



VNDIRECT SECURITIES JOINT STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2019

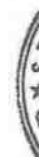
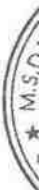


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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of VNDIRECT Securities Joint Stock Company (the "Company") presents this report together with the Company's separate financial statements for the year ended 31 December 2019.

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The members of the Board of Directors and Board of Management of the Company who held office during the year and to the date of this report are as follows:

Board of Directors

Ms. Pham Minh Huong	Chairwoman
Mr. Vu Hien	Member
Mr. Nguyen Hoang Giang	Member
Mr. Pham Le Nhat Quang	Member
Mr. Pekka Mikeal Nastamo	Member (Appointed on 18 April 2019)
Mr. Christopher Bertram Brinkeborn Beselin	Member (Resigned on 18 April 2019)

Board of Management

Mr. Do Ngoc Quynh	Acting Chief Executive Officer (Appointed on 15 January 2020)
Ms. Pham Minh Huong	Chief Executive Officer
Mr. Tran Vu Thach	Managing Director (Resigned on 09 April 2019)
Mr. Hoang Minh Chau	IT Director (Resigned on 01 June 2019)
Ms. Vu Nam Huong	Finance Director
Ms. Nguyen Thi Ha Ninh	Chief Accountant

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance, its cash flows and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014; Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and other legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures, disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and the separate financial statements comply with Vietnamese Accounting Standards and accounting regime applicable to securities companies promulgated together with the Ministry of Finance's Circular No. 210/2014/TT-BTC dated 30 December 2014; Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and other other legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Company has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of Management,



Phạm Minh Hương
Chief Executive Officer

30 March 2020
Hanoi, S.R. Vietnam

No: 0947 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

**To: Shareholders
Board of Directors and Board of Management
VNDIRECT Securities Joint Stock Company**

We have audited the accompanying separate financial statements of VNDIRECT Securities Joint Stock Company ("the Company") prepared on 30 March 2020, as set out from page 5 to page 52, which comprise the statement of financial position as at 31 December 2019, statement of operations, statement of cash flows and statement of changes in equity for the year then ended and the explanatory notes to the separate financial statements.

Board of Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014; Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and other legal regulations relating to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate 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 Board of Management, as well as evaluating the overall presentation of the separate financial statements.

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the accompanying separate financial statements give a true and fair view, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance, cash flows and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and legal regulations relating to financial reporting.



Tran Thi Thuy Ngoc
Deputy General Director
Audit Practising Registration Certificate
No. 0031-2018-001-1

Pham Tuan Linh
Auditor
Audit Practising Registration Certificate
No. 3001-2019-001-1

DELOITTE VIETNAM COMPANY LIMITED

30 March 2020
Hanoi, S.R. Vietnam

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
ASSETS				
A. CURRENT ASSETS	100		11,122,907,891,494	10,149,706,296,976
(100=110+130)				
I. Financial assets	110		11,106,148,985,070	10,133,493,160,133
1. Cash and cash equivalents	111	6	602,974,766,186	895,793,164,153
1.1 Cash	111.1		602,974,766,186	488,793,164,153
1.2 Cash equivalents	111.2		-	407,000,000,000
2. Financial assets at fair value through profit or loss ("FVTPL")	112	8	1,274,140,763,717	912,532,963,745
3. Held-to-maturity investments ("HTM")	113	8	5,545,838,125,244	5,371,330,000,000
4. Loans receivable	114	8	2,877,392,098,158	2,582,474,306,127
5. Available-for-sale financial assets ("AFS")	115	8	773,030,930,215	387,030,902,241
6. Provision for impairment of financial assets and collaterals	116	10	(181,656,938,145)	(169,905,132,948)
7. Receivables from financial assets	117		204,121,463,109	145,757,659,492
7.1 Receivables from sales of financial assets	117.1		21,702,785,600	67,009,971,500
7.2 Dividends and interest receivables from financial assets	117.2	11	182,418,677,509	78,747,687,992
7.2.1 Dividends and interest receivables not yet due	117.4		182,418,677,509	78,747,687,992
8. Prepayments to suppliers	118		5,080,707,538	2,424,693,339
9. Other receivables	122	12	9,890,283,477	10,717,818,413
10. Allowance for doubtful debts	129	13	(4,663,214,429)	(4,663,214,429)
II. Other current assets	130		16,758,906,424	16,213,136,843
1. Advances	131		1,986,563,697	3,210,801,553
2. Short-term prepaid expenses	133	14	11,933,512,284	6,504,751,914
3. Short-term deposits, collaterals and pledges	134		2,838,830,443	2,500,563,283
4. Other current assets	137		-	3,997,020,093
B. LONG-TERM ASSETS	200		446,663,319,763	376,839,928,415
(200=210+220+240+250)				
I. Long-term financial assets	210		265,075,141,095	210,000,000,000
1. Investments	212		265,075,141,095	210,000,000,000
1.1 Held-to-maturity investments	212.1	8	105,075,141,095	100,000,000,000
1.2 Investments in subsidiaries	212.2	15	160,000,000,000	110,000,000,000
II. Fixed assets	220		56,499,199,521	72,912,546,977
1. Tangible fixed assets	221	16	41,921,375,951	54,009,140,204
- Cost	222		108,480,518,260	107,783,001,986
- Accumulated depreciation	223a		(66,559,142,309)	(53,773,861,782)
2. Intangible assets	227	17	14,577,823,570	18,903,406,773
- Cost	228		86,631,691,707	83,084,078,207
- Accumulated amortisation	229a		(72,053,868,137)	(64,180,671,434)
III. Construction in progress	240		500,000,000	500,000,000
IV. Other long-term assets	250		124,588,979,147	93,427,381,438
1. Long-term prepaid expenses	252	14	7,794,715,647	7,457,357,514
2. Deposits at Payment Support Fund	254	18	20,000,000,000	20,000,000,000
3. Other long-term assets	255	19	96,794,263,500	65,970,023,924
TOTAL ASSETS (270=100+200)	270		11,569,571,211,257	10,526,546,225,391

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

STATEMENT OF FINANCIAL POSITION (Continued)

As 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
LIABILITIES AND EQUITY				
C. LIABILITIES	300		8,328,085,553,850	7,554,886,582,507
(300=310+340)				
I. Current liabilities	310		7,922,569,129,433	7,049,934,578,334
1. Short-term borrowings and finance lease liabilities	311	20	6,553,608,086,436	6,012,344,898,307
1.1 Short-term borrowings	312		6,553,608,086,436	6,012,344,898,307
2. Short-term bonds issued	316	21	700,000,000,000	726,562,200,000
3. Accounts payable for securities trading activities	318	22	513,386,234,368	152,425,291,772
4. Short-term trade payables	320	23	556,381,898	2,382,091,715
5. Advances from customers	321		14,830,824,853	2,535,120,090
6. Taxes and other obligations to the State budget	322	24	53,025,038,194	35,889,807,578
7. Payables to employees	323		3,706,278,186	6,996,117,562
8. Employees' benefits payable	324		4,911,706,497	3,028,864,974
9. Short-term accrued expenses	325	25	62,875,452,518	92,377,609,353
10. Other short-term payables	329		1,226,816,490	530,794,978
11. Bonus and welfare funds	331	26	14,442,309,993	14,861,782,005
II. Long-term liabilities	340		405,516,424,417	504,952,004,173
1. Long-term bonds issued	346	21	403,641,000,000	500,000,000,000
2. Deferred tax liabilities	356	27	1,875,424,417	4,952,004,173
D. OWNERS' EQUITY	400		3,241,485,657,407	2,971,659,642,884
(400=410)				
I. Owners' equity	410		3,241,485,657,407	2,971,659,642,884
1. Owners' contributed capital	411		2,124,678,479,777	2,124,680,195,027
1.1 Share capital	411.1	28	2,204,301,690,000	2,204,301,690,000
a. Ordinary shares with voting rights	411.1a		2,204,301,690,000	2,204,301,690,000
1.2 Share premium	411.2		121,224,048,620	121,224,048,620
1.3 Treasury shares	411.5		(200,847,258,843)	(200,845,543,593)
2. Reserve to supplement charter capital	414		109,912,447,869	89,932,080,839
3. Financial and operational risk reserve	415		80,610,720,866	60,630,353,836
4. Undistributed profits	417	29	926,284,008,895	696,417,013,182
4.1 Realised profits	417.1		918,246,569,549	675,782,530,613
4.2 Unrealised profits	417.2		8,037,439,346	20,634,482,569
TOTAL LIABILITIES AND EQUITY	440		11,569,571,211,257	10,526,546,225,391
(440=300+400)				

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

STATEMENT OF FINANCIAL POSITION (Continued)

As 31 December 2019

Unit: VND

OFF-BALANCE SHEET ITEMS

ITEMS	Codes	Notes	Closing balance	Opening balance	
A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS					
1.		Bad debts written off	004	101,986,716,060	101,986,716,060
2.		Shares in circulation (share)	006	208,565,361	208,565,480
3.		Treasury shares (share)	007	11,864,808	11,864,689
4.		Listed/registered financial assets at VSD of securities company	008	391,573,158,000	242,723,930,000
5.		Custodied financial assets at VSD but not yet traded of securities company	009	4,350,000	5,770,000
6.		Financial assets in transit of the Company	010	456,354,506,000	148,490,500,000
7.		Financial assets of the securities company not yet custodied at VSD	012	578,398,330,000	554,924,410,000
8.		Covered warrants	014	9,008,770	-
B. ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY VNDIRECT					
1.		Listed/registered financial assets at VSD of investors/customers	021	36,397,073,900,800	28,943,992,430,000
a.		Freely traded financial assets	021.1	30,315,312,697,100	26,629,255,570,000
b.		Financial assets under pledged transactions	021.3	5,661,496,940,000	1,942,609,490,000
c.		Blocked financial assets	021.4	100,631,610,000	54,631,610,000
d.		Financial assets awaiting for settlement	021.5	319,632,653,700	317,495,760,000
2.		Financial assets custodied at VSD but not yet traded of investors	022	721,984,940,000	1,010,283,560,000
a.		Freely traded financial assets custodied at VSD but not yet traded	022.1	696,915,920,000	263,545,560,000
b.		Financial assets custodied at VSD but not yet traded and restricted for transfer	022.2	25,069,020,000	708,951,950,000
c.		Financial assets custodied at VSD but not yet traded and under pledged transactions	022.3	-	37,786,050,000
3.		Financial assets in transit of investors	023	277,909,615,800	324,074,460,000

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

STATEMENT OF FINANCIAL POSITION (Continued)

As 31 December 2019

Unit: VND

OFF-BALANCE SHEET ITEMS (Continued)

ITEMS	Codes	Notes	Closing balance	Opening balance
B. ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY VNDIRECT				
4. Customers' deposits	026		1,567,684,022,047	2,012,172,375,981
4.1. Customers' cash deposits for securities transactions managed by securities company	027		1,187,280,072,908	1,543,460,975,482
4.2. Customers' deposits for securities transactions	028		378,912,315,900	468,569,564,560
4.3. Cash deposits for clearing and settlement of securities transactions	029		265,353,239	91,855,939
a. Cash deposits for securities transactions clearing and settlement of domestic customers	029.1		179,154,519	17,809,964
b. Cash deposits for securities transactions clearing and settlement of foreign customers	029.2		86,198,720	74,045,975
4.4. Deposits from securities issuers	030		1,226,280,000	49,980,000
5. Payables to customers for cash deposits for securities transactions managed by securities company	031		1,566,140,622,520	2,010,803,797,786
5.1. Payables to domestic customers for cash deposits for securities transactions managed by securities company	031.1		1,474,295,427,557	1,878,841,002,261
5.2. Payables to foreign customers for cash deposits for securities transactions managed by securities company	031.2		91,845,194,963	131,962,795,525
6. Payables to securities issuers	032		1,226,280,000	49,980,000
7. Dividends, bond principal and interest payable	035		317,119,527	1,318,598,196
8. Margin deposits from investors at VSD	036		140,210,482,689	443,921,851,802

Ms. Nguyen Thi Tuyen
Preparer

Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Phạm Minh Hoàng
Chief Executive Officer

Hanoi, S.R.Vietnam
30 March 2020

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

STATEMENT OF OPERATIONS

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
I. OPERATING INCOME				
1.1. Gains from financial assets at fair value through profit or loss ("FVTPL")	01		256,968,099,237	260,477,100,025
a. Gains from sales of financial assets at FVTPL	01.1	30	247,698,002,348	255,615,611,252
b. Gains from revaluation of financial assets at FVTPL	01.2	31	(18,629,815,533)	(8,541,283,881)
c. Dividends and interest income from financial assets at FVTPL	01.3	32	24,652,995,662	13,402,772,654
d. Loss from revaluation of payable for outstanding covered warrants	01.4		3,246,916,760	-
1.2. Interest income from held-to-maturity investments	02	32	391,115,505,989	289,299,277,660
1.3. Interest income from loans and receivables	03	32	407,341,135,611	434,877,326,930
1.4. Gains from available-for-sale financial assets	04	32	19,717,574,568	4,811,965,659
1.5. Revenue from securities brokerage	06	33	335,847,636,758	520,577,893,341
1.6. Revenue from underwriting and issuance agency services	07	33	23,726,357,435	17,923,795,857
1.7. Revenue from securities investment advisory services	08	33	24,330,164,209	3,722,969,523
1.8. Revenue from securities custody services	09	33	12,904,794,156	11,198,531,803
1.9. Other operating income	11	33	4,825,977,119	3,110,453,455
Total operating income (20=01+02+03+04+06+07+08+09+11)	20		1,476,777,245,082	1,545,999,314,253
II. OPERATING EXPENSES				
2.1. Losses from financial assets at FVTPL	21		78,267,994,670	259,778,807,179
a. Losses from sales of financial assets at FVTPL	21.1	30	93,841,065,250	198,843,515,891
b. (Reversal of)/Allowance for impairment of financial assets at FVTPL	21.2	31	(22,309,497,734)	54,635,943,294
c. Costs of purchase transactions of financial assets at FVTPL	21.3		6,736,427,154	6,299,347,994
2.2. (Reversal of)/Allowance for financial assets, write-off of doubtful debts and impairment loss on financial assets	24		34,061,302,931	(3,539,230,029)
2.3. Expenses for securities brokerage services	27		155,092,316,345	216,309,653,142
2.4. Expenses for securities investment advisory services	29		-	531,473,720
2.5. Expenses for securities custody services	30		14,702,433,981	14,759,679,422
2.6. Expenses for financial advisory activities	31		-	124,000,000
Total operating expenses (40=21+24+27+29+30+31)	40		282,124,047,927	487,964,383,434

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

STATEMENT OF OPERATIONS (Continued)

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
III. FINANCIAL INCOME				
3.1. Realised and unrealised foreign exchange gain differences	41		-	826,465,877
3.1. Dividends and interest income from demand deposits at banks	42	34	4,822,357,502	23,922,500,445
3.3. Gains from disposal of investments in subsidiaries, associates, joint ventures	43		-	9,000,000
Total financial income (50=41+42+43)	50		4,822,357,502	24,757,966,322
IV. FINANCIAL EXPENSES				
4.1. Realised and unrealised foreign exchange loss differences	51		3,152,293,051	-
4.2. Interest expense	52	35	436,268,592,293	286,541,723,023
Total financial expenses (60=51+52)	60		439,420,885,344	286,541,723,023
V. GENERAL AND ADMINISTRATION EXPENSES				
	62	36	299,033,429,646	295,942,348,637
VI. OPERATING PROFIT (70=20+50-40-60-62)				
	70		461,021,239,667	500,308,825,481
VII. OTHER INCOME AND EXPENSES				
7.1. Other income	71		26,831,976,977	743,127,355
7.2. Other expenses	72		3,098,914,919	220,294,507
Profit from other activities (80=71-72)	80		23,733,062,058	522,832,848
VIII. ACCOUNTING PROFIT BEFORE TAX (90=70+80)				
	90		484,754,301,725	500,831,658,329
8.1. Realised profits before tax	91		500,427,924,704	508,546,476,333
8.2. Unrealised (loss) before tax	92		(15,673,622,979)	(7,714,818,004)
IX. CORPORATE INCOME TAX (CIT) EXPENSES				
9.1. Current CIT expense	100.1		100,927,732,447	93,825,594,709
9.2. Deferred CIT (income)	100.2		(3,076,579,756)	(1,708,256,776)
X. NET PROFIT AFTER TAX (200 = 90 - 100)	200		386,903,149,034	408,714,320,396

Ms. Nguyen Thi Tuyen
Preparer

Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Phạm Minh Hoàng
Chief Executive Officer

Hanoi, S.R.Vietnam
30 March 2020

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

STATEMENT OF CASH FLOWS

(Indirect method)

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Profit before tax	01	484,754,301,725	500,831,658,329
2. Adjustments for:	02	468,201,031,383	340,742,386,144
- Depreciation and amortisation of fixed assets	03	20,716,375,564	21,958,681,733
- Allowances and provisions	04	11,751,805,197	51,096,713,265
- Unrealised foreign exchange loss differences	05	(535,741,671)	(826,465,877)
- Interest expenses	06	436,268,592,293	286,541,723,023
- Gains, losses from investment activities	07	-	(18,028,266,000)
3. Adjustment for non-cash expenses	10	18,629,815,533	8,541,283,881
- Losses from revaluation of financial assets at FVTPL	11	18,629,815,533	8,541,283,881
4. Adjustment for non-cash income	18	(3,246,916,760)	-
- Gains from revaluation of financial assets at FVTPL	19	(3,246,916,760)	-
5. Operating profit before changes in working capital	30	968,338,231,881	850,115,328,354
- (Increase)/Decrease in financial assets at FVTPL	31	(380,237,615,505)	60,950,845,006
- (Increase) in held-to-maturity investments (HTM)	32	(179,583,266,339)	(2,913,114,967,228)
- (Increase)/Decrease in loans receivable	33	(294,917,792,031)	472,647,146,224
- (Increase)/Decrease in financial assets available for sales (AFS)	34	(386,000,027,974)	360,991,097,759
- Decrease/(Increase) in receivables from sales of financial assets	35	45,307,185,900	(45,493,476,400)
- (Increase) in dividends and interests receivable from financial assets	36	(103,670,989,517)	(26,031,725,312)
- (Increase)/Decrease in other receivables	39	(1,828,479,263)	60,153,785,661
- (Increase) in other assets	40	(25,941,248,787)	(5,678,520,140)
- Decrease/(Increase) in accrued expenses (excluding loan interest expense)	41	1,457,377,120	(19,350,406)
- (Increase) in prepaid expenses	42	(5,766,118,503)	(1,786,330,039)
- Corporate income tax paid	43	(79,287,929,710)	(99,915,922,317)
- Interest paid	44	(466,157,384,577)	(209,608,285,536)
- Increase/(Decrease) in accounts payable to suppliers	45	353,430,404,641	(611,477,385,796)
- Increase in employees' benefits payable	46	1,882,841,523	1,369,034,768
- (Decrease) in taxes and other obligations to the State budget (excluding corporate income tax paid)	47	(4,942,330,244)	(1,087,253,311)
- (Decrease) in payables to employees	48	(3,289,839,376)	(21,367,506,603)
- Increase/(Decrease) in other payables	50	8,979,253,023	(34,003,572,130)
Net cash flows from operating activities	60	(552,227,727,738)	(2,163,357,057,446)

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

STATEMENT OF CASH FLOWS (Continued)

(Indirect method)

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Current year	Prior year
II. Cash flows from investing activities			
1. Payments for acquisition and construction of fixed assets, investment properties and other assets	61	(4,312,719,774)	(35,764,804,108)
2. Proceeds from sale, disposal of fixed assets, investment properties and other assets	62	9,691,666	-
3. Payments for investments in subsidiaries, joint ventures, associates and other investments	63	(50,000,000,000)	-
4. Proceeds from investments in subsidiaries, joint ventures, associates and other investments	64	-	36,360,000,000
5. Proceeds from dividends and profit from long-term financial investments	65	-	18,019,266,000
Net cash flows from investing activities	70	(54,303,028,108)	18,614,461,892
III. Cash flows from financing activities			
1. Proceeds from equity issued or capital contributed by shareholders	71	-	504,584,770,000
2. Cash paid for capital withdrawals and buy-back of issued shares	72	(1,715,250)	(152,026,526,000)
3. Proceeds from borrowings	73	183,184,482,060,977	98,249,324,343,698
3.1. Other borrowings	73.2	183,184,482,060,977	98,249,324,343,698
4. Payments to settle loan principals	74	(182,766,675,072,848)	(95,681,488,668,001)
4.1. Payments to settle other loan principals	74.3	(182,766,675,072,848)	(95,681,488,668,001)
5. Dividends, profits paid to shareholders	76	(104,092,915,000)	(216,619,554,050)
Net cash flows from financing activities	80	313,712,357,879	2,703,774,365,647
IV. Net cash flows during the year	90	(292,818,397,967)	559,031,770,093
V. Cash and cash equivalents at the beginning of the year	101	895,793,164,153	336,761,394,060
- Cash	101.1	488,793,164,153	236,761,394,060
- Cash equivalents	101.2	407,000,000,000	100,000,000,000
VI. Cash and cash equivalents at the end of the year	103	602,974,766,186	895,793,164,153
- Cash	103.1	602,974,766,186	488,793,164,153
- Cash equivalents	103.2	-	407,000,000,000

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

STATEMENT OF CASH FLOWS (Continued)

(Direct method)

For the year ended 31 December 2019

Unit: VND

CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES

ITEMS	Codes	Current year	Prior year
I. Cash flows of customers for brokerage and entrustment activities			
1. Proceeds from sales of securities brokered by the Company	01	84,934,206,645,100	131,010,682,468,151
2. Payments for purchases of securities brokered by the Company	02	(84,934,033,147,800)	(131,010,624,047,950)
3. Deposits received to settle securities transactions of customers	07	(444,836,672,567)	(161,903,190,610)
4. Receipts from securities issuers	14	3,253,833,943,252	2,327,225,993,952
5. Payments to securities issuers	15	(3,253,659,121,919)	(2,326,481,045,941)
Net cash flows during the year	20	(444,488,353,934)	(161,099,822,398)
II. Cash and cash equivalents of customers at the beginning of the year			
Cash at banks at the beginning of the year	31	2,012,172,375,981	2,173,272,198,379
- Deposits of customers for securities transactions managed by the Company	32	1,542,142,377,286	1,300,561,959,256
- Deposits for securities transactions for customers	33	468,569,564,560	872,053,173,200
- Deposits for clearing and settlement of securities transactions	34	91,855,939	33,435,738
- Deposits from securities issuers	35	1,368,578,196	623,630,185
III. Cash and cash equivalents of customers at the end of the year (40=20+30)			
Cash at banks at the end of the year:	41	1,567,684,022,047	2,012,172,375,981
- Deposits of customers for securities transactions managed by the Company	42	1,186,962,953,381	1,542,142,377,286
- Deposits for securities transactions for customers	43	378,912,315,900	468,569,564,560
- Deposits for clearing and settlement of securities transactions	44	265,353,239	91,855,939
- Deposits from securities issuers	45	1,543,399,527	1,368,578,196

Ms. Nguyen Thi Tuyen
Preparer

Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Phạm Minh Hoàng
Chief Executive Officer

Hanoi, S.R.Vietnam
30 March 2020

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

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

Unit: VND

ITEMS	Note	Opening balance		Movement				Closing balance	
		Prior year	Current year	Prior year		Current year		Prior year	Current year
				Increase	Decrease	Increase	Decrease		
I. Changes in owners' equity		2,468,865,477,799	2,971,659,642,884	959,002,016,834	(456,207,851,749)	439,459,211,067	(169,633,196,544)	2,971,659,642,884	3,241,485,657,407
1. Owners' contributed capital	28	1,621,127,781,027	2,124,680,195,027	502,809,047,048	743,366,952	(1,715,250)	-	2,124,680,195,027	2,124,678,479,777
1.1. Share capital		1,549,981,650,000	2,204,301,690,000	654,320,040,000	-	-	-	2,204,301,690,000	2,204,301,690,000
1.2. Share premium		120,708,515,572	121,224,048,620	515,533,048	-	-	-	121,224,048,620	121,224,048,620
1.3. Treasury shares		(49,562,384,545)	(200,845,543,593)	(152,026,526,000)	743,366,952	(1,715,250)	-	(200,845,543,593)	(200,847,258,843)
2. Reserve to supplement charter capital		69,196,036,758	89,932,080,839	20,736,044,081	-	19,980,367,030	-	89,932,080,839	109,912,447,869
3. Financial and operational risk reserves		39,894,309,755	60,630,353,836	20,736,044,081	-	19,980,367,030	-	60,630,353,836	80,610,720,866
4. Undistributed profits	29	738,647,350,259	696,417,013,182	414,720,881,624	(456,951,218,701)	399,500,192,257	(169,633,196,544)	696,417,013,182	926,284,008,895
4.1. Realised profits		712,006,306,462	675,782,530,613	414,720,881,624	(450,944,657,473)	399,500,192,257	(157,036,153,321)	675,782,530,613	918,246,569,549
4.2. Unrealised profits		26,641,043,797	20,634,482,569	-	(6,006,561,228)	-	(12,597,043,223)	20,634,482,569	8,037,439,346
		2,468,865,477,799	2,971,659,642,884	959,002,016,834	(456,207,851,749)	439,459,211,067	(169,633,196,544)	2,971,659,642,884	3,241,485,657,407

Ms. Nguyen Thi Tuyen
Preparer

Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Phạm Minh Hương
Chief Executive Officer

Hanoi, S.R. Vietnam
30 March 2019

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

1. GENERAL INFORMATION

VNDIRECT Securities Joint Stock Company (the "Company") is incorporated as a joint stock company in Vietnam under Business Registration Certificate No. 0103014521 dated 7 November 2006. The Company's Securities Operating Licence No. 101/UBCK-GP dated 31 December 2007 and the amended License for Establishment and Operation of Securities Company No. 31/GPDC-UBCK dated 22 May 2019 were issued by the State Securities Commission of Vietnam. The Company's Head Office is located at No. 1 Nguyen Thuong Hien Street, Hai Ba Trung District, Hanoi, Vietnam. The Company's Charter was issued on 25 September 2006 with the latest amendment dated 20 April 2018.

Charter capital

As at 31 December 2019, the Company's charter capital is VND 2,204,301,690,000 (as at 31 December 2018: VND 2,204,301,690,000).

Principal activities

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

Investment restrictions of securities companies

The Company follows Article 44 of Circular No. 210/2012/TT-BTC issued by the Ministry of Finance on 30 November 2012 and Circular No. 07/2016/TT-BTC dated 18 January 2016 amending and supplementing several articles of Circular 210, accordingly:

Securities companies must not purchase or contribute capital for purchase of real estate, except for cases where they are used as head offices, branches or transaction offices in direct service of professional operations of securities companies.

Securities companies purchase or invest in real estate under the provisions of Clause 1 of this Article and fixed assets on the principle that the residual value of fixed assets and real estate shall not exceed fifty percent (50%) of the total assets of the securities companies.

The total value of investments in corporate bonds of securities companies must not exceed seventy percent (70%) of equity. Securities companies licensed to conduct securities proprietary trading activities may sell and repurchase listed bonds in accordance with relevant regulations on bond repurchase transactions.

Securities companies must not directly or entrust other entities or individuals to:

- a) Invest in shares or capital contributions of companies owning more than fifty percent (50%) of the charter capital of such securities companies, except for cases of purchase of odd lots of shares at the request of customers;
- b) Together with related persons, invest from five percent (5%) or more in the charter capital of other securities companies;
- c) Invest more than twenty percent (20%) of the total number of outstanding stocks and fund units of a listed entity;
- d) Invest more than fifteen percent (15%) of total outstanding stocks and fund units of an unlisted entity, this provision shall not be applied to member fund units, exchange traded funds and open-ended funds;

- e) Invest or contribute more than ten percent (10%) of the total capital contributed by a limited liability company or business project;
- f) Invest or contribute more than fifteen percent (15%) of equity to an entity or business project;
- g) Invest more than seventy percent (70%) of equity capital in shares, capital contributions and business projects, of which no more than twenty percent (20%) of equity may be invested in unlisted shares, capital contributions and business projects.

A securities company can establish, acquire a fund management company as a subsidiary. In this case, the securities company shall not have to comply with the provisions at Points c, d and e, Clause 4 of this Article. A securities company which plans to establish or acquire a fund management company as a subsidiary must meet the following conditions:

- a) The owner's equity after the capital contribution for the establishment and acquisition of the fund management company must be at least equal to the legal capital for the business operations being performed by the company;
- b) Liquid capital ratio after the capital contribution for the establishment or acquisition of the fund management company must be at least one hundred and eighty percent (180%);
- c) Securities companies, after making capital contribution for the establishment and acquisition of a fund management company, must comply with the debt limit prescribed in Article 42 of this Circular and investment limit prescribed in Clause 3 of this Article and Point f of Clause 4 of this Article.

In cases where the securities company exceeds the limit prescribed due to its underwriting under the form of firm commitment, consolidation or merger, or changes in assets or owner's equity of the securities company or capital contributing entities, securities companies must apply necessary measures to comply with the investment limits prescribed in Clauses 2, 3 and 4 of this Article for a maximum of one (01) year.

Disclosure of information comparability in the separate financial statements

The comparative figures are the figures in the separate financial statements for the year ended 31 December 2018.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months.

Number of employees

As at 31 December 2019, the Company has 850 employees (as at 31 December 2018: 930 employees).

Subsidiaries

As at 31 December 2019, the Company has two (02) subsidiaries, of which one (01) is directly owned and one (01) is indirectly owned as follows:

<u>Name</u>	<u>Establishment and Operation</u>	<u>Principal activities</u>	<u>Charter capital</u>	<u>% ownership interest</u>
I.P.A Securities Investment Fund Management Limited Company	Licences for Establishment and Operation No. 30/UBCK-GP dated 04/3/2008, 02/GPDC-UBCK dated 08/3/2017	Securities investment fund management and securities investment portfolio management	VND 100 billion	100%



<u>Name</u>	<u>Establishment and Operation</u>	<u>Principal activities</u>	<u>Charter capital</u>	<u>% ownership interest</u>
IVND Limited Company	Business Registration Certificate No. 0108599981 dated 24 January 2019	Web portal	VND 20 billion	100% (*)

(*) Indirect ownership through I.P.A Securities Investment Fund Management Company Limited.

2. BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS AND FINANCIAL YEAR

Basis of preparation of separate financial statements

The separate financial statement expressed in Vietnam Dong ("VND") are prepared in accordance with Vietnamese Accounting Standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014; Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and other legal regulations relating to financial reporting.

The accompanying separate financial statements are not intended to present the financial position, results of operations, cash flows and changes in equity in accordance with generally accepted accounting principles and practices in countries other than Vietnam. These separate financial statements are not intended for use by those who are not aware of Vietnam's accounting principles, procedures and practices applicable to securities companies.

The Company also prepares and releases the consolidated financial statements of the Company and its subsidiaries (collectively called "VNDIRECT"), expressed in Vietnam Dong ("VND"), in accordance with Vietnamese Accounting Standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014; Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and other legal regulations relating to financial reporting. These separate financial statements should be read in conjunction with the consolidated financial statements of VNDIRECT for the year ended 31 December 2019 for the purpose of comprehensive information on the consolidated financial position of VNDIRECT as at 31 December 2019, the consolidated results of operations, consolidated cash flows and the consolidated changes in equity of VNDIRECT for the year ended 31 December 2019.

Measurement basis

The separate financial statements, except for statement of cash flows, are prepared on accrual basis using the historical cost method, except for financial assets at fair value through profit or loss and available-for-sale financial assets as disclosed in Note 3. The statement of cash flows is prepared using the indirect method.

Financial year

The financial year of the Company begins on 01 January and ends on 31 December. These separate financial statements are prepared for the financial year from 01 January 2019 to 31 December 2019.

Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for the purpose of preparation and presentation of separate financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these separate financial statements, are as follows:

Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party of contractual provisions of the financial assets and liabilities.

Derecognition

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

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company 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.

Cash and cash equivalents

Cash comprises cash at bank for the Company's activities and deposits for clearing and settlement of securities transactions of the Company. Cash deposits for securities transactions, clearing and settlement of securities transactions of customers are separated from the Company's accounts.

Cash equivalents are short-term investments with recovery or maturity of no 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.

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 financial instrument (except for a derivative that is financial guarantee contract or an effective hedging instrument).
- Upon initial recognition, it is designated by the Company 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).

Financial assets at fair value through profit or loss are stated at fair value and the gain or loss arising from the change in fair value is recognised in profit or loss in the consolidated statement of operations.

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

For the securities already registered for trading (shares registered on UPCOM), fair values are the average reference prices within the last 30 transaction days before the time of making annual financial statements announced by the Stock Exchange.

For the securities which are unlisted (OTC) and not yet registered for trading on UPCOM, the Company based on the separate financial statements of the issuing organizations prepared at the same time with financial statements of the Company to determine the provisions for each investment (if any).

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.

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

Held-to-maturity investments

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

- those that the Company, on initial recognition, designates as at fair value in the statement of operations;
- those that the Company 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 and 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 year or in the most recent two financial years 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 the Company 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 the Company's control and such event is unforeseeable.

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 and communication fee.

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 section "Financial assets at Fair value through profit or loss" of this Note.

Loans receivable

Loans receivable are financial assets with fixed or determinable payments that are not quoted in an active market. Loans receivable of the Company 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 the accounting policy described in section Receivables of this Note. The Company also makes general allowance for loans receivable at the rate of 0.75% of the total loans receivable.

For overdue loans which are irrecoverable, the Company perform risk handling process in accordance with current prevailing legal regulations.

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 entity is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, under arrest, under a trial or pending execution of sentences or deceased.

Allowance for doubtful debts based on overdue status is made as follows:

Overdue status	Allowance rate
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 above	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.

Investments in subsidiaries

For the purpose of these separate financial statements, investments in subsidiaries are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets against the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Tangible fixed assets

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 and expenses for dismantlement, relocation of assets, and restoration of the place where assets are located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the statement of operations 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.

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:

	<u>Years</u>
Buildings and structures	10
Office equipment	3 - 10

Intangible assets

Computer software

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

Construction in progress

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

Trade and other payables

Trade and other payables are stated at their cost.

Provisions

A provision is recognised if, as a result of a past event, the Company 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.

Bonds issued

At initial recognition, bonds issued are measured at cost which is the proceed from issuance minus the issuing costs.

Share capital

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 minus the tax effects, are recognised as a deduction to share premium.

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.

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.

Statutory reserves

The Company allocates realised profit to statutory reserves annually in accordance with Circular No. 146/2014/TT-BTC dated 06 October 2014 of the Ministry of Finance as follows:

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

The reserve to supplement charter capital is used to supplement share capital as determined by the General Meeting of 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 individuals or entities who have caused them.

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

Revenue and other income

Gains/losses from sales of financial assets

Gains/losses from sales of financial assets is recognised in the separate statement of operations upon receipt of the notice for payment of securities trading transactions from Vietnam Securities Depository ("VSD") (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

Dividend and interest income from financial assets

Dividend income recognised in the separate statement of operations 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, the Company only recognises the number of the shares and no revenue is recognised.

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

Revenue from securities brokerage

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

Revenue from securities investment advisory and financial advisory

Revenue from securities investment advisory and financial advisory activities is recognised proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to work performed.

Revenue from securities custody

Revenue from securities custody service is recognised in the separate statement of operations when services are rendered.

Operating lease payment

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

Interest expense

Interest expense is recognised in the separate statement of operations in the year when incurred on an accrual basis.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of operations 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 recognized 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.

Segment reporting

A segment is a distinguishable component of the Company 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.

Related parties

Parties are considered to be related to the Company 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 the Company 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.

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 separate financial statements indicate nil balances.

4. FINANCIAL RISK MANAGEMENT

Overview

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

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

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

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

Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 the Company's activities. The Company, 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.

Credit risk

Credit risk is the risk of financial loss to the Company 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, the Company attempts to deal with counterparties of good credit standing, and when appropriate, obtains collaterals for other receivables. The Board of 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 the Company'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	Closing balance	Opening balance
		VND	VND
Cash and cash equivalents	(i)	602,974,766,186	895,793,164,153
Held-to-maturity investments	(i)	5,650,913,266,339	5,471,330,000,000
Loans receivable	(ii)	2,877,392,098,158	2,582,474,306,127
Available-for-sale debt securities	(iii)	765,530,930,215	379,530,902,241
Accounts receivable	(ii)	214,011,746,586	156,475,477,905
Other financial assets		37,838,830,443	37,547,099,707
		10,148,661,637,927	9,523,150,950,133

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

The cash and cash equivalents of the Company are mainly held with well-known financial institutions. The Board of 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 the Company.

(ii) *Loans receivable and receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, Board of Management of the Company has established a credit policy under which each new customer is analysed individually for credit worthiness 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 receivable amount without requiring approval from the Board of Management. The limit is annually reviewed. 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 of whom there was no recent history of default. The Board of Management believes that those receivables are of high credit quality.

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 the Company's reputation.

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

Closing balance	Contractual cash				
	Carrying value	flows	Within 1 year	From 1 to 5 years	Over 5 years
	VND	VND	VND	VND	VND
Current liabilities					
Short-term borrowings	6,553,608,086,436	6,597,891,642,288	6,597,891,642,288	-	-
Short-term bonds issued	700,000,000,000	719,823,621,918	719,823,621,918	-	-
Accounts payable for securities trading activities	513,386,234,368	513,386,234,368	513,386,234,368	-	-
Accounts payable to suppliers	556,381,898	556,381,898	556,381,898	-	-
Advances from customers	14,830,824,853	14,830,824,853	14,830,824,853	-	-
Short-term accrued expenses	62,875,452,518	62,875,452,518	62,875,452,518	-	-
Other financial liabilities	1,226,816,490	1,226,816,490	1,226,816,490	-	-
Long-term liabilities					
Long-term bonds issued	403,641,000,000	599,221,292,460	11,087,671,233	90,631,565,578	497,502,055,649
	8,250,124,796,563	8,509,812,266,793	7,921,678,645,566	90,631,565,578	497,502,055,649

Opening balance	Contractual cash			
	Carrying value	flows	Within 1 year	From 1 to 2 years
	VND	VND	VND	VND
Current liabilities				
Short-term borrowings	6,012,344,898,307	6,026,186,882,617	6,026,186,882,617	-
Short-term bonds issued	726,562,200,000	794,639,432,858	794,639,432,858	-
Accounts payable for securities trading activities	152,425,291,772	152,425,291,772	152,425,291,772	-
Accounts payable to suppliers	2,382,091,715	2,382,091,715	2,382,091,715	-
Advances from customers	2,535,120,090	2,535,120,090	2,535,120,090	-
Short-term accrued expenses	92,377,609,353	92,377,609,353	92,377,609,353	-
Other financial liabilities	530,794,978	530,794,978	530,794,978	-
Long-term liabilities				
Long-term bonds issued	500,000,000,000	589,222,222,222	44,611,111,111	544,611,111,111
	7,489,158,006,215	7,660,299,445,605	7,115,688,334,494	544,611,111,111

The Company 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 banking facilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and share prices will affect the Company'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.

Interest rate risk

As at the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Financial assets		
Cash and cash equivalents	602,974,766,186	895,793,164,153
Held-to-maturity investments	5,650,913,266,339	5,471,330,000,000
Loans receivable	2,877,392,098,158	2,582,474,306,127
Available-for-sale debt securities	765,530,930,215	379,530,902,241
Payment to Clearing Fund for derivative transactions	15,000,000,000	15,046,536,424
Deposits at Payment Support Fund	20,000,000,000	20,000,000,000
Deposit for derivative transactions	-	3,997,020,093
	<u>9,931,811,060,898</u>	<u>9,368,171,929,038</u>
Financial liabilities		
Short-term borrowings	6,553,608,086,436	6,012,344,898,307
Short-term bonds issued	700,000,000,000	726,562,200,000
Long-term bonds issued	403,641,000,000	500,000,000,000
	<u>7,657,249,086,436</u>	<u>7,238,907,098,307</u>

Equity securities price risk

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

Financial assets at FVTPL of the Company are affected by market risk arising from the uncertainty in the fluctuations 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 2019, market value of equity securities and fund unit at FVTPL of the Company was VND 1,146.2 billion (31 December 2018: VND 762.3 billion). Had the market value of these securities increased or decreased by 10% as at 31 December 2019 assuming that all other variables remained constant, profit after tax of the Company would have increased or decreased by VND 91.7 billion (31 December 2018: 10%, increased or decreased by VND 61.0 billion).

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 2019, the Company had exchange rate risks arising from short-term bank loan contracts with the amount of USD 20 million (as at 31 December 2018: USD 15 million).

5. SEGMENT REPORTING

Segment reporting by geographical area

All of the Company's business activities are performed in Vietnam.

Segment reporting by business segments

The Company comprises the following main business segments as follows:

- Brokerage: Securities brokerage activities for customers, securities investment advisory and custody services.
- Proprietary trading: Securities trading activities of the Company.
- Treasury: Granting margin loans and advances to customers for the proceeds from selling securities; bank deposits.

	Brokerage services		Proprietary trading		Treasury		Total	
	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND	VND	VND	VND	VND
Segment assets	7,500,000,000	7,500,000,000	2,093,527,412,934	1,117,468,455,054	9,257,329,577,828	9,008,672,742,057	11,358,356,990,762	10,133,641,197,111
Unallocated assets	-	-	-	-	-	-	211,214,220,495	392,905,028,280
Total assets	7,500,000,000	7,500,000,000	2,093,527,412,934	1,117,468,455,054	9,257,329,577,828	9,008,672,742,057	11,569,571,211,257	10,526,546,225,391
Segment liabilities	-	-	513,386,234,368	152,425,291,772	7,814,699,319,482	7,402,461,290,735	8,328,085,553,850	7,554,886,582,507
Total liabilities	-	-	513,386,234,368	152,425,291,772	7,814,699,319,482	7,402,461,290,735	8,328,085,553,850	7,554,886,582,507



VNDIRECT SECURITIES JOINT STOCK COMPANY
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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	Brokerage services		Proprietary trading		Treasury		Total	
	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND	VND	VND	VND	VND
Operating revenue								
- Gains from financial assets at FVTPL and derivatives	-	-	256,968,099,237	260,477,100,025	-	-	256,968,099,237	260,477,100,025
- Interest income from held-to-maturity investments	-	-	-	-	391,115,505,989	289,299,277,660	391,115,505,989	289,299,277,660
- Interest income from loans and receivables	-	-	-	-	407,341,135,611	434,877,326,930	407,341,135,611	434,877,326,930
- Gains from available-for-sale financial assets	-	-	19,717,574,568	4,811,965,659	-	-	19,717,574,568	4,811,965,659
- Revenue from brokerage services	335,847,636,758	520,577,893,341	-	-	-	-	335,847,636,758	520,577,893,341
- Revenue from underwriting and issuance agency services	23,726,357,435	17,923,795,857	-	-	-	-	23,726,357,435	17,923,795,857
- Revenue from securities investment advisory services	24,330,164,209	3,722,969,523	-	-	-	-	24,330,164,209	3,722,969,523
- Revenue from securities custody services	12,904,794,156	11,198,531,803	-	-	-	-	12,904,794,156	11,198,531,803
- Other operating income	-	-	-	-	4,825,977,119	3,110,453,455	4,825,977,119	3,110,453,455
- Financial income	-	-	-	18,028,266,000	4,822,357,502	6,729,700,322	4,822,357,502	24,757,966,322
Total revenue	396,808,952,558	553,423,190,524	276,685,673,805	283,317,331,684	808,104,976,221	734,016,758,367	1,481,599,602,584	1,570,757,280,575

VNDIRECT SECURITIES JOINT STOCK COMPANY
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B09-CTCK

	Brokerage services		Proprietary trading		Treasury		Total	
	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND	VND	VND	VND	VND
Direct expenses								
- Losses from financial assets at FVTPL	-	-	78,267,994,670	259,778,807,179	-	-	78,267,994,670	259,778,807,179
- (Reversal of)/Allowance made for financial assets, write-off of doubtful debts and impairment loss on financial assets	-	-	-	-	34,061,302,931	(3,539,230,029)	34,061,302,931	(3,539,230,029)
- Expenses for securities brokerage	155,092,316,345	216,309,653,142	-	-	-	-	155,092,316,345	216,309,653,142
- Expenses for securities investment advisory services	-	531,473,720	-	-	-	-	-	531,473,720
- Expenses for securities custody services	14,702,433,981	14,759,679,422	-	-	-	-	14,702,433,981	14,759,679,422
- Realised and unrealised foreign exchange loss	-	124,000,000	-	-	3,152,293,051	-	3,152,293,051	124,000,000
- Interest expense	-	-	-	-	436,268,592,293	286,541,723,023	436,268,592,293	286,541,723,023
Total expenses	169,794,750,326	231,724,806,284	78,267,994,670	259,778,807,179	473,482,188,275	283,002,492,994	721,544,933,271	774,506,106,457
Segment operating results	227,014,202,232	321,698,384,240	198,417,679,135	23,538,524,505	334,622,787,946	451,014,265,373	760,054,669,313	796,251,174,118
Unallocated expenses							299,033,429,646	295,942,348,637
Results from operating activities							461,021,239,667	500,308,825,481
Other income							26,831,976,977	743,127,355
Other expenses							3,098,914,919	220,294,507
Current corporate income tax expenses							97,851,152,691	92,117,337,933
Net profit after tax							386,903,149,034	408,714,320,396

6. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash at banks for VNDIRECT's activities	602,830,734,337	488,780,684,536
Deposits for clearing and settlement of securities transactions	144,031,849	12,479,617
Cash equivalents (*)	-	407,000,000,000
	<u>602,974,766,186</u>	<u>895,793,164,153</u>

(*) These are bank deposits with original terms not exceeding 3 months.

7. VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	<u>Volume of transactions</u>	<u>Value of transactions</u>
	Number of securities	VND
Of VNDIRECT	726,766,122	245,078,434,160,400
Shares	93,763,658	3,130,559,533,644
Bonds	612,422,381	239,899,981,219,756
Other securities	20,580,083	2,047,893,407,000
Of Investors	9,586,098,720	654,746,738,017,341
Shares	9,441,346,029	161,886,868,799,741
Bonds	1,350,003	139,502,351,100
Other securities	143,402,688	492,720,366,866,500

8. FINANCIAL ASSETS

Financial assets at fair value through profit or loss

	Closing balance		Opening balance	
	Cost	Fair value (*)	Cost	Fair value (*)
	VND	VND	VND	VND
Financial assets at FVTPL				
Shares and fund units (i)	1,268,010,558,385	1,274,140,763,717	887,772,942,880	912,532,963,745
Total	1,268,010,558,385	1,274,140,763,717	887,772,942,880	912,532,963,745

(*) 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 diminution in value of financial assets in Note 10.

(i) At 31 December 2019, there was 700.000 LTG shares with fair value of VND 50,480 million (31 December 2018: 15,761,118 ABB shares, 494,700 VGG shares and 700.000 LTG shares with total fair value of VND 139,264 million) pledged at banks as security for loans granted to the Company (Note 20).

Held-to-maturity investments

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Held-to-maturity investments				
Term deposits with term to maturity:				
- Under 1 year	5,545,838,125,244	Not applicable	5,371,330,000,000	Not applicable
- Above 1 year	105,075,141,095	Not applicable	100,000,000,000	Not applicable
Total	5,650,913,266,339		5,471,330,000,000	

As at 31 December 2019, included in these term deposits were VND 5,571,800 million pledged with banks as security for loans granted to the Company (31 December 2018: VND 5,218,000 million) (Note 20) and VND 34,100 million deposited at banks to ensure payment obligations for warrants issued by the Company.

Loan receivables

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Loan receivables				
Margin loans	2,766,971,113,041	(**)	2,456,280,458,266	(**)
Advances to customers for the proceeds of selling securities	110,420,985,117	(**)	126,193,847,861	(**)
Total	2,877,392,098,158		2,582,474,306,127	

Available-for-sale financial assets

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Available-for-sale financial assets				
Equity securities	7,500,000,000	(**)	7,500,000,000	(**)
Government bonds	494,225,000,000	494,225,000,000	148,490,500,000	148,490,500,000
Credit institution bonds	75,200,000,000	75,200,000,000	-	-
Corporate bonds	95,424,106,615	95,424,106,615	29,669,435,442	29,669,435,442
Certificates of deposits	100,681,823,600	100,681,823,600	201,370,966,799	201,370,966,799
Total	773,030,930,215		387,030,902,241	

(**) The Company 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, accounting regime applicable to securities companies. The fair values of these financial instruments may differ from their carrying amounts.

9. MOVEMENTS IN MARKET VALUES OF FINANCIAL ASSETS MEASURED AT FAIR VALUE

	Cost VND	Market value/ Fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND	
I Financial assets at FVTPL					
<i>Listed shares</i>	624,664,405,572	608,961,523,950	4,454,220,443	(20,157,102,065)	608,961,523,950
PTI	266,887,919,882	257,713,072,500	-	(9,174,847,382)	257,713,072,500
MBB	72,631,190,021	70,383,102,400	-	(2,248,087,621)	70,383,102,400
VHM	70,672,791,430	67,971,524,800	-	(2,701,266,630)	67,971,524,800
VIC	52,284,954,080	51,419,490,000	-	(865,464,080)	51,419,490,000
REE	47,013,682,478	48,658,480,200	1,644,797,722	-	48,658,480,200
FPT	32,223,281,162	34,917,444,100	2,694,162,938	-	34,917,444,100
PLX	25,529,047,290	24,808,672,000	-	(720,375,290)	24,808,672,000
VNM	13,576,219,494	13,264,224,000	-	(311,995,494)	13,264,224,000
BMI	10,745,959,060	9,553,183,200	-	(1,192,775,860)	9,553,183,200
PVI	9,855,092,896	8,250,519,200	-	(1,604,573,696)	8,250,519,200
Others	23,244,267,779	22,021,811,550	115,259,783	(1,337,716,012)	22,021,811,550
<i>Listed fund certificates</i>	2,409,765,649	2,741,000,000	345,300,000	(14,065,649)	2,741,000,000
E1VFN30	1,490,065,649	1,476,000,000	-	(14,065,649)	1,476,000,000
FUESSV50	919,700,000	1,265,000,000	345,300,000	-	1,265,000,000
<i>Unlisted fund certificates</i>	100,500,000,000	100,696,900,000	1,327,600,000	(1,130,700,000)	100,696,900,000
VNDAF	50,500,000,000	49,369,300,000	-	(1,130,700,000)	49,369,300,000
CC_VNDBF	50,000,000,000	51,327,600,000	1,327,600,000	-	51,327,600,000
<i>Unlisted shares</i>	540,436,387,164	433,816,421,869	3,084,889	(106,623,050,184)	433,816,421,869
An Binh Commercial Joint Stock Bank	170,489,057,266	170,489,057,266	-	-	170,489,057,266
Loc Troi Group Joint Stock Company	113,805,051,300	50,479,932,533	-	(63,325,118,767)	50,479,932,533
Orient Commercial Joint Stock Bank	95,255,037,078	95,255,037,078	-	-	95,255,037,078
CIENCO4 Group	81,224,990,000	47,786,166,667	-	(33,438,823,333)	47,786,166,667
Viet Tien Garment Joint Stock Corporation	30,039,352,500	24,596,478,667	-	(5,442,873,833)	24,596,478,667
MBLand Holding Joint Stock Company	20,250,000,000	20,250,000,000	-	-	20,250,000,000
Sai Dong Investment and Urban Development Joint Stock Company	15,468,710,000	15,468,710,000	-	-	15,468,710,000
Vietnam Oil Corporation - Joint Stock Company	6,691,058,000	2,916,246,667	-	(3,774,811,333)	2,916,246,667
Ba Ria Urban Services Joint Stock Company	4,016,560,000	3,552,000,000	-	(464,560,000)	3,552,000,000
RICONS Construction Joint Stock Company	3,007,525,000	3,007,525,000	-	-	3,007,525,000
Others	189,046,020	15,267,991	3,084,889	(176,862,918)	15,267,991
	1,268,010,558,385	1,146,215,845,819	6,130,205,332	(127,924,917,898)	1,146,215,845,819

	Cost VND	Market value/ Fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND	
II Available-for-sale financial assets					
Government bonds	494,225,000,000	494,225,000,000	-	-	494,225,000,000
Credit institution bonds	75,200,000,000	75,200,000,000	-	-	75,200,000,000
Corporate bonds	95,424,106,615	95,424,106,615	-	-	95,424,106,615
Equity securities	7,500,000,000	Not applicable			
Certificate of deposit	100,681,823,600	100,681,823,600	-	-	100,681,823,600
	773,030,930,215				

10. PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS AND COLLATERALS

	Closing balance			Opening balance		Allowance made/(reserved) during the year
	Cost	Market value/ Recoverable amount	Provision	Provision		
	VND	VND	VND	VND		
I Financial assets at FVTPL						
<i>Listed shares</i>	538,263,654,605	518,106,552,540	20,157,102,065	9,358,972,424		10,798,129,641
PTI	266,887,919,882	257,713,072,500	9,174,847,382	-		9,174,847,382
MBB	72,631,190,021	70,383,102,400	2,248,087,621	7,961		2,248,079,660
VHM	70,672,791,430	67,971,524,800	2,701,266,630	-		2,701,266,630
VIC	52,284,954,080	51,419,490,000	865,464,080	-		865,464,080
PLX	25,529,047,290	24,808,672,000	720,375,290	318,090		720,057,200
Others	50,257,751,902	45,810,690,840	4,447,061,062	9,358,646,373		(4,911,585,311)
<i>Listed fund certificates</i>	1,490,065,649	1,476,000,000	14,065,649	94,579,829		(80,514,180)
E1VFN30	1,490,065,649	1,476,000,000	14,065,649	94,579,829		(80,514,180)
<i>Unlisted fund certificates</i>	50,500,000,000	49,369,300,000	1,130,700,000	2,275,600,000		(1,144,900,000)
VNDAF	50,500,000,000	49,369,300,000	1,130,700,000	2,275,600,000		(1,144,900,000)
<i>Unlisted shares</i>	235,961,651,318	129,338,601,134	106,623,050,184	138,505,263,380		(31,882,213,196)
Loc Troi Group Joint Stock Company	113,805,051,300	50,479,932,533	63,325,118,767	52,252,144,300		11,072,974,467
CIENCO4 Group	81,224,990,000	47,786,166,667	33,438,823,333	14,880,000,000		18,558,823,333
Viet Tien Garment Joint Stock Corporation	30,039,352,500	24,596,478,667	5,442,873,833	6,109,140,000		(666,266,167)
Vietnam Oil Corporation - Joint Stock Company	6,691,058,000	2,916,246,667	3,774,811,333	1,828,858,000		1,945,953,333
Ba Ria Urban Services Joint Stock Company	4,016,560,000	3,552,000,000	464,560,000	-		464,560,000
Others	184,639,518	7,776,600	176,862,918	63,435,121,080		(63,258,258,162)
	826,215,371,572	698,290,453,674	127,924,917,898	150,234,415,633		(22,309,497,735)
II Loans receivable	2,877,392,098,158	2,825,301,569,268	52,090,528,890	19,670,717,315		32,419,811,575
III Available-for-sale financial assets						
<i>Equity securities</i>						
HomeDirect Service Joint Stock Company	7,500,000,000	5,858,508,643	1,641,491,357	-		1,641,491,357
	7,500,000,000	5,858,508,643	1,641,491,357	-		1,641,491,357
Total	3,711,107,469,730	3,529,450,531,585	181,656,938,145	169,905,132,948		11,751,805,197



11. DIVIDENDS AND INTEREST RECEIVABLE FROM FINANCIAL ASSETS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Dividends receivable	77,851,300	1,698,900
Interest receivable from term deposits	122,690,860,728	38,457,986,527
Interest receivable from bonds	4,200,850,174	-
Interest receivable from loans	55,449,115,307	40,288,002,565
	<u>182,418,677,509</u>	<u>78,747,687,992</u>

12. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Receivables from former employees	1,963,775,333	1,963,775,333
Receivables from overdraft of derivative transactions	321,928,187	3,256,333,682
Other receivables	7,604,579,957	5,497,709,398
	<u>9,890,283,477</u>	<u>10,717,818,413</u>

VNDIRECT SECURITIES JOINT STOCK COMPANY
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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13. ALLOWANCE FOR DOUBTFUL DEBTS

	Doubtful debts		Allowance for doubtful debts		Made/(Reversed)
	Closing balance	Opening balance	Closing balance	Opening balance	
	VND	VND	VND	VND	
Current year					
Receivables from former employees	1,963,775,333	1,963,775,333	(1,963,775,333)	(1,963,775,333)	-
Other receivables	2,699,439,096	2,699,439,096	(2,699,439,096)	(2,699,439,096)	-
	4,663,214,429	4,663,214,429	(4,663,214,429)	(4,663,214,429)	-
Prior year					
Receivables from former employees	1,963,775,333	1,963,775,333	(1,963,775,333)	(1,963,775,333)	-
Other receivables	2,699,439,096	2,699,439,096	(2,699,439,096)	(2,699,439,096)	-
	4,663,214,429	4,663,214,429	(4,663,214,429)	(4,663,214,429)	-

14. PREPAID EXPENSES

	Closing balance	Opening balance
	VND	VND
Short-term prepaid expenses		
Office rental	3,739,668,927	2,682,298,307
Software expenses	5,202,769,419	3,318,926,931
Others	2,991,073,938	503,526,676
	11,933,512,284	6,504,751,914
Long-term prepaid expenses		
Office repair and renovation expenses	3,820,041,024	1,372,836,233
Other expenses	3,974,674,623	6,084,521,281
	7,794,715,647	7,457,357,514

15. INVESTMENTS IN SUBSIDIARIES

	Closing balance		Opening balance	
	% ownership interest and voting rights	Cost	% ownership interest and voting rights	Cost
	VND	VND	VND	VND
Investment in subsidiaries				
I.P.A Securities Investment Fund Management Limited Company	100%	160,000,000,000	100%	110,000,000,000
Total	100%	160,000,000,000	100%	110,000,000,000

During the year, the Company contributed additional capital of VND 50 billion to I.P.A Securities Investment Fund Management Limited Company.

16. INCREASED/DECREASED IN TANGIBLE FIXED ASSETS

	Buildings and structures	Office equipment	Total
	VND	VND	VND
COST			
Opening balance	24,184,557,012	83,598,444,974	107,783,001,986
Additions	-	765,106,274	765,106,274
Disposals	-	(67,590,000)	(67,590,000)
Reclassification	(418,427,603)	418,427,603	-
Closing balance	23,766,129,409	84,714,388,851	108,480,518,260
ACCUMULATED DEPRECIATION			
Opening balance	11,366,250,164	42,407,611,618	53,773,861,782
Charge for the year	2,466,732,354	10,376,446,507	12,843,178,861
Disposals	-	(57,898,334)	(57,898,334)
Reclassification	(1,167,148,702)	1,167,148,702	-
Closing balance	12,665,833,816	53,893,308,493	66,559,142,309
NET BOOK VALUE			
Opening balance	12,818,306,848	41,190,833,356	54,009,140,204
Closing balance	11,100,295,593	30,821,080,358	41,921,375,951

As at 31 December 2019, the cost of tangible fixed assets includes VND 29.8 billion which have been fully depreciated but are still in use (as at 31 December 2018: VND 20.6 billion).

17. INCREASED/DECREASED IN INTANGIBLE FIXED ASSETS

	<u>Computer software</u> VND
COST	
Opening balance	83,084,078,207
Additions	3,547,613,500
Closing balance	<u>86,631,691,707</u>
ACCUMULATED AMORTISATION	
Opening balance	64,180,671,434
Charge for the year	7,873,196,703
Closing balance	<u>72,053,868,137</u>
NET BOOK VALUE	
Opening balance	<u>18,903,406,773</u>
Closing balance	<u>14,577,823,570</u>

As at 31 December 2019, the cost of intangible assets includes VND 49.6 billion of assets which have been fully amortised but are still in use (as at 31 December 2018: VND 43.1 billion).

18. 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 VND 120 million at the Vietnam Securities Depository and an annual contribution of 0.01% of the total value of brokered securities, which are listed in the Stock Exchanges in the previous year with the maximum of annual contribution of VND 2.5 billion to the Payment Support Fund and the maximum deposit balance of VND 20 billion.

As at 31 December 2019 and 31 December 2018, the balance of deposit at payment support fund is VND 20 billion.

19. OTHER LONG-TERM ASSETS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Deposits for purchase of real estates	80,000,000,000	50,000,000,000
Other deposits	1,794,263,500	923,487,500
Payment to Clearing Fund for derivative transactions	15,000,000,000	15,046,536,424
- Amount paid	15,000,000,000	15,000,000,000
- Interest allocated	108,695,512	46,536,424
- Cash withdrawn	(108,695,512)	-
	<u>96,794,263,500</u>	<u>65,970,023,924</u>

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 VND 15 billion to the Clearing Fund for derivative transactions ("the Clearing Fund"). On a monthly basis, the Vietnam Securities Depository reviews the Clearing Fund and reevaluates the value of the assets contributed to determine the contribution obligations of clearing members.

20. SHORT-TERM BORROWINGS

Short-term borrowings	Opening balance	Increase during the year	Decrease during the year	Unrealised foreign exchange differences	Closing balance
	VND	VND	VND		VND
Borrowings from banks	6,012,344,898,307	182,280,841,060,977	181,740,112,872,848	535,000,000	6,553,608,086,436
	6,012,344,898,307	182,280,841,060,977	181,740,112,872,848	535,000,000	6,553,608,086,436

As at 31 December 2019, these borrowings were secured by term deposits at banks of the Company amounting to VND 5,571,800 million and listed shares with a total fair value of VND 50,480 million (as at 31 December 2018: term deposits at banks of the Company amounting to VND 5,218,000 million and listed shares with a total fair value of VND 191,317 million) (Note 8).

As at 31 December 2019, these borrowings bore annual interest rates ranging from 2.3% - 9.35% (as at 31 December 2018: 2.95% - 8.5%).

21. BONDS ISSUED

Bonds issued	Interest rate	Opening balance	Increase during the year	Decrease during the year	Closing balance
	%	VND	VND	VND	VND
Short-term bonds	9,5%	-	500,000,000,000	-	500,000,000,000
Long-term bonds	9,3% - 9,8%	1,226,562,200,000	403,641,000,000	1,026,562,200,000	603,641,000,000
In which:					
- Bonds with term to maturity under 1 year		726,562,200,000			700,000,000,000
- Bonds with term to maturity above 1 year		500,000,000,000			403,641,000,000

During 2019, the Company issued 3 million non-convertible bonds under private placement which were unsecured and had a 2-year term, floating interest rate with the first period interest rate of 9.5% per annum; 5 million non-convertible bonds which were unsecured and had a 1-year term, fixed interest rate of 9.5% per annum; 797,410 non-convertible bonds which were unsecured and had a 10-year term, fixed interest rate of 9.8% per annum and 239,000 non-convertible bonds which were unsecured and had a 10-year term, fixed interest rate of 9.8% per annum, par value of VND 100,000 per bond to add funds to margin lending, securities trading, securities underwriting activities and M&A activities.

As at 31 December 2019, these bonds bore annual interest rates ranging from 9.5% - 9.8% (as at 31 December 2018: 8.8% - 9.3%).



22. ACCOUNTS PAYABLE FOR SECURITIES TRADING ACTIVITIES

	Closing balance	Opening balance
	VND	VND
Payables to the Stock Exchanges	4,126,631,230	3,934,791,772
Payables for purchases of financial assets (i)	503,554,775,000	148,490,500,000
Payables related to covered warrants	5,704,828,138	-
	513,386,234,368	152,425,291,772

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

23. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
Financial Software Solutions JSC	310,707,500	1,711,800,000
Thang Tam Interior Decoration Construction Company Limited	52,855,552	-
TC 289 Construction Joint Stock Company	51,616,350	-
AWA Waterproofing Company Limited	46,496,182	46,496,182
Ms. Nhu Thi Hai Van	-	602,700,000
Other domestic organizations	94,706,314	21,095,533
	556,381,898	2,382,091,715

24. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Closing balance	Opening balance
	VND	VND
Corporate income tax	41,625,493,390	19,547,932,530
Personal income tax	10,961,525,755	16,175,755,099
Value added tax	438,019,049	166,119,949
	53,025,038,194	35,889,807,578

25. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Interest expense on loans from credit institutions	21,414,887,416	15,306,486,479
Interest expense on issued bonds	40,392,077,417	76,389,270,638
Others	1,068,487,685	681,852,236
	62,875,452,518	92,377,609,353

26. 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 for bonus and welfare to employees in accordance with the Company's policies. Movements of bonus and welfare funds during the year were as follows:

	Current year	Prior year
	VND	VND
Opening balance	14,861,782,005	6,306,441,561
Appropriation during the year (Note 29)	12,544,746,138	41,858,845,261
Utilisation during the year	(12,964,218,150)	(33,303,504,817)
Closing balance	14,442,309,993	14,861,782,005

27. DEFERRED TAX LIABILITIES

	Closing balance		Opening balance	
	Tax rate	Value VND	Tax rate	Value VND
Recognised deferred tax liabilities				
Gains from revaluation of financial assets at FVTPL	20%	1,226,041,065	20%	4,952,004,173
Gains from revaluation of financial assets at FVTPL	20%	649,383,352	20%	-
		<u>1,875,424,417</u>		<u>4,952,004,173</u>

28. SHARE CAPITAL

The Company's authorised and issued share capital:

	Closing balance		Opening balance	
	Number of shares	Par value VND	Number of shares	Par value VND
Authorised and issued share capital	220,430,169	2,204,301,690,000	220,430,169	2,204,301,690,000
Treasury shares				
Ordinary shares	(11,864,808)	(118,648,080,000)	(11,864,689)	(118,646,890,000)
Shares in circulation				
Ordinary shares	208,565,361	2,085,653,610,000	208,565,480	2,085,654,800,000

Each ordinary share has a par value of VND 10,000 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.

29. UNDISTRIBUTED PROFITS

	Closing balance VND	Opening balance VND
Undistributed realised profits	918,246,569,549	675,782,530,613
Unrealised profits	8,037,439,346	20,634,482,569
- Foreign exchange differences	535,741,671	826,465,877
- Revaluation of financial assets	4,904,164,267	19,808,016,692
- Revaluation of covered warrants	2,597,533,408	-
	<u>926,284,008,895</u>	<u>696,417,013,182</u>

Profit distribution to shareholders in the year:

	Current year	Prior year
	VND	VND
Undistributed realised profits of the prior year	675,782,530,613	712,006,306,462
Realised profits of the year	399,500,192,257	414,720,881,624
Undistributed profit base belonging to shareholders and capital contributors	1,075,282,722,870	1,126,727,188,086
Funds appropriated from profits	52,505,480,198	83,330,933,423
- Reserve fund for charter capital supplement (i)	19,980,367,030	20,736,044,081
- Financial reserve fund and business risks (i)	19,980,367,030	20,736,044,081
- Business bonus funds (ii)	12,544,746,138	41,858,845,261
Corporate income tax arrears (iii)	437,758,123	-
Profit distribution to shareholders in accordance with Charter of the Company and Resolution of General Shareholders' Meeting (iv)	104,092,915,000	216,619,554,050
Pay 2016 dividend by stocks	-	150,994,170,000
Tax payables on profit distribution to shareholders	1,419,641,275	2,811,052,600
Total distribution to shareholders	102,673,273,725	364,802,671,450

- (i) Appropriate for 2019 according to Charter;
- (ii) Appropriate for 2018's business bonus fund according to the Decision of the Chairwoman of the Board of Directors No. 93-4/2019/QD-VNDS dated 01 March 2019;
- (iii) Additional payment of corporate income tax under Decision No. 49352/QD-CT-TKT8 dated 25 June 2019 of Hanoi Tax Department; and
- (iv) Dividend payment in cash at the rate of 5%/share according to the Resolution No. 185/2019/NQ-DHDCD of the 2019 Annual General Meeting of Shareholders dated 18 April 2019.

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30. GAINS/LOSSES FROM SALES OF FINANCIAL ASSETS

Gains from sales of financial assets at FVTPL

No.	Investment portfolio	Number of securities sold/ Position	Total sale proceeds/ Closing position	Average cost of securities sold up to last transaction date	Gains from sales of securities for current year	Gains from sales of securities for prior year
			VND	VND	VND	VND
1	Listed shares	14,003,411	619,160,059,400	567,669,947,307	51,490,112,093	149,473,177,223
2	Unlisted shares	1,813,080	76,295,346,750	67,913,044,660	8,382,302,090	16,987,897,868
4	Listed bonds	111,978,500	12,309,717,136,000	12,284,025,700,000	25,691,436,000	14,409,677,452
3	Unlisted bonds and Certificates of Deposits	105,352,130	85,747,507,103,030	85,613,218,592,518	134,288,510,512	74,744,858,709
5	Index future contracts	-	24,073,596,000	-	24,073,596,000	-
6	Listed covered warrants	4,168,830	11,823,512,353	8,051,466,700	3,772,045,653	-
					247,698,002,348	255,615,611,252

Losses from sales of financial assets at FVTPL

No.	Investment portfolio	Number of securities sold/ Position	Total sale proceeds/ Closing position	Average cost of securities sold up to last transaction date	Gains from sales of securities for current year	Gains from sales of securities for prior year
			VND	VND	VND	VND
1	Listed shares	17,715,197	537,370,812,394	563,298,991,109	25,928,178,715	135,218,460,916
2	Listed fund certificates	101,180	1,495,440,400	1,506,671,380	11,230,980	-
3	Unlisted shares	2,019,168	27,486,550,908	33,444,770,572	5,958,219,664	2,617,742,000
4	Listed bonds	46,870,000	4,891,460,040,000	4,899,675,560,000	8,215,520,000	4,429,147,500
5	Unlisted bonds and Certificates of Deposits	17,717,350	7,757,951,466,773	7,799,851,330,735	41,899,863,962	56,578,165,475
6	Index future contracts	-	(6,037,944,000)	-	6,037,944,000	-
7	Listed covered warrants	3,686,340	11,766,678,323	17,556,786,251	5,790,107,928	-
					93,841,065,250	198,843,515,891

31. GAINS/LOSSES FROM REVALUATION OF FINANCIAL ASSETS

	Listed shares	Listed fund certificates	Unlisted shares	Unlisted fund certificates	Total
	VND	VND	VND	VND	VND
Cost	624,664,405,572	2,409,765,649	540,436,387,164	100,500,000,000	1,268,010,558,385
Market value or Fair value	608,961,523,950	2,741,000,000	433,816,421,868	100,696,900,000	1,146,215,845,818
Revaluation gain at the end of the year	(15,702,881,622)	331,234,351	(106,619,965,296)	196,900,000	(121,794,712,567)
Revaluation gain at the beginning of the year	8,728,902,856	210,720,171	(132,138,417,795)	(2,275,600,000)	(125,474,394,768)
Adjustment for difference in the current year	(24,431,784,478)	120,514,180	25,518,452,499	2,472,500,000	3,679,682,201
<i>In which:</i>					
- Gains from revaluation of financial assets at FVTPL	(13,633,654,837)	40,000,000	(6,363,760,696)	1,327,600,000	(18,629,815,533)
- (Reversal of)/Allowance for impairment of financial assets at FVTPL	(10,798,129,641)	80,514,180	31,882,213,195	1,144,900,000	22,309,497,734

32. DIVIDENDS AND INTEREST INCOME FROM FINANCIAL ASSETS, RECEIVABLES AND LOANS

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
From financial assets at FVTPL	24,652,995,662	13,402,772,654
Dividend received	24,652,995,662	13,402,772,654
From held-to-maturity financial assets	391,115,505,989	289,299,277,660
Interest income from term deposits at banks	391,115,505,989	289,299,277,660
From loans and receivables	407,341,135,611	434,877,326,930
Interest income from margin loans	391,091,101,597	414,741,255,517
Interest income from advances to customers for the proceeds of selling securities	16,250,034,014	20,136,071,413
From available-for-sale financial assets	19,717,574,568	4,811,965,659
Interest income from bonds	19,717,574,568	2,583,472,508
Interest income from certificates of deposits	-	2,228,493,151
	842,827,211,830	742,391,342,903

33. REVENUE FROM SECURITIES BUSINESS ACTIVITIES INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Revenue from securities brokerage	335,847,636,758	520,577,893,341
- Revenue from listed securities and derivatives brokerage	335,586,956,747	520,384,903,960
- Other revenue from brokerage	260,680,011	192,989,381
Revenue from underwriting and issuance agency services	23,726,357,435	17,923,795,857
Revenue from securities investment advisory services	24,330,164,209	3,722,969,523
Revenue from securities custody services	12,904,794,156	11,198,531,803
Other operating revenue	4,825,977,119	3,110,453,455
	401,634,929,677	556,533,643,979

34. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest income from demand deposits	4,822,357,502	5,903,234,445
Dividends received from associates	-	18,019,266,000
	4,822,357,502	23,922,500,445

35. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expense from bank loans and bonds issued	430,700,989,688	281,091,753,676
Interest expense from customers' deposits	5,567,602,605	5,449,969,347
	436,268,592,293	286,541,723,023

36. GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
Salary and related expenses	200,148,289,384	194,280,811,087
Stationery expenses	638,201,489	858,237,187
Tools and supplies expenses	4,907,287,704	3,931,150,070
Depreciation and amortisation of fixed assets	20,716,375,564	21,958,681,733
Taxes and fees	204,621,180	450,143,216
Out-sourced services	72,418,654,325	74,463,325,344
	299,033,429,646	295,942,348,637

37. CORPORATE INCOME TAX

	Current year	Prior year
	VND	VND
Accounting profit before tax	484,754,301,725	500,831,658,329
Adjustments for taxable income		
Less: Tax-exempt income	14,061,846,889	28,164,454,753
- Dividend	24,652,995,662	31,422,038,654
- Gains/(losses) from revaluation of financial assets at FVTPL	(18,629,815,533)	(8,541,283,881)
- Gains/(losses) from revaluation of covered warrants	3,246,916,760	-
- Bonus shares income	4,791,750,000	5,283,699,980
Add: Non-deductible expenses	33,946,207,400	(3,539,230,029)
Taxable income	504,638,662,236	469,127,973,547
Tax rate	20%	20%
Current income tax expense	100,927,732,447	93,825,594,709
Temporary taxable differences	(15,382,898,773)	(8,541,283,881)
- Gains from revaluation of financial assets at FVTPL	(18,629,815,533)	(8,541,283,881)
- Gains/(losses) from revaluation of covered warrants	3,246,916,760	-
Tax rate	20%	20%
Deferred income tax (income)/expense arising from temporary taxable differences	(3,076,579,755)	(1,708,256,776)
Deferred income tax expense	(3,076,579,756)	(1,708,256,776)

38. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

List of related parties with significant transactions and balances for the year:

<u>Related parties</u>	<u>Relationship</u>
Member of Board of Directors, Board of Management and Supervisory Board	Significant influence
Post and Telecommunication Joint Stock Insurance Corporation (PTI)	Chairman of Board of Directors of the Company and a member of Board of Directors of the related party
Vietnam National Apiculture Joint Stock Company	Legal Representative of the Company and Chairman of Board of Directors of the related party
H&H Investment Management Company Limited	Chairman of Board of Directors of the Company and Chairman of Members' Council of the related party
I.P.A Investments Group Joint Stock Company	A member of Board of Directors of the Company and Chairman of Board of Directors of the related party
IPA Finance Company Limited.	A member of Board of Directors of the Company and Chairman of Board of Directors, big shareholder
Tra Vinh Rural Electricity Joint Stock Company	A member of Board of Directors of the Company and a member of Board of Directors of the related party
Bac Ha Energy Joint Stock Company	A member of Board of Directors of the Company and Chairman of Board of Directors of the related party
Asian Pearl Joint Stock Company	A member of Board of Directors of the Company and Chairman of Board of Directors of the related party
ANVIE Real Estate Company Limited	A member of Board of Directors of the Company and Chairman of Members' Council of the related party
HOMEFOOD Joint Stock Company	A member of Board of Directors of the Company and Chairman of Board of Directors of the related party
HOMEDIRECT Joint Stock Company	A member of Board of Directors of the Company and Chairman of Board of Directors of the related party
IPA Cuu Long Trading and Investment Joint Stock Company	A member of Board of Directors of the Company and Chairman of Board of Directors of the related party
Printing Mechanical Joint Stock Company	A member of Board of Directors of the Company and Chairman of Board of Directors of the related party
I.P.A Securities Investment Fund Management Limited Company	Subsidiary
Hoi An Tourist Service Joint Stock Company	A member of Board of Directors of the Company and a member of Board of Directors of the related party
IVND Limited Company	Subsidiary
Ms. Pham Minh Huong	Chairwoman cum Chief Executive Officer
Mr. Vu Hien	Member of the Board of Directors

During the year, the Company entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
Board of Directors, Board of Management and Supervisory Board		
Remunerations and bonus	4,495,000,000	14,913,000,000
I.P.A Investments Group Joint Stock Company		
Office rental and office management fees	10,292,607,167	10,581,277,422
I.P.A Securities Investment Fund Management Limited Company		
Capital contribution	50,000,000,000	-
Investment portfolio management fees	5,212,862,635	4,337,762,627
Revenues from fees	451,827,799	406,026,749
Interest paid on customer demand deposits	21,952,445	18,412,035
HOMEDIRECT Joint Stock Company		
Bonds issuance fee received	-	2,900,000,000
Other revenue	-	6,999,439
Interest paid on customer demand deposits	344,427	12,239,320
Other expenses	120,000,000	120,000,000
IPA Finance Co., Ltd.		
Revenues from fees	25,020,113	28,736,553
Interest paid on customer demand deposits	365,591	1,523,447
Dividend received from VNDirect	28,094,177,000	56,188,354,000
Post and Telecommunication Joint Stock Insurance Corporation (PTI)		
Received dividends	-	18,019,266,000
Revenues from fees	667,567,699	1,563,621,633
Interest paid on customer demand deposits	18,239,331	19,742,135
Bac Ha Energy Joint Stock Company		
Interest paid on customer demand deposits	957,610	1,308,348
Asian Pearl Joint Stock Company		
Interest paid on customer demand deposits	309,382	210,451
ANVIE Real Estate Company Limited		
Interest paid on customer demand deposits	85,649	115,381
Revenues from fees	15,347	271,551
HOMEFOOD Joint Stock Company		
Interest paid on customer demand deposits	1,581	1,638
Purchasing food	-	150,455,468
Other expenses	-	18,039,481
Printing Mechanical Joint Stock Company		
Land rental	-	2,612,074,205
Interest paid on customer demand deposits	1,577,661	1,400,508
Revenues from fees	92,022	1,699,976
IVND Limited Company		
Interest paid on customer demand deposits	16,972,880	-
Ms. Pham Minh Huong		
Remuneration of Board of Directors	84,000,000	84,000,000
Interest paid on customer demand deposits	-	790,592
Revenues from fees	26,804,629	166,141,845
Dividend received from VNDirect	3,046,868,025	1,343,736,050
Mr. Vu Hien		
Remuneration of Board of Directors	84,000,000	84,000,000
Coupon received from VNDirect's bond	6,568,839,060	2,603,978,120
Interest paid on customer demand deposits	1,338,235	2,850,260
Revenues from fees	4,315,671	6,415,077
Dividend received from VNDirect	85,500	171,000

Significant related party balances as at the balance sheet date were as follows:

	Closing balance	Opening balance
	VND	VND
I.P.A Securities Investment Fund Management Limited Company		
Contributed capital	100,000,000,000	50,000,000,000
Securities trading account	7,970,535,970	20,008,134,364
Interest receivables from deposits	-	4,305,556
Entrusted investment portfolios - cost	574,201,179,723	433,803,247,043
HOMEDIRECT Joint Stock Company		
Equity investment	7,500,000,000	7,500,000,000
Securities trading account	9,546,144	130,916,841
IPA Finance Co., Ltd.		
Receipt of equity investment	561,883,540,000	561,883,540,000
Securities trading account	42,861,053	23,580,113
Post and Telecommunication Joint Stock Insurance Corporation (PTI)		
Investment in shares	132,160,550,000	132,160,550,000
Securities trading account	6,978,692	4,917,741,997
Hoi An Tourist Service Joint Stock Company (HOT)		
Investment in shares	-	9,644,810,000
Bac Ha Energy Joint Stock Company		
Securities trading account	457,225	12,144,691,908
Asian Pearl Joint Stock Company		
Securities trading account	2,190,665	322,843
ANVIE Real Estate Company Limited		
Securities trading account	17,966,251	14,041,599
HOMEFOOD Joint Stock Company		
Securities trading account	525,816	524,235
Printing Mechanical Joint Stock Company		
Deposit for land rental	500,000,000	500,000,000
Securities trading account	533,369,736	508,731,597
IVND Limited Company		
Securities trading account	193,714,880	-
Ms. Pham Minh Huong		
Owning shares of the Company (par value in VND)	64,144,590,000	64,144,590,000
Securities trading account	22,111,211	355,986,415
Mr. Vu Hien		
Owning shares of the Company (par value in VND)	1,800,000	1,800,000
Securities trading account	3,017,023,829	620,055,766
Owning bonds of the Company	-	6,293,800,000

39. SUBSEQUENT EVENTS

No event arising after the balance sheet date that has materially affected or could materially affect the Company's operations and the Company's performance for the year ended 31 December 2019 is required to present in the separate financial statements.



Ms. Nguyen Thi Tuyen
Preparer



Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Phạm Minh Hương
Chief Executive Officer

Hanoi, S.R.Vietnam
30 March 2020