



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

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2018



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
STATEMENT OF FINANCIAL POSITION	5 - 9
INCOME STATEMENT	10 - 11
CASH FLOW STATEMENT	12 - 15
STATEMENT OF CHANGES IN EQUITY	16
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	17 - 58

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 2018.

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. Christopher Bertram Brinkeborn Beselin	Member

Board of Management

Ms. Pham Minh Huong	Chief Executive Officer (Appointed on 21 April 2018)
Mr. Nguyen Hoang Giang	Chief Executive Officer (Resigned on 21 April 2018)
Mr. Tran Vu Thach	Managing Director
Mr. Hoang Minh Chau	IT Director
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 2018, and of its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the 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 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

100%
CỔ
RÁCH
DE
VI
ÔNG

11/11/2018

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

- 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.

The Board of Management is responsible for ensuring that the accounting records are properly recorded in a reasonable manner to properly reflect the financial position of the Company at any time and to ensure that the separate financial statements comply with accounting standards and accounting regimes applicable to securities companies promulgated together with the Ministry of Finance's Circular No. 210/2014/TT-BTC of 30 December 2014; Circular No. 334/2016/TT-BTC dated 27 December 2016 amending and supplementing Annexes 02 and 04 of Circular 210 and 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,



Pham Minh Huong
Chairwoman

29 March 2019
Hanoi, S.R. Vietnam

1250
ING
NHIỆM
LỢI
ỆT N
ĐA -

No.: 868 /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 29 March 2019, as set out from page 05 to page 58, which comprise the statement of financial position as at 31 December 2018, the income statement, cash flows statement and statement of changes in equity for the year then ended and the explanatory notes which were authorised for issue by the Company's Board of Management.

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, the 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 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.

01 / TY / WU / TT / IA / TP

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance, its cash flows and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, the 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 legal regulations relating to financial reporting.

Other matters

The separate financial statements of the Company for the year ended 31 December 2017 were audited by another auditing firm who expressed its unmodified opinion on those statements on 30 March 2018.



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

DELOITTE VIETNAM COMPANY LIMITED

29 March 2019
Hanoi, S.R. Vietnam

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



STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance (Restated)
ASSETS				
A. CURRENT ASSETS	100		10,149,706,296,976	7,149,937,885,870
(100=110+130)				
I. Financial assets	110		10,133,493,160,133	7,137,314,173,014
1. Cash and cash equivalents	111	6	895,793,164,153	336,761,394,060
1.1 Cash	111.1		488,793,164,153	236,761,394,060
1.2 Cash equivalents	111.2		407,000,000,000	100,000,000,000
2. Financial assets at fair value through profit or loss ("FVTPL")	112	8	912,532,963,745	715,137,172,750
3. Held-to-maturity investments ("HTM")	113	8	5,371,330,000,000	2,258,215,032,772
4. Loans receivable	114	8	2,582,474,306,127	3,130,859,448,293
5. Available-for-sale financial assets ("AFS")	115	8	387,030,902,241	748,022,000,000
6. Allowance for diminution in value of financial assets and collaterals	116	10	(169,905,132,948)	(194,546,415,625)
7. Receivables from financial assets	117		145,757,659,492	74,232,457,780
7.1 Receivables from sales of financial assets	117.1		67,009,971,500	21,516,495,100
7.2 Dividends and interest receivables from financial assets	117.2	11	78,747,687,992	52,715,962,680
7.2.1 Dividends and interest receivables not yet due	117.4		78,747,687,992	52,715,962,680
8. Prepayments to suppliers	118		2,424,693,339	60,774,642,897
9. Other receivables	122	12	10,717,818,413	12,521,654,516
10. Allowance for doubtful debts	129	13	(4,663,214,429)	(4,663,214,429)
II. Other current assets	130		16,213,136,843	12,623,712,856
1. Advances	131		3,210,801,553	2,797,726,146
2. Short-term prepaid expenses	133	14	6,504,751,914	7,643,095,365
3. Short-term deposits, collaterals and pledges	134		2,500,563,283	1,682,896,845
4. Other current assets	137		3,997,020,093	499,994,500

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

STATEMENT OF FINANCIAL POSITION (Continued)

As 31 December 2018

ITEMS	Codes	Notes	Unit: VND	
			Closing balance	Opening balance (Restated)
B. LONG-TERM ASSETS (200=210+220+240+250)	200		376,839,928,415	862,397,299,730
I. Long-term financial assets	210		210,000,000,000	713,238,919,882
1. Investments	212		210,000,000,000	713,238,919,882
1.1 Held-to-maturity investments	212.1	8	100,000,000,000	300,000,000,000
1.2 Investments in subsidiaries	212.2	15	110,000,000,000	110,000,000,000
1.3 Investments in associates and joint ventures	212.3	16	-	303,238,919,882
II. Fixed assets	220		72,912,546,977	59,106,424,602
1. Tangible fixed assets	221	17	54,009,140,204	34,002,092,098
- Cost	222		107,783,001,986	94,208,450,947
- Accumulated depreciation	223a		(53,773,861,782)	(60,206,358,849)
2. Intangible assets	227	18	18,903,406,773	25,104,332,504
- Cost	228		83,084,078,207	78,230,908,391
- Accumulated amortisation	229a		(64,180,671,434)	(53,126,575,887)
III. Construction in progress	240		500,000,000	500,000,000
IV. Other long-term assets	250		93,427,381,438	89,551,955,246
1. Long-term prepaid expenses	252	14	7,457,357,514	4,532,684,024
2. Deposits at Payment Support Fund	254	19	20,000,000,000	20,000,000,000
3. Other long-term assets	255	20	65,970,023,924	65,019,271,222
TOTAL ASSETS (270=100+200)	270		10,526,546,225,391	8,012,335,185,600

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

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance (Restated)
LIABILITIES AND EQUITY				
C. LIABILITIES	300		7,554,886,582,507	5,543,469,707,801
(300=310+340)				
I. Current liabilities	310		7,049,934,578,334	5,216,809,446,852
1. Short-term borrowings and finance lease liabilities	311	21	6,012,344,898,307	4,351,896,422,610
1.1 Short-term borrowings	312		6,012,344,898,307	4,351,896,422,610
2. Short-term bonds issued	316	22	726,562,200,000	-
3. Accounts payable for securities trading activities	318	23	152,425,291,772	763,730,233,228
4. Accounts payable to suppliers	320	24	2,382,091,715	2,554,536,055
5. Advances from customers	321		2,535,120,090	1,713,205,704
6. Taxes and other obligations to the State budget	322	25	35,889,807,578	43,067,388,497
7. Payables to employees	323		6,996,117,562	28,363,624,165
8. Employees' benefits payable	324		3,028,864,974	1,659,830,206
9. Short-term accrued expenses	325	26	92,377,609,353	15,464,988,149
10. Other short-term payables	329		530,794,978	2,052,776,677
11. Bonus and welfare funds	331	27	14,861,782,005	6,306,441,561
II. Long-term liabilities	340		504,952,004,173	326,660,260,949
1. Long-term bonds issued	346	22	500,000,000,000	320,000,000,000
2. Deferred tax liabilities	356	28	4,952,004,173	6,660,260,949
D. OWNERS' EQUITY	400		2,971,659,642,884	2,468,865,477,799
(400=410)				
I. Owners' equity	410		2,971,659,642,884	2,468,865,477,799
1. Owners' contributed capital	411		2,124,680,195,027	1,621,127,781,027
1.1 Share capital	411.1	29	2,204,301,690,000	1,549,981,650,000
a. Ordinary shares with voting rights	411.1a		2,204,301,690,000	1,549,981,650,000
1.2 Share premium	411.2		121,224,048,620	120,708,515,572
1.3 Treasury shares	411.5		(200,845,543,593)	(49,562,384,545)
2. Reserve to supplement charter capital	414		89,932,080,839	69,196,036,758
3. Financial and operational risk reserve	415		60,630,353,836	39,894,309,755
4. Undistributed profits	417	30	696,417,013,182	738,647,350,259
4.1 Realised profits	417.1		675,782,530,613	712,006,306,462
4.2 Unrealised profits	417.2		20,634,482,569	26,641,043,797
TOTAL LIABILITIES AND EQUITY	440		10,526,546,225,391	8,012,335,185,600
(440=300+400)				

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

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2018

Unit: VND

OFF-BALANCE SHEET ITEMS

ITEMS	Codes	Closing balance	Opening balance
A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS			
1. Bad debts written off	004	101,986,716,060	26,178,472,147
2. Shares in circulation (number of securities)	006	208,565,480	150,997,774
3. Treasury shares (number of securities)	007	11,864,689	4,000,391
4. Listed/registered financial assets at VSD of the Company	008	242,723,930,000	297,042,520,000
5. Custodied financial assets at VSD but not yet traded of the Company	009	5,770,000	32,476,120,000
6. Financial assets in transit of the Company	010	148,490,500,000	704,500,100,000
7. Financial assets of the securities company not yet custodied at VSD	012	554,924,410,000	232,711,280,000
B. ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY THE COMPANY			
1. Listed/registered financial assets at VSD of investors/customers	021	28,943,992,430,000	22,814,799,840,000
a. Freely traded financial assets	021.1	26,629,255,570,000	21,268,039,160,000
b. Financial assets under pledged transactions	021.3	1,942,609,490,000	1,119,436,710,000
c. Blocked financial assets	021.4	54,631,610,000	54,631,610,000
d. Financial assets awaiting for settlement	021.5	317,495,760,000	372,692,360,000
2. Financial assets custodied at VSD but not yet traded of investors/customers	022	1,010,283,560,000	439,683,520,000
a. Freely traded financial assets custodied at VSD but not yet traded	022.1	263,545,560,000	395,545,920,000
b. Financial assets custodied at VSD but not yet traded and restricted for transfer	022.2	708,951,950,000	6,351,550,000
c. Financial assets custodied at VSD but not yet traded and under pledged transactions	022.3	37,786,050,000	37,786,050,000
3. Financial assets in transit of investors/customers	023	324,074,460,000	375,990,610,000

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


STATEMENT OF FINANCIAL POSITION (Continued)


As at 31 December 2018

Unit: VND

OFF-BALANCE SHEET ITEMS (Continued)

ITEMS	Codes	Closing balance	Opening balance
B. ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY THE COMPANY (Continued)			
4. Customers' deposits	026	2,012,172,375,981	2,173,272,198,379
4.1. Customers' cash deposits for securities transactions managed by the Company	027	1,543,460,975,482	1,300,561,959,256
4.2. Customers' deposits for securities transactions	028	468,569,564,560	872,053,173,200
4.3. Cash deposits for clearing and settlement of securities transactions	029	91,855,939	33,435,738
a. Cash deposits for securities transactions clearing and settlement of domestic customers	029.1	17,809,964	30,234,653
b. Cash deposits for securities transactions clearing and settlement of foreign customers	029.2	74,045,975	3,201,085
4.4. Deposits from securities issuers	030	49,980,000	623,630,185
5. Payables to customers for cash deposits for securities transactions managed by the Company	031	2,010,803,797,786	2,172,648,568,194
5.1. Payables to domestic customers for cash deposits for securities transactions managed by the Company	031.1	1,878,841,002,261	2,132,201,442,287
5.2. Payables to foreign customers for cash deposits for securities transactions managed by the Company	031.2	131,962,795,525	40,447,125,907
6. Payables to securities issuers	032	49,980,000	28,300,000
7. Dividends, bond principal and interest payable	035	1,318,598,196	595,330,185
8. Margin deposits from investors at VSD	036	443,921,851,802	69,006,751,008


 Ms. Vu Thi Thanh Van
 Preparer


 Ms. Nguyen Thi Ha Ninh
 Chief Accountant


 Ms. Pham Minh Huong
 Chief Executive Officer

29 March 2019
 Hanoi, S.R.Vietnam

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

INCOME STATEMENT

For the year ended 31 December 2018

ITEMS	Codes	Notes	Unit: VND	
			Current year	Prior year (Restated)
I. OPERATING INCOME				
1.1. Gains from financial assets at fair value through profit or loss ("FVTPL")	01		260,477,100,025	278,259,986,157
a. Gains from sales of financial assets at FVTPL	01.1	31	255,615,611,252	219,864,557,043
b. Gains from revaluation of financial assets at FVTPL	01.2	32	(8,541,283,881)	33,301,304,746
c. Dividends and interest income from financial assets at FVTPL	01.3	33	13,402,772,654	25,094,124,368
1.2. Interest income from held-to-maturity investments	02	33	289,299,277,660	180,453,494,238
1.3. Interest income from loans and receivables	03	33	434,877,326,930	343,826,028,615
1.4. Gains from available-for-sale financial assets	04	33	4,811,965,659	29,141,692,539
1.5. Revenue from securities brokerage	06	34	520,577,893,341	344,357,821,001
1.6. Revenue from underwriting and issuance agency services	07	34	17,923,795,857	10,617,046,488
1.7. Revenue from securities investment advisory services	08	34	3,722,969,523	2,123,113,998
1.8. Revenue from securities custody services	09	34	11,198,531,803	7,814,459,101
1.9. Revenue from financial advisory activities	10		-	17,602,087,442
1.10. Other operating income	11	34	3,110,453,455	1,258,818,273
Total operating income (20=01+02+03+04+06+07+08+09+10+11)	20		1,545,999,314,253	1,215,454,547,852
II. OPERATING EXPENSES				
2.1. Losses from financial assets at FVTPL	21		259,778,807,179	68,306,045,518
a. Losses from sales of financial assets at FVTPL	21.1	31	198,843,515,891	67,753,212,427
b. (Reversal of) allowance for impairment of financial assets at FVTPL	21.2	10	54,635,943,294	(3,979,357,383)
c. Costs of purchase and sale transactions of financial assets at FVTPL	21.3		6,299,347,994	4,532,190,474
2.2. (Reversal of) Allowance for financial assets, write-off of doubtful debts and impairment loss on financial assets	24		(3,539,230,029)	9,821,150,741
2.3. Expenses for securities brokerage services	27		216,309,653,142	167,539,983,086
2.4. Expenses for securities investment advisory services	29		531,473,720	563,690,000
2.5. Expenses for securities custody services	30		14,759,679,422	11,310,015,100
2.6. Expenses for financial advisory activities	31		124,000,000	2,226,875,400
Total operating expenses (40=21+24+27+29+30+31)	40		487,964,383,434	259,767,759,845

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

INCOME STATEMENT (Continued)

For the year ended 31 December 2018

ITEMS	Codes	Notes	Unit: VND	
			Current year	Prior year (Restated)
III. FINANCIAL INCOME				
3.1. Realised and unrealised foreign exchange gain differences	41	35	826,465,877	-
3.1. Dividends and interest income from demand deposits at banks	42	35	23,922,500,445	20,769,684,260
3.3. Gains from disposal of investments in subsidiaries, associates, joint ventures	43	35	9,000,000	-
Total financial income (50=41+42+43)	50		24,757,966,322	20,769,684,260
IV. FINANCIAL EXPENSES				
4.1. Interest expense	52	36	286,541,723,023	191,537,799,054
Total financial expenses (60=52)	60		286,541,723,023	191,537,799,054
V. GENERAL AND ADMINISTRATION EXPENSES				
	62	37	295,942,348,637	252,594,844,323
VI. OPERATING PROFIT (70=20+50-40-60-62)				
	70		500,308,825,481	532,323,828,890
VII. OTHER INCOME AND EXPENSES				
7.1. Other income	71		743,127,355	674,354,634
7.2. Other expenses	72		220,294,507	21,795,628
Profit from other activities (80=71-72)	80		522,832,848	652,559,006
VIII. ACCOUNTING PROFIT BEFORE TAX (90=70+80)				
	90		500,831,658,329	532,976,387,896
8.1. Realised profits before tax	91		508,546,476,333	499,675,083,150
8.2. Unrealised (loss)/profits before tax	92		(7,714,818,004)	33,301,304,746
IX. CORPORATE INCOME TAX (CIT) EXPENSES				
9.1. Current CIT expense	100.1		93,825,594,709	92,155,447,504
9.2. Deferred CIT (income)/expense	100.2		(1,708,256,776)	6,660,260,949
X. NET PROFIT AFTER TAX (200 = 90 - 100)	200		408,714,320,396	434,160,679,443

Ms. Vu Thi Thanh Van
Preparer

Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Phạm Minh Huong
Chief Executive Officer

29 March 2019
Hanoi, S.R.Vietnam

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

CASH FLOW STATEMENT*(Indirect method)**For the year ended 31 December 2018**Unit: VND*

ITEMS	Codes	Current year	Prior year (Restated)
I. Cash flows from operating activities			
1. Profit before tax	01	500,831,658,329	532,976,387,896
2. Adjustments for:	02	340,742,386,144	199,518,685,412
- Depreciation and amortisation of fixed assets	03	21,958,681,733	19,137,603,000
- Allowances and provisions	04	51,096,713,265	5,841,793,358
- Unrealised (- gains) or (+ loss) foreign exchange differences	05	(826,465,877)	-
- Interest expenses	06	286,541,723,023	191,537,799,054
- Gains, losses from investment activities	07	(18,028,266,000)	(16,998,510,000)
3. Adjustment for non-cash expenses	10	8,541,283,881	-
- Losses from revaluation of financial assets at FVTPL	11	8,541,283,881	-
4. Adjustment for non-cash income	18	-	(33,301,304,746)
- Gains from revaluation of financial assets at FVTPL	19	-	(33,301,304,746)
5. Operating profit before changes in working capital	30	850,115,328,354	699,193,768,562
- Decrease/(Increase) in financial assets at FVTPL	31	60,950,845,006	(334,691,119,933)
- (Increase) in held-to-maturity investments (HTM)	32	(2,913,114,967,228)	(847,715,032,772)
- Decrease/(increase) in loans receivable	33	472,647,146,224	(1,219,060,983,166)
- Decrease/(increase) in financial assets available for sales (AFS)	34	360,991,097,759	(217,053,783,139)
- (Increase)/decrease in receivables from sales of financial assets	35	(45,493,476,400)	(3,407,011,400)
- (Increase) in dividends and interests receivable from financial assets	36	(26,031,725,312)	(14,611,051,236)
- Decrease in receivables from services rendered	37	-	7,317,124,296
- Decrease/(increase) in other receivables	39	60,153,785,661	(8,336,357,226)
- (Increase) in other assets	40	(5,678,520,140)	(58,283,076,599)
- (Decrease)/Increase in accrued expenses (excluding loan interest)	41	(19,350,406)	4,528,107,267
- Decrease in prepaid expenses	42	(1,786,330,039)	804,231,520
- Corporate income tax paid	43	(99,915,922,317)	(78,919,178,093)
- Interest paid	44	(209,608,285,536)	(189,041,036,055)
- (Decrease)/increase in accounts payable to suppliers	45	(611,477,385,796)	1,966,511,362
- Increase in employees' benefits payable	46	1,369,034,768	970,139,892
- (Decrease)/Increase in taxes and other obligations to the State budget (excluding corporate income tax paid)	47	(1,087,253,311)	10,770,041,156
- (Decrease)/Increase in payables to employees	48	(21,367,506,603)	15,528,174,856
- (Decrease)/increase in other payables	50	(34,003,572,130)	288,142,279,910
Net cash flows from operating activities	60	(2,163,357,057,446)	(1,941,898,250,798)

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

CASH FLOW STATEMENT (Continued)*(Indirect method)**For the year ended 31 December 2018*

ITEMS	Codes	Unit: VND	
		Current year	Prior year (Restated)
II. Cash flows from investing activities			
1. Payments for acquisition and construction of fixed assets, investment properties and other assets	61	(35,764,804,108)	(12,071,766,012)
2. Payments for investments in subsidiaries, joint ventures, associates and other investments	63	-	(43,009,005,900)
3. Proceeds from investments in subsidiaries, joint ventures, associates and other investments	64	36,360,000,000	-
4. Proceeds from dividends and profit from long-term financial investments	65	18,019,266,000	16,998,510,000
Net cash flows from investing activities	70	18,614,461,892	(38,082,261,912)
III. Cash flows from financing activities			
1. Proceeds from equity issued or capital contributed by shareholders	71	504,584,770,000	129,611,184,000
2. Cash paid for capital withdrawals and buy-back of issued shares	72	(152,026,526,000)	(33,617,514,400)
3. Proceeds from borrowings	73	98,249,324,343,698	55,291,361,622,210
3.1. Other borrowings	73.2	98,249,324,343,698	55,291,361,622,210
4. Payments to settle loan principals	74	(95,681,488,668,001)	(53,327,572,176,314)
4.1. Payments to settle other loan principals	74.3	(95,681,488,668,001)	(53,327,572,176,314)
5. Dividends, profits paid to shareholders	76	(216,619,554,050)	-
Net cash flows from financing activities	80	2,703,774,365,647	2,059,783,115,496
IV. Net cash flows during the year (90=60+70+80)	90	559,031,770,093	79,802,602,786
V. Cash and cash equivalents at the beginning of the year	101	336,761,394,060	256,958,791,274
- Cash	101.1	236,761,394,060	173,958,791,274
- Cash equivalents	101.2	100,000,000,000	83,000,000,000
VI. Cash and cash equivalents at the end of the year	103	895,793,164,153	336,761,394,060
- Cash	103.1	488,793,164,153	236,761,394,060
- Cash equivalents	103.2	407,000,000,000	100,000,000,000

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

CASH FLOW STATEMENT (Continued)*(Direct method)**For the year ended 31 December 2018**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	131,010,682,468,151	101,504,435,325,525
2. Payments for purchases of securities brokered by the Company	02	(131,010,624,047,950)	(101,504,542,473,259)
3. Deposits received to settle securities transactions of customers	07	(161,903,190,610)	986,777,285,455
4. Receipts from securities issuers	14	2,327,225,993,952	1,907,230,582,875
5. Payments to securities issuers	15	(2,326,481,045,941)	(1,913,578,038,440)
Net cash flows during the year	20	(161,099,822,398)	980,322,682,156
II. Cash and cash equivalents of customers at the beginning of the year	30	2,173,272,198,379	1,192,949,516,223
Cash at banks at the beginning of the year	31	2,173,272,198,379	1,192,949,516,223
- Deposits of customers for securities transactions managed by the Company	32	1,300,561,959,256	828,810,828,201
- Deposits for securities transactions for customers	33	872,053,173,200	357,027,018,800
- Deposits for clearing and settlement of securities transactions	34	33,435,738	140,583,472
- Deposits from securities issuers	35	623,630,185	6,971,085,750

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

CASH FLOW STATEMENT (Continued)*(Direct method)**For the year ended 31 December 2018**Unit: VND***CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES
(Continued)**

ITEMS	Codes	Current year	Prior year
III. Cash and cash equivalents of customers at the end of the year (40=20+30)	40	2,012,172,375,981	2,173,272,198,379
Cash at banks at the end of the year:	41	2,012,172,375,981	2,173,272,198,379
- Deposits of customers for securities transactions managed by the Company	42	1,542,142,377,286	1,300,561,959,256
- Deposits for securities transactions for customers	43	468,569,564,560	872,053,173,200
- Deposits for clearing and settlement of securities transactions	44	91,855,939	33,435,738
- Deposits from securities issuers	45	1,368,578,196	623,630,185



Ms. Vu Thi Thanh Van
Preparer



Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Pham Minh Huong
Chief Executive Officer

29 March 2019
Hanoi, S.R.Vietnam

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

Unit: VND

ITEMS	Note	Opening balance		Movement			Closing balance	
		Prior year	Current year	Prior year	Increase	Decrease	Prior year	Current year
1. Changes in owners' equity		1,948,263,501,243	2,468,865,477,799	24,031,857,229	959,002,016,834	(456,207,851,749)	2,468,865,477,799	2,971,659,642,884
1. Owners' contributed capital	29	1,525,134,111,427	1,621,127,781,027	74,336,193,280	502,809,047,048	743,366,952	1,621,127,781,027	2,124,680,195,027
1.1. Share capital		1,549,981,650,000	1,549,981,650,000	-	654,320,040,000	-	1,549,981,650,000	2,204,301,690,000
1.2. Share premium		65,433,524,852	120,708,515,572	-	515,533,048	-	120,708,515,572	121,224,048,620
1.3. Treasury shares	29	(90,281,063,425)	(49,562,384,545)	74,336,193,280	(152,026,526,000)	743,366,952	(49,562,384,545)	(200,845,543,593)
2. Reserve to supplement charter capital	30	48,820,054,976	69,196,036,758	-	20,736,044,081	-	69,196,036,758	89,932,080,839
3. Financial and operational risk reserves	30	19,518,327,973	39,894,309,755	-	20,736,044,081	-	39,894,309,755	60,630,353,836
4. Undistributed profits	30	354,791,006,867	738,647,350,259	(50,304,336,051)	414,720,881,624	(456,951,218,701)	738,647,350,259	696,417,013,182
4.1. Realised profits		354,791,006,867	712,006,306,462	(50,304,336,051)	414,720,881,624	(450,944,657,473)	712,006,306,462	675,782,530,613
4.2. Unrealised profits		-	26,641,043,797	-	-	(6,006,561,228)	26,641,043,797	20,634,482,569
		1,948,263,501,243	2,468,865,477,799	24,031,857,229	959,002,016,834	(456,207,851,749)	2,468,865,477,799	2,971,659,642,884



Ms. Vu Thi Thanh Van
Preparer



Ms. Nguyen Thi Ha Ninh
Chief Accountant



Ms. Pham Minh Huong
Chief Executive Officer
29 March 2019
Hanoi, S.R. Vietnam

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 License No. 101/UBCK-GP dated 31 December 2007 was issued by the State Securities Commission of Vietnam and the amended license for establishment and operation of Securities Company No. 38 / GPDC-UBCK dated 01 June 2018. 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 2018, the Company's charter capital is VND 2,204,301,690,000 (at 31 December 2017: VND 1,549,981,650,000).

Principal activities

The principal activities of the Company are to conduct securities brokerage, proprietary trading, and to provide securities investment and financial advisory, 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 January 18, 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) Investing 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, investing from five percent (5%) or more in the charter capital of other securities companies;
- c) Investing in more than twenty percent (20%) of the total number of outstanding stocks and fund units of a listed organization;
- d) Invest more than fifteen percent (15%) of total outstanding stocks and fund units of an unlisted organization, this provision shall not apply to member fund units, exchange traded funds and open 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 in more than seventy percent (70%) of equity capital in shares, capital contributions and business projects, of which no more than twenty per cent (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 is established or acquired by 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 to 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 to the establishment and acquisition of a fund management company, must comply with the debt limit prescribed in Article 42 of this Circular and limit the investment prescribed in Clause 3 of this Article and Point e 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, due to consolidation or merger, or due to changes in assets or owner's equity of the securities company or capital contributing entities and 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 audited financial statements for the year ended 31 December 2017 that have been audited by another auditing firm. Some figures have been restated to be suitable for comparison with current year's figures (Note 41).

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 2018, the Company has 930 employees (as at 31 December 2017: 740 employees).

Subsidiaries

As at 31 December 2018, the Company has one (01) directly owned subsidiary 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	Licenses of Establishment and Operation No.30/UBCK-GP dated 4/3/2008, 02/GPDC-UBCK dated 8/3/2017	Securities investment fund management and securities investment portfolio management	VND 50 billion	100%

2. BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS AND ACCOUNTING 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, the 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 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, the 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 legal regulations relating to financial reporting. These separate financial statement should be read in conjunction with the consolidated financial statements of VNDIRECT for the year ended 31 December 2018 for the purpose of comprehensive information on the consolidated financial position of VNDIRECT as at 31 December 2018, the consolidated results of operations, consolidated cash flows and the consolidated changes in equity of VNDIRECT for the year ended 31 December 2018.

Adoption of new accounting guidance

On 12 March 2018, the Minister of Finance issued Circular No. 23/2018/TT-BTC ("Circular 23") guiding accounting for covered warrants for securities companies being issuers. Circular 23 takes effect on 27 April 2018. The Company has applied Circular 23 in preparation and presentation of the separate financial statements for the year ended 31 December 2018 of the Company.



Measurement basis

The separate financial statements, except for separate 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 to be disclosed in Note 3. The cash flow statement is prepared using the indirect method.

Financial year

The financial year of the Company begins from 01 January to 31 December. These separate financial statements are prepared for the financial year from 1 January 2018 to 31 December 2018.

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 to the 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 the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which 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, deposits for sales of underwritten securities 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.

15/01/2018

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

Financial assets at fair value through profit/loss

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

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

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

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

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

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

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

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 income;
- those that the Company designates as available-for-sale; and

12
VC
HỆ
0
T
1

- those that meet the definition of loans and receivables.

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

Financial assets shall be no longer classified as held-to-maturity investments if in the current 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, 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 that are irrecoverable, the Company carries out using provision against credit risk in accordance with the current prevailing regulations.

Accounts receivable

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

00 -
TY
HUU HU
TTE
IAM
TP. HI

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 in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by Ministry of Finance 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 recoverability of the debts to determine 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 recoverability of these debts.

Investments in subsidiaries

For the purpose of these separate financial statements, investments in subsidiaries are initially recognised at cost that 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 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.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. The Company derecognizes the investment in associates when the Company no longer has significant influence on the investees.

For the purpose of these separate financial statements, investments in associates are initially recognised at cost. Profits distributed from accumulated net profits of associates after the acquisition dates are recognized in the Company's income statement. Other distributions received are recognized as receivables from investments and are credited against the value of the investments.

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, import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use and costs of dismantling, removing items and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

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

Intangible assets

Software

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

Construction in progress

Construction in progress represents the cost of office construction and software development that 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, straight bonds issued are measured at cost which is the proceed from issuance, net of issuance costs.

M.S.D.N
 10

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, net of tax effects, are recognised as a deduction from 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 6 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 charter capital
Financial and operational risk reserve	5% of profit after tax	10% of charter 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 statement of income upon receipt of the matching order reports of securities trading transactions from Vietnam Securities Depository ("VSD") (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

Dividend and interest income from financial assets

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



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

Interest income is recognised in the statement of income 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 statement of income 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 in the statement of income in proportion to the stage of completion of the transaction at the end of the annual accounting period. The stage of completion is assessed by reference to work performed.

Revenue from securities custody

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

Operating lease payment

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

Interest expense

Interest expense is recognised in the statement of income 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 income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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

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

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

0112
ÔN
NHIE
ELO
IET
DA

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.

250
37
MH
IT
NA
TP

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 management has established a credit policy under which each new customer is analysed individually for creditworthiness 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 VND	Opening balance VND
Cash and cash equivalents	(i)	895,793,164,153	336,761,394,060
Held-to-maturity investments	(i)	5,471,330,000,000	2,558,215,032,772
Loans receivable	(ii)	2,582,474,306,127	3,130,859,448,293
Available-for-sale debt securities	(iii)	379,530,902,241	740,522,000,000
Accounts receivable	(ii)	156,475,477,905	86,754,112,296
Other financial assets		37,547,099,707	36,692,168,067
		9,523,150,950,133	6,889,804,155,488

(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 accounts receivable*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, management of the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit purchase limit is established for each customer, which represents the maximum 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. 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:

HHH
★

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

FORM B09 - CTCK

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

Opening balance	Contractual cash flows		From 1 to 2 years
	Carrying value VND	Within 1 year VND	
Current liabilities			
Short-term borrowings	4,351,896,422,610	4,373,501,780,476	-
Accounts payable for securities trading activities	763,730,233,228	763,730,233,228	-
Accounts payable to suppliers	2,554,536,055	2,554,536,055	-
Advances from customers	1,713,205,704	1,713,205,704	-
Short-term accrued expenses	15,464,988,149	15,464,988,149	-
Other financial liabilities	2,052,776,677	2,052,776,677	-
Long-term liabilities			
Long-term bonds issued	320,000,000,000	378,880,000,000	349,440,000,000
	5,457,412,162,423	5,537,897,520,289	349,440,000,000

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:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Financial assets		
Cash and cash equivalents	895,793,164,153	336,761,394,060
Held-to-maturity investments	5,471,330,000,000	2,558,215,032,772
Loans receivable	2,582,474,306,127	3,130,859,448,293
Available-for-sale debt securities	379,530,902,241	740,522,000,000
Payment to Clearing Fund for derivative transactions	15,046,536,424	15,009,271,222
Deposits at Payment Support Fund	20,000,000,000	20,000,000,000
	<u>9,364,174,908,945</u>	<u>6,801,367,146,347</u>
Financial liabilities		
Short-term borrowings	6,012,344,898,307	4,351,896,422,610
Short-term bonds issued	726,562,200,000	-
Long-term bonds issued	500,000,000,000	320,000,000,000
	<u>7,238,907,098,307</u>	<u>4,671,896,422,610</u>

Equity security price risk

Equity security 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 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 price risk arising from the uncertainty in the fluctuation of the future market value of these securities. Market price risk is managed by diversifying the investment portfolio and careful selection of securities within specified limits.

As at 31 December 2018, market value of listed equity shares of the Company was VND 762.3 billion (31 December 2017: VND 619.5 billion). Had the market value of these securities increased or decreased by 10% as at 31 December 2018 assuming that all other variables remained constant, profit after tax of the Company would have increased or decreased by VND 61.0 billion (31 December 2017: 10%, increased or decreased by VND 49.6 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 2018, the Company had exchange rate risks arising from short-term bank loan contracts with the amount of USD 15 million (as at 31 December 2017, the Company was not exposed to any currency risk because the Company did not have any exposures to currencies other than VND).

As at 31 December 2018, the Company has prevented exchange rate risks by signing USD forward contracts with Vietnam Maritime Commercial Joint Stock Bank under Contract No. 27122018/MSB-VNDIRECT signed on 27 December 2018 (with the amount of USD 5,013,131.94 at the forward rate of 23,269 VND/USD) and Vietnam Technological and Commercial Joint Stock Bank under contract No. 01-2712/TCB-VND signed on 27 December 2018 (with the amount of USD 5,024,993.06 and USD 5,013,556.56 at the forward rate of VND/USD 23,284 and VND/USD 23,285 respectively).

112
CÔNG
NHỊ
L
T
ĐA

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

FORM B09 - CTCK

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:

- 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	1,117,468,455,054	1,491,577,195,511	9,008,672,742,057	5,979,603,894,519	10,133,641,197,111	7,478,681,090,030
Unallocated assets	-	-	-	-	-	-	392,905,028,280	533,654,095,570
Total assets	7,500,000,000	7,500,000,000	1,117,468,455,054	1,491,577,195,511	9,008,672,742,057	5,979,603,894,519	10,526,546,225,391	8,012,335,185,600
Segment liabilities	-	-	152,425,291,772	763,730,233,228	7,402,461,290,735	4,779,739,474,573	7,554,886,582,507	5,543,469,707,801
Total liabilities	-	-	152,425,291,772	763,730,233,228	7,402,461,290,735	4,779,739,474,573	7,554,886,582,507	5,543,469,707,801

TP NA HT MHT 500

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
Operating revenue								
- Gains from financial assets at FVTPL and derivatives	-	-	260,477,100,025	278,259,986,157	-	-	260,477,100,025	278,259,986,157
- Interest income from held-to-maturity investments	-	-	-	-	289,299,277,660	180,453,494,238	289,299,277,660	180,453,494,238
- Interest income from loans and receivables	-	-	-	-	434,877,326,930	343,826,028,615	434,877,326,930	343,826,028,615
- Gains from available-for-sale financial assets	-	-	4,811,965,659	29,141,692,539	-	-	4,811,965,659	29,141,692,539
- Revenue from brokerage services	520,577,893,341	344,357,821,001	-	-	-	-	520,577,893,341	344,357,821,001
- Revenue from underwriting and issuance agency services	17,923,795,857	10,617,046,488	-	-	-	-	17,923,795,857	10,617,046,488
- Revenue from securities investment advisory services	3,722,969,523	2,123,113,998	-	-	-	-	3,722,969,523	2,123,113,998
- Revenue from securities custody services	11,198,531,803	7,814,459,101	-	-	-	-	11,198,531,803	7,814,459,101
- Other operating income	-	-	-	-	3,110,453,455	1,258,818,273	3,110,453,455	1,258,818,273
- Financial income	-	-	18,028,266,000	16,998,510,000	6,729,700,322	3,771,174,260	24,757,966,322	20,769,684,260
- Revenue from financial advisory activities	-	17,602,087,442	-	-	-	-	-	17,602,087,442
Total revenue	553,423,190,524	382,514,528,030	283,317,331,684	324,400,188,696	734,016,758,367	529,309,515,386	1,570,757,280,575	1,236,224,232,112

**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	-	-	259,778,807,179	68,306,045,518	-	-	259,778,807,179	68,306,045,518
- (Reversal of) Allowance made for financial assets, write-off of doubtful debts and impairment loss on financial assets	-	-	-	-	(3,539,230,029)	9,821,150,741	(3,539,230,029)	9,821,150,741
- Expenses for securities brokerage	216,309,653,142	167,539,983,086	-	-	-	-	216,309,653,142	167,539,983,086
- Expenses for securities investment advisory services	531,473,720	563,690,000	-	-	-	-	531,473,720	563,690,000
- Expenses for securities custody services	14,759,679,422	11,310,015,100	-	-	-	-	14,759,679,422	11,310,015,100
- Interest expense	-	-	-	-	286,541,723,023	191,537,799,054	286,541,723,023	191,537,799,054
- Expenses for financial advisory activities	124,000,000	2,226,875,400	-	-	-	-	124,000,000	2,226,875,400
Total expenses	231,724,806,284	181,640,563,586	259,778,807,179	68,306,045,518	283,002,492,994	201,358,949,795	774,506,106,457	451,305,558,899
Segment operating results	321,698,384,240	200,873,964,444	23,538,524,505	256,094,143,178	451,014,265,373	327,950,565,591	796,251,174,118	784,918,673,213
Unallocated expenses							295,942,348,637	252,594,844,323
Results from operating activities							500,308,825,481	532,323,828,890
Other income							743,127,355	674,354,634
Other expenses							220,294,507	21,795,628
Current corporate income tax expenses							92,117,337,933	98,815,708,453
Net profit after tax							408,714,320,396	434,160,679,443

6. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash at banks for VNDIRECT's activities	488,780,684,536	236,725,189,241
Deposits for clearing and settlement of securities transactions	12,479,617	36,204,819
Cash equivalents (*)	407,000,000,000	100,000,000,000
	895,793,164,153	336,761,394,060

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

7. VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions	Value of transactions
	Number of securities	VND
Of VNDIRECT	645,393,157	147,234,099,000,000
Shares	215,020,626	15,628,306,136,690
Bonds	430,372,531	131,605,792,863,310
Of Investors	11,459,183,027	1,131,149,677,529,210
Shares	11,407,470,083	247,163,738,702,302
Bonds	7,413,891	762,965,762,210
Other securities	44,299,053	883,222,973,064,700

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

FORM B09 - CTCK

8. FINANCIAL ASSETS

Financial assets at fair value through profit or loss

	Closing balance		Opening balance	
	Cost VND	Fair value (*) VND	Cost VND	Fair value (*) VND
Financial assets at FVTPL				
Shares and fund units (i)	887,772,942,880	912,532,963,745	681,835,868,004	715,137,172,750
Total	887,772,942,880	912,532,963,745	681,835,868,004	715,137,172,750

(*) 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 2018, 15,761,118 ABB shares, 494,700 VGG shares and 700,000 LTG shares with total fair value of VND139,264 million (31 December 2017: 964,481 HOT shares with a total fair value of VND17,264 million) were pledged with banks as security for loans granted to the Company (Note 21).

Held-to-maturity investments

	Closing balance		Opening balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Term deposits with term to maturity:				
- From over 3 months to under 1 year	5,371,330,000,000	Not applicable	2,258,215,032,772	Not applicable
- Above 1 year	100,000,000,000	Not applicable	300,000,000,000	Not applicable
Total	5,471,330,000,000		2,558,215,032,772	

As at 31 December 2018, included in these term deposits was VND 5,218,000 million which was pledged with banks as security for loans granted to the Company (31 December 2017: VND 515,200 million) (Note 21).

VIỆT
DỊCH
CÔNG
TY
HẠN
HỮU

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

FORM B09 - CTCK

Loan receivables

	Closing balance	Opening balance
	VND	VND
Loan receivables		
Margin loans	2,456,280,458,266	2,995,455,825,850
Advances to customers for the proceeds of selling securities	126,193,847,861	135,403,622,443
Total	2,582,474,306,127	3,130,859,448,293

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 (ii)	148,490,500,000	148,490,500,000	738,522,000,000	738,522,000,000
Corporate bonds	29,669,435,442	29,669,435,442	2,000,000,000	2,000,000,000
Certificate of deposit	201,370,966,799	201,370,966,799	-	-
Total	387,030,902,241		748,022,000,000	

(ii) As at 31 December 2018, there was no government bonds were pledged with banks as security for loans granted to the Company (as at 31 December 2017, total government bonds) (Note 21).

(**) 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 for enterprises and accounting guidance applicable to securities companies. The fair values of these financial instruments may differ from their carrying amounts.

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

FORM B09 - CTCK

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

	Quantity	Cost	Market value/ Fair value	Revaluation difference		Revaluation value
				Increase	Decrease	
		VND	VND	VND	VND	VND
I Financial assets at FVTPL						
<i>Listed shares</i>	15,191,337	316,564,619,974	325,293,522,830	18,087,875,280	9,358,972,424	325,293,522,830
PTI (*)	13,216,055	266,887,919,882	284,145,182,500	17,257,262,618	-	284,145,182,500
HOT	964,481	27,005,468,000	20,929,237,700	-	6,076,230,300	20,929,237,700
BMI	385,252	10,747,183,160	7,974,716,400	-	2,772,466,760	7,974,716,400
POW	500,000	7,331,840,000	8,000,000,000	668,160,000	-	8,000,000,000
REE	43,540	1,574,928,328	1,341,032,000	-	233,896,328	1,341,032,000
CTD	7,031	1,113,833,420	1,124,960,000	11,126,580	-	1,124,960,000
NLG	14,701	393,115,100	379,285,800	-	13,829,300	379,285,800
DRC	13,931	385,168,065	299,516,500	-	85,651,565	299,516,500
FPT	3,719	151,611,562	156,941,800	5,330,238	-	156,941,800
Others	42,627	973,552,457	942,650,130	145,995,844	176,898,171	942,650,130
<i>Listed fund certificates</i>	200,000	2,445,279,829	2,656,000,000	305,300,000	94,579,829	2,656,000,000
E1SSH30	100,000	919,700,000	1,225,000,000	305,300,000	-	1,225,000,000
E1VFN30	100,000	1,525,579,829	1,431,000,000	-	94,579,829	1,431,000,000
<i>Unlisted fund certificates</i>	5,000,000	50,500,000,000	48,224,400,000	-	2,275,600,000	48,224,400,000
VNDAF	5,000,000	50,500,000,000	48,224,400,000	-	2,275,600,000	48,224,400,000

(*) Reclassification from investment in associates to financial assets at FVTPL (Note 16).

TP. HUU TT VAN 100

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

FORM B09 - CTCK

	Quantity	Cost	Market value/ Fair value	Revaluation difference		Revaluation value
				Increase	Decrease	
		VND	VND	VND	VND	VND
Unlisted shares	35,682,901	518,263,043,077	386,124,625,282	6,366,845,585	138,505,263,380	386,124,625,282
An Binh Commercial Joint Stock Bank	17,574,123	170,489,057,266	107,079,131,439	-	63,409,925,827	107,079,131,439
Orient Commercial Joint Stock Bank	9,418,668	103,174,976,250	103,174,976,250	-	-	103,174,976,250
CIENCO4 Group	4,800,000	62,400,000,000	47,520,000,000	-	14,880,000,000	47,520,000,000
Loc Trui Group Joint Stock Company	2,277,160	111,458,304,300	59,206,160,000	-	52,252,144,300	59,206,160,000
Viet Tien Garment Joint Stock Corporation	494,700	31,140,960,000	25,031,820,000	-	6,109,140,000	25,031,820,000
Vietnam National Apiculture Joint Stock Company	412,500	24,750,000,000	24,750,000,000	-	-	24,750,000,000
PetroVietnam Oil Corporation	322,000	6,691,058,000	4,862,200,000	-	1,828,858,000	4,862,200,000
Vietnam Engine and Agricultural Machinery Corporation	259,000	3,896,667,000	10,101,000,000	6,204,333,000	-	10,101,000,000
RICON Construction Joint Stock Company	101,950	4,078,000,000	4,078,000,000	-	-	4,078,000,000
I.P.A Investments Corporation	20,250	151,450,000	311,850,000	160,400,000	-	311,850,000
Others	2,550	32,570,261	9,487,593	2,112,585	25,195,253	9,487,593
56,074,238	887,772,942,880	762,298,548,112	24,760,020,865	150,234,415,633	762,298,548,112	

II Available-for-sale financial assets

Government bonds	1,500,000	148,490,500,000	148,490,500,000	-	-	148,490,500,000
Corporate bonds	268,522	29,669,435,442	29,669,435,442	-	-	29,669,435,442
Certificate of deposit	200	201,370,966,799	201,370,966,799	-	-	201,370,966,799
Unlisted shares	750,000	7,500,000,000	(*)	(*)	(*)	(*)
2,518,722	387,030,902,241					

(*) See Note 8.

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

FORM B09 - CTCK

10. ALLOWANCE FOR DIMINUTION IN VALUE OF FINANCIAL ASSETS

	Quantity	Closing balance		Market value/ Recoverable amount	Provision	Opening balance Provision	Allowance made/(reserved) during the year
		Cost	Market value/ Recoverable amount				
		VND	VND				
I Financial assets at FVTPL							
Listed shares	1,452,879	40,793,334,674	31,434,362,250	9,358,972,424	10,817,186,394	(1,458,213,970)	
HOT	964,481	27,005,468,000	20,929,237,700	6,076,230,300	9,741,258,100	(3,665,027,800)	
BMI	385,252	10,747,183,160	7,974,716,400	2,772,466,760	-	2,772,466,760	
REE	43,540	1,574,928,328	1,341,032,000	233,896,328	-	233,896,328	
DRC	13,931	385,168,065	299,516,500	85,651,565	12,772,615	72,878,950	
VNM	794	111,930,284	95,280,000	16,650,284	-	16,650,284	
CVT	804	31,024,257	15,356,400	15,667,857	-	15,667,857	
Others	44,077	937,632,580	779,223,250	158,409,330	1,063,155,679	(904,746,349)	
Listed fund certificates	100,000	1,525,579,829	1,431,000,000	94,579,829	-	94,579,829	
E1VFN30	100,000	1,525,579,829	1,431,000,000	94,579,829	-	94,579,829	
Unlisted fund certificates	5,000,000	50,500,000,000	48,224,400,000	2,275,600,000	-	2,275,600,000	
VNDAF	5,000,000	50,500,000,000	48,224,400,000	2,275,600,000	-	2,275,600,000	
Unlisted shares	25,470,300	382,208,806,719	243,703,543,339	138,505,263,380	84,781,285,945	53,723,977,435	
An Binh Commercial Joint Stock Bank	17,574,123	170,489,057,266	107,079,131,439	63,409,925,827	53,621,139,316	9,788,786,511	
Loc Troi Group Joint-Stock Company	2,277,160	111,458,304,300	59,206,160,000	52,252,144,300	28,001,181,000	24,250,963,300	
CIENCO4 Group	4,800,000	62,400,000,000	47,520,000,000	14,880,000,000	-	14,880,000,000	
Viet Tien Garment Joint Stock Corporation	494,700	31,140,960,000	25,031,820,000	6,109,140,000	2,596,830,000	3,512,310,000	
PetroVietnam Oil Corporation	322,000	6,691,058,000	4,862,200,000	1,828,858,000	-	1,828,858,000	
Others	2,317	29,427,153	4,231,900	25,195,253	562,135,629	(536,940,376)	
II Loans receivable (*)	32,023,179	475,027,721,222	324,793,305,589	150,234,415,633	95,598,472,339	54,635,943,294	
		2,582,474,306,127	2,562,803,588,812	19,670,717,315	98,947,943,286	(3,539,230,029)	
Total		3,057,502,027,349	2,887,596,894,401	169,905,132,948	194,546,415,625	51,096,713,265	

(*) In 2018, the Company carried out using provision against credit risk of irrecoverable loans with the amount of VND 75,737,995,942 according to the Minutes No. 510/2018/BB-HDQT dated 28 September 2018 of the Board of Directors.

11. DIVIDENDS AND INTEREST RECEIVABLE FROM FINANCIAL ASSETS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Dividends receivable	1,698,900	-
Interest receivable from term deposits	38,457,986,527	13,098,198,628
Interest receivable from loans	40,288,002,565	39,617,764,052
	<u>78,747,687,992</u>	<u>52,715,962,680</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
Other receivables	8,754,043,080	10,557,879,183
	<u>10,717,818,413</u>	<u>12,521,654,516</u>



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

FORM B09 - CTCK

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	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	2,108,527,096	2,699,439,096	2,108,527,096	590,912,000
	4,663,214,429	4,072,302,429	4,663,214,429	4,072,302,429	590,912,000

14. PREPAID EXPENSES

Short-term prepaid expenses

	Closing balance	Opening balance
	VND	VND
Office rental	2,682,298,307	2,003,364,574
Software expenses	3,318,926,931	4,292,595,132
Others	503,526,676	1,347,135,659
	6,504,751,914	7,643,095,365

Long-term prepaid expenses

Office repair and renovation expenses	1,372,836,233	1,008,185,565
Other expenses	6,084,521,281	3,524,498,459
	7,457,357,514	4,532,684,024

15. INVESTMENTS IN SUBSIDIARIES

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

16. INVESTMENT IN ASSOCIATES

	Closing balance		Opening balance (Restated)	
	% ownership interest and voting rights	Cost	% ownership interest and voting rights	Cost
		VND		VND
Post and Telecommuni- -cation Joint Stock Insurance Corporation (PTI)	-	-	21,9%	303,238,919,882
Total	-	-	21,9%	303,238,919,882

As at 31 December 2017, the Company directly owned 18.7% and 3.2% indirectly (through its subsidiary, IPA Securities Investment Management Limited Co., Ltd.) interests of Post and Telecommunication Joint Stock Insurance Corporation ("PTI"). The Board of Management assessed that as at 31 December 2017, the Company had a significant influence on PTI's financial and operating policies, therefore, restated its investment in PTI in section "Investments in associates". Total PTI shares with a book value of VND 303,239 million as at 31 December 2017 are pledged with banks to secure the Company's loans (Note 21)

In 2018, the Company sold out PTI shares which reduces the direct and indirect ownership ratio at PTI to lower than 20%. The Board of Management assessed that the Company no longer had a significant influence on PTI since that time, therefore, the company reclassified the remaining investment in PTI shares into financial assets recognized at FVTPL (Note 9). Gains from PTI shares sold in 2018 are recorded in financial income (Note 35).

17. TANGIBLE FIXED ASSETS

	<u>Buildings and structures</u> VND	<u>Office equipment</u> VND	<u>Total</u> VND
COST			
Opening balance	24,184,557,012	70,023,893,935	94,208,450,947
Additions	-	30,911,634,292	30,911,634,292
Disposals	-	17,337,083,253	17,337,083,253
Closing balance	24,184,557,012	83,598,444,974	107,783,001,986
ACCUMULATED DEPRECIATION			
Opening balance	8,899,517,810	51,306,841,039	60,206,358,849
Depreciation for the year	2,466,732,354	8,437,853,832	10,904,586,186
Disposals	-	17,337,083,253	17,337,083,253
Closing balance	11,366,250,164	42,407,611,618	53,773,861,782
NET BOOK VALUE			
Opening balance	15,285,039,202	18,717,052,896	34,002,092,098
Closing balance	12,818,306,848	41,190,833,356	54,009,140,204

As at 31 December 2018, the cost of tangible fixed assets includes VND 20.6 billion which have been fully depreciated but are still in active use (as at 31 December 2017: VND 27.4 billion).

18. INTANGIBLE ASSETS

	<u>Computer software</u> VND
COST	
Opening balance	78,230,908,391
Additions	4,853,169,816
Closing balance	83,084,078,207
ACCUMULATED AMORTISATION	
Opening balance	53,126,575,887
Amortisation for the year	11,054,095,547
Closing balance	64,180,671,434
NET BOOK VALUE	
Opening balance	25,104,332,504
Closing balance	18,903,406,773

As at 31 December 2018, the cost of intangible assets includes VND 43.1 billion which were fully amortised (As at 31 December 2017: VND 10.5 billion), but are still in active use.

12500
 VG T
 HIEM HUU
 OITT
 T NAI
 4 - TP.

19. DEPOSITS AT PAYMENT SUPPORT FUND

According to Decision No. 45/QĐ-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND1 20 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 VN D20 billion.

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

	Current year VND	Prior year VND
Opening balance	20,000,000,000	18,257,761,747
Interest during the year	1,149,954,036	1,036,480,070
Additional contribution during the year	-	705,758,183
Interest received during the year	(1,149,954,036)	-
Closing balance	20,000,000,000	20,000,000,000

20. OTHER LONG-TERM ASSETS

	Closing balance VND	Opening balance VND
Deposits for purchase of real estates	50,000,000,000	50,000,000,000
Other deposits	923,487,500	10,000,000
Payment to Clearing Fund for derivative transactions	15,046,536,424	15,009,271,222
- <i>Amount paid</i>	15,000,000,000	15,000,000,000
- <i>Interest allocated</i>	46,536,424	9,271,222
	65,970,023,924	65,019,271,222



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

FORM B09 - CTCK

21. SHORT-TERM BORROWINGS

Short-term borrowings	Opening balance VND	Increase during the year VND	Decrease during the year VND	Unrealised foreign exchange differences VND	Closing balance VND
Borrowings from banks	4,351,896,422,610	97,249,324,343,698	95,588,050,868,001	(825,000,000)	6,012,344,898,307
	4,351,896,422,610	97,249,324,343,698	95,588,050,868,001	(825,000,000)	6,012,344,898,307

As at 31 December 2018, these borrowings were secured by term deposits at banks of the Company amounting to VND 5,218,000 million, listed shares with total fair value of VND 191,317 million (as at 31 December 2017: term deposits at banks of the Company amounting to VND 515,200 million, and listed shares with a total fair value of VND 17,264 million, Government bond with a total value of VND 738,522 million and investments in associate with a book value of VND 303,239 million) (Note 8 and Note 16).

As at 31 December 2018, these borrowings bore annual interest rates ranging from 2.95% - 8.5% (as at 31 December 2017: 5.2% - 8.5%).

22. BONDS ISSUED

Bonds issued	Interest rate %	Opening balance VND	Increase during the year VND	Decrease during the year VND	Closing balance VND
Long-term bonds	8.8% - 9.3%	320,000,000,000	1,000,000,000,000	93,437,800,000	1,226,562,200,000
In which:					
- Bonds with term to maturity under 1 year		-			726,562,200,000
- Bonds with term to maturity above 1 year		320,000,000,000			500,000,000,000

In 2018, the Company issued 5,000,000 nonconvertible bonds under private placement which were unsecured and had a 2-year term, floating interest rate with the first period interest rate of 8.8% per annum, par value of VND 100,000 per bond and 5 million non-convertible bonds which were unsecured and had a 1-year term, fixed interest rate of 9.3% per annum and 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 2018, these bonds bore annual interest rates ranging from 8.8% - 9.3% (as at 31 December 2017: 9.2%).

23. ACCOUNTS PAYABLE FOR SECURITIES TRADING ACTIVITIES

	Closing balance	Opening balance
	VND	VND
Payables to the Stock Exchanges	3,934,791,772	6,306,339,228
Payables for purchases of financial assets (i)	148,490,500,000	757,423,894,000
	152,425,291,772	763,730,233,228

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

24. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
Financial Software Solutions JSC	1,711,800,000	2,361,200,000
Ms. Nhu Thi Hai Van	602,700,000	-
AWA Waterproofing Company Limited	46,496,182	46,496,182
TD Trading and Advertising Company Limited	5,593,933	5,593,933
Thai Duong Construction Consultancy and Trading JSC	5,000,000	5,000,000
ONEP Online Services and Trading JSC	10,000,000	-
Vietnamese Academy of Forest Sciences	501,600	501,600
Thang Tam Construction and Interior Decoration Company Limited	-	20,744,340
Duong Dong Company Limited	-	115,000,000
	2,382,091,715	2,554,536,055

25. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Closing balance	Opening balance
	VND	VND
Corporate income tax	19,547,932,530	25,638,260,143
Personal income tax	16,175,755,099	17,082,141,923
Value added tax	166,119,949	346,986,431
	35,889,807,578	43,067,388,497

26. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Interest expense on loans from credit institutions	15,306,486,479	8,272,328,656
Interest expense on issued bonds	76,389,270,638	6,489,990,974
Others	681,852,236	702,668,519
	92,377,609,353	15,464,988,149

27. BONUS AND WELFARE FUNDS

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Opening balance	6,306,441,561	1,752,381,129
Appropriation during the year (Note 30)	41,858,845,261	9,552,372,487
Utilisation during the year	(33,303,504,817)	(4,998,312,055)
Closing balance	14,861,782,005	6,306,441,561

28. DEFERRED TAX LIABILITIES

	<u>Closing balance</u>		<u>Opening balance</u>	
	Tax rate	Value VND	Tax rate	Value VND
Gains from revaluation of financial assets at FVTPL	20%	4,952,004,174	20%	6,660,260,949

29. SHARE CAPITAL

The Company has authorised and issued share capital:

	<u>Closing balance</u>		<u>Opening balance</u>	
	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	154,998,165	1,549,981,650,000
Treasury shares				
Ordinary shares	(11,864,689)	(118,646,890,000)	(4,000,391)	(40,003,910,000)
Shares in circulation				
Ordinary shares	208,565,480	2,085,654,800,000	150,997,774	1,509,977,740,000

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.

30. RETAINED PROFITS

	Closing balance	Opening balance
	VND	VND
Undistributed realised profits	675,782,530,613	712,006,306,462
Unrealised profits	20,634,482,569	26,641,043,797
- Foreign exchange differences	826,465,877	-
- Revaluation of financial assets	19,808,016,692	26,641,043,797
	696,417,013,182	738,647,350,259

Profit distribution to shareholders in the year:

	Current year	Prior year
	VND	VND
Undistributed realised profits of the prior year	712,006,306,462	354,791,006,867
Realised profits of the year	414,720,881,624	407,519,635,646
Undistributed profit base belonging to shareholders and capital contributors	1,126,727,188,086	762,310,642,513
Funds appropriated from profits	83,330,933,423	50,304,336,051
- Charter capital supplementary reserve (i)	20,736,044,081	20,375,981,782
- Financial and operational risk reserve (i)	20,736,044,081	20,375,981,782
- Business bonus funds (ii)	41,858,845,261	9,552,372,487
Profit distribution to shareholders in accordance with Charter of the Company and Resolution of General Shareholders' Meeting (iii)	216,619,554,050	-
Payments of 2016 dividends by stocks (iv)	150,994,170,000	-
Tax paybles on profit distribution to shareholders	2,811,052,600	-
Total distribution to shareholders	364,802,671,450	-

- (i) Temporarily appropriate for 2018 according to the Charter;
- (ii) Appropriate 2017 business bonus fund according to the Decision of the Chairwoman of the Board of Directors No. 89/2018/QD-VNDS dated 1 May 2018;
- (iii) Dividend payment in cash at the rate of 10%/share according to the Resolution of the 2018 Annual General Meeting of Shareholders No. 200-4/2018/NQ-DHDCD dated 20 April 2018; and
- (iv) Issuance of shares to pay 2016 dividends according to the Resolution of the 2017 Annual General Meeting of Shareholders No. 198/2017/NQ-DHDCD dated 29 May 2017 and Certificate of Registration of share offering to public of State Securities Commission No. 08/GCN-UB dated 05 February 2018.

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

FORM B09 - CTCK

31. GAINS/LOSSES FROM SALES OF FINANCIAL ASSETS

Gains from sales of financial assets at FVTPL

No.	Investment portfolio	Number of securities sold	Total sale proceeds	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	VND	VND
1	Listed shares	41,912,838	1,295,076,469,057	1,145,603,291,834	149,473,177,223	147,911,428,852			
2	Unlisted shares	8,694,075	198,270,045,344	181,282,147,476	16,987,897,868	147,296,382			
3	Listed bonds	86,908,050	9,413,231,365,222	9,398,821,687,770	14,409,677,452	5,141,990,000			
4	Unlisted bonds	44,260,010	36,286,108,550,826	36,211,363,692,117	74,744,858,709	66,663,841,809			
				255,615,611,252		219,864,557,043			

Losses from sales of financial assets at FVTPL

No.	Investment portfolio	Number of securities sold	Total sale proceeds	Average cost of securities sold up to last transaction date		Losses from sales of securities for current year		Losses from sales of securities for prior year	
				VND	VND	VND	VND	VND	VND
1	Listed shares	46,881,129	1,117,597,689,356	1,252,816,150,272	135,218,460,916	32,421,948,194			
2	Unlisted shares	3,757,221	48,515,485,000	51,133,227,000	2,617,742,000	697,100,000			
3	Listed bonds	90,620,000	9,504,456,890,000	9,508,886,037,500	4,429,147,500	3,293,500,000			
4	Unlisted bonds	8,605,627	18,604,773,280,460	18,661,351,445,935	56,578,165,475	31,340,664,233			
				198,843,515,891		67,753,212,427			

32. GAINS FROM REVALUATION OF FINANCIAL ASSETS

No.	Financial assets	Cost	Market value or Fair value	Revaluation gain at the end of the year		Revaluation gain at the beginning of the year		Adjustment for difference in the current year	
				VND	VND	VND	VND	VND	VND
1	Listed shares	316,564,619,974	325,293,522,830	18,087,875,280	28,795,443,010	(10,707,567,730)			
2	Listed fund certificates	2,445,279,829	2,656,000,000	305,300,000	-	305,300,000			
3	Unlisted fund certificates	50,500,000,000	48,224,400,000	-	-	-			
4	Unlisted shares	518,263,043,077	386,124,625,282	6,366,845,585	4,505,861,736	1,860,983,849			
		887,772,942,880	762,298,548,112	24,760,020,865	33,301,304,746	(8,541,283,881)			

33. DIVIDENDS AND INTEREST INCOME FROM FINANCIAL ASSETS, LIABILITIES AND LOANS

	Current year	Prior year
	VND	VND
From financial assets at FVTPL	13,402,772,654	25,094,124,368
Dividend received	13,402,772,654	25,094,124,368
From held-to-maturity financial assets	289,299,277,660	180,453,494,238
Interest income from term deposits at banks	289,299,277,660	180,453,494,238
From loans and receivables	434,877,326,930	343,826,028,615
Interest income from margin loans	414,741,255,517	322,229,323,844
Interest income from advances to customers for the proceeds of selling securities	20,136,071,413	21,596,704,771
From available-for-sale financial assets	4,811,965,659	29,141,692,539
Interest income from bonds	2,583,472,508	29,141,692,539
Interest income from certificate of deposit	2,228,493,151	-
	742,391,342,903	578,515,339,760

34. SECURITIES BUSINESS ACTIVITIES INCOME

	Current year	Prior year
	VND	VND
Revenue from securities brokerage	520,577,893,341	344,357,821,001
- Revenue from listed securities	451,121,104,885	340,745,021,570
- Revenue from fees related to	69,263,839,075	3,503,080,000
- Other revenue from brokerage	192,949,381	109,719,431
Revenue from underwriting and issuance agency services	17,923,795,857	10,617,046,488
Revenue from securities investment advisory services	3,722,969,523	2,123,113,998
Revenue from securities custody services	11,198,531,803	7,814,459,101
Revenue from financial advisory activities	-	17,602,087,442
Other operating revenue	3,110,453,455	1,258,818,273
	556,533,643,979	383,773,346,303

35. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Unrealised foreign exchange differences	826,465,877	-
Interest income from demand deposits	5,903,234,445	3,771,174,260
Dividend received from associates	18,019,266,000	16,998,510,000
Gains from disposals of investments in associates (Note 16)	9,000,000	-
	24,757,966,322	20,769,684,260

10/11/2014

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

FORM B09 - CTCK

36. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Interest expense from bank loans and bonds issued	281,091,753,676	183,135,829,879
Interest expense from customers' deposits	5,363,395,306	8,394,323,316
Other expenses	86,574,041	7,645,859
	286,541,723,023	191,537,799,054

37. GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
Salary and related expenses	194,280,811,087	168,808,655,813
Stationery expenses	858,237,187	887,814,222
Tools and supplies expenses	3,931,150,070	3,122,912,113
Depreciation and amortisation of fixed assets	21,958,681,733	19,137,603,000
Taxes and fees	450,143,216	112,743,000
Out-sourced services	74,463,325,344	60,525,116,175
	295,942,348,637	252,594,844,323

38. CORPORATE INCOME TAX

	Current year	Prior year
	VND	VND
Accounting profit before tax	500,831,658,329	532,976,387,896
Adjustments for taxable income		
Less: Tax exempt income	28,164,454,753	81,429,389,114
- Dividend	31,422,038,654	42,092,634,368
- Gains/(losses) from revaluation of financial assets at FVTPL	(8,541,283,881)	33,301,304,746
- Profits from bonus shares	5,283,699,980	6,035,450,000
Add: Non-deductible expenses	(3,539,230,029)	9,230,238,735
Taxable income	469,127,973,547	460,777,237,517
Tax rate	20%	20%
Current income tax expense	93,825,594,709	92,155,447,504
Temporary taxable differences	(8,541,283,881)	33,301,304,746
- Gains from revaluation of financial assets at FVTPL	(8,541,283,881)	33,301,304,746
Tax rate	20%	20%
Deferred income tax (income)/expense arising from temporary taxable differences	(1,708,256,776)	6,660,260,949
Deferred income tax expense	(1,708,256,776)	6,660,260,949



39. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

List of related parties:

<u>Related parties</u>	<u>Relationship</u>
Members 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 is a member of Board of Directors of the related party
Vietnam National Apiculture Joint Stock Company	Chairman of Board of Directors of the Company is Chairman of Board of Directors of the related party
H&H Investment Management Company Limited	Chairman of Board of Directors of the Company is 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 is Chairman of Board of Directors of the related party
IPA Finance Co., Ltd.	A member of Board of Directors of the Company is Chairman of Board of Directors, big shareholder
Tra Vinh Rural Electricity Joint Stock Company	A member of Board of Directors of the Company is 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 is Chairman of Board of Directors of the related party
Asian Pearl Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
ANVIE Real Estate Company Limited	A member of Board of Directors of the Company is Chairman of Members' Council of the related party
HOMEFOOD Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
HOMEDIRECT Joint Stock Company	A member of Board of Directors of the Company is 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 is Chairman of Board of Directors of the related party
Printing Mechanical Joint Stock Company	A member of Board of Directors of the Company is 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 is a member of Board of Directors of the related party

11/03/2010

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	14,913,000,000	4,749,440,000
I.P.A Investments Group Joint Stock Company		
Office rental and office management fees	10,581,277,422	6,057,004,963
Shares transfer	-	22,000,000,000
I.P.A Securities Investment Fund Management Limited Company		
Investment portfolio management fees	4,337,762,627	4,460,208,654
Bonds issued	-	5,000,000,000
Bond interest expenses	-	328,032,220
Revenues from fees	406,026,749	291,753,498
Interest paid on customer demand deposits	18,412,035	157,277,181
HOMEDIRECT Joint Stock Company		
Bonds investments	-	200,000,000,000
Bonds issuance fee received	2,900,000,000	2,900,000,000
Bonds interest	6,999,439	33,612,203,720
Interest paid on customer deposits	12,239,320	163,600,262
Other expenses	120,000,000	-
IPA Finance Co., Ltd.		
Payment of dividends by VNDirect	56,188,354,000	-
Securities trading account	571,295,213,980	1,272,319,199
Revenue from fees	28,736,553	1,169,588
Interest paid on customer deposits	1,523,447	9,460,869
Post and Telecommunication Joint Stock Insurance Corporation (PTI)		
Dividends received	18,019,266,000	16,998,510,000
Revenue from fees	1,563,621,633	1,330,706,536
Interest paid on customer deposits	19,742,135	53,372,005
Bac Ha Energy Joint Stock Company		
Securities trading account	120,718,918,424	385,450,641,226
Interest paid on customer deposits	1,308,348	7,856,635
Asian Pearl Joint Stock Company		
Securities trading account	12,068,478,051	4,111,581,944
Interest paid on customer deposits	210,451	1,068,277

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

FORM B09 - CTCK

	Current year	Prior year
	VND	VND
ANVIE Real Estate Company Limited		
Securities trading account	172,586,932	193,614,583,373
Interest paid on customer deposits	115,381	3,615,040
Revenue from fees	271,551	-
HOMEFOOD Joint Stock Company		
Interest paid on customer deposits	1,638	4,207
Buying food	150,455,468	496,699,038
Other expenses	18,039,481	-
Printing Mechanical Joint Stock Company		
Land rental expenses	2,612,074,205	1,811,827,200
Interest paid on customer deposits	1,400,508	545,065
Revenue from fees	1,699,976	-
Ms. Pham Minh Huong		
Securities trading account	210,891,278,870	4,262,502,577
Remuneration of Board of Directors	84,000,000	84,000,000
Interest paid on customer deposits	790,592	295,274
Revenue from fees	166,141,845	4,851,019
Payment of dividends by VNDirect	1,343,736,050	-
Mr. Vu Hien		
Securities trading account	247,624,926,959	359,810,876,633
Remuneration of Board of Directors	84,000,000	84,000,000
Income from Company bonds	2,603,978,120	3,635,451,554
Interest paid on customer deposits	2,850,260	5,910,893
Revenue from fees	6,415,077	4,547,617
Payment of dividends by VNDirect	171,000	-

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

FORM B09 - CTCK

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	50,000,000,000	50,000,000,000
Securities trading account	20,008,134,364	5,294,808,534
Interest receivables from deposits	4,305,556	1,643,836
Entrusted investment portfolios - cost	433,803,247,043	473,720,781,893
Portfolio management fee	-	439,524,293
HOMEDIRECT Joint Stock Company		
Equity investment	7,500,000,000	7,500,000,000
Securities trading account	130,916,841	2,350,414,027
IPA Finance Co., Ltd.		
Receipt of equity investment	561,883,540,000	392,011,780,000
Securities trading account	23,580,113	-
Post and Telecommunication Joint Stock Insurance Corporation (PTI)		
Investment in shares (par value in VND)	132,160,550,000	150,160,550,000
Securities trading account	4,917,741,997	2,362,773,075
Hoi An Tourist Service Joint Stock Company (HOT)		
Investment in shares	9,644,810,000	9,644,810,000
Bac Ha Energy Joint Stock Company		
Securities trading account	12,144,691,908	255,392,318
Asian Pearl Joint Stock Company		
Securities trading account	322,843	3,879,992
ANVIE Real Estate Company Limited		
Securities trading account	14,041,599	186,397,769
HOMEFOOD Joint Stock Company		
Securities trading account	524,235	522,597
Printing Mechanical Joint Stock Company		
Deposit for land rental	500,000,000	500,000,000
Securities trading account	508,731,597	-
Ms. Pham Minh Huong		
Owning shares of the Company (par value in VND)	64,144,590,000	9,868,320,000
Securities trading account	355,986,415	41,181,215
Mr. Vu Hien		
Owning shares of the Company (par value in VND)	1,800,000	1,640,000
Securities trading account	620,055,766	1,179,360,579
Owning bonds of the Company	6,293,800,000	53,293,800,000

40. SUBSEQUENT EVENTS

No events occurring after the balance sheet date that have material effects or may materially affect the Company's operations and results of operations during year ended 31 December 2018 are required for disclosure in the separate financial statements.

41. COMPARATIVE FIGURES

A number of figures from previous year are reclassified to conform with the current year's figures, as follows:

Statement of financial position	Codes	Opening balance		
		Reported amount	Adjustment	Restated
		VND	VND	VND
Financial assets at fair value through profit or loss ("FVTPL")	112	1,072,519,281,750	(357,382,109,000)	715,137,172,750
Investments in associates and joint ventures	212.3	-	303,238,919,882	303,238,919,882
Deferred tax liabilities	356	17,488,898,773	(10,828,637,824)	6,660,260,949
Unrealised profits	417.2	69,955,595,091	(43,314,551,294)	26,641,043,797
Income statement	Codes	Prior year		
		Reported amount	Adjustment	Restated
		VND	VND	VND
Gains from revaluation of financial assets at FVTPL	01.2	87,444,493,864	(54,143,189,118)	33,301,304,746
Deferred CIT expense	100.2	17,488,898,773	(10,828,637,824)	6,660,260,949
Dividends and interest income from financial assets at FVTPL	01.3	42,092,634,368	(16,998,510,000)	25,094,124,368
Dividends and interest income from demand deposits at banks	42	3,771,174,260	16,998,510,000	20,769,684,260
Cash flow statement				
Profit before tax	01	587,119,577,014	(54,143,189,118)	532,976,387,896
Gains from revaluation of financial assets at FVTPL	19	(87,444,493,864)	54,143,189,118	(33,301,304,746)
(Increase) in financial assets at FVTPL	31	(355,700,125,833)	21,009,005,900	(334,691,119,933)
Payments for investments in subsidiaries, joint ventures, associates and other	63	(22,000,000,000)	(21,009,005,900)	(43,009,005,900)
Gains, losses from investment activities	07	-	(16,998,510,000)	(16,998,510,000)
Proceeds from loan interest, dividends and profit from long-term financial investments	65	-	16,998,510,000	16,998,510,000

Ms. Vu Thi Thanh Van
Preparer

Ms. Nguyen Thi Ha Ninh
Chief Accountant

Ms. Phan Minh Huong
Chief Executive Officer

29 March 2019
Hanoi, S.R.Vietnam



* H H *

* C.P.*