  
Đặng Phương Hà  
Deputy General Director  
Audit Practising Registration  
Certificate No. 2400-2023-004-1

Hanoi, Vietnam

14 August 2024

VNDIRECT SECURITIES CORPORATION  
Official letter No. 808/2024/CV-VNDHO  
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SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness  
\_\_\_\_\_o0o\_\_\_\_\_

Re: Financial safety ratio report

Hanoi, 14 August 2024

## FINANCIAL SAFETY RATIO REPORT

As at: 30 June 2024

**To: State Securities Committee**

We hereby confirm that:

- (1) The report is prepared on the basis of updated data at the reporting date and in accordance with the regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio;
- (2) Subsequent events after the date of this report that can have effects on the financial position of the Company will be updated in the next reporting year;
- (3) We bear full legal responsibility for the accuracy and truthfulness of the contents of the report.

  
\_\_\_\_\_  
Ms. Nguyen Thi Huong  
Chief Accountant

  
\_\_\_\_\_  
Ms. Duong Thi Phuong Lien  
Head of Internal Control

  
\_\_\_\_\_  
Mr. Nguyen Vu Long  
General Director



Hanoi, Vietnam

14 August 2024



# VNDIRECT Securities Corporation

## FINANCIAL SAFETY RATIO REPORT as at 30 June 2024

### SUMMARY TABLE ON EXPOSURES TO RISKS AND LIQUID CAPITAL

Currency: VND

No	Items	Notes	Exposures to risk/ Liquid capital
1	Total exposures to market risk	4	3,107,196,155,093
2	Total exposures to settlement risk	5	570,792,034,919
3	Total exposures to operational risk	6	419,218,648,373
4	<b>Total exposures to risks (4=1+2+3)</b>		<b>4,097,206,838,385</b>
5	<b>Liquid capital</b>	7	<b>14,816,377,331,184</b>
6	<b>Liquid capital ratio (6=5/4) (%)</b>		<b>361.62%</b>

Ms. Nguyen Thi Huong  
Chief Accountant

Ms. Duong Thi Phuong Lien  
Head of Internal Control



Mr. Nguyen Vu Long  
General Director

Hanoi, Vietnam

14 August 2024



# VNDIRECT Securities Corporation

## NOTES TO THE FINANCIAL SAFETY RATIO REPORT as at 30 June 2024

### 1. THE COMPANY

VNDIRECT Securities Corporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam according to Business Registration No.0103014521 issued by Hanoi Department of Planning and Investment dated 07 November 2006, Business Registration No. 0102065366 amended for the twelfth time on 26 July 2024, Securities Trading License No. 22/UBCK-GPHĐKD issued by the State Securities Commission of Vietnam dated 16 November 2006 and Amended License for Establishment and Operation of Securities Company (The latest Amended License No. 59/GPĐC-UBCK dated 30 July 2024).

The current principal activities of the Company are to provide brokerage services, securities trading, underwriting for securities issues, custodian services, financial and investment advisory services, margin lending services, cash advances and derivative services.

#### **Charter capital**

The Company's charter capital as at 30 June 2024 was VND 12,178,440,090,000 (as at 31 December 2023: VND 12,178,440,090,000).

As at 22 July 2024, the Company's charter capital was VND 15,222,999,080,000.

#### **Location and network**

The Company's Head Office is located at No. 01 Nguyen Thuong Hien Street, Nguyen Du Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 30 June 2024, the Company has branches located in Thanh Xuan – Hanoi, Ho Chi Minh City, Da Nang, Vinh – Nghe An, Can Tho, Binh Duong, Quang Ninh, Nam Dinh, Thanh Hoa and transaction offices located in Da Nang City, Ho Chi Minh City and Hanoi.

#### **Associates**

As at 30 June 2024, the Company had two (02) associates as follows:

<i>Company Name</i>	<i>Established in accordance with</i>	<i>Business sector</i>	<i>Charter capital</i>	<i>% holding</i>	<i>Proportion vote</i>
Post – Telecommunication Joint - Stock Insurance Corporation	Business Registration and Operating License No.3633/GP-UB dated 01 August 1998 and the latest amended Operating License No.41A/GPĐC32/KDBH dated 05 January 2022	Non-life insurance business and financial service business	803,957,090,000	20%	20%
Goldsun Food Joint Stock Company	Business Registration No. 0108951120 issued by Hanoi Department of Planning and Investment dated 17 October 2019 and subsequent amendments	Restaurant business, food service	1,265,501,000,000	5.55%	36%

#### **Employees**

Total number of employees of the Company as at 30 June 2024 was 1,148 persons (as at 31 December 2023: 1,174 persons).

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 2. BASIS OF PRESENTATION

### 2.1 *The applicable regulations*

The financial safety ratio report of the Company is prepared and presented in accordance with the regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio ("Circular 91"). This financial safety ratio report is prepared on the basis of the financial data of the Company at the reporting date.

### 2.2 *Purpose of preparation*

The financial safety ratio report is prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report and may not be suitable for other purposes.

### 2.3 *Reporting currency*

The Company prepares the financial safety ratio report in Vietnam dong (VND).

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT

### 3.1 *Liquid capital ratio*

Liquid capital ratio of the Company is determined using the formula specified in accordance with Circular 91 as follows:

$$\text{Liquid Capital ratio} = \frac{\text{Liquid Capital} \times 100\%}{\text{Total exposures to risks}}$$

In particular, total exposures to risks are the sum of exposures to market risk, settlement risk, and operational risk.

### 3.2 *Liquid Capital*

In accordance with Circular No. 91, the Company's liquid capital is the total equity that can be converted into cash within ninety (90) days, details as follows:

- ▶ Owners' equity, excluding redeemable preferred share (if any);
- ▶ Share premium, excluding redeemable preferred share (if any);
- ▶ Convertible bonds – Equity component (applicable to securities company that is convertible bonds issuer);
- ▶ Other owners' equity;
- ▶ Differences from revaluation of assets at fair value;
- ▶ Foreign exchange rate differences;
- ▶ Charter capital supplementary reserve;
- ▶ Operational risk and financial reserve;
- ▶ Other reserves in accordance with prevailing regulations;
- ▶ Undistributed retained earnings;
- ▶ Balance of provision for impairment of assets;
- ▶ Fifty percent (50%) of the increased in value of revaluated fixed assets in accordance with prevailing regulations (in case of increased revaluation), or minus the decreased in value (in case of decreased revaluation);



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.2 *Liquid Capital* (continued)

- ▶ Decreases to liquid capital (*Note 3.2.1*);
- ▶ Increases to liquid capital (*Note 3.2.2*); and
- ▶ Other capital (if any).

#### 3.2.1 *Decreases to liquid capital*

The Company's liquid capital is decreased due to the following items:

- ▶ Treasury shares (if any);
- ▶ Total decreases in value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report;
- ▶ The escrow value, in case the Company places collateral assets to the banks for banks' guarantee upon the Company's issuance of covered warrants, is determined as the minimal value of the followings: the value of banks' guarantee and the value of collateral assets (equivalent to volume of assets \* asset price \* (1 - Market risk coefficient));
- ▶ The value of the Company's assets used as collaterals for the Company's obligations with other institutions and individuals, of which the remaining terms are of more than ninety (90) days, (equivalent to volume of assets \* asset price \* (1 - Market risk coefficient));
- ▶ Short-term assets including prepayments, receivables and advances of which the remaining recovery period or settlement period is more than ninety (90) days, and other short-term assets;
- ▶ Long-term assets;
- ▶ The qualified, adverse or disclaimed items on the audited and reviewed financial statements (if any);
- ▶ Securities issued by the Company's related parties in the following cases:
  - The parent company, subsidiaries of the Company;
  - Subsidiaries of the Company's parent company.
- ▶ Securities restricted to transfer with the remaining restricted period of more than 90 days as from the calculation date;
- ▶ Irrecoverable items from other counter parties which are assessed as completely insolvent, are determined at the contract value.

When determining decreased items to liquid capital, the Company adjusts to reduce the decreasing value as follows:

- ▶ For assets being used to secure the Company's obligations to other organizations or individuals the decrease value shall be deducted by the minimal value of the followings: market value of the assets, residual value of the obligation;
- ▶ For assets secured by assets belonging to other organizations or individuals, the decrease value shall be deducted by the minimal value of the followings: market value of the collaterals, book value.

Accordingly, value of the collateral used in calculating the deduction from the decreases to liquid capital is determined as: quantity of the asset \* asset price \* (1 - Market risk coefficient) in accordance with Circular 91.

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.2 *Liquid Capital* (continued)

#### 3.2.1 *Decreases to liquid capital* (continued)

The decreases to liquid capital of the items in current and non-current assets does not include the following items:

- ▶ Assets exposed to market risk in accordance with Circular 91, except for securities issued by a subsidiary, parent company or subsidiary of the Company's parent company or securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of calculation;
- ▶ Contracts and transactions exposed to liquidity risk in accordance with Circular 91;
- ▶ Provisions for impairment of assets;
- ▶ Provision for bad debts.

The Company does not calculate exposures to risk for items deducted from the liquid capital.

#### 3.2.2 *Increases to liquid capital*

The Company's liquid capital is increased due to the following items:

- ▶ Total increases in value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report; and
- ▶ Debts that are convertible to equity, including: convertible bonds, preferred shares and other debt instruments registered to supplement liquid capital with the State Securities Commission and satisfied all conditions stated in Clause 2, Article 7 of Circular 91.

The maximum value of total debt items used to increase liquid capital is 50% of the Company's owners' equity. Regarding convertible debts and debts registered to supplement the Company's liquid capital with the State Securities Committee, the Company deducts 20% of their original value each year during the last five (05) years prior to maturity/conversion into common shares and deducts 25% of residual value quarterly during the last four (04) quarters prior to maturity/conversion into common shares.

### 3.3 *Exposures to market risk*

Exposures to market risk are the potential losses which may occur when the market value of the Company's assets fluctuates in a negative trend. Exposures to market risk for the Company's assets include cash and cash equivalent, money market instruments, bonds, shares, and funds/shares of securities investment companies that are determined by the Company at the end of the transaction day using the following formula:

Exposures to market risk = Net position x Asset price x Market risk coefficient

In particular, net position is the net volume of securities held by the Company at the reporting date, after being deducted by the number of securities lent and increased by the number of securities borrowed in accordance with prevailing regulations.



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 *Exposures to market risk* (continued)

Exposures to market risk of securities not yet fully distributed from underwriting contracts in the form of a firm commitment, covered warrants issued by the Company and future contracts are determined using the formula presented in Note 3.3.2.

Assets which are excluded when determining exposures to market risk include:

- ▶ Treasury shares;
- ▶ Securities issued by related parties of the Company in the following cases:
  - The parent company, subsidiaries of the Company;
  - Subsidiaries of the Company's parent company.
- ▶ Securities restricted to transfer with the remaining restricted period of more than 90 days as from the calculation date.
- ▶ Bonds, debt instruments and valuable papers in the money market which have matured;
- ▶ Securities which have been hedged by sell warrants or futures contracts; sell warrants and sell options which have been used to hedge for underlying securities.

#### 3.3.1 *Market risk coefficient*

Market risk coefficient is determined for each account of assets as specified in Appendix I of Circular 91.

#### 3.3.2 *Asset price*

##### a. *Cash and cash equivalents, money market instruments*

Value of cash in VND is the cash balance at the calculation date. Value of cash in foreign currencies is the equivalent in VND using the exchange rate published by credit institutions ("Cis") which are allowed to conduct foreign currencies trading at the calculation date.

Value of cash equivalent and money market instruments is the amount deposited/ acquisition cost plus accrued interest using the effective interest rate at the calculation date.

##### b. *Bonds*

Value of listed bonds is the average price quoted on the trading system of Securities Stock Exchange on the latest trading day plus accrued interest. In case there is no transaction for such bonds during more than two (2) weeks prior to the date of calculation, the value of bonds is the highest of the following values, accrued interest included: acquisition cost; par value and price determined by the internal valuation methods.

Value of unlisted bonds is the highest of the following, including accrued interest values included: Quoted price on the quotation system selected by the Company (if any); acquisition cost; par value; price determined by the internal valuation methods.

##### c. *Shares*

Value of listed shares are determined based on the quoted closing prices on the Ho Chi Minh Stock Exchange and the Hanoi Stock Exchange on the latest trading day prior to the date of calculation.



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 Exposures to market risk (continued)

#### 3.3.2 Asset price (continued)

##### c. Shares (continued)

Value of unlisted shares which have been registered on the unlisted public companies market on UpCom is the quoted closing prices on the latest trading day prior to the date of calculation.

In case there is no transaction of shares listed or shares registered for trading on UpCom within more than two (2) weeks prior to the date of calculation, value of these shares is the highest of the following: book value; acquisition cost and price determined by internal valuation methods of the Company.

Value of shares which are suspended from trading, delisted or cancelled transactions is the highest of the following values: Book value, Par value, Price determined by internal valuation methods of the Company.

Value of shares which are registered or custodied but has not been listed or registered for trading is the average price of quotations from at least three (03) securities companies which are not related parties of the Company on the latest trading day prior to the date of calculation. If there are no sufficient quotation from at least three (03) securities companies, the value of shares is the highest of the following values: quoted price; value determined in the latest reporting period; Book value; Acquisition cost; Price determined by internal valuation methods of the Company.

Value of shares of organizations under dissolution, or of bankruptcy is 80% of the liquidated value of such shares at the date of preparation on the latest balance sheet, or price determined by internal methods of the Company.

The value of other shares or capital contributions is the maximum of book value; acquisition cost/value of capital contribution; price determined by internal methods of the Company.

##### d. Funds/Shares of securities investment companies/ETF fund

Value of public close-end fund is the closing price on the latest trade date prior to the calculation date. In case public close-end fund has no transactions in more than two (02) weeks prior to the calculation date, the value is calculated by net asset value ("NAV") per fund certificate at the latest reporting period prior to the calculation date.

Value of member/open-end fund/shares of securities investment companies in private issuance is the NAV per unit of contributed capital/fund certificate unit/shares at the latest reporting period prior to the calculation date.

Value of other funds/shares is price determined by the internal methods of the Company.

##### e. Undistributed securities from underwriting contracts in form of firm commitment

► Exposures to market risk of these securities are determined using the following formula:

Exposures to market risk

= {Quantity of undistributed securities, or distributed but not yet paid

x Issuance underwriting price – Value of collaterals (if any)} x Issuance risk coefficient

x { Market risk coefficient +  $\frac{\text{Issuance underwriting price} - \text{Trading price (if positive)}}{\text{Issuance underwriting price}}$  }

Issuance underwriting price

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 Exposures to market risk (continued)

#### 3.3.2 Asset price (continued)

##### e. Undistributed securities from underwriting contracts in form of firm commitment (continued)

In case of Initial Public Offering (IPO), including initial equitization auction and bonds bidding, trading price is equal to book value per share of issuer at the latest period, or initial price (if unable to determine book value), or par value (in case of bonds).

- ▶ Market risk coefficient is determined in Note 3.3.1
- ▶ Issuance risk coefficient is determined based on remaining duration to the ending date of the distribution period according to the contract, but not exceeding the allowed distribution period in accordance with legislative regulations, as follows:
  - Until the last day of the distribution period, if the remaining time is more than sixty (60) days: the issuance risk coefficient is 20%;
  - Until the last day of the distribution period, if the remaining time is from thirty (30) to sixty (60) days: the issuance risk coefficient is 40%;
  - Until the last day of the distribution period, if the remaining time is less than thirty (30) days: the issuance risk coefficient is 60%;
  - In the period from the last day of the distribution period to the settlement day: the issuance risk coefficient is 80%;
  - After the last settlement day, the Company has to determine the exposures to market risk of securities that have not been fully distributed using the formula in Note 3.3 in accordance with regulations stated in Clause 4 Article 9 - Circular 91.
  - Value of customers' collaterals is determined as follows:  
Value of collaterals = Quantity of assets x Asset price x (1 - Market risk coefficient).

##### f. Covered warrants issued by the Company

- ▶ Exposures to market risk of covered warrants issued by the Company, in case of in-the-money, is determined by the following formula:

$$\text{Value at risk} = \text{Max} \{ ((P_0 \times Q_0 / k - P_1 \times Q_1) \times r - MD), 0 \}$$

In which:

$P_0$ : Average closing price of underlying securities in 05 trading days before the calculation date.

$Q_0$ : the number of circulating warrants of a securities company.

$k$ : conversation ratio

$P_1$ : price of the underlying securities determined as prescribed in the Appendix II of Circular 91

$Q_1$ : the number of the underlying securities used by a securities company as guarantee of the obligation to make payment for the covered warrants issued by such companies

$r$ : the market risk coefficient of the covered warrants determined as prescribed in Appendix I of Circular 91

$MD$ : the margin deposit when the securities companies issue the covered warrants.

- ▶ The underlying securities in the above formula shall satisfy the following conditions: being included in the issuance plan or registered with the State Securities Commission on the use of these securities to hedge against the risks of the covered warrants issuance; and being the underlying securities of the covered warrants;



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 Exposures to market risk (continued)

#### 3.3.2 Asset price (continued)

##### f. Covered warrants issued by the Company (continued)

- ▶ In case of loss from covered warrants issued by the Company, the Company shall calculate exposures to market risk of underlying securities from the hedging activities for the issued covered warrants instead of calculating exposures to market risk of the issued covered warrants;
- ▶ The Company also calculates market risk for the difference between the value of the underlying securities used to hedge against the risk of the covered warrants and the value of the underlying securities necessary to hedge for the covered warrants (corresponding to hedging value).

##### g. Futures contract

Exposures to market risk of futures contracts are determined by the following formula:

Exposures to market risk =  $\text{Max} \{ ((\text{Settled price at the end of the day} - \text{Securities purchasing value}) \times \text{Market risk coefficient of futures contract} - \text{Margin value}), 0 \}$

In which:

- ▶ Settled price at the end of the day = Closing price x Open volume
- ▶ Securities purchasing value is the value of underlying securities purchased by the Company to cover for future contractual obligations.
- ▶ Margin value is the value of assets that the Company deposits for investment, proprietary trading and market making transactions related to futures contracts.

#### 3.3.3 Supplemental exposures to market risk

Exposures to market risk of assets are increasingly adjusted in case that the Company over-invests in these assets, except for the securities under firm commitment issuance underwriting contract, Government bonds and bonds guaranteed by the Government. The exposures to market risk are adjusted in accordance with following principles:

- ▶ An increase of 10% if the total value of investment in shares and bonds of a securities issuer accounts for more than 10% to 15% of the owners' equity of the Company.
- ▶ An increase of 20% if the total value of investment in shares and bonds of a securities issuer accounts for more than 15% to 25% of the owners' equity of the Company.
- ▶ An increase of 30% if the total value of investment in shares and bonds of a securities issuer accounts for more than 25% of the owners' equity of the Company.

Dividends, coupons, preference right of shares (if any) or interest of deposits, cash equivalents, negotiable instruments and valuable papers shall be added to the value of asset for the purpose of determining the exposures to market risk.

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 *Exposures to settlement risk*

Exposures to settlement risk are the potential losses which may occur when a counter party fails to fulfil its settlement obligation or transfer assets on time as committed. Exposures to settlement risk are determined at the transaction date as follows:

- ▶ For term deposits at credit institutions; certificates of deposit issued by credit institutions; securities borrowing contracts in accordance with legal regulations; repurchase agreements and reversed repurchase agreements in accordance with prevailing regulations; margin loan contracts in accordance with prevailing regulations; receivables from customers in securities trading activities; receivables from matured bonds, valuable papers, mature debt instruments that have not yet been paid; other receivables, contracts, transactions and capital usages exposed to settlement risk;
- ▶ Exposures to settlement risk before the date of securities transfer, cash settlement, contract liquidation shall be determined using the following formula:

Exposures to settlement risk = Settlement risk coefficient of counter party x Value of assets exposed to settlement risk

- ▶ For underwriting contracts in the form of firm commitment signed with other organizations in a syndicated underwriting contract in which the Company is the lead underwriter, the exposures to settlement risk value equals 30% of the remaining value of unpaid underwriting contracts;
- ▶ For overdue receivables, other receivables and other assets, securities which have not been received on time, including securities and cash which have not been received from term deposits at credit institutions; certificates of deposit issued by credit institutions; securities borrowing contracts in accordance with prevailing regulations; repurchase and reverse repurchase agreements in accordance with prevailing regulations; matured margin loans in accordance with prevailing regulations, exposures to settlement risk is determined as follows:

Exposures to settlement risk = Settlement risk coefficient by time x Value of assets exposed to settlement risk

#### 3.4.1 *Settlement risk coefficient*

Settlement risk coefficient is determined based on the type of counterparties and the period as specified in Appendix III, Circular 91.



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 Exposures to settlement risk (continued)

#### 3.4.2 Value of assets exposed to settlement risk

- a. *Securities borrowing, securities lending, margin lending, repurchase and reverse repurchase agreements of customers or of the Company*

Value of assets exposed to settlement risk is the market value of the contract determined as follows:

► Exposures to settlement risk is as follows:

No.	Type of transaction	Value of assets exposed to settlement risk
1.	Term deposits, certificates of deposit, unsecured loans; contracts, transactions, capital use according to Point k, Clause 1, Article 10 of Circular 91.	Total balance of deposit account, certificate of deposit, loan value, contract value, transaction value plus dividends, bond interests, preference value (for securities) or deposits interests, loan interests, other surcharges (for credit).
2.	Securities lending	$\text{Max}\{(\text{Market value of the contract} - \text{Collateral value (if any)}), 0\}$
3.	Securities borrowing	$\text{Max}\{(\text{Collateral value} - \text{Market value of the contract}), 0\}$
4.	Reverse repurchase agreements	$\text{Max}\{(\text{Contract value based on purchase price} - \text{Market value of the contract} \times (1 - \text{Market risk coefficient})), 0\}$
5.	Repurchase agreements	$\text{Max}\{(\text{Market value of the contract} \times (1 - \text{Market risk coefficient}) - \text{Contract value based on selling price}), 0\}$
6.	Margin contracts (loans to customers to purchase securities)/Other economic agreements with the similar nature	$\text{Max}\{(\text{Margin balance} - \text{Collateral value}), 0\}$

Margin balance includes outstanding loan principal, interest and other fees.

Customers' collateral value is determined in line with Note 3.4.3. In case the value of collateral does not have any reference in the market, its value is determined by the internal methods of the Company.

Asset price is determined in accordance with Note 3.3.2.



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 Exposures to settlement risk (continued)

#### 3.4.2 Value of assets exposed to settlement risk (continued)

##### b. Securities trading activities

Value of assets exposed to settlement risk in securities trading as the following standard:

No.	Period	Value of assets exposed to settlement risk
A – For the selling transactions (seller is the Company or its customers under the securities brokerage activities)		
1.	Before the settlement date	0
2.	After the settlement date	Market value of the contract (if Market value is less than Trading value)
		0 (if Market value is greater than Trading value)
B – For the buying transactions (buyer is the Company or the Company's customer)		
1.	Before the securities transfer period	0
2.	After the securities transfer period	Market value of the contract (if Market value is less than Trading value)
		0 (if Market value is greater than Trading value)

Settlement/transfer period of securities is T+2 (for listed securities), T+1 (for listed bonds); T+n (for transactions outside the official trading system within n days under agreement of both parties), or in accordance with prevailing regulations (for derivatives).

##### c. Receivables, matured bonds, matured debt instruments

Value of assets exposed to settlement risk is the value of receivables calculated based on par value, plus accrued interest, related costs and less cash received previously (if any).

##### d. Receivables, other receivables and other contracts, transactions, capital usages and assets with potential settlement risk

For contracts and transactions specified at Point k, Clause 1, Article 10, Circular 91, the Company determines as follows:

Value of settlement risk = Value of the asset at risk of payment × 100%

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 Exposures to settlement risk (continued)

#### 3.4.2 Value of assets exposed to settlement risk (continued)

##### d. Receivables, other receivables and other contracts, transactions, capital usages and assets with potential settlement risk (continued)

For advances with the remaining repayment period of less than 90 days, the Company determines as follows:

Value of assets exposed to settlement risk		Risk coefficient	Exposures to settlement risk
Value of all advances	accounts for from 0% to 5% of owners' equity at the date of calculation	8%	Exposures to settlement risk = Value of all assets exposed to settlement risk x Settlement risk coefficient
	accounts for more than 5% of owners' equity at the date of calculation	100%	

#### 3.4.3 Decreases to value of collaterals

The value of collaterals shall be deducted from the Company's value of assets exposed to settlement risk if the related contracts and transactions satisfy the following conditions:

- ▶ Counterparties or customers use collaterals to ensure their fulfilment of obligations and their collaterals are cash, cash equivalents, valuable papers, negotiable instruments on the money market, securities listed and registered on the Securities Stock Exchange and subsidiaries, Government bonds, bonds guaranteed by the Ministry of Finance;
- ▶ The Company has rights to control, manage, use, and transfer collaterals if partners fail to make payment fully and timely as agreed in the contracts.

Value of asset subjected to deduction is determined as follows:

Collateral value = Quantity of assets x Asset price x (1 - Market risk coefficient)

Assets price is determined in accordance with Note 3.4.2.

#### 3.4.4 Supplemental exposures to settlement risk

Exposures to settlement risk are increasingly adjusted in the following cases:

- ▶ An increase of 10% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 10% to 15% of the owners' equity of the Company;
- ▶ An increase of 20% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 15% to 25% of the owners' equity of the Company;
- ▶ An increase of 30% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any), or an individual and related parties of that individual (if any), account for more than 25% of the owners' equity of the Company.



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 *Exposures to settlement risk* (continued)

#### 3.4.5 *Net bilateral clearing value of assets exposed to settlement risk*

Value of assets exposed to settlement risk is subject to net bilateral clearing in cases:

- ▶ Settlement risk relating to the same partner;
- ▶ Settlement risk occurred to the same type of transaction;
- ▶ The net bilateral clearing is agreed in advance via documents.

### 3.5 *Exposures to operational risk*

Exposures to operational risk are the potential losses which may occur due to technical errors, system errors and business processes, human errors during performing their work, or due to the lack of capital resulting from expenses, losses arising from investment activities, or other objective reasons.

Exposures to operational risk of the Company is determined at the higher of 25% of the Company's operational maintaining expenses within twelve (12) consecutive months up to reporting date or 20% of the Company's legal capital.

The Company's operational maintaining expenses are determined from total expenses incurred in the period less: depreciation expense; provision expense/reversal of impairment of short-term, long-term financial assets and mortgage assets; provision expense/reversal of impairment of receivables; provision expense/reversal of impairment of other short-term assets; loss from revaluation of financial assets at fair value through profit and loss ("FVTPL"), interest expense and loss from revaluation outstanding covered warrants payables which has been recognized as expense in the period.

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 4. EXPOSURES TO MARKET RISK

Investment items		Risk coefficient %	Scale of risk VND	Exposures to risk VND
		(1)	(2)	(3) = (1) x (2)
<b>I. Cash and cash equivalents, monetary market instruments</b>				-
1.	Cash (VND)	0	-	-
2.	Cash equivalents	0	5,463,013,233,060	-
3.	Valuable papers, transferable instruments in the money market, certificates of deposit	0	1,633,993,989,869	-
<b>II. Government bonds</b>				<b>58,538,562,000</b>
4.	Zero-coupon Government bonds	0	-	-
5	Coupon Government bonds pay coupon interest		1,951,285,400,000	58,538,562,000
5.1	Government bonds (including treasury bonds and construction bonds previously issued), Government bonds of OECD countries or guaranteed by the Government or the Central Bank of the OECD countries, bonds issued by international institutions such as IBRD, ADB, IADB, AFDB, EIB and EBRD	3	1,951,285,400,000	58,538,562,000
<b>III. Credit institutions bonds</b>				<b>107,861,051,975</b>
6	Credit institutions bonds having remaining maturity of less than 1 year, including convertible bonds	3	-	-
	Credit institutions bonds having remaining maturity of 1 to under 3 years, including convertible bonds	8	-	-
	Credit institutions bonds having remaining maturity of 3 to under 5 years, including convertible bonds	10	-	-
	Credit institutions bonds remaining maturity of 5 years or more, including convertible bonds	15	719,073,679,834	107,861,051,975
<b>IV. Corporate bonds</b>				
<b>Listed corporate bonds</b>				<b>1,949,819,971,032</b>
7	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	71,549,236,051	5,723,938,884
	Listed bonds having remaining maturity of 1 to under 3 years, including convertible bonds	10	3,071,308,420	307,130,842
	Listed bonds having remaining maturity of 3 to under 5 years, including convertible bonds	15	-	-
	Listed bonds having remaining maturity of 5 years or more, including convertible bonds	20	-	-



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 4. EXPOSURES TO MARKET RISK (continued)

<i>Investment items</i>		<i>Risk coefficient %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
<b>IV. Corporate bonds (continued)</b>				
<b>Unlisted corporate bonds</b>				
8	Unlisted bonds issued by listed enterprises having remaining maturity of less than 1 year, including convertible bonds	15	509,054,230,222	76,358,134,533
	Unlisted bonds issued by listed enterprises having remaining maturity of 1 to under 3 years, including convertible bonds	20	209,675,619	41,935,124
	Unlisted bonds issued by listed enterprises having remaining maturity of 3 to under 5 years, including convertible bonds	25	1,015,000,000,000	253,750,000,000
	Unlisted bonds issued by listed enterprises having remaining maturity of 5 years or more, including convertible bonds	30	-	-
	Unlisted bonds issued by other enterprises having remaining maturity of less than 1 year, including convertible bonds	25	2,987,410,922,353	746,852,730,588
	Unlisted bonds issued by other enterprises having remaining maturity of 1 to under 3 years, including convertible bonds	30	2,242,493,350,383	672,748,005,115
	Unlisted bonds issued by other company having remaining maturity of 3 to under 5 years, including convertible bonds	35	325,007,757,252	113,752,715,038
	Unlisted bonds having issued by other enterprises remaining maturity of 5 years or more, including convertible bonds	40	200,713,452,269	80,285,380,907



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 4. EXPOSURES TO MARKET RISK (continued)

Investment items		Risk coefficient %	Scale of risk VND	Exposures to risk VND
		(1)	(2)	(3) = (1) x (2)
<b>V. Shares</b>				<b>240,023,302,378</b>
9.	Ordinary shares, preferred shares of entities listed in Ho Chi Minh Stock Exchange; open-ended fund certificates	10	1,524,122,190,560	152,412,219,056
10.	Ordinary shares, preferred shares of entities listed in Hanoi Stock Exchange	15	45,882,458,500	6,882,368,775
11.	Ordinary shares, preferred shares of unlisted public entities registered for trading through UpCom system	20	340,922,988,210	68,184,597,642
12.	Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO	30	-	-
13.	Shares of other public companies	50	25,088,233,809	12,544,116,905
<b>VI. Certificates of securities investment funds</b>				<b>42,740,724,576</b>
14.	Public funds, including public securities investment companies	10	307,407,245,759	30,740,724,576
15.	Private funds, private securities investment companies	30	40,000,000,000	12,000,000,000
<b>VII. Restricted securities trading</b>				<b>1,237,728</b>
16.	Securities of unlisted public companies are warned due to the delay in disclosing audited/reviewed financial statements as required	30	-	-
17.	Listed securities are warned	20	-	-
18.	Listed securities are controlled	25	-	-
19.	Securities temporarily suspended from trading	40	-	-
20.	Securities delisted, cancelled transactions	80	1,547,160	1,237,728
<b>VIII. Derivative securities</b>				
21.	Stock index futures contracts	8	-	-
Calculation: Exposure to risk = Max {((Settled price at the end of the day – Value of securities to fulfil future contractual obligations) x risk coefficient of futures contracts – Margin value (The contribution to the clearing fund for the open position of the securities company)),0} Settle price at the end of the day = Closing price x Open volume				
22.	Government bond futures contracts	3	-	-
Calculation: Exposure to risk = Max {((Settled price at the end of the day – Value of securities to fulfil future contractual obligations) x risk coefficient of futures contracts – Margin value (The contribution to the clearing fund for the open position of securities company)),0} Settled price at the end of the day = Closing price x Open volume				

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 4. EXPOSURES TO MARKET RISK (continued)

<i>Investment items</i>		<i>Risk coefficient %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
<b>IX. Other securities</b>				<b>649,844,016,758</b>
23.	Shares listed in foreign markets included in the benchmark	25	-	-
24.	Shares listed in foreign markets not included in the benchmark	100	-	-
25.	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
26.	Covered warrants listed on Hanoi Stock Exchange	10	-	-
27.	Shares and bonds issued by non-public companies that do not have the most recent audited financial statements up to the reporting date or have audited financial statements but have a contrary audit opinion, disclaimer of opinion or unqualified opinion	100	-	-
28.	Shares, capital contribution and other securities	80	706,262,580,000	565,010,064,000
29.	Covered warrants issued by the Company			-
Calculation: Market risk = $\text{Max}\{((P0 \times Q0 \times k - P1 \times Q1) \times R - MD), 0\}$				
30.	Securities formed from hedging activities for the covered warrants issued (in case covered warrants are not profitable)	10	293,218,143,583	29,321,814,358
31.	The positive difference between the value of the underlying securities used by the Company to hedge against the risks of covered warrants and the value of the underlying securities necessary to hedge for covered warrants.	10	555,121,383,995	55,512,138,400
<b>X. Increases risk (if any)</b>				<b>58,367,288,647</b>
	<b>Code</b>	<b>Increase</b>	<b>Scale of risk VND</b>	<b>Exposures to risk VND</b>
1	EDI12301	10	583,672,886,470	58,367,288,647
<b>Total Exposures to market risk (I+II+III+IV+V+VI+VII+VIII+IX+X)</b>				<b>3,107,196,155,093</b>



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 5. EXPOSURES TO SETTLEMENT RISK

	<i>Exposures to settlement risk</i> <i>VND</i>
Risks of undue items ( <i>Note 5.1</i> )	368,184,619,000
Risks of overdue items ( <i>Note 5.2</i> )	202,607,415,919
<b>Total exposures to settlement risk</b>	<b>570,792,034,919</b>

### 5.1 Risks of undue items

Type of transactions		Risk coefficient (%)	Exposures to settlement risk (VND)						Total exposures to settlement risk VND
			0%	0.8%	3.2%	4.8%	6%	8%	
			(1)	(2)	(3)	(4)	(5)	(6)	
1.	Term deposits, certificates of deposits, loans without collaterals and receivables from securities trading operations, and other items exposed to settlement risk	-	-	2,476,792,041	-	-	267,587,599,940	98,120,227,019	368,184,619,000
2.	Financial assets lending/other agreements with similar nature	-	-	-	-	-	-	-	-
3.	Financial assets borrowings/other agreements with similar nature	-	-	-	-	-	-	-	-
4.	Reverse repurchase agreements/other agreements with similar nature	-	-	-	-	-	-	-	-
5.	Repurchase agreements/other agreements with similar nature	-	-	-	-	-	-	-	-
<b>TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDUE ITEMS</b>									<b>368,184,619,000</b>



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 5. CALCULATION SHEET ON EXPOSURES TO SETTLEMENT RISK (continued)

### 5.1 Risks of undue items (continued)

Details of settlement risk coefficient by counterparties are determined as follows:

No.	Counterparties of the Company	Settlement risk coefficient
(1)	Government, issuers guaranteed by the Government, Government and Central Banks of OECD countries; People's committees of provinces and centrally-controlled municipalities	0%
(2)	Securities Stock Exchanges, Vietnam Securities Depository and Clearing Corporation	0.8%
(3)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and have credit ratings in accordance with the internal policies of securities trading institutions	3.2%
(4)	Credit institutions, financial institutions, and securities trading institutions which are not established in OECD countries or which are established in OECD countries and do not meet the requirements specified in the internal policies of securities trading institutions	4.8%
(5)	Credit institutions, financial institutions, securities trading institutions, securities investment funds, securities investment companies being established and operating in Vietnam	6%
(6)	Other entities and individuals	8%

(\*) Details:

	Carrying value VND	Value of collaterals VND	Carrying amount without collaterals VND	Settlement risk coefficient by counterparties %	Exposures to settlement risk VND
Term deposits and certificates of deposits	13,400,412,620,000	9,126,377,890,405	4,274,034,729,595	6	256,442,083,776
Receivables from credit institutions, financial institutions	185,758,602,740	-	185,758,602,740	6	11,145,516,164
Receivables from Securities Stock Exchange and VSD	309,599,005,067	-	309,599,005,067	0,8	2,476,792,041
Other receivables	1,226,502,837,743	-	1,226,502,837,743	8	98,120,227,019
<b>Total</b>	<b>15,122,273,065,550</b>	<b>9,126,377,890,405</b>	<b>5,995,895,175,145</b>		<b>368,184,619,000</b>

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 5. CALCULATION SHEET ON EXPOSURES TO SETTLEMENT RISK (continued)

### 5.2 Risks of overdue items

No	Overdue period	Settlement risk coefficient (%)	Scale of risk VND	Exposures to settlement risk VND
1.	0 – 15 days after payment due date or date of transferring securities	16	-	-
2.	16 – 30 days after payment due date or date of transferring securities	32	-	-
3.	31 – 60 days after payment due date or date of transferring securities	48	7,840,275,266	3,763,332,128
4.	From 60 days and above	100	198,844,083,791	198,844,083,791
<b>TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE ITEMS</b>				<b>202,607,415,919</b>



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 6. EXPOSURES TO OPERATIONAL RISK

	<i>Items</i>	<i>Amount VND</i>
I.	Total operating expenses incurring within 12 months up to 30 June 2024	3,581,821,909,985
II.	Deductions from total expenses ( <i>Note 6.1</i> )	1,904,947,316,493
III.	Total expenses after deductions (III = I – II)	1,676,874,593,492
IV.	25% of Total expense after deductions (IV = 25% III)	419,218,648,373
V.	20% Minimum charter capital for business operations of securities companies	240,000,000,000
<b>TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})</b>		<b>419,218,648,373</b>

### 6.1 Deductions from total expenses

	<i>Amount VND</i>
Depreciation expenses	51,351,636,802
Reversal of provision for impairment of short-term financial assets and mortgaged assets	(89,759,356,867)
Provision expense for impairment of long-term financial assets	1,629,996,901
Provision expense for impairment of receivables	77,237,829,401
Provision expense/reversal for impairment of other short-term assets	-
Loss from revaluation of financial assets at FVTPL	870,393,624,680
Loss from revaluation of covered warrants payables	39,940,773,600
Interest expenses	954,152,811,976
<b>TOTAL</b>	<b><u>1,904,947,316,493</u></b>

# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 7. LIQUID CAPITAL

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
<b>A</b>	<b>Owners' equity</b>			
1	Owners' equity, excluding redeemable preferred shares (if any)	12,178,440,090,000		
2	Share premium, excluding redeemable preferred shares (if any)	(105,578,460)		
3	Treasury shares	-		
4	The convertible bonds - equity component	-		
5	Other owners' equity	-		
6	Differences from revaluation of financial assets at fair value	-		
7	Charter capital supplementary reserve	-		
8	Operational risk and financial reserve	-		
9	Other funds belong to the owner's equity	-		
10	Undistributed profit	5,105,815,786,645		
11	Balance to provision for impairment of assets	206,805,537,527		
12	Difference from revaluation of fixed assets	-		
13	Foreign exchange rate differences	-		
14	Convertible debts			-
15	Total increase or decrease in securities investment value		4,747,313	-
16	Other capital (if any)			
<b>1A</b>	<b>Total</b>	<b>17,490,951,088,399</b>		



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 7. LIQUID CAPITAL (continued)

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
<b>B</b>	<b>Current assets</b>			
<b>I</b>	<b>Financial assets</b>			
1.	Cash and cash equivalents			
2.	Financial assets at fair value through profit and loss (FVTPL)			
	Securities exposed to market risk			
	Securities are deducted from liquid capital		-	
3.	Held-to-maturity (HTM) investments			
	Securities exposed to market risk			
	Securities deducted from liquid capital		-	
4.	Loans		-	
5.	Available-for-sale (AFS) financial assets			
	Securities exposed to market risk			
	Securities deducted from liquid capital		-	
6.	Provision for impairment of financial assets and mortgage assets			
7.	Receivables (receivables from disposal of financial assets, receivables and accruals from dividend, interest income from financial assets)			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		396,348,555,666	
8.	Covered warrant which have not fully issued			
9.	The underlying securities for the purpose of hedging when issuing covered warrant			
10.	Receivables from services provided by the Company			
	Receivables due in 90 days or less (irrecoverable)			
	Receivables due in more than 90 days		181,050,704,544	
11.	Internal receivables			
	Internal receivables due in 90 days or less			
	Internal receivables due in more than 90 days		-	
12.	Receivables due to error in securities transactions			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
13.	Other receivables			
	Other receivables due in 90 days or less			
	Other receivables due in more than 90 days		-	
14.	Provision for impairment of receivables			



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 7. LIQUID CAPITAL (continued)

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
<b>B</b>	<b>Current assets (continued)</b>			
<b>II</b>	<b>Other current assets</b>			
1.	Advances			
	Advances with the remaining repayment term of 90 days or less			
	Advances with the remaining repayment term of more than 90 days		-	
2.	Office supplies, tools and materials		-	
3.	Short-term prepaid expenses		10,217,420,761	
4.	Short-term deposits, collaterals and pledges		397,067,316,800	
5.	Deductible value added tax		-	
6.	Tax and other receivables from the State		-	
7.	Other current assets		5,975,588,750	
8.	Provision for impairment of other current assets			
<b>1B</b>	<b>Total</b>			<b>990,659,586,521</b>
<b>C</b>	<b>Non-current assets</b>			
<b>I</b>	<b>Long-term financial assets</b>			
1.	Long-term receivables		95,653,525,556	
2.	Investments			
	HTM investments			
2.1	Securities exposed to market risk			
	Securities are deducted from liquid capital		-	
2.2	Investments in subsidiaries		-	
2.3	Investment in associates		-	
2.4	Other long-term investments		914,505,332,000	
<b>II</b>	<b>Fixed assets</b>		<b>102,776,004,730</b>	
<b>III</b>	<b>Real-estate investment</b>		-	
<b>IV</b>	<b>Construction in progress</b>		<b>2,354,904,000</b>	
<b>V</b>	<b>Other long-term assets</b>			
1.	Long-term deposits, collaterals and pledges		3,458,332,428	
2.	Long-term prepaid expenses		22,272,422,847	
3.	Deferred income tax assets		-	
4.	Payment for Settlement Assistance Fund		20,000,000,000	
5.	Other long-term assets		-	
<b>VI</b>	<b>Provision for impairment of non-current assets</b>			
	The qualified, adverse or disclaimed asset items on the audited, reviewed financial statements (if any) that are not deducted under Article 5, Circular 91		-	
<b>1C</b>	<b>Total</b>			<b>1,161,020,521,561</b>



# VNDIRECT Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2024

## 7. LIQUID CAPITAL (continued)

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
<b>D</b>	<b>Escrow, collateral items</b>			
1	The value of the escrow			
1.1	The value of contribution to Settlement Assistance Fund of VSD		15,000,000,000	
1.2	The value of contribution to the clearing fund of the central settlement counterparty for the open position of the clearing member		-	
1.3	The value of cash escrow and banks' guarantee for issuing covered warrants		120,000,000,000	
2	The value of collaterals for obligations due in more than ninety (90) days		387,893,649,133	
<b>1D</b>	<b>Total</b>		<b>522,893,649,133</b>	
<b>LIQUID CAPITAL = 1A-1B-1C-1D</b>			<b>14,816,377,331,184</b>	

Notes:

 Non-applicable for the preparation of the financial safety ratio report

## 8. EVENTS AFTER THE REPORTING DATE

There is no matter or circumstance that has arisen after 30 June 2024 that requires adjustment or disclosure in the financial safety ratio report as at 30 June 2024 of the Company.

  
 Ms. Nguyen Thi Huong  
 Chief Accountant

  
 Ms. Duong Thi Phuong Lien  
 Head of Internal Control

  
 Mr. Nguyen Vu Long  
 General Director



Hanoi, Vietnam

14 August 2024