



KB Securities Vietnam Joint Stock Company

Interim Financial Statements
for the six-month period ended
30 June 2022



KB Securities Vietnam Joint Stock Company Corporate Information

**Establishment
and Operation License No.** 77/UBCK-GPHDKD 11 June 2008

The Establishment and Operation License No. 77/UBCK-GPHDKD issued by the State Securities Commission of Vietnam dated 11 June 2008. The license has been amended several times, the most recent of which is the Amended License No. 128/GPDC-UBCK dated 30 December 2021.

Board of Directors	Mr. Park Chunsoo	Chairman
	Mr. Shin Jhintaek	Member
	Mr. Jeon Mun Cheol	Member
	Mr. Choi Yunsun	Member <i>(from 22 April 2022)</i>
	Mr. Oh Cheolwu	Member <i>(until 22 April 2022)</i>
	Mr. Byoung Jo Chun	Member <i>(until 22 April 2022)</i>
	Mr. Lee Hwang In	Member <i>(until 22 April 2022)</i>
Board of Management	Mr. Jeon Mun Cheol	Acting General Director
	Mr. Choi Yunsun	Finance Director <i>(from 12 January 2022)</i>
	Mr. Shin Jhinteak	Finance Director <i>(until 12 January 2022)</i>
Legal Representative	Mr Park Chunsoo	Chairman
Registered office	G, M, 2 nd and 7 th Floors Sky City Building 88 Lang Ha, Dong Da District Hanoi, Vietnam	
Auditor	KPMG Limited Vietnam	

KB Securities Vietnam Joint Stock Company Statement of the Board of Management

The Board of Management of KB Securities Vietnam Joint Stock Company (“the Company”) presents this statement and the accompanying interim financial statements of the Company for the six-month period ended 30 June 2022.

The Company’s Board of Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 (“Circular 210”) of the Ministry of Finance on accounting guidance applicable to securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Company’s Board of Management:

- (a) The interim financial statements set out on pages 5 to 60 give a true and fair view of the financial position of the Company as at 30 June 2022, and of the results of operations, the cash flows and changes in equity of the Company for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 (“Circular 210”) of the Ministry of Finance on accounting guidance applicable to securities companies, Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting; and
- (b) At the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Company’s Board of Management has, on the date of this statement, authorized the accompanying interim financial statements for issue.

On behalf of the Board of Management



Jeon Mun Cheol
Acting General Director
Hanoi, 12 August 2022



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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders KB Securities Vietnam Joint Stock Company

We have reviewed the accompanying interim financial statements of KB Securities Vietnam Joint Stock Company (“the Company”), which comprise the statement of financial position as at 30 June 2022, the statements of income, cash flows and changes in equity for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 12 August 2022, as set out on pages 5 to 60.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 (“Circular 210”) of the Ministry of Finance on accounting guidance applicable to securities companies, Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 - *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of KB Securities Vietnam Joint Stock Company as at 30 June 2022 and of its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 ("Circular 210") of the Ministry of Finance on accounting guidance applicable to securities companies, Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited

Vietnam
Review Report No. 22-02-00126-22-1



Wang Toon Kim
Practicing Auditor Registration
Certificate No. 0557-2018-007-1
Deputy General Director
Hanoi, 12 August 2022

Pham Thi Thuy Linh
Practicing Auditor Registration
Certificate No. 3065-2019-007-1

KB Securities Vietnam Joint Stock Company
Statement of financial position as at 30 June 2022

Form B01a - CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2022 VND	1/1/2022 VND
ASSETS				
A. CURRENT ASSETS (100 = 110 + 130)	100		10,007,007,418,407	8,760,470,218,776
I. Financial assets	110		9,993,919,428,068	8,752,607,855,298
1. Cash and cash equivalents	111	5	106,715,770,486	569,100,517,573
1.1. Cash	111.1		106,715,770,486	39,100,517,573
1.2. Cash equivalents	111.2		-	530,000,000,000
2. Financial assets at fair value through profit or loss ("FVTPL")	112	7(a)	2,639,967,331,459	2,140,934,274,594
3. Held-to-maturity investments	113	7(c)	1,767,097,000,000	804,073,000,000
4. Loans	114	7(d)	5,330,194,593,527	5,101,176,641,828
5. Available-for-sale financial assets	115	7(b)	897,376,000	897,376,000
6. Allowance for diminution in the value of financial assets	116	8	(550,965,657)	(550,965,657)
7. Accounts receivable	117		126,010,599,921	115,490,050,849
7.2. Receivables and accrued dividends, interest from financial assets	117.2		126,010,599,921	115,490,050,849
7.2.2. Accrued dividends and interest not due	117.4	9	126,010,599,921	115,490,050,849
8. Prepayments to suppliers	118		6,852,688,634	761,412,348
9. Receivables from services provided by the securities company	119	9	1,650,136,386	201,000,000
12. Other receivables	122	9	15,084,897,312	20,524,547,763
II. Other current assets	130		13,087,990,339	7,862,363,478
1. Advances	131		135,000,000	20,000,000
3. Short-term prepaid expenses	133	10(a)	8,866,804,944	4,110,347,273
4. Short-term deposits and collaterals	134	11	4,086,185,395	3,732,016,205

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of financial position as at 30 June 2022 (continued)

Form B01a - CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2022 VND	1/1/2022 VND
B. LONG-TERM ASSETS (200 = 220 + 250)	200		50,534,418,535	52,343,367,574
II. Fixed assets	220		14,312,002,235	17,111,742,032
1. Tangible fixed assets	221	12	5,238,882,596	6,064,967,670
- Cost	222		32,132,043,855	31,318,152,855
- Accumulated depreciation	223a		(26,893,161,259)	(25,253,185,185)
3. Intangible fixed assets	227	13	9,073,119,639	11,046,774,362
- Cost	228		32,585,711,915	32,340,711,915
- Accumulated depreciation	229a		(23,512,592,276)	(21,293,937,553)
V. Other long-term assets	250		36,222,416,300	35,231,625,542
1. Long-term deposits and collaterals	251		15,000,000	15,000,000
2. Long-term prepaid expenses	252	10(b)	6,151,013,311	5,832,697,067
4. Deposits at Payment Support Fund	254	14	20,000,000,000	19,337,548,762
5. Other long-term assets	255	15	10,056,402,989	10,046,379,713
TOTAL ASSETS (270 = 100 + 200)	270		10,057,541,836,942	8,812,813,586,350

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of financial position as at 30 June 2022 (continued)

Form B01a - CTCK
(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2022 VND	1/1/2022 VND
C. LIABILITIES (300 = 310 + 340)	300		6,169,064,535,440	5,078,815,928,278
I. Current liabilities	310		6,169,055,014,013	5,078,783,325,585
1. Short-term borrowings and finance lease liabilities	311		6,041,307,613,749	4,985,427,615,579
1.1. <i>Short-term borrowings</i>	312	16	6,041,307,613,749	4,985,427,615,579
6. Payables for securities trading activities	318	17	4,838,927,859	7,969,326,324
8. Accounts payable to suppliers – short-term	320		1,816,938,142	421,526,552
9. Advances from customers – short-term	321		205,000,000	205,000,000
10. Taxes and other payables to the State Treasury	322	18	38,373,293,979	39,254,992,125
11. Payables to employees	323		1,587,271,928	1,800,444,736
12. Employees' benefits payable	324		647,865,230	1,890,087,494
13. Accrued expenses – short-term	325	19	40,059,272,078	31,335,048,091
17. Other short-term payables	329	20	36,750,969,619	9,562,173,705
19. Bonus and welfare fund	331	21	3,467,861,429	917,110,979
II. Long-term liabilities	340		9,521,427	32,602,693
14. Deferred tax liabilities	356		9,521,427	32,602,693
D. EQUITY (400 = 410)	400		3,888,477,301,502	3,733,997,658,072
I. OWNER EQUITY	410		3,888,477,301,502	3,733,997,658,072
1. Capital	411	22(a)	3,001,686,130,000	3,001,686,130,000
1.1. <i>Contributed capital</i>	411.1	22(a)	3,001,686,130,000	3,001,686,130,000
a. <i>Ordinary shares with voting rights</i>	411.1a	22(a)	3,001,686,130,000	3,001,686,130,000
4. Reserve to supplement charter capital	414		30,307,448,921	18,275,822,797
5. Financial and operational risk reserve	415		45,177,869,447	33,146,243,323
7. Retained profits	417	22(c)	811,305,853,134	680,889,461,952
7.1. <i>Realised profits</i>	417.1		811,461,443,847	680,861,416,953
7.2. <i>Unrealised (losses)/profits</i>	417.2		(155,590,713)	28,044,999
TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)	440		10,057,541,836,942	8,812,813,586,350

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of financial position as at 30 June 2022 (continued)

Form B01a - CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

OFF-BALANCE SHEET ITEMS

	Code	Note	30/6/2022 VND	1/1/2022 VND
A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS				
5.	005		111.29	118
6.	006		300,168,613	300,168,613
8.				
12.	008	23(a)	15,115,000	243,140,000
	012	23(b)	336,000,000	336,000,000
B. ASSETS AND PAYABLES ON ASSETS MANAGED UNDER COMMITMENTS WITH CUSTOMERS				
1.	021	23(c)	45,936,397,514,000	10,358,088,540,000
a.				
	021.1		1,021,095,287,000	8,879,251,280,000
b.				
	021.2		1,198,628,000	262,241,880,000
c.	021.3		126,409,517,000	518,511,610,000
d.	021.4		44,766,589,000,000	297,665,890,000
e.				
	021.5		21,105,082,000	400,417,880,000
2.	022	23(d)	25,157,443,000	98,243,220,000
a.				
	022.1		25,157,443,000	97,449,320,000
b.				
	022.2		-	793,900,000
7.	026	23(e)	2,113,019,994,637	1,796,320,274,853
7.1.	027		1,748,783,309,603	1,510,942,114,241
7.1.1	027.1		51,556,510,444	107,715,504,733
7.3.	029		312,680,174,590	177,662,655,879
a.				
	029.1		245,286,222,923	143,756,855,403
b.				
	029.2		67,393,951,667	33,905,800,476

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KB Securities Vietnam Joint Stock Company
Statement of financial position as at 30 June 2022 (continued)

Form B01a - CTCK
*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	30/6/2022 VND	1/1/2022 VND
8. Payables to investors on deposits for securities transactions managed by the Company	031	23(f)	2,061,076,142,649	1,789,291,511,277
8.1. Payables to domestic investors on deposits for securities transactions managed by the Company	031.1		1,483,850,763,886	1,767,785,837,922
8.2. Payables to foreign investors on deposits for securities transactions managed by the Company	031.2		577,225,378,763	21,505,673,355

12 August 2022

Prepared by:


Ha Thanh Hoa
Chief Accountant

Approved by:


Jeon Mun Cheol
Acting General Director

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of income for the six-month period ended 30 June 2022

Form B02a - CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
I. OPERATING REVENUE				
1.1. Gains from financial assets at fair value through profit or loss (FVTPL)	01		66,877,169,190	49,815,319,134
a. <i>Gains from sales of financial assets at FVTPL</i>	01.1	24(a)	6,371,086,812	6,486,571,054
b. <i>Gains from revaluation of financial assets at FVTPL</i>	01.2	25	(115,406,330)	71,213,992
c. <i>Dividend, interest from financial assets at FVTPL</i>	01.3	26	60,621,488,708	43,257,534,088
1.2. Gains from held-to-maturity investments (HTM)	02	26	36,634,395,471	25,838,090,437
1.3. Income from loans and receivables	03	26	246,089,626,100	178,566,538,432
1.6. Revenue from securities brokerage service	06	27	178,653,006,010	180,461,605,489
1.7. Revenue from securities underwriting and issuance agency services	07	27	2,894,187,800	1,395,454,547
1.8. Revenue from securities advisory service	08	27	-	1,244,125,000
1.9. Revenue from securities custody service	09	27	2,334,385,256	2,250,120,510
1.10. Revenue from financial consulting services	10	27	3,432,787,800	300,000,000
1.11. Other operating income	11	27	1,750,173,637	2,019,817,878
Total operating revenue	20		538,665,731,264	441,891,071,427
II. OPERATING EXPENSES				
2.1. Losses from financial assets at FVTPL	21		479,071,239	437,723,436
a. <i>Losses from sales of financial assets at FVTPL</i>	21.1	24(b)	410,841,857	427,142,680
b. <i>Losses from revaluation of financial assets at FVTPL</i>	21.2	25	68,229,382	10,571,416
c. <i>Transaction expenses on purchases of financial assets at FVTPL</i>			-	9,340
2.7. Expenses on securities brokerage service	27	28	177,383,746,307	171,084,748,212
2.10. Expenses on securities custody service	30	28	3,191,132,260	3,189,471,864
2.11. Expenses for financial consulting services	31	28	4,918,216,924	7,422,965,010
Total operating expenses	40		185,972,166,730	182,134,908,522

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of income for the six-month period ended 30 June 2022 (continued)

Form B02a - CTCK
 (Issued under Circular No. 334/2016/TT-BTC
 dated 27 December 2016 of the Ministry of Finance)

	Code	Note	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
III. FINANCIAL INCOME				
3.1. Realised and unrealised foreign exchange gains	41	29	2,298,380,356	-
3.2. Dividends and interest income from demand deposits at banks	42	30	2,168,542,492	1,934,113,226
Total financial income	50		4,466,922,848	1,934,113,226
IV. FINANCIAL EXPENSES		31		
4.1. Realised, unrealised losses on foreign exchange rate	51		-	198,000
4.2. Interest expenses	52		122,142,218,147	90,630,586,583
4.5. Other financial expenses	55		2,952,218,900	2,558,466,814
Total financial expenses	60		125,094,437,047	93,189,251,397
VI. GENERAL AND ADMINISTRATION EXPENSES	62	32	32,392,808,974	19,774,429,411
VII. OPERATING PROFIT (70 = 20 - 40 + 50 - 60 - 62)	70		199,673,241,361	148,726,595,323
VIII. OTHER INCOME AND EXPENSES				
8.1. Other income	71		21,683,335	198,000
8.2. Other expenses	72		450,000,000	-
Total results of other activities (80 = 71 - 72)	80		(428,316,665)	198,000
IX. TOTAL ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80) (carried forward to next page)	90		199,244,924,696	148,726,793,323
9.1. Realised profit	91		199,428,560,408	148,666,150,747
9.2. Unrealised (loss)/profit	92		(183,635,712)	60,642,576

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of income for the six-month period ended 30 June 2022 (continued)

Form B02a - CTCK
 (Issued under Circular No. 334/2016/TT-BTC
 dated 27 December 2016 of the Ministry of Finance)

	Code	Note	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
IX. TOTAL ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80) (brought forward from prior page)	90		199,244,924,696	148,726,793,323
X. INCOME TAX EXPENSES	100	33	39,952,630,816	29,623,549,515
10.1. Income tax expense – current	100.1	33	39,975,712,082	29,609,306,717
10.2. Income tax (benefit)/expense – deferred	100.2	33	(23,081,266)	14,242,798
XI. ACCOUNTING PROFIT AFTER TAX (200 = 90 - 100)	200		159,292,293,880	119,103,243,808
XII. OTHER COMPREHENSIVE INCOME	300		-	-
TOTAL COMPREHENSIVE INCOME (400 = 200 + 300)	400		159,292,293,880	119,103,243,808

12 August 2022

Prepared by:


 Ha Thanh Hoa
 Chief Accountant

Approved by:


 Jeon Mun Cheol
 Acting General Director

KB Securities Vietnam Joint Stock Company
Statement of cash flows for the six-month period ended 30 June 2022
(Indirect method)

Form B03b – CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	199,244,924,696	148,726,793,323
2. Adjustments for	02	82,658,548,931	11,353,235,603
- Depreciation of fixed assets	03	3,858,630,797	5,289,358,851
- Interest expense	06	122,142,218,147	90,630,586,583
- Interest from investment activities	07	(2,168,542,492)	(1,934,113,226)
- Accrued interest income	08	(41,173,757,521)	(82,632,596,605)
3. Increase in non – cash expense	10	68,229,382	10,571,416
- Loss from revaluation of financial assets at FVTPL	11	68,229,382	10,571,416
4. Decreased in non – cash income	18	115,406,330	(71,213,992)
- Gains from revaluation of financial assets at FVTPL	19	115,406,330	(71,213,992)
5. Operating profit before changes in working capital	30	(1,799,292,963,596)	(1,015,609,083,983)
- Increase in financial assets at FVTPL	31	(499,216,692,577)	(365,582,113,503)
- (Increase)/decrease in held-to-maturity investment	32	(963,024,000,000)	11,000,000,000
- Increase in loans	33	(229,017,951,699)	(633,552,580,692)
- Decrease in receivables from sales of financial asset	35	-	30,441,200
- Decrease in receivable and accrued dividend, interest from financial assets	36	32,821,750,941	80,820,133,623
- (Increase)/decrease in receivables from services provided by the securities company	37	(1,449,136,386)	3,267,262,218
- Increase in other receivables	39	(651,625,835)	(1,307,632,738)
- Increase in other assets	40	(787,474,514)	(1,533,617,735)
- (Decrease)/increase in accrued expenses (excluding interest expense)	41	(4,345,386,071)	4,675,398,280
- (Increase)/decrease in prepayments	42	(5,074,773,915)	41,384,481
- Corporate income tax paid	43	(30,417,853,309)	(21,164,505,749)
- Interest paid	44	(109,072,608,089)	(88,283,260,445)
- (Decrease)/increase in payables to suppliers	45	(1,734,986,875)	1,113,854,778
- (Decrease)/increase in provision for employees' benefits	46	(1,242,222,264)	366,265,920
- (Decrease)/increase in taxes and other payables to the State (excluding corporate income tax paid)	47	(10,439,556,919)	4,805,369,443
- Decrease in payables to employees	48	(213,172,808)	(16,771,925,214)

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of cash flows for the six-month period ended 30 June 2022
(Indirect method - continued)

Form B03b – CTCK
(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Code	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
- Increase in other payables	50	27,188,795,914	7,802,761,650
- Other payments for operating activities	52	(2,616,069,190)	(1,336,319,500)
Net cash flows from operating activities	60	(1,517,205,854,257)	(855,589,697,633)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Payments for additions to fixed assets and other long-term assets	61	(1,058,891,000)	(393,979,000)
Net cash flows from investing activities	70	(1,058,891,000)	(393,979,000)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
3. Proceeds from borrowings	73	8,923,907,612,952	8,410,549,864,270
3.2 <i>Other borrowings</i>	73.2	8,923,907,612,952	8,410,549,864,270
4. Payments to settle principals of borrowings	74	(7,868,027,614,782)	(7,741,311,438,906)
4.3 <i>Payments to settle other principals of borrowings</i>	74.3	(7,868,027,614,782)	(7,741,311,438,906)
Net cash flows from financing activities	80	1,055,879,998,170	669,238,425,364
IV. Net cash flows during the period (90 = 60 + 70 + 80)	90	(462,384,747,087)	(186,745,251,269)
V. Cash and cash equivalents at the beginning of the period (Note 5)	101	569,100,517,573	427,355,760,012
- Cash	101.1	39,100,517,573	427,355,760,012
- Cash equivalents	101.2	530,000,000,000	-
VI. Cash and cash equivalents at the end of the period (Note 5)	103	106,715,770,486	240,610,508,743
- Cash	103.1	106,715,770,486	240,610,508,743

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of cash flows for the six-month period ended 30 June 2022
(Indirect method - continued)

Form B03b – CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

CASH FLOWS OF CUSTOMERS FROM BROKERAGE AND UNDERWRITING ACTIVITIES

	Code	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
I. Cash flows of customers from brokerage and underwriting activities			
1. Proceeds from sales of customers' securities	01	59,700,051,391,801	60,899,743,563,935
2. Payments for purchases of customers' securities	02	(77,577,056,572,596)	(72,764,250,106,585)
7. Receipts of deposits of customers for securities transactions	07	18,438,602,919,849	13,519,207,944,511
8. Payment to settle securities transactions of customers	08	(244,898,019,270)	(606,183,340,069)
Net cash inflows during the period	20	316,699,719,784	1,048,518,061,792
II. Cash and cash equivalents of customers at the beginning of the period	30	1,796,320,274,853	1,280,461,413,633
Cash at banks at the beginning of the period:	31	1,796,320,274,853	1,280,461,413,633
- Deposits of investors for securities transactions managed by securities companies	32	1,510,942,114,241	1,168,591,117,050
- Deposits for clearance and settlement of securities transactions	34	285,378,160,612	111,870,296,583
III. Cash and cash equivalents of customers at the end of the period	40	2,113,019,994,637	2,328,979,475,425
Cash at banks at the end of the period:	41	2,113,019,994,637	2,328,979,475,425
- Deposits of investors for securities transactions managed by the securities company	42	1,748,783,309,603	1,854,111,087,579
- Deposits for clearance and settlement of securities transactions	44	364,236,685,034	474,868,387,846

12 August 2022

Prepared by:


 Ha Thanh Hoa
 Chief Accountant

Approved by:


 Jeon Mun Cheol
 Acting General Director

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Statement of changes in equity for the six-month period ended 30 June 2022

Form B04a – CTCK
(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Opening balance		Increases/decreases				Closing balance	
	1/1/2021	1/1/2022	Six-month period ended 30/6/2021		Six-month period ended 30/6/2022		30/6/2021	30/6/2022
	VND	VND	Increases VND	Decreases VND	Increases VND	Decreases (*) VND	VND	VND
I. Changes in equity								
1. Capital	1,675,020,900,000	3,001,686,130,000	-	-	-	-	- 1,675,020,900,000	3,001,686,130,000
3. Reserve to supplement charter capital	9,930,623,462	18,275,822,797	8,345,199,335	-	12,031,626,124	-	18,275,822,797	30,307,448,921
4. Financial and operational risk reserve	24,801,043,988	33,146,243,323	8,345,199,335	-	12,031,626,124	-	33,146,243,323	45,177,869,447
8. Retained profits (Note 22(c))	460,285,417,867	680,889,461,952	119,103,243,808	(20,028,478,404)	159,292,293,880	(28,875,902,698)	559,360,183,271	811,305,853,134
8.1 Realised profit	460,390,477,147	680,861,416,953	119,042,601,232	(20,028,478,404)	159,475,929,592	(28,875,902,698)	559,404,599,975	811,461,443,847
8.2 Unrealised (loss)/profit	(105,059,280)	28,044,999	60,642,576	-	(183,635,712)	-	(44,416,704)	(155,590,713)
TOTAL	2,170,037,985,317	3,733,997,658,072	135,793,642,478	(20,028,478,404)	183,355,546,128	(28,875,902,698)	2,285,803,149,391	3,888,477,301,502

(*) Decreases in profit after tax in six-month period ended 30 June 2022 included appropriation to bonus and welfare fund of VND4,812,650,450, appropriation to financial reserve of VND12,031,626,124 and appropriation to reserve to supplement charter of VND12,031,626,124 (six-month period ended 30 June 2021: appropriation to bonus and welfare fund of VND3,338,079,734, appropriation to financial reserve of VND8,345,199,335 and appropriation to reserve to supplement charter of VND8,345,199,335).

Prepared by:


 Ha Thanh Hoa
 Chief Accountant

12 August 2022



Approved by:


 Jeon Min Cheol
 Acting General Director

The accompanying notes are an integral part of these interim financial statements

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022

Form B09a – CTCK
(Issued under Circular No. 334/2016/TT-BTC
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These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements.

1. Reporting entity

(a) Basis of establishment

KB Securities Vietnam Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam by the Establishment and Operation License No. 77/UBCK-GPHDKD by the State Securities Commission of Vietnam dated 11 June 2008. The license has been amended several times and the most recent is the Amended License No. 128/GPDC-UBCK dated 30 December 2021.

The Company’s latest charter was approved by the Board of Directors and was effective from 22 April 2022.

(b) Charter capital

As at 30 June 2022, the Company’s charter capital was VND3,001,686,130,000 (1/1/2022: VND3,001,686,130,000).

(c) Principal activities

The principal activities of the Company are: securities brokerage, securities trading, securities investment consultancy, financial consultancy, securities underwriting, securities custody and other services in accordance with the law applicable to securities companies.

On 25 April 2019, the Company received Certificate No. 32/GCN-UBCK certifying the Company to be eligible to provide clearing and settlement services for derivative transactions.

Investment restrictions

The Company’s investment portfolio and its investment restrictions shall be in compliance with the investment objectives and strategies as stipulated in its charter and the applicable securities law.

(d) Operating network

The Company’s contact address is G, M, 2nd and 7th Floors, Sky City Tower, 88 Lang Ha, Dong Da District, Hanoi, Vietnam. As at the date of these interim financial statements, the Company has three branches:

- Ho Chi Minh City Branch - KB Securities Vietnam Joint Stock Company was established in accordance with the Decision No. 401/QD-UBCK issued by the State Securities Commission of Vietnam on 2 July 2013. The branch is located on the 2nd floor, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru, District 1, Ho Chi Minh City, Vietnam.
- Hanoi Branch - KB Securities Vietnam Joint Stock Company was established in accordance with the Decision No. 379/QD-UBCK issued by the State Securities Commission of Vietnam on 7 August 2015. The branch is located on the 1st and 2nd floors, Office Building, No. 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

Form B09a – CTCK
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dated 27 December 2016 of the Ministry of Finance)

- Saigon Branch - KB Securities Vietnam Joint Stock Company was established in accordance with the Decision No. 08/QĐ-UBCK issued by the State Securities Commission of Vietnam on 4 January 2019. The branch is located on the 1st floor, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

(e) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(f) Number of employees

As at 30 June 2022, the Company had 415 employees (1/1/2022: 406 employees).

2. Basis of preparation

(a) Statement of compliance

Applicable accounting framework

The interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 (“Circular 210”) issued by the Ministry of Finance on accounting guidance applicable to securities companies (“Circular 210”), Circular No. 334/2016/TT-BTC dated 27 December 2016 (“Circular 334”) issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting.

(b) Basis of measurement

The interim financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows was prepared using the indirect method.

(c) Accounting period

The annual accounting period of the Company is from 1 January to 31 December. The interim accounting period of the Company is from 1 January to 30 June.

(d) Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for the purpose of preparing and presenting the interim financial statements.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

Form B09a – CTCK
(Issued under Circular No. 334/2016/TT-BTC
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3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these interim financial statements.

The accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

(a) Financial assets and financial liabilities

(i) Recognition

Financial assets and liabilities are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial assets and liabilities.

(ii) Classification and measurement

- Financial assets at FVTPL: See Note 3(c);
- Held-to-maturity investments: See Note 3(d);
- Available-for-sale financial assets: See Note 3(e);
- Loans: See Note 3(f).

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Measurement of fair value

For financial assets being listed securities, market price is the closing bid price of securities at the Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange at the latest trading date before the end of the accounting period. For unlisted securities which have been registered for trading in the market for Unlisted Public Companies (“UpCom”), market price is the closing bid price of securities at the UpCom market at the latest trading date before the end of the accounting period.

For unlisted equity securities held for trading which are actively traded in the OTC market, market price is determined as the average price of the prices of the transactions at the end of the accounting period quoted by three securities companies.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

Form B09a – CTCK
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When market prices at the latest trading date are not available, or the market prices fluctuate significantly, the fair value of such assets are determined using valuation techniques. For financial assets being debt instruments, the Company applies net present value and discounted cash flow valuation techniques. Assumptions and inputs used in valuation techniques include risk-free interest rates, credit spreads and other premia used in estimating discount rates.

(vi) Identification and assessment of impairment

At the end of the accounting period, the Company assesses whether there is objective evidence that financial assets not measured at FVTPL are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows on the asset(s) that can be estimated reliably.

Objective evidence indicating that financial assets may be impaired include:

- Significant financial difficulty of the issuer or contracting parties;
- Breaches of contracts, such as default or delinquency in interest or principal payment;
- The lender, due to an economic or legal reason related to the financial difficulty of the borrower, having offered some concession terms to the borrower which the lender is unable to consider anything better;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating a decrease in the estimated future cash flows from a group of financial assets since their initial recognition.

When an objective evidence of impairment of a financial asset is identified, the Company must measure any impairment loss of such financial asset and recognise such loss in profit or loss in the statement of income.

If an impaired financial asset is assessed as recoverable, the Company will reverse the allowance for impairment which is previously made.

(b) Cash and cash equivalents

Cash comprises cash on hand, cash in banks for operation of the securities company, bank deposits for sales of underwritten securities and deposits for clearance and settlement of securities transactions of the Company. Investors' deposits for securities transactions, clearance and settlement of securities transactions are recorded separately from the Company's account balances.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

Form B09a – CTCK
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(c) Financial assets at FVTPL

A financial asset at FVTPL is a financial asset that meets either of the following conditions:

- It is considered by the Board of Management as at FVTPL. A financial asset is considered as at FVTPL if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at FVTPL.

Financial assets at FVTPL are measured initially at purchase prices of the financial assets (for unlisted securities) or at order matching prices on the Stock Exchanges (for listed securities), excluding transaction costs that are attributable to the acquisition of financial assets.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value at the end of the accounting period. Gains/losses from revaluation of financial assets at FVTPL are recorded in profit or loss in the statement of income.

For financial assets at FVTPL being equity securities without a quoted price in an active market or it is impossible to reliably determine their fair value, these financial assets are stated at cost less allowance for diminution in the value of financial assets.

(d) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- those that the Company on initial recognition designates as at fair value in the statement of income;
- those that the Company designates as available-for-sale; or
- those that meet the definition of loans and receivables.

Held-to-maturity investments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial assets.

Held-to-maturity investments are measured initially at purchase prices plus transaction costs which are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate less allowance for diminution in the value of financial assets.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

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Financial assets will be no longer classified as held-to-maturity investments if in the current accounting period or during the most recent two financial years, financial assets are sold or a significant number of such financial assets are reclassified, unless the sale and reclassification meets either of the following conditions:

- Close to the maturity dates and changes in the market interest rates do not cause material effect to the value of financial assets;
- Such is performed after the Company has recovered a significant portion of the principal value of these financial assets by or before the contractual payment date; or
- Such is related to a special event beyond the Company's control and such event is unforeseeable.

(e) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or as remaining financial assets.

Available-for-sale financial assets are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial assets.

Available-for-sale financial assets are measured initially at purchase prices plus transaction costs which are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value at the end of the accounting period. Gains/losses from revaluation of available-for-sale financial assets are recorded in other comprehensive income.

If there is no quoted price in an active market for available-for-sale financial assets being equity securities or it is impossible to reliably determine their fair value, these financial assets are stated at cost less allowance for diminution in the value of financial assets (if any).

(f) Loans

Loans are financial assets with fixed or determinable payments which are not listed on the market. Loans granted of the Company comprise margin loans to customers and advances to customers for the proceeds from selling securities.

Loans are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial assets.

Loans granted are measured at cost and are subsequently measured at amortised cost using the effective interest rate less allowance for diminution in the value of financial assets (if any) as described in Note 3(g).

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

Form B09a – CTCK
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(g) Accounts receivable

Receivables from sales of financial assets and services rendered and other receivables are measured at cost less allowance for doubtful debts.

The Company has provided allowance for doubtful debts based on the estimate of recoverability of the receivables, but not lower than the following allowance levels:

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

(h) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul cost, is charged to the statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ Office equipment	<u>3 - 5 years</u>
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(i) Intangible fixed assets

Intangible fixed assets of the Company are software. Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and recorded as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 5 years.

(j) Trade and other payables

Trade and other payables are stated at their cost.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

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(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Capital

Ordinary shares

Ordinary shares are recognized at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognized as a deduction from share premium.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

Form B09a – CTCK
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(n) Statutory reserves

Before 1 February 2022

In accordance with Circular No. 146/2014/TT-BTC (“Circular 146”) dated 6 October 2014 of the Ministry of Finance, realised profit of a securities company after covering previous year’s losses as prescribed in the Law on Corporate Income Tax and after paying corporate income tax is distributed as follows:

	Annual allocation rate	Maximum balance
Reserve to supplement charter capital:	5% of profit after tax	10% of charter capital
Financial reserve:	5% of profit after tax	10% of charter capital

The reserve to supplement charter capital is used to increase annual charter capital as determined by the General Meeting of Shareholders.

The purpose of the financial reserve is to cover losses on properties incurred during the normal course of business after the Company is compensated by the organisations and individuals who make the loss and by insurance companies.

These reserves are non-distributable and stated as part of equity. The annual allocation rate is decided by the Company’s General Meeting of Shareholders in accordance with the Company Charter.

From 1 February 2022

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC (“Circular 114”) to replace Circular 146. Circular 114 takes effect from 1 February 2022 and is applicable to the annual reporting period ending 31 December 2022.

According to Circular 114, the provisions of Circular 146 are completely annulled and:

- The balance of the reserve to supplement charter capital appropriated in accordance with Circular 146 is used to supplement charter capital in accordance with Law on Securities No. 54/2019/QH14 and other regulations;
- The balance of the financial and operational risk reserve may be used to supplement charter capital or used as decided by the General Meeting of Shareholders, the Members’ Council or the Company’s Chairman in accordance with Law on Securities No. 54/2019/QH14 and other regulations.

(o) Revenue and income

(i) Gains/losses from sales of financial assets

Gains/losses from sales of financial assets are recognised in the statement of income upon receipt of the order matching reports of securities trading transactions from Vietnam Securities Depository (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

Form B09a – CTCK
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(ii) Dividends and interest from financial assets

Dividend income is recognised when the right to receive dividends is established. Dividend is not recognised for trading shares traded after the ex-dividend date.

For bonus shares, the Company only recognised the number of the shares but not recognised dividend income.

Interest income from financial assets is recognised as incurred on an accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

Interest income from margin loans is recognised in the statement of income on an accrual basis. Interest income from advances to customers from sale of securities is recognised when services are rendered.

(iii) Revenue from securities brokerage

Revenue from securities brokerage activities is recognised when the securities transaction is completed.

(iv) Revenue from securities underwriting and issuance agency services

Revenue from securities underwriting and agency services are fees, commissions, to which the Company is entitled which is normally based on value of securities successfully issued. Such revenue is recognised based on agreements or finalisation minutes with issuers.

(v) Revenue from securities investment consulting and financial consulting services

Revenue from securities investment advisory services is recognised in proportion to the stage of completion of the transaction at the end of the accounting period. The stage of completion is assessed by reference to work performed.

(vi) Revenue from securities custody service

Revenue from securities custody service is recognised when services are provided.

(p) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(q) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

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(r) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(s) Nil balances

Items or balances required by Circular No. 210 and Circular No. 334 that are not shown in these interim financial statements indicate nil balances.

(t) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior period/year are included as an integral part of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior period/year.

4. Financial risk management

(a) Overview

The Company has exposure to the following main risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Company's Board of Directors oversees how the Risk Management Policy Compliance Council for monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(b) Risk management framework

The departments affiliated to Risk Management Policy Compliance Council, namely the Credit Appraisal Department, the Margin Lending Risk Management Department and the Risk Management Department, are responsible for developing and monitoring the Company's risk management policies directly related to its operating activities.

KB Securities Vietnam Joint Stock Company
Notes to the interim financial statements for the six-month period
ended 30 June 2022 (continued)

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The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(c) Credit risk

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

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	30/6/2022 VND	1/1/2022 VND
Cash and cash equivalents	(i)	106,715,770,486	39,100,517,573
Financial assets at FVTPL	(ii)	2,639,542,029,450	2,140,000,000,000
Held-to-maturity investments	(i)	1,767,097,000,000	804,073,000,000
Loans	(iii)	5,330,194,593,527	5,101,176,641,828
Accounts receivable	(iii)	126,010,599,921	115,490,050,849
Receivables from services provided by the securities company	(iii)	1,650,136,386	201,000,000
Other receivables	(iii)	15,084,897,312	20,524,547,763
Deposits and collaterals	(iii)	4,101,185,395	3,747,016,205
Deposits at Payment Support Fund	(iv)	20,000,000,000	19,337,548,762
Other long-term assets - Deposits at Clearing Fund for derivative transactions	(iv)	10,056,402,989	10,046,379,713
		10,020,452,615,466	8,253,696,702,693

(i) Cash and cash equivalents and held-to-maturity investments

Cash and cash equivalents and held-to-maturity investments of the Company are mainly held with well-known credit institutions. The Board of Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

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(ii) *Financial assets at FVTPL*

The Company limits its exposure to credit risk by only investing in liquid securities, (1) listed in stock exchanges or (2) registered for trading in the market of unlisted public companies (“UpCom”) and state-owned enterprises equitized through public offering, except where entering into for long-term strategic purposes approved in accordance with the Company’s investment policies and those of counterparties that have equivalent or higher credit ratings than the Company.

(iii) *Loans, accounts receivable, receivables from services provided by the securities company, other receivables, and deposits and collaterals*

Advances to customers for the proceeds from selling securities

Advances to customers for the proceeds from selling securities are collected from Vietnam Securities Depository (“VSD”). Vietnam Securities Depository is a state-owned entity affiliated to the Ministry of Finance and is responsible for monitoring, management and use of the Payment Support Fund and the Clearing Fund for derivative transactions to secure securities trading obligations. VSD’s risk of payment default is considered to be low and therefore, credit risk from Advances to customers for the proceeds from selling securities and deposit for derivatives trading activities is assessed as low.

Margin loans

Under prevailing laws on securities, the Company is allowed to provide loans to customers for purchases of securities in accordance with regulations on margin trading of securities under margin contracts. The Company complies with the limits on margin loans in Decision No. 637/QĐ-UBCK dated 30 August 2011 and Decision No. 87/QĐ-UBCK dated 25 January 2017 of the State Securities Commission of Vietnam on promulgation of the regulation guiding the margin trading of securities.

Eligible securities are approved and frequently updated by margin lending risk management function based on several criteria including volatility and liquidity.

Customer Services Department is responsible for the continuous review of margin loan report which includes balances, collateral assets and margin maintenance ratio. Accordingly, when the margin maintenance ratio falls below the Company’s regulated ratio (this ratio is determined following the Company’s internal policies and not lower than the regulated ratio of 30%), the system alerts and the Company makes margin calls. In the event that customers are unable to or fail to place additional deposits after a margin call is made, the Company forcibly sells out collateral assets to collect the loans.

The market value of collateral assets as at 30 June 2022 was VND6,096,007 million (1/1/2022: VND6,056,436 million).

Accounts receivable, receivables from services provided by the securities company, other receivables, and deposits and collaterals

Outstanding receivables are regularly monitored and requested payment in accordance with the terms and conditions of the contracts. Due to that reason and because the Company’s trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

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Figures representing the Company's maximum exposure to credit risk, without taking into account collaterals and credit support, include:

As at 30 June 2022

	Neither past due nor impaired VND	Overdue but not impaired (*) VND	Impaired VND	Total VND
Loans	5,309,629,203,346	20,014,424,524	550,965,657	5,330,194,593,527
Margin loans	5,144,482,092,736	20,014,424,524	550,965,657	5,165,047,482,917
Advances to customers for the proceeds from selling securities	165,126,688,277	-	-	165,126,688,277
Other loans	20,422,333	-	-	20,422,333
Accounts receivable	126,010,599,921	-	-	126,010,599,921
Receivables from services provided by the securities company	1,650,136,386	-	-	1,650,136,386
Other receivables	15,084,897,312	-	-	15,084,897,312
Deposits and collaterals	4,101,185,395	-	-	4,101,185,395
	5,456,476,022,360	20,014,424,524	550,965,657	5,477,041,412,541

(*) These represent the receivables from margin loan of a customer which is secured by listed shares. This customer is being prosecuted by law enforcement agencies and its securities trading accounts have been frozen. As at 30 June 2022, the market value of this customer's collaterals is greater than the balance of receivables from margin loan. Based on relevant legal provisions on handling of collaterals, the Board of Management assesses that the Company will be fully capable of recovering all these receivables in the future.

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As at 1 January 2022

	Neither past due nor impaired VND	Overdue but not impaired VND	Impaired VND	Total VND
Loans	5,100,625,676,171	-	550,965,657	5,101,176,641,828
<i>Margin loans</i>	4,454,923,766,596	-	550,965,657	4,455,474,732,253
<i>Advances to customers for the proceeds from selling securities</i>	645,672,574,472	-	-	645,672,574,472
<i>Other loans</i>	29,335,103	-	-	29,335,103
Accounts receivable	115,490,050,849	-	-	115,490,050,849
Receivables from services provided by the securities company	201,000,000	-	-	201,000,000
Other receivables	20,524,547,763	-	-	20,524,547,763
Deposits and collaterals	3,747,016,205	-	-	3,747,016,205
	<hr/> 5,240,588,290,988	-	550,965,657	<hr/> 5,241,139,256,645 <hr/>

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(iv) Deposits at Payment Support Fund and Deposits at Clearing Fund for derivative transactions

According to Decision No. 45/QD-VSD dated 22 May 2014 issued by Vietnam Securities Depository providing regulations on management and use of the Payment Support Fund, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an annual contribution of 0.01% of the total value of brokered securities, which are listed and registered for transactions in the Stock Exchanges in the preceding period with the maximum annual contribution of VND2.5 billion to the Payment Support Fund.

The maximum contribution by each custodian member to the Payment Support Fund is VND20 billion, applicable to custodian members being securities companies with trading and brokerage activities.

According to Decision No. 97/QD-VSD dated 23 March 2017 of Vietnam Securities Depository providing regulations on management and use of the Clearing Fund for derivative transactions (“Clearing Fund”), the Company is required to make an initial deposit of VND10 billion at Vietnam Securities Depository. On monthly basis, Vietnam Securities Depository assesses the size of the Clearing Fund and revalues the value of the assets contributed to determine the contribution obligations of the Company.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company monitors its liquidity risk by maintaining a level of cash and cash equivalents and bank loans which the Board of Management considers is adequate to finance the Company’s operations and to mitigate the effects of fluctuations in cash flows.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

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At 30 June 2022	Carrying amount VND	Contractual cash flows VND	Within one year VND
Short-term borrowings and finance lease liabilities	6,041,307,613,749	6,103,244,001,014	6,103,244,001,014
Payables for securities trading activities	4,838,927,859	4,838,927,859	4,838,927,859
Accounts payable to suppliers – short-term	1,816,938,142	1,816,938,142	1,816,938,142
Accrued expenses – short-term	40,059,272,078	40,059,272,078	40,059,272,078
Other short-term payables	13,898,262,440	13,898,262,440	13,898,262,440
	6,101,921,014,268	6,163,857,401,533	6,163,857,401,533
At 31 December 2022	Carrying amount VND	Contractual cash flows VND	Within one year VND
Short-term borrowings and finance lease liabilities	4,985,427,615,579	5,025,373,226,111	5,025,373,226,111
Payables for securities trading activities	7,969,326,324	7,969,326,324	7,969,326,324
Accounts payable to suppliers – short-term	421,526,552	421,526,552	421,526,552
Accrued expenses – short-term	31,335,048,091	31,335,048,091	31,335,048,091
Other short-term payables	3,877,190,572	3,877,190,572	3,877,190,572
	5,029,030,707,118	5,068,976,317,650	5,068,976,317,650

The Company manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term investments and maintaining several bank facilities.

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(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's results of operations or the value of its holdings of financial instruments held by the Company. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company manages this risk through sensitivity analysis of variables that would impact its financial position and performance, diversification of its investment portfolio, critical appraisal of securities within limited exposures, and hedging where necessary.

Market prices comprise three types of risk: currency risk, interest rate risk and other price risks for such as share price risk.

(i) Currency risk

The Company is exposed to currency risk on transactions related to financial instruments that are denominated in a currency other than VND, the respective accounting currencies of the Company. The currency in which these transactions primarily are denominated is US Dollars ("USD").

The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cashflows in foreign currencies and entering into cross currency swap contracts for the Company's borrowings in foreign currencies.

At the end of the accounting period, the Company's exposure to currency risk is assessed as minimal.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's demand deposits at banks, short-term and long-term deposits at bank, loans and borrowings.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are most favourable for its purposes and within its risk management limits.

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At the end of the accounting period, the Company's interest-bearing financial instruments were:

	Carrying amount	
	30/6/2022	1/1/2022
	VND	VND
Fixed rate instruments		
<i>Financial assets</i>		
Cash and cash equivalents	106,715,770,486	569,100,517,573
Financial assets at FVTPL	2,639,542,029,450	2,140,000,000,000
Held-to-maturity investments	1,767,097,000,000	804,073,000,000
Loans	5,330,194,593,527	5,101,176,641,828
Deposits at Payment Support Fund	20,000,000,000	19,337,548,762
Other long-term assets – Deposits at Clearing Fund for derivative transactions	10,056,402,989	10,046,379,713
<i>Financial liabilities</i>		
Short-term borrowings and finance lease liabilities	(6,041,307,613,749)	(4,985,427,615,579)
	3,832,298,182,703	3,658,306,472,297

As at 30 June 2022, the Company's financial assets have fixed interest rates, its exposure to interest rate risk is assessed as not significant.

(iii) Share price risk

Share price risk arises from listed and unlisted shares held by the Company. The Board of Management of the Company monitors the listed shares in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are reviewed and approved by the Company's Investment Council.

As at 30 June 2022, the market value of listed equity shares of the Company was VND425,302,009. Had the market value of these securities increased or decreased by 13% at 30 June 2022, assuming that all other variables remained constant, profit after tax during the period of the Company would have increased or decreased, respectively, by VND44,231,409.

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5. Cash and cash equivalents

	30/6/2022	1/1/2022
	VND	VND
Cash in banks for the Company's activities	105,790,060,156	37,393,497,922
Deposits for clearance and settlement of securities transactions	925,710,330	1,707,019,651
Cash equivalent	-	530,000,000,000
	<hr/>	<hr/>
	106,715,770,486	569,100,517,573
	<hr/>	<hr/>

6. Volume and value of securities transactions during the period

	Six-month period ended		Six-month period ended	
	30/6/2022		30/6/2021	
	Volume of	Value of	Volume of	Value of
	transactions	transactions	transactions	transactions
	Unit	VND	Unit	VND
By the Company				
▪ Shares	213,358	6,786,174,400	147,532	3,529,417,700
By investors				
▪ Shares	4,065,233,046	123,401,689,172,950	5,192,721,279	120,120,231,655,480
	<hr/>	<hr/>	<hr/>	<hr/>
	4,065,446,404	123,408,475,347,350	5,192,868,811	120,123,761,073,180
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	30/6/2022		1/1/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
7. Financial assets				
(a) Financial assets at FVTPL				
Listed shares and shares traded on UpCom				
Share of Vietjet Aviation Joint Stock Company	8,607,335	8,840,000	2,114,181	2,309,400
Share of Vietnam Maritime Commercial Joint Stock Bank	133,881	119,000	11,235,140	14,152,000
Share of Vinhomes Joint Stock Company	529,541	496,800	32,100,002	34,440,000
Share of của Saigon - Hanoi Securities Joint Stock Company	-	-	40,228,570	42,838,600
Other shares	457,349,551	415,846,209	706,279,288	840,534,594
	466,620,308	425,302,009	791,957,181	934,274,594
Certificates of deposit				
Joint Stock Commercial Bank for Investment and Development of Vietnam	1,595,000,000,000	1,595,000,000,000	1,680,000,000,000	1,680,000,000,000
Military Commercial Joint Stock Bank	-	-	360,000,000,000	360,000,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank	541,554,700,000	541,554,700,000	100,000,000,000	100,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	200,000,000,000	200,000,000,000	-	-
Saigon - Hanoi Commercial Joint Stock Bank	302,987,329,450	302,987,329,450	-	-
	2,639,542,029,450	2,639,542,029,450	2,140,000,000,000	2,140,000,000,000
	2,640,008,649,758	2,639,967,331,459	2,140,791,957,181	2,140,934,274,594

As at 30 June 2022, certificates of deposits with an amount of VND2,336,554 million (1/1/2022: VND1,680,000 million) were pledged with banks as collaterals for borrowings granted to the Company (Note 16).

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(b) Available-for-sale financial assets

	30/6/2022		1/1/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Share of Capella Holdings	897,376,000	(*)	897,376,000	(*)

(*) The Company has not determined fair values of these financial instruments because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and other accounting guidance for securities companies. There fair values of these financial instruments may differ from their carrying amounts.

(c) Held-to-maturity investments

	30/6/2022 VND	1/1/2022 VND
Held-to-maturity investments – short-term		
Term deposits at:		
▪ Asia Commercial Joint Stock Bank	-	75,000,000,000
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	401,197,000,000	201,173,000,000
▪ Vietnam Maritime Commercial Joint Stock Bank	205,000,000,000	255,000,000,000
▪ Vietnam Thuong Tin Commercial Joint Stock Bank	10,000,000,000	102,000,000,000
▪ Military Commercial Joint Stock Bank	2,000,000,000	2,000,000,000
▪ Vietnam Asia Commercial Joint Stock Bank	370,000,000,000	50,000,000,000
▪ Ho Chi Minh City Development Joint Stock Commercial Bank	18,900,000,000	18,900,000,000
▪ Vietnam Prosperity Joint Stock Commercial Bank	450,000,000,000	100,000,000,000
▪ Joint Stock Commercial Bank for Investment and Development of Vietnam	110,000,000,000	-
▪ Vietnam Export Import Commercial Joint Stock Bank	100,000,000,000	-
▪ Kookmin Bank – Hanoi Branch	100,000,000,000	-
	<u>1,767,097,000,000</u>	<u>804,073,000,000</u>

As at 30 June 2022, investments with an amount of VND1,535,900 million (1/1/2022: VND685,900 million) were pledged with banks as collaterals for borrowings granted to the Company (Note 16).

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(d) Loans

	30/6/2022	1/1/2022
	VND	VND
Margin loans	5,165,047,482,917	4,455,474,732,253
Advances to customers for the proceeds from selling securities	165,126,688,277	645,672,574,472
Others	20,422,333	29,335,103
	<hr/>	<hr/>
	5,330,194,593,527	5,101,176,641,828
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(e) Movements in the market value of FVTPL financial assets recognised at fair value

As at 30 June 2022

	Cost	Revaluation differences		Fair value
	VND	Increase	Decrease	VND
		VND	VND	
Shares	466,620,308	45,047,545	(86,365,844)	425,302,009
Certificates of deposits	2,639,542,029,450	-	-	2,639,542,029,450
	<hr/>	<hr/>	<hr/>	<hr/>
	2,640,008,649,758	45,047,545	(86,365,844)	2,639,967,331,459
	<hr/>	<hr/>	<hr/>	<hr/>

As at 1 January 2022

	Cost	Revaluation differences		Fair value
	VND	Increase	Decrease	VND
		VND	VND	
Shares	791,957,181	160,453,875	(18,136,462)	934,274,594
Certificates of deposits	2,140,000,000,000	-	-	2,140,000,000,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2,140,791,957,181	160,453,875	(18,136,462)	2,140,934,274,594
	<hr/>	<hr/>	<hr/>	<hr/>

8. Allowance for diminution in the value of financial assets and collaterals

	Six-month	Six-month
	period ended	period ended
	30/6/2022	30/6/2021
	VND	VND
Opening and closing balance	550,965,657	550,965,657
	<hr/>	<hr/>

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9. Accounts receivable

	30/6/2022	1/1/2022
	VND	VND
Receivables and accrued dividends and interests from financial assets		
▪ Accrued interest from term deposits and certificates of deposits	84,836,842,400	89,085,092,093
▪ Accrued interest from loans	41,173,757,521	26,404,958,756
	<hr/>	<hr/>
	126,010,599,921	115,490,050,849
	<hr/>	<hr/>
Receivables from services provided by the securities company		
▪ Receivable from financial consulting services	446,400,000	201,000,000
▪ Receivables from securities custody services	1,203,736,386	-
	<hr/>	<hr/>
	1,650,136,386	201,000,000
	<hr/>	<hr/>
Other receivables		
▪ Receivables from securities trading	2,980,975,914	3,019,087,903
▪ Receivables from related parties	1,464,501,933	2,975,499,186
▪ Receivables from derivative contracts	-	5,072,857,144
▪ Receivable from payment product	10,359,351,275	7,722,927,742
▪ Other receivables	280,068,190	1,734,175,788
	<hr/>	<hr/>
	15,084,897,312	20,524,547,763
	<hr/>	<hr/>
	142,745,633,619	136,215,598,612
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10. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2022	1/1/2022
	VND	VND
Information technology expenses for operating trading systems	2,069,451,218	2,446,958,619
Office rental	575,816,769	-
Maintenance fees for trading software	955,340,693	1,217,367,049
Others	5,266,196,264	446,021,605
	<hr/>	<hr/>
	8,866,804,944	4,110,347,273
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(b) Long-term prepaid expenses

	30/6/2022	1/1/2022
	VND	VND
Office renovation expenses	1,430,032,284	1,914,680,243
Office supplies	1,911,809,910	1,787,891,744
Maintenance fees for trading software	184,431,500	182,744,100
Information technology expenses for operating trading systems	2,571,711,412	1,716,343,804
Others	53,028,205	231,037,176
	<hr/>	<hr/>
	6,151,013,311	5,832,697,067
	<hr/>	<hr/>

11. Short-term deposits and collaterals

	30/6/2022	1/1/2022
	VND	VND
Deposits for office rental	3,140,403,895	3,058,974,235
Deposits for house rental for expatriates	640,671,500	299,958,750
Other deposits	305,110,000	373,083,220
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	4,086,185,395	3,732,016,205
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12. Tangible fixed assets

	Office Equipment	
	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Cost		
Opening balance	31,318,152,855	31,072,192,855
Purchases	813,891,000	-
Closing balance	32,132,043,855	31,072,192,855
Accumulated depreciation		
Opening balance	25,253,185,185	20,719,351,150
Charged for the period	1,639,976,074	2,903,898,098
Closing balance	26,893,161,259	23,623,249,248
Net book value		
Opening balance	6,064,967,670	10,352,841,705
Closing balance	5,238,882,596	7,448,943,607

Included in tangible fixed assets were assets costing VND17,164 million which were fully depreciated but still in use as at 30 June 2022 (1/1/2022: VND17,164 million).



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13. Intangible fixed assets

	Software	
	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Cost		
Opening balance	32,340,711,915	31,706,732,915
Purchases	245,000,000	393,979,000
Closing balance	32,585,711,915	32,100,711,915
Accumulated amortisation		
Opening balance	21,293,937,553	16,604,486,363
Charged for the period	2,218,654,723	2,385,460,753
Closing balance	23,512,592,276	18,989,947,116
Net book value		
Opening balance	11,046,774,362	15,102,246,552
Closing balance	9,073,119,639	13,110,764,799

Included in intangible fixed assets were assets costing VND10,296 million which were fully depreciated but still in use as at 30 June 2022 (1/1/2022: VND9,557 million).

14. Deposits at Payment Support Fund

According to Decision No. 45/QĐ-VSD dated 22 May 2014 of Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at Vietnam Securities Depository and an annual contribution of 0.01% of the total value of brokered securities, which are listed and registered for transactions in the Stock Exchanges in the preceding period with the maximum annual contribution of VND2.5 billion to the Payment Support Fund.

The maximum contribution by each custodian member to the Payment Support Fund is VND20 billion, applicable to custodian members being securities companies with trading and brokerage activities.

	30/6/2022 VND	1/1/2022 VND
Initial deposits	120,000,000	120,000,000
Additional deposits	17,418,067,383	14,639,070,697
Accumulated interest	2,461,932,617	4,578,478,065
	20,000,000,000	19,337,548,762

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Movements in deposits at Payment Support Fund during the period were as follows:

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Opening balance	19,337,548,762	16,827,797,182
Additional deposits	662,451,238	1,446,603,066
Closing balance	20,000,000,000	18,274,400,248

15. Other long-term assets

The Company is a direct clearing member of Vietnam Securities Depository under Certificate of Clearing Member No. 16/GCNTVBT issued by Vietnam Securities Depository on 9 September 2019. The Company made an initial contribution to the Clearing Fund for derivative transactions with an amount of VND10 billion, equivalent to the required minimum initial contribution amount of VND10 billion for direct clearing members in accordance with the regulations on management and use of the Clearing Fund for derivative transactions issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 of Vietnam Securities Depository. On a monthly basis, Vietnam Securities Depository assesses the size of the Clearing Fund and revalues contributed assets of the Clearing Fund to determine obligations of its clearing members.

	30/6/2022 VND	1/1/2022 VND
Initial deposits	10,000,000,000	10,000,000,000
Accumulated interest	56,402,989	46,379,713
	10,056,402,989	10,046,379,713

Movements in deposits to the Clearing Fund for derivative transactions during the period were as follows:

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Opening balance	10,046,379,713	10,026,232,365
Interest received	10,023,276	9,984,672
Closing balance	10,056,402,989	10,036,217,037

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16. Short-term borrowings

	Movement			
	1/1/2022 VND	Addition VND	Paid VND	
			30/6/2022 VND	
Borrowings from banks				
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	507,000,000,000	1,800,900,000,000	(1,375,000,000,000)	932,900,000,000
▪ Kookmin Bank - Tokyo Branch	1,112,480,000,000	1,781,560,000,000	(1,112,480,000,000)	1,781,560,000,000
▪ Vietnam Maritime Commercial Joint Stock Bank	247,997,615,579	799,995,228,531	(847,995,230,361)	199,997,613,749
▪ Sumitomo Mitsui Banking Corporation	915,450,000,000	452,950,000,000	(460,550,000,000)	907,850,000,000
▪ Joint Stock Commercial Bank for Investment and Development of Viet Nam - Ha Thanh Branch	500,000,000,000	1,676,000,000,000	(1,390,000,000,000)	786,000,000,000
▪ Vietnam Prosperity Joint Stock Commercial Bank	400,000,000,000	870,000,000,000	(1,020,000,000,000)	250,000,000,000
▪ International Commercial Joint Stock Bank	200,000,000,000	350,000,000,000	(550,000,000,000)	-
▪ Vietnam Joint Stock Commercial Bank For Industry and Trade	200,000,000,000	200,000,000,000	(400,000,000,000)	-
▪ Indovina Bank Limited	190,000,000,000	1,150,000,000,000	(870,000,000,000)	470,000,000,000
▪ Deagu Bank	120,000,000,000	340,000,000,000	(340,000,000,000)	120,000,000,000
▪ Kookmin Bank - Hanoi Branch	333,000,000,000	103,000,000,000	(103,000,000,000)	333,000,000,000
▪ Military Commercial Joint Stock Bank	100,000,000,000	-	(100,000,000,000)	-
▪ Nonghyup Bank Vietnam	110,000,000,000	110,000,000,000	(110,000,000,000)	110,000,000,000
▪ Vietnam Asia Commercial Joint Stock Bank	49,500,000,000	497,000,000,000	(446,500,000,000)	100,000,000,000
▪ Vietnam Export Import Commercial Joint Stock Bank	-	250,000,000,000	(200,000,000,000)	50,000,000,000
	4,985,427,615,579	10,381,405,228,531	(9,325,525,230,361)	6,041,307,613,749

As at 30 June 2022, the borrowings were secured over the Company's term deposits at banks with an amount of VND1,535,900 million and certificates of deposits with an amount of VND2,336,554 million (1/1/2022: term deposits at banks of VND685,900 million and certificates of deposits of VND1,680,000 million).

The borrowings bore interest at annual rates from 2.05% - 6.81% (1/1/2022: 0.92% - 7.93%) per annum.



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17. Payables for securities trading activities

	30/6/2022	1/1/2022
	VND	VND
Payables to Ho Chi Minh City Stock Exchange	3,333,753,098	6,098,498,070
Payables to Hanoi Stock Exchange	990,652,640	1,354,285,494
Payables to Vietnam Securities Depository	514,522,121	516,542,760
	<hr/>	<hr/>
	4,838,927,859	7,969,326,324
	<hr/>	<hr/>

18. Taxes and others payable to State Treasury

	1/1/2022	Incurring during	Paid in the	30/6/2022
	VND	the period	period	VND
		VND	VND	
Corporate income tax	15,417,853,310	39,975,712,082	(30,417,853,309)	24,975,712,083
Personal income tax	4,092,749,752	20,061,229,075	(21,794,310,752)	2,359,668,075
Value added tax	181,603,976	307,250,816	(468,033,292)	20,821,500
Foreign contractor tax	281,410,460	1,675,937,229	(1,924,705,172)	32,642,517
Personal income tax on securities transactions payable on behalf of customers	19,281,374,627	71,962,818,278	(80,259,743,101)	10,984,449,804
	<hr/>	<hr/>	<hr/>	<hr/>
	39,254,992,125	133,982,947,480	(134,864,645,626)	38,373,293,979
	<hr/>	<hr/>	<hr/>	<hr/>

19. Accrued expenses

	30/6/2022	1/1/2022
	VND	VND
Accrued interests from borrowings	32,572,346,578	19,502,736,520
Guarantee fees payable to parents company	765,485,500	3,947,299,893
Staff remunerations expense	6,000,000,000	7,169,507,378
Others	721,440,000	715,504,300
	<hr/>	<hr/>
	40,059,272,078	31,335,048,091
	<hr/>	<hr/>

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20. Other payables – short-term

	30/6/2022	1/1/2022
	VND	VND
Dividends paid on behalf	4,526,750	-
Payables to investors (i)	22,734,971,445	5,716,983,133
Others	14,011,471,424	3,845,190,572
	<hr/>	<hr/>
	36,750,969,619	9,562,173,705
	<hr/>	<hr/>

- (i) The balance represents deposit transactions by investors at the close of the last day of the accounting period, which has not been recognised in the investors' deposit accounts at the Company.

21. Bonus and welfare fund

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies.

Movements of bonus and welfare fund during the period were as follows:

	Six-month	Six-month
	period ended	period ended
	30/6/2022	30/6/2021
	VND	VND
Opening balance	917,110,979	1,132,240,745
Appropriation (Note 22(c))	4,812,650,450	3,338,079,734
Utilisation	(2,261,900,000)	(1,336,319,500)
	<hr/>	<hr/>
Closing balance	3,467,861,429	3,134,000,979
	<hr/>	<hr/>

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22. Contributed capital

(a) Number of shares

	30/6/2022		1/1/2022	
	Number of shares	Par value VND	Number of shares	Par value VND
Authorised and issued share capital	300,168,613	3,001,686,130,000	300,168,613	3,001,686,130,000
Shares in circulation				
Ordinary shares	300,168,613	3,001,686,130,000	300,168,613	3,001,686,130,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

(b) Details of contributed capital

	30/6/2022		1/1/2022	
	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership
KB Securities Co., Ltd.	299,596,020	99.81%	299,596,020	99.81%
Other shareholders	572,593	0.19%	572,593	0.19%
	300,168,613	100.00%	300,168,613	100.00%

(c) Retained profits

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Opening balance	680,889,461,952	460,285,417,867
Net profit for the period	159,292,293,880	119,103,243,808
Appropriation to reserve to supplement charter capital	(12,031,626,124)	(8,345,199,335)
Appropriation to financial and operational risk reserve	(12,031,626,124)	(8,345,199,335)
Appropriation to bonus and welfare fund (Note 21)	(4,812,650,450)	(3,338,079,734)
Closing balance	811,305,853,134	559,360,183,271

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23. Off balance sheet accounts

(a) Financial assets of the Company listed/registered for trading at VSD

	30/6/2022		1/1/2022	
	Quantity	Amount at par value VND	Quantity	Amount at par value VND
Less than 1 year	15,115	15,115,000	24,314	243,140,000

(b) Financial assets of the Company not yet custodied at VSD

	30/6/2022		1/1/2022	
	Quantity	Amount at par value VND	Quantity	Amount at par value VND
Over 1 year	33,600	336,000,000	33,600	336,000,000

(c) Financial assets of investors listed/registered for trading at VSD

	30/6/2022		1/1/2022	
	Quantity	Amount at par value VND	Quantity	Amount at par value VND
Freely transferred and traded financial assets	1,021,095,287	1,021,095,287,000	887,925,128	8,879,251,280,000
Financial assets restricted for transfers	1,198,628	1,198,628,000	26,224,188	262,241,880,000
Pledged financial assets	126,409,517	126,409,517,000	51,851,161	518,511,610,000
Blocked financial assets	44,766,589	44,766,589,000,000	29,766,589	297,665,890,000
Financial assets awaiting for settlement	21,105,082	21,105,082,000	40,041,788	400,417,880,000
	1,214,575,103	45,936,397,514,000	1,035,808,854	10,358,088,540,000

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(d) Financial assets of investors custodied at VSD but not yet traded

	30/6/2022		1/1/2022	
	Quantity	Amount at par value VND	Quantity	Amount at par value VND
Freely transferred financial assets deposited at VSD but not yet traded	25,157,443	25,157,443,000	9,744,932	97,449,320,000
Financial assets custodied at VSD but not yet traded and restricted for transfers	-	-	79,390	793,900,000
	<u>25,157,443</u>	<u>25,157,443,000</u>	<u>9,824,322</u>	<u>98,243,220,000</u>

(e) Deposits of investors

	30/6/2022 VND	1/1/2022 VND
Deposits of investors for securities transactions managed by the Company	1,748,783,309,603	1,510,942,114,241
Margin deposits from investors at VSD	51,556,510,444	107,715,504,733
Deposits for clearing and settlements of investor	312,680,174,590	177,662,655,879
▪ <i>Deposits for supplement and securities transactions of domestic investors</i>	245,286,222,923	143,756,855,403
▪ <i>Deposits for supplement and securities transactions of foreign investors</i>	67,393,951,667	33,905,800,476
	<u>2,113,019,994,637</u>	<u>1,796,320,274,853</u>

(f) Payables to investors on deposits for securities transactions managed by the Company

	30/6/2022 VND	1/1/2022 VND
Payables to domestic investors on deposits for securities transactions managed by the Company	1,483,850,763,886	1,767,785,837,922
Payables to foreign investors on deposits for securities transactions managed by the Company	577,225,378,763	21,505,673,355
	<u>2,061,076,142,649</u>	<u>1,789,291,511,277</u>

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24. Gains/losses from sales of financial assets

(a) Gains from sales of financial assets at FVTPL

	Quantity	Average selling price VND	Total amount VND	Average cost VND	Gains from sales of securities for the six-month period ended 30/6/2022 VND	Gains from sales of securities for the six-month period ended 30/6/2021 VND
Listed shares	95,539	36,123	3,451,138,600	33,786	223,242,468	237,433,581
Listed bonds	1,750	1,018,638,830	1,032,101,578	343,173	431,548,500	-
Certificates of deposits	2,384	204,586,726	487,734,753,761	202,188,950	5,716,295,844	6,249,137,473
	<u>99,673</u>		<u>492,217,993,939</u>		<u>6,371,086,812</u>	<u>6,486,571,054</u>

(b) Losses from sales of financial assets at FVTPL

	Quantity	Average selling price VND	Total amount VND	Average cost VND	Losses from sales of securities for the six-month period ended 30/6/2022 VND	Losses from sales of securities for the six-month period ended 30/6/2021 VND
Listed shares	76,008	27,618	2,099,217,466	31,372	(285,337,279)	(55,003,629)
Certificates of deposits	50,155	26,900,616	1,349,200,409,645	26,903,119	(125,504,578)	(372,139,051)
	<u>126,163</u>		<u>1,351,299,627,111</u>		<u>(410,841,857)</u>	<u>(427,142,680)</u>

25. Revaluation differences of financial assets at FVTPL

Six-month period ended 30/6/2022

	Cost VND	Market value/ fair value VND	Revaluation differences for the six-month period ended 30/6/2022 VND	Revaluation differences for the year ended 31/12/2021 VND	Differences accounted in the six-month period ended 30/6/2022 VND
Financial assets at FVTPL					
Listed shares	466,620,308	425,302,009	(41,318,299)	142,317,413	(183,635,712)
Certificates of deposits	2,639,542,029,450	2,639,542,029,450	-	-	-
	2,640,008,649,758	2,639,967,331,459	(41,318,299)	142,317,413	(183,635,712)

Recognised in the statement of income

Gains from revaluation of financial assets at FVTPL

Losses from revaluation of financial assets at FVTPL

Unrealised profit during the period

(115,406,330)

(68,229,382)

(183,635,712)

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Six-month period ended 30/6/2021

	Cost VND	Market value/ fair value VND	Revaluation differences for the six-month period ended 30/6/2021 VND	Revaluation differences for the year ended 31/12/2020 VND	Differences accounted in the six-month period ended 30/6/2021 VND
Financial assets at FVTPL					
Listed shares	511,616,944	581,472,654	69,855,710	9,213,134	60,642,576
Certificates of deposits	2,021,347,945,211	2,021,347,945,211	-	-	-
	2,021,859,562,155	2,021,929,417,865	69,855,710	9,213,134	60,642,576

Recognised in the statement of income

Gains from revaluation of financial assets at FVTPL

71,213,992

(10,571,416)

Unrealised profit during the period

60,642,576

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26. Dividends and interest from financial assets

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
From financial assets at FVTPL	60,621,488,708	43,257,534,088
From investments held to maturity	36,634,395,471	25,838,090,437
From loans	246,089,626,100	178,566,538,432
▪ <i>Margin loans</i>	226,863,990,246	145,753,775,589
▪ <i>Advances to customers for the proceeds from selling securities</i>	19,225,635,854	32,812,762,843
	343,345,510,279	247,662,162,957

27. Revenue other than income from financial assets

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Revenue from securities brokerage	178,653,006,010	180,461,605,489
Revenue from securities underwriting and issuance agency services	2,894,187,800	1,395,454,547
Revenue from securities investment consulting services	-	1,244,125,000
Revenue from securities custody services	2,334,385,256	2,250,120,510
Revenue from financial consulting services	3,432,787,800	300,000,000
Other operating income	1,750,173,637	2,019,817,878
	189,064,540,503	187,671,123,424

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28. Expenses for services rendered

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Expenses for securities brokerage services		
▪ Staff costs	118,212,314,155	112,763,288,407
▪ Depreciation and amortisation	3,761,514,728	5,289,358,851
▪ Securities brokerage services expenses	34,071,006,479	34,246,531,654
▪ Tools and supplies	7,309,058,835	7,108,727,838
▪ Office rental	6,764,890,460	6,904,633,190
▪ Outside services	7,264,961,650	4,772,208,272
	<hr/> 177,383,746,307	<hr/> 171,084,748,212
Expenses for securities custody services	3,191,132,260	3,189,471,864
Expenses for financial consulting services	4,918,216,924	7,422,965,010
	<hr/> 185,493,095,491	<hr/> 181,697,185,086

29. Realised and unrealised foreign exchange gains

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Realised foreign exchange gains	2,298,380,356	-

30. Dividends and interest income from demand deposits at banks

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Interest income from call deposits at bank	2,168,542,492	1,934,113,226

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31. Financial expenses

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Realised and unrealised foreign exchange losses	-	198,000
Interest expense	122,142,218,147	90,630,586,583
Other financial expenses	2,952,218,900	2,558,466,814
	125,094,437,047	93,189,251,397

32. General and administration expenses

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Salary and related expenses	20,834,403,293	13,470,355,145
Social insurance, health insurance, unemployment insurance and trade union fee	1,541,288,000	619,910,000
Office stationery	2,288,600,195	2,667,925,360
Tools and supplies	1,352,428,494	466,715,931
Taxes, fees and charges	589,539,423	5,599,500
Outside services	4,678,036,681	874,456,145
Other expenses	1,108,512,888	1,669,467,330
	32,392,808,974	19,774,429,411

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33. Income tax

(a) Recognised in the statement of income for the period

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Current income tax expense		
Current period	39,975,712,082	29,731,115,867
Over provision in prior year	-	(121,809,150)
	<hr/> 39,975,712,082	<hr/> 29,609,306,717
Deferred income tax benefit		
Origination and reversal of temporary differences	(23,081,266)	14,242,798
	<hr/> 39,952,630,816	<hr/> 29,623,549,515

(b) Reconciliation of effective tax rate

	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Accounting profit before tax	199,244,924,696	148,726,793,323
Tax at the Company's tax rate	39,848,984,939	29,745,358,665
Over provision in prior year	-	(121,809,150)
Non-deductible expenses	90,000,000	-
Others	13,645,877	-
	<hr/> 39,952,630,816	<hr/> 29,623,549,515

(c) Applicable tax rates

Under the terms of Income Tax Law, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

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34. Significant balances and transactions with related parties

(a) Balances with related parties

	Balance as at	
	30/6/2022	1/1/2022
	VND	VND
Parent company		
KB Securities Co., Ltd.		
Other receivables	1,464,501,933	2,751,363,186
Receivable from researching services	229,036,500	224,136,000
Guarantee fee payable	765,485,500	3,947,299,893
Kookmin Bank – Ha Noi Branch		
Short-term borrowings	333,000,000,000	333,000,000,000
Interest payable	414,397,260	538,095,890
Term deposit	100,000,000,000	-
Demand deposit	132,395,858	132,602,093
Kookmin Bank – Tokyo Branch		
Short-term borrowings	1,781,560,000,000	1,112,480,000,000
Interest payable	7,973,578,725	1,571,160,433
Kookmin Bank – Ho Chi Minh City Branch		
Demand deposit	82,192,374	82,636,023
KB Fina		
Prepaid service fees	566,500,000	-

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(b) Transactions with related parties

	Transaction amount	
	Six-month period ended 30/6/2022 VND	Six-month period ended 30/6/2021 VND
Parent company		
KB Securities Co., Ltd.		
Guarantee fee	4,205,042,060	3,129,153,025
Revenue of research fees	453,964,500	434,212,000
Payment on behalf	2,607,640,505	-
Revenue from transaction fee	229,335,940	-
Other related parties		
Kookmin Bank – Tokyo Branch		
Interest expenses incurred during the period	16,820,735,584	10,066,770,250
Interest paid	10,418,317,292	10,150,535,284
Borrowings during the period	1,781,560,000,000	-
Repayment of loan principal in the period	1,112,480,000,000	-
Kookmin Bank – Hanoi Branch		
Borrowings during the period	103,000,000,000	103,000,000,000
Repayment of loan principal in the period	103,000,000,000	-
Interest expenses incurred in the period	8,797,402,740	630,465,754
Interest paid	8,921,101,370	475,260,274
Interest income from demand deposit	114,980	-
Kookmin Bank – Ho Chi Minh City Branch		
Interest income from demand deposit	45,863	-
KB Fina		
Service expenses during the period	489,887,174	-
Service fees	1,715,230,031	-
Board of Directors, Board of Management and Supervisory Board		
Remuneration of Board of Directors	185,714,286	300,000,000
Remuneration of Supervisory Board	48,857,143	42,000,000
Salaries of Board of Management	3,240,795,174	1,549,370,039

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Notes to the interim financial statements for the six-month period
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35. Lease commitment

The minimum lease payments under non-cancellable operating lease contracts were:

	30/6/2022 VND	1/1/2022 VND
Within one year	9,041,758,766	3,380,943,264
Within two to five years	-	281,509,910

36. Seasonal or cyclical items

The interim financial statements of the Company were not affected by seasonal or cyclical factors.

37. Changes in accounting estimates

There are no significant changes in accounting estimates made by the Company in preparing these interim financial statements compared to those made in the most recent annual financial statements.

38. Changes in the composition of the Company

There are no significant changes in the composition of the Company for the six-month period ended 30 June 2022 compared to most recent annual financial statements.

39. Comparative information

Comparative information was derived from balances as at 31 December 2021 presented in the Company's financial statements for the year ended 31 December 2021 for balances and amounts reported in the statement of financial position and related notes; and information for the six-month period ended 30 June 2021 presented in the Company's interim financial statements for the six-month period ended 30 June 2021 for balances reported in the statement of income, statement of cash flows and related notes.

12 August 2022

Prepared by:



Ha Thanh Hoa
Chief Accountant

Approved by:



Jeon Mun Cheol
Acting General Director