



IB SECURITIES JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019



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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of IB Securities Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2019.

THE BOARDS OF DIRECTORS AND MANAGEMENT

The members of the Boards of Directors and Management of the Company who held the office during the year and to the date of this report are as follows:

Board of Directors

Ms. Nguyen Thi Tuyet	Chairwoman
Ms. Cao Thi Hong	Member
Ms. Tran Thi Hong Ha	Member
Mr. Nguyen Tuan Dung	Member
Mr. Phi Anh Tuan	Member

Board of Management

Ms. Nguyen Thi Tuyet	General Director
Mr. Do Ngoc Dinh	Deputy General Director

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance, cash flows and changes in equity for the year then ended in accordance with accounting standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014, Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

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STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY (Continued)

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements are in accordance with accounting standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Management,



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020

No: 0647 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The shareholders**
 The Boards of Directors and Management
 IB Securities Joint Stock Company

We have audited the accompanying financial statements of IB Securities Joint Stock Company (the "Company"), prepared on 13 March 2020 as set out from page 05 to page 44 which comprise the statement of financial position as at 31 December 2019, statement of operations, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the financial statements

The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC dated 30 December 2014 ("Circular 210"), Circular No. 334/2016/TT-BTC dated 27 December 2016 ("Circular 334") amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and legal regulations relating to financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance, cash flows and its changes in equity for the year then ended in accordance with accounting standards, accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and legal regulations relating to financial reporting.



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

DELOITTE VIETNAM COMPANY LIMITED

13 March 2020
Hanoi, S.R. Vietnam

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
ASSETS				
A. SHORT-TERM ASSETS (100=110+130)	100		1,728,809,880,343	1,492,760,047,632
I. Financial assets	110		1,727,856,940,252	1,492,210,106,998
1. Cash and cash equivalents	111	4	152,040,947,355	3,939,873,002
1.1. Cash	111.1		151,040,947,355	3,939,873,002
1.2. Cash equivalents	111.2		1,000,000,000	-
2. Financial assets at fair value through profit or loss (FVTPL)	112	6	976,968,446,264	1,105,072,872,766
3. Loans	114	6	385,581,482,094	347,035,379,265
4. Provision for impairment of financial assets and collaterals	116	6	(2,754,214,523)	(129,830,330)
5. Receivables	117		29,143,863,893	32,904,431,446
5.1 Receivables from the sale of financial assets	117.1	7	-	15,432,000,000
5.2 Dividend and interest accrued and receivables on financial assets	117.2	7	29,143,863,893	17,472,431,446
5.2.1 Dividend and interest accrued before maturity	117.4		29,143,863,893	17,472,431,446
6. Advances to suppliers	118	8	184,213,869,712	814,192,203
7. Receivables on services provided by the Company	119	7	14,412,433,437	15,061,990,775
8. Other receivables	122	7	430,779,850	132,849,491
9. Provision for impairment of receivables	129	7	(12,180,667,830)	(12,621,651,620)
II. Other short-term assets	130		952,940,091	549,940,634
1. Advances	131		273,101,000	53,101,000
2. Office supplies and tools	132		43,640,175	114,838,358
3. Short-term prepayments	133		116,660,956	64,664,200
4. Taxes and other receivables from the State budget	136		519,537,960	317,337,076
B. LONG-TERM ASSETS (200=210+220+250)	200		37,431,080,716	37,524,667,188
I. Long-term financial assets	210		1,500,000,000	1,500,000,000
1. Investments	212	9	1,500,000,000	1,500,000,000
1.1 Other long-term investments	212.4		1,500,000,000	1,500,000,000
II. Fixed assets	220		2,213,068,313	4,664,792,415
1. Tangible fixed assets	221	10	1,460,796,921	2,448,594,543
- Cost	222		17,007,499,317	17,007,499,317
- Accumulated depreciation	223a		(15,546,702,396)	(14,558,904,774)
2. Intangible assets	227	11	752,271,392	2,216,197,872
- Cost	228		11,990,456,371	11,990,456,371
- Accumulated amortisation	229a		(11,238,184,979)	(9,774,258,499)
III. Other long-term assets	250		33,718,012,403	31,359,874,773
1. Long-term deposits	251		930,912,770	930,612,770
2. Long-term prepayments	252		124,795,170	266,957,540
3. Deposit to payment support fund	254	12	9,162,304,463	6,662,304,463
4. Other long-term assets	255	9	23,500,000,000	23,500,000,000
TOTAL ASSETS (270 = 100 + 200)	270		1,766,240,961,059	1,530,284,714,820

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
RESOURCES				
C. LIABILITIES (300 = 310+340)	300		345,549,708,425	425,965,501,795
I. Current liabilities	310		212,839,196,888	308,567,686,565
1. Short-term loans and obligations under finance leases	311	13	180,000,000,000	80,000,000,000
1.1. Short-term loans	312		180,000,000,000	80,000,000,000
2. Short-term bonds issued	316	14	-	200,000,000,000
3. Payables for securities trading activities	318	15	528,050,282	635,455,610
4. Short-term trade payables	320	16	1,821,660,000	374,840,000
5. Short-term advances from customers	321	16	230,000,000	10,411,000,000
6. Taxes and amounts payable to the State budget	322	17	21,173,973,246	8,773,949,009
7. Payables to employees	323		2,031,890,034	3,020,295,993
8. Employee benefits	324		-	-
9. Short-term accrued expenses	325	18	6,715,802,717	4,787,509,564
10. Other current payables	329		337,820,609	564,636,389
II. Long-term liabilities	340		132,710,511,537	117,397,815,230
1. Long-term bonds issued	346	14	100,000,000,000	75,000,000,000
2. Long-term trade payables	347		147,503,337	147,503,337
3. Other long-term payables	353	9	23,500,000,000	23,500,000,000
4. Deferred tax liabilities	356	26	9,063,008,200	18,750,311,893
D. EQUITY (400 = 410)	400		1,420,691,252,634	1,104,319,213,025
I. Owners' equity	410	19	1,420,691,252,634	1,104,319,213,025
1. Owners' contributed capital	411		1,161,086,380,000	809,645,830,000
1.1. Paid-up capital	411.1		1,161,086,380,000	809,645,830,000
a. Ordinary shares	411.1a		1,161,086,380,000	809,645,830,000
2. Charter capital reserve	414		30,809,950,276	24,991,348,296
3. Financial and risk reserves	415		33,272,212,231	27,453,610,251
4. Other reserves	416		2,462,261,955	2,462,261,955
5. Retained earnings	417		193,060,448,172	239,766,162,523
5.1. Realised profit	417.1	20	156,808,415,371	164,764,914,952
5.2. Unrealised profit	417.2		36,252,032,801	75,001,247,571
TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)	440		1,766,240,961,059	1,530,284,714,820

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2019

Unit: VND

OFF-STATEMENT OF FINANCIAL POSITION ITEMS

ITEMS	Codes	Notes	Closing balance	Opening balance
A. COMPANY'S ASSETS AND ASSETS MANAGED IN ACCORDANCE WITH COMMITMENTS				
<i>Vietnam Dong (VND)</i>				
1. Shares in circulation	006		1,161,086,380,000	809,645,830,000
2. The Company's financial assets listed/ registered at VSD	008		162,265,640,000	206,269,150,000
<i>The Company's financial assets deposited at VSD but not yet traded</i>	008.1		300,000	-
3. The Company's financial assets not yet deposited at the VSD	012		664,800,000,000	699,500,000,000
B. CUSTOMERS' ASSETS AND LIABILITIES MANAGED IN ACCORDANCE WITH COMMITMENTS				
<i>Vietnam Dong (VND)</i>				
1. Investors' financial assets listed/registered at VSD	021		6,368,289,610,000	6,219,530,100,000
a. <i>Transferrable financial assets</i>	021.1		4,732,919,660,000	5,054,336,060,000
b. <i>Financial assets restricted for transfer</i>	021.2		426,702,010,000	652,940,050,000
c. <i>Pledged financial assets</i>	021.3		1,167,934,140,000	466,055,090,000
d. <i>Financial assets to be settled</i>	021.5		40,733,800,000	46,198,900,000
2. Investors' financial assets deposited at VSD but not yet traded	022		-	7,076,800,000
a. <i>Financial assets deposited at VSD but not yet traded, transferrable</i>	022.1		-	7,076,800,000

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
B. CUSTOMERS' ASSETS AND LIABILITIES MANAGED IN ACCORDANCE WITH COMMITMENTS (Continued)				
<i>Vietnam Dong (VND)</i>				
3. Customers' deposits	026	28.1	67,446,003,875	63,524,304,348
3.1. Investors' deposits for securities transactions managed by the Company	027		67,441,672,917	63,490,649,865
3.2. Deposits for general securities trading for customers	028		1,473,914	8,641,685
3.3. Deposits off-set and paid for securities transactions	029		2,857,044	25,012,798
a. Deposits off-set and paid for securities transactions of domestic investors	029.1		1,227,270	1,226,410
b. Deposits off-set and paid for securities transactions of foreign investors	029.2		1,629,774	23,786,388
4. Payables to investors for deposits for securities transactions managed by the Company	031	28.2	26,605,671,972	42,181,192,460
4.1. Payables to domestic investors for deposits for securities transactions managed by the Company	031.1		26,605,671,972	42,181,192,460
5. Payables to VSD on clearing and settlement	036	28.2	40,840,331,903	21,343,111,888



Bui Tuyet Mai
Preparer



Nguyen Thi Thu Hang
Chief Accountant



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020

STATEMENT OF OPERATIONS

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
I. OPERATING REVENUE				
1.1. Gain on financial assets at FVTPL	01		357,582,721,611	335,117,758,578
a. Gain on sales of financial assets at FVTPL	01.1	21.1	147,139,335,672	140,025,182,176
b. Gain on revaluation of financial assets at FVTPL	01.2	21.2	107,345,147,656	136,647,833,635
c. Dividend and interest on financial assets at FVTPL	01.3	21.3	103,098,238,283	58,444,742,767
1.2. Interest on loans and receivables	03	21.3	47,767,501,157	55,360,579,089
1.3. Revenue from securities brokerage activities	06		20,824,589,366	43,840,788,853
1.4. Revenue from underwriting and securities issuing agents	07		5,425,000,000	10,510,760,000
1.5. Revenue from securities depository activities	09		3,221,393,992	4,978,276,507
1.6. Revenue from financial advisory activities	10		2,154,027,397	2,548,319,622
Total operating revenue (20=01+03+06+07+09+10)	20		436,975,233,523	452,356,482,649
II. OPERATING EXPENSES				
2.1. Loss on financial assets at FVTPL	21		203,231,072,555	98,042,819,934
a. Loss on sales of financial assets	21.1	21.1	47,449,406,436	13,880,713,708
b. Loss on revaluation of financial assets at FVTPL	21.2	21.2	155,781,666,119	84,162,106,226
2.2. Expenses of provision for financial assets, handling of bad debts and losses on financial assets and borrowing cost	24		2,624,384,193	129,830,330
2.3. Expenses for principal investments	26		1,916,385,728	2,661,159,526
2.4. Expenses for securities brokerage	27		14,985,871,929	21,168,236,271
2.5. Expenses for securities depository	30		5,554,561,378	9,015,572,230
2.6. Expenses for financial advisory activities	31		8,111,587,300	17,287,814,351
2.7. Other expenses	32		476,368,142	974,092,848
Total operating expenses (40=21+24+26+27+30+31+32)	40		236,900,231,225	149,279,525,490

The accompanying notes are an integral part of these financial statements

STATEMENT OF OPERATIONS (Continued)


For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
III. FINANCIAL INCOME		22		
3.1. Dividend and demand deposit interest earned and accrued	42		1,669,216,901	2,036,802,714
3.2. Other investment income	44		3,689,494	1,999,208
Total financial income (50=42+44)	50		1,672,906,395	2,038,801,922
IV. FINANCIAL EXPENSES		23		
4.1. Loan and bond interest expenses	52		43,124,568,583	26,708,531,578
Total financial expenses (60=52)	60		43,124,568,583	26,708,531,578
V. GENERAL AND ADMINISTRATION EXPENSES	62	24	19,125,014,888	20,960,884,186
VI. NET PROFIT ON OPERATIONS (70=20+50-40-60-62)	70		139,498,325,222	257,446,343,317
VII. OTHER INCOME AND EXPENSES		25		
7.1. Other income	71		2,776,003,964	12,483,942,927
7.2. Other expenses	72		97,986,309	1,614,931,516
Total profit on other operations (80=71-72)	80		2,678,017,655	10,869,011,411
VIII. ACCOUNTING PROFIT BEFORE TAX (90=70+80)	90		142,176,342,877	268,315,354,728
8.1. Realised profit	91		190,612,861,340	215,829,627,319
8.2. Unrealised profit	92		(48,436,518,463)	52,485,727,409
IX. CORPORATE INCOME TAX EXPENSE	100		25,804,303,268	51,759,504,246
9.1. Current corporate income tax expense	100.1	26	35,491,606,961	41,262,358,764
9.2. Deferred tax (income)/expense	100.2	26	(9,687,303,693)	10,497,145,482
X. NET PROFIT AFTER CORPORATE INCOME TAX (200=90-100)	200		116,372,039,609	216,555,850,482
XI. NET PROFIT PER ORDINARY SHARE	500		1,038	2,253
11.1. Basic earnings per share (VND/share)	501	27	1,038	2,253


Bui Tuyen Mai
Preparer


Nguyen Thi Thu Hang
Chief Accountant


Nguyen Thi Tuyen
General Director

Hanoi, 13 March 2020

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

(Indirect method)

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Net profit before corporate income tax	01	142,176,342,877	268,315,354,728
2. Adjustments for:	02	16,942,922,800	11,939,192,105
- Depreciation and amortisation	03	2,451,724,102	4,549,831,178
- Provisions	04	2,183,400,403	192,062,717
- Loan and bond interest expenses	06	43,124,568,583	26,708,531,578
- Gain on investing activities	07	(1,672,906,395)	(2,038,801,922)
- Accrued interest	08	(29,143,863,893)	(17,472,431,446)
3. Additions of non-monetary expenses	10	155,781,666,119	84,162,106,226
- Loss on revaluation of financial assets at FVTPL	11	155,781,666,119	84,162,106,226
4. Deductions of non-monetary income	18	(107,345,147,656)	(136,647,833,635)
- Gain on revaluation of financial assets at FVTPL	19	(107,345,147,656)	(136,647,833,635)
5. Operating profit before movements in working capital	30	207,555,784,140	227,768,819,424
- Decrease/(Increase) in financial assets at FVTPL	31	79,667,908,039	(284,434,161,080)
- (Increase)/Decrease in loans	33	(38,546,102,829)	94,741,295,720
- Decrease in receivables on selling financial assets	35	15,432,000,000	19,999,130,000
- Decrease in dividend and interest accrued and receivables on financial assets	36	18,470,337,841	22,029,375,217
- Decrease/(Increase) in receivables on services provided by the Company	37	649,557,338	(359,795,550)
- (Increase) in other receivables	39	(183,697,907,868)	(666,173,667)
- (Increase) in other assets	40	(351,002,701)	(31,833,313)
- Increase/(Decrease) in accrued expenses (excluding interest expenses)	41	24,447,634	(340,520,087)
- Decrease in prepayments	42	90,165,614	225,929,404
- Corporate income tax paid	43	(22,963,288,714)	(47,652,161,187)
- Interest expenses paid	44	(41,220,723,064)	(34,518,608,833)
- (Decrease)/Increase in trade payables	45	(8,734,180,000)	7,999,611,667
- (Decrease) in employee benefits	46	-	(12,285,351)
- (Decrease) in taxes and amounts payable to the State budget (excluding corporate income tax paid)	47	(128,294,010)	(747,470,588)
- (Decrease) in payables to employees	48	(988,405,959)	(836,000,000)
- (Decrease) in other payables	50	(334,221,108)	(244,363,777)
- Other cash outflows	52	(2,500,000,000)	(1,480,142,612)
Net cash generated by operating activities	60	22,426,074,353	1,440,645,387

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2019

(Indirect method)

Unit: VND

ITEMS	Codes	Current year	Prior year
II. Cash flows from investing activities			
1. Interest earned, dividends and profits received from long-term financial investments	65	675,000,000	375,000,000
Net cash generated by investing activities	70	675,000,000	375,000,000
III. Cash flows from financing activities			
1. Proceeds from share issue and owners' contributed capital	71	200,000,000,000	-
2. Proceeds from borrowings	73	1,181,000,000,000	610,000,000,000
3. Repayment of borrowings	74	(1,256,000,000,000)	(585,000,000,000)
4. Dividends and profits paid	76	-	(36,802,290,000)
Net cash generated by/(used in) financing activities	80	125,000,000,000	(11,802,290,000)
IV. Net cash increase/(decrease) in the year	90	148,101,074,353	(9,986,644,613)
V. Cash and cash equivalents at the beginning of the year	101	3,939,873,002	13,926,517,615
- Cash	101.1	3,939,873,002	13,926,517,615
VI. Cash and cash equivalents at the end of the year	103	152,040,947,355	3,939,873,002
- Cash	103.1	151,040,947,355	3,939,873,002
- Cash equivalents	103.2	1,000,000,000	-

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2019

(Indirect method)

Unit: VND

CASH FLOWS FROM CUSTOMERS' SECURITIES BROKERAGE AND ENTRUSTING ACTIVITIES

ITEMS	Codes	Current year	Prior year
I. Cash flows from customers' securities brokerage and entrusting activities			
1. Cash inflows from selling securities on behalf of customers	01	8,403,981,760,191	17,315,717,304,050
2. Cash outflows for buying securities on behalf of customers	02	(8,404,011,083,716)	(17,315,688,165,800)
3. Cash received for payment for securities transactions of customers	07	16,689,468,680,777	21,807,647,371,808
4. Payments from customers' current accounts	09	(16,685,517,657,725)	(21,819,759,346,907)
Net cash increase/(decrease) in the year	20	3,921,699,527	(12,082,836,849)
II. Cash and cash equivalents at the beginning of the year	30	63,524,304,348	75,607,141,197
Bank deposits at the beginning of the year:	31	63,524,304,348	75,607,141,197
- Investors' bank deposits for securities transactions managed by the Company	32	63,490,649,865	75,602,624,964
- Deposits for general securities trading for customers	33	8,641,685	1,368,386
- Bank deposits offset and paid for securities transactions	34	25,012,798	3,147,847
III. Cash and cash equivalents at the end of the year (40=20+30)	40	67,446,003,875	63,524,304,348
Bank deposits at the end of the year:	41	67,446,003,875	63,524,304,348
- Investors' bank deposits for securities transactions managed by the Company	42	67,446,003,875	63,524,304,348

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Bui Tuyet Mai
Preparer

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Nguyen Thi Thu Hang
Chief Accountant



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

Unit: VND

ITEMS	Notes	Opening balance		Increase/Decrease		Closing balance			
		Prior year	Current year	Prior year	Increase/Decrease	Prior year	Current year		
I. Changes in Owners' equity		924,565,652,543	1,104,319,213,025	311,811,465,530	(132,057,905,048)	518,199,008,339	(201,826,968,730)	1,104,319,213,025	1,420,691,252,634
1. Owners' equity	20	736,045,800,000	809,645,830,000	73,600,030,000	-	351,440,550,000	-	809,645,830,000	1,161,086,380,000
1.1. Owners' contributed capital		736,045,800,000	809,645,830,000	73,600,030,000	-	351,440,550,000	-	809,645,830,000	1,161,086,380,000
2. Charter capital reserve	20,21	14,163,555,772	24,991,348,296	10,827,792,524	-	5,818,601,980	-	24,991,348,296	30,809,950,276
3. Financial and risk reserves	20,21	16,625,817,727	27,453,610,251	10,827,792,524	-	5,818,601,980	-	27,453,610,251	33,272,212,231
4. Other reserves	20,21	2,462,261,955	2,462,261,955	-	-	-	-	2,462,261,955	2,462,261,955
5. Retained earnings	20,21	155,268,217,089	239,766,162,523	216,555,850,482	(132,057,905,048)	155,121,254,379	(201,826,968,730)	239,766,162,523	193,060,448,172
5.1. Realised profit		122,255,551,445	164,764,914,952	174,567,268,555	(132,057,905,048)	155,121,254,379	(163,077,753,960)	164,764,914,952	156,808,415,371
5.2. Unrealised profit		33,012,665,644	75,001,247,571	41,988,581,927	-	-	(38,749,214,770)	75,001,247,571	36,252,032,801
		924,565,652,543	1,104,319,213,025	311,811,465,530	(132,057,905,048)	518,199,008,339	(201,826,968,730)	1,104,319,213,025	1,420,691,252,634

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Bui Tuyet Mai
Preparer

Nguyen Thi Thu Hang

Nguyen Thi Thu Hang
Chief Accountant



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION**Structure of ownership**

IB Securities Joint Stock Company (the "Company") was incorporated in Vietnam, as a joint stock company under Securities Trading License No. 70/UBCK-GP dated 10 December 2007 issued by the State Securities Commission of Vietnam with the original name of Vincom Securities Joint Stock Company and initial charter capital of VND 300,000,000,000. The Company was officially renamed as IB Securities Joint Stock Company under the amended License No. 09/GPDC-UBCK dated 21 May 2014. On 21 June 2019, the State Securities Commission granted the Amended License No. 39/GPDC-UBCK to increase the charter capital of the Company to VND 1,161,086,380,000.

The number of employees as at 31 December 2019 was 63 (31 December 2018: 66).

Operating industry and principal activities

The Company operates in the securities sector.

The principal activities of the Company are to provide securities brokerage, principal investments, securities underwriting and advisory services, securities depository.

Restrictions of investing activities of a securities company

The Company complies with Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 and Circular No. 07/2016/TT-BTC dated 18 January 2016 issued by the Ministry of Finance amending and supplementing the following contents:

A securities company is not allowed to purchase and contribute capital to purchase real estate unless for use as headquarters, branch offices and transaction offices for business operations.

A securities company shall purchase or invest in real estate and fixed assets as stated in Article 44, Clause 1 according to the principle in which the carrying value of fixed assets and real estate should not exceed fifty percent (50%) of the total asset value of the securities company.

A securities company is not allowed to use more than seventy percent (70%) of its owners' equity for investments in corporate bonds. A securities company is licensed to carry out principal investments and may repurchase and re-sell its listed bonds in accordance with prevailing regulations on bond repurchase transactions.

A securities company is not allowed to directly perform or entrust any other entity or individual to perform the following:

- a) Invest in shares or contribute capital to a company that owns more than fifty percent (50%) of the charter capital of the securities company, except for buying odd lots of shares at the request of customers;
- b) Invest, together with related parties or individuals, in more than or equal to five percent (5%) of any other securities company's charter capital;
- c) Invest in more than twenty percent (20%) of the total shares and fund certificates that are in circulation of a listed company;

1. GENERAL INFORMATION (Continued)

Restrictions of investing activities of a securities company (Continued)

- d) Invest in more than fifteen percent (15%) of the total shares and fund certificates that are in circulation of a non-listed company. This regulation is not applicable to member fund certificates, exchange traded funds and open-end funds;
- e) Invest in or contribute capital of more than ten percent (10%) of the total contributed capital of a limited liability company or a business project;
- f) Invest in more than fifteen percent (15%) of its owners' equity in an entity;
- g) Invest in more than seventy percent (70%) of the owners' equity in stocks, equity investment and business projects. Moreover, only investments of twenty percent (20%) of the owners' contributed capital can be made in unlisted stocks, equity investment and business projects.

A securities company is allowed to establish and/or acquire a fund management company as its subsidiary. In this case, the securities company is not required to comply with securities regulations at Points c, d and e, Clause 4 of this Article. A securities company that intends to establish and/or acquire a fund management company as its subsidiary shall meet the following conditions:

- a) Its owners' equity after the establishment and/or acquisition of the fund management company shall be at least equal to the legal capital for the business operations of the company;
- b) The capital adequacy ratio after the establishment and/or acquisition of the fund management company shall be at least one hundred and eighty percent (180%);
- c) The securities company after the establishment and/or acquisition of the fund management company shall ensure compliance with loan restrictions specified in Article 42 and the investment restrictions specified in Clause 3 and Point e, Clause 4 of this Article.

In case where the securities company's investments exceed the limit due to underwriting in the form of a firm commitment, consolidation, merger or changes in assets and/or owners' equity of the securities company or the investor, the securities company shall apply necessary measures to comply with the investment restrictions as stipulated in clauses 2, 3 and 4 of this Article within one (01) year.

Disclosure of information comparability in the financial statements

The comparative figures of the financial statements are the figures of the Company's audited financial statements for the year ended 31 December 2018.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The Company has adopted the accounting regime for securities companies issued by the Ministry of Finance specified in Circular No. 210/2014/TT-BTC dated 30 December 2014 and Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 on accounting guidelines applicable to securities companies. These circulars set out regulations relating to accounting documents, chart of accounts as well as methods of preparation and presentation of financial statements of a securities company.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR (Continued)

Accounting convention (Continued)

The accompanying financial statements are not intended to present the financial position, financial performance, cash flows and changes in equity in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Declaration on compliance with accounting standards and accounting regime

The financial statements of the Company are presented in Vietnam Dong ("VND") in accordance with accounting standards, accounting regulations applicable to securities companies as stipulated in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and legal regulations relating to financial reporting.

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with accounting standards, accounting regime applicable to securities companies as stipulated in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Cash and cash equivalents

Cash comprises cash on hand, bank demand deposits for the Company's payment, and cash equivalents.

Deposit for clearing securities transactions is the amount of a securities company ready to participate in clearing transactions.

Cash equivalents are short-term highly liquid investments with terms of less than 3 months from the date of investment that are readily convertible to known amounts of cash and which are subject to no risk of changes in value as at the reporting date.

3. SUMMARY OF SIGNIFICANT FINANCIAL YEAR (Continued)

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

The financial assets at FVTPL include financial assets held for trading, or other financial assets which are deemed to be more appropriate if classified as at FVTPL.

At the date of initial recognition, financial assets are recognised at cost and being revalued at fair value in the Company's statement of financial position.

Revaluation decrease from financial assets at FVTPL compared to the prior year is recognised in the statement of operations as "Loss on revaluation of financial assets at FVTPL" item. Revaluation increase from financial assets at FVTPL compared to the prior year is recognised in the statement of operations as "Gain on revaluation of financial assets at FVTPL" item.

The cost of purchasing financial assets at FVTPL is recorded as an expense in the statement of operations for such purchase as soon as it is incurred.

Held-to-maturity (HTM) investments

Other long-term investments

Other long-term investments represent the Company's equity investments in other entities over which the Company has no significant influence, control or joint control or significant influence. Other long-term investments are carried at cost less provision for impairments of such investments (if any). Dividends distributed from profit after tax of other long-term investments are recognised in the statement of operations as "Financial income" item.

Provision for impairment of investments in other long-term investments is made in accordance with prevailing accounting regulations.

Loans

Loans are non-derivative financial assets which have fixed or determinable payments, in accordance with the prevailing laws applicable to securities companies. Loans are initially recognised at cost. Subsequently, loans are recognised at amortised costs using effective interest rate method.

Loans are subject to impairment test at the date of financial reporting. Provision for impairment of loans are made based on expected loss, equaling the difference between market value of securities collaterals and loan balances. Increase or decrease in the provisions are recognised in the statement of operations as "Expenses of provision for financial assets, handling of bad debts and losses on financial assets and borrowing cost" item.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of financial assets revaluation

Revaluation of financial assets at FVTPL and available for sale at market value or fair value is implemented by using the method of valuation stipulated by the law. Where there is no market value at the date of the latest transaction, the Company uses fair value to revalue its financial assets. The fair value is determined on the financial assets valuation principle, method or model approved by the Board of Management.

The market value of the securities listed on the Hanoi Stock Exchange and the Ho Chi Minh City Stock Exchange is the closing price at the trading day closest to the date of revaluation.

Regarding securities of companies that are not listed on the stock market but have been registered for public trading of unlisted companies (UPCoM), the market value shall be determined as the closing price at the latest trading day closest to the date of revaluation.

Regarding listed securities that are cancelled or suspended from trading or stopped trading from the 6th trading day, the actual securities prices are the book values at the date of the latest financial statements.

The securities which do not have reference prices from the above sources will be subject to an assessment of the possibility and extent of impairment based on a review of the financial position and book value of the issuer as at 31 December 2019.

Provision for impairment of financial assets

The Company makes a provision for impairment of held-to-maturity financial assets and available-for-sale financial assets when there is objective evidence of impairment of financial assets as stipulated in Circular 210.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Receivables include receivables from securities trading, investors advisory, accrued interest on financial services, and receivables from other services.

Receivables from securities trading activities: Receivables from securities trading activities include receivables from investors in securities transactions for brokerage fees and securities depository fees.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Current year</u> Years
Buildings and structures	04 - 05
Office equipment	03 - 05
Motor vehicles	10
Others	03

Intangible assets and amortization

Intangible assets represent computer software that is initially stated at the purchase price. Software is amortised using the straight-line method over the duration of 3 to 5 years.

Prepayments

Prepayments comprise costs of small tools, supplies and others which are expected to provide future economic benefits to the Company. These expenditures are allocated to the statement of operations using the straight-line method in accordance with the current prevailing accounting regulations but not exceeding 03 years for asset repair and maintenance expenses and 02 years for tools and dies issued for consumption or in terms of the duration of using the services for prepaid service.

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental expenses are charged to the statement of operations on a straight-line basis over the term of the relevant lease.

Payables for securities trading activities

Payables for securities trading activities include payables for fees of securities trading, securities services for the Stock Exchanges, Vietnam Securities Depository and other payables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Investments in financial instruments

Revenue from investments in financial instruments includes gains on financial assets at FVTPL, gain on investments held to maturity, interest income on loans and receivables, interest from available-for-sale financial assets recognizing the difference between sale of financial assets by the securities company (which is recorded based on the notice of the result of clearing transaction of the Vietnam Securities Depository), and dividends, interest of bonds and interest income from financial assets (earnings per share are recognised in the statement of operations on the basis of the profit sharing announced by the entity whose interest the Company holds; interest income from bonds and interests from joint ventures and associates is recognised in the statement of operations on an accrual basis).

Securities brokerage for investors and securities depository

Revenue from securities brokerage for investors and securities depository is recognised in the statement of operations when all four (04) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the stage of completion at the date of statement of financial position can be measured reliably and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Issuance underwriting activities and securities issuance agents

Revenue from issuance underwriting activities and securities issuance agents is recognised in the statement of operations when the notification for securities issue result is made.

Advisory activities

Revenue from advisory activities is recognised in the statement of operations when the services are rendered, the revenue and expenses arising for and to complete these transactions are measured reliably.

Other revenue

Other revenue is recognised in the statement of operations on an accrual basis.

Where revenue is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion or on a straight-line basis over the period of rendering service. Unallocated amount is recognised as unrealised profit in the statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating expenses

Operating expenses include losses and expenses for purchase of financial assets, principal investment and the expenses for providing services.

Losses and expenses for purchase of financial assets are losses due to the sale of financial assets at FVTPL, the cost of acquiring financial assets at FVTPL, expenses of provision for financial assets, the handling of bad debts and losses on financial assets and borrowing cost and losses and impairment of financial assets in the financial assets portfolio of the Company.

Expenses for providing services are the costs of providing direct services of securities companies, including expenses for principal activities, securities brokerage fees, expenses for underwriting activities, securities issue expense, advisory fees and other operating expenses.

General and administrative expenses

General and administrative expenses reflect general management expenses of a securities company, including salaries and additional payroll-related expenses of management staff, expenses of office materials, tools, equipment, depreciation of fixed assets, expenses of outsourced services and other cash expenses used for management activities.

Borrowing costs

Borrowing costs are recognised in the statement of operations in the period when incurred unless they are capitalized in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalized even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of operations because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred income tax is determined at the tax rate that is expected to apply to the year the property is recovered or the liability is paid. Deferred tax is recorded in the statement of operations unless it relates to items recognised directly to equity. In that case, deferred income tax is also recorded directly to equity.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to the statement of operations, except when it relates to items charged or credited 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 tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	23,595,843	3,000,000
Bank deposits for the Company's payments	151,011,998,601	3,906,527,785
Deposits for clearing and settlement of securities transactions	5,352,911	30,345,217
Cash equivalents (*)	1,000,000,000	-
	152,040,947,355	3,939,873,002

(*) Represent bank deposits with original terms not exceeding 03 months.

5. REPORT ON SECURITIES TRANSACTIONS DURING THE YEAR

	Number of shares	Value of transactions
	Shares	VND
The Company's securities	60,273,718	10,513,608,902,748
Shares	45,972,057	1,223,823,806,000
Bonds	14,180,361	8,144,564,763,175
Other securities	121,300	1,145,220,333,573
The Investors' securities	991,222,437	13,489,609,036,156
Shares	990,892,047	13,455,769,388,056
Bonds	325,050	33,765,159,500
Other securities	5,340	74,488,600

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

FORM B09-CTCK

6. FINANCIAL ASSETS

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Financial assets at FVTPL				
Listed shares	46,990,695,797	47,347,312,220	142,191,415,585	161,582,446,070
Un-listed shares	227,685,542,267	256,766,209,837	169,100,188,846	227,582,960,817
Un-listed bonds	662,854,924,207	662,854,924,207	705,907,465,879	705,907,465,879
Fund certificates	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Total	947,531,162,271	976,968,446,264	1,027,199,070,310	1,105,072,872,766
Loans				
Margin loans	368,997,023,092	not applicable	338,275,670,066	not applicable
Loans of advances for customers	16,584,459,002	not applicable	8,759,709,199	not applicable
Total	385,581,482,094		347,035,379,265	

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

FORM B09-CTCK

6. FINANCIAL ASSETS (Continued)

Movements of market values of financial assets as at 31 December 2019 are as follows:

Unit: VND

No. Financial assets	Purchase price	Market value or fair value	Revaluation	
			Increase	Decrease
I Total	947,531,162,271	976,968,446,264	107,345,147,656	(155,781,666,119)
1 Listed shares	46,990,695,797	47,347,312,220	68,274,457,908	(80,738,425,092)
2 Un-listed shares	227,685,542,267	256,766,209,837	39,070,689,748	(75,043,241,027)
3 Un-listed bonds	662,854,924,207	662,854,924,207	-	-
4 Fund certificates	10,000,000,000	10,000,000,000	-	-
II Loans and receivables	385,581,482,094	not applicable		
Total	1,333,112,644,365		107,345,147,656	(155,781,666,119)

Movements of market values of financial assets as at 31 December 2018 are as follows:

Unit: VND

No. Financial assets	Purchase price	Market value or fair value	Revaluation	
			Increase	Decrease
I Total	1,027,199,070,310	1,105,072,872,766	136,647,833,635	(84,162,106,226)
1 Listed shares	142,191,415,585	161,582,446,070	60,291,112,380	(68,424,563,310)
2 Un-listed shares	169,100,188,846	227,582,960,817	76,356,721,255	(15,737,542,916)
3 Un-listed bonds	705,907,465,879	705,907,465,879	-	-
4 Fund certificates	10,000,000,000	10,000,000,000	-	-
II Loans and receivables	347,035,379,265	not applicable		
Total	1,374,234,449,575		136,647,833,635	(84,162,106,226)

6. FINANCIAL ASSETS (Continued)

Provision for impairment of financial assets and collaterals

	Closing balance	Opening balance
	VND	VND
Provision for impairment of margin loans	(2,754,214,523)	(129,830,330)
	(2,754,214,523)	(129,830,330)

7. RECEIVABLES

	Closing balance	Opening balance
	VND	VND
1. Receivables from the sale of investments (*)	-	15,432,000,000
2. Dividend and interest accrued and receivables on financial assets	29,143,863,893	17,472,431,446
<i>In which:</i>		
<i>Interest receivables from un-listed bonds</i>	24,625,754,961	12,849,241,669
<i>Interest receivables from term deposits</i>	8,432,876	-
<i>Interest receivables from margin activities</i>	4,509,676,056	4,623,189,777
3. Receivables from services provided by the Company	14,412,433,437	15,061,990,775
<i>In which:</i>		
<i>Receivables from securities brokerage</i>	67,650,256	76,016,921
<i>Receivables from securities depository</i>	955,400,045	793,231,470
<i>Doubtful receivables from provided services (**)</i>	13,389,383,136	14,192,742,384
4. Other receivables	430,779,850	132,849,491
5. Provision for impairment of receivables (**)	(12,180,667,830)	(12,621,651,620)
	31,806,409,350	35,477,620,092
<i>In which:</i>		
<i>Recoverable amount of receivables</i>	31,806,409,350	35,477,620,092

(*) Represent receivable from the sale of financial assets of which order matching transactions had been made at the end of 2018. In the next year (day T+2), the Company was paid and such receivable was not incurred in 2019.

(**) Represent receivables from margin loans of former clients of Vincom Securities Joint Stock Company (the Company's previous name) from 2014 backwards which have been fully made provision for.

8. ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Advances for buying bonds (*)	184,176,484,865	779,124,753
Others	37,384,847	35,067,450
	<u>184,213,869,712</u>	<u>814,192,203</u>

(*) Represent deposits to investors for purchasing securities.

9. OTHER LONG-TERM INVESTMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Other long-term investments	1,500,000,000	1,500,000,000

This is a long-term investment in Air Cargo Services Joint Stock Company ("ACS"). The total capital contribution is VND 25 billion, of which the Company's contributed capital is VND 1.5 billion and the portion of capital contribution of Mr. Nguyen Trong Son – partner of the Company under the investment cooperation contract is VND 23.5 billion which is presented in "Other long-term assets" and "Other long-term payables" items in the financial statements.



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

FORM B09-CTCK

10. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
COST					
Opening balance	11,560,232,004	2,679,053,700	1,473,969,599	1,294,244,014	17,007,499,317
Reclassification	276,091,260	-	(276,091,260)	-	-
Closing balance	11,836,323,264	2,679,053,700	1,197,878,339	1,294,244,014	17,007,499,317
ACCUMULATED DEPRECIATION					
Opening balance	11,268,314,525	1,255,903,417	959,741,941	1,074,944,891	14,558,904,774
Charge for the year	436,534,091	267,905,376	127,723,075	155,635,080	987,797,622
Closing balance	11,704,848,616	1,523,808,793	1,087,465,016	1,230,579,971	15,546,702,396
NET BOOK VALUE					
Opening balance	291,917,479	1,423,150,283	514,227,658	219,299,123	2,448,594,543
Closing balance	131,474,648	1,155,244,907	110,413,323	63,664,043	1,460,796,921

The cost of tangible fixed assets includes VND 10,771,308,935 of assets which have been fully depreciated but are still in use as at 31 December 2019 (31 December 2018: VND 10,419,975,858).

11. INCREASE, DECREASE IN INTANGIBLE ASSETS

	<u>Computer software</u>	<u>Total</u>
	VND	VND
COST		
Opening balance	11,990,456,371	11,990,456,371
New purchases	-	-
Closing balance	11,990,456,371	11,990,456,371
ACCUMULATED DEPRECIATION		
Opening balance	9,774,258,499	9,774,258,499
Charge for the year	1,463,926,480	1,463,926,480
Closing balance	11,238,184,979	11,238,184,979
NET BOOK VALUE		
Opening balance	2,216,197,872	2,216,197,872
Closing balance	752,271,392	752,271,392

The cost of intangible assets includes VND 4,851,199,371 of assets that have been fully amortised but are still in use as at 31 December 2019 (31 December 2018: VND 537,694,560).

12. DEPOSIT TO PAYMENT SUPPORT FUND

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Initial deposits	120,000,000	120,000,000
Additional deposits	6,997,947,886	4,830,485,863
Allocated interest	2,044,356,577	1,711,818,600
	9,162,304,463	6,662,304,463

13. SHORT-TERM LOANS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Short-term loans	180,000,000,000	80,000,000,000

The short-term loans as at 31 December 2019 represent loans from two banks:

- Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") amounting to VND 80 billion with fixed interest rate of 8.5% per annum, and term of 01 month. Techcombank has granted this loan with no collaterals.
- Woori Bank Vietnam Limited ("Woori Bank") amounting to VND 100 billion with fixed interest rate of 10.5% per annum, and term of 04 months. The loan is secured by the shares of Vietnam Electrical Equipment Joint Stock Corporation (GEX).

14. BONDS ISSUED

	Closing balance	Opening balance
	VND	VND
Short-term issued bonds	-	200,000,000,000
Long-term issued bonds	100,000,000,000	75,000,000,000
	100,000,000,000	275,000,000,000

In 2019, the Company issued 2,000 3-year, non-convertible bonds with no collateral, par value of VND 100 million per bond to fund securities trading, margin loans, capital for other activities of the Company. The bond interest is floating with the first-period interest of 10.5% per annum.

As at 31 December 2019, the total par value of long-term issued bonds was VND 100 billion, with floating interest rates of 10.5% per annum for the first period, interest adjusted and paid every 6 months (as at 31 December 2018 was 9.5% – 10.5% per annum).

15. PAYABLES FOR SECURITIES TRADING ACTIVITIES

	Closing balance	Opening balance
	VND	VND
Payables to the Stock Exchanges	305,241,271	347,663,280
Payables to the Vietnam Securities Depository (VSD)	222,809,011	287,792,330
	528,050,282	635,455,610

16. SHORT-TERM TRADE PAYABLES AND SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance	Opening balance
	VND	VND
Short-term trade payables		
Payables of principal investment	1,821,660,000	374,840,000
	1,821,660,000	374,840,000
Short-term advances from customers		
Advances from customers related to sale of securities (*)	-	10,200,000,000
Payables of services provided by the Company	230,000,000	211,000,000
	230,000,000	10,411,000,000

(*) Represent deposit for buying bonds at 31 December 2018. As at 31 December 2019, there was no similar transaction incurred.

17. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Closing balance	Opening balance
	VND	VND
Corporate income tax	20,548,476,928	8,020,158,681
Personal income tax	625,496,318	753,790,328
	21,173,973,246	8,773,949,009

18. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Accrued interest on issued bonds	3,797,260,274	4,162,817,494
Accrued interest payable to credit institutions	2,533,424,657	264,021,918
Other accruals	385,117,786	360,670,152
	6,715,802,717	4,787,509,564

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IB SECURITES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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19. OWNERS' EQUITY

Changes in owners' equity

	Owners' contributed capital	Charter capital reserve	Financial and risk reserves	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Opening balance	736,045,800,000	14,163,555,772	16,625,817,727	2,462,261,955	155,268,217,089	924,565,652,543
Profit in the year	-	-	-	-	216,555,850,482	216,555,850,482
Share dividends	73,600,030,000	-	-	-	(73,600,030,000)	-
Profit distributions	-	10,827,792,524	10,827,792,524	-	(21,655,585,048)	-
Dividend declared	-	-	-	-	(36,802,290,000)	(36,802,290,000)
Opening balance	809,645,830,000	24,991,348,296	27,453,610,251	2,462,261,955	239,766,162,523	1,104,319,213,025
Capital increase	200,000,000,000	-	-	-	-	200,000,000,000
Profit in the year	-	-	-	-	116,372,039,609	116,372,039,609
Share dividends	151,440,550,000	-	-	-	(151,440,550,000)	-
Profit distributions	-	5,818,601,980	5,818,601,980	-	(11,637,203,960)	-
Closing balance	1,161,086,380,000	30,809,950,276	33,272,212,231	2,462,261,955	193,060,448,172	1,420,691,252,634

As at 22 January 2019, the Company had a private placement of 20 million shares to increase its charter capital under the Resolution of the General Meeting of Shareholders on 17 April 2018. The number of successful shares offered were 20 million with average selling price of VND 10,000/share. The shares issued from this private placement are restricted for transfer within 1 year from the date of completion of the offering.

On 31 May 2019, the Company issued shares to pay 2018 dividends at the payout ratio of 100:15 under the Resolution of the Annual General Meeting of Shareholders on 10 April 2019; accordingly, the number of additional shares issued is 15,144,055 with equivalent value of VND 151,440,550,000.

19. OWNERS' EQUITY (Continued)

	Closing balance		Opening balance	
	Number of shares	VND	Number of shares	VND
Authorised share capital	116,108,638	1,161,086,380,000	80,964,583	809,645,830,000
Issued share capital				
Ordinary shares	116,108,638	1,161,086,380,000	80,964,583	809,645,830,000
Shares in circulation				
Ordinary shares	116,108,638	1,161,086,380,000	80,964,583	809,645,830,000

20. PROFIT DISTRIBUTION TO THE SHAREHOLDERS

	Current year	Prior year
	VND	VND
Prior year's realised and undistributed profit	164,764,914,952	122,255,551,445
Realised profit in the current year	155,121,254,379	174,567,268,555
Charter capital reserve	(5,818,601,980)	(10,827,792,524)
Financial and risk reserves	(5,818,601,980)	(10,827,792,524)
Cash dividends	-	(36,802,290,000)
Share dividends	(151,440,550,000)	(73,600,030,000)
Realised undistributed profit at the end of the year	156,808,415,371	164,764,914,952

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

FORM B09-CTCK

21. INCOME

21.1 GAIN/LOSS ON SALES OF FINANCIAL ASSETS

Unit: VND

No.	Investment portfolio	Amount	Sale value	Weighted average cost price until the end of trading day	Current year's profit on securities sale	Prior year's profit on securities sale
1	Listed shares	13,818,450	341,029,447,000	288,807,492,640	52,221,954,360	61,205,641,008
2	Un-listed shares	5,373,300	184,656,710,000	130,212,831,404	54,443,878,596	46,588,647,935
3	Un-listed bonds	3,370	1,711,574,771,430	1,679,436,677,287	32,138,094,143	14,549,326,056
4	Listed bonds	2,635,000	299,929,735,000	296,055,210,000	3,874,525,000	11,011,184,500
5	Monetary market instruments	10,650	570,530,908,573	570,379,725,000	151,183,573	83,862,037
6	Warrants	-	-	-	-	6,586,520,640
7	Other financial assets	100,000	4,309,700,000	-	4,309,700,000	-
					147,139,335,672	140,025,182,176

No.	Investment portfolio	Amount	Sale value	Weighted average cost price until the end of trading day	Current year's loss on securities sale	Prior year's loss on securities sale
1	Listed shares	6,367,800	143,549,060,000	148,285,589,626	(4,736,529,626)	(3,974,714,982)
2	Un-listed shares	313,925	8,543,250,000	15,354,791,697	(6,811,541,697)	(696,870,000)
3	Listed bonds	4,450,000	480,430,350,000	480,510,600,000	(80,250,000)	-
4	Un-listed bonds	1,645	1,570,241,424,003	1,606,062,509,116	(35,821,085,113)	(9,209,128,726)
					(47,449,406,436)	(13,880,713,708)

**IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

FORM B09-CTCK

21. INCOME (Continued)

21.2 GAIN/LOSS ON REVALUATION OF FINANCIAL ASSETS

Unit: VND

No. Financial assets	Purchase price per book	Market value or Fair value	Revaluation differences closing balance	Revaluation increase in the year	Revaluation decrease in the year	Revaluation differences opening balance
I Financial assets at FVTPL	947,531,162,271	976,968,446,264	29,437,283,993	107,345,147,656	(155,781,666,119)	77,873,802,456
1 Listed shares	46,990,695,797	47,347,312,220	356,616,423	68,274,457,908	(80,738,425,092)	12,820,583,607
SCI JSC.	13,706,573,516	17,753,771,500	4,047,197,984	3,374,193,221	-	673,004,763
Electrical Equipment JSC.	12,994,980,500	14,650,800,000	1,655,819,500	2,748,207,182	(1,092,391,682)	4,000
Simco Song Da JSC.	7,269,120,683	2,987,130,300	(4,281,990,383)	452,595,500	(2,081,939,300)	(2,652,646,583)
Quang Binh Import and Export JSC.	6,082,402,000	6,082,402,000	-	167,790,400	(167,790,400)	-
MHC JSC.	4,194,487,883	2,456,034,000	(1,738,453,883)	-	(1,287,558,590)	(450,895,293)
Others	2,743,131,215	3,417,174,420	674,043,205	61,531,671,605	(76,108,745,120)	15,251,116,720
2 Un-listed shares	227,685,542,267	256,766,209,837	29,080,667,570	39,070,689,748	(75,043,241,027)	65,053,218,849
DAP - VINACHEM JSC.	41,163,176,222	44,249,762,100	3,086,585,878	-	(23,763,712,135)	26,850,298,013
Dong Anh Electrical Equipment Manufacturing JSC	128,223,795,171	156,842,784,000	28,618,988,829	26,409,973,928	(15,253,150,857)	17,462,165,758
Vinaconex Clean Water JSC.	25,959,181,278	24,781,800,000	(1,177,381,278)	5,934,510,000	(5,809,871,237)	(1,302,020,041)
VIWACO JSC.	18,753,537,658	25,438,800,000	6,685,262,342	2,993,000,000	(10,250,962,658)	13,943,225,000
Idico-Petroleum Trading Construction Investment JSC.	2,562,060,000	2,478,840,000	(83,220,000)	-	(83,220,000)	-
K.I.P Vietnam JSC.	10,880,000,000	2,801,600,000	(8,078,400,000)	54,400,000	(9,492,800,000)	1,360,000,000
Others	143,791,938	172,623,737	28,831,799	3,678,805,820	(10,389,524,140)	6,739,550,119
3 Un-listed bonds	662,854,924,207	662,854,924,207	-	-	-	-
4 Fund certificates	10,000,000,000	10,000,000,000	-	-	-	-
II Loans and receivables	385,581,482,094	not applicable				
Total	1,333,112,644,365		29,437,283,993	107,345,147,656	(155,781,666,119)	77,873,802,456

21. INCOME (Continued)

21.3 DIVIDEND AND INTEREST ON FINANCIAL ASSETS, RECEIVABLES AND LOANS, AVAILABLE-FOR-SALE ASSETS

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
From financial assets at FVTPL	103,098,238,283	58,444,742,767
Coupon	90,005,007,783	47,025,105,160
Dividends	13,093,230,500	11,419,637,607
From loans and receivables	47,767,501,157	55,360,579,089
Interest on margin loans	45,379,672,360	50,506,609,279
Interest on advances on the sale of securities for customers	2,387,828,797	4,853,969,810
	<u>150,865,739,440</u>	<u>113,805,321,856</u>

21.4 INCOME OTHER THAN FROM THE SALE OF FINANCIAL ASSETS

There is no revenue deduction related to income other than from the sale of financial assets.

22. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Demand deposit interest	994,216,901	1,661,802,714
Dividend earned and accrued	675,000,000	375,000,000
Other financial income	3,689,494	1,999,208
	<u>1,672,906,395</u>	<u>2,038,801,922</u>

23. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expenses on issued bonds	36,262,382,278	24,636,650,813
Interest expenses	6,862,186,305	2,071,880,765
	<u>43,124,568,583</u>	<u>26,708,531,578</u>

24. GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Employee and welfare expenses	7,597,675,725	7,878,850,853
Social insurance, health insurance, union fee and unemployment insurance	587,490,000	556,975,000
Tools and supplies expenses	122,497,873	232,655,141
Office rental expenses	3,478,169,998	3,848,660,909
Depreciation and amortization expenses	1,020,317,026	1,040,667,756
Taxes, fees and levies	951,784,635	1,629,170,714
Outsourced service expenses	3,109,167,912	3,366,029,123
Other expenses	2,257,911,719	2,407,874,690
	19,125,014,888	20,960,884,186

25. OTHER INCOME AND EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Other income	2,776,003,964	12,483,942,927
Income from penalties and contract deposits	2,776,003,964	12,448,972,462
Income from sale and disposal of fixed assets	-	34,970,465
Other expenses	97,986,309	1,614,931,516
Others	97,986,309	1,614,931,516

26. CORPORATE INCOME TAX

Current corporate income tax

	Current year	Prior year
	VND	VND
Profit before tax	142,176,342,877	268,315,354,728
Adjustments for taxable profit		
Less:		
- Non-taxable profit	(13,768,230,500)	(11,794,637,607)
Add:		
- Non-deductible expenses	613,403,971	406,406,665
- Administrative fines	-	450,000,000
- Depreciation expenses due to exceeding frame	-	1,420,397,444
Net revaluation of financial assets at FVTPL	48,436,518,463	(52,485,727,409)
Taxable profit	177,458,034,811	206,311,793,821
Tax rate	20%	20%
Current corporate income tax	35,491,606,961	41,262,358,764
Corporate income tax	35,491,606,961	41,262,358,764

Deferred corporate income tax

	Current year	Prior year
	VND	VND
Loss on revaluation of financial assets at FVTPL	(155,781,666,119)	(84,162,106,226)
Gain on revaluation of financial assets at FVTPL	107,345,147,656	136,647,833,635
Taxable temporary differences	(48,436,518,463)	52,485,727,409
Tax rate applicable for deferred tax	20%	20%
Deferred corporate income tax in the year	(9,687,303,693)	10,497,145,482

Movements of deferred tax liabilities in the year are as follows:

	Current year	Prior year
	VND	VND
Deferred tax liabilities		
Opening balance	18,750,311,893	8,253,166,411
Deferred income tax arising from differences in revaluation of financial assets at FVTPL	(9,687,303,693)	10,497,145,482
Closing balance	9,063,008,200	18,750,311,893

27. BASIC EARNINGS PER SHARE

Basic earnings per share for the financial year ended 31 December 2019 is calculated based on the profit attributable to ordinary shares holders and the weighted average number of outstanding ordinary shares in circulation. Details are as follows:

	Current year	Prior year
Net profit used to calculate basic earnings per share (VND)	116,372,039,609	216,555,850,482
Weighted average number of ordinary shares in circulation (shares)	112,108,638	96,108,638
Basic earnings per share (VND)	1,038	2,253

Adjustment of the weighted average number of shares

In the fiscal year ended 31 December 2019, IB Securities Joint Stock Company paid stock dividends, resulting in retrospective adjustment of the weighted average number of ordinary shares in circulation of the financial year ended 31 December 2018 as follows:

	Weighted average number of shares	Basic earning per share
Outstanding ordinary shares in circulation at the beginning of the year	80,964,583	2,675
Effect of stock dividends issued during the year	15,144,055	(421)
Adjusted basic EPS	96,108,638	2,253

28. NOTES TO THE OFF-STATEMENT OF FINANCIAL POSITION ITEMS

28.1 CUSTOMER DEPOSITS

	Closing balance	Opening balance
	VND	VND
1. Investors' deposits for securities transactions managed by the Company	67,441,672,917	63,490,649,865
1.1. Domestic investors' deposits for securities transactions managed by the Company	67,434,821,986	62,954,086,229
1.2. Foreign investors' deposits for securities transactions managed by the Company	6,850,931	536,563,636
2. Deposits for general securities trading for customers	1,473,914	8,641,685
3. Investors' deposits off-set and paid for securities transactions	2,857,044	25,012,798
3.1. Domestic investors' deposits off-set and paid for securities transactions	1,227,270	1,226,410
3.2. Foreign investors' deposits off-set and paid for securities transactions	1,629,774	23,786,388
	67,446,003,875	63,524,304,348

28.2 PAYABLES TO INVESTORS

	Closing balance	Opening balance
	VND	VND
1. Payables to investors for deposits for securities transactions managed by the Company	26,605,671,972	42,181,192,460
1.1. Domestic investors	26,605,671,972	42,181,192,460
2. Payables to customers related to securities trading	40,840,331,903	21,343,111,888
2.1. Payables to VSD on customers' clearing settlement	40,817,404,200	21,300,702,900
2.2. Other payables of customers	22,927,703	42,408,988
	67,446,003,875	63,524,304,348

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

List of related parties having significant transactions and balances with the Company in the year

FTG Vietnam JSC	Major shareholder
Vietnam Electrical Equipment Corporation (GEX)	Key management personnel is family member
Gelex Energy Company Limited	Key management personnel is family member
Gelex Electrical Equipment Company Limited	Key management personnel is family member
Vietnam Electric Cable JSC (CAV)	Key management personnel is family member
Electrical Equipment JSC (THI)	Key management personnel is family member
Viglacera Corporation - JSC (VGC)	Key management personnel is family member
CADIVI Northern Company Limited	Co-affected significantly influenced by family members
CADIVI Dong Nai Company Limited	Co-affected significantly influenced by family members

During the year, the Company entered into the following significant transactions with its related parties:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
FTG Vietnam JSC		
Revenue from securities depository service	72,066,215	46,218,212
Other revenue	-	6,053,750
Vietnam Electrical Equipment Corporation (GEX)		
Revenue from financial advisory activities	-	900,000,000
Revenue from securities depository service	33,127	23,783,166
Revenue from securities brokerage activities	5,279,068	258,013,795
Other revenue	62,114	812,533,000
Settlement before maturity of long-term bonds issued by the Company	-	200,000,000,000
Interest expense of issued bonds	-	12,510,180,540
Office rental costs	2,484,188,180	2,843,824,546
Gelex Energy Company Limited		
Purchasing securities from the Company	391,667,161,585	138,170,616,430
Selling securities to the Company	613,913,603,266	256,416,431,483
Purchasing bonds issued by the Company	10,000,000,000	-
Margin borrowing from the Company	-	91,001,913,654
Revenue from selling bonds	12,457,197,292	2,027,671,230
Revenue from transferring bonds	6,300,000	-
Gelex Electrical Equipment Company Limited		
Purchasing securities from the Company	57,394,767,105	-
Selling securities to the Company	20,329,687,678	-
Gain from selling securities	877,660,600	778,600,000
Revenue from bond issue fee	1,350,000,000	-
Revenue from transferring ownership of stocks	193,469,015	1,650,000

During the year, the Company entered into the following significant transactions with its related parties (continued):

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
CADIVI Northern Company Limited		
Purchasing securities from the Company	53,496,745,224	-
Selling securities to the Company	54,281,945,224	-
Gain from selling securities	1,095,991,255	-
CADIVI Dong Nai Company Limited		
Transfer of the right to receive proceeds from selling securities.	-	341,929,017,737
Fee from transferring the right to receive proceeds from selling securities	-	306,546,763

Related party balances as at the financial position date are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Vietnam Electrical Equipment Corporation (GEX)		
GEX shares	-	133,957,020,150
Vietnam Electric Cable JSC (CAV)		
CAV shares	352,374,000	1,961,370,000
Electrical Equipment JSC (THI)		
THI shares	14,650,800,000	390,000
Viglacera Corporation - JSC (VGC)		
VGC shares	644,000,000	-

Remuneration paid to the Company's Board of Directors and Board of Management during the year was as follows:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Remuneration of the Board of Directors, salaries and bonuses of the Board of Management	2,378,294,505	2,340,450,163

**IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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30. SEGMENT REPORTING

Items	Securities brokerage	Principal investments	Advisory and underwriting activities	Depository activities	Total
	VND	VND	VND	VND	VND
This year					
1. Total net operating revenue	68,592,090,523	357,582,721,611	7,579,027,397	3,221,393,992	436,975,233,523
2. Unallocated revenue	-	-	-	-	4,448,910,359
3. Direct expenses	18,086,624,264	205,147,458,283	8,111,587,300	5,554,561,378	236,900,231,225
4. Allocated depreciation, expenses	3,002,057,444	15,650,257,383	331,709,902	140,990,159	19,125,014,888
5. Unallocated expenses	-	-	-	-	43,222,554,892
Profit/(loss) before tax	47,503,408,815	136,785,005,945	(864,269,805)	(2,474,157,545)	142,176,342,877
Closing balance					
1. Assets directly attributable to the segment	10,438,670,025	1,599,589,580,201	519,537,960	955,400,045	1,611,503,188,231
2. Allocated assets	24,285,515,560	126,604,695,722	2,683,408,340	1,140,557,363	154,714,176,985
3. Unallocated assets	-	-	-	-	23,595,843
Total assets	34,724,185,585	1,726,194,275,923	3,202,946,300	2,095,957,408	1,766,240,961,059
1. Liabilities directly attributable to the segment	305,241,271	303,500,000,000	8,914,966,054	222,809,011	312,943,016,336
2. Allocated liabilities	5,118,279,032	26,682,495,495	565,540,089	240,377,472	32,606,692,089
3. Unallocated liabilities	-	-	-	-	-
Total liabilities	5,423,520,303	330,182,495,495	9,480,506,143	463,186,483	345,549,708,425

30. SEGMENT REPORTING (Continued)

For the purpose of management, the business activities of the Company are divided into: Securities Brokerage, Principal investments, Advisory, Underwriting, and Depository activities. The Company prepares segment reports in terms of these business divisions.

Segmental revenue: revenue presented in the statement of operations of the Company is either directly attributable to or allocated to the segment, including revenue from rendering of services outside of the Company.

Segmental expenses: expenses presented in the statement of operations of the Company are either directly attributable to or allocated to the segment, including expenses from the rendering of services outside of the Company and expenses related to the Company's inter-transactions.

Segmental assets: Assets being used by that segment in its production and business activities and directly attributable or allocated to it.

Segmental liabilities: Liabilities of that segment arising in its production and business activities and directly attributable or allocated to it.

The method of allocating assets, liabilities, revenues and expenses for the segments depends on the nature of the item or activity that the segment implements and the autonomy of the segment. The Company allocates its assets, liabilities, and general expenses in proportion to the segment's share of the total service revenue of the Company.

31. SUBSEQUENT EVENTS

On 03 February 2020, the Board of Directors' Resolution No. 01/2020/IBSC/NQ-HDQT approved the plan for early repurchase of all bonds of IB Securities Joint Stock Company issued on 22 February 2019 with a total circulation value of VND 100 billion.

On 17 February 2020, the Board of Directors' Resolution No. 03/2020/IBSC/NQ-HDQT approved the private placement of bonds and the plan for the first private placement of bonds in 2020. Accordingly, the total maximum par value of bonds issued that are non-convertible, secured, without warrant is VND 200,000,000,000. Term and interest rate of the bonds are expected to be 02 years and not exceeding 12% per annum, respectively. The interest rate adjustment period, interest calculation period and interest payment period are every 6 months.

Bui Tuyet Mai
Preparer

Nguyen Thi Thu Hang
Chief Accountant



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020