

# **Bao Viet Securities Joint Stock Company**

Financial statements

31 December 2015



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# Bao Viet Securities Joint Stock Company

## GENERAL INFORMATION

### COMPANY

Bao Viet Securities Joint Stock Company ("the Company", "BVSC") is a joint-stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People's Committee and Business Licence No. 01/GPHDKD issued on 26 November 1999 by the State Securities Commission with its original charter capital of VND 43,000,000,000.

On 13 December 2006, the Company's shares were officially traded on Hanoi Securities Trading Center (now Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN issued on 30 November 2006 by Hanoi Securities Trading Center and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK issued on 13 December 2006 by Vietnam Securities Depository. On 10 December 2009, the Company was granted Amended Certificate of securities operating license No.01/GPHDKD in accordance with Decision No.288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

The principal activities of the Company are brokerage services, custodian services, proprietary trading, underwriting for share issuance, and corporate finance and investment advisory services.

The Company's head office is located at Bao Viet Group Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Group Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

### SIGNIFICANT EVENT

On 15 April 2015, the Company held its 2015 Annual General Meeting of shareholders (the AGM), during which, the shareholders of BVSC approved operating results 2014 and business plans for 2015.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year ended 31 December 2015 and at the date of this report are:

<i><b>Name</b></i>	<i><b>Position</b></i>	<i><b>Date of appointment/ resignation</b></i>
Mr. Phan Kim Bang	Chairman	Appointed on 15 April 2015
Mr. Le Van Binh	Member	Appointed on 03 April 2010 Reappointed on 15 April 2015
Mr. Nhu Dinh Hoa	Member	Appointed on 03 April 2010 Reappointed on 15 April 2015
Mr. Bui Tuan Trung	Member	Appointed on 15 April 2015
Mr. Trinh Tuan Anh	Member	Appointed on 15 April 2015 Resigned on 15 September 2015
Mr. Pham Ngoc Tu	Member	Appointed on 15 September 2015
Mr. Nguyen Duc Tuan	Chairman	Appointed on 26 April 2013 Resigned on 15 April 2015
Mr. Le Hai Phong	Vice Chairman	Appointed on 03 April 2010 Resigned on 15 April 2015
Mr. Truong Ngoc Lan	Member	Appointed on 26 April 2013 Resigned on 15 April 2015

# Bao Viet Securities Joint Stock Company

## GENERAL INFORMATION (continued)

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year ended 31 December 2015 and at the date of this report are:

<i><b>Name</b></i>	<i><b>Position</b></i>	<i><b>Date of appointment/ resignation</b></i>
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
Mr. Pham Trung Thanh	Head of the Board	Appointed on 03 April 2010 Resigned on 15 April 2015
Ms. Tran Thi Bich	Member	Appointed on 03 April 2010 Resigned on 15 April 2015
Ms. Luong Thi Bich Ngoc	Member	Appointed on 03 April 2010 Resigned on 15 April 2015

### MANAGEMENT

Members of the Management during the year ended 31 December 2015 and at the date of this report are:

<i><b>Name</b></i>	<i><b>Position</b></i>	<i><b>Date of appointment</b></i>
Mr. Nhu Dinh Hoa	Chief Executive Officer	Appointed on 18 March 2011 Reappointed on 05 May 2014
Mrs. Nguyen Thi Thanh Thuy	Deputy Chief Executive Officer	Appointed on 15 July 2010 Reappointed on 15 July 2013
Mr. Vo Huu Tuan	Deputy Chief Executive Officer Director of Ho Chi Minh Branch	Appointed on 04 February 2011 Reappointed on 05 May 2014

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year ended 31 December 2015 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.



# 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 financial statements of the Company for the year ended 31 December 2015.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

- ▶ select the suitable accounting policies and apply them consistently;
- ▶ make judgments and estimates reasonably and prudently;
- ▶ state clearly whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on 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 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 accompanying financial statements for the year ended 31 December 2015.

### APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements. These financial statements give a true and fair view of the financial position of the Company as at 31 December 2015 and of the results of its operations, its cash flows and its changes in equity for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

On behalf of the Board of Directors:



Mr. Phan Kim Bang  
Chairman

Hanoi, Viet Nam

25 March 2016

Reference: 60780870/17880238

## INDEPENDENT AUDITORS' REPORT

**To: Shareholders of Bao Viet Securities Joint Stock Company**

We have audited the accompanying financial statements of Bao Viet Securities Joint Stock Company ("the Company") as prepared on 25 March 2016 and set out on page 6 to 51, which comprise the balance sheet as at 31 December 2015, the income statement, cash flow statement and statement of changes in equity for the year then ended and the notes thereto.

### *Management's responsibility*

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

### *Auditor's responsibility*

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

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


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

### *Opinion*

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2015, and of the results of its operations, its cash flows, and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

### **Ernst & Young Vietnam Limited**



  
Saman Bandara  
Deputy General Director  
Audit Practising Registration  
Certificate No. 2036-2013-004-1



Trinh Hoang Anh  
Auditor  
Audit Practising Registration  
Certificate No. 2071-2013-004-1

Hanoi, Vietnam

25 March 2016



BALANCE SHEET  
as at 31 December 2015

Currency: VND

Code	ASSETS	Notes	31 December 2015	31 December 2014
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,829,345,297,544</b>	<b>1,688,384,894,252</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>764,643,744,732</b>	<b>710,556,071,690</b>
111	1. Cash		447,893,744,732	590,556,071,690
112	2. Cash equivalents		316,750,000,000	120,000,000,000
<b>120</b>	<b>II. Short-term investments</b>	<b>6</b>	<b>311,257,065,372</b>	<b>333,493,737,668</b>
121	1. Short-term investments		396,264,219,872	439,526,190,838
129	2. Provision for impairment of short-term investments		(85,007,154,500)	(106,032,453,170)
<b>130</b>	<b>III. Short - term receivables</b>	<b>7</b>	<b>751,914,288,495</b>	<b>640,156,122,654</b>
131	1. Receivables from customers		2,456,575,334	1,656,043,393
132	2. Advances to suppliers		9,413,140,391	8,057,109,350
135	3. Receivables from securities trading activities		731,743,484,438	622,405,195,723
138	4. Other receivables		28,675,676,048	25,731,861,904
139	5. Provision for doubtful debts		(20,374,587,716)	(17,694,087,716)
<b>150</b>	<b>IV. Other current assets</b>		<b>1,530,198,945</b>	<b>4,178,962,240</b>
151	1. Short-term prepaid expenses		1,205,498,945	443,797,688
154	2. Tax and other receivables from the State		-	3,273,243,302
158	3. Other current assets		324,700,000	461,921,250
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>278,945,810,323</b>	<b>195,349,776,913</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>2,947,129,741</b>	<b>4,129,826,072</b>
221	1. Tangible fixed assets	<b>8</b>	2,836,465,169	3,582,425,520
222	Cost		27,402,412,859	26,458,374,097
223	Accumulated depreciation		(24,565,947,690)	(22,875,948,577)
227	2. Intangible fixed assets	<b>9</b>	110,664,572	547,400,552
228	Cost		10,470,716,440	10,470,716,440
229	Accumulated amortisation		(10,360,051,868)	(9,923,315,888)
<b>250</b>	<b>II. Long-term investments</b>	<b>6</b>	<b>246,122,155,851</b>	<b>168,849,067,949</b>
253	1. Long-term investments in securities		287,614,223,000	207,958,223,000
254	Available for sales securities		237,736,573,000	158,080,573,000
255	Held to maturity securities investments		49,877,650,000	49,877,650,000
259	2. Provision for impairment of long-term investments		(41,492,067,149)	(39,109,155,051)
<b>260</b>	<b>III. Other long-term assets</b>		<b>29,876,524,731</b>	<b>22,370,882,892</b>
261	1. Long-term prepaid expenses	<b>10</b>	7,765,245,937	2,337,139,730
263	2. Deposits to Settlement Assistance Fund	<b>11</b>	21,181,760,379	19,453,261,222
268	3. Other long-term assets		929,518,415	580,481,940
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,108,291,107,867</b>	<b>1,883,734,671,165</b>



BALANCE SHEET (continued)  
as at 31 December 2015

Currency: VND


Code	RESOURCES	Notes	31 December 2015	31 December 2014
<b>300</b>	<b>A. LIABILITIES</b>		<b>657,551,227,173</b>	<b>542,528,749,298</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>657,551,227,173</b>	<b>542,528,749,298</b>
311	1. Short-term loans and borrowings	12	29,150,839,917	-
312	2. Trade payables	13	3,458,445,466	3,277,140,573
313	3. Advances from customers		2,165,200,000	2,029,550,000
314	4. Statutory obligations	22.1	4,197,669,597	3,803,212,512
315	5. Payables to employees		32,511,526,691	33,469,130,382
316	6. Accrued expenses		1,251,727,954	657,058,746
319	7. Other payables	17	2,209,850,922	2,317,175,056
320	8. Payables related to securities trading activities	14	440,135,301,795	484,275,768,805
321	9. Shares dividend, bond principal and interest payables		8,271,852,548	8,012,252,948
322	10. Payables to securities issuers	15	14,103,367,895	2,934,834,075
323	11. Bonus and welfare fund		4,553,578,461	1,752,626,201
327	12. Government bond repurchase contracts	16	115,541,865,927	-
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>1,450,739,880,694</b>	<b>1,341,205,921,867</b>
<b>410</b>	<b>I. Owners' equity</b>		<b>1,450,739,880,694</b>	<b>1,341,205,921,867</b>
411	1. Contributed charter capital	18.1	722,339,370,000	722,339,370,000
412	2. Share premium		610,253,166,720	610,253,166,720
414	3. Treasury share		(228,000,000)	(228,000,000)
417	4. Additional reserve fund of charter capital	18.3	18,808,728,387	14,322,179,098
418	5. Operational risk and Financial reserve fund	18.3	18,808,728,387	14,322,179,098
420	6. Retained earnings/ (accumulated losses)		80,757,887,200	(19,802,973,049)
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,108,291,107,867</b>	<b>1,883,734,671,165</b>


BALANCE SHEET (continued)  
as at 31 December 2015


OFF BALANCE SHEET ITEMS

Currency: VND

Code	ITEMS	Notes	31 December 2015	31 December 2014
002	<b>1. Materials, valuable papers on consignment</b>		-	-
004	<b>2. Bad debts written off</b>		390,400,000	390,400,000
006	<b>3. Custody securities</b>		22,690,947,900,000	18,362,544,870,000
	<i>In which:</i>			
007	<b>3.1. Trading securities</b>		22,308,452,160,000	17,996,296,160,000
008	3.1.1. Trading securities of custody customers		129,691,760,000	204,398,270,000
009	3.1.2. Trading securities of domestic customers		22,018,929,560,000	17,658,800,790,000
010	3.1.3. Trading securities of foreign customers		159,830,840,000	133,097,100,000
012	<b>3.2. Temporarily unprocessed securities</b>		161,864,080,000	168,165,320,000
013	3.2.1. Temporarily unprocessed securities of custody customers		152,000,000	152,000,000
014	3.2.2. Temporarily unprocessed securities of domestic customers		161,621,580,000	167,922,820,000
015	3.2.3. Temporarily unprocessed securities of foreign customers		90,500,000	90,500,000
017	<b>3.3. Mortgaged securities</b>		220,631,660,000	198,083,390,000
019	3.3.1. Mortgaged securities of domestic customers		220,631,660,000	198,083,390,000
082	<b>4. Non-custody securities held of customers</b>		1,587,112,700,000	2,032,524,010,000
083	<b>5. Non-custody securities held of the Company</b>		264,477,750,000	258,559,370,000

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

  
Ms. Nguyen Hong Thuy  
Head of Financial  
Accounting Department

  
Mr. Nhu Dinh Hoa  
Chief Executive Officer



Hanoi, Vietnam

25 March 2016

INCOME STATEMENT  
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Notes	2015	2014
01	<b>1. Revenue</b>	<b>19</b>	<b>287,179,455,911</b>	<b>305,343,799,112</b>
	<i>In which:</i>			
01.1	- Revenue from brokerage services		84,023,709,261	108,679,704,730
01.2	- Revenue from securities trading and investments		53,216,596,270	61,025,574,026
01.4	- Revenue from securities issuance services		1,028,025,755	77,928,484
01.5	- Revenue from advisory services		9,490,733,596	5,537,945,455
01.6	- Revenue from custodian services		3,694,319,217	3,278,191,104
01.7	- Revenue from auction trust services		30,810,299	61,934,215
01.9	- Revenue from other activities		135,695,261,513	126,682,521,098
02	<b>2. Deductions</b>		-	-
10	<b>3. Net revenue from operating activities</b>		<b>287,179,455,911</b>	<b>305,343,799,112</b>
11	<b>4. Operating expenses</b>	<b>20</b>	<b>(105,850,755,492)</b>	<b>(114,437,159,224)</b>
20	<b>5. Gross profit from operating activities</b>		<b>181,328,700,419</b>	<b>190,906,639,888</b>
25	<b>6. General and administrative expenses</b>	<b>21</b>	<b>(61,011,117,967)</b>	<b>(59,098,117,385)</b>
30	<b>7. Operating income</b>		<b>120,317,582,452</b>	<b>131,808,522,503</b>
31	<b>8. Other income</b>		<b>435,363,636</b>	<b>476,511,125</b>
32	<b>9. Other expenses</b>		<b>(428,322,069)</b>	<b>(642,809,576)</b>
40	<b>10. Other profit/ (loss)</b>		<b>7,041,567</b>	<b>(166,298,451)</b>
50	<b>11. Profit before tax</b>		<b>120,324,624,019</b>	<b>131,642,224,052</b>
51	<b>12. Current corporate income tax expense</b>	<b>22.2</b>	<b>(4,219,443,989)</b>	-
60	<b>13. Net profit after tax</b>		<b>116,105,180,030</b>	<b>131,642,224,052</b>
70	<b>14. Earnings per share</b>			
	- Basic (VND per share)	<b>24</b>	<b>1,608</b>	<b>1,732</b>

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

Ms. Nguyen Hong Thuy  
Head of Financial  
Accounting Department

Mr. Nhu Dinh Hoa  
Chief Executive Officer

Hanoi, Vietnam

25 March 2016





CASH FLOW STATEMENT  
for the year ended 31 December 2015


Currency: VND


Code	ITEMS	Notes	2015	2014
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Receipts from operating activities		29,039,629,313,983	31,017,385,660,046
02	Payments for operating activities		(28,563,244,420,451)	(30,168,985,255,677)
05	Payments to Settlement Assistance Fund		(546,738,778)	(748,348,719)
06	Receipts from securities trading of customers		67,685,427,357,900	79,257,507,466,149
07	Payments for securities trading of customers		(67,959,418,692,597)	(80,195,304,598,904)
08	Receipts from the issues of securities		1,831,669,414,954	1,356,815,698,116
09	Payments to securities issuers		(1,864,758,104,346)	(1,383,606,892,116)
10	Payment to suppliers		(34,907,156,333)	(11,741,080,868)
11	Payments to employees		(79,775,974,058)	(69,427,787,885)
12	Interest payments		(389,680,674)	(196,675,497)
13	Corporate income tax payments		-	-
14	Other receipts		292,293,829,763	73,252,310,266
15	Other payments		(295,621,369,158)	(118,735,643,124)
<b>20</b>	<b>Net cash flows from/(used in) operating activities</b>		<b>50,357,780,205</b>	<b>(243,785,148,213)</b>
	<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>			
21	Payments for purchase of fixed assets and other long-term assets		(2,706,563,909)	(864,229,909)
22	Proceeds from disposal of fixed assets and other long-term assets		435,363,636	-
23	Payments for purchase of debt instruments of other entities		(352,645,550,000)	(260,856,474,850)
24	Proceeds from sale of debt instruments of other entities		345,145,550,000	583,000,404,448
25	Payments for investments in other entities		(80,000,000,000)	(1,147,076,000)
27	Interest received, dividends and distributed profits		64,350,253,193	99,290,221,957
<b>30</b>	<b>Net cash flows (used in)/ from investing activities</b>		<b>(25,420,947,080)</b>	<b>419,422,845,646</b>

CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Notes	31 December 2015	31 December 2014
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from short-term and long-term loans		1,766,935,861,230	487,762,343,265
34	Loan payment		(1,737,785,021,313)	(487,762,343,265)
40	<b>Net cash flows from financing activities</b>		<b>29,150,839,917</b>	<b>-</b>
50	<b>Net increase in cash and cash equivalents in the year</b>		<b>54,087,673,042</b>	<b>175,637,697,433</b>
60	<b>Cash and cash equivalents at the beginning of the year</b>		<b>710,556,071,690</b>	<b>534,918,374,257</b>
61	<b>Impact of exchange fluctuation</b>		<b>-</b>	<b>-</b>
70	<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>764,643,744,732</b>	<b>710,556,071,690</b>

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

  
 Ms. Nguyen Hong Thuy  
 Head of Financial  
 Accounting Department

  
 Mr. Nhu Dinh Hoa  
 Chief Executive Officer

Hanoi, Vietnam

25 March 2016

STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2015

Currency: VND

ITEMS	Notes	Beginning balance		Increase/(decrease)				Closing balance	
		01 January 2014	01 January 2015	2014		2015		31 December 2014	31 December 2015
		A	B	1	2	3	4	5	6
1. Contributed charter capital	18.1	722,339,370,000	722,339,370,000	-	-	-	-	722,339,370,000	722,339,370,000
2. Share premium		610,253,166,720	610,253,166,720	-	-	-	-	610,253,166,720	610,253,166,720
3. Treasury share		(228,000,000)	(228,000,000)	-	-	-	-	(228,000,000)	(228,000,000)
4. Additional reserve fund of charter capital	18.3	14,322,179,098	14,322,179,098	-	-	-	-	14,322,179,098	18,808,728,387
5. Operational risk and Financial reserve fund	18.3	14,322,179,098	14,322,179,098	-	-	-	-	14,322,179,098	18,808,728,387
6. Retained earnings/ (accumulated losses)		(148,954,989,551)	(19,802,973,049)			131,642,224,052	(2,490,207,550)	(19,802,973,049)	80,757,887,200
<b>TOTAL</b>		<b>1,212,053,905,365</b>	<b>1,341,205,921,867</b>			<b>131,642,224,052</b>	<b>(2,490,207,550)</b>	<b>1,341,205,921,867</b>	<b>1,450,739,880,694</b>



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

Ms. Nguyen Hong Thuy  
Head of Financial Accounting Department

Mr. Nhu Dinh Hoa  
Chief Executive Officer

Hanoi, Vietnam

25 March 2016



NOTES TO THE FINANCIAL STATEMENTS  
as at 31 December 2015 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 Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People's Committee and Operating Licence No. 01/ GPHDKD issued on 26 November 1999 by the State Securities Commission with its original charter capital of VND 43,000,000,000.

On 13 December 2006, the Company's shares were officially traded on Hanoi Securities Trading Centre (now called Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QĐ-TTGDHN dated 30 November 2006 issued by Hanoi Securities Trading Centre and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK dated 13 December 2006 issued by Vietnam Securities Depository Centre. On 10 December 2009, the Company was granted Amended Certificate of securities operating license No.01/GPHDKD in accordance with Decision No.288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

The principal activities of the Company are brokerage service, custodian service, proprietary trading, underwriting, and corporate finance and investment advisory service.

## LOCATION AND NETWORKS

The Company's head office is located at Bao Viet Group Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Group Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

The Company has transaction offices as follows:

<i>Name</i>	<i>Address</i>
1. Head transaction office (Hanoi)	Bao Viet Building, No.8 Le Thai To Str., Hoan Kiem Dist., Hanoi
2. Transaction office No. 1 ( Hanoi)	94 Ba Trieu Str., Hoan Kiem Dist., Hanoi
3. Transaction office Kim Ma (Hanoi)	Floor 2, VIT Tower, 519 Kim Ma, Ba Dinh Dist., Hanoi
4. Transaction office Lang Ha (Hanoi)	Floor 1, 14 Lang Ha Tower, Ba Dinh Dist., Hanoi
5. Transaction office 146 Nguyen Van Cu (Ho Chi Minh City)	146 Nguyen Van Cu Str, District 1, Ho Chi Minh City
6. Transaction office 11 Nguyen Van Cu (Ho Chi Minh City)	11 Nguyen Cong Tru, 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

## EMPLOYEES

The number of Company's employees as at 31 December 2015 was 224 (as at 31 December 2014 was 213).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

## 2. BASIS OF PREPARATION

### 2.1. *Standards and applicable accounting system*

The financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with the accounting policies applicable to securities companies as set out in the following regulations issued by the Ministry of Finance: (i) Circular No. 95/2008/TT-BTC dated 24 October 2008, (ii) Circular No. 162/2010/TT-BTC dated 20 October 2010 which amended Circular No. 95/2008/TT-BTC, (iii) Circular No. 146/2014/TT-BTC dated 6 October 2014, and the Vietnamese Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying financial statements and related notes, 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 financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

For the purpose of preparing the financial statements, cash deposited by customers into bank accounts opened by the Company for securities trading are presented as cash and other payables in the balance sheet.

### 2.2. *Registered accounting documentation system*

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

### 2.3. *Fiscal year*

The Company's fiscal year applicable for the preparation of its financial statements starts on 01 January and ends on 31 December.

### 2.4. *Accounting currency*

The financial statements are prepared in VND which is also the Company's accounting currency.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Changes in accounting policies and disclosures**

On 22 December 2014, the Ministry of Finance promulgated Circular No. 200/2014/TT-BTC providing guidance on the accounting system applicable for enterprises of all business types and economic sectors ("Circular 200"). The Circular supersedes the prevailing enterprise accounting system under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Circular is applied to financial years beginning on or after 1 January 2015.

The financial statements of the Company are prepared in accordance with the accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 dated 20 October 2010. With regard to accounting policies not stipulated in these Circulars, the Company will make reference to and adopt stipulations of Circular 200 as appropriate.

**3.2 Accounting policies issued but not yet effective**

On 30 December 2014, the Ministry of Finance issued Circular No. 210/2014/TT-BTC ("Circular 210") providing the guidance on the accounting regime applicable to securities companies which is more conformed with International Financial Reporting Standards. This Circular defines the accounting vouchers, chart of accounts, accounting treatments, accounting books, templates of financial statements, guidance of preparation and presentation of financial statements applicable to securities companies. This Circular takes effect from 1 January 2016 and replaces Circular No. 95/2008/TT-BTC and Circular No. 162/2010/TT-BTC.

**3.3 Cash and cash equivalents**

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

**3.4 Receivables**

Receivables are initially recorded at cost and subsequently always presented at cost in the following periods:

Receivables are subject to review for impairment based on overdue periods of the receivables or estimated loss arising from undue debts of which the indebted economic organisations fall bankrupt or are undergoing dissolution procedures; debtors are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. The provision expense is recorded as "General and administrative expenses" in the income statement.

The Company has made provision for doubtful receivables in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

<i>Overdue period</i>	<i>Provision rate</i>
From over six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
Over three (03) years	100%



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.5 *Tangible fixed assets***

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible 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 income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

**3.6 *Intangible fixed assets***

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

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

When intangible fixed assets are sold or retired, their costs and accumulated amortisation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

**3.7 *Depreciation and amortisation***

Depreciation and amortisation 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
Vehicle	6 - 8 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Other intangible assets	3 - 5 years

**3.8 *Leased assets***

Rentals under operating leases are charged to the income statement on a straight-line basis over the term of the leasing contract.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.9 Investments**

**3.9.1 Investment in securities**

According to Circular No. 95/2008/TT-BTC, securities companies are allowed to recognize investments in securities at either cost or fair value. Accordingly, the Company has applied the cost model to recognize investments in securities.

*Trading Securities*

Trading securities are securities which either have recovery period of within one year or are held for trading purposes. These securities are initially recorded at cost, including purchased costs plus (+) transaction cost (if any) such as brokerage and transaction fees, information fees, taxes, levies and banking fees.

Accrued interest income are recognized as a deduction in the carrying value of trading securities for the portion incurred before the purchasing date and as an investment income for the portion incurred since the purchasing date.

Trading securities are subject to review for impairment at each balance sheet date. Provision for impairment of trading securities is made when their book value is higher than market value. Provision for impairment loss is recognized in "Operating expenses" in the income statement.

**3.9.2 Long-term investments**

Long-term investment securities comprise available-for-sale and held-to-maturity securities.

Held-to-maturity securities are non-derivatives that have predetermined cash flow and fixed maturities and the Company has intention to hold these securities until the maturity date.

Securities shall not be classified in held-to-maturity category if during the current year or recent two years, are sold or reclassified a substantial volume of securities earlier than their maturities, unless these sales and reclassification are:

- ▶ Close to maturity date;
- ▶ The Company recovered a majority of cost of securities according to repayment schedule or received earlier than the maturity date;
- ▶ Subject to a non-controllable event of the Company and this event incurred one time only and incurred unpredictably.

Available-for-sale securities are non-derivatives which are not classified as neither held-to-maturity securities nor trading securities.

Long-term investment securities are measured at cost including purchased costs plus (+) transaction cost (if any). Provision for impairment is recognised in the income statement when there is sufficient objective evidence of the long-term diminution of the investments.

**3.9.3 Other long-term investments**

Other long-term investments include investments in other entities in which the Company has less than 20% of voting rights. These investments are measured at cost. Provision for impairment is recognized in the income statement when there is sufficient objective evidence of the long-term diminution of the investments.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.10 Provision for impairment of securities investments**

**3.10.1 Provision for impairment of securities investments**

Provision for impairment of investment securities is made for each individual stock when the market value is lower than original cost. Provision amount for transferable securities is the difference between the original cost and market value of those securities at the balance sheet date in accordance with Circular 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014. Any increase or decrease in the balance of provision is recognised to operating expenses for the year.

For securities listed on the Hanoi Stock Exchange and Hochiminh Stock Exchange, the actual price on the market shall be the closing price on the latest trading date before the date of setting up the provision.

For traded registered securities (traded registered stocks on UPCOM), the actual price on the market shall be the closing price on the latest trading date before the date of setting up the provision.

For unlisted and unregistered securities, the actual price on the market which is a basis for provision shall be the average price of the actual transactions according to the quoting of 3 companies trading securities at the latest time of setting up provision but not more than one month before the date of setting up the provision.

For shares which have no price from the above sources, the Company will assess the impairment based on the financial capacity and book value of the issuers as at 31 December 2015.

For delisted or suspended securities from the 6th trading date onwards, the actual securities price shall be the book value on the latest balance sheet date of the Company.

**3.10.2 Provision for impairment of other investments**

Provision for impairment of other cooperation investment contracts is made based on the Company's assessment of recovery of investment and overdue status compared to agreed terms in the contract.

**3.11 Securities sold under agreement to repurchase**

Securities sold under agreements to repurchase at a specified future date ("repos") are not derecognized in the financial statements. The corresponding cash received is recognized as a liability in the balance sheet. The difference between the selling price and repurchasing price is recognized as an expense/asset pending allocation and is allocated to the income statement over the life of the agreement.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.12 Payables and accruals**

Payables and accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

**3.13 Employment benefits**

**3.13.1 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 18% 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.

**3.13.2 Severance allowance**

*Voluntary resignation benefits:* the Company has the obligation, under Section 42 of the Labor Code amended on 02 April 2002, to pay an allowance to voluntarily resigning employees, equal to half of one-month's basic salary for each year of employment plus wage allowances (if any) until 31 December 2008. Commencing 01 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period based on the average monthly salary of the most recent 6 months up to the balance sheet date;

*Retrenchment benefits:* the Company has the obligation, under Section 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 180/2012/TT-BTC dated 24 October 2012, from the year 2012, the Company stopped accruing retrenchment allowance. Payments for retrenchment allowance are recognised as administrative expenses in the year in which they are incurred.

**3.14.3 Unemployment allowance**

According to Circular No. 04/2009/TT-BLĐTBXH and Decree No. 127/2008/NĐ-CP, since 1 January 2009, the Company is required to pay the unemployment insurance at 1.00% of salary fund of employees who engage in the unemployment insurance program and deduct 1.00% from each employer's basic salary to make contribution to the Unemployment Insurance Fund.

**3.14 Treasury shares**

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

**3.15 Appropriation of net profits**

After making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements, the net remaining profit after tax is distributed in accordance with resolutions of the General Shareholders' Meeting.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.16 Revenue recognition**

Revenue is recognised 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 recognised:

*Revenue from brokerage services*

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

*Revenue from securities trading*

Revenue from securities trading is recognised on the basis of the difference between the weighted average cost of securities sold and selling price.

*Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

*Dividends*

Income is recognised when the Company's entitlement as an investor to receive the dividend is established, except for dividends received in the form of shares, in which case the Company does not recognize income but only updates the number of shares.

*Revenue from securities repurchase and reverses repurchase agreements*

Revenue from securities repurchase and reverse repurchase agreements is recognised over the life of the agreement using straight-line method.

**3.17 Cost of securities sold**

The Company applies the moving weighted average method to calculate cost of equity securities sold and specific identification method to calculate cost of debt securities sold.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.18 Taxation**

*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 balance sheet date.

Current income tax is charged or credited to the 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 income 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 related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit 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; and
- ▶ in respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. 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.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.18 Taxation (continued)**

*Deferred income tax (continued)*

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the 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 income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

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.

**3.19 Reserves**

The Company uses retained earnings to create reserves in accordance with Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014 as follows:

	<i>Percentage of profit after tax</i>	<i>Maximum level</i>
Additional reserve fund of charter capital	5%	10% of charter capital
Operational risk and Financial reserve fund	5%	10% of charter capital

Other reserves and funds are created in accordance with resolutions of the General Meeting of Shareholders.

**4. CASH AND CASH EQUIVALENTS**

	<i>31 December 2015</i> VND	<i>31 December 2014</i> VND
Cash on hand	155,880,047	116,790,933
Cash at bank	447,737,864,685	590,439,280,757
- Company's deposits	9,197,103,287	108,492,275,774
- Customers' deposits for securities trading (Note 14)	438,540,761,398	481,947,004,983
Cash equivalents	316,750,000,000	120,000,000,000
	<b>764,643,744,732</b>	<b>710,556,071,690</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**5. VALUE AND VOLUME OF TRADING IN THE YEAR**

	<i>Volume of trading in the year</i>	<i>Value of trading in the year VND</i>
<b>1. The Company</b>	<b>64,035,762</b>	<b>1,077,136,051,514</b>
- Shares	48,877,251	853,592,112,500
- Bonds	46	49,675,159,835
- Others	15,158,465	173,868,779,179
<b>2. Customers</b>	<b>3,998,656,352</b>	<b>84,994,813,141,359</b>
- Shares	3,671,265,211	47,497,123,847,100
- Bonds	326,119,381	37,484,791,224,259
- Others (fund certificates)	1,271,760	12,898,070,000

**6. FINANCIAL INVESTMENTS**

	<i>31 December 2015 VND</i>	<i>31 December 2014 VND</i>
<b>Short-term investments</b>	<b>311,257,065,372</b>	<b>333,493,737,668</b>
Trading securities	253,726,424,722	300,631,395,107
Other financial investments	142,537,795,150	138,894,795,731
Provision for decrease in value of short-term investments	(85,007,154,500)	(106,032,453,170)
<b>Long-term investments</b>	<b>246,122,155,851</b>	<b>168,849,067,949</b>
Investment securities	287,614,223,000	207,958,223,000
<i>Available-for-sale securities</i>	237,736,573,000	158,080,573,000
<i>Held-to-maturity securities</i>	49,877,650,000	49,877,650,000
Provision for decrease in value of long-term investments	(41,492,067,149)	(39,109,155,051)
	<b>557,379,221,223</b>	<b>502,342,805,617</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**6. FINANCIAL INVESTMENTS (continued)**

**6.1 Investment portfolio**

The Company's investment portfolio as at 31 December 2015 was as follows:

Item	Quantity	Book value (VND)	In comparison with market value (VND)		Market value (VND)
			Increase	Decrease	
<b>I. Short-term investments</b>					
<b>1. Trading securities</b>					
Listed shares	7,799,429	116,979,200,693	474,580,783	(19,180,978,776)	98,272,802,700
Unlisted shares	3,334,458	64,713,578,664	1,229,600	(44,403,087,974)	20,311,720,290
Fund certificates	5,999,610	72,033,645,365	14,343,160,635	(2,385,292,600)	83,991,513,400
	<b>17,133,497</b>	<b>253,726,424,722</b>	<b>14,818,971,018</b>	<b>(65,969,359,350)</b>	<b>202,576,036,390</b>
<b>2. Other short-term investments</b>					
Term deposits	N/A	123,500,000,000	-	-	123,500,000,000
Short-term joint investments	N/A	19,037,795,150	-	(19,037,795,150)	-
	<b>N/A</b>	<b>142,537,795,150</b>	<b>-</b>	<b>(19,037,795,150)</b>	<b>123,500,000,000</b>
	<b>N/A</b>	<b>396,264,219,872</b>	<b>14,818,971,018</b>	<b>(85,007,154,500)</b>	<b>326,076,036,390</b>
<b>II. Long-term investments</b>					
<b>1. Securities investments</b>					
<b>Available for sale securities</b>					
Unlisted shares	7,260,047	87,775,973,000	-	(41,492,067,149)	46,283,905,851
Fund certificates	8,000,000	80,000,000,000	1,192,000,000	-	81,192,000,000
Bonds	700,000	69,960,600,000	7,098,430,611	-	77,059,030,611
	<b>15,960,047</b>	<b>237,736,573,000</b>	<b>8,290,430,611</b>	<b>(41,492,067,149)</b>	<b>204,534,936,462</b>
<b>Held to maturity securities</b>					
Bonds	500,000	49,877,650,000	1,262,721,402	-	51,140,371,402
	<b>500,000</b>	<b>49,877,650,000</b>	<b>1,262,721,402</b>	<b>-</b>	<b>51,140,371,402</b>
	<b>16,460,047</b>	<b>287,614,223,000</b>	<b>9,553,152,013</b>	<b>(41,492,067,149)</b>	<b>255,675,307,864</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**6. FINANCIAL INVESTMENTS (continued)**

**6.1 Investment portfolio (continued)**

The Company's investment portfolio as at 31 December 2014 was as follows:

Item	Quantity	Book value (VND)	In comparison with market value (VND)		Market value (VND)
			Increase	Decrease	
<b>I. Short-term investments</b>					
<b>1. Trading securities</b>					
Listed shares	5,412,979	112,991,714,513	2,888,358,823	(27,182,855,636)	88,697,217,700
Unlisted shares	4,079,518	81,986,069,894	1,330,360	(55,726,515,582)	26,260,884,672
Fund certificates	7,866,855	105,653,610,700	15,576,362,538	(4,042,989,400)	117,186,983,838
	<b>17,359,352</b>	<b>300,631,395,107</b>	<b>18,466,051,721</b>	<b>(86,952,360,618)</b>	<b>232,145,086,210</b>
<b>2. Other short-term investments</b>					
Term deposits	N/A	70,000,000,000	-	-	70,000,000,000
Bonds	46	49,814,703,179	1,934,470,433	-	51,749,173,612
Short-term joint investments	N/A	19,080,092,552	-	(19,080,092,552)	-
	<b>N/A</b>	<b>138,894,795,731</b>	<b>1,934,470,433</b>	<b>(19,080,092,552)</b>	<b>121,749,173,612</b>
	<b>N/A</b>	<b>439,526,190,838</b>	<b>20,400,522,154</b>	<b>(106,032,453,170)</b>	<b>353,894,259,822</b>
<b>II. Long-term investments</b>					
<b>1. Securities investments</b>					
<b>Available-for-sale securities</b>					
Unlisted shares	7,260,047	87,775,973,000	-	(39,109,155,051)	48,666,817,949
Bonds	700,000	70,304,600,000	8,238,594,116	-	78,543,194,116
	<b>7,960,047</b>	<b>158,080,573,000</b>	<b>8,238,594,116</b>	<b>(39,109,155,051)</b>	<b>127,210,012,065</b>
<b>Held-to-maturity securities</b>					
Bonds	500,000	49,877,650,000	1,661,852,026	-	51,539,502,026
	<b>500,000</b>	<b>49,877,650,000</b>	<b>1,661,852,026</b>	<b>-</b>	<b>51,539,502,026</b>
	<b>8,460,047</b>	<b>207,958,223,000</b>	<b>9,900,446,142</b>	<b>(39,109,155,051)</b>	<b>178,749,514,091</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS (continued)

6.2 Short-term investment portfolio as at 31 December 2015

Items	Quantity	Book Value (VND)	Decrease in comparison to market value (VND)	Net Book Value (VND)	Market Value (VND)
<b>Listed securities</b>					
TIX	866,673	27,573,868,250	(5,907,043,250)	21,666,825,000	21,666,825,000
VAF	488,790	10,386,374,620	(1,588,154,620)	8,798,220,000	8,798,220,000
HVX	724,210	10,304,249,630	(5,669,305,630)	4,634,944,000	4,634,944,000
REE	307,364	7,824,173,290	(78,600,490)	7,745,572,800	7,745,572,800
KLS	1,000,016	7,602,089,000	(1,001,983,400)	6,600,105,600	6,600,105,600
PVS	210,261	3,999,058,200	(487,699,500)	3,511,358,700	3,511,358,700
SSI	175,000	3,972,040,750	(87,040,750)	3,885,000,000	3,885,000,000
PHC	197,600	3,590,107,700	(2,266,187,700)	1,323,920,000	1,323,920,000
TDH	250,153	3,452,835,810	(724,410)	3,452,111,400	3,452,111,400
DP3	117,053	3,231,964,600	(1,043,073,500)	2,188,891,100	2,188,891,100
Other securities	1,211,041	12,556,884,426	(1,051,165,526)	11,505,718,900	11,505,718,900
Securities not impaired	2,251,268	22,485,554,417	-	22,485,554,417	22,960,135,200
	<b>7,799,429</b>	<b>116,979,200,693</b>	<b>(19,180,978,776)</b>	<b>97,798,221,917</b>	<b>98,272,802,700</b>
<b>Fund certificates</b>					
E1SSH30	1,000,000	10,000,000,000	-	10,000,000,000	10,000,000,000
E1VFN30	2,219,610	20,972,830,000	-	20,972,830,000	21,308,256,000
VF1	2,000,000	33,152,865,365	-	33,152,865,365	47,160,800,000
VFA	780,000	7,907,950,000	(2,385,292,600)	5,522,657,400	5,522,657,400
	<b>5,999,610</b>	<b>72,033,645,365</b>	<b>(2,385,292,600)</b>	<b>69,648,352,765</b>	<b>83,991,513,400</b>
<b>Unlisted securities</b>					
THUYSANCAMAU	975,000	24,000,000,000	(24,000,000,000)	-	-
MEDIPLANTEX	262,500	7,875,000,000	(3,859,800,000)	4,015,200,000	4,015,200,000
DUOCHANOI	359,388	6,987,720,000	(3,758,978,208)	3,228,741,792	3,228,741,792
HOADAUKHIVIDAMO	500,000	6,600,000,000	(4,904,000,000)	1,696,000,000	1,696,000,000
OTO3.2	240,000	4,680,000,000	(2,321,040,000)	2,358,960,000	2,358,960,000
DANAPHA	91,000	3,738,000,000	(1,546,265,000)	2,191,735,000	2,191,735,000
LILAMA693	116,840	2,760,000,000	(2,222,302,320)	537,697,680	537,697,680
XNKDN	200,000	2,140,000,000	(884,800,000)	1,255,200,000	1,255,200,000
PMT	20,000	1,059,173,000	(903,173,000)	156,000,000	156,000,000
Other securities	448	4,100,860	(2,729,446)	1,371,414	1,371,414
Securities not impaired	569,282	4,869,584,804	-	4,869,584,804	4,870,814,404
	<b>3,334,458</b>	<b>64,713,578,664</b>	<b>(44,403,087,974)</b>	<b>20,310,490,690</b>	<b>20,311,720,290</b>
<b>Short-term joint investments</b>					
	<b>N/A</b>	<b>19,037,795,150</b>	<b>(19,037,795,150)</b>	<b>-</b>	<b>-</b>
<b>Short-term deposits</b>					
	<b>N/A</b>	<b>123,500,000,000</b>	<b>-</b>	<b>123,500,000,000</b>	<b>123,500,000,000</b>
<b>Total</b>	<b>N/A</b>	<b>396,264,219,872</b>	<b>(85,007,154,500)</b>	<b>311,257,065,372</b>	<b>326,076,036,390</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS (continued)

6.3 Long-term investment portfolio as at 31 December 2015

Items	Quantity	Book value VND	Change in comparison to market value VND	Market value VND
<b>Unlisted securities</b>				
GPInvest	1,260,047	12,775,973,000	(4,040,067,149)	8,735,905,851
Bac Ha Hydropower	6,000,000	75,000,000,000	(37,452,000,000)	37,548,000,000
	<b>7,260,047</b>	<b>87,775,973,000</b>	<b>(41,492,067,149)</b>	<b>46,283,905,851</b>
<b>Fund certificates</b>				
Baoviet Value Investment Fund (BVIF)	8,000,000	80,000,000,000	1,192,000,000	81,192,000,000
	<b>8,000,000</b>	<b>80,000,000,000</b>	<b>1,192,000,000</b>	<b>81,192,000,000</b>
<b>Bonds</b>				
Available-for-sale bonds	700,000	69,960,600,000	7,098,430,611	77,059,030,611
Held-to-maturity bonds	500,000	49,877,650,000	1,262,721,402	51,140,371,402
	<b>1,200,000</b>	<b>119,838,250,000</b>	<b>8,361,152,013</b>	<b>128,199,402,013</b>
<b>Total</b>	<b>16,460,047</b>	<b>287,614,223,000</b>	<b>(31,938,915,136)</b>	<b>255,675,307,864</b>

Provision for impairment of investment securities is made for individual stock when the market value is lower than original cost. Provision amount for transferable securities is the difference between the original cost and market value of those securities at the balance sheet date in accordance with Circular 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014. Any increase or decrease in balance of provision is recognised to operating expenses for the year.

For securities listed on the Hanoi Stock Exchange and Hochiminh Stock Exchange, the actual price on the market shall be the closing price on the latest trading date before the date of setting up the provision.

For traded registered securities (traded registered stocks on UPCoM), the actual price on the market shall be the closing price on the latest trading date before the date of setting up the provision.

For unlisted and unregistered securities, the actual price on the market which is a basis for provision shall be the average price of the actual transactions according to the quoting of 3 companies trading securities at the latest time of setting up provision but not more than one month before the date of setting up the provision.

For shares which have no price from the above sources, the Company will assess the impairment based on financial capacity and book value of the issuers as at 31 December 2015.

For delisted or suspended securities from the 6th trading date onwards, the actual securities price shall be the book value on the latest date of making the balance sheet.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

7. SHORT - TERM RECEIVABLES

Items	As at 31 December 2014			Movement		As at 31 December 2015		
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Provision
1. Receivables from customers	1,656,043,393	-	-	21,687,023,562	20,886,491,621	2,456,575,334	280,500,000	(280,500,000)
2. Advances to suppliers	8,057,109,350	1,447,875,000	400,000,000	9,264,127,004	7,908,095,963	9,413,140,391	3,847,875,000	(4,247,875,000)
3. Receivables from securities trading activities	622,405,195,723	4,716,594,017	-	24,603,017,588,874	24,493,679,300,159	731,743,484,438	4,716,594,017	(4,716,594,017)
- Receivables from Stock Exchange	79,337	-	-	281,703,786	74,885,843	208,897,280	-	-
- Receivables from customers for transaction fees and custody fees	2,028,557,767	-	-	110,438,640,325	110,232,564,818	2,234,633,274	-	-
- Receivables from customers for margin activities	444,467,527,806	4,473,358,017	-	6,990,194,965,474	6,830,242,132,303	604,420,360,977	4,473,358,017	(4,473,358,017)
- Receivables from customers for advance activities	175,605,024,013	-	-	17,502,102,279,289	17,553,129,717,195	124,577,586,107	-	-
- Receivables from customers for other trading activities	304,006,800	243,236,000	-	-	-	304,006,800	243,236,000	(243,236,000)
4. Other receivables	25,731,861,904	11,129,618,699	-	155,929,982,695	152,986,168,551	28,675,676,048	11,129,618,699	(11,129,618,699)
- Deposit interests	7,509,381,734	-	-	30,136,978,826	25,156,396,558	12,469,964,002	-	-
- Dividend	49,389,300	-	-	9,961,551,600	10,006,651,500	4,289,400	-	-
- Bond interests	7,027,643,837	-	-	20,515,342,469	23,616,000,000	3,926,986,306	-	-
- Other receivables	11,145,447,033	11,129,618,699	-	95,316,109,800	94,207,120,493	12,254,436,340	11,129,618,699	(11,129,618,699)
<b>Total short-term receivables</b>	<b>657,850,210,370</b>	<b>17,294,087,716</b>	<b>400,000,000</b>	<b>24,789,898,722,135</b>	<b>24,675,460,056,294</b>	<b>772,288,876,211</b>	<b>19,974,587,716</b>	<b>(20,374,587,716)</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

## 8. TANGIBLE FIXED ASSETS

	<i>Machinery and equipment VND</i>	<i>Vehicle VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
<b>Cost:</b>				
As at 1 January 2015	22,135,451,703	3,663,287,623	659,634,771	26,458,374,097
New purchase	786,806,948	1,072,099,444	-	1,858,906,392
Disposal	(443,755,730)	(471,111,900)	-	(914,867,630)
Reclassification	(83,628,500)	-	83,628,500	-
As at 31 December 2015	22,394,874,421	4,264,275,167	743,263,271	27,402,412,859
<b>Accumulated depreciation:</b>				
As at 1 January 2015	19,049,162,426	3,167,151,380	659,634,771	22,875,948,577
Depreciation for the year	2,254,039,453	322,951,122	27,876,168	2,604,866,743
Disposal	(443,755,730)	(471,111,900)	-	(914,867,630)
Reclassification	(10,041,415)	-	10,041,415	-
As at 31 December 2015	20,849,404,734	3,018,990,602	697,552,354	24,565,947,690
<b>Net carrying amount:</b>				
As at 1 January 2015	3,086,289,277	496,136,243	-	3,582,425,520
As at 31 December 2015	1,545,469,687	1,245,284,565	45,710,917	2,836,465,169

## 9. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>	<i>Others VND</i>	<i>Total VND</i>
<b>Cost:</b>			
As at 1 January 2015	7,502,928,184	2,967,788,256	10,470,716,440
New purchase	-	-	-
Disposal	-	-	-
As at 31 December 2015	7,502,928,184	2,967,788,256	10,470,716,440
<b>Accumulated amortization:</b>			
As at 1 January 2015	7,305,612,511	2,617,703,377	9,923,315,888
Amortization for the year	159,745,524	276,990,456	436,735,980
As at 31 December 2015	7,465,358,035	2,894,693,833	10,360,051,868
<b>Net carrying amount:</b>			
As at 1 January 2015	197,315,673	350,084,879	547,400,552
As at 31 December 2015	37,570,149	73,094,423	110,664,572

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**10. LONG-TERM PREPAID EXPENSES**

	31 December 2015 VND	31 December 2014 VND
Prepaid operating leases	814,156,626	405,076,827
Tool expenses	4,345,432,533	1,607,157,049
Construction and equipment installment expenses	2,257,450,110	305,793,497
Other long-term prepaid expenses	348,206,668	19,112,357
	<b>7,765,245,937</b>	<b>2,337,139,730</b>

**11. DEPOSITS TO SETTLEMENT ASSISTANCE FUND**

The deposit to the Settlement Assistance Fund represents the amounts of money deposited at Vietnam Securities Depository.

In accordance with Decision No.27/QĐ-VSD dated 22 April 2010 by Chief Executive Officer of Vietnam Securities Depository on Guideline for Securities Clearing and Settlement and Decision No. 102/QĐ-VSD dated 14 July 2010 amending and supplementing Decision No.27/QĐ-VSD, the Company is obligated to deposit an initial amount of VND 120 million to the Settlement Assistance Fund and contribute annually to the Fund an additional amount equal to 0.01% of total value of the securities traded at the Stock Exchanges (under the Company's brokerage services) of the previous year, but not exceed VND 2.5 billion/year. The maximum deposit applicable to the Company to the Settlement Assistance Fund is VND 20 billion.

The movement of the deposit to the Settlement Assistance Fund during the period is as follows:

	2015 VND	2014 VND
Opening balance	19,453,261,222	16,902,340,251
Additional deposit	546,738,778	748,348,719
Interest during the period	1,181,760,379	1,802,572,252
<b>Ending balance</b>	<b>21,181,760,379</b>	<b>19,453,261,222</b>

**12. SHORT-TERM LOANS AND BORROWINGS**

The balance is an overdraft from bank which was settled in January 2016.

**13. TRADE PAYABLES**

	31 December 2015 VND	31 December 2014 VND
Payable to Bao Viet Holdings	2,849,338,011	2,682,434,396
Other trade payables	609,107,455	594,706,177
	<b>3,458,445,466</b>	<b>3,277,140,573</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

#### 14. PAYABLES RELATED TO SECURITIES TRADING ACTIVITIES

	31 December 2015 VND	31 December 2014 VND
Payables to the Stock Exchange	1,208,970,924	1,974,632,209
Payables to Vietnam Securities Depository	385,569,473	354,131,613
Customers' deposit for securities trading (Note 4)	438,540,761,398	481,947,004,983
	<b>440,135,301,795</b>	<b>484,275,768,805</b>

#### 15. PAYABLES TO SECURITIES ISSUERS

	31 December 2015 VND	31 December 2014 VND
Survey and Minerals One-member Limited Company	7,116,200,000	-
Nghe An Water Supply One-member Limited Company	4,250,492,000	-
Hanoi Valuation and Finance Services JSC	446,153,080	-
Infrastructure Investment and Transportation Construction JSC	322,000,000	-
Hanoi Housing development and Investment Corporation (HANHUD)	-	973,100,000
Ben Tre Forestry And Aquaproduct Import Export JSC	225,533,000	225,533,000
Kido - KDC JSC	135,000,000	135,000,000
Imexpharm – IMP JSC	113,460,000	113,460,000
Others	1,494,529,815	1,487,741,075
	<b>14,103,367,895</b>	<b>2,934,834,075</b>

#### 16. GOVERNMENT BOND REPURCHASE CONTRACTS

As at 31 December 2015, the Company had liabilities with joint stock commercial banks arising from Government bond repurchase contracts as follows:

	31 December 2015 VND	31 December 2014 VND
Bao Viet Joint Stock Commercial Bank	50,254,559,140	-
Vietnam Technological and Commercial Joint Stock Bank	65,287,306,787	-
	<b>115,541,865,927</b>	-

#### 17. OTHER PAYABLES

	31 December 2015 VND	31 December 2014 VND
Trade Union fee, social insurance and unemployment insurance benefit	843,407,495	921,113,516
Other payables	1,366,443,427	1,396,061,540
	<b>2,209,850,922</b>	<b>2,317,175,056</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**18. OWNER'S EQUITY**

**18.1 Contributed charter capital**

	31 December 2015	31 December 2014
The parent company	432,811,930,000	432,811,930,000
Other shareholders	289,375,440,000	289,375,440,000
<b>Total</b>	<b>722,187,370,000</b>	<b>722,187,370,000</b>

The contributed charter capital by shareholders excludes 15,200 treasury shares (equivalent to the par value of VND 152,000,000) repurchased by the Company.

**18.2 Shares**

	31 December 2015	31 December 2014
Number of shares allowed to issue	72,233,937	72,233,937
Number of shares issued	72,233,937	72,233,937
- Ordinary shares	72,233,937	72,233,937
- Preference shares	-	-
Number of treasury shares	15,200	15,200
Number of shares under circulation	72,218,737	72,218,737
- Ordinary shares	72,218,737	72,218,737
- Preference shares	-	-

Face value of each share is 10,000 VND.

On 13 December 2006, the Company's shares were officially traded on Hanoi Stock Exchange pursuant to an approval in Decision No. 51/QĐ-TTGDHN dated 30 November 2006 issued by Hanoi Stock Exchange.

**18.3 Reserves**

	Opening balance VND	Increase VND	Decrease VND	Ending balance VND
Additional reserve fund of charter capital	14,322,179,098	4,486,549,289	-	18,808,728,387
Operational risk and Financial reserve fund	14,322,179,098	4,486,549,289	-	18,808,728,387
	<b>28,644,358,196</b>	<b>8,973,098,578</b>	<b>-</b>	<b>37,617,456,774</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**19. REVENUE**

	2015 VND	2014 VND
<b>1. Revenue</b>		
Brokerage services	84,023,709,261	108,679,704,730
Securities investment and other investment activities	53,216,596,270	61,025,574,026
Securities issuance agency services	1,028,025,755	77,928,484
Advisory services	9,490,733,596	5,537,945,455
Custody services	3,694,319,217	3,278,191,104
Auction trust services	30,810,299	61,934,215
Others	135,695,261,513	126,682,521,098
- <i>Interest income</i>	35,716,664,469	46,070,087,690
- <i>Income from margin trading service</i>	62,022,578,636	43,988,251,289
- <i>Income from cash advance of the stock services</i>	22,356,148,850	26,631,530,014
- <i>Others</i>	15,599,869,558	9,992,652,105
<b>2. Deductions</b>	-	-
<b>3. Net revenue</b>	<b>287,179,455,911</b>	<b>305,343,799,112</b>

**20. OPERATING EXPENSES**

	2015 VND	2014 VND
Brokerage service expenses	79,443,343,024	81,459,801,720
Expenses for securities investment and other investment activities	20,796,742,868	24,086,793,523
Expenses for underwriting and securities issuance agency services	133,263,604	51,873,271
Expenses for securities custody services	9,118,820,635	8,746,071,297
Expenses for investment advisory services	7,758,484,603	6,290,146,096
Expenses for analysis activities	6,513,283,317	6,994,483,670
Reversal of provision for investment impairment	(18,642,386,572)	(13,811,851,335)
Other operating expenses	729,204,013	619,840,982
	<b>105,850,755,492</b>	<b>114,437,159,224</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

	2015 VND	2014 VND
Administrative employee expenses	33,255,956,064	32,900,930,524
Tool and office expenses	1,063,004,746	856,155,827
Depreciation expenses	1,681,598,632	3,171,782,494
Expenses of external services	16,096,177,231	15,387,735,682
Other expenses	6,233,881,294	6,781,512,858
Provision expenses for doubtful debts	2,680,500,000	-
	<b>61,011,117,967</b>	<b>59,098,117,385</b>

**22. STATUTORY OBLIGATIONS**

**22.1 Statutory obligations**

	31 December 2015 VND	31 December 2014 VND
Value added tax	110,274,372	204,429,075
Corporate income tax	946,200,687	-
Personal income tax	2,988,443,407	3,446,130,830
Other taxes	152,751,131	152,652,607
	<b>4,197,669,597</b>	<b>3,803,212,512</b>

Movements of statutory obligations of the Company for the year ended 31 December 2015 are presented below:

No	Item	01 January 2015 VND	Payables in the year VND	Settled amount in the year VND	31 December 2015 VND
I	<b>Taxes</b>	<b>3,803,212,512</b>	<b>40,254,935,823</b>	<b>(39,860,478,738)</b>	<b>4,197,669,597</b>
1	Value added tax	204,429,075	1,958,592,676	(2,052,747,379)	110,274,372
2	Corporate income tax (*)	-	4,219,443,989	(3,273,243,302)	946,200,687
3	Other taxes	3,598,783,437	34,076,899,158	(34,534,488,057)	3,141,194,538
	Personal Income Tax of employees	661,771,761	5,956,857,380	(5,823,983,765)	794,645,376
	Personal Income Tax of customers	2,784,359,069	25,958,978,758	(26,549,539,796)	2,193,798,031
	Other taxes	152,652,607	2,161,063,020	(2,160,964,496)	152,751,131
		<b>3,803,212,512</b>	<b>40,254,935,823</b>	<b>(39,860,478,738)</b>	<b>4,197,669,597</b>

(\*) During the year, the Company net off corporate income tax amount that the Company overpaid in 2008 against corporate income tax payable incurring in the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**22. STATUTORY OBLIGATIONS** (continued)

**22.1 Statutory obligations** (continued)

***Value added tax***

Deduction method is applied to the Company in calculating value added tax ("VAT"). The operating activities in securities dealings which are exempted from VAT include:

- ▶ Securities brokerage;
- ▶ Self-trading securities;
- ▶ Underwriting and issuance agency;
- ▶ Securities Investment advisory; and
- ▶ Custodian services.

**22.2 Corporate income tax**

The Company has the obligation to pay Corporate Income Tax ("CIT") at the rate of 22% of taxable profits.

The tax returns filed by the Company are subject to examination by the tax authorities. Because the application of tax laws and regulations is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

***Current corporate income tax***

The current tax payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

	2015 VND	2014 VND
<b>Profit before tax</b>	<b>120,324,624,019</b>	<b>131,642,224,052</b>
Adjustments to increase/(decrease) accounting profit	(15,743,015,551)	(17,939,436,613)
- Income from CIT exempted activities – Dividends	(9,955,557,600)	(8,926,506,272)
- Other decreases	(5,787,457,951)	(9,012,930,341)
<b>Adjusted profit</b>	<b>104,581,608,468</b>	<b>113,702,787,439</b>
Tax loss carried forward	(85,402,317,610)	(113,702,787,439)
<b>Estimated current taxable profit</b>	<b>19,179,290,858</b>	<b>-</b>
<b>Income tax expense for the year</b>	<b>4,219,443,989</b>	<b>-</b>
<b>CIT prepayment at beginning of the year</b>	<b>(3,273,243,302)</b>	<b>(3,273,243,302)</b>
CIT paid during the year	-	-
<b>CIT payable/(prepayment) at the end of the year</b>	<b>946,200,687</b>	<b>(3,273,243,302)</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**22. STATUTORY OBLIGATIONS (continued)**

**22.2 Current corporate income tax (continued)**

***Tax loss carried forward***

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company has no accumulated tax losses available for offset against future taxable profits.

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss VND</i>	<i>Utilized up to 31 December 2015 (*) VND</i>	<i>Unutilized at 31 December 2015 VND</i>
2010	2015	(101,013,048,539)	101,013,048,539	-
2011	2016	(98,855,956,510)	98,855,956,510	-
		<b>(199,869,005,049)</b>	<b>199,869,005,049</b>	-

(\*) The Company temporarily offset profit during the period with accumulated loss transferred. The offset will probably be revised later based on finalization by tax authority.

**23. TRANSACTIONS WITH RELATED PARTIES**

Related party transactions include all transactions undertaken with other entities to which the Company is related. Parties are considered to be related 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. A party is deemed a related party to the Company if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
  - controls, is controlled by, or is under common control with, the Company (this includes parents and subsidiaries);
  - has an interest in the Company that gives it significant influence over the Company;
  - has joint control over the Company.
- (b) The party is a joint venture, associate in which the Company is a venturer, associate;
- (c) The party is a member of the key management personnel of the Company or its parent;
- (d) The party is a close member of the family of any individual referred to in (a) or (c);
- (e) The party is a company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such the Company resides with, directly or indirectly, any individual referred to in (c) or (d).



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**23. TRANSACTIONS WITH RELATED PARTIES (continued)**

Significant transactions with related parties during the year were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>2015 VND</i>	<i>2014 VND</i>
Bao Viet Holdings	Parent company	Custody fee	194,856,967	211,286,552
		Securities trading fee	130,744,612	195,903,136
		Office rental	(7,486,023,768)	(7,267,513,645)
		Price quotation fee	52,500,000	62,500,000
		Consulting fee	278,000,000	40,000,000
		Dividend payment fee	132,000,000	-
		Shareholders register management fee	44,000,000	-
		IT expenses	(2,694,231,519)	(2,527,327,965)
Bao Viet Life Corporation	Subsidiary of Bao Viet Holdings	Securities trading fee	5,262,753,695	6,826,041,971
		Custody fee	426,905,304	321,531,036
		Office rental	(3,008,016,000)	(3,008,016,000)
Bao Viet Life Corporation - Hanoi	Subsidiary of Bao Viet Holdings	Office rental	(498,000,000)	(498,000,000)
		Insurance fee	(2,886,731,000)	-
Bao Viet Insurance Corporation	Subsidiary of Bao Viet Holdings	Securities trading fee	786,899,960	784,844,639
		Custody fee	28,822,471	19,802,191
Bao Viet Insurance Corporation - Hanoi	Subsidiary of Bao Viet Holdings	Office rental	(95,850,000)	(127,800,000)
		Healthcare insurance	(989,353,329)	(893,078,399)
Bao Viet Fund Management Company	Subsidiary of Bao Viet Holdings	Custody fee	193,318,520	172,430,240
		Securities trading fee	85,020,836	58,094,129
Bao Viet Invest Joint Stock Company	Subsidiary of Bao Viet Holdings	Building management fee	(1,602,859,509)	(1,679,734,654)
		Office rental	(5,165,365,502)	(5,001,792,895)

*Terms and conditions of transactions with related parties*

The Company renders services to related parties at the Company's normal prices. Outstanding balances at the period-end are unsecured, interest free and will be settled in cash. For the year ended 31 December 2015, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**23. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to/from related companies at the balance sheet date were as follows:

Related parties	Relationship	Descriptions	Receivables/(Payables)	
			31 December 2015 VND	31 December 2014 VND
Bao Viet Holdings	Parent Company	Shareholders Register management fee	44,000,000	-
		Custody fee	91,794,601	123,047,437
		Price quotation fee	-	17,500,000
		Dividend payment fee	132,000,000	-
		IT expenses	(2,694,231,519)	(2,527,327,965)
		Other expenses	(155,106,492)	(155,106,492)
Bao Viet Life Corporation	Subsidiary of Bao Viet Holdings	Electricity expense	-	(44,560,314)
Bao Viet Insurance Corporation	Subsidiary of Bao Viet Holdings	Healthcare insurance	(315,007,140)	(295,956,198)
Bao Viet Fund Management Company	Subsidiary of Bao Viet Holdings	Custody fee	183,471,722	149,495,956
Bao Viet Invest Joint Stock Company	Subsidiary of Bao Viet Holdings	Electricity expense	(76,300,396)	(178,620,328)

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

	2015 VND	2014 VND
Salary and bonus for the Board of Management	5,185,634,675	4,307,048,940
Salary and bonus for the Board of Directors and the Board of Supervisors (*)	1,758,465,000	1,267,111,111
	<b>6,944,099,675</b>	<b>5,574,160,051</b>

(\*) Salary, bonus and remuneration for the Board of Management, the Board of Directors and the Board of Supervisors for the year ended 31 December 2015 including (i) the amount incurring in 2015, (ii) the withholding amount of 2014 and finalized in 2015, and (iii) 2014 performance bonus, which were approved by the General Meeting of Shareholders in accordance with Resolution No. 01/2015/NQ-DHDCD-BVSC dated 15 April 2015. Salary and bonus for the Board of Directors and the Board of Supervisors for the year ended 31 December 2015 includes salary and bonus for full-time member of the Board of Directors.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**24. 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 by the weighted average number of ordinary shares outstanding during the year.

The company has not computed or presented diluted earnings per share because there is no dilutive potential shares.

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

	2015	2014 (restated (*))
	VND	VND
Net profit after tax	116,105,180,030	131,642,224,052
Appropriation to Bonus and Welfare Fund (**)	-	(6,582,111,203)
Profit for appropriation to ordinary shareholders	116,105,180,030	125,060,112,849
Average number of ordinary shares in circulation during the year	72,218,737	72,218,737
Basic earnings per share	1,608	1,732

(\*) The corresponding figures are restated as taking into account the impact of creating Bonus and Welfare Fund from profit after tax in 2014 according to the Resolution of the 2015 Annual General Meeting of Shareholders on net profit after tax attributable to ordinary equity holders for basic earnings.

(\*\*) For the year ended 31 December 2015, the Company has not yet recorded appropriation of net profit after-tax of 2015 but will adopt Resolutions of Annual General Meeting of Shareholders planned to be held in Quarter II of 2016.

**25. OTHER INFORMATION**

**25.1 Operating lease commitments**

	31 December 2015 VND	31 December 2014 VND
Payable for due operating lease:		
Less than one year	17,761,956,043	17,368,307,536
From one to five years	24,356,333,790	18,228,863,216
<b>Total minimum lease payment under operating lease contracts</b>	<b>42,118,289,833</b>	<b>35,597,170,752</b>

**25.2 Other commitments**

*Payment guarantees*

In its normal business, the Company has co-operated with commercial banks/finance companies in granting loans to customers to finance their purchase of trading securities. According to the co-operation contracts, the Company manages the customers' collaterals, being their cash and securities deposited in their accounts at the Company, on behalf of the banks/finance companies. The Company is entitled to a management fee for this service. In the case that customers cannot fulfill their repayment obligations, banks/finance companies reserve their right to deduct the Company's accounts at these banks/finance companies and in return, the Company will have the right to foreclose customers' collaterals.

Balance of the loans to customers of which the Company has been managing collaterals and providing payment guarantees as at 31 December 2015 was VND 331,760,211,021.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

BVSC has established the Risk Management Council (RMC) to provide the framework and implementation of risk management, to advise and assume the responsibility to General Director for risk management activities at BVSC.

Risk management activities are implemented consistently from the Board of Directors (BOD), the Board of Management, Head of Departments to all employees. In May 2013, a member of the BOD has been appointed to: periodically review risk management policies, risk limits; timely resolve the limitations of risk management activities based on General Director's reports; review and assess the efficiency and effectiveness of risk management function at BVSC.

At the executive level, in additions to the routine activities of the Risk Management Committee maintained since 2011, BVSC has also followed guidance of the SSC on the establishment and operation of the risk management system, specified in Decision 105/2013/UBCK. The Company established Risk Management Department to carry out risk management and be responsible to the General Director for risk management activities at BVSC. The Company has issued risk management policy, risk limits, risk management procedures to carry out risk management properly and effectively.

In addition to risk management activities, BVSC has established ALCO which is responsible for advising the Board of Management on Asset and Liability Management. ALCO Committee has operated periodically since 2011.

The priority aim of BVSC is to maintain adequate funds to support business growth and ensure the payment capability according to prevailing regulations. BVSC continually met the full requirement of funding in the year.

Risk management activities are monitored, reported monthly by Risk Department. Quarterly, Risk Management Council meets to review risks during the period, and acknowledge timely the volatility of the market and company's business activities in general as well as the risks affecting financial instruments in particular.

The Company is exposed to 3 types of risk: market risk, credit risk and liquidity risk in its normal operation.

Management reviewed and concurred to the policies for managing each of these risks which are summarized below.

**26.1 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 the Company does not hold foreign currency as at 31 December 2015. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments and loans & receivables investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### 26.1 Market risk (continued)

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate in accordance with changes in market interest rates. The financial instruments of BVSC which are exposed to interest rate risk are term deposit, bonds, loans & borrowings, repo transactions and margin activities. Interest rate risk of bond investments is assessed low as the bonds held by the Company have fixed coupon rate. Interest rate risk of term deposit is assessed below average as the downward tendency of interest rate risk has a direct impact on interest income. However, the Board of Management believes this risk is acceptable, considering the balance between liquidity, 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 earn interests that benefit the management of risk limits of the Company.

#### Equity price risk

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 Board of Directors reviews and approves all equity investment decisions in accordance with investment policy No.01/2015/QD-HDQT issued on 20 January 2015.

The Company's listed equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. Provision for impairment of listed securities is made when the market price is below its cost. Unlisted portfolio tends to decrease if the stock market suffers from a downturn. Therefore, if the market goes down, both listed & unlisted portfolios with the positive correlation lead to higher risk, which directly affects the business performance via impairment provision.

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 the recent years, BVSC decided to restructure the portfolio by selling unprofitable shares. As at 31 December 2015, the percentage of listed and unlisted securities is 18.58% of the Company's Owners Equity.

Scenario analysis is used to assess the impact of market volatility on P/L by building different scenarios. The analysis below shows the impact of listed portfolio volatility on P/L when stock exchange index move +/-10%.

	Change in market price	Impact on profit before tax VND
<b>31 December 2015</b>		
Scenario 1	+10%	2,992,742,509
Scenario 2	-10%	(7,064,008,313)
<b>31 December 2014</b>		
Scenario 1	+10%	5,381,733,086
Scenario 2	-10%	(6,621,010,069)

#### Market price risks within the margin trading portfolio

The stock market's high volatility may cause the total value of collateral assets to be lower than total loan to customers, which may cause liquidity risks on these customers.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**26.2 Credit risk**

Credit risk is the risk that a counterparty will not fulfill its obligations as defined in financial instruments or customer contracts, causing financial loss to the Company. The Company is exposed to credit risk from its operating activities including trade receivables, deposits with banks and margin loans.

*Bank deposits*

For the purpose of credit risk management, BVSC only deposits in banks which have the credit ratings in group 1 and 2 according to the internal assessment of Bao Viet Holdings. In addition, BVSC also complies with credit limit for each bank regulated by the Holdings to avoid concentration risk. In fact, BVSC have not yet suffered from any late or extended payment. The Company evaluates the concentration of credit risk in respect to bank deposit is low.

*Bonds*

BVSC owns government bonds and corporate bonds following the investment limits regulated by the Board of Directors. Every investment decision is made in accordance with the Company's investment procedures, in which the credit ratings and the solvency of issuer are assessed in detail with due care. The Company is exposed to the risk relating to the issuer's capability of repaying interest and principal and collateral foreclosing in the case of default. Government bonds are less risky than corporate bonds as these bonds are guaranteed by the Government.

*Margin transactions*

The company has developed a policy for credit rating and classifying customers to manage this type of risk. This policy is conducted by analyzing and assessing customers' history of transaction value, the information on customers' credibility and compliance while conducting transactions with the Company as well as with other securities companies (if any). All customers must be assessed before granting margin limits and negotiating terms in the margin contracts. In addition, the Company regularly revisits the assessment and customer classification to ensure the information is updated and credit risks for these transactions are minimized.

Besides, the Company also holds a large number of customers' shares as collaterals in providing margin service. In order to manage such collaterals as well as hedging against double risk arising from the volatility in market price and concentration risk from various customers, the Company has set up policy on the management of the allowed collaterals as well as the limit on each securities accepted as collateral. These portfolios are built from the analysis and assessment of such factors as: volatility in share price, the liquidation of each share in a month, etc. Such portfolios are complied with Decision No.09/QD-UBCK dated 08 January 2013 issued by the State Securities Commission amending the regulation guiding the margin trading of securities.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**26.2 Credit risk (continued)**

Credit risk is also managed by building a set of margin ratios and procedures for handling collaterals in order to recover the money in case the customers' credit ratings decreased or the customers fail to provide additional collaterals or repay the loans at maturity.

With consistent risk management policy, these margin transactions are assessed as average credit risk.

Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2015 are as follows:

Currency: VND

	Neither past due nor impaired	Past due but not impaired				Total
		less than 3 months	3 – 6 months	6 – 12 months	over 1 year	
<b>31 December 2015</b>						
<b>Fixed maturity investments</b>	<b>251,873,887,749</b>	-	-	-	-	<b>251,873,887,749</b>
Bonds	123,765,236,306	-	-	-	-	123,765,236,306
Term deposit contracts	128,108,651,443	-	-	-	-	128,108,651,443
<b>Other financial assets</b>	<b>739,411,513,704</b>	-	-	-	-	<b>739,411,513,704</b>
Deposits to Settlement Assistance Fund	21,181,760,379	-	-	-	-	21,181,760,379
Dividend receivables	4,289,400	-	-	-	-	4,289,400
Receivables from securities trading	732,459,741,630	-	-	-	-	732,459,741,630
Others	6,951,772,074	-	-	-	-	6,951,772,074
<b>Cash and cash equivalents</b>	<b>764,643,744,732</b>	-	-	-	-	<b>764,643,744,732</b>
<b>TOTAL</b>	<b>1,755,929,146,185</b>	-	-	-	-	<b>1,755,929,146,185</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**26.2 Credit risk (continued)**

Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2014 are as follows:

Currency: VND

	Neither past due nor impaired	Past due but not impaired				Total
		less than 3 months	3 – 6 months	6 – 12 months	over 1 year	
<b>31 December 2014</b>						
<b>Fixed maturity investments</b>	<b>249,572,041,460</b>	-	-	-	-	<b>249,572,041,460</b>
Bonds	177,024,597,016	-	-	-	-	177,024,597,016
Term deposit contracts	72,547,444,444	-	-	-	-	72,547,444,444
<b>Other financial assets</b>	<b>639,905,527,146</b>	-	-	-	-	<b>639,905,527,146</b>
Deposits to Settlement Assistance Fund	19,453,261,222	-	-	-	-	19,453,261,222
Dividend receivables	49,389,300	-	-	-	-	49,389,300
Receivables from securities trading	617,688,601,707	-	-	-	-	617,688,601,707
Other receivables	2,714,274,917	-	-	-	-	2,714,274,917
<b>Cash and cash equivalents</b>	<b>710,556,071,690</b>	-	-	-	-	<b>710,556,071,690</b>
<b>TOTAL</b>	<b>1,600,033,640,296</b>	-	-	-	-	<b>1,600,033,640,296</b>

**Neither past due or 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 FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**26.3 Liquidity risk**

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to the shortage of funds. 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 activity. Besides, liquidity risk may occur when the securities used as collateral in margin trading cannot be liquidated due to the shortage of market demand. The Company strictly follows regulations from authorities and internal policies on margin trading in order to mitigate liquidity risk.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2015 based on contractual undiscounted payments:

Contractual undiscounted payments:							Unit: million VND
31 December 2015	No maturity date	Up to 1 year	01-03 years	03-05 years	05-15 years	Over 15 years	Total
<b>FINANCIAL ASSETS</b>							
Investments	314,041	142,396	42,160	18,800	122,450	-	639,847
Bonds	-	11,080	42,160	18,800	122,450	-	194,490
Term deposits	-	131,316	-	-	-	-	131,316
Equity investments	314,041	-	-	-	-	-	314,041
Other financial assets	21,182	739,416	-	-	-	-	760,598
Deposits to Settlement Assistance Fund	21,182	-	-	-	-	-	21,182
Dividend receivables	-	4	-	-	-	-	4
Receivables from securities trading	-	732,460	-	-	-	-	732,460
Other	-	6,952	-	-	-	-	6,952
Cash and cash equivalents	-	764,644	-	-	-	-	764,644
TOTAL	335,223	1,646,456	42,160	18,800	122,450	-	2,165,089
<b>FINANCIAL LIABILITIES</b>							
Short-term borrowings	-	615,446	-	-	-	-	615,446
Accrued expenses	-	29,151	-	-	-	-	29,151
Payables from securities trading	-	1,252	-	-	-	-	1,252
Other payables	-	440,069	-	-	-	-	440,069
	-	144,974	-	-	-	-	144,974
TOTAL	-	615,446	-	-	-	-	615,446



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**26.3 Liquidity risk (continued)**

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2014 based on contractual undiscounted payments:

31 December 2014	No maturity date	Up to 1 year	01-03 years	03-05 years	05-15 years	Over 15 years	Total
Unit: million VND							
FINANCIAL ASSETS							
Investments	262,346	265,208	22,160	40,480	131,850	-	722,044
Bonds	-	69,960	22,160	40,480	131,850	-	264,450
Term deposits	-	195,248	-	-	-	-	195,248
Equity investments	262,346	-	-	-	-	-	262,346
Other financial assets	19,453	620,452	-	-	-	-	639,905
Deposits to Settlement Assistance Fund	19,453	-	-	-	-	-	19,453
Dividend receivables	-	49	-	-	-	-	49
Receivables from securities trading	-	617,689	-	-	-	-	617,689
Other receivables	-	2,714	-	-	-	-	2,714
Cash and cash equivalents	-	710,556	-	-	-	-	710,556
TOTAL	281,799	1,596,216	22,160	40,480	131,850	-	2,072,505
FINANCIAL LIABILITIES							
Accrued expenses	-	657	-	-	-	-	657
Payables from securities trading	-	484,042	-	-	-	-	484,042
Other payables	-	17,884	-	-	-	-	17,884
TOTAL	-	502,583	-	-	-	-	502,583

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



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**27. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210/2009/TT-BTC**

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance on the adoption of the International Financial Reporting Standards in Vietnam for the presentation and disclosures of financial instruments ("Circular 210") which is effective from financial years beginning on or after 1 January 2012. Circular 210 provides definitions of financial instruments which include financial assets and financial liabilities, derivative instruments, equity instruments as well as prescribes the classification, presentation and disclosures of these instruments.

As Circular 210 only prescribes the presentation of the financial statements and the disclosures of financial instruments, definitions of financial assets and financial liabilities and definitions of related items as disclosed as following are only applicable in this Note. The financial assets and liabilities of the Company are still recognized and accounted for in accordance with Vietnamese Accounting Standards and System and accounting policies applicable for securities companies in accordance with Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 providing amendment and addition to Circular No. 95/2008/TT-BTC and statutory requirements relevant to presentation and presentation of financial statements.

**Financial assets**

The Company's financial assets within the scope of Circular 210 comprise cash and cash equivalents, term deposits, long-term investment, held for trading securities, investment securities and receivables.

Financial assets in accordance with Circular 210 are classified, for disclosures in the notes to the financial statements, as one of the belows:

***Financial asset at fair value through profit or loss:***

Financial asset at fair value through profit and loss is a financial asset that meets 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, it is designated by the entity as at fair value through profit or loss.

***Held-to-maturity investments***

Held-to-maturity 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:

- a) those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) those that the entity designates as available-for-sale; and
- c) those meet the definition of loans and receivables.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**27. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210/2009/TT-BTC (continued)**

**Financial assets** (continued)

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) those that the entity upon initial recognition designates as available-for-sale; or
- c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available-for-sale.

***Available-for-sale financial assets***

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as:

- a) loans and receivables,
- b) held-to-maturity investments, or
- c) financial assets at fair value through profit or loss.

**Financial liabilities**

According to the Circular 210, financial liabilities of the Company includes payables relating to securities activities, accrued expense and other payables.

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, are classified into either of the followings:

***Financial liability at fair value through profit or loss:***

Financial liability at fair value through profit and loss is a financial liability that meets either of the following conditions:

- a) It is classified as held for trading. A financial liability 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, it is designated by the entity as at fair value through profit or loss.

***Financial liabilities at amortized cost***

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**27. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210/2009/TT-BTC (continued)**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements as at 31 December 2015:

	Book value VND	Provision for impairment VND	Total VND	Fair value VND
<b>31 December 2015</b>				
<b>FINANCIAL ASSETS</b>				
<b>Fixed maturity investments</b>	<b>251,873,887,749</b>	-	<b>251,873,887,749</b>	<b>259,902,123,878</b>
Available-for-sale – Debt securities	73,707,723,292	-	73,707,723,292	80,806,153,903
Loans and receivables – Debt securities	50,057,513,014	-	50,057,513,014	51,320,234,416
Loans and receivables – Term deposit contracts	128,108,651,443	-	128,108,651,443	127,775,735,559
<b>Equity investments</b>	<b>421,502,397,722</b>	<b>(107,461,426,499)</b>	<b>314,040,971,223</b>	<b>330,051,942,241</b>
Available-for-sale	166,017,496,740	(92,604,960,957)	73,412,535,783	73,413,755,523
Fair value through profit and loss	255,484,900,982	(14,856,465,542)	240,628,435,440	256,638,186,718
<b>Other financial assets</b>	<b>795,762,071,348</b>	<b>(35,164,507,865)</b>	<b>760,597,563,483</b>	<b>760,597,563,483</b>
Deposits to Settlement Assistance Fund	21,181,760,379	-	21,181,760,379	21,181,760,379
Dividend receivables	4,289,400	-	4,289,400	4,289,400
Receivables from securities trading	737,176,335,646	(4,716,594,016)	732,459,741,630	732,459,741,630
Other receivables	37,399,685,923	(30,447,913,849)	6,951,772,074	6,951,772,074
<b>Cash and cash equivalents</b>	<b>764,643,744,732</b>	-	<b>764,643,744,732</b>	<b>764,643,744,732</b>
<b>TOTAL</b>	<b>2,233,782,101,551</b>	<b>(142,625,934,364)</b>	<b>2,091,156,167,187</b>	<b>2,115,195,374,334</b>
<b>FINANCIAL LIABILITIES</b>	<b>615,445,044,929</b>	-	<b>615,445,044,929</b>	<b>615,445,044,929</b>
Short-term loans and borrowings	29,150,839,917	-	29,150,839,917	29,150,839,917
Accrued expenses	1,251,727,954	-	1,251,727,954	1,251,727,954
Payables from securities trading	440,135,301,795	-	440,135,301,795	440,135,301,795
Other payables	144,907,175,263	-	144,907,175,263	144,907,175,263
<b>TOTAL</b>	<b>615,445,044,929</b>	-	<b>615,445,044,929</b>	<b>615,445,044,929</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**27. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210/2009/TT-BTC (continued)**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements as at 31 December 2014:

	Book value VND	Provision for impairment VND	Total VND	Fair value VND
<b>31 December 2014</b>				
<b>FINANCIAL ASSETS</b>				
<b>Fixed maturity investments</b>	<b>249,572,041,460</b>	<b>-</b>	<b>249,572,041,460</b>	<b>261,781,354,375</b>
Available-for-sale – Debt securities	73,694,189,044	-	73,694,189,044	81,932,783,157
Loans and receivables – Debt securities	103,330,407,972	-	103,330,407,972	106,926,730,433
Loans and receivables – Term deposit contracts	72,547,444,444	-	72,547,444,444	72,921,840,785
<b>Equity investments</b>	<b>388,407,368,107</b>	<b>(126,061,515,669)</b>	<b>262,345,852,438</b>	<b>281,007,425,392</b>
Available-for-sale	185,534,163,813	(103,627,458,640)	81,906,705,173	80,495,790,988
Fair value through profit and loss	202,873,204,294	(22,434,057,029)	180,439,147,265	200,511,634,404
<b>Other financial assets</b>	<b>674,831,832,413</b>	<b>(34,926,305,267)</b>	<b>639,905,527,146</b>	<b>639,905,527,146</b>
Deposits to Settlement Assistance Fund	19,453,261,222	-	19,453,261,222	19,453,261,222
Dividend receivables	49,389,300	-	49,389,300	49,389,300
Receivables from securities trading	622,405,195,723	(4,716,594,016)	617,688,601,707	617,688,601,707
Other receivables	32,923,986,168	(30,209,711,251)	2,714,274,917	2,714,274,917
<b>Cash and cash equivalents</b>	<b>710,556,071,690</b>	<b>-</b>	<b>710,556,071,690</b>	<b>710,556,071,690</b>
<b>TOTAL</b>	<b>2,023,367,313,670</b>	<b>(160,987,820,936)</b>	<b>1,862,379,492,734</b>	<b>1,893,250,378,603</b>
<b>FINANCIAL LIABILITIES</b>				
Accrued expenses	502,582,666,687	-	502,582,666,687	502,582,666,687
Payables from securities trading	657,058,746	-	657,058,746	657,058,746
Other payables	484,041,595,215	-	484,041,595,215	484,041,595,215
	17,884,012,726	-	17,884,012,726	17,884,012,726
<b>TOTAL</b>	<b>502,582,666,687</b>	<b>-</b>	<b>502,582,666,687</b>	<b>502,582,666,687</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2015 and for the year then ended

**27. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210/2009/TT-BTC (continued)**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

*The following method and assumption were used to estimate the fair values:*

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts less the provision for impairment largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2015, the Company does not have long-term receivables/ borrowings.

Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.


Fair value of available-for-sale financial assets is derived from quoted market prices in active markets, if available.


Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation.

Market information of financial assets and liabilities that can not be obtained as at the balance sheet date, cost is used.

**28. EVENTS AFTER THE BALANCE SHEET DATE**

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

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

  
Ms. Nguyen Hong Thuy  
Head of Financial  
Accounting Department

  
Mr. Nhu Dinh Hoa  
Chief Executive Officer



Hanoi, Vietnam

25 March 2016