



Ho Chi Minh City, September 11, 2019

Ref. 1516/2020/CV-SSIHO
Re: Disclosure of the reviewed Separate FS
and FSR Reports 2020 in English

**INFORMATION DISCLOSURE ON ELECTRONIC PORTAL
OF THE STATE SECURITIES COMMISSION AND HO CHI MINH
STOCK EXCHANGE**

To: - The State Securities Commission
- Ho Chi Minh Stock Exchange
- Hanoi Stock Exchange

Name of the Company: **SSI SECURITIES CORPORATION**
Symbol code: SSI
Address: 72 Nguyen Hue Street, Ben Nghe Ward, District 1, HCMC, Vietnam
Telephone: (84-28) 38242897
Fax: (84-28) 38242997
Spokesman: Nguyen Hong Nam
Address: 72 Nguyen Hue Street, Ben Nghe Ward, District 1, HCMC, Vietnam
Telephone: (84-28) 38242897
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Type of information 24 hours 72 hours irregular info. on demand periodic info.

Information for disclosure:

English version of the reviewed the Separate Financial Statements, and the Financial Safety Ratio Reports, as at June 30, 2020.

This information was posted on SSI website on September 11, 2020 at this link www.ssi.com.vn.

The Company undertakes and fully bears responsibilities for accuracy and completeness of the information above.



On behalf of the Company
Party authorized to declare information

Nguyen Hong Nam
Chief Executive Officer

SSI Securities Corporation

Financial safety ratio report

30 June 2020



SSI Securities Corporation

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SSI Securities Corporation

GENERAL INFORMATION

THE COMPANY

SSI Securities Corporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam and Operating License No. 3041/GP-UB dated 27 December 1999 issued by Ho Chi Minh City People's Committee and the first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company then received Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 5 April 2000 and subsequently amended licenses.

The primary businesses of the Company are brokerage service, securities trading, underwriting for securities issues, custodian service, finance and investment advisory service, margin lending service and derivatives trading.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. On 29 October 2007, the listing was switched to Ho Chi Minh Stock Exchange.

The Company's Head Office is located at 72 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City. The Company also has branches and transaction offices based in Ho Chi Minh City, Hanoi, Vung Tau, Hai Phong and Nha Trang. The Company is executing procedures in accordance with Decision No. 58/2020/QD-CTHDQT and No. 59/2020/QD-CTHDQT dated 10 June 2020 of the Chairman of the Board of Directors on closure of Nha Trang and Vung Tau branches due to the adjustment of the Company's business method towards prioritizing online operation.

BOARD OF DIRECTORS

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

<i>Name</i>	<i>Title</i>	<i>Election</i>
Mr. Nguyen Duy Hung	Chairman	Re-elected on 27 June 2020
Mr. Nguyen Hong Nam	Member	Re-elected on 25 April 2019
Mr. Ngo Van Diem	Member	Re-elected on 21 April 2017
Mr. Nguyen Duy Khanh	Member	Re-elected on 27 June 2020
Mr. Hironoki Oka	Member	Re-elected on 27 June 2020
Mr. Pham Viet Muon	Member	Elected on 25 April 2019

BOARD OF SUPERVISION

Members of the Board of Supervision during the period and until 27 June 2020 were:

<i>Name</i>	<i>Title</i>	<i>Election</i>
Mr. Nguyen Van Khai	Head of the Board of Supervision	Re-elected on 25 April 2016
Mr. Dang Phong Luu	Member	Re-elected on 23 April 2015
Ms. Le Cam Binh	Member	Elected on 20 April 2018

According to Resolution No. 01/2020/NQ-DHDCD dated 27 June 2020, the General Meeting of Shareholders (GMS) approved the change in the Company's organization structure, in which the Audit Committee will be established directly under the Board of Directors and the Board of Supervision is no longer maintained. Accordingly, the GMS has dismissed all members of Board of Supervision since 27 June 2020.

SSI Securities Corporation

GENERAL INFORMATION (continued)

MANAGEMENT

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

<u>Name</u>	<u>Title</u>	<u>Appointment/Resignation</u>
Mr. Nguyen Duy Hung	Chief Executive Officer	Resigned on 01 August 2020
Mr. Nguyen Hong Nam	Chief Executive Officer	Appointed on 01 August 2020

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report was Mr. Nguyen Duy Hung, Chairman of the Board of Directors.

Mr. Nguyen Hong Nam – Chief Executive Director is authorized by Mr. Nguyen Duy Hung to sign the accompanying financial safety ratio report for the six-month period ended 30 June 2020 in accordance with the Letter of Authorization 09/2020/UQ-SSI of the Chairman of the Board of Directors dated 01 August 2020.

AUDITOR

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

SSI Securities Corporation

REPORT OF MANAGEMENT

Management of SSI Securities Corporation ("the Company") is pleased to present its report and the financial safety ratio report of the Company as at 30 June 2020.

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

Management confirmed that it has complied with the requirements of Circular No. 87/2017/TT-BTC dated 15 August 2017 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 *Note 2.1* to the financial safety ratio report in the preparation and presentation of the financial safety ratio report as at 30 June 2020.

STATEMENT BY THE MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial safety ratio report is prepared in accordance with the requirements of Circular No. 87/2017/TT-BTC dated 15 August 2017 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 and *Note 2.1* to the financial safety ratio report.



Mr. Nguyen Hong Nam
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2020

Reference No.: 60755007/22067128/ATTC/LR

REPORT ON REVIEW OF FINANCIAL SAFETY RATIO REPORT

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

We have reviewed the accompanying financial safety ratio report of SSI Securities Corporation (“the Company”) as at 30 June 2020 as prepared on 12 August 2020 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. 87/2017/TT-BTC dated 15 August 2017 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 No. 87”) and *Note 2.1* to the financial safety ratio report.

Management’s responsibility

The Company’s Management is responsible for the preparation and presentation of the financial safety ratio report in accordance with the regulations under Circular No. 87/2017/TT-BTC and *Note 2.1* to the financial safety ratio report, and for such internal control as the Company’s Management determines is necessary to enable the preparation and presentation of the financial safety ratio report that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express a conclusion on the 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 the Independent Auditor 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 the regulations under Circular No. 87/2017/TT-BTC and *Note 2.1* to the financial safety ratio report.

Basis of preparation and restriction on use of review report

We draw attention to *Note 2.1* and *Note 3* to the financial safety ratio report, which describe the applicable regulations, interpretations and policies to preparation of the financial safety ratio report. Also as 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. As a result, this report may not be suitable for other purposes.

Ernst & Young Vietnam Limited



CÔNG TY
TRHH
ERNST & YOUNG
VIỆT NAM
CHI NHÁNH
HÀ NỘI

Dang Phương Hà
Deputy General Director
Audit Practising Registration No. 2400-2018-004-1

Hanoi, Vietnam

12 August 2020

SSI SECURITIES CORPORATION
Official letter No. .../2020/CV-SSIHO
_____o0o_____

Re: Financial safety ratio report

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness
_____o0o_____

Ho Chi Minh City, 12 August 2020

FINANCIAL SAFETY RATIO REPORT

As at: 30 June 2020

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. 87/2017/TT-BTC dated 15 August 2017 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 period;
- (3) We bear full legal responsibility for the accuracy and truthfulness of the contents of the report.



Hoang Thi Minh Thuy
Chief Accountant



Nguyen Kim Long
Head of Internal Control



Nguyen Hong Nam
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2020

SSI Securities Corporation

FINANCIAL SAFETY RATIO REPORT
as at 30 June 2020

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	743,116,112,726
2	Total exposures to settlement risk	5	1,209,230,288,686
3	Total exposures to operational risk	6	569,678,453,187
4	Total exposures to risks (4=1+2+3)		2,522,024,854,599
5	Liquid capital	7	8,230,202,618,305
6	Liquid capital ratio (6=5/4) (%)		326.33%



Hoang Thi Minh Thuy
Chief Accountant



Nguyen Kim Long
Head of Internal Control




Nguyen Hong Nam
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2020

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT as at 30 June 2020

1. THE COMPANY

SSI Securities Corporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam and Operating License No. 3041/GP-UB dated 27 December 1999 issued by Ho Chi Minh City People's Committee and first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company then received Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 5 April 2000 and subsequent amended licenses.

The primary businesses of the Company are brokerage service, securities trading, underwriting for securities issues, custodian service, finance and investment advisory service, margin lending service and derivatives trading.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. On 29 October 2007, the listing was switched to the Ho Chi Minh Stock Exchange.

Charter capital

According to Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment, the Company's initial charter capital was VND 6,000,000,000. The charter capital has been supplemented over time in accordance with amended licenses. As at 30 June 2020, in accordance with latest Amended License No. 20/GPDC-UBCK signed by the Chairman of State Securities Commission, which has been effective since 08 May 2020, the Company's total charter capital amounted to VND 6,029,456,130,000.

Location and network

The Company's Head Office is located at 72 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. As at 30 June 2020, the Company has branches located in Ho Chi Minh City, Hanoi, Hai Phong, Vung Tau and Nha Trang, and transaction offices located in Ho Chi Minh City and Hanoi. The company is executing procedures in accordance with Decision No. 58/2020/QD-CTHDQT and No. 59/2020/QD-CTHDQT dated 10 June 2020 of the Chairman of the Board of Directors on closure of Nha Trang and Vung Tau branches due to the adjustment of the Company's business method towards prioritizing online operation.

Subsidiaries

As at 30 June 2020, the Company had two (02) directly owned subsidiaries as follows:

<u>Company Name</u>	<u>Established under</u>	<u>Business sector</u>	<u>Charter capital</u>	<u>% holding</u>
SSI Asset Management Company Ltd. (SSIAM)	Operating License No.19/UBCK- GP dated 03 August 2007 and the latest amended Operating License No. 38/GPDC-UBCK dated 26 December 2013	Investment fund management and investment portfolio management	VND 30 billion	100%
SSI Investment Member Fund (SSI IMF)	Approval Letter of Member Fund Foundation No. 130/TB-UBCK dated 27 July 2010 and amended license No. 4557/UBCK-QLQ dated 24 July 2018	Investments in securities and other investible assets, inclusive of real estates	VND 343 billion	80%

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

1. **THE COMPANY** (continued)

Besides, as at 30 June 2020, the Company had one (01) indirectly owned subsidiary by SSI IMF named SSI International Corporation.

Associate

As at 30 June 2020, the Company had one (01) indirectly owned associate.

Employees

Total number of employees of the Company at 30 June 2020 was 839 persons (at 31 December 2019 was 934 persons).

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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. 87/2017/TT-BTC dated 15 August 2017 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. This financial safety ratio report is prepared on the basis of the financial statements of the Company at the reporting date.

Interpretations internally applied for certain cases for which there is no specific guidance in Circular No. 87/2017/TT-BTC and others.

In the preparation and presentation of this report, the Company has applied the following interpretations based on the Company's understanding and own assessment for certain cases for which no specific guidance is available in Circular No. 87/2017/TT-BTC:

No	Items	The Company's interpretation
1	Item " Total operational maintaining expenses incurred during the period " (Clause 2, Article 8 – Exposures to operational risk, Circular No. 87/2017/TT-BTC)	To accurately determine the Company's actual operational maintaining expenses within twelve (12) consecutive months up to the reporting date, non-monetary expenses incurred during the period shall be deducted from total expense. Accordingly, the Company has deducted loss from revaluation of financial assets at fair value through profit or loss ("FVTPL") and loss from revaluation of outstanding covered warrant payables from the item "Total operational maintaining expenses incurred during the period" for the purpose of calculating the Company's exposures to operational risk.
2	Item " Total increase or decrease in securities investment value " (Clause 3, Article 5 – Deductible items from the liquid capital of securities companies and Clause 1, Article 7 – Supplemental items, Circular No. 87/2017/TT-BTC)	Financial assets which are used as collateral assets for the Company's liabilities shall be deducted from the liquid capital and be excluded from the calculation of exposures to market risk in accordance with Circular No. 87/2017/TT-BTC. Accordingly, any gain/(loss) from revaluation of these financial assets which has been recognised in the financial statements, shall be also deducted from the Company's liquid capital to ensure the accuracy of the financial safety ratio.
3	Item " Supplemental exposures to market risk " (Clause 5, Article 9 – Exposures to market risk, Circular No. 87/2017/TT-BTC)	Supplemental exposures to market risk are calculated by Scale of market risk (excluded the supplemental exposures) x Surplus risk coefficient.
4	Item " Supplemental exposures to settlement risk " (Clause 8, Article 10 – Exposures to settlement risk, Circular No. 87/2017/TT-BTC)	Supplemental exposures to settlement risk are calculated by Scale of settlement risk (excluded the supplemental exposures) x Surplus risk coefficient. Term deposits used as collaterals for the Company's borrowings are included in the calculation of exposures and supplemental exposures to settlement risk and not deducted from liquid capital in accordance with the regulations stated in Article 5 and Article 10 of Circular No. 87/2017/TT-BTC.

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

2. BASIS OF PRESENTATION (continued)

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 this 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 No. 87/2017/TT-BTC 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. 87/2017/TT-BTC, the Company's liquid capital is the total equity that can be converted into cash within ninety (90) days, details as follows:

- ▶ Owners' equity, excluded redeemable preferred share (if any);
- ▶ Share premium, excluded 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 fixed assets' increased value revaluated in accordance with prevailing regulations (in case of positive revaluation), or minus the total decreased value (in case of negative revaluation);
- ▶ Decreases to liquid capital (Note 3.2.1);
- ▶ Increases to liquid capital (Note 3.2.2); and
- ▶ Other capital (if any).

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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*

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 cover warrant, 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 liabilities 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 include prepaid items, receivables and advances of which the remaining recovery period or settlement period is of more than ninety (90) days, and other short-term assets;
- ▶ Long-term assets;
- ▶ The qualified, adversed or disclaimed items on the audited, reviewed financial statements (if any);
- ▶ Securities issued by the Company's related parties in the following cases:
 - The parent company, subsidiaries, joint ventures, associates of the Company;
 - Subsidiaries, joint ventures, associates 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 the above decrease amount to liquid capital, the Company makes the following adjustment to the decrease value:

- ▶ For assets used as collaterals for obligations with other entities and individuals, the decrease value shall be deducted by the minimal value of the followings: market value of the assets, book value and residual value of the obligation;
- ▶ For assets secured by other entities and individuals' assets, the decrease value shall be deducted by the minimal value of the followings: value of the collaterals, book value.

Accordingly, value of collaterals is determined by volume of assets * asset price * (1 – Market risk coefficient) in accordance with Circular No. 87/2017/TT-BTC.

The Company does not calculate risk exposures for items that are deducted from liquid capital.

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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

3.2 *Liquid capital* (continued)

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 No. 87/2017/TT-BTC.

The total value of debt items used to supplement liquid capital is in maximum 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 or assets expected to own from underwriting contracts fluctuates in a negative trend. Exposures to market risk for the Company's assets include cash and cash equivalent, money market instruments, bonds, shares, 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.

Exposures to market risk of securities not yet fully distributed from underwriting contracts in the form of a firm commitment, covered warrant 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, joint ventures, associates of the Company;
 - Subsidiaries, joint ventures, associates 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 been 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.

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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

3.3 Exposures to market risk (continued)

3.3.1 Market risk coefficient

Market risk coefficient is determined for each account of assets as specified in Circular No. 87/2017/TT-BTC.

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 which are allowed to conduct foreign currencies trading at the calculation date.

Value of cash equivalent and money market instruments is the amount deposited or acquisition cost plus accrued interest using the effective interest rate as 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 included accrued interest: Acquisition cost; Face value and Price determined by the internal valuation methods.

Value of unlisted bonds is the highest of the following included accrued interest values: quoted price on the quotation system selected by the Company (if any); Acquisition cost; Face value; Price determined by the internal valuation methods.

c. Shares

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

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

In case there is no transaction of the shares listed or registered on UPCom during more than two (2) weeks prior to the date of calculation, value of these shares is the highest of the following values: Book value; Acquisition cost and Price determined by internal valuation methods of the Company.

Value of shares which are suspended from trading, delisted or cancelled 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 to 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.



SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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 shares of organizations in term of dissolution, or of bankruptcy is 80% of the liquidated value of such shares at the date of preparation of 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 of the latest trade date prior to the date of calculation. In case public close-end fund has no transactions in more than two (02) weeks prior to the date of calculation, 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 issues is the NAV per unit of contributed capital/fund certificate unit/shares at the latest reporting period prior to the date of calculation.

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 as the following formula:

$$\begin{aligned} & \text{Exposures to market risk} \\ & = \{ \text{Quantity of undistributed securities, or distributed but not yet paid} \\ & \times [\text{Issuance underwriting price} - \text{Value of collaterals (if any)}] \times \text{Issuance risk coefficient} \\ & \times \left\{ \text{Market risk coefficient} + \frac{(\text{Issuance underwriting price} - \text{Trading price (if positive)})}{\text{Issuance underwriting price}} \right\} \end{aligned}$$

In case of Initial Public Offering (IPO), including initial equitization auction, bonds auction, 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 exceed 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%.

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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)

- After the last settlement day, the Company has to determine the exposures to market risk of securities that have not been distributed using the formula in Note 3.3 in accordance with regulations stated in Clause 4 Article 9 - Circular No. 87/2017/TT-BTC.
- Value of customers' collaterals is determined as follows:
Value of collaterals = Volume 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 gain, is determined by the following formula:

$$\text{Exposures to market risk} = \left[\begin{array}{l} \text{Settlement price of the underlying securities at the date of calculation} \\ \text{Quantity of outstanding covered warrants issued by the Company} \\ \text{Conversion rate} \end{array} \right] \times \left[\begin{array}{l} \text{Price of underlying securities in accordance with Appendix II of Circular 87/2017/TT-BTC} \\ \text{Quantity of underlying securities used to hedge for the covered warrants issued} \end{array} \right] \times \text{Market risk coefficient} - \text{Escrow value when issuing the covered warrants}$$

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; and being the underlying securities of the covered warrants.

- ▶ 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 instead of calculate exposures to market risk of the 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:

$$\text{Exposures to market risk} = \left[\begin{array}{l} \text{Closing price} \\ \text{Open volume} \\ \text{Value of purchased securities} \end{array} \right] \times \text{Market risk coefficient} - \text{Escrow value}$$

The value of purchased securities in the above formula is the value of underlying securities purchased by the Company to cover for future contractual obligations.

Escrow value in the above formula is the value of assets that the Company deposits for trading, dealing and creating a market related to future contracts.

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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

3.3 Exposures to market risk (continued)

3.3.3 Increase of 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 issued under underwriting contract in form of firm commitment, Government bonds and bonds guaranteed by the Government. The exposures to market risk will be adjusted in accordance with following principles:

- ▶ An increase of 10% if the total value of investment in shares and bonds of a securities issuer 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 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 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.

3.4 Exposures to settlement risk

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

- ▶ For term deposits at credit institutions; loans to organizations and individuals; securities borrowing contracts in accordance with legal regulations; repurchase agreements and reversed repurchase agreements in accordance with prevailing regulations; margin loans in accordance with prevailing regulations; receivables, other receivables and other assets exposed to settlement risk, exposures to settlement risk before the date of securities transfer, cash settlement, contract liquidation shall be determined using the following formula:

Exposures to settlement risk = Settlement risk coefficient of 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; loans to organizations and individuals; securities borrowing contracts in accordance with prevailing regulations; repurchase and reverse repurchase agreements in accordance with prevailing regulations; matured margin loans in accordance with prevailing regulations, exposures to settlement risk is determined as follows:

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

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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

3.4 Exposures to settlement risk (continued)

3.4.1 Settlement risk coefficient

Settlement risk coefficient is determined based on the type of counterparties and the period as stipulated in Circular No. 87/2017/TT-BTC.

3.4.2 Value of assets exposed to settlement risk

a. Securities lending, securities borrowing, margin contracts, repurchase and reverse repurchase agreements

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 and loans without collaterals	Total loan value
2.	Securities lending	$\text{Max}\{(\text{Market value of the contract} - \text{Collateral value (if any)}), 0\}$
3.	Securities borrowing	$\text{Max}\{(\text{Collateral value} - \text{Market value of the contract}), 0\}$
4.	Reverse repurchase agreements	$\text{Max}\{(\text{Contract value based on purchase price} - \text{Market value of the contract} \times (1 - \text{Market risk coefficient})), 0\}$
5.	Repurchase agreements	$\text{Max}\{(\text{Market value of the contract} \times (1 - \text{Market risk coefficient}) - \text{Contract value based on selling price}), 0\}$
6.	Margin contracts (loans to customers to purchase securities)/other economic agreements with the similar nature	$\text{Max}\{(\text{Margin balance} - \text{Collateral value}), 0\}$

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

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

Asset price is determined in line with Note 3.3.2.

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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

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/period	0
2.	After the settlement date/period	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 date/period	0
2.	After the securities transfer date/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 shares), 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).

3.4.3 Deduction of collateral

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

- ▶ Partners or customers use collaterals to ensure their 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, Government bonds, bonds guaranteed by the Ministry of Finance;
- ▶ The Company has rights to control, manage, use, and transfer collaterals if partners fail to make payment fully and timely as agreed in the contracts.

Value of asset subjected to deduction is determined as follows:

Collateral value = Volume of assets x Asset price x (1 – Market risk coefficient)

Assets price is determined in accordance with *Note No. 3.3.2*

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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

3.4 *Exposures to settlement risk* (continued)

3.4.4 *Increase in exposures to settlement risk*

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

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

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 prior by related parties by 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; reverse/provision expense for the impairment of short-term, long-term financial asset and mortgage assets; reverse/provision expense for the impairment of receivable; reverse/provision expense for the impairment of other short-term asset; and loss from revaluation of financial assets at fair value through profit or loss ("FVTPL") and loss from revaluation outstanding covered warrants payables which has been recognized into expense in the period.

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

4. CALCULATION SHEET ON EXPOSURES TO MARKET RISK

Investment items		Risk coefficient %	Scale of risk VND	Exposures to risk VND
		(1)	(2)	(3) = (1) x (2)
I. Cash and cash equivalents, monetary market instruments				
1.	Cash (VND)	0	224,241,890	-
2.	Cash equivalents	0	39,733,736,583	-
3.	Valuable papers, transferable instruments in the money market, Certificate of deposit	0	5,199,003,884,118	-
II. Government bonds				
4.	Zero-coupon Government bonds	0	-	-
5.	Coupon Government bonds			
5.1	Government bonds (including treasury bond and construction bond 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	-	-
III. Corporate bonds				
6.	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8		
	Listed bonds having remaining maturity of 1 to under 3 years, including convertible bonds	10	-	-
	Listed bonds having remaining maturity of 3 to under 5 years, including convertible bonds	15	-	-
	Listed bonds having remaining maturity of 5 years and above, including convertible bonds	20	-	-
7.	Unlisted bonds having remaining maturity of less than 1 year, including convertible bonds	25	11,206,644,574	2,801,661,144
	Unlisted bonds having remaining maturity of 1 to under 3 years, including convertible bonds	30	464,745,903,162	139,423,770,949
	Unlisted bonds having remaining maturity of 3 to under 5 years, including convertible bonds	35	30,617,650,689	10,716,177,741
	Unlisted bonds having remaining maturity of 5 years and above, including convertible bonds	40	-	-

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

4. CALCULATION SHEET ON EXPOSURES TO MARKET RISK (continued)

Investment items		Risk coefficient %	Scale of risk VND	Exposures to risk VND
		(1)	(2)	(3) = (1) x (2)
IV. Shares				
8.	Ordinary shares, preferred shares of entities listed in Ho Chi Minh Stock Exchange; open-ended fund certificates	10	848,573,923,290	84,857,392,329
9.	Ordinary shares, preferred shares of entities listed in Hanoi Stock Exchange	15	3,433,404,240	515,010,636
10.	Ordinary shares, preferred shares of unlisted public entities registered for trading through UPCoM system	20	15,447,826,500	3,089,565,300
11.	Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO	30	-	-
12.	Shares of other public companies	50	636,187,926,734	318,093,963,367
V. Certificates of investment securities fund				
13.	Public funds, including public securities investment companies	10	47,133,080,000	4,713,308,000
14.	Member funds, including private securities investment companies	30	-	-
VI. Restricted securities trading				
15.	Securities temporarily suspended from trading	40	110,828,624	44,331,450
16.	Delisted, cancelled securities	50	10,717,280,972	5,358,640,486
VII. Derivative securities				
17.	Share index futures contracts	8	-	-
Calculation: Exposure to risk = (Value of payment at the end of the day – Value of purchased securities to guarantee future contract payment obligations) x risk coefficient of future contracts – Escrow value (The contribution to the clearing fund for the open position of the securities company) Value of payment at the end of the day = Price paid at the end of the day x Open volume				
18.	Government bond futures contracts	3	-	-
Calculation: Exposure to risk = (Value of payment at the end of the day – Value of purchased securities to guarantee future contract payment obligations) x risk coefficient of futures contracts – Escrow value (The contribution to the clearing fund for the open position of the securities company) Value of payment at the end of the day = Price paid at the end of the day x Open volume				

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NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

4. CALCULATION SHEET ON EXPOSURES TO MARKET RISK (continued)

Investment items		Risk coefficient %	Scale of risk VND	Exposure to risk VND
		(1)	(2)	(3) = (1) x (2)
VIII. Other securities				
19.	Shares, capital contribution and other securities	80	214,925,353,786	171,940,283,029
20.	Shares listed in foreign markets included in the benchmark	25	-	-
21.	Shares listed in foreign markets not included in the benchmark	100	-	-
22.	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
23.	Covered warrants listed on Hanoi Stock Exchange	10	-	-
24.	Covered warrants issued by the Company			
Calculation: Exposures to risk = {Max ((P ₀ x Q ₀ x k - P ₁ x Q ₁) x R - MD), 0}				
25.	Securities formed from hedging activities for the issued covered warrants (In case covered warrants are not profitable)	10	15,328,421,850	1,532,842,185
26.	The 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 warranties.	10	291,661,100	29,166,110
IX. Increases risk (if any)				
TOTAL EXPOSURES TO MARKET RISK (I+II+III+IV+V+VI+VII+VIII+IX)				743,116,112,726

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

5. CALCULATION SHEET ON EXPOSURES TO SETTLEMENT RISK

	<i>Exposures to settlement risk</i> VND
Risks of undue items (<i>Note 5.1</i>)	737,413,437,767
Risks of overdue items (<i>Note 5.2</i>)	297,608,214,709
Supplemental exposures to settlement risk (<i>Note 5.3</i>)	174,208,636,210
Total exposures to settlement risk	1,209,230,288,686

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 and loans without collaterals and receivables from transaction activities and securities trading operations, and other items exposed to settlement risk(*)		-	997,936,755	-	-	736,096,253,956	318,481,510	737,412,672,221
2.	Financial assets lendings/agreements with similar nature		-	-	-	-	-	765,546	765,546
3.	Financial assets borrowings/agreements with similar nature		-	-	-	-	-	-	-
4.	Reverse repurchase agreements/agreements with similar nature		-	-	-	-	-	-	-
5.	Repurchase agreements/agreements with similar nature		-	-	-	-	-	-	-
TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDUE ITEMS									737,413,437,767

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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

5.1 Risks of undue items (continued)

The 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 and Vietnam Securities Depository	0.8%
(3)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and have credit ratings in accordance with the internal policies of securities trading institutions	3.2%
(4)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and do not meet the requirements specified in the internal policies of securities trading institutions or which are not established in OECD countries	4.8%
(5)	Credit institutions, financial institutions, and securities trading institutions being established and operating in Vietnam	6%
(6)	Other entities and individuals	8%

(*) 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	12,351,587,338,999	102,125,000,000	12,249,462,338,999	6	734,967,740,340
Receivable from credit institutions, financial institutions	18,808,560,273	-	18,808,560,273	6	1,128,513,616
Receivables from Securities Stock Exchange and VSD	124,742,094,378	-	124,742,094,378	0.8	997,936,755
Other receivables	3,981,018,870	-	3,981,018,870	8	318,481,510
Total	12,499,119,012,520	102,125,000,000	12,396,994,012,520		737,412,672,221

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

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	452,638	72,422
2.	16 – 30 days after payment due date or date of transferring securities	32	690,150,237	220,848,076
3.	31 – 60 days after payment due date or date of transferring securities	48	2,338,375	1,122,420
4.	From 60 days and above	100	297,386,171,791	297,386,171,791
TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE PAYMENTS				297,608,214,709

5.3 Supplemental exposures to settlement risk

Exposures to settlement risk is supplemented for term deposits and certificates of deposits contracts with financial institutions of which the total deposit amount accounts for from more than 10% to more than 25% of the Owners' equity of the Company.

No	Detail	Settlement risk coefficient (%)	Scale of risk (VND)	Exposures to settlement risk (VND)
1.	Bank for Investment and Development of Vietnam JSC.	30	386,151,937,575	115,845,581,273
2.	Bank for Industry and Trade of Vietnam JSC.	30	168,501,275,035	50,550,382,511
3.	Bank for Agriculture and Rural Development of Vietnam	10	78,126,724,261	7,812,672,426
TOTAL SUPPLEMENTAL EXPOSURES TO SETTLEMENT RISK				174,208,636,210

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

6. CALCULATION SHEET ON EXPOSURES TO OPERATIONAL RISK

	<i>Items</i>	<i>Amount VND</i>
I.	Total operating expenses incurred during the 12 months period up to 30 June 2020	2,329,375,926,969
II.	Deductions from total expenses (<i>Note 6.1</i>)	50,662,114,222
III.	Total expenses after deductions (III = I – II)	2,278,713,812,747
IV.	25% of total expense after deductions (IV = 25% III)	569,678,453,187
V.	20% legal capital of the Company	50,000,000,000
TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})		569,678,453,187

6.1 *Deductions from total expenses*

	<i>Amount VND</i>
Depreciation expenses	39,594,955,670
Provision expense for impairment of short-term financial asset and mortgage assets	11,062,158,552
Provision expense for impairment of receivables	5,000,000
Total	<u>50,662,114,222</u>

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

7. CALCULATION SHEET ON LIQUID CAPITAL

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
A	Owners' Equity			
1.	Owners' equity, excluding redeemable preferred shares (if any)	6,029,456,130,000		
2.	Share premium, excluded redeemable preferred shares (if any)	29,470,756,034		
3.	Treasury shares	(19,129,850,134)		
4.	The convertible bonds - equity component	113,779,095,785		
5.	Other owners' equity	-		
6.	Differences from revaluation of financial assets at fair value	36,157,160,517		
7.	Charter capital supplementary reserve	519,187,344,649		
8.	Operational risk and financial reserve	434,679,749,965		
9.	Other funds belonging to the owner's equity	-		
10.	Undistributed profit	2,373,524,555,324		
11.	Balance to provision for impairment of assets	349,044,176,957		
12.	Difference from revaluation of fixed assets	-		
13.	Foreign exchange rate differences	-		
14.	Convertible debts			-
15.	Total increase or decrease in securities investment value		19,772,591,788	-
16.	Other capital (if any)	-		
1A	Total			9,846,396,527,309

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

7. CALCULATION SHEET ON LIQUID CAPITAL (continued)

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
B	Short-term assets			
I	Financial assets			
1.	Cash and cash equivalents			
2.	Financial assets at fair value through profit or loss (FVTPL)			
	Securities exposed to market risk			
	Securities deducted from liquid capital		76,478,070,841	
3.	Held-to-maturity (HTM) investments			
	Securities exposed to market risk			
	Securities are deducted from liquid capital		-	
4.	Loans		30,144,951,390	
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 and interest income)			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
8.	Covered warrant not yet been issued			
9.	The underlying securities for the purpose of hedging when issuing covered warrants			-
10.	Receivables from services provided by the Company			
	Receivables due in 90 days or less (irrecoverable)		10,982,959,417	
	Receivables due in more than 90 days		-	
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 transaction			
	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		220,445,255,403	
14.	Provision for impairment of receivables			

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

7. CALCULATION SHEET ON LIQUID CAPITAL (continued)

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
B	Short-term assets			
II	Other Short-term assets			
1.	Advances			
	Advances with the remaining repayment term of 90 days or less			
	Advances with the remaining repayment term of more than 90 days		14,654,154,998	
2.	Office supplies, tools and materials		992,094,799	
3.	Short-term prepaid expenses		13,397,146,630	
4.	Short-term deposits, collaterals and pledges		1,887,762,460	
5.	Deductible value added tax		-	
6.	Tax and other receivables from the State		-	
7.	Other current assets		1,989,851,600	
8.	Provision for impairment of other current assets			
1B	Total			370,972,247,538
C	Long-term assets			
I	Long-term financial assets			
1.	Long-term receivables		-	
2.	Investments			
2.1	HTM investments			
	Securities exposed to market risk			
	Securities are deducted from liquid capital		-	
2.2	Investments in subsidiaries		304,400,000,000	
2.3	Investment in associates		316,908,790,039	
2.4	Other long-term investments		-	
II	Fixed assets		143,305,389,192	
III	Investment properties			
IV	Construction in progress		39,400,764,046	
V	Other long-term assets			
1.	Long-term deposits, collaterals and pledges		27,790,222,406	
2.	Long-term prepaid expenses		27,261,289,723	
3.	Deferred income tax assets		19,920,103,594	
4.	Payment for Settlement Assistance Fund		20,000,000,000	
5.	Other long-term assets		-	
VI	Provision for impairment of non-current assets			
	Assets qualified in audited financial statements that are not deducted according to Article 5, Circular 87/2017/TT-BTC			
1C	Total			898,986,559,000

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

7. CALCULATION SHEET ON LIQUID CAPITAL (continued)

NO.	CONTENTS	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
D	Margin, collateral items			
1	The value of the margin			
1.1	The value of contribution to Settlement Assistance Fund of VSD (for derivative market)		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 (for derivative market)		3,826,200,400	
1.3	The value of cash escrow and banks' guarantee for issuing covered warrants		102,125,000,000	
2	The value of collaterals for obligations due in more than ninety (90) days		225,283,902,066	
1D	Total			346,235,102,466
	LIQUID CAPITAL = 1A-1B-1C-1D			8,230,202,618,305

Notes:

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

SSI Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2020

8. EVENTS AFTER BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the reporting date that requires adjustment or disclosure in the financial safety ratio report of the Company.



Hoang Thi Minh Thuy
Chief Accountant



Nguyen Kim Long
Head of Internal Control



Nguyen Hong Nam
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2020

