BUSINESS PERFORMANCE REPORT

Saigon Securities Inc. (SSI)

04/2012

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Note:

2011
ECONOMY & STOCK MARKET REVIEW

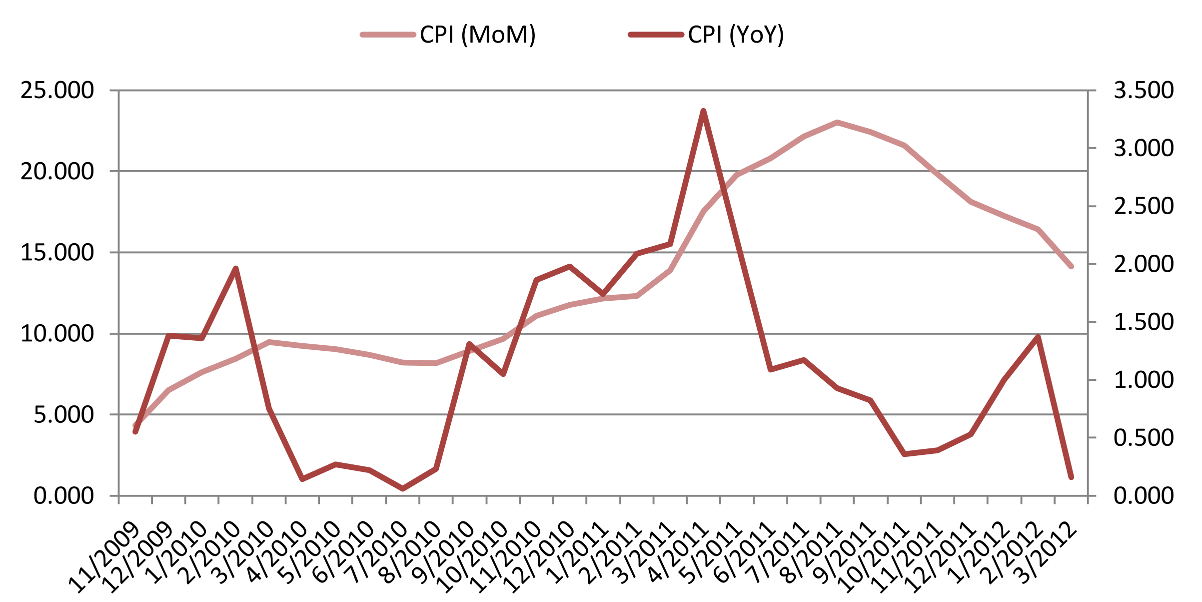
VIETNAM MACRO ECONOMY

Major Highlights

- GDP growth at 5,89% only
- Lowest growth in Industrial and construction sector; construction sector posted negative growth
- Inflation escalated: YoY growth was 18,58%, twice initial target of the Government

VIETNAM MACRO ECONOMY

2011 inflation



Note:

STRONG MEASURES ON CURBING INFLATION

- SBV’s monetary tightening policies:
  - Increased policy interest rates with OMO interest rates as a major policy rate
  - Refinancing is also an option
  - Tightening lending to non-manufacturing sectors
  - Administrative measures in place: VND deposit rate ceiling of 14%, strictly monitor and control the forex and gold bar markets, lower credit growth target in 2011

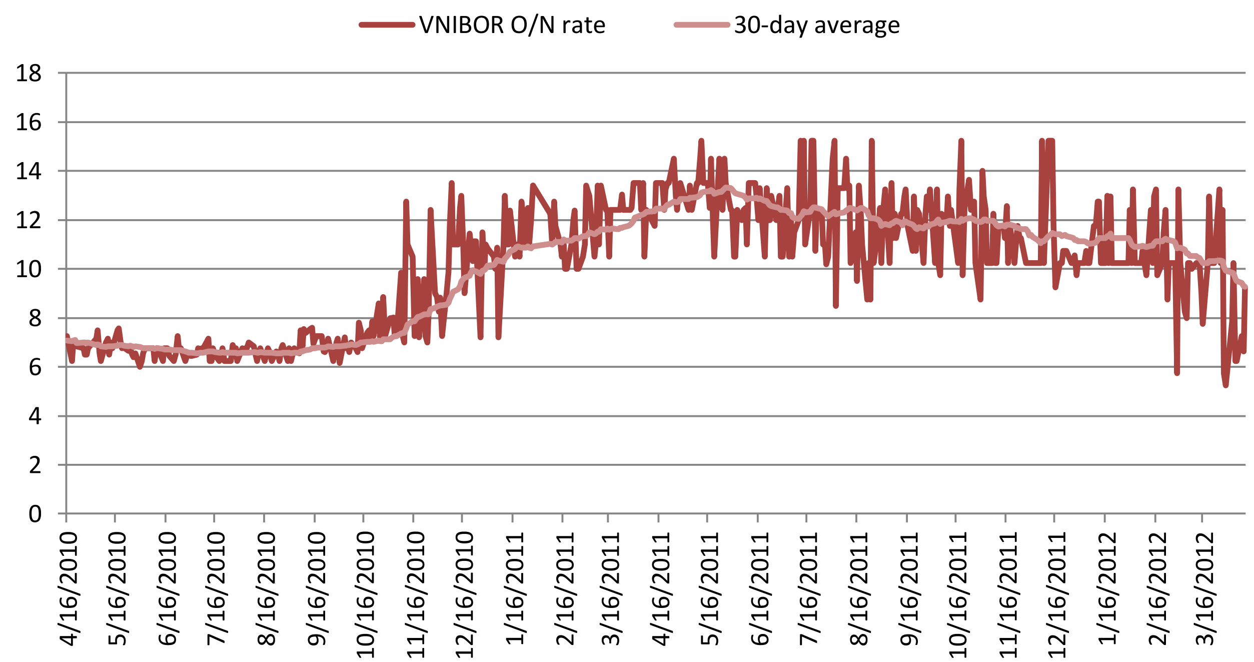
Note:

IMPACT ON INTEREST RATE AND LIQUIDITY

- Deposit rate hit 20% pa
- Interbank interest rate peaked at 30-40% p.a
- Tense liquidity
- High bad debt in interbank market
- SBV has to start restructuring the banking system

Note:

INTEREST RATE VOLATILITY



Note:

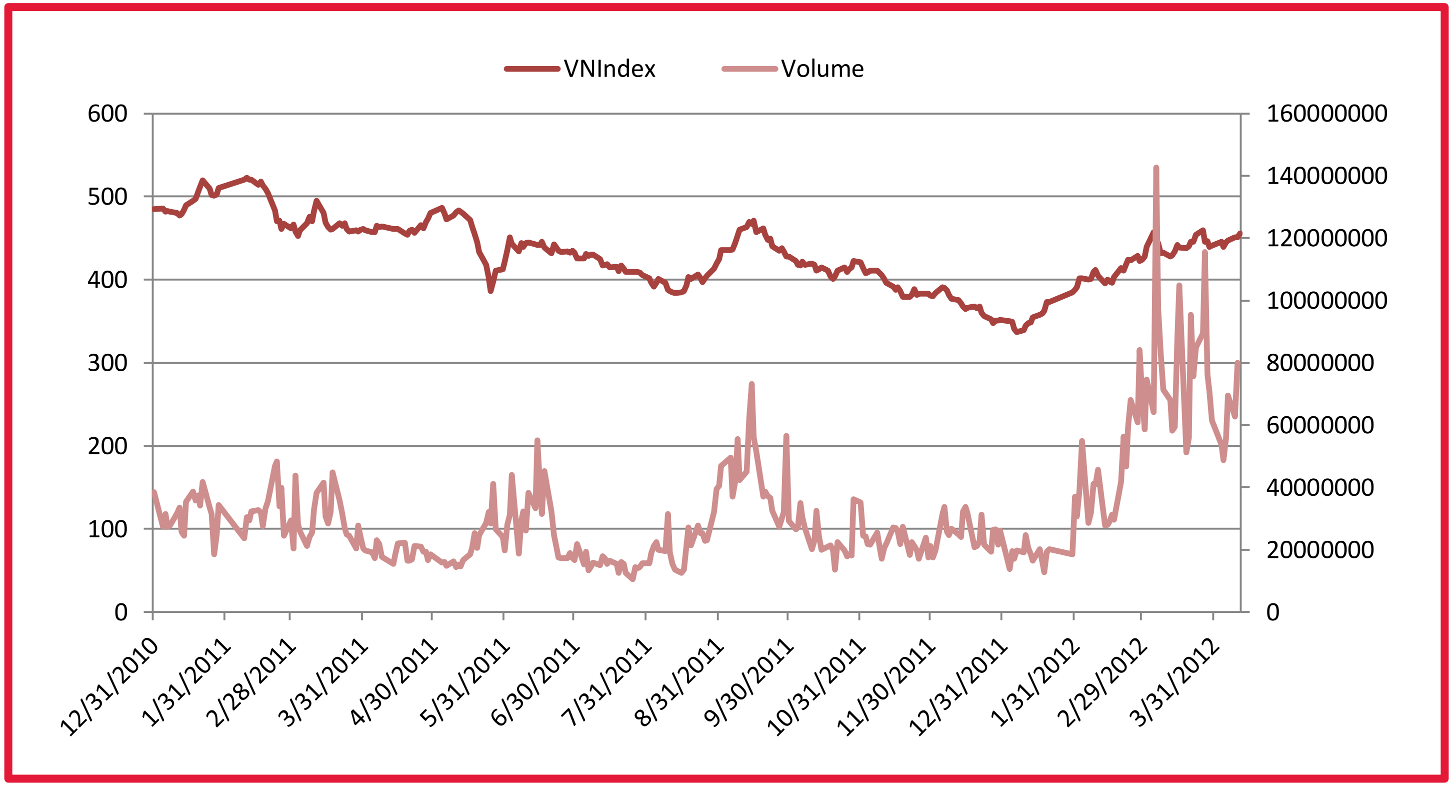
VIETNAM STOCK MARKET 2011

- VN Index fell 27.7% YoY from 485,97 to 351,55
- VN Index retreated to the level of 2006, after which the Index rebounded to its peak of 1.158 on March 13, 2007
- Liquidity decreased 60% YoY
- Average trading volume was USD 30.8 mil/day

Note:

VIETNAM STOCK MARKET 2011

VnIndex (HOSE)



Note:

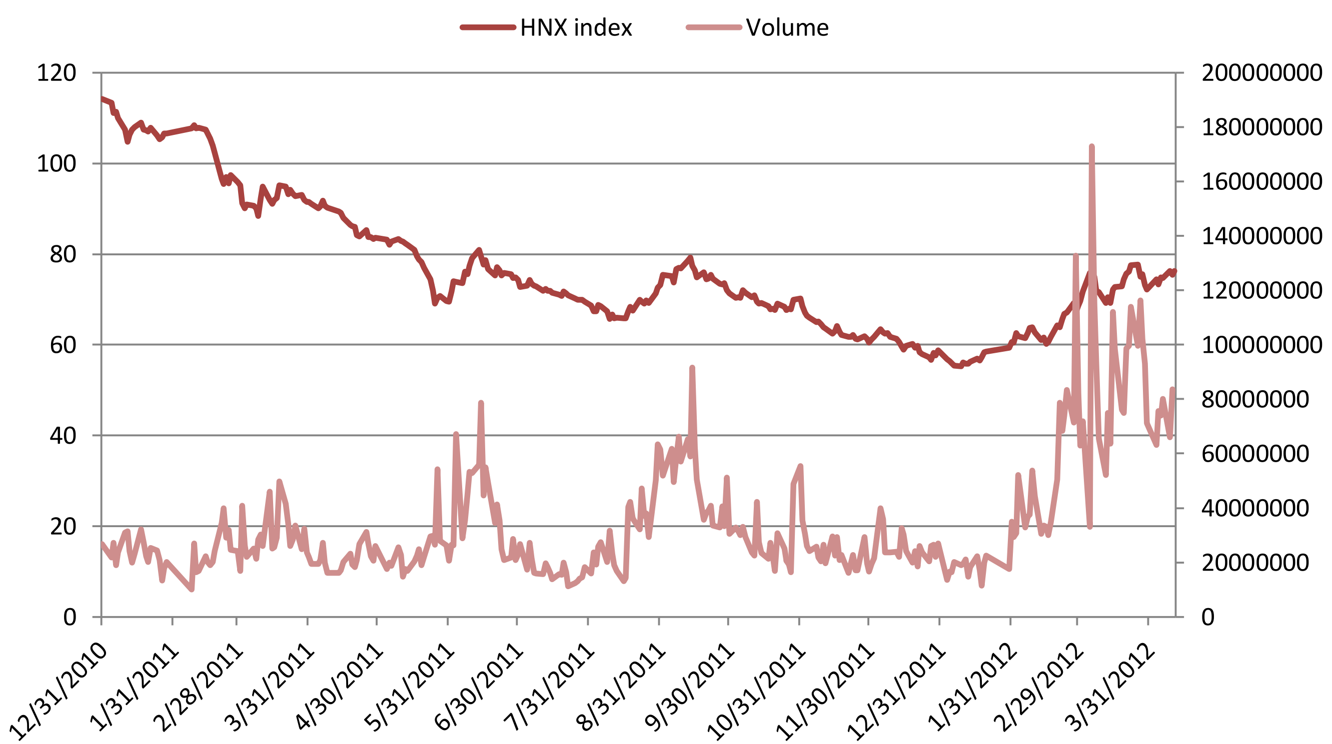
VIETNAM STOCK MARKET 2011

HN-index:

- Market cap fell 35% YoY in 2011, to VND 83.7 trillion
- P/E declined from 10x to 6.9x, P/B from 1.43x to 0.76x

Note:

VIETNAM STOCK MARKET 2011



Note:

LISTED COMPANIES PERFORMANCE

- Stock price declined faster than companies earnings
- Many stocks’ PE and PB hit their all-time lows

Note:

2011 Business Performance Report

Note:

BUSINESS PERFORMANCE

Note:

SECURITIES SERVICES

- Achieve profit in securities and value-added services.
- Maintain the leader position in brokerage market share on HOSE for stocks, investment fund certificates and bonds throughout 2011
  - Value of transactions through SSI declined 40%, which is 20% lower than the market's.
  - Overwhelming market share: 13.21% for stocks and fund certificates, 39.33% for bonds
  - However, market share on HNX declined , ranking 6th with 3.73% market share.

SECURITIES SERVICES

- Continuous expansion of client network and maintaining current revenue structure in the tough market condition
  - Current number of trading accounts: 55.697
  - The number of new institutional clients increased from 2010.
  - The revenue structure ratio between institutional and retail clients is 60:40 (Foreign clients accounted for more than 50%)
  - Reaffirm SSI's position and integrity with institutional clients.

Note:

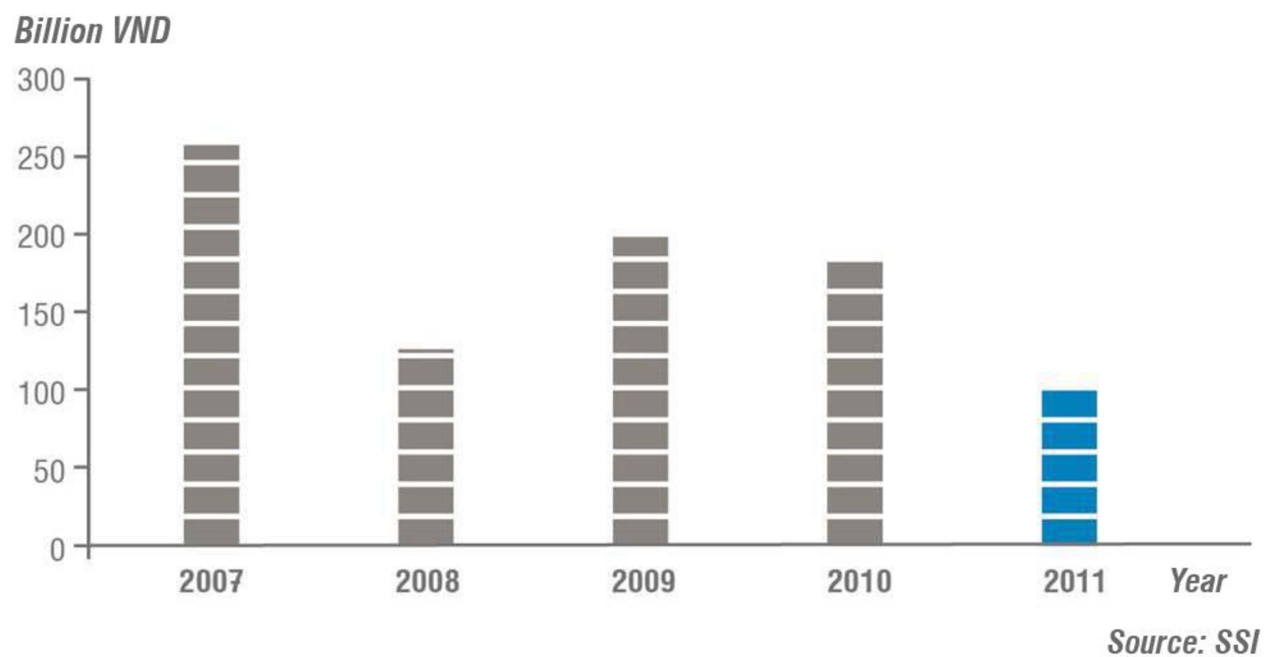
SECURITIES SERVICES

- Operate the margins at a safe and conservative manner
  - There were no case of loss, bad debt, debt freezing or debt provision
  - Debt balance is maintained conservatively at 6-10% of owners' equity.
  - Advise clients not to abuse margins
- "Best Brokerage House in Vietnam" for the 4th consecutive time by Finance Asia Magazine
- Revenue from securities services reached VND 98.5 bn (12% of total revenue)

Note:

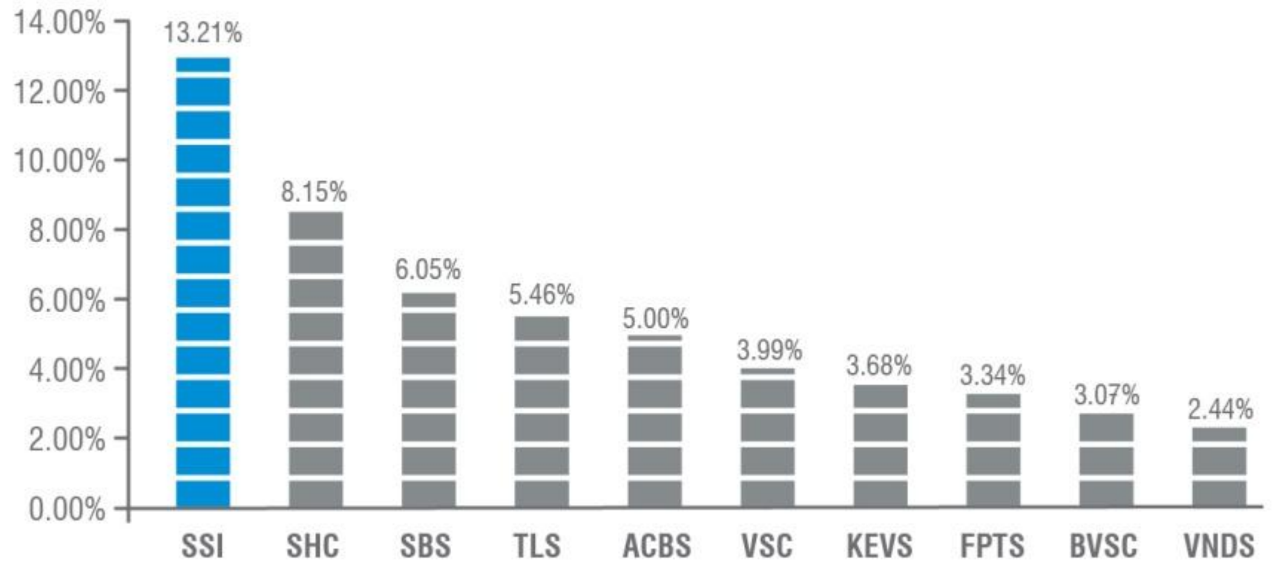
SECURITIES SERVICES

Yearly revenue from 2007 - 2011



SECURITIES SERVICE

2011 Stocks and Fund Certificates brokerage market share chart of top 10 securities companies

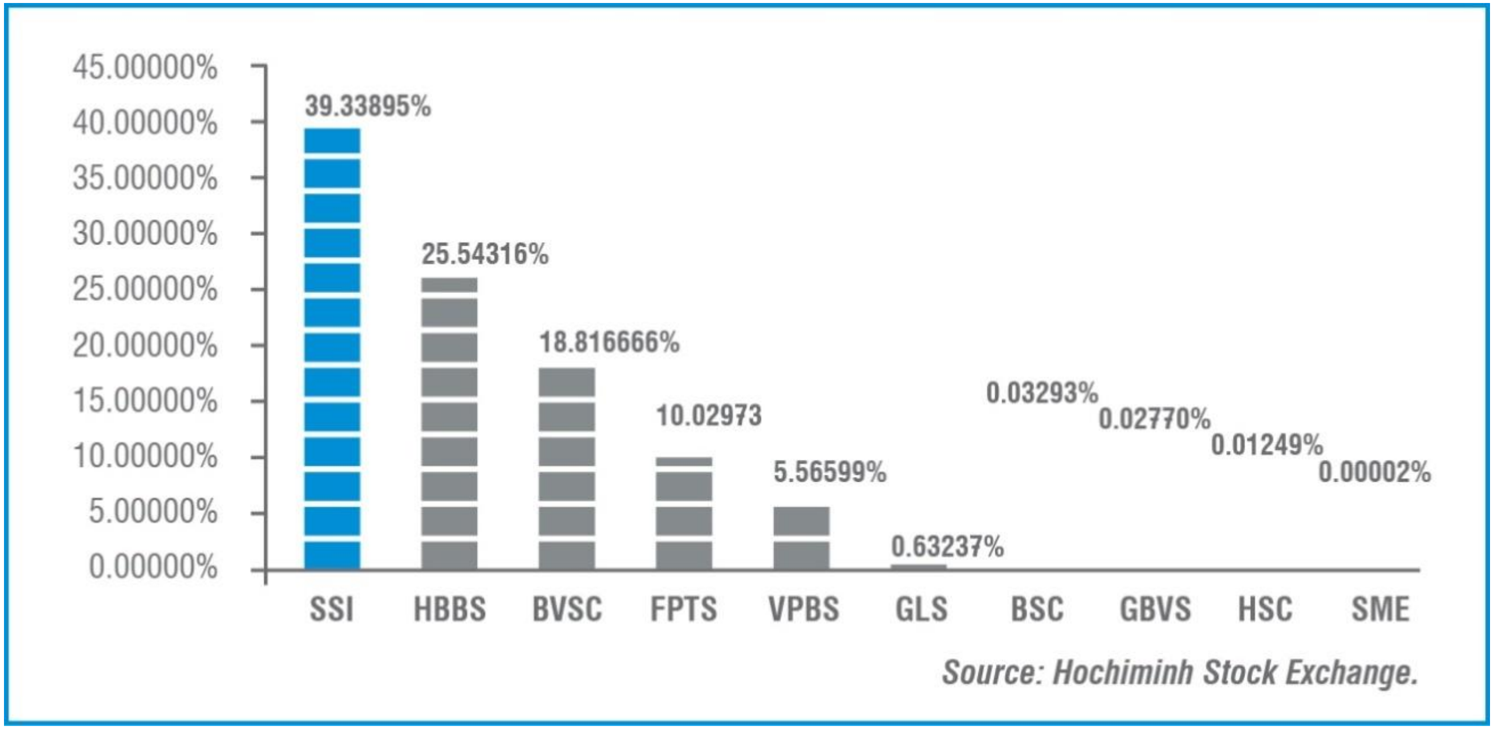


Source: Hochiminh Stock Exchange.

Note:

SECURITIES SERVICE

2011 Bonds brokerage market share chart of top 10 securities companies



Note:

INVESTMENT BANKING

- Maintaining the leading position in the mission of connecting capital from investors to issuers
  - Successfully advising 90 million USD international bond issuance for HAG
  - "Best Bond Issuance Deal in Southeast Asia" Award
  - Successful IPO of Petrolimex

Note:

INVESTMENT BANKING

- Provide Investment Banking services at international standard
  - CB issuance: nearly 1400 billion VND (HAG, DBC..)
  - Bond Issuance: 90 million USD (HAG)
  - Private placement and public offering: 720 billion VND (DBC, DCS..)
  - IPO: 413 billion VND (Petrolimex)
  - Listing Advisory
  - M&A Advisory

Note:

INVESTMENT BANKING

- Wide Recognition with Awards
  - Best Investment Bank in Vietnam (Finance Asia Magazine)
  - Best Investment Bank and best Advisor in Vietnam (The Asset)
  - Best Investment Bank in Vietnam, Best Bond Issuer in Vietnam, Best Bond Deal in Vietnam (Alpha Southeast Asia Magazine)
- Revenue reached 44.4 billion VND (5% total revenue)

Note:

SSI ASSET MANAGEMENT

Growth in revenue amid tough market condition.

- SSIAM's revenue grew by 10% to VND 37.2 bn; PBT was at VND 5.1 bn
- Attracted additional entrusted asset of VND 768 bn, raising total asset under SSIAM's management to over VND 3,500 bn
- Actively sought for new investment opportunities, disbursed Funds and portfolios in accordance with approved Investment Plan.
- Prepared for mobilization of new Fund which included the preparation of technical and technology infrastructure for the upcoming Open-end fund.

Note:

SSI ASSET MANAGEMENT

- Prudent and long-term investment strategy in fund management resulted in highly efficient operation amid difficult market condition in 2011.
  - By the end of 2011, NAV of most funds and portfolios managed by SSIAM out-performed the market.
  - NAV of SSIVF reduced 14% whilst VNI lost 28%
  - Other SSIAM's portfolios' all out-performed VN-Index by 20% - 40%.
  - DSCAP-SSIAM Vietnam Growth Fund (co-managed by Daiwa Corporate Investment Ltd) and SSI Investment Member Fund (SSIIMF) continued to disburse cash for new investments.

Note:

SSI ASSET MANAGEMENT

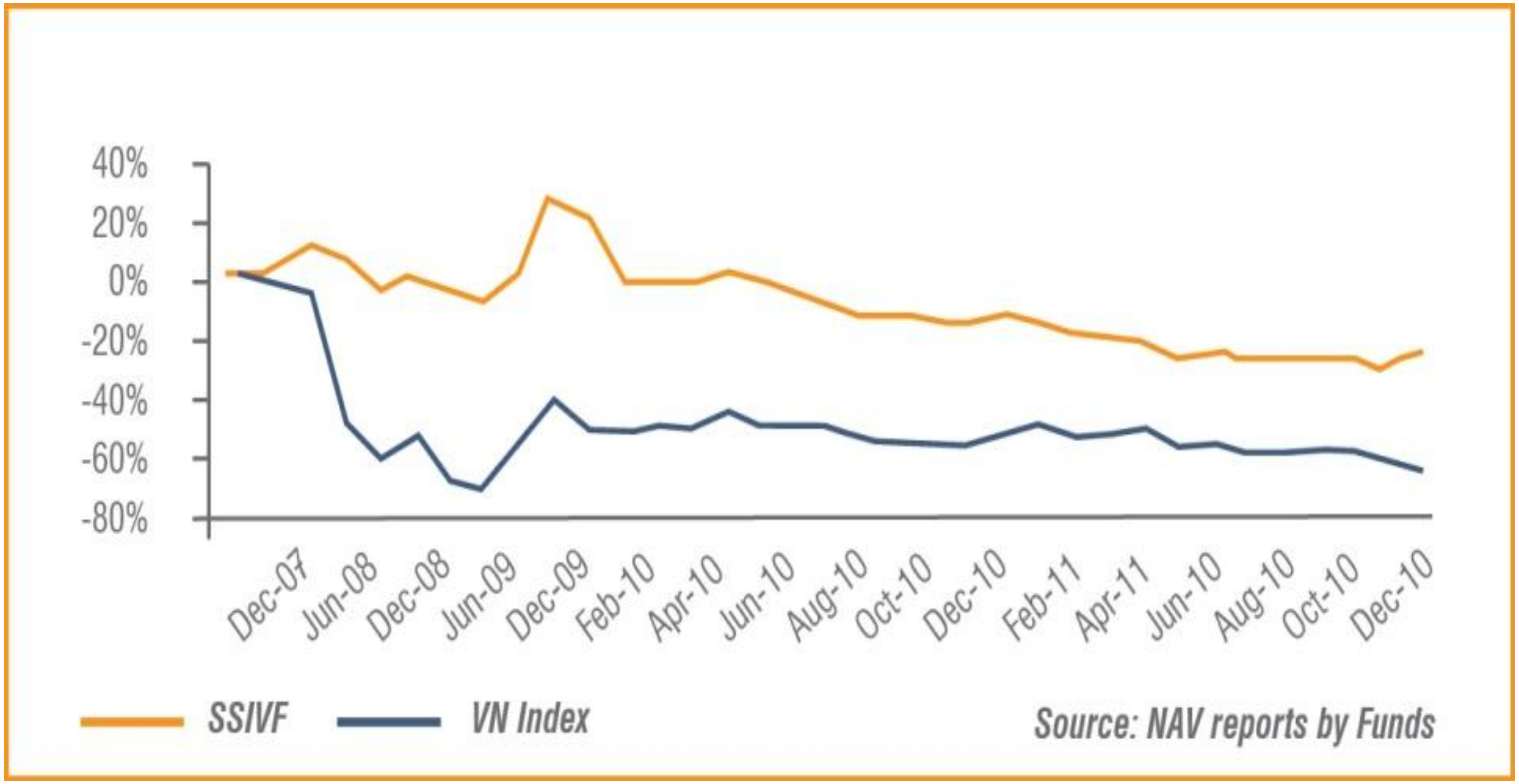
- Strengthening capital mobilization and investment portfolio management
  - SSIAM became manager of a major part of investment portfolio of SSI.
  - Establishing portfolio management product package SSI Prestige, which targets affluent individual and institutional clients, with all-rounded investment solution, including advisory, financial planning, investment strategy constructing and investment execution

- Revenue reached VND 18.3 bn (accounting 2% total revenue)

Note:

SSI ASSET MANAGEMENT

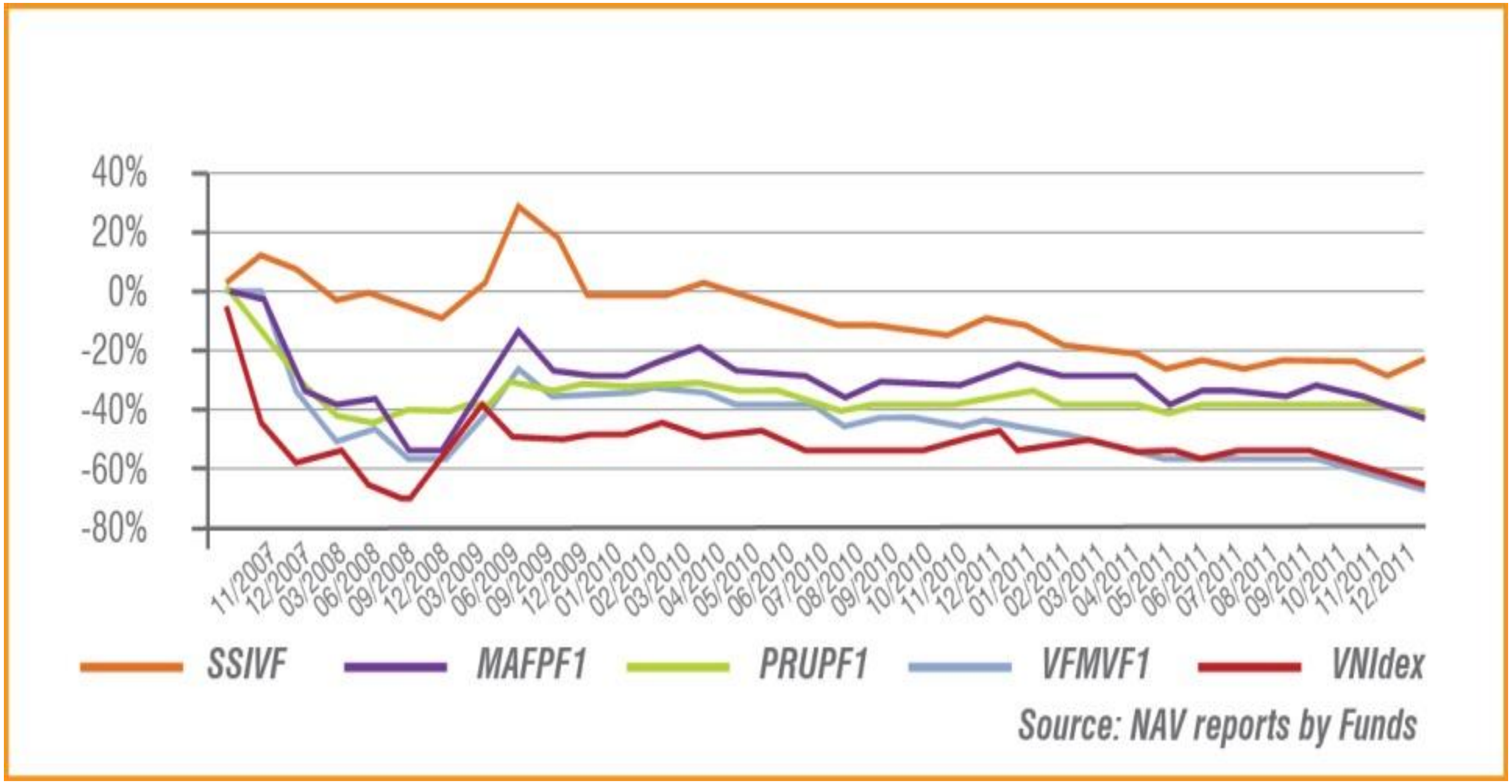
SSIVF's NAV vs. VN-Index



Note:

SSI ASSET MANAGEMENT

Performance of SSIVF's NAV vs. other domestic funds in Vietnam



Note:

TREASURY

➡ Ensuring liquidity and the safety of asset for investors

- Safely managing assets and meeting investors' liquidity requirement are set as the top priority.
- Selecting banks with high creditability, good liquidity, outstanding service to manage investors' deposits.
- Neither delay in payment to clients nor need for payment emergency support from indicated banks ever occurred.

➡ Maximizing clients' benefit throughout SSI's financial products

- Being the first securities company to obtain license for providing margin service.
- Applying margin lending in safe and high integrity manner

Note:

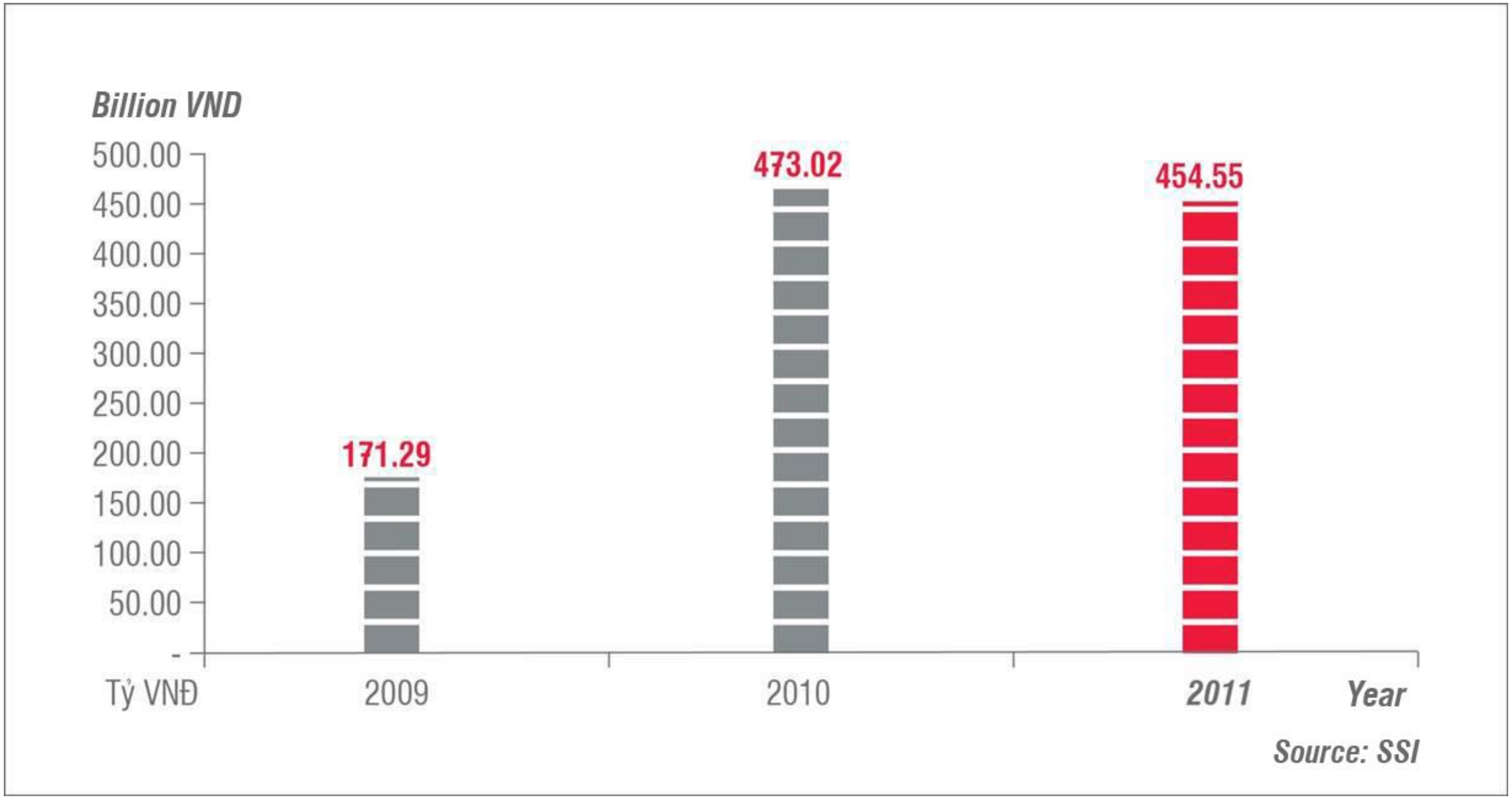
TREASURY

- Safe financial business and profitable performance, contributing to the overall business results of SSI.
  - Maintaining a rich cash balance as a considerable source of return – cash under bank deposits of VND 1,500 to 2,000 bn.
  - Flexibly allocating cash in different treasury investments
- Revenue of VND 454.5 bn from Treasury largely contributed 53.6% to total revenue.

Note:

TREASURY

Revenue of Treasury over years



Note:

2011 FINANCIAL SUMMARY

PROFIT & LOSS	**VND bn**
Revenue	**848**
In which:	
Revenue from brokerage services	98.5
Revenue from securities investments and capital contribution	227.7
Revenue from Investment Banking services	44.5
Revenue from investment portfolio management services for trust investors	18.32
Revenue from property lease	4.48
Revenue from capital	454.55
Operating expenses	**656.77**
In which:	
Direct operating expenses	487.75
Securities provision expenses	169.02
Other incomes	**(0.12)**
Loss from associates	**(36.60)**
Profit before tax	**126.60**
Net income	**82.75**

Note:

CORPORATE RESPONSIBILITIES

Note:

EDUCATIONAL SPONSORSHIP

- Built schools and storm shelters construction project at Ha Tinh province
  - Projects of kindergartens, primary schools and secondary schools at Huong Khe, Huong Son, Vu Quang and Duc Tho districts
- Continued the donation projects for the difficult cases in Viet Duc Hospital, National Institute of Burns, Cancer Institution, etc.
- Educational support program for mountainous and remote areas
- Start the construction of community education center at Quang Han, Tra Linh district, Cao Bang province.

2012 BUSINESS PLAN

Note:

2012 OUTLOOK

- 2012 is expected to be more challenging year for the economy
- Public investments will reduce
- Inflation has been on the downtrend
- 2012 Credit growth target will be at 15% after the lowest credit growth rate at 10.9% in 2011
- Banking sector and SOEs are the main targets of government restructuring scheme. The banking reform started from end of 2011 and may take up to 3 years to complete

2012 OUTLOOK

- Total investments in non-core business of 11 largest corporates reached VND 19,500 billion (PVN VND 6,708 billion; Rubber Corporation VND 3,848 billion; EVN VND 2,107 billion) – must be divested by SOE groups by 2015
- Trade deficit: expected to increase
- Foreign exchange rate: SBV moved to a flexible mechanism in dealing with exchange rates and a one-time large depreciation in 2011 may not occur and the depreciation would decline step by step. The SBV governor announced a 3% depreciation target for VND.

Note:

2012 OUTLOOK

Interest rate:

- Downtrend
- The SBV cut policy rates by 1% in March 2012
- More 1 % reduction from 11 April 2012

Note:

2012 OUTLOOK

Bond market

- Some favorable factors along with effort of the MoF to reform the system
- However, the bond market might not enjoy high growth due to ongoing difficulties in 2012:
  - The State Bank of Vietnam continues to tighten monetary policy
  - More stringent regulations on credit activities relating to corporate bonds
  - Limited market participants
  - Ongoing concern for forex risk for foreign investors
  - Lack of Transparency in corporate information
  - Absence of a rating agency for bond issuers in Vietnam

Note:

GROWTH STRATEGIES – SECURITIES SERVICE

- Keep 1st position in Brokerage on HoSE and Top 10 on HNX, continue to lead the Foreign Investor Brokerage segment with the market share of 35+%
- Expand the international and local customer base
- Develop advisory and financial products and web-based trading system, and Contact Centre system
- Enhance risk management and apply risk management tools
- Standardize operations for Transaction Offices and Branches
- Train professional brokers and consultants

Note:

GROWTH STRATEGIES – INVESTMENT BANKING

- Diversify the product and service portfolio with focus on services of specialty and highly-added value
- Provide services regarding Financial restructuring, Refinancing, M&A, and complex products combining equity and debt
- Prioritize M&A advisory services
- Develop the network of large-sized, prestigious, potential corporations in the areas of sustainable growth sectors
- Expand cooperation with world-class financial players
- Enhance development of Human Resources

Note:

GROWTH STRATEGIES – ASSET MANAGEMENT

New regulation for new products such as Open Funds, REITs and Security Companies

- Invest with lower risks, higher level of flexibility and in the great interest of corporate clients' business development.
- Attract more investment from institutional investors.
- Focus on individual customer sector
- Accumulate resources ready for the introduction of Open Funds

Note:

GROWTH STRATEGY – TREASURY

- Diversify the portfolio of products and services, develop customized and flexible products.
  - Utilize the aggregate market's borrowing/investment demand with the most favorable available interest rates and reasonable investment structures.
  - Increase promotion and consultation of new products and services.

- Conservative investment
  - Preservation of absolute capital in case of high liquidity risk.

Note:

BUSINESS PLAN 2012

Target	(Billion VND)
Total Income	705
Total Expenses	225
Profit before Tax	480

Note:

1Q 2012 EARNINGS

Item	(Billion VND)
Net Revenue	**172.4**
Operating Expenses	**160.8**
Provision/(Provision reverse)	(235.8)
Administration Expenses	**1.97**
Other Income	**1**
Profit (Loss) before Tax	**246,4**

1Q2012 P&L includes VND 66.2 bio coming from provision reverse of investment in ABT, HVG and PAN and VND 18.6 bio coming from the dividend of these investments (paid in 1Q2012). This income will not be included in SSI's 1Q2012 consolidated P&L since ABT, HVG and PAN are associates in SSI's consolidated FS (provision for these investments was not recorded in 2011 consolidated FS, according to VAS). 1Q2012 P&L of these companies will be associated in SSI's 1Q2012 consolidated P&L under the equity method

Note:

Thank you

Note: