



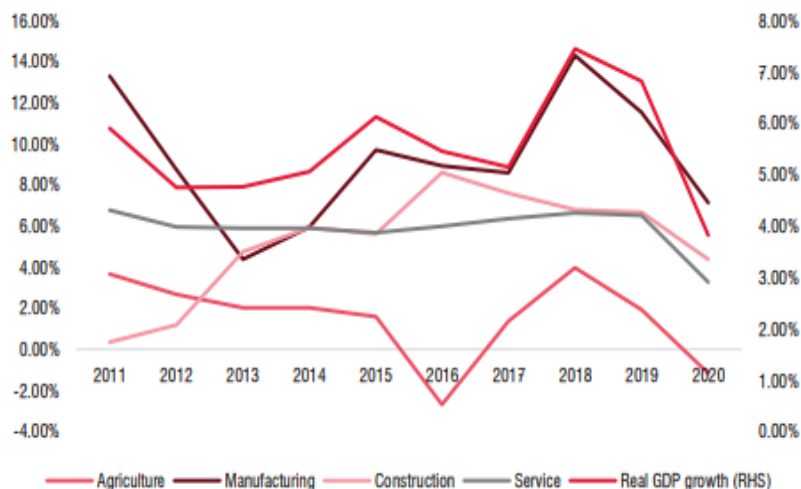
SSI SECURITIES CORPORATION 1Q2020 PERFORMANCE UPDATES

April 2020

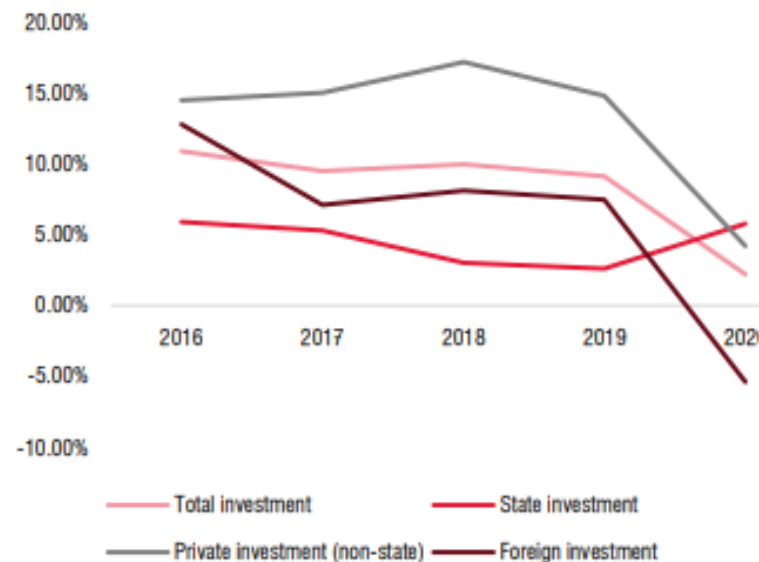
MACRO & EQUITY MARKET REVIEW

1Q2020 MACRO

Quick Update



Vietnam real GDP by sector 2011 – 2020



Total Investment Growth in 1Q20 (% YoY)

- Real GDP growth at 3.28% YoY, the lowest since 1Q2009 but highest in the regions, lead by manufacturing sector (+7.12% YoY)
- Growth for final consumption is at multi-year low of 3.07% YoY (vs. 7.09% in 1Q19).
- FDI & private investment slowdown
- Inflation at high level with limited result in taming food/foodstuff inflation. Lower oil price came as a rescue, especially for a net oil importer like Vietnam

1Q2020 MACRO

Revising down growth target

Government targets	2019	2020 initial target	2020 revised target in discussion
Real GDP growth	7.02%	6.80-7%	5.05-5.32%
CPI (average)	2.79%	3.59-3.91%	< 4%
Budget balance	-3.4% GDP	-3.44% GDP	-5% - 5.1% GDP
Export growth	8.1%	8%	Undecided
Retail sale growth (Nominal)	11.80%	12%	(low single digit)
International tourist arrival (mil pax)	18	20.5	5.5
Credit growth	13.7%	14%	14%

SSI estimates	WORST CASE	BASE CASE	BEST CASE
2020 GDP growth	3.76%	4.75%	5.5%
Quarterly scenario (1Q-2Q-3Q-4Q)	3.82% - 0.75% - 4.27% - 5.52%	3.82% - 2.31% - 5.98% - 6.67%	3.82% - 3.16% - 6.18% - 7.64%
Assumptions	Pandemic last for the whole year, public investment disbursement at 60% of plan, 2H growth picked up modestly.	Pandemic end in June, public investment disbursement at 75% of plan, growth accelerates from 4Q. FDI pick up from 3Q. Tourism pick up from 4Q.	Full reopening from mid-May, public investment disbursement at 90% of plan, growth accelerates from 3Q. FDI & tourism pick up from 2Q.

1Q2020 MACRO

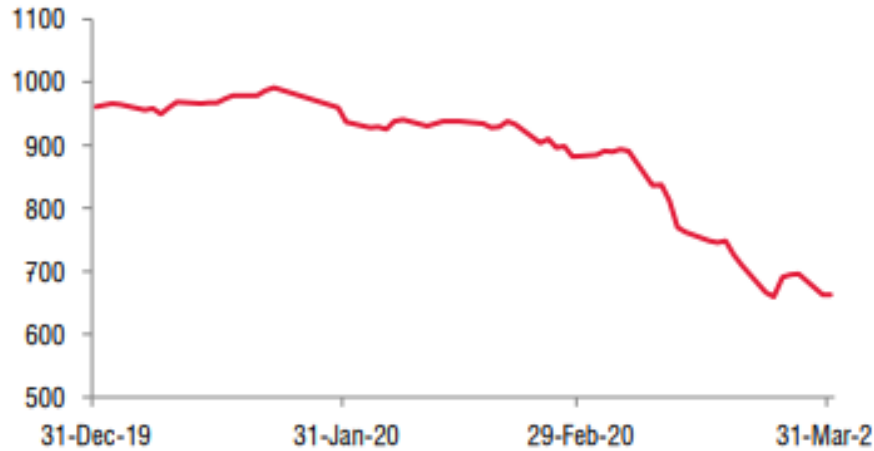
Fiscal stimulus in focus

- A slew of accommodative monetary and fiscal policies introduced by the government including:
 - Lending rate cuts by commercial banks
 - A 5-month tax break for impacted enterprises
 - Cash handouts for impacted worker/households
 - Delayed payments for social insurance
 - Increasing public investment disbursements to build value-added infrastructure projects.

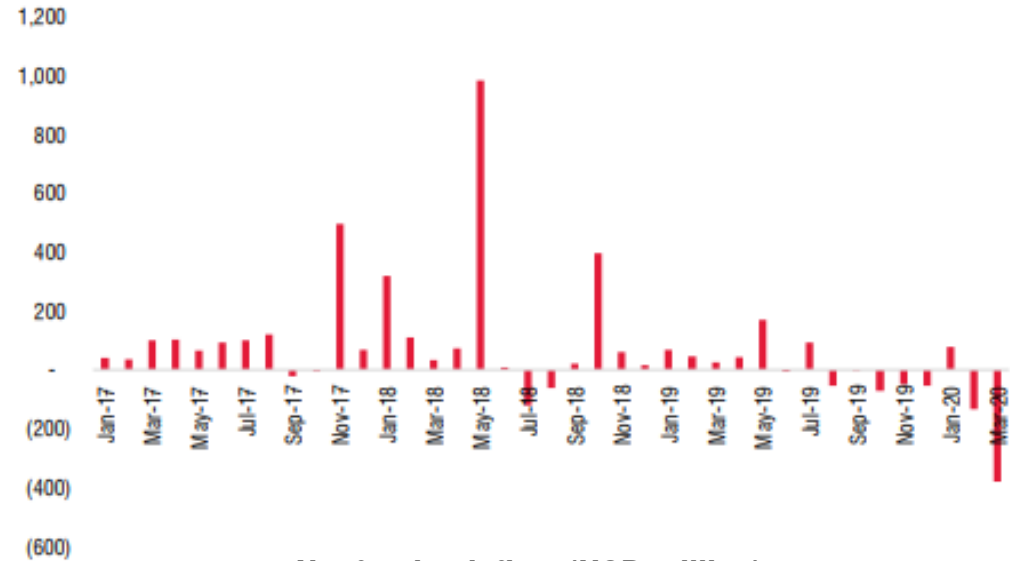
- Total stimulus package (excluding credit package from commercial banks) is around \$10.2 bn USD, 3.94% of Vietnam's GDP in 2019.

EQUITY MARKET

1Q2020 Review



VN-Index performance



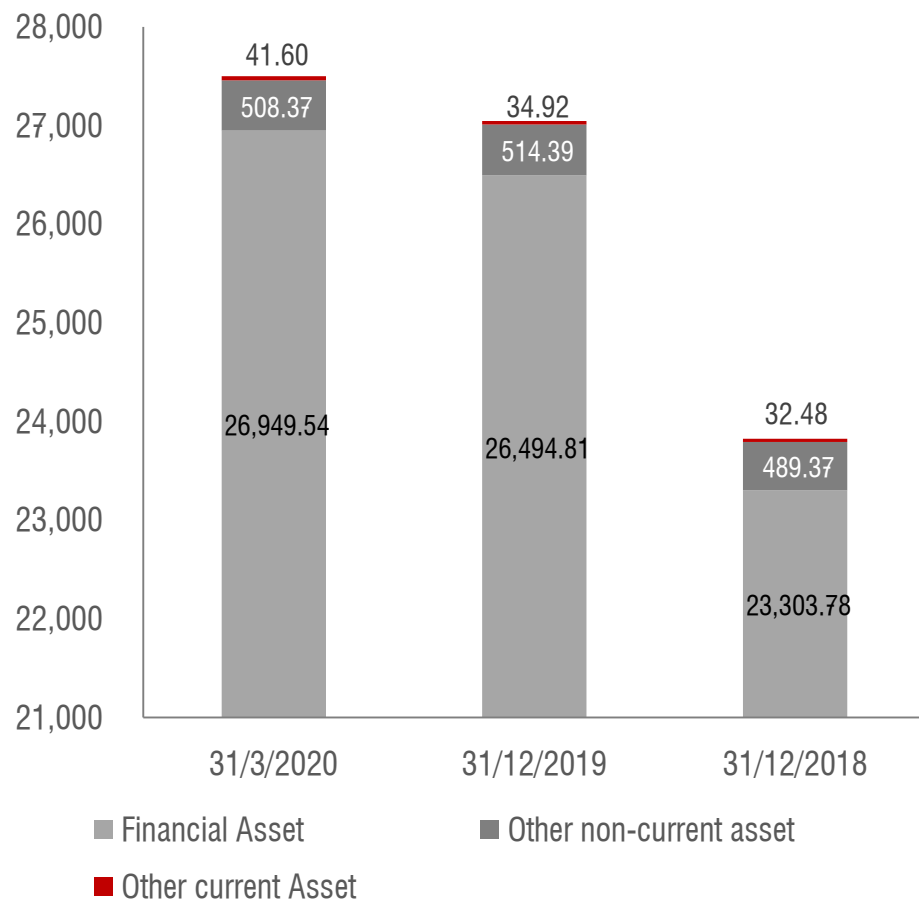
Net foreign inflow (USD million)

- VN Index buckled from the weight of global pressure, sinking by -24.9% in March and closing at 662.53 points (-31.1% YTD), with VN30 stocks leading the collapse.
- Foreign outflow totaled USD 438 million YTD, in which USD 43 million was sold off via ETFs.
- 24 stocks out of VN50 witnessed a price fall of over 30% YTD.
- As of March 31st, 2020, the Vietnam stock market was trading at a 2020 P/E of 10.4x - the lowest valuation since 2016.

1Q2020 EARNINGS RELEASE

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Balance Sheet Highlights



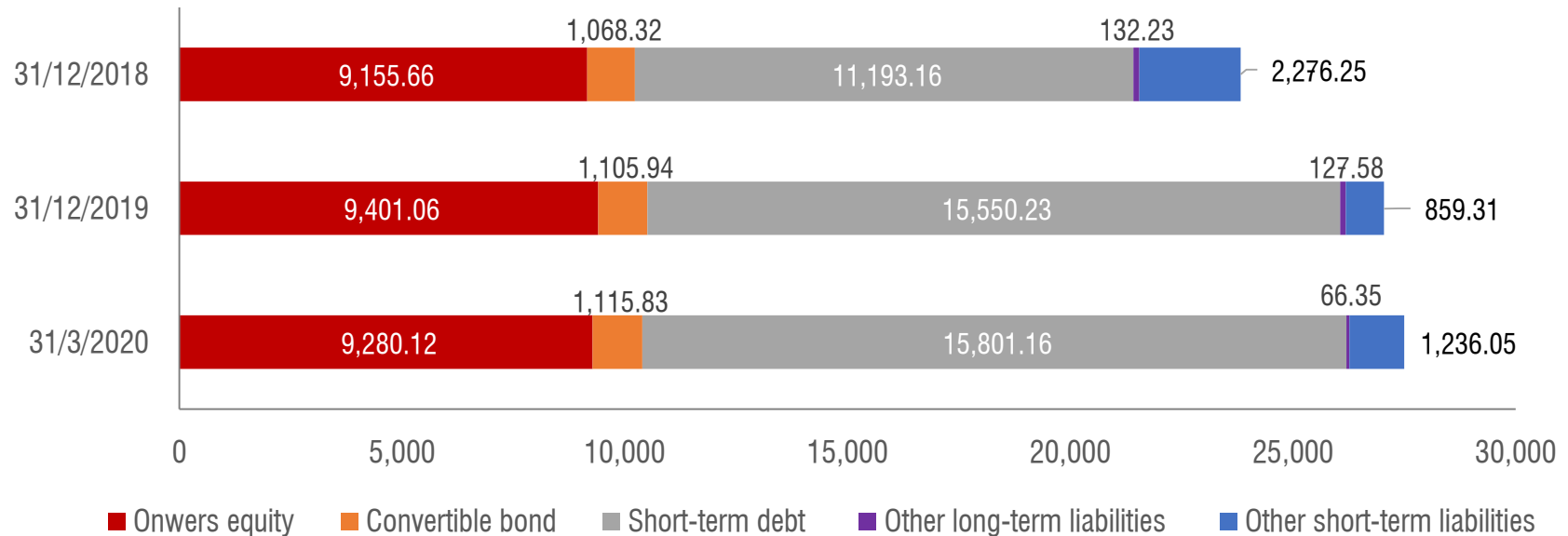
Total Asset Breakdown

- **Total asset:** VND 27,500 billion – ranked 1st among peers
- **Current asset** accounted for 78.8% of total asset, half of them allocated to safety assets including cash & cash equivalent and bank deposits
- **Margin lending balance** reduced 25% YTD as a result of client proactively topping cash up & selling stock when market dropped. No bad debt recorded and total force sell was low in 1Q20.
- **AFS** financial asset reduced 59% YTD due to the decrease in equity holding, **FVTPL** increased 54% YTD with new bond investments.

Source: SSI consolidated FS of 1Q2020

1Q2020 EARNINGS RELEASE

Balance Sheet Highlights



Owners' equity & Liabilities Breakdown

- Major part of liabilities was short-term loans from commercial banks (86.7%), mainly used to serve treasury business activities.
- Owners' equity reached VND 9,280.12 billion at the end of 1Q20.

Source: SSI consolidated FS of 1Q2020

1Q2020 EARNINGS RELEASE

P&L Highlights

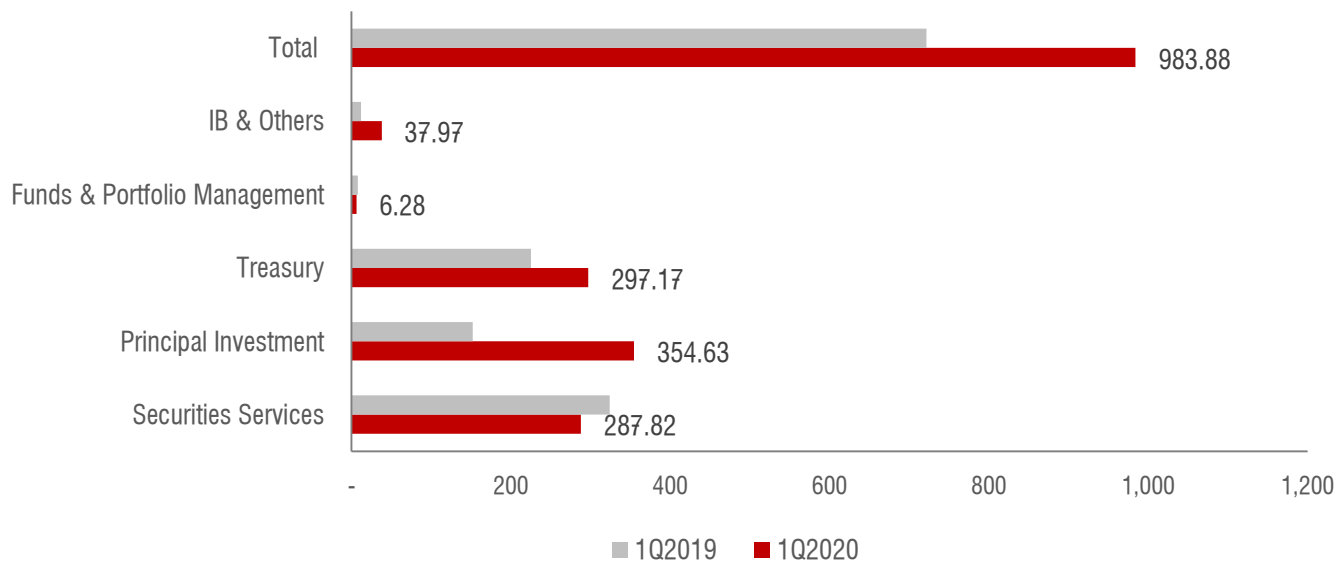
Item (VND billion)	1Q2020	1Q2019	Change (%YoY)
Total revenue	983.88	721.58	36.3%
Securities Services	287.82	324.07	-11.2%
<i>In which:</i>			
<i>Revenue from brokerage services</i>	<i>122.94</i>	<i>153.71</i>	<i>-20.0%</i>
<i>Gain from margin lending</i>	<i>145.50</i>	<i>156.70</i>	<i>-7.1%</i>
Principal Investment	354.63	152.22	133.0%
Treasury	297.17	225.12	32.0%
Funds & Portfolio Management	6.28	8.10	-22.4%
IB & Others	37.97	12.07	214.5%
Operating expense	674.99	253.10	166.7%
<i>In which:</i>			
<i>Loss from disposal of financial assets at FVTPL</i>	<i>124.44</i>	<i>35.28</i>	<i>252.8%</i>
<i>Loss from revaluation of financial assets at FVTPL</i>	<i>364.81</i>	<i>42.42</i>	<i>759.9%</i>
Finance expense	259.07	170.04	52.4%
<i>In which:</i>			
<i>Borrowing cost</i>	<i>222.86</i>	<i>164.98</i>	<i>35.1%</i>
Profit before tax	7.96	246.17	-96.8%
Profit after tax	8.98	198.40	-95.5%

- **Total revenue** reached VND 983.9 billion, up 36.3% YoY. Key drivers: Principal Investment (36%), Treasury (30.2%), and Securities Services (29.3%).
- Sharp increase in **operating expense** (+166.7% YoY) due to:
 - Market drop caused significant expansion in **loss from disposal and revaluation of FVTPL** (SSI's equity investment book: VND 3.400 billion)
 - **Borrowing expense** increased in line with the improvement in treasury's revenue.

Source: SSI consolidated FS of 1Q2020

1Q2020 EARNINGS RELEASE

Business Segment Highlights



Revenue by Business Segments

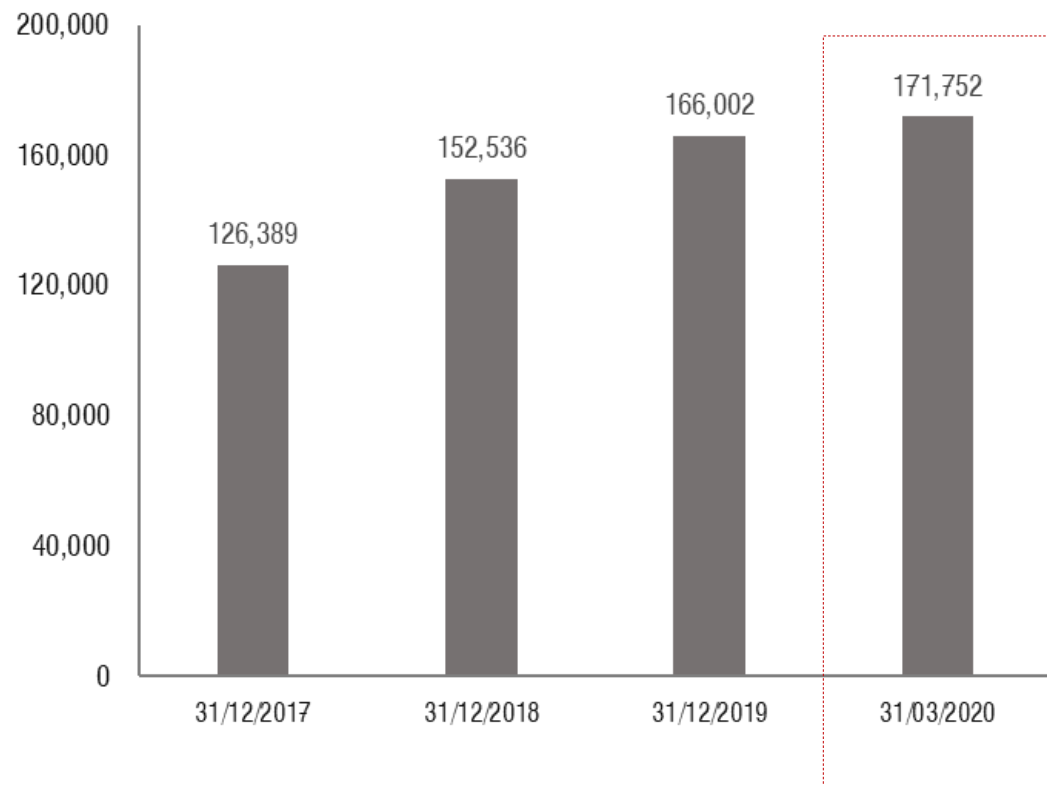
- Revenue from **Treasury** reached VND 297.17 billion (+32% YoY), helped to maintain stable revenue growth of SSI in negative equity market condition.
- **Principal Investment** portfolio rebalanced, gradually shifting from equity to bonds with high yield and liquid collaterals.

Source: SSI consolidated FS of 1Q2020

1Q2020 EARNINGS RELEASE

Business Segment Highlights (cont.)

- **No. 1 brokerage market share: 11.65% for all market.** New accounts increased by 28% QoQ, mostly are active. **Securities Services** revenue recorded VND 287.82 billion (-11.2% YoY), 42.7% was brokerage fee & 50.5% was revenue from margin lending.
- **Investment Banking** notable deal in 1Q20: MBB private placement of 64.3 million shares at the price of VND27,000 (deal size: USD 74.6 million). [Click here](#) for more details.



Total Accounts

Source: SSI

1Q2020 EARNINGS RELEASE

Business Segment Highlights (cont.)

- **SSIAM** launched SSIAM VNFIN LEAD ETF in Feb 2020, the 1st ETF tracking one of three new index sets of HOSE (VNFIN LEAD, VN DIAMOND, and VNFIN SELECT), and the 1st ETF tracking sector index in Vietnam.
 - Represents over 25% of Vietnam’s capital market
 - Banking sector with attractive prospects:
 - Robust retail and mortgage growth of 14.3%
 - Fee income grew 34.6% in 2019 on top of the 32.6% growth in 2018
 - Securities sector: new Draft Law on Securities – abolishment of “Undetermined Conditional Sectors”

Fund's Name	SSIAM VNFIN LEAD ETF
Fund's Type	Exchange-Traded Fund
Tracking Index	VNFIN LEAD
Inception Date	24 th February 2020
Potential Investors	Domestic and foreign individual and institutional
Fund Size	VND 214.1 billion (as of 22 April 2020)
Creation Unit	100,000 units (primary market); 10 units
Authorized	SSI, MAS
Supervisory Bank	Vietcombank
Transfer Agent	Vietnam Securities Depository Centre (VSD)
Management Fee	0.65% NAV p.a
Creation Fee	Free of charge
Redemption Fee	Primary market: <ul style="list-style-type: none">• 0.1% of redemption value (Investors)• 0% of redemption value (APs) Secondary market: Per securities companies' tariff

1Q2020 EARNINGS RELEASE

Other Information

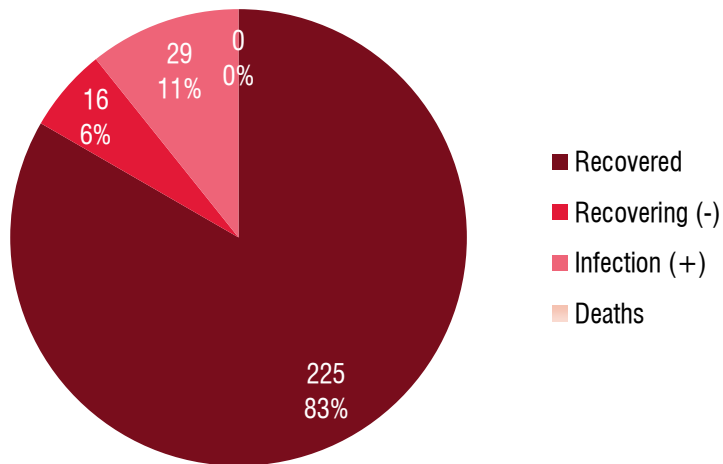
- SSI extended time to hold Annual General Meeting of Shareholders 2020 due to the spread of COVID-19. The tentative meeting date will be no later than June 30th, 2020.
- Successfully issue 82,881,929 shares as stock dividend to 20,758 shareholders. [Click here](#) for more details
- Summary of 1Q2020 separate FS and consolidated FS can be [download here](#). The full English version will be published no later than 30 May, 2020.

SSI RESPONSE TO COVID-19

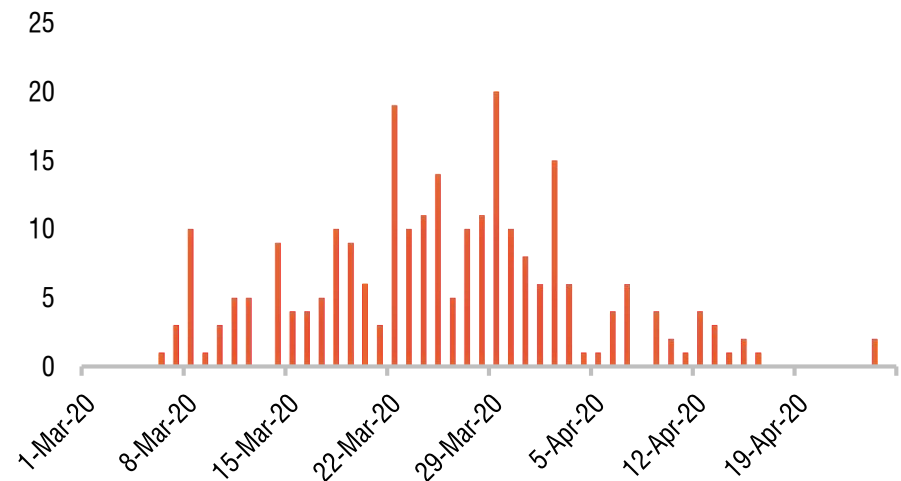
COVID-19 OUTBREAK IN VIETNAM IN BRIEF

- First case detected: Jan 23rd. As of today: 270 infections/225 recovered/0 death. Under reported case is unlikely, given the popularity of social media
- 1st stage: Jan 23rd – Feb 13th: 16 infections (mostly Wuhan-related). All recovered.
- 2nd stage: Mar 6th – Apr 15th: 251 infections (mostly imported case in March and community spreading from April): More aggressive measures, i.e close of external border with limited domestic flight & nation-wide stay-at-home request from Apr 1-15th, 2020 (factories, essential services remained open)
- 3rd stage: Apr 16th – now: Relaxing with risk-based approach, with 3 levels of risk (only 4/63 cities/provinces marked as normal risk). Full reopening might be from mid-May.

Covid-19 outbreak in Vietnam in summary.



Daily new infected cases in Vietnam, Mar-Apr 2020.



SSI RESPONSE TO COVID-19

Maintain Business Continuity, Operational Capabilities and Employee Safety

- Proactive deployment of safe workspace (from early Feb) and extensive work from home operation to protect health and safety for our employees. Staffs are well equipped with proper facility for their remote access to perform their daily activities effectively.
- Stop serving direct clients at 2 of our biggest locations: Head Office and Hanoi branch to minimize risk. In other locations, client will have temperature check, wash their hand and wear mask before entering. We provide dry hand wash/ mask available in every location.
- IT infrastructure & solutions has been prepared from early February, including bandwidth sufficiency, VPN accounts setup, procedure and guideline documents for operations team and other employees who work at home; video conferencing ready for internal and external use; contact centre enhancing and most importantly monitoring information security closely.
- Business continuity plan (BCP) test has been executed on Nov 2019, the other round will be in May 2020. Specifically for the COVID-19 case, the remote access in BCP has been executed in certain locations with smooth results.

SSI RESPONSE TO COVID-19

Continuously support Clients, Employees and the Community



EMPLOYEES

- Full paid for employees even their working hours reduced due to facilities closures
- Allow them to take up to 1-month full-paid leave in case of quarantine or whose health is in higher risk.
- All COVID-19 related treatment fee are covered under health insurance program for all employees.



CLIENTS

- Clients have been encouraged to use SSI's available online platforms, including **SSI mobile trading, SSI pro trading, SSI Webtrading** or quick order from **SSI iBoard**.
- Stable connection and information security protection has been ensured. No issue found.



THE COMMUNITY

- Contribute VND 5 billion to the government for coronavirus prevention related spending since early March.
- Continue to work with the Government for other programs to directly support vulnerable ones during the lock-down, such as "Rice ATMs" - dispensing free food to out-of-work/ laid-off workers in several cities across the country.



INVESTOR RELATIONS

Contact person: Nhung Bui – IR Manager

Address: 1C Ngo Quyen street, Hoan Kiem district, Ha Noi, Vietnam

Tel: +84 (24) 39366321

Email: investorrelation@ssi.com.vn

Website: <https://www.ssi.com.vn/en/investor-relation>

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