



Ho Chi Minh City, April 1, 2015

REPORT ON ANNUAL GENERAL MEETING OF SHAREHOLDER OF FINANCIAL YEAR 2014

Ref: Business Performance in 2014

I. BUSINESS PERFORMANCE

Daily average trading value on Vietnam's stock market in 2014 reached VND 3,000 billion, more than double that of 2013 (VND 1,400 billion) and 20% higher than the expected level of VND 2,500 billion in our 2014 performance plan (the Plan).

HSC achieved a brokerage market share of 10.6% in 2014 (2013: 12.2%), ranking number two in HOSE and number one in HNX, as detailed in the table below:

	FY2014	Ranking FY2014	FY2013	Ranking FY2013	Target 2014
Per Stock Exchange					
HOSE	11.7%	2	13.3%	1	
HNX	7.9%	1	9.2%	1	
Total	10.6%	2	12.2%	1	11.6%
Per Client Type					
Private Clients	7.4%	2	7.5%	1	7.5%
Institutional Clients	3.0%	2	4.5%	1	4.1%
Foreign trading in Vietnam's market					
HSC	28.5%	2	32.1%	1	28%

The trading value of the whole market was 2 times as many as that of 2013 but Private Client Division has attempted to maintain a market share of 7.4%, a marginal reduction on the 7.5% recorded in 2013 and in the Plan.

In 2014, foreign investor transactions (mostly institutional clients) occupied only 9.9% of the total market trading value, which was lower than the expected level of 14.0% in the Plan. HSC accounted for 28.5% of the total foreign investors' trading value, a fall from 32.1% in 2013 but ahead of 28% in the Plan.

Business performance in 2014 is summarized as follows:

Items	FY2014	FY2013	% change	Plan 2014	% completion
Income statement (VND million)					
Revenue	831,135	634,760	31%	744,761	112%
Brokerage	299,432	199,104	50%	310,246	97%
Margin + cash advance service	248,786	155,821	60%	195,000	128%
Proprietary investment	194,425	152,919	27%	167,675	116%
Interest income	67,241	90,727	-26%	36,340	185%
Corporate finance	12,362	16,399	-25%	19,000	65%
Other revenues	8,889	19,790	-55%	16,500	54%
Operating expenses	349,692	260,049	34%	306,951	114%
Other profit	4	718	-99%	-	
Profit before tax	481,447	375,428	28%	437,810	110%
Profit after tax	376,152	282,174	33%	341,492	110%
Balance sheet at year end (VND million)					
Total assets	3,859,367	3,127,781	23%	3,171,691	122%
Shareholders' equity	2,358,231	2,247,348	5%	2,265,561	104%
Financial indicators					
Return on average assets (ROAA)	10.8%	8.9%		10.6%	
Return on average equity (ROAE)	16.3%	12.8%		15.4%	
Equity's value					
Number of shares	127,229,583	127,249,720		127,249,720	
Earnings per share – VND	2,956	2,241	32%	2,684	110%
Book value per common share – VND	18,535	17,661	5%	17,804	104%
Market price at balance sheet date – VND	31,200	24,500	27%	N/A	N/A
P/E	10.6	10.9	-3%	N/A	N/A
Total shareholder return	32%	51%			

Revenue from brokerage fee contributed the highest proportion at 36% of the total revenue and reached VND 299 billion, increased by 50% compared to 2013 and completed 97% of the Plan as HSC succeeded in maintaining a high market share during the significant increase in overall trading activity.

Along with the growth of the revenue from brokerage fee, revenue from margin lending and cash advances service increased 60% compared to 2013 and 28% in excess of the Plan, reaching VND 248 billion and contributed 30% to the total revenue. The increase in these activities was aided by the Company's abundant capital and effective risk management policies during a vibrant phase of the market's development in addition to complying with regulations on the margin trading of the State Securities Commission (SSC).

Proprietary investment activities contributed 23% of the total revenue of HSC, reached VND 194 billion, increased by 27% compared to 2013 and 16% ahead of the Plan through the realisation the portfolio of fund certificates brought forward from previous year, as well as through effective investment in new portfolio (both bonds and securities).

In contrast to the revenue from brokerage, margin lending and proprietary investment, revenue from bank interest fell by 26% due to falling bank interest rates, and revenue from advisory services decreased 25% due to specific difficulties in investment banking.

Total operating expenses in 2014 increased by 34% compared to 2013, primarily due to:



- The variable costs increased in line with the increase of the trading value in HSC (such as brokerage fee paid to the Stock Exchanges and commissions paid to brokers) led to an 19% increase in total operating expenses;
- Provision for impairment of OTC securities made in 2014 led to the total operating expenses increased by 14%.

Profit after tax reached VND 376 billion, increased by 33% compared to 2013 and 10% ahead of the Plan, in which the Corporate Income Tax rate decreased to 22% from 25% in 2013.

Basic earning per share (EPS) reached VND 2,956, going up by 32% compared to VND 2,241 of 2013 and the highest level among listed securities companies in Vietnam.

Return On Average Equity (ROAE) was 16.3%, the second highest level among securities companies, demonstrating HSC's efficient use of capital.

HCM shares generated a total shareholders' return (TSR) of 32%, taking into account cash dividends received and price appreciation during the year, which brought benefits to investors significantly in excess of both the average interest rate and VNIndex growth of 5.8% and 8.0% respectively.

II. DIVISIONAL PERFORMANCE ANALYSIS

1. Private Client Division

Private Client Division (VND million)	FY2014	FY2013	% change	Plan 2014	% completion
Revenue	463,652	263,293	76%	387,951	120%
Brokerage fee	210,582	108,252	95%	197,301	107%
Margin income	247,269	151,076	64%	189,150	131%
Other revenue	5,801	3,965	46%	1,500	387%
Operating expenses	190,984	133,531	43%	183,611	104%
Direct expenses	151,987	94,707	60%	147,077	103%
Indirect expenses	38,997	38,824	0%	36,534	107%
Profit before tax	272,668	129,762	110%	204,340	133%
% total HSC revenues	56%	41%		52%	
% total HSC profit before tax	57%	35%		47%	

1.1 Revenue

Revenue from Private Client Division in 2014 reached nearly VND 464 billion, increased by 76% compared to 2013 and 20% ahead of the Plan. Revenue in 2014 mainly came from brokerage fees and margin income.

a. Brokerage fee

Revenue from brokerage fee in 2014 reached VND 210 billion, increased by 95% compared to 2013 and 7% ahead of the Plan, thanks to the following factors:

- Total trading value for the Division increased 112% in line with the growth in trading value of the whole market; and
- Average brokerage fee rates decreased by two bps in accordance with HSC's pricing policy whereby the greater the value of transactions in a day, the lower the brokerage fee rate (subject to a minimum rate of 0.15%).

b. Margin income

Margin income reached VND 247 billion and increased by 64% compared to 2013 on a combination of the following factors:

- Average margin balance increased by 84% to VND 1,645 billion (2013: VND 894 billion), due to an increase in demand for margin trading in what was a very active trading year; and
- Average margin rate reduced from 16.9% in 2013 to 15.0% in 2014, due to a decrease in the market deposit rate and increasing competition in terms of margin interest rates.

Margin income in 2014 from Private Client Division exceeded 31% of the Plan because average margin balance and average margin interest rate in fact were higher than planned.

c. Other revenue

Other revenue includes gains from the sale of repo securities, fees from securities transfer services and shareholder management services fees.

1.2 Operating expenses

Operating expenses of Private Client Division in 2014 increased by 43% primarily due to an increase in direct expenses while indirect expenses allocated from the supporting departments did not fluctuate significantly from 2013.

Direct expenses (accounted for 80% of operating expenses) increased by 60% compared to 2013 and led to an increase of 43% in operating expenses, affected by factors:

Direct expenses - Private Client Division (VND million)	FY2014	FY2013	% change
Brokerage expenses & commissions	92,389	42,548	117%
Other direct expenses	59,598	52,159	14%
Total	151,987	94,707	60%

Brokerage fees paid to Stock Exchanges and commissions paid to brokers increased in line with the increase in trading value brokered by the division

Other direct expenses primarily related to the division's fixed costs, which include office rental, IT systems and brokers' basic salaries. The 14% increase in these expenses was due to greater investment in staff and technology, to support the expansion of the Company.

2. Institutional Client Division

Institutional Client Division (VND million)	FY2014	FY2013	% change	Plan 2014	% completion
Revenue	103,976	121,847	-15%	129,795	80%
Brokerage fee	88,574	90,509	-2%	112,945	78%
Margin income	1,517	4,745	-68%	5,850	26%
Income from using capital	9,774	23,638	-59%	10,000	98%
Other revenue	4,112	2,955	39%	1,000	411%
Operating expenses	67,418	65,144	3%	72,750	93%
Direct expenses	58,506	55,886	5%	65,054	90%
Indirect expenses	8,913	9,258	-4%	7,696	116%
Profit before tax	36,558	56,703	-36%	57,045	64%
% Total HSC revenues	13%	19%		17%	
% Total HSC profit before tax	8%	15%		13%	



2.1 Revenue

Revenue of Institutional Client Division reached VND 104 billion, a decrease of 15% compared to 2013 and representing 80% of the Plan.

a. Brokerage fee

Revenue from brokerage fee reached VND 88 billion, fell by 2% compared to 2013 and completed 78% of the Plan. Revenue from brokerage fee fell primarily due to fees from customers introduced to HSC by offshore brokers had dropped and the absence of fee from OTC transactions and placements for institutional clients as in 2013 (nearly VND 2 billion). This revenue arose from the following streams:

- Regular institutional clients (domestic and foreign), which generated VND 66 billion, an increase of 50% year-on-year, mostly due to a 52% increase in trading value of this group as the average brokerage fee rate remained at a similar level to 2013;
- Customers introduced to HSC by offshore brokers, which generated VND 14 billion, a decrease of 64%, due to the absence of OTC transactions and placements for institutional clients, which both inflated 2013 figures. This group accounted for only 7% of the division's total trading value (2013: 14%). Commissions paid to offshore brokers were recorded in direct expenses in 2014;
- Bond brokerage activities, which were more active on both primary and secondary markets, contributing VND 8 billion in 2014, a 60% increase on 2013.

b. Margin income

Revenue from margin lending fell 68% to VND 1.5 billion, representing only 26% of the Plan, due to a sharp decline in demand from domestic institutional clients combined with a reduction in average margin rate as mentioned above.

c. Income from using capital

Revenue from using capital reached nearly VND 9.7 billion, decreased 59% compared to 2013 and completed 98% of the Plan.

Revenue from using capital mainly arose from gains made in accumulating and selling securities to institutional investors with an average investment of VND 17 billion and an average return rate of 39% pa (in 2013: average investment was of VND 25 billion and an average return rate of 89% pa).

d. Other revenue

Other revenue mainly derived from the supply of data analysis services to institutional clients.

2.2 Operating expenses

Operating expenses of Institutional Client Division increased by 3% compared to 2013 primarily due to an increase in direct expenses while indirect expenses allocated from the supporting departments did not fluctuate significantly between the 2 compared years.

Direct expenses (accounting for 85% of operating expenses) increased by 5% compared to 2013 led to operating expenses increased by 4% between the two compared periods, as detailed below:

Direct expenses - Institutional Client Division (VND million)	%	FY2014	FY2013	% change
Brokerage expense	28%	16,432	11,265	46%
Commissions	15%	8,771	14,447	-39%
Other direct expenses	52%	30,194	28,655	5%

Losses on securities trading	5%	3,109	1,518	105%
Total	100%	58,506	55,886	5%

Brokerage fee paid to Stock Exchanges increased in line with the increase of trading value of the Division in HSC.

Commissions paid to offshore brokers decreased due to the reduction in the trading value of transactions through these brokerage organization as described above.

Other direct expenses mostly consisted of fixed costs such as salaries and IT costs. These costs increased in 2014, as we continued to invest in brokers and analysts as well as IT systems, in order to improve service quality and continually meet the high standards demanded by institutional clients.

3. Corporate Finance Division

Corporate Finance Division (VND million)	FY2014	FY2013	% change	Plan 2014	% completion
Revenue	10,901	22,556	-52%	33,000	33%
Advisory fees	10,901	16,971	-36%	18,000	60%
Income from using capital	-	5,585	-99%	15,000	0%
Operating expenses	13,541	15,705	-14%	15,383	88%
Direct expenses	8,585	10,790	-20%	10,861	79%
Indirect expenses	4,956	4,914	1%	4,522	110%
Profit before tax	(2,640)	6,852	-139%	17,617	-15%
% Total HSC revenues	1%	4%		4%	
% Total HSC profit before tax	-1%	2%		4%	

3.1 Revenue

Revenue of Corporate Finance Division in 2014 reached VND 11 billion, a decrease of 52% compared to 2013 and only completed 33% of the Plan.

a. Advisory fees

This revenue mostly derived from stock issuance consultancy fees in relation to Nam Long Investment Corporation, M&A advisory fees for An Long Foods Joint Stock Company and revenue from the accumulation of securities on behalf of clients.

Revenue from advisory services only completed 61% of the Plan, as projects failed to progress as expected.

b. Income from using capital

There was no income from using capital in 2014 due to most of the projects did not meet the disbursement conditions as expected in the Plan.

3.2 Operating expenses

Operating expenses of the division in 2014 decreased by 14%, as a 20% reduction in direct expenses outweighed a light increase in indirect expenses.

Direct expenses reduced largely due to the fall in commission paid to third parties upon referrals, which were much higher in 2013. In addition, salaries expenses also decreased due to a reduction in senior headcount during the year while the replacement not happened on time set out in the Plan.

4. Equity Investment Function

Equity Investment Function (VND million)	FY2014	FY2013	% change	Plan 2014	% completion
Revenue	135,586	84,944	60%	132,475	102%
Listed stocks and fund certificates	134,967	83,251	62%	130,000	104%
OTC stocks	619	1,693	-63%	2,475	25%
Operating expenses	48,348	3,539	1266%	3,817	1267%
Direct expenses	46,955	2,309	1933%	2,601	1805%
Indirect expenses	1,393	1,229	13%	1,216	115%
Profit before tax	87,238	81,405	7%	128,658	68%
% Total HSC revenues	16%	13%		18%	
% Total HSC profit before tax	18%	22%		29%	

4.1 Revenue

Revenue of Equity Investment Function reached VND 135 billion, increased by 60% compared to 2013 and exceeded 2% compared to the Plan. This revenue comes from two portfolios:

a. *Listed securities and fund certificates*

Revenue from this portfolio reached VND 135 billion with an average investment capital of VND 105 billion and average return rate of 115% pa. In which:

- Fund certificate investments which contributed VND 86 billion for revenue, with an average investment value of VND 39 billion and a net return rate of 224% pa;
- Listed securities and exchange-traded fund (ETF) investments, which generated VND 49 billion and investment capital in 2014 averaged VND 66 billion, with a return rate of 51% pa demonstrating the investment effectiveness of the function while the growth rate of the VN Index in 2014 was 8%.

b. *Over-the-counter (OTC) stocks*

This is the portfolio of stocks brought forward from the previous years and revenue primarily from dividends and totaled VND 0.6 billion. The average investment capital for OTC in 2014 was VND 80 billion and the value after provision at the end of 2014 of VND 53 billion.

The average investment capital in 2014 totaled VND 185 billion, generating an average return rate of 49% pa (2013: VND 375 billion average investment capital, 22% pa for the return rate).

4.2 Operating expense

Total operating expenses of the Equity Investment Function in 2014 sharply increased, driven by rising direct expenses (accounting for 97% of total operating expenses) compared to 2013.

The direct expenses mainly include securities investment costs (losses due to selling price are lower than the purchased cost) and provision for OTC stock impairment. In which, the securities investment cost increased due to the uptake in equity investment activities in 2014 and provisions for OTC stock impairment recognised in 2014 as mentioned above.

5. Fixed Income Function

Fixed Income Function (VND million)	FY2014	FY2013	% change	Plan 2014	% completion
Revenue	117,020	142,120	-18%	61,540	190%
Bank interest income	67,241	90,727	-26%	36,340	185%
Bond investment	48,251	44,293	9%	25,200	191%
Bond repo	796	6,159	-87%	-	N/A
Other revenue	732	940	-22%	-	N/A
Operating expenses	11,068	29,730	-63%	12,714	87%
Direct expenses	9,758	28,501	-66%	11,499	85%
Indirect expenses	1,310	1,229	7%	1,216	108%
Profit before tax	105,952	112,390	-6%	48,826	217%
% Total HSC revenue	14%	22%		8%	
% Total HSC profit before tax	22%	30%		11%	

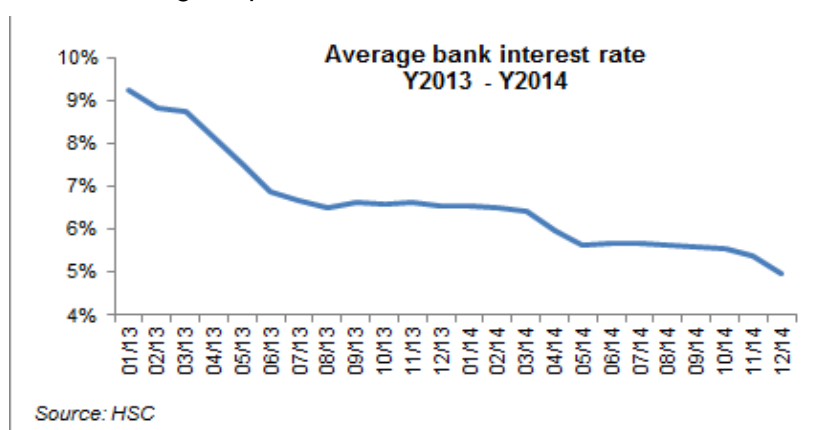
5.1 Revenue

Revenue from Fixed Income Function in 2014 reached VND 117 billion, decreased 18% compared to 2013 and 90% ahead of the Plan. In which:

a. Bank interest income

Bank interest income reached VND 67 billion, decreased 26% in 2014 as average deposit rates fell from 7.5% to 5.8% pa and the average deposit balance also reduced from VND 1,280 billion to VND 1,250 billion.

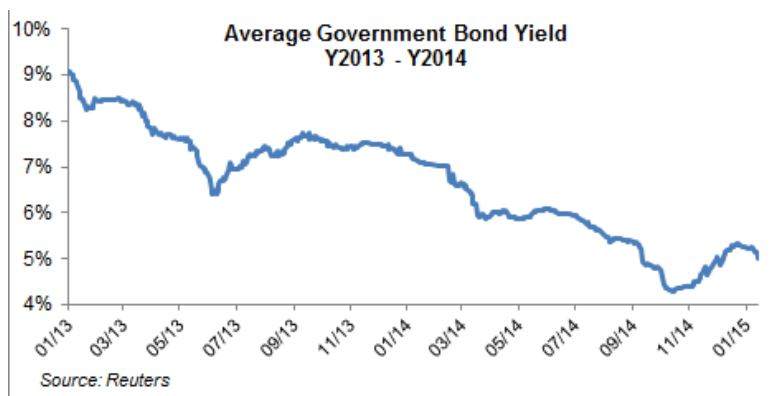
However, bank interest income was 85% higher than the Plan which forecast greater reductions in both average deposit balance and interest rates.



b. Bond investment

Revenue from bond investment in 2014 reached VND 48 billion which increased 9% compared to 2013 mainly due to timely realisation of gains on bonds in Q1 and Q3/2014 although the average government bond yields fell to 5.2% pa (2013: 7.3% pa) and the average bond investment in 2014 was VND 168 billion (2013: VND 405 billion). Therefore, the returned rate from bond investment in 2014 reached to 28.7% pa, higher than the rate of 10.9% pa in 2013.

Revenue from bond investments in 2014 exceeded by 91% of the Plan due to timely investments and divestments although the average bond investment only amounting to 60% of the Plan (VND 280 billion).



c. Bond repo

Revenue from bond repo in 2014 only reached VND 0.8 billion which decreased 90% compared to 2013 as the Fixed Income Function pursued a policy of disengagement in bond repo activities during the period. The average capital for bond repo in 2014 was VND 4 billion with average repo rate of 14.6% pa compared to 2013 of VND 48 billion and 11.8% pa respectively.

d. Other revenue

Other revenue includes fees from brokerage and tenders for bonds in 2014. The total value of successful tenders for clients reached VND 9,251 billion.

5.2 Operating expense

Operating expenses of the Fixed Income Function in 2014 fell 63%, driven by a reduction in direct expenses of 66%, while the indirect expense did not fluctuate significantly compared to 2013.

The direct expense of Fixed Income Function decreased in 2014 mainly due to there was not much bond repo cost incurred as in 2013 (incurred when HSC uses its bond as collateral in investment activities with higher profitability and cost of borrowing is recognized as bond repo cost).

III. OPERATING EXPENSES 2014

The operating expense of each division has been covered in detail above, however, further analysis of the fluctuations in main expense items in total operating expenses of HSC is presented as follows:

Operating expenses (VND million)	%	FY2014	FY2013	% change
Salary and related expenses	26%	92,137	81,302	13%
Commission to brokers	18%	63,556	37,169	71%
Brokerage expenses	15%	50,745	26,970	88%
Outside services	11%	39,583	37,568	5%
IT related costs	5%	16,877	14,975	13%
Securities investment expenses	5%	16,385	10,300	59%
Office rental & renovation	4%	15,487	16,215	-4%
Depreciation	1%	4,255	7,824	-46%
Others expenses	6%	20,399	33,336	-39%
Total operating expenses before provision		319,424	265,658	20%
Provision/(Reversal) for impairment of securities	11%	36,865	(5,620)	-756%
Provision/(Reversal) for doubtful debts	-2%	(6,597)	11	-58911%
Total operating expenses	100%	349,692	260,049	34%
% operating expenses/total revenue		42%	41%	
% operating expenses before provision/total revenue		38%	42%	

Total operating expenses in 2014 reached nearly VND 350 billion and increased 34% compared to 2013. Total revenue in 2014 has increased at a slightly lower rate than total operating expenses, leading to a marginal increase in the Cost-Income Ratio ("CIR") to 42% (2013: 41%). If considering the total operating expense before provisions, the operating expense in 2014 reached

VND 319 billion which increased 20% compared to 2013 and the operating expenses before provision/total revenue ratio was 38%, better than that ratio in 2013 of 42%.

1. Salary and related expenses

Salaries and related expenses accounted for 26% of total operating expenses in 2014 and increased 13% compared to 2013 due to:

- The adjustment of salary in 2014 and an increase in social insurance contributions in accordance with law from early of 2014 which led to expense for salary and personnel increased by 12%;
- The increase in staff numbers from the middle of 2014 in the Risk Management Division, Research Division, IT Division which led to an increase of 1% in salary expense in 2014.

2. Commission to brokers and brokerage fee to Stock Exchanges

Expense for brokerage commission and stock brokerage accounted for 18% and 15% respectively of total operating expenses in 2014. These expenses increased in line with the growth of the trading value of HSC in 2014.

3. Outside services

Expense for outside services accounted for 11% total operating expenses which increased 5% compared to 2013 mainly due to costs incurred consulting services to Business Process Improvement (BPI) of PwC. Besides, expense for outside services includes other expenses such as independent audit, internal audit, counting money from banks in the transaction, car rental, parking, security guards service, office cleaning, printing ...; these expenses did not fluctuate significantly compared to 2013.

4. Expense for information technology

These expenses increased by 13% compared to 2013 mainly due to a number of investments in new and upgraded information technology system in 2014 as the cost of upgrading and expanding the transmission network, cost for ISMS project, maintenance cost of AFE trading system (system of G3 Sec Trading & Settlement) and maintenance cost of data center system.

5. Securities investment expense

This is a loss (selling price is lower than purchased cost) incurred in accordance with the actual operation of the equity investment in 2014 and recognized in accordance with Circular 95/2008 / TT-BTC issued by the Ministry of Finance dated 24/10/2008 on guidance on the accounting for investments in securities.

6. Office rental expenses

Expense for office rental decreased 4% compared to 2013 by reducing the rental charges in one office in Ho Chi Minh City from middle of 2013. In addition, the current leases are long-term contracts which have been agreed upon so the rental charges were unchanged compared to 2013.

7. Depreciation expenses

Expense for depreciation of fixed assets in 2014 decreased 46% compared with 2013 mainly due to a number of information technology assets that were fully depreciated in 2013 as data center, server system of Le Thanh Ton office (HN), switchboard systems and machinery systems of transaction...

Besides, some new projects was not implemented in accordance with the Plan yet so that new depreciation expenses were not recognised, namely Data Loss Prevention Software (DLP); Business Continuity Planning; Platform for IT Service Management (ITSM); Customers Relationship Management (CRM); Platform for Risk Management...

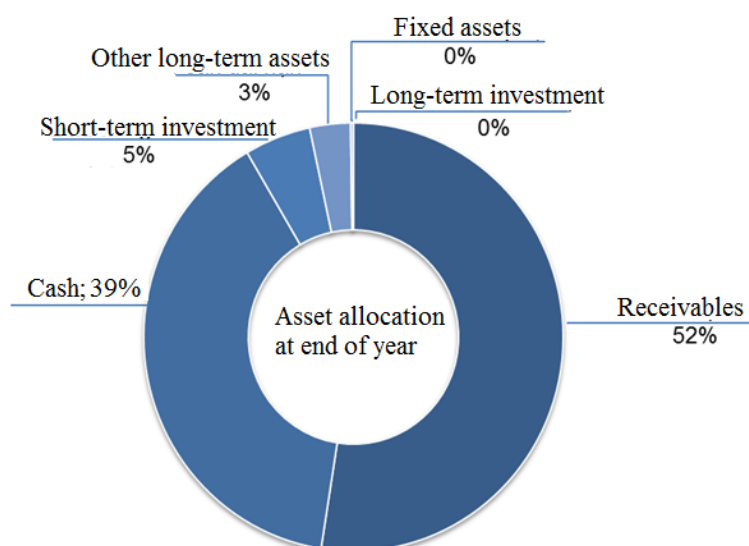
8. Provision for impairment of securities

This was a provision for impairment of OTC portfolio made in 2014 and mentioned in the operating expense of Equity Investment Division.

9. Other expenses

The remaining expenses of 2014 are not mentioned due to the small or insignificant fluctuations compared to 2013 and in accordance with the actually incurred in the Company.

IV. STRUCTURE OF ASSETS



Total assets HSC as at 31 December 2014 are distributed mainly in the form of receivables (52%), cash (39%), with the remaining made up of short-term investment and other long-term assets.

Account receivables mainly related to margin lending and cash advances to investors for securities trading.

The amounting from short-term investment and long-term assets investment were transferred to finance to margin portfolio in 2014.

Value of short-term investment at the end of the 2014 had fallen due to the Company had realized gains as expected strong growth of market in Q1 and Q3 of 2014.

Other long-term assets mainly related to the prepaid rent office for 36 years at AB Tower.

Peer comparison

Financial indicators	FY2014									
	Revenues (VND mil)	Net profit after tax (VND mil)	Price (VND)	EPS (VND)	P/E	P/B	BVPS (VND)	ROAA	ROAE	Financial safety ratio (**)
SSI	1,600,623	744,242	27,500	2,104	13.1	1.8	15,383	9.4%	14.3%	382%
ACBS	367,188	248,832	n/a	1,659	n/a	n/a	11,273	10.0%	13.9%	465%
VND	435,290	157,347	12,600	1,623	7.8	0.7	18,937	6.4%	10.4%	337%
KLS	230,543	144,788	10,500	794	13.2	0.8	13,567	5.6%	5.8%	861%
VCSC	614,320	143,972	n/a	2,879	n/a	n/a	14,591	6.0%	22.4%	238%
FPTS	255,268	135,571	n/a	1,849	n/a	n/a	17,166	6.8%	11.2%	1063%
BVS	305,071	131,130	13,600	1,816	7.5	0.7	18,564	7.1%	10.3%	604%
SHS	399,777	122,094	10,600	1,223	8.7	1.2	9,092	4.8%	14.4%	207%
VCBS	352,817	95,699	n/a	1,367	n/a	n/a	14,556	4.7%	9.8%	378%
Total	4,560,897	1,923,675								
Average	506,766	213,742	14,960	1,702			14,792	6.8%	12.5%	504%
HCM	831,135	376,152	31,200	2,956	10.6	1.7	18,535	10.8%	16.3%	850%

(*): Financial data of Securities firms are unaudited numbers.

(**): The financial safety ratios are as at 30/06/2014

Comparison with peers, HSC is the leading securities company in Vietnam in terms of EPS, ROAA and market price.

Profit after tax and return on average equity (ROAE) also peaked, ranked No. 2 in the leading group of companies.

The proportion of financial security of HSC on 31/12/2014 reaches 798% and four times higher than SSC's minimum requirement.

V. SUPPORT BUSINESS OPERATIONS

1. Information Technology

HSC is the leading company in providing financial services and investments advisory in Vietnam market trusted by customers and voted as the “Best Securities Company in Vietnam”. HSC is constantly researching, developing and offering the best products and services with many added value for customers when they open accounts for securities trading at HSC.

In 2014, the Division of Information Technology (IT) of HSC has completed a number of projects in various stages to develop more functions for both Sale and Support divisions; and identified requirements and applied confidential and practical standards to ensure the suitability and safety of the applied IT platform throughout the whole Company.

Functions for Sale division:

- Completed the upgrade and officially launched a new website with responsive web design and changed its structure to approach international standards and integrated modern and user-friendly features. The new website marks the development of HSC in its customer/partners support a comprehensive, professional way;
- Launched HSC Trade Pro in January 2015 - an online and mobile transaction application. Currently, customers of HSC can access the information of the financial markets from their iPads. The IT department is developing technological capabilities of HSC to expand this feature to run on iOS and Android devices and expected to complete in Q3 2015;
- Developed an automatic Customer Relationship Management system. This system will bring a number of important advantages such as improving customer service by assisting customers and brokers in their portfolio management activities; enhancing the ability to access data in the whole Company; and enhancing the marketing ability. Stage I of this project focused on the Private Client Division and is expected to complete in Quarter 2, 2015.

Strengthen IT capacity:

- Implemented improvement activities, improve the stability of operation of IT services based on the application of global standards ISMS (ISO 27001) for information security system;
- Apply the standard practice of IT infrastructure library (ITIL), a set of recommendations for the management of IT services recognized globally, in order to align IT services with the strategic goals of the Company;
- With the completion of the BPI project in the Company, the IT Division has started the design phase for the arrangement of internal processes in a computerized program. This helps to automate the operation of internal control to minimize risks of non-compliance and human error.

These projects along with the continuous improvement in the application infrastructure have helped HSC build an IT cornerstone of international stature, helped customers execute their trade in a secure, safe and speedy manner.

2. Risk management

Since it was founded in 2013 under the ERM project, the Risk Management Division has developed a strategy to strengthen the Company from the operation of internal control to compliance and legislation.

In 2014, the Risk Management Division has introduced successfully the culture of risk awareness within the Company including the successful implementation of risk management tools in addition to important programs and policies as follows:

- Handbook of Enterprise Risk Management: formalized Risk Profile of the Company and set policy and Risk Management Model. The Handbook of Risk Management includes the process of identifying risks; list of risks; risk matrix & risk rating chart.
- Internal Control Policy;
- Anti-Money Laundering Policy;
- Best Trading Policy;
- HR & Accounting Policies.

Thanks to the programs and policies above, the culture of risk management of the Company has been reshaped. The functional units are combined use of risk factor control in their daily operations. The Risk Management Division will continue to support the business departments to maximize the potential to achieve the business targets, and improve the confidence of investors and shareholders of the Company.

3. Human Resource activities

In HSC, the proportion of qualified personnel with University degree or higher is accounted for more than 90%. HSC always has progressive spirit, professional development and improving ourselves from leadership to staff, constantly adding knowledge necessary to work and achieve the prestigious certification. In 2014, HSC is pleased to continue to be honored as the "Best Brokerage firm in Vietnam" for the third consecutive year with Triple A Country Award 2014 by The Asset Magazine.

In 2014, HSC maintains the team with 382 permanent employees and collaborators associated with the Company. The ratio of the quitting job of workers with 3 years of experience or higher only accounted for 8% which showed that the working environment of the HSC as a condition for screening, maintenance and development of qualified staff as well as commitment to contribute to the common interests of the entire Company.

HSC has been a pioneer in applying the ESOP program in 2007, as one of the important programs to attract and retain talents based on job performance and capabilities of staff development in the future. The ESOP has been adopted for the fourth time in HSC and is one of the expressions of the role, position and contribution of employees in the Company. Besides, the ESOP is also a tool to help HSC retain talents and develop staff associated with the Company.

HSC is constantly seeking professional services to offer employees and relatives of the best gadgets in health care and wellness. In addition to health insurance policies prescribed by Labor Law, since 2007, HSC has actively selecting and applying premium policies on health insurance for employees and their dependents with reputable insurers and providing staff an annual health check program.

In 2014, HSC organized many activities to strengthen the solidarity and cooperation between departments such as Team Building, Team Briefing; build sport and art clubs weekly activities to enable our staff to each workout, strengthen solidarity and opportunity to express ability, bravery and actively participate in activities and sports exchanges in scope expanded with partners.

HSC has and will continue to build special values for the core business and its brand. We have built a solid foundation on which the Company will continue to develop sustainably.

On this occasion, we would like to thank all shareholders, customers, colleagues and partners for giving us the support and confidence by which HSC will move steadily into the next stage of development in the future.

Above is the report of business performance in 2014 of Ho Chi Minh City Securities Corporation in 2015 submitted to the General Meeting of Shareholders to consider and approve.

CHIEF EXECUTIVE OFFICER

JOHAN NYVENE