

IB SECURITIES JOINT STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED FINANCIAL
SAFETY RATIO REPORT**

As at 31 December 2019



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To: The State Securities Commission of Vietnam
FINANCIAL SAFETY RATIO REPORT

As at 31 December 2019

We hereby confirm that:

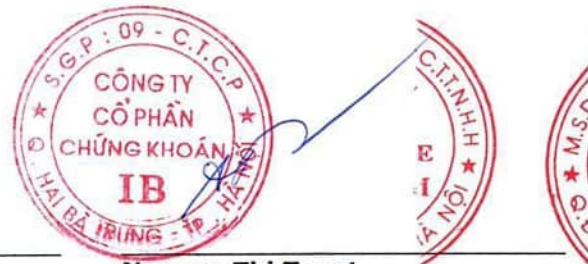
- The report is prepared based on the data obtained as at the reporting date in compliance with Circular No. 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance on the financial safety ratio and the handling measures for the securities-trading institutions that fail to achieve the financial safety ratio;
- Any subsequent events that could have effects on the financial position of the Company will be updated in the report over the next reporting period;
- We take full responsibility to the Law for the accuracy and truthfulness of the report.



Nguyen Thi Thu Hang
Chief Accountant



Duong Thi Kim Oanh
In charge of
Internal Control Division



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020

No: *06/6* /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL SAFETY RATIO REPORT

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

We have audited the financial safety ratio report as at 31 December 2019 (the "Financial safety ratio report") of IB Securities Joint Stock Company (the "Company"), prepared on 13 March 2020 as set out from page 04 to page 18. The accompanying report is prepared in accordance with Circular No. 87/2017/TT-BTC dated 15 August 2017 ("Circular No. 87/2017/TT-BTC") issued by the Ministry of Finance on the financial safety ratio and the handling measures for the securities-trading institutions that fail to achieve the financial safety ratio.

Board of Management's Responsibility for the Financial Safety Ratio Report

The Board of Management is responsible for the preparation and fair presentation of the financial safety ratio report in accordance with the regulations of Circular No. 87/2017/TT-BTC of the Ministry of Finance on the financial safety ratio and the handling measures for the securities-trading institutions that fail to achieve the financial safety ratio and for such internal control as the Board of Management determines is necessary to enable the preparation of the financial safety ratio report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial safety ratio report 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 safety ratio report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial safety ratio report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial safety ratio report, 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 safety ratio report 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 safety ratio report.

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



INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL SAFETY RATIO REPORT (Continued)

Opinion

In our opinion, the financial safety ratio report gives a true and fair view of the financial safety ratio of the Company as at 31 December 2019 in accordance with regulations relating to the preparation and presentation of the financial safety ratio report as stipulated in Circular No. 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance on the financial safety ratio and the handling measures for the securities-trading institutions that fail to achieve the financial safety ratio.

Report convention and restrictions on the recipients and users of the financial safety ratio report

Without modifying our opinion, we draw users' attention to Note 02 of the Notes to the financial safety ratio report, which describes financial safety ratio report convention. The financial safety ratio report describes the significant policies for the preparation of financial safety ratio report. This financial safety ratio report is prepared to assist the Company in meeting the requirements of the competent State authorities as stipulated in Circular No. 87/2017/TT-BTC of the Ministry of Finance dated 15 August 2017 on the financial safety ratio and the handling measures for the securities-trading institutions that fail to achieve the financial safety ratio. As a result, this financial safety ratio report may not be appropriate for other purposes.



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

SUMMARY OF RISK VALUE AND LIQUID CAPITAL

As at 31 December 2019

Unit: VND

No.	Items	Notes	31/12/2019
1	Total market risk value	4	278,059,081,715
2	Total settlement risk value	5	23,154,556,987
3	Total operational risk value	6	73,653,169,125
4	Total risk value (4=1+2+3)		374,866,807,827
5	Liquid capital	7	1,239,282,258,782
6	Liquid capital ratio (6=5/4)		331%



Nguyen Thi Thu Hang
Chief Accountant



Duong Thi Kim Oanh
In charge of
Internal Control Division



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020

NOTES TO THE FINANCIAL SAFETY RATIO REPORT

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

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 issue advisory services, securities depository.

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

2. FINANCIAL SAFETY RATIO REPORT CONVENTION AND PURPOSE OF USE

Financial safety ratio report convention and purpose of use

The accompanying financial safety ratio report is prepared in accordance with Circular No. 87/2017/TT-BTC ("Circular No. 87") dated 15 August 2017 issued by the Ministry of Finance on the financial safety ratio and the handling measures for the securities-trading institutions that fail to achieve the financial safety ratio. This report is solely used to submit to the competent State authorities.

Financial year

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

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT

The significant policies, which have been adopted by the Company in the preparation of the financial safety ratio report, are as follows:

Liquid capital ratio

Liquid capital ratio of the Company is calculated under Circular No. 87 as follows:

$$\text{Liquid capital ratio} = \frac{\text{Liquid capital} \times 100\%}{\text{Total risk value}}$$

In which, the total risk value is the total of market risk, settlement risk and operation risk.

Liquid capital

Liquid capital is owners' equity which can be converted into cash within ninety (90) days. Liquid capital shall be adjusted by increases or decreases as specified in Articles 5 of Circular No. 87.

Market risk value

Market risk value is the potential loss in value of the Company's assets and assets expected to be owned under underwriting commitments due to adverse market movements. The formula for determining market risk value under Circular No. 87 is as follows:

$$\text{Market risk value} = \text{Net position} \times \text{Asset price} \times \text{Market risk coefficient}$$

In which, net position of securities at a point of time means the number of securities currently held by the Company after reducing the number of lent securities, securities hedged by short warrants, future contracts and adding the number of borrowed securities under legal regulations.

IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

The below securities and assets shall not be included in market risk value:

- Treasury stocks;
- Securities issued by institutions which are related parties of the Company;
 - The parent company, subsidiaries, joint ventures, associates of the Company;
 - Subsidiaries, joint ventures, associates of the Company's parent company;
- Securities restricted from transfer for over ninety (90) days from the date of the report;
- Bonds, debt instruments and valuable papers on the monetary market which are due.

Asset price

Asset price shall be determined according to valuation principles under Circular No. 87 as follows:

No.	Types of assets	Principles for determination of market prices
Cash and cash equivalents, monetary market instruments		
1.	Cash (VND)	Balance as at the date of calculation
2.	Foreign currencies	To be converted into VND using exchange rate at the date of calculation disclosed by credit institutions licensed to deal in foreign exchange
3.	Time deposits	Principal plus accrued interest up to the date of calculation
4.	Treasury bills, bank drafts, bills of exchange, transferrable certificates of deposit, bonds and discountable monetary market instruments	Purchase price plus accrued interest up to the date of calculation
Bonds		
5.	Listed bonds	<p>- Average quoted price on the trading system of the Stock Exchange on the latest trading date plus accrued interest (if quoted price excludes accrued interest);</p> <p>- In case there is no transaction in more than two (02) weeks prior to the date of calculation, the price of these bonds is the highest among the following values:</p> <p>+ Purchase price plus accrued interest;</p> <p>+ Par value plus accrued interest;</p> <p>+ Price determined by internal methods of securities-trading institutions, including accrued interest.</p> <p>i.e. Max (Purchase price plus accrued interest; par value plus accrued interest; price determined by internal methods, including accrued interest).</p>

IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

Asset value (Continued)

No.	Types of assets	Principles for determination of market prices
Bonds (Continued)		
6.	Unlisted bonds	<p>The bond price is the highest among the following values:</p> <ul style="list-style-type: none"> + Quoted price (if any) on the quoting systems selected by securities-trading institutions, plus accrued interest; + Purchase price plus accrued interest; + Par value plus accrued interest; + Price determined by internal regulations of securities-trading institutions, including accrued interest. <p>i.e. Max (Quoted price (if any); purchase price plus accrued interest; par value plus accrued interest; price determined by internal methods, including accrued interest).</p>
Shares		
7.	Shares listed on the Ho Chi Minh Stock Exchange	<ul style="list-style-type: none"> - Closing price on the latest trading day up to the date of calculation; - In case there is no transaction in more than two (02) weeks prior to the date of calculation, the share price is the highest among the following values: <ul style="list-style-type: none"> + Book value; + Purchase price; + Price determined by internal methods of securities-trading institutions. <p>i.e. Max (Book value; purchase price; price determined by internal methods).</p>
8.	Shares listed on the Hanoi Stock Exchange	<ul style="list-style-type: none"> - Closing price of the latest trading date up to the date of calculation; - In case there is no transaction in more than two (02) weeks prior to the date of calculation, the share price is the highest among the following values: <ul style="list-style-type: none"> + Book value; + Purchase price; + Price determined by internal methods of securities-trading institutions. <p>i.e. Max (Book value; purchase price; price determined by internal methods).</p>



**IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)**

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

Asset value (Continued)

No.	Types of assets	Principles for determination of market prices
Shares (Continued)		
9.	Shares of public-interest companies registered for trading on the UpCom system	<p>- Closing price of the latest trading date up to the date of calculation;</p> <p>- In case there is no transaction in more than two (02) weeks prior to the date of calculation, the share price is the highest among the following values:</p> <p>+ Book value;</p> <p>+ Purchase price;</p> <p>+ Price determined by internal methods of securities-trading institutions.</p> <p>i.e. Max (Book value; purchase price; price determined by internal methods).</p>
10.	Shares already registered or deposited but not yet listed or registered for trading	<p>Average value based on quotations of at least three securities companies other than related parties on the latest trading date up to the date of calculation.</p> <p>- In case there are only quotations of less than three securities companies, the share price is the highest among the following values:</p> <p>+ Quoted prices;</p> <p>+ Price of the latest reporting period;</p> <p>+ Book value;</p> <p>+ Purchase price;</p> <p>+ Price determined by internal regulations of securities-trading institutions.</p> <p>i.e. Max (Quoted prices; price in the latest reporting period; book value; purchase price; price according to internal regulations).</p>
11.	Shares suspended from trading or delisted or deregistered for trading	<p>The share price is the highest among the following values:</p> <p>+ Book value;</p> <p>+ Par value;</p> <p>+ Price determined by internal methods of securities-trading institutions.</p> <p>i.e. Max (Book value; par value; price determined by internal methods).</p>

IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

Asset value (Continued)

No.	Types of assets	Principles for determination of market prices
Shares (Continued)		
12.	Shares of institutions in state of dissolution or bankruptcy	80% of the disposal value of these shares (share price declared by the dissolved or bankrupt institutions at book value) as at the balance sheet date, or price determined by internal regulations of securities-trading institutions
13.	Shares and other capital contributions	The share price or capital contributions is the highest among the following values: + Book value; + Purchase price/value of capital contribution; + Price according to internal regulations of securities-trading institutions. i.e. Max (Book value; purchase price/value of capital contribution; price determined by internal regulations)
Funds/Shares of Securities investment companies		
14.	Public-interest closed-end funds/ETF funds	- Closing price of the latest trading date up to the date of calculation; - In case there is no transaction in more than two (02) weeks prior to the date of calculation, the price is net asset value (NAV)/a fund certificate in the last reporting date up to the date of calculation
15.	Member funds/open-end funds/stocks of securities investment companies that are private placements	NAV per a capital contribution unit/a fund certificate unit/a share in the latest reporting date up to the date of calculation.
16.	Other cases	Under internal regulations of securities-trading institutions
Fixed assets		
17.	Land use rights	Price determined by independent valuers selected by securities-trading institutions.
18.	Houses/structure including construction in progress	Price determined by independent valuers selected by securities-trading institutions/ accumulated capitalised expenses for construction in progress
19.	Equipment, machinery, vehicles	Net book value of assets
20.	Other fixed assets	Price determined by independent valuers selected by securities-trading institutions.

**IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)**

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

Market risk coefficient

Market risk coefficient shall be determined based on each item of assets according to Circular No. 87 as presented in Note 4.

Increase in market risk value

The above market risk value of each asset shall be increased in case the securities-trading institution invests too much in that asset, except for securities that are subject to underwriting in the form of firm commitment, Government bonds and Government-guaranteed bonds. The increases shall be calculated using the following principles:

- An increase by 10% in case the value of the investment in shares and bonds of an institution accounts for 10% to 15% of the equity of the Company;
- An increase by 20% in case the value of the investment in shares and bonds of an institution accounts for 15% to 25% of the equity of the Company;
- An increase by 30% in case the value of the investment in shares and bonds of an institution accounts for 25% or higher of the equity of the Company.

Dividends, bond yields, preferred rights of the securities (if any), or interests of deposits and cash equivalents, negotiable instruments and valuable papers shall be added to the asset value when market risk value is determined.

Settlement risk value

Settlement risk value means the potential loss when counterparties default on their contractual obligations or fail to fulfil their committed obligations. Settlement risk value is determined at maturity date of the contracts as follows:

Undue settlement risk value of securities, cash and contracts shall be determined as follows:

$$\text{Undue settlement risk value} = \text{Settlement risk coefficient by counterparty} \times \text{Exposures of settlement risk}$$

The principles of determining undue settlement risk value are applied for the following contracts:

- Time deposits at credit institutions and loans to other institutions and individuals;
- Securities-borrowing contracts in compliance with law;
- Securities repurchase agreements in compliance with law;
- Securities reverse repurchase agreements in compliance with law;
- Securities margin lending and purchase contracts in compliance with law; and
- Trade receivables, other receivables and other assets that are exposed to settlement risk.

For overdue receivables and securities not yet received on time, including securities and amounts not yet received from above transactions and contracts, the overdue settlement risk value shall be calculated using the following formula:

$$\text{Overdue settlement risk value} = \text{Settlement risk coefficient by overdue period} \times \text{Exposures of settlement risk}$$

IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

Settlement risk coefficient

Settlement risk coefficient by counterparty shall be determined according to Circular No. 87 as follows:

No.	The Company's counterparties exposed to settlement risk	Settlement risk coefficient
1.	Government, the issuers guaranteed by the Government and Central Bank of OECD countries; People's Committees of central-affiliated provinces and cities	0%
2.	Securities Exchange, Vietnam Securities Depository Center	0.8%
3.	Credit institutions, financial organisations, securities-trading institutions being established in OECD countries and meeting credit ratings as prescribed by the internal regulations of the securities-trading institutions	3.2%
4.	Credit institutions, financial organisations, securities-trading institutions established in non-OECD countries or in OECD countries and failing to meet the other conditions as prescribed by the internal regulation of the securities-trading institutions	4.8%
5.	Credit institutions, financial organisations, securities-trading institutions being established and operating in Vietnam	6%
6.	Other organisations and individuals	8%

Settlement risk coefficient by overdue period shall be determined according to Circular No. 87 as follows:

No.	The overdue period of securities payment and transfer	Settlement risk coefficient
1.	0 - 15 days after the due date of securities payment and transfer	16%
2.	16 - 30 days after the due date of securities payment and transfer	32%
3.	31 - 60 days after the due date of securities payment and transfer	48%
4.	From more than 60 days after the due date of securities payment and transfer	100%

The due date of securities payment/receipt is for derivative securities T+2 (for listed stock), T+1 (for listed bond), or T+n (for agreements transactions outside the trading system during n days as agreed by both parties).



IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

Exposures of settlement risk

Exposures of settlement risk for securities lending and borrowing, margin trading, repurchase trading

No.	Type of trading	Exposures of settlement risk
1.	Term deposits, unsecured loans	The entire value of loans
2.	Securities lending	Max {Market value of the contract - Value of collateral (if any), 0}
3.	Securities borrowing	Max {Value of collaterals - Market value of the contract, 0}
4.	Reverse repurchase agreement	Max {Purchase price of the contract - market value of the contract x (1-market risk coefficient), 0}
5.	Repurchase agreement	Max {Market value of the contract x (1 - market risk coefficient) - Sales price of the contract, 0}
6.	Margin lending contracts (for borrowers to purchase securities)/ other economic agreements with the same nature	Max {Debit balance - value of secured asset (if any), 0}

The loan balance includes the principals, interest and fees;

In case the customers' collaterals have no reference to market price, their prices will be determined according to the internal regulations of the Company.

IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT (Continued)

Market risk value (Continued)

Exposures of settlement risk (Continued)

Exposures of settlement risk for securities-trading activities

No.	Overdue status	Exposures of settlement risk
A - For securities sale (the selling party is the Company or its customer under the securities brokerage activities)		
1.	Undue receivables	0
2.	Overdue receivables	The market value of the Contract (in case the market value is lower than the trading price)
		0 (in case the market value is higher than the trading price)
B - For securities purchase (the buying party is the Company or its customer)		
1.	Undue receivables	0
2.	Overdue receivables	The market value of the Contract (in case the market value is higher than the trading price)
		0 (in case the market value is higher than the trading price)

The due date of securities payment/receipt is T+2 (for listed shares), T+1 (for listed bonds), or T+n (for agreements transactions outside the trading system during n days as agreed by both parties).

For receivables, matured bonds and matured debt instruments: Exposures of settlement risk are the receivables amount at par value, plus accrued interests, related expenses and minus actual receipt of the receivables (if any).

Decrease in exposures of settlement risk

The Company may adjust the exposures of settlement risk by deducting the value of collaterals provided by its counterparties and customers as stipulated in Clause 1, Article 10 of Circular No. 87 if these contracts and transactions fully satisfy the following conditions:

- a) Counterparties and customers provide collaterals to ensure the performance of their obligations which are cash and cash equivalents, valuable papers and negotiable instruments traded on the monetary market or securities listed or registered to be traded on the Stock Exchange, Government bonds and bonds guaranteed by the Ministry of Finance;

3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF FINANCIAL SAFETY RATIO REPORT(Continued)

Market risk value (Continued)

Decrease in exposures of settlement risk (Continued)

- a) The Company may control, manage, use and transfer collaterals in case its counterparties default on their contractual obligations.

The value of collaterals to be deducted shall be determined as follows:

Value of collaterals = Volume of assets x Asset price x (1 - Market risk coefficient)

Asset price shall be determined in accordance with Circular No. 87 and presented in Note 3.

Market risk coefficient shall be determined in accordance with Circular No. 87 and presented in Note 4.

Increase in settlement risk value

The settlement risk value shall be increased in the following cases:

- a) An increase of 10% in case the amount of total lendings to an institution, individual and a group of related institutions or individuals (if any) accounts for 10% to 15% of the owners' equity of the Company;
- b) An increase of 20% in case the amount of total lendings to an institution, individual and a group of related institutions or individuals (if any) accounts for 15% to 25% of the owners' equity of the Company;
- c) An increase of 30% in case the amount of total lendings to an institution, individual and a group of related institutions or individuals (if any) accounts for 25% or more of the owners' equity of the Company.

Operational risk value

Operational risk value means the potential loss due to breakdown in technique, systems and processing, failing in business operations due to human errors, or due to capital shortages resulting from unexpected investment costs or losses or other objective reasons.

Operational risk value of the Company is the maximum of the followings: 25% of such institution's operating maintenance expenses within consecutive twelve (12) months up to the nearest month, or 20% of the legal capital.

Operating maintenance expenses of the Company are total expenses incurred during the period after deducting of:

- a) Depreciation and amortisation costs;
- b) Provision expense or reversal of impairment of short-term financial assets and collaterals;
- c) Provision expense or reversal of impairment of long-term financial assets;
- d) Provision expense or reversal of doubtful debts;
- dd) Provision expenses or reversal of other short-term assets.

IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

4. MARKET RISK VALUE

Unit: VND

Investment portfolio as at 31 December 2019	Risk coefficient	Risk exposures	Risk value
	(1)	(2)	(3)=(1)x(2)
I. Cash and cash equivalents, monetary market instruments			
1. Cash (VND)	0%	23,595,843	-
2. Cash equivalents	0%	152,017,351,512	-
II. Corporate bonds			
1. Unlisted bonds with remaining maturity less than 01 year, including convertible bonds	25%	65,916,987,726	16,479,246,932
2. Unlisted bonds with maturity from 01 to 03 years, including convertible bonds	30%	620,157,703,361	186,047,311,008
III. Shares			
1. Ordinary shares, preference shares of organizations listed at Ho Chi Minh Stock Exchange; open-end fund certificates	10%	25,627,948,820	2,562,794,882
2. Ordinary shares, preference shares of organizations listed at Hanoi Stock Exchange	15%	21,719,363,400	3,257,904,510
3. Ordinary shares, preference shares of organizations not yet listed, and registered for trading on the UPCoM system	20%	256,758,042,100	51,351,608,420
IV. Securities investment fund certificates			
1. Member funds, securities investment companies that have private placements	30%	12,754,014,314	3,826,204,294
V. Securities restricted from transfer			
1. Securities temporarily suspended from trading	40%	7,867,172	3,146,869
2. Securities delisted or deregistered for trading	50%	300,565	150,283
VI. Increase in risk value			
Securities code			
1. Shares of Dong Anh Electrical Equipment Corporation - JSC	10%	31,368,556,800	3,136,855,680
2. Bonds of Eco & More Clean-water Investment Joint Stock Company	10%	61,830,558,615	6,183,055,862
3. Bonds of Huy Hoang Equipment and Construction Company Ltd.	10%	52,108,029,746	5,210,802,975
A. TOTAL MARKET RISK VALUE (A= I+II+III+IV+V+VI)			278,059,081,715

IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

5. SETTLEMENT RISK VALUE

Unit: VND

Transactions	Risk value			Total risk value
	(2)	(5)	(6)	
I. Undue settlement risk				
1. Time deposits, unsecured loans and receivables from securities trading and business activities	-	60,505,973	1,663,402,762	1,723,908,735
II. Overdue settlement risk				
Overdue period		Risk coefficient	Risk exposure	Risk value
1. 60 days or more		100%	21,430,648,252	21,430,648,252
B. TOTAL SETTLEMENT RISK VALUE (B = I+II)				23,154,556,987

(2) Settlement risk value for Stock Exchanges and Vietnam Securities Depository;

(5) Settlement risk value for credit institutions, financial organisations, securities-trading institutions which are established and operating in Vietnam;

(6) Settlement risk value for other organizations and individuals.

6. OPERATIONAL RISK VALUE

	Amount VND
I. Total of operating expenses arising within 12 months	299,247,801,005
II. Deductions	4,635,124,505
1. Depreciation and amortization	2,451,724,102
2. Provision for devaluation of short-term investments	2,624,384,193
3. Reversal of provision for impairment of receivables	(440,983,790)
III. Total costs after deductions (III = I - II)	294,612,676,500
IV. 25% of total costs after deductions (IV = 25% III)	73,653,169,125
V. 20% of the Legal Capital of the Company	60,000,000,000
C. TOTAL OPERATIONAL RISK VALUE (C=Max {IV, V})	73,653,169,125



IB SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

7. LIQUID CAPITAL

Unit: VND

No.	Contents	Liquid capital		
		Liquid capital	Deductions	Additional
A. Owners' equity				
1.	Owners' equity excluding redeemable preferred shares (if any)	1,161,086,380,000	-	-
2.	Charter capital reserve	30,809,950,276	-	-
3.	Financial reserve	33,272,212,231	-	-
4.	Other reserves	2,462,261,955	-	-
5.	Retained earnings	193,060,448,172	-	-
6.	Provision for impairment of assets	14,934,882,353	-	-
7.	The whole reduced or increased value of securities at financial investment ratio	-	-	2,754,014,314
1A.	Total	1,435,626,134,987	-	2,754,014,314
B. Short-term assets				
I. Other short-term assets		-	185,166,809,803	-
1.	Advances	-	273,101,000	-
	<i>Advances with remaining payment term of more than 90 days</i>	-	273,101,000	-
2.	Office supplies, tools	-	43,640,175	-
3.	Short-term prepayments	-	116,660,956	-
4.	Taxes and other receivables from the State Budget	-	519,537,960	-
5.	Other short-term assets	-	184,213,869,712	-
1B.	Total	-	185,166,809,803	-
C. Long-term assets				
I. Other long-term assets		-	1,500,000,000	-
1.	Other long-term investments	-	1,500,000,000	-
II. Fixed assets		-	2,213,068,313	-
III. Other long-term assets		-	10,218,012,403	-
1.	Long-term mortgages, pledges, collaterals, deposits	-	930,912,770	-
2.	Long-term prepayments	-	124,795,170	-
3.	Deposit to payment support fund	-	9,162,304,463	-
1C.	Total	-	13,931,080,716	-
LIQUID CAPITAL = 1A-1B-1C		1,239,282,258,782		



Nguyen Thi Thu Hang
Chief Accountant



Duong Thi Kim Oanh
In charge of
Internal Control Division



Nguyen Thi Tuyet
General Director

Hanoi, 13 March 2020