



ANNUAL REPORT

2016



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ANNUAL REPORT

Vision



Mission



Core value





CATEGORY

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ABBREVIATIONS

ABBREVIATIONS	MEANING
ASEAN :	Association of South-East Asian Nations
BIDV :	Bank for Development and Investment of Vietnam JSC
BOJ :	Bank of Japan
Brexit :	British exit - referring to the UK's decision to leave the European Union (EU)
BSC :	BIDV Securities Companies
IT :	Information Technology
ECB :	European Central Bank
ESOP :	Employee Stock Option Plan
FDI :	Foreign Direct Investment
FED :	Federal Reserve
GDP :	Gross Domestic Product
HNX :	Hanoi Stock Exchange
HOSE :	Ho Chi Minh Stock Exchange
IPO :	Initial public offering
M&A :	Mergers and Acquisitions
TPP :	Trans-Pacific Partnership
SSC :	State Securities Commission of Vietnam
USD :	United States Dollar
VND :	Vietnam Dong

TRADING NAME:

**BANK FOR INVESTMENT AND
DEVELOPMENT OF VIETNAM
SECURITIES JOINT STOCK COMPANY**

ABBREVIATION: BSC

Establishment and Operation Certificate No: No.111/GP-UBCK dated 31/12/2010 issued by State Securities Commission of Vietnam; amended by Certificate No.24/GPĐC-UBCK dated 06/4/2011 and Certificate No.43/GPĐC-UBCK dated 12/12/2016 issued by State Securities Commission of Vietnam.

Charter capital: VND 902,191,150

Owner's equity: VND 983,935 million

Headquarter Address: 1st Floor, 10th – 11th floor, BIDV Tower, Ly Thai To Ward, 35 Hang Voi Street, Hoan Kiem District, Hanoi

Branch Address: 9th Floor, 146 Nguyen Cong Tru Street, District 1, Ho Chi Minh City

Phone number: 84-4 39352722 / 84-8 38218508

Fax number: 84-4 22200669 / 84-8 38218510

Website: www.bsc.com.vn

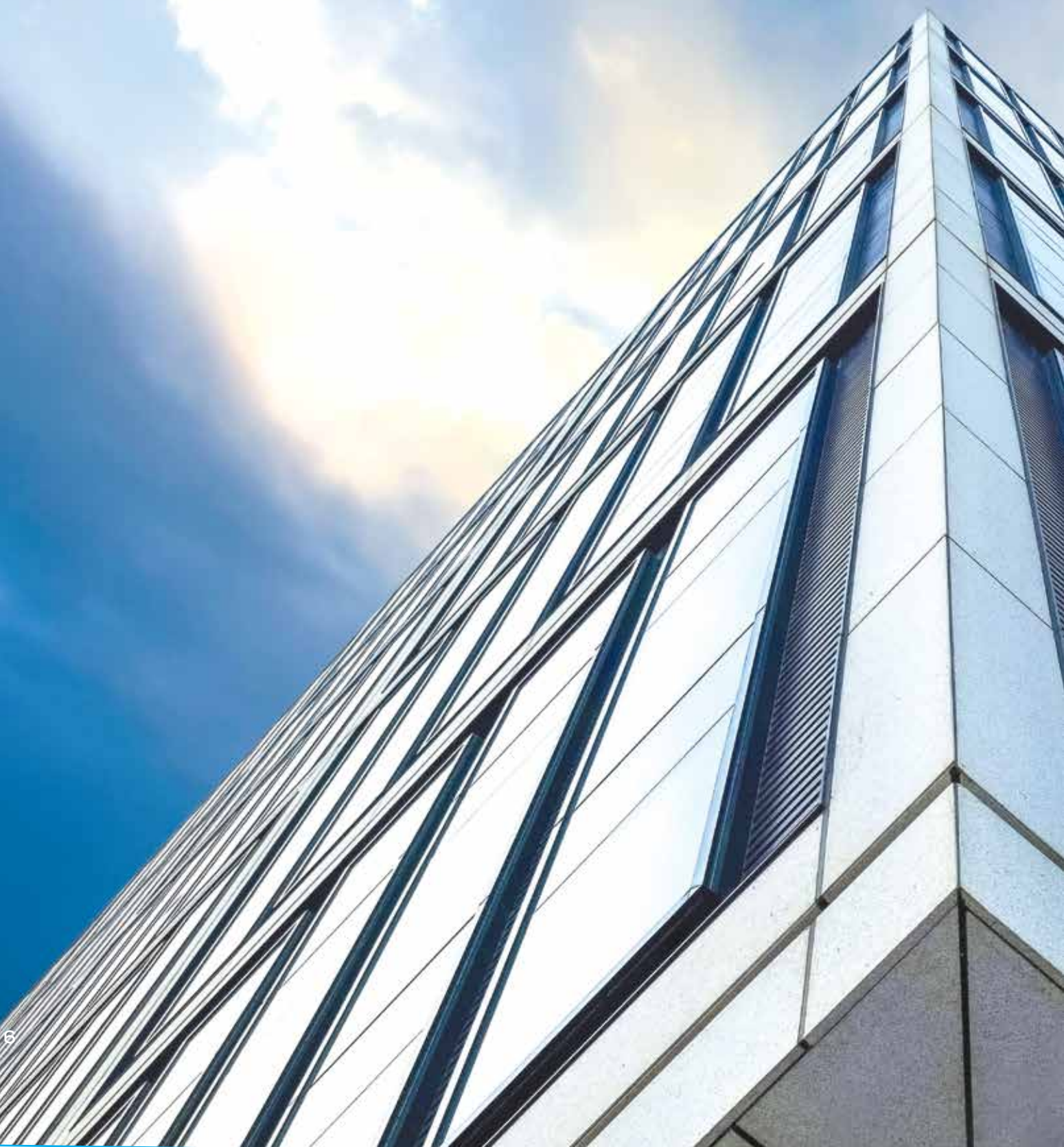
Securities Code: BSI

Business:

BSC is a securities company with following business scope:

- Brokerage
- Securities Investment
- Securities Underwriting
- Securities Depository
- Other activities specified by the laws.

I. GENERAL INFORMATION







1. VISION, MISSION AND CORE VALUE

Established on November 26th 1999, BIDV Securities Company (BSC) is honour to become the first securities company in the Banking industry participating in the Vietnam stock market as well as one of the first two securities firms in Vietnam.

Inheriting and bringing into play unrivalled experience acquired for over 50 years of Bank for Investment and Development of Vietnam (BIDV) – the only state-owned commercial bank designated to be the settlement bank for Vietnam stock market by State Securities Commission; BSC's incorporation as a multifunctional intermediary financial institution marked the start of the securities business in general and careers of stock broker, investor and investment advisor in particular in Vietnam.

At the end of 2010, with regard to development orientation of BIDV and in order to satisfy market requirements, BSC successfully carried out initial public offering. On 01/01/2011, the Company renamed to "Bank for Investment and Development Securities Joint Stock Company". Currently, BSC has a headquarter in Hanoi, a branch located in Ho Chi Minh City and an agency network of more than 200 employees in both front and back office across the country.

Over the last 10 years, the strong and all-sided backup of BIDV, and the self-determination of all our staff has been put in place to make BSC become one of the leading securities companies in Vietnam.

Mission:

Contributing to the development of the stock market and delivering values to clients, investors and shareholders of the Company.

Vision:

Restructuring the customer base toward sustainable development and safety. Maintaining and gradually improving the rank among TOP Securities Companies. Transitioning toward an Investment Bank

Core value:

Is built on three pillars: Quality of Staff, Corporate Culture and Technology Infrastructure

Long term strategy:

BSC aims at higher growth rate than the average stable market level, relatively independent from the market movements and affirming outstanding brands toward leading position in Vietnam securities market, increasing profit, and the workplace of professional staff to achieve common objectives.

Sustainable development orientation:

BSC has defined a culture of high responsibility for the environment and community spirit and helping the disadvantaged in society as important factors to obtain sustainable development. BSC will continue to do charity or scholarship programs. This is not simply the story of the business doing charity but a journey of the passionate hearts ready to share love with the disadvantaged in society. To give is to turn an organization or nation to be a more prosperous one.



2. HISTORY

1999: Founded on 26/11/1999, the trading name is “Bank for Investment and Development of Vietnam Securities Limited Company” and the Headquarter is in Hanoi. BSC is the first securities company belonged to a bank engaging in securities field and also 01 of the 02 first securities companies having contribution to Vietnam securities market.

2010: On November 17th, 2010, BSC successfully carried out initial public offering. This was a turning point marking the development of the company and also opening up a challenging path to the entire Executive Board and employees when BSC switched business model from State Ltd. Company to the Joint Stock Model.

2011: From January 1st, 2011, the Company renamed to “Bank for Investment and Development Securities Joint Stock Company” with the charter capital of VND 865 billion has been started operating with the new business model. On July 19th, 2011, the Company was officially listed on the HSX with the trading code of “BSI”.

2013: BSC gained a position in TOP 10 stock brokerage market shares of both stock exchanges (9th position in the Top10 stock brokerage market shares on both HSX and HNX). 2013 recording great effort of BSC in bond brokerage activity when it gained the highest position on HNX bond brokerage market share chart.

2014 & 2015: Investment banking gained outstanding achievements with famous deals in the market, especially as IPO consulting deal for Airport Corporation of Vietnam; 3,000 billion VND - bond issuance consulting deal for Vinacomin; IPO consulting deals for Vinatex and Vietnam Airlines.

2016: BSC gained TOP 7 stock brokerage market shares on HOSE and TOP 9 stock brokerage market shares on UPCOM while maintained the highest position on HNX bond brokerage market share chart. Charter capital reached VND 902 million, being qualified as a provider of derivatives related service.

3. ACHIEVEMENTS

2005: Awarded by The Ministry of Finance for successfully organizing the auction of Vinamilk JSC shares

2009: Be honoured by Hanoi Stock Exchange as 1 of 15 typical securities companies among nearly 100 trading members

2010: Awarded “The Best Securities Consulting Company” by Vietnam Economic Forum and Vietnamnet online newspaper

2011: Awarded the 3rd-Level-Labor Medal by the State for the contributions to the development of the securities market

2014:

- Awarded by the Ministry of Finance for contributions to the securities market for 2009-2013

- Awarded “The Best Investment Bank in Vietnam” by Alpha South East Asia magazine

- Ho Chi Minh City Securities Exchange honoured BSC as Top 3 securities company having the highest bond brokerage market shares and top 5 securities companies having the highest stock auction value

- Hanoi Securities Exchange honoured BSC as Top 5 typical members of government bond markets in 2014

2015:

- Awarded as “Vietnam’s Best Debt Capital Market House” by Finance Asia Magazine and Alpha

South East Asia Magazine

- Awarded as “Vietnam’s Best Equity Capital Market House” by Alpha South East Asia Magazine

- Awarded as typical member for 2005-2015 by Hanoi Securities Exchange

- Remain the 1st position among securities companies participating in government bond auction and Top 1 bond brokerage market shares on HNX

- Awarded as typical members in government bond market in 2015 by HNX

- Awarded by HSX as Top 5 securities companies having the highest bond brokerage market shares in 2015, Top 10 securities companies with highest stock brokerage market shares in 2015, and the company securities having typical IPO deal

2016:

- Awarded as “Best Investment Management” by World Finance.

- Awarded as “Vietnam’s Best Brokerage” by CFI – an UK’s famous financial journal.

- Awarded by The Ministry of Finance for outstanding achievement in raising capital for Government Budget through government bond, contribution in the success of the industry and completion of Finance – Budgeting related mission in 2016.

4. FINANCIAL HIGHLIGHTS

ITEMS	2015	2016	% change
INCOME STATEMENT (million VND)			
Revenue from operating activities	493,164	647,792	31%
1. Gains on Financial Assets at Fair Value through Profit and Loss (FVTPL)	107,576	346,302	222%
2. Gains on Held-to-Maturity Investments (HTM)	91,426	23,650	-74%
3. Interest income and receivables	83,629	101,157	21%
4. Revenue from brokerage services	108,287	136,586	26%
5. Revenue from underwriting and securities issuance agent services	32,588	11,759	-64%
6. Revenue from investment advisory services	36	60	67%
7. Revenue from securities custodian services	9,378	8,548	-9%
8. Revenue from financial advisory services	60,244	19,730	-67%
Operating expense	(233,955)	(394,458)	69%
1. Losses on Financial Assets at Fair Value through Profit and Loss (FVTPL)	(119,190)	(266,013)	123%
2. Losses on Held-to-Maturity Investments (HTM)	(266)	(21)	-92%
3. Interest expense, Losses on Loans and Receivables	(4,323)	(5,981)	38%
4. Expense on securities trading	(2,474)	(2,377)	-4%
5. Expense on brokerage services	(76,562)	(94,990)	24%
6. Expense on underwriting and securities issuance agent services	(7,024)	(560)	-92%
7. Expense on advisory services	(17,838)	(16,759)	-6%
8. Expense on securities custodian services	(6,277)	(7,757)	24%
Profit from financing activities	3,879	4,228	9%
Financing expense	(101,210)	(55,878)	-45%
General and administrative expenses	(60,334)	(75,712)	25%

ITEMS	2015	2016	% change
Profit from operating activities	101,543	125,973	24%
Other income	(53)	27	
Profit before tax	101,491	126,000	24%
Corporate income tax	-	(10,958)	
Profit after tax	101,491	115,042	13%
BALANCE SHEET (million VND)			
Total Assets	2,118,659	1,445,954	-32%
1. Current Assets	2,080,224	1,362,064	-35%
2. Non-current Assets	38,435	83,889	118%
Total resources	2,118,659	1,445,954	-32%
1. Liabilities	1,249,523	462,018	-63%
2. Owner's equity	869,135	983,935	13%
KEY FINANCIAL RATIOS			
1. Liquidity			
- Current ratio	1.67	2.01	20%
2. Capital structure			
- Total Debt/Total Assets	59%	48%	-18%
- Total Debt/Total Equity	142%	92%	-35%
3. Profitability			
- Net profit margin	21%	18%	-14%
- Return on Assets	5%	6%	26%
- Return on Equity	12%	6%	-48%
4. Performance (per share)			
- Basic Earnings per Share (VND/ share)	1,173	1,275	9%
- Book value per share (VND/share)	10,048	10,906	9%

5. SHAREHOLDER STRUCTURE AND CHANGE IN CHARTER CAPITAL

5.1. SHARES

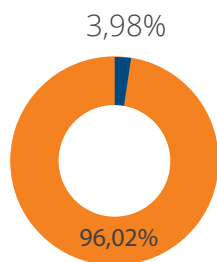
- Total shares: 90,219,115
- Type of share: Common
- Book value: VND 10,000
- Number of fund certificates: 5,133
- Total number of outstanding shares: 90,213,982
- Total number of restricted shares: 0
- Majority shareholders: 2 majority shareholders – PYN ELITE FUND and BIDV: accounting for 96.02%

5.2. OWNERSHIP STRUCTURE

Items	Number of shareholders	Number of shares	Percentage holding
Majority shareholders and Minority shareholders			
Minority shareholders	537	3,589,164	3.98%
Majority shareholders	2	86,629,951	96.02%
Individual investors and Institutional investors			
Individual investors	526	2,157,246	2.39%
Institutional investors	13	88,061,869	97.61%
Foreign investors and Local investors			
Local investors	505	82,559,587	91.51%
Foreign investors	34	7,659,528	8.49%
Government shareholder and Other shareholders			
Government shareholder	1	79,503,019	88.12%
Other shareholders	538	10,716,096	11.88%
Total	539	90,219,115	

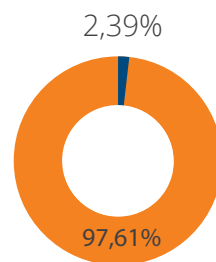


Majority shareholders and Minority shareholders



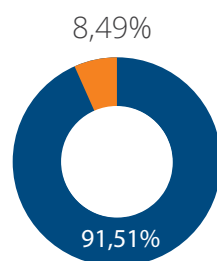
Minority shareholders ■ Majority shareholders

Individual investors and Institutional investors



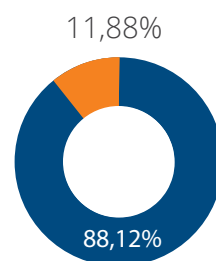
Individual investors ■ Institutional investors

Foreign investors and Local investors



Local investors ■ Foreign investors

Government shareholder and Other shareholders



Government shareholders ■ Other shareholders

5.3. CHANGE IN CHARTER CAPITAL IN 2016

In order to satisfy charter capital related requirement for derivatives services, BSC increased its charter capital to VND 902 billion through advanced stock dividend in 2016.

Charter capital after stock dividend

Charter capital: VND 902,191,150,000

Number of shares distributed: 3,179,115

Book value: VND 10,000/Share

Security code: BSI

Number of shareholders received: 395

Treatment with fractional share: the number of shares distributed to existing shareholders was rounded to the unit position. Fractional part was terminated.





5.4. CHANGE IN NUMBER OF FUND CERTIFICATES

No.	Transaction date	Transaction price (VND)	Number	Purpose
I	Beginning balance		97	Odd lot transaction as required by clients
II	Increase		5,036	
1	15/02/2016	8,378	7	Odd lot transaction as required by clients
2	11/03/2016	8,739	1	Odd lot transaction as required by clients
3	14/03/2016	8,919	8	Odd lot transaction as required by clients
4	08/04/2016	8,739	6	Odd lot transaction as required by clients
5	10/05/2016	8,559	6	Odd lot transaction as required by clients
6	28/06/2016	8,600	5,000	Correction via VSD
7	07/11/2016	8,198	8	Odd lot transaction as required by clients
III	Decrease		-	
IV	Ending balance		5,133	

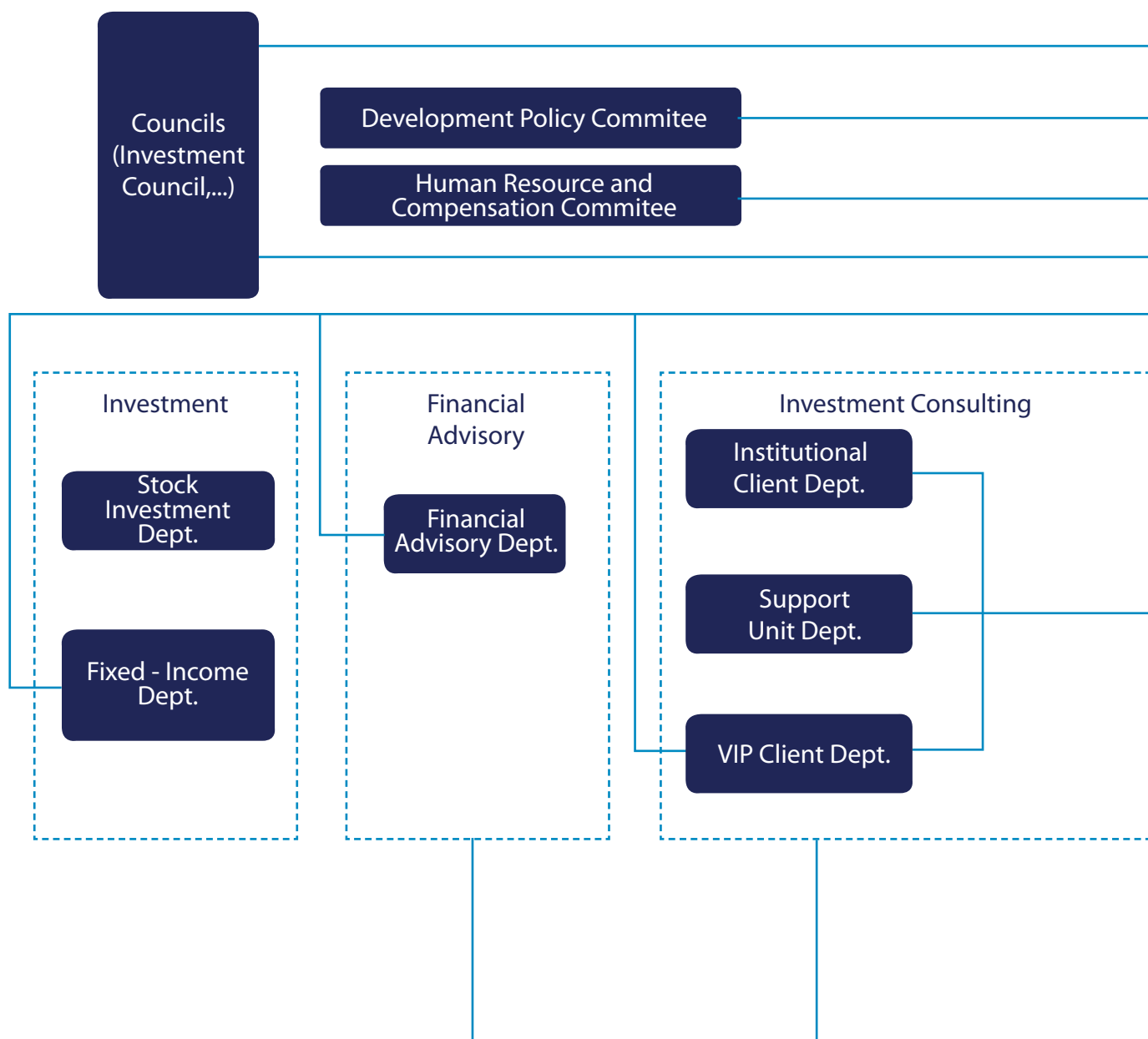
6. SUBSIDIARY AND JOINT VENTURE: NO

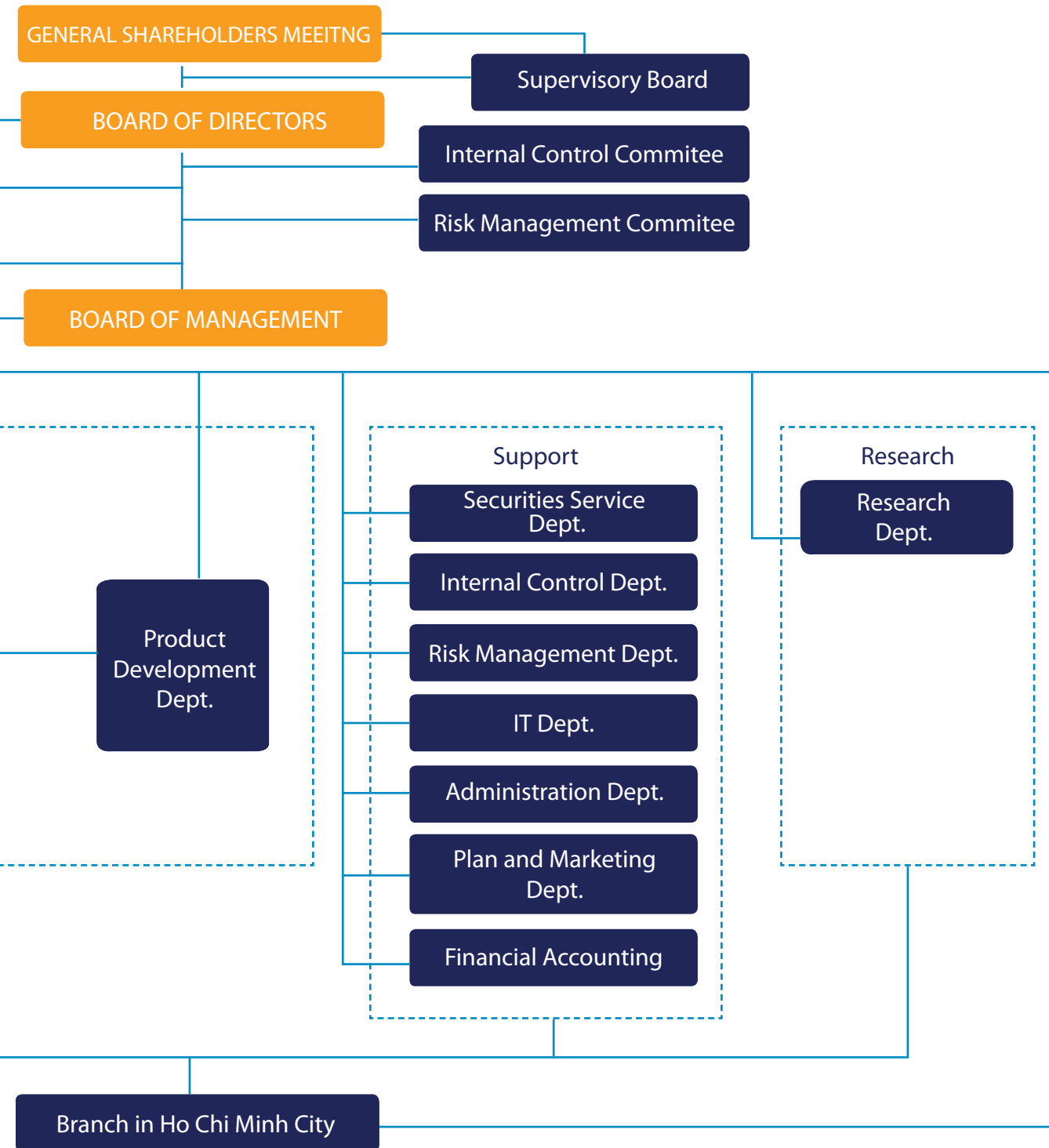
II. CORPORATE GOVERNANCE





1. ORGANIZATION MODEL







2. BOARD OF MANAGEMENT

Mr **DOAN ANH SANG**
Chairman of BOM

Bachelor in Banking and Finance

- Work experience: Working at BIDV since 1983 and currently acting as Deputy General Director of BIDV.
- Chairman of BSC's Executive Board since July 26th, 2014.
- The percentage of owned shares: 0.00%
- The percentage of authorized shares: 35.25%.

Mr **DO HUY HOAI**

Vice chairman of BOM

General Director

Master of Banking and Finance

- Work experience: Working at BIDV since Feb 1988 and currently acting as General Director of BSC
- A member of the Board of Management since December 17th, 2010.
- The percentage of owned shares: 0.0024%
- The percentage of authorized shares: 26.43%



Mr **LE NGOC LAM**

Member of BOD

Master of Economics

- Work experience: Working at BIDV since Oct 1997 and currently acting as Deputy General Director of BIDV and Director of BIDV Corporate Client Committee.
- A member of the Board of Management since April 11th, 2014.
- The percentage of owned shares: 0.00%
- The percentage of authorized shares: 13.21%



Mr **NGUYEN THIEU SON**

Member of BOM

Master of Banking and Finance

- Work experience: Working at BIDV and BIDV's subsidiaries since 1997 and currently acting as Deputy Director of BIDV Investment Management Committee.
- Temporary member of the Board of Management since November 18th, 2015.
- The percentage of owned shares: 0.00%
- The percentage of authorized shares: 13.21%



3. REPORT OF THE BOARD OF MANAGEMENT

BOM'S ASSESSMENT OF THE COMPANY'S OPERATION IN 2016

In 2016, there was the first sign of slower economic growth in Vietnam. Vietnamese GDP growth of 2016 was 6.2%, 0.5% below 2015 and did not meet the planned target. The reasons for this slowdown were the decrease in international trade growth, and various natural disasters and environmental incidences especially the most serious drought in 100 recent years and salinization, causing huge damage to the Mekong Delta or the environmental disaster in Ha Tinh province, negatively affecting the local fisheries and tourism. However, there were high growth in 2 core sectors contributing to Vietnamese GDP growth which are industrial production and manufacturing and processing.

2016 was closed with many records : Vn-index reached the highest level in 8 years. This index also achieved outstanding increase at the end of the year as it increased by 15% throughout the year. In 2016, the securities market strongly fluctuated with many sudden increases and decreases but investors who are consistent in the crisis were rewarded.

In the general context of 2016 business environment, BSC closely followed the orientation of the Board of Management and was also flexible and active in dealing with the market situations to strive for the planned target. Almost business segments of BSC met and even exceeded the targets. Some main results were as follows:

1. The stock brokerage market share in 2016 reached 4.02%.
2. The government bond brokerage market share continued maintaining the first place on HNX.
3. The profit before tax reached 126 billion VND. Apart from stabilizing the operation and closely following the plan, BSC continued to improve the corporate governance to achieve the sustainable development. In 2016, BSC actively looked for the strategic partners and financial shareholders to increase the operating scale and financial capacity as well as to improve BSC's competitiveness by standardizing the staff and innovating the salary policy to attract and remain good employees.

In addition to that, BSC has always been involved in many charity and social events contributing to sustainable development of the stock market and Vietnam socioeconomic environment. In particular, since 2015 up until now, BSC has been a companion with the Go Finance contest which is a mean connecting between young active students and enterprises operating in the stock market. The contest has attracted attention from a great deal of students with a desire to work in finance area thus considered to have a great influence on the community and society. In 2016, BSC organized a number of programs to support disadvantaged people in remote areas of the country such as charity program named "Warm festival in Ta Xi Lang" held in Yen Bai province and "Lovely Tet" held in Ba Ria Vung Tau province.

ACTIVITIES OF BOARD OF MANAGEMENT IN

2016**SUMMARY OF MEETINGS AND RESOLUTIONS OF EXECUTIVE BOARD**

In 2016, to approve and decide critical problems relating to Company's operation, BOM continued to organize meetings among members of BOM, Supervisory Board, Executive Board and some core senior staffs of BSC. The purpose of such meetings is to discuss and reach the final decision under BOM's authorization to quickly give management instructions for BSC's operation. The BOM conducted five (05) official meetings and twenty (20) meetings in the form of collecting written opinion:

FOLLOWING IS OFFICIAL BOM'S MEETINGS IN 2016

No.	Date	Number of Members	Contents
1	22/02/2016	04	Receiving loan from HDBank – Hang Xanh Branch
2	28/04/2016	04	Electing Chairman and Vice chairman of BOM
3	24/08/2016	04	Implementing fixed asset plan – Derivatives software system investment.
4	15/08/2016	04	Receiving loan from Vietnam – Russia Bank.
5	28/10/2016	04	Approving settlement of Ho Chi Minh Branch facility improvement project.

FOLLOWING IS MEETINGS IN THE FORM OF COLLECTING WRITTEN OPINION 2016:

No.	Document No.	Date	Contents
1	01/BB-HĐQT	07/01/2016	Suggestion of changing the BSC's brand identity
2	02/BB-HĐQT	07/01/2016	Evaluation report on the risk management implementation in 2015 and approving the risk management policy in 2016
3	03/BB-HĐQT	19/01/2016	Setting up BSC's high performance wage fund for 2015.
4	04/BB-HĐQT	21/01/2016	Annual General Shareholders Meeting Preparation.

3. REPORT OF THE BOARD OF MANAGEMENT (continued)

FOLLOWING IS MEETINGS IN THE FORM OF COLLECTING WRITTEN OPINION 2016: (continued)

No.	Document No.	Date	Contents
5	05/BB-HĐQT	27/01/2016	Fixed asset and construction investment plan for 2016
6	07/BB-HĐQT	03/03/2016	Setting up funds and distributing profit after tax in 2015 financial year.
7	08/BB-HĐQT	03/03/2016	Draft financial statement 2015
8	09/BB-HĐQT	23/03/2016	Stock investment strategy 2016
9	11/BB-HĐQT	09/05/2016	Report on Risk Assessment and Monitoring for 1st quarter of 2016.
10	12/BB-HĐQT	09/06/2016	OTC Divestment
11	13/BB-HĐQT	10/06/2016	Plan on increasing charter capital by pay stock dividend in advance in 2016
12	14/BB-HĐQT	21/06/2016	Adjusting some contents in the Decision 03/QĐ-HĐQT on decentralized authorization of governance and management

No.	Document No.	Date	Contents
13	15/BB-HĐQT	27/06/2016	Appointing Chief accountant
14	16/BB-HĐQT	28/06/2016	Suggestion of expanding BSC's working area on 10th floor – 35 Hang Voi Str.– Hanoi.
15	18/BB-HĐQT	04/08/2016	Increasing charter capital by advancing the stock dividends in 2016
16	21/BB-HĐQT	23/08/2016	Providing in-day trading service in accordance with current law
17	23/BB-HĐQT	26/10/2016	Suggesting the orientation of improving 10th floor working area and furnishing some departments in Headquarters.
18	24/BB-HĐQT	14/11/2016	Setting up provision for wage for 2016
19	25/BB-HĐQT	26/12/2016	Fixed asset and construction investment plan for 2017
20	27/BB-HĐQT	31/12/2016	Adjusting basic salary for 2016

ACTIVITIES OF EACH MEMBER

In 2016, all members of BOM strived to improve themselves as well as governance ability, by that, developing BSC's corporate governance quality in accordance with current law and towards international standards:



Mr **DOAN ANH SANG**

Chairman

- *Preparing action plan for Board of Management*
- *Convening and presiding at meetings of Board of Management*
- *Approving Resolutions/Decisions of the Board of Management*
- *Leading and ensuring effective operation of the Board of Management on matters under its jurisdiction*
- *Supervising, leading and monitoring business operation of BSC to complete the tasks assigned by General Shareholders Meetings*



Mr **DO HUY HOAI**

Vice chairman cum General Director

- *Organizing, implementing and monitoring the resolutions /decisions of the Board of Management*
- *Fulfilling duties and responsibilities as required by the General Meeting of Shareholders and the Board of Management*
- *Giving direction and supervising business operation of BSC within his jurisdiction.*
- *Managing all activities of BSC.*
- *Giving direction and managing the operation of some units as assigned by the Executive Board.*
- *Ensuring timely and fully provision of information from the Executive Board to the Board of Management.*
- *Monitoring the preparation of agenda and content and documents of the meetings of the Board of Management.*



Mr **LE NGOC LAM**
Member of Board of Director

- *Achieving the targets assigned at the Annual General Meeting of Shareholders within his jurisdiction.*
- *Participating in all meetings of the Board of Management and have official written opinions about other issues within jurisdiction of Board of Management.*
- *Supervising the implementation of the decisions of the Board of Management.*
- *Giving direction and supporting BSC in special business segments relating to financial advisory activities, equalization and M&A, etc.*



Mr **NGUYEN THIEU SON**
Member of Board of Director

- *Participating in all meetings of the Board of Management and have official written opinions about other issues within jurisdiction of Board of Management*
- *Supervising the implementation of the decisions of the Board of Management.*
- *Giving direction and supporting BSC in special business segments related to investment.*

BOM'S ASSESSMENT OF EXECUTIVE BOARD'S OPERATION RESULTS

In 2016, under direct and indirect inspection and the supervision of the Board of Management and the General Meeting of Shareholders, the Executive Board achieved the following results:

- Clearly assigning tasks of General Director to members of Executive Board and holding regular monthly and quarterly meetings to assess the plan progress.
- The Executive Board adopted and implemented tasks assigned by the Board of Management and regularly updated the company operation through direct report or regular written report.
- The Executive Board conducted monthly reports on business results of the Company and the results of the implementation of the resolutions/decisions of the Board of Management.
- The Executive Board implemented business plan in accordance with the resolutions of the General Meeting of Shareholders, guidance of the Board of Directors, the Company's Charter and the provisions of law.
- Effective control and risk management in accordance with the provisions of the laws and regulations on securities.
- The Executive Board actively developed proposals on the key issues of the company to the Board of Directors.

PLAN OF THE BOARD OF MANAGEMENT IN 2017

In 2017, the Board of Management of BSC will continue to work closely with the Board of Management to guide and monitor the business operations of the Company to maintain the outstanding results and achieve high goals as follows:

- Improving the financial capability through the issuance of shares to raise capital towards financial self-control in the integration environment condition in order to build position of BSC in the common market and ASEAN region.
- Focusing on developing special services which are the Investment Banking businesses and M&A. Using advisory services as an advantage of BSC in the next period to represent level and value of the BSC;
- Using satisfaction of our customers and partners as a measure of the prestige of BSC to promote BSC's brand;
- Strengthening management ability in accordance with the operational model of a fully integrated securities company. Improving the skills, professionalism and ethics. Developing motivation policies and improving general efficiency of staffs;
- Joining the largest IPO advisory contracts for State-Owned Enterprises in the near future. Implementing advisory deals for issuing and listing in international market in the context that ASEAN general economic community is going to be formed.





4. SUPERVISORY BOARD

Three members of Supervisory Board for the 1st term (2011-2015) were first elected by the General Meeting of Shareholders on December 17th, 2010. The members of Supervisory Board also elected head of Supervisory Board on the same day. In the extraordinary General Meeting of Shareholders on December 7th, 2011, a member of the Supervisory Board resigned and General Shareholders Meeting elected a new member. Then at the General Shareholders Meeting on April 4th, 2015, Head of the Supervisory Board resigned, General Shareholders Meeting elected 1 additional new members. On the same day, Supervisory Board had a meeting and elected Head of the Supervisory Board. In Annual General Shareholders Meeting 2016, Supervisory Board was elected for the 2nd term (2016 – 2020), the Supervisory Board Structure at the present time is as follows:

- Ms. Pham Thanh Thuy : Head of Supervisory Board
- Ms. Hoang Thi Huong : Member of Supervisory Board
- Mr. Tran Minh Hai : Member of Supervisory Board

Ms **PHAM THANH THUY**

Date of birth: 1974

Head of Supervisory Board

Master of Economics

- Work experience: Working at BIDV since 1995.
- Head of Supervisory Board since April 11th, 2015
- The percentage of owned shares: 0,0000%



Ms **HOANG THI HUONG**

Date of birth: 1974

Member of Supervisory Board

Master of Economics

- Work experience: Working at BIDV since 1997 and currently act as Vice Director of BIDV Inspection and Monitoring Committee.
- A member of Supervisory Board since December 17th, 2010.
- The percentage of owned shares: 0,0000%



Mr **TRAN MINH HAI**

Date of birth: 1973

Member of Supervisory Board

Bachelor of Finance and Banking

- Work experience: Working at BIDV since 1997 and began working at BSC from 1999 and currently working as an officer of BSC Internal Control Department.
- A member of Supervisory Board since July 31st, 2011.
- The percentage of owned shares: 0,0000%



5. REPORT OF SUPERVISORY BOARD



ACTIVITIES OF SUPERVISORY BOARD IN 2016

BSC's Supervisory Board worked part-time. Activities of the Supervisory Board in 2016 included:

- Organizing meetings to develop operation plan of the Supervisory Board and assigning specific tasks to each member.
- Monitoring the operation of the Board of Directors and General Director in conducting business activities and corporate governance to ensure compliance with the provisions of law and the Company's Charter
- Conducting periodic monitoring of the compliance with the resolutions of the General Meeting of Shareholders, business and financial situation in 2016
- Reviewing the legality, rationality, honesty and prudence in the management of business operations, accounting and reporting of financial activities
- Participating in regular and extraordinary meetings of the Executive Board to capture

and supervise the management and the operation of the company.

- Reviewing and unifying the figures in the report on business operations, quarterly, 6-month and 2016 financial reports, report on evaluation of the management of the Executive Board. Supervisory Board assessed the contents of the financial statements, financial safety ratio reports which were ensured to comply with the current regulations and evaluated by independent audit firm.
- Seeking opinion on selecting independent audit firm.
- Contributing in developing measures on managing business operation with the Executive Board and Executive Board to enhance the operational efficiency and risk management in the business.
- Receiving and resolving complaints of the group of shareholders to Supervisory Board during the year: None.



THE MEETINGS OF THE SUPERVISORY BOARD IN 2016:

The Supervisory Board held 3 meetings with the participation of all members.

- March 2016: Preparing Annual General Shareholders Meeting in 2016
- April 2016: Shortly after the end of Annual Meeting of Shareholders, the Supervisory Board held a meeting to develop duties, assign tasks and elect Head of Supervisory Board for 2016.
- July 2016: Organizing meeting to approve revised financial statements for the first 6 months of 2016.

ASSESSMENT OF SUPERVISORY BOARD ACTIVITIES IN 2016

- In 2016, the Supervisory Board performed in accordance with the law, Company's charter and the Operation regulations of Supervisory Board.
- Meeting the demand of shareholders in supervising the operation of BSC by monitoring the operation and management of BOM, General Directors, Risk Management Department and Internal Control Department.
- In 2016, Head and members of supervisory fulfilled their responsibilities and completed all the tasks assigned by Supervisory Board.

6. EXECUTIVE BOARD

6.1. EXECUTIVE BOARD STRUCTURE

Mr DO HUY HOAI

Date of birth: 1963

General Director

Master of Banking and Finance

- *Work experience: Started working at BIDV since Feb 1988; Started working at BSC since 2007.*
- *General Director of BSC since January 1st, 2007.*
- *The percentage of owned shares: 0.0024%*
- *The percentage of authorized shares: 26.43%*



Mr TRAN THI THU THANH

Date of birth: 1975

Deputy General Director

Bachelor in Banking and Finance

- *Work experience: Started working at BIDV since 1998; Started working at BSC since 2007*
- *Elected as Deputy General Director of BSC on April 1st, 2008 and re-elected on April 1st, 2016.*
- *The percentage of owned shares: 0.0111%*



Mr LE QUANG HUY

Date of birth: 1978

Bachelor in Banking and Finance

- *Work experience: Started working at BIDV since 2002; Started working at BSC since 2007;*
- *Elected as Deputy General Director of BSC on May 5th, 2012 and re-elected on May 5th, 2015.*
- *The percentage of owned shares: 0.00%*



Ms NGO THI PHONG LAN

Date of birth: 1978

Deputy General Director and Director of BSC's Branch in Ho Chi Minh City

Master of Business Administration

- *Work experience: Started working at BSC since 2001*
- *Deputy General Director of BSC and BSC's Branch Director since October 27th, 2014.*
- *The percentage of owned shares: 0.0116%*



6.2. REPORT OF EXECUTIVE BOARD

In 2016, Vietnam's economy improved significantly in spite of volatility. Political issues affected Vietnam's stock market to some certain extent. However, it was a relatively good year for stock market in terms of growth, stability and trading volume which reflects positive changes of the economy. Capital mobilization through the stock market continued to be active while many leading companies implemented IPOs and was listed in the second half of 2016.

In the general context of such economic environment, BSC closely followed the guidelines of the Bank for Investment and Development of Vietnam and the Board of Management of the Company. Thus, BSC flexibly reacted to the market developments. and strived to complete the assigned plan. As the result, pre-tax profit reached VND 126 billion (increasing by 24% compared to the previous year) equivalent to 168% of the plan approved by the shareholders. In addition, BSC actively promoted and completed projects on enhancing operational capacity and competitive advantage in the market, such as:

- Raising the charter capital to VND 902 billion by paying advanced stock dividend in order to meet the requirement on derivative products operation.
- Successfully deploying online trading systems for iPhone, iPad and Android operating systems to facilitate customers' transactions.
- Developing new salary mechanism to ensure competitiveness in attracting and retaining personnel.

For the last 15 years, BSC has so far trained and built strong human resources base who are enthusiastic and loyal to the Company to overcome the most difficult period. In addition, the Company has continued to make improvements in personnel management policies and creating appropriate incentives to motivate staff.

2017 is forecasted to be volatile, affecting medium and long-term growth of many economies, thus it is expected to be a difficult year for the stock market as well as for the global economy. On the basis of the macroeconomic and the stock market assessment, BSC has set up business orientations for 2017 toward sustainable growth and regaining top position by assuring profitable business operations and improving organizational structure as well as incentive policies to promote the operation of the company.



7. TRANSACTIONS, REMUNERATION AND OTHER BENEFITS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

7.1. REMUNERATION AND ALLOWANCES OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

Remuneration and allowances of the Board of Management and Supervisory Board was approved by General Shareholders Meeting on April 23rd, 2016 in Resolution 08/NQ-ĐHĐCĐ. Based on the actual activities of BOM and Supervisory Board, the paid amount of remuneration and allowances (income before taxes) of BSC as follows:

Paid remuneration

- Chairman of BOM : VND 60 million per year (VND 5,000,000 per month)
- Vice chairman of BOM : VND 0 million per year
- Member of BOM : VND 72 million per year (VND 6,000,000 per month)
- Head of Supervisory Board: VND 30 million per year (VND 2,500,000 per month)
- Member of Supervisory Board : VND 12 million per year (VND 1,000,000 per month)

Accordingly, the payment of BSC's BOM and Supervisory Board from January 1st, 2016 to December 31st, 2016 was VND 174 million (One hundred and seventy four million Vietnam Dong). Specialized members were not paid such remuneration because they were paid salary and bonus according to BSC's policy. The remuneration of members of BOM and Supervisory Board representing BIDV's ownership in BSC was transferred to BIDV but not to personal accounts.

Paid meeting allowances

- Member of BOM and Supervisory Board: VND 2,000,000 /member/meeting
- Total meeting allowance paid to BSC's BOM and Supervisory Board from January 1st, 2016 to December 31st, 2016 was VND 58 million (fifty eight million Vietnam Dong)



7.2. INCOME OF BOARD OF MANAGEMENT, SUPERVISORY BOARD AND EXECUTIVE BOARD

	2016 VND	2015 VND
Income of Board of Management, Supervisory Board and Executive Board	6,329,604,562	5,341,331,325

7.3. STOCK TRANSACTIONS OF INTERNAL SHAREHOLDERS:

NO.	NAME	POSITION	AT THE BEGINNING OF YEAR		CHANGE		AT THE END OF YEAR		REASON
			NUMBER	PERCENT-AGE	IN-CREASE	DE-CREASE	NUM-BER	PER-CENT-AGE	
1	Mr. Tran Minh Hai	Member of Supervisory Board	4.008	0,00463%	172	4.180	0	0%	
					172				Received advanced stock dividends in 2016 (ratio : 4.3%)
						4.180			Sold 4,180 shares for personal needs.
2	PYN ELITE FUND (NON-UCITS)	Major shareholder	1.129.710	1,31%	5.997.222	-	7.126.932	0,79%	
					3.253.030				Increased the ownership rate to 5.07% and became Major Shareholder of BSC by buying on stock exchange.
					2.450.369				Increased the ownership rate to 7.9% by buying on stock exchange from Jul 13th, 2016 to Aug 2nd, 2016.
					293.823				Received advanced stock dividends in 2016 (ratio : 4.3%)

Besides, BSC paid advanced stock dividends with payout ratio of 4.3% in 2016. This dividend distribution would not change the ownership rate of related members.

7.4. CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS: NONE



III. OPERATIONAL RESULT AND DEVELOPMENT ORIENTATION

1. ANALYTICAL OVERVIEW

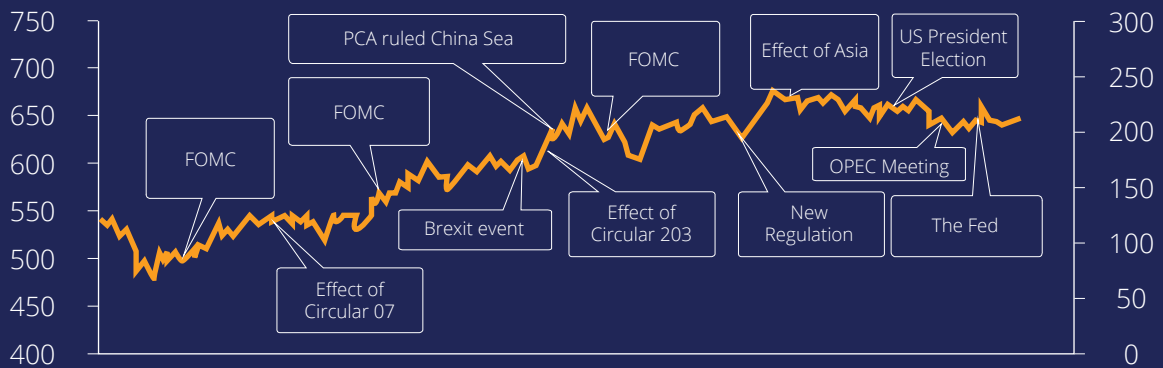
MACRO ECONOMY

Vietnam macro economy was quite favourable in 2016, presenting in the following specific points:

- GDP: Gross domestic product was estimated to increase by 6.21% YoY.
- Inflation: By the end of December, consumer price index rose by 4.7% YoY, lower than the 5% target for 2016.
- Foreign direct investment: reaching 2,556 FDI projects licensed with total registered capital of 20.94 billion, increasing by 27% in number of projects but decreasing by 8.0 % YoY in value. FDI reached 15.8 billion USD implement YTD, + 9.0% YoY.
- Forex: At the end of 2016, the VND was devalued only by about 1.3% against the dollar.
- Banking – interest rates: Credit growth until 20/12 was estimated at 16.46% and continued rising considerably MoM while deposit growth was estimated at 16.88%.

SECURITIES MARKET

FLOW OF EVENTS



In 2016, stock market was full of surprise and not easy for investors to forecast. However, immediate increasing or decreasing of the market brought a good compensation to the investors who always kept their head cold in the crash. In January, The World MSCI Index went down by 13% due to the worry about exchange reserve of China and VN Index also decreased by 9.8% but the markets quickly recovered what had been lost when March came. Global market was in their worst transaction section in June, 2016 because of Brexit event but it only took a few weeks to get a new peak. The result of the president election in November was the next shock and it also took a short time for the market to recover. VN-Index's uptrend in 2016 was quite clear due to positive participation of the domestic demand and the support coming from blue-chips. Some movement trends of groups of major stocks in 2016:

Liquidity of the market: market liquidity rose sharply mainly in the second and the third quarter of the year, and weaken in the last quarter. The trends of foreign net withdrawal also undermined market liquidity and trading psychology in the last few months. In 2016, the average liquidity reached VND 2,936 billion/session, increasing by 18.34% comparing to 2015 average market liquidity.

Market Capitalization: By the end of December 2016, capitalization of both exchanges reached VND 1,642 billion, equivalent to 37.34% of GDP and increased 26.83% over 2015.

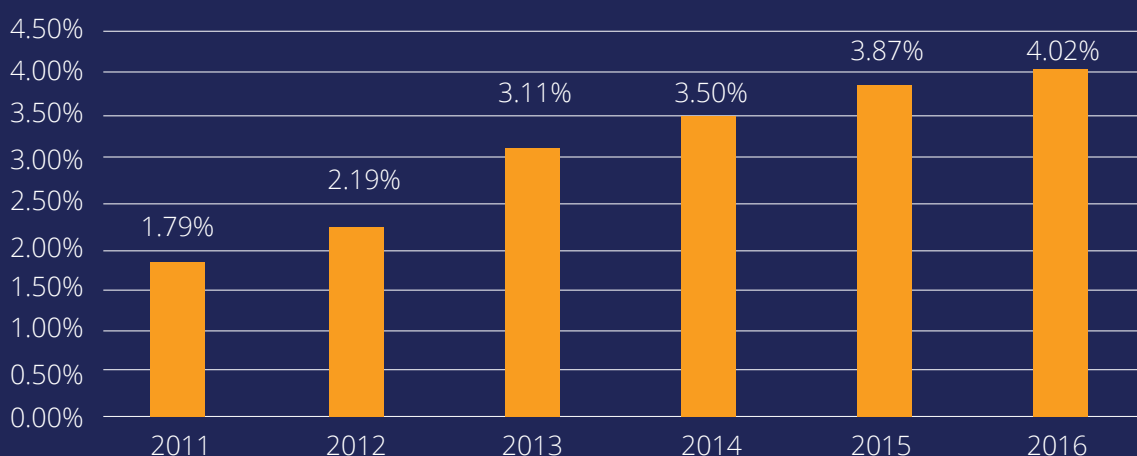
OVERVIEW OF BUSINESS OPERATION

Favourable macroeconomics, increasing liquidity and scale are favourable conditions for securities companies in general and BSC in particular to develop significantly. The operational result of BSC was very positive in 2016. The company did not only achieve all the business targets set by the General Meeting of Shareholders but also obtained impressive growth compared to 2015.

Brokerage and fund certificate market share:

Contributing a majority to the revenue of a securities company, BSC has always focused on enhancing the quality as well as scale of brokerage activity. 2016 was the fifth year of consecutive growth of BSC's brokerage market share. BSC's brokerage market share reached 4.02%, equivalent to 103.1% of the yearly plan, increasing by 3.9% comparing to 2015. In 2016, BSC's brokerage market share stayed at No. 7 and No. 9 on HOSE and UPCOM, respectively. In the context of fluctuations, it was a great effort to achieve such result while there were a number of financial institution customers' transaction in 2016.

STOCK AND FUND CERTIFICATE MARKET SHARE 2011-2016



Revenue and Profit:

AN OVERVIEW OF THE COMPANY'S PERFORMANCE

ITEMS	2016 Actual Result	2015 Actual Result	% Growth comparing to 2015 actual result	Plan 2016	% Growth comparing to 2016 plan
OPERATING RESULT (VND million)					
Operating revenue	647,792	493,164	31%	330,397	96%
1. Income from financial assets recognized through profit/loss (FVTPL)	346,302	107,576	222%		
2. Income from held to maturity investment (HTM)	23,650	91,426	-74%		
3. Income from loans and receivables	101,157	83,629	21%		
4. Revenue from securities brokerage	136,586	108,287	26%		
5. Revenue from underwriting and securities issuance services	11,759	32,588	-64%		
6. Revenue from investing	60	36	67%		
7. Revenue from securities depository	8,548	9,378	-9%		
8. Revenue from advisory service	19,730	60,244	-67%		
Operating expense	(394,458)	(233,955)	69%	255,342	-254%
1. Loss from financial assets recognized through profit/loss (FVTPL)	(266,013)	(119,190)	123%		
2. Loss from held to maturity investments (HTM)	(21)	(266)	-92%		
3. Interest cost, loss from loans and receivables	(5,981)	(4,323)	38%		
4. Self-trading activities expenses	(2,377)	(2,474)	-4%		
5. Brokerage expenses	(94,990)	(76,562)	24%		
6. Underwriting/securities issuance expenses	(560)	(7,024)	-92%		
7. Expenses for financial advisory	(16,759)	(17,838)	-6%		
8. Investors' securities depository expenses	(7,757)	(6,277)	24%		

Income from financial activities	4,228	3,879	9%		
Financial expense	(55,878)	(101,210)	-45%		
Management expense	(75,712)	(60,334)	25%		
Operating income	125,973	101,543	24%		
Other comprehensive income	27	(53)			
Income before tax	126,000	101,491	24%	75,055	68%
Tax	(10,958)	-			
Income after tax	115,042	101,491	13%		

The profit target set by the General Meeting of Shareholders was successfully achieved in 2016. Revenue was VND 647.8 billion, increasing 31% compared to 2015 and exceeding the assigned plan by 96%. Profit before tax reached VND 126 billion, increasing 24% compared to 2015 and exceeding the assigned plan by 68%.

It can be seen that the above result does not only show the company's excellent efforts in completing the business plan assigned by the General Meeting of Shareholders but also present the company's development recently in terms of profit growth compared to 2015. BSC has gradually achieved stability and growth with the aim of regaining its position as one of the leading securities companies.

In 2016, the highlights of BSC's business performance are as follows:

Strong revenue growth achieved thanks to investing and brokerage:

Focusing on developing brokerage services and favourable market conditions helped BSC significantly increase revenues from this activity: brokerage revenues and Income from loans and receivables increased 26% and 21%, respectively.

In addition, thanks to good forecasts of investment wave, BSC's investing performed very well in 2016. Net operating income from financial assets through profit and loss and held to maturity investment was VND 104 billion, increased 31% compared 2015 result.

BSC's revenue from financial advisory and underwriting and securities issuance services decreased but BSC achieved initial success in M&A sector:

Performance of financial advisory and underwriting and securities issuance services was not as good as expected because a few big contracts could not be implemented as planned. However, the Division completed a number of big deals that resonated, especially M&A deal for Eurowindow. Specifically, after consulting and negotiating the transaction contents through two consultancy units namely BIDV Securities Company (BSC) and Amidas, Bunka Shutter Company (Japan) officially become Eurowindow's major shareholder and strategic partner by buying from Private Equity New Markets KS (PENM) to own nearly 30% of Eurowindow's shares. This deal marked the first successful transaction of M&A Department – Financial Advisory Division, which was also the first M&A deal of BSC. This is a big transaction that is important for the development of M&A and international transactions of BSC in the coming time.

2. DEVELOPMENT ORIENTATION

Vietnam Macro Outlook

After the stalled rally in 2016, GDP is expected to continue recovery trend in 2017. The 6.6% growth of GDP in 2017 can be achieved when the average crude oil price in 2017 is expected to rebound to USD 55 /barrel and with the recovery of the agricultural sector and steady growth of industrial production, manufacturing and processing.

Import-export turnover of Vietnam is estimated to continue growing steadily despite concerns from the TPP and Brexit thanks to new potentially trade agreements. Sustainable export growth of FDI sector will also help keep the trade balance surplus continue in 2017. Applying Arima model (2,0,0) for import data and Arima (1,0,1) for export data, total import-export turnover forecasted for 2017 will be around USD 354 billion while the trade balance surplus will be nearly USD 4 billion (with the absence of significant changes).

Public debt and government debt is likely to continue to increase in 2017, however, due to (1) rebounded nominal GDP and (2) the Government has more revenue from divestment of State-owned enterprises thus the increase rate of the public debt will slow down.

Indicator /year	2012	2013	2014	2015	2016E	2017E
GDP YoY (%)	5,2	5,4	6	6,7	6,2	6,6
Inflation (%)	9,09	6,59	4,08	0,62	4,8	4,5 - 6
Trade balance (billion USD)	0,78	0,86	2,14	-3,54	2,4	4
Total trade (billion USD)	228	263	298	327	346.6	354
Exchange rate (VND/USD)	20.840	21.095	21.388	22.485	22.755	23.200
Public debt/GDP (%)	50,6	54,2	59,6	61,3	63	64,5
Government debt/GDP (%)	39,4	42,3	47,4	48,9	49,5	50
Credit growth (%)	8,91	12,51	14,16	17,29	18	18
FDI disbursed (billion USD)	10,5	11,5	12,4	14,5	16	17
FDI registered (billion USD)	13	21,6	20,2	22,76	19,1	20

Vietnam securities market outlook

No.	Content		The degree of impact	Impact Direction
1	Economic environment	Population, income and urbanization	.....	Long-term
2		SOE divestment	.....	Provide high quality goods

No.	Content		The degree of impact	Impact Direction
3	Economic environment	Upgrading market	...	Improve quality and market size
4		Restructuring the stock market	....	Improving and developing the market
5		Improve the legal system	....	Improve the quality and enhance the behaviour rules
6	Within the market	Market capitalization	...	Market Valuation
7		Market liquidity	....	The attractiveness
8		State divestments	....
9		The shares on the OTC	....
10		The degree of improved profitability	....	Market Valuation
11		Providing new products	....	The attractiveness and diversity of markets
12	Capital flows	Interest rates and exchange rates	....	Market valuations and investment cash flow
13		Cash flows of foreign investment	....	New cash flow
14		Margin lending	...	Market risk
15		The trade agreements	....
16	Other problems	State budget	...	Pressure divestments
17		The commodity markets	....	Pressure on inflation
18		Geopolitical issues	...	
19	International economy	The Fed raised interest rates	....	The influence of foreign capital inflows
20		Policies of BOJ, ECB	...	The influence of foreign capital inflows
21		Economic policies of China	....	Affecting exchange rates
22		The policy of the New President	....	Export- import prospects

We assess factors affecting market in 2017 based on reviewing (1) economic environment, (2) internal market, (3) Capital flows, (4) international economy and (5) other factors. Market will be supported by healthy business condition. Market size will grow fast thanks to listing and divestment. However, too fast growing will come along with unbalanced supply and demand, deteriorating quality and transparency of stocks. Development of international markets, especially an increase of interest rate of Fed will also strongly affect market through foreign capital withdrawal.

General operational direction for 2017

In the period for regaining top position in the market, 2017 will be the year when BSC continue focusing on enhancing sustainable elements and comparative advantage. Business plan for 2017 is based on a safe effective and sustainable development strategy. Some key points of the 2017 BSC business plan are as follows:

Objectives:

- Safe and profitable business and profit before tax will be 82.6 billion.
- Top 10 stock brokerage market share.
- Top 3 bond brokerage market share.
- Continuing restructuring the operations of divisions, organizational models and improving the institutional capacity and strength of the system and standardizing the team, thereby improving operational efficiency. This is seen as a cornerstone of improving competitiveness.
- Continuing seeking financial shareholder to raise capital to VND 1,200 billion by 2018.
- Actively seeking potential shareholders to reduce the ownership of BIDV at BSC
- Closely following up the market and preparing necessary procedures to implement ESOP in 2018..
- Focus on strengthening Financial Advisory, especially M&A service. At the same time, improving the quality of services to promote international relations and develop strong brand.

Methods to implement 2017 Business Plan:

Increasing service quality and promoting brand image

- Closely following up the market and adjusting customer policies, lending policies and product policies to balance market growth and risk management and ensure sustainable development.
- Using the satisfaction of customers and partners as a measure of BSC's prestige. Increasing the quality of brokerage services through training and improving the quality of analysis reports.
- Hiring strategy consultants to develop development strategy for IT for 2017-2020 and
- Leading IT strategy development consultancy department 2017 - 2020 and vision for 2030 towards the goal of leading quality of securities trading software in the market.
- Continuing to promote the development of international relations through M&A and brokerage service for foreign institutional customers and promote BSC's brand to reach international customers.
- Promoting development and marketing of brands through communication channels. Focusing on enhancing the quality of publications.

Improving the financial capacity of the company

- Determining that increasing capital is the priority activity and actively seeking strategic partners
- Actively creating relationships and generating a reasonable source of loans to increase flexibility in the process of using capital.

Improving the capacity assessment system to attract talents

- Regularly updating and developing new KPIs in order to be suitable with business development orientation and market trends and improving labour productivity.
- Continuing improving the competitive salary policy and completing the career roadmap to retain and attract qualified personnel to be commensurate with the top 5 market leaders in the market.
- Promoting internal communication and strengthening solidarity of BSC's staffs.

3. BUSINESS ACTIVITY DETAILS

BROKERAGE

Result 2016:

Outstanding results:

- **Bonds brokerage market share continued to maintain the leading market share**
- **Fifth consecutive year of growth of stock brokerage market share and reached No. 7 and No. 9 on HOSE and UPCOM in terms of the securities firms with the largest stock brokerage market share, respectively.**

The brokerage market share has increased since the end of 2011. While the market was still complicated, BSC was able to take advantage of market waves to regain stock brokerage market share and remain speed of growth from 2015. In 2016, BSC's stock brokerage market share grew 3.8% on both stock exchange, reached 4.02% and exceed the plan assigned. 2016 was the fifth year of growth of BSC's stock brokerage market share (average brokerage market share was 1.78% and 2.19% in 2011 and 2012, respectively which increased by 23%; it was 3.11%, increasing by 42% in 2013, it was 3.5%, increasing by 12.5% in 2014; and it was 3.87% and 4.02% in 2015 and 2016, respectively).

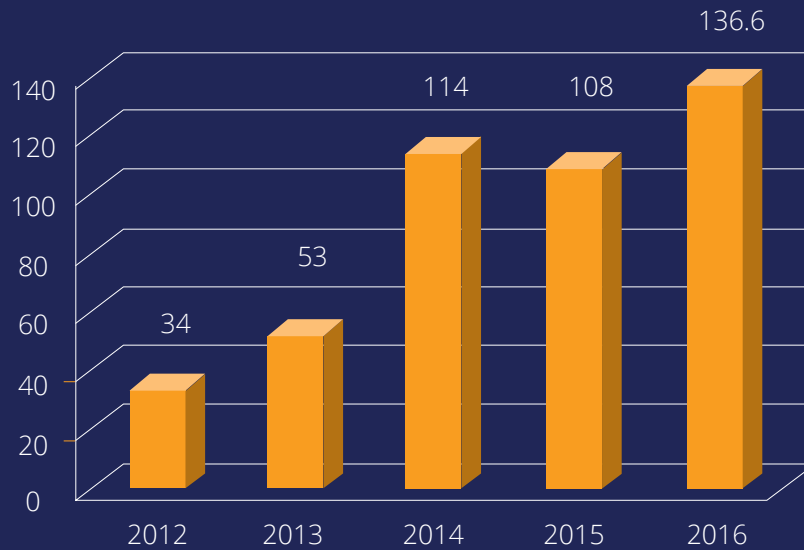
BSC has returned to TOP 10 in stock brokerage market share from the end of 2013. In 2016, the market fluctuated unpredictably when there were a number of large deals of institutional clients, BSC's stock brokerage market share remained stable and sustainable growth, thus improving the position of BSC among Top 10. In 2016, BSC reached No. 7 and No. 9 on HOSE and UPCOM, respectively. Thereby, the slow and steady development strategy of BSC has been proved to deliver positive result.

In 2016, the 2016 was also the year recording a remarkable growth of institutional customers, increasing by 30% compared to 2015.

Total revenue from stock brokerage fees was VND 108.3 billion in 2016, rising by 26% compared to 2015 while the market liquidity increased on average by 19.4%. The rate of revenue growth was higher than the rate of average market liquidity growth which showed the stability and gradual development of BSC's customer base.

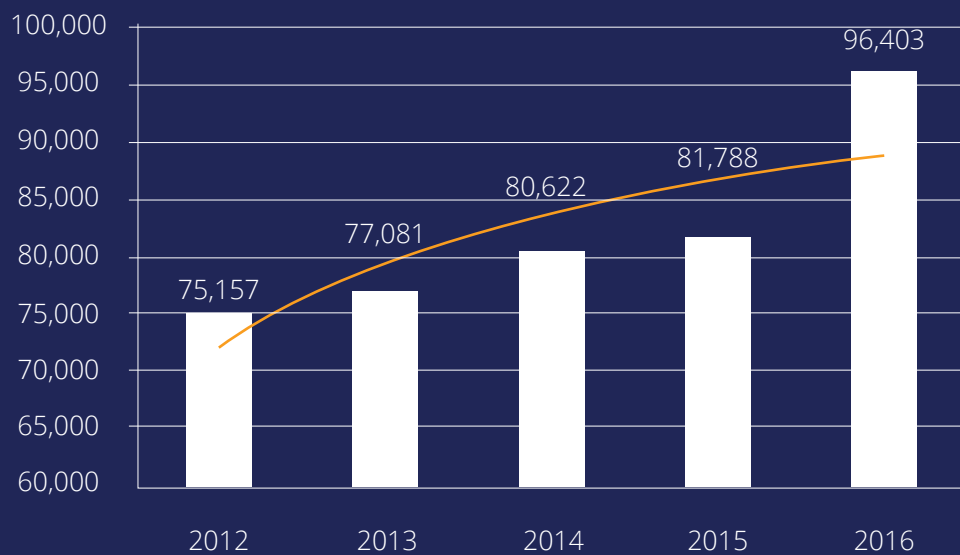


Brokerage revenue from 2012-2016 (in VND billion)



The number of accounts has been constantly increasing over the years, affirming the pervasion of BSC's brand in particular and the attractiveness of the stock market in general. Especially in 2016, BSC recorded a significant increase in the number of new trading accounts.

Number of new accounts opened from 2012-2016



Continuing developing new brokerage products:

With the gradual and stable growth of customer base, margin balances of customers at the Company raised more than 2 times compared to 2014.

Improving the convenience of products and successfully deploying online trading systems for iPhone, iPad and Android operating system in order to the diverse needs of investors in the quickest and the most convenient way.

Aiming at developing financial institutions customers' base, the Company continued improving methods of placing orders through Bloomberg, standardizing contracts in accordance with international practice to serve institutional investors and at the same time actively met with investment funds. In 2016, BSC continued organizing large-scale presentations and visiting enterprises regularly to recommend good stocks for the investors.

BSC actively prepared for the launch of "derivative" product - an important product that will appear on the Vietnamese stock market in the near future.

Develop the customer base from BIDV's extensive customer contact network

Inherited the power, position and the network of parent company, BSC always takes into account the importance of close cooperation with BIDV's branches in order to develop a large customer base having credit relationship with BIDV. The combination of cross-selling brings customer satisfaction and advantages by shifting from saving to investing.

Direction for 2017

Maintaining a stable customer base to increase market share sustainably. Thus, reinforcing its strong position in the Top 10 on both HSX and HNX.

Improving the quality of customer services: Focusing on in-depth advice and increasing profitability for customers is the priority. Focusing on intensive training for current brokers and recruiting experienced brokers in the market in order to improve the quality of analysis and investment advice, creating a distinct comparative advantage.

Developing new institutional customers: Reaching to and attracting institutional customers from international market. Improving the quality of brokerage and consulting services, and focusing on designing specialized products for institutional customers. Gradually raising the proportion of institutional customers.

To be in the vanguard of new products development including: derivatives, day trading and covered warrant products according to plans of SSC and SE.

Enhancing competitiveness in terms of pricing policy and value-added services. In addition, incentive and compensation policy for Brokers are constantly adjusted to suit the market, attracting good brokers and creating motivation for the employees to stick and develop with BSC.

INVESTMENT BANKING

Result 2016:

Outstanding results:

Maintaining the orientation and strategy focusing on exploiting the customers which are Corporations operating in the core areas of the national economy including Aviation, Garment, Mineral Resources and Electricity. Large customers are Corporations and leading enterprises occupying major market share in their operating market.

2016 was not an unfavourable year for BSC's Investment Banking as some of the major contracts could not be implemented as planned. However, BSC has initially recognized the achievements in M&A operations with the completion of two major deals for CJ and Eurowindow. They are two significant transactions that will create a foundation for M&A activity as well as international transactions to develop in the coming period and strengthen BSC's brand.

BSC maintained its goal of providing full consulting package to large customers such as leading corporations and corporations and narrowing the quantity of low-value contracts and step by step deploying international transactions.

Due to difficult time of the market in general in 2016, the performance of Investment Banking declined significantly compared to 2015. In 2016, total revenue from financial advisory and underwriting services was VND 31.5 billion, dropping by 66% compared to 2015. The performance was not as good as expected due to a number of major contracts that could not be completed due to unforeseen objective reasons. Revenue from this segment only contributed 5% to total revenue of the Company. Main activities

were IPO, equitization and advisory services, bond issuance agents and M&A.

Continuing to find and implement large-scale transactions associated with well-known customers to form a firm foundation of BSC's brand. In recent years, equitization advisory, initial public offering of leading corporations and M&A service have brought big echo to BSC. The transaction is a bridge that brings a close partnership between BSC and domestic and foreign investment funds, extending the customers network for financial advisory services and also supporting the investment advisory service for institutional customers.



Orientation for 2017:

The market forecast for 2017 is expected to be difficult as demand for financial advisory services has entered the saturation stage. Therefore, in addition to sticking to the orientation, BSC will step by step research new product development strategy to keep pace with the market trend.

Continuing to assert, maintain and develop BSC's own strength to create a foundation for a major transition of BSC. On the basis of maximizing the value and brand, BSC is taking the first step to penetrate and exploit M&A. This segment is expected to have huge potential in the future especially in the condition of international and region integration, the state policies are creating conditions for enterprises to restructure urgently and implement merger and acquisition.

Continuing to develop large-scale customers which are corporations and leading enterprises and provide full consulting package from initial restructuring advice to advice on arranging capital and other value-added services.

For the state-owned enterprises which are already BSC's customers, in the coming period, BSC will continue maintaining capital needs and promoting demand for diverse financial products through periodical customer service and consulting service.

Priority customers in the coming times are Corporations operating in the core areas of the national economy, including Aviation, Garment, Mineral Resources, Power etc. Major customers are Corporations and leading enterprises occupying large market shares in their market. Approaching and developing such customers group is the premise leading to major and key transactions in the upcoming development stage of BSC.

Making use of BIDV's customers as well as maintaining relationships with the group of small and medium size customers: Make full use of customer base which are enterprises operating in various fields of national economy and having credit relationship with BIDV for many years. At the same time, BSC will exploit demand of small and medium customers to provide specific financial products and initially create new value-added products and services.

Operating towards supply of value-added services. BSC will fully exploit the Top-Down strategy by providing a diversified range of high-end financial advisory services to large Corporations and leading enterprises to approach the system of affiliated enterprises with high potential of development to establish foundation for BSC in providing high value-added services.

INVESTING

Result 2016

Outstanding result: In 2016, investing activities recorded better results compared to 2015, contributing to overall growth of the whole system.

Applying the strategy of short-term investment only and rapid return on capital to ensure strict risk management and maximize profits.

In 2016, thanks to favourable market conditions and the understanding of market demand and anticipating market waves, basic return on investment yielded positive results. The total revenue from investing activities including bond investment and stock investment reached VND 115.9 billion, an increase of 36% compared to that of 2015, in which bond trading increased 44% compared to 2015. In 2016, the investing activity of BSC achieved better result as the Company actively reduced its investment balance to limit the risk arising from unpredictable fluctuation of the market.

Orientation for 2017

Objectives: Completing the new organizational model and developing new operating system and strategy for stock investment and sticking to the investment strategy for bond investment which is making short-term investment for quick turn over and ensuring strict risk management to maximize profitability. In 2017, stock and bond investment is expected to bring positive returns and minimize risk for BSC.

Measures: Seizing every opportunity to make profitable investments in both stocks and bonds while the global economy is still volatile and Vietnam's economy is gradually recovering with many changes in macroeconomic policies. However, investing is expected to face many difficulties due to unfavourable forecast of interest rate in 2017.



4. OTHER ACTIVITIES

RESEARCH AND ANALYSIS

Result 2016

Outstanding results:

- Diversified analysis products include daily, weekly and monthly reports to industry reports and industry outlooks. The quality of analysis reports is gradually improved while new models and tools has affected the investment decisions of investors in the market.
- Constantly developing the research and analysis team. In 2016, an analyst was voted Best research coverage for small equity in Vietnam by Asianmoney magazine.
- Visiting enterprises regularly to find information about good stocks to recommend for investors.

The organizational structure is in line with the market trend including: Macro/Market Group and Industry/Enterprise Group. Human resources platform is a factor promoting the sustainable development of BSC's Research and Analysis in particular and BSC in general within the last three years.

Diversified analysis products which are improved in terms of both quality and quantity, gradually having an impact on the market. Last year, nearly 500 analysis reports were issued, notably the industry analysis reports and industry outlook reports covering 12 major industries in the market, which were translated into English and Japanese. In addition, the analysis report followed a standard structure of other securities companies in the region which was a focal point to attract the interest of domestic and offshore investors. Quality of analysis products were improved, contributing to the brand name of BSC in the market.

Actively providing investment advice and researching thanks to the development of models and analytical tools. The models and forecasting tools applied in the past two years showed positive results, supporting consulting activity more proactively and accurately. Analysis and research report of BSC analysis were presented on specialized investment channels that helped BSC gain its prestige and had a certain impact on investment decision of the investors.

Maintaining and expanding relationships with securities companies and investment funds. In 2016, BSC's analysis and research team actively approached and organized presentations on investment opportunity analysis and recommendation for institutional customers and investment funds. Customer care was maintained periodically with positive feedback. The market share of institutional customers increased by 30% compared to 2015, initially expanding and maintaining the institutional customer base. The stable institutional customer base has created the momentum for increasing the market share of BSC in the coming years, supporting the development of brokerage activities in line with the development orientation of the whole company.

Promoting field research to look for business opportunities. In parallel with the analysis and market research based on available information, BSC' Research and Analysis had regular field surveys, thereby producing analysis reports and update report on the operation of the corporate in the market.



Orientation for 2017

With the goal of developing Research and Analysis in a simple and quick manner and broadening information network, the Research team will focus on developing human resources and tools and analysis models to meet the development needs combining with increasing field research. Since then building resilience in the entire team to become the foundation to support brokerage and investing unit, and catching the new trend of the market in the next stage

To achieve the above objectives, BSC will continue to promote training to improve the quality of staffs to meet the business needs and creating good foundation and in line with the market. At the same time, BSC will constantly upgrade the evaluation and forecast models to use for analysis and investment advice, aiming at improving efficiency, speed and usability of such tools and reporting standards. In addition, the field research of large enterprises operating in the core business field or potentially having investment opportunities in 2016 will be promoted to monitor and build relationships with the enterprises.

INFORMATION TECHNOLOGY

Result 2016

BSC always determines that the modern information technology platform is one of the key factors in supporting BSC's business activities and creating competitive advantage for the business.

In 2016, BSC's information technology system operated stably with many innovations and improvements. The results of our activities have made great contributions to BSC, in particular:

- Software products: successfully deploying online trading systems for iPhone, iPad and Android operating system;
- Security: completing and upgrading security system, virus protection and Internet management for users;
- Data backup: deploying backup and disaster recovery system at BIDV's backup center;
- Server system: Server was virtualized in Ho Chi Minh City which helped BSC standardize server administration for BSC's branch and improve online transaction system with HOSE;
- Network infrastructure: upgrading to the standard 3-layer model bringing many benefits.



Orientation for 2017

In 2017, with the goal of developing a professional IT division, BSC will implement the IT strategic consulting project for 2017-2020 and vision to 2030 with PWC. This strategic consulting project will restructure the IT division within BSC towards modernization and normalization in order to remove difficulties, improve existing system and at the same time create conditions for the development of advanced technology products. The main objectives of the project are as follows:

- Ensuring the application software to provide a full range of advanced features and utilities to support the deployment of new products and services. Improving customer service and optimizing work efficiency.
- Enhancing IT infrastructure capacity and ensuring stable operation to meet business needs of BSC and comply with the regulations.
- Enhancing capacity and controlling the security of IT system to cope with increasing risks and comply with the regulations of competent authority.
- Optimizing the organizational structure and human resources to improve the quality of IT human resources and the efficiency of IT operations.





RISK MANAGEMENT

Business environment has become more and more complex with continuous changes and numerous inherent risks. Material events such as crisis, economic recession and financial scandals have significantly affected the global economy generally as well as Vietnamese economy particularly. Therefore, the role of risk management has evolved noticeably within business management activities. At BSC, with sustainable development orientation and target to become a TOP 3 securities company at the market place, the Board of Management and Executive Board engage in establishing a comprehensive and consistent risk management system in order to proactively detect potential risk, manage risk and eliminate expected loss while complying with the regulation of SSC.

Risks arising from BSC's operation:

The business environment of Securities Industry in general and of BSC in particular contains numerous risks, which can be classified as below :

Disaster risk: includes natural disasters, phenomenon resulted from direct or indirect activity of human such as fire, war or terrorism.

The probability of this risk is relatively low considering the stable political environment and nature of the industry. On the other hand, in order to reduce the probability of risk as well as eliminate expected loss, BSC focuses on variety of activities such as training to promote the awareness of staff regarding to general safety and fire fighting manoeuvre, etc. In terms of customer data base, BSC has built a backup system and central data recovery to prevent data loss in emergency cases.

Financial risk: risks associated with bad debts, deflation of stock price, interest rate movement and liquidity risk, etc.

There are many practical actions exercised by BSC in order to diminish the probability of bad debt, including establishing credit policy, risk management policy and investment policy, etc.

Regarding to liquidity risk, BSC focuses on liquidity management by daily monitoring, budget planning with reserves to prevent liquidity risk and rigorous supervisor of capital allocation for each operational segment. Additionally, BSC uses diversified and reliable sources of funding, which results in competitive level of interest rate with significant bonus.

Operational risk: Misbehaviour exists even within a perfectly implemented procedure. In order to eliminate the probability of error, operational procedures were designed to ensure close inspection with back-test and regular review & update at BSC. Employees are regular trained and tested for professional knowledge. Besides, the Internal Control Division regularly conducts assessments to detect professional misbehaviour and propose solution.

Environmental risk: Operating within a service-based industry, BSC's influence towards environment is insignificant. However, BSC considers all relatively small actions as meaningful effort to protect the environment. Heading towards a green environment, BSC has launched and maintained numerous emulation movements such as saving paper while printing, separation of organic and inorganic trash and green office, etc. These modest activities have contributed to promote the awareness of all the staff with the goal of becoming a green citizen.



Other risks: risks arise from the market, customers, competitors and public announcement are observed closely by Risk Management Division. Any detected deficiency within the procedure will be corrected promptly.

2016

Enterprise Risk Management Framework was designed based on 03 main targets including (i) policy; (ii) activities; and (iii) report and compliance; and 08 elements which directly link to each other including (i) internal environment; (ii) goal setting; (iii) event identified; (iv) risk assessment; (v) risk response; (vi) controlling activities; (vii) information – communication; and (viii) supervisor. At BSC, Enterprise Risk Management Framework is applied persistently and completely within the whole system.

Additionally, BSC built and launched The three lines of defence model in 2016. This model separates the responsibilities of front office and back office while retaining compliance with the principles and appetite regarding to risk management at BSC. According to this model, Risk management Division belongs to the 2nd line of defence within a comprehensive and persistent risk management system. Under the direct supervisor of the General Director, Risk Management Division conducted following activities:

- Independently assessing and monitoring the efficiency of Risk Management System at the 1st line of defence.
- Risk Management at enterprise level: designing risk management framework and policy; risk appetite of the enterprise; operation procedure and critical control points..
- Supervising and noticing the Board of Management about the potential risks and influences toward business activities.
- Compiling to all Laws and Regulations; seeking for counsel from the authority and asking for additional guidance in case of opaque regulations or lack of regulation.
- Creating a risk culture at enterprise level and providing training related to risk management.

Orientation for 2017

Based on the Enterprise Risk Management Framework, BSC commits to enhance the compliance standards and apply best practices regarding to risk management and business management.

All the rules and regulations will be developed in accordance with general direction of BSC in 2017 and to prepare for derivative instruments provided in compliance with guidance of SSC and Stock Exchanges.

Besides, in 2017, one of the top priority regarding to risk management is to create risk culture at enterprise level, which reflects the general risk management policy. Thanks to the risk culture, the statement made by the Board of Management is divulged and communicated consistently to all the staff at BSC in order to create an environment in which Enterprise Risk Management becomes the mean to promote communication related to risk at all levels to maximize efficiency and manage risk within acceptable threshold.

SUSTAINABLE DEVELOPMENT REPORT 2016

REPORTING PERIOD: JANUARY 1ST TO DECEMBER 31ST, 2016





PART 1. FINANCIAL HIGHLIGHTS

1. Profit after tax: VND 115 billion
2. Capital safety ratio: 695%
3. Average age of the workforce: 31
4. Margin and advanced lending balance: VND 464 billion
5. Bond brokerage market share: Top 1 on HNX
6. Stock brokerage market share: Top 7 on HSX
7. EPS: VND 1,274

PART 2. SUSTAINABILITY MODEL

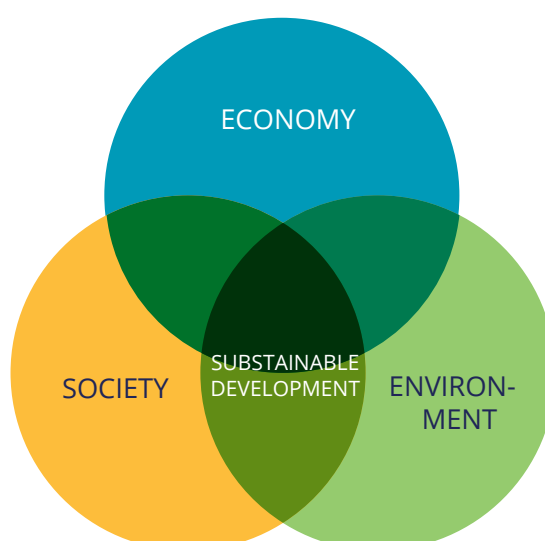
1. INTRODUCTION

A Sustainable Development Report is a standard measure for the company to disclose and take responsibility before stakeholders for its activities towards sustainable development. Companies that develop and publish Sustainable Development Report help assess and publish information the companies' performance on social and environmental aspects in addition to information on financial and governance aspects which must be published in accordance with the regulations. Sustainable Development Report is a new way to build and quantify the value of one business.

The importance of Sustainable Development Report

By developing and publishing information on the connections between sustainability and business, companies can enhance their value, measure and manage change, thereby driving improvement and innovation. In order to fulfil the companies' responsibilities and stakeholders' requirements, companies need to be transparent about their sustainability goals, performance and impacts.

2. BSC'S SUSTAINABILITY MODEL



ECONOMY	Risk management and compliance control Stable growth and increase motivation for development Increase transparency Maintain stable dividends for shareholders and provide service to clients and partners Increase channel for capital mobilization and develop people Contribute to the development of capital market and regional economy
SOCIETY	Fulfil duties assigned by the State Share with the community Ensure income and financial benefits for employees Taking care of employees' lives
ENVIRONMENT	Environmental Protection

3. PRIMARY ASSESSMENT CRITERIA AND RESPONSE OF BSC

The materiality assessment process is critical to our corporate sustainability strategy because it ensures that we respond to stakeholders' needs in an appropriate manner. We carry out the following procedures in conducting a materiality assessment on internal and external stakeholders:

Step 1:

- The key stakeholders identified include (1) shareholders, (2) clients, (3) partners, (4) government bodies, (5) professional associations, (6) employees and (7) local community. We assess the levels of interest and influence of each stakeholder in their relationship with BSC.

- The GRI Aspects is determined to be consistent with situation of BSC:

- o Economy
 - Operational result
- o Society
 - Working
 - Labour relations
 - Education and training
 - Diversity and equal opportunities
 - Labour complaint mechanism
 - Human right
 - Investing

- Society
- Local Community
- Anti-corruption
- Compliance
- o Environment:
 - Energy
 - Water
 - Compliance

Step 2: We conduct the following activities to collect our stakeholders' concerns:

- Structured interviews with senior management on their current business results and growth as well as their emerging sustainability issues considered as high priority for growth.
- Collecting information from client for improving service.
- Meeting with government agencies, communities, organizations and stock market investors.

Step 3: Perform the assessment to prioritize key issues based on two following criteria:

- The level of interest and impact of stakeholders to BSC
- The level of impact of BSC to the economy, environment and society

MODEL ASSESSING THE LEVEL OF INTEREST AND IMPACT TO STAKEHOLDERS

All issues are classified based on the level of importance and the level of impact to BSC according to the following model:

LEVEL OF INTEREST OF BSC	4 - Very high			1) Shareholders 2) Clients
	3 - High			(6) Employees (3) Partners
	2 - Average	(7) Local community	(4) Governance agencies (5) Associations	
	1 - Low			
		1 - Not important	2- Average	3- Important	4- Very important
LEVEL OF IMPACT TO BSC				

Core stakeholders	Subject of interest	BSC's view and action	Corresponding GRI
Shareholders	Dividend	Stable dividend	G4-EC1
	Stock price	Improve corporate governance and internal business strength to ensure stock price growth goes and corporate value growth	
	Transparent information	Provide transparent information in a timely manner to Shareholders	
Clients/Partners	Quality and reputation of products and services	Maintain and improve the quality of products and services. Regularly apply the best regional and global practices	
Governance agencies and Associations	Comply with the regulations	Effective legal risk management and enterprise risk management	G4-SO8
	Market development solutions	Actively contribute ideas and solutions on market development	
	Contribute to the State budget	Comply with the regulations on State budget	G4-EC1
Employee	Welfare and reward policy	Compensation and welfare policy comes along with business results and is improved gradually for employees	G4-LA2
	Training policy and developing people	Regularly develop and train staffs	G4-LA10
	Career roadmap	Clearly career road map for employees to strive for	
Local community	Develop youth	Actively support development program for youth, especially the human resources at banking and finance	
	Support people with difficult social situations	Organize volunteering activities to support people with difficult social situations	

CRITERIA FOR EVALUATING THE IMPACT TO ECONOMY, ENVIRONMENT AND SOCIETY

Based on the expert opinion, BSC's own experience gained throughout the development and operation and key stakeholders' responses, the evaluation of impact is conducted according to following criteria:

- The likelihood of impact
- Level of impact
- The possibility of risk and opportunity arising from one aspect
- The impact on the long-term business results of BSC
- The growth opportunities or advantages that BSC derives from the impact

CORE ASPECT (GRI) PRESENTED IN THE REPORT

PRIMARY CRITERIAS	CORE ASPECT (GRI)	CORRESPONDING PART
Handle transactions effectively	Products and services	Products and services
Consultancy service		
Handling transaction system		
Market research capacity		
Customer service		
Operational result	Operational Plan	Direct and indirect benefit
Dividend payment plan		Operational result
Stock price		
Obligation with the State		
Regulatory compliance	Compliance	Regulatory compliance
Financial resilience		
Corporate governance	Corporate Governance	Corporate governance and risk management
Risk management		
Human right	Human rights, trade unions and workers	Employee benefits
Employee benefits		
Diversified and equal opportunities		
Activity of trade union		

Health and safety		
Evaluation of results and achievements		
Salary and compensation scheme		
Attract and recruit personnel	Recruit	Internal development and recruitment
Training	Training and developing	Training and developing
Ethic	Business ethic	Business ethic
Public disclosure	Transparency and Reporting	360° dialogue
Transparent communication		
Market development	Market development	Market contribution
Youth orientation, employability, education and entrepreneurship	Local communities	Community investment in the next generation
Corporate Social Responsibility		Supporting to the unfortunate
		CSR plan 2017



COMMITMENTS ON MEETING BSC'S SUSTAINABLE DEVELOPMENT OBJECTIVES

Commitment of the Board of Management:

We always consider issue related to Shareholders, People, Environment and Social Affairs is the foundation for sustainable development. BSC's commitment throughout all aspects of operational activities is providing professional services to clients, increasing shareholders value through the sustainable economic growth indicators, building an attractive working environment, reducing operating costs and limiting the impact on the environment through Green activities.

FOR SHAREHOLDERS

Ensure the value of safe investment with sustainable returns for shareholders.

FOR CLIENTS

Diversifying products and services to create the optimum opportunity for clients to choose and get access to products and services.

Products and services are created at the suitable price.

FOR PARTNERS

Cooperate on the basis of mutual benefit, transparency and social responsibility.

FOR COMPETENT AUTHORITY

Comply with the policies and regulations of the State agencies in the field of operating. Comply with and fulfil obligations to the state budget in full and timely manner.

FOR EMPLOYEES

Create employee satisfaction on a safe and healthy working environment.

FOR COMMUNITY

Take responsibility, share values and contribute to community development.



PART 3. BUSINESS ACTIVITIES

For shareholders, BSC commits to operate effectively. Earnings per share are fundamental to measure current and past returns and more importantly our sustainability.

For partners, BSC determines that long-term growth must come from the quality of service products and strong financial capacity. We always take into account the importance of ensuring the balance between business growth and financial security.

1. PRODUCTS AND SERVICES

BSC provides financial services to both individual and institutional clients. BSC's front office is divided into three main divisions: Brokerage, Financial Advisory and Self-Trading and a research team serving various clients at BSC.

BROKERAGE

Stock brokerage market share achieved fifth consecutive year of growth which stayed at 4.02% increasing by 3.9% from 2015 and corresponding to 100.5% of the year plan. BSC reached No. 7 and No. 9 on HOSE and UPCOM, respectively. In 2016, the market fluctuated unpredictably when there were a number of large deals of institutional clients, achieving such market share are a great effort of BSC

Government bond market share continued to maintain its leading position on HNX. With the advantage of being a leading bond brokers, BSC grew gradually to be at the top position of the market: BSC's bond brokerage had a successful year. In 2016, BSC developed 11 new financial institutional clients including HSBC, Prevoir, VietinViet Capital Bank, VietinAviva, Cathay Life, MB Ageas and TCB Capital. Comparing to 2015, the number of new accounts opened grew sharply at 83% in 2016.

- **Brokerage:** Brokers contact with clients to fully understand the financial ability, risk tolerance as well as other needs of clients,

thus enable them to provide effective financial investment solutions in accordance with specific financial status of each client, the brokers maintain regular contact with clients via phone and email.

- **Securities services:** BSC provides account management functionality to depository services with transactions and relevant information being continuously updated, managed and monitored.

- **Financing services supporting securities transaction:** Owing to the robustness of its balance sheet and IT systems, BSC is able to provide a range of financial products and utilities to meet client needs.

- **Analysis report:**

Analysis products including industry and macro gradually have an impact on the market that are highly regarded by many institutional investors and professional investors. The strength of BSC's reports is built around in-depth analysis, up-to-date information and sensible forecasts based on comprehensive macro-economic, sector and company research.

- 1) Macro reports are published regularly as well as when required by market development;

- 2) BSC's analysis reports focus on key sectors: Real Estate, Financial Services, Consumer Goods, Agriculture, Manufacturing, Technology, Energy and Transportation. These reports provide in-depth analysis of stock value, risk, volatility of stock price and business outlook. Analysts also closely monitor daily information relating to the companies and assess any impact on share

value. The analysts also conduct analysis of periodic financial reports, corporate visits, and interviews with management teams, corporate clients and industry specialists in order to construct a comprehensive view of the enterprise. Company reports are published on a quarterly basis as well as when required by market developments

3) Daily report: providing detailed information and comment on stock markets, macro-economic news and companies as well as recommendations for investors.

INVESTMENT BANKING

BSC conducts large-scale transactions associated of well-known clients which is a solid step for the development of BSC's brand. In the past, equitization advisory transactions and initial public offering of corporations and leading corporations have brought fame to BSC. The transactions open new partnership between BSC and domestic and foreign investment funds, extending the network of clients not only for financial advisory services but also investment advisory for institutional clients.

Maintaining the orientation and strategy focusing on exploiting the clients which are Corporations operating in the core areas of the national economy including Aviation, Garment, Mineral Resources and Electricity. Large clients are Corporations and leading enterprises occupying major market share in their operating market. Service fee from IPOs consultancy for relatively small clients is not significant but successful deal brings reputation and reinforces BSC's position. BSC does not focus only on fee especially for listed transactions but pay attention to big clients. In some cases, BSC even does not

charge service fee for the first service to attract client and to carry out the next transaction. The success rate in signing the contract is therefore from 90% -95%.

Each consultancy transaction is different and therefore BSC focuses on providing high quality service with a determination to overcome challenge.

In 2016, BSC's Investment banking activity has achieved many achievements in M&A field especially the strategic advisory service contract for CJ Group and M&A consulting contract for Eurowindow. These deals have been cited in many prestigious websites in the market. They are also very first M&A deals of BSC which is important to set the premise for M&A activity and develop international relations in the coming time.

INVESTING

Stock investing

Due to unpredictable fluctuations of the market, BSC actively reduced stock investment balance to limit risks. The average investment balance of 2016 was VND83.9 billion equivalent to 42% of the plan assigned. BSC's new listings portfolio for 2016 also achieved better results than 2015 when it recorded VND 2.9 billion profit.

Bond investing

Implying short-term investment, continuous capital turnover and catching the wave of the market to maximize profit, bond investing has become one of the core activity creating profit for the company. In 2016, bond investing achieved positive results as BSC knew how to grasp the needs of the market and exploit the client base. Thanks to favourable bond market condition, profit from this activity was VND 60.2 billion, equivalent to 195% annual plan and increasing 44% compared to 2015.

2. FINANCIAL RESULTS

DIRECTED ECONOMIC VALUE CREATED AND DISTRIBUTED

- Direct economic value created in 2016 (1)
 - + Revenue: VND 648 billion
- Economic value distributed in 2016 (2):
 - + Operating expense: VND 405.2 billion
 - + Salary, bonus and benefits of employees: VND 75 billion
 - + Payment to shareholders: advanced stock dividend payment of 4.3% and the remained profit is expected to pay in dividend with the payout ratio of 6.4%.
 - + Tax payments to the government: corporate income tax was VND 11.3 billion and value added tax, contractor tax and personal income tax, etc. was VND 35.5 billion
 - + Community investing: 0
- Economic value retained ((1) – (2)): VND 121 billion

Business profits generate resources that allow us to deliver shareholder value and fulfil our social responsibilities. Therefore, we understand that a successful business is the most important aspect that plays a leading role in the implementation of our sustainable development strategy. In 2016, we paid VND 75 billion of compensation, insurance and benefits to our staff. In addition, we contributed to the state budget, thereby indirectly contributed to funds for the construction of schools and hospitals, community facilities and other public benefit activities. In 2016, BSC paid a total of VND 46.8 billion taxes.

Our operations also provide indirect economic benefits to other parties through our network of transactions throughout Vietnam.

Completing our business goals allows us to invest in research and development for new market segments, products and services that benefit our clients, industry and shareholders.

3. OPERATIONAL RESULT

Taking on the role of an intermediary financial institution that connects buyers and sellers in the capital markets, the interest and success of our stakeholders are also our success. BSC always maintains its position as one of TOP10 companies in Vietnam stock market. In 2016, after-tax profit reached VND 115 billion. BSC's income comes equally from all three operating areas: brokerage, investing and consulting.

For other stakeholders, especially state agencies, the contribution to the state budget increased in 2016 compared to the year before.

PART 4. CORPORATE GOVERNANCE AND SUSTAINABLE GROWTH

1. LAW COMPLIANCE

As one of the first companies to be listed on the market place, BSC always sets the highest standards of compliance with Vietnamese laws and regional and international regulations.

BSC'S CODE OF CONDUCT

BSC's Code of Conduct stipulates that all employees must always comply with standards regarding integrity in relationships with colleagues, clients, competitors and the community. All new employees are trained about this Code when they first join the Company. Any employee suspected of having engaged in fraud or bribery will be subject to direct investigation by the People's Inspectorate and senior management. In 2016, BSC does not detect any cases involving bribery, corruption or money laundering.

The total number and ratio of activities that was assessed for risk related to corruption and identified critical risks was 6/11 equivalent to 64.55%, relating to corruption and identified critical risks and preventive measures in 2016.

POLICY FOR PREVENTION OF MONEY LAUNDERING

BSC has developed guidance on client assessment, information sharing and efforts preventing money laundering and terrorist financing, compliance risk and compliance function and risk management principle for e-banking, etc. In such documents, BSC emphasizes that the quality or depth of client identification procedures directly affect the safety of BSC's operation. Accordingly, the anti-money laundering policy of BSC emphasizes the following basic contents:

I. Suspicious transactions

1. Basic suspicious signs

- a. Clients provide inaccurate, incomplete and inconsistent client identification information;
- b. Clients persuade reporters not to report transactions to competent authorities;
- c. Client cannot be identified based on information provided by the client or transaction with an unidentified party;
- d. Client cannot be reached via personal or working telephone number or such number do not exist after opening an account or performing a transaction;
- e. Transactions are carried out upon request or under the authorization of organizations or individuals included in the alert list;
- f. Transactions can be identified to be related to criminal activities or organizations or individuals included in the alert list after examining economic and legal basis;
- g. Organization or individual makes high valued transactions which are incompatible with incomes of such organization and individual;
- h. Transactions of clients do not comply with the procedures as prescribed by law.

2. Suspicious signs in the securities sector

- a. Securities transactions are made by an organization or an individual, showing signs of irregularities in one day or several days;
- b. Client transfers securities outside the system without convincing reasons;
- c. Securities companies are not suitable for securities trading activities;
- d. Non-resident transfers large amounts of money from the securities trading account to another account outside Vietnam;
- e. Clients regularly sell their portfolio and ask the securities company to pay in cash or check;
- f. Clients invest abnormally in a variety of securities in cash or checks in a short period of time or are willing to invest in unprofitable securities;
- g. Client' securities account has not been active for a long time but suddenly the client makes a large investment which incompatible with the financial ability of the client;
- h. Buying or selling securities with funds from investment funds opened in territories classified to have high risk of money laundering by international organizations;

3. Requests for making transaction related to blacklist or alert lists (including: executor who is individual or organization listed in the blacklist or alert list updated time by time)

4. When the client acts suspiciously or is suspected of the truthfulness or completeness of the client identification information collected for opening his/her account:

- a. Clients do not have legal documents such as identity card and/or passport;
- b. Transactions which are not within the

- company ownership or client experience;
- c. Client intends or acts to bribe BSC's staff to perform all transactions for the client;
- d. Client is frightened for no apparent reason;
- e. Client is not interested in fees and other fees;
- f. Client is too concerned about the confidentiality of the transaction;
- g. Other transactions and behaviours of clients are suspicious;

II. Prohibited acts

The acts listed below are prohibited in money laundering prevention and control:

1. Organizing, participating or facilitating the process of money laundering;
2. Setting up or maintaining an anonymous or fake account;
3. Establishing and maintaining relationship with a bank established in a country or territory but not having a visible presence in that country or territory and not subject to management or supervision by competent authority;
4. Unauthorized provision of cash, checks, currency tools or value storage engine and making payments to the beneficiary at another location;
5. Abusing positions and powers in money laundering prevention and control against the legitimate rights and interests of organizations and individuals;
6. Obstructing the provision of information for money laundering prevention and control;
7. Threatening and revenging person who discovers, provides information, reports and denounces money laundering.

MEASURESTO PREVENT MONEY LAUNDERING

I. Identify clients

Financial institutions must apply measures to identify clients in the following cases:

1. When the client opens an account for the first time including payment account, savings account, card account and other types of accounts;
2. When the client establishes a relationship with the financial institution for the first time in order to use the products and services provided by the financial institution;
3. When the client makes irregular transactions with great value. In particular, irregular transactions of great value are transactions of client who does not have account, or have payment account which is inactive from 6 months or more with a total value of VND 300,000,000 (three hundred million) or more in a day;
4. Electronic transfer of money is made but lack of information about the name, address or account number of the originator;
5. Suspecting a transaction or parties involved in a transaction related to money laundering;
6. Suspecting the accuracy or completeness of the client identification information collected.

II. Verifying client identification information

1. Know your client information

Know your client information must contain the following key information:

a. Client identification

- For Vietnamese individual client: full name; date of birth; citizenship; occupation, position; telephone number, people's identity card or passport number, date of issue and place of issue; permanent address and current residence;
- For individual foreign client: full name; date of birth; citizenship; occupation, position; passport number, date of issue, place of issue, entry visa; permanent address abroad and current address in Vietnam;
- For individual clients who are stateless: full name; date of birth; occupation, position; visa book; issuing authority; address abroad and current address in Vietnam;
- For individual client who have two or more nationalities: in addition to providing information including full name; date of birth; occupation; position; phone number; identity card number or passport number; date and place of issue; client needs to

provide more information on the nationality and addresses;

- For institutional clients: full transaction names and abbreviations; address of the head office; phone number, fax number; field of operation, business; information about the founder and representative of the organization including the information specified at point a of this Clause

b. Information about beneficial owner

- Identifying beneficial owners and applying measures to identify and update information on beneficial owners;
- For a client who is a legal entity or when providing an authorized service agreement, the reporting entity must collect information on ownership and control structure to identify the individual having control interest and controlling the operation of the legal entity or such authorization agreement.

c. The purpose of the client in relation to the person reporting

2. Measures to verify client identification information

Client identification information can be verified by using following documents and data:

a. For individual client

- Identifying individual clients based on identification card, expired passport and other documents issued by the competent authority (driver's license and health insurance card, etc.)
- When there are signs of doubt, the client will be require providing other documents including personal information of clients. It is necessary to keep a copy in order to be able to obtain additional information when necessary;
- Checking foreign individual client's visa (except for visa exemption as prescribed) when using passport to open account.

b. For institutional clients:

it is necessary to verify that proxy of organization or people working on behalf of the organization are actually authorized according to following documents: license or establishment decision; renaming, merging and splitting decision; certificate of business registration; charter; appointment decision or employment agreement for General Director (Director), chief accountant and legal proxy of the organization; national identity card or/and passport of the legal proxy of the organization; other legal documents about the authorization; other documents of the proxy and other documents related to the organization's activities

In addition, the verification of client's information can be made through a third party if it is necessary, including following individual or organization:

- Through individual or organization that has relationship with clients and reconciling information provided by the client;
- Through competent authorities;
- Hiring and cooperating with other organizations to verify the identity the client and take responsibility for identifying and updating client's information before competent authorities.

III. Updating knowing your client information

Regularly updating client identification information and ensuring that transactions are made by a reporting entity in accordance with known your client information regarding the business, risk and origin of the customer's assets.

IV. Classifying clients according to their risk level

1. Developing regulations on classification of customers based on the risk of money laundering

a. Type of client: Residents or non-residents; organizations or individuals; clients in or out black list, warning list; fields and methods of operation and trading;

b. Types of products and services: cash or money transfer service; payment or money exchange services; brokerage, trustee and authorizing services; Life or non-life insurance;

c. Geographical positions where clients reside or locate their head offices: Countries in embargo list stated in Resolutions of United Nations Security Council; countries in list of publicizing non-compliance, or insufficient compliance with recommendations about preventing money laundering and preventing donation for terrorism which is announced periodically by the Financial Action Task Force; countries, or regions, territories which are defined to have many activities involving heroin, corruption and money laundering;

d. Other elements which the reporting subjects may self-define and classify in conformity with the arising reality.

2. Classifying clients based on risk level

a. For client with low risk transaction: collecting sufficient information about client and apply measures to identify client in accordance with regulations;

b. For client with high-risk transaction (Foreign individual client having political influence; agent banking relationships; transactions involving new technologies; transactions of unusually large value, complex transactions under special supervision or business through referral): applying measurement of identification referred in paragraph 1 and applying enhanced assessment measures in particular:

- Having the approval of the management level at least one level higher which is applicable to regular client when he or she first establishes the relationship or the current client considered as having high risk. Current client is considered as high risk after being assessed or re-assessed, reporter must seek approval for such relation and apply other enhanced measures.

- Collecting additional information including:

+ For individual client:

+ Name, address, contact number of organization or owner or key person income;

+ Average monthly income for at least 3 (three) months.

+ For institutional client:

+ Key business line;

+ Total revenue for the last 2 (two) years;

+ List (full name and permanent address) of members of the Board of Management or members of Executive Board, Chief Accountant or equivalent;

+ Name, address, proxy authorized by law or the parent company (if the client is a subsidiary) or the list of names, addresses, proxy authorized by law or branch or subsidiary or representative office (if the client is a parent company);

- Monitoring client's transactions to ensure that the client's transactions are in line with the nature and purpose of establishing the relationship and the client's activity. Abnormal transaction should be detected on a timely manner and suspicious transaction should be reported when there are reasonable grounds as prescribed by law.

Updating information at least once a year or when the client's information has changed.

Preventing and detecting insider trading is one of the major challenges in many markets, especially in emerging and developing markets like Vietnam. The market consists of a variety of buyers and sellers and it is necessary to set up regulations to protect the interests of investors in the free market.

BSC's Transaction Policy states that client's interest must be prioritized against the employee's personal interest. BSC also maintains policies and procedures to comply with the law and detect and prevent abuse of authority that affects clients. In 2016, the company did not detect any fraudulent transactions.

In 2016, BSC was not subject to any fines or non-financial sanctions for failure to comply with the regulations.

2. CORPORATE GOVERNANCE AND RISK MANAGEMENT

Board of Management	General guidance on sustainable development strategy of the enterprise
	Approving targets and action plans
Executive Board and other boards	Developing and submitting BSC's sustainable development goals and action plans to the Board of Management
	Publishing strategy, goals and plans for sustainable development within the Company;
	Ensuring that sustainable development plans meet the set objectives.
Divisions and departments	Implementing sustainable development plans in line with the direction of the General Director and Executive Board
Employee	Performing tasks related to the sustainable development goals of BSC



RISK MANAGEMENT

At BSC, the risk management has been implemented in daily operation, covering all operational aspects of BSC. A complete and unified risk management system is expected to ensure the proactive detection of potential risks, manage risks, prevent and mitigate losses effectively due to the risks arising; and comply with the regulations of the State Securities Commission.

BSC's risk management procedure is fully developed from risk scenarios identification, risk evaluation and analysis to process. Details are as follows:

Establishing risk scenarios is started from defining risk appetite ranked from low to high, and on the principle of ensuring risk appetite linked to the objectives and strategic business initiatives of BSC, ensuring risk appetite is compatible with the interests and expectations of stakeholders; ensuring appropriate risk appetite with the ability to take risks and the risk limits at BSC; risk appetite must be standardized under simple messages and appropriate for stakeholders; the risk appetite is determined by the Executive Board and reviewed by the Board of Directors and approved at least annually or when significant fluctuations recurring.

Setting up the ability to take risks: The ability to take risks is the ability to use equity, expected profit and available financial resources to cover all the time all significant risks and potential losses that BSC can accept.

Defining risk parameters: Risk is ranked by comparing with each other and comparing to a certain standard in order to determine risks related to business operations and the effectiveness of current solutions. Relevant criterion are used by BSC to develop risk parameters including, but not limited to financial criterion (turnover, profit, cost, etc.), reputation, legal, compliance, customers, staff, and business disruption.

Identifying groups of risks: BSC develops groups of risks guidance to ensure the consistency and perfection (as possible) when identifying risks depending on business activities of BSC. The groups of risks are the collection of all of the existing or new risks appeared that BSC might face, and a useful tool to further identify the risk profile of BSC when the business environment changes.

BSC determines risks based on groups of risks developed for each division/department, respectively. Identifying risks is the responsibility of manager of each division/department. When risks are discovered, the employees must notify their manager immediately of the nature of risk and the extent of its possible effects. BSC considers and assesses the potential risks during the implementation of business activities related to current systems and procedures and future proposals. All the discovered risks will be assessed and recorded in detail including measure to mitigate risk.

At BSC, the main objective of the risk analysis is to prioritize the allocation of resources more effectively to respond to high-priority risks. Identifying main cause and consequence of probable risks: BSC considers the sources of risk and consequences of the probable risks. The determination of the exact causes and consequences will enable risk management solutions to

be effectively designed and implemented. Besides, the Company conducts risk rating to impact assessment and likelihood of risk. Risk rating is assessed after reviewing the effectiveness of existing controls.

Handling risks by developing action plans, monitoring and reviewing risk. For high-priority risks, BSC develops and implements action plans to minimize risks. Besides, it is necessary to review and monitor risk situation, the effectiveness of risk management measures, and strategies and mechanisms to implement control. BSC regularly monitors risks and the effectiveness of the control measures in order to determine the changing of risks priorities in case the environmental conditions change.

Based on risk management platform developed from 2014, BSC continues to develop action programs to apply risk management policies for each type of risk in 2016: operational risks, market risks, settlement risk, liquidity risk, and legal risk.

Operational risk: BSC has standardized processes and control points through the construction/edition/supplementation of policy and operational procedures such as brokerage, stock investing and investment banking, etc. In which it clearly defines the roles and responsibilities of each position for each specific job. This is a simple tool to enhance the effectiveness of the internal control system to minimize risks.

Along with it, other risk management measures are applied including deploying modernized system of information technology, system monitoring and alerting; construction/ supplementation of the script and rehearsing for handling any IT-related incidents; access management, access permissions by function - tasks for each department in order to improve the security of the system.

Market Risks: BSC is measuring market risk value under the provisions of Circular No. 226/2010/TT-BTC on December 31st, 2010 of the Ministry of Finance. Accordingly, the management of market risk limits is performed on daily and weekly basis at BSC. The capital adequacy ratio of BSC is measured daily and sent to Board of Directors and Front offices. Every week, the front offices will be notified of the control over the investment limit.

In addition, the structure of the portfolio is managed monthly through analysis reports on net value of the investments to provide information on the profit/loss from investments and the concentration level of risks; and the evaluation criterion including: the issuer/partners, sector/industry, types of investments and terms, etc.

Settlement Risk: BSC is measuring settlement risk value under the provisions of Circular No. 226/2010/TT-BTC on December 31st, 2010 of the Ministry of Finance. Settlement risk is calculated daily and reported to the Board of Management and front offices. In addition, the settlement risk will be reported when there is effect on the payment of BSC or upon Board of Management' request.

Liquidity risk: BSC developed target liquidity indicators in 2014 based on Circular No. 210/2012/TT-BTC dated November 31st, 2012 of the Ministry of Finance, the liquidity indicators of BSC for the last 3 years and the average liquidity index of the other securities companies is to measure the market liquidity and comparing with objective indicators to assess the liquidity of BSC.

BSC monitors liquidity risk by maintaining an amount of cash, cash equivalents and bank loans at the level that the Board of Management considers to be sufficient to meet the requirements of the BSC's operational activities and to reduce minimum impact of fluctuations in cash flows.

Quarterly, BSC conducts analysis report on cash flow to compare cash inflows and cash outflows for the operational activity, investing and finance, thereby, analyzing and assessing the usage trends and raising capital in the period. In addition, the analysis report on the liquidity index of BSC is based monthly balance sheet report. From there, an assessment of liquidity/liquidity status of the BSC is made during the reporting period.

Legal risk: The Legal Department of BSC actively updates the changes of legal documents and assesses the impact of changes in policies related to the operation of BSC. The regulations, policies and decentralized authorization of each operational activity are reviewed and standardized to comply with the changes in policies and regulations, and avoid disjointed policies and regulations which lack of consistency.

Supporting other units/departments to check the legality of the draft contract and the documents issued by BSC to comply with the provisions of law.

3 CODE OF CONDUCT

Rules and regulations on business ethics are the foundation for business development. As an employer, we always create a healthy environment and a certain moral standard.

A securities company operates mainly in the capital market based on trust and confidence. Integrity and ethical norms are fundamental factors that lead to sustainable development. Therefore, BSC's employees are required to adhere to the highest standards of professional ethics and integrity. SSC supervises the compliance with regulations on securities investment. However, in practice, the rules are not always clearly stated so BSC's employees must be cautious and comply with accepted business practices in the same situation. Law compliance and professional ethics should not be interpreted merely as complying with the terms of the law or regulation but more importantly the moral and ethical compliance. Therefore, in addition to professional quality, BSC's employees should be trained in business ethics. This is a mean of building and establishing trust and loyalty from clients.

BSC's Code of Conduct is a set of rules outlining the social norms and proper practices at the work place. Opinions or concerns regarding ethical business practices are transformed into procedures and different feedback channels are proposed at the same time. This Code of Conduct is published on internal portal for reference and updating.

The Code of Conduct is our commitment to business ethics standards. This set of rules is based on the values of BSC and defines the principles and expectations for all BSC's employees. This code is applicable to all employees and board members. In this set of rules, the most concerned and relevant elements are human beings. This includes the treatment of human beings, the dignity of each individual and equal opportunity for each person; creating a work environment that says no to harassment and protects privacy and confidentiality of every individual.

The values of BSC are the foundation for us in creating sustainable value for our shareholders, supporting our local communities and protecting our company's reputation. Our business along with honesty is something we try to do every day to build customer trust. For example, metrics to prevent corruption as well as insider trading and ensure law compliance is included in this code of conduct

At BSC, commitment to responsible behaviour is the guiding principle in every activity. We understand that our business ethics can be a competitive advantage, enabling us to:

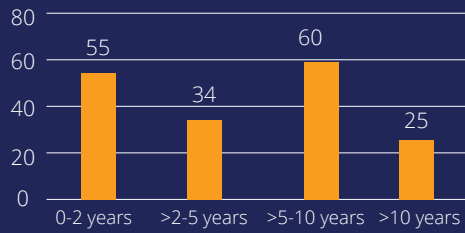
- Strictly comply with core practices and values when entering new markets.
- Successfully identifying, learning and combining our current business practices with our culture.



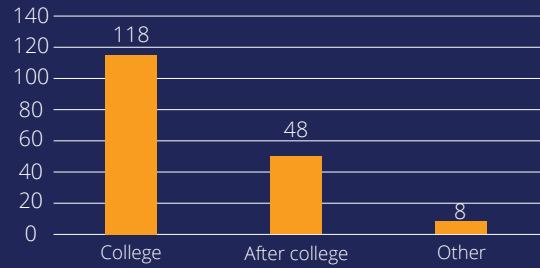
PART 5. DEVELOPING HUMAN RESOURCES

1. WORKFORCE STATISTICS

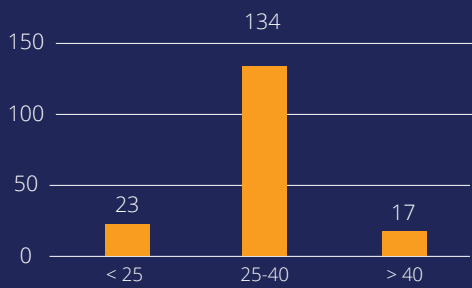
Workforce by service length



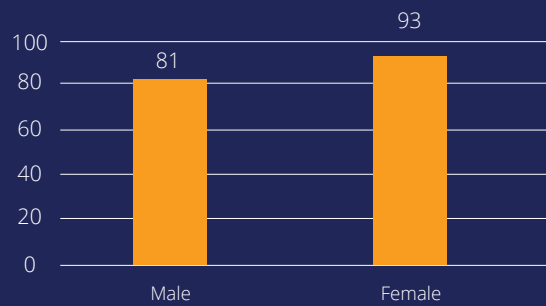
Workforce by education level



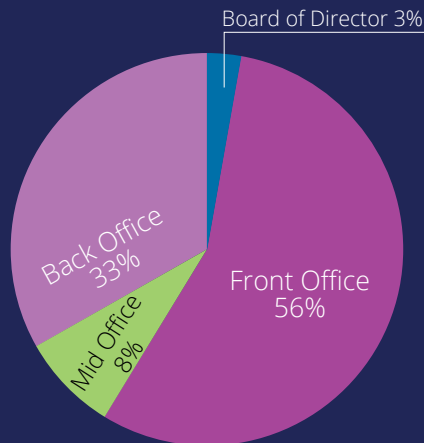
Workforce by age



Workforce by gender

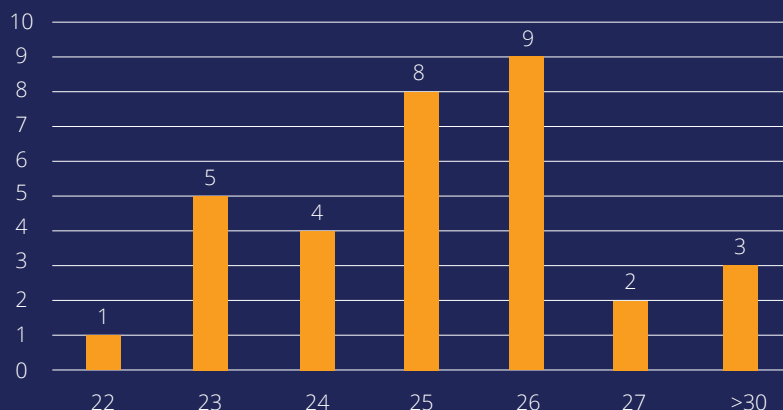


EMPLOYEE BY BUSINESS LINE

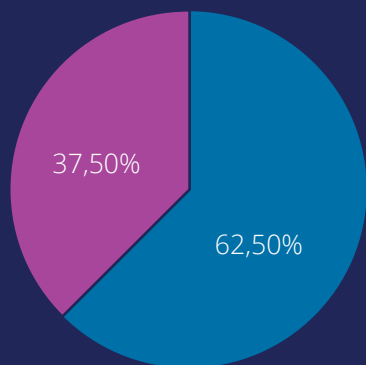


- Newly recruited employees by age, gender and area

Newly recruited employees by age in 2016

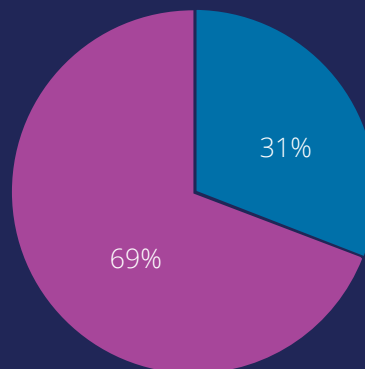


Newly recruited employees by gender in 2016



Male Female

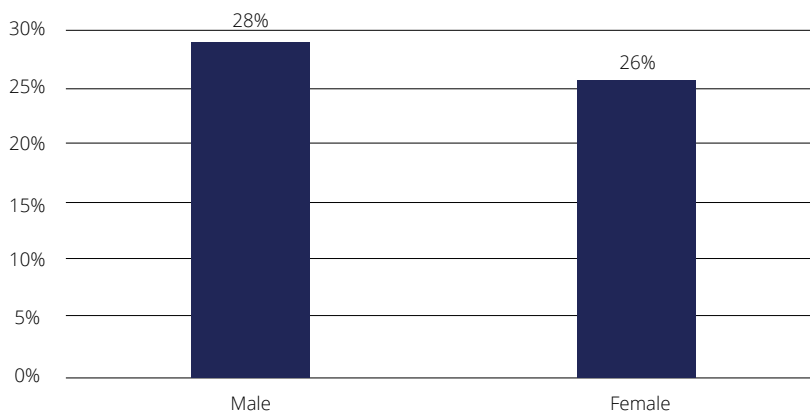
Newly recruited employees by area (Hanoi - Ho Chi Minh City)



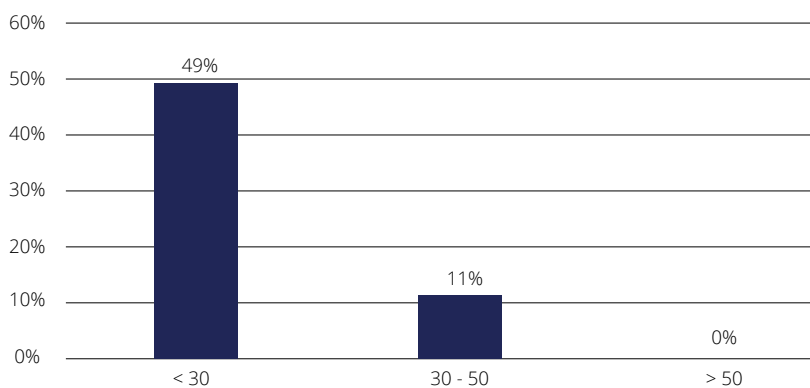
Ho Chi Minh City Office Hanoi Office

- Staff turnover by age and gender BSC's staff turnover in 2016: 27%

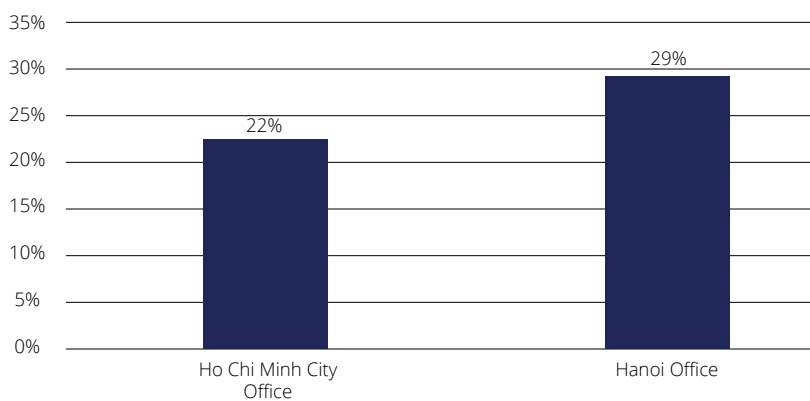
Staff turnover by gender



Staff turnover by age



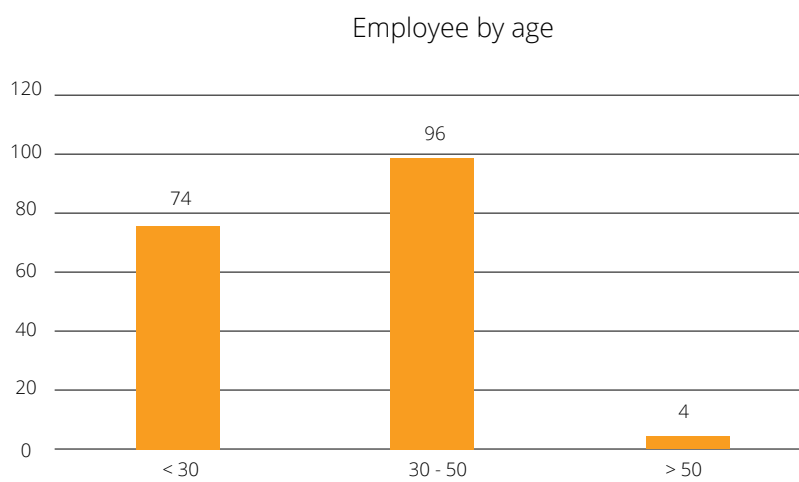
Staff turnover by area
(Hanoi) - (Ho Chi Minh City)



- Percentage (%) of people in BSC's executive board according to some criteria:
Executive Board by gender and age

Age	Male	Proportion	Female	Proportion
Under 30	0	0%	0	0%
From 30 to 50	1	25%	2	50%
Above 50	1	25%	0	0%

- Ethnic minority group: 0%.



- Number of labour complaints received, processed and resolved through formal mechanisms: None
- The percentage (%) and the total number of large investment deals regarding human rights: None
- Percentage of employees was assessed to meet the job requirement by sex and by category of workers: 100% of employees are assessed to meet job requirement through KPI indicators which are assigned and evaluated monthly, quarterly and annually. Thus, the proportion of employees by gender included 81 males accounted for 46.55% and 93 males accounted for 53.45%.

2. BSC'S POINT OF VIEW ON HUMAN RESOURCES

One of the key elements of business success is the capacity of human resources. Therefore, BSC always strives to support its employees to develop and improve their skills as well as their knowledge. Employee development and training is BSC's leading human resources development objective. At BSC, all employees are encouraged to explore and exploit their full potential. All areas related to human resources are managed by Human Resources through policies, training and monitoring programs setting individual development goals and the implementation of key performance indicators (KPIs). Human resources policy is updated regularly.

People are the most valuable assets in any service sector, especially financial services such as securities. A business can only develop its full potential when it comes to attracting, encouraging and retaining the best employees, and putting them in the right place at the right time to grow.

Stock market activity will be increasingly accessible to financial products with high levels knowledge, thus knowledge, expertise and ethics must be placed on top of everything.

BSC always welcome any talent that joins BSC. BSC needs talent and welcomes them to become a part of the BSC.

It is the innovation, business mindset, teamwork and professional ethics of each individual that give BSC a competitive advantage. There are three important attributes in this competition including business mindset, innovation thinking and management:

- + Entrepreneurial mindset is about finding new opportunities and taking challenges. Immobility is the shortest path to destruction. Only movement and change bring new strength.
- + Innovation thinking is what creates new products and procedures that add value.
- + Management level: Management Board must open up new markets and new product distribution channels. They should bring new products and services to the market to increase value for investors. This is the most durable channel to retain clients.

Technology and innovation become important factors for economic success. The key to innovation and technology is human. BSC must develop and foster its talents to promote innovation and creativity along with training and education.

BSC determines that, employees need to have following core competencies in order to become a member of the Company:

- + Discipline: the employees must comply with the regulations to think independently and find

a way to develop without supervision. It is necessary to comply with the regulations and obey higher authority.

+ Creativity: the employees must look for new way to work and create value added. BSC's staffs should always cultivate their knowledge.

+ Humanity: Each employee must be responsible with her/his colleagues, society and herself/himself.

+ Foreign Language: BSC's staff should master English in order to integrate with the regional and international market as it is the language of business, science, diplomacy and academia.

3. WORK ENVIRONMENT

Founded in the early years when the Vietnam stock market recently formed, BSC's Culture has been forged to create the values, concepts and traditions instilled in all business activities. BSC's cultural strength lies not only in thinking by also the ability to cover, to be creative and practical in the pursuit of objectives.

As a precious intangible asset, culture has become a sharp weapon creating strong competition in the market and building good image of BSC.

RESPECT FOR INDIVIDUALS

At BSC, we focus on building a corporate culture that allows free exchange and completion of ideas, thereby, everybody is listened and encouraged to express his/her creativity and to share difficulties.

Staff capacity is evaluated based on work performance whereas emotional assessment is minimized; career path is developed and individuals are encouraged to maximize their capacity.

CREATIVITY

Corporate culture with creativity, the ability to quickly recover and spirit of innovation allow BSC to cope with their core problems, overcome difficulties and regain its position in the first year of the establishment. BSC's stature represents not only its strength and financial capacity but also growth from great ideas. We understand that only the great strength of the new creative culture promotes the sharing of ideas and their responsibilities to the market and community, and to establish a more prosperous organization.

DEDICATION

BSC's staffs respect and adhere to professional ethics with high responsibility. Products and services provided to customers are the results of serious creative working process. The dedication of the staff reflects on:

- The sense of responsibility to get the job done on time, focusing on building trust with clients and colleagues.
- Constantly diversifying products and services to effectively serve and satisfy the needs of customers.
- The honest and forthright, the willingness to express and to tell the truth to do better on the basis of respecting yourself and colleagues.
- Positive attitude reflected on the desire and enthusiasm at work every day, ready to learn and improve.

BSC is committed to providing an open and transparent environment where staff can raise genuine concerns about possible malpractice without fear of reprisal. The malpractice includes serious breaches of unethical conduct or breaching civil laws or regulations. Examples would be market abuse, breach of client confidentiality, money laundering, insider trading, theft, fraud, or financial irregularity.

At BSC, we encourage raising concerns about compliance, ethics, or business conduct with our direct supervisor. Our policy is that employees will not face retaliation if violations or suspected violations are reported in good faith that may contravene BSC's legal, ethical, or policy obligations. We can also contact any other management level or the HR representative for our respective divisions.

We work closely with labour union representatives to build and maintain a long-term, constructive, and mutually beneficial relationship. We communicate frequently with our people and their union across all levels of the Company to ensure that all parties are working toward positive and congruent outcomes. We respect the rights of employees in BSC to join unions without fear of retaliation and to engage in collective bargaining without interference or fear of retaliation. BSC's staffs are represented by a trade union. Maintaining a productive relationship with the trade union enables us to collaborate with them on key issues affecting our Company's success. It also enables us to solve problems positively and constructively and to manage risk.

Our commitment to human and workplace rights, as well as our commitment to operating a sustainable business, compel us to respect the rights of all employees. To help increase human and workplace rights related capabilities among our staff, our Company has included these contents into a series of development sessions and training programs during orientation day. Most people already have an innate sense of what it means to be treated with dignity and respect. However, formalized principles and policies are important for defining common standards of human rights and ensuring they are upheld throughout an organization.

SOLIDARITY

BSC's staffs unite closely through the issuance of 360° dialogue procedure. Community Party and Youth Union operate efficiently to support operation activity and promote organizational culture.

BSC puts collective interests above personal interests in which everyone task is considered as common work and everyone should distinguish between right or wrong to improve themselves. This is the foundation to establish a strong team within BSC.

Promoting the spirit of democracy within the Company, creating fairness for each employee and developing transparent compensation policy are important issues. BSC encourages and recognizes individuals with professional ability as well as ethics and labour discipline.

COMPLIANCE WITH LABOR CONTRACT

With respect to the labour contracts signed between the BSC and its staff, BSC strictly comply with the labour law and internal regulations of the Company. Specifically, signing labour contract based on the recruitment results is carried out in accordance with the procedure. For each employee, BSC complies with the labour law such as labour contracts with indefinite term contract, fixed term contract or exchange contract.

4. EMPLOYEES' WELL-BEING

BSC offers employees several programs and benefits to promote individual health and wellbeing. We administer several benefit plans to meet the health and wellbeing needs of various employee groups. In addition, we make contributions on behalf of employees in union administered plans.

While there are variations in available plans, the following is an overview of BSC employee benefits:

- Annual Health-check, Business travel accident insurance (24/24), Health insurance.
- Work-life balance program (tours, vacations, sports, community activities).
- Financial support for employees on long-term travel status.
- Other programs that help employees and their families deal with a wide range of issues, including serious disease, rewarding excellent students who are children of BSC's staff, etc.

Description	2016	2015	%2016/2015
1. Salary	63,548,406,782	55,101,358,457	115.33%
- Brokerage	21,217,593,314	16,630,172,153	127.58%
- KPI	41,900,000,000	37,921,100,000	110.49%
- Extra hours	430,813,468	550,086,304	78.32%
2. Social insurance, health insurance and union fee	3,930,412,063	2,546,090,940	154.37%
3. Unemployment insurance expenses	178,655,094	115,731,406	154.37%
4. Remuneration	7,378,251,152	4,293,515,183	171.85%

5. HUMAN DEVELOPMENT

Training and developing

As an active provider of financial services in the securities market, with the strategy focusing on enhancing human resources to become core competency forming the foundation for the development of the company, BSC's employees are trained through practical work in order to improve professional knowledge as well as to promote the creativity of each employee.

Every year BSC develops plan on training in order to improve employees' knowledge and skill to meet the new requirements set in the development plan of the Company. Through training activities, strong social ties between employees and the long-term commitment of the employees are formed and strengthened. The training program is in line with the Company's development plan throughout each year and period and at the same time complies with the current provisions of law (since BSC is operating the conditional business field). Besides, the training program is developed on the basic of associating with major operational activities of BSC. Every training session is organized for the purpose of increasing the efficiency of the employees and strengthening the cohesion between the employees in the Company. Since 2014 BSC has organized a variety of training sessions including: Practical certificate class and Managerial Accounting classes for Brokerage Division and Financial Advisory Division; Tax policy and thematic areas of CPA for Accounting Division and Standardized courses on Oracle data and security, etc. for IT Division, etc.

At BSC, we always have a wide range of training and development programs for all employees at all levels and this strategy has been integrated into BSC's culture. This ensures that BSC's staff will be fully equipped with necessary skills and knowledge to be able to fulfil their current duties while encouraging them to continue developing their career with BSC. The training and self-development is not only the responsibility of BSC but also the responsibility of every member of BSC. We

offer many training, education and development opportunities for every employee at all levels to prepare for their jobs today and to overcome the challenges of tomorrow. Thus, important information is brought to the employees in order to help them establish their career and gain and utilize any opportunity at BSC.

We encourage our employees to attend additional professional certifications. For example, brokers are required to obtain securities licenses and accountants are encouraged to achieve professional certifications such as CFA or CPA.

To sustain our success and to continue to do more for our clients, we must remain at the forefront of knowledge and technology. This is why we invest in training and development opportunities, and providing proper trainings and development to potential leadership in our workforce. These investments are materially important to our sustainability because they enable innovation and efficiency and generate a culture of diversity.

- List of training programs:

No.	Training topics	Trainee	Fee (VND million)
I	Direct training class		450
1	Oracle Certified Associate	IT division	75
2	Vmware Certified Professional	System group from IT division	24
3	Certified Ethical Hacker	System group from IT division	24
4	Advanced training in business accounting	IB, Research and Analysis, Product Development and Brokerage.	56
5	BIDV's revision for CPA exam	Accounting Division and Internal Control Division	25
6	Securities practicing certificate	All staff	37
7	Other forms of training (management, legal, risk management and securities market, etc.)	All staff	209
II	Training through adviser		2,400
1	Business strategy and IT strategy consultancy service		2,400
Total			2,850

BSC always determines that human resource development promotes quality of human resources but also helps each staff instil corporate culture and strengthen the relationship between the company and employees.

With the orientation of improving capacity and standardizing staffing and human resources development, core activity of human resources is training in 2016. Thus, BSC measured the employees' work performance. Based on such performance evaluation, BSC then set out the action plan for training activities to enhance the quality of human resources in 2016.

Last year, BSC coordinated with external professional to organize training courses such as: sales training, M&A training, improving the socio-economic analysis, financial analysis. Besides, the Company itself also organized training courses on important and necessary operational activities, the regulation on the organization of the Company in order to help individuals to quickly integrate into the Company.

Training programs on management skills and time management for managers at all levels are regularly organized to develop teamwork and promote effective team work.

BSC is proud of a professional, healthy and friendly working environment, a common roof but also challenging for all the staff so that they can fully develop their capabilities and career.

6. INTERNAL AND EXTERNAL RECRUITMENT

We recruit talented people, regardless of their race, nationality, sex, gender identity, sexual orientation, age, disability, or religion. We also strive to recruit people from within the local communities in Vietnam and also from the other countries where possible.

We have a culture of developing our people within their current positions and for positions of greater responsibility. It is the responsibility of management to formally train and informally coach the people they manage. Our senior management plays an active role in motivating and developing our people.

Goals and performance for each individual is tied with each division and division head will allocate appropriate bonus from division to each person based on their work performance.

Regarding the recruitment (process, standards and applicants, etc.): Operating in a dynamic market like securities market, BSC recruits regularly (2-3 times/year) to supplement young and active members. BSC's recruitment process achieved following requirements:

1) Complying with the initial principles and objectives and paying attention to each step in the process without making any mistakes. Detailed tasks are assigned to each individual or division to enhance accountability and the efficiency for recruitment is ensured.

2) The conditions and criteria of recruitment are transparent and clearly defined. The Company has also flexibly adapted these conditions and standards and eliminated rigid conditions that narrow the possibilities of recruiting suitable candidates while added practical conditions for capacity assessment.

3) Professional examinations are held in accordance with the recruitment procedure. Entrance test are designed to assess candidates' capacity more accurately (the test is in English including both essay and multiple choice questions). This year test was difficult enough to select excellent candidates.

4) Interview process took place seriously and effectively. The interview panel offers a variety of case study questions to comprehensively evaluate candidate's professional knowledge and experience. Examining candidates on various factors including management experience, social knowledge and soft skills are effective to choose suitable candidate.

5) The company also takes one more step in the recruitment process in which the candidates are required to carry out a specialized report related to the job assigned during the probation process. The candidates need to defend this special report before the employment council when the probationary period expires. This is another evaluation step to determine if the candidate is suitable for the position.

BSC evaluates the performance of its employees based on the methodology of Management by Objective. According to this mechanism, each staff is set specific KPIs to assess the outcome of their work, based on their level of responsibility. The employees are aware of their objectives and their personal opinions are also discussed during the process of self-evaluation.

We believe BSC's employees are among the most motivated, high-performing people in our industry. Our approach is to identify and recruit the best people and to provide them with a dynamic and professional working environment. This helps us retain our staff for the long term. Our management approach to staff engagement includes:

- Keeping our people employed through the business cycle
- Giving credit where credit is due and promoting on merit
- Promoting from within the Company
- Offering a range of training and talent development opportunities

When the business cycle or other external forces drive changes in our staffing needs, we take active steps to retain people rather than release them. These steps include limiting new hiring, internal transfer, and providing training for new assignments. This approach contributes to our high employee retention rate.

7. MANAGING, EVALUATING, SELECTING AND APPOINTING EMPLOYEES

Evaluation is an important and fundamental factor during the process of managing and deploying employees at BSC. This task is conducted regularly every year or before the consideration for promotion or work transfer. The purpose of this activity is to evaluate and provide information for the management, which is then used to make decisions on selecting, training, assigning, promoting and paying wages and bonuses. The exact evaluation results is a foundation for selecting, arranging, promoting and deploying employees in accordance with their capacity and forte, thereby actively train and appointing staffs. At the same time, staff assessment will provide feedback for the staffs to know about their capacity and their current performance, which helps them strive for self-improvement and successfully complete their tasks. BSC evaluates staffs based on their performance in terms of work volume, quality, progress and efficiency in every position in each period (based on KPIs); and their responsibility in comply with the Company's regulations.

PART 6. SOCIAL RESPONSIBILITY AND ENGAGEMENT WITH RELATED PARTIES

We maintain open communication channels and welcome all questions as well as feedbacks of related parties with the desire to be able to understand deeply the views and expectations of the parties.

During continuous sustainable development implementation stage, BSC interacts with a variety of shareholders through the following communication channels:

RELATED PARTIES	COMMUNICATION CHANNELS	
Employees	Monthly, quarterly and semi-annual review meeting. Group meeting.	Internal communication channels: • Internal phone, online conference and email; • Internal training programs.
General Shareholders	Annual General Meeting of Shareholders	The information published includes: Financial Statement;
	Face to face meeting Channels connecting with investors, including question and answer session and regular emails on business results	Annual Report;

Clients/Investors	Seminars and conferences Meetings Customer Support Center Customer care	Back offices Other communication channels include: email and suggestion box.
Partners	Financial Statement Annual Report	
Competent Authorities	Conferences/seminars/ comments	
Professional associations and organizations	Associations include: Vietnam Securities Business Association; Viet Nam Bond Market Association; Cambodian Investment Association; Cement Association;	
Community and youth	Events organized by the students and the universities	Volunteer and fund raising; environmental and community activities
Press and Media	Seminars and interviews Forums and workshops Quarterly review sessions	Communication channels include: Phone; Email Interviews made by IR and PR

1. INVESTOR RELATIONS

Recognizing the important role of Investor Relations for the image and reputation of the company in the stock market, contributing to the stability and development of long term operation of the Company, Investor Relations has been implemented since 2015. BSC has developed and issued a number of regulations as the basis for Investor Relations: Regulations on Information Disclosure; Investor Relations Handbook; Regulations on Preventing and Handling Information Crisis.

Annual General Meeting of Shareholders

Annual General Shareholder Meeting is carefully organized to show respect for shareholders. BSC posts announcement and full package of meeting information on its website according to the laws and provides guidance on accessing such documents to the shareholders in order to discuss and vote in the Meeting. On April 23rd 2016, at Tower A Vincor, 191 Ba Trieu, Hai Ba Trung, Hanoi, BSC's Annual General Shareholder Meeting was held successfully. The Meeting took place openly and transparently in accordance with the laws, creating favourable conditions for shareholders to participate and vote at the Meeting. At the Meeting, many important contents were approved. In 2015, the majority of retained earnings were used to offset accumulated loss while the remaining profit was modest, thus BSC added such profit into working capital and at the time did not pay dividend. After the Meeting, BSC completed documents which were all approved at the Meeting and posted on the website up on the requirements on disclosure.

Information Disclosure

With the principle of respect for the value of shareholder's investment, BSC is clearly aware of its responsibilities in providing information to shareholders and investors in a transparent, complete, accurate and timely manner.

Information Transparency

BSC discloses information in accordance with the current regulations for public companies and maintains effective two-way communication channel between BSC with the investors and the financial community.

In 2016, BSC disclosed periodic information, extraordinary information and disclosed information upon request including: Management Report, quarterly, Semi-Annual and Annual Financial Statements, Annual Report; Report on choosing auditor; Appointment of Senior Management and Trading of insiders and persons related to insiders, etc.

In 2016, information about investor relations was updated on the website to establish a communication channel with a large number of investors. At the same time, the content relating to BSC's share was rapidly updated to provide investors a comprehensive view on the stock.

Maintain investor relations

In 2016, in addition to numerous talks with investors at the Annual General Meeting, BSC also held face to face meeting to maintain an official communication channel to update the local and foreign shareholders and potential shareholders with the activities of BSC. At the same time, Investor Relations Division along with the attendance of BSC's management board also organized meetings with Investment Funds and partners to announce information on 2016 business operation results. The meetings created a good impression with the investor community on transparency in executive management as well as enhanced investor confidence in the commitment on creating the highest benefit to shareholders.

Direction for Investor Relations in 2017

In 2017, BSC will have many activities towards the investor and finance community such as enhancing the quality of disclosed information through improving the content and form of media publications, meeting the increasing requirements of the law of Vietnam in the publication of information and operating towards international standards in order to improve operational efficiency of Investor Relation and meet expectation of investors.

Promoting communication about BSC's business result with the analysis and notes of the factors that affect revenue and profit growth; continuing organizing meetings with professional analysts; welcoming investment funds and potential investors to learn about BSC. Thematic trainings will be organized to enhance the capacity of investor relation team and activities relating to Investor Relation are developed towards international standards. Website as well as Investor Relation content related will be completed in both English and Vietnamese and information regarding stocks and securities market will be added.

2. RESPONSIBILITIES TO CLIENTS / PARTNERS

The best service is provided by dedicated consultants. Satisfaction of our customers and partners is a measure of BSC's value.

With the determination of providing the best customer service, BSC upgraded website system, improved software and new utilities and improved service quality to meet high expectation of customer in 2016.

Along with improving the quality of the analysis reports, BSC's consultations has actively approach and organize small and big presentations for customers so that the investors can quickly capture the market volatility, update macroeconomic trends and choose good stocks.

With a team of professional consultants and diversified brokerage products, BSC commits to bring to our customers the most appropriate choice which is consistent with the ability to accept risks and financial situation as well as other needs.

BSC is one of few securities companies having the advantage in bonds. As a securities company in Top leading company in bond brokerage for institutional customers for 3 consecutive years, BSC commits to prove our customers with the best quality service at a competitive cost and select specific investment for each customer.

Focusing on improving and upgrading the most advanced IT systems in accordance with international and regional standards, BSC brings the effective and stable operation to customers, ensuring security and confidence for customers.

3. CARE ABOUT EMPLOYEES' LIVES

2015 was the year BSC officially had no more accumulated losses, BSC gradually improved the competitive remuneration and welfare for the staff in order to encourage and ensure material and spiritual life for employees working and sticking with the Company.

BSC has always focused on maintaining and maximizing physical and morale condition of employees by ensuring a safe and healthy environment. The Company holds an annual comprehensive physical examination at prestigious health center and organizes fitness classes such as yoga and football. In addition to insurance program as prescribed by law, BSC provides the employees with supplementary health insurance package with the benefits of outpatient treatment, inpatient treatment due to illness, disease, accident, maternity and disability income coverage. At the same time, BSC organizes vacation tours and community activities; and developing policy for birthday, personal time off and marriage, etc.

BSC launches the emulation movement with the purpose of creating motivation for the employees and building cohesion between the employees. From the perspective of individuals and families to the business sector, the movement media art culture has been built, launched with many diverse programs.

RESPONSIBILITIES TO EMPLOYEES

BSC highly values capacity of each individual and welcomes all enthusiastic candidates looking for a dynamic and modern working environment. With a strong ambition to expand to regional markets and develop an advanced Human-Center Business Model, BSC creates a young and dynamic environment with many favourable conditions as well as challenges where provides various job opportunities for graduated students to experience, learn and mature.

We strive to build a working environment where everyone can maximize professional skills and social knowledge, and contribute and share wisdom, knowledge and skills, and is entitled to remuneration which is adequate to one's post.

4. RESPONSIBILITY TO COMMUNITY

SUPPORTING THE DISADVANTAGED

BSC has always been highly thinking of community spirit and assistance for the disadvantage in society. Every year, BSC's staffs actively participate in volunteer activities. 2015 was the year when BSC organized a variety of volunteer programs. The volunteer program organized by BSC is not merely a charity from one enterprise but a journey of passionate hearts which are ready to travel thousand kilometres to share love with the disadvantaged in remote mountainous areas. Giving is a mean of contributing to the prosperity of our nation.

Organizing charity program “Lovely Tet”

Charity program was held at Suoi Rao, Chau Duc District, Ba Ria Vung Tau province for 02 days from February 4th and 5th, 2016. The program is divided into 03 main activities, namely:

- Giving 200 gifts to the children from disadvantage family having contribution to the national revolution at Suoi Rao;
- Visiting and giving gifts to 10 Vietnamese heroic mother and 30 gifts to disadvantaged family and those having contribution to the national revolution at Suoi Rao;
- Joining Street cleaning and Tree planting Programme.



Organizing charity program called “Tet for Ta Xi Lang ”

Charity program “Tet for Ta Xi Lang” was held at the Hong Ngoc Kindergarten, at Ta Xi Lang, Tram Tau district, Yen Bai province for 02 days from Feb 17th and 18th, 2016. BSC awarded students with essential gifts including warm clothing, winter blanket and school supplies.



Participating in 2016 Blood Donation

BSC's employees participated in 2016 Blood Donation Programme which was organized by HNX and National Institute of Hematologic and Blood Transfusion on June 2nd, 2016.



LEADING YOUNG GENERATION

The strategy is developed to enhance the expertise and experience of the staff. Human resource is considered the most important asset and human resources management is a key factor for our sustainable development. BSC determines that long-term goal is always associated with our contribution to society. We are aware of our responsibility for contributing to the development of the market and community. Social activities of BSC help the youth hone skills and create opportunities for young people to take part in actual business environment and promote a healthy working environment.

INVESTING IN COMMUNITIES TO FOSTER THE NEXT GENERATION

In addition to business development and corporate governance, the Board of BSC is aware of the responsibility for contributing to the construction and development of human society in Vietnam, especially the development of human resources in Vietnam stock market eventually. From 2015 until now, BSC has been a co-sponsor for Go Finance contest which opens up so many opportunities for young economics student to take part in Vietnam stock market and strengthen the close connection between enterprises and schools to improve the quality of human resources.

PART 7. ENVIRONMENTAL TARGETS ENGAGED IN OPERATIONS**1. PREPARATION OF COMPETENT AUTHORITY**

In the framework of Macroeconomic Reforms/ Green Growth Programme between Vietnam and Germany, SSC collaborated with German Society for International Cooperation to hold a conference called "Orientation framework for green finance and green financial products".

BSC knows that SSC will encourage enterprises to participate in the green capital market in the voluntary spirit. In the coming period, with the support and cooperation of the Ministries, relevant authorities and German Society for International Cooperation, SSC will develop and implement an orientation framework for Orientation framework for green finance and green financial products for enterprises operating in Vietnam's stock market, contributing to the successful implementation of green growth strategies and restructuring the economy towards sustainable development.

POLICY ON GREEN CAPITAL MARKET

- i. Establishing a green financial framework for the operation in the capital market such as: issuing regulations and conditions when listing shares (green listing), reports (in sustainable report) and monitoring (according to green financial criteria)
- ii. Raising investment fund for green growth for enterprises, projects and green products in capital markets through listing and issuing green stock
- iii. Issuing bonds, investment certificates and others for green projects and programs.
- iv. Developing green indicators for monitoring, evaluating and trading in capital markets.
- v. Issuing regulations or guidelines on social and environmental risk management for market organizers and market participants which are financial institutions and listed companies.
- vi. Stable operation of Stock Exchanges.

PRODUCTS OF GREEN CAPITAL

- i. Green bonds are issued by green enterprises for green projects or green products.
- ii. Government bonds and municipal bonds are issued for green objectives, programs and projects.
- iii. Green indicators, sustainability indicators and Carbon indexes.
- iv. The certificate and green investment certificate issued by Fund.

2. ATTITUDE AND ACTION**CONTRIBUTING TO THE DEVELOPMENT OF GREEN MARKET**

As a business operating in the field of securities as well as a member of Vietnam's stock market since the early days of establishment, BSC is aware of the role of green growth for the development of a country in general and an organization in particular. BSC actively participates in action plans related to green capital market under the guidance of SSC.

In the provision of products and services to customers: Throughout bond issuance consulting especially corporate bond, BSC are particularly interested in sustainable development subject through using financial resources of the issuance to finance sustainable business activities of an enterprise. Typical project: municipal bond issuance consultancy for Ho Chi Minh City to utilize fund for the city infrastructure.

In the establishment of corporate culture and products consumption: BSC turns environmental protection into a habit and a lifestyle in the company. Environmental consciousness starts from taking small action in daily life. In 2016, BSC continues implementing green office program, thereby forming good habits and awareness of environmental protection of BSC staff as follows:

- Energy saving: Simple actions such as turning off lights when not in use and using energy-efficient light bulbs have become implicit regulation which everyone must comply. Thereby, every individual gradually form electricity saving habit, thus contributing significantly to use the energy more efficiently. Everyone reminds each other so that the electricity saving habit gradually becomes the Company's lifestyle and culture.
- Organic and inorganic waste classification: positively response to the emulation movement for environmental protection through recycling measures. BSC's staffs classify organic and inorganic waste to contribute to recycling process.
- Paper saving: Encouraging two-sided printing, electronic document storage and using recycled paper in BSC's publications, etc. which are positive measures implemented by BSC's staffs to protect the environment.
- Greening office environment: In 2016, BSC continued to launch green office movement to increase aesthetics, create a relaxing atmosphere and also resolve toxins in the air and hot air discharged from machines

CONTRIBUTING TO THE DEVELOPMENT OF THE MARKET

As one of the leading securities firms in Vietnam, we have a responsibility to contribute to the capital market, especially in the promotion of transparency, integrity and innovation.

We actively participate in activities of the market and industry. BSC's representatives are member of Index Committee, Vietnam Bond Market Association, Association of Banks in Cambodia, Cement Association and Sugar Association, etc. BSC held Quarterly Analysis Conference for the media and investment funds, thereby helping domestic and foreign investors have more useful and reliable information for investment decisions.

Bellows are some activities and events which BSC participated in 2016 to share information and knowledge with investors and institutions at inside and outside Vietnam:

- Participate in developing strategies for the development of Vietnam stock market in 2020 which is organized by State Securities Commission of Vietnam (SSC)
- BSC is currently taking part in seminars on the legal provisions which are drafted such as Circular No. 210 and Decree No. 121, etc.

GIR – G4 INFORMATION DISCLOSURE

Scope of report

Scope of this Report covers the results and achievements of BSC in sustainable management from January/2016 to December/2016. This report complies with the principle of "Consistency - Core" according to Guidance on Conducting Sustainable Development Report G4 of The Global Initiative (GRI), standards for sustainable comprehensive report which are widely used worldwide.

Contact

For further information and feedback relating to Sustainable Development Report, please contact Bank for Investment and Development of Vietnam Securities JSC. – Hanoi office - IR Division: (+84 4) 39352722 (ext. 210), email: pr@bsc.com.vn, BIDV Tower, 11th floor, 35 Hang Voi, Hoan Kiem District, Hanoi.

¹ GRI is a reporting framework for organizations that helps collect and communicate their sustainable and non-financial performance. GRI seeks to provide a consistent and transparent approach to report sustainable development. GRI Guidelines is voluntary and is used by organizations to report their economic, social and environmental performance.

² G4 is valid until June 30th, 2018. As of July 1st, 2018, Sustainable Development Report will need to comply with the GRI Standards. <https://www.globalreporting.org/information/g4/Pages/default.aspx>

**ANNEX COMPLIANCE WITH SUSTAINABLE DEVELOPMENT
CRITERIA SET BY GRI G4**

SECTION /STANDARD REPORTING	DESCRIPTION	REFERENCE	PAGE	REASONS FOR REJECTION
1	INFORMATION PRESENTED ACCORDING TO GENERAL STANDARD			
1.1	<i>Strategy and Analysis</i>			
G4-1	Declaration of senior manager of the enterprise	Annual Report- Message of General Director; Commitment to sustainable development objectives	Annual Report; page 08-09 Sustainable Development Report	
1.2	<i>Information about enterprise</i>			
G4-3	Name of the enterprise	Annual Report – Overview of BSC		
G4-4	Main products and services	Sustainable Development Report – Business Operation	10-13 Sustainable Development Report	
G4-5	Headquarter address	Annual Report - Overview of BSC; Sustainable Development Report - Contact	56 Sustainable Development Report	
G4-6	Country code where the enterprise operates and name of country where the enterprise mainly operates or countries related to sustainable development mentioned in the report	The main operation area of BSC is Hanoi, Ho Chi Minh City and all BIDV's branches all over Vietnam		
G4-7	Type of ownership and legal model	Annual Report - Overview of BSC		
G4-8	Market (including geographical analysis and sector and client analysis)	Vietnamese and international clients		
G4-9	Enterprise size (total employees, number of business lines, net revenue, total capital including liabilities and equity, types of products and services provided)	Annual Report - Overview of BSC		

G4-10	Labour force statistic	Sustainable Development Report – Developing human resources of BSC	30-33 Sustainable Development Report	
G4-11	Percentage of workers are entitled to the collective labour agreement	100%		
G4-12	Supply chain description	BCTN – BSC’s overview		
G4-13	Changes in size, structure, ownership and supply Chain	No significant changes		
G4-14	Report on determining if the enterprise has forewarning about potential issues affecting the environment	Because BSC operates in the field of finance, BSC has little direct impact on the environment and has not had any investment relating to environment. However, BSC actively gets involve in environmental protection activities and implements green lifestyle at the office		
G4-15	Sustainable Development Report- The main criterions and satisfaction levels that BSC meets	Enterprise Law, regulations of the State Securities Commission, regulations / standards of finance - accounting, FATCA ...		
G4-16	Member of associations	Investment Association of Cambodia, Vietnam Sugar Association, Vietnam Rubber Association, Viet Nam Bond Market Association		
<i>Identifying key areas and reporting scope</i>				

G4-17	The units included in the consolidated financial statements of the enterprise or equivalent document. Reporting a certain unit in the consolidated financial statements of the enterprise or equivalent document which are not mentioned in this report			BSC has no subsidiaries
G4-18	Explaining the process of determining the report content and boundaries. Explaining the process of applying regulation to conduct report	Sustainable Development Report- The main criteria and satisfaction levels that BSC meets	3-8 Sustainable Development Report	
G4-19	The key issues arise from the process of developing the report	Sustainable Development Report- The main criteria and satisfaction levels that BSC meets	7-8 Sustainable Development Report	
G4-21	For each critical area, reporting boundary for such area	Sustainable Development Report- The main criteria and satisfaction levels that BSC meets	6-8 Sustainable Development Report	
G4-22	Reporting impact of any restatement and the principles for restating information			None
G4-23	Major changes compared with the previous report (about the scope of the report)	We have expanded the scope of the report and fully presented more than GRI		
1.4	<i>The involvement of relevant parties</i>			
G4-24	List of parties related to the enterprise	Sustainable Development Report- The main criteria and satisfaction levels that BSC meets	3 Sustainable Development Report	

G4-25	Foundation for choosing and identifying of relevant parties	Sustainable Development Report- The main criterions and satisfaction levels that BSC meets	3-5 Sustainable Development Report	
G4-26	Approaches with the involvement of related parties	Sustainable Development Report- The main criterions and satisfaction levels that BSC meets	3-5 Sustainable Development Report	
G4-27	The main theme and concerns are outlined and the subsequent feedback of the enterprise when working with related parties (including feedback via reports)	Sustainable Development Report- The main criterions and satisfaction levels that BSC meets	6-8 Sustainable Development Report	
1.5	<i>Record report</i>			
G4-28	Reporting period	01/01/2016 – 31/12/2016		
G4-29	Closest reporting period	01/01/2015 – 31/12/2015		
G4-30	Report Cycle	Every year		
G4-31	Contact person (if any)	Sustainable Development Report - Contact	56 Sustainable Development Report	
G4-32	Report option of the enterprise	Sustainable Development Report – Scope of report	56 Sustainable Development Report	
1.6	<i>Management</i>			
G4-34	The structure of corporate governance includes the committee and the most senior leaders	Annual Report- Organizational chart		
1.7	<i>Ethics and integrity</i>			
G4-56	The values, principles, standards and norms of corporate behaviour such as the code of conduct and code of ethics	Sustainable Development Report - Code of conduct	15;	
2	INFORMATION PRESENTED ACCORDING TO DETAILED STANDARD			

2.1	<i>Economic</i>			
2.1.1	<i>Economic Impact</i>			
DMA	Common governance views		10 Sustainable Development Report	
G4-EC1	The direct generated and distributed economic value	Sustainable Development Report – Financial Result	13-14 Sustainable Development Report	
G4-EC3	Responsibility of the enterprise for Pension Fund			BSC does not have pension fund
2.1.2	<i>Indirect economic impact</i>			
G4-EC7	The development and impact of investments in infrastructure and services for the common interests of the community			BSC does not have any project
2.2	<i>Society</i>			
2.2.1	<i>Treatment of employees and decent jobs</i>			
2.2.1.1	<i>Jobs</i>			
DMA	Common governance views		33-35 Sustainable Development Report	
G4-LA1	Total labour force, the rate of new recruitment and retention classified by age, gender and region	Sustainable Development Report - Statistics on human resources	30-33 Sustainable Development Report	
G4-LA2	Benefit for full-time employees, not for temporary or part-time employees by location and activity	Sustainable Development Report – Work Environment	38-39 Sustainable Development Report	

G4-LA10	Long-term skill training programs enhance the working ability of employees and help them in the termination of employment relationship	Sustainable Development Report - Training and developing	39-42 Sustainable Development Report	
G4-LA11	Proportion of employees whose job performance are evaluated and career is developed periodically by gender and category	Sustainable Development Report - Statistics on human resources	33 Sustainable Development Report	
G4-LA12	Composition of the Board of Directors and employees are categorized into groups by gender, age group, membership of minority groups and other indicators of diversity	Sustainable Development Report - Human resources management	30-33 Sustainable Development Report	
G4-LA16	The number of labour complaints received, handled and resolved through formal complaints handling mechanism	BCPTBV - Các thống kê về nguồn nhân lực	33 BCPTBV	
2.2.1.2	<i>Training and Education</i>			
DMA	The average training hours for each employee every year by gender and category		39 - 42 Sustainable Development Report	
2.2.2	<i>Human right</i>			
DMA	Common governance views		37 Sustainable Development Report	
G4-HR1	Proportion and total number of major investment agreements mentions clauses referring to human rights or screens on human rights issues	Sustainable Development Report - Work force statistics	33 Sustainable Development Report	
2.2.3	<i>Society</i>			
2.2.3.1	<i>Local Community</i>			

DMA	Common governance views		50 Sustainable Development Report	
G4-SO1	Percentage of activities with the participation of the local community and impact assessment and implemented development programs	Sustainable Development Report - Social responsibility	51 - 52 Sustainable Development Report	
G4-SO2	These activities have negative impact or are likely to cause negative impact to the community			No negative impact
2.2.3.2	<i>Anti-corruption</i>			
G4-SO3	The total number and percentage of activities related to corruption and identified fundamental risks are assessed	Sustainable Development Report – Law Compliance	15 Sustainable Development Report	
2.2.3.3	<i>Compliance</i>			
DMA	Common governance views		15 Sustainable Development Report	
G4-SO8	The total monetary value of large fines and total non-financial sanctions for failure to comply with the laws and regulations	Sustainable Development Report – Law Compliance		No violation in 2016
2.2.4	<i>Product liability</i>			
2.2.4.1	<i>Labelling service and product</i>			
G4-PR3	Information about products and services at the request of the business processes and the percentage of products and services at the request of the business processes	Sustainable Development Report – Business Operation	10 - 13 Sustainable Development Report	
G4-PR8	Total number of significant complaints related to customer privacy violation and loss of customer data	Sustainable Development Report – Law Compliance		No violations and complaints in 2016

FINANCIAL STATEMENTS

31 DECEMBER 2016





BIDV Securities Joint Stock Company

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BIDV Securities Joint Stock Company

GENERAL INFORMATION

COMPANY

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.

The Company operates under Operating Charter No. 01/NQ-DHDCD which was issued on 17 December 2010 and was amended the second time by Resolution No. 04/NQ-DHDCD on 13 April 2013.

The Company was privatized from BIDV Securities Company Limited. Its current principal activities are to provide brokerage services, proprietary trading, underwriting for share issues 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.

THE BOARD OF DIRECTORS

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

Mr. Doan Anh Sang	Chairman	Reappointed on 28 April 2016
Mr. Do Huy Hoai	Vice-chairman	Reappointed on 28 April 2016
Mr. Nguyen Thieu Son	Member	Appointed on 18 November 2015
Mr. Le Ngoc Lam	Member	Appointed on 14 November 2014

THE SUPERVISORY BOARD

Members of the Supervisory Board during the year and at the date of this report are as follows :

Ms. Pham Thanh Thuy	Head of the Board	Reappointed on 28 April 2016
Ms. Hoang Thi Huong	Member	Reappointed on 28 April 2016
Mr. Tran Minh Hai	Member	Reappointed on 28 April 2016

THE BOARD OF MANAGEMENT

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

Mr. Do Huy Hoai	General Director	Reappointed on 17 December 2015
Ms. Tran Thi Thu Thanh	Deputy General Director	Reappointed on 1 January 2016
Mr. Le Quang Huy	Deputy General Director	Reappointed on 15 May 2015
Ms. Ngo Thi Phong Lan	Deputy General Director	Appointed on 27 October 2014

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of the report is Mr. Do Huy Hoai – General Director.

AUDITOR

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

BIDV Securities Joint Stock Company

REPORT OF MANAGEMENT

Management of BIDV Securities Joint Stock Company ("the Company") is pleased to present its report and the Company's financial statements for the year ended 31 December 2016.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Management is responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

Management confirmed that the Company has complied with the above requirements in preparing the accompanying financial statements for the year ended 31 December 2016.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016 and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of the financial statements.



*Mr. Do Huy Hoai
General Director
Hanoi, Vietnam
29 March 2017*

Reference No.: 60758150/18718723

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
BIDV Securities Joint Stock Company**

We have audited the accompanying financial statements of BIDV Securities Joint Stock Company ("the Company") as prepared on 29 March 2017 and set out on pages 119 to 219, which comprise the statement of financial position as at 31 December 2016, the income statement, the statement of cash flows, the statement of changes in equity for the year then ended, and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Auditors' Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2016, and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited

Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No: 2400-2013-004-1

Hanoi, Vietnam
29 March 2017

A handwritten signature in blue ink, likely belonging to Tran Mai Thao.

Tran Mai Thao
Auditor
Audit Practising Registration
Certificate No: 2466-2013-004-1

BIDV Securities Joint Stock Company

B01-CTCK

STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance (Restated)
100	A. CURRENT ASSETS		1,362,064,037,732	2,080,223,802,088
110	I. Financial assets		1.361.796.842.133	2.080.180.906.253
111	1. Cash and cash equivalents	5	436.488.305.264	53.422.468.177
111.1	a. Cash		106.488.305.264	43.422.468.177
111.2	b. Cash equivalents		330.000.000.000	10.000.000.000
112	2. Financial assets at fair value through profit and loss (FVTPL)	7.1	358.921.518.262	1.276.923.492.375
113	3. Held-to-maturity (HTM) investments	7.2	77.024.023.168	106.186.821.420
114	4. Loans	7.3	471.678.060.306	632.754.918.509
116	5. Provision for impairment of financial assets and mortgage assets	7.4	(18.717.408.668)	(12.736.718.649)
117	6. Receivables	8	34.805.705.685	16.401.822.447
117.1	a. Receivables from disposal of financial assets		14.945.333.000	3.107.420.000
117.2	b. Receivables and accruals from dividend and interest income		19.860.372.685	13.294.402.447
117.4	- Accruals for dividend and interest income		19.860.372.685	13.294.402.447
119	7. Receivables from services provided by the Company	8	1.688.628.798	7.135.894.981
122	8. Other receivables	8	299.166.640	269.819.366
129	9. Provision for impairment of receivables	8	(391.157.322)	(177.612.373)

BIDV Securities Joint Stock Company

B01-CTCK

 STATEMENT OF FINANCIAL POSITION (continued)
 as at 31 December 2016

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance (Restated)
130	II. Other current assets	9	267.195.599	42.895.835
131	1. Advances		98.500.000	20.000.000
132	2. Office supplies, materials and tools		19.896.835	22.895.835
135	3. Value-added tax deductible		148.798.764	-
200	B. NON-CURRENT ASSETS		83.889.477.937	38.434.908.806
210	I. Long-term financial assets	7.2	50.311.795.942	9.745.693.643
212	1. Investments		50.311.795.942	9.745.693.643
212.1	a. Held-to-maturity investments		50.311.795.942	9.745.693.643
220	II. Fixed assets		8.297.959.432	5.657.630.180
221	1. Tangible fixed assets	10	6.669.765.241	4.725.530.514
222	a. Cost		17.485.559.194	15.126.129.807
223a	b. Accumulated depreciation		(10.815.793.953)	(10.400.599.293)
227	2. Intangible fixed assets	11	1.628.194.191	932.099.666
228	a. Cost		2.782.980.000	1.937.980.000
229a	b. Accumulated amortization		(1.154.785.809)	(1.005.880.334)
250	III. Other non-current assets		25.279.722.563	23.031.584.983
251	1. Long-term deposits, collaterals and pledges		4.007.552.104	3.642.572.104
252	2. Long-term prepaid expenses	12	217.119.939	980.745.615
254	3. Deposits to Settlement Assistance Fund	13	21.055.050.520	18.408.267.264
270	TOTAL ASSETS		1.445.953.515.669	2.118.658.710.894
300	C. LIABILITIES		462.018.357.206	1.249.523.342.920
310	I. Current liabilities		462.018.357.206	1.249.523.342.920
311	1. Short-term borrowings and financial leases	14	249.500.000.000	623.600.000.000

BIDV Securities Joint Stock Company

B01-CTCK

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2016

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance (Restated)
312	a. Short-term borrowings		249.500.000.000	623.600.000.000
318	2. Payables for securities transaction activities	16	115.583.129.268	59.777.261.722
320	3. Short-term trade payables	17	4.073.893.672	2.260.446.410
321	4. Short-term advances from customers		1.737.669.723	1.454.338.206
322	5. Statutory obligations	18	13.939.361.258	2.986.873.425
323	6. Payables to employees		25.116.594.685	11.299.189.666
324	7. Employee benefits		3.754.346	461.018.913
325	8. Short-term accrued expenses	19	289.480.134	2.233.245.794
329	9. Other current liabilities	20	153.974.120	378.448.784
332	10. Repurchase agreements of Government bonds	15	51.620.500.000	545.072.520.000
400	D. OWNERS' EQUITY		983.935.158.463	869.135.367.974
410	I. Owners' equity	21	983.935.158.463	869.135.367.974
411	Share capital		902.432.863.457	865.241.713.457
411.1	Contributed capital		902.191.150.000	865.000.000.000
411.1a	Common shares		902.191.150.000	865.000.000.000
411.2	Share premium		241.713.457	241.713.457
414	Charter capital supplementary reserve		5.959.872.250	207.782.726
415	Operational risk and financial reserve		5.959.872.250	207.782.726
417	Undistributed profit		69.582.550.506	3.478.089.065
417.2	Realized profit		69.582.550.506	3.478.089.065
	TOTAL OWNERS' EQUITY		983.935.158.463	869.135.367.974
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1.445.953.515.669	2.118.658.710.894

BIDV Securities Joint Stock Company

B01-CTCK

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2016**OFF-BALANCE SHEET ITEMS**

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance (Restated)
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREE- MENTS			
001	1. Operating lease fixed assets	21.1	994.635.000	994.635.000
004	2. Bad debts written off	21.2	-	403.248.614
005	3. Foreign currencies	21.3		
	a. USD		253.967	442
	b. EUR		97	-
006	4. Outstanding shares	21.4	902.139.800.000	865.000.000.000
007	5. Treasury shares		51.350.000	-
008	6. Financial assets listed/registered at the VSD of the Company	21.5	269.180.790.000	965.685.350.000
008.1	a. Unrestricted financial assets		154.148.290.000	642.340.240.000
008.3	b. Mortgage financial assets		100.000.000.000	271.500.000.000
008.5	c. Financial assets awaiting settle- ment		15.032.500.000	51.845.110.000
009	7. The Company's non-traded finan- cial assets deposited at the VSD	21.6	61.710.000	52.180.000
009.1	a. Unrestricted and non-traded finan- cial assets deposited at the VSD		61.710.000	52.180.000
010	8. The Company's awaiting financial assets	21.7	100.492.000.000	180.000
012	9. The Company's financial assets which have not been deposited at the VSD	21.8	19.230.270.000	226.430.240.000

BIDV Securities Joint Stock Company

B01-CTCK

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2016**OFF-BALANCE SHEET ITEMS (continued)**

Unit: quantity of securities

Code	ITEMS	Notes	Ending balance	Beginning balance (Restated)
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	1. Investors' financial assets listed/ registered at the VSD	21.9	1,538,412.183	1,258,283.590
021.1	a. Unrestricted financial assets		1,112,715.806	918,066.864
021.2	b. Restricted financial assets		21,291.401	10,670.995
021.3	c. Mortgage financial assets		305,242.308	291,886.512
021.4	d. Blocked financial assets		86,336.193	14,284.386
021.5	e. Financial assets awaiting settlement		12,826.475	23,374.833
022	2. Investors' non-traded financial assets deposited at the VSD	21.10	24,264.256	52,130.300
022.1	a. Unrestricted and non-traded financial assets deposited at the VSD		24,134.915	38,644.680
022.2	b. Restricted and non-traded financial assets deposited at the VSD		84.101	4,497.557
022.4	c. Blocked and non-traded financial assets deposited at the VSD		45.240	8,988.063
023	3. Investors' awaiting financial assets	21.11	12,267.335	17,768.213
025	4. Entitled financial assets of investors		17,462.935	-

BIDV Securities Joint Stock Company

B01-CTCK

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2016**OFF-BALANCE SHEET ITEMS (continued)**

Unit: VND

Code	ITEMS	Notes	Ending balance	Beginning balance (Restated)
026	5. Investors' deposits		272.265.430.245	272.500.911.343
027	5.1. Investors' deposits for securities trading activities	22.12	205.845.001.518	156.828.160.063
028	5.2. Investors' collective deposits for securities trading activities	22.12	51.663.201.830	92.362.945.946
029	5.3. Investors' deposits for securities transaction clearing and settlement	22.12	63.924.953	210.200.000
029.1	a. Domestic investors' deposits for securities transaction clearing and settlement		62.922.146	1.000.000
029.2	b. Foreign investors' deposits for securities transaction clearing and settlement		1.002.807	209.200.000
030	5.4. Deposits of securities issuers	22.13	14.693.301.944	23.099.605.334
031	6. Payables to investors - investors' deposits for securities trading activities managed by the Company	22.14	205.845.001.518	156.828.160.063
031.1	a. Payables to domestic investors		205.559.889.370	156.530.522.852
031.2	b. Payables to foreign investors		285.112.148	297.637.211
032	7. Payables to securities issuers	22.15	6.951.124.812	1.048.464.612
035	8. Payables for dividend, principal and interest from bonds	22.16	7.742.177.132	22.051.140.722

Prepared by:


Ms. Vu Thi Minh Nguyet
AccountantHanoi, Vietnam
29 March 2017

Approved by:


Ms. Tran Ngoc Diem
Chief Accountant

Approved by:



Mrs. Do Huy Hoai
General Director

BIDV Securities Joint Stock Company

B02-CTCK

INCOME STATEMENT
for the year ended 31 December 2016

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
	I. OPERATING INCOME			
01	1. Gain from financial assets at fair value through profit and loss (FVTPL)		346.302.295.602	107.575.920.886
01.1	a. Gain from disposal of financial assets at FVTPL	23.1	99.958.259.065	68.928.054.007
01.2	b. Gain from revaluation of financial assets at FVTPL	23.2	240.968.494.273	31.754.800.089
01.3	c. Dividend, interest income from financial assets at FVTPL	23.3	5.375.542.264	6.893.066.790
02	2. Gain from held-to-maturity(HTM) investments	23.3	23.650.077.766	91.425.892.249
03	3. Gain from loans and receivables	23.3	101.157.435.612	83.629.292.523
06	4. Income from brokerage services	23.4	136.586.035.477	108.287.229.322
07	5. Income from underwriting and issuance agent services	23.4	11.759.163.437	32.588.469.484
08	6. Income from securities investment advisory services	23.4	60.000.000	36.000.000
09	7. Income from securities custodian services	23.4	8.547.529.877	9.378.254.036
10	8. Income from advisory services	23.4	19.729.840.216	60.243.829.904
20	Total operating income		647.792.377.987	493.164.888.404
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		(266.012.913.975)	(119.189.643.809)

BIDV Securities Joint Stock Company

B02-CTCK

INCOME STATEMENT (continued)
for the year ended 31 December 2016

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
21.1	a. Loss from disposal of financial assets at FVTPL	23.1	(252.880.838.813)	(31.562.613.848)
21.2	b. Loss from revaluation of financial assets at FVTPL	23.2	(11.013.302.090)	(84.337.609.888)
21.3	c. Transaction costs of acquisition of financial assets at FVTPL	24	(2.118.773.072)	(3.289.420.073)
22	2. Loss from held-to-maturity (HTM) investments		(20.501.420)	(266.125.737)
24	3. Provision expenses for diminution in value and impairment of financial assets, doubtful receivables and borrowing costs of loans	25	(5.980.690.019)	(4.323.190.783)
26	2. Expenses for proprietary trading activities		(2,377,085,060)	(2,474,416,317)
27	5. Expenses for brokerage services	25	(94.990.078.869)	(76.561.742.467)
28	6. Expenses for underwriting and issuance agent services		(560.000.000)	(7.024.446.536)
30	7. Expenses for securities custodian services	25	(7.757.388.428)	(6.277.481.785)
31	8. Expenses for advisory services	25	(16.759.260.705)	(17.838.433.611)
40	Total operating expenses		(394.457.918.476)	(233.955.481.045)
	III. FINANCE INCOME			
41	1. Realized and unrealized gain from differences foreign exchange		142.058.909	-
42	2. Non-fixed dividend and interest income		4.007.259.693	3.878.213.933
	3. Other investment income		78.488.428	-
50	Total finance income	26	4.227.807.030	3.878.213.933

BIDV Securities Joint Stock Company

B02-CTCK

 INCOME STATEMENT (continued)
 for the year ended 31 December 2016

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
	IV. FINANCE EXPENSES			
51	1. Unrealized loss from differences foreign exchange		(101.623.243)	-
52	2. Borrowing costs		(55.708.868.042)	(101.202.941.767)
55	3. Other financial expenses		(67.065.686)	(7.500.000)
60	Total finance expenses	27	(55.877.556.971)	(101.210.441.767)
62	VI. GENERAL AND ADMINISTRATIVE EXPENSES	28	(75.712.061.938)	(60.334.005.083)
70	VII. OPERATING PROFIT		125.972.647.632	101.543.174.442
	VIII. OTHER INCOME AND EXPENSES			
71	1. Other income		28.063.636	5.471.818
72	2. Other expenses		(947.498)	(58.083.286)
80	Total other operating profit	29	27.116.138	(52.611.468)
90	IX. PROFIT BEFORE TAX		125.999.763.770	101.490.562.974
91	1. Realized profit		125.999.763.770	101.490.562.974
100	X. CORPORATE INCOME TAX (CIT) EXPENSES	30.1	(10.957.973.281)	-
100.1	1. Current CIT expense		(10.957.973.281)	-
200	XI. PROFIT AFTER TAX		115.041.790.489	101.490.562.974

BIDV Securities Joint Stock Company

B02-CTCK

INCOME STATEMENT (continued)
for the year ended 31 December 2016

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
400	TOTAL COMPREHENSIVE INCOME		115.041.790.489	101.490.562.974
401	1. Attributable to shareholders		115.041.790.489	101.490.562.974
402	2. Attributable to other entities		-	-
500	XIII. NET INCOME PER SHARE		115.041.790.489	101.490.562.974
501	1. Earnings per share (VND/share)	34.4	1.275	1.125

Prepared by:



Ms. Vu Thi Minh Nguyet
Accountant

Hanoi, Vietnam
29 March 2017

Approved by:



Ms. Tran Ngoc Diep
Chief Accountant

Approved by:



Ms. Do Huy Hoai
General Director

BIDV Securities Joint Stock Company

B03-CTCK

STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		125.999.763.770	101.490.562.974
	2. Adjustments for:		63.409.334.959	105.783.307.648
03	Depreciation and amortization		1.580.363.594	860.457.645
04	Provision expenses		6.194.234.968	86.303.156
05	Unrealized gain from differences foreign exchange		(115.860.968)	-
08	Accrued interest income		55.775.933.728	104.842.018.665
09	Other adjustments		(25.336.363)	(5.471.818)
10	3. Increase in non-monetary expenses		11.013.302.090	84.337.609.888
11	Loss from revaluation of financial assets at FVTPL		11.013.302.090	84.337.609.888
18	Decrease in non-monetary income		(240.852.633.305)	(31.754.800.089)
19	Gain from revaluation of financial assets at FVTPL		(240.968.494.273)	(31.754.800.089)
21	Other income		115.860.968	-
30	Operating income before changes in working capital		(40.430.232.486)	259.856.680.421

BIDV Securities Joint Stock Company

B03-CTCK

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2016

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
	I. CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
31	Decrease/(increase) in financial assets at FVTPL		1.157.378.078.329	(799.559.331.659)
32	(Increase)/Decrease in HTM investments		(20.824.216.080)	141.533.308.637
33	Decrease/(increase) in loans		161.076.858.203	(63.457.751.394)
35	(Increase)/Decrease in receivables from disposal of financial assets		(11.837.913.000)	16.873.989.000
36	Increase in receivables from dividend and interest income from financial assets		(6.565.970.238)	(4.053.730.921)
37	Decrease/(increase) in receivables from services provided by the Company		5.447.266.183	(356.044.573)
39	Increase in other receivables		(29.347.274)	(152.682.541)
40	Increase in other assets		(3.236.063.020)	(3.481.188.263)
41	(Decrease)/increase in payable expenses (excluding interest expenses)		(66.715.143)	51.716.620
42	Decrease/(increase) in prepaid expenses		763.625.676	(980.745.615)
44	Interest expenses paid		(57.652.984.245)	(104.667.486.747)
45	Increase in trade payables		1.813.447.262	238.566.529
46	(Decrease)/increase in welfare benefits		(457.264.567)	440.269.794
47	Decrease in statutory obligation		(5.485.448)	(1.905.860.914)
48	Increase in payables to employees		13.817.405.019	1.934.417.281
50	Increase/(Decrease) in other payables		55.864.724.399	(235.336.472.493)
52	Other payments for operating activities		(242.000.000)	(262.000.000)
60	Net cash flows from/(used in) operating activities		1.254.813.213.570	(793.284.346.838)

BIDV Securities Joint Stock Company

B03-CTCK

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2016

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	Purchase and construction of fixed assets, investment properties and other long-term assets		(4.220.692.846)	(4.218.287.540)
62	Proceeds from disposal and sale of fixed assets, investment properties and other long-term assets		25.336.363	5.471.818
70	Net cash flow used in investing activities		(4.195.356.483)	(4.212.815.722)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
73.2	- Drawdown of borrowings		15.603.440.000.000	12.912.279.400.000
74.3	- Repayments of borrowings		(16.470.992.020.000)	(12.369.433.880.000)
80	Net cash flow (used in)/from financing activities		(867.552.020.000)	542.845.520.000
90	NET INCREASE/(DECREASE) IN CASH DURING THE YEAR		383.065.837.087	(254.651.642.560)
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	53.422.468.177	308.074.110.737
101.1	Cash		43.422.468.177	188.074.110.737
101.2	Cash equivalents		10.000.000.000	120.000.000.000
103	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	436.488.305.264	53.422.468.177
103.1	Cash		106.373.778.583	43.422.468.177
103.2	Cash equivalents		330.000.000.000	10.000.000.000
104	Exchanges rate difference		114.526.681	-

BIDV Securities Joint Stock Company

B03-CTCK

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2016**CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE INVESTORS**

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
	I. Cash flows from brokerage and trust activities of investors			
01	1. Cash receipts from disposal of brokerage securities of customers		84.489.541.133.724	73.939.666.844.145
02	2. Cash payments for acquisition of brokerage securities of customers		(102.885.064.419.928)	(68.206.719.504.000)
07	7. Cash receipts for settlement of securities transactions of customers		55.039.215.067.033	28.589.301.809.024
08	8. Cash payments for settlement of securities transactions of customers		(36.629.583.019.236)	(34.193.503.441.129)
11	11. Cash payments for custodian fees of customers		(5.937.939.301)	(4.235.784.303)
14	14. Cash receipt from securities issuers		6.339.959.938.679	4.945.633.036.144
15	15. Cash payment to securities issuers		(6.348.366.242.069)	(4.931.889.717.389)
20	Net (decrease)/increase in cash during the year		(235.481.098)	138.253.242.492
30	II. Cash and cash equivalents of investors at the beginning of the year		272.500.911.343	134.247.668.851
31	Cash at banks at the beginning of the year:		272.500.911.343	134.247.668.851
32	- Investors' deposits managed by the Company for securities trading activities - In which: term deposits		156.828.160.063	116.838.917.604
33	- Investors' collective deposits for securities trading activities		92.362.945.946	1.532.339.057
34	- Investors' deposits for securities transaction clearing and settlement		210.200.000	6.520.125.611
35	- Deposits of securities issuers - In which: term deposits		23.099.605.334	9.356.286.579

BIDV Securities Joint Stock Company

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STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2016**CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE INVESTORS (continued)**

Unit: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
40	III. Cash and cash equivalents of the customers at the end of the year		272.265.430.245	272.500.911.343
41	Cash at banks at the end of the year:		272.265.430.245	272.500.911.343
42	Investors' deposits managed by the Company for securities trading activities In which: term deposits		205.845.001.518	156.828.160.063
43	Investors' collective deposits for securities trading activities		51.663.201.830	92.362.945.946
44	Investors' deposits for securities transaction clearing and settlement		63.924.953	210.200.000
45	Deposits of securities issuers In which: term deposits		14.693.301.944	23.099.605.334

Prepared by:


Ms. Vu Thi Minh Nguyet
AccountantHanoi, Vietnam
29 March 2017

Approved by:


Ms. Tran Ngoc Diep
Chief Accountant

Approved by:

Ms. Do Huy Hoai
General Director

BIDV Securities Joint Stock Company

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 STATEMENT OF CHANGES IN OWNERS' EQUITY
 for the year ended 31 December 2016

ITEMS	Notes	Beginning balance		Previous year	
		1/1/2015	1/1/2016		
A	B	1	2	3	
I. CHANGES IN OWNERS' EQUITY					
1. Share capital		865.241.713.457	865.241.713.457	-	
a. Charter capital	21.1	865.000.000.000	865.000.000.000	-	
b. Share premium		241.713.457	241.713.457	-	
2. Charter capital supplementary reserve	21.1	-	207.782.726	207.782.726	
3. Operational risk and Financial	21.1	-	207.782.726	207.782.726	
4. Undistributed profit	21.1	(97.334.908.457)	3.478.089.065	101.490.562.974	
<i>Realized profit</i>		(97.334.908.457)	3.478.089.065	101.490.562.974	
TOTAL		767.906.805.000	869.135.367.974	101.906.128.426	

Prepared by:



 Ms. Vu Thi Minh Nguyet
 Accountant

 Hanoi, Vietnam
 29 March 2017

Approved by:



 Ms. Tran Ngoc Diep
 Chief Accountant

Approved by:


 Mr. Do Huy Hoai
 General Director

Unit: VND

<i>Increase/(decrease)</i>			<i>Ending balance</i>	
<i>Curent year</i>				
<i>Decrease</i>	<i>Increase</i>	<i>Decrease</i>	<i>31/12/2015</i>	<i>31/12/2016</i>
4	5	6		
-	37.191.150.000	-	865.241.713.457	902.432.863.457
-	37.191.150.000	-	865.000.000.000	902.191.150.000
-	-	-	241.713.457	241.713.457
-	5.752.089.524	-	207.782.726	5.959.872.250
-	5.752.089.524	-	207.782.726	5.959.872.250
(677.565.452)	115.041.790.489	(48.937.329.048)	3.478.089.065	69.582.550.506
(677.565.452)	115.041.790.489	(48.937.329.048)	3.478.089.065	69.582.550.506
(677.565.452)	163.737.119.537	(48.937.329.048)	869.135.367.974	983.935.158.463

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2016 and for the year 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 31 December 2016, total charter capital of the Company is VND 902,191,150,000; owners’ equity is VND 983,935,158,463 and total assets is VND 1,445,953,515,669.

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

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

2. BASIS OF PRESENTATION

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.
- 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.

2.1 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.

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

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.

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

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

Accordingly, the 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, results of operations, cash flows and changes in owners' equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies and disclosures

On 30 December 2014, the Ministry of Finance issued Circular No. 210/2014/TT-BTC providing guidance on accounting policies applicable to securities companies ("Circular 210"). This Circular replaces Circular No. 95/2008/TT-BTC dated 24 October 2008 of the Ministry of Finance providing guidance on accounting policies applicable to securities companies and Circular No. 162/2010/TT-BTC dated 20 October 2010 amending and supplementing Circular No. 95/2008/

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

TT-BTC. Circular 210 is applicable to fiscal year beginning on or after 1 January 2016. Circular 210 prescribes contents concerning accounting vouchers, system of accounting accounts as well as method of preparing and presenting the financial statements of securities companies.

On 27 December 2016, the Ministry of Finance issued Circular No. 334/TT-BTC amending and supplementing Appendix 02 and 04 of Circular No. 210/TT-BTC dated 30 December 2014 ("Circular 344").

Circular 210 and Circular 334 provides following significant changes:

+ Changes in name and content of the financial statements: balance sheet is renamed as statement of financial position; statement of profit and loss is renamed as income statement; statement of cash flows from brokerage and trust activities of investors is separately presented as a part of the financial statements.

+ Financial assets are categorised into four groups: financial assets at fair value through profit and loss, available-for-sale financial assets, held-to-maturity investment and loans.

+ Assets and liabilities of securities companies and investors (including deposits, securities investment and payable accounts) are separately managed.

In addition, Circular 210 and Circular 344 provides guidance on measurement of

financial assets, particularly, all financial assets are initially recognized at cost and are subsequently reevaluated after initial recognition as follow:

+ Financial assets at fair value through profit and loss (FVTPL): are recognized at cost in the statement of financial position of the Company. In case these assets are recognized at fair value, the Company shall comply with prevailing regulations applicable to securities companies. Difference arisen from the revaluation of these assets is recognized as revenue or expense from financial assets at FVTPL in the income statement.

+ Available-for-sale (AFS) financial assets: are recognized at fair value. Any gain or loss arisen from revaluation of AFS financial assets is recognized directly in owners' equity (Other comprehensive income), except for loss from impairment of AFS financial assets.

As current Law on Accounting does not allow application of fair value principle, AFS financial assets are subsequently recognized at cost.

+ Held-to-maturity (HTM) financial assets: are recognized at amortised cost using effective interest rate method.

+ Loans: are recognized at amortised cost using effective interest rate method .

Circular 210 and Circular 334 takes effect from 1 January 2016.

The Company has restated the comparative figures of the previous year in accordance with Circular 210 and Circular 344 requirements as presented in Note 34.6.

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

4.2 Regulations issued but not yet effective

On 20 November 2015, the National Assembly of Vietnam has approved the Law on Accounting No. 88/2015/QH13 ("the new Law on Accounting"). The new Law on Accounting extends its governing scope to electronic accounting documents and allows the application of fair value basis for some types of assets and liabilities whose value frequently varies in line with market fluctuation, provided that the fair value of these assets and liabilities can be reliably determined. The new Accounting Law takes effect from 1 January 2017.

4.3 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.

4.4 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.

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

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

4.5 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.

4.6 Loans

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).

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

4.7 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 assets, 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.

4.8 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

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

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.

4.9 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”.

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

4.10 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.

4.11 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:

<i>Overdue period</i>	<i>Provision rate</i>
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%

4.12 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.

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

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.

Other tangible assets	4 years
Other intangible assets	2 - 20 years

4.15 Leased assets

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.

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.

4.13 Intangible assets

Intangible assets are stated at cost less accumulated amortization.

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

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.

4.16. Repurchase agreements

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.

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.

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.

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.

4.14 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

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

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

4.17 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.

4.18 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.

4.19 Employee benefits**4.19.1 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.

4.19.2 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.

4.19.3 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.

BIDV Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

4.20 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.

4.21 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.

4.22 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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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.

4.23 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.

4.24 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.

4.25 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.

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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.

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.

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4.26 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:

	Percentage of profit after tax	Maximum balance
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.

4.27 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.

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4.28 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

	Ending balance VND	Beginning balance (Restated) VND
Cash	106.488.305.264	43.422.468.177
Cash on hand	70.477.721	73.075.676
Cash at banks for the operation of the Company (i)	98.712.211.945	41.879.951.855
Cash for securities transaction clearing and settlement	7.705.615.598	1.469.440.646
Cash equivalents	330.000.000.000	10.000.000.000
	436.488.305.264	53.422.468.177

(i) According to commercial bank's statement, cash at banks for operation of the Company as at 31 December 2016 was VND 110,258,075,962. In which, VND 11,545,864,017 was presented in "Investors' deposits" (Note 22.12) in order to reflect accurately the Company's payment obligation to the investors.

6. VALUE AND VOLUME OF TRADING DURING THE YEAR

	Volume of trading during the year (unit)	Value of trading during the year (VND)
1. The Company		
Shares	36.747.724	789.398.815.700
Bonds	227.039.467	24.822.116.144.808
	263.787.191	25.611.514.960.508
2. Investors		
Shares	3.861.348.599	61.314.987.168.400
Bonds	1.168.955.082	122.083.458.987.092
Other securities	35.290	345.693.100
	5.030.338.971	183.398.791.848.592

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

	Ending balance	
	Cost VND	Carrying value VND
1. Listed shares		
GMD	3,217,974,478	3,217,974,478
HPG	11,993,798,893	11,993,798,893
THB	6,965,117,184	6,965,117,184
HBC	14,743,539,274	14,743,539,274
PPC	13,827,373,580	13,827,373,580
Others	699,669,783	608,114,887
	51.447.473.192	51.355.918.296
2. Unlisted shares		
THC	-	-
PHVU	58.063.615.500	8.269.016.100
METCO	-	-
Others	112.552.184	32.617.199
	58.176.167.684	8.301.633.299

Fair value VND	Beginning balance (Restated)			Fair value VND
	Cost VND	Carrying value VND	Carrying value VND	
3,298,563,000	1,571,978	1,571,978		2,798,400
12,087,307,450	18,948,796,801	17,521,226,400		17,521,226,400
7,037,264,000	7,755,765,088	7,755,765,088		12,149,568,000
15,204,012,800	1,710,854	1,710,854		1,767,000
15,765,501,400	1,969,691	1,482,300		1,482,300
848,866,030	168,945,794,521	152,355,155,953		153,725,775,100
54.241.514.680	195.655.608.933	177.636.912.573		183.402.617.200
-	299.996.000.000	77.001.473.300		77.001.473.300
8.269.016.100	58.063.615.500	19.230.270.000		19.230.270.000
-	2.200.000.000	2.200.000.000		2.200.000.000
46.072.700	106.409.703	31.696.799		38.467.800
8.315.088.800	360.366.025.203	98.463.440.099		98.470.211.100

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7. FINANCIAL ASSETS (continued)**7.1. Financial assets at fair value through profit and loss (FVTPL) (continued)**

	Ending balance		
	Cost VND	Carrying value VND	
3. Listed Bonds			
Government Bonds			
TD1621487	51.929.666.667	51.929.666.667	
TD1623482	104.824.000.000	104.824.000.000	
TD1646503	34.684.300.000	34.684.300.000	
TD1623481	107.826.000.000	107.826.000.000	
BVDB15225	-	-	
Other	-	-	
	299.263.966.667	299.263.966.667	
4. Unlisted Bonds			
EVBOND0706	-	-	
EVBOND0806	-	-	
	-	-	
	408.887.607.543	358.921.518.262	

Fair value VND	Beginning balance (Restated)			Fair value VND
	Cost VND	Carrying value VND		
51.929.666.667	-	-	-	-
104.824.000.000	-	-	-	-
34.684.300.000	-	-	-	-
107.826.000.000	-	-	-	-
-	199.592.000.000	199.592.000.000	199.592.000.000	199.592.000.000
-	439.904.341.610	439.904.341.610	439.904.341.610	439.904.341.610
299.263.966.667	639.496.341.610	639.496.341.610	639.496.341.610	639.496.341.610
-	132.296.003.922	132.296.003.922	132.296.003.922	132.296.003.922
-	229.030.794.171	229.030.794.171	229.030.794.171	229.030.794.171
-	361.326.798.093	361.326.798.093	361.326.798.093	361.326.798.093
361.820.570.147	1.556.844.773.839	1.276.923.492.375	1.282.695.968.003	1.282.695.968.003

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as at 31 December 2016 and for the year then ended

7. FINANCIAL ASSETS (continued)**7.2 Held-to-maturity investments (HTM)**

	Ending balance	
	Cost VND	Carrying value VND
Short-term		
1. Bonds		
VIC11501	49.684.320.000	46.737.106.497
BID1_106	-	-
	49.684.320.000	46.737.106.497
2. Term deposit		
Vietnam - Russia Joint Venture Bank	-	-
	-	-
3. Certificates of deposit		
HDFinance	32.474.700.000	30.286.916.671
	32.474.700.000	30.286.916.671
	82.159.020.000	77.024.023.168

Fair value VND	Beginning balance (Restated)			Fair value VND
	Cost VND	Carrying value VND		
46.737.106.497	49.684.320.000	49.684.320.000		49.684.320.000
-	6.776.931.000	6.502.501.420		6.502.501.420
46.737.106.497	56.461.251.000	56.186.821.420		56.186.821.420
-	50.000.000.000	50.000.000.000		50.000.000.000
-	50.000.000.000	50.000.000.000		50.000.000.000
30.286.916.671	-	-		-
30.286.916.671				
77.024.023.168	106.461.251.000	106.186.821.420		106.186.821.420

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7. FINANCIAL ASSETS (continued)**7.2 Held-to-maturity investments (HTM)**

	Ending balance	
	Cost VND	Carrying value (*) VND
Long-term		
1. Bonds		
TD1520262	324.781.610	311.795.942
BID1_206	-	-
TD1318021	-	-
	324.781.610	311.795.942
2. Certificate of deposit		
Home Credit Vietnam Finance	50.000.000.000	50.000.000.000
	50.000.000.000	50.000.000.000
	50.324.781.610	50.311.795.942
	132.483.801.610	127.335.819.110

(*) 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".

Fair value VND	Beginning balance (Restated)			Fair value VND
	Cost VND	Carrying value VND		
311.795.942	-	-	-	-
-	3.181.552.395	3.178.000.000	3.178.000.000	3.178.000.000
-	7.024.169.208	6.567.693.643	6.567.693.643	6.567.693.643
311.795.942	10.205.721.603	9.745.693.643	9.745.693.643	9.745.693.643
50.000.000.000	-	-	-	-
50.000.000.000	-	-	-	-
50.311.795.942	10.205.721.603	9.745.693.643	9.745.693.643	9.745.693.643
127.335.819.110	116.666.972.603	115.932.515.063	115.932.515.063	115.932.515.063

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as at 31 December 2016 and for the year then ended

7. FINANCIAL ASSETS (continued)**7.3 Loans**

	Ending balance		
	Cost (*) VND	Provisions VND	
1. Receivables from margin activities	330.208.846.357	(18.717.408.668)	
2. Receivables from advances to customers	141.469.213.949	-	
3. Others	-	-	
	471.678.060.306	(18.717.408.668)	

(*) *Excluding accrued interest.*

7.4 Provision for impairment of financial assets

Specific provision for loans			
Provision for other receivables			

Fair value VND	Beginning balance (Restated)		
	Cost VND	Provisions VND	Fair value VND
311.491.437.689	474.864.030.436	(8.579.298.429)	466.284.732.007
141.469.213.949	135.773.071.953	-	135.773.071.953
-	22.117.816.120	(4.157.420.220)	17.960.395.900
452.960.651.638	632.754.918.509	(12.736.718.649)	620.018.199.860

	Ending balance VND	Beginning balance VND
	18.717.408.668	8.579.298.429
	-	4.157.420.220
	18.717.408.668	12.736.718.649

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as at 31 December 2016 and for the year then ended

7. FINANCIAL ASSETS (continued)**7.5. Change in market values of financial assets**

	Ending balance			
		Revaluation difference		
Financial assets	Cost	Increase	Decrease	
FVTPL				
Listed shares	51.447.473.192	17.973.796.373	(48.564.640)	
Unlisted shares	58.176.167.684	222.994.697.900	(10.964.737.450)	
Listed bonds	299.263.966.667	-	-	
Unlisted bonds	-	-	-	
Total	408.887.607.543	240.968.494.273	(11.013.302.090)	

(*): Revaluated amount is the fair value of financial assets presented for presentation purpose under prevailing regulations.

7.6 Provision for impairment of financial assets

	Basis for making provision of current year		
Financial assets	Quantity	Carrying value	Market value a
HTM		127.335.819.110	
Loans		471.678.060.306	
Total		599.013.879.416	

Revaluated amount (*)	Beginning balance (Restated)			Revaluated amount
	Cost	Increase	Decrease	
54.241.514.680	195.655.608.933	25.994.040.960	(16.588.455.881)	183.402.617.200
8.315.088.800	360.366.025.203	5.760.759.129	(67.749.154.007)	98.470.211.100
299.263.966.667	639.496.341.610	-	-	639.496.341.610
-	361.326.798.093	-	-	361.326.798.093
361.820.570.147	1.556.844.773.839	31.754.800.089	(84.337.609.888)	1.282.695.968.003

Provision at 31 December 2016	Provision at the end of the year	Provision at the beginning of the year	Addition or reversal of provision
127.335.819.110	-		
452.960.651.638	(18.717.408.668)	(12.736.718.649)	(5.980.690.019)
580.296.470.748	(18.717.408.668)	(12.736.718.649)	(5.980.690.019)

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8. RECEIVABLES

	Ending balance VND	Beginning balance VND
1. Receivables from disposal of financial assets	14.945.333.000	3.107.420.000
2. Receivables and accruals from dividend and interest income from investments	19.860.372.685	13.294.402.447
2.1 Receivables and accruals from dividend and interest income from financial assets	7.770.100.654	5.584.966.158
2.2 Interest receivables from margin activities	12.090.272.031	7.709.436.289
3. Receivables from services provided by the Company In which: doubtful debts	1.688.628.798	7.135.894.981
	719.224.745	307.224.745
4. Other receivables	299.166.640	269.819.366
5. Provision for doubtful debts	(391.157.322)	(177.612.373)
Total	36.402.343.801	23.629.924.421

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**8.RECEIVABLES**

Details of provision for doubtful debts

Doubtful debts	Balance of doubtful debts as at 31 December 2015	Beginning provision	Addition	Reversal	Ending provision	Balance of doubtful debts as at 31 December 2016
Provision for doubtful debts						
Five Star International Group		-	867.000.000	(572.000.000)	295.000.000	590.000.000-
Anvifish Co.	75.000.000	61.500.000	13.500.000	-	75.000.000	75.000.000
Petrovietnam Marine Shipyard JSC.	12.224.745	6.112.373	2.444.949	-	8.557.322	12.224.745
APS.,JSC.	100.000.000-	50.000.000		(50.000.000)	-	
AMD Group		-	12.600.000	-	12.600.000	42.000.000
Hanoi Industrial Textile JSC.	120.000.000-	60.000.000	-	(60.000.000)	-	
	307.224.745	177.612.373	895.544.949	(682.000.000)	391.157.322	719.224.745

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9. OTHER CURRENT ASSETS

	Ending balance VND	Beginning balance VND
Advances	98.500.000	20.000.000
Office supplies	11.158.920	14.157.920
Materials and tools	8.737.915	8.737.915
Value-added tax receivable	148.798.764	-
	267.195.599	42.895.835

10. TANGIBLE FIXED ASSETS

	Machineries and equipment VND	Means of transportation VND	Others VND	Total VND
Cost				
Beginning balance	13.544.870.370	1.004.312.257	576.947.180	15.126.129.807
Increase in the year - Purchases	3.286.175.918	-	89.516.928	3.375.692.846
Decrease in the year	-	-	-	-
- Disposal	(1.016.263.459)	-	-	(1.016.263.459)
Ending balance	15.814.782.829	1.004.312.257	666.464.108	17.485.559.194
Accumulated depreciation:				
Beginning balance	9.129.672.017	958.074.644	312.852.632	10.400.599.293
Increase in the year				
- Depreciation charges	1.323.915.418	28.634.472	78.908.229	1.431.458.119
Decrease in the year				
- Disposal	(1.016.263.459)	-	-	(1.016.263.459)
Ending balance	9.437.323.976	986.709.116	391.760.861	10.815.793.953

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as at 31 December 2016 and for the year then ended

Net book value:

	Machineries and equipment VND	Means of transportation VND	Others VND	Total VND
Beginning balance	4.415.198.353	46.237.613	264.094.548	4.725.530.514
Ending balance	6.377.458.853	17.603.141	274.703.247	6.669.765.241

Other information on tangible fixed assets:

	Ending balance VND	Beginning balance VND
Cost of tangible fixed assets which are fully depreciated but still in active use	8.900.792.008	8.262.013.467
Cost of assets awaiting disposal		545.295.000
Total	8.900.792.008	8.807.308.467

11. INTANGIBLE FIXED ASSETS

	Ending balance VND	Beginning balance VND
		Other intangible assets VND
Cost:		
Beginning balance		1.937.980.000
Increase in the year		845.000.000
Ending balance		2.782.980.000
Accumulated amortization:		
Beginning balance		1.005.880.334

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as at 31 December 2016 and for the year then ended

11. INTANGIBLE FIXED ASSETS (continued)

	Ending balance VND	Beginning balance VND
Increase in the year		-
- Amortization charges		148.905.475
Ending balance		1.154.785.809
Net book value:		
Beginning balance		932.099.666
Ending balance		1.628.194.191

Other information on intangible fixed assets:

	Ending balance VND	Beginning balance VND
Cost of intangible fixed assets which are fully amortized but still in active use	921.400.000	921.400.000

12. LONG-TERM PREPAID EXPENSES

	Ending balance VND	Beginning balance VND
Prepayment for operating leases		677.138.455
Others	217.119.939	303.607.160
Total	217.119.939	980.745.615

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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:

	Ending balance	Beginning balance
	VND	VND
Initial deposits	120.000.000	120.000.000
Addition	13.223.227.395	11.745.727.262
Accrued interest	7.711.823.125	6.542.540.002
	21.055.050.520	18.408.267.264

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**14. SHORT-TERM BORROWINGS AND FINANCIAL LEASES**

	Interest rate %	Beginning balance VND	Add
Bank loans		623.600.000.000	
Less than 1 month	6	380.000.000.000	
1 – 3 months	6,4	201.900.000.000	
3 – 6 months	6,2	41.700.000.000	

15. REPURCHASE AGREEMENT OF GOVERNMENT BOND

	Interest rate %	Beginning balance VND	Add
Repurchase agreement of Government bonds		545.072.520.000	
Repurchase agreement of Government bonds		545.072.520.000	

Additional borrowings during the year VND	Repayment during the year VND	Ending balance VND
11.614.543.500.000	(11.988.643.500.000)	249.500.000.000
11.614.543.500.000	(11.745.043.500.000)	249.500.000.000
-	(201.900.000.000)	-
-	(41.700.000.000)	-

Borrowings during the year VND	Repayment during the year VND	Ending balance VND
3.988.896.500.000	(4.482.348.520.000)	51.620.500.000
3.988.896.500.000	(4.482.348.520.000)	51.620.500.000

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16. PAYABLES FOR SECURITIES TRANSACTION ACTIVITIES

	Ending balance VND	Beginning balance VND
Payables for acquisition of financial assets		
Payable to Stock Exchanges for acquisition of financial assets of the Company	109.955.447.600	54.924.623.000
Payables for securities trading activities		
Payable to Stock Exchanges	2.506.879.183	2.010.629.031
Payable to Vietnam Securities Depository	694.154.558	590.554.260
Payable to other entities	2.426.647.927	2.251.455.431
	115.583.129.268	59.777.261.722

17. SHORT-TERM TRADE PAYABLES

	Ending balance VND	Beginning balance VND
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	-
Volta Associates Pte Ltd	-	394.450.000
Talentnet Corporation	-	451.189.811
Innotech Co Ltd.	-	100.000.000
GAIA Services Co Ltd.	-	337.026.800
Phung Van Long	-	428.560.000
Others	1.832.807.850	549.219.799
	4.073.893.672	2.260.446.410

18. TAXATION AND OTHER STATUTORY OBLIGATIONS

No.	Items	Beginning balance VND	Increase VND	Decrease VND	Ending balance VND
I	Tax receivables				
1	Value added tax receivable	-	345.020.273	(196.221.509)	148.798.764
II	Tax				
1	Value added tax	774.595.960	2.468.630.534	(3.243.226.494)	-
2	Corporate income tax	-	10.957.973.281	-	10.957.973.281
3	Personal income tax	307.296.208	4.302.906.193	(4.209.294.491)	400.907.910
4	Other taxes	1.904.981.257	28.778.846.724	(28.103.347.914)	2.580.480.067
	Personal income tax from securities transfer of investors	1.721.816.588	26.036.419.664	(25.394.661.020)	2.363.575.232
	Business registration tax	-	4.000.000	(4.000.000)	-
	Foreign contractor tax	183.164.669	2.738.427.060	(2.704.686.894)	216.904.835
		2.986.873.425	46.508.356.732	(35.555.868.899)	13.939.361.258

19. SHORT-TERM ACCRUED EXPENSES

	Ending balance VND	Beginning balance VND
Accrued expenses for loan contracts	57.138.889	178.240.000
Accrued expenses for valuable paper discount and transfer contracts	168.069.768	1.924.019.174
Other accrued expenses	64.271.477	130.986.620
	289.480.134	2.233.245.794

20. OTHER CURRENT LIABILITIES

	Ending balance VND	Beginning balance VND
Employees	-	39.572.604
Song Da Corporation	-	62.500.000
Vietnam Textile Corporation	-	65.000.000
Others	153.974.120	211.376.180
	153.974.120	378.448.784

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21. OWNERS' EQUITY**21.1 Owners' equity**

	Share capital VND	Share premium VND	
As at 1 January 2016	865.000.000.000	241.713.457	
Remuneration and allowances for Board of Directors and Supervisory Board	-	-	
Expense relating to realization of dividend right with BSI share	-	-	
Increased capital from undistributed earnings	37.191.150.000	-	
Charter capital supplementary reserves	-	-	
Operational risk and financial reserves	-	-	
Net profit for the year	-	-	
<i>As at 31 December 2016</i>	<i>902.191.150.000</i>	<i>241.713.457</i>	

Details of the Company's charter capital as at 31 December 2016 are as follows:

	Number of shares Unit	
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	79.503.019	
Other shareholders	10.716.096	
	90.219.115	

Charter capital supplementary reserves VND	Operational risk and Finan- cial reserves	Undistributed earnings VND	Total VND
207.782.726	207.782.726	3.478.089.065	869.135.367.974
-	-	(232.000.000)	(232.000.000)
-	-	(10.000.000)	(10.000.000)
-	-	(37.191.150.000)	-
5.752.089.524	-	(5.752.089.524)	-
-	5.752.089.524	(5.752.089.524)	-
-	-	115.041.790.489	115.041.790.489
5.959.872.250	5.959.872.250	69.582.550.506	983.935.158.463

Par value VND	Ownership %
795.030.190.000	88,12
107.160.960.000	11,88
902.191.150.000	100,00

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Details of the Company's shares are as follows:

	Ending balance Unit	Beginning balance Unit
Ordinary shares authorized for issuance	90.219.115	86.500.000
Ordinary shares	90.219.115	86.500.000
Shares issued and fully paid	90.219.115	86.500.000
Ordinary shares	90.219.115	86.500.000
Outstanding shares	90.219.115	86.500.000
Ordinary shares	90.219.115	86.500.000

21.2 Undistributed profit

	Ending balance VND	Beginning balance VND
Undistributed realized profit	69.582.550.506	3.478.089.065

22. DISCLOSURE OF 0 ACCOUNTS**22.1. Operating lease fixed assets**

	Ending balance VND	Beginning balance VND
Tangible fixed assets	994.635.000	994.635.000

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22.2. Bad debts written off

	Ending balance VND	Beginning balance VND
Other receivables	-	403.248.614

22.3 Foreign currencies

	Ending balance VND	Beginning balance VND
- US Dollar (USD)	253.967	442
- Euro (EUR)	97	-

22.4. Outstanding shares of the Company

	Ending balance VND	Beginning balance VND
Less than or equivalent to 1 year	902.191.150.000	865.000.000.000
- Outstanding shares	902.139.800.000	865.000.000.000
- Treasury stocks	51.350.000	-

22.5. Financial assets listed/registered at the VSD of the Company

	Ending balance VND	Beginning balance VND
Less than or equivalent to 1 year	37.347.390.000	74.958.090.000
More than 1 year	231.833.400.000	890.727.260.000
Total	269.180.790.000	965.685.350.000

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

	Ending balance VND	Beginning balance VND
Unrestricted financial assets	154.148.290.000	642.340.240.000
Mortgage financial assets	100.000.000.000	271.500.000.000
Financial assets awaiting settlement	15.032.500.000	51.845.110.000
Total	269.180.790.000	965.685.350.000

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

	Ending balance VND	Beginning balance VND
Less than or equivalent to 1 year	61.710.000	52.180.000

22.7. The Company's awaiting financial assets

	Ending balance VND	Beginning balance VND
Financial assets at fair value through profit and loss	100.492.000.000	180.000

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

	Ending balance VND	Beginning balance VND
Shares	19.230.270.000	226.430.240.000

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22.9. Investors' financial assets listed/registered at the VSD

	Ending balance VND	Beginning balance VND
Unrestricted financial assets	1.112.715.806	918.066.864
Restricted financial assets	21.291.401	10.670.995
Mortgage financial assets	305.242.308	291.886.512
Blocked financial assets	86.336.193	14.284.386
Financial assets awaiting settlement	12.826.475	23.374.833
Total	1.538.412.183	1.258.283.590

22.10. Investors' non-traded financial assets deposited at VSD

	Ending balance VND	Beginning balance VND
Unrestricted and non-traded financial assets deposited at the VSD	24.134.915	38.644.680
Restricted and non-traded financial assets deposited at the VSD	84.101	4.497.557
Blocked and non-traded financial assets deposited at the VSD	45.240	8.988.063
Total	24.264.256	52.130.300

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22.11. Investors' awaiting financial assets

	Ending balance VND	Beginning balance VND
Shares	12.267.335	17.768.213

22.12. Investors' deposits

	Ending balance VND	Beginning balance VND
Investors' deposits for securities trading activities managed by the Company	205.845.001.518	156.828.160.063
- Domestic investors' deposits	205.559.889.370	156.530.522.852
- Foreign investors' deposits	285.112.148	297.637.211
Investors' collective deposits for securities trading activities	51.663.201.830	92.362.945.946
Investors' deposits for securities transaction clearing and settlement	63.924.953	210.200.000
- Domestic investors' deposits	62.922.146	1.000.000
- Foreign investors' deposits	1.002.807	209.200.000
Total	257.572.128.301	249.401.306.009

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22.13. Deposits of securities issuers

	Ending balance VND	Beginning balance VND
Deposits from securities underwriting and issuance agency services	6.951.124.812	1.048.464.612
Dividend, bond principal and interest payables	7.742.177.132	22.051.140.722
Total	14.693.301.944	23.099.605.334

22.14. Payables to investors

	Ending balance VND	Beginning balance VND
Payables to investors – Investors' deposits for securities trading activities managed by the Company	205.845.001.518	156.828.160.063
<i>Domestic investors</i>	<i>205.559.889.370</i>	<i>156.530.522.852</i>
<i>Foreign investors</i>	<i>285.112.148</i>	<i>297.637.211</i>
Total	205.845.001.518	156.828.160.063

22.15. Payables to securities issuers

	Ending balance VND	Beginning balance VND
Vietnam Electric Cable Corporation	1.824.260.000	-
Vietnam Electrical Equipment Joint Stock Corporation	4.785.300.000	-
Gemadep Corporation	-	550.000.000
Urban Infrastructure Development Investment Corporation	-	311.100.000
Other organizations	341.564.812	187.364.612
	6.951.124.812	1.048.464.612

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22.16 Payable for dividend, principal and interest from bonds

	Ending balance VND	Beginning balance VND
Dividend	5.064.893.412	19.057.613.827
Bond principals and interests	570.728.080	605.728.080
Others	2.106.555.640	2.387.798.815
	7.742.177.132	22.051.140.722

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	
1	Listed shares	15,547,097		386,376,857,000	
	VIC	284,900	47,705	13,591,250,000	
	DPM	1,020,000	26,438	26,967,268,500	
	CTG	1,640,000	16,204	26,575,314,500	
	FPT	805,000	46,530	37,456,545,000	
	PVS	900,000	16,228	14,605,220,000	
	<i>Other shares</i>	<i>10,897,197</i>		<i>267,181,259,000</i>	
2	Unlisted shares	9,249,987		111,087,578,934	
	ACV	1,100,000	18,367	20,203,400,000	
	THC	7,499,900	10,667	80,000,000,000	
	<i>Others</i>	<i>650,087</i>		<i>10,884,178,934</i>	



Weighted average cost at the end of transaction date VND	Gain in the current year VND	Loss in the current year VND	Gain/(loss) in the current year VND	Gain/(loss) in the previous year VND
	12,888,149,057	(30,991,785,479)	(18,103,636,422)	(17,035,094,506)
43,588	1,172,918,776	-	1,172,918,776	12,560,913
31,195	-	(4,851,977,102)	(4,851,977,102)	-
19,686	-	(5,710,326,698)	(5,710,326,698)	(490,154,467)
41,764	3,836,777,550	-	3,836,777,550	1,037,746,157
24,487	-	(7,433,458,000)	(7,433,458,000)	(1,562,604,396)
	7,878,452,731	(12,996,023,679)	(5,117,570,948)	(16,032,642,713)
	1,723,572,983	(221,630,220,000)	(219,906,647,017)	199,744,470
17,000	1,503,400,000	-	1,503,400,000	-
40,000	-	(219,996,000,000)	(219,996,000,000)	-
	220,172,983	(1,634,220,000)	(1,414,047,017)	199,744,470

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23.1. Gain, loss from revaluation of financial assets at FVTPL (continued)

No	Financial assets	Selling Quantity	Selling price VND	Proceeds VND
3	Listed bonds	91,372,766		9,699,910,808,202
	BVDB15225	2,000,000	104,076	208,152,000,000
	TD1623482	2,500,000	104,495	261,236,500,000
	TD1631462	5,000,000	104,411	522,057,000,000
	<i>Others</i>	<i>81,872,766</i>		<i>8,708,465,308,202</i>
4	Unlisted bonds	79,145		559,669,395,220
	EVBOND0706	130	1,056,811,736	137,385,525,680
	EVBOND0806	225	1,041,555,118	234,349,901,550
	<i>Others</i>	<i>78,790</i>		<i>187,933,967,990</i>
	Total	116,248,995		10,757,044,639,356

Weighted average cost at the end of transaction date VND	Gain in the current year VND	Loss in the current year VND	Gain/(loss) in the current year VND	Gain/(loss) in the previous year VND
	76,740,564,262	(258,833,334)	76,481,730,928	45,996,060,875
99,796	8,560,000,000	-	8,560,000,000	-
100,782	9,282,000,000	-	9,282,000,000	-
100,431	19,902,000,000	-	19,902,000,000	-
	38,996,564,262	(258,833,334)	38,737,730,928	45,996,060,875
	8,605,972,763	-	8,605,972,763	8,204,729,320
1,031,601,295	3,277,357,375	-	3,277,357,375	-
1,021,103,682	4,601,573,134	-	4,601,573,134	-
	727,042,254	-	727,042,254	8,204,729,320
	99,958,259,065	(252,880,838,813)	(152,922,579,748)	37,365,440,159

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No.	Financial assets	Cost VND	Market value or Fair value VND	Revaluation difference at 31/12/2016 VND	
VND	Loại FVTPL				
1	Listed shares	51.447.479.492	54.241.518.680	(91.557.196)	
	PGS	4.775.471	3.354.900	(1.420.571)	
	CTG	3.011.178	2.528.400	(482.778)	
	DPM	234.223	178.800	(55.423)	
	PVS	5.835.922	4.034.400	(1.801.522)	
	Others	51.433.616.398	54.231.418.180	(87.796.902)	
2	Unlisted shares	58.176.167.684	8.315.088.800	(49.874.532.085)	
	THC	-	-	-	
	PHVU	58.063.615.500	8.269.016.100	(49.794.599.400)	
	Others	112.552.184	46.072.700	(79.932.685)	
	Total	109.623.640.876	62.556.603.480	(49.966.089.281)	

Revaluation difference at 1/1/2016	Gain/Loss recorded in current year VND	Increase VND	Decrease VND
(18.016.787.929)	17.925.230.733	17.973.796.373	48.565.640
(2.756.237.530)	2.754.816.959	2.754.816.959	-
(2.348.922.466)	2.348.439.688	2.348.439.688	-
(1.978.401.025)	1.978.345.602	1.978.345.602	-
(7.010.405.722)	7.008.604.200	7.008.604.200	-
(3.922.821.186)	3.835.024.284	3.883.589.924	48.565.640
(261.904.493.535)	212.029.961.450	222.994.697.900	10.964.736.450
(222.994.526.700)	222.994.526.700	222.994.526.700	-
(38.833.345.500)	(10.961.253.900)	-	10.961.253.900
(76.621.335)	(3.311.350)	171.200	3.482.550
(279.921.281.464)	229.955.192.183	240.968.494.273	11.013.302.090

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

	Ending balance VND	Beginning balance VND
FVTPL financial assets	5.375.542.264	6.893.066.790
HTM investments	23.650.077.766	91.425.892.249
Loans and receivables	101.157.435.612	83.629.292.523
	130.183.055.642	181.948.251.562

23.4. Revenue other than gain/loss from financial assets

	Ending balance VND	Beginning balance VND
Revenue from brokerage services	136.586.035.477	108.287.229.322
Revenue from underwriting and issuance agency services	11.759.163.437	32.588.469.484
Revenue from financial advisory services	19.729.840.216	60.243.829.904
Revenue from securities investment advisory services	60.000.000	36.000.000
Revenue from securities custodian services	8.547.529.877	9.378.254.036
	176.682.569.007	210.533.782.746

24. TRANSACTION COSTS OF ACQUISITION OF FINANCIAL ASSETS AT FVTPL

	Ending balance VND	Beginning balance VND
Shares	234.206.615	229.470.199
Bonds	1.884.566.457	3.059.949.874
	2.118.773.072	3.289.420.073

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25. EXPENSES FROM OPERATING ACTIVITIES

	Ending balance VND	Beginning balance VND
Expenses from securities brokerage activities	94.990.078.869	76.561.742.467
Expenses from securities underwriting activities and securities issuance agency services	560.000.000	7.024.446.536
Expenses from securities custodian activities	7.757.388.428	6.277.481.785
Expenses from financial advisory activities	16.759.260.705	17.838.433.611
Provision expenses for diminution in value and impairment of financial assets, doubtful receivables and borrowing costs of loans	5.980.690.019	4.323.190.783
	126.047.418.021	112.025.295.182

26. FINANCE INCOME

	Ending balance VND	Beginning balance VND
Foreign exchange rate differences	142.058.909	-
Realized gain	26.197.941	-
Unrealized gain	115.860.968	-
Interest income from demand deposits	4.007.259.693	3.878.213.933
Other income	78.488.428	-
	4.227.807.030	3.878.213.933

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27. FINANCE EXPENSES

	Ending balance VND	Beginning balance VND
Loss from foreign exchange rate difference	101.623.243	-
Borrowing costs	55.708.868.042	101.202.941.767
Other finance expenses	67.065.686	7.500.000
	55.877.556.971	101.210.441.767

28. GENERAL AND ADMINISTRATIVE EXPENSES

	Ending balance VND	Beginning balance VND
Expenses for administrative staff	41.531.417.289	32.286.266.769
Salary and allowances	39.445.591.318	30.648.945.730
Social security, health insurance, union fee and unemployment insurance	2.085.825.971	1.637.321.039
Office supplies	195.227.486	637.465.323
Tools	1.786.866.281	1.080.278.353
Depreciation expenses	1.404.914.677	693.660.229
Taxes and fees	3.140.349.165	2.001.926.893
External service expenses	26.249.530.625	22.093.444.770
Other expenses	1.403.756.415	1.540.962.746
	75.712.061.938	60.334.005.083

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29. OTHER INCOME AND EXPENSES

	Ending balance VND	Beginning balance VND
<i>Other income</i>		
Proceeds from disposal of fixed assets	25.336.363	5.471.818
Other income	2.727.273	-
	28.063.636	5.471.818
<i>Other expenses</i>		
Tax penalty for late payment	947.498	52.938.689
Other expenses	-	5.144.597
	947.498	58.083.286
	27.116.138	(52.611.468)

30. CORPORATE INCOME TAX**30.1 Corporate income tax ("CIT")**

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

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year may differ from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

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

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	Current year VND	Previous year VND
1. Profit before tax	125.999.763.770	101.490.562.974
Adjustments:		
Decrease: Dividends	(5.375.542.264)	(6.893.066.790)
Reversal of non-deductible expenses from previous years	-	(16.118.636.217)
Loss carried forward	(80.353.171.960)	(84.595.338.506)
Increase: Non-deductible expenses	14.518.816.859	6.116.478.539
2. Estimated taxable profit	54.789.866.405	-
3. Estimated current CIT	10.957.973.281	-
4. CIT payable at the beginning of the year	-	-
5. CIT paid during the year	-	-
6. CIT payable at the end of the year	10.957.973.281	-

30.2 Tax losses carried forward

Under the current regulations, the Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss is incurred.

At the end of the year, the Company incurred the loss carried forward to offset against taxable profits arising afterwards. Details are as follows:

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Fiscal year	Tax loss VND	Amount used at 31/12/2016 VND	Unused tax loss at 31/12/2016 VND
Year 2010	7.773.084.547	-	180.635.801.770
Year 2011	227.839.628.701	-	408.475.430.471
Year 2012	-	6.609.891.324	401.865.539.147
Year 2013	-	29.289.135.675	235.612.713.248
Year 2014	-	70.664.202.782	164.948.510.466
Year 2015	-	84.595.338.506	80.353.171.960
Year 2016	-	80.353.171.960	-

As at 31 December 2016, tax obligations and estimated taxable loss of the Company have not been finalized by local tax authorities.

31. COLLATERAL AND PLEDGED ASSETS

	Ending balance VND	Beginning balance VND
- Deposit with maturity of 3 months or less	100.000.000.000	-
- Bonds	150.000.000.000	271.500.000.000
- VIC11501	-	46.500.000.000
- TD1623482	100.000.000.000	-
- EVNBOND0806	-	225.000.000.000
- TD1621487	50.000.000.000	-
	250.000.000.000	271.500.000.000

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32. INVESTORS' PAYABLES TO THE COMPANY FOR SECURITIES SERVICES

	Ending balance VND	Beginning balance VND
Brokerage fee payables	439.647.266	587.865.409

33. 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.
- (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).

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

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

Related parties	Relationship	Transactions	Income/(Expense)	
			Current year VND	Previous year VND
BIDV	Parent Bank	Interest income from deposits	8.401.159.150	4.682.464.557
		Interest income from bonds	378.317.070	941.710.083
		Service fee income	8.557.073.736	34.155.210.540
		Service fee expense	(14.020.511.922)	(73.368.765.341)
		Bond premium	(20.501.420)	(53.450.120)
BIDC	Fellow subsidiaries	Interest income from deposits	945.236.110	-
BIC	Fellow subsidiaries	Securities brokerage fees receipt	174.191.498	220.878.905
BIDV Tower	Joint venture of BIDV	Office rental expense	(11.215.784.651)	(12.033.008.593)

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34.1 Related party transactions (continued)

Balances with related parties are as follows:

Related parties	Relationship	Transactions	Income/(Expense)	
			Current year VND	Previous year VND
BIDV	Parent Bank	Deposits (including customers' deposits)	517.739.888.055	115.228.763.221
		Investment in bonds	-	9.680.501.420
		Investment in shares (odd lots)	60.163.110	35.274.690
		Accrued interest from bonds	-	615.105.430
		Accrued interest from term deposits	384.805.556	-
		Service fees payable	(247.213.965)	(262.336.815)
BIDC	Fellow subsidiaries	Deposits	15.004.881.014	-
		Accrued interest from term deposits	11.458.333	-
BIDV Tower	Joint venture of BIDV	Rental deposits	2.891.650.104	2.891.650.104
		Water and electricity fee payable	(50.000.000)	(55.761.103)
BIC	Fellow subsidiaries	Equity investments (odd lots)	571.170	154.920

Remuneration of members of Board of Directors, Board of Management and Board of Supervisors:

	Current year VND	Previous year VND
Remuneration of members of Board of Directors, Board of Management and Supervisory Board (*)	6.331.604.562	5.341.331.325

(*) In which, remuneration of members of Board of Directors and Supervisory Board representing the share capital of BIDV is borne by BIDV.



Investment climate research

The first is a positive understanding of how the investment climate in the region is perceived by investors. This is a key factor in determining the attractiveness of the region for investment. The second is the identification of the main barriers to investment. These are the factors that are most likely to deter investors from investing in the region. The third is the identification of the main opportunities for investment. These are the factors that are most likely to attract investors to the region. The fourth is the identification of the main risks to investment. These are the factors that are most likely to cause investors to lose their investment. The fifth is the identification of the main sources of investment. These are the factors that are most likely to provide the capital needed for investment. The sixth is the identification of the main sources of information. These are the factors that are most likely to provide investors with the information they need to make investment decisions. The seventh is the identification of the main sources of support. These are the factors that are most likely to provide investors with the support they need to overcome the barriers to investment. The eighth is the identification of the main sources of expertise. These are the factors that are most likely to provide investors with the expertise they need to manage their investment. The ninth is the identification of the main sources of networks. These are the factors that are most likely to provide investors with the networks they need to find investment opportunities. The tenth is the identification of the main sources of capital. These are the factors that are most likely to provide investors with the capital they need to invest in the region.

34.2 Segment report

	Brokerage and customer services	Proprietary trading	
For the year ended 31 December 2016			
1. Net revenue from operating activities	246.291.000.966	356.876.978.926	
2. Direct costs	108.728.157.316	268.410.500.455	
3. Depreciation and amortization and other allocated expenses (*)	28.599.113.875	41.440.269.111	
Profit before tax from operating activities	108.963.729.775	47.026.209.360	
As at 31 December 2016			
1. Segment assets	465.770.827.722	424.631.086.603	
Cash and cash equivalents	-	-	
Financial assets at FVTPL	-	358.921.518.262	
Held-to-maturity investments (short-term)		46.737.106.497	
Loans	471.678.060.306	-	
Provision for impairment of financial assets and mortgage assets	(18.717.408.668)	-	
Receivables	12.090.272.031	18.660.665.902	
Receivables from services provided by the Company	719.904.053	-	
Provision for impairment of receivables	-	-	
Held-to-maturity investments (long-term)	-	311.795.942	
2. Allocated assets (*)	53.121.794.267	76.973.764.282	
Cash and cash equivalents	40.224.385.529	58.285.349.974	
Value-added tax deductible	56.206.537	81.443.573	
Other receivables	113.005.783	163.745.984	
Other short term assets	44.722.657	64.803.369	
Fixed assets	3.134.431.696	4.541.808.308	
Other long-term assets	9.549.042.065	13.836.613.074	
Total assets	518.892.621.989	501.604.850.885	

Unit: VND

Financial advisory	Other segments	Total
31.549.003.653	17.303.201.472	652.020.185.017
17.319.260.705	55.877.556.971	450.335.475.447
3.663.445.049	2.009.233.903	75.712.061.938
10.566.297.899	(40.583.589.402)	125.972.647.632
577.567.423	414.341.684.423	1.305.321.166.171
-	330.000.000.000	330.000.000.000
-	-	358.921.518.262
	30.286.916.671	77.024.023.168
-	-	471.678.060.306
-	-	(18.717.408.668)
	4.054.767.752	34.805.705.685
968.724.745	-	1.688.628.798
(391.157.322)	-	(391.157.322)
-	50.000.000.000	50.311.795.942
6.804.713.428	3.732.077.521	140.632.349.498
5.152.601.114	2.825.968.647	106.488.305.264
7.199.858	3.948.796	148.798.764
14.475.640	7.939.233	299.166.640
5.728.814	3.141.995	118.396.835
401.509.583	220.209.845	8.297.959.432
1.223.198.419	670.869.005	25.279.722.563
7.382.280.851	418.073.761.944	1.445.953.515.669

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34. OTHER INFORMATION (continued)**34.2 Segment report (continued)**

	Brokerage and customer services	Proprietary trading	
As at 31 December 2016			
1. Segment liabilities	8.208.161.735	109.955.447.600	
Advances from customers	-	-	
Payables for securities transaction activities	5.627.681.668	109.955.447.600	
Statutory obligations	2.580.480.067	-	
Repurchase agreements of Government bonds	-	-	
Accrued expenses	-	-	
Short term loans and borrowings	-	-	
2. Allocated liabilities (*)	15.376.505.431	22.280.638.688	
Trade payables	1.538.853.203	2.229.806.530	
Statutory obligations	4.290.649.711	6.217.174.401	
Other current payables	58.161.451	84.276.254	
Payables to employees	9.487.422.917	13.747.326.598	
Employee benefits	1.418.149	2.054.905	
Total liabilities	23.584.667.166	132.236.086.288	

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

Unit: VND

Financial advisory	Other segments	Total
1.737.669.723	301.409.980.134	421.311.259.192
1.737.669.723	-	1.737.669.723
-	-	115.583.129.268
-	-	2.580.480.067
-	51.620.500.000	51.620.500.000
-	289.480.134	289.480.134
-	249.500.000.000	249.500.000.000
1.969.675.807	1.080.278.088	40.707.098.014
197.121.637	108.112.302	4.073.893.672
549.617.009	301.440.070	11.358.881.191
7.450.276	4.086.139	153.974.120
1.215.305.225	666.539.945	25.116.594.685
181.660	99.632	3.754.346
3.707.345.530	302.490.258.222	462.018.357.206

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34. OTHER INFORMATION (continued)**34.3 Commitments under operating lease**

The Company currently leases its offices under the operating lease contracts. As at 31 December 2016, the future rental payables as stated in the rental contracts are as follows:

	Ending balance VND	Beginning balance VND
Within 1 year	-	12.387.480.000
From 1 – 5 years	51.448.897.500	39.271.050.000
	51.448.897.500	51.658.530.000

These rental payables were estimated based on the rental fees stated in the lease contracts as at 31 December 2016.

34.4 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:

	Current year VND	Previous year VND
Profit after tax attributable to ordinary equity holders for basic earnings - VND	115,041,790,489	101,490,562,974
Weighted average number of outstanding ordinary shares for basic earnings per share – Unit	90,219,115	90,219,115
Basic earnings per share – VND	1,275	1,125

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.

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34.5 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.

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 31 December 2016.

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 31 December 2016 and 31 December 2015.

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 2015 and the year 2016, 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.

At the reporting date, the fair value of both of the Company's listed and unlisted shares registered on UPCOM amounted to VND 54,284,846,780. A decrease by 10% on market price of these shares may result in a decrease in Company's net profit by VND 2,464,780,410, 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 16,513,178.

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:

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34. OTHER INFORMATION (continued)**34.5 Purposes and policies of financial risk management (continued)****Credit risk (continued)**

31 December 2016	Neither past due nor impaired	Past due but	
		Less than 3 months	3 - 6 months
Held-for-trading investments	299.263.966.667	-	-
Bonds	299.263.966.667	-	-
Held-to-maturity investments	133.472.491.719	-	-
Bonds	50.009.001.741	-	-
Term deposits	83.463.489.978	-	-
Loans	465.050.923.669	-	-
Other financial assets	41.276.506.317	-	-
Receivable from disposal of financial assets	14.945.333.000	-	-
Receivable from securities transaction activities (*)	969.404.053	-	-
Collaterals and pledges	4.007.552.104	-	-
Other receivables (*)	21.354.217.160	-	-
Total	939.063.888.372	-	-

(*): 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

Unit: VND

not impaired			
6 - 12 months	Over 1 year	Impaired	Total
-	-		299,263,966,667
-	-	-	299.263.966.667
-	-	-	133,472,491,719
-	-	-	50.009.001.741
-	-	-	83.463.489.978
-	-	17.136.671.168	482.187.594.837
-	-	719.224.745	41.995.731.062
-	-	-	14.945.333.000
-	-	719.224.745	1.688.628.798
-	-	-	4.007.552.104
-	-	-	21.354.217.160
-	-	17.855.895.913	956.919.784.285

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 31 December 2016:

	Overdue	On demand	Up to
31 December 2016			
FINANCIAL ASSETS			
Held-for-trading investments	-	59.657.551.595	
Listed shares (*)	-	51,355,918,296	
Shares registered on Upcom (*)	-	30.498.289	
Unlisted shares	-	8.271.135.010	
Bonds	-	-	
Held-to-maturity investments	-	-	
Bonds	-	-	
Term deposits	-	-	
Loans	17,136,671,168	-	
Other financial assets	719.224.745	-	
Receivables from disposal of financial assets	-	-	
Receivables from securities transaction activities (*)	719.224.745	-	
Collaterals and pledges	-	-	
Other receivables (*)	-	-	
Cash and cash equivalents	-	106.488.305.264	
TOTAL	17.855.895.913	166.145.856.859	
FINANCIAL LIABILITIES			
Financial liabilities stated at amortized cost			
Short-term loans and borrowings	-	-	
Payables from securities trading activities	-	-	
Other payables	-	-	
TOTAL	-	-	
Net liquidity difference	17.855.895.913	166.145.856.859	

(*) Provision is excluded

Unit: VND

1 year	From 1-5 years	Over 5 years	Total
299.263.966.667	-	-	358.921.518.262
-	-	-	51.355.918.296
-	-	-	30.498.289
-	-	-	8.271.135.010
299.263.966.667	-	-	299.263.966.667
80.686.411.986	52.786.079.733	-	133.472.491.719
49.679.390.832	329.610.909	-	50.009.001.741
31.007.021.154	52.456.468.824	-	83.463.489.978
465.050.923.669	-	-	482.187.594.837
37.726.416.213	3.550.090.104	-	41.995.731.062
14.945.333.000	-	-	14.945.333.000
969.404.053	-	-	1.688.628.798
457.462.000	3.550.090.104	-	4.007.552.104
21.354.217.160	-	-	21.354.217.160
330.000.000.000	-	-	436.488.305.264
1.212.727.718.535	56.336.169.837	-	1.453.065.641.144
301.409.980.134	-	-	301.409.980.134
115.583.129.268	-	-	115.583.129.268
31.085.886.546	-	-	31.085.886.546
448.078.995.948	-	-	448.078.995.948
764.648.722.587	56.336.169.837	-	1.004.986.645.196

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34. OTHER INFORMATION (continued)**34.5. Purposes and policies of financial risk management (continued)****Collaterals**

As at the reporting date of the year ended 31 December 2016, 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 51,929,666,667. Total selling price was VND 51,620,500,000 and total repurchase price was VND 51,839,500,000.

The Company uses bonds as collaterals for the short-term bank loans at commercial banks. As at 31 December 2016, there were bonds with the par value of VND 100,000,000,000 used as collaterals for short-term loans (31 December 2015: VND 271,500,000,000).

The Company held securities as collateral for the receivables from customers as at 31 December 2016.

34.6 Reclassification of corresponding figures

Over the year 2016, due to effects of changes in accounting policies and requirements for financial statement preparation and presentation in accordance with Circular 334, certain corresponding figures on the financial statements for the previous year have been reclassified to be comparable with that for the current year.

a. Extract from statement of financial position

ASSETS	Note	31 December 2015 (Reported)	Circular 334 adjustments	31 December 2015 (Restated)
A. CURRENT ASSETS		2.353.475.635.431	(273,251,833,343)	2.080.223.802.088
I. Cash and cash equivalents		325.923.379.520	(272.500.911.343)	53.422.468.177
1. Cash	[1]	315.923.379.520	(272.500.911.343)	43.422.468.177
1. Trading securities (**)	[2]	1.663.031.595.259	(1.663.031.595.259)	-
2. Provision for impairment of trading securities (**)	[2]	(279.921.281.464)	279.921.281.464	-

Unit: VND

ASSETS	Note	31 December 2015 (Reported)	Circular 334 adjustments	31 December 2015 (Restated)
2. Financial assets at fair value through profit and loss (FVTPL) (*)	[2]	-	1.276.923.492.375	1.276.923.492.375
3. Held-to-maturity	[2]	-	106.186.821.420	106.186.821.420
1. Receivables from customers (**)	[3]	6.248.363.841	(6.248.363.841)	-
2. Advances to suppliers (**)	[3]	245.000.000	(245.000.000)	-
4. Receivables from securities trading activities	[3]	644.183.177.258	(644.183.177.258)	-
5. Other receivables	[3]	5.885.914.204	(5.616.094.838)	269.819.366
6. Provision for doubtful debts (**)	[3]	(12.914.331.022)	12.914.331.022	-
4. Loans (*)	[3]	-	632.754.918.509	632.754.918.509
6. Provision for impairment of financial assets and mortgages assets (*)	[3]	-	(12.736.718.649)	(12.736.718.649)
7. Receivables from services provided by the Company (*)	[3]	-	7.135.894.981	7.135.894.981
7.1. Receivable from disposal of financial assets (*)	[3]	-	3.107.420.000	3.107.420.000
7.2. Receivables and accruals from dividend and interest income from financial assets (*)	[3]	-	13.294.402.447	13.294.402.447
9. Provision for impairment of receivables		-	(177.612.373)	(177.612.373)
IV. Inventories (**)	[4]	22.895.835	(22.895.835)	-
2. Office supplies, materials and tools (*)	[4]		22.895.835	22.895.835
V. Other current assets	[4]	770.922.000	(770.922.000)	-
4. Other current assets	[4]	770.922.000	(750.922.000)	20.000.000-

(*) New items in the statement of financial position as required by Circular 210 and Circular 334.

(**) Items which were no longer presented in the statement of financial position in accordance with Circular 210 and Circular 334.

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34. OTHER INFORMATION (continued)**34.6 Reclassification of corresponding figures (continued)**

a. Extract from statement of financial position (continued)

Currency: VND

ASSETS	Note	31 December 2015 (Reported)	Circular 334 adjustments	31 December 2015 (Restated)
B. NON-CURRENT ASSETS		37.683.986.806	750.922.000	38.434.908.806
2. Investments (*)	[2]	-	9.745.693.643	9.745.693.643
2.1.Held-to-maturity investments (*)	[2]	-	9.745.693.643	9.745.693.643
IV. Long-term investments (**)	[2]	9.745.693.643	(9.745.693.643)	-
3. Long-term investments in securities (**)	[2]	9.745.693.643	(9.745.693.643)	-
Held-to-maturity investments (**)	[2]	9.745.693.643	(9.745.693.643)	-
V. Other non-current assets	[4]	22.280.662.983	750.922.000	23.031.584.983
4. Other non-current assets (**)	[4]	2.891.650.104	(2.891.650.104)	-
1.Long-term deposits, collaterals and pledges (*)	[4]	-	3.642.572.104	3.642.572.104
TOTAL ASSETS		2.391.159.622.237	(272.500.911.343)	2.118.658.710.894

(*) New items in the statement of financial position as required by Circular 210 and Circular 334.

(**) Items which were no longer presented in the statement of financial position in accordance with Circular 210 and Circular 334.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

a. Extract from statement of financial position (continued)

Currency: VND

ASSETS	Note	31 December 2015 (Reported)	Circular 334 adjustments	31 December 2015 (Restated)
A. LIABILITIES		1.522.024.254.263	(272.500.911.343)	1.249.523.342.920
I. Current liabilities		1.522.024.254.263	(272.500.911.343)	1.249.523.342.920
1. Short-term loans and borrowings	[5]	623.600.000.000	-	623.600.000.000
6. Accrued expenses	[5]	309.226.620	1.924.019.174	2.233.245.794
8. Payables related to securities trading activities	[1]	309.343.132.343	(249.565.870.621)	59.777.261.722
9. Shares dividend, bond principal and interest payables (**)	[1]	22.051.140.722	(22.051.140.722)	-
13. Government bond repurchase contracts (**)	[5]	546.996.539.174	(1.924.019.174)	545.072.520.000
12. Other current liabilities	[1], [6]	1.723.367.697	(1.344.918.913)	378.448.784
12. Employee benefit (*)	[6]	-	461.018.913	461.018.913
TOTAL LIABILITIES AND OWNERS' EQUITY		2.391.159.622.237	(272.500.911.343)	2.118.658.710.894

(*) New items in the statement of financial position as required by Circular 210 and Circular 334.

(**) Items which were no longer presented in the statement of financial position in accordance with Circular 210 and Circular 334.

Details about adjustments in main items are as follows:

- [1] Reclassify investors' deposits from on-balance sheet to off-balance sheet
- [2] Reclassify investment portfolio in accordance with Circular 210 and Circular 334
- [3] Reclassify receivables in accordance with Circular 210 and Circular 334
- [4] Reclassify other assets in accordance with Circular 210 and Circular 334
- [5] Reclassify loans and borrowings in accordance with Circular 210 and Circular 334
- [6] Reclassify employee benefits in accordance with Circular 210 and Circular 334

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

34. OTHER INFORMATION (continued)

34.6 Reclassification of corresponding figures (continued)

b. Extract from the income statement

Currency: VND

ITEMS	Note	Year 2015 (Reported)	Circular 334 adjustments	Year 2015 (Restated)
1. Revenue	[7]	465.288.302.248	27,876,586,156	493,164,888,404
<i>In which:</i>	[7]			
- Revenue from brokerage services	[7]	108.286.654.674	574.648	108.287.229.322
- Revenue from securities trading and investments (**)	[7]	85.407.365.392	(85.407.365.392)	-
- Revenue from securities issuance services	[7]	30.188.469.484	(30.188.469.484)	-
- Revenue from securities underwriting and issuance services		-	32.588.469.484	32.588.469.484
- Revenue from advisory services	[7]	60.279.829.904	(60.279.829.904)	-
- Revenue from securities investment advisory services		-	36.000.000	36.000.000
- Revenue from financial advisory services		-	60.243.829.904	60.243.829.904
- Revenue from custodian services	[7]	9.378.254.036	-	9.378.254.036
- Other revenue (**)	[7]	169.347.728.758	(169.347.728.758)	-
1.1. Gain from financial assets at fair value through profit and loss (FVTPL) (*)	[7]	-	107.575.920.886	107.575.920.886
<i>a. Gain from disposal of financial assets at FVTPL (*)</i>	[7]	-	68.928.054.007	68.928.054.007
<i>b. Gain from revaluation of financial assets at FVTPL (*)</i>	[7]	-	31.754.800.089	31.754.800.089
<i>c. Dividend, interest income from financial assets at FVTPL (*)</i>	[7]	-	6.893.066.790	6.893.066.790
1.2. Gain from Held-to-maturity (HTM) investments (*)	[7]	-	91.425.892.249	91.425.892.249

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

34. OTHER INFORMATION (continued)

34.6 Reclassification of corresponding figures (continued)

b. Extract from the income statement (continued)

Currency: VND

ITEMS	Note	Year 2015 (Reported)	Circular 334 adjustments	Year 2015 (Restated)
1.3. Gain from loans and receivables (*)	[7]	-	83.629.292.523	83.629.292.523
3. Net revenue from operating activities (**)		465.288.302.248	(465.288.302.248)	-
Operating revenue (*)		-	493.164.888.404	493.164.888.404
4. Operating expenses	[8]	(353.935.124.640)	119.979.643.595	(233.955.481.045)
<i>In which:</i>				
Direct expenses for securities investment activities (**)	[8]	(301.352.314.841)	301.352.314.841	-
Reversal of provision (**)	[8]	(52.582.809.799)	52.582.809.799	-
Loss from financial assets at FVTPL (*)	[8]	-	(119.189.643.809)	(119.189.643.809)
Loss from disposal of FVTPL financial assets (*)	[8]	-	(31.562.613.848)	(31.562.613.848)
Loss from revaluation of FVTPL financial assets (*)	[8]	-	(84.337.609.888)	(84.337.609.888)
Transaction costs of acquisition and disposal of FVTPL financial assets (*)	[8]	-	(3.289.420.073)	(3.289.420.073)
Loss from HTM investments (*)	[8]	-	(266.125.737)	(266.125.737)

(*) New items in the income statement as required by Circular 210 and Circular 334.

(**) Items which were no longer presented in the income statement in accordance with Circular 210 and Circular 334.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

34. OTHER INFORMATION (continued)**34.6 Reclassification of corresponding figures (continued)**

b. Extract from the income statement (continued)

Currency: VND

ITEMS	Note	Year 2015 (Reported)	Circular 334 adjustments	Year 2015 (Restated)
Borrowing costs, loss from loans and receivables (*)	[8]	-	(4.323.190.783)	(4.323.190.783)
Expenses for proprietary trading activities (*)	[8]	-	(2.474.416.317)	(2.474.416.317)
Expenses for brokerage services (*)	[8]	-	(76.561.742.467)	(76.561.742.467)
Expenses from securities underwriting and securities issuance agent services (*)		-	(7.024.446.536)	(7.024.446.536)
Expenses for securities custodian services (*)	[8]	-	(6.277.481.785)	(6.277.481.785)
Expenses for advisory services (*)	[8]	-	(17.838.433.611)	(17.838.433.611)
3.2. Non-fixed income from dividend, interest (*)	[7]	-	3.878.213.933	3.878.213.933
4.2. Borrowing costs (*)	[8]	-	(101.202.941.767)	(101.202.941.767)
Other financial expenses		-	(7.500.000)	(7.500.000)
5. Gross profit from operating activities (**)		111.353.177.608	(111.353.177.608)	-
6. General and administrative expenses	[8]	(9.351.493.037)	(50.982.512.046)	(60.334.005.083)
7. Profit before tax		102.001.684.571	(458.510.129)	101.543.174.442
10. Other income and expenses	[8]	(511.121.597)	458.510.129	(52.611.468)
PROFIT BEFORE TAX		101.490.562.974	-	101.490.562.974

(*) New items in the income statement as required by Circular 210 and Circular 334.

(**) Items which were no longer presented in the income statement in accordance with Circular 210 and Circular 334.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

34. OTHER INFORMATION (continued)**34.6 Reclassification of corresponding figures (continued)**

b. Extract from the income statement (continued)

Details about adjustments in main items are as follows:

[7] Reclassify operating revenues in accordance with Circular 210 and Circular 334

[8] Reclassify operating expenses in accordance with Circular 210 and Circular 334

c. Extract from the statement of cash flows

The statement of the Company's cash flows

Currency: VND

ITEMS	Notes	31 December 2015 (reported)	Circular 334 adjust- ments	31 December 2015 (Restated)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		442.321.779.588	(134.247.668.851)	308.074.110.737
Cash at banks at the beginning of the year		442.321.779.588	(134.247.668.851)	308.074.110.737
- Cash at banks for operation of the Company		322.321.779.588	(134.247.668.851)	188.074.110.737
- Cash equivalents		120.000.000.000	-	120.000.000.000
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		325.923.379.520	(272.500.911.343)	53.422.468.177
Cash at banks at the end of the year		325.923.379.520	(272.500.911.343)	53.422.468.177
- Cash at banks for operation of the Company		315.923.379.520	(272.500.911.343)	43.422.468.177
- Cash equivalents		10.000.000.000	-	10.000.000.000

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

34. OTHER INFORMATION (continued)**34.6 Reclassification of corresponding figures (continued)**

c. Extract from the statement of cash flows (continued)

Cash flows from brokerage and trust activities of the customers

Currency: VND

ITEMS	Notes	31 December 2015 (reported)	Circular 334 adjustments	31 December 2015 (Restated)
II. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		-	134.247.668.851	134.247.668.851
Cash at banks at the beginning of the year				
- Cash at banks at the beginning of the year		-	134.247.668.851	134.247.668.851
- The investors' deposits managed by the Company		-	116.838.917.604	116.838.917.604
- The investors' collective deposits for securities trading activities		-	1.532.339.057	1.532.339.057
- The investors' deposits for securities transaction clearing and settlement		-	6.520.125.611	6.520.125.611
- Deposits of securities issuers		-	9.356.286.579	9.356.286.579
III. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		-	272.500.911.343	272.500.911.343
Cash at banks at the end of the year				
- Cash at banks at the end of the year		-	272.500.911.343	272.500.911.343
- Investors' deposits managed by the Company for securities trading activities		-	156.828.160.063	156.828.160.063
- The investors' collective deposits for securities trading activities		-	92.362.945.946	92.362.945.946
- Investors' deposits for securities transaction clearing and settlement		-	210.200.000	210.200.000
- Deposits of securities issuers		-	23.099.605.334	23.099.605.334

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

34.7 Events since the reporting date

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

Prepared by:

Ms. Vu Thi Minh Nguyet
Accountant

Hanoi, Vietnam
29 March 2017

Approved by:

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Approved by:



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