

VNDIRECT Securities Joint Stock Company

Consolidated Financial Statements for the
year ended 31 December 2017

VNDIRECT Securities Joint Stock Company Corporate Information

Securities Operating Licence No.

22/UBCK-GPHDKD	16 November 2006
101/UBCK-GP	31 December 2007
11/GPDC-UBCK	6 February 2015
14/GPDC-UBCK	1 June 2016
57/GPDC-UBCK	15 December 2017

The initial Securities Operating Licence and its updates were issued by the State Securities Commission of Vietnam.

Business Registration Certificate No.

0103014521	7 November 2006
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The Business Registration Certificate was issued by Hanoi Department of Planning and Investment.

Board of Directors

Ms. Pham Minh Huong	Chairwoman
Mr. Vu Hien	Member
Mr. Nguyen Hoang Giang	Member
Mr. Pham Le Nhat Quang	Member
Mr. Christopher Bertram Brinkeborn Beselin	Member (from 29/5/2017)
Ms. Nguyen Ngoc Thanh	Member (until 29/5/2017)

Board of Management

Mr. Nguyen Hoang Giang	Chief Executive Officer
Mr. Tran Vu Thach	Managing Director
Mr. Hoang Minh Chau	IT Director
Ms. Vu Nam Huong	Finance Director
Ms. Nguyen Ha Ninh	Chief Accountant

Registered Office

No. 1 Nguyen Thuong Hien
Hai Ba Trung District, Hanoi
Vietnam

Auditor

KPMG Limited
Vietnam

VNDIRECT Securities Joint Stock Company Statement of the Board of Management

The Board of Management of VNDIRECT Securities Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as “VNDIRECT”) for the year ended 31 December 2017.

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies (“Circular 210”) and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting. In preparing the consolidated financial statements, the Company’s Board of Management is required to:

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

In the opinion of the Board of Management:

- (a) the consolidated financial statements set out on pages 5 to 68 give a true and fair view of the consolidated financial position of VNDIRECT as at 31 December 2017, and of its consolidated results of operations and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that VNDIRECT will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying consolidated financial statements for issue.

On behalf of the Board of Management

Nguyen Hoang Giang
Chief Executive Officer

Hanoi, 30 March 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders VNDIRECT Securities Joint Stock Company

We have audited the accompanying consolidated financial statements of VNDIRECT Securities Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "VNDIRECT"), which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of income, cash flows and changes in equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 30 March 2018, as set out on pages 5 to 68.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies ("Circular 210") and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of VNDIRECT Securities Joint Stock Company and its subsidiaries as at 31 December 2017 and of its consolidated results of operations and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Audit Report No.: 17-02-157/3

Tran Dinh Vinh
Practicing Auditor Registration
Certificate No.: 0339-2018-007-1
Deputy General Director

Truong Vinh Phuc
Practicing Auditor Registration
Certificate No.: 1901-2018-007-1

Hanoi, 30 March 2018

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
31 December 2017

Form B01 - CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	31/12/2017 VND	31/12/2016 VND (Reclassified)	
ASSETS					
A	CURRENT ASSETS (100 = 110 + 130)	100	7,175,866,857,101	4,972,018,587,213	
I	Financial assets	110	7,163,117,754,376	4,833,949,115,349	
1	Cash and cash equivalents	111	8	342,470,238,293	256,958,791,274
1.1	<i>Cash</i>	111.1		241,470,238,293	173,958,791,274
1.2	<i>Cash equivalents</i>	111.2		101,000,000,000	83,000,000,000
2	Financial assets at fair value through profit or loss (“FVTPL”)	112	10(a)	734,946,831,356	629,374,662,053
3	Held-to-maturity investments (“HTM”)	113	10(b)	2,258,215,032,772	1,630,500,000,000
4	Loans receivable	114	10(c)	3,130,859,448,293	1,911,798,465,127
5	Available-for-sale financial assets (“AFS”)	115	10(d)	748,022,000,000	530,968,216,861
6	Allowance for diminution in value of financial assets	116	12	(194,922,005,231)	(189,295,534,267)
7	Receivables	117		74,449,101,616	56,214,395,144
7.1	<i>Receivables from sales of financial assets</i>	117.1		21,516,495,100	18,109,483,700
7.2	<i>Dividends and interest receivables from financial assets</i>	117.2	13	52,932,606,516	38,104,911,444
7.2.2	<i>Dividends and interest receivables not yet due</i>	117.4		52,932,606,516	38,104,911,444
8	Prepayments to suppliers	118		60,779,142,897	-
9	Receivables from services rendered	119		-	7,317,124,296
12	Other receivables	122		12,961,178,809	4,185,297,290
13	Allowance for doubtful debts	129	14	(4,663,214,429)	(4,072,302,429)
II	Other current assets	130		12,749,102,725	138,069,471,864
1	Advances	131		2,799,726,146	2,775,646,115
3	Short-term prepaid expenses	133	15(a)	7,756,485,234	5,835,778,600
4	Short-term deposits and collaterals	134		1,692,896,845	39,898,752,670
7	Other current assets	137		499,994,500	89,559,294,479

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
31 December 2017 (continued)

Form B01 - CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	31/12/2017 VND	31/12/2016 VND (Reclassified)
B LONG-TERM ASSETS (200 = 210 + 220 + 240 + 250)	200		875,518,375,162	202,074,255,646
I Long-term financial assets	210		711,986,325,646	80,000,000,000
2 Investments	212		711,986,325,646	80,000,000,000
2.1 Held-to-maturity investments	212.1	10(b)	300,000,000,000	80,000,000,000
2.3 Investments in associates	212.3	16	411,986,325,646	-
II Fixed assets	220		59,106,424,602	64,172,261,590
1 Tangible fixed assets	221	17	34,002,092,098	40,858,984,054
Cost	222		94,208,450,947	94,046,764,254
Accumulated depreciation	223a		(60,206,358,849)	(53,187,780,200)
3 Intangible fixed assets	227	18	25,104,332,504	23,313,277,536
Cost	228		78,230,908,391	66,725,200,461
Accumulated amortisation	229a		(53,126,575,887)	(43,411,922,925)
IV Construction in progress	240	19	500,000,000	2,500,000,000
V Other long-term assets	250		103,925,624,914	55,401,994,056
1 Long-term deposits and collaterals	251		76,697,125	-
2 Long-term prepaid expenses	252	15(b)	4,614,344,843	7,144,232,309
4 Deposits at Payment Support Fund	254	20	20,000,000,000	18,257,761,747
5 Other long-term assets	255	21	65,019,271,222	30,000,000,000
6 Goodwill	256	22	14,215,311,724	-
TOTAL ASSETS (270 = 100 + 200)	270		8,051,385,232,263	5,174,092,842,859
C LIABILITIES (300 = 310 + 340)	300		5,544,573,884,520	3,225,829,341,616
I Current liabilities	310		5,217,818,566,753	3,225,829,341,616
1 Short-term borrowings and finance lease liabilities	311		4,351,896,422,610	2,613,806,976,714
1.1 Short-term borrowings	312	23	4,351,896,422,610	2,613,806,976,714
4 Short-term bonds issued	316	24	-	94,300,000,000
6 Accounts payable for securities trading activities	318	25	763,730,233,228	472,546,426,921
8 Accounts payable to suppliers	320		2,554,536,055	588,024,693
9 Advances from customers	321		1,713,205,704	844,691,201
10 Taxes payable to State Treasury	322	26	43,413,068,362	19,061,077,930
11 Payables to employees	323		28,913,624,165	12,835,449,309
12 Employees' benefits payable	324		1,659,830,206	689,690,314
13 Accrued expenses	325	27	15,530,988,149	8,440,117,883
17 Other short-term payables	329		2,100,216,713	964,505,522
19 Bonus and welfare funds	331	28	6,306,441,561	1,752,381,129

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
31 December 2017 (continued)

Form B01 - CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	31/12/2017 VND	31/12/2016 VND (Reclassified)
II Long-term liabilities	340		326,755,317,767	-
4 Long-term bonds issued	346	24	320,000,000,000	-
14 Deferred tax liabilities	356	29	6,755,317,767	-
D EQUITY (400 = 410)	400		2,506,811,347,743	1,948,263,501,243
I Owners' equity	410		2,506,811,347,743	1,948,263,501,243
1 Capital	411		1,621,127,781,027	1,525,134,111,427
1.1 Share capital	411.1	30(a)	1,549,981,650,000	1,549,981,650,000
a Ordinary shares with voting rights	411.1a		1,549,981,650,000	1,549,981,650,000
1.2 Share premium	411.2		120,708,515,572	65,433,524,852
1.5 Treasury shares	411.5		(49,562,384,545)	(90,281,063,425)
4 Reserve to supplement charter capital	414		69,472,492,286	48,820,054,976
5 Financial and operational risk reserve	415		40,170,765,283	19,518,327,973
7 Retained profits	417	30(b)	776,040,309,147	354,791,006,867
7.1 Realised profits	417.1		749,019,038,082	354,791,006,867
7.2 Unrealised profits	417.2		27,021,271,065	-
TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)	440		8,051,385,232,263	5,174,092,842,859

The accompanying notes are an integral part of these consolidated financial statements

OFF-BALANCE SHEET ITEMS

	Code	31/12/2017 VND	31/12/2016 VND (Reclassified)
A ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS			
4	004	26,178,472,147	26,178,472,147
6	006	150,997,774	147,539,485
7	007	4,000,391	7,458,680
8	008	330,135,030,000	292,606,200,000
9	009	32,476,120,000	11,400,000
10	010	704,500,100,000	455,660,500,000
12	012	232,711,280,000	236,223,080,000
		1,801,200,000	-
		442,226,093	-
B ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY THE COMPANY			
1	021	22,814,799,840,000	17,925,136,390,000
<i>a</i>	<i>021.1</i>	<i>21,268,039,160,000</i>	<i>17,109,551,430,000</i>
<i>c</i>	<i>021.3</i>	<i>1,119,436,710,000</i>	<i>616,662,860,000</i>
<i>d</i>	<i>021.4</i>	<i>54,631,610,000</i>	<i>9,879,300,000</i>
<i>e</i>	<i>021.5</i>	<i>372,692,360,000</i>	<i>189,042,800,000</i>
2	022	439,683,520,000	852,004,880,000
<i>a</i>	<i>022.1</i>	<i>395,545,920,000</i>	<i>780,592,100,000</i>
<i>b</i>	<i>022.2</i>	<i>6,351,550,000</i>	<i>33,626,730,000</i>
<i>c</i>	<i>022.3</i>	<i>37,786,050,000</i>	<i>37,786,050,000</i>
3	023	375,990,610,000	177,866,250,000
7	026	2,167,977,438,501	1,192,949,516,223
7.1	027	1,295,267,199,378	828,810,828,201
7.2	028	872,053,173,200	357,027,018,800

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
31 December 2017 (continued)

Form B01 - CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	31/12/2017 VND	31/12/2016 VND (Reclassified)
7.3 Cash deposits for securities transactions clearing and settlement	029	33,435,738	140,583,472
<i>a Cash deposits for securities transactions clearing and settlement of domestic customers</i>	029.1	30,234,653	78,858,245
<i>b Cash deposits for securities transactions clearing and settlement of foreign customers</i>	029.2	3,201,085	61,725,227
7.4 Deposits from securities issuance entities	030	623,630,185	6,971,085,750
8 Payables to customers for cash deposits for securities transactions managed by the Company	031	2,172,648,568,194	1,185,978,430,473
8.1 Payables to domestic customers for cash deposits for securities transactions managed by the Company	031.1	2,132,201,442,287	1,148,612,947,376
8.2 Payables to foreign customers for cash deposits for securities transactions managed by the Company	031.2	40,447,125,907	37,365,483,097
9 Payables to securities issuance entities	032	28,300,000	6,550,385,000
12 Dividends, bond principal and interest payables	035	595,330,185	420,700,750
13 Margin deposits from investors at VSD	036	69,006,751,008	-

30 March 2018

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of income for the year
ended 31 December 2017

Form B02 - CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	2017 VND	2016 VND (Reclassified)
I				
OPERATING INCOME				
1.1				
Gains from financial assets at fair value through profit or loss (“FVTPL”)	01		302,815,162,176	169,394,486,066
<i>A Gains from sales of financial assets at FVTPL</i>	<i>01.1</i>	<i>31(a)</i>	<i>223,244,609,776</i>	<i>131,819,046,915</i>
<i>B Gains from revaluation of financial assets at FVTPL</i>	<i>01.2</i>	<i>31(b)</i>	<i>33,776,588,832</i>	<i>-</i>
<i>C Dividends and interest income from financial assets at FVTPL</i>	<i>01.3</i>	<i>31(c)</i>	<i>45,793,963,568</i>	<i>37,575,439,151</i>
1.2				
Interest income from held-to-maturity investments	02	31(d)	180,440,950,763	128,039,853,746
1.3				
Interest income from loans and receivables	03	31(e)	343,826,028,615	208,501,530,085
1.4				
Gains from available-for-sale financial assets	04	31(f)	29,141,692,539	6,666,399,515
1.6				
Revenue from securities brokerage	06		344,073,430,661	188,635,635,565
1.7				
Revenue from securities underwriting services	07		10,617,046,488	-
1.8				
Revenue from investment advisory services	08		2,123,113,998	20,423,547,733
1.9				
Revenue from securities custody	09		7,814,459,101	6,108,873,358
1.10				
Revenue from financial advisory services	10		17,594,724,284	-
1.11				
Other operating income	11		1,985,262,269	3,621,908,771
Total operating income (20 = 01 + 02 + 03 + 04 + 06 + 07 + 08 + 09 + 10 + 11)	20		1,240,431,870,894	731,392,234,839
II				
OPERATING EXPENSES				
2.1				
Losses from financial assets at FVTPL	21		65,094,516,013	58,099,963,838
<i>a Losses from sales of financial assets at FVTPL</i>	<i>21.1</i>	<i>32(a)</i>	<i>68,627,047,479</i>	<i>103,821,372,946</i>
<i>b Reversal of allowance for impairment of financial assets at FVTPL</i>	<i>21.2</i>	<i>32(b)</i>	<i>(3,603,767,777)</i>	<i>(48,169,905,754)</i>
<i>c Expenses for purchases of financial assets at FVTPL</i>	<i>21.3</i>		<i>71,236,311</i>	<i>2,448,496,646</i>
2.4				
Allowance made for financial assets, write-off of doubtful debts and impairment loss on financial assets	24	33	9,821,150,741	14,529,708,603
2.7				
Expenses for securities brokerage	27		167,382,705,905	112,546,304,711
2.9				
Expenses for investment advisory services	29		279,299,660	2,267,315,000
2.10				
Expenses for securities custody	30		11,310,015,100	8,531,903,602
2.11				
Expenses for financial advisory services	31		2,226,875,400	-
Total operating expenses (40 = 21 + 24 + 27 + 29 + 30 + 31)	40		256,114,562,819	195,975,195,754

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of income for the year
ended 31 December 2017 (continued)

Form B02 - CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance

	Code	Note	2017 VND	2016 VND (Reclassified)
III FINANCIAL INCOME				
3.2 Dividends and interest income from demand deposits at banks	42	34	3,768,871,084	15,154,168,846
Total financial income (50 = 42)	50		3,768,871,084	15,154,168,846
IV FINANCIAL EXPENSES				
4.2 Interest expense	52	35	191,174,998,663	119,137,279,540
5 Share of profit in associates	56		(33,656,516,764)	-
Total financial expenses (60 = 52 + 56)	60		157,518,481,899	119,137,279,540
VI GENERAL AND ADMINISTRATION EXPENSES	62	36	259,745,997,318	204,690,920,372
VII RESULTS FROM OPERATING ACTIVITIES (70 = 20 + 50 - 40 - 60 - 62)	70		570,821,699,942	226,743,008,019
VIII OTHER INCOME AND OTHER EXPENSES				
8.1 Other income	71		674,355,684	3,542,376,976
8.2 Other expenses	72		21,795,628	3,115,747,643
Results from other activities (80 = 71 - 72)	80		652,560,056	426,629,333
IX ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)	90		571,474,259,998	227,169,637,352
9.1 Realised profits before tax	91		537,697,671,166	227,169,637,352
9.2 Unrealised profits before tax	92		33,776,588,832	-

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of income for the year
ended 31 December 2017 (continued)

Form B02 - CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance

		Code	Note	2017 VND	2016 VND (Reclassified)
X	INCOME TAX EXPENSES	100		99,367,710,611	40,882,108,731
10.1	Income tax expense – current	100.1	37	92,612,392,844	40,882,108,731
10.2	Income tax expense – deferred	100.2	37	6,755,317,767	-
XI	NET PROFIT AFTER TAX (200 = 90 - 100)	200		472,106,549,387	186,287,528,621
XII	OTHER COMPREHENSIVE INCOME (300 = 305)	300		-	-
	TOTAL COMPREHENSIVE INCOME (400= 200 + 300)	400		472,106,549,387	186,287,528,621
	Comprehensive income attributable to owners	401		472,106,549,387	186,287,528,621
XIII	EARNINGS PER SHARE	500			
13.1	Basic earnings per share (VND/share)	501	38	2,481	950

30 March 2018

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of cash flows for the year
ended 31 December 2017
(Indirect method)

Form B03b – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	2017 VND	2016 VND (Reclassified)
I	CASH FLOWS FROM OPERATING ACTIVITIES		
1	01	571,474,259,998	227,169,637,352
2	02	216,529,984,627	103,850,486,079
		Depreciation and amortisation of fixed assets	
	03	19,137,603,000	18,353,403,690
	04	6,217,382,964	(33,640,197,151)
	06	191,174,998,663	119,137,279,540
4	18	(33,776,588,832)	-
		Gains from revaluation of financial assets at FVTPL	
	19	(33,776,588,832)	-
5	30	754,227,655,793	331,020,123,431
		(Increase)/decrease in financial assets at FVTPL	
	31	(407,082,267,117)	757,411,412,933
		Increase in held-to-maturity investments (HTM)	
	32	(847,715,032,772)	(1,710,500,000,000)
	33	(1,219,060,983,166)	(166,895,676,959)
	34	(217,053,783,139)	(505,217,416,861)
		Increase in receivables from sales of financial assets	
	35	(3,407,011,400)	(9,320,078,700)
		Increase in dividends and interests receivable from financial assets	
	36	(14,741,743,825)	(7,936,656,345)
		Decrease/(increase) in receivables from services rendered	
	37	7,317,124,296	(6,086,112,168)
	39	(7,393,346,535)	(488,963,626)
	40	(56,734,508,824)	(129,944,871,984)
		Increase in accrued expenses (excluding loan interest expense)	
	41	4,896,907,658	1,454,443,916
	42	865,705,133	1,428,234,970
	43	(79,244,516,114)	(32,499,867,391)
	44	(189,041,036,055)	(115,335,380,724)
	45	1,966,511,362	(1,674,076,569)
	46	970,139,892	689,690,314
		Increase in taxes payable to State Treasury (excluding corporate income tax)	
	47	10,908,493,230	2,229,563,571
	48	15,528,174,856	10,748,018,568
	50	284,447,882,267	(543,792,040,705)
		Net cash flows from operating activities	
	60	(1,960,345,634,460)	(2,124,709,654,329)

The accompanying notes are an integral part of these consolidated financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of cash flows for the year
ended 31 December 2017
(Indirect method - continued)

Form B03b – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	2017 VND	2016 VND (Reclassified)
II CASH FLOWS FROM INVESTING ACTIVITIES			
1			
1	61	(12,071,766,012)	(13,172,576,002)
3	63	(1,854,268,005)	-
	70	(13,926,034,017)	(13,172,576,002)
III CASH FLOWS FROM FINANCING ACTIVITIES			
1			
1	71	129,611,184,000	-
2	72	(33,617,514,400)	(90,276,730,000)
3	73	55,291,361,622,210	32,539,803,994,558
3.1	73.2	55,291,361,622,210	32,539,803,994,558
4	74	(53,327,572,176,314)	(31,532,353,442,983)
4.1	74.3	(53,327,572,176,314)	(31,532,353,442,983)
6	76	-	(74,998,892,450)
	80	2,059,783,115,496	842,174,929,125
IV	90	85,511,447,019	(1,295,707,301,206)
V	101	256,958,791,274	1,552,666,092,480
	102.1	173,958,791,274	199,231,759,147
	102.2	83,000,000,000	1,353,434,333,333
VI	103	342,470,238,293	256,958,791,274
	103.1	241,470,238,293	173,958,791,274
	103.2	101,000,000,000	83,000,000,000

The accompanying notes are an integral part of these consolidated financial statements

**CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT
 ACTIVITIES**

ITEMS	Code	2017 VND	2016 VND
I Cash flows of customers for brokerage and entrustment activities			
1 Proceeds from sales of securities brokered by the Company	01	101,504,435,325,525	61,161,027,208,251
2 Payments for purchases of securities brokered by the Company	02	(101,504,542,473,259)	(61,159,801,317,052)
7 Deposits received to settle securities transactions of customers	07	981,482,525,577	91,847,476,211
14 Receipts from securities issuance entities	14	1,907,230,582,875	1,708,553,933,610
15 Payments to securities issuance entities	15	(1,913,578,038,440)	(1,702,531,289,785)
Net cash flows during the year	20	975,027,922,278	99,096,011,235
II Cash and cash equivalents of customers at the beginning of the period	30	1,192,949,516,223	1,093,853,504,988
Cash at banks at the beginning of the year:			
▪ Deposits of customers for securities transactions managed by the Company	31	1,192,949,516,223	1,093,853,504,988
▪ Deposits for securities transactions for customers	32	828,810,828,201	625,999,593,790
▪ Deposits for clearance and settlement of securities transactions	33	357,027,018,800	466,763,327,000
▪ Deposits from securities issuance entities	34	140,583,472	142,142,273
	35	6,971,085,750	948,441,925

VNDIRECT Securities Joint Stock Company
Consolidated statement of cash flows for the year
ended 31 December 2017
(Indirect method - continued)

Form B03b – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

ITEMS	Code	2017 VND	2016 VND
III Cash and cash equivalents of customers at the end of the year (40 = 20 + 30)	40	2,167,977,438,501	1,192,949,516,223
Cash at bank at the end of the year:	41	2,167,977,438,501	1,192,949,516,223
▪ Cash deposits for securities transactions of customers managed by the Company	42	1,295,267,199,378	828,810,828,201
▪ Customers' deposits for securities transactions	43	872,053,173,200	357,027,018,800
▪ Cash deposits for securities transactions clearing and settlement of customers	44	33,435,738	140,583,472
▪ Deposits from securities issuance entities	45	623,630,185	6,971,085,750

30 March 2018

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

VNDIRECT Securities Joint Stock Company
Consolidated statement of changes in equity for the year ended 31 December 2017

Form B04 – CTCK
(Issued under Circular No.334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Opening balance		Increase/(decrease) during the year				Closing balance	
	1/1/2016 VND	1/1/2017 VND	Increase VND	(Decrease) VND	Increase VND	(Decrease) VND	31/12/2016 VND	31/12/2017 VND
I Changes in owners' equity								
1 Capital	1,615,415,174,852	1,615,415,174,852	-	-	55,274,990,720	-	1,615,415,174,852	1,670,690,165,572
1.1 Share capital	1,549,981,650,000	1,549,981,650,000	-	-	-	-	1,549,981,650,000	1,549,981,650,000
1.3 Share premium	65,433,524,852	65,433,524,852	-	-	55,274,990,720	-	65,433,524,852	120,708,515,572
2 Treasury shares	(4,333,425)	(90,281,063,425)	(90,276,730,000)	-	(33,617,514,400)	74,336,193,280	(90,281,063,425)	(49,562,384,545)
3 Reserve to supplement charter capital	39,505,678,545	48,820,054,976	9,314,376,431	-	20,652,437,310	-	48,820,054,976	69,472,492,286
4 Financial and operational risk reserve	10,203,951,542	19,518,327,973	9,314,376,431	-	20,652,437,310	-	19,518,327,973	40,170,765,283
8 Retained profits (Note 30(b))	270,311,091,725	354,791,006,867	186,287,528,621	(101,807,613,479)	472,106,549,387	(50,857,247,107)	354,791,006,867	776,040,309,147
8.1 Realised profits	270,311,091,725	354,791,006,867	186,287,528,621	(101,807,613,479)	445,085,278,322	(50,857,247,107)	354,791,006,867	749,019,038,082
8.2 Unrealised profits	-	-	-	-	27,021,271,065	-	-	27,021,271,065
TOTAL	1,935,431,563,239	1,948,263,501,243	114,639,551,483	(101,807,613,479)	535,068,900,327	23,478,946,173	1,948,263,501,243	2,506,811,347,743

30 March 2018

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. Reporting entity

(a) Establishment

VNDIRECT Securities Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam under the Business Registration Certificate No. 0103014521 dated 7 November 2006. The Company’s Securities Operating Licence No. 101/UBCK-GP dated 31 December 2007 was issued by the State Securities Commission of Vietnam.

The Company’s Head Office is located at No. 1 Nguyen Thuong Hien, Hai Ba Trung District, Hanoi, Vietnam.

The Company’s Charter was issued on 25 September 2006 with the latest amendment on 15 December 2017.

(b) Charter capital

As at 31 December 2017, the Company’s charter capital is VND1,549,981,650,000 (31/12/2016: 1,549,981,650,000 VND).

(c) Principal activities

The principal activities of the Company are to conduct securities brokerage activities, securities trading activities, and to provide securities investment and finance advisory, margin trade, securities custody and securities underwriting services.

(d) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(e) Company structure

As at 31 December 2017, VNDIRECT had 757 employees (31/12/2016: 657 employees).

As at 31 December 2017, VNDIRECT had one (01) subsidiary as follows (31/12/2016: nil):

Name of subsidiary	Establishment and operations	Principal activities	Charter capital	% of ownership and voting rights
I.P.A Securities Investment Fund Management Limited Company	<ul style="list-style-type: none"> ▪ Establishment and Operation License No. 30/UBCK-GP dated 4 March 2008 issued by the State Securities Commission ▪ The most recent amended license No. 02/GPDC-UBCK dated 8 March 2017 	Manage securities investment funds and manage securities investment portfolios	VND50 billion	100%

As at 31 December 2017, had one (01) associate follows (31/12/2016: nil):

Name of subsidiary	Establishment and operations	Principal activities	Charter capital	% of ownership and voting rights
Post and Telecommunication Joint Stock Insurance Corporation (PTI)	<ul style="list-style-type: none"> ▪ Establishment License No. 3633/GP-UB issued by Hanoi People’s Committee on 1 August 1998 ▪ The most recent amended license was issued on 25 December 2017 	<ul style="list-style-type: none"> ▪ Direct insurance business; ▪ Reinsurance business; ▪ Carry out investment activities in accordance with laws; ▪ Damage verification; ▪ Acting as damage verification agent, claim settlement, recovery from third parties; ▪ Other activities in accordance with laws 	VND804 billion	21.9%

The consolidated financial statements of VNDIRECT for the year ended 31 December 2017 comprise the Company, its subsidiaries and its interests in associates.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies (“Circular 210”) and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting. These accounting standards and statutory requirements may differ in some material respects from the International Financial Reporting Standards and the generally accepted accounting principles and standards of other countries. Therefore, the accompanying consolidated financial statements are not intended to present the consolidated financial position, the consolidated results of operations and cash flows of VNDIRECT in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. In addition, the consolidated financial statements and its utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices applicable to securities companies.

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept except the financial assets at FVTPL described in Note 40 and the available-for-sale financial assets described in Note 4. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of VNDIRECT is from 1 January to 31 December.

(d) Accounting and presentation currency

VNDIRECT's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

3. Adoption of new accounting guidance for securities companies

In accordance with Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies, the fair value accounting for relevant financial instruments shall be adopted when the Law on Accounting allows the fair value accounting. Law on Accounting No. 88/2015/QH13 dated 20 November 2015 approved by the National Assembly of Vietnam, which is effective from 1 January 2017, allows the fair value accounting. Accordingly, has adopted the fair value accounting for financial assets at fair value through profit or loss and available-for sale financial assets for the year ended 31 December 2017. See Note 4(d) and Note 4(f).

The adoption of fair value accounting has increased the profit after tax and owners' equity for the year ended 31 December 2017 by VND27,021,271,065.

4. Summary of significant accounting policies

The following significant accounting policies have been adopted by VNDIRECT in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are the entities controlled by VNDIRECT. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities in which VNDIRECT has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include VNDIRECT's share of the income and expenses of the equity accounted associates, after adjustments to align the accounting policies with those of VNDIRECT, from the date that significant influence commences until the date that significant influence ceases. When VNDIRECT's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that VNDIRECT has an obligation or has made payments on behalf of the associate.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions within VNDIRECT, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of VNDIRECT's interest in the associate.

(iv) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to VNDIRECT. Control exists when VNDIRECT has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(b) Financial assets and financial liabilities

(i) Recognition

Financial assets and financial liabilities are recognised in the Statement of financial position when VNDIRECT becomes a party to the contractual provisions of the financial assets and liabilities.

(ii) Classification and measurement

- Financial assets at fair value through profit/loss: Note 4(d);
- Held-to-maturity investments: Note 4(e);
- Available-for-sale financial assets: Note 4(f);
- Loans receivable: Note 4(g);

(iii) Derecognition

VNDIRECT derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which VNDIRECT neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

VNDIRECT derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, VNDIRECT has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Cash and cash equivalents

Cash comprises cash in banks for the Company's activities, deposits in respect of sales of underwritten securities and deposits for clearance and settlement of securities transactions of VNDIRECT. Cash deposits for securities transactions, securities transactions clearing and settlement of the customers are separated from VNDIRECT's accounts.

Cash equivalents are short-term investments with recovery or maturity of not more than three months, which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value from the acquisition date at reporting date.

(d) Financial assets at fair value through profit/loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by the Board of Management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by VNDIRECT as at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognised at cost which are the purchase prices of the financial assets (for unlisted securities) or at order matching prices on the Stock Exchanges (for listed securities).

Prior to 1 January 2017, financial assets at fair value through profit or loss are stated at cost less allowance for diminution in the value of financial assets.

Effective from 1 January 2017, financial assets at fair value through profit or loss are measured at fair value with the gain or loss arising from the changes in fair value being recognised in profit or loss in the statement of income.

For the securities listed on the Stock Exchanges, the fair values are the closing prices at the latest trading date prior to the reporting date.

For the securities already registered for trading (shares registered on UPCOM), fair values are the closing prices at the latest trading date prior to the reporting date.

For the securities which are unlisted and not yet registered for trading on UPCOM, fair value is the average price of transaction prices at the latest trading date prior to the reporting date but within one month from the reporting date provided by three securities companies which are not related to VNDIRECT. In case there were no transaction prices within this period, these securities are stated at cost.

For delisted securities and securities for which trading has been suspended or cancelled from the 6th day onwards, fair value shall be the book value at the latest balance sheet date.

For the investments in equity instruments, including derivatives to be settled by equity instruments are stated at cost if there are no quoted prices and their fair values cannot be determined reliably.

(e) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that VNDIRECT has the positive intention and ability to hold to maturity, other than:

- those that VNDIRECT on initial recognition designates as at fair value in the statement of income;
- those that VNDIRECT designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Held-to-maturity investments are recognised initially at cost which includes purchase prices plus (+) transaction costs which are directly attributable to the purchase of such investments such as brokerage fee, transaction fee, communication fee. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate less allowance for diminution in the value of financial assets (if any).

Financial assets shall be no longer classified as held-to-maturity investments if in the current period or in the most recent two financial years if a significant amount of held-to-maturity financial assets are reclassified or sold, unless the sales and reclassification meets either of the following conditions:

- Close to the maturity date, changes in the market interest rates do not cause material effect to the value of these financial assets;
- Such sales or reclassification is carried out after VNDIRECT has recovered a significant portion of the principal of these financial assets by or before the contractual payment date; or
- Such sales or reclassification is related to a special event beyond VNDIRECT's control and such event is unforeseeable.

(f) Available-for-sale financial assets

Available-for-sale financial assets are debt securities and equity instruments of other entities that are designated as available-for-sale or as remaining financial assets.

Available-for-sale securities are initially recognised at cost of acquisition which includes purchase prices plus (+) transaction costs which are directly attributable to the purchase such as brokerage fee, transaction fee, communication fee.

Prior to 1 January 2017, available-for-sale financial assets are stated at cost less allowance for diminution in the value of financial assets.

Effective from 1 January 2017, available-for-sale financial assets are measured at fair value with the gain or loss arising from the changes in fair value being recognised in equity (other comprehensive income).

The fair values of available-for-sale financial assets are determined using the method as described in Note 4(d).

(g) Loans receivable

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans receivable of VNDIRECT comprise margin loans and advances to customers for the proceeds from selling securities.

Loans receivable are initially stated at cost and subsequently measured at amortised cost using the effective interest rate method, less allowance for doubtful debts made in accordance with accounting policy described in Note 4(h).

(h) Accounts receivable

Receivables from sales of financial assets and services rendered and other receivables are stated at cost less allowance for doubtful debts.

Allowance for doubtful debts is made based on the overdue status of debts or expected losses on undue debts which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased.

Allowance for doubtful debts based on overdue status is made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by Ministry of Finance as follows:

<i>Overdue status</i>	<i>Allowance rate</i>
From six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and over	100%

For overdue debts, the Company’s Board of Management also assesses the expected recovery of the debts in determining the allowance.

Allowance for doubtful debts based on the expected losses of undue debts is determined by the Company’s Board of Management after giving consideration to the recovery of these debts.

(i) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ Buildings and structures	10 years
▪ Office equipment	3 – 10 years

(j) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 10 years.

(k) Construction in progress

Construction in progress represents the cost of construction and software development which has not been completed. No depreciation is provided for construction in progress during the period of construction.

(l) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over VNDIRECT's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase, if any), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as the Board of Management determines that it is not fully recoverable.

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Provisions

A provision is recognised if, as a result of a past event, VNDIRECT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(o) Bonds issued

Straight bonds

At initial recognition, straight bonds are measured at cost which comprises proceed from issuance net of issuance costs.

(p) Share capital

(i) *Ordinary shares*

Ordinary shares are stated at the issuing price less costs directly attributable to the issue of shares. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(ii) *Share premium*

When share capital is contributed by shareholders, the difference between the issuing price and the par value of shares is recognised in the share premium account under equity section.

(iii) *Repurchase and reissue of ordinary shares (treasury shares)*

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

(q) Statutory reserves

(i) *The parent company*

The Company allocates realised profit to statutory reserves annually in accordance with Circular No. 146/2014/TT-BTC dated 6 October 2014 of the Ministry of Finance as follows:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	10% share capital
Financial and operational risk reserve	5% of profit after tax	10% share capital

The reserve to supplement charter capital is used to supplement share capital as determined by the Shareholders.

The purpose of the financial reserve is to cover the remaining losses/damages incurred during the normal course of business after such losses/damages have been covered by the compensation paid by the individual or organisation who caused them.

These statutory reserves are non-distributable and are recognised as part of owners' equity.

(ii) *The subsidiaries*

In accordance with Circular 146, the subsidiaries are required to allocate statutory reserves in accordance with the requirements applicable to the parent company as described above.

(r) Revenue and other income

(i) *Gains/losses from sales of financial assets*

Gains/losses from sales of financial assets is recognised in the consolidated statement of income upon receipt of the matching order reports of securities trading transactions from Vietnam Securities Depository ("VSD") (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

(ii) *Dividend and interest income from financial assets*

Dividend income recognised in the statement of income when the Company's right to receive dividends is established. Dividend is not recognised in respect of the shares traded from the ex-rights date.

In respect of share dividends, VNDIRECT only recognises the number of the shares and no revenue is recognised.

Interest income is recognised in the consolidated statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(iii) *Revenue from securities brokerage*

Revenue from securities brokerage activities is recognised in the consolidated statement of income when the securities transactions of the customer have been processed.

(iv) *Revenue from securities investment advisory and financial advisory*

Revenue from securities investment advisory and financial advisory activities is recognised in the statement of income in proportion to the stage of completion of the transaction at the end of the annual accounting period. The stage of completion is assessed by reference to work performed.

(v) Revenue from securities custody

Revenue from securities custodian service is recognised in the consolidated statement of income when services are rendered.

(vi) Revenue from portfolio management activities

Revenue from management of securities investment funds and investment portfolios including management fees are recognised to the consolidated statement of income on an accrual basis in accordance with the terms and conditions of investment management contracts, and if it is probable that the future economic benefits will flow to VNDIRECT and the revenue can be measured reliably.

(s) Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

(t) Interest expense

Interest expense is recognised in the consolidated statement of income on accrual basis.

(u) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Earnings per share

VNDIRECT presents basic earnings per share for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to the ordinary shareholders of VNDIRECT by the weighted average number of ordinary shares outstanding during the year.

(w) Segment reporting

A segment is a distinguishable component of VNDIRECT that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The primary format for segment reporting is based on business segments.

(x) Related parties

Parties are considered to be related to VNDIRECT if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where VNDIRECT and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(y) Nil balances

Items or balances required by Circular 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance that are not shown in these consolidated financial statements indicate nil balances.

5. Financial risk management

(a) Overview

VNDIRECT has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk;

This note presents information about VNDIRECT's exposure to each of the above risks, VNDIRECT's objectives, policies and processes for measuring and managing risk.

VNDIRECT's Supervisory Board oversees how management monitors compliance with VNDIRECT's risk management policies and procedures, and reviews the adequacy of the risk management policies in relation to the risks faced by VNDIRECT.

(b) Risk management framework

The Board of Management has overall responsibility for the establishment and oversight of VNDIRECT's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring VNDIRECT's risk management policies. The Committee reports regularly to the Board of Management on its activities.

VNDIRECT's risk management policies are established to identify and analyse the risks faced by VNDIRECT, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and VNDIRECT's activities. VNDIRECT, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Supervisory Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Supervisory Board.

(c) Credit risk

Credit risk is the risk of financial loss to VNDIRECT if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and receivables from customers, held-to-maturity investments and available-for-sale debt securities.

To manage the level of credit risk, VNDIRECT attempts to deal with counterparties of good credit standing, and when appropriate, obtains collaterals for other receivables. The management has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard terms and conditions are offered.

Concentrations of credit risk that arise from groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise from type of customer in relation to VNDIRECT's advances to customers for the proceeds from selling securities and margin loans.

Exposure to credit risk

The total carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	31/12/2017 VND	31/12/2016 VND (Reclassified)
Cash and cash equivalents	(i)	342,470,238,293	256,958,791,274
Held-to-maturity investments	(i)	2,558,215,032,772	1,710,500,000,000
Loans receivable	(ii)	3,130,859,448,293	1,911,798,465,127
Available-for-sale debt securities	(iii)	740,522,000,000	523,468,216,861
Accounts receivable	(ii)	87,410,280,425	67,716,816,730
Other financial assets		21,769,593,970	58,156,514,417
		6,881,246,593,753	4,528,598,804,409

(i) *Cash and cash equivalents and held-to-maturity investments*

The cash and cash equivalents of VNDIRECT are mainly held with well-known financial institutions. Management does not foresee any significant credit risk from these deposits and does not expect that these financial institutions may default and cause losses to VNDIRECT.

(ii) *Loans receivable and other receivables*

VNDIRECT’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, management of the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. Credit purchase limit is established for each customer, which represents the maximum open amount without requiring approval from the Chief Executive Officer. The limit is reviewed annually. Debtors with overdue balances are requested to settle the balances before further credit is granted. The Board of Management also requests collaterals based on its assessment of credit risk for each customer. Collaterals generally accepted are deposits and securities. The Board of Management monitors the market value of collaterals and requests more collaterals on the basis of agreements, and monitors the market value of collaterals when considering the adequacy of allowance for doubtful debts.

Loans receivable and other receivables that are neither past due nor impaired mainly relate to a wide range of customers for whom there was no recent history of default. Management believes that those receivables are of high credit quality.

The aging of financial assets that were impaired is as follows:

	31/12/2017	31/12/2016
	VND	VND
Loans receivable that are overdue for 3 years or more	75,808,243,913	75,808,243,913
Receivables that are overdue for 3 years or more	4,663,214,429	4,072,302,429
	<hr/>	<hr/>
	80,471,458,342	79,880,546,342

(iii) *Available-for-sale debt securities*

VNDIRECT limits credit risk by only investing in government bonds or debt bonds issued by economic entities with low credit risk.

(d) **Liquidity risk**

Liquidity risk is the risk that VNDIRECT will not be able to meet its financial obligations as they fall due. VNDIRECT’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to VNDIRECT’s reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

As at 31 December 2017

	Carrying amount VND	Contractual cash flows VND	Within one year VND	From 1 to 2 years
Current liabilities				
Short-term borrowings	4,351,896,422,610	4,373,501,780,476	4,373,501,780,476	-
Accounts payable for securities trading activities	763,730,233,228	763,730,233,228	763,730,233,228	-
Accounts payable to suppliers	2,554,536,055	2,554,536,055	2,554,536,055	-
Advances from customers	1,713,205,704	1,713,205,704	1,713,205,704	-
Accrued expenses	15,530,988,149	15,530,988,149	15,530,988,149	-
Other financial liabilities	2,062,571,267	2,062,571,267	2,062,571,267	-
Long-term liabilities				
Long-term bonds issued	320,000,000,000	378,880,000,000	29,440,000,000	349,440,000,000
	5,457,487,957,013	5,537,973,314,879	5,188,533,314,879	349,440,000,000

As at 31 December 2016

	Carrying amount VND	Contractual cash flows VND	Within one year VND
Current liabilities			
Short-term borrowings	2,613,806,976,714	2,622,972,998,042	2,622,972,998,042
Short-term bonds issued	94,300,000,000	99,162,200,000	99,162,200,000
Accounts payable for securities trading activities	472,546,426,921	472,546,426,921	472,546,426,921
Accounts payable to suppliers	588,024,693	588,024,693	588,024,693
Advances from customers	844,691,201	844,691,201	844,691,201
Accrued expenses	8,440,117,883	8,440,117,883	8,440,117,883
Other financial liabilities	964,505,522	964,505,522	964,505,522
	3,191,490,742,934	3,205,518,964,262	3,205,518,964,262

VNDIRECT manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term investments and maintaining several bank facilities.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect VNDIRECT's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

At the reporting date the interest rate profile of VNDIRECT's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2017	31/12/2016
	VND	VND
		(Reclassified)
Fixed rate instruments		
<i>Financial assets</i>		
Cash in banks and cash equivalents	342,470,238,293	256,958,791,274
Held-to-maturity financial assets	2,558,215,032,772	1,710,500,000,000
Loans receivable	3,130,859,448,293	1,911,798,465,127
Available-for-sale debt securities	740,522,000,000	523,468,216,861
Payment to Clearing Fund for derivative transactions	15,009,271,222	-
Deposits at Payment Support Fund	20,000,000,000	18,257,761,747
<i>Financial liabilities</i>		
Short-term borrowings	(4,351,896,422,610)	(2,613,806,976,714)
Short-term bonds issued	-	(94,300,000,000)
Long-term bonds issued	(320,000,000,000)	-

(ii) Equity price risk

Equity price risk is the risk that the market values of equities decrease as a result of changes in the values of individual securities. The equity price risk exposure arises from VNDIRECT's financial assets at fair value through profit or loss.

Financial assets at FVTPL of VNDIRECT are affected by market price risk arising from the uncertainty in the fluctuation of the future market value of these securities. Market price risk is managed by diversifying the investment portfolio and careful selection of securities within specified limits.

As at 31 December 2017, market value of listed equity shares of VNDIRECT was VND81.1 billion (31/12/2016: VND510 billion). Had the market value of these securities increased or decreased by 10% as at 31 December 2017 assuming that all other variables remained constant, profit after tax of VNDIRECT would have increased by VND25.3 billion (31/12/2016: 8%, increased by VND5.4 billion or decreased by VND10.4 billion).

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at 31 December 2017 and 31 December 2016, VNDIRECT was not exposed to any currency risk because VNDIRECT did not have any exposures to currencies other than VND, VNDIRECT's accounting currency.

6. Segment reporting

(a) Business segment

VNDIRECT comprises the following main business segments:

- Brokerage: Securities brokerage activities for customers, securities investment, advisory and custodian services.
- Securities trading: Securities trading activities of VNDIRECT.
- Treasury: Granting margin loans and advances to customers for the proceeds from selling securities.

VNDIRECT Securities Joint Stock Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 – CTCK
(Issued under Circular No.334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Brokerage		Securities trading		Treasury activities		Total	
	2017 VND	2016 VND	2017 VND	2016 VND	2017 VND	2016 VND	2017 VND	2016 VND
Operating revenue								
- Gains from financial assets at FVTPL	-	-	302,815,162,176	169,394,486,066	-	-	302,815,162,176	169,394,486,066
- Interest income from held-to-maturity investments	-	-	-	-	180,440,950,763	128,039,853,746	180,440,950,763	128,039,853,746
- Interest income from loans and receivables	-	-	-	-	343,826,028,615	208,501,530,085	343,826,028,615	208,501,530,085
- Gains from available-for-sale financial assets	-	-	29,141,692,539	6,666,399,515	-	-	29,141,692,539	6,666,399,515
- Revenue from securities brokerage	344,073,430,661	188,635,635,565	-	-	-	-	344,073,430,661	188,635,635,565
- Revenue from securities underwriting services	10,617,046,488	-	-	-	-	-	10,617,046,488	-
- Revenue from securities investment advisory services	2,123,113,998	20,423,547,733	-	-	-	-	2,123,113,998	20,423,547,733
- Revenue from securities custody	7,814,459,101	6,108,873,358	-	-	-	-	7,814,459,101	6,108,873,358
- Revenue from financial advisory	17,594,724,284	-	-	-	-	-	17,594,724,284	-
- Other operating income	726,443,996	-	-	-	1,258,818,273	3,621,908,771	1,985,262,269	3,621,908,771
- Financial income	-	-	-	-	3,768,871,084	15,154,168,846	3,768,871,084	15,154,168,846
Total segment revenue	382,949,218,528	215,168,056,656	331,956,854,715	176,060,885,581	529,294,668,735	355,317,461,448	1,244,200,741,978	746,546,403,685

VNDIRECT Securities Joint Stock Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 – CTCK
*(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Brokerage		Securities trading		Treasury activities		Total	
	2017 VND	2016 VND	2017 VND	2016 VND	2017 VND	2016 VND	2017 VND	2016 VND
Direct expenses								
- Losses from financial assets at FVTPL	-	-	(65,094,516,013)	(58,099,963,838)	-	-	(65,094,516,013)	(58,099,963,838)
- Allowance made for financial assets, write-off of doubtful debts and impairment loss on financial assets	-	-	-	-	(9,821,150,741)	(14,529,708,603)	(9,821,150,741)	(14,529,708,603)
- Expenses for securities brokerage	(167,382,705,905)	(112,546,304,711)	-	-	-	-	(167,382,705,905)	(112,546,304,711)
- Expenses for investment advisory services	(279,299,660)	(2,267,315,000)	-	-	-	-	(279,299,660)	(2,267,315,000)
- Expenses for securities custody	(11,310,015,100)	(8,531,903,602)	-	-	-	-	(11,310,015,100)	(8,531,903,602)
- Expenses for financial advisory	(2,226,875,400)	-	-	-	-	-	(2,226,875,400)	-
- Interest expense	-	-	-	-	(191,174,998,663)	(119,137,279,540)	(191,174,998,663)	(119,137,279,540)
- Share of profit in associates	-	-	33,656,516,764	-	-	-	33,656,516,764	-
Total expenses	(181,198,896,065)	(123,345,523,313)	(31,437,999,249)	(58,099,963,838)	(200,996,149,404)	(133,666,988,143)	(413,633,044,718)	(315,112,475,294)
Segment results	201,750,322,463	91,822,533,343	300,518,855,466	117,960,921,743	328,298,519,331	221,650,473,305	830,567,697,260	431,433,928,391
Unallocated expenses							(259,745,997,318)	(204,690,920,372)
Results from operating activities							570,821,699,942	226,743,008,019
Other income							674,355,684	3,542,376,976
Other expenses							(21,795,628)	(3,115,747,643)
Income tax expenses							(99,367,710,611)	(40,882,108,731)
Net profit after tax							472,106,549,387	186,287,528,621

VNDIRECT Securities Joint Stock Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 – CTCK
(Issued under Circular No.334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Brokerage		Securities trading		Treasury activities		Total	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	VND	VND	VND	VND	VND	VND	VND	VND
Segment assets	7,500,000,000	7,500,000,000	1,401,011,264,511	1,071,374,532,892	5,985,314,382,588	3,799,595,761,803	7,393,825,647,099	4,878,470,294,695
Unallocated assets							657,559,585,164	295,622,548,164
Total assets							8,051,385,232,263	5,174,092,842,859
Segment liabilities	-	-	763,730,233,228	472,546,426,921	4,780,843,651,292	2,753,282,914,695	5,544,573,884,520	3,225,829,341,616
Total liabilities							5,544,573,884,520	3,225,829,341,616

(b) Geographical segment

All business activities of VNDIRECT are carried out in Vietnam.

7. Business combination

During 2016, VNDIRECT Securities Joint Stock Company carried out procedures to receive all of contributed capital in I.P.A Securities Investment Fund Management Limited Company (“IPAAM”), a fund management company incorporated in Vietnam. On 26 December 2016, the State Securities Commission of Vietnam issued Official Letter No. 1436/QD-UBCK approving for the above-mentioned capital transfer. As at 31 December 2016, the Company signed Capital Transfer Contract No. 02/2016/HDCN with I.P.A Investments Group Joint Stock Company to receive all of its contributed capital in I.P.A Securities Investment Fund Management Limited Company at the transfer price of VND110 billion. On 4 January 2017, the Company completed the transfer procedures and effectively owned 100% of IPAAM.

For the period from 4 January 2017 to 31 December 2017, the acquired business contributed profit after tax of VND5,514 million to VNDIRECT’s results of operations.

The acquisition had the following effect on VNDIRECT’s assets and liabilities on acquisition date:

	Pre-acquisition carrying amounts VND	Fair value adjustments VND	Recognised value on acquisition VND
Cash and cash equivalents	20,145,731,995	-	20,145,731,995
Financial assets at fair value through profit or loss	34,628,987,086	42,070,651,914	76,699,639,000
Accounts receivable – short-term	1,468,486,231	-	1,468,486,231
Other current assets	119,576,375	-	119,576,375
Other long-term assets	218,821,280	-	218,821,280
Current liabilities	(4,432,634,380)	-	(4,432,634,380)
Net identifiable assets	52,148,968,587	42,070,651,914	94,219,620,501
Goodwill on acquisition			15,780,379,499
Considerations paid			110,000,000,000
Cash and cash equivalents acquired			(20,145,731,995)
Net cash outflow			89,854,268,005

Goodwill recognised on acquisition is mainly from professional skills of the acquiree’s staff and the prospect and efficiency of the interaction expected to be obtained from the current business operations of the Company.

8. Cash and cash equivalents

	31/12/2017 VND	31/12/2016 VND
Cash in banks for VNDIRECT's activities	241,434,033,474	173,902,030,786
Deposits for clearance and settlement of securities transactions	36,204,819	56,760,488
Cash equivalents (*)	101,000,000,000	83,000,000,000
	342,470,238,293	256,958,791,274

(*) These balances represent term deposits at banks with original terms to maturities below 3 months, earning annual interest rates ranging from 5.2% to 5.5% per annum (31/12/2016: 5% - 5.5% per annum).

9. Volume and value of transactions during the year

	2017		2016	
	Volume of transactions	Value of transactions VND	Volume of transactions	Value of transactions VND
Of VNDIRECT				
▪ Shares	212,093,013	4,926,244,326,500	76,426,574	1,695,597,552,909
▪ Bonds	344,861,492	71,753,547,000,000	235,793,864	44,052,861,214,872
Of investors				
▪ Shares	10,462,163,452	183,303,156,987,788	3,349,325,078	55,672,391,601,092
▪ Bonds	338,246,702	5,820,478,981,042	118,009	12,694,041,000
▪ Other securities	1,278,060	18,697,389,900	21,620	220,096,600
		265,822,124,685,230		101,433,764,506,473

10. Financial assets

(a) Financial assets at fair value through profit or loss

	31/12/2017		31/12/2016	
	Cost VND	Fair value (*) VND	Cost VND (Reclassified)	Fair value (*) VND
Shares (i)	701,170,242,524	734,946,831,356	629,374,662,053	758,871,558,592

(*) The fair value of financial assets at FVTPL represents the historical cost and the upward difference of financial assets at FVTPL. The downward difference of financial assets at FVTPL is recognised in the allowance for impairment of financial assets in Note 12.

- (i) At 31 December 2017, 964,481 HOT shares with fair value of VND17,264 million (31/12/2016: 14,164,595 PTI shares and 964,481 HOT shares with a total carrying amount of VND309,219 million) were pledged with banks as security for loans granted to VNDIRECT (Note 23).

(b) Held-to-maturity investments

	31/12/2017		31/12/2016	
	Cost VND	Fair value VND	Cost VND (Reclassified)	Fair value VND
Deposits with remaining term to maturity				
- From over 3 months to 1 year	2,258,215,032,772	(**)	1,630,500,000,000	(**)
- Over 1 year	300,000,000,000	(**)	80,000,000,000	(**)
	<u>2,558,215,032,772</u>	<u>(**)</u>	<u>1,710,500,000,000</u>	<u>(**)</u>

As at 31 December 2017, these term deposits earn annual interest rates ranging from 4.8% - 7.5% (31/12/2016: 5.5% - 7.3%). Included in these term deposits was VND515,200 million which was pledged with banks as security for loans granted to VNDIRECT (31/12/2016: VND240,800 million) (Note 23).

(c) Loans receivable

	31/12/2017		31/12/2016	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Margin loans	2,995,455,825,850	(**)	1,851,910,000,000	(**)
Advances to customers for the proceeds from selling securities	135,403,622,443	(**)	59,888,465,127	(**)
	<u>3,130,859,448,293</u>	<u>(**)</u>	<u>1,911,798,465,127</u>	<u>(**)</u>

(d) Available-for-sale financial assets

	31/12/2017		31/12/2016	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Equity securities	7,500,000,000	(**)	7,500,000,000	(**)
Government bonds				
(ii)	738,522,000,000	738,522,000,000	456,075,000,000	(**)
Corporate bonds	2,000,000,000	2,000,000,000	67,393,216,861	(**)
	<hr/>			
	748,022,000,000	(**)	530,968,216,861	(**)

(ii) As at 31 December 2017, these government bonds were pledged with banks as security for loans granted to the Company (31/12/2016: nil) (Note 23).

(**) VNDIRECT has not determined fair values of these financial instruments because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and accounting guidance for securities companies. The fair values of these financial instruments may differ from their carrying amounts.

11. Movements in fair values of financial assets measured at fair value

	Quantity	31/12/2017		Revaluation differences for the current period		Revaluation value
		Cost VND (1)	Fair value VND (2)	Gains VND (3)=(2)-(1)	Losses VND (4)=(1)-(2)	VND (5)=(1)+(3)-(4)
I Financial assets at FVPTL						
<i>Listed shares</i>						
BID	5,067,896	107,568,234,180	129,231,348,000	21,663,113,820	-	129,231,348,000
PHR	478,220	20,122,358,390	20,730,837,000	608,478,610	-	20,730,837,000
HOT	964,481	27,005,468,000	17,264,209,900	-	9,741,258,100	17,264,209,900
VPB	399,929	16,124,265,300	16,397,089,000	272,823,700	-	16,397,089,000
BMI	364,269	11,263,324,460	12,931,549,500	1,668,225,040	-	12,931,549,500
SLS	67,700	11,047,482,100	11,915,200,000	867,717,900	-	11,915,200,000
CTD	33,998	7,406,576,900	7,700,547,000	293,970,100	-	7,700,547,000
SBT	350,139	7,409,473,900	7,282,891,200	-	126,582,700	7,282,891,200
REE	251,122	9,044,270,604	10,421,563,000	1,377,292,396	-	10,421,563,000
Others	3,114,835	81,158,883,331	82,385,293,661	2,519,105,530	1,292,695,200	82,385,293,661
<i>Listed fund certificates</i>						
E1SSH30	100,000	919,700,000	919,700,000	-	-	919,700,000

	31/12/2017			Revaluation differences for the current period		Revaluation value
	Quantity	Cost VND (1)	Fair value VND (2)	Gains VND (3)=(2)-(1)	Losses VND (4)=(1)-(2)	VND (5)=(1)+(3)-(4)
Unlisted shares						
An Binh Commercial Joint Stock Bank	17,574,123	170,489,057,266	116,867,917,950	-	53,621,139,316	116,867,917,950
Loc Troi Group Joint Stock Company	1,599,550	100,460,796,000	72,459,615,000	-	28,001,181,000	72,459,615,000
Vietnam Engine and Agricultural Machinery Corporation	3,000,000	43,500,000,000	43,500,000,000	-	-	43,500,000,000
Viet Tien Garment Joint Stock Corporation	533,700	33,583,670,000	30,954,600,000	-	2,629,070,000	30,954,600,000
DNP Investment Management Joint Stock Company	2,250,000	22,500,000,000	22,500,000,000	-	-	22,500,000,000
Lien Viet Post Commercial Joint Stock Bank	1,739,000	22,875,830,000	22,433,100,000	-	442,730,000	22,433,100,000
Nam Tan Uyen Joint Stock Corporation	104,000	5,379,983,600	9,682,400,000	4,302,416,400	-	9,682,400,000
Others	281,235	3,310,868,493	3,394,908,200	203,445,336	119,405,629	3,394,908,200
	38,274,197	701,170,242,524	638,972,769,411	33,776,588,832	95,974,061,945	638,972,769,411
II Available-for-sale financial assets						
Government bonds	7,000,000	738,522,000,000	738,522,000,000	-	-	738,522,000,000
Corporate bonds	2	2,000,000,000	2,000,000,000	-	-	2,000,000,000

12. Allowance for diminution in value of financial assets

2017	31/12/2017				31/12/2016	Allowance made/(reversed) during the year
	Quantity	Cost	Market value/ Recoverable amount	Allowance	Allowance	
		VND	VND	VND	VND	VND
I Financial assets at FVPTL						
<i>Listed shares</i>						
HOT	964,481	27,005,468,000	17,264,209,900	9,741,258,100	-	9,741,258,100
SBT	350,139	7,409,473,900	7,282,891,200	126,582,700	-	126,582,700
MWG	50,042	6,679,292,594	6,555,502,000	123,790,594	30,150,690	93,639,904
HAH	186,000	4,210,752,900	3,720,000,000	490,752,900	-	490,752,900
FIT	420,442	3,809,847,690	3,552,734,900	257,112,790	1,753,130	255,359,660
Others	525,008	10,383,231,506	9,962,192,590	421,038,916	11,645,071,571	(11,224,032,655)
<i>Unlisted shares</i>						
An Binh Commercial Joint Stock Bank	17,574,123	170,489,057,266	116,867,917,950	53,621,139,316	87,890,679,166	(34,269,539,850)
Loc Troi Group Joint Stock Company	1,599,550	100,460,796,000	72,459,615,000	28,001,181,000	-	28,001,181,000
Viet Tien Garment Joint Stock Corporation	533,700	33,583,670,000	30,954,600,000	2,629,070,000	-	2,629,070,000
Lien Viet Post Commercial Joint Stock Bank	1,739,000	22,875,830,000	22,433,100,000	442,730,000	-	442,730,000
Others	13,739	1,147,266,329	1,027,860,700	119,405,629	10,175,165	109,230,464
	23,956,224	388,054,686,185	292,080,624,240	95,974,061,945	99,577,829,722	(3,603,767,777)
III Loans receivable		3,130,859,448,293	3,031,911,505,007	98,947,943,286	89,717,704,545	9,230,238,741
				194,922,005,231	189,295,534,267	5,626,470,964

12. Allowance for diminution in value of financial assets (continued)

2016	31/12/2016				31/12/2015	Allowance made/(reversed) during the year
	Quantity	Cost	Market value/ Recoverable amount	Allowance	Allowance	
		VND	VND	VND	VND	
I	Financial assets at FVPTL					
	<i>Listed shares</i>					
APC	210,010	4,032,453,000	3,874,684,500	157,768,500	288,280,000	(130,511,500)
BCC	723,142	11,061,733,227	10,847,130,000	214,603,227	18,666,227	195,937,000
BMI	459,268	11,828,951,060	11,068,358,800	760,592,260	7,908,000	752,684,260
HAG	7,433,311	42,495,658,340	39,768,213,850	2,727,444,490	60,129,570	2,667,314,920
HNG	518,670	3,571,719,300	3,215,754,000	355,965,300	-	355,965,300
HOT	964,481	27,005,468,000	28,934,430,000	-	1,928,962,000	(1,928,962,000)
MBB	1,647,806	23,361,206,230	23,069,284,000	291,922,230	-	291,922,230
PTI	14,165,425	282,229,913,982	406,547,697,500	-	-	-
SD9	727,595	9,817,006,877	5,820,760,000	3,996,246,877	1,371,699,877	2,624,547,000
VNM	40,267	8,032,566,504	5,057,535,200	2,975,031,304	3,092,749,184	(117,717,880)
Others		32,276,853,102	35,299,340,620	197,401,203	6,080,777,868	(5,883,376,665)
	<i>Listed fund certificates</i>					
E1SSHN30	100,000	919,700,000	950,000,000	-	-	-

12. Allowance for diminution in value of financial assets (continued)

2016	31/12/2016			31/12/2015	Allowance made/(reversed) during the year	
	Quantity	Cost	Market value/ Recoverable amount	Allowance		
		VND	VND	VND	VND	
<i>Unlisted shares</i>						
An Binh Commercial Joint Stock Bank		170,489,057,266	82,598,378,100	87,890,679,166	75,922,349,266	11,968,329,900
Others		2,252,375,165	2,242,200,000	10,175,165	58,976,213,484	(58,966,038,319)
		629,374,662,053	659,293,766,570	99,577,829,722	147,747,735,476	(48,169,905,754)
II Loans receivable		1,911,798,465,127	1,822,080,760,582	89,717,704,545	75,737,995,942	13,979,708,603
		2,541,173,127,180	2,481,374,527,152	189,295,534,267	223,485,731,418	(34,190,197,151)

13. Dividends and interest receivables from financial assets

	31/12/2017	31/12/2016
	VND	VND
Dividends receivable	215,000,000	77,775,700
Interest receivables from term deposits at banks	13,099,842,464	10,056,209,947
Interest receivables from loans	39,617,764,052	27,970,925,797
	<hr/>	<hr/>
	52,932,606,516	38,104,911,444
	<hr/>	<hr/>

14. Allowance for doubtful debts

2017	Cost 31/12/2017 VND	Cost 31/12/2016 VND	Allowance 31/12/2017 VND	Allowance 31/12/2016 VND	Allowance made/(reversed) during the year VND
Allowance for doubtful debts					
<i>Receivables from ex-employees</i>	1,963,775,333	1,963,775,333	1,963,775,333	1,963,775,333	-
<i>Others</i>	2,699,439,096	2,108,527,096	2,699,439,096	2,108,527,096	590,912,000
	4,663,214,429	4,072,302,429	4,663,214,429	4,072,302,429	590,912,000
2016	Cost 31/12/2016 VND	Cost 31/12/2015 VND	Allowance 31/12/2016 VND	Allowance 31/12/2015 VND	Allowance made/(reversed) during the year VND
Allowance for doubtful debts					
<i>Receivables from ex-employees</i>	1,963,775,333	1,963,775,333	1,963,775,333	1,963,775,333	-
<i>Others</i>	2,108,527,096	1,558,527,096	2,108,527,096	1,558,527,096	550,000,000
	4,072,302,429	3,522,302,429	4,072,302,429	3,522,302,429	550,000,000

15. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2017 VND	31/12/2016 VND
Office rental	2,003,364,574	1,351,714,269
Software expenses	4,292,595,132	2,948,645,096
Others	1,460,525,528	1,535,419,235
	7,756,485,234	5,835,778,600

(b) Long-term prepaid expenses

	2017 VND	2016 VND
Opening balance	7,144,232,309	7,606,814,449
Additions	3,657,663,448	4,398,213,447
Amortisation for the year	(6,187,550,914)	(4,860,795,587)
	4,614,344,843	7,144,232,309

16. Investments in associates

	31/12/2017	31/12/2016
% equity owned	Cost	Carrying amount VND
% equity owned	Cost	VND
Post and Telecommu- nication Joint Stock Insurance Corporation (PTI)	21.9% 378,329,808,882	411,986,325,646 17.6% 282,229,913,982

On 4 January 2017, the Company officially owned 100% of IPAAM, thereby increasing VNDIRECT's ownership ratio in Post and Telecommunication Joint Stock Insurance Corporation (PTI) to 21.9% through direct and indirect ownership, and PTI became an associate of VNDIRECT.

17. Tangible fixed assets

2017	Buildings and structures VND	Office equipment VND	Total VND
Cost			
Opening balance	23,167,828,527	70,878,935,727	94,046,764,254
Additions	1,016,728,485	1,549,329,597	2,566,058,082
Disposals	-	(2,404,371,389)	(2,404,371,389)
Closing balance	24,184,557,012	70,023,893,935	94,208,450,947
Accumulated depreciation			
Opening balance	6,505,834,637	46,681,945,563	53,187,780,200
Charge for the year	2,393,683,173	7,029,266,865	9,422,950,038
Disposals	-	(2,404,371,389)	(2,404,371,389)
Closing balance	8,899,517,810	51,306,841,039	60,206,358,849
Net book value			
Opening balance	16,661,993,890	24,196,990,164	40,858,984,054
Closing balance	15,285,039,202	18,717,052,896	34,002,092,098
2016			
	Buildings and structures VND	Office equipment VND	Total VND
Cost			
Opening balance	22,213,716,158	66,885,353,709	89,099,069,867
Additions	954,112,369	4,074,218,805	5,028,331,174
Disposals	-	(80,636,787)	(80,636,787)
Closing balance	23,167,828,527	70,878,935,727	94,046,764,254
Accumulated depreciation			
Opening balance	4,277,474,745	40,121,993,665	44,399,468,410
Charge for the year	2,228,359,892	6,640,588,685	8,868,948,577
Disposals	-	(80,636,787)	(80,636,787)
Closing balance	6,505,834,637	46,681,945,563	53,187,780,200
Net book value			
Opening balance	17,936,241,413	26,763,360,044	44,699,601,457
Closing balance	16,661,993,890	24,196,990,164	40,858,984,054

Included in tangible fixed assets were assets costing VND27.4 billion which were fully depreciated as at 31 December 2017 (31/12/2016: VND28.4 billion), but which are still in active use.

18. Intangible fixed assets

	Software	
	2017 VND	2016 VND
Cost		
Opening balance	66,725,200,461	60,537,955,633
Additions	4,696,348,930	3,441,325,472
Transfer from construction in progress	6,809,359,000	2,745,919,356
Closing balance	78,230,908,391	66,725,200,461
Accumulated amortisation		
Opening balance	43,411,922,925	33,927,467,812
Charge for the period	9,714,652,962	9,484,455,113
Closing balance	53,126,575,887	43,411,922,925
Net book value		
Opening balance	23,313,277,536	26,610,487,821
Closing balance	25,104,332,504	23,313,277,536

Included in intangible fixed assets were assets costing VND10.5 billion which were fully amortised as at 31 December 2017 (31/12/2016: VND9.7 billion), but which are still in active use.

19. Construction in progress

	2017 VND	2016 VND
Opening balance	2,500,000,000	543,000,000
Additions	4,809,359,000	4,702,919,356
Transfer to intangible fixed assets	(6,809,359,000)	(2,745,919,356)
Closing balance	500,000,000	2,500,000,000

20. Deposits at Payment Support Fund

According to Decision No. 45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an annual contribution of 0.01% of the total value of brokered securities, which are listed and registered for transactions in the Stock Exchanges in the previous year with the maximum of annual contribution of VND2.5 billion to the Payment Support Fund.

Movements of deposits at Payment Support Fund during the year were as follows:

	2017 VND	2016 VND
Opening balance	18,257,761,747	15,757,761,747
Interest during the year	1,036,480,070	923,612,229
Additional contribution	705,758,183	1,576,387,771
	<hr/>	<hr/>
Closing balance	20,000,000,000	18,257,761,747
	<hr/> <hr/>	<hr/> <hr/>

21. Other long-term assets

	31/12/2017 VND	31/12/2016 VND
Deposits for purchase of real estates	50,000,000,000	30,000,000,000
Other deposits	10,000,000	-
Payment to Clearing Fund for derivative transactions	15,009,271,222	-
▪ Amount paid during the year (i)	15,000,000,000	-
▪ Interest during the year	9,271,222	-
	<hr/>	<hr/>
	65,019,271,222	30,000,000,000
	<hr/> <hr/>	<hr/> <hr/>

- (i) On 20 June 2017, the Company officially became a general clearing member at the Vietnam Securities Depository. Accordingly, the Company is qualified for providing derivatives clearing and settlement services under Decision 97/QD-VSD dated 23 March 2017 of the Vietnam Securities Depository (“Decision 97”). In accordance with Decision 97, the Company made an initial deposit of VND15 billion to the Clearing Fund for derivative transactions (“the Clearing Fund”). On monthly basis, the Vietnam Securities Depository reviews the Clearing Fund and revaluates the value of the assets contributed to determine the contribution obligations of clearing members.

22. Goodwill

	2017 VND
Cost	
Opening balance	-
Additions	15,780,379,499
	<hr/>
Closing balance	15,780,379,499
	<hr/>
Accumulated amortisation	
Opening balance	-
Charge for the year	1,565,067,775
	<hr/>
Closing balance	1,565,067,775
	<hr/>
Net book value	
Opening balance	-
Closing balance	14,215,311,724
	<hr/> <hr/>

23. Short-term borrowings

	31/12/2017	31/12/2016
	VND	VND
Borrowings from banks	4,351,896,422,610	2,613,806,976,714

As at 31 December 2017, these borrowings were secured by term deposits at banks of VNDIRECT amounting to VND515,200 million, listed shares with a fair value of VND17,264 million, government bonds amounting to VND738,522 million and investment in associates with a carrying amount of VND411,986 million (31/12/2016: term deposits at banks of VNDIRECT amounting to VND240,800 million and listed shares with a carrying amount of VND309,219 million) (Note 10).

These borrowings bore annual interest rates ranging from 5.2% - 8.5% (31/12/2016: 2% - 7.9%).

24. Bonds issued

	31/12/2017	31/12/2016
	VND	VND
Short-term bonds issued (ii)	-	94,300,000,000
Long-term bonds issued (i)	320,000,000,000	-

(i) During 2017, VNDIRECT issued 3,200,000 inconvertible bonds under private placement which were unsecured and had a 2-year term, fixed interest rate of 9.2% per annum and par value of VND100,000 per bond to add funds to margin lending, securities trading, securities underwriting activities and M&A activities.

(ii) These securities had a total par value of VND94,300,000,000 as at 31 December 2016 and were repaid during 2017.

25. Accounts payable for securities trading activities

	31/12/2017	31/12/2016
	VND	VND
Payables to the Stock Exchanges	6,306,339,228	2,786,010,521
Payables for purchases of financial assets (i)	757,423,894,000	469,760,416,400
	763,730,233,228	472,546,426,921

(i) This payable amount was paid on T+2 date.

26. Taxes payable to State Treasury

2017

	Opening balance VND	Incurred VND	Paid VND	Closing balance VND
Corporate income tax	12,401,990,732	92,607,216,615	(79,244,516,114)	25,764,691,233
Personal income tax	6,535,694,713	115,470,349,592	(104,704,653,607)	17,301,390,698
Value added tax	123,392,485	1,659,503,665	(1,435,909,719)	346,986,431
Other taxes	-	3,000,000	(3,000,000)	-
	19,061,077,930	209,740,069,872	(185,388,079,440)	43,413,068,362

2016

	Opening balance VND	Incurred VND	Paid VND	Closing balance VND
Corporate income tax	4,019,749,392	40,882,108,731	(32,499,867,391)	12,401,990,732
Personal income tax	4,311,856,158	62,786,318,316	(60,562,479,761)	6,535,694,713
Value added tax	117,667,469	726,399,427	(720,674,411)	123,392,485
	8,449,273,019	104,394,826,474	(93,783,021,563)	19,061,077,930

27. Accrued expenses

	31/12/2017 VND	31/12/2016 VND
Interest expense	8,272,328,656	5,775,565,657
Bonds interest	6,489,990,974	289,186,676
Others	768,668,519	2,375,365,550
	15,530,988,149	8,440,117,883

28. Bonus and welfare funds

This fund is established by appropriating profit after tax as approved by shareholders in the General Meeting of Shareholders. This fund is used to pay bonus and welfare to employees in accordance with the Company's policies. Movements of bonus and welfare funds during the year were as follows:

	2017 VND	2016 VND
Opening balance	1,752,381,129	-
Appropriation during the year (Note 30(b))	9,552,372,487	8,179,968,167
Utilisation during the year	(4,998,312,055)	(6,427,587,038)
Closing balance	6,306,441,561	1,752,381,129

29. Deferred tax liabilities

	31/12/2017		31/12/2016	
	Tax rate	VND	Tax rate	VND
<i>Recognised deferred tax liabilities</i>				
Gains from revaluation of financial assets at FVTPL	20%	6,755,317,767	20%	-

30. Share capital

(a) Share capital

The Company's authorised and issued share capital are:

	31/12/2017		31/12/2016	
	Number of shares	Par value VND	Number of shares	Par value VND
Authorised and issued share capital	154,998,165	1,549,981,650,000	154,998,165	1,549,981,650,000
Treasury shares				
Ordinary shares	(4,000,391)	(40,003,910,000)	(7,458,680)	(74,586,800,000)
Shares in circulation				
Ordinary shares	150,997,774	1,509,977,740,000	147,539,485	1,475,394,850,000

Each ordinary share has a par value of VND10,000 and is entitled to one vote at shareholders' meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

(b) Retained profits

	2017 VND	2016 VND
Opening balance	354,791,006,867	270,311,091,725
Total comprehensive income	472,106,549,387	186,287,528,621
Appropriation to reserve to supplement charter capital	(20,652,437,310)	(9,314,376,431)
Appropriation to financial and operational risk reserve	(20,652,437,310)	(9,314,376,431)
Allocation to bonus and welfare funds (Note 28)	(9,552,372,487)	(8,179,968,167)
Dividends	-	(74,998,892,450)
	<hr/>	<hr/>
Closing balance	776,040,309,147	354,791,006,867
	<hr/>	<hr/>

31. Income from financial assets

(a) Gains from sales of financial assets at FVTPL

2017	Number of securities sold	Total sales proceeds	Total costs	Gains from sales of securities for the year
		VND	VND	VND
Listed shares	73,530,630	1,519,553,101,586	1,368,261,620,001	151,291,481,585
Unlisted shares	534,513	3,188,766,092	3,041,469,710	147,296,382
Listed bonds	66,530,000	7,046,838,700,000	7,041,696,710,000	5,141,990,000
Unlisted bonds	22,331,759	6,379,113,237,933	6,312,449,396,124	66,663,841,809
	162,926,902	14,948,693,805,611	14,725,449,195,835	223,244,609,776
2016	Number of securities sold	Total sales proceeds	Total costs	Gains from sales of securities for the year
		VND	VND	VND
Listed shares	31,130,058	879,133,860,044	826,055,457,559	53,078,402,485
Unlisted shares	8,815,000	36,985,920,000	35,809,075,168	1,176,844,832
Listed bonds	79,288,000	8,303,916,599,000	8,267,729,250,000	36,187,349,000
Unlisted bonds	31,335,277	15,596,792,131,546	15,555,415,680,948	41,376,450,598
	150,568,335	24,816,828,510,590	24,685,009,463,675	131,819,046,915

(b) Gains from revaluation of financial assets at FVTPL

2017	31/12/2017			31/12/2016	Revaluation difference for the period VND
	Cost	Fair value	Revaluation gain	Revaluation difference	
	VND	VND	VND	VND	
Listed shares	298,150,337,165	327,421,064,261	29,270,727,096	-	29,270,727,096
Listed fund certificates	919,700,000	919,700,000	-	-	-
Unlisted shares	402,100,205,359	406,606,067,095	4,505,861,736	-	4,505,861,736
	701,170,242,524	734,946,831,356	33,776,588,832	-	33,776,588,832

(c) Dividends and interest income from financial assets at FVTPL		
	2017 VND	2016 VND (Reclassified)
Dividend income (37)	45,793,963,568	37,575,439,151
(d) Interest income from held-to-maturity investments		
	2017 VND	2016 VND (Reclassified)
Interest income from term deposits at banks	180,440,950,763	128,039,853,746
(e) Interest income from loans and receivables		
	2017 VND	2016 VND
Interest income from margin loans	322,229,323,844	201,015,511,398
Interest income from advances to customers for the proceeds from selling securities	21,596,704,771	7,486,018,687
	343,826,028,615	208,501,530,085
(f) Gains from available-for-sale financial assets		
	2017 VND	2016 VND (Reclassified)
Interest income from bonds	29,141,692,539	6,666,399,515

32. Losses from financial assets at FVTPL

(a) Losses from sales of financial assets at FVTPL

2017	Number of securities sold	Total sales proceeds	Total costs	Losses from sales of securities for the year
		VND	VND	VND
Listed shares	27,746,398	626,274,149,700	659,383,620,676	(33,109,470,976)
Unlisted shares	554,000	3,871,900,000	4,569,000,000	(697,100,000)
Listed bonds	37,610,000	4,048,424,690,000	4,051,718,190,000	(3,293,500,000)
Unlisted bonds	42,448,875	18,545,421,211,454	18,576,948,187,957	(31,526,976,503)
	108,359,273	23,223,991,951,154	23,292,618,998,633	(68,627,047,479)
2016	Number of securities sold	Total sales proceeds	Total costs	Losses from sales of securities for the year
		VND	VND	VND
Listed shares	29,239,511	710,893,270,400	751,014,688,135	(40,121,417,735)
Unlisted shares	7,242,005	68,584,480,909	128,204,313,151	(59,619,832,242)
Listed bonds	13,500,000	1,437,387,000,000	1,437,922,000,000	(535,000,000)
Unlisted bonds	422,692	433,071,653,021	436,616,775,990	(3,545,122,969)
	50,404,208	2,649,936,404,330	2,753,757,777,276	(103,821,372,946)

(b) Reversal of allowance for diminution in the value of financial assets at FVTPL

	2017 VND	2016 VND
Reversal of allowance for diminution in the value of financial assets at FVTPL (Note 12)	3,603,767,777	48,169,905,754

33. Allowance made for financial assets and doubtful debts

	2017 VND	2016 VND
Allowance made for loans receivable (12)	9,230,238,741	13,979,708,603
Allowance made for receivables (14)	590,912,000	550,000,000
	9,821,150,741	14,529,708,603
	9,821,150,741	14,529,708,603

34. Dividends and interest income from demand deposits at banks

	2017 VND	2016 VND
Interest income from demand deposits at banks	3,768,871,084	15,154,168,846
	3,768,871,084	15,154,168,846

35. Interest expenses

	2017 VND	2016 VND
Interest expense on bank loans and bonds issued	182,807,797,659	113,109,131,668
Interest expense on customers' deposits	8,359,555,145	6,028,147,872
Other interest expenses	7,645,859	-
	191,174,998,663	119,137,279,540
	191,174,998,663	119,137,279,540

36. General and administration expenses

	2017 VND	2016 VND
Salary and related expenses	173,358,585,494	125,955,486,425
Depreciation and amortisation of fixed assets	19,137,603,000	18,353,403,690
Amortisation of goodwill	1,565,067,775	-
Stationery expenses	936,620,038	806,781,131
Tools and supplies	3,122,912,113	5,033,938,814
Outside services	44,639,060,296	39,254,394,545
Office rental	16,863,394,118	15,109,769,767
Taxes and fees	122,754,484	177,146,000
	259,745,997,318	204,690,920,372
	259,745,997,318	204,690,920,372

37. Income tax

(a) Recognised in the statement of income

	2017 VND	2016 VND
Income tax expense - current		
Current year	92,612,392,844	40,882,108,731
Income tax expense – deferred		
Origination and reversal of temporary differences	6,755,317,767	-
Corporate income tax	99,367,710,611	40,882,108,731

(b) Income tax expense - current

	2017 VND	2016 VND
Accounting profit before tax	571,474,259,998	227,169,637,352
Tax at the Company's tax rate	114,294,852,000	45,433,927,470
Effect of non-deductible expenses	2,170,044,677	3,528,899,091
Effect of tax exempt income (*)	(23,852,503,833)	(8,080,717,830)
Income tax expense – current	92,612,392,844	40,882,108,731

(*) Included in the tax exempt income are the dividend received during the year amounting to VND45,793,963,568 (2016: VND37,575,439,151) (Note 31(c)), income from sale of bonus shares amounting to VND6,035,450,000; and gain from revaluation of financial assets at FVTPL amounting to VND33,776,588,832 ; and share of profit in associates amounting VND33,656,516,764.

(c) Income tax expense – deferred

	2017 VND	2016 VND
Gains from revaluation of financial assets at FVTPL	33,776,588,832	-
Income tax expense – deferred	6,755,317,767	-

(d) Applicable tax rates

The Company's income tax rate for the year ended 31 December 2017 is 20% (2016: 20%).

38. Basic earnings per share

The calculation of basic earnings per share for 2017 was based on the profit attributable to ordinary shareholders of VND472,106,549,387 (2016: VND186,287,528,621) and a weighted average number of ordinary shares outstanding of 190,326,094 (2016: 196,155,256), calculated as follows:

(i) *Net profit attributable to ordinary shareholders*

	2017	2016
	VND	VND
Net profit for the year	472,106,549,387	186,287,528,621
Appropriation to bonus and welfare funds (*)	-	-
Net profit attributable to ordinary shareholders	<u>472,106,549,387</u>	<u>186,287,528,621</u>

(*) At the date of these financial statements, the Company has not estimated reliably the profit for 2017 to be allocated to bonus and welfare funds as the General Meeting of Shareholders has not decided the rate of appropriation to these funds for 2017. Had the Company appropriated bonus and welfare funds, net profit attributable to ordinary shareholders and basic earnings per share would have decreased.

(ii) *Weighted average number of ordinary shares*

	2017	2016	2016
	Shares	(restated)	(as previously reported)
	Shares	Shares	Shares
Issued ordinary shares at the beginning of the period	147,539,485	154,997,785	154,997,785
Effect of treasury shares repurchased and reissued	(702,449)	(2,331,587)	(2,331,587)
Effect of shares issued for dividend payment to shareholders	15,099,778	15,099,778	-
Effect of shares offered to existing shareholders	28,389,280	28,389,280	-
Weighted average number of ordinary shares	<u>190,326,094</u>	<u>196,155,256</u>	<u>152,666,198</u>

(iii) *Basic earnings per share*

	2017	2016	2016
	VND	(restated)	(as previously reported)
	VND	VND	VND
Basic earnings per share	2,481	950	1,220

39. Dividends

The Resolution No. 198/2017/NQ-DHDCD dated 29 May 2017 of the Annual General Meeting of Shareholders approved for the plan to issue shares to pay dividends to shareholders at a rate of 100:10 (every 100 shares owned is entitled to receive 10 additional shares). On 5 February 2018, the Company obtained the Certificate No. 08/GCN-UBCK of the State Securities Commission of Vietnam on the issuance of shares for dividend payment to existing shareholders. According to the Notice of Offering Shares to the Public No. 67/2018/VNDS-TB of the Company dated 6 February 2018 and Notice No. 174/TB-SGDHCM of the Ho Chi Minh City Stock Exchange dated 12 February 2018, the expected quantity of shares to be issued for dividend payment to existing shareholders of the Company is 15,099,778 shares, and the deadline for registration for execution of rights for existing shareholders is 28 February 2018.

40. Significant transactions with related parties

Related parties	Relationship	Transaction value		Balance outstanding as at	
		2017 VND	2016 VND	31/12/2017 VND	31/12/2016 VND
Board of Directors, Board of Management and Supervisory Board					
Remunerations		4,749,440,000	3,600,000,000	-	-
I.P.A Investments Group Joint Stock Company					
Office rental and office management fees	▪ Shareholders with significant influence	6,057,004,963	6,684,072,076	-	-
Deposits for acquisition of subsidiary	▪ A member of Board of Directors of the Company is the Chairman of Board of Directors of I.P.A Investments Group Joint Stock Company	22,000,000,000	88,000,000,000	-	87,757,922,975
HOMEDIRECT Joint Stock Company					
Equity investment	▪ Capital contribution	-	-	7,500,000,000	7,500,000,000
Securities trading account	▪ A member of Board of Directors of the Company is the Chairman of Board of Directors of HOMEDIRECT Joint Stock Company	-	-	2,350,414,027	6,735,633,743
Investment in bonds		200,000,000,000	600,000,000,000	-	65,393,216,861
Bonds issuing fee received		2,900,000,000	2,850,000,000	-	-
Bonds interest expense		33,612,203,720	4,938,450,000	-	-
Software rental fee paid on behalf		-	120,000,000	-	-
IPA Finance Co., Ltd.					
Receipt of equity investment	▪ Major shareholder	-	-	392,011,780,000	392,011,780,000
Payment of dividends	▪ A member of Board of Directors of the Company is the Chairman of Board of Directors of IPA Finance Co., Ltd.	-	19,600,589,000	-	-
Securities trading account		1,272,319,199	981,000,218	-	-
Revenue from fees		1,169,588	1,177,070	-	-
Other expenses		9,460,869	18,428,145	-	-

VNDIRECT Securities Joint Stock Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 – CTCK
*(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

Related parties	Relationship	Transaction value		Balance outstanding as at	
		2017 VND	2016 VND	31/12/2017 VND	31/12/2016 VND
Post and Telecommunication Joint Stock Insurance Corporation (PTI)	▪ Associate (direct and indirect ownership)				
Investment in shares	▪ Chairman of Board of Directors of the Company is a member of Board of Directors of Post and Telecommunication Joint Stock Insurance Corporation	-	-	176,053,960,000	141,654,250,000
Dividends received		20,105,719,200	17,172,837,500	-	-
Securities trading account		-	-	2,362,773,075	8,215,380,912
Portfolio management fee, bonus fee		726,443,996	-	-	-
Entrusted portfolio value		-	-	16,626,260,000	-
Hoi An Tourist Service Joint Stock Company (HOT)	A member of Board of Directors of the Company is the Chairman of Board of Directors of Hoi An Tourist Service Joint Stock Company				
Investment in shares		-	-	9,644,810,000	9,644,810,000
Bac Ha Energy Joint Stock Company	A member of Board of Directors of the Company is the Chairman of Board of Directors of Bac Ha Energy Joint Stock Company				
Securities trading account		385,450,641,226	177,421,267,597	255,392,318	358,105,150
Asian Pearl Joint Stock Company	A member of Board of Directors of the Company is the Chairman of Board of Directors of Asian Pearl Joint Stock Company				
Securities trading account		4,111,581,944	22,126,656,477	3,879,992	66,342,048
ANVIE Real Estate Company Limited	A member of Board of Directors of the Company is the Chairman of Board of Directors of ANVIE Real Estate Company Limited				
Securities trading account		193,614,583,373	18,924,056	186,397,769	4,217,596

VNDIRECT Securities Joint Stock Company
Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B09 – CTCK
*(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

Related parties	Relationship	Transaction value		Balance outstanding as at	
		2017 VND	2016 VND	31/12/2017 VND	31/12/2016 VND
HOMEFOOD Joint Stock Company	A member of Board of Directors of the Company is the Chairman of Board of Directors of HOMEFOOD Joint Stock Company				
Securities trading account		4,207	-	552,597	518,390
Purchase of food		496,699,038	448,940,000	-	-
Printing Mechanical Joint Stock Company	A member of Board of Directors of the Company is the Chairman of Board of Directors of Printing Mechanical Joint Stock Company				
Land rental		1,811,827,200	1,715,685,000	-	-
Deposit for land rental		-	-	500,000,000	500,000,000
Ms. Pham Minh Huong	Chairwoman of Board of Directors				
Securities trading account		4,262,502,577	1,273,455,357	41,181,215	69,084,444
Owning shares of the Company (par value)		-	-	9,868,320,000	9,868,320,000
Remuneration of Board of Directors		84,000,000	84,000,000	-	-
Mr. Vu Hien	Member of Board of Directors				
Securities trading account		359,810,876,633	83,541,275,913	1,179,360,579	9,854,645,772
Owning shares of the Company (par value)		-	-	1,640,000	1,640,000
Remuneration of Board of Directors		84,000,000	84,000,000	-	-
Owning bonds of the Company		-	-	53,293,800,000	46,700,000,000
Interest from bonds of the Company		3,635,451,554	4,126,930,888	-	-

41. Post balance sheet events

Offering shares to existing shareholders

The Resolution No. 198/2017/NQ-DHDCD dated 29 May 2017 of the Annual General Meeting of Shareholders approved for the plan to offer shares to existing shareholders to add funds to margin lending, securities trading, securities underwriting activities, provision of services and other transactions related to derivative securities. On 5 February 2018, the Company obtained the Certificate No. 08/GCN-UBCK of the State Securities Commission of Vietnam on registration for offering shares to the public. According to the Notice of Offering Shares to the Public No. 67/2018/VNDS-TB of the Company dated 6 February 2018 and Notice No. 174/TB-SGDHCM of the Ho Chi Minh City Stock Exchange dated 12 February 2018, the Company registered to offer 50,332,595 shares to mobilise VND503,325,950,000 and the period for subscription of shares is from 8 March 2018 to 4 April 2018.

42. Corresponding figures

Certain corresponding figures for the year ended 31 December 2016 have been reclassified to conform to the financial statement presentation of the current year. A comparison of the amounts previously reported and as reclassified is as follows:

(a) Consolidated statement of financial position

	Code	31/12/2016 VND (as reclassified)	31/12/2016 VND (as previously reported)
Held-to-maturity investments	113	1,630,500,000,000	-
Held-to-maturity investments	212.1	80,000,000,000	-
Financial assets at fair value through profit or loss (“FVTPL”)	112	629,374,662,053	2,339,874,662,053
Short-term bonds issued	316	94,300,000,000	-
Long-term bonds issued	346	-	94,300,000,000

(b) Off-balance sheet items

	Code	31/12/2016 VND (as restated)	31/12/2016 VND (as previously reported)
Receivables from customers relating to errors in transactions of financial assets	033	-	1,939,769,390,924

(c) Consolidated statement of income

	Code	2016 (as reclassified) VND	2016 (as previously reported) VND
Gains from sales of financial assets at FVTPL	01.1	131,819,046,915	54,255,247,317
Dividends and interest income from financial assets at FVTPL	01.3	37,575,439,151	165,615,292,897
Interest income from held-to-maturity investments	02	128,039,853,746	-
Gains from available-for-sale financial assets	04	6,666,399,515	84,230,199,113
Losses from sales of financial assets at FVTPL	21.1	103,821,372,946	99,741,249,977
Losses from sales of available-for-sale financial assets	24	-	4,080,122,969

(d) Consolidated statement of cash flows

	Code	2016 (as reclassified) VND	2016 (as previously reported) VND
Operating cash flows			
Interest expense	06	119,137,279,540	-
Increase/(decrease) in financial assets at FVTPL	31	757,411,412,933	(953,088,587,067)
Increase in held-to-maturity investments	32	(1,710,500,000,000)	-
Increase in accrued expenses (excluding interest expense)	41	1,454,443,916	120,591,723,456
Increase in accounts payable for securities trading activities		-	450,841,864,540
Increase/(decrease) in other payables	50	(543,792,040,705)	(994,633,905,245)
Financing cash flows			
Payments to settle loan principals	74	(31,532,353,442,983)	(31,526,653,442,983)
<i>Other payments to settle loan principals</i>	<i>74.3</i>	<i>(31,532,353,442,983)</i>	<i>(31,526,653,442,983)</i>
Payments for bond principals		-	(5,700,000,000)

30 March 2018

Prepared by

Reviewed by

Approved by

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General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer