

**VIETCAP SECURITIES JOINT STOCK COMPANY  
(FORMERLY VIET CAPITAL SECURITIES JOINT STOCK COMPANY)**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

MSC

**VIETCAP SECURITIES JOINT STOCK COMPANY**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement of the Board of Management	2
Independent auditor's review report on the capital adequacy ratio report	3 - 4
Report on capital adequacy ratio	5 - 17
Notes to the report on capital adequacy ratio	18 - 36

## VIETCAP SECURITIES JOINT STOCK COMPANY

### CORPORATE INFORMATION

#### Establishment and operation licence

No. 68/UBCK-GP dated 6 November 2007 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 58/GPĐC-UBCK was issued on 17 July 2023.

#### Board of Directors

Ms. Nguyen Thanh Phuong	Chairperson
Mr. To Hai	Member
Mr. Tran Quyet Thang	Member
Mr. Nguyen Hoang Bao	Member
Mr. Le Pham Ngoc Phuong	Member
Mr. Nguyen Lan Trung Anh	Member
Ms. Nguyen Viet Hoa	Member

#### Board of Supervision

Ms. Mai Thi Thanh Trang	Chief Supervisor
Ms. Bui Thi Minh Nguyet	Member
Ms. Truong Thi Huyen Trang	Member

#### Board of Management

Mr. To Hai	General Director
Mr. Nguyen Quang Bao	Deputy General Director
Mr. Dinh Quang Hoan	Deputy General Director

#### Legal Representative

Mr. To Hai	General Director
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#### Registered office

15th Floor, Bitexco Financial Tower  
No. 2, Hai Trieu Street, District 1  
Ho Chi Minh City, Vietnam

#### Auditor

PwC (Vietnam) Limited

## **VIETCAP SECURITIES JOINT STOCK COMPANY**

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

#### **STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE REPORT ON CAPITAL ADEQUACY RATIO**

The Board of Management of Vietcap Securities Joint Stock Company (formerly Viet Capital Securities Joint Stock Company) ("the Company") is responsible for the preparation and presentation of the report on capital adequacy ratio as at 30 June 2023 ("the Report") in accordance with Circular 91/2020/TT-BTC issued by the Ministry of Finance on 13 November 2020 ("Circular 91/2020/TT-BTC") and applied interpretations as described in Note 2.1 to the Report.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time the financial position of the Company and which enable the Report to be prepared which comply with the reporting principles set out in Note 3 to the Report. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or errors.

The Legal Representative of the Company authorised Mr. Dinh Quang Hoan - Deputy General Director of the Company to approve and sign the interim financial statements for the six-month period ended 30 June 2023 as per Decision No. 06/2023/QĐ-TGĐ.VIETCAP dated 17 April 2023.

#### **APPROVAL OF THE REPORT ON CAPITAL ADEQUACY RATIO**

We hereby approve the accompanying report on capital adequacy ratio as set out on pages 5 to 36. The Report was prepared and presented in accordance with Circular 91/2020/TT-BTC and applied interpretations as described in Note 2.1 to the Report.

On behalf of the Board of Management



Dinh Quang Hoan  
Deputy General Director  
Authorised by Legal Representative  
Authorised Signatory

Ho Chi Minh City, Vietnam  
11 August 2023





## **INDEPENDENT AUDITOR'S REVIEW REPORT ON THE REPORT ON CAPITAL ADEQUACY RATIO TO THE SHAREHOLDERS OF VIETCAP SECURITIES JOINT STOCK COMPANY**

We have reviewed the accompanying report on capital adequacy ratio as at 30 June 2023 ("the Report") of Vietcap Securities Joint Stock Company ("the Company") which was approved by the Board of Management of the Company on 11 August 2023. The Report includes the report on capital adequacy ratio and explanatory notes including basis of preparation and reporting principles as set out on pages 5 to 36.

### **The Board of Management's Responsibility**

The Board of Management of the Company is responsible for the preparation and presentation of the Report in accordance with Circular 91/2020/TT-BTC issued by the Ministry of Finance on 13 November 2020 ("Circular 91/2020/TT-BTC") providing guidance on capital adequacy ratio applicable to securities trading institutions and sanctions imposed on non-compliance and applied interpretations as described in Note 2.1 to the Report and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of the Report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the Report based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independence Auditor of the Entity*, to the extent these principles may be applied to a review of historical financial information performed by the independent auditor of the entity.

A review of the report of capital adequacy ratio 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 report on capital adequacy ratio as at 30 June 2023 of the Company is not prepared and presented, in all material respects, in accordance with the requirements of Circular 91/2020/TT-BTC and applied interpretations as described in Note 2.1 to the Report.

## Purpose and reporting principles of the Report and restriction on use of the review report

Without qualifying our conclusion, we draw attention to Note 2.1 to the Report which describes the purpose and reporting principles. The Report is prepared solely to comply with the requirements of Circular 91/2020/TT-BTC on capital adequacy ratio and information disclosure in the securities market. As a result, our review report and the accompanying report on capital adequacy ratio are not suitable for any other purpose.

## Other Matter

The independent auditor's review report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

## For and on behalf of PwC (Vietnam) Limited



Tran Thi Thanh Truc  
Audit Practising Licence No.  
3047-2019-006-1  
Authorised signatory

Report reference number: HCM14181  
Ho Chi Minh City, 11 August 2023

**Vietcap Securities Joint Stock Company**  
Ref:

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

Ho Chi Minh City, 11 August 2023

Re: Report on capital adequacy ratio

**To: The State Securities Commission**

**REPORT ON CAPITAL ADEQUACY RATIO**

As at 30 June 2023

We undertake that:

- (1) The Report is prepared on the basis of data updated as at the date of the report in accordance with Circular 91/2020/TT-BTC issued by the Ministry of Finance on 13 November 2020 providing guidance on capital adequacy ratio applicable to securities trading institutions and sanctions imposed on non-compliance;
- (2) Matters arising after the date of this Report that may affect the financial position of the Company shall be reported in our next submission;
- (3) We are fully responsible under the laws for the accuracy and truthfulness of the contents of the Report.

**Chief Accountant**



Doan Minh Thien

**Head of Internal Control**



Nguyen Van Khoa

**Deputy General Director**  
Authorised Signatory



Dinh Quang Hoan

**VIETCAP SECURITIES JOINT STOCK COMPANY**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

**I. LIQUID CAPITAL**

No.	DESCRIPTION	Liquid capital		
		Liquid capital (VND)	Deduction (VND)	Addition (VND)
		(1)	(2)	(3)
<b>A</b>	<b>Equity</b>			
1	Owners' capital	4,375,000,000,000		
2	Share premium	13,500,198,000		
3	Treasury shares	-		
4	Equity component of convertible bonds	-		
5	Owners' other capital	-		
6	Financial assets' revaluation reserve	1,908,325,509,733		
7	Supplementary capital reserve	67,496,330,852		
8	Financial and operational risk reserve	-		
9	Other equity funds	-		
10	Undistributed post-tax earnings	1,005,543,503,750		
11	Provision for impairment of assets	4,098,275,587		
12	Fixed assets' revaluation reserve	-		
13	Foreign currency translation reserve	-		
14	Convertible bonds			-
15	Revaluation adjustments on financial investments carried at cost		-	-
16	Others (if any)	-		
<b>1A</b>	<b>Subtotal</b>			<b>7,373,963,817,922</b>

The notes on pages 18 to 36 are an integral part of this Report.



**VIETCAP SECURITIES JOINT STOCK COMPANY**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

**I. LIQUID CAPITAL (continued)**

No.	DESCRIPTION	Liquid capital		
		Liquid capital (VND)	Deduction (VND)	Addition (VND)
		(1)	(2)	(3)
<b>B</b>	<b>Current assets</b>			
<b>I</b>	<b>Financial assets</b>			
1	Cash and cash equivalents			
2	Financial assets at fair value through profit or loss (FVTPL)			
	- Those exposed to position risk			
	- Those excluded from liquid capital		-	
3	Held-to-maturity financial assets (HTM)			
	- Those exposed to position risk			
	- Those excluded from liquid capital		-	
4	Loans			
5	Available-for-sale financial assets (AFS)			
	- Those exposed to position risk			
	- Those excluded from liquid capital		-	
6	Provisions for impairments of financial assets and mortgages			
7	Receivables from disposal of financial assets; dividend and interest receivables			
	- Those due within 90 days			
	- Those due after 90 days		-	
8	Covered warrants not yet issued			
9	Underlying securities designated as hedges against risk from covered warrants issued			
10	Service-related receivables			
	- Those due within 90 days			
	- Those due after 90 days		28,084,000,000	
11	Internal receivables			
	- Those due within 90 days			
	- Those due after 90 days		-	
12	Receivables from failed trades			
	- Those due within 90 days			
	- Those due after 90 days		-	
13	Other receivables			
	- Those due within 90 days			
	- Those due after 90 days		-	
14	Provision for doubtful debts			
<b>II</b>	<b>Other current assets</b>			
1	Advances			
	- Those due within 90 days			
	- Those due after 90 days		62,000,000	
2	Office tools and supplies		387,487,727	
3	Short-term prepaid expenses		6,026,810,191	
4	Pledged assets, mortgages, security deposits in short term		-	
5	Value added tax to be reclaimed		-	
6	Tax and other receivables from the State		-	
7	Other current assets		2,546,837,776	
8	Provisions for impairments of other current assets			
<b>1B</b>	<b>Subtotal</b>			<b>37,107,135,694</b>

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**VIETCAP SECURITIES JOINT STOCK COMPANY**
**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**
**I. LIQUID CAPITAL (continued)**

No.	DESCRIPTION	Liquid capital		
		Liquid capital (VND)	Deduction (VND)	Addition (VND)
		(1)	(2)	(3)
<b>C</b>	<b>Non-current assets</b>			
<b>I</b>	<b>Non-current financial assets</b>			
1	Long-term receivables		-	
2	Investments			
2.1	Investments held to maturity			
	- Those exposed to position risk			
	- Those excluded from liquid capital		-	
2.2	Investments in subsidiaries		-	
2.3	Other long-term investments		-	
<b>II</b>	<b>Fixed assets</b>		18,824,692,495	
<b>III</b>	<b>Investment properties</b>		-	
<b>IV</b>	<b>Construction in progress</b>		8,965,920,000	
<b>V</b>	<b>Other non-current assets</b>			
1	Pledged assets, mortgages, security deposits in long term		6,867,930,240	
2	Long-term prepaid expenses		9,086,601,750	
3	Deferred income tax assets		-	
4	Deposits in the Settlement Support Fund		24,941,477,252	
5	Other non-current assets		-	
<b>VI</b>	<b>Provisions for impairments of non-current assets</b>			
	Assets on which the auditor expressed a qualified opinion, an adverse opinion, or a disclaimer of opinion but not excluded from liquid capital according to Article 5 of Circular 91/2020/TT-BTC		-	
<b>1C</b>	<b>Subtotal</b>		<b>68,686,621,737</b>	
<b>D</b>	<b>Statutory deposits and collaterals</b>			
1	Statutory deposits			
1.1	Statutory deposits in the Derivatives trading clearing fund		10,142,315,950	
1.2	Statutory deposits for derivatives self-trading activities		17,170,666,400	
1.3	Cash deposits and bank guarantees for issued covered warrants		21,000,000,000	
2	Value of assets used as collateral for liabilities due after 90 days		-	
<b>1D</b>	<b>Subtotal</b>		<b>48,312,982,350</b>	
<b>LIQUID CAPITAL = 1A-1B-1C-1D</b>			<b>7,219,857,078,141</b>	

The notes on pages 18 to 36 are an integral part of this Report.



# VIETCAP SECURITIES JOINT STOCK COMPANY

## REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

### II. RISK VALUES

#### A POSITION RISK VALUE

Items		Risk coefficient (%)	Risk exposure	Risk value
		(1)	(2)	(3)=(1) x (2)
<b>I.</b>	<b>Cash and cash equivalents, money market instruments</b>			-
1	Cash (VND)	0	1,903,146,290,628	-
2	Cash equivalents	0	-	-
3	Valuable papers, money market instruments, certificates of deposit	0	473,212,306,847	-
<b>II.</b>	<b>Government bonds</b>			-
4	Zero-coupon government bonds	0	-	-
5	Government bonds with coupons		-	-
5.1	Government bonds, government bonds of OECD countries, or bonds guaranteed by the Governments or Central Banks of these countries, bonds issued by international organisations including IBRD, ADB, IADB, AFDB, EIB, EBRD, municipal bonds	3	-	-
<b>III.</b>	<b>Credit institution bonds</b>			-
6	Credit institution bonds with a remaining maturity of less than 1 year, including convertible bonds	3	-	-
	Credit institution bonds with a remaining maturity of 1 to less than 3 years, including convertible bonds	8	-	-
	Credit institution bonds with a remaining maturity of 3 to less than 5 years, including convertible bonds	10	-	-
	Credit institution bonds with a remaining maturity of 5 years or more, including convertible bonds	15	-	-
<b>IV.</b>	<b>Corporate bonds</b>			-
	<b>Listed corporate bonds</b>			-
7	Listed bonds with a remaining maturity of less than 1 year, including convertible bonds	8	-	-
	Listed bonds with a remaining maturity of 1 to less than 3 years, including convertible bonds	10	-	-
	Listed bonds with a remaining maturity of 3 to less than 5 years, including convertible bonds	15	-	-
	Listed bonds with a remaining maturity of 5 years or more, including convertible bonds	20	-	-

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**VIETCAP SECURITIES JOINT STOCK COMPANY**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

**II. RISK VALUES (continued)**

**A POSITION RISK VALUE (continued)**

Items		Risk coefficient (%)	Risk exposure	Risk value
		(1)	(2)	(3)=(1) x (2)
<b>IV.</b>	<b>Corporate bonds (continued)</b>			
	<b>Unlisted corporate bonds</b>			<b>58,279,105,527</b>
8	Unlisted bonds issued by listed companies with a remaining maturity of less than 1 year, including convertible bonds	15	370,984,703,516	55,647,705,527
	Unlisted bonds issued by listed companies with a remaining maturity of 1 to less than 3 years, including convertible bonds	20	13,157,000,000	2,631,400,000
	Unlisted bonds issued by listed companies with a remaining maturity of 3 to less than 5 years, including convertible bonds	25	-	-
	Unlisted bonds issued by listed companies with a remaining maturity of 5 years or more, including convertible bonds	30	-	-
	Unlisted bonds issued by other companies with a remaining maturity of less than 1 year, including convertible bonds	25	-	-
	Unlisted bonds issued by other companies with a remaining maturity of 1 to less than 3 years, including convertible bonds	30	-	-
	Unlisted bonds issued by other companies with a remaining maturity of 3 to less than 5 years, including convertible bonds	35	-	-
	Unlisted bonds issued by other companies with a remaining maturity of 5 years or more, including convertible bonds	40	-	-
<b>V.</b>	<b>Shares</b>			<b>981,963,505,709</b>
9	Ordinary shares, preference shares of entities listed on the Ho Chi Minh City Stock Exchange; open-ended fund certificates	10	2,095,496,093,660	209,549,609,366
10	Ordinary shares, preference shares of entities listed on the Hanoi Stock Exchange	15	25,308,500,000	3,796,275,000
11	Ordinary shares, preference shares of unlisted public companies, registered for trading on the UPCoM	20	2,949,328,106,717	589,865,621,343
12	Ordinary shares, preference shares of public companies registered for depositing, but not listed or registered for trading; shares in an Initial Public Offering (IPO)	30	595,840,000,000	178,752,000,000
13	Shares of other public companies	50	-	-
<b>VI.</b>	<b>Fund certificates</b>			<b>1,331,538,800</b>
14	Public funds, including public securities investment companies	10	13,315,388,000	1,331,538,800
15	Member funds, private securities investment companies	30	-	-

The notes on pages 18 to 36 are an integral part of this Report.



VIETCAP SECURITIES JOINT STOCK COMPANY

REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023

II. RISK VALUES (continued)

A POSITION RISK VALUE (continued)

Items		Risk coefficient (%)	Risk exposure	Risk value
		(1)	(2)	(3)=(1) x (2)
<b>VII.</b>	<b>Restricted securities</b>			<b>876,400</b>
16	Unlisted securities of public interest entities being reminded for delay in information disclosure of audited/reviewed financial statements.	30	-	-
17	Warned securities	20	-	-
18	Controlled securities	25	-	-
19	Suspended, restricted securities	40	-	-
20	Delisted, cancelled securities	80	1,095,500	876,400
<b>VIII. Derivatives</b>				-
21	Share-index future contracts (Note A)	8	-	-
22	Government bond future contracts	3	-	-
<b>IX. Other securities</b>				<b>241,180,677,360</b>
23	Listed shares on foreign stock exchanges with qualified indices	25	-	-
24	Listed shares on foreign stock exchanges without qualified indices	100	-	-
25	Covered warrants listed on the Ho Chi Minh City Stock Exchange	8	-	-
26	Covered warrants listed on the Hanoi Stock Exchange	10	-	-
27	Shares, bonds issued by non-public interest entities which do not have the latest audited financial statements at the preparation date of this Report or have audited financial statements with an adverse opinion, a disclaimer of opinion or a qualified opinion.	100	-	-
28	Other shares, capital contributions and securities	80	296,464,425,713	237,171,540,570
29	Covered warrants issued by the Company. (Note B) Formula: $\text{Position risk value} = \text{Max} \{((P_0 \times Q_0/k - P_1 \times Q_1) \times R - MD), 0\}$		-	-
30	Securities designated as hedges against risk from issued covered warrants (in case of out-of-the-money covered warrants)	10	40,091,367,900	4,009,136,790
31	Positive difference between the value of underlying securities designated as hedges and the value of underlying securities required to hedge against risk from issued covered warrants		-	-
<b>X.</b>	<b>Additional risk value for large exposures (if any) (based on equity after required provisions have been made)</b>			<b>8.949.418.943</b>
	<b>Item</b>	<b>Increased by (%)</b>	<b>Exposure of additional risk (VND)</b>	<b>Risk value (VND)</b>
1	KDH	10	89,494,189,432	8,949,418,943
<b>TOTAL POSITION RISK VALUE (I+II+III+IV+V+VI+VII+VIII+IX+X)</b>				<b>1,291,705,122,739</b>

The notes on pages 18 to 36 are an integral part of this Report.

VIETCAP SECURITIES JOINT STOCK COMPANY

REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023

II. RISK VALUES (continued)

A POSITION RISK VALUE (continued)

Note A – Position risk value of share-index future contracts

	Value VND
Closing trade value (A)	
Less: Value of shares purchased to fulfil the obligation under future contracts (B)	101,003,920,000
Position risk exposure (max{A-B;0})	101,003,920,000
Risk coefficient (r)	8%
Risk value before deducting statutory deposit (C= max{A-B;0}*r)	8,080,313,600
Less: Statutory deposits associated with open positions of the Company (D)	17,170,666,400
Position risk value = MAX{C-D;0}	-

VIETCAP SECURITIES JOINT STOCK COMPANY

REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023

II. RISK VALUES (continued)

A POSITION RISK VALUE (continued)

Note B – Position risk value of covered warrants issued by the Company

In-the-money covered warrants as at 30 June 2023	HPG/VCSC/MI/Au/T/A5 HPG	MBB/VCSC/MI/Au/T/A4 MBB	STB/VCSC/MI/Au/T/A4 STB	TPB/VCSC/MI/Au/T/A1 TPB	Total
Underlying securities					
Settlement price of underlying securities at reporting date determined and announced by the Stock Exchanges (Po)	25,910	20,300	29,690	18,280	
Quantity of the Company's covered warrants in issue (Qo)	808,500	3,978,100	1,188,400	1,199,500	
Conversion rate (k)	2.0000	1.9507	2.0000	1.9432	
Price of underlying securities (P1)	26,150	20,200	29,800	18,000	
Quantity of underlying securities held by the Company to guarantee the fulfilment of its obligation arising from covered warrants issued (Q1)	307,870	1,100,009	398,426	434,951	
Market risk coefficient (r)	8%	8%	8%	8%	
Statutory deposits (MD)	4,000,000,000	3,000,000,000	4,000,000,000	3,000,000,000	
<b>Position risk value</b> = max {(Po x Qo/k - P1 x Q1) x r - MD; 0}	-	-	-	-	-

The notes on pages 18 to 36 are an integral part of this Report.

VIETCAP SECURITIES JOINT STOCK COMPANY

REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023

II. RISK VALUES (continued)

B COUNTERPARTY RISK VALUE

	Risk value VND
Risk value of balances not past due (Note B.1)	43,730,120,103
Risk value of balances past due (Note B.2)	4,098,275,587
Risk value of particular advances, contracts, and other transactions (Note B.3)	-
Additional risk value for large exposures (Note B.4)	-
<b>Total counterparty risk value</b>	<b>47,828,395,690</b>

1. Risk value of balances not past due

No.	Risk coefficient (%) Category of balance	Risk value (VND)						Total risk value (VND)
		0% (1)	0,8% (2)	3,2% (3)	4,8% (4)	6% (5)	8% (6)	
1	Term deposits, certificates of deposit, unsecured loans, receivables from brokerage service and securities trading activities and other receivables bearing counterparty risk	-	1,506,358,043	-	-	28,392,738,411	13,831,023,649	43,730,120,103
2	Financial asset lending (or agreements of similar substance)	-	-	-	-	-	-	-
3	Financial asset borrowing (or agreements of similar substance)	-	-	-	-	-	-	-
4	Reverse repo agreements (or agreements of similar substance)	-	-	-	-	-	-	-
5	Repo agreements (or agreements of similar substance)	-	-	-	-	-	-	-
<b>TOTAL RISK VALUE OF BALANCES NOT PAST DUE</b>								
								<b>43,730,120,103</b>

The notes on pages 18 to 36 are an integral part of this Report.

**VIETCAP SECURITIES JOINT STOCK COMPANY**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

**II. RISK VALUES (continued)**

**B COUNTERPARTY RISK VALUE (continued)**

**1. Risk value of balances not past due (continued)**

Counterparty risk coefficient by counterparty is determined as follows:

<b>No.</b>	<b>Counterparty</b>	<b>Counterparty risk coefficient</b>
(1)	The Government, Government-guaranteed issuers, Governments and Central Banks of countries in the OECD; People's Committees of provinces and independent municipalities	0%
(2)	Stock exchanges, Vietnam Securities Depository	0.8%
(3)	Credit institutions, financial institutions, securities dealing institutions incorporated in OECD countries with credit ratings meeting other internal requirements of the Company	3.2%
(4)	Credit institutions, financial institutions, securities dealing institutions incorporated outside OECD countries or incorporated in OECD countries not meeting other internal requirements of the Company	4.8%
(5)	Credit institutions, financial institutions, securities trading institutions, securities investment funds, securities investment companies incorporated and operating in Vietnam	6%
(6)	Other institutions, individuals and parties	8%

**2. Risk value of balances past due**

<b>Past due period</b>	<b>Risk coefficient (%)</b>	<b>Risk exposure (VND)</b>	<b>Risk value (VND)</b>
0 – 15 days past due	16	-	-
16 – 30 days past due	32	-	-
31 – 60 days past due	48	-	-
More than 60 days past due	100	4,098,275,587	4,098,275,587
<b>TOTAL RISK VALUE OF BALANCES PAST DUE</b>			<b>4,098,275,587</b>

The notes on pages 18 to 36 are an integral part of this Report.



**VIETCAP SECURITIES JOINT STOCK COMPANY**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

**II. RISK VALUES (continued)**

**B COUNTERPARTY RISK VALUE (continued)**

**3. Risk value of particular advances, contracts, and other transactions**

	<b>Risk coefficient (%)</b>	<b>Risk exposure (VND)</b>	<b>Risk value (VND)</b>
Contracts, transactions, capital usages specified in <i>Note 3.4 (k)</i> ; Receivables from debt trading with business partners other than Vietnam Asset Management Company (VAMC), Vietnam Debt and Asset Trading Corporation (DATC).  Advances accounted for more than 5% of owners' equity with remaining reimbursement period of under 90 days.	100	-	-
<b>TOTAL RISK VALUE OF PARTICULAR ADVANCES, CONTRACTS, AND OTHER TRANSACTIONS</b>			-

**4. Additional risk value for large exposures**

<b>No.</b>	<b>Counterparty name</b>	<b>Additional risk percentage (%)</b>	<b>Risk coefficient (%)</b>	<b>Risk exposure (VND)</b>	<b>Risk value (VND)</b>
<b>TOTAL RISK VALUE OF LARGE EXPOSURES</b>					-

The notes on pages 18 to 36 are an integral part of this Report.

**VIETCAP SECURITIES JOINT STOCK COMPANY**

**REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

**II. RISK VALUES (continued)**

**C OPERATIONAL RISK VALUE**

No.	Item	Risk value VND
I	Total operating expenses incurred in the most recent 12-month period up to 30 June 2023	1,930,872,231,431
II	Less: Deductions from total operating expenses (Note C)	751,261,232,957
III	Total adjusted operating expenses (III = I - II)	1,179,610,998,474
IV	<b>25% of Total adjusted operating expenses (IV = 25% x III)</b>	<b>294,902,749,619</b>
V	<b>20% of the minimum required capital applicable to business activities of the Company</b>	<b>180,000,000,000</b>
<b>OPERATIONAL RISK VALUE (Max {IV, V})</b>		<b>294,902,749,619</b>

Note C – Deductions from total operating expenses

Item	Value VND
Depreciation and amortisation	11,079,042,317
Provision/(reversal of provision) for impairments of current financial assets and pledged assets	-
Provision/(reversal of provision) for impairments of non-current financial assets	-
Provision/(reversal of provision) for doubtful debts	-
Provision/(reversal of provision) for impairments of other current assets	-
Decrease in revaluation losses of FVTPL financial assets	1,457,661,890
Interest expenses	738,724,528,750
<b>Total deductions from operating expenses</b>	<b>751,261,232,957</b>

**III. SUMMARY OF RISK VALUES AND LIQUID CAPITAL**

No.	Item	Value VND
1	Total position risk value	1,291,705,122,739
2	Total counterparty risk value	47,828,395,690
3	Total operational risk value	294,902,749,619
4	<b>Total risk value (4=1+2+3)</b>	<b>1,634,436,268,048</b>
5	<b>Liquid capital</b>	<b>7,219,857,078,141</b>
6	<b>Capital Adequacy Ratio (6=5/4)</b>	<b>442%</b>



Doan Minh Thien  
Chief Accountant



Nguyen Van Khoa  
Head of Internal Control



Dinh Quang Hoan  
Deputy General Director  
Authorised Signatory

The notes on pages 18 to 36 are an integral part of this Report.

## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 1 GENERAL INFORMATION

Vietcap Securities Joint Stock Company (formerly Viet Capital Securities Joint Stock Company) ("the Company") is a joint stock company incorporated in Vietnam under Establishment and operation licence No. 68/UBCK – GP dated 6 November 2007 issued by State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 58/GPDC-UBCK was issued on 17 July 2023.

The Company changed its name to "Vietcap Securities Joint Stock Company" in accordance with the Resolution No. 01/2023/NQ-DHDCD.VCSC of the Annual General Meeting of Shareholders dated 30 March 2023 and the amended Establishment and operation licence No. 26/GCN-UBCK issued on 12 April 2023.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 233/QĐ-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 30 June 2017.

The principal activities of the Company are brokerage service, securities trading, underwriting custodian services, consultancy service for securities investment.

#### 2 BASIS OF PREPARATION

##### 2.1 Applicable regulations and applied interpretations

The Company's report on capital adequacy ratio as at 30 June 2023 ("the Report") is prepared and presented in accordance with Circular 91/2020/TT-BTC issued by the Ministry of Finance on 13 November 2020 ("Circular 91/2020/TT-BTC") providing guidance on capital adequacy ratio applicable to securities trading institutions and sanctions imposed on non-compliance and applied interpretations as described below.

The Report is prepared solely to comply with the requirements on capital adequacy ratio and information disclosure in the securities market. As a result, the Report may not be suitable for any other purpose.

The Company applied certain interpretations, in the absence of clear guidance of Circular 91/2020/TT-BTC, for the following matters:

No.	Item	The Company's interpretation
1	Position risk – Additional risk value for large exposures (Item 5 of Article 9)	Additional risk value for large exposures equals existing risk value multiplied by additional risk percentage.
2	Counterparty risk – Additional risk value for large exposures (Item 8 of Article 10)	Additional risk value for large exposures equals existing risk value multiplied by additional risk percentage.

The Report in Vietnamese is the official statutory report on capital adequacy ratio of the Company. The Report in English has been translated from the Report in Vietnamese.



## **VIETCAP SECURITIES JOINT STOCK COMPANY**

### **NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023**

#### **2 BASIS OF PREPARATION (continued)**

##### **2.2 Underlying financial information**

The Report is prepared based on the Company's financial information as at 30 June 2023 ("the reporting date" or "the calculation date") and for the 12-month period ended on the reporting date.

The Report is presented in Vietnamese Dong ("VND").

#### **3 REPORTING PRINCIPLES**

##### **3.1 Capital adequacy ratio ("CAR")**

The Company's capital adequacy ratio is determined as below:

$$\text{Capital adequacy ratio} = \frac{\text{Liquid capital} \times 100\%}{\text{Total risk value}}$$

Where total risk value is the sum of position risk value, counterparty risk value and operational risk value.

## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.2 Liquid capital

According to Circular 91/2020/TT-BTC, liquid capital is owners' equity that can be converted into cash within ninety (90) days, including:

- a) Owners' capital, excluding redeemable preference shares (if any);
- b) Share premium excluding premium from redeemable preference shares (if any);
- c) Equity component of convertible bonds (applicable to securities companies issuing convertible bonds);
- d) Other owners' capital;
- e) Financial assets' revaluation reserve;
- f) Foreign currency translation reserve;
- g) Supplementary capital reserve;
- h) Financial and operational risk reserve;
- i) Other equity funds made in accordance with prevailing regulations;
- j) Undistributed earnings;
- k) Provision for impairments of assets;
- l) Fifty percent (50%) of the upward revaluation of fixed assets in accordance with prevailing regulations (if written up), or excluding all downward revaluation (if written down);
- m) Deductions specified in Note 3.2.1;
- n) Additions specified in Note 3.2.2;
- o) Other equity (if any).

##### 3.2.1 Deductions

The following items are deducted from the Company's liquid capital:

- a) Treasury shares (if any);
- b) Statutory deposits, including:
  - Deposits in cash and securities at the Settlement Fund of the Vietnam Securities Depository Centre;
  - Deposits in cash and securities for speculation activities, proprietary trading activities, market making activities for derivatives;
  - Deposits in cash and custodian bank guarantees for covered warrants issued. If the Company provides collateral assets to obtain bank guarantees for covered warrants, the deduction is the minimum of (i) bank guarantee amount and (ii) value of collateral assets determined in accordance with Note 3.4.4;
- c) Value of assets used as collateral for liabilities of other entities or individuals that are due after ninety (90) days, which is determined in accordance with Circular 91/2020/TT-BTC;
- d) Securities excluded from liquid capital, including:
  - Securities issued by entities related to the Company including: (i) its parent company and its subsidiaries and (ii) subsidiaries of its parent company;
  - Securities suspended from transfer for more than ninety (90) days from the reporting date.

## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.2 Liquid capital (continued)

###### 3.2.1 Deductions (continued)

- e) Downward revaluation of financial assets carried at cost compared to market value determined in accordance with Circular 91/2020/TT-BTC, except for those excluded from liquid capital;
- f) Non-current assets after applicable reliefs in note (\*) below;
- g) Receivables and advances with remaining maturity above ninety (90) days, prepayments and other current assets (excluding provisions made and contracts, transactions in Note 3.4 (k));
- h) Items on which the auditor expressed a qualified opinion, an adverse opinion or a disclaimer of opinion (if any) in the audited/reviewed financial statements. Items no longer qualified, as confirmed by auditors, are exempted from deduction.

(\*) In determining such deductions, the Company is permitted to take into account the following reliefs:

- Relief on assets used as collaterals for the Company's own obligations is the minimum of (i) their market value determined in accordance with Circular 91/2020/TT-BTC, (ii) their book value and (iii) the remaining value of the obligations;
- Relief on assets collateralised by customers' assets is the minimum of (i) their market value in accordance with Circular 91/2020/TT-BTC and (ii) their book value.

According to Circular 91/2020/TT-BTC, the Company is not required to calculate risk values of assets excluded from liquid capital.

###### 3.2.2 Additions

The following items are added to the Company's liquid capital up to 50% of owners' equity:

- a) Upward revaluation of financial assets carried at cost compared to market value determined in accordance with Circular 91/2020/TT-BTC, except for those excluded from liquid capital as specified in Note 3.2.1;
- b) Debts convertible into equity

Debts convertible into equity classified in either of the two categories below and meeting all criteria listed below:

- Convertible bonds (excluding the equity component included in liquid capital), preference shares with initial preference period of at least five (5) years; or
- Debt instruments with initial term of at least ten (10) years that are only repaid, in any circumstances, after the Company has fully paid off its secured and unsecured debts;

## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.2 Liquid capital (continued)

##### 3.2.2 Additions (continued)

###### b) Debts convertible into equity (continued)

A debt is considered to be convertible into equity when meeting all of the following criteria:

- It is not secured by the Company's own assets;
- The Company is only permitted to redeem before maturity upon request of the holder, or to repurchase in the secondary market after informing the State Securities Commission as required by Circular 91/2020/TT-BTC;
- The Company is able to delay interest payments to the following year if such interest payments would result in a loss in the Company's statement of comprehensive income;
- In case of liquidation, the holder is only repaid after the Company has fully paid off its secured and unsecured debts;
- Upward adjustment in interest rate must assure that: For fixed interest rates, margin on top of reference interest rate shall only be increased after five (05) years from the issuance date or contract date and only once throughout the subordinate debt's life; For interest rates calculated by a formula, the formula must not be changed and the interest spread (if any) may only be changed once after five (05) years from the issuance date or contract date;
- It is registered as an addition to liquid capital in accordance with Circular 91/2020/TT-BTC.

In determining additions to liquid capital from such debts convertible into equity, the Company is required to reduce these additions according to the following principles:

- During the last five (5) years before maturity/conversion, a 20% discount is applied annually on the initial value;
- During the last four (4) quarters before maturity/conversion, another 25% discount is applied on the remaining value after the 20% discount applied annually on the initial value.

##### 3.3 Position risk value

Position risk value represents the potential loss due to adverse changes in market value of assets currently owned or to be owned under underwriting commitments.

At the end of trading date, the Company shall determine position risk value of the following groups:

- Group 1: Assets exposed to market risk on net position value;
- Group 2: Undistributed and uncollected securities under firm underwriting commitments during the underwriting period;
- Group 3: The Company's covered warrants in issue;
- Group 4: Future contracts.



## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.3 Position risk value (continued)

Group 1 and Group 2 do not include the following items:

- Treasury shares;
- Those excluded from liquid capital as specified in Note 3.2.1;
- Matured bonds, debt instruments, valuable papers transferable on the money market;
- Securities hedged by put warrants or future contracts;
- Put warrants and put options used to hedge against risk on underlying securities.

##### 3.3.1 Assets exposed to market risk on net position value

###### a) Scope

This group includes the following items:

- Securities in the Company's proprietary trading accounts, excluding covered warrants not yet issued (for securities companies) or trading accounts at other firms (for fund management companies, securities companies without a proprietary trading function), entrusted securities and other securities investments. Such securities include those awaiting settlement from the sellers;
- Securities borrowed on behalf of the Company or on behalf of other individuals/institutions;
- Securities received as collateral, then used or lent to third parties by the Company in accordance with prevailing regulations;
- Cash, cash equivalents, transferable instruments, valuable papers owned by the Company;

###### b) Position risk value calculation

Position risk value = Net position of each security x Market value x Market risk coefficient

Where:

- Net position of each security at a point of time is the quantity held by the Company at reporting date, adjusted by:
  - Excluding securities lent and securities hedged by put warrants and future contracts;
  - Including securities borrowed in accordance with prevailing regulations.
- Asset valuation principles are specified in Note 3.3.5. Dividends, coupons, rights (if any) or accrued interests on loans, cash equivalents, deposits, valuable papers should be added to asset prices in position risk value calculation.
- Market risk coefficient is determined for each specific asset in accordance with Appendix II of Circular 91/2020/TT-BTC and presented in section A of Risk Values in the Report.

## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.3 Position risk value (continued)

##### 3.3.1 Assets exposed to market risk on net position value (continued)

###### c) Additional risk value for large exposures

Position risk of an asset is increased when the Company's long position in that asset is significant, except for Government bonds and Government-guaranteed bonds. Additional position risk value for large exposures is determined as follows:

- Increased by 10% where the total exposure from investment in shares and bonds of an entity accounts for 10% to 15% of the Company's owners' equity;
- Increased by 20% where the total exposure from investment in shares and bonds of an entity accounts for 15% to 25% of the Company's owners' equity;
- Increased by 30% where the total exposure from investment in shares and bonds of an entity exceeds 25% of the Company's owners' equity.

##### 3.3.2 Undistributed and uncollected securities under firm underwriting commitments during the underwriting period

Position risk value of this group is determined as follows:

$$\text{Position risk value} = (Q_o \times P_o - V_c) \times R \times \left[ r + \frac{(P_o - P_1)}{P_o} \times 100\% \right]$$

Where:

- $Q_o$  is the quantity of securities not yet distributed or distributed but uncollected;
- $P_o$  is the underwriting price;
- $V_c$  is the market value of collateral assets (if any), determined in accordance with Note 3.4.4;
- $R$  is the underwriting risk coefficient, determined based on the remaining distribution period according to the agreement, but not exceeding the distribution period permitted by laws, in particular:

	Underwriting risk coefficient
Remaining distribution period	
Above sixty (60) days	20%
From thirty (30) days to sixty (60) days	40%
Below thirty (30) days	60%
Between the end of distribution period to the date of payment to issuer	80%

## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.3 Position risk value (continued)

##### 3.3.2 *Undistributed and uncollected securities under firm underwriting commitments during the underwriting period (continued)*

- $r$  is the market risk coefficient, determined for each specific asset in accordance with Appendix II of Circular 91/2020/TT-BTC and presented in section A of Risk Values in the Report;
- $P_1$  is the transacted price, determined on the basis specified in Note 3.3.5. In case of initial public offering, initial equitisation auction, bond auction, the transacted price is the most recent book value per share of the issuer, or the opening price (if book value cannot be determined), or par value (for bonds).

After the date of payment to issuer, the Company is required to determine position risk value of undistributed securities in accordance with the requirements specified in Note 3.3.1.

##### 3.3.3 *The Company's covered warrants in issue*

In-the-money warrant means a call at an exercise price (or exercise index) lower than the market price of the underlying securities (or index), or a put warrant at exercise price (or exercise index) higher than the market price of the underlying securities (or index).

Exercise price is the price at which the warrant holder has the right to buy (a call warrant) or sell (a put warrant) the underlying securities (a stock or ETF certificate) from/to the issuer, or on which the issuer bases to calculate the payout to the warrant holder.

Position risk value of in-the-money warrants is determined as follows:

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

Where:

- $P_0$  is the average of closing prices of underlying securities within 5 days before the calculation date;
- $Q_0$  is the quantity of the Company's covered warrants in issue;
- $k$  is the conversion rate; which indicates the number of warrants in need to obtain one (1) unit of underlying security;
- $P_1$  is price of underlying securities determined on the basis specified in Note 3.3.5;
- $Q_1$  is the quantity of underlying securities held by the Company to guarantee the fulfilment of its obligation arising from the covered warrants issued;
- $r$  is the market risk coefficient, determined for each specific asset in accordance with Appendix II of Circular 91/2020/TT-BTC and presented in section A of Risk Values in the Report;
- MD is the statutory deposits for covered warrants issued;

## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.3 Position risk value (continued)

##### 3.3.3 The Company's covered warrants in issue (continued)

Underlying securities used in the calculation of position risk value as above must satisfy all of the following criteria:

- They are included in the issue plan, or registered to the State Securities Commission that they are held in the Company's proprietary trading account with the sole purpose of hedging against risk from covered warrants;
- They are underlying securities of the covered warrants.

When the covered warrants issued are out of the money, according to Circular 91/2020/TT-BTC, the Company is not required to calculate position risk value of issued covered warrants. Instead, it is required to calculate position risk value of underlying securities designated as hedges against risk from covered warrants issued.

The Company is required to calculate position risk value of the positive difference between the value of underlying securities designated as hedges and the value of underlying securities needed to hedge against risk from issued covered warrants. The value of underlying securities needed to hedge against risk from issued covered warrants should correspond to the hedged value.

##### 3.3.4 Future contracts

Position risk value of future contracts is determined as follows

$$\text{Position risk value} = \text{Max}\left\{\left(\text{Closing trade value} - \text{Value of hedging portfolio}\right) \times \text{Risk coefficient of future contracts} - \text{Statutory deposits}, 0\right\}$$

Where:

- Closing trade value = Closing price x Quantity of open positions;
- Quantity of open positions is quantity of derivatives outstanding as at reporting date not yet closed out nor matured;
- Value of hedge portfolio is the value of underlying securities purchased to fulfil the obligation under future contracts;
- Statutory deposits are assets deposited for speculation activities, proprietary trading activities, market making activities for derivatives.



**VIETCAP SECURITIES JOINT STOCK COMPANY**

**NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023**

**3 REPORTING PRINCIPLES (continued)**

**3.3.5 Asset valuation**

Asset valuation is in accordance with Circular 91/2020/TT-BTC, in particular:

No.	Type of asset	Valuation principles
<b>Cash and cash equivalents, money market instruments</b>		
1	Cash in VND	Carrying value at the reporting date
2	Foreign currencies	Amounts equivalent to VND translated at exchange rates quoted by credit institutions licensed to trade foreign currencies at the reporting date
3	Term deposits	Deposit amount plus accrued interest up to the reporting date
4	Treasury bills, banker's acceptances, commercial papers, transferable certificates of deposit, bonds and discounted money market instruments	Purchase price plus accrued interest up to the reporting date
<b>Bonds</b>		
5	Listed bonds	<ul style="list-style-type: none"> <li>- Quoted price of outright transactions on stock exchanges as at the latest trading date prior to the reporting date plus accrued interest (if clean price is quoted);</li> <li>- If the bond is not traded within the two (2) weeks prior to the reporting date, its value is the highest of the followings:                             <ul style="list-style-type: none"> <li>a) Purchase price plus accrued interest;</li> <li>b) Par value plus accrued interest;</li> <li>c) Price based on the Company's internal valuation policy, plus accrued interest.</li> </ul>                             i.e. <math>\text{Max}\{a, b, c\}</math> </li> </ul>
6	Unlisted bonds	<p>The highest of the followings:</p> <ul style="list-style-type: none"> <li>a) Quoted price on selected bond quotation system (if any) plus accrued interest;</li> <li>b) Purchase price plus accrued interest;</li> <li>c) Par value plus accrued interest;</li> <li>d) Price based on the Company's internal valuation policy, plus accrued interest</li> </ul> <p>i.e. <math>\text{Max}\{a, b, c, d\}</math></p> <p>The Company may opt to use bond quotation systems (such as Reuters/Bloomberg/VNBF or equivalents) for price reference.</p>

**VIETCAP SECURITIES JOINT STOCK COMPANY****NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023****3 REPORTING PRINCIPLES (continued)****3.3 Position risk value (continued)****3.3.5 Asset valuation (continued)**

No.	Type of asset	Valuation principles
<b>Shares</b>		
7	Shares listed on the Ho Chi Minh City Stock Exchange	<ul style="list-style-type: none"><li>- Closing price of the latest trading date prior to the reporting date;</li><li>- If the share is not traded within the two (2) weeks prior to the reporting date, its value is the highest of the followings:<ul style="list-style-type: none"><li>a) Book value;</li><li>b) Purchase price;</li><li>c) Price based on the Company's internal valuation policy.</li></ul></li></ul> <p>i.e. <math>\text{Max}\{a, b, c\}</math></p>
8	Shares listed on the Hanoi Stock Exchange	<ul style="list-style-type: none"><li>- Closing price of the latest trading date prior to the reporting date;</li><li>- If the share is not traded within the two (2) weeks prior to the reporting date, its value is the highest of the followings:<ul style="list-style-type: none"><li>a) Book value;</li><li>b) Purchase price;</li><li>c) Price based on the Company's internal valuation policy.</li></ul></li></ul> <p>i.e. <math>\text{Max}\{a, b, c\}</math></p>
9	Shares of public companies registered for trading on the UPCoM	<ul style="list-style-type: none"><li>- Closing price of the latest trading date prior to the reporting date;</li><li>- If the share is not traded within the two (2) weeks prior to the reporting date, its value is the highest of the followings:<ul style="list-style-type: none"><li>a) Book value;</li><li>b) Purchase price;</li><li>c) Price based on the Company's internal valuation policy.</li></ul></li></ul> <p>i.e. <math>\text{Max}\{a, b, c\}</math></p>

**VIETCAP SECURITIES JOINT STOCK COMPANY****NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023****3 REPORTING PRINCIPLES (continued)****3.3 Position risk value (continued)****3.3.5 Asset valuation (continued)**

No.	Type of asset	Valuation principles
<b>Shares (continued)</b>		
10	Shares that are deposited at Vietnam Securities Depository ("VSD") but not yet listed or registered for trading	<ul style="list-style-type: none"><li>- The average of transacted prices quoted by at least three (3) independent securities for the latest trading date prior to the reporting date.</li><li>- In case the Company cannot obtain quotations from at least three independent securities firms, the shares' value is the highest of:<ul style="list-style-type: none"><li>a) Price from quotations;</li><li>b) Price from the most recent reporting date;</li><li>c) Book value;</li><li>d) Purchase price;</li><li>e) Price based on the Company's internal valuation policy</li></ul></li></ul> <i>i.e. Max {a, b, c, d, e}</i>
11	Suspended, delisted or cancelled securities	The highest of the followings: <ul style="list-style-type: none"><li>a) Book value;</li><li>b) Purchase price;</li><li>c) Price based on the Company's internal valuation policy.</li></ul> <i>i.e. Max {a, b, c}</i>
12	Securities of entities in liquidation or bankruptcy process	80% of the securities' disposal value (announced by the entities or book value) on the latest balance sheet date prior to the reporting date, or price based on the Company's internal valuation policy.
13	Other equities and investments	The highest of the followings: <ul style="list-style-type: none"><li>a) Book value;</li><li>b) Purchase price;</li><li>c) Price based on the Company's internal valuation policy.</li></ul> <i>i.e. Max {a, b, c}</i>

VIETCAP SECURITIES JOINT STOCK COMPANY

NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO  
AS AT 30 JUNE 2023

3 REPORTING PRINCIPLES (continued)

3.3 Position risk value (continued)

3.3.5 Asset valuation (continued)

No.	Type of asset	Valuation principles
<b>Fund certificates/shares of securities investment companies</b>		
14	Fund certificates of public closed-end funds/ exchange-traded funds	<ul style="list-style-type: none"> <li>- Closing price of the latest trading date prior to the reporting date;</li> <li>- If the fund certificates/shares are not traded within two (2) weeks prior to the reporting date, its value is the Net asset value ("NAV") per fund certificate at the latest valuation date prior to the reporting date.</li> </ul>
15	Fund units of member funds/ open-end funds, privately issued shares of securities investment companies	NAV per fund unit/share at the latest valuation date prior to the reporting date.
16	Other assets	Based on the Company's internal valuation policy
<b>Fixed assets</b>		
17	Land use rights	Amount reported by an independent valuer appointed by the Company
18	Buildings, including construction in progress	Amount reported by an independent valuer appointed by the Company/ accumulated cost of construction in progress
19	Machinery and equipment, motor vehicles	Net book value
20	Other fixed assets	Amount reported by an independent valuer appointed by the Company
<b>Other securities</b>		
21	Covered warrants issued by other securities dealing entities	<ul style="list-style-type: none"> <li>- Closing price of the latest trading date prior to the reporting date;</li> <li>- Purchase price (for unlisted covered warrants).</li> </ul>
22	Shares listed on foreign stock exchanges	<ul style="list-style-type: none"> <li>- Price in VND translated at applicable exchange rate at reporting date;</li> <li>- Closing price of the latest trading date prior to the reporting date;</li> <li>- If the share is not traded within two (2) weeks prior to the reporting date, its value is the highest of the followings: <ul style="list-style-type: none"> <li>a) Book value;</li> <li>b) Purchase price;</li> <li>c) Price based on the Company's internal valuation policy.</li> </ul> </li> </ul> <p>i.e. Max {a, b, c}</p>

Accrued interest is interest accrued from the most recent payment to reporting date.

Book value of a share is based on the most recent audited/reviewed financial statements.



## VIETCAP SECURITIES JOINT STOCK COMPANY

### NOTES TO THE REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.4 Counterparty risk value

Counterparty risk value represents the potential loss due to the counterparty's failure to make payment or to transfer assets within the committed period.

At the end of trading date, the Company is required to calculate counterparty risk value on the following balances:

Items bearing counterparty risk	Counterparty risk value
<ul style="list-style-type: none"> <li>a) Term deposits at credit institutions, certificates of deposit issued by credit institutions;</li> <li>b) Securities borrowing agreements in accordance with prevailing regulations</li> <li>c) Securities repo agreements in accordance with prevailing regulations</li> <li>d) Securities reverse repo agreements in accordance with prevailing regulations;</li> <li>e) Margin lending agreements for listed securities in accordance with prevailing regulations;</li> <li>f) Receivables of clients in securities trading business;</li> <li>g) Other assets bearing counterparty risk;</li> <li>h) Balances from co-underwriting contracts with firm underwriting commitment where the Company is the lead underwriter</li> </ul>	<p>Counterparty risk value of balances not past due = Counterparty risk exposure x Risk coefficient by counterparty</p> <p>Counterparty risk value of balances past due = Counterparty risk exposure x Risk coefficient by past due period</p>
<ul style="list-style-type: none"> <li>i) Receivables past due, including matured bonds, valuable papers, debt instruments but not yet collected;</li> <li>j) Assets not received after due date for transfer, including securities in proprietary trading and securities of customers in brokerage activities;</li> <li>k) Contracts, transactions, capital usages other than those specified in points a, b, c, d, e, f, g, h above; receivables from debt trading with business partners besides Vietnam Asset Management Company (VAMC), Vietnam Debt and Asset Trading Corporation (DATC)</li> <li>l) Advances with reimbursement period under 90 days: <ul style="list-style-type: none"> <li>- Accounting for 0% - 5% of owners' equity at calculation date</li> <li>- Accounting for more than 5% of owners' equity at calculation date</li> </ul> </li> </ul>	<p>Counterparty risk value is determined at 30% of the remaining value of outstanding contracts.</p> <p>Counterparty risk value of balances past due = Counterparty risk exposure x Risk coefficient by past due period</p> <p>Counterparty risk value = Counterparty risk exposure x 100%</p> <p>Counterparty risk value = Counterparty risk exposure x 8% Counterparty risk value = Counterparty risk exposure x 100%</p>

## VIETCAP SECURITIES JOINT STOCK COMPANY

### REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.4 Counterparty risk value (continued)

When the counterparty is assessed as totally insolvent, entire exposure from contracts is deducted from liquid capital.

Counterparty risk coefficient is determined based on type of counterparty and past due period as stipulated in Circular 91/2020/TT-BTC.

##### 3.4.1 Risk coefficient by counterparty

No.	Counterparty	Counterparty risk coefficient
1	The Government, Government-guaranteed issuers, Governments and Central Banks of countries in the OECD; People's Committees of provinces and independent municipalities	0%
2	Stock exchanges, Securities depository centres	0.8%
3	Credit institutions, financial institutions, securities dealing institutions incorporated in OECD countries with credit ratings meeting other internal requirements of the Company	3.2%
4	Credit institutions, financial institutions, securities dealing institutions incorporated outside OECD countries or incorporated in OECD countries not meeting other internal requirements of the Company	4.8%
5	Credit institutions, financial institutions, securities dealing institutions, securities investment funds, securities investment companies incorporated and operating in Vietnam	6%
6	Other institutions, individuals and parties	8%

##### 3.4.2 Risk coefficient by past due period

No.	Past due period	Counterparty risk coefficient
1	0 - 15 days after the due date of payment/transfer of securities	16%
2	16 - 30 days after the due date of payment/transfer of securities	32%
3	31 - 60 days after the due date of payment/transfer of securities	48%
4	Over 60 days after the due date of payment/transfer of securities	100%

## VIETCAP SECURITIES JOINT STOCK COMPANY

### REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

#### 3.4 Counterparty risk value (continued)

##### 3.4.3 Counterparty risk exposure

Counterparty risk exposure also include dividends, coupons, rights (if attached to securities), accrued interests on loans and cash deposits, and surcharges (applicable on credit products).

Counterparty risk exposure of receivables past due, matured bonds and debt instruments is par value, plus uncollected interests and related charges, less any amount collected.

Counterparty risk exposure of lendings, margin loans, repo activities and other transactions are defined as follows:

No.	Type of transaction	Counterparty risk exposure
1	Term deposits, certificates of deposit, unsecured loans, contracts, transactions, capital usages in Note 3.4 (k)	Entire balance of term deposits, certificate of deposit, lending balances, contracts values, transactions value including dividends, coupons, preferred rights (for securities) or deposit interest, loan interest, other charges (for credit amounts).
2	Financial asset lending (or agreements of similar substance)	$\text{Max} \{(\text{Market value of contracts} - \text{Value of collateral assets (if any)}), 0\}$
3	Financial asset borrowing (or agreements of similar substance)	$\text{Max} \{(\text{Value of collateral assets} - \text{Market value of contracts}), 0\}$
4	Reverse repo agreements (or agreements of similar substance)	$\text{Max} \{(\text{Value of contracts at purchase price} - \text{Market value of contracts} \times (1 - \text{Market risk coefficient})), 0\}$
5	Repo agreements (or agreements of similar substance)	$\text{Max} \{(\text{Market value of contracts} \times (1 - \text{Market risk coefficient}) - \text{Value of contracts at selling price}), 0\}$
6	Margin lending agreements (or agreements of similar substance)	$\text{Max} \{(\text{Loan balance} - \text{Value of collateral assets}), 0\}$

Loan balance include the principal, interest and charges.

If the market price of collateral assets is not observable, they are priced following the Company's internal valuation.



## VIETCAP SECURITIES JOINT STOCK COMPANY

### REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

#### 3.4 Counterparty risk value (continued)

##### 3.4.3 Counterparty risk exposure (continued)

Counterparty risk exposure of balances related to securities trading is determined as follows:

No.	Period	Counterparty risk exposure
A – Sales (where seller is the Company or its customer)		
1	Before due date	0
2	After due date	Market value of contracts (in case market price is lower than transacted price)
		0 (in case market price is higher than transacted price)
B – Purchases (where purchaser is the Company or its customer)		
1	Before due date	0
2	After due date	Market value of contracts (in case market price is lower than transacted price)
		0 (in case market price is higher than transacted price)

Due date is determined as follows:

Type of securities/transactions	Due date
Derivatives	According to prevailing regulations applicable to derivatives
Listed shares	T+2
Listed bonds	T+1
Over-the-counter transactions	T+n, in which “n” is subject to contractual agreements

##### 3.4.4 Reliefs on counterparty risk exposure

Except for contracts, transactions as stated in Note 3.4 (k) and Note 3.4 (l), in determining counter party risk exposure, the Company is permitted to take into account reliefs on the condition that the contracts or agreements meet all of the following criteria:

- The counterparty has collateral assets to secure their obligations, and collateral assets are cash, cash equivalents, valuable papers, transferable money market instruments, listed securities, securities registered for trading on Stock Exchanges, Government bonds, bonds guaranteed by the Ministry of Finance;
- The Company reserves discretion to control, use or transfer the collateral assets in case of default by the counterparty.



## VIETCAP SECURITIES JOINT STOCK COMPANY

### REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.4 Counterparty risk value (continued)

##### 3.4.4 *Reliefs on counterparty risk exposure (continued)*

The value of collateral assets is determined as below:

$$\text{Value of collateral assets} = \text{Quantity} \times \text{Price} \times (1 - \text{Market risk coefficient})$$

Where:

- Asset valuation determined on the basis specified in Note 3.3.5.
- Market risk coefficient is determined for each specific asset in accordance with Appendix II of Circular 91/2020/TT-BTC and presented in section A of Risk Values in the Report.

##### 3.4.5 *Bilateral offsetting of counterparty risk exposure*

The Company is permitted to offset counterparty risk exposure bilaterally when:

- The counterparty risks relates to the same counterparty;
- The counterparty risks arise from transactions of similar type;
- The offsetting is agreed by both parties in writing.

##### 3.4.6 *Additional risk value for large exposures*

Additional counterparty risk value for large exposures is determined as follows:

- Increased by 10% where the total exposure of deposits, certificates of deposit, loans, received not past due, securities repo agreements and reverse repo agreements from an entity, an individual or a group of related entities and individuals (if any) accounts for 10% to 15% of the Company's owners' equity;
- Increased by 20% where the total exposure of deposits, certificates of deposit, loans, received not past due, securities repo agreements and reverse repo agreements from an entity, an individual or a group of related entities and individuals (if any) accounts for over 15% to 25% of the Company's owners' equity;
- Increased by 30% where the total exposure of deposits, certificates of deposit, loans, received not past due, securities repo agreements and reverse repo agreements from an entity, an individual or a group of related entities and individuals (if any), or an individual and their related parties (if any) exceeds 25% of the Company's owners' equity.

A group of entities or individuals is considered as related to an entity or an individual (referred to as "related parties") in the contexts described in the Clause 46 of Article 4 of the Securities Law.

## VIETCAP SECURITIES JOINT STOCK COMPANY

### REPORT ON CAPITAL ADEQUACY RATIO AS AT 30 JUNE 2023

#### 3 REPORTING PRINCIPLES (continued)

##### 3.5 Operational risk value

Operational risk value represents the potential loss due to technical failure, system malfunction, deficiencies in control, human errors, insufficient working capital due to unexpected expenses, losses from investment activities, and other objective causes.

Operational risk value of the Company is determined at the highest of the followings:

- 25% of recurring operating expenses of the Company within the most recent twelve-month period up to the reporting date;
- 20% of the minimum required capital applicable to business activities of the Company.

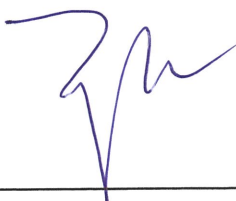
Recurring operating expenses of the Company is determined as total operating expenses charged to the statement of comprehensive income, less the followings:

- Depreciation and amortisation;
- Revaluation losses of FVPTL financial assets;
- Provision or reversal of provision for impairments of short-term financial assets and pledged assets;
- Provision or reversal of provision for impairments of long-term financial assets;
- Provision or reversal of provision for impairments of receivables;
- Provision or reversal of provision for impairments of other current assets;
- Provision or reversal of provision for impairments of other long-term assets.
- Interest expenses

The Report was approved by the Board of Management on 11 August 2023.



Doan Minh Thien  
Chief Accountant



Nguyen Van Khoa  
Head of Internal Control



Dinh Quang Hoan  
Deputy General Director  
Authorised Signatory