

Bao Viet Securities Joint Stock Company

Combined financial statements

31 December 2019



Bao Viet Securities Joint Stock Company

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Bao Viet Securities Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Bao Viet Securities Joint Stock Company ("the Company") is a joint-stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB dated 1 October 1999 by the Hanoi People's Committee, Business Licence No. 01/GPHDKD dated 26 November 1999 by the State Securities Commission and Amended Certificate of Securities Operating License No.01/GPHDKD, which was granted under Decision No. 36/GPDC-UBCK dated 2 August 2017 issued by the State Securities Commission.

BVSC is a listed securities company in Vietnam stock market and aims at contributing to the development of Vietnam Stock market as well as bringing benefit to its clients, its investors and its shareholders.

The current principal activities of the Company are to provide brokerage services, custodian services, proprietary trading, underwriting and issuance agency services, financial advisory, securities investment advisory services and margin lending activities.

The Company's head office is located at 2nd and 3rd floors, 72 Tran Hung Dao Street, Hoan Kiem District, Hanoi and its Ho Chi Minh branch is located at Bao Viet Building, No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

As at 31 December 2019, the Company's charter capital was VND 722,339,370,000 and owners' equity was VND 1,806,633,192,421.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Nguyen Hong Tuan	Chairman	Appointed on 29 November 2018
Mr. Nguyen Anh Tuan	Member	Appointed on 12 May 2016
Mr. Le Van Binh	Member	Appointed on 15 April 2015
Mr. Nhu Dinh Hoa	Member	Appointed on 15 April 2015
Mr. Nguyen Quang Hung	Member	Appointed on 27 June 2017

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr. Nguyen Xuan Hoa	Head of the Board	Appointed on 15 April 2015
Mr. Hoang Giang Binh	Member	Appointed on 15 April 2015
Ms. Nguyen Thi Thanh Van	Member	Appointed on 15 April 2015

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr. Nhu Dinh Hoa	Chief Executive Officer	Reappointed on 5 May 2017
Mrs. Nguyen Thi Thanh Thuy	Deputy Chief Executive Officer	Reappointed on 14 July 2016
Mr. Vo Huu Tuan	Deputy Chief Executive Officer cum Director of Ho Chi Minh Branch	Reappointed on 5 May 2017

Bao Viet Securities Joint Stock Company

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nhu Dinh Hoa - Chief Executive Officer.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

15/03/2018

Bao Viet Securities Joint Stock Company

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Bao Viet Securities Joint Stock Company ("the Company") is pleased to present its report and the combined financial statements of the Company (including its Head Office and Ho Chi Minh City Branch) as at 31 December 2019 and for year then ended.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE COMBINED FINANCIAL STATEMENTS

Management is responsible for the combined financial statements of each financial year which give a true and fair view of the combined financial position of the Company and of the combined results of its operations, its combined cash flows and its combined changes in owners' equity for the year. In preparing these combined financial statements, Management is required to:

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the combined financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It 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.


Management confirmed that it has complied with the above requirements in preparing the consolidated financial statements as at 31 December 2019 and for year then ended.

APPROVAL OF THE COMBINED FINANCIAL STATEMENTS

We hereby approve the accompanying combined financial statements. These combined financial statements give a true and fair view of the combined financial position of the Company as at 31 December 2019 and of the combined results of its operations, its combined cash flows and its combined statement of changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of the financial statements.



On behalf of the Board of Directors:


Mr. Nguyen Hong Tuan
Chairman

Hanoi, Vietnam

23 March 2020

Reference: 60758149/20378388

INDEPENDENT AUDITOR'S REPORT

To: Shareholders of Bao Viet Securities Joint Stock Company

We have audited the accompanying combined financial statements of Bao Viet Securities Joint Stock Company ("the Company"), as prepared on 23 March 2020 and set out on page 6 to 78 which comprise the combined statement of financial position as at 31 December 2019, the combined income statement, the combined cash flow statement and the combined statement of changes in equity for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the combined financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of the combined financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

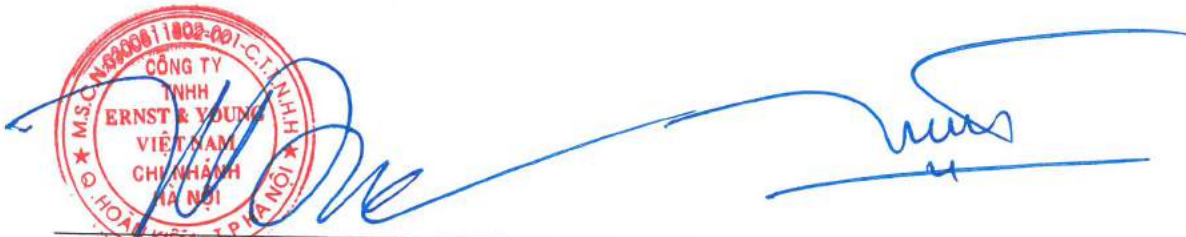
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether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

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

Opinion

In our opinion, the combined financial statements give a true and fair view, in all material respects, of the combined financial position of the Company as at 31 December 2019, and of the combined results of its operations, its combined cash flows and its combined changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of the combined financial statements.

Ernst & Young Vietnam Limited



Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No: 2400-2018-004-1

Nguyen Van Trung
Auditor
Audit Practising Registration
Certificate No: 3847-2016-004-1

Hanoi, Vietnam

23 March 2020

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COMBINED STATEMENT OF FINANCIAL POSITION
as at 31 December 2019

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2,216,765,893,431	2,547,076,962,053
110	I. Financial assets		2,213,745,653,759	2,544,928,394,217
111	1. Cash and cash equivalents	5	174,237,228,080	465,849,247,326
111.1	a. Cash		174,237,228,080	465,849,247,326
112	2. Financial assets at fair value through profit and loss (FVTPL)	7.1	421,327,957,700	252,425,875,043
113	3. Held-to-maturity investment (HTM)	7.3	10,022,246,575	51,600,000,002
114	4. Loans	7.4	1,514,325,651,880	1,682,728,337,545
115	5. Available-for-sale investment (AFS)	7.2	131,915,592,497	128,006,432,497
116	6. Provision for impairment of financial assets and mortgage assets	7.6	(77,943,762,861)	(65,169,527,850)
117	7. Receivables	8	17,888,832,396	20,925,796,544
117.2	7.1. Receivables and accrued dividend and interest		17,888,832,396	20,925,796,544
117.4	7.1.1. Undue accrued dividend and interest		17,888,832,396	20,925,796,544
118	8. Advances to suppliers	8	6,440,012,898	6,514,867,194
119	9. Receivables from services provided by the Company	8	4,243,758,225	6,415,254,928
122	10. Other receivables	8	27,271,866,068	11,615,840,687
129	11. Provision for impairment of receivables	8	(15,983,729,699)	(15,983,729,699)
130	II. Other current assets	9	3,020,239,672	2,148,567,836
131	1. Advances		583,827,230	200,751,380
132	2. Office supplies, materials and tools		486,898,450	388,072,553
133	3. Short-term prepaid expenses		1,949,513,992	1,559,743,903
200	B. NON-CURRENT ASSETS		181,087,292,225	380,084,227,603
210	I. Long-term financial assets		118,581,166,699	306,216,244,096
212	1. Investments		120,449,203,000	333,532,709,546
212.1	a. Held-to-maturity investments	7.3	-	142,759,886,546
212.4	b. Other long-term investments	7.2	120,449,203,000	190,772,823,000
213	2. Provision for impairment of long-term financial assets	7.6	(1,868,036,301)	(27,316,465,450)
220	II. Fixed assets		16,846,722,014	16,648,055,291
221	1. Tangible fixed assets	10	14,606,828,563	14,126,988,253
222	a. Cost		35,972,723,069	40,799,362,388
223a	b. Accumulated depreciation		(21,365,894,506)	(26,672,374,135)
227	2. Intangible fixed assets	11	2,239,893,451	2,521,067,038
228	a. Cost		14,530,251,090	14,019,651,090
229a	b. Accumulated amortization		(12,290,357,639)	(11,498,584,052)
250	IV. Other non-current assets		45,659,403,512	57,219,928,216
251	1. Long-term deposits, collaterals and pledges		1,092,282,572	1,169,613,567
252	2. Long-term prepaid expenses	12	23,388,143,453	36,050,314,649
254	3. Deposits to Settlement Assistance Fund	13	21,178,977,487	20,000,000,000
270	TOTAL ASSETS		2,397,853,185,656	2,927,161,189,656

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COMBINED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2019

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		591,219,993,235	1,235,009,147,192
310	I. Current liabilities		180,864,567,225	914,347,334,930
311	1. Short-term borrowings and financial leases		100,000,000,000	129,900,000,000
312	a. Short-term borrowings	14	100,000,000,000	129,900,000,000
318	2. Payables for securities transactions	15	2,810,129,998	3,700,362,817
320	3. Short-term trade payables	16	2,904,469,374	2,622,604,004
321	4. Short-term advances from customers		7,017,431,817	2,771,000,000
322	5. Statutory obligations	17	7,654,954,770	8,099,520,084
323	6. Payables to employees		35,568,500,561	37,691,980,762
324	7. Employee benefits		1,165,913,810	967,203,941
325	8. Short-term accrued expenses	18	2,491,758,782	5,082,283,353
329	9. Other short-term payables	19	2,845,649,995	551,293,643,777
330	10. Provision for short-term payables		12,000,000,000	6,000,000,000
331	11. Bonus and welfare fund		6,405,758,118	6,061,490,456
332	12. Payables under bonds repo agreements	20	-	160,157,245,736
340	II. Non-current liabilities		410,355,426,010	320,661,812,262
346	1. Long-term bonds issued	21	400,387,697,434	312,922,170,663
356	2. Deferred tax liability	29.2	9,967,728,576	7,739,641,599
400	D. OWNERS' EQUITY		1,806,633,192,421	1,692,152,042,464
410	I. Capital	22	1,806,633,192,421	1,692,152,042,464
411	1. Share capital		1,332,095,854,220	1,332,095,854,220
411.1	1.1. Contributed capital		722,339,370,000	722,339,370,000
411.1a	1.1.1. Ordinary shares		722,339,370,000	722,339,370,000
411.2	1.2. Share premium		610,253,166,720	610,253,166,720
411.5	1.3. Treasury shares		(496,682,500)	(496,682,500)
412	2. Difference from revaluation of assets at fair value	30	30,894,437,854	23,148,061,854
414	3. Charter capital supplementary reserve		42,517,552,484	36,121,049,159
415	4. Operational risk and financial reserve		42,517,552,484	36,121,049,159
417	5. Undistributed profit		358,607,795,379	264,666,028,072
417.1	5.1. Realized profit after tax		380,595,251,718	294,233,027,901
417.2	5.2. Unrealized loss after tax		(21,987,456,339)	(29,566,999,829)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,397,853,185,656	2,927,161,189,656

COMBINED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2019

OFF-BALANCE SHEET ITEMS

Code	ITEMS	Notes	Ending balance	Beginning balance
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
004	1. Bad debts written off (VND)		390,400,000	390,400,000
006	2. Outstanding shares (number of shares)		72,200,145	72,200,145
007	3. Treasury shares (number of shares)		33,792	33,792
008	4. The Company's Financial assets listed/registered at Vietnam Securities Depository centre ("VSD") (VND)	23.1	154,658,540,000	205,698,370,000
009	5. The Company's non-traded financial assets deposited at VSD (VND)	23.2	3,000,000,000	3,000,040,000
010	6. The Company's awaiting financial assets (VND)	23.3	385,900,000	2,213,300,000
012	7. The Company's financial assets which have not been deposited at VSD (VND)	23.4	174,686,470,000	174,686,470,000
	B. ASSETS AND LIABILITIES MANAGED UNDER AGREEMENT WITH INVESTORS			
021	1. Investors' financial assets listed/registered at VSD (VND)	23.5	26,179,273,156,000	24,918,883,010,000
021.1	a. Unrestricted financial assets (VND)		25,172,493,819,000	24,019,054,660,000
021.2	b. Restricted financial assets (VND)		234,606,360,000	279,960,730,000
021.3	c. Mortgage financial assets (VND)		509,936,430,000	312,755,540,000
021.4	d. Blocked financial assets (VND)		92,969,860,000	92,969,860,000
021.5	e. Financial assets awaiting settlement (VND)		169,266,687,000	214,142,220,000

COMBINED STATEMENT OF FINANCIAL POSITION (continued)
 as at 31 December 2019

OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance	Beginning balance
	B. ASSETS AND LIABILITIES MANAGED UNDER AGREEMENT WITH INVESTORS (continued)			
022	2. Investors' non-traded financial assets deposited at VSD (VND)	23.6	15,519,200,000	205,695,930,000
022.1	a. <i>Unrestricted and non-traded financial assets deposited at VSD (VND)</i>		5,844,020,000	2,146,660,000
022.2	b. <i>Restricted and non-traded financial assets deposited at VSD (VND)</i>		9,675,180,000	203,549,270,000
023	3. Investors' awaiting financial assets (VND)		119,419,034,000	221,116,530,000
024b	4. Investor's financial assets which have not been deposited at VSD (VND)		2,492,322,700,000	1,809,322,700,000
026	5. Investors' deposits (VND)		588,148,124,654	799,756,495,843
027	a. <i>Investors' deposits for securities trading activities under the Company's management (VND)</i>	23.7	364,578,483,902	558,187,678,624
028	b. <i>Investors' synthesizing deposits for securities trading activities (VND)</i>	23.7	223,301,242,574	235,604,670,445
030	c. <i>Securities issuers' deposits (VND)</i>		268,398,178	5,964,146,774

COMBINED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2019

OFF-BALANCE SHEET ITEM (continued)

Code	ITEMS	Notes	Ending balance	Beginning balance
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
	6. Payables for investors (VND)		588,148,124,654	799,756,495,843
031	a. Payables for investors' deposits for securities trading activities under the Company's management (VND)			
031.1	- Domestic investors' deposits for securities trading activities under the Company's management (VND)	23.8	564,487,860,800	734,555,769,517
031.2	- Foreign investors' deposits for securities trading activities under the Company's management (VND)		563,256,823,806	733,215,022,591
			1,231,036,994	1,340,746,926
032	b. Payables to securities issuers (VND)		14,999,565,694	6,352,246,425
035	c. Dividend, bond principal and interest payables (VND)		8,660,698,160	58,848,479,901



Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department



Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer

Hanoi, Vietnam

23 March 2020

COMBINED INCOME STATEMENT
for the year ended 31 December 2019


Currency: VND


Code	ITEMS	Notes	Current year	Previous year
	I. OPERATING REVENUE			
01	1. Gain from financial assets at fair value through profit and loss (FVTPL)		184,910,055,845	141,259,273,145
01.1	1.1. Gain from disposal of financial assets at FVTPL	24.1	51,447,253,099	37,337,826,892
01.2	1.2. Gain from revaluation of financial assets at FVTPL	24.2	63,837,989,373	83,596,850,159
01.3	1.3. Dividend, interest income from financial assets at FVTPL	24.3	69,624,813,373	20,324,596,094
02	2. Gain from held-to-maturity investments (HTM)	24.3	2,943,826,785	20,869,796,639
03	3. Gain from loans and receivables	24.3	193,702,056,566	168,791,290,501
04	4. Gain from available-for-sale (AFS) financial assets	24.3	4,971,727,400	4,917,148,400
06	5. Revenue from brokerage services	24.4	135,858,907,322	171,589,919,323
07	6. Revenue from underwriting and issuance agency services	24.4	62,602,909	279,843,553
09	7. Revenue from securities custodian services	24.4	5,846,382,979	6,518,202,269
10	8. Revenue from financial advisory services	24.4	11,022,954,544	7,329,571,942
11	9. Revenue from other operating activities	24.4	1,945,263,739	1,399,358,598
20	Total operating revenue		541,263,778,089	522,954,404,370
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		(139,063,068,343)	(150,518,432,512)
21.1	a. Loss from disposal of financial assets at FVTPL	24.1	(83,096,115,437)	(36,311,621,285)
21.2	b. Loss from revaluation of financial assets at FVTPL	24.2	(55,966,952,906)	(114,206,811,227)
24	2. Provision expense for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans	25	12,674,194,138	3,268,735,583
26	3. Expenses for proprietary trading activities		(2,929,485,497)	(2,161,594,969)
27	4. Expenses for brokerage services		(119,277,954,084)	(140,758,429,249)
30	5. Expenses for securities custodian services		(14,720,763,230)	(14,455,212,614)
31	6. Expenses for financial advisory services		(12,491,091,723)	(8,908,412,506)
32	7. Expenses for other operating activities		(8,894,414,299)	(8,599,965,543)
40	Total operating expenses		(284,702,583,038)	(322,133,311,810)
	III. FINANCIAL INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		119,046	-
42	2. Received and accrued dividends, non-fixed interest income		22,391,026,254	24,624,943,372
50	Total financial income		22,391,145,300	24,624,943,372


COMBINED INCOME STATEMENT (continued)
for the year ended 31 December 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	IV. FINANCIAL EXPENSES			
51	1. Realized and unrealized foreign exchange differences		(1,976,854)	-
52	2. Borrowing cost	26	(39,502,779,067)	(27,617,501,931)
60	Total financial expenses		(39,504,755,921)	(27,617,501,931)
62	V. GENERAL AND ADMINISTRATIVE EXPENSES	27	(88,155,629,150)	(75,088,804,928)
70	VI. OPERATING PROFIT		151,291,955,280	122,739,729,073
	VII. OTHER INCOME AND EXPENSES			
71	1. Other income	28	394,272,728	214,282,701
72	2. Other expenses	28	(523,614,540)	(474,040,000)
80	Net other loss		(129,341,812)	(259,757,299)
90	VIII. PROFIT BEFORE TAX		151,162,613,468	122,479,971,774
91	1. Realized profit		143,291,577,001	153,089,932,842
92	2. Unrealized loss/profit		7,871,036,467	(30,609,961,068)
100	IX. CORPORATE INCOME TAX (CIT) EXPENSES	29	(15,653,003,473)	(18,948,177,341)
100.1	1. Current CIT expense		(15,361,510,496)	(21,438,219,166)
100.2	2. Deferred CIT income/(expense)		(291,492,977)	2,490,041,825
200	X. PROFIT AFTER TAX		135,509,609,995	103,531,794,433
300	XI. OTHER COMPREHENSIVE (LOSS)/ INCOME AFTER TAX	31	7,746,376,000	(2,307,620,480)
301	1. (Loss)/gain from revaluation of AFS financial assets		7,746,376,000	(2,307,620,480)
400	Total other comprehensive (loss)/income		7,746,376,000	(2,307,620,480)
500	XII. NET INCOME PER SHARE			
501	Earnings per share (VND/share)	32.2	1,693	1,741


Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department


Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department


Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer



Hanoi, Vietnam

23 March 2020

COMBINED CASH FLOW STATEMENT
for the year ended 31 December 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Payment for purchase of financial assets		(52,573,822,607,317)	(57,014,488,834,403)
02	2. Proceeds from sale of financial assets		52,909,923,549,908	56,712,306,950,318
04	3. Dividend received		61,651,057,392	21,040,800,394
05	4. Coupon and interest received		218,684,404,057	194,655,338,969
06	5. Interest paid		(50,545,315,983)	(636,412,292)
07	6. Payment to suppliers		(35,559,175,855)	(43,217,102,054)
08	7. Payments to employees		(114,495,872,255)	(121,649,582,102)
09	8. Tax paid		(71,057,257,918)	(91,679,452,289)
11	9. Other cash receipts from operating activities		27,608,185,677,922	18,061,626,056,390
12	10. Other cash payments for operating activities		(28,126,546,464,583)	(17,535,416,467,276)
20	Net cash flows from/ (used in) operating activities		(173,582,004,632)	182,541,295,655
	II. CASH FLOW FROM INVESTING ACTIVITIES			
21	1. Payment for purchase and construction of fixed assets, investment properties and other assets		(5,330,206,154)	(7,347,764,874)
30	Net cash flow used in investing activities		(5,330,206,154)	(7,347,764,874)

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COMBINED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Drawdown of borrowings		1,078,690,000,000	1,530,324,971,568
33.2	1.1 Other borrowings		1,078,690,000,000	1,530,324,971,568
34	2. Repayment of borrowings		(1,119,682,200,000)	(1,199,710,521,345)
34.3	2.1 Repayment of other borrowings		(1,119,682,200,000)	(1,199,710,521,345)
36	3. Dividend and profit paid to owner		(71,707,608,460)	(50,219,912,645)
40	Net cash flow from financing activities		(112,699,808,460)	280,394,537,578
50	IV. NET INCREASE IN CASH FOR THE YEAR		(291,612,019,246)	455,588,068,359
60	V. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	465,849,247,326	10,261,178,967
61	Cash		465,849,247,326	10,261,178,967
70	VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	174,237,228,080	465,849,247,326
71	Cash		174,237,228,080	465,849,247,326

COMBINED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. Cash flows from brokerage and trust activities of customers			
01	1. Cash receipt from sale of securities on behalf of customers		54,392,648,561,090	82,942,739,057,445
02	2. Cash payment for acquisition of securities on behalf of customers		(50,919,531,828,214)	(74,717,203,711,766)
07	3. Cash receipt for settlement of securities transactions of customers		25,390,359,305,280	45,093,144,497,506
09	4. Cash payment for custodian fees of customers		(3,384,346,741)	(5,762,773,996)
12	5. Cash receipt from securities issuers		3,215,162,056,719	5,713,428,788,648
13	6. Cash payment to securities issuers		(3,250,162,669,974)	(5,712,837,009,700)
	7. Other cash inflows from brokerage and trust activities of customer		85,281,438,102,382	79,175,811,272,517
	8. Other cash outflows from brokerage and trust activities of customers		(114,318,137,551,731)	(132,426,878,213,510)
20	Net increase in cash for the year		(211,608,371,189)	62,441,907,144
30	II. Cash and cash equivalents of customers at the beginning of the year			
31	Cash at banks at the beginning of the year:		799,756,495,843	737,314,588,699
32	- Investors' deposits under the Company's management	23.7	558,187,678,624	415,638,533,838
34	- Investors' synthesizing deposits for securities trading activities		235,604,670,445	318,869,139,597
35	- Deposits of securities issuers		5,964,146,774	2,806,915,264

COMBINED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS (continued)

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
40	III. Cash and cash equivalents of customers at the end of the year			
41	Cash at banks at the end of the year:			
42	- Investors' deposits under the Company's management	23.7	588,148,124,654	799,756,495,843
43	- Investors' synthesizing deposits for securities trading activities	23.7	364,578,483,902	558,187,678,624
45	- Deposits of securities issuers		223,301,242,574	235,604,670,445
			268,398,178	5,964,146,774



Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department



Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer

Hanoi, Vietnam

23 March 2020

Bao Viet Securities Joint Stock Company

B04-CTCK

COMBINED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 2019

Currency: VND

ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2018	1 January 2019	For the year ended 31 December 2018		For the year ended 31 December 2019		31 December 2018	31 December 2019
		A	B	Increase	Decrease	Increase	Decrease	7	8
I. CHANGES IN OWNERS' EQUITY									
1. Share capital	22	1,332,095,854,220	1,332,095,854,220	-	-	-	-	1,332,095,854,220	1,332,095,854,220
1.1 Ordinary shares		722,339,370,000	722,339,370,000	-	-	-	-	722,339,370,000	722,339,370,000
1.2 Share premium		610,253,166,720	610,253,166,720	-	-	-	-	610,253,166,720	610,253,166,720
1.3 Treasury shares		(496,682,500)	(496,682,500)	-	-	-	-	(496,682,500)	(496,682,500)
2. Charter capital supplementary reserves		29,538,463,475	36,121,049,159	6,582,585,684	-	6,396,503,325	-	36,121,049,159	42,517,552,484
3. Operational risk and financial reserves		29,538,463,475	36,121,049,159	6,582,585,684	-	6,396,503,325	-	36,121,049,159	42,517,552,484
4. Difference from revaluation of financial assets at fair value	31	25,455,682,334	23,148,061,854	17,363,384,960	(19,671,005,440)	13,692,850,000	(5,946,474,000)	23,148,061,854	30,894,437,854
5. Undistributed profit		281,475,143,206	264,666,028,072	131,651,713,676	(148,460,828,810)	135,509,609,995	(41,567,842,688)	264,666,028,072	358,607,795,379
5.1 Realized profit after tax		282,922,223,792	294,233,027,901	131,651,713,676	(120,340,909,567)	127,930,066,505	(41,567,842,688)	294,233,027,901	380,595,251,718
5.2 Unrealized profit/(loss) after tax		(1,447,080,586)	(29,566,999,829)	-	(28,119,919,243)	7,579,543,490	-	(29,566,999,829)	(21,987,456,339)
TOTAL		1,698,103,606,710	1,692,152,042,464	162,180,270,004	(168,131,834,250)	161,995,466,645	(47,514,316,688)	1,692,152,042,464	1,806,633,192,421

Bao Viet Securities Joint Stock Company

B04-CTCK

COMBINED STATEMENT OF CHANGES IN OWNERS' EQUITY (continued) for the year ended 31 December 2019

Currency: VND

ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2018	1 January 2019	For the year ended 31 December 2018		For the year ended 31 December 2019		31 December 2018	31 December 2019
				Increase	Decrease	Increase	Decrease		
A	B	1	2	3	4	5	6	7	8
II. OTHER COMPREHENSIVE INCOME									
Gain from revaluation of AFS financial assets	31	25,455,682,334	23,148,061,854	17,363,384,960	(19,671,005,440)	13,692,850,000	(5,946,474,000)	23,148,061,854	30,894,437,854
TOTAL		25,455,682,334	23,148,061,854	17,363,384,960	(19,671,005,440)	13,692,850,000	(5,946,474,000)	23,148,061,854	30,894,437,854



[Signature]

[Signature]

Ms. Vu Thi Thuy Linh
Preparer
Deputy Head of Financial
Accounting Department

Ms. Nguyen Hong Thuy
Approval
Head of Financial
Accounting Department

Mr. Nhu Dinh Hoa
Approval
Chief Executive Officer

Hanoi, Vietnam
23 March 2020

NOTES TO THE COMBINED FINANCIAL STATEMENTS
as at 31 December 2019 and for the year then ended

1. THE COMPANY

Bao Viet Securities Joint Stock Company ("the Company", "BVSC") is a joint-stock company established in Vietnam under Incorporation License No. 4640/GP-UB dated 1 October 1999 by the Hanoi People's Committee, Business License No. 01/GPHDKD dated 26 November 1999 by the State Securities Commission and Amended Certificate of Securities Operating License No.01/GPHDKD, which was granted under Decision No. 36/GPĐC-UBCK dated 2 August 2017 issued by the State Securities Commission.

The current principal activities of the Company are to provide brokerage services, custodian services, proprietary trading, underwriting and issuance agency services, financial advisory, securities investment advisory services and margin lending activities.

As at 31 December 2019, the Company's head office is located at floors 2 and 3, 72 Tran Hung Dao Street, Hoan Kiem District, Hanoi and its Ho Chi Minh branch is located at Bao Viet Building, No. 233. Dong Khoi Street, District 1, Ho Chi Minh City.

The Company has transaction offices as follows:

Name	Address
1. Transaction office at Head Office (Hanoi)	72 Tran Hung Dao. Hoan Kiem District. Hanoi
2. Transaction office No. 1 (Hanoi)	94 Ba Trieu Str., Hoan Kiem Dist., Hanoi
3. Transaction office Thanh Xuan (Hanoi)	Floor 10, Hapulico Tower, No.1 Nguyen Huy Tuong, Thanh Xuan, Hanoi
4. Transaction office Lang Ha (Hanoi)	Floors 12, 14 Lang Ha Tower. Ba Dinh Dist., Hanoi
5. Transaction office Cao Thang (Ho Chi Minh City)	90 Cao Thang Str., District 3, Ho Chi Minh City
6. Transaction office 11 Nguyen Cong Tru (Ho Chi Minh City)	11 Nguyen Cong Tru Str., District 1, Ho Chi Minh City
7. Transaction office 233 Dong Khoi (Ho Chi Minh City)	233 Dong Khoi Str., District 1, Ho Chi Minh City
8. Transaction office Le Hong Phong (Ho Chi Minh City)	Floors 1 & 2, 174 Le Hong Phong Str., Ward 3, District 5, Ho Chi Minh City

Main features of operation of the Company

Charter capital

As at 31 December 2019, the Company's charter capital was VND 722,339,370,000; owners' equity was VND 1,806,633,192,421 and total assets was VND 2,397,853,185,656.

Investment objective

As a listed securities company in the Vietnam stock market, the Company's current principal business activities are to provide brokerage services, custodian services, proprietary trading, underwriting, financial advisory, securities investment advisory services and margin lending activities. The Company aims at contributing to the development of Vietnam Stock market as well as bringing benefit to its clients, its investors and its shareholders.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

1. THE COMPANY (continued)

Main features of operation of the Company (continued)

Investment restrictions

The Company is required to comply with Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on establishment and operation of securities companies, Circular No. 07/2016/TT-BTC by the Ministry of Finance dated 18 January 2016 amended and supplemented certain articles of Circular No. 210/2012/TT-BTC and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- ▶ Securities Company is not allowed to purchase, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- ▶ Securities Company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- ▶ Securities Company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities Company, licensed to engage in self-trading, is allowed to trade listed bonds in accordance with relevant provisions on trading Government bonds.
- ▶ Securities Company must not by itself, or authorize another organization or individuals to:
Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund certificates, ETF and open-ended fund; Invest or contribute capital of more than fifteen percent (15%) in the total paid-up capital of a limited liability company or of a business project; Invest more than fifteen percent (15%) of its owners' equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total owners' equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total owners' equity in unlisted shares, capital contribution and a business project.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. BASIS OF PRESENTATION

2.1 *Applied accounting standards and system*

The combined financial statements of the Company (the "Company"), expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, the accounting regulation and guidance applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No.334/2016/TT-BTC dated 27 December 2016 by the Ministry of Finance amending, supplementing and replacing Appendix No. 02 and Appendix No. 04 of Circular No. 210/2014/TT-BTC; Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and asset management companies and other Vietnamese Accounting Standards promulgated by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal Voucher system.

2.3 *Fiscal year*

The Company's fiscal year starts on 1 January and ends on 31 December.

The Company also prepares its combined financial statements for the six-month period ended 30 June and its quarterly financial statements for the three-month period ended 31 March, 30 June, 30 September and 31 December each year.

2.4 *Combined financial statements*

The Company prepares its combined financial statements for its Head Office and Ho Chi Minh City branch for the year ended 31 December 2018 to submit to authorities in accordance with requirements of Circular No. 155/2015/TT-BTC dated 6 October 2015 issued by Ministry of Finance. The Company also prepares the financial statements for the year ended 31 December 2019 for its Head Office.

2.5 *Accounting currency*

The combined financial statements are prepared in Vietnam Dong ("VND") which is the accounting currency of the Company.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. STATEMENT ON COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

Management of the company confirms that the Company has complied with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and legal regulations relating to the preparation and presentation of the combined financial statements.

Accordingly, the accompanying combined financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the combined financial position, the combined income statement, the combined cash flows and the combined changes in equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

Cash deposited by customers for securities trading and cash deposited by securities issuers are presented on the off-balance sheet.

4.2 *Financial assets at fair value through profit and loss (FVTPL)*

Financial assets at FVTPL are financial assets that satisfy either of the following conditions:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - ▶ it is acquired or incurred principally for the purpose of selling or repurchasing it in the short term;
 - ▶ there is evidence of a recent actual pattern of short-term profit-taking; or
 - ▶ it is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:
 - ▶ The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognizing gains or losses on a different basis; or
 - ▶ The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial assets at FVTPL are initially recognized at cost (acquisition cost of the assets excluding transaction cost arising from the purchase) and subsequently recognized at fair value.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 *Financial assets at fair value through profit and loss (FVTPL)* (continued)

Increase in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous period is recognized into the combined income statement under "*Gain from revaluation of financial assets at FVTPL*". Decrease in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous period is recognized into the combined income statement under "*Loss from revaluation of financial assets at FVTPL*".

Transaction costs relating to the purchase of the financial assets at FVTPL are recognized when incurred as expenses in the combined income statement.

4.3 *Held-to-maturity investments (HTM)*

HTM investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- those that the entity upon initial recognition designates as at FVTPL;
- those that the entity designates as AFS; and
- those that meet the definition of loans and receivables.

HTM investments are recognized initially at cost plus (+) transaction costs which are directly attributable to the investments such as brokerage fee, trading fee, issuance agent fee and banking transaction fee. After initial recognition, HTM investments are subsequently measured at amortised cost using the effective interest method.

Amortized cost of HTM investments is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility (if any).

The effective interest rate method is a method of calculating the cost allocation on interest income or interest expense in the year of a financial assets or a group of HTM investments.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset.

HTM investments are subject to an assessment of impairment at the financial statement date. Provision is made for an HTM investment when there is any objective evidence that the investment is unrecoverable or there is uncertainty of recoverability, resulting from one or more events that has occurred after the initial recognition of the investment and that event has an impact on the estimated future cash flows of the investment that can be reliably estimated. Evidence of impairment may include a drop in the fair value/market value of the investment, indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. When there is any evidence of impairment, provision for an HTM investment is determined as the negative difference between its fair value and amortized cost at the assessment date. Any increase/decrease in the balance of provision is recognized in the combined income statement under "*Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans*".

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Loans

Loans are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:

- The amounts the Company has the intent to immediately sell or will sell in a near future, which are classified as held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair value through profit or loss statements;
- The amounts categorized by the Company as available for sale upon initial recognition; or
- The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

Loans are recognized initially at cost. After initial recognition, loans shall be measured at amortised cost using the effective interest rate.

Amortized cost of loans is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility (if any).

Margin lending

Margin lending is the investors' use of credit limits granted by the Company for the purposes of securities investment, pledged by cash or securities purchased. Margin is recognized initially at cost. After initial recognition, margin shall be still measured at cost and be assessed for impairment (if any).

Loans are subject to an assessment of impairment at the combined financial statement date. Provision is made for loan based on its estimated loss which is determined by the negative difference between the market value of securities used as collaterals for such loan and the loan balance. Any increase/decrease in the balance of provision is recognized in the combined income statement under "*Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans*".

4.5 Available-for-sale financial assets (AFS)

AFS financial assets are non-derivative financial assets which are designated as AFS or are not classified as:

- a) Loans and receivables;
- b) HTM investments; or
- c) Financial assets at FVTPL.

AFS financial assets are recognized initially at cost (purchase price plus (+) transaction costs which are directly attributable to the purchase of the financial assets). After initial recognition, AFS financial assets are subsequently measured at fair value.

Difference arising from the revaluation of AFS financial assets in comparison with previous period is recognized under "*Gain/(loss) from revaluation of AFS financial assets*" in "*Other comprehensive income after tax*" which is a part of the combined income statement.

As at the combined financial statement date, the Company assessed whether there is any objective evidence that an AFS financial asset is impaired. Any increase/decrease in the balance of provision is recognized in the combined income statement under "*Provision expenses for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans*".

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Available-for-sale financial assets (AFS) (continued)

- ▶ When an equity instrument is classified as available-for-sale, evidence of impairment includes a significant or prolonged decline in the fair value of the investment below its original cost. 'Significant' is to be evaluated against the original cost of the asset and 'prolonged' indicates the period in which the fair value has been below its original cost. When any evidence of impairment exists, provision is determined as the difference between the AFS asset's cost and fair value at the assessment date.
- ▶ When a debt instrument is classified as available-for-sale, the assessment of impairment is conducted using the same criteria as those applied for HTM investments. When there is any evidence of impairment, provision for an AFS asset is determined as the negative difference between its fair value and amortized cost at the assessment date.

4.6 Fair value measurement

Fair value/market value of the securities is determined as follows:

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For securities registered for trading on UPCOM, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- ▶ The market price for unlisted securities and securities unregistered for trading used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions at the latest date within one month preceding the revaluation date.

For securities which do not have reference price from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at the assessment date.

For the purpose of determining CIT taxable profit, the tax base of financial assets is determined by cost less (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.146/2014/TT-BTC.

4.7 Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- ▶ The rights to receive cash flows from the asset have expired; or
- ▶ The Company has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset; or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Derecognition of financial assets* (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The continued participant in transferred assets in the form of guarantee will be recognized at smaller value between the initial carrying value of the assets and the maximum amount that the Company is required to pay.

4.8 *Reclassification of financial assets*

Reclassification when selling financial assets other than FVTPL

When selling financial assets other than FVTPL, securities companies are required to reclassify those financial assets to financial assets at FVTPL. The difference arising from the revaluation of financial assets AFS which recognized in "Gain/(loss) from revaluation of financial assets AFS" will be recognized as corresponding revenue or expenses at the date of reclassification of financial assets AFS.

Reclassification due to change in purpose or ability to hold

Securities companies are required to reclassify financial assets to their applicable categories if their purpose or ability to hold has changed, consequently:

- ▶ Non-derivative financial assets at FVTPL that are not required to classify as financial asset at FVTPL at the initial recognition can be classified as loans and receivables in some special cases or as cash and cash equivalents if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed.
- ▶ Due to changes in purposes or ability to hold, some HTM investments are required to be reclassified into AFS financial assets measured at fair value. The difference arising from revaluation between carrying value and fair value are recognized *under "Gain/loss from revaluation of assets at fair value"* in Owners' equity.

4.9 *Recognition of mortgaged financial assets*

During the year, the Company had mortgaged/pledged financial assets which are used as collaterals for financial obligations of the Company.

According to the terms and conditions of the mortgage/pledge contracts, during the valid period of the contracts, the Company is not allowed to sell, transfer or use the mortgaged/pledged assets under repurchase or swap contracts with any other third party.

In case the Company is unable to fulfill its obligations, the mortgagee/pledgee is allowed to use the mortgaged/pledged assets to settle the obligations of the Company after a period specified in the mortgage/pledge contracts, since the obligations due date.

The mortgaged/pledged assets are monitored in the Company's combined statement of financial position in accordance with accounting principles relevant to the assets' classification.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Receivables

Receivables are initially recorded at cost and subsequently always presented at cost.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the allowance balance are recorded as "General and administrative expenses" in the combined income statement.

The Company has made allowance for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance. Accordingly, the allowance rates for overdue receivables are as follows:

<u>Overdue period</u>	<u>Allowance rate</u>
From over 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%

4.11 Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization.

The cost of a fixed asset comprises of its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the combined income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the combined income statement.

4.12 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Machinery and equipment	3 - 8 years
Means of transportation	6 - 8 years
Office equipment	3 - 5 years
Software	3 - 5 years
Others	3 - 5 years

4.13 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Rentals under operating leases are charged to the combined income statement on a straight-line basis over the lease term.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 *Prepaid expenses*

Prepaid expenses, including short-term prepaid expenses and long-term prepaid expenses in the statement of financial position, are amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortized over the period of one (01) to five (05) years to the combined income statement:

- ▶ Expenses for office renovation;
- ▶ Office rental fees; and
- ▶ Office equipment.

4.15 *Sale and repurchase agreements*

Securities sold under the agreements to be repurchased at a specified future date ("repo") are not derecognized from the combined statement of financial position. The corresponding cash received is recognized in the combined statement of financial position as a liability. The difference between sale price and repurchase price is treated as interest expense and is accrued over the life of the agreement using the straight-line method.

4.16 *Bonds issued*

Bonds issued by the Company are initially recorded at its face value and subsequently recognized at amortized cost using effective interest method.

4.17 *Payables and accrued expenses*

Payables and accrued expenses are recognized for amounts to be paid in the future for interest of convertible bond, goods and services received, whether or not billed to the Company.

4.18 *Employee benefits*

4.18.1 *Post-employment benefits*

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary on a monthly basis. The Company has no further obligation to fund the post-employment benefits of its employees, other than the liability to pay Social Insurance Agency on a monthly basis.

4.18.2 *Voluntary resignation benefits*

Voluntary resignation benefits: The Company has the obligation, under Section 48 of the Vietnam Labor Code 10/2012/QH13 effective from 1 May 2013, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment upto 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.18 *Employee benefits* (continued)

4.18.2 *Voluntary resignation benefits* (continued)

Retrenchment benefits: The Company has the obligation, under Article 17 of the Labor Code, to pay an allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such cases, the Company shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one-month salary for each year of employment, but no less than two-month salary. In accordance with Circular No. 180/2012/TT-BTC issued by Ministry of Finance on 24 October 2012, since 2012, the Company stopped accruing retrenchment allowance. Payments for retrenchment allowance are recognized as general and administrative expenses in the year in which they are incurred.

4.18.3 *Unemployment insurance*

According to Circular No. 32/2010/TT-BLĐTBXH providing guidance for Decree No. 127/2018/ND-CP on unemployment insurance, from 1 January 2009, the Company is required to contribute to the unemployment insurance at the rate of 1% salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to unemployment insurance.

4.19 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly;
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currencies at the end of the year are taken to the combined income statement.

4.20 *Treasury shares*

Equity instruments issued by the Company which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

4.21 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from brokerage services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Revenue recognition (continued)

Revenue from trading of securities

Revenue from trading of securities is determined by the difference between the selling price and the weighted average cost of securities sold.

Other income

Revenues from irregular activities other than turnover-generating activities are recorded to other incomes as stipulated by VAS 14 – “Revenue and other income”, including: Revenues from asset liquidation and sale; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which had been written off and included in the preceding year expenses; payable debts which are now recorded as revenue increase as their owners no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues.

Interest income

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares in which only the number of shares is updated.

Other revenues from rendering services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

4.22 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred.

4.23 Cost of securities sold

The company applies weighted average method of the preceding day to calculate cost of equity securities sold and specific identification method to calculate cost of debt securities sold.

4.24 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the reporting date.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.24 *Corporate income tax* (continued)

Current income tax (continued)

Current income tax is charged or credited to the combined income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the combined income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.25 *Owners' equity*

Contributed capital

Contributed capital from stock issuance is recorded to account charter capital at par value.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 *Owners' equity* (continued)

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

- ▶ Unrealized profit of the year is the total differences between gain or loss arising from revaluation of FVTPL financial assets or other financial assets through profit and loss in the combined income statement.
- ▶ Realized profit during the year is the net difference between total revenue and income, and total expenses in the combined income statement of the Company, except for gain or loss arising from revaluation of financial assets recognized in unrealized profit.

Reserves

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves:

	<u>Percentage of profit after tax</u>	<u>Maximum balance</u>
Charter Capital Supplementary Reserves	5%	10% of charter capital
Operational Risk and Financial Reserves Fund	5%	10% of charter capital

Other reserves are appropriated in accordance with the Resolution of the Annual General Meeting of Shareholders.

4.26 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders based on approval by the Annual General Meeting Shareholders after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

4.27 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are not calculated and presented since there is no events that may reduce the Company's earnings per share.

4.28 *Related parties*

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other parties are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of the family of any such individuals.

4.29 *Items with nil balances*

Items or balances required by Circular No. 334/TT-BTC dated 26 December 2016 and Circular No. 146/2014/TT-NHNN dated 6 October 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balances.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

5. CASH AND CASH EQUIVALENTS

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Cash	174,237,228,080	465,849,247,326
Cash on hand	328,387,909	390,336,005
Cash at banks for operation of the Company	173,908,840,171	465,458,911,321
Total	174,237,228,080	465,849,247,326

6. VALUE AND VOLUME OF TRADING IN THE YEAR

	<i>Volume of trading in the year (Unit)</i>	<i>Value of trading in the year (VND)</i>
1. By the Company		
Shares	135,693,670	3,037,739,926,456
Bonds	138,686,985	16,723,825,782,843
Other securities	24,774,000	366,171,503,587
	299,154,655	20,127,737,212,886
2. By investors		
Shares	4,384,475,250	83,773,558,471,084
Bonds	343,763,033	42,975,454,589,326
Other securities	8,895,760	93,884,437,900
	4,737,134,043	126,842,897,498,310

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. FINANCIAL ASSETS

7.1 Financial assets at fair value through profit or loss (FVTPL)

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	189,762,246,176	180,822,550,600	216,907,980,663	191,652,744,640
TIX	30,661,299,730	29,954,900,400	30,661,299,730	27,140,346,000
HPX	15,600,000,000	15,810,000,000	-	-
Others	143,500,946,446	135,057,650,200	186,246,680,933	164,512,398,640
Unlisted shares	83,272,941,379	70,870,256,777	4,621,482,680	1,351,130,403
C21	67,581,339,000	59,758,216,414	-	-
PVO	-	-	3,318,480,000	1,206,720,000
Others	15,691,602,379	11,112,040,363	1,303,002,680	144,410,403
Fund certificates	37,661,457,049	39,260,500,000	28,510,785,394	29,422,000,000
E1VFN30	29,961,457,049	29,520,000,000	18,510,785,394	17,172,000,000
FUESSV50	7,700,000,000	9,740,500,000	10,000,000,000	12,250,000,000
Corporate bonds	130,374,650,323	130,374,650,323	30,000,000,000	30,000,000,000
Hai An Technology Investment and Education Joint Stock Company	-	-	30,000,000,000	30,000,000,000
Bao Viet Commercial Joint Stock Bank	95,170,500,000	95,170,500,000	-	-
MBLAND Joint Stock Company	30,236,712,300	30,236,712,300	-	-
Others	4,967,438,023	4,967,438,023	-	-
Total	441,071,294,927	421,327,957,700	280,040,248,737	252,425,875,043

Bao Viet Securities Joint Stock Company

B09-CTCK

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.2 Available-for-sale financial assets (AFS)

	Ending balance			Beginning balance		
	Cost VND	Carrying value VND	Fair value/ Net carrying value VND	Cost VND	Carrying value VND	Fair value/ Net carrying value VND
Short term						
Recognized at fair value	16,576,432,682	40,895,760,000	40,895,760,000	16,576,432,682	36,842,790,000	36,842,790,000
<i>Fund certificates</i>						
VFMVF1	16,576,432,682	40,895,760,000	40,895,760,000	16,576,432,682	36,842,790,000	36,842,790,000
Recognized at cost	91,019,832,497	91,019,832,497	42,515,376,099	91,163,642,497	91,163,642,497	43,950,155,786
<i>Other propriety investments</i>	18,664,504,253	18,664,504,253	-	18,808,314,253	18,808,314,253	-
<i>Shares</i>						
Seaprimexco Vietnam	72,355,328,244	72,355,328,244	42,515,376,099	72,355,328,244	72,355,328,244	43,950,155,786
MBLAND Joint Stock Company	24,000,000,000	24,000,000,000	8,983,650,000	24,000,000,000	24,000,000,000	7,083,375,000
Others	28,800,000,000	28,800,000,000	21,360,000,000	28,800,000,000	28,800,000,000	24,144,000,000
	19,555,328,244	19,555,328,244	12,171,726,099	19,555,328,244	19,555,328,244	12,722,780,786
Total	107,596,265,179	131,915,592,497	83,411,136,099	107,740,075,179	128,006,432,497	80,792,945,786

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.2 Available-for-sale financial assets (AFS) (continued)

	Ending balance		Beginning balance		Fair value/Net carrying value VND
	Cost VND	Carrying value VND	Carrying value VND	Cost VND	
Long term					
Recognized at fair value	92,000,000,000	106,298,720,000	92,000,000,000	100,668,720,000	100,668,720,000
Fund certificates					
Bao Viet Value Investment Fund (BVIF)	80,000,000,000	92,501,120,000	80,000,000,000	87,965,520,000	87,965,520,000
Bao Viet Prospect Fund (BVPF)	12,000,000,000	13,797,600,000	12,000,000,000	12,703,200,000	12,703,200,000
Recognized at cost	14,150,483,000	14,150,483,000	90,104,103,000	90,104,103,000	62,787,637,550
Shares					
Global Real Estate Investment Joint Stock Company (GPINVEST)	14,150,483,000	14,150,483,000	14,150,483,000	14,150,483,000	11,738,980,800
Bac Ha Hydropower Joint Stock Company	-	-	75,953,620,000	75,953,620,000	51,048,656,750
Total	106,150,483,000	120,449,203,000	182,104,103,000	190,772,823,000	163,456,357,550

(*): For AFS financial assets recognized at cost, net carrying value is carrying value after deducting allowance for impairment.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.3 Held-to-maturity investments (HTM)

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Short-term		
1. Term deposits	10,022,246,575	51,600,000,002
Term deposits contracts	10,022,246,575	51,600,000,002
Total	10,022,246,575	51,600,000,002
Long-term		
1. Listed bonds	-	52,502,619,425
Government bonds	-	52,502,619,425
2. Unlisted bonds	-	90,257,267,121
Credit Institutions bonds	-	90,257,267,121
Corporate bonds	-	-
Total	-	142,759,886,546

7.4 Loans

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Margin lending	1,287,737,369,585	1,452,056,655,240
Advances to customers for proceeds from securities sold	226,588,282,295	230,671,682,305
Total	1,514,325,651,880	1,682,728,337,545

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.5 Change in market values of financial assets

Financial assets	Ending balance		Beginning balance		Revaluated value (VND)	Revaluated value (VND)
	Cost (VND)	Revaluation difference Increase (VND) Decrease (VND)	Cost (VND)	Revaluation difference Increase (VND) Decrease (VND)		
FVTPL						
Short-term	441,071,294,927	11,220,595,561	280,040,248,737	9,763,130,675	(37,377,504,369)	252,425,875,043
Listed shares	189,762,246,176	9,178,988,264	216,907,980,663	7,511,785,775	(32,767,021,798)	191,652,744,640
Unlisted shares	83,272,941,379	1,107,297	4,621,482,680	1,344,900	(3,271,697,177)	1,351,130,403
Listed fund certificates	37,661,457,049	2,040,500,000	28,510,785,394	2,250,000,000	(1,338,785,394)	29,422,000,000
Bonds	130,374,650,323	-	30,000,000,000	-	-	30,000,000,000
Total	441,071,294,927	11,220,595,561	280,040,248,737	9,763,130,675	(37,377,504,369)	252,425,875,043
AFS recognized at fair value						
Short-term	16,576,432,682	24,319,327,318	16,576,432,682	20,266,357,318	-	36,842,790,000
Unlisted fund certificates	16,576,432,682	24,319,327,318	16,576,432,682	20,266,357,318	-	36,842,790,000
Long-term	92,000,000,000	14,298,720,000	92,000,000,000	8,668,720,000	-	100,668,720,000
Unlisted fund certificates	92,000,000,000	14,298,720,000	92,000,000,000	8,668,720,000	-	100,668,720,000
Total	108,576,432,682	38,618,047,318	108,576,432,682	28,935,077,318	-	137,511,510,000

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.6 Provision for impairment of financial assets and mortgage assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Short-term	77,943,762,861	65,169,527,850
For loans	29,439,090,550	17,956,041,139
- <i>Margin lending</i>	29,439,090,550	17,956,041,139
For AFS financial assets	48,504,672,311	47,213,486,711
- <i>Shares</i>	29,840,168,058	28,405,172,458
- <i>Other proprietary investments</i>	18,664,504,253	18,808,314,253
Long term	1,868,036,301	27,316,465,450
For AFS financial assets	1,868,036,301	27,316,465,450
- <i>Shares</i>	1,868,036,301	27,316,465,450
Total	79,811,799,162	92,485,993,300

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.7 Detail of provision for impairment of financial assets

No.	Financial asset	Quantity	Basis of provision in the current year			Allowance made for the current year (VND)	Allowance made for previous year (VND)	(Addition)/ Reversal allowance for current year (VND)
			Book values (VND)	Marketing value as at the reporting date (VND)	Allowance made for the current year (VND)			
I	HTM							
1	Term deposit	1	10,022,246,575	52,572,662,535	-	-	-	
II	Loans		1,514,325,651,880	1,484,886,561,330	(29,439,090,550)	(17,956,041,139)	(11,483,049,411)	
	Margin lending		1,287,737,369,585	1,258,298,279,035	(29,439,090,550)	(17,956,041,139)	(11,483,049,411)	
	Advance lending		226,588,282,295	226,588,282,295	-	-	-	
III	AFS							
1	Short term	7,055,627	91,019,832,497	42,515,376,099	(48,504,672,311)	(47,213,486,711)	(1,291,185,600)	
	Other propriety investment		18,664,504,253	-	(18,664,504,253)	(18,808,314,253)	143,810,000	
	Shares	7,055,627	72,355,328,244	42,515,376,099	(29,840,168,058)	(28,405,172,458)	(1,434,995,600)	
	Seaprimexco Vietnam	975,000	24,000,000,000	8,983,650,000	(15,016,350,000)	(16,916,625,000)	1,900,275,000	
	MBLAND Joint Stock Company	4,800,000	28,800,000,000	21,360,000,000	(7,440,000,000)	(4,656,000,000)	(2,784,000,000)	
	Others	1,280,627	19,555,328,244	12,171,726,099	(7,383,818,058)	(6,832,547,458)	(551,270,600)	
2	Long term	1,630,414	14,150,483,000	12,282,446,699	(1,868,036,301)	(27,316,465,450)	25,448,429,149	
	Shares	1,630,414	14,150,483,000	12,282,446,699	(1,868,036,301)	(27,316,465,450)	25,448,429,149	
	Bac Ha Hydropower Joint Stock Company	-	-	-	-	(24,904,963,250)	24,904,963,250	
	Global Real Estate Investment Joint Stock Company (GPINVEST)	1,630,414	14,150,483,000	12,282,446,699	(1,868,036,301)	(2,411,502,200)	543,465,899	
	Total		1,629,518,213,952	1,592,257,046,663	(79,811,799,162)	(92,485,993,300)	12,674,194,138	

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

8. RECEIVABLES AND ADVANCES TO SUPPLIERS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Receivables and accrued dividend and interest	17,888,832,396	20,925,796,544
<i>Dividend</i>	3,967,889,500	4,556,619,400
<i>Accrued interest from term deposits</i>	2,884,364,028	-
<i>Accrued interest from margin</i>	11,036,578,868	16,369,177,144
Receivables from services provided by the Company	4,243,758,225	6,415,254,928
Other receivables	27,271,866,068	11,615,840,687
Provision for impairment of receivables (*)	<u>(15,983,729,699)</u>	<u>(15,983,729,699)</u>
	<u>33,420,726,990</u>	<u>22,973,162,460</u>
Advances to suppliers	6,440,012,898	6,514,867,194
<i>Creative Engineering Limited Company (Innotech)</i>	1,404,480,000	1,404,480,000
<i>Nam Nhat Limited Company</i>	2,800,000,000	2,800,000,000
<i>Vietnam Religare Technova Global Solutions Limited Company</i>	1,447,875,000	1,447,875,000
<i>Others</i>	<u>787,657,898</u>	<u>862,512,194</u>
Total	<u>39,860,739,888</u>	<u>29,488,029,654</u>

(*) *Details of provision for impairment of receivables*

	<i>Balance of doubtful debts as at 31 December 2019</i>	<i>Beginning provision</i>	<i>Addition</i>	<i>Reversal</i>	<i>Ending provision</i>
Doubtful debts					
Provision for doubtful debts	15,983,729,699	15,983,729,699	-	-	15,983,729,699
<i>Receivables</i>	11,735,854,699	11,735,854,699	-	-	11,735,854,699
Nguyen Phuong Nam	4,000,000,000	4,000,000,000	-	-	4,000,000,000
Nguyen Manh Giao	1,780,000,000	1,780,000,000	-	-	1,780,000,000
Ha Thanh Hai	1,685,000,000	1,685,000,000	-	-	1,685,000,000
Others	4,270,854,699	4,270,854,699	-	-	4,270,854,699
<i>Advances to suppliers</i>	4,247,875,000	4,247,875,000	-	-	4,247,875,000
Nam Nhat Limited company	2,800,000,000	2,800,000,000	-	-	2,800,000,000
Others	<u>1,447,875,000</u>	<u>1,447,875,000</u>	-	-	<u>1,447,875,000</u>
Total	<u>15,983,729,699</u>	<u>15,983,729,699</u>	<u>-</u>	<u>-</u>	<u>15,983,729,699</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

9. OTHER SHORT-TERM ASSETS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Advances	583,827,230	200,751,380
Office supplies, materials and tools	486,898,450	388,072,553
Short-term prepaid expenses	1,949,513,992	1,559,743,903
- <i>Healthcare insurance expense</i>	572,911,587	472,253,636
- <i>Software maintenance expense</i>	699,298,304	691,348,303
- <i>Others</i>	677,304,101	396,141,964
Short-term pledges	-	-
Total	3,020,239,672	2,148,567,836

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

10. TANGIBLE FIXED ASSETS

	Machines and equipment VND	Means of transportation VND	Office equipment VND	Others VND	Total VND
Cost					
1 January 2019	36,229,668,161	4,264,275,167	248,648,500	56,770,560	40,799,362,388
Purchase during the year	1,928,806,154	2,921,700,000	-	-	4,850,506,154
Disposals	8,741,735,473	935,410,000	-	-	9,677,145,473
31 December 2019	29,416,738,842	6,250,565,167	248,648,500	56,770,560	35,972,723,069
Accumulated depreciation					
1 January 2019	22,654,936,452	3,781,075,419	192,995,869	43,366,395	26,672,374,135
Depreciation for the year	4,011,783,831	288,835,038	25,340,004	13,404,165	4,339,363,038
Disposals	8,710,432,667	935,410,000	-	-	9,645,842,667
31 December 2019	17,956,287,616	3,134,500,457	218,335,873	56,770,560	21,365,894,506
Net carrying amount					
1 January 2019	13,574,731,709	483,199,748	55,652,631	13,404,165	14,126,988,253
31 December 2019	11,460,451,226	3,116,064,710	30,312,627	-	14,606,828,563

Cost of fully depreciated tangible fixed asset but still in use as at 31 December 2019 is VND 13,764,354,353 (31 December 2018: VND 21,060,645,266).

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

11. INTANGIBLE FIXED ASSETS

	<i>Software VND</i>	<i>Others VND</i>	<i>Total VND</i>
Cost			
1 January 2019	11,051,862,834	2,967,788,256	14,019,651,090
Increase for the year	510,600,000	-	510,600,000
31 December 2019	11,562,462,834	2,967,788,256	14,530,251,090
Accumulated amortization			
1 January 2019	8,530,795,796	2,967,788,256	11,498,584,052
Amortization for the year	791,773,587	-	791,773,587
31 December 2019	9,322,569,383	2,967,788,256	12,290,357,639
Net carrying amount			
1 January 2019	2,521,067,038	-	2,521,067,038
31 December 2019	2,239,893,451	-	2,239,893,451

Cost of fully depreciated intangible fixed asset but still in use as at 31 December 2019 is VND 10,944,836,440 (31 December 2018: VND 10,470,716,440).

12. LONG-TERM PREPAID EXPENSES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Office rental	18,859,413,282	28,289,119,938
Office equipment	1,786,810,145	2,351,650,457
Office renovation expenses	2,000,372,390	4,282,694,730
Expenses for bond issuance	337,027,307	1,018,655,567
Others	404,520,329	108,193,957
Total	23,388,143,453	36,050,314,649

13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

Movements of the deposits to settlement assistance fund during the year are as follows:

	<i>VND</i>
As at 1 January 2018	20,000,000,000
As at 31 December 2018	20,000,000,000
Interest received during the year	1,178,977,487
As at 31 December 2019	21,178,977,487

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

14. SHORT TERM BORROWING

	<i>Interest rate</i>	<i>Beginning balance</i>	<i>Additional borrowings during the year</i>	<i>Repayment during the year</i>	<i>Ending balance</i>
Bank overdraft	6.4%	49,900,000,000	124,400,000,000	174,300,000,000	-
Short-term borrowings	6.5%	80,000,000,000	854,290,000,000	834,290,000,000	100,000,000,000
		129,900,000,000	978,690,000,000	1,008,590,000,000	100,000,000,000

15. PAYABLES FOR SECURITIES TRANSACTIONS

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Payable to Stock Exchanges	2,267,115,582	3,019,395,567
Payable to Vietnam Securities Depository	543,014,416	680,967,250
Total	2,810,129,998	3,700,362,817

16. SHORT-TERM TRADE PAYABLES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Payables to related parties (<i>Note 32.1</i>)	2,622,106,731	464,497,916
Binh Minh Garment Company Limited	112,446,600	34,183,200
South East Appraisal and Consulting Corporation	73,000,000	-
Financial Software Solutions Joint Stock Company	-	779,933,200
FPT Information System Company Limited	20,000,000	1,054,655,820
Others	76,916,043	289,333,868
Total	2,904,469,374	2,622,604,004

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

17. STATUTORY OBLIGATIONS

No.	Items	Beginning balance VND	Payable for the year VND	Payment made for the year VND	Ending balance VND
1	Personal income tax - Of the Company's employees - Of investors	4,328,876,828 1,003,114,722 3,325,762,106	58,978,967,991 13,000,185,396 45,978,782,595	(59,365,766,165) (13,036,045,506) (46,329,720,659)	3,942,078,654 967,254,612 2,974,824,042
2	Corporate income tax (Note 29.1)	3,050,875,694	15,361,510,496	(14,906,260,111)	3,506,126,079
3	Value added tax	241,098,515	1,609,739,060	(1,841,009,025)	9,828,550
4	Other taxes	478,669,047	3,864,666,624	(4,146,414,184)	196,921,487
	Total	8,099,520,084	79,814,884,171	(80,259,449,485)	7,654,954,770

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

18. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Accrued expenses for customers introduction commission	408,796,661	321,438,297
Accrued expenses for external services	1,833,647,053	4,206,896,928
Accrued borrowing Interest for financial institutions	249,315,068	553,948,128
	<u>2,491,758,782</u>	<u>5,082,283,353</u>

19. OTHER SHORT-TERM PAYABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Deposit for bond brokerage	-	500,000,000,000
Dividend payable to owners	-	50,245,777,925
Others	2,845,649,995	1,047,865,852
	<u>2,845,649,995</u>	<u>551,293,643,777</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

20. PAYABLES UNDER BOND REPO AGREEMENTS

Repo contracts:	Beginning balance VND	Sold during the year VND	Repurchased during the year VND	Allocated repo expense during the year VND	Ending balance VND	Face value of bond under repo agreement as at 31 December 2019 VND
Repo with credit institutions	160,157,245,736	-	(160,992,200,000)	834,954,264	-	-
	160,157,245,736	-	(160,992,200,000)	834,954,264	-	-

21. LONG-TERM BONDS

	Ending Balance VND	Beginning Balance VND
Principal	400,000,000,000	300,000,000,000
Accrued interest using effective interest method	387,697,434	12,922,170,663
	400,387,697,434	312,922,170,663

Long-term bonds included 3,000,000 BVSC_BOND_2018 and 1,000,000 BVSC_BOND_2019 with each bond's par value at VND 100,000 (total par value of VND 400,000,000,000). This is non-convertible bonds issued under Resolution No. 04/2018/NQ-HDQT of the Company's Board of Director dated 26 March 2018 and under Resolution No. 27/2019/NQ-HDQT of the Company's Board of Director dated 12 November 2019. The bonds issued by the Company were secured bonds with term of two (2) years and fixed interest rate of 8.5% p.a. The secured assets for bonds issued are receivables from margin lending services of the Company.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. OWNERS' EQUITY

	Share capital VND	Share premium VND	Treasury shares VND	Charter capital supplementary reserve VND	Operational risk and financial reserve VND	Difference from revaluation of assets at fair value VND	Undistributed profit VND	Total VND
Beginning balance	722,339,370,000	610,253,166,720	(496,682,500)	36,121,049,159	36,121,049,159	23,148,061,854	264,666,028,072	1,692,152,042,464
Dividend paid to shareholders	-	-	-	-	-	-	(21,660,043,500)	(21,660,043,500)
Appropriation to charter capital supplementary reserve and operational risk and financial reserve	-	-	-	6,396,503,325	6,396,503,325	-	(12,793,006,650)	-
Appropriation of bonus and welfare fund of the year 2019 according to Resolution of the General Meeting of Shareholders	-	-	-	-	-	-	(7,109,192,538)	(7,109,192,538)
Revaluation of financial assets at fair value	-	-	-	-	-	9,682,970,000	-	9,682,970,000
Additional tax payment/Deferred income tax	-	-	-	-	-	(1,936,594,000)	(5,600,000)	(1,942,194,000)
Profit after tax for the year	-	-	-	-	-	-	135,509,609,995	135,509,609,995
Ending balance	722,339,370,000	610,253,166,720	(496,682,500)	42,517,552,484	42,517,552,484	30,894,437,854	358,607,795,379	1,806,633,192,421

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. OWNERS' EQUITY (continued)

Details of the Company's share capital as at 31 December 2019 are as follows:

	<i>Number of shares (*)</i> <i>Unit</i>	<i>Par value (*)</i> <i>VND</i>	<i>Ownership</i> <i>%</i>
Bao Viet Holdings	43,281,193	432,811,930,000	59.9%
Other shareholders	28,918,952	289,189,520,000	40.1%
	72,200,145	722,001,450,000	100.0%

(*) Treasury shares are not included in number of shares and par value.

Details of the Company's shares are as follows:

	<i>Ending balance</i> <i>Unit</i>	<i>Beginning balance</i> <i>Unit</i>
Authorized shares	72,233,937	72,233,937
<i>Common shares</i>	72,233,937	72,233,937
Issued and fully paid shares	72,233,937	72,233,937
<i>Common shares</i>	72,233,937	72,233,937
Repurchased shares (Treasury shares)	33,792	33,792
<i>Common shares</i>	33,792	33,792
Outstanding shares	72,200,145	72,200,145
<i>Common shares</i>	72,200,145	72,200,145

23. DISCLOSURE OF OFF-BALANCE SHEET ITEMS

23.1 The Company's financial assets listed/registered at VSD

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Unrestricted financial assets	142,554,320,000	202,839,450,000
Restricted financial assets	152,220,000	1,105,620,000
Financial assets awaiting settlement	11,952,000,000	1,753,300,000
Total	154,658,540,000	205,698,370,000

23.2 The Company's non-traded financial assets deposited at VSD

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Unrestricted and non-traded financial assets deposited at VSD	3,000,000,000	3,000,040,000
Total	3,000,000,000	3,000,040,000

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. DISCLOSURE OF OFF-BALANCE SHEET ITEMS (continued)

23.3 The Company's awaiting financial assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Shares	385,900,000	2,213,300,000
Total	385,900,000	2,213,300,000

23.4 The Company's financial assets which have not been deposited at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Shares	72,686,470,000	72,686,470,000
Fund certificates	102,000,000,000	102,000,000,000
Total	174,686,470,000	174,686,470,000

23.5 Investors' financial assets listed/registered at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted financial assets	25,172,493,819,000	24,019,054,660,000
Restricted financial assets	234,606,360,000	279,960,730,000
Pledged financial assets	509,936,430,000	312,755,540,000
Blocked financial assets	92,969,860,000	92,969,860,000
Financial assets awaiting settlement	169,266,687,000	214,142,220,000
Total	26,179,273,156,000	24,918,883,010,000

23.6 Investors' non-traded financial assets deposited at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted and non-traded financial assets deposited at VSD	5,844,020,000	2,146,660,000
Restricted and non-traded financial assets deposited at VSD	9,675,180,000	203,549,270,000
Total	15,519,200,000	205,695,930,000

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. DISCLOSURE OF OFF-BALANCE SHEET ITEMS (continued)

23.7 Investor's deposits

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Investors' deposits for securities trading activities under the Company's management	364,578,483,902	558,187,678,624
- of domestic investors	357,316,565,572	545,908,007,029
- of foreign investors	7,261,918,330	12,279,671,595
Investors' synthesizing deposits for securities trading activities	223,301,242,574	235,604,670,445
Total	587,879,726,476	793,792,349,069

23.8 Payables to investors

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payables for investors' deposits for securities trading activities under the Company's management		
- of domestic investors	563,256,823,806	733,215,022,591
- of foreign investors	1,231,036,994	1,340,746,926
Total	564,487,860,800	734,555,769,517

23.9 Investor's payables to the Company for securities services

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Securities brokerage fee payables	2,380,074,024	2,783,270,970
Securities custodian fee payables	494,038,798	349,507,676
Total	2,874,112,822	3,132,778,646

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. OPERATING INCOME

24.1 Gain/loss from disposal of financial statements at FVTPL

No.	Financial assets	Quantity Unit	Average selling price VND/unit	Proceeds VND	Weighted average cost at the end of transaction date VND	Gain/(loss) from disposal over the current year VND	Gain/(loss) from disposal over the previous year VND
I	GAINS						
1	Listed shares	10,315,510		219,652,829,204	208,885,137,488	10,767,691,716	29,008,490,568
	FPT	453,540	54,163	24,565,215,000	23,211,174,421	1,354,040,579	-
	HPG	458,800	32,001	14,681,939,500	13,332,326,422	1,349,613,078	1,425,909,027
	MBB	1,138,100	21,606	24,590,000,000	23,242,683,173	1,347,316,827	1,159,933,992
	TMT	2,800,000	10,600	29,680,000,000	28,000,103,500	1,679,896,500	-
	Others	5,465,070		126,135,674,704	121,098,849,972	5,036,824,732	26,422,647,549
2	Unlisted shares	6,430,362		101,225,086,600	86,840,120,000	14,384,966,600	2,520,220,214
3	Fund certificates	9,217,000		138,693,173,000	134,729,891,184	3,963,281,816	889,889,257
	Open-ended fund E1VFN30	8,987,000	15,091	135,622,036,500	132,429,891,184	3,192,145,316	889,889,257
	Open-ended fund FUESSV50	230,000	13,353	3,071,136,500	2,300,000,000	771,136,500	-
4	Listed bonds	12,879,870		1,346,456,696,531	1,334,550,509,803	11,906,186,728	2,327,237,877
	Government bonds	3,370,000		371,959,940,000	360,755,395,092	11,204,544,908	9,000,000
	Corporate bonds	9,509,870		974,496,756,531	973,795,114,711	701,641,820	2,318,237,877
5	Unlisted bonds	52,688,985		6,570,799,692,592	6,560,374,566,353	10,425,126,239	2,591,988,976
	Corporate bonds	52,688,985		6,570,799,692,592	6,560,374,566,353	10,425,126,239	2,591,988,976
		91,531,727		8,376,827,477,927	8,325,380,224,828	51,447,253,099	37,337,826,892

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. OPERATING INCOME (continued)

24.1 Gain/loss from disposal of financial statements at FVTPL (continued)

No.	Financial assets	Quantity Unit	Average selling price VND/unit	Proceeds VND	Weighted average cost at the end of transaction date VND	Gain/(loss) from disposal over the current year VND	Gain/(loss) from disposal over the previous year VND
II	LOSS						
1	Listed shares	52,128,332		1,107,727,244,098	1,177,658,434,948	(69,931,190,850)	(33,691,795,065)
	KBC	8,058,570	14,997	120,854,037,270	125,177,855,834	(4,323,818,564)	(19,004,876)
	SJS	471,310	16,387	7,723,532,500	12,637,985,307	(4,914,452,807)	(237,641,734)
	SSI	4,055,460	22,242	90,200,156,880	94,875,288,437	(4,675,131,557)	(273,167,396)
	VPI	3,111,960	40,266	125,306,181,360	130,702,320,000	(5,396,138,640)	-
	Others	36,431,032		763,643,336,088	814,264,985,370	(50,621,649,282)	(33,161,981,059)
2	Unlisted shares	1,228,517		23,417,431,601	27,804,246,500	(4,386,814,899)	(949,099,720)
	BSR	100,000	8,840	884,000,000	1,380,000,000	(496,000,000)	-
	HNF	160,000	42,075	6,732,000,000	9,600,000,000	(2,868,000,000)	-
	Others	968,517		15,801,431,601	16,824,246,500	(1,022,814,899)	(949,099,720)
3	Fund certificates	6,385,000		92,884,421,700	95,690,397,389	(2,805,975,689)	(1,590,646,500)
	Open-ended fund E1VFN30	6,385,000	14,547	92,884,421,700	95,690,397,389	(2,805,975,689)	(1,590,646,500)
4	Listed bonds	3,500,000		364,452,500,000	364,504,500,000	(52,000,000)	(80,080,000)
	Government bonds	3,500,000		364,452,500,000	364,504,500,000	(52,000,000)	(80,080,000)
5	Unlisted bonds	500,500		110,237,000,000	116,157,133,999	(5,920,133,999)	-
	MBLAND-TONKIN	500	100,000,000	50,000,000,000	50,915,133,999	(915,133,999)	-
	TP_TD1424092	500,000	120,474	60,237,000,000	65,242,000,000	(5,005,000,000)	-
		63,742,349		1,698,718,597,399	1,781,814,712,836	(83,096,115,437)	(36,311,621,285)

Bao Viet Securities Joint Stock Company

B09-CTCK

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. OPERATING INCOME (continued)

24.2 Gain/(loss) from revaluation of financial assets

No.	Financial assets	Cost (VND)	Fair value (VND)	Revaluation difference at the end of the year (VND)	Revaluation difference at the beginning of the year (restated) (VND)	Net difference recorded this year (VND)	Increase (VND)	Decrease (VND)
I	FVTPL							
1	Listed shares	189,762,246,176	180,822,550,600	(8,939,695,576)	(25,255,121,924)	16,315,426,348	56,122,313,131	(39,806,886,783)
	C32	10,099,896,688	8,870,974,600	(1,228,922,088)	(3,429,267,470)	2,200,345,382	5,383,165,482	(3,182,820,100)
	TMT	50,000	27,350	(22,650)	(2,268,107,550)	2,268,084,900	8,120,104,550	(5,852,019,650)
	SJS	5,498,226,635	6,098,580,000	600,353,365	(3,760,697,046)	4,361,050,411	7,204,100,411	(2,843,050,000)
	Others	174,164,072,853	165,852,968,650	(8,311,104,203)	(15,797,049,858)	7,485,945,655	35,414,942,688	(27,928,997,033)
2	UPCOM shares	83,272,941,379	70,870,256,777	(12,402,684,602)	(3,270,466,376)	(9,132,218,226)	3,566,861,171	(12,699,079,397)
	HNF	-	-	-	-	-	3,417,000,000	(3,417,000,000)
	Others	83,272,941,379	70,870,256,777	(12,402,684,602)	(3,270,466,376)	(9,132,218,226)	149,861,171	(9,282,079,397)
3	Listed fund certificates	37,661,457,049	39,260,500,000	1,599,042,951	911,214,606	687,828,345	4,148,815,071	(3,460,986,726)
	E1VFN30	29,961,457,049	29,520,000,000	(441,457,049)	(1,338,785,394)	897,328,345	3,310,015,071	(2,412,686,726)
	FUESSV50	7,700,000,000	9,740,500,000	2,040,500,000	2,250,000,000	(209,500,000)	838,800,000	(1,048,300,000)
4	Unlisted bonds	130,374,650,323	130,374,650,323	-	-	-	-	-
	Total	441,071,294,927	421,327,957,700	(19,743,337,227)	(27,614,373,694)	7,871,036,467	63,837,989,373	(55,966,952,906)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. OPERATING INCOME (continued)

24.2 Gain/(loss) from revaluation of financial assets (continued)

No.	Financial assets	Cost (VND)	Fair value (VND)	Revaluation difference at the end of the year (VND)	Revaluation difference at the beginning of the year (restated) (VND)	Net difference recorded this year (VND)	Increase (VND)	Decrease (VND)
II	AFS							
	Short-term	16,576,432,682	40,895,760,000	24,319,327,318	20,266,357,318	4,052,970,000	5,188,450,000	(1,135,480,000)
1	Unlisted fund certificates	16,576,432,682	40,895,760,000	24,319,327,318	20,266,357,318	4,052,970,000	5,188,450,000	(1,135,480,000)
	VF1	16,576,432,682	40,895,760,000	24,319,327,318	20,266,357,318	4,052,970,000	5,188,450,000	(1,135,480,000)
	Long-term	92,000,000,000	106,298,720,000	14,298,720,000	8,668,720,000	5,630,000,000	8,504,400,000	(2,874,400,000)
2	Unlisted fund certificates	92,000,000,000	106,298,720,000	14,298,720,000	8,668,720,000	5,630,000,000	8,504,400,000	(2,874,400,000)
	BVIF	80,000,000,000	92,501,120,000	12,501,120,000	7,965,520,000	4,535,600,000	7,286,400,000	(2,750,800,000)
	BVPF	12,000,000,000	13,797,600,000	1,797,600,000	703,200,000	1,094,400,000	1,218,000,000	(123,600,000)
		108,576,432,682	147,194,480,000	38,618,047,318	28,935,077,318	9,682,970,000	13,692,850,000	(4,009,880,000)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. OPERATING INCOME (continued)

24.3 Dividend, interest income from FVTPL, HTM, loans and AFS financial assets

	<i>Current year</i> VND	<i>Previous year</i> VND
From FVTPL financial assets	69,624,813,373	20,324,596,094
- <i>Shares</i>	69,624,813,373	20,324,596,094
From HTM financial assets	2,943,826,785	20,869,796,639
- <i>Bonds</i>	1,321,580,212	18,286,679,974
- <i>Term deposits</i>	1,622,246,573	2,583,116,665
From loans	193,702,056,566	168,791,290,501
- <i>Margin lending</i>	169,654,204,556	144,544,436,211
- <i>Advance proceeds from sale of securities for customers</i>	24,047,852,010	24,246,854,290
From AFS financial assets	4,971,727,400	4,917,148,400
- <i>Shares</i>	4,971,727,400	4,917,148,400
Total	271,242,424,124	214,902,831,634

24.4 Revenue from other activities

	<i>Current year</i> VND	<i>Previous year</i> VND
Revenue from brokerage services	135,858,907,322	171,589,919,323
Revenue from underwriting and issuance agency services	62,602,909	279,843,553
Revenue from securities custodian services	5,846,382,979	6,518,202,269
Revenue from financial advisory services	11,022,954,544	7,329,571,942
Other operating revenue	1,945,263,739	1,399,358,598
- <i>Revenue from entrusted and auctions activities</i>	85,843,871	245,960,286
- <i>Revenue from management of investor transaction accounts</i>	627,931,430	497,082,302
- <i>Other revenues</i>	1,231,488,438	656,316,010
Total	154,736,111,493	187,116,895,685

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. PROVISION EXPENSES FOR DOUBTFUL DEBT AND IMPAIRMENT OF FINANCIAL ASSETS

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Provision expense for margin lending (Note 7.7)	11,483,049,411	3,064,594,268
Reversal of provision for AFS financial assets	(24,157,243,549)	(6,333,329,851)
Total	(12,674,194,138)	(3,268,735,583)

26. BORROWING COSTS

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Accrual coupon for bond issuance	25,750,458,277	12,922,170,663
Expense for bond issuance	681,628,260	344,980,797
Others accrued interest	13,070,692,530	14,350,350,471
Total	39,502,779,067	27,617,501,931

27. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Payroll expenses for administrative staff	48,194,834,734	38,996,489,445
- Salary and bonus	46,511,700,889	37,654,149,960
- Social security, health insurance, union fee and unemployment insurance	1,683,133,845	1,342,339,485
Healthcare insurance expenses	1,655,148,487	2,334,084,108
Office supplies	599,090,586	439,235,944
Materials and tools	2,881,077,573	2,526,159,718
Depreciation of fixed asset	4,984,304,849	3,883,206,992
Tax and fee expenses	4,672,567,988	3,575,241,631
External service expenses	22,759,953,782	18,817,483,564
Others	2,408,651,151	4,516,903,526
Total	88,155,629,150	75,088,804,928

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

28. OTHER INCOME AND EXPENSES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
<i>Other income</i>	394,272,728	214,282,701
Others	394,272,728	214,282,701
<i>Other expenses</i>	523,614,540	474,040,000
Tax penalty	3,175,886	-
Expenses for disposal of fixed assets, tools and equipment	41,219,348	-
Others	479,219,306	474,040,000
Total	(129,341,812)	(259,757,299)

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

29. CORPORATE INCOME TAX

29.1 Current corporate income tax

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the combined financial statements could change later upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the combined income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted by the reporting date. The corporate income tax ("CIT") applicable to the Company is 20% of the estimated taxable profit (in 2018: 20%).

The estimated current corporate income tax of the Company is represented in the table below:

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Profit before tax	151,162,613,468	122,479,971,774
<i>Adjustments to increase taxable profit</i>		
Non-deductible expenses	939,001,975	3,621,134,268
Movement in revaluation of financial assets	17,896,620,988	12,450,209,125
<i>Adjustments to decrease taxable profit</i>		
Dividend income	(61,062,348,992)	(25,241,744,494)
Reversal of provision for impairment of financial assets using internal valuation method	(24,257,298,493)	(6,118,474,843)
Movement in revaluation of financial assets	(7,871,036,467)	-
Estimated taxable profit	76,807,552,479	107,191,095,830
Tax rate	20%	20%
Current CIT expense	15,361,510,496	21,438,219,166
CIT payable at the beginning of the year	3,050,875,694	8,027,075,760
CIT paid during the year	(14,906,260,111)	(26,414,419,232)
CIT payable at the end of the year	3,506,126,079	3,050,875,694

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

29. CORPORATE INCOME TAX (continued)

29.2 Deferred corporate income tax

The following are deferred tax liabilities recognized by the Company, and their movements thereon, during the current and prior reporting years:

	<i>Combined statement of financial position</i>		<i>Combined income statement</i>	
	<i>Ending balance</i> VND	<i>Beginning balance</i> VND	<i>Current year</i> VND	<i>Previous year</i> VND
Deferred CIT recorded in profit or loss	2,244,119,112	1,952,626,135	291,492,977	(2,490,041,825)
Deferred CIT recorded in OCI	7,723,609,464	5,787,015,464	1,936,594,000	(576,905,120)
Total	9,967,728,576	7,739,641,599	2,228,086,977	(3,066,946,945)
			<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Tax rate			20%	20%
Taxable temporary difference			49,838,642,879	38,698,207,993
<i>In which:</i>				
- Difference from revaluation of FVTPL financial assets			11,220,595,561	9,763,130,675
- Difference from revaluation of AFS financial assets			38,618,047,318	28,935,077,318
Deferred CIT payable			9,967,728,576	7,739,641,599

30. ACCUMULATED OTHER COMPREHENSIVE INCOME

<i>Items</i>	<i>Beginning balance</i> VND	<i>Movement during the year</i> VND	<i>Reclassification from owners' equity to income statement</i> VND	<i>Ending balance</i> VND
Difference from revaluation of AFS financial assets	28,935,077,318	9,682,970,000	-	38,618,047,318
Deferred CIT	(5,787,015,464)	(1,936,594,000)	-	(7,723,609,464)
	23,148,061,854	7,746,376,000	-	30,894,437,854

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.1 Related party transaction (continued)

Significant transactions with related parties for the year are as follows:

Currency: VND

Related parties	Transactions	Income/(expense)		
		Current year	Previous year	
Bao Viet Holdings	Securities transaction fee	48,012,000	294,475,794	
	Custodian fee	251,929,873	318,730,318	
	Reporting service fee	87,500,000	17,500,000	
	Advisory fee	265,000,000	163,636,364	
	Fees for dividend payout services on behalf of BVH and management of BVH's shareholders certificates	88,000,000	88,000,000	
	Accrued expense for IT services	(3,460,829,856)	(2,396,523,021)	
	Dividend paid	(12,984,357,900)	(30,296,835,100)	
	Advisory and management fee for ESOP	165,000,000	150,000,000	
	Bao Viet Life Corporation	Securities transaction fee	7,305,938,779	14,007,545,149
		Custodian fee	460,913,884	581,701,442
Office renting expense		(3,358,951,200)	(3,008,016,000)	
Advisory fee for securities transfer		-	150,000,000	
Bao Viet Life Hanoi	Office renting expense 94 Ba Trieu	(498,000,000)	(498,000,000)	
	Life insurance fee	-	(2,818,564,300)	
Bao Viet Insurance Corporation	Securities transaction fee	643,337,298	1,250,267,927	
	Custodian fee	10,615,044	27,088,924	
	Advisory fee for securities transfer	-	150,000,000	
Bao Viet Insurance Hanoi	Health insurance for employees	(1,378,829,650)	(1,089,864,842)	
Bao Viet Fund Management Limited Company	Custodian fee	226,643,007	249,845,694	
	Securities transaction fee	161,248,833	63,788,360	
Bao Viet Investment Joint Stock Company	Office renting expense	(6,113,090,104)	(6,108,060,162)	
	Airline ticket	-	(177,794,000)	
	Electric bill and parking fee	620,213,234	-	

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.1 Related party transaction (continued)

Amounts due to/from related companies as at 31 December 2019 are as follows:

Related party	Transactions	Beginning balance	Debit	Credit	Ending balance
Bao Viet Holdings	Reporting service fee	-	87,500,000	87,500,000	-
	Fees for dividend payout services on behalf of BVH and management of BVH's shareholders certificates	88,000,000	100,000,000	188,000,000	-
	Advisory fee for issuance of stocks	-	-	200,000,000	(200,000,000)
	Advisory fee for organizing General Meeting of shareholders	-	-	-	-
	Advisory fee for transferring Trung Nam Phu Quoc	(627,101,409)	2,883,788,328	50,000,000	(50,000,000)
	Payables for IT services	(50,000,000)	165,000,000	3,043,329,645	(786,642,726)
	Advisory fee for transfer of VIGIBA	(30,296,835,100)	43,281,193,000	115,000,000	-
	Dividend payables	-	-	12,984,357,900	-
Bao Viet Life Corporation (BVL)	Office rental at 11 Nguyen Cong Tru	-	4,028,918,400	4,856,122,800	(827,204,400)
	Advisory fee	-	-	80,000,000	(80,000,000)
Bao Viet Fund Management Limited Company	Custodian fee	246,176,404	222,975,841	246,176,404	222,975,841
Bao Viet Insurance Hanoi	Healthcare insurance	(389,162,906)	1,027,764,896	901,735,414	(263,133,424)
Bao Viet Investment Joint Stock Company	Office rental fee	-	4,664,692,780	6,113,090,104	(1,448,397,324)
	Parking fee	(41,580,000)	168,225,750	168,918,750	(42,273,000)
	Electric bill	(33,755,010)	443,950,911	451,294,484	(41,098,583)
	Deposit for office renting	462,596,640	-	-	462,596,640

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.1 Related party transaction (continued)

Transactions with other related parties

Remuneration to members of the Board of Management and the Board of Directors

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Salary and bonus for the Board of Management of the Company and Ho Chi Minh City branch (*)	6,234,034,568	6,993,208,510
Salary and bonus for the Board of Directors and the Board of Supervisors (**)	2,928,399,634	1,747,476,647
	9,162,434,202	8,740,685,157

(*) Salary and bonus for the Board of Management comprise (i) amount occurring during the year and (ii) effective bonus of 2018 but paid in 2019.

(**) Salary and bonus for the Board of Directors and the Board of Supervisors in current year comprise (i) amount occurring during the period and (ii) effective bonus of 2018 but paid in 2019.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.2 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary outstanding shares during the year. For the purpose of preparation of the financial statements, net profit after tax used to calculate basic earnings per share does not include other comprehensive income items since there is no detailed guidance on the matter. Additionally, only realized profit after tax are used to calculate earnings per share.

The following reflects the data used in the basic earnings per share computations:

	<u>Current year</u>	<u>Previous year</u>
Profit after tax - VND	135,509,609,995	103,531,794,433
Less: Unrealized profit/(loss) after tax - VND	(7,579,543,490)	28,119,919,243
Realized profit after tax - VND	127,930,066,505	131,651,713,676
Appropriation to bonus and welfare fund (*) - VND	(5,756,852,993)	(5,924,327,115)
Net profit after tax attributable to ordinary shareholders - VND	122,173,213,512	125,727,386,561
Weighted average number of ordinary shares	72,200,145	72,200,145
Earnings per share – VND	1,693	1,741

(*) The appropriation to bonus and welfare fund was estimated at 5% of realized profit after tax.

32.3 Operating lease commitments

The Company is renting offices under operating leases. As at 31 December 2019, the leases payable in the future under operating leases are as follows:

	<u>31 December 2019</u>	<u>31 December 2018</u>
	VND	VND
Less than 1 year	6,907,910,700	9,384,210,171
From 1 to 5 years	2,435,353,300	8,166,284,500
Total	9,343,264,000	17,550,494,671

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.4 Segment information

	Brokerage and customer services VND	Financial investment VND	Financial advisory and other segments VND	Total VND
Current year				
1. Segment income	357,861,095,076	192,825,610,030	12,968,218,283	563,654,923,389
2. Segment expenses	184,986,522,646	117,835,310,291	21,385,506,022	324,207,338,959
3. Allocated expenses	55,969,474,719	30,157,925,112	2,028,229,319	88,155,629,150
Profit before tax	116,905,097,711	44,832,374,627	(10,445,517,058)	151,291,955,280
Prior year				
1. Segment income	371,804,199,018	167,046,218,184	8,728,930,540	547,579,347,742
2. Segment expenses	185,895,738,062	146,346,697,630	17,508,378,049	349,750,813,741
3. Allocated expenses	50,984,999,866	22,906,818,789	1,196,986,273	75,088,804,928
Profit before tax	134,923,461,090	(2,207,298,235)	(9,976,433,782)	122,739,729,073

(*) The Company has not presented assets and liabilities for each segment as there has been no guidance on allocation method and criteria.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.5 *Financial risk management objectives and policies*

The purpose of Risk Management System ("Risk Management") of the Company ("BVSC") is to minimize the risk events as well as to facilitate BVSC to achieve stable, safe and efficient business goals and profits.

Risk Management activities are implemented consistently from the Board of Directors ("BOD"), Board of Managements, and Heads of Departments to all employees.

Risk Management Department is responsible for monitoring, summarizing and monthly reporting of risk management activities. Risk Management Committee has quarterly meetings to review risks incurred during the quarter, identify and assess the impacts of significant risks to the Company's business activities in general as well as its financial instruments in particular.

The Company's financial instruments are exposed to 3 main risks: market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. BVSC is subject to two types of market risk: interest rate risk and price risk of financial instruments. The Company is not exposed to foreign currency risk as it does not hold foreign currency as at 31 December 2019. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and loans and receivables.

Interest rate risk

The financial instruments of BVSC which are exposed to interest rate risk are short-term term deposit, bonds and borrowings, repo transactions and margin activities. Interest rate risk of bond investments is assessed low as the bonds held by the Company have fixed-rate coupons. Interest rate risk of term deposit is assessed as average. However, Management believes that this risk is acceptable, considering the balance between liquidity needs, gain from term deposit and the readiness for investment opportunities in the stock market.

The Company manages interest rate risk by monitoring closely related markets, in order to obtain interests, which produce benefits for the purpose of managing limited risk of the Company.

Equity price risk for the proprietary investment portfolio

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages equity price risk by placing a limit on equity investments. The Company's BOD reviews and approves all equity investment decisions in accordance with investment policy 01/2015/QĐ/HĐQT-BVSC issued on 20 January 2015. Each year, the BOD revises the limit on equity investments to adapt the market condition and the Company's strategy. The latest Appendix on the Company's Approval hierarchy and Investment Limit was issued by the BOD on 17 March 2017.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.5 Financial risk management objectives and policies (continued)

Market risk (continued)

Equity price risk for proprietary proportion (continued)

The Company's listed equity securities are susceptible to market price risk. When share price decreases below average cost, the Company makes allowance for listed equity securities. Unlisted portfolio tends to decrease if the stock market suffers from a downturn. Therefore, if the share price decreases sharply, both listed and unlisted portfolios, with their positive correlation, will lead to higher risk, which directly affects the business performance via the provision expenses made.

With the purpose of reducing the impact of market risk, in particular of the risk of share price movement on the company's business performance, in recent years, BVSC creates limitation on investment in shares. As at 31 December 2019, the percentage of listed and unlisted is 17 % of the Company's Owners' Equity.

Scenario analysis is used to assess the impact of market volatility on its results of operation in different scenarios. The below analysis shows the impact of listed portfolio volatility on profit/loss when stock exchange index moves +/-10%:

	<u>Change in variables</u>	<u>Impact on profit before tax (VND)</u>
31 December 2018		
Scenario 1	+10%	12,660,049,297
Scenario 2	-10%	(12,660,049,297)
31 December 2017		
Scenario 1	+10%	11,230,512,589
Scenario 2	-10%	(11,230,512,589)

Stock volatility risks of transactions traded on margin: The stock market's high volatility may cause the total value of collateral assets to be lower than total debt, leading to liquidity risks from customers. (Refer to credit risk management).

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its investment in term deposits, corporate bonds and margin lending.

Term deposits

For the purpose of credit risk management, BVSC complies with credit limit for each bank as approved by the Board of Director at the beginning of each financial year. In fact, BVSC does not suffer from any late payment nor is forced for contract renewal. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.5 Financial risk management objectives and policies (continued)

Credit risk (continued)

Bonds

BVSC follows the limits set out by its BOD when investing in government bonds and corporate bonds. Every investment decision is made in accordance with the Company's investment procedures, in which the credit ratings and the solvency of the issuer are assessed in detail with due care. The main risk is levied with issuer's difficulties in making interest and principal payment and the recoverability of collaterals (if any) in the case of default. Government bonds are less risky than corporate bonds as these bonds are guaranteed by the Government.

Margin lending

The Company developed a policy of assessing customers' credit rating to manage this type of risk. This policy is conducted by analyzing and assessing investors' history of transaction values, assets and information of credit ratings. In addition, the Company assesses and revises customers' rating on monthly basis to ensure updated database is in place to minimize credit risk from customers.

The Company also developed policy of managing the list of shares which are eligible for margin activities as well as margin limitation of each share. These share collateral listings are built from the analysis and assessment of factors such as: volatility in share prices, the liquidation of each share in a month, etc. Such listings should also comply with Decision No. 87/QD-UBCK dated 25 January 2017 by State Securities Committee providing the regulations guiding on the margin trading of securities.

Credit risk is also managed by building a set of collateral ratios and conditions for handling collaterals in order to recover the fund in case the investors' credit ratings decreased or the investors fail to provide additional collaterals or repay the loans at maturity. With consistent risk management policy, these margin transactions are assessed as having medium credit risk.

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Bao Viet Securities Joint Stock Company

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.5 Financial risk management objectives and policies (continued)

Credit risk (continued)

Details on credit quality by classes of assets for all financial assets (net of impairment) exposed to credit risk as at 31 December 2018 are as follows:

Currency: VND

	Past due but not impaired					Total
	Neither past due nor impaired	less than 3 months	3 - 6 months	6 - 12 months	over 1 year	
31 December 2018						
Fixed maturity investments						
Bonds	194,359,886,548	-	-	-	-	194,359,886,548
Term deposits	142,759,886,546	-	-	-	-	142,759,886,546
	51,600,000,002	-	-	-	-	51,600,000,002
Other financial assets	1,708,453,502,919	-	-	-	265,099,514	1,708,915,072,433
Deposits to Settlement Assistance Fund	20,000,000,000	-	-	-	-	20,000,000,000
Dividends receivable	4,556,619,400	-	-	-	-	4,556,619,400
Receivables from securities trading activities	1,683,728,274,520	-	-	-	196,470,000	1,683,924,744,520
Others	168,608,999	-	-	-	265,099,514	433,708,513
Cash and cash equivalents	465,849,247,326	-	-	-	-	465,849,247,326
TOTAL	2,368,662,636,793	-	-	-	265,099,514	196,470,000
						2,369,124,206,307

Neither past due nor impaired: financial assets or the loans with interest or principal payments not yet past due and there is no evidence of impairment.

Past due but not impaired: financial assets with past due interest and principal payments but the Company believes that these assets are not impaired as they are secured by collaterals and has confidence in the customer's credit worthiness and other credit enhancements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.5 *Financial risk management objectives and policies* (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to the mismatch between short-term assets and liabilities. The Company's objective is to match cash inflows and outflows with the same maturity. Liquidity risk arises when the company involves in business activities that include short term financial obligations such as clearing and settlement activities of settlement obligation for VSD, Stock Exchanges, and investors.

The Company's policies strictly comply with regulations from authorities and internal policy on balancing cash flows and liquidity management. BVSC has never incurred a liquidity crisis when involving in clearing activities or other settlement activities. The usable capital ratio of BVSC has always remained above 700%, which is much higher than the required ratio of 180%.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.5 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2019 based on contractual undiscounted payments:

	Overdue	On demand	Up to 1 year	Currency: million VND			
				01 - 03 years	03 - 05 years	05 - 15 years	Over 15 years
31 December 2019							Total
FINANCIAL ASSETS							
Investments	-	512,689	10,022	-	-	-	522,711
Bonds	-	-	-	-	-	-	-
Term deposits	-	-	10,022	-	-	-	10,022
Shares	-	512,689	-	-	-	-	512,689
Other financial assets	6,875	21,179	1,512,524	-	-	-	1,540,578
Deposits to Settlement Assistance Fund	-	21,179	-	-	-	-	21,179
Dividends receivable	-	-	3,968	-	-	-	3,968
Receivables from securities trading activities	4,579	-	1,493,724	-	-	-	1,498,303
Other	2,296	-	14,832	-	-	-	17,128
Cash and cash equivalents	-	-	174,237	-	-	-	174,237
TOTAL	6,875	533,868	1,696,783	-	-	-	2,237,526
FINANCIAL LIABILITIES							
Short-term borrowings	-	-	100,000	-	-	-	100,000
Long-term bonds issued	-	-	300,137	100,251	-	-	400,388
Accrued expenses	-	-	2,242	-	-	-	2,242
Payables from securities trading activities	-	-	2,810	-	-	-	2,810
Other payables	-	-	4,502	-	-	-	4,502
TOTAL	-	-	409,691	100,251	-	-	509,942

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. OTHER INFORMATION (continued)

32.5 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2018 based on contractual undiscounted payments:

	Overdue	On demand	Up to 1 year	Currency: million VND			Total
				01 - 03 years	03 - 05 years	05 - 15 years	
31 December 2018							
FINANCIAL ASSETS							
Investments	-	466,675	65,244	24,000	106,350	54,350	716,619
Bonds	-	-	12,000	24,000	106,350	54,350	196,700
Term deposits	-	-	53,244	-	-	-	53,244
Shares	-	466,675	-	-	-	-	466,675
Other financial assets	461	20,000	1,688,454	-	-	-	1,708,915
Deposits to Settlement Assistance Fund	-	20,000	-	-	-	-	20,000
Dividends receivable	-	-	4,557	-	-	-	4,557
Receivables from securities trading activities	196	-	1,683,729	-	-	-	1,683,925
Other	265	-	168	-	-	-	433
Cash and cash equivalents	-	-	465,849	-	-	-	465,849
TOTAL	461	486,675	2,219,547	24,000	106,350	54,350	2,891,383
FINANCIAL LIABILITIES							
Short-term borrowings	-	-	129,900	-	-	-	129,900
Long-term bonds issued	-	-	312,922	-	-	-	312,922
Accrued expenses	-	-	4,528	-	-	-	4,528
Payables from securities trading activities	-	-	3,700	-	-	-	3,700
Other payables	-	-	714,073	-	-	-	714,073
TOTAL	-	-	1,165,123	-	-	-	1,165,123

The Company assessed the concentration of risk with respect to repayment of its liabilities and concluded it to be low.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. EVENTS AFTER THE BALANCE SHEET DATE

There is no event or circumstance arising since 31 December 2019 that requires adjustment or disclosure in the combined financial statements of the Company as at 31 December 2019 and for the year then ended.



<p>Ms. Vu Thi Thuy Linh Preparer Deputy Head of Financial Accounting Department</p>	<p>Ms. Nguyen Hong Thuy Approval Head of Financial Accounting Department</p>	<p>Mr. Nhu Dinh Hoa Approval Chief Executive Officer</p>
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Hanoi, Vietnam

23 March 2020