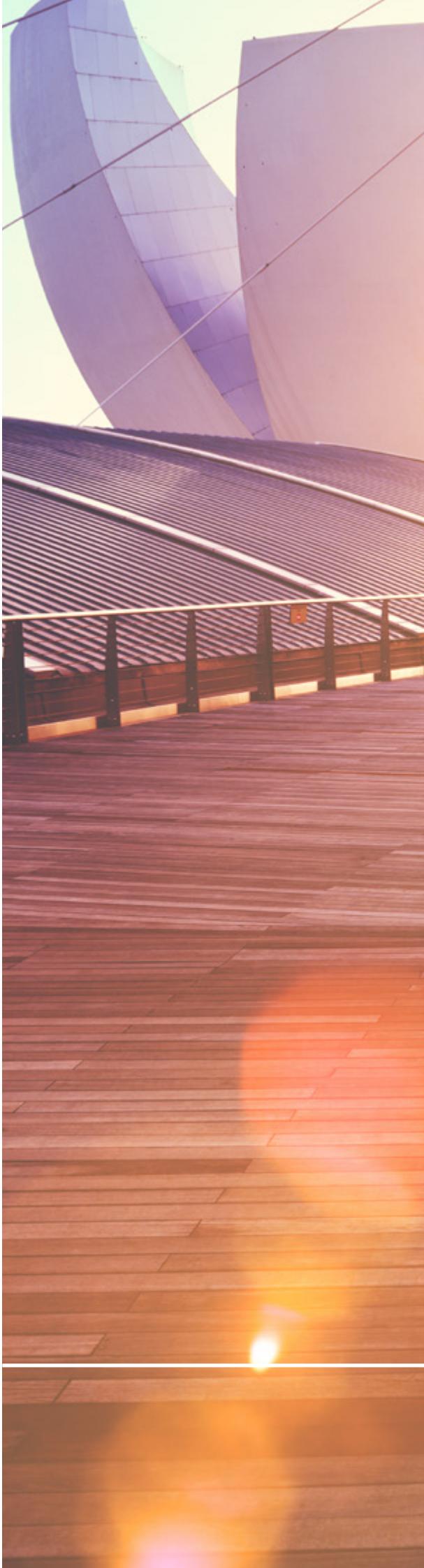


A photograph of a person standing on a rocky mountain peak, looking out over a vast, hazy landscape. The sky is a gradient of blue and orange. The image is partially obscured by a large, solid red diamond shape in the upper right corner.

# ANNUAL REPORT 2017

# ANNUAL REPORT 2017



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*BeSpoke*

## I. MESSAGE FROM THE CHAIRMAN

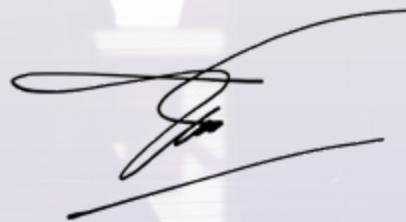
2017 marked another successful year for Techcom Securities (TCBS) with important milestones. Revenue rose 31.3% to VND 1,084 billion. Earnings before interest and tax increased 51.8% to VND 916.7 billion. 2017 witnessed the strongest growth (81%) in the revenue from wealth management products.

For the first time since its launch, revenue from corporate bond for retail customers (iBond) has reached over VND 34,186 billion (approx. USD1.5 billion). Corporate bond advisory in 2017 reached a new high with VND 35 trillion in total sales, accounting for nearly 40% of the market share. TCBS is standing strongly as the biggest DCM house in Vietnam with an expanding portfolio of customers. In mid-2017, TCBS created a big boom in the market with our online stock trading iWealth Pro, offering many cost-effective investment opportunities.

The exponential growth over the past four years (since 2014) has been a remarkable achievement. Starting from a small company, TCBS has accelerated and transformed into the second largest securities company in revenue and profit with the highest return on employee efficiency. Technology platforms have supported and unlocked our potentials to offer retail products such as iBond, iFund and iWealth, empowering us to provide customers with lifelong financial solutions. Our recently launched website ([www.tcbs.com.vn](http://www.tcbs.com.vn)) not only provides information but also responds to our customers' needs in their financial plans.

In 2018, we expect to continue to apply technology even in the relatively traditional field of finance and investment. We are committed to invest in and prioritize technology to continue to deliver an exceptional investment experience for our customers, improve employee productivity and ensure flexibility, efficiency in operations, thereby increasing professionalism in customer service and business operations. In addition, TCBS will continue to create more milestones for corporate customers in capital mobilization and capital markets through the sustainable development of our corporate finance advisory service.

TCBS team is ready to fly higher, reaching closer to the challenging and exciting 2020 goal.



**Nguyễn Xuân Minh, CFA**  
Chairman  
Techcom Securities

“

We are committed to invest in and prioritize technology to continue to deliver an exceptional investment experience for our customers, improve employee productivity and ensure flexibility, efficiency in operations.

”



## Highlights in 2017:



**Revenue**  
**1,084** billion  
↑ **31.3%**



**Profit before tax**  
**916.7** billion  
↑ **51.8%**



**Total assets**  
**2,815** billion



**Total volume of corporate bond advisory**  
**34,637** billion | ~ **40%** market share



**Total Sales:**  
**34,186** billion

**Number of customers**  
**13,489**

**HOSE Bond brokerage share market:**

**82.33%**

**Distributed at:**

**280** Techcombank branches

**44** provinces nationwide

## II. TECHCOM SECURITIES – EXPONENTIAL GROWTH FROM A UNIQUE STRATEGY

### **Vision:**

We create a bespoke savings experience for our customers in Vietnam.

### **Mission:**

- To be the strategic finance advisor of corporate clients
- To create a new savings experience for our customers in Vietnam

### **Targets in 2020:**

1 @ 1 @ 1 @ 1 = 2020

No. 1 in Vietnam @ 100,000 affluent customers  
@ USD 100 million revenue  
@ USD 1 billion market capitalization

### **Strategic Core Business:**

1. Corporate Advisory
2. Wealth Management



## Journey to becoming an exponential organization

Established in 2008, Techcom Securities (TCBS) is a wholly-owned subsidiary of Techcombank. From 2011 to 2017, TCBS was the fastest growing securities company in the market (average annual growth rate of 57% and 79% for revenue and profit respectively). In 2017, TCBS was one of the two leading securities companies in Vietnam in profit.

The backbone of TCBS' business is corporate bonds, and TCBS has created and provided a corporate bond ecosystem for each of our customers. As the market leader in issuance volume, TCBS's market share from 2014 to 2017 remained approximately 40%. In addition to providing bond issuance advisory for large corporate customers, TCBS also structured investment products for retail customers, serving 13,500 retail customers in 2017 alone.

The investment products include: **iBond** (corporate bond for retail customers), **iFund** (open-ended funds, including bond fund **TCBF** and equity fund **TCEF**), **TCREIT** (the first real estate investment trust in Vietnam).

Although TCBS had a late start in offering stock trading services, we have created our own trademark with a very different approach. We highly value the development of modern technology platforms, which help investors make in-depth assessments and well-informed decisions. With **iWealth** online asset management platform, including online investment system **TCInvest** and Vietnam's first Robot Advisor, **TCWealth**, as well as **TCAnalysis** (an analytic portal of more than 1,350 listed companies), **MarketWatch** (a market tracking tool), and **1Click** (a company reporting system), now everyone is empowered to make their own investment plan.

In order to offer a comprehensive customer experience, TCBS developed **iAdvisor** to support our sales team. With a mobile device connected to the Internet, sales staff can search all information related to our products and services, including programs, quotas, pricing, interest rates, terms and conditions, providing valuable information for customers that leads to timely investment decisions.

TCBS's strategy is to take full advantage of the fin-tech platform to help investors proactively manage their wealth.



## Wealth management products

### **iBond – Corporate bonds for retail customers**

iBond is corporate bonds restructured exclusively for retail customers with an initial investment from VND 200 million.

Issued by leading companies and advised by TCBS, iBond is a low-risk investment product that offers flexible liquidity and attractive return.

### **iFund – Open-ended funds**

iFund includes Techcom Bond Fund (TCBF) and Techcom Equity Fund (TCEF), which are managed by Techcom Capital (TCC). Customers can invest from as little as VND 1 million.

Investing in iFund is low-risk with flexible liquidity through our Systematic Investment Plan.

### **TCREIT - Real Estate Investment Trust**

TCBS distributes the first and only real estate investment trust in Vietnam managed by Techcom Capital (TCC). With an initial investment from only VND 1 million, TCREIT, listed on HOSE, is expected to generate good real estate investment opportunities for a majority of individuals and families in Vietnam, who otherwise have to spend billions buying a property.

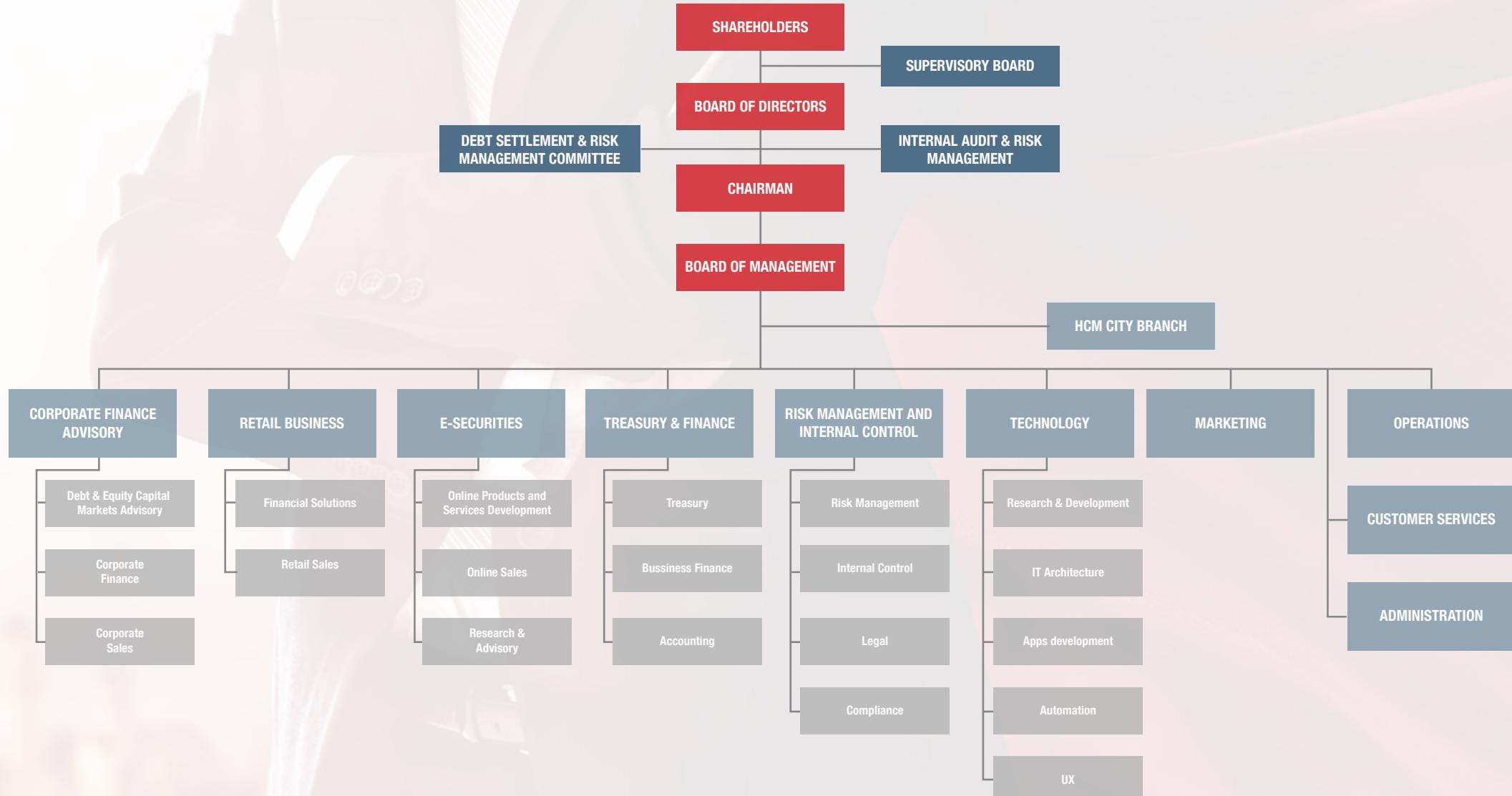
According to legal regulations, TCREIT is mainly invested in rental residential and commercial properties with stable cash flows. The trust must also distribute 90% of its annual profit to investors.

### **Online asset management platform iWealth:**

- **TCInvest** – An online trading platform with a full suite of investment products
- **TCWealth** – First Robo-advisor in Vietnam to help retail customers plan long-term investments.
- **iWealth Pro** – a cost effective package for professional stock investors with lower trading fees and margin loan interests.
- **iShare** – a referral program for brokers and influential investors.

► Organizational Structure and Key Executives

**ORGANIZATIONAL STRUCTURE:**



## ◆ KEY EXECUTIVES:



NGUYEN XUAN MINH, CFA



NGUYEN THI THU HIEN

### Chairman

Master of Applied Finance & Investment in Australia. Master of Science, Oil & Gas – Mechanical Engineering, USSR.

Mr. Nguyen Xuan Minh has over 25 years of investment and fund management experience. He was CEO of Vietnam Asset Management Ltd. (VAM) and Senior Vice President of Franklin Templeton Investments Singapore. He is a member of the Board of Directors for several corporations in Vietnam.

### CEO

Master of Banking and Finance - Monash University, Australia.

Ms Nguyen Thi Thu Hien has more than 20 years of banking and finance experience. She held many key positions, including Director of Capital Market – Treasury and Financial Market, Techcombank, assistant to Vice – President, senior analyst in Debt Market and Capital Products at Citibank Vietnam, member of the Global Asia Tiger program at Citibank Singapore.



DANG LUU DUNG

### Head of Equity Capital Markets

LL.M - International Business Law, Kyushu University, Japan

Mr. Dang Luu Dung has 18 years' experience in state management, legal advices, banking and finance and fund management. He was the vice-director of Techcombank AMC, co-founder and CEO of FPT Capital and Vietnam Japan Fund (VJF). He was also a lawyer at Freshfield Bruckhaus Deringer International.



DO TU ANH

### HCMC Branch Manager

BSc Physics, Vietnam National University, Hanoi.

BSc Business Management, USA.

Ms Do Tu Anh has 20 years' experience in trading and investment advisory, foreign investment, project development, fundraising, and M&A deals. She was the trade representative of Dresser Industries, co-founder of AIPF, General Director of Nettra Ltd., General Director of INB Ltd., and Vice-director of Techcombank AMC.



NHAM HA HAI

#### Deputy CEO cum Head of Investment

Master's degree, Finance, CFVG, Paris Dauphine – ESCP; A degree holder of Advanced Macroeconomics, Germany.

Mr. Nham Ha Hai has hands-on experience in the debt and equity finance as well as structured financial tools. He has more than 16 years working at the State Bank of Vietnam, FPT Capital, Techcombank, and Techcom Capital.



TRAN NHAT NAM, CFA

#### Deputy CEO cum Head of iWealth

Research Assistant at George Mason University, USA. Vietnam Government Full scholarship.

Mr. Tran Nhat Nam has over 17 years of investment, corporate finance and M&A advisory. He held the positions of Associate Director leading the M&A advisory at KPMG Hanoi, as well as Investment Banking Director of Vietnam Partners in Vietnam & New York.



TRAN HA THANH

#### Head of Technology

Master of Applied Finance, Macquarie University, Australia.

Mr. Tran Ha Thanh has more than 17 years of international experiences in Information Technology including 10 years specializing on finance and stock investment. He was Deputy CEO of VietWealth Capital; CTO of LR Global Partner. He has also worked many years in Singapore for several financial institutions such as Barclays Capital.



PHAM DIEU LINH

#### Head of Corporate Advisory

MSc Finance, France.

Ms Pham Dieu Linh has a solid knowledge of issuance advisory and capital raising. She has over 10 years' experience in capital market and debt instruments with hands-on experience in client management as well as investment portfolio management at Techcombank.



BUI THI THU HA



TRAN THI THU TRANG

#### **Head of Retail Sales & Distribution**

MSc Finance and Investment, University of London. A degree holder of Financial and Banking Risk Management

Ms. Bui Thi Thu Ha has over 12 years' experience in banking and finance. She went through different positions at Vinacomin, as well as Treasury and Financial Market at Techcombank. In addition, she was the executive assistant to the CEO of Techcombank.



LE HUY HOANG

#### **Head of Risk Management**

MBA, major in Finance, University of Wales. Master of Natural Science, major in Management, University of Glamorgan.

Mr. Le Huy Hoang has more than 9 years' working experience in banking-related field, risk management and financial advisory (M&A). He was the Vice-director of Risk Management at VietinBank Frankfurt, financial and M&A advisor at PriceWaterhouseCoopers Vietnam before joining Techcom Securities.

#### **Head of Debt Capital Markets**

Bachelor Degree from Academy of Finance, Hanoi.

Ms. Tran Thi Thu Trang has more than 12 years of debt capital markets for Techcombank's medium and large corporate clients. With her profound knowledge in corporate finance advisory, Trang has managed a diverse client portfolio in different industries.



NGUYEN HA QUYNH, CFA

#### **Head of Research & Development**

BSc Economics and Econometrics, University of Nottingham, UK.

Mr. Nguyen Ha Quynh has over 11 years of investment, capital market and M&A experience. Prior to joining TCBS, he was Deputy Head of Investment Banking Division at Phoenix Securities Corporation and worked for several years at Cattles Plc, UK.



NGUYEN THI HOAT



BUI THI THU HANG

#### **Head of Financial Solutions**

BSc Accounting – Audit, National Economics University, ACCA.

Ms. Nguyen Thi Hoat has over 10 years of experience in banking, finance and audit. She was the Director of Hue Real Estate Ltd. and held many senior positions at Vietbridge Capital, International Royal Securities Corp., KPMG, Treasure and Financial Market, Techcombank before joining Techcom Securities.

#### **Head of Operations**

BSc International Trade, National Economics University

Ms. Bui Thi Thu Hang has over 16 years of experience in securities and investment. She held different positions, including Transaction and Payment management team leader, Risk Management executive, and Stock Exchange manager at MB Securities Corp.



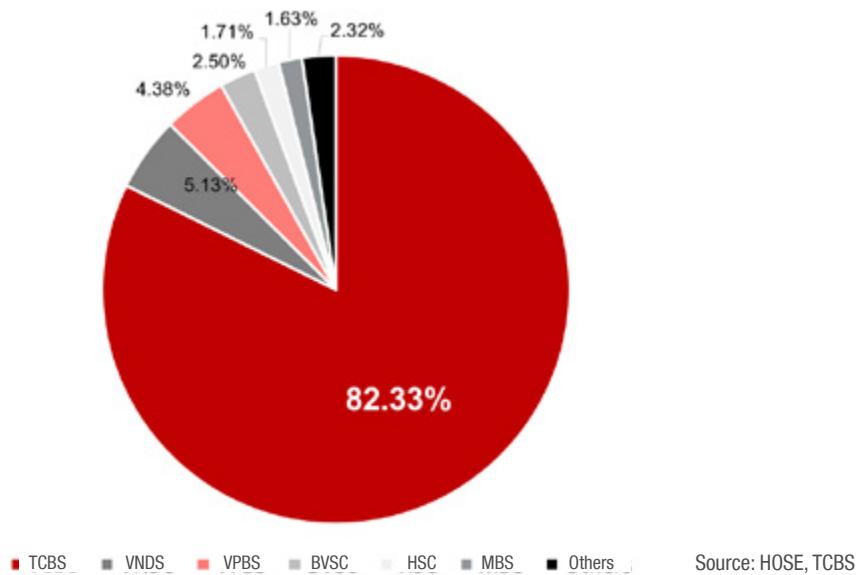
### III. MANAGEMENT REPORT

#### ► Impressive business growth

In 2017, TCBS had a winning streak with robust revenue and earnings growth. Revenue reached VND 1,084 billion, an annual increase of 31.3%. At a much faster pace, earnings before tax grew 51.8% to VND 916.7 billion. Operational and management expenses drastically dropped 17.5% and 28.1% respectively. Wealth management revenue was leading the growth with an increase of 81%, the fastest among all business segments.

The two strategic segments **corporate advisory** and **wealth management** have contributed significantly to the growth of TCBS in the last two years and also generated high cash flows, fueling the expansion of capital trading business. Simultaneously, these cash flows played an important role in bolstering margin lending activities. During Q4 2017, margin lending started to dry up while the market was setting new peaks. That was a perfect timing for TCBS to introduce a VND 2,000 billion margin lending program with interest rate starting from 9%. The package has been strongly welcomed by the market.

Corporate Bond Brokerage Market Share on HOSE as at 31/12/2017



#### Corporate advisory continued to reach a new high

Corporate advisory continued to have an excellent year, with a total volume of bond issuance at VND 34,637 billion, a rise of 26% compared to 2016. Consequently, TCBS's corporate bond advisory market share significantly increased from 22% to almost 40%. Corporate bonds advised by TCBS still accounted for 90% of the total listed corporate bonds in the stock market. Following our remarkable performances in 2015 and 2016, TCBS further solidified our position

as the bond advisor and distributor of choice among Vietnam's large corporates in 2017. TCBS also pioneered in listing corporate bonds on the Ho Chi Minh City Stock Exchange (HOSE) to increase liquidity for investors.

Among our most significant accomplishments in 2017 were to advise and distribute VND 3,000 billion worth of straight bonds and VND 3,200 billion worth of tier-2 capital bonds for banks. The success of these transactions enhanced TCBS's core competencies and reinforced our reputation in the interbank market. It also helped diversify our investor base – corporates and individuals who were interested in financial institutions' fixed-income assets; laying the foundation for capital raising through issuing corporate bonds as well as supporting banks for their bond issuance plans. In addition to our long-term clients, TCBS also successfully diversified and broadened our client base to southern regions in 2017, thanks to our fast-growing advisory team in Ho Chi Minh City. TCBS also successfully advised and distributed corporate bonds with complex structure and sophisticated collaterals to a large number of professional investors.

2017 was a year of many records for TCBS, including the largest annual bond issuance volume in our company's history. TCBS was also widely regarded as the champion in promoting primary bond listings on the stock exchange, improving the bonds' transparency and liquidity, which in turn, attracted many investors to the corporate bond market.

Looking forward to 2018, TCBS will continue to strengthen our connections with institutional investors in the finance sector, including commercial banks, insurance companies, and asset management firms. This will leverage our capacity and ensure the successful distribution of our new bond issuance in considerable amounts in the coming time, besides our existing competitive edge in retail distribution channel.



## New milestones for wealth management products

The wealth management business – including iBond (corporate bonds) and iFund (open-ended bond fund TCBF and open-ended equity fund TCEF) – made unprecedented strides in annual revenue growth of 81% in 2017.

TCBS achieved a new record in iBond distribution to 280 Techcombank branches in 44 provinces nationwide with VND 20,291 billion in revenue, an increase of 217.9%. Since the inception of TCBond Series 3 years ago, TCBS has distributed a total of VND 34,186 billion of iBond to over 13,000 customers.

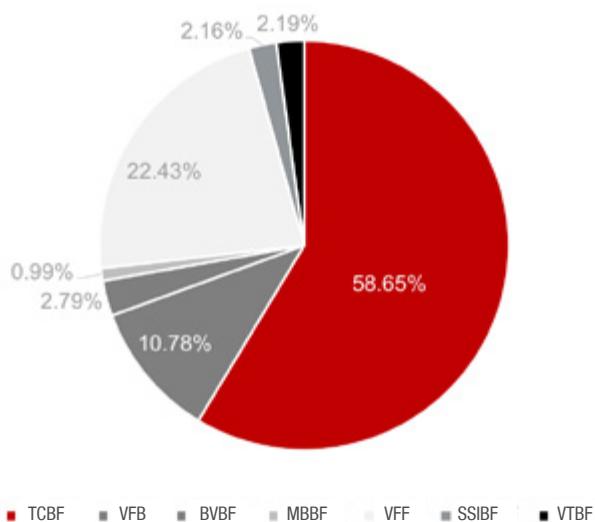
In 2017, the distribution of VND 2,000 billion corporate bonds, a remarkable milestone in the previous years, was repeated regularly. These milestones allowed for iBond to remain the market leading product in the local wealth management sector. In addition, iBond played an integral role in Techcombank's affiliate products such as iBond FX, VinBond, VinLoan, increasing business efficiency and customer service.

iFund products took the business to a new high as well. Techcom Bond Fund TCBF maintained the leading position as the largest fixed income fund with VND 2,000 billion in total net asset value, making up 58.65% in market share of the Vietnam Fixed Income Funds. Meanwhile, although Techcom Equity Fund TCEF was launched after TCBF, it reached Top 10 Vietnam's Equity Fund with a significant growth of 46% in 2017.

iFund product distribution had an active trading year. In total, more than VND 2,312 billion worth of TCBF and TCEF shares were distributed to over 2,000 customers, a record growth of 300% compared to 2016.

In comparison with other investment products in the market, TCBS's wealth management products and services are of high quality by only distributing bonds from leading enterprises in Vietnam. It is inevitable that TCBS brokerage market share dominated 82.33% of HOSE in 2017, far beyond competitors.

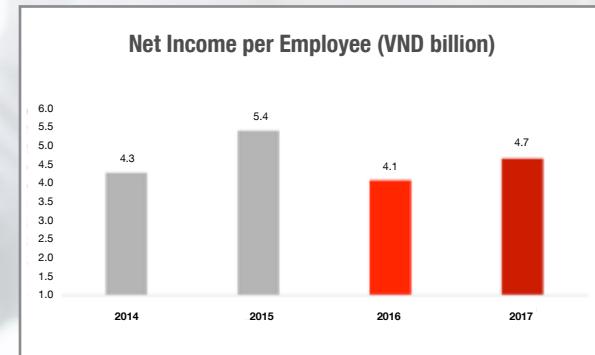
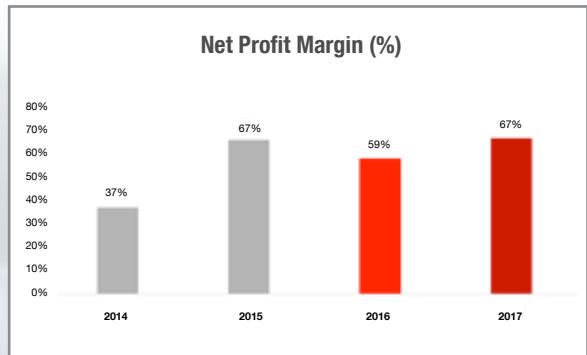
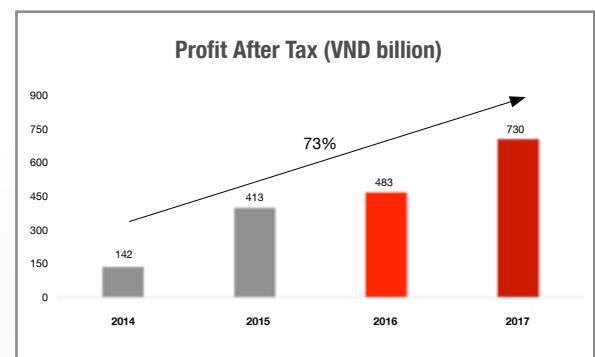
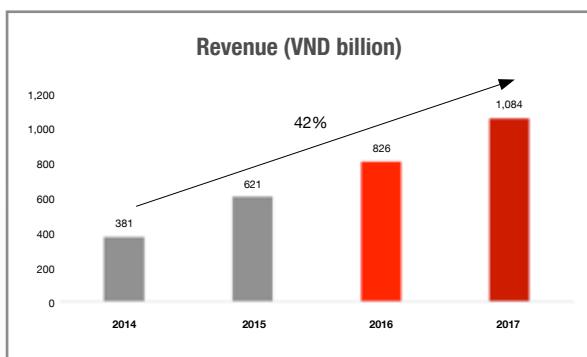
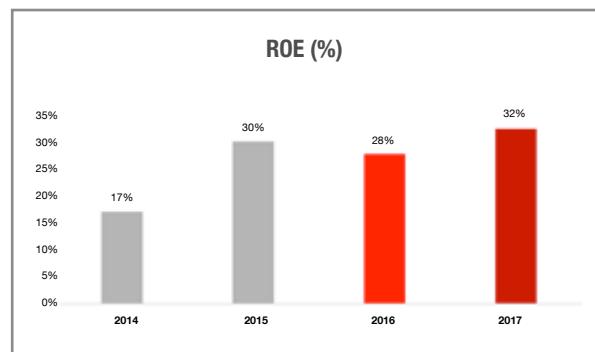
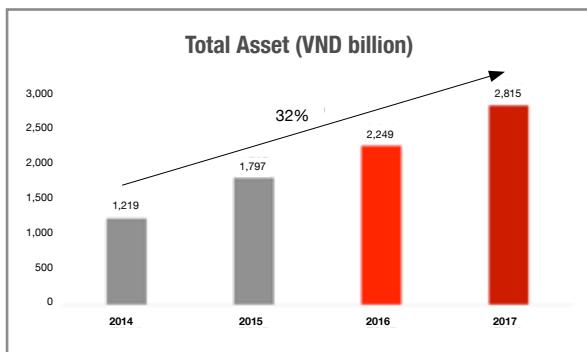
**Open-ended bond fund market share as at 31/12/2017**



Source: State Securities Commission

## ► Financial strength

In 2017, TCBS's financial strength reiterated our leading position in the market. From 2014 to 2017, the compound annual growth rates (CAGR) of total asset, revenue and profit after tax were at 32%, 42% and 73% respectively. ROE increased to 32% compared with 28% in 2016. The net profit margin increased to 67% in 2017. Net income per employee stood at VND 4.7 billion, highest in the finance & banking sector.





## Partnership with world-renowned technology leaders to strengthen our technology capacity

In 2017, TCBS continued our transformation with Information Technology in these key areas:

- Platform-oriented developments
- Application of Agile methodology in software developments

By leveraging on platforms as core development, technological challenges are categorized into key solution groups which are executed in order to enhance our business capabilities. With this approach, our platforms can support existing needs and open for future enhancement.

In 2017, in collaboration with leading technology companies in the world, TCBS implemented a series of important platforms, including:

- Cloud infrastructure such as virtual machine, computer network and data storage, built on Microsoft Azure.
- Collaboration Platforms such as Microsoft Office 365, Power BI, Teams, Jira. to provide information exchange tools.
- Business Process Management (BPM) to improve corporate performance by managing business processes, deployed on IBM BPM solutions.
- Customer Relationship Management (CRM) to manage interaction with customers, deployed on Salesforce.

The platforms above helped TCBS quickly provide new technology solutions to adapt to the rapidly changing market and contribute to improving business efficiency. By collaborating with world's leading technology companies, the platforms are highly stable and extensive, ready to meet the demands of large scale business.

In conjunction with the implementation of platforms, recognizing Agile methodology as the new software development approach so that complex solutions can be implemented across multiple departments, TCBS decided to decentralize the IT team to empower more initiatives and simplify the decision making process. The advantage of Agile methodology is dividing tasks into smaller groups and each group can deploy solutions to independent products. At the same time, the groups can receive support to grow in the areas of human resource and quality improvement.

In 2017, TCBS's IT department has been successfully transformed into 9 Scrum teams working on the following areas:

- By product lines (bonds, stocks, funds)
- By platforms (CRM, BPM, core service)
- By solutions (Modelling team, CAS team, Ops Automation)

The success of Agile implementation is measured by the effective collaboration between IT and business departments while enhancing staff capability in the organization. In Q4 2017, the scrum teams delivered many high quality solutions.

In 2018, TCBS will continue deploying solutions on IBM BPM, Salesforce CRM, TCIInvest2, Mobile and Data platforms. We will further embrace Agile culture to create an ideal working environment for the IT department.



## ► Human resource development

TCBS's outstanding growth in 2017 was a result of major contributions by our highly skilled staff. Recognizing the importance of human resources in enhancing our competitive advantage, TCBS prioritized training and empowering our staff. Staff expansion and development were also among TCBS's strategies in 2017.

In 2017, the number of employees increased significantly to 156, an annual growth of 30%. 87% of our staff hold a Bachelor's degree and 11% hold a Master's. A large number of employees hold professional certificates such as CFA. The number of new IT staff was remarkable. Starting with a technology-oriented strategy, the addition of a large number of IT staff with international experience will contribute significantly to the goal of building a strong technology foundation.

**156**

full-time staff  
as at 31 Dec 2017

**+30%**

increase of staff  
compared to 2016

**33%**

of total staff  
are IT staff

## IV. RISK MANAGEMENT

### ► TCBS Risk management overview

Risk management principles are compiled and pursuant to the requirement of the State Securities Commission of Vietnam (\*) and international standards.



(\*). Decision 105/ UBCK/ 2013, Guideline on Implementation and Operation of Risk Management System for Securities company.

### ► Risk management structure at TCBS

- Risk governance led by the Board of Management
- Risk management tools and modelling
- Risk culture

### ► Risk and compliance culture is the key to effective risk management

From the beginning, TCBS has recognized that a comprehensive development of risk management framework that actively assesses and supports customers to avoid investment risk is key to our business strategy. In a low-risk environment, minimizing risks inherent in investment and customer fund-raising can only be possible if the company properly controls its own risks. An integrated risk management system (RMS) has been designed to construct the “three-line of defenses” based on the ERM (Enterprise Risk Management) model for the following purposes:

- Building a culture of risk management for the whole company
- Keeping in line with business strategies and dividing into daily risk-management tasks
- Closely monitoring business activities to ensure its scopes are within the levels of TCBS's risk limits, risk appetites and to ensure TCBS achieve our goals while maintaining our core values.

The three lines of defenses are:

- First: all business lines and operational units
- Second: risk management and internal control departments being independent with the first line of defense
- Third: internal audit ensuring the effectiveness of risk management and internal control systems

Risk and compliance culture:

- Requires TCBS staff to strictly comply with legal requirements and build international standards applicable to all business units.
- Provides monthly internal risk report to raise risk-awareness culture among staff.
- Timely updates new risk policies, principles, procedures and the outcome of non-compliance activities to staff.
- Emphasizes that staff are fully responsible for managing risk within their scopes of work in the most cautious way.
- Places the reputation of TCBS and TCB on top of all business decisions.

TBCS's risk management and internal control department works independently with other units to ensure that the business activities are in accordance with Vietnam's regulations as well as TCB's risk policies and strategies, contributing to the sustainable development and long-term values of clients. Risk management and internal control departments are responsible for the periodical monitoring and evaluation of the internal systems as well as advisory to enhance the quality of risk management.





## Risk management policy and risk appetite

**Risk management policy** includes the direction, principles and general provisions about risk management in TCBS to guarantee the establishment and operation of a suitable risk management system, which supports TCBS to achieve maximum efficiency while assuring a low-risk business approach.

TCBS's risk policies, acceptable risk tolerances and risk appetites are approved by the Board of Management. These are also key to the development of regulations and guidance about risk and risk management suitable with TCBS' business strategy.

**Risk appetite** includes all types and levels of risk that TCBS is willing to take to fulfill our strategic objectives and business plans.

**Risk tolerance and Contingency Funding Plan (CFP)** are the capability of using capitals, expected returns and other financial resources to compensate timely for the material risks and potential losses that the company accepts to assure our effective operations and continuity.

TCBS has developed **risk management models** to assess and quantify the material risks inherent in our business operations. The material risk includes credit risk, market risk, operation risk and liquidity risk in accordance with the requirements of the Ministry of Finance and the State Securities Committee (SSC) that enables TCBS to fulfill our business targets.

In the context of a booming financial market with growing demands, a constant development of risk tools and increasing automation are the solutions to promote our competitiveness. In 2017, thanks to our state-of-the-art database, TCBS has advanced our automation tools to monitor the risk limits, credit risk, market risk and liquidity risk. The early warning system also helps clients to evaluate the level of their risks profile and use TCBS's solutions.

## **V. STRATEGIC PLAN FOR 2018**

Planning ahead, our goal by 2020 is to be the number one securities company in Vietnam with 100,000 affluent customers, USD 100 million in revenue and USD 1 billion in market value. It is an ambitious goal that requires careful planning, assertiveness and commitment to maximize success. Therefore, strengthening the foundation is one of TCBS's most important tasks in 2018.

TCBS framework consists of three important components:

### **1. Outstanding human resources**

- Skill improvement in analytics and corporate finance advisory for key executives
- Internal training and rotation to improve professional skills
- Training and prioritizing recruitments that meet the requirements of the “Digital transformation age”

### **2. Outstanding operations**

- Applying automation in most business areas such as operations, risk management, finance, and accounting
- Systematizing all operating procedures using efficient software
- Quantifying risk management models and measure performance

### **3. Outstanding data**

- Investing in technology platforms with successful models to quickly respond to changes and requirements from the business
- Focusing on developing mobile applications
- Applying automation marketing and effective customer data management system

The TCBS business strategy will continue to focus on two areas **Corporate Advisory** and **Wealth Management**.

#### **Corporate advisory:**

TCBS will strive to maintain and improve our market share position in corporate bond issuance and advisory and continue to grow our revenue and profit.

##### **1. Diversification of issuer portfolio**

- Expanding new business opportunities besides existing clients
- Developing new clients from industries to diversify the issuer portfolio, for example the construction sector such as contractors, steel, materials, equipment and petrol companies.
- Expanding and promoting the market to Southern Vietnam

##### **2. Expanding distribution channels**

- Proactively exploring new sales channels besides the traditional ones, for instance developing iBond products for wealthy corporate clients
- For retail customers, promoting cross-selling iBond for niche segments, such as real estate owners.

### **Wealth management:**

In 2018, TCBS will continue to provide iBond and iFund products to bring cost-effective and low-risk investment solutions, along with loyalty programs and interactive communication channels to offer the highest level of customer satisfaction.

Online trading platforms will be the highlight of 2018. These platforms reduce trading time, providing more convenient and accurate transactions. Our sales team will also be able to reduce the amount of workload to better prioritize customers' needs. With our fintech-oriented development, TCBS will continue to improve existing tools such as TCWealth, iAdvisor, TCAnalysis, MarketWatch, and build more features to support customers as well as our advisory team.

In 2018, with suitable market conditions, TCBS plans to introduce new financial products to customers. By 2020, TCBS aims to complete the ecosystem of financial products and services, offering retail and corporate customers with a wide range of options and opportunities for short-term and long-term investment.

## VI. 2017 AUDITED CONSOLIDATED FINANCIAL REPORT

### ► General information

#### **THE COMPANY**

Techcom Securities Company Limited (“The Company”) is a wholly owned subsidiary of Technological and Commercial Joint Stock Bank. The Company was granted the License to Establish and Operate Securities activities No. 98 / UBCK-GP issued by the State Securities Commission of Vietnam (“SSC”) on 18 September 2008 and amended on 27<sup>th</sup> January 2011, 18<sup>th</sup> June 2012, 27<sup>th</sup> March 2013, 31<sup>st</sup> October 2013, 10<sup>th</sup> December 2014, 3<sup>rd</sup> August 2016.

The principal activities of the company are brokerage, proprietary trading, investment management and underwriting services.

The headquarter of the company is located on 10<sup>th</sup> Floor and 21<sup>st</sup> Floor, Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh, Hai Ba Trung, Hanoi.

#### **CHAIRMAN**

Chairman of the company for the year ended 31 December 2017 and until the date of these consolidated financial statements are as followed:

<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>
Mr. Nguyen Xuan Minh	Chairman	Appointed on 15 October 2013

#### **BOARD OF SUPERVISION**

Members of the Board of Supervision for the year ended 31 December 2017 and until the date of these consolidated financial statements are as followed:

<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>
Ms. Dinh Thi Thu Nga	Head of Board of Supervision	Appointed on 15 October 2013
Mr. Dang Van Khai	Head of Board of Supervision	Dismissed on 18 July 2017 Appointed on 18 July 2017

#### **BOARD OF MANAGEMENT**

Members of the Board of Management for the year ended 31 December 2017 and until the date of these consolidated financial statements are as followed:

<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>
Ms. Nguyen Thi Thu Hien	Chief of Executive Officer	Appointed on 27 October 2016

#### **LEGAL REPRESENTATIVE**

The legal representative of the Company for the year ended 31 December 2017 and until the date of these consolidated financial statements is Mr. Nguyen Xuan Minh, the Chairman.

Ms. Nguyen Thi Thu Hien is authorized by Ms. Nguyen Xuan Minh to sign off reports/documents in accordance with the Decision No. 011/2016/UQ-CT dated 27 October 2016.

#### **AUDITORS**

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

The Board of Management of Techcom Securities (“The Company”) is pleased to present

## ◆ Report of the board of management

its report and the consolidated financial statements of the Company for the year ended 31 December 2017.

### **BOARD OF MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Management of the Company is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Company and of the consolidated results of their operations and their consolidated cash flows for the year. In preparing those consolidated financial statements, the Board of Management is required to:

- » select suitable accounting policies and then apply them consistently;
- » make judgments and estimates that are reasonable and prudent;
- » state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- » prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business

The Board of Management of the Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management of the Company confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements, for the year end 31 December 2017.

### **STATEMENT BY THE BOARD OF MANAGEMENT**

The Board of Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2017, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of the Board of Management:



Nguyen Thi Thu Hien  
Chief of Executive Officer

Hanoi, Vietnam  
8 March 2018

## ► Independent auditors' report

To: **The Shareholders of  
Techcom Securities Company Limited**

We have audited the accompanying consolidated financial statements of TCBS ("The Company"), as prepared on 8 March 2018 and set out on pages 27 to 39 which comprises the consolidated balance sheet as at 31 December 2017, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### **Management's responsibility**

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our auditors' opinion.

## Auditors' opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company as at 31 December 2017, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and statutory requirements relevant to preparation and presentation of the consolidated financial statements.

### The issue should be emphasized

Please note the Note 4.1 - Changes in Accounting policies and Note 24.5 - Restatement. On November 20, 2015, the National Assembly passed the Accounting Act No. 88/2015 / QH13 ("Accounting Act 2015"), effective from 1 January 2017. The Accounting Act 2015 on the application of goodwill, when determining the value after initial recognition, for certain assets and liabilities whose value fluctuates frequently at market value and could reevaluate. The Company applied the above principle and presented the corresponding data in this financial statements.

Our audit opinion does not relate to this issue.

### Ernst & Young Vietnam Limited



**Ms. Dang Phuong Ha**  
Vice President  
Reference No.: 2400-20180004-1

Hanoi, Vietnam  
8 March 2018



**Trần Thị Thu Hiền**  
Kiểm toán viên  
Reference No.: 2487-2018-004-1



## Consolidated balance sheet

For the year ended 31 December 2017

Code	ITEMS	Notes	Ending balance VND	Opening balance (restated) VND
<b>100</b>	<b>A. SHORT TERM ASSETS</b>		<b>2.798.502.406.606</b>	<b>2.035.289.550.081</b>
<b>110</b>	<b>I. Financial Assets</b>		<b>2.797.838.685.802</b>	<b>2.034.882.260.988</b>
111	1. Cash And Cash Equivalents	5	404.712.881.195	560.755.454.807
111.1	1.1. Cash		404.712.881.195	510.755.454.807
111.2	1.2. Cash Equivalents		-	50.000.000.000
113	2. Held-to-maturity (HTM) investments	7.2	109.840.307.126	126.529.282.644
114	3. Loans	7.3	825.917.218.217	243.948.786.330
115	4. Available-for-sale (AFS) financial assets	7.1	1.230.923.862.834	1.073.160.471.110
117	5. Receivables	8	90.682.903.508	8.818.653.150
117.2	5.1. Receivables and accruals from dividend and interest income		90.682.903.508	8.818.653.150
117.4	- Receivables from due dividend and interest income		64.319.962.014	-
	- Accruals for undue dividend and interest income		26.362.941.494	8.818.653.150
118	6. Advances to suppliers	8	265.951.877	209.590.370
119	7. Receivables from services provided by the Company	8	3.245.339.645	14.889.371.789
122	8. Other receivables	8	132.250.221.400	6.570.650.788
<b>130</b>	<b>II. Other current assets</b>		<b>663.720.804</b>	<b>407.289.093</b>
131	1. Advances		663.720.804	407.289.093
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>16.379.776.871</b>	<b>20.162.718.868</b>
<b>220</b>	<b>I. Long-term financial assets</b>		<b>7.870.454.921</b>	<b>5.355.910.844</b>
221	Tangible fixed assets	9	2.210.775.740	2.195.355.277
222	Cost		5.345.839.388	4.848.657.389
223a	Accumulated depreciation		(3.135.063.648)	(2.653.302.112)
227	Intangible fixed assets	10	5.659.679.181	3.160.555.567
228	Cost		14.647.140.000	8.890.710.000
229a	Accumulated amortization		(8.987.460.819)	(5.730.154.433)
<b>250</b>	<b>II. Other Long term assets</b>		<b>8.509.321.950</b>	<b>14.806.808.024</b>
252	Long-term prepaid expenses		5.555.336.199	5.625.540.463
253	Deferred income tax assets	11	-	7.400.000.000
254	Payment for Settlement Assistance Fund	12	2.195.989.242	1.028.271.052
255	Other long term assets		757.996.509	752.996.509
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2.814.882.183.477</b>	<b>2.055.452.268.949</b>

<b>300</b>	<b>C. LIABILITIES</b>		<b>211.869.113.716</b>	<b>147.809.516.378</b>
<b>310</b>	<b>I. Current Liabilities</b>		<b>211.821.913.716</b>	<b>147.759.516.378</b>
311	1. Short-term borrowings and financial leases		40.000.000.000	-
312	1.1. Short-term borrowings		40.000.000.000	-
318	2. Payables for securities trading activities	13	-	14.805.476.375
322	3. Statutory obligation	15	94.885.225.859	47.898.293.700
323	4. Payables to employees		22.161.312.863	23.634.303.980
328	5. Short-term deposits received	14	49.626.236.569	363.469.000
329	6. Other short-term payables	16	5.149.138.425	61.057.973.323
<b>340</b>	<b>II. Long term liabilities</b>		<b>47.200.000</b>	<b>50.000.000</b>
354	1. Provision		47.200.000	50.000.000
<b>400</b>	<b>D. SHAREHOLDERS' EQUITY</b>		<b>2.603.013.069.761</b>	<b>1.907.642.752.571</b>
<b>410</b>	<b>I. Share Capital</b>		<b>2.603.013.069.761</b>	<b>1.907.642.752.571</b>
411	Charter capital		1.000.000.000.000	1.000.000.000.000
411.1	Capital Contribution		1.000.000.000.000	1.000.000.000.000
412	Difference from revaluation of assets at fair value		1.880.086.015	5.697.672.030
414	Charter capital supplementary reserve		100.000.000.000	63.662.341.500
415	Operational risk and financial reserve		100.000.000.000	63.662.341.500
417	Undistributed profit	17	1.401.132.983.746	774.620.397.541
417.1	Realized profit		1.401.132.983.746	774.620.397.541
417.2	Unrealized profit		-	-
<b>440</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2.814.882.183.477</b>	<b>2.055.452.268.949</b>

## Consolidated off-balance sheet items

Code	ITEMS	Notes	Current year VND	Previous year (restated) VND
	<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS</b>			
008	Financial assets listed/registered for trading at Vietnam Securities Depository of the Company (VND)	18.1	220.814.100.000	3.826.104.000
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS</b>			
021	Financial assets listed/registered for trading at Vietnam Securities Depository of investors	18.2	43.131.789.610.000	2.120.496.174.000
021.1	Unrestricted financial assets		31.889.112.470.000	1.389.191.176.000
021.2	Restricted financial assets		3.633.155.050.000	567.400.000
021.3	Mortgaged financial assets		7.529.068.220.000	730.307.933.000
021.5	Financial assets awaiting for settlement		80.453.870.000	429.665.000
022	Non-traded financial assets deposited at Vietnam Securities Depository ("VSD")	18.3	1.808.382.260.000	76.093.947.000
022.1	Unrestricted and non-trade financial assets deposited at VSD		1.324.628.950.000	20.029.362.000
022.2	Restricted and non-traded financial assets deposited at VSD		481.753.310.000	31.698.390.000
022.3	Mortgages and non-traded financial assets deposited at VSD		2.000.000.000	24.366.195.000
026	Investors' deposits	18.4	1.534.135.113.732	319.827.907.603
027	Investors' deposits for securities trading activities managed by the Company		250.301.666.222	120.494.574.270
030	Deposits of securities issuers		1.283.833.447.510	199.333.333.333
031	Payables to investors- investors' deposits for securities trading activities managed by the Company	18.5	250.301.666.222	120.494.574.270
031.1	Payables to domestic investors for securities trading activities managed by the Company		250.301.666.222	120.494.574.270
035	Dividend, bond principal and interest payables	18.6	1.283.833.447.510	199.333.333.333

Ms. Nguyen Thi Anh Ngoc  
Prepared

Hanoi, Viet Nam. 8 March 2018

Ms. Pham Thi Van  
Chief Accountant



Ms. Nguyen Thi Thu Hien  
Chief Executive Officer



## Consolidated income statement

For the year ended 31 December 2017

Code	ITEMS	Notes	Current year VND	Previous year (restated) VND
	<b>I. OPERATING INCOME</b>			
01	1. Gain from financial assets at fair value through profit and loss (FVTPL)		490.504.794.340	253.827.677.243
01.1	1.1. Gain from disposal of financial assets at FVTPL	19.1	490.504.794.340	253.827.677.243
02	2. Gain from held-to-maturity (HTM) investments	19.2	14.451.296.185	7.247.858.218
03	3. Gain from loans and receivables	19.2	42.237.861.996	23.304.061.012
04	4. Gain from available-for-sale (AFS) financial assets	19.2	53.162.992.904	14.610.371.103
06	5. Revenue from brokerage services		55.171.369.740	46.956.447.356
07	6. Revenue from underwriting and issuance agency services		409.083.227.570	396.781.066.549
08	7. Revenue from securities investment advisory services		231.000.000	-
09	8. Revenue from financial advisory services		16.717.932.928	9.408.548.495
10	9. Revenue from other operating activities		1.025.000.000	72.044.272.727
20	<b>Total operating income</b>		<b>1.082.585.475.663</b>	<b>824.180.302.703</b>
	<b>II. OPERATING EXPENSES</b>			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		34.408.122.208	29.607.097.367
21.1	1.1. Loss from disposal of financial assets at FVTPL	19.1	34.408.122.208	29.607.097.367
23	2. Loss from revaluation of AFS financial assets arising from reclassification		804.999.995	-
27	4. Expenses for brokerage services	20	11.247.466.923	24.770.447.990
28	5. Expenses for underwriting and issuance agency services	20	-	108.000.000
30	6. Expenses for securities custodian services	20	11.001.433.041	5.642.792.868
31	7. Expenses for financial advisory services	20	363.636.364	4.100.000.000
32	8. Other operating expenses	20	2.880.941.722	10.262.598.765
40	<b>Total operating expenses</b>		<b>60.706.600.253</b>	<b>74.490.936.990</b>



## Consolidated income statement (continue)

	<b>III. FINANCE INCOME</b>			
42	Dividend, interest income from demand deposits	21	1.447.808.155	1.525.284.421
<b>50</b>	<b>Total finance income</b>		<b>1.447.808.155</b>	<b>1.525.284.421</b>
	<b>IV. FINANCE EXPENSES</b>			
52	1. Borrowing costs		55.959.090	362.942.150
<b>60</b>	<b>Total finance expenses</b>		<b>55.959.090</b>	<b>362.942.150</b>
<b>61</b>	<b>V. SELLING EXPENSES</b>		-	-
<b>62</b>	<b>VI. GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>22</b>	<b>105.609.589.596</b>	<b>146.797.089.206</b>
<b>70</b>	<b>VII. OPERATING PROFIT</b>		<b>917.661.134.879</b>	<b>604.054.618.778</b>
	<b>VIII. OTHER INCOME AND EXPENSES</b>		-	-
71	1. Other income		45.454.545	-
72	2. Other expenses		791.375.174	-
<b>80</b>	<b>Total other operating profit</b>		<b>(745.920.629)</b>	<b>-</b>
<b>90</b>	<b>IX. PROFIT BEFORE TAX</b>		<b>916.915.214.250</b>	<b>604.054.618.778</b>
91	Realized profit		916.915.214.250	604.054.618.778
92	Unrealized profit		-	-
<b>100</b>	<b>X. CORPORATE INCOME TAX (CIT) EXPENSES</b>		<b>187.267.311.045</b>	<b>120.950.740.168</b>
100.1	Current CIT expense	23.1	179.867.311.045	128.350.740.168
100.2	Deferred CIT (income)/expense	23.2	7.400.000.000	(7.400.000.000)
<b>200</b>	<b>XI. PROFIT AFTER TAX</b>		<b>729.647.903.205</b>	<b>483.103.878.610</b>
<b>300</b>	<b>XII. OTHER COMPREHENSIVE INCOME AFTER TAX</b>			
301	Gain from revaluation of AFS financial assets		(3.817.586.015)	5.697.672.030
<b>400</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>(3.817.586.015)</b>	<b>5.697.672.030</b>

  
Ms. Nguyen Thi Anh Ngoc  
Prepared

Hanoi, Viet Nam. 8 March 2018

  
Ms. Pham Thi Van  
Chief Accountant



  
Ms. Nguyen Thi Thu Hien  
Chief Executive Officer



## Consolidated cash flow statement

For the year ended 31 December 2017

Code	ITEMS	Notes	Current year VND	Previous year (restated) VND
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Profit before tax</b>		<b>916.915.214.250</b>	<b>604.054.618.778</b>
02	<b>2. Adjustment for:</b>		<b>(9.188.787.593)</b>	<b>2.240.383.947</b>
03	Depreciation and amortization expense	9,10	3.739.067.922	3.038.014.416
06	Interest expense		55.959.090	362.942.150
08	Accrued interest income		(9.166.228.590)	(6.858.244.649)
09	Other adjustments		(3.817.586.015)	5.697.672.030
10	<b>3. Increase in non-monetary expenses</b>		<b>-</b>	<b>-</b>
18	<b>Decrease in non-monetary income</b>		<b>-</b>	<b>-</b>
30	<b>Operating profit before changes in working capital</b>		<b>907.726.426.657</b>	<b>606.295.002.725</b>
32	(Increase)/decrease in HTM investments		16.688.975.518	(106.329.282.644)
33	Increase in loans		(581.968.431.887)	(52.965.819.787)
34	Increase in AFS financial assets		(157.763.391.724)	(306.565.209.149)
36	(Increase)/decrease in receivables and accruals from dividend and interest income from financial assets		(72.698.021.768)	14.999.497.404
37	Increase in receivables from services provided by the Company		11.644.032.144	(14.255.987.505)
39	Decrease in other receivables		(125.679.570.612)	41.037.740.676
40	Increase in other assets		(1.424.149.901)	(691.430.179)
42	(Increase)/decrease in prepaid expenses		13.842.757	(3.249.697.421)
43	Current income tax paid	23.1	(142.794.682.700)	(147.879.503.989)
44	Current expenses paid		(55.959.090)	-
47	(Increase)/decrease in statutory obligations		9.914.303.814	8.030.080.881
48	Decrease in payables to employees		(1.472.991.117)	(164.508.917)
50	Decrease in other payables		(70.717.111.273)	52.605.885.836
51	Other receipts from operating activities		3.915.399.345.340	2.081.946.225.798
52	Other payments for operating activities		(3.866.141.577.771)	(2.167.203.132.495)
60	<b>Net cash flows from/(used in) operating activities</b>		<b>(159.328.961.613)</b>	<b>5.609.861.234</b>



## Consolidated cash flow statement (continue)

<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
61	Purchase and construction of fixed assets, investment properties and other long-term assets		(6.253.611.999)	(1.571.598.000)
<b>70</b>	<b>Net cash flow used in investing activities</b>		<b>(6.253.611.999)</b>	<b>(1.571.598.000)</b>
<b>III. CASHFLOW FROM INVESTING ACTIVITIES</b>				
73	Drawdown borrowings		40.000.000.000	45.008.421.680
73.2	Other borrowings		40.000.000.000	45.008.421.680
74	Repayment of borrowings		-	(45.008.421.680)
74.3	Other borrowings		-	(45.008.421.680)
76	Dividends, profits distributed to shareholders		(30.460.000.000)	(162.399.000.000)
<b>80</b>	<b>Net cash flow from financing activities</b>		<b>9.540.000.000</b>	<b>(162.399.000.000)</b>
<b>90</b>	<b>Net decrease in cash during the year</b>		<b>(156.042.573.612)</b>	<b>(158.360.736.766)</b>
<b>101</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>5</b>	<b>560.755.454.807</b>	<b>719.116.191.573</b>
101.1	Cash		510.755.454.807	474.116.191.573
101.2	Cash equivalents		50.000.000.000	245.000.000.000
102	Foreign exchange rate differences		-	-
<b>103</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>404.712.881.195</b>	<b>560.755.454.807</b>
103.1	Cash		404.712.881.195	510.755.454.807
103.2	Cash equivalents		-	50.000.000.000
104	Foreign exchange rate differences		-	-

◆ Consolidated cash flow statement (continue)

**CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES  
OF THE CUSTOMERS**

Code	ITEMS	Notes	Current year VND	Previous year (restated) VND
	<b>I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS</b>			
01	Cash receipts from disposal of brokerage securities of customers		16.479.481.425.824	6.064.917.399.126
02	Cash payments for acquisition of brokerage securities of customers		(14.938.523.019.918)	(6.196.860.621.336)
07	Cash receipts for settlement of securities transactions of customers		14.680.993.254.305	15.377.211.944.321
08	Cash payments settlement of securities transactions of customers		(16.079.284.723.277)	(15.145.604.602.231)
11	Cash payments for custodian fees of customers		(12.859.844.982)	(3.233.335.209)
14	Cash receipts from securities issuers		22.100.709.124.564	7.363.237.923.752
15	Cash payment to securities issuers		(21.016.209.010.387)	(7.163.904.590.419)
20	<b>Net increase in cash during the year</b>		<b>1.214.307.206.129</b>	<b>295.764.118.004</b>
30	<b>II. CASH AND CASH EQUIVALENTS OF CUSTOMERS AT THE BEGINNING OF THE YEAR</b>	18.4	<b>319.827.907.603</b>	<b>24.063.789.599</b>
31	Cash at banks at the beginning of the year:		319.827.907.603	24.063.789.599
32	Investors' deposits managed by the Company for securities trading activities		120.494.574.270	24.063.789.599
35	Deposits of securities issuers.		199.333.333.333	-
40	<b>III. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE END OF THE YEAR (40 = 20 + 30)</b>	18.4	<b>1.534.135.113.732</b>	<b>319.827.907.603</b>
41	Cash at banks at the end of the year		1.534.135.113.732	319.827.907.603
42	Investors' deposits managed by the Company for securities trading activities		250.301.666.222	120.494.574.270
45	Deposits of securities issuers		1.283.833.447.510	199.333.333.333



Ms. Nguyen Thi Anh Ngoc  
Prepared

Hanoi, Viet Nam. 8 March 2018



Ms. Pham Thi Van  
Chief Accountant



Ms. Nguyen Thi Thu Hien  
Chief Executive Officer

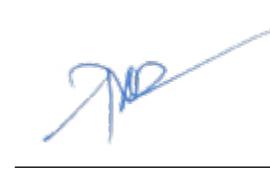
# Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2017

ITEMS	Notes	Opening balance		Increase/(decrease)				Ending balance	
		01/01/2016		Previous year		Current year		31/12/2016	31/12/2017
		VND	VND	Increase	Decrease	Increase	Decrease		
A	B	1	2	3	4	3	4	1	2
<b>I. CHANGES IN SHAREHOLDERS' EQUITY</b>									
1. Share capital		1.000.000.000.000	1.000.000.000.000	-	-	-	-	1.000.000.000.000	1.000.000.000.000
2. Charter capital supplementary reserve		39.507.147.569	63.662.341.500	24.155.193.931	-	36.337.658.500	-	63.662.341.500	100.000.000.000
3. Operational risk and financial reserve		39.507.147.569	63.662.341.500	24.155.193.931	-	36.337.658.500	-	63.662.341.500	100.000.000.000
4. Difference from revaluation of financial assets at fair value		-	5.697.672.030	5.697.672.030	-	2.285.080.196	(6.102.666.211)	5.697.672.030	1.880.086.015
5. Undistributed profit	17	502.225.906.792	774.620.397.541	483.103.878.610	(210.709.387.861)	729.647.903.205	(103.135.317.000)	774.620.397.541	1.401.132.983.746
5. 1. Realized profit		502.225.906.792	774.620.397.541	483.103.878.610	(210.709.387.861)	729.647.903.205	(103.135.317.000)	774.620.397.541	1.401.132.983.746
5.2. Unrealized profit		-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>1.581.240.201.930</b>	<b>1.907.642.752.571</b>	<b>537.111.938.502</b>	<b>(210.709.387.861)</b>	<b>804.608.300.401</b>	<b>(109.237.983.211)</b>	<b>1.907.642.752.571</b>	<b>2.603.013.069.761</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>									
Gain/(loss) from revaluation of AFS financial assets		-	5.697.672.030	5.697.672.030	-	2.285.080.196	(6.102.666.211)	5.697.672.030	1.880.086.015
<b>TOTAL</b>		<b>-</b>	<b>5.697.672.030</b>	<b>5.697.672.030</b>	<b>-</b>	<b>2.285.080.196</b>	<b>(6.102.666.211)</b>	<b>5.697.672.030</b>	<b>1.880.086.015</b>

  
Ms. Nguyen Thi Anh Ngoc  
Prepared

Hanoi, Viet Nam. 8 March 2018

  
Ms. Pham Thi Van  
Chief Accountant



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