

BANK FOR INVESTMENT AND DEVELOPMENT  
OF VIETNAM SECURITIES JOINT STOCK  
COMPANY

Số: 724 /2017/CV-BSC

SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness

**DISCLOSING INFORMATION ON THE WEBSITES OF THE STATE  
SECURITIES COMMISSION OF VIETNAM AND STOCK EXCHANGES**

To: - State Securities Commission of Vietnam  
- Ho Chi Minh City Stock Exchange  
- Hanoi Stock Exchange  
- National Financial Supervisory Commission

Company: Bank for Investment and Development of Vietnam Securities Joint  
Stock Company  
Securities Code: BSI  
Headquarter: Floor 1, 10, 11, BIDV Tower, 35 Hang Voi, Hoan Kiem, Ha Noi  
Phone: 04.393.52722  
Fax: 04.22200669  
Disclosed by: Mr. Do Huy Hoai  
Address: Floor 1, 10, 11, BIDV Tower, 35 Hang Voi, Hoan Kiem, Ha Noi  
Phone: 04.393.52722 (107)  
Fax: 04.22200669  
Type of disclosed information:  24h  72h  Request  Irregular  Periodic  
Information disclosed: Financial statements at 30 June 2017

• Such information was disclosed on **the website of the company** on July 20<sup>th</sup>, 2017 at the following link:

<https://www.bsc.com.vn/News/2016/7/18/572789.aspx>

• Explanation for changes in profit between Q2/2017 anhd Q2/2016:

Profit before tax in Quarter 2 of 2017 increased 3 times in comparison with profit after tax in Quarter 2 of 2016. It is contributed by positive trend of the stock market in Quarter 2 of 2017 thus profits from brokerage services, proprietary trading and margin lending increased sharply compared with Quarter 2 of 2016. In addition, due to the application of the accounting law effective from 1 January 2017, the Company recognized an increase in revaluation of financial assets in Quarter 2 of 2017 of nearly VND 31 billion.

We hereby commit that the above published information is true and take all responsibilities before the law for the content of the information published.



July 20<sup>th</sup>, 2017  
GENERAL DIRECTOR

TỔNG GIÁM ĐỐC

*Do Huy Hoai*



# **BIDV Securities Joint Stock Company**

Financial statements

30 June 2017

TY  
A  
HC  
DJ  
TF  
IAI

# BIDV Securities Joint Stock Company

## CONTENTS

	<i>Pages</i>
Statement of financial position	1 - 6
Income statement	7 - 9
Statement of cash flows	10 - 14
Statement of changes in owners' equity	15
Notes to the financial statements	16 - 60

STATEMENT OF FINANCIAL POSITION  
as at 30 June 2017

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,873,237,928,950</b>	<b>1,362,064,037,732</b>
<b>110</b>	<b>I. Financial assets</b>		<b>1,872,979,504,006</b>	<b>1,361,796,842,133</b>
111	1. Cash and cash equivalents	5	351,206,933,678	436,488,305,264
111.1	a. Cash		96,206,933,678	106,488,305,264
111.2	b. Cash equivalents		255,000,000,000	330,000,000,000
112	2. Financial assets at fair value through profit and loss (FVTPL)	7.1	939,717,545,728	358,921,518,262
113	3. Held-to-maturity (HTM) investments	7.2	120,000,000,000	77,024,023,168
114	4. Loans	7.3	466,179,327,300	471,678,060,306
116	5. Provision for impairment of financial assets and mortgage assets	7.4	(18,667,226,859)	(18,717,408,668)
117	6. Receivables	8	12,774,799,025	34,805,705,685
117.1	a. Receivables from disposal of financial assets		-	14,945,333,000
117.2	b. Receivables and accruals from dividend and interest income		12,774,799,025	19,860,372,685
117.4	- Accuals for dividend and interest income		12,774,799,025	19,860,372,685
118	7. Advanced payments to suppliers	8	102,500,000	-
119	8. Receivables from services provided by the Company	8	1,664,708,650	1,688,628,798
122	9. Other receivables	8	21,916,484	299,166,640
129	10. Provision for impairment of receivables	8	(21,000,000)	(391,157,322)
<b>130</b>	<b>II. Other current assets</b>	<b>9</b>	<b>258,424,944</b>	<b>267,195,599</b>
131	1. Advances		108,560,000	98,500,000
132	2. Office supplies, materials and tools		19,773,335	19,896,835
135	3. Value-added tax deductible		130,091,609	148,798,764

STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 March 2017

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>92,577,153,085</b>	<b>83,889,477,937</b>
<b>210</b>	<b>I. Long-term financial assets</b>	<b>7.2</b>	<b>50,337,581,289</b>	<b>50,311,795,942</b>
212	1. Investments		50,337,581,289	50,311,795,942
212.1	a. Held-to-maturity investments		50,337,581,289	50,311,795,942
<b>220</b>	<b>II. Fixed assets</b>		<b>7,652,019,692</b>	<b>8,297,959,432</b>
221	1. Tangible fixed assets	10	6,140,171,717	6,669,765,241
222	a. Cost		17,063,575,194	17,485,559,194
223a	b. Accumulated depreciation		(10,923,403,477)	(10,815,793,953)
227	2. Intangible fixed assets	11	1,511,847,975	1,628,194,191
228	a. Cost		2,782,980,000	2,782,980,000
229a	b. Accumulated amortization		(1,271,132,025)	(1,154,785,809)
<b>250</b>	<b>III. Other non-current assets</b>		<b>34,587,552,104</b>	<b>25,279,722,563</b>
251	1. Long-term deposits, collaterals and pledges		4,007,552,104	4,007,552,104
252	2. Long-term prepaid expenses	12	-	217,119,939
254	3. Deposits to Settlement Assistance Fund	13	30,580,000,000	21,055,050,520
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,965,815,082,035</b>	<b>1,445,953,515,669</b>

STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 March 2017

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>871,079,297,200</b>	<b>462,018,357,206</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>871,079,297,200</b>	<b>462,018,357,206</b>
311	1. Short-term borrowings and financial leases	14	585,000,000,000	249,500,000,000
312	a. Short-term borrowings		585,000,000,000	249,500,000,000
318	2. Payables for securities transaction activities	16	13,380,427,318	115,583,129,268
320	3. Short-term trade payables	17	5,201,429,024	4,073,893,672
321	4. Short-term advances from customers		1,992,011,176	1,737,669,723
322	5. Statutory obligations	18	19,643,357,761	13,939,361,258
323	6. Payables to employees		27,250,666,157	25,116,594,685
324	7. Employee benefits		468,440,829	3,754,346
325	8. Short-term accrued expenses	19	313,729,414	289,480,134
329	9. Other current liabilities	20	60,109,945,610	153,974,120
331	10. Bonus and Welfare fund		8,343,789,911	0
332	11. Repurchase agreements of Government bonds	15	149,375,500,000	51,620,500,000
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,094,735,784,835</b>	<b>983,935,158,463</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>21</b>	<b>1,094,735,784,835</b>	<b>983,935,158,463</b>
411	Share capital		902,432,863,457	902,432,863,457
411.1	Contributed capital		902,191,150,000	902,191,150,000
411.1a	Common shares		902,191,150,000	902,191,150,000
411.2	Share premium		241,713,457	241,713,457
414	Charter capital supplementary reserve		5,959,872,250	5,959,872,250
415	Operational risk and financial reserve		5,959,872,250	5,959,872,250
417	Undistributed profit		180,383,176,878	69,582,550,506
417.2	Realized profit		180,383,176,878	69,582,550,506
	<b>TOTAL OWNERS' EQUITY</b>		<b>1,094,735,784,835</b>	<b>983,935,158,463</b>
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,965,815,082,035</b>	<b>1,445,953,515,669</b>

STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 March 2017

OFF-BALANCE SHEET ITEMS

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
	<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS</b>			
001	1. Operating lease fixed assets	22.1	994,635,000	994,635,000
005	2. Foreign currencies	22.2		
	a. USD		228,235	253,967
	b. Euro		97	97
006	3. Outstanding shares	22.3	902,139,660,000	902,139,800,000
007	4. Treasury shares	22.3	51,490,000	51,350,000
008	5. Financial assets listed/registered at the VSD of the Company	22.4	654,137,150,000	269,180,790,000
008.1	a. Unrestricted financial assets		254,137,150,000	154,148,290,000
008.3	b. Mortgage financial assets		400,000,000,000	100,000,000,000
008.5	c. Financial assets awaiting settlement		-	15,032,500,000
009	6. The Company's non-traded financial assets deposited at the VSD	22.5	63,270,000	61,710,000
009.1	a. Unrestricted and non-traded financial assets deposited at the VSD		63,270,000	61,710,000
010	7. The Company's awaiting financial assets	22.6	98,519,950,000	100,492,000,000
012	8. The Company's financial assets which have not been deposited at the VSD	22.7	19,230,270,000	19,230,270,000

BIDV Securities Joint Stock Company

B01a-CTCK

STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 March 2017

OFF-BALANCE SHEET ITEMS (continued)

*Unit: quantity of securities*

Code	ITEMS	Notes	Ending balance	Beginning balance
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS</b>			
021	1. Investors' financial assets listed/registered at the VSD	22.8		
021.1	a. <i>Unrestricted financial assets</i>		1,764,261,149	1,538,412,183
021.2	b. <i>Restricted financial assets</i>		1,265,946,694	1,112,715,806
021.3	c. <i>Mortgage financial assets</i>		40,627,393	21,291,401
021.4	d. <i>Blocked financial assets</i>		310,170,856	305,242,308
021.5	e. <i>Financial assets awaiting settlement</i>		122,670,061	86,336,193
			24,846,145	12,826,475
022	2. Investors' non-traded financial assets deposited at the VSD	22.9		
022.1	a. <i>Unrestricted and non-traded financial assets deposited at the VSD</i>		27,127,382	24,264,256
022.2	b. <i>Restricted and non-traded financial assets deposited at the VSD</i>		22,460,734	24,134,915
022.4	c. <i>Blocked and non-traded financial assets deposited at the VSD</i>		119,001	84,101
			4,547,647	45,240
023	3. Investors' awaiting financial assets	22.10	10,947,384	12,267,335
025	4. Entitled financial assets of investors		23,612,846	17,462,935



BIDV Securities Joint Stock Company

B01a-CTCK

STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 March 2017

OFF-BALANCE SHEET ITEMS (continued)

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
026	5. Investors' deposits			
027	5.1 Investors' deposits for securities trading activities		470,874,713,540	272,265,430,245
028	5.2 Investors' collective deposits for securities trading activities	22.11	243,795,869,837	205,845,001,518
029	5.3 Investors' deposits for securities transaction clearing and settlement	22.11	208,131,739,230	51,663,201,830
029.1	a. Domestic investors' deposits for securities transaction clearing and settlement	22.11	65,283,170	63,924,953
029.2	b. Foreign investors' deposits for securities transaction clearing and settlement		64,278,842	62,922,146
030	5.4. Deposits of securities issuers	22.12	1,004,328 18,881,821,303	1,002,807 14,693,301,944
031	6. Payables to investors - investors' deposits for securities trading activities managed by the Company			
031.1	a. Payables to domestic investors	22.13	243,795,869,837	205,845,001,518
031.2	b. Payables to foreign investors		242,940,942,069 854,927,768	205,559,889,370 285,112,148
032	7. Payables to securities issuers	22.14	12,189,904,812	6,951,124,812
035	8. Payables for dividend, principal and interest from bonds	22.15	6,691,916,491	7,742,177,132

Prepared by:



Ms. Vu Thi Minh Nguyet  
Accountant

Approved by:



Ms. Tran Ngoc Diep  
Chief Accountant

Approved by:



Mr. Do Huy Hoai  
General Director



Hanoi, Vietnam

18 July 2017

BIDV Securities Joint Stock Company

B02a-CTCK

INCOME STATEMENT  
for the period ended 30 June 2017

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. OPERATING INCOME</b>			
01	1. Gain from financial assets at fair value through profit and loss (FVTPL)		106,451,075,214	63,521,721,943
01.1	a. Gain from disposal of financial assets at FVTPL	23.1	70,775,980,682	42,732,359,160
01.2	b. Gain from revaluation of financial assets at FVTPL	23.2	33,535,258,722	17,972,114,275
01.3	c. Dividend, interest income from financial assets at FVTPL	23.3	2,139,835,810	2,817,248,508
02	2. Gain from held-to-maturity (HTM) investments	23.3	13,505,496,230	7,642,193,974
03	3. Gain from loans and receivables	23.3	59,742,206,023	46,278,524,574
06	4. Income from brokerage services	23.4	85,799,820,480	60,980,842,239
07	5. Income from underwriting and issuance agent services	23.4	12,520,000,000	2,609,024,842
08	6. Income from securities investment advisory services	23.4	27,000,000	12,000,000
09	7. Income from securities custodian services	23.4	5,225,198,896	3,514,391,074
10	8. Income from advisory services	23.4	2,329,789,310	9,954,931,125
20	<b>Total operating income</b>		<b>285,600,586,153</b>	<b>194,513,629,771</b>
	<b>II. OPERATING EXPENSES</b>			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		3,895,632,550	30,136,750,317
21.1	a. Loss from disposal of financial assets at FVTPL	23.1	188,805,635	22,185,802,425
21.2	b. Loss from revaluation of financial assets at FVTPL	23.2	3,176,963,087	7,033,694,767
21.3	c. Transaction costs of acquisition of financial assets at FVTPL	24	529,863,828	917,253,125
22	2. Loss from held-to-maturity (HTM) investments		-	20,501,420
24	3. Provision expenses for diminution in value and impairment of financial assets, doubtful receivables and borrowing costs of loans	25	(50,181,809)	4,776,153,879
26	4. Expenses for proprietary trading activities		1,731,872,042	1,202,950,201
27	5. Expenses for brokerage services	25	55,248,771,063	43,485,130,300
28	6. Expenses for underwriting and issuance agent services		3,700,000,000	-
30	7. Expenses for securities custodian services	25	5,609,962,416	3,741,250,589
31	8. Expenses for advisory services	25	10,301,959,639	8,857,928,735
40	<b>Total operating expenses</b>		<b>80,438,015,901</b>	<b>92,220,665,441</b>
	<b>III. FINANCE INCOME</b>			
41	1. Realized and unrealized gain from differences foreign exchange		-	27,357,228
42	2. Non-fixed dividend and interest income		1,148,294,613	2,076,525,018
44	3. Other investment income		-	-
50	<b>Total finance income</b>	26	<b>1,148,294,613</b>	<b>2,103,882,246</b>

INCOME STATEMENT (continued)  
for the period ended 30 June 2017

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>IV. FINANCE EXPENSES</b>			
51	1. Unrealized loss from differences foreign exchange		5,446,458	100,358,423
52	2. Borrowing costs		27,243,257,576	26,004,690,109
55	3. Other financial expenses		7,700,000	40,165,686
<b>60</b>	<b>Total finance expenses</b>	<b>27</b>	<b>27,256,404,034</b>	<b>26,145,214,218</b>
<b>62</b>	<b>V. GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>28</b>	<b>39,213,051,962</b>	<b>34,420,208,720</b>
<b>70</b>	<b>VI. OPERATING PROFIT</b>		<b>139,841,408,869</b>	<b>43,831,423,638</b>
	<b>VII. OTHER INCOME AND EXPENSES</b>			
71	1. Other income		8,790,909	28,063,636
72	2. Other expenses		-	-
<b>80</b>	<b>Total other operating profit</b>	<b>29</b>	<b>8,790,909</b>	<b>28,063,636</b>
<b>90</b>	<b>VIII. PROFIT BEFORE TAX</b>		<b>139,850,199,778</b>	<b>43,859,487,274</b>
91	1. Realized profit		139,850,199,778	43,859,487,274
<b>100</b>	<b>IX. CORPORATE INCOME TAX (CIT) EXPENSES</b>	<b>30.1</b>	<b>19,896,573,406</b>	<b>-</b>
100.1	1. Current CIT expense		19,896,573,406	-
<b>200</b>	<b>X. PROFIT AFTER TAX</b>		<b>119,953,626,372</b>	<b>43,859,487,274</b>

INCOME STATEMENT (continued)  
for the period ended 30 June 2017

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
400	<b>Total comprehensive income</b>		<b>119,953,626,372</b>	<b>43,859,487,274</b>
401	1. Attributable to shareholders		119,953,626,372	43,859,487,274
402	2. Attributable to other entities		-	-
500	<b>XI. NET INCOME PER SHARE</b>		<b>119,953,626,372</b>	<b>43,859,487,274</b>
501	1. Earnings per share (VND/share)	34.4	1,330	486

Prepared by:



Ms. Vu Thi Minh Nguyet  
Accountant

Approved by:



Ms. Tran Ngoc Diep  
Chief Accountant

Approved by:




Mr. Do Huy Hoai  
General Director

Hanoi, Vietnam

18 July 2017

STATEMENT OF CASH FLOWS  
for the period ended 30 June 2017

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Net profit before tax</b>		<b>139,850,199,778</b>	<b>43,859,487,274</b>
02	<b>2. Adjustments for:</b>		<b>(41,745,357,721)</b>	<b>(20,648,933,930)</b>
03	Depreciation and amortization		926,208,740	732,903,946
04	Provision expenses		(420,339,131)	5,549,098,828
05	Unrealized gain from changes in foreign exchange rates		4,154,148	(1,334,287)
06	Finance expenses		27,243,257,576	26,004,690,109
08	Accrued interest income		(69,498,639,054)	(52,934,292,526)
10	<b>3. Increase in non-monetary expenses</b>		<b>3,176,963,087</b>	<b>7,033,694,767</b>
11	Loss from revaluation of financial assets at FVTPL		3,176,963,087	7,033,694,767
18	<b>Decrease in non-monetary income</b>		<b>(33,535,258,722)</b>	<b>(17,972,114,275)</b>
19	Gain from revaluation of financial assets at FVTPL		(33,535,258,722)	(17,972,114,275)
30	<b>Operating income before changes in working capital</b>		<b>(586,002,649,008)</b>	<b>(606,182,463,000)</b>

STATEMENT OF CASH FLOWS (continued)  
for the period ended 30 June 2017

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>			
31	Decrease/(increase) in financial assets at FVTPL		(550,437,731,831)	(182,695,703,721)
32	(Increase)/Decrease in HTM investments		(42,975,976,832)	(191,110,170,674)
33	Decrease/(increase) in loans		5,498,733,006	288,349,915,814
35	(Increase)/Decrease in receivables from disposal of financial assets		14,945,333,000	(511,970,980,000)
36	Increase in receivables from dividend and interest income from financial assets		76,558,427,367	58,073,135,288
37	Decrease/(increase) in receivables from services provided by the Company		23,920,148	2,956,045,486
38	(Increase)/decrease in receivables from transaction errors of financial assets		-	(43,000,000)
39	Increase in other receivables		174,750,156	(106,629,290)
40	Increase in other assets		8,770,655	(219,268,533)
42	Decrease/(increase) in prepaid expenses		179,893,353	827,592,495
43	Corporate income tax paid		(16,256,747,158)	-
44	Interest expenses paid		(27,181,781,710)	(24,984,567,063)
45	Increase in trade payables		1,127,535,352	803,185,739
46	(Decrease)/increase in welfare benefits		(344,523,606)	(115,358,820)
47	Decrease in statutory obligation		2,064,170,255	(468,381,504)
48	Increase in payables to employees		2,134,071,472	1,648,640,332
50	Increase/(Decrease) in other payables		(41,992,389,007)	(45,051,657,812)
52	Other payments for operating activities		(9,529,103,628)	(2,075,260,737)
<b>60</b>	<b>Net cash flows from/(used in) operating activities</b>		<b>(518,256,102,586)</b>	<b>(593,910,329,164)</b>

STATEMENT OF CASH FLOWS (continued)  
for the period ended 30 June 2017

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
61	Purchase and construction of fixed assets, investment properties and other long-term assets		(280,269,000)	(1,036,608,025)
62	Proceeds from disposal and sale of fixed assets, investment properties and other long-term assets		-	-
70	<b>Net cash flow used in investing activities</b>		<b>(280,269,000)</b>	<b>(1,036,608,025)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
73.2	- Drawdown of borrowings		4,216,884,580,000	7,628,791,790,000
74.3	- Repayments of borrowings		(3,783,629,580,000)	(6,886,894,770,000)
80	<b>Net cash flow (used in)/from financing activities</b>		<b>433,255,000,000</b>	<b>741,897,020,000</b>
90	<b>NET INCREASE/(DECREASE) IN CASH DURING THE YEAR</b>		<b>(85,281,371,586)</b>	<b>146,950,082,811</b>
101	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	5	<b>436,488,305,264</b>	<b>53,422,468,177</b>
101.1	Cash		106,373,778,583	43,422,468,177
101.2	Cash equivalents		330,000,000,000	10,000,000,000
104	Exchanges rate difference			
103	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	5	<b>351,206,933,678</b>	<b>200,372,550,988</b>
103.1	Cash		96,211,087,826	5,371,216,701
103.2	Cash equivalents		255,000,000,000	195,000,000,000
104	Exchanges rate difference		(4,154,148)	1,334,287

STATEMENT OF CASH FLOWS (continued)  
for the period ended 30 June 2017

**CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE INVESTORS**

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. Cash flows from brokerage and trust activities of investors</b>			
01	1. Cash receipts from disposal of brokerage securities of customers		55,475,590,306,700	33,417,135,370,124
02	2. Cash payments for acquisition of brokerage securities of customers		(63,453,433,616,125)	(43,943,164,668,467)
07	7. Cash receipts for settlement of securities transactions of customers		19,555,212,213,383	29,759,109,796,359
08	8. Cash payments for settlement of securities transactions of customers		(11,379,536,313,901)	(18,975,033,076,680)
11	11. Cash payments for custodian fees of customers		(3,411,826,121)	(2,897,964,673)
14	14. Cash receipt from securities issuers		2,217,174,013,391	2,870,323,439,392
15	15. Cash payment to securities issuers		(2,212,985,494,032)	(2,884,159,735,842)
<b>20</b>	<b>Net (decrease)/increase in cash during the year</b>		<b>198,609,283,295</b>	<b>241,313,160,213</b>
<b>30</b>	<b>II. Cash and cash equivalents of investors at the beginning of the year</b>		<b>272,265,430,245</b>	<b>272,500,911,343</b>
31	Cash at banks at the beginning of the year:		272,265,430,245	272,500,911,343
32	- Investors' deposits managed by the Company for securities trading activities			
	- In which: term deposits		205,845,001,518	156,828,160,063
33	- Investors' collective deposits for securities trading activities		51,663,201,830	92,362,945,946
34	- Investors' deposits for securities transaction clearing and settlement		63,924,953	210,200,000
35	- Deposits of securities issuers			
	- In which: term deposits		14,693,301,944	23,099,605,334



STATEMENT OF CASH FLOWS (continued)  
for the period ended 30 June 2017

**CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE INVESTORS** (continued)

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
40	<b>III. Cash and cash equivalents of the customers at the end of the year</b>		<b>470,874,713,540</b>	<b>513,814,071,556</b>
41	Cash at banks at the end of the year:		470,874,713,540	513,814,071,556
42	- Investors' deposits managed by the Company for securities trading activities			
	- In which: term deposits		243,795,869,837	216,972,763,787
43	- Investors' collective deposits for securities trading activities		208,131,739,230	287,575,998,885
44	- Investors' deposits for securities transaction clearing and settlement		65,283,170	2,000,000
45	- Deposits of securities issuers			
	- In which: term deposits		18,881,821,303	9,263,308,884

Prepared by:



Ms. Vu Thi Minh Nguyet  
Accountant

Approved by:



Ms. Tran Ngoc Diep  
Chief Accountant

Approved by:



Mr. Do Huy Hoai  
General Director

Hanoi, Vietnam

18 July 2017

BIDV Securities Joint Stock Company

B04a-CTCK

STATEMENT OF CHANGES IN OWNERS' EQUITY  
for the period ended 30 June 2017

Unit: VND

ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1/1/2016	1/1/2017	Previous period		Current period		30/06/2016	30/06/2017
				Increase	Decrease	Increase	Decrease		
A	B	1	2	3	4	5	6	7	8
<b>I. CHANGES IN OWNERS' EQUITY</b>	<b>21.1</b>								
1. Share capital		865,241,713,457	902,432,863,457					865,241,713,457	902,432,863,457
a. Charter capital		865,000,000,000	902,191,150,000					865,000,000,000	902,191,150,000
b. Share premium		241,713,457	241,713,457					241,713,457	241,713,457
2. Charter capital supplementary reserve		207,782,726	5,959,872,250					207,782,726	5,959,872,250
3. Operational risk and Financial reserve		207,782,726	5,959,872,250					207,782,726	5,959,872,250
4. Undistributed profit		3,478,089,065	69,582,550,506	43,859,487,274	(16,000,000)	119,953,626,372	9,153,000,000	47,321,576,339	180,383,176,878
Realized profit		3,478,089,065	69,582,550,506	43,859,487,274	(16,000,000)	119,953,626,372	9,153,000,000	47,321,576,339	180,383,176,878
<b>TOTAL</b>		<b>869,135,367,974</b>	<b>983,935,158,463</b>	<b>43,859,487,274</b>	<b>(16,000,000)</b>	<b>119,953,626,372</b>	<b>9,153,000,000</b>	<b>912,978,855,248</b>	<b>1,094,735,784,835</b>

Prepared by:

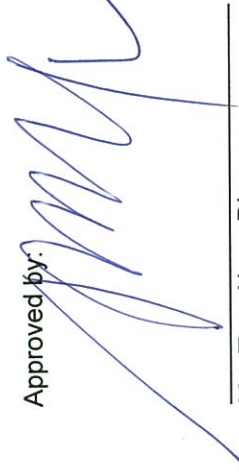


Ms. Vu Thi Minh Nguyet  
Accountant

Hanoi, Vietnam

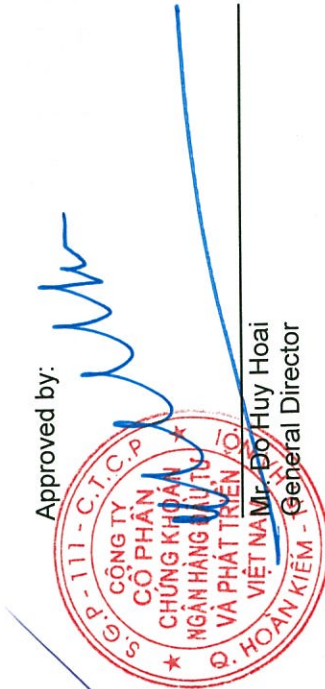
18 July 2017

Approved by:



Ms. Tran Ngoc Diep  
Chief Accountant

Approved by:



Mr. Do Huy Hoai  
General Director



NOTES TO THE FINANCIAL STATEMENTS  
as at 30 June 2017 and for the period then ended

**1. CORPORATE INFORMATION**

BIDV Securities Joint Stock Company ("the Company") was established in accordance with Operating Licence No.111/GP-UBCK issued by the State Securities Commission of Vietnam on 31 December 2010.

BIDV Securities Joint Stock Company was privatized from BIDV Securities Company Limited. On 17 November 2010, the Company successfully completed its Initial Public Offering of 10,274,670 shares, equivalent to 11.88% of its charter capital. Included in the shares issued were 10,195,570 shares subscribed by the public and 79,100 shares offered to the Company's employees.

The Company's current principal activities are to provide brokerage services, proprietary trading, underwriting for share issues and finance and securities investment advisory services.

The Company's Head Office is located at Floors 1, 10 and 11 – BIDV Tower – 35 Hang Voi Street, Ha Noi. The Company's Ho Chi Minh branch is located at Floor 9, 146 Nguyen Cong Tru Street, District 1, Ho Chi Minh City.

***Company's operation***

*Charter capital*

As at 30 June 2017, total charter capital of the Company is VND 902,191,150,000; owners' equity is VND 1,094,735,784,835 and total assets is VND 1,965,815,082,035.

*Investment objectives*

As listed securities company in the Vietnam Stock market, the Company's current principal activities are to provide brokerage service, securities trading, underwriting for securities issues and securities investment service. The Company's goals are to contribute to the development of Vietnam Stock market, to bring benefit to clients, investors and stakeholders.

*Investment restrictions*

The Company complies with Article 44 of Circular No. 210/2010/TT-BTC dated 31 November 2012 providing guidance on the establishment and operation of securities company, Circular 07/2016/TT-BTC by Ministry of Finance dated 18 January 2016 amended some articles on Circular 210/2012/TT-BTC and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- ▶ Securities Company is not allowed to invest, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- ▶ Securities Company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- ▶ Securities Company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities Company, licensed to engage in self-trading activity, is allowed to trade listed bonds in accordance with relevant provision on trading Government bonds.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

- ▶ Securities Company must not by itself, or authorize another organization or individuals to: Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the Securities Company, except for purchasing of odd lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund certificates; Invest or contribute capital of more than ten percent (15%) in the total paid-up capital of a limited liability company or of a business project; Invest more than fifteen percent (15%) of its equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total equity in unlisted shares, capital contribution and a business project.

**2. BASIS OF PREPARATION**

**2.1 Accounting standards and system**

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

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

**2.2 Applied accounting documentation system**

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

**2.3 Fiscal year**

The Company's first fiscal year started on 1 January 2011 and ended on 31 December 2011.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**2.4 Interim financial statements**

The Company prepares its interim financial statements for the six-month period from 1 January to 30 June to submit to authorities in accordance with requirements of Circular No. 155/2015/TT-BTC dated 6 October 2015 issued by the Ministry of Finance.

**2.5 Accounting currency**

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

**3. STATEMENT ON THE COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS**

The Board of Management confirms that the Company has complied with the Vietnamese Accounting Standards and Vietnamese Enterprise Accounting Systems in preparing the interim financial statements.

Accordingly, the accompanying interim statement of comprehensive income, interim statement of financial position, interim statement of cash flows, interim statement of change in owners' equity and notes to the interim financial statements, including their utilisation 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 and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Cash and cash equivalents**

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

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

Financial assets recognized at fair value through profit and loss are financial assets that satisfy either of the following conditions:

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

Financial assets at FVTPL are initially recognized at cost and subsequently recognized at cost less the reduction in the fair value of these financial assets as the current Law on Accounting does not allow the application of fair value basis.

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

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

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; or
- b) those that the entity designates as available for sale; and
- c) those meet the definition of loans and receivables .

Held-to-maturity investments are recognized initially at cost plus (+) transaction costs which are directly attributable to the investments such as brokerage fee, trading fee, agent fee, issuance agent fee and banking transaction fee. After initial recognition, held-to-maturity investments are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

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

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

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

**4.4 Loans**

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

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

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

Loans are initially recognized at cost. After initial recognition, loans are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

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

#### 4.5 Impairment of financial assets

Financial assets are assessed at the financial position date to determine whether there is objective evidence that the assets are impaired .

Provision for transferable securities is the difference between the original cost and market value of the financial assets as at the reporting date in accordance with Circular No. 146/2014/TT-BTC. Market value is the transferrable value of the financial assets as at the most recent transaction date, provided that this transaction date is within one month prior to the date of setting up the provision. Any increase or decrease in balance of provision is recognized in "*Provision expenses of financial asstes, diminution of financial assets, doubtful debt and borrowing cost*", "*Loss from held-to-maturity (HTM) investments*" and "*Loss from AFS financial assets*" in the income statement for loans, HTM investments and AFS financial assets respectively.

Market value/fair value of the securities is determined on the following basis:

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of revaluation.
- ▶ For securities registered for trading on UPCOM, their market prices are their closing prices on the trading day preceding the date of revaluation.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest balance sheet date.
- ▶ The market price for unlisted securities and securities unregistered for trading used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions within one month preceding to the date of revaluation.
- ▶ For securities which do not have reference prices from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at the assessment date.

Provision for loans are determined based on estimated loss arising, which is the difference between market value of collateral securities and the outstanding balances of these loans.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**4.6 Derecognition of financial assets**

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**4.7 Reclassification of financial assets**

*Reclassification when selling financial assets other than FVTPL*

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

*Reclassification due to change in purpose or ability to hold*

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

Non-derivative financial assets at FVTPL or financial assets that are not required to classified as financial asset at FVTPL at the initial recognition can be classified as loans; other receivables can be classified as cash and cash equivalent if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed.

Due to changes in purposes or ability to hold, some held-to-maturity investments are required to be reclassified into AFS financial assets or financial assets at FVTPL. The difference arising from revaluation between book value and fair value are recognized in the income statement on "Gain/loss from revaluation of financial assets at FVTPL".



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**4.8 Accounting policies for the recognition of investments used as collateral or mortgage**

During the year, the Company has investments used for pledge of mortgage purpose to meet its financial obligations.

Pursuant to conditions of pledge or mortgage activities, it is unauthorized for the Company, within the effective period of agreements, to sell, to transfer or to use the pledged or mortgaged assets in repurchase agreements or in swap contracts with other third parties.

On condition that the Company cannot manage the debt obligation, from the expiry payment date, after a period defined in the agreement, the mortgagee owns the right to use pledged assets to perform the Company's payment.

Assets used for pledge or mortgage purpose are kept track of in the statement of financial position, under matching principles with the type of assets to which they belong.

**4.9 Receivables**

Receivables are initially recorded at cost and are always presented at cost in the subsequent period.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the provision balance are 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:

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

**4.10 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, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**4.11 Intangible assets**

Intangible assets are stated at cost less accumulated amortization.

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

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

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

**4.12 Depreciation and amortization**

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

Office equipment	5 - 10 years
Transportation vehicles	6 - 15 years
Other tangible assets	4 years
Other intangible assets	2 - 20 years

**4.13 Leased assets**

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

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

**4.14 Repurchase agreements**

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

Securities purchased under the agreements to be resold at a specified future date ("reverse repos") are not derecognized from the statement of financial position. The corresponding cash paid is recognized in the statement of financial position as an asset. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the straight-line method.

Repurchase contracts are recorded in "Repurchase agreements of Government bonds" in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**4.15 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

**4.16 Payables and accrued expenses**

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

**4.17 Employee benefits**

**4.17.1 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.

**4.17.2 Accrual for severance pay**

The severance pay to employee is accrued at the end of each year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each year following the average monthly salary of the 6-month period up to the reporting date. Increase or decreases to the accrued amount other than actual payment to employee will be taken to the income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

**4.17.3 Unemployment allowance**

According to prevailing regulations, the Company is required to contribute to the unemployment insurance at rate of 1% of salary fund of employees who engage in the unemployment insurance joiner and deduct 1% of monthly basic salary to each employee to contribute to the Unemployment Insurance simultaneously.

**4.18 Foreign currency transactions**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**4.19 Treasury shares**

Owners' equity instruments issued by the Company 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 cancellation of the Company's own equity instruments.

**4.20 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Revenue from brokerage services*

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

*Revenue from trading of securities*

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

*Other income*

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

*Interest income*

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

*Dividends*

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

*Rendering of other services*

Where 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**4.21 Borrowing costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

**4.22 Cost of securities sold**

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

**4.23 Corporate income tax**

*Current income tax*

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

*Current income tax (continued)*

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 profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the 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 equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**4.24 Owners' equity**

***Contributed capital from shareholders***

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

***Undistributed profit***

Undistributed profit comprises of realised and unrealised undistributed profit.

Unrealised profit of the year is the total differences between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets through profit and loss in the income statement. As the prevailing Law on Accounting does not allow the use of fair value basis, those differences are recognized as realised revenue or expense of the year.

Realised profit of the year is the difference between total income and total expenses in the income statement, except for gain or loss arisen from revaluation of financial assets recognized in unrealised profit.

***Reserves***

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

	<u>Percentage of profit after tax</u>	<u>Maximum balance</u>
Charter Capital Supplementary Reserve	5%	10% of charter capital
Statutory Reserve	5%	10% of charter capital

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

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for period then ended

**4.25 Appropriation of net profits**

Net profit after tax is available for appropriation to investors/shareholders upon approval by the appropriate level of authority/on the Annual General Meeting of Shareholders, and after making appropriation to reserve funds in accordance with the Company's Charter and under Vietnamese regulatory requirements.

**4.26 Nil balances**

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 and Circular No. 146/2014/TT-NHNN dated 31 December 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balance.

**5. CASH AND CASH EQUIVALENTS**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
<b>Cash</b>	<b>96,206,933,678</b>	<b>106,488,305,264</b>
Cash on hand	465,174,533	70,477,721
Cash at banks for the operation of the Company	95,734,377,271	98,712,211,945
Cash for securities transaction clearing and settlement	7,381,874	7,705,615,598
<b>Cash equivalents</b>	<b>255,000,000,000</b>	<b>330,000,000,000</b>
	<b>351,206,933,678</b>	<b>436,488,305,264</b>

**6. VALUE AND VOLUME OF TRADING DURING THE PERIOD**

	<i>Volume of trading during the period (unit)</i>	<i>Value of trading during the period (VND)</i>
<b>1. The Company</b>		
Shares	17,103,666	452,034,993,600
Bonds	62,630,000	6,469,630,020,000
	<b>79,733,666</b>	<b>6,921,665,013,600</b>
<b>2. Investors</b>		
Shares	2,781,656,724	43,009,496,498,500
Bonds	441,671,689	45,819,587,909,237
Other securities	114,320	1,289,016,400
	<b>3,223,442,733</b>	<b>88,830,373,424,137</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**7. FINANCIAL ASSETS**

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

	Ending balance		Beginning balance	
	Cost VND	Carrying value VND	Cost VND	Carrying value VND
		Fair value VND		Fair value VND
<b>1. Listed shares</b>				
REE	29,082,739,712	37,643,018,400	1,361,522	1,361,522
HPG	28,557,670,762	29,771,968,000	11,993,798,893	11,993,798,893
HT1	25,659,039,190	27,482,843,000	515,970	515,970
MBB	28,259,918,532	40,921,235,900	3,677,182	3,677,182
PVT	23,251,486,783	24,953,837,350	1,170,630	1,170,630
ACB	33,538,874,455	34,973,210,300	4,784,455	4,784,455
Khác	59,106,069,308	64,795,959,630	39,442,164,540	39,350,609,644
	<b>227,455,798,742</b>	<b>260,542,072,580</b>	<b>51,447,473,192</b>	<b>51,355,918,296</b>
<b>2. Unlisted shares</b>				
PHVU	58,063,615,500	5,769,081,000	58,063,615,500	8,269,016,100
DRI	10,388,011,800	10,045,020,700	-	-
Others	2,492,647,184	2,436,105,300	112,552,184	32,617,199
	<b>70,944,274,484</b>	<b>18,250,207,000</b>	<b>58,176,167,684</b>	<b>8,301,633,299</b>
		<b>18,250,207,000</b>		<b>8,315,088,800</b>



## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 7. FINANCIAL ASSETS (continued)

#### 7.1. Financial assets at fair value through profit and loss (FVTPL) (continued)

	Ending balance		Beginning balance		Fair value VND
	Cost VND	Carrying value VND	Cost VND	Carrying value VND	
<b>3. Listed Bonds</b>					
<b>Government Bonds</b>					
TD1732403	104,788,000,000	104,788,000,000			104,788,000,000
TD1747411	105,336,000,000	105,336,000,000			105,336,000,000
TD1747409	300,352,276,978	300,352,276,978			300,352,276,978
TD1621487	-	-	51,929,666,667	51,929,666,667	51,929,666,667
TD1623482	-	-	104,824,000,000	104,824,000,000	104,824,000,000
TD1646503	-	-	34,684,300,000	34,684,300,000	34,684,300,000
TD1623481	-	-	107,826,000,000	107,826,000,000	107,826,000,000
Others	51,335,000,000	51,335,000,000	-	-	-
	<b>561,811,276,978</b>	<b>561,811,276,978</b>	<b>299,263,966,667</b>	<b>299,263,966,667</b>	<b>299,263,966,667</b>
<b>4. Unlisted Bonds</b>					
MCHBONDS2015	99,113,989,170	99,113,989,170	-	-	-
	<b>99,113,989,170</b>	<b>99,113,989,170</b>	-	-	-
	<b>959,325,339,374</b>	<b>939,717,545,728</b>	<b>408,887,607,543</b>	<b>358,921,518,262</b>	<b>361,820,570,147</b>

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 7. FINANCIAL ASSETS (continued)

#### 7.2. Held-to-maturity investments (HTM)

	Ending balance		Beginning balance		Fair value VND
	Cost VND	Carrying value (*) VND	Cost VND	Carrying value VND	
<b>Short-term</b>					
<b>1. Bonds</b>					
VIC11501	-	-	49,684,320,000	46,737,106,497	46,737,106,497
			<b>49,684,320,000</b>	<b>46,737,106,497</b>	<b>46,737,106,497</b>
<b>2. Term deposit</b>					
	120,000,000,000	120,000,000,000	-	-	-
<b>3. Certificates of deposit</b>					
HDF <sup>in</sup> ance	-	-	32,474,700,000	30,286,916,671	30,286,916,671
	-	-	<b>32,474,700,000</b>	<b>30,286,916,671</b>	<b>30,286,916,671</b>
	<b>120,000,000,000</b>	<b>120,000,000,000</b>	<b>82,159,020,000</b>	<b>77,024,023,168</b>	<b>77,024,023,168</b>

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 7. FINANCIAL ASSETS (continued)

#### 7.2. Held-to-maturity investments (HTM) (continued)

	Ending balance		Beginning balance	
	Cost VND	Carrying value (*) VND	Cost VND	Carrying value VND
<b>Long-term</b>				
<b>1. Bonds</b>				
TD1520262	324,781,610	316,631,060	324,781,610	311,795,942
	<b>324,781,610</b>	<b>316,631,060</b>	<b>324,781,610</b>	<b>311,795,942</b>
<b>2. Certificate of deposit</b>				
Home Credit Vietnam Finance	50,000,000,000	50,020,950,229	50,000,000,000	50,000,000,000
	<b>50,000,000,000</b>	<b>50,020,950,229</b>	<b>50,000,000,000</b>	<b>50,000,000,000</b>
	50,324,781,610	50,337,581,289	50,324,781,610	50,311,795,942
	<b>170,324,781,610</b>	<b>170,337,581,289</b>	<b>132,483,801,610</b>	<b>127,335,819,110</b>

(\*) The carrying value of held-to-maturity investments (HTM) is recognized at cost minus (-) principal repayments. Cumulative accrued interest using the effective interest rate ("EIR") method is recorded as "Receivables" (Note 8). Provision for impairment of financial assets (if any) is recognized in Note 7.6 "Provision for impairment of financial assets".

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 7. FINANCIAL ASSETS (continued)

#### 7.3. Loans

	Ending balance		Beginning balance	
	Cost (*) VND	Provisions VND	Fair value VND	Cost VND
1. Receivables from margin activities	403,510,069,504	(18,667,226,859)	384,842,842,645	330,208,846,357
2. Receivables from advances to customers	62,669,257,796	-	62,669,257,796	141,469,213,949
	<b>466,179,327,300</b>	<b>(18,667,226,859)</b>	<b>447,512,100,441</b>	<b>471,678,060,306</b>
				<b>(18,717,408,668)</b>
				<b>452,960,651,638</b>

#### 7.4 Provision for impairment of financial assets

	Ending balance VND	Beginning balance VND
Specific provision for loans	18,667,226,859	18,717,408,668
	<b>18,667,226,859</b>	<b>18,717,408,668</b>

**BIDV Securities Joint Stock Company**

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**7. FINANCIAL ASSETS (continued)**

**7.5 Change in market values of financial assets**

Financial assets	Ending balance		Beginning balance		Revaluated amount		
	Revaluation difference		Revaluation difference				
	Cost	Increase	Decrease	Increase		Decrease	
<b>FTPL</b>							
Listed shares	227,455,798,742	33,512,951,821	(426,687,983)	51,447,473,192	17,973,796,373	(48,564,640)	54,241,514,680
Unlisted shares	70,944,274,484	22,296,901	(52,716,364,385)	58,176,167,684	222,994,697,900	(10,964,737,450)	8,315,088,800
Listed bonds	561,811,276,978	-	-	299,263,966,667	-	-	299,263,966,667
Unlisted bonds	99,113,989,170	-	-	99,113,989,170	-	-	-
<b>Total</b>	<b>959,325,339,374</b>	<b>33,535,258,722</b>	<b>(53,143,052,368)</b>	<b>408,887,607,543</b>	<b>240,968,494,273</b>	<b>(11,013,302,090)</b>	<b>361,820,570,147</b>

**7.6 Provision for impairment of financial assets**

Financial assets	Quantity	Basis for making provision of current period			Addition or reversal of provision
		Market value as at 30 June 2017			
		Carrying value	Provision at the end of the period	Provision at the beginning of the period	
<b>HTM</b>					
		170,337,581,289	-	-	(50,181,809)
<b>Loans</b>		466,179,327,300	(18,667,226,859)	(18,717,408,668)	(50,181,809)
<b>Total</b>		636,516,908,589	(18,667,226,859)	(18,717,408,668)	(50,181,809)

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

8. RECEIVABLES

	Ending balance VND	Beginning balance VND
1. Receivables from disposal of financial assets	-	14,945,333,000
2. Receivables and accruals from dividend and interest income from investments	12,774,799,025	19,860,372,685
2.1 Receivables and accruals from dividend and interest income from financial assets	4,838,080,004	7,770,100,654
2.2 Interest receivables from margin activities	7,936,719,021	12,090,272,031
3. Receivables from services provided by the Company	1,664,708,650	1,688,628,798
<i>In which: doubtful debts</i>	42,000,000	719,224,745
4. Advanced payments to suppliers	102,500,000	-
5. Other receivables	21,916,484	299,166,640
6. Provision for doubtful debts	(21,000,000)	(391,157,322)
<b>Total</b>	<b>14,542,924,159</b>	<b>36,402,343,801</b>

*Details of provision for doubtful debts*

<i>Doubtful debts</i>	<i>Balance of doubtful debts as at 31 December 2016</i>	<i>Beginning provision</i>	<i>Addition</i>	<i>Reversal</i>	<i>Ending provision</i>	<i>Balance of doubtful debts as at 31 March 2017</i>
<b>Provision for doubtful debts</b>						
Five Star International Group	590,000,000	295,000,000	-	(295,000,000)	-	-
Anvifish Co. Petrovietnam	75,000,000	75,000,000	-	(75,000,000)	-	-
Marine Shipyard JSC.	12,224,745	8,557,322	-	(8,557,322)	-	-
AMD Group	42,000,000	12,600,000	8,400,000	-	21,000,000	42,000,000
	<b>719,224,745</b>	<b>391,157,322</b>	<b>8,400,000</b>	<b>(378,557,322)</b>	<b>21,000,000</b>	<b>42,000,000</b>

9. OTHER CURRENT ASSETS

	Ending balance VND	Beginning balance VND
Advances	108,560,000	98,500,000
Office supplies	11,035,420	11,158,920
Materials and tools	8,737,915	8,737,915
Value-added tax receivable	130,091,609	148,798,764
	<b>258,424,944</b>	<b>267,195,599</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**10. TANGIBLE FIXED ASSETS**

	<i>Machineries and equipment VND</i>	<i>Means of transportation VND</i>	<i>Others VND</i>	<i>Total VND</i>
<b>Cost:</b>				
Beginning balance	15,814,782,829	1,004,312,257	666,464,108	17,485,559,194
Increase in the period				
- Purchases	280,269,000	-	-	280,269,000
Decrease in the period				
- Disposal	(702,253,000)	-	-	(702,253,000)
Ending balance	<u>15,392,798,829</u>	<u>1,004,312,257</u>	<u>666,464,108</u>	<u>17,063,575,194</u>
<b>Accumulated depreciation:</b>				
Beginning balance	9,437,323,976	986,709,116	391,760,861	10,815,793,953
Increase in the period				
- Depreciation charges	751,338,176	14,317,236	44,207,112	809,862,524
Decrease in the period				
- Disposal	702,253,000	-	-	702,253,000
Ending balance	<u>9,486,409,152</u>	<u>1,001,026,352</u>	<u>435,967,973</u>	<u>10,923,403,477</u>
<b>Net book value:</b>				
Beginning balance	<u>6,377,458,853</u>	<u>17,603,141</u>	<u>274,703,247</u>	<u>6,669,765,241</u>
Ending balance	<u>5,906,389,677</u>	<u>3,285,905</u>	<u>230,496,135</u>	<u>6,140,171,717</u>

**11. INTANGIBLE FIXED ASSETS**

	<i>Other intangible assets VND</i>
<b>Cost:</b>	
Beginning balance	2,782,980,000
Increase in the period	-
Ending balance	<u>2,782,980,000</u>
<b>Accumulated amortization:</b>	
Beginning balance	1,154,785,809
Increase in the period	
- Amortization charges	116,346,216
Ending balance	<u>1,271,132,025</u>
<b>Net book value:</b>	
Beginning balance	<u>1,628,194,191</u>
Ending balance	<u>1,511,847,975</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**12. LONG-TERM PREPAID EXPENSES**

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Prepayment for operating leases	-	-
Others	-	217,119,939
	<u>-</u>	<u>217,119,939</u>

**13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND**

Advances to settlement assistance fund represent amounts deposited at Vietnam Securities Depository ("VSD")

According to Decision No. 57/QĐ-VSD dated 28 May 2012 issued by the General Director of the Vietnam Securities Depository, Decision No. 87/2007/QĐ-BTC dated 22 October 2007 by the Minister of Finance regarding the issuance of regulations on the registration, custody, clearing and settlement of securities, and Circular No. 43/2010/TT-BTC dated 25 March 2010 regarding the amendment and supplement of the regulations, the Company must deposit an initial amount of VND120 million to the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND 2.5 billion for each year.

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

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Initial deposits (*)	10,120,000,000	120,000,000
Addition	13,223,227,395	13,223,227,395
Accrued interest	7,236,772,605	7,711,823,125
	<u>30,580,000,000</u>	<u>21,055,050,520</u>

(\*) On 19 May 2017, the Company was granted the certificate of qualification for trading and providing services of clearing and settlement of derivative securities by the State Securities Commission. Accordingly, in Quarter 2 of 2017, the Company paid VND10 billion to clearing funds to carry out derivative-related services.



## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 14. SHORT-TERM BORROWINGS AND FINANCIAL LEASES

	Interest rate %	Beginning balance VND	Additional borrowings during the year VND	Repayment during the year VND	Ending balance VND
<b>Bank loans</b>		<b>249,500,000,000</b>	<b>2,865,500,000,000</b>	<b>(2,530,000,000,000)</b>	<b>585,000,000,000</b>
Less than 1 month	5.93	249,500,000,000	2,865,500,000,000	(2,530,000,000,000)	585,000,000,000
1 – 3 months		-	-	-	-
3 – 6 months		-	-	-	-

### 15. REPURCHASE AGREEMENT OF GOVERNMENT BOND

	Interest rate %	Beginning balance VND	Borrowings during the year VND	Repayment during the year VND	Ending balance VND
Repurchase agreement of Government bonds		51,620,500,000	1,351,384,580,000	(1,253,629,580,000)	149,375,500,000

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the year then ended

16. PAYABLES FOR SECURITIES TRANSACTION ACTIVITIES

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
<b>Payables for acquisition of financial assets</b>		
Payable to Stock Exchanges for acquisition of financial assets of the Company	5,451,012,100	109,955,447,600
<b>Payables for securities trading activities</b>		
Payable to Stock Exchanges	3,042,636,249	2,506,879,183
Payable to Vietnam Securities Depository	674,660,784	694,154,558
Payable to other entities	4,212,118,185	2,426,647,927
	<u>13,380,427,318</u>	<u>115,583,129,268</u>

17. SHORT-TERM TRADE PAYABLES

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Minh Duc Import Export Trading Production Co.,Ltd	-	732,718,400
Red Apron Co.,Ltd	-	397,647,740
Dai Minh Construction and Trading One member Co.,Ltd.	-	428,901,500
PricewaterhouseCoopers Viet Nam Ltd.	-	681,818,182
VietNam International Law Firm	800,000,000	-
AFC Investment Joint Stock Company	2,600,000,000	-
Others	1,801,429,024	1,832,807,850
	<u>5,201,429,024</u>	<u>4,073,893,672</u>

18. TAXATION AND OTHER STATUTORY OBLIGATIONS

No.	Items	<u>Beginning balance VND</u>	<u>Increase VND</u>	<u>Decrease VND</u>	<u>Ending balance VND</u>
<b>I</b>	<b>Tax receivables</b>				
1	Value added tax receivable	148,798,764	989,744,557	(1,008,451,712)	130,091,609
<b>II</b>	<b>Tax</b>				
1	Value added tax	-	209,332,024	(209,332,024)	-
2	Corporate income tax	10,957,973,281	19,896,573,406	(15,859,478,486)	14,995,068,201
3	Personal income tax	400,907,910	3,493,397,832	(3,494,253,860)	400,051,882
4	Other taxes	2,580,480,067	22,332,749,715	(20,664,992,104)	4,248,237,678
	Personal income tax from securities transfer of investors	2,363,575,232	21,030,997,203	(19,524,983,574)	3,869,588,861
	Business registration tax	-	4,000,000	(4,000,000)	-
	Foreign contractor tax	216,904,835	1,297,752,512	(1,136,008,530)	378,648,817
		<u>13,939,361,258</u>	<u>45,932,052,977</u>	<u>(40,228,056,474)</u>	<u>19,643,357,761</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the year then ended

19. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Accrued expenses for loan contracts	-	57,138,889
Accrued expenses for valuable paper discount and transfer contracts	286,684,523	168,069,768
Other accrued expenses	27,044,891	64,271,477
	<b>313,729,414</b>	<b>289,480,134</b>

20. OTHER CURRENT LIABILITIES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
BIDC Ha Noi Branch	60,000,000,000	-
Others	109,945,610	153,974,120
	<b>60,109,945,610</b>	<b>153,974,120</b>

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 21. OWNERS' EQUITY

#### 21.1 Owners' equity

	Share capital VND	Share premium VND	Charter capital supplementary reserves VND	Operational risk and financial reserves VND	Undistributed earnings VND	Total VND
<b>As at 1 January 2017</b>	<b>902,191,150,000</b>	<b>241,713,457</b>	<b>5,959,872,250</b>	<b>5,959,872,250</b>	<b>69,582,550,506</b>	<b>983,935,158,463</b>
Net profit for the year	-	-	-	-	119,953,626,372	119,953,626,372
Bonus and Welfare fund	-	-	-	-	9,153,000,000	9,153,000,000
<b>As at 31 March 2017</b>	<b>902,191,150,000</b>	<b>241,713,457</b>	<b>5,959,872,250</b>	<b>5,959,872,250</b>	<b>180,383,176,878</b>	<b>1,094,735,784,835</b>

Details of the Company's charter capital as at 31 March 2017 are as follows:

	Number of shares Unit	Par value VND	Ownership %
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	79,503,019	795,030,190,000	88.12
Other shareholders	10,716,096	107,160,960,000	11.88
	<b>90,219,115</b>	<b>902,191,150,000</b>	<b>100.00</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

21. OWNERS' EQUITY (continued)

21.1 Owners' equity (continued)

Details of the Company's shares are as follows:

	<i>Ending balance</i> <i>Unit</i>	<i>Beginning balance</i> <i>Unit</i>
Ordinary shares authorized for issuance	90,219,115	90,219,115
<i>Ordinary shares</i>	<i>90,219,115</i>	<i>90,219,115</i>
Shares issued and fully paid	90,219,115	90,219,115
<i>Ordinary shares</i>	<i>90,219,115</i>	<i>90,219,115</i>
Outstanding shares	90,219,115	90,219,115
<i>Ordinary shares</i>	<i>90,219,115</i>	<i>90,219,115</i>

21.2 Undistributed profit

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Undistributed realized profit	180,383,176,878	69,582,550,506

22. DISCLOSURE OF 0 ACCOUNTS

22.1 Operating lease fixed assets

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Tangible fixed assets	994,635,000	994,635,000

22.2 Foreign currencies

	<i>Ending balance</i>	<i>Beginning balance</i>
- US Dollar (USD)	228,235	253,967
- Euro (EUR)	97	97

22.3 Outstanding shares of the Company

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Less than or equivalent to 1 year	902,191,150,000	902,191,150,000
- Outstanding shares	902,139,660,000	902,139,800,000
- Treasury stocks	51,490,000	51,350,000

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**22.4. Financial assets listed/registered at the VSD of the Company**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Less than or equivalent to 1 year	103,803,750,000	37,347,390,000
More than 1 year	550,333,400,000	231,833,400,000
<b>Total</b>	<b>654,137,150,000</b>	<b>269,180,790,000</b>

Details about listed financial assets deposited at VSD of the Company are as follows:

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Unrestricted financial assets	254,137,150,000	154,148,290,000
Mortgage financial assets	400,000,000,000	100,000,000,000
Financial assets awaiting settlement	-	15,032,500,000
<b>Total</b>	<b>654,137,150,000</b>	<b>269,180,790,000</b>

**22.5. The Company's non-traded financial assets deposited at the VSD**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Less than or equivalent to 1 year	63,270,000	61,710,000

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**22.6. The Company's awaiting financial assets**

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Financial assets at fair value through profit and loss	98,519,950,000	100,492,000,000

**22.7. The Company's financial assets which are not deposited at the VSD**

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Shares	19,230,270,000	19,230,270,000

**22.8. Investors' financial assets listed/registered at the VSD**

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Unrestricted financial assets	1,265,946,694	1,112,715,806
Restricted financial assets	40,627,393	21,291,401
Mortgage financial assets	310,170,856	305,242,308
Blocked financial assets	122,670,061	86,336,193
Financial assets awaiting settlement	24,846,145	12,826,475
<b>Total</b>	<b><u>1,764,261,149</u></b>	<b><u>1,538,412,183</u></b>

**22.9. Investors' non-traded financial assets deposited at VSD**

	<u>Quantity of securities</u>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Unrestricted and non-traded financial assets deposited at the VSD	22,460,734	24,134,915
Restricted and non-traded financial assets deposited at the VSD	119,001	84,101
Blocked and non-traded financial assets deposited at the VSD	4,547,647	45,240
<b>Total</b>	<b><u>27,127,382</u></b>	<b><u>24,264,256</u></b>

**22.10. Investors' awaiting financial assets**

	<u>Quantity of securities</u>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Shares	10,947,384	12,267,335

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

21. DISCLOSURE OF 0 ACCOUNTS (continued)

22.11. *Investors' deposits*

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Investors' deposits for securities trading activities managed by the Company	243,795,869,837	205,845,001,518
- <i>Domestic investors' deposits</i>	242,940,942,069	205,559,889,370
- <i>Foreign investors' deposits</i>	854,927,768	285,112,148
Investors' collective deposits for securities trading activities	208,131,739,230	51,663,201,830
Investors' deposits for securities transaction clearing and settlement	65,283,170	63,924,953
- <i>Domestic investors' deposits</i>	64,278,842	62,922,146
- <i>Foreign investors' deposits</i>	1,004,328	1,002,807
<b>Total</b>	<b><u>451,992,892,237</u></b>	<b><u>257,572,128,301</u></b>

22.12. *Deposits of securities issuers*

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Deposits from securities underwriting and issuance agency services	12,189,904,812	6,951,124,812
Dividend, bond principal and interest payables	6,691,916,491	7,742,177,132
<b>Total</b>	<b><u>18,881,821,303</u></b>	<b><u>14,693,301,944</u></b>

22.13. *Payables to investors*

	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Payables to investors – Investors' deposits for securities trading activities managed by the Company	243,795,869,837	205,845,001,518
- <i>Domestic investors</i>	242,940,942,069	205,559,889,370
- <i>Foreign investors</i>	854,927,768	285,112,148
<b>Total</b>	<b><u>243,795,869,837</u></b>	<b><u>205,845,001,518</u></b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**22.14. Payables to securities issuers**

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Vietnam Electric Cable Corporation	-	1,824,260,000
Vietnam Electrical Equipment Joint Stock Corporation	-	4,785,300,000
HD Bank	6,703,200,000	-
HPG Group	4,703,560,000	-
Other organizations	783,144,812	341,564,812
	<b><u>12,189,904,812</u></b>	<b><u>6,951,124,812</u></b>

**22.15. Payable for dividend, principal and interest from bonds**

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Dividend	4,136,541,971	5,064,893,412
Bond principals and interests	570,728,080	570,728,080
Others	1,984,646,440	2,106,555,640
	<b><u>6,691,916,491</u></b>	<b><u>7,742,177,132</u></b>

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 23. GAIN, LOSS FROM FINANCIAL ASSETS

#### 23.1. Gain, loss from revaluation of financial assets at FVTPL

No	Financial assets	Selling Quantity	Selling price VND	Proceeds VND	Weighted average cost at the end of the transaction date VND	Gain in the current period VND	Loss in the current period VND	Gain/(loss) in the current period VND	Gain/(loss) in the previous period VND
1	Listed shares	4,459,380		143,308,977,500		25,099,590,371	(188,805,635)	24,910,784,736	(16,475,484,851)
	HBC	840,000	51,741	43,462,283,000	32,017	16,567,737,200	-	16,567,737,200	-
	PPC	965,660	19,107	18,451,086,000	13,905	5,023,977,847	-	5,023,977,847	(575,857,001)
	Other shares	2,653,720		81,395,608,500		3,507,875,324	(188,805,635)	3,319,069,689	(15,899,627,850)
2	Unlisted shares								1,503,400,000
3	Listed bonds	23,220,000		2,448,296,310,000		45,676,390,311	-	45,676,390,311	26,912,668,823
	TD1747409	2,920,000	103,681	302,747,920,000	100,117	10,405,036,978	-	10,405,036,978	-
	TD1631462	2,000,000	108,556	217,112,000,000	102,965	11,182,000,000	-	11,182,000,000	-
	TD1631463	1,580,000	107,623	170,044,340,000	102,084	8,751,620,000	-	8,751,620,000	-
	Others	16,720,000		1,758,392,050,000		15,337,733,333	-	15,337,733,333	26,912,668,823
4	Unlisted bonds								8,605,972,763
	<b>Total</b>	<b>27,679,380</b>		<b>2,591,605,287,500</b>		<b>70,775,980,682</b>	<b>(188,805,635)</b>	<b>70,587,175,047</b>	<b>20,546,556,735</b>

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 23. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

#### 23.2. Gain, loss from revaluation of financial assets at FVTPL

No.	Financial assets	Cost VND	Market value or Fair value VND	Revaluation difference at 31/03/2017 VND	Revaluation difference at 1/1/2017 VND	Gain/Loss recorded in current period VND	Increase VND	Decrease VND
	<b>FVTPL</b>							
1	Listed shares	227,455,798,742	260,542,072,580	33,086,273,838	33,512,961,821	(426,687,983)	(91,554,896)	(335,133,087)
	REE	29,082,739,712	37,643,018,400	8,560,278,688	8,560,278,688	-	-	-
	HPG	28,557,670,762	29,771,968,000	1,214,297,238	1,214,297,238	-	-	-
	HT1	25,659,039,190	27,482,843,000	1,823,803,810	1,823,803,810	-	-	-
	MBB	28,259,918,532	40,921,235,900	12,661,317,368	12,661,317,368	-	-	-
	PVT	23,251,486,783	24,953,837,350	1,702,350,567	1,702,350,567	-	-	-
	ACB	33,538,874,455	34,973,210,300	1,434,335,845	1,434,335,845	-	-	-
	Others	59,106,069,308	64,795,959,630	5,689,890,322	6,116,578,305	(426,687,983)	(91,554,896)	(335,133,087)
2	Unlisted shares	70,944,274,484	18,250,207,000	(52,694,067,484)	22,296,901	(52,716,364,385)	(49,874,534,385)	(2,841,830,000)
	PHVU	58,063,615,500	5,769,081,000	(52,294,534,500)	-	(52,294,534,500)	(49,794,599,400)	(2,499,935,100)
	DRI	10,388,011,800	10,045,020,700	(342,991,100)	-	(342,991,100)	-	(342,991,100)
	Others	2,492,647,184	2,436,105,300	(56,541,884)	22,296,901	(78,838,785)	(79,934,985)	1,096,200
	<b>Total</b>	<b>298,400,073,226</b>	<b>278,792,279,580</b>	<b>(19,607,793,646)</b>	<b>33,535,258,722</b>	<b>(53,143,052,368)</b>	<b>(49,966,089,281)</b>	<b>(3,176,963,087)</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

23. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

23.3. Dividend, interest income from FVTPL financial assets, HTM investments, loans and receivables

	Current period VND	Previous period VND
FVTPL financial assets	2,139,835,810	2,817,248,508
HTM investments	13,505,496,230	7,642,193,974
Loans and receivables	59,742,206,023	46,278,524,574
	<b>75,387,538,063</b>	<b>56,737,967,056</b>

23.4. Revenue other than gain/loss from financial assets

	Current period VND	Previous period VND
Revenue from brokerage services	85,799,820,480	60,980,842,239
Revenue from underwriting and issuance agency services	12,520,000,000	2,609,024,842
Revenue from financial advisory services	2,329,789,310	9,954,931,125
Revenue from securities investment advisory services	27,000,000	12,000,000
Revenue from securities custodian services	5,225,198,896	3,514,391,074
	<b>105,901,808,686</b>	<b>77,071,189,280</b>

24. TRANSACTION COSTS OF ACQUISITION OF FINANCIAL ASSETS AT FVTPL

	Current period VND	Previous period VND
Shares	142,208,608	137,723,194
Bonds	387,655,220	779,529,931
	<b>529,863,828</b>	<b>917,253,125</b>

25. EXPENSES FROM OPERATING ACTIVITIES

	Current period VND	Previous period VND
Expenses from securities brokerage activities	55,248,771,063	43,485,130,300
Expenses from securities underwriting activities and securities issuance agency services	3,700,000,000	-
Expenses from securities custodian activities	5,609,962,416	3,741,250,589
Expenses from financial advisory activities	10,301,959,639	8,857,928,735
Provision expenses for diminution in value and impairment of financial assets, doubtful receivables and borrowing costs of loans	(50,181,809)	4,776,153,879
	<b>74,810,511,309</b>	<b>60,860,463,503</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

26. FINANCE INCOME

	<i>Current period VND</i>	<i>Previous period VND</i>
Foreign exchange rate differences	-	27,357,228
- Realized gain	-	26,022,941
- Unrealized gain	-	1,334,287
Interest income from demand deposits	1,148,294,613	2,076,525,018
	<b><u>1,148,294,613</u></b>	<b><u>2,103,882,246</u></b>

27. FINANCE EXPENSES

	<i>Current period VND</i>	<i>Previous period VND</i>
Realized loss from foreign exchange rate difference	1,292,310	100,358,423
Unrealized loss from foreign exchange rate difference	4,154,148	-
Borrowing costs	27,243,257,576	26,004,690,109
Other finance expenses	7,700,000	40,165,686
	<b><u>27,256,404,034</u></b>	<b><u>26,145,214,218</u></b>

28. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current period VND</i>	<i>Previous period VND</i>
Expenses for administrative staff	23,617,509,017	18,648,199,467
- Salary and allowances	22,509,724,583	17,635,187,545
- Social security, health insurance, union fee and unemployment insurance	1,107,784,434	1,013,011,922
Office supplies	70,423,983	156,586,929
Tools	245,644,905	550,056,721
Depreciation expenses	822,022,076	638,228,629
Taxes and fees	1,395,831,149	1,206,499,236
External service expenses	12,499,907,665	12,705,489,066
Other expenses	561,713,167	515,148,672
	<b><u>39,213,051,962</u></b>	<b><u>34,420,208,720</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

**29. OTHER INCOME AND EXPENSES**

	<i>Current period VND</i>	<i>Previous period VND</i>
Other income	8,790,909	25,336,363
- Proceed from disposal of fixed assets	-	2,727,273
- Other income	<u>8,790,909</u>	<u>28,063,636</u>
Other expenses	-	-
- Other expenses	-	-
	<u>8,790,909</u>	<u>28,063,636</u>

**30. CORPORATE INCOME TAX**

	<i>Current period VND</i>	<i>Previous period VND</i>
1. Estimated current CIT	19,896,573,406	-

**31. INVESTORS' PAYABLES TO THE COMPANY FOR SECURITIES SERVICES**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Brokerage fee payables	<u>831,067,378</u>	<u>439,647,266</u>

**32. DISCLOSURE OF STATEMENT OF CASH FLOWS**

During the year, the Company did not have any non-cash transactions which might have impact on the statement of cash flows or any cash managed by the Company which is unused.

**34. OTHER INFORMATION**

**34.1 Related party transactions**

Related party transactions include all transactions undertaken with other parties to which the Company is related. A party is considered to be related if the party has ability to control or to influence other parties in making decision of financial policies and operational activities. A party is related 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 (including parents and subsidiaries);
- ▶ Has an interest (owning 5% or more of the charter capital or voting share capital) in the Company that gives it significant influence over the Company;
- ▶ Has joint control over the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

- (b) The party is a joint venture in which the Company is a venture or an associate (owning over 11% of the charter capital or voting share capital, but is not a subsidiary of the Company);
- (c) The party is a member of the key management personnel of the Company;
- (d) The party is a close member of the family of any individual referred to in (a) or (c); or
- (e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such company resides with, directly or indirectly, any individual referred to in (c) or (d).

<u>Related parties</u>	<u>Relationship</u>
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent bank
BIDV Insurance Corporation (BIC)	Fellow subsidiary
BIDC Bank	Fellow subsidiary
BIDV Tower	Joint venture of parent bank

Significant transactions with related parties during the period are as follows:

<u>Related parties</u>	<u>Relationship</u>	<u>Transactions</u>	<u>Income/(Expense)</u>	
			<u>Current period VND</u>	<u>Previous period VND</u>
BIDV	Parent Bank	Interest income from deposits	4,919,205,476	1,743,465,143
		Interest income from bonds	-	378,317,070
		Service fee income	274,914,309	79,114,162
		Service fee expense	(10,972,011,411)	(6,376,298,922)
BIDC	Fellow subsidiaries	Interest income from deposits	71,051,854	-
BIC	Fellow subsidiaries	Securities brokerage fees receipt	62,832,758	82,247,986
BIDV Tower	Joint venture of BIDV	Office rental expense	(7,632,027,359)	(5,620,947,921)

Balances with related parties are as follows:

<u>Related parties</u>	<u>Relationship</u>	<u>Transactions</u>	<u>Income/(Expense)</u>	
			<u>Current period VND</u>	<u>Current period VND</u>
BIDV	Parent Bank	Deposits	344,952,686,391	267,187,127,004
		Investment in shares (odd lots)	71,271,945	47,616,840
		Accrued interest from term deposits	1,998,263,889	526,472,222
		Service fees payable	(632,716,847)	(1,375,697,280)
BIDC	Fellow subsidiaries	Deposits	60,003,759,245	15,004,325,458
		Accrued interest from term deposits	-	11,458,333
BIDV Tower	Joint venture of BIDV	Rental deposits	2,891,650,104	2,891,650,104
BIC	Fellow subsidiaries	Equity investments (odd lots)	750,495	348,060

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the year then ended

### 34. OTHER INFORMATION (continued)

#### 34.2 Segment report

Unit: VND

	Brokerage and customer services	Proprietary trading	Financial advisory	Other segments	Total
<b>For the year ended 30 June 2017</b>					
1. Net revenue from operating activities	150,767,225,399	112,339,974,223	14,876,789,310	8,764,891,834	286,748,880,766
2. Direct costs	60,808,551,670	5,627,504,592	14,001,959,639	27,256,404,034	107,694,419,935
3. Depreciation and amortization and other allocated expenses (*)	20,617,493,006	15,362,547,309	2,034,408,332	1,198,603,315	39,213,051,962
<b>Profit before tax from operating activities</b>	<b>69,341,180,723</b>	<b>91,349,922,322</b>	<b>(1,159,578,661)</b>	<b>(19,690,115,515)</b>	<b>139,841,408,869</b>
<b>As at 31 March 2017</b>					
1. Segment assets	456,598,111,021	940,040,712,328	494,417,091	429,852,494,693	1,826,985,735,133
- Cash and cash equivalents	-	-	-	255,000,000,000	255,000,000,000
- Financial assets at FVTPL	-	939,717,545,728	-	-	939,717,545,728
- Held-to-maturity investments (short-term)	-	-	-	120,000,000,000	120,000,000,000
- Loans	466,179,327,300	-	-	-	466,179,327,300
- Provision for impairment of financial assets and mortgage assets	(18,667,226,859)	-	-	-	(18,667,226,859)
- Receivables	7,936,719,021	6,535,540	-	4,831,544,464	12,774,799,025
- Receivables from services provided by the Company	1,149,291,559	-	515,417,091	-	1,664,708,650
- Provision for impairment of receivables	-	-	(21,000,000)	-	(21,000,000)
- Held-to-maturity investments (long-term)	72,993,887,128	54,389,350,050	7,202,591,126	50,020,950,229	50,337,581,289
2. Allocated assets (*)	50,583,815,414	37,691,112,937	4,991,302,071	2,940,703,256	138,829,346,902
- Cash and cash equivalents	53,892,593	40,156,556	5,317,792	3,133,059	102,500,000
- Advanced payments to suppliers	11,523,279	8,586,249	1,137,047	669,909	21,916,484
- Other receivables	135,875,027	101,243,469	13,407,318	7,899,130	258,424,944
- Other short term assets	4,023,289,558	2,997,841,500	396,993,650	233,894,984	7,652,019,692
- Fixed assets	18,185,491,257	13,550,409,339	1,794,433,248	1,057,218,260	34,587,552,104
- Other long-term assets	-	-	-	-	-
3. Total assets	529,591,998,149	994,430,062,378	7,697,008,217	434,096,013,291	1,965,815,082,035



## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the year then ended

### 34. OTHER INFORMATION (continued)

#### 34.2 Segment report (continued)

Unit: VND

	Brokerage and customer services	Proprietary trading	Financial advisory	Other segments	Total
As at 30 June 2017					
1. Segment liabilities					
- Short-term borrowings	-	-	-	-	-
- Advances from customers	7,929,415,218	-	1,992,011,176	734,662,184,523	814,282,860,695
- Payables for securities transaction activities	4,248,237,678	5,451,012,100	-	585,000,000,000	585,000,000,000
- Statutory obligations	-	-	1,992,011,176	-	1,992,011,176
- Repurchase agreements of Government bonds	-	-	-	-	13,380,427,318
- Other current payables	60,000,000,000	-	-	149,375,500,000	4,248,237,678
- Accrued expenses	29,862,509,390	-	-	286,684,523	149,375,500,000
2. Allocated liabilities (*)					
- Trade payables	2,734,814,587	22,251,212,265	2,946,650,104	1,736,064,745	56,796,436,505
- Statutory obligations	8,094,467,652	2,037,770,473	269,854,806	158,989,157	5,201,429,024
- Other current payables	57,807,356	6,031,365,802	798,712,648	470,573,981	15,395,120,083
- Payables to employees	14,327,893,158	43,073,532	5,704,077	3,360,645	109,945,610
- Accrued expenses	14,219,700	10,676,028,187	1,413,789,019	832,955,793	27,250,666,157
- Bonus and Welfare fund	4,387,009,466	10,595,411	1,403,113	826,667	27,044,891
- Employee benefits	246,297,471	3,268,857,200	432,883,310	255,039,935	8,343,789,911
		183,521,660	24,303,131	14,318,567	468,440,829
<b>Total liabilities</b>	<b>102,040,162,286</b>	<b>27,702,224,365</b>	<b>4,938,661,280</b>	<b>736,398,249,268</b>	<b>871,079,297,200</b>

(\*) Expenses, assets and liabilities are allocated to segments based on the proportion of that segment in total revenue from operating activities of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the year then ended

**33. OTHER INFORMATION (continued)**

**33.3 Commitments under operating lease**

The Company currently leases its offices under the operating lease contracts. As at 31 March 2017, the future rental payables as stated in the rental contracts are as follows:

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Within 1 year	76,352,000	-
From 1 – 5 years	52,610,662,500	51,448,897,500
	<b>52,687,014,500</b>	<b>51,448,897,500</b>

These rental payables were estimated based on the rental fees stated in the lease contracts as at 31 March 2017.

**33.4 Basic earnings per share**

Basic earnings per share are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

	<i>Current period</i>	<i>Previous period</i>
Profit after tax attributable to ordinary equity holders for basic earnings - VND	119,953,626,372	43,859,487,274
Weighted average number of outstanding ordinary shares for basic earnings per share – Unit	90,219,115	90,219,115
Basic earnings per share – VND	1,330	486

Basic earnings per share of the prior year was adjusted due to the effects from the issuance of bonus shares to current shareholders in September 2016.

**33.5 Purposes and policies of financial risk management**

Financial liabilities of the Company mainly comprise of loans and borrowings, trade payables and other payables. Primary purpose of financial liabilities is to finance main business operation of the Company. The Company possesses loans, receivables from customers and other receivables, cash on hand and short-term deposit incurring directly from business operation of the Company. The Company does not hold or issue any derivative instruments.

The Company is exposed to market risk, credit risk and liquidity risk in its daily operation.

Risk management is integral to the whole business of the Company. The Company has a system of control in place to achieve an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized below.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the year then ended

**33. OTHER INFORMATION (continued)**

**33.5. Purposes and policies of financial risk management (continued)**

***Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include receivables from securities trading, deposits and available-for-sale investments.

The sensitivity analysis in the following sections relates to the Company's financial position as at 30 June 2017.

The sensitivity analysis has been prepared on the assumption that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analysis, the Management assumes that the statement of financial position relates to available-for-sale debt instruments and the sensitivity of the relevant statement of comprehensive income items is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2017 and 31 December 2016.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cooperation contracts, customer receivables, cash and short-term deposits. These investments are mainly short term in nature and they are not held for speculative purposes.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain relevant interest policies, which are favorable for its purposes within its risk management limits.

A sensitivity analysis is not performed for the interest rate risk as the Company's exposure to interest-rate risk is minimal at the reporting date.

***Currency risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company assesses that its exposure to currency risk is at low level because in the year 2016 and the first six months of 2017, the Company was almost not involved in foreign currency transactions.

***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 share price risk by establishing investment limit. Management of the Company also reviews and approves decisions on making shares investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the year then ended

33. OTHER INFORMATION (continued)

33.5. *Purposes and policies of financial risk management* (continued)

*Equity price risk* (continued)

At the reporting date, the fair value of both of the Company's listed and unlisted shares registered on UPCOM amounted to VND 273,020,464,580. A decrease by 10% on market price of these shares may result in a decrease in Company's net profit by VND 9,436,063,264, depending on whether this change is significant or prolonged. An increase by 10% of securities index may result in an increase in the Company's net profit by VND 25,927,014,516.

*Credit risk*

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables, securities trading receivables) and from its financing activities, including deposits with banks, and other financial instruments.

*Trade receivables*

The Company based on its established policies, procedures and controls relating to customer credit risk management to manage its customer credit risk.

The Company closely monitors uncollected trade receivables on a regular basis and thoroughly considered impairment of customers' credit quality at the reporting date.

*Bank deposits*

The Company's bank balances are mainly maintained at the parent bank; therefore, the company assessed the credit risk for bank deposits to be low.

*Loans and advances to customers*

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin and advance payments to customers. The Company conducts the customer assessment and appraisal for determining credit and advance limits prior to the signing of margin and advance payment contracts. Also, the Company periodically examines customers' financial position in order to make appropriate and timely adjustments for margin ratio and credit limits.

The Company's management assessed that all financial assets are neither past due nor impaired as they are related to recognized and credit worthy counter parties, except for impaired receivables, as presented below:

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

### 33. OTHER INFORMATION (continued)

#### 33.5. Purposes and policies of financial risk management (continued)

##### Credit risk (continued)

Details of credit risk for each group of assets as at 30 June 2017 are as follows

Unit: VND

30 June 2017	Neither past due nor impaired	Past due but not impaired				Total
		Less than 3 months	3 - 6 months	6 - 12 months	Over 1 year	
Held-for-trading investments	660,925,266,148	-	-	-	-	660,925,266,148
Bonds	660,925,266,148	-	-	-	-	660,925,266,148
Held-to-maturity investments	350,091,661,293	-	-	-	-	350,091,661,293
Bonds	323,166,600	-	-	-	-	323,166,600
Term deposits	349,768,494,693	-	-	-	-	349,768,494,693
Loans	455,429,725,540	-	-	-	18,667,226,859	474,096,952,399
Other financial assets	36,330,176,115	-	-	-	42,000,000	36,372,176,115
Receivable from securities transaction activities (*)	1,618,207,527	-	-	-	42,000,000	1,660,207,527
Collaterals and pledges	4,007,552,104	-	-	-	-	4,007,552,104
Other receivables (*)	30,704,416,484	-	-	-	-	30,704,416,484
<b>TOTAL</b>	<b>1,502,776,829,096</b>	-	-	-	<b>18,709,226,859</b>	<b>1,521,486,055,955</b>

(\*): These items do not include provision. Value of collaterals have been deducted.

##### Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulties in meeting financial obligations due to the shortage of funds. The Company's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate by Management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 30 June 2017:

## BIDV Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for the period then ended

## 33. OTHER INFORMATION (continued)

## 33.5. Purposes and policies of financial risk management (continued)

	Unit: VND					
	Overdue	On demand	Up to 1 year	From 1-5 years	Over 5 years	Total
<b>30 June 2017</b>						
<b>FINANCIAL ASSETS</b>						
Held-for-trading investments	-	278,792,279,580	660,925,266,148	-	-	939,717,545,728
Listed shares (*)	-	260,542,072,580	-	-	-	260,542,072,580
Shares registered on Upcom (*)	-	12,478,392,000	-	-	-	12,478,392,000
Unlisted shares	-	5,771,815,000	-	-	-	5,771,815,000
Bonds	-	-	660,925,266,148	-	-	660,925,266,148
Held-to-maturity investments	-	-	120,543,138,889	52,758,730,738	-	173,301,869,627
Bonds	-	-	-	323,166,600	-	323,166,600
Term deposits	-	-	120,543,138,889	52,435,564,138	-	172,978,703,027
Loans	18,667,226,859	-	455,429,725,540	-	-	474,096,952,399
Other financial assets	42,000,000	-	32,322,624,011	4,007,552,104	-	36,372,176,115
Receivables from securities transaction activities (*)	42,000,000	-	1,618,207,527	-	-	1,660,207,527
Collaterals and pledges	-	-	-	4,007,552,104	-	4,007,552,104
Other receivables (*)	-	-	30,704,416,484	-	-	30,704,416,484
Cash and cash equivalents	-	96,206,933,678	255,000,000,000	-	-	351,206,933,678
<b>TOTAL</b>	<b>18,709,226,859</b>	<b>374,999,213,258</b>	<b>1,524,220,754,588</b>	<b>56,766,282,842</b>	<b>-</b>	<b>1,974,695,477,547</b>
<b>FINANCIAL LIABILITIES</b>						
Financial liabilities stated at amortized cost	-	-	734,662,184,523	-	-	734,662,184,523
Short-term loans and borrowings	-	-	13,380,427,318	-	-	13,380,427,318
Payables from securities trading activities	-	-	103,393,327,598	-	-	103,393,327,598
Other payables	-	-	851,435,939,439	-	-	851,435,939,439
<b>TOTAL</b>	<b>18,709,226,859</b>	<b>374,999,213,258</b>	<b>672,784,815,149</b>	<b>56,766,282,842</b>	<b>-</b>	<b>1,123,259,538,108</b>
Net liquidity difference						

(\*) Provision is excluded

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 30 June 2017 and for year then ended

33. OTHER INFORMATION (continued)

33.5. *Purposes and policies of financial risk management* (continued)

*Collaterals*

As at the reporting date of the year ended 30 June 2017, the Company was entering into selling and buying commitment agreements, which have term of under three (03) months. The contractual underlying assets were Government bonds at total book value of VND 404,355,276,978. Total selling price was VND 428,475,000,000 and total repurchase price was VND 429,775,500,000.

The Company held securities as collateral for the receivables from customers as at 30 June 2017.

33.7 *Events since the reporting date*

On 7 July 2017, the Company has announced the results of issuing shares to pay dividends in 2016, the number of additional shares issued is 2,769,377 shares. Currently, the Company is carrying out custody and listing procedures for additional shares being issued.

Apart from the event above, 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.

Prepared by:

Approved by:

Approved by:

Ms. Vu Thi Minh Nguyet  
Accountant

Ms Tran Ngoc Diep  
Chief Accountant

Mr. Do Huy Hoai  
General Director



Hanoi, Vietnam

18 July 2017