

Maybank Securities Limited

Financial safety ratio report

30 June 2024



Maybank Securities Limited

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Maybank Securities Limited

GENERAL INFORMATION

THE COMPANY

Maybank Securities Limited (“the Company”) was incorporated and operates in accordance with Securities Operating License No. 117/GP-UBCK issued by the State Securities Commission on 3 January 2014, the latest Amended License No. 31/GPDC-UBCK dated 28 April 2023, and according to Business Registration Certificate No. 0305367563 dated 14 December 2007 and 5th amendment dated 15 May 2023 issued by Ho Chi Minh City Department of Planning and Investment.

The Company's primary activities are to provide brokerage services, proprietary trading, underwriting for share issues, custodian services, finance and investment advisory services and margin trading services.

The Company's head office is located at VP-10-01, Floor 10, Pearl 5 Building, 5 Le Quy Don, Vo Thi Sau Ward, District 3, Ho Chi Minh City and five (5) branches are located at Ho Chi Minh City, Ha Noi and other provinces at the date of this report as follows:

- ▶ Sai Gon Branch: VP-09-01, Floor 9, Pearl 5 Building, 5 Le Quy Don, Vo Thi Sau Ward, District 3, Ho Chi Minh City;
- ▶ Phu Nhuan Branch: Floor 1, Tan Ha Phan Building, 465 Phan Xich Long, Phu Nhuan District, Ho Chi Minh City;
- ▶ An Giang Branch: Floor 3, H&T Center, 204-204A Tran Hung Dao, My Binh Ward, Long Xuyen City, An Giang province;
- ▶ Dong Nai Branch: Floor 3, Room 303, NK Building, 208D Pham Van Thuan, Tan Tien Ward, Bien Hoa City, Dong Nai province; and
- ▶ Ha Noi Branch: Floor 5, Coalimex Building, 33 Trang Thi Street, Tran Hung Dao Ward, Hoan Kiem District, Ha Noi.

MEMBERS' COUNCIL

Members of the Members' Council during the period and at the date of this report are as follows:

<u>Name</u>	<u>Title</u>	<u>Date of appointment/re-appointment</u>
Ms. Che Zakiah Binti Che Din	Chairman	Re-appointed on 1 January 2023
Mr. Lok Eng Hong	Member	Re-appointed on 1 January 2023
Mr. Nguyen The Tho	Independent member	Re-appointed on 1 January 2023
Mr. Foong Seong Yew	Member	Appointed on 10 March 2023

Maybank Securities Limited

GENERAL INFORMATION (continued)

MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Management and the Chief Accountant during the period and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Kim Thien Quang	Chief Executive Officer	Appointed on 12 August 2015
Mr. Vu Gia Vinh	Head, Investment Banking and Advisory	Appointed on 24 June 2017
Mr. Nguyen Bao Toan	Head, Retail Brokerage	Appointed on 1 April 2021
Ms. Nguyen Vo Van Ha	Chief Finance Officer	Appointed on 2 April 2023
Ms. Tran Thi Ngoc Huong	Chief Accountant	Appointed on 10 March 2014
Ms. Nguyen Thi Duyen	Head, Risk Management	Resigned on 1 June 2024

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Kim Thien Quang, the Chief Executive Officer.

AUDITOR

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

Maybank Securities Limited

REPORT OF MANAGEMENT

Management of Maybank Securities Limited ("the Company") is pleased to present this report and the financial safety ratio report of the Company as at 30 June 2024.

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

Management confirmed that it has complied with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios ("Circular 91") in preparing and presenting the financial safety ratio report as at 30 June 2024.

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

Management does hereby state that, in their opinion, the accompanying financial safety ratio report is prepared and presented in accordance with the regulations of Circular 91.

On behalf of management:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2024

Reference: 12736768/67866364-ATTC-R

REPORT ON REVIEW OF FINANCIAL SAFETY RATIO REPORT

To: The Owner of Maybank Securities Limited

We have reviewed the accompanying financial safety ratio report of Maybank Securities Limited (“the Company”) as at 30 June 2024 as prepared on 12 August 2024 and set out on pages 6 to 31. The financial safety ratio report has been prepared by the Company’s management in accordance with the regulations of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio (“Circular 91”).

Management’s responsibility

The Company’s management is responsible for the preparation and presentation of the financial safety ratio report in accordance with the regulations of Circular 91, and for such internal control as the management determines is necessary to enable the preparation and presentation of the financial safety ratio report that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express a conclusion on the financial safety ratio report based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Financial Information Performed by the Independent Auditor of the Entity, which applies to a review of historical financial information performed by the independent auditor of the entity.

A review of financial information consists of marking 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 and 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 cause us to believe that the accompanying financial safety ratio report as at 30 June 2024, in all material respects, was not prepared and presented in accordance with the regulations of Circular 91.

Basis of preparation and restriction on use of review report

We draw attention to *Note 2.1* and *Note 3* to the financial safety ratio report, which describes the applicable regulations and policies for preparation of the financial safety ratio report. Also as described in *Note 2.2*, the financial safety ratio report is prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report. As a result, this report may not be suitable for other purposes.

Ernst & Young Vietnam Limited



Nguyen Phuong Nga
Deputy General Director
Audit Practising Registration
Certificate No. 0763-2024-004-1

Ho Chi Minh City, Vietnam

12 August 2024

Maybank Securities Limited

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Financial safety ratio report

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

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FINANCIAL SAFETY RATIO REPORT


As at 30 June 2024

To: The State Securities Commission

We hereby confirm that:

- (1) The report is prepared on the basis of data updated at the reporting date and in accordance with regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities trading companies that fail to meet the stipulated financial safety ratios;
- (2) Subsequent events after the date of this report that can have effects on the financial position of the Company will be updated in the next reporting period;
- (3) We bear full legal responsibility for the accuracy and truthfulness of the contents of our report.



Tran Thi Ngoc Huong
Chief Accountant 



Nguyen Ninh Phuong Thao
Director of Internal Control



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2024

Maybank Securities Limited

SUMMARY OF EXPOSURES TO RISK AND LIQUID CAPITAL as at 30 June 2024

Unit: VND

No.	Criteria	Notes	Exposures to risk/ Liquid capital
1	Total exposures to market risk	4	60,269,194,521
2	Total exposures to settlement risk	5	7,574,880,031
3	Total exposures to operational risk	6	180,000,000,000
4	Total exposures to risks (4=1+2+3)		247,844,074,552
5	Liquid capital	7	3,113,524,791,942
6	Liquid capital ratio (6=5/4) (%)		1,256%



Tran Thi Ngoc Huong
Chief Accountant



Nguyen Ninh Phuong Thao
Director of Internal Control

Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2024

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT
as at 30 June 2024

1. THE COMPANY

Maybank Securities Limited ("the Company") was incorporated and operates in accordance with Securities Operating License No. 117/GP-UBCK issued by the State Securities Commission on 3 January 2014, the latest Amended License No. 31/GPDC-UBCK dated 28 April 2023, and according to Business Registration Certificate No. 0305367563 dated 14 December 2007 and 5th amendment dated 15 May 2023 issued by Ho Chi Minh City Department of Planning and Investment.

The Company's primary activities are to provide brokerage services, proprietary trading, underwriting for share issues, custodian services, finance and investment advisory services and margin trading services.

The Company's head office is located VP-10-01, Floor 10, Pearl 5 Building, 5 Le Quy Don, Vo Thi Sau Ward, District 3, Ho Chi Minh City and five (5) branches are located at Ho Chi Minh City, Ha Noi and other provinces at the date of this report.

Employees

The Company has 217 employees as at 30 June 2024 (31 December 2023: 208 employees).

Main features of operation of the Company

Capital

As at 30 June 2024, the Company's charter capital was VND2,200,000,000,000 and total assets amounted to VND5,251,388,451,684.

Investment objectives

The Company operates with the common goal of providing professional services, creating value for clients as well as Group, moving to the leading position in all operating activities, building smart and efficient resources and maximizing profits for the Company.

Investment restrictions

The Company complies with regulations on investment restrictions in accordance with Article 28, Circular No. 121/2020/TT-BTC dated 31 December 2020 promulgating the operation of securities companies.

2. BASIS OF PRESENTATION

2.1 *The applicable regulations*

The financial safety ratio report of the Company is prepared and presented in accordance with regulations under Circular No. 91/2020/TT-BTC ("Circular 91") dated 13 November 2020 issued by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios. The financial safety ratio report is prepared on the basis of the financial statement of the Company at the reporting date.

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

2. BASIS OF PREPARATION (continued)

2.2 Purpose of preparation

The financial safety ratio report is prepared to comply with the regulations on the preparation and disclosure of the Company's financial safety ratio report and is not suitable for other purposes.

2.3 Accounting currency

The Company prepares this report in Vietnam dong ("VND").

3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF THE FINANCIAL SAFETY

3.1 Liquid capital ratio

Liquid capital ratio of the Company is determined using the formula specified in accordance with Circular 91 as follows:

$$\text{Liquid capital ratio} = \frac{\text{Liquid capital} \times 100\%}{\text{Total exposures to risks}}$$

In which, total exposures to risks are the sum of exposures to market risk, settlement risk, and operational risk.

3.2 Liquid capital

In accordance with Circular 91, the Company's liquid capital means the equity which can be converted into cash within ninety (90) days, which includes:

- ▶ Owners' equity, excluding refunded preferred equity (if any);
- ▶ Share premium, excluding refunded preferred equity (if any);
- ▶ Convertible bonds - Equity component (applicable to securities companies that are convertible bonds issuer);
- ▶ Other owners' equity;
- ▶ Differences from revaluation of assets at fair value;
- ▶ Foreign exchange differences;
- ▶ Charter capital supplementary reserve;
- ▶ Operational risk and financial reserve;
- ▶ Other reserves in accordance with prevailing regulations;
- ▶ Undistributed profits;
- ▶ Provision for impairment of assets;
- ▶ Fifty percent (50%) of the increase in value of fixed assets which are revalued in accordance with regulations of law (in case the value of these assets is increased), or the whole decrease in value (in case the value of these assets is reduced);
- ▶ Deductions specified (Note 3.2.1);
- ▶ Increases specified (Note 3.2.2); and
- ▶ Other capitals (if any).

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF THE FINANCIAL SAFETY (continued)

3.2 *Liquid capital* (continued)

3.2.1 *Deductions specified*

The Company's liquid capital is decreased due to the following items:

- ▶ Treasury shares (if any);
- ▶ Total decreases in value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report;
- ▶ The escrow value, in case the Company places collateral assets to the banks for banks' guarantee upon the Company's issuance of covered warrants, is determined as the minimal value of the followings: the value of banks' guarantee and the value of collateral assets (equivalent to volume of assets * asset price * (1 – Market risk coefficient));
- ▶ The value of the Company's assets used as collaterals for the Company's liabilities with other institutions and individuals, of which the remaining terms are of more than ninety (90) days, is determined as the minimal value of the followings: the market value, the book value of collateral assets and the remaining value of liabilities;
- ▶ Short-term assets including prepayments, receivables and advances of which the remaining recovery period or settlement period is more than ninety (90) days, and other short-term assets;
- ▶ Long-term assets;
- ▶ The qualified, adverse or disclaimed items on the audited and reviewed financial statements (if any);
- ▶ Securities issued by the Company's related parties in the following cases:
 - The parent company, subsidiaries of the Company;
 - Subsidiaries of the Company's parent company.
- ▶ Securities restricted to transfer with the remaining restricted period of more than 90 days as from the calculation date; and
- ▶ Irrecoverable items from other counter parties which are assessed as completely insolvent, are determined at the contract value.

For assets secured by assets of entities, individuals, the deduction shall be reduced to the minimum value of the following values:

- ▶ Carrying value of the deductions;
- ▶ Market value of collaterals for deductions determined by volume of collateral assets * asset price * (1 – Market risk coefficient) in line with *Note 3.4.3*.

Market value of assets is determined in accordance with regulations under Circular 91. The Company does not calculate risk exposures for items that are deducted from liquid capital, qualified items on the audited, reviewed financial statements (if any).

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF THE FINANCIAL SAFETY (continued)

3.2 *Liquid capital* (continued)

3.2.2 *Increases specified*

The Company's liquid capital is increased due to the following items:

- ▶ Total increases in value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report; and
- ▶ Debts that are convertible to equity, including: convertible bonds, preferred shares and other debt instruments registered to supplement liquid capital with the State Securities Commission and satisfied all conditions stated in Clause 2, Article 7 of Circular 91.

The total value of debt items used to supplement liquid capital is in maximum 50% of the Company's owners' equity. Regarding convertible debts and debts registered to supplement the Company's liquid capital with the State Securities Committee, the Company deducts 20% of their original value each year during the last five (05) years prior to maturity/conversion into common shares and deducts 25% of residual value quarterly during the last four (04) quarters prior to maturity/conversion into common shares.

3.3 *Exposures to market risk*

Exposures to market risk are the potential losses which may occur when the market value of the Company's assets fluctuates in a negative trend. Exposures to market risk for the Company's assets include cash and cash equivalent, money market instruments, bonds, shares, and funds/shares of securities investment companies that are determined by the Company at the end of the transaction day using the following formula:

Exposures to market risk = Net position x Asset price x Market risk coefficient

In particular, net position is the net volume of securities held by the Company at the reporting date, after being deducted by the number of securities lent and increased by the number of securities borrowed in accordance with prevailing regulations.

Exposures to market risk of securities not yet fully distributed from underwriting contracts in the form of a firm commitment, covered warrants issued by the Company and future contracts are determined using the formula presented in *Note 3.3.2*.

Assets which are excluded when determining exposures to market risk include:

- ▶ Treasury shares;
- ▶ Securities issued by related parties of the Company in the following cases:
 - The parent company, subsidiaries of the Company;
 - Subsidiaries of the Company's parent company.
- ▶ Securities restricted to transfer with the remaining restricted period of more than 90 days as from the calculation date.
- ▶ Bonds, debt instruments and valuable papers in the money market which have matured;
- ▶ Securities which have been hedged by sell warrants or futures contracts; sell warrants and sell options which have been used to hedge for underlying securities.

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF THE FINANCIAL SAFETY (continued)

3.3 *Exposures to market risk* (continued)

3.3.1 *Market risk coefficient*

Market risk coefficient is determined for each account of assets as specified in Circular 91.

3.3.2 *Asset price*

a. *Cash and cash equivalents, money market instruments*

Value of cash in VND is the cash balance at the calculation date. Value of cash in foreign currencies is the equivalent in VND using the exchange rate published by credit institutions which are allowed to conduct foreign currencies trading at the calculation date.

Value of cash equivalent and money market instruments is the amount deposited or acquisition cost plus accrued interest using the effective interest rate as at the calculation date.

b. *Bonds*

Value of listed bonds is the average price quoted on the trading system of Securities Stock Exchange on the latest trading day plus accrued interest. In case there is no transaction for such bonds during more than two (2) weeks prior to the date of calculation, the value of bonds is the highest of the following values, accrued interest included: Acquisition cost; Face value and Price determined by the internal valuation methods.

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

c. *Shares*

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

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

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

Value of shares which are suspended from trading, delisted or cancelled is the highest of the following values: Book value, Par value, Price determined by internal valuation methods of the Company.

Value of shares which are registered or custodied but has not been listed or registered for trading is the average price of quotations from at least three (03) securities companies which are not related to the Company on the latest trading day prior to the date of calculation. If there are no sufficient quotation from at least three (03) securities companies, the value of shares is the highest of the following values: Quoted price; Value determined in the latest reporting period; Book value; Acquisition cost; Price determined by internal valuation methods of the Company.



Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF THE FINANCIAL SAFETY (continued)

3.3 *Exposures to market risk* (continued)

3.3.2 *Asset price* (continued)

c. *Shares* (continued)

Value of shares of organizations in term of dissolution, or of bankruptcy is 80% of the liquidated value of such shares at the date of preparation on the latest balance sheet, or price determined by internal methods of the Company.

The value of other shares or capital contributions is the maximum of book value; acquisition cost/value of capital contribution; price determined by internal methods of the Company.

d. *Funds/shares of securities investment companies*

Value of public close-end fund is the closing price on the latest trade date prior to the calculation date. In case public close-end fund has no transactions in more than two (02) weeks prior to the calculation date, the value is calculated by net asset value ("NAV") per fund certificate at the latest reporting period prior to the calculation date.

Value of member/open-end fund/shares of securities investment companies in private issuance is the NAV per unit of contributed capital/fund certificate unit/shares at the latest reporting period prior to the calculation date.

Value of other funds/shares is price determined by the internal methods of the Company.

e. *Covered warrants issued by other securities companies*

Market value of covered warrants issued by other securities companies is the quoted closing prices of the nearest trading day prior to the valuation date; or

Acquisition cost (in case of unlisted covered warrants)

3.3.3 *Increase of exposures to market risk*

Exposures to market risk of assets increase in case that the Company over-invests in these assets, except for the securities under firm commitment issuance underwriting contract, Government bonds and bonds guaranteed by the Government. The exposures to market risk are adjusted in accordance with following principles:

- ▶ An increase of 10% if the total value of investment in shares and bonds of a securities issuer accounts for more than 10% to 15% of the owners' equity of the Company.
- ▶ An increase of 20% if the total value of investment in shares and bonds of a securities issuer accounts for more than 15% to 25% of the owners' equity of the Company.
- ▶ An increase of 30% if the total value of investment in shares and bonds of a securities issuer accounts for more than 25% of the owners' equity of the Company.

Dividends, coupons, preference right of shares (if any) or interest of deposits, cash equivalents, negotiable instruments and valuable papers shall be added to the value of asset for the purpose of determining the exposures to market risk.

Supplemental exposures of market risk are calculated as follows: Scale of market risk (excluding supplemental exposure) x Surplus risk coefficient.

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

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

3.4 *Exposures to settlement risk*

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

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

Exposures to settlement risk = Settlement risk coefficient of counter party x Value of assets exposed to settlement risk

- ▶ For underwriting contracts in the form of firm commitment signed with other organizations in a syndicated underwriting contract in which the Company is the lead underwriter, the exposures to settlement risk value equals 30% of the remaining value of unpaid underwriting contracts;
- ▶ For overdue receivables, other receivables and other assets, securities which have not been received on time, including securities and cash which have not been received from term deposits at credit institutions; loans to organizations and individuals; securities borrowing contracts in accordance with prevailing regulations; repurchase and reverse repurchase agreements in accordance with prevailing regulations; matured margin loans in accordance with prevailing regulations, advances with remaining repayment period of less than 90 days, exposures to settlement risk is determined as follows:

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

- ▶ For contracts, transactions, capital uses other than transactions and contracts recorded at points a, b, c, d, dd, e, g, Clause 1, Article 10, Circular 91; Receivables from debt trading with partners other than Vietnam Asset Management Company (VAMC), Vietnam Debt Trading Company Limited (DATC), exposures to settlement risk is determined as follows:

Exposures to settlement risk = Value of assets exposed to settlement risk x 100%

11/03/2024

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

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

3.4 Exposures to settlement risk (continued)

3.4.1 Settlement risk coefficient

Settlement risk coefficient is determined based on the type of counterparties and the period as stipulated in Circular 91.

3.4.2 Value of assets exposed to settlement risk

a. Securities lending or borrowings, margins, contracts purchase or sale of securities for customers or the Company

Value of assets exposed to settlement risk is the market value of the contract determined as follows:

- ▶ Exposures to settlement risk is as follows:

No.	Type of transaction	Value of assets exposed to settlement risk
1.	Term deposits, certificates of deposit, unsecured loans; contracts, transactions, capital use according to Point k, Clause 1, Article 10 of Circular 91.	Total balance of deposit account, certificate of deposit, loan value, contract value, transaction value plus dividends, bond interests, preference value (for securities) or deposits interests, loan interests, other surcharges (for credit).
2.	Securities lending	$\text{Max}\{(\text{Market value of the contract} - \text{Collateral value (if any)}), 0\}$
3.	Securities borrowing	$\text{Max}\{(\text{Collateral value} - \text{Market value of the contract}), 0\}$
4.	Reverse repurchase agreements	$\text{Max}\{(\text{Contract value based on purchase price} - \text{Market value of the contract} \times (1 - \text{Market risk coefficient})), 0\}$
5.	Repurchase agreements	$\text{Max}\{(\text{Market value of the contract} \times (1 - \text{Market risk coefficient}) - \text{Contract value based on selling price}), 0\}$
6.	Margin contracts (loans to customers to purchase securities)/Other economic agreements with the similar nature	$\text{Max}\{(\text{Margin balance} - \text{Collateral value}), 0\}$
7.	Advances with remaining repayment period of less than 90 days	Value of all advances

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

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

Asset price is determined in line with *Note 3.3.2*.

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

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

3.4 Exposures to settlement risk (continued)

3.4.2 Value of assets exposed to settlement risk (continued)

b. Securities trading

Value of assets exposed to settlement risk in securities trading as the following standard:

No.	Period	Value of assets exposed to settlement risk
A - For the selling transactions (seller is the Company or its customers under the securities brokerage activities)		
1.	Before the settlement date/year	0
2.	After the settlement date/year	Market value of the contract (if Market value is less than Trading value)
		0 (if Market value is greater than Trading value)
B - For the buying transactions (buyer is the Company or the Company's customer)		
1.	Before the securities transfer date/year	0
2.	After the securities transfer date/year	Market value of the contract (if Market value is less than Trading value)
		0 (if Market value is greater than Trading value)

Settlement/transfer period of securities is T+2 (for listed securities), T+1 (for listed bonds); T+n (for transactions outside the official trading system within n days under agreement of both parties), or in accordance with prevailing regulations (for derivatives).

c. Receivables, matured bonds, matured debt instruments

Value of assets exposed to settlement risk is the value of receivables calculated based on par value, plus accrued interest, related costs and less cash received previously (if any).

3.4.3 Deduction of collateral

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

- ▶ Partners or customers use collaterals to ensure their fulfilment of obligations and their collaterals are cash, cash equivalents, valuable papers, negotiable instruments on the money market, securities listed and registered on the Securities Stock Exchange, Government bonds, bonds guaranteed by the Ministry of Finance;
- ▶ The Company has rights to control, manage, use, and transfer collaterals if partners fail to make payment fully and timely as agreed in the contracts.

Value of asset subjected to deduction is determined as follows:

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

Assets price is determined in accordance with Note 3.3.2.

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

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

3.4 *Exposures to settlement risk* (continued)

3.4.4 *Increase in exposures to settlement risk*

Exposures to settlement risk increase in the following cases:

- ▶ An increase of 10% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 10% to 15% of the owners' equity of the Company;
- ▶ An increase of 20% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 15% to 25% of the owners' equity of the Company;
- ▶ An increase of 30% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any), or an individual and related parties of that individual (if any), account for more than 25% of the owners' equity of the Company.

3.4.5 *Net bilateral clearing value of assets exposed to settlement risk*

Value of assets exposed to settlement risk is subject to net bilateral clearing in cases:

- ▶ Settlement risk relating to the same partner;
- ▶ Settlement risk occurred to the same type of transaction
- ▶ The net bilateral clearing is agreed in advance via documents.

3.5 *Exposures to operational risk*

Exposures to operational risk are the potential losses which may occur due to technical errors, system errors and business processes, human errors during performing their work, or due to the lack of capital resulting from expenses, losses arising from investment activities, or other objective reasons.

Exposures to operational risk of the Company is determined at the higher of 25% of the Company's operational maintaining expenses within twelve (12) consecutive months up to reporting date or 20% of the Company's legal capital.

The Company's operational maintaining expenses are determined from total expenses incurred in the period less: depreciation expense; provision expense/reversal of impairment of short-term, long-term financial assets and mortgage assets; provision expense/reversal of impairment of receivables; reverse/provision expense for the impairment of other short-term assets; loss from revaluation of financial assets at fair value through profit and loss ("FVTPL") and loss from revaluation outstanding covered warrants payables which has been recognized as expense in the period.

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

4. EXPOSURES TO MARKET RISK

Investment items		Risk coefficient %	Scale of risk VND	Exposures to risk VND
		(1)	(2)	(3) = (1) x (2)
I. Cash and cash equivalents, monetary market instruments				-
1	Cash (VND)	0	253,110,711,595	-
2	Cash equivalents	0	-	-
3	Valuable papers, transferable instruments in the money market, certificates of deposit	0	-	-
II. Government bonds				-
4	Zero-coupon Government bonds	0	-	-
5	Coupon Government bonds		-	-
5.1	Government bonds (including treasury bonds and construction bonds previously issued), Government bonds of OECD countries or guaranteed by the Government or the Central Bank of the OECD countries, bonds issued by international institutions such as IBRD, ADB, IADB, AFDB, EIB and EBRD	3	-	-
III. Bonds of credit institutions				-
6	Bonds of credit institutions having remaining maturity of less than 1 year, including convertible bonds	3	-	-
	Bonds of credit institutions having remaining maturity of 1 to under 3 years, including convertible bonds	8	-	-
	Bonds of credit institutions having remaining maturity of 3 to under 5 years, including convertible bonds	10	-	-
	Bonds of credit institutions remaining maturity of 5 years or more, including convertible bonds	15	-	-
IV. Corporate bonds				60,269,194,521
7	Listed bonds			-
	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	-	-
	Listed bonds having remaining maturity of 1 to under 3 years, including convertible bonds	10	-	-
	Listed bonds having remaining maturity of 3 to under 5 years, including convertible bonds	15	-	-
	Listed bonds having remaining maturity of 5 years or more, including convertible bonds	20	-	-

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

4. EXPOSURES TO MARKET RISK (continued)

		<i>Risk coefficient %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
<i>Investment items</i>		(1)	(2)	(3) = (1) x (2)
IV. Corporate bonds (continued)				
8	Unlisted bonds			60,269,194,521
	Unlisted bonds having remaining maturity of less than 1 year, including convertible bonds	15	-	-
	Unlisted bonds having remaining maturity of 1 to under 3 years, including convertible bonds	20	301,345,972,603	60,269,194,521
	Unlisted bonds having remaining maturity of 3 to under 5 years, including convertible bonds	25	-	-
	Unlisted bonds having remaining maturity of 5 years or more, including convertible bonds	30	-	-
	Unlisted bonds issued by other company having remaining maturity of less than 1 year, including convertible bonds	25	-	-
	Unlisted bonds issued by other company having remaining maturity of 1 to under 3 years, including convertible bonds	30	-	-
	Unlisted bonds issued by other company having remaining maturity of 3 to under 5 years, including convertible bonds	35	-	-
	Unlisted bonds having issued by other company remaining maturity of 5 years or more, including convertible bonds	40	-	-



Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

4. EXPOSURES TO MARKET RISK (continued)

Investment items		Risk coefficient %	Scale of risk VND	Exposures to risk VND
		(1)	(2)	(3) = (1) x (2)
IV. Shares				-
9	Ordinary shares, preferred shares of entities listed in Ho Chi Minh Stock Exchange; open-ended fund certificates	10	-	-
10	Ordinary shares, preferred shares of entities listed in Hanoi Stock Exchange	15	-	-
11	Ordinary shares, preferred shares of unlisted public entities registered for trading through UpCom system	20	-	-
12	Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO	30	-	-
13	Shares of other public companies	50	-	-
V. Certificates of securities investment funds				-
14	Public funds, including public securities investment companies	10	-	-
15	Member funds, including private securities investment companies	30	-	-
VI. Restricted securities trading				-
16	Securities of unlisted public companies are warned due to the delay in disclosing audited/reviewed financial statements as required	30	-	-
17	Listed securities are warned	20	-	-
18	Listed securities are controlled	25	-	-
19	Securities temporarily suspended from trading	40	-	-
20	-	80	-	-
VII. Derivative securities				-
21	Stock index futures contracts	8	-	-
Calculation: Exposure to risk = Max {((Settled price at the end of the day – Value of securities to fulfil future contractual obligations) x risk coefficient of futures contracts – Margin value (The contribution to the clearing fund for the open position of the securities company)),0}				
Settle price at the end of the day = Closing price x Open volume				
22	Government bond futures contracts	3	-	-
Calculation: Exposure to risk = Max {((Settled price at the end of the day – Value of securities to fulfil future contractual obligations) x risk coefficient of futures contracts – Margin value (The contribution to the clearing fund for the open position of securities company)),0}				
Settled price at the end of the day = Closing price x Open volume				

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

4. EXPOSURES TO MARKET RISK (continued)

<i>Investment items</i>		<i>Risk coefficient %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
VIII. Other securities				-
23.	Shares listed in foreign markets included in the benchmark	25	-	-
24.	Shares listed in foreign markets not included in the benchmark	100	-	-
25.	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
26.	Covered warrants listed on Hanoi Stock Exchange	10	-	-
27.	Shares and bonds issued by non-public companies that do not have the most recent audited financial statements up to the reporting date or have audited financial statements but have an contrary audit opinion, disclaimer of opinion or unqualified opinion	100	-	-
28.	Shares, capital contribution and other securities	80	-	-
29.	Covered warrants issued by the Company		-	-
	Calculation: Exposures to risk = $(P_0 \times Q_0 \times k - P_1 \times Q_1) \times R - MD$			
30.	Securities formed from hedging activities for the covered warrants issued (in case covered warrants are not profitable)		-	-
31.	The difference between the value of the underlying securities used by the Company to hedge against the risks of covered warrants and the value of the underlying securities necessary to hedge for covered warrants.		-	-
IX. Increases risk (if any)				
TOTAL EXPOSURES TO MARKET RISK (I+II+III+IV+V+VI+VII+VIII+IX)				60,269,194,521

5. EXPOSURES TO SETTLEMENT RISK

	<i>Exposures to settlement risk VND</i>
Risks of undue items (Note 5.1)	445,125,354
Risks of overdue items (Note 5.2)	7,129,754,677
	<u>7,574,880,031</u>

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

5. EXPOSURES TO SETTLEMENT RISK (continued)

5.1 Risks of undue items

The exposures to settlement risk of undue items are determined as follows:

Type of transactions	Risk coefficient (%)	Exposures to settlement risk (VND)						Total exposures to settlement risk VND
		0% (1)	0.8% (2)	3.2% (3)	4.8% (4)	6% (5)	8% (6)	
1. Term deposits, certificates of deposits, loans without collaterals and receivables from securities trading operations, and other items exposed to settlement risk (Note 5, 1, 1)		-	169,703,683	-	-	-	275,421,671	445,125,354
2. Financial assets lending/other agreements with similar nature		-	-	-	-	-	-	-
3. Financial assets borrowings/other agreements with similar nature		-	-	-	-	-	-	-
4. Reverse repurchase agreements/other agreements with similar nature		-	-	-	-	-	-	-
5. Repurchase agreements/other agreements with similar nature		-	-	-	-	-	-	-
TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDU E ITEMS								445,125,354

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

5. EXPOSURES TO SETTLEMENT RISK (continued)

5.1 Risks of undue items (continued)

The details of settlement risk coefficient by counterparties are determined as follows:

No.	Counterparties of the Company	Settlement risk coefficient
1.	Government, issuers guaranteed by the Government, Government and Central Banks of OECD countries; People's committees of provinces and centrally-controlled municipalities	0%
2.	Securities Stock Exchanges and Vietnam Securities Depository	0.8%
3.	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and have credit ratings in accordance with the internal policies of securities trading institutions	3.2%
4.	Credit institutions, financial institutions, and securities trading institutions which are not established in OECD countries or which are established in OECD countries and do not meet the requirements specified in the internal policies of securities trading institutions	4.8%
5.	Credit institutions, financial institutions, and securities trading institutions being established and operating in Vietnam	6%
6.	Other entities and individuals	8%

5.1.1 Term deposits, unsecured loans, and receivables from operating activities and securities trading transactions

	<i>Book value</i> VND	<i>Settlement risk</i> <i>coefficient</i> %	<i>Exposure to</i> <i>settlement risk</i> VND
Receivables from advances to investors and auction fee	21,212,960,397	0.8	169,703,683
Receivables from securities custodian services, brokerage fee of investors and other receivables	<u>3,442,770,886</u>	8	<u>275,421,671</u>
	<u>24,655,731,283</u>		<u>445,125,354</u>

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

5. EXPOSURES TO SETTLEMENT RISK (continued)

5.2 Risks of overdue items

No.	Overdue time	Risk coefficient (%)	Risk scale VND	Risk amount VND
1.	From 0 to 15 days after payment term, securities transfer	16	-	-
2.	From 16 to 30 days after payment term, securities transfer	32	-	-
3.	From 31 to 60 days after payment term, securities transfer	48	-	-
4.	Over 60 days after payment term, securities transfer	100	7,129,754,677	7,129,754,677
TOTAL RISKS OF OVERDUE ITEMS				7,129,754,677

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

6. EXPOSURES TO OPERATIONAL RISK

No.	Items	Amount VND
I	Total operating expenses incurring within 12 months up to 30 June 2024	534,947,973,260
II	Deductions from total expenses (<i>Note 6, 1</i>)	154,870,924,574
III	Total expenses after deductions (III = I – II)	380,077,048,686
IV	25% of Total expense after deductions (IV = 25% III)	95,019,262,172
V	20% Minimum charter capital for business operations of securities companies	180,000,000,000
TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})		180,000,000,000

6.1 Deductions from total expenses

	Amount VND
Depreciation expenses	9,463,934,070
Interest expenses	145,406,990,504
	154,870,924,574



Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

7. LIQUID CAPITAL

No.	Contents	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
A	Owners' equity			
1	Owners' equity, excluding redeemable preferred shares (if any)	2,200,000,000,000		
2	Share premium, excluding redeemable preferred shares (if any)	-		
3	Treasury shares	-		
4	The convertible bonds - equity component	-		
5	Other owners' equity	-		
6	Differences from revaluation of financial assets at fair value	-		
7	Charter capital supplementary reserve	40,646,058,094		
8	Operational risk and financial reserve	40,646,058,096		
9	Other funds belong to the owner's equity	-		
10	Undistributed profit	928,034,278,536		
11	Balance to provision for impairment of assets	7,129,754,677		
12	Difference from revaluation of fixed assets	-		
13	Foreign exchange rate differences	-		
14	Convertible debts			-
15	Total increase or decrease in securities investment value		2,136,533,683	-
16	Other capital (if any)	-		
1A	Total			3,214,319,615,720

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

7. LIQUID CAPITAL (continued)

No.	Contents	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
B	Short-term assets			
I	Financial assets			
1	Cash and cash equivalents			
2	Financial assets at fair value through profit and loss (FVTPL)			
	- Securities exposed to market risk			
	Securities are deducted from liquid capital		-	
3	Held-to-maturity (HTM) investments			
	Securities exposed to market risk			
	Securities deducted from liquid capital		-	
4	Loans			
5	Available-for-sale (AFS) financial assets			
	Securities exposed to market risk			
	Securities deducted from liquid capital		-	
6	Provision for impairment of financial assets and mortgage assets			
7	Receivables (receivables from disposal of financial assets, receivables and accruals from dividend, interest income from financial assets)			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
8	Covered warrant not yet issued			
9	The underlying securities for the purpose of hedging when issuing covered warrant			

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Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

7. LIQUID CAPITAL (continued)

No.	Contents	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
B	Short-term assets (continued)			
I	Financial assets (continued)			
10	Receivables from services provided by the Company			
	- Receivables due in 90 days or less (irrecoverable)			
	- Receivables due in more than 90 days		-	
11	Internal receivables			
	- Internal receivables due in 90 days or less			
	- Internal receivables due in more than 90 days		-	
12	Receivables due to error in securities transactions			
	- Receivables due in 90 days or less			
	- Receivables due in more than 90 days		-	
13	Other receivables			
	- Other receivables due in 90 days or less			
	- Other receivables due in more than 90 days		-	
14	Provision for impairment of receivables			

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Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

7. LIQUID CAPITAL (continued)

No.	Contents	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
B	Short-term assets (continued)			
II	Other current assets		16,864,873,679	
1	Advances			
	- Advances with the remaining repayment term of 90 days or less			
	- Advances with the remaining repayment term of more than 90 days		252,311,740	
2	Office supplies, tools and materials		-	
3	Short-term prepaid expenses		16,612,561,939	
4	Short-term deposits, collaterals and pledges		-	
5	Deductible value added tax		-	
6	Tax and other receivables from the State		-	
7	Other current assets		-	
8	Provision for impairment of other current assets			
1B	Total			16,864,873,679
C	Non-current assets			
I	Long-term financial assets			
1	Long-term receivables		-	
2	Investments			
2.1	HTM investments			
	- Securities exposed to market risk			
	- Securities are deducted from liquid capital		-	
2.2	Investments in subsidiaries		-	
2.3	Other long-term investments		-	

INTERNATIONAL

Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

7. LIQUID CAPITAL (continued)

No.	Contents	Liquid capital		
		Liquid capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
C	Non-current assets (continued)			
II	Fixed assets		33,227,531,467	
III	Real-estate investment		-	
IV	Construction in progress		6,289,987,296	
V	Other long-term assets			
1	Long-term deposits, collaterals and pledges		6,053,871,008	
2	Long-term prepaid expenses		7,270,081,498	
3	Deferred income tax assets		998,165,655	
4	Payment for Settlement Assistance Fund		20,000,000,000	
5	Other long-term assets		-	
VI	Provision for impairment of non-current assets			
	Assets qualified, adversed or disclaimed of opinion in audited or reviewed financial statements that are not deducted according to Article 5, Circular 91		-	
1C	Total			73,839,636,924
D	Escrow, collateral items			
1	The value of the escrow			
1.1	The value of contribution to Settlement Assistance Fund of VSD (for derivative market)		10,090,313,175	
1.2	The value of contribution to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market)		-	
1.3	The value of cash escrow and banks' guarantee for issuing covered warrants		-	
2	The value of collaterals for obligations due in more than ninety (90) days		-	
1D	Total			10,090,313,175
LIQUID CAPITAL = 1A-1B-1C-1D				3,113,524,791,942


Maybank Securities Limited

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)
as at 30 June 2024

8. EVENTS AFTER REPORTING DATE

There have been no significant events occurring after 30 June 2024 which would require adjustments or disclosures to be made in the financial safety ratio report as at 30 June 2024.



Tran Thi Ngoc Huong
Chief Accountant 



Nguyen Ninh Phuong Thao
Director of Internal Control



Kim Thien Quang
Chief Executive Officer



Ho Chi Minh City, Vietnam

12 August 2024

