



**KB Securities Vietnam Joint Stock Company**

**Financial Safety Ratio Report  
as at 30 June 2021**



## KB Securities Vietnam Joint Stock Company Corporate Information

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

The Establishment and Operational 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. 10/GPDC-UBCK dated 18 March 2021.

<b>Board of Directors</b>	Mr. Park Chunsoo Mr. Oh Cheolwu Mr. Byoung Jo Chun Mr. Shin Jhintaek Mr. Lee Hwang In Mr. Jeon Mun Cheol  Mr. Nguyen Duc Hoan	Chairman Member Member Member Member Member <i>(from 23 April 2021)</i> Member <i>(until 8 January 2021)</i>
<b>Ban Tổng Giám đốc</b>	Mr. Jeon Mun Cheol  Mr. Oh Cheolwu  Mr. Nguyen Duc Hoan  Mr. Shin Jhintaek	Acting General Director <i>(from 24 May 2021)</i> Acting General Director <i>(from 8 January 2021 until 24 May 2021)</i> General Director <i>(until 8 January 2021)</i> Finance Director
<b>Legal Representative</b>	Mr Park Chunsoo	Chairman
<b>Registered office</b>	G, M, 2 <sup>nd</sup> , and 7 <sup>th</sup> Floors Sky City Building 88 Lang Ha, Dong Da District Hanoi, Vietnam	
<b>Auditor</b>	KPMG Limited Vietnam	

**To: State Securities Commission of Vietnam**

**FINANCIAL SAFETY RATIO REPORT**

As at 30 June 2021

We undertake as follows:

- (1) This report has been prepared on up to date data at the reporting date and in accordance with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations;
- (2) The issues having impact on the Company's financial status that may arise after the reporting date will be updated in the next reporting period; and
- (3) We fully accept legal responsibilities for the accuracy and fairness of the contents of this report.

9 August 2021

Prepared by:



Ha Thanh Hoa  
Chief Accountant

Approved by:



Jeon Mun Cheol  
Acting General Director



KPMG Limited  
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E6 Pham Hung Road, Me Tri Ward  
South Tu Liem District, Hanoi, Vietnam  
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## REVIEW REPORT ON FINANCIAL SAFETY RATIO REPORT

### To the Board of Directors KB Securities Vietnam Joint Stock Company

We have reviewed the accompanying Financial Safety Ratio Report of KB Securities Vietnam Joint Stock Company (“the Company”) as of 30 June 2021 and the explanatory notes thereto, which were authorised for issue by the Company’s Board of Management on 9 August 2021 (“Financial Safety Ratio Report”), as set out on pages 5 to 32.

### Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and presentation of the Financial Safety Ratio Report in accordance with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations, and for such internal control as the Board of Management determines is necessary to enable the preparation of the Financial Safety Ratio Report that is free from material misstatement, whether due to fraud or error.

### Auditor’s Responsibility

Our responsibility is to express a conclusion on the Financial Safety Ratio Report 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 the Financial Safety Ratio Report consists of making inquiries, primarily of persons responsible for the Financial Safety Ratio Report 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 Financial Safety Ratio Report as of 30 June 2021 of KB Securities Vietnam Joint Stock Company has not been prepared, in all material respects, in accordance with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations.

## Basis of Preparation and Restriction on Use

We draw attention to Note 2 to the Financial Safety Ratio Report, which describes the basis of preparation of the Financial Safety Ratio Report. The Financial Safety Ratio Report has been prepared for the Company to comply with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance ("Circular 91") regulating financial safety ratios and measures for non-compliance applicable to securities business organizations. As a result, the Financial Safety Ratio Report may not be suitable for other purposes. Our review report is intended solely for the Company's submission to the State Securities Commission of Vietnam and disclosure of information as required by Circular 91 and should not be used for any other purposes.

**KPMG Limited**  
Vietnam

Review Report No. 21-02-00152-21-2



Wang Toon Kim  
Practicing Auditor Registration  
Certificate No. 0557-2018-007-1  
*Deputy General Director*

Hanoi, 9 August 2021

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

**KB Securities Vietnam Joint Stock Company**  
**Financial Safety Ratio Report as at 30 June 2021**

**SUMMARY OF RISK INDICATORS AND LIQUID CAPITAL**

No.	Items	Note	30/06/2021
1	Total market risk value (VND)	6(a)	776,887,698
2	Total settlement risk value (VND)	6(b)	205,508,778,354
3	Total operational risk value (VND)	6(c)	85,956,376,122
4	<b>Total risk values (4=1+2+3) (VND)</b>		<b>292,242,042,174</b>
5	<b>Liquid capital (VND)</b>	<b>5</b>	<b>2,209,682,218,951</b>
6	<b>Liquid capital ratio (6=5/4) (%)</b>		<b>756%</b>

9 August 2021

Prepared by:



Ha Thanh Hoa  
 Chief Accountant

Approved by:



Jeon Mun Cheol  
 Acting General Director

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021**

These notes form an integral part of and should be read in conjunction with the accompanying Financial Safety Ratio Report.

**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 Operational 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. 10/GPDC-UBCK dated 18 March 2021.

The Company's latest charter was approved by the Board of Directors and was effective from 23 April 2021.

**(b) Charter capital**

As at 30 June 2021, the Company's charter capital was VND1,675,020,900,000.

**(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.

**(d) Operating network**

The Company's address is G, M, 2nd and 7th Floors, Sky City building, 88 Lang Ha, Dong Da District, Hanoi, Vietnam. As at 30 June 2021, the Company has 3 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 at 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 at 1st floor, Office Building, No. 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam.
- Saigon Branch - KB Securities Vietnam Joint Stock Company was established in accordance with Decision No. 08/QD-UBCK issued by the State Securities Commission of Vietnam on 4 January 2019. The branch is located at 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 2021, the Company has 398 employees.

## **2. Basis of preparation**

### **(a) Statement of compliance**

The Financial Safety Ratio Report has been prepared to assist the Company to comply with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance (“Circular 91”) regulating financial safety ratios and measures for non-compliance applicable to securities business organisations. Accordingly, the Financial Safety Ratio Report and its utilisation are not designed for those who are not informed about the principles and requirements of Circular 91 on preparation and presentation of Financial Safety Ratio Report applicable to securities business organisations in Vietnam. As a result, the Financial Safety Ratio Report may not be suitable for another purpose.

### **(b) Underlying financial data**

The Financial Safety Ratio Report is prepared based on the Company’s financial data as of 30 June 2021 and for the twelve-month period ended 30 June 2021. This Financial Safety Ratio Report should be read in conjunction with the Company’s interim financial statements for the twelve-month period ended 30 June 2021.

### **(c) Accounting and presentation currency**

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for Financial Safety Ratio Report presentation purpose.

## **3. Adoption of new guidance on preparation of Financial Safety Ratio Reports**

On 13 November 2020, the Ministry of Finance issued Circular No. 91/2020/TT-BTC regulating financial safety ratios and measures for non-compliance applicable to securities business organisations (“Circular 91”). Circular 91 is effective from 1 January 2021 except for Point đ Clause 5 Article 5, Point d Clause 3 Article 6, Point k Clause 1 Article 10, Clause 10 Article 10 and Item 28 Section VII Appendix I Market Risk Ratio effective from 1 January 2022.

## **4. Summary of significant policies adopted in the preparation of the Financial Safety Ratio Report**

The following significant policies have been adopted by the Company in the preparation of this Financial Safety Ratio Report.

### **(a) Liquid capital ratio**

The Company’s liquid capital ratio is calculated in accordance with the requirements of Circular 91 as follows:

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

in which, total risk value is the aggregate of market risk value (Note 4(c)), settlement risk value (Note 4(d)) and operational risk value (Note 4(e)).



**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

**(b) Liquid capital**

Liquid capital is the capital which can be converted into cash within 90 days. Liquid capital includes the following items:

- Share capital, excluding redeemable preference shares (if any);
- Capital surplus excluding redeemable preference shares (if any);
- Options to convert bonds - equity component;
- Other capital;
- Differences upon asset revaluations in fair value;
- Foreign exchange differences;
- Reserve to supplement share capital;
- Operational risk and financial reserves;
- Other equity funds appropriated in accordance with the prevailing regulations;
- Retained profits;
- Allowance for diminution in the value of assets;
- 50% value of upward revaluations of fixed assets in accordance with the prevailing regulations (in case of upward revaluations) or minus 100% value of the downward revaluations of fixed assets (in case of downward revaluations); and
- Other capital (if any).

Additions to the Company's liquid capital include the following items:

- All increases in the values of investments and financial assets in carrying value excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days from the reporting date, based on the difference between the carrying value and the market price;
- Debts that can be converted into owners' equity include:
  - Convertible bonds and preference shares issued by the Company meeting all of the following conditions: having an original term to maturity of at least 5 years; not being secured by the Company's assets; can be repurchased by the Company before maturity date only at requests of shareholders/bondholders or in the secondary market after informing the State Securities Commission of Vietnam; the Company can stop paying interest and transfer the accumulated interests to the subsequent year if the interest payment will result in business losses in the year; in case the Company being dissolved, shareholders/bondholders may receive payments only after the Company has fully paid its liabilities to other secured and unsecured debt-holders; any upward adjustment of interest rates, including the upward adjustment of interest rate added to the reference interest rate, may only be implemented 5 years from the date of issuance, and only once throughout the term before conversion into ordinary shares; and registered with the State Securities Commission of Vietnam to supplement the liquid capital;

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

- Other debt instruments meeting all of the following conditions: being debts whose holders may, in all circumstances, receive payments only after the Company has paid its liabilities to all other secured or unsecured debt-holders; having an original term of at least 10 years; not being secured by the Company's assets; the Company can stop paying interest and transfer the accumulated interests to the subsequent year if the interest payment will result in business losses in the year; the Company can make full repayment before maturity only after having notified the State Securities Commission of Vietnam in accordance with the prevailing regulations; for upward adjustment of interest rates, the following must be ensured: in case of a fixed interest rate, upward adjustment of interest rate added to the reference interest rate shall be made only after 5 years from issuance date, contract signing date and for only one time during the term of subordinated debts; in case of a formulated interest rate, changes shall not be made to such formulas, but only to the margin (if any) in the formulas for one time after 5 years from issuance date, contract signing date; and registered with the State Securities Commission of Vietnam to supplement the liquid capital.

The above debts, which can be converted into owners' equity, are decreased with the following principles: after each year during the last 05 years before maturity of settlement, conversion into ordinary shares, 20% of their original values is deducted; and after each quarter during the last four quarters before maturity of settlement, conversion into ordinary shares, another 25% of their remaining value is deducted as regulated above.

Value of items used to supplement the liquid capital is capped at 50% of the Company's equity.

Deductions from the Company's liquid capital include the following items:

- Deposited amounts;
- Value of assets used as collaterals for the obligations of other organisations or individuals with remaining term to maturity of more than 90 days;
- All decreases in the values of financial assets in carrying amounts, excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date, based on the difference between the carrying value and the market price;
- Items in long-term assets;
- Items in current assets include: the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date in short-term financial assets; prepayments; receivables with the remaining term to maturity of more than 90 days; advances with the remaining term to clearance of more than 90 days and other current assets; and
- Asset items with a qualified, adverse or disclaimer opinion/conclusion in the audited/reviewed financial statements (if any), which have not been excluded from the liquid capital in accordance with the above regulations.

When determining the deductions from liquid capital, the Company deducts from the liquid capital an amount equal to the minimum value of the market value of (the market value of the assets, the book value and the residual value of the obligations) (for the assets used as security for the obligations of the Company) and the minimum value of the market value of the assets and the book value (for the assets secured by customers' assets).

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

**(c) Market risk value**

Market risk value is the value corresponding to the level of loss which may occur if the market value of assets owned and expected to be owned during the underwriting period changes unfavourably. Market risk value is determined in accordance with the requirements of Circular 91 as follows:

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

In which, net position of any securities at a point of time is the quantity of securities currently held by the Company, after deducting the number of securities lent out, the number of securities hedged by put warrants and future contracts and adding the number of securities borrowed in accordance with the prevailing regulations.

The market risk value is not determined for following securities and assets:

- Treasury shares;
- Securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Matured bonds, debt instruments and money market valuable papers; and
- Securities hedged by put warrants or future contracts; put warrants and put options are used to hedge the underlying securities.

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**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

(i) *Asset value*

Asset value is determined in accordance with principles for valuation of securities in Circular 91 as follows:

No.	Type of asset	Principles for determining market value
<b>Cash and cash equivalents, money market instruments</b>		
1	Cash (VND)	Account balance at the reporting date
2	Foreign currencies	Value converted into VND at the exchange rate of credit institutions authorized for trading foreign currencies at the reporting date
3	Term deposits	Deposit amount plus accrued interest at the reporting date
4	Treasury bills, bank drafts, commercial papers, transferable certificates of deposits, bonds and other discounted money market instruments	Purchase price plus accrued interest at the reporting date
<b>Bonds</b>		
5	Listed bonds	<ul style="list-style-type: none"> <li>➤ Average listed price from the Stock Exchanges of a normal transaction at the latest trading date plus accrued interest (if the listed price excludes accrued interest);</li> <li>➤ If there was no trading in the previous two weeks prior to the reporting date, then market value is the highest value of the following:               <ul style="list-style-type: none"> <li>+ Purchase price plus accrued interest;</li> <li>+ Par value plus accrued interest; and</li> <li>+ Value determined in accordance with the Company's internal methodology plus accrued interest.</li> </ul> </li> </ul> <p><i>In other words:</i>            Max (Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology plus accrued interest)</p>

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

No.	Type of asset	Principles for determining market value
6	Unlisted bonds	<p>The highest value of the following:</p> <ul style="list-style-type: none"> <li>+ Quoted price, if any, from the quoting system selected by the Company plus accrued interest;</li> <li>+ Purchase price plus accrued interest;</li> <li>+ Par value plus accrued interest; and</li> <li>+ Value determined in accordance with the Company's internal methodology plus accrued interest.</li> </ul> <p><i>In other words:</i></p> <p>Max (Quoted price (if any); Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology plus accrued interest)</p>
<b>Shares</b>		
7	Shares listed on the Ho Chi Minh City Stock Exchange	<ul style="list-style-type: none"> <li>➤ Closing price of the latest trading date</li> <li>➤ If there was no trading in the two (02) weeks prior to the reporting date, then the market value is the highest value of the following: <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; and</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> </li> </ul> <p><i>In other words:</i></p> <p>Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p>
8	Shares listed on the Hanoi Stock Exchange	<ul style="list-style-type: none"> <li>➤ Closing price of the latest trading date</li> <li>➤ If there was no trading in the two (02) weeks prior to the reporting date, then the market value is the highest value of the following: <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; and</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> </li> </ul> <p><i>In other words:</i></p> <p>Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p>

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

No.	Type of asset	Principles for determining market value
9	Shares of public companies registered for UpCom trading	<p>➢ Closing price at the latest trading date</p> <p>➢ If there was no trading in the two (02) weeks prior to the reporting date, then the market value is the highest value of the following:</p> <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; and</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> <p><i>In other words:</i>  Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p>
10	Shares already custodied but not yet listed and not yet registered for trading	<p>➢ Average price from the quoted prices from at least three (03) securities companies which are not related to the Company</p> <p>➢ If there were not sufficient quoted prices from three (03) securities companies, then the market value is the highest value of the following:</p> <ul style="list-style-type: none"> <li>+ Quoted prices from securities companies;</li> <li>+ Price of the latest period;</li> <li>+ Book value;</li> <li>+ Purchase price; and</li> <li>+ Value in accordance with the Company's internal regulation.</li> </ul> <p><i>In other words:</i>  Max (Quoted prices from securities companies; Price of the latest period; Book value; Purchase price; Value in accordance with the Company's internal regulation).</p>
11	Shares for which trading has been suspended or delisted shares or shares with trading cancellation	<p>The highest of the following:</p> <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Par value; and</li> <li>+ Value in accordance with the Company's internal methodology.</li> </ul> <p><i>In other words:</i>  Max (Book value; Par value; Value determined in accordance with the Company's internal methodology).</p>



**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

No.	Type of asset	Principles for determining market value
12	Shares of organisations which are currently being dissolved or bankrupt	80% of the liquidation value of such shares (prices of distributed shares announced by the dissolved or bankrupt organisation or the book value) at the latest balance sheet date, or value in accordance with the Company's internal regulation.
13	Other shares and capital contribution	The highest of the following: + Book value; + Purchase price/capital contribution amount; and + Value in accordance with the Company's internal regulation. <i>In other words:</i> Max (Book value; Purchase price/capital contribution amount; Value in accordance with the Company's internal regulation).
<b>Funds/Shares of securities investment companies</b>		
14	Closed-end public funds/ETF	<ul style="list-style-type: none"> <li>➤ Closing price at the latest trading date prior to the reporting date</li> <li>➤ If there was no trading in more than (02) weeks prior to the reporting date, then the latest NAV/fund unit prior to the reporting date</li> </ul>
15	Member funds/Open-end funds/Shares issued in private placement of securities investment companies	Latest Net asset value per one capital contribution unit/fund certificate/share prior to the reporting date
16	Other cases	Value determined in accordance with the Company's internal methodology
<b>Fixed assets</b>		
17	Land use rights, etc.	Value determined by an independent valuation organisation selected by the Company
18	Buildings and structures, including construction in progress	Value determined by an independent valuation organisation selected by the Company/Accumulated costs of construction in progress
19	Machineries, equipment and motor vehicles etc.	Net book value of the asset
20	Other fixed assets	Value determined by an independent valuation organisation selected by the Company



**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

No.	Type of asset	Principles for determining market value
<b>Other securities</b>		
21	Covered warrants issued by other securities business organisations	<ul style="list-style-type: none"> <li>➢ Closing price at the latest trading date;</li> <li>➢ Purchase price (for unlisted covered warrants).</li> </ul>
22	Shares listed on foreign stock exchanges	<ul style="list-style-type: none"> <li>➢ Price (in foreign currency) x foreign exchange rate for conversion to VND at the reporting date</li> <li>➢ Closing price at the latest trading date;</li> <li>➢ If there was no trading in the two (02) weeks prior to the reporting date, then market value is the highest value of the following:               <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price;</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> </li> </ul> <p><i>In other words:</i>            Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology).</p>



**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

**(ii) Market risk coefficient**

Market risk coefficient is determined for each type of asset in accordance with the provisions of Circular 91 as disclosed in Note 6(a).

**(iii) Increase in market risk value**

The market risk values of assets will be increased if the Company significantly invests in such assets, except for secured underwriting securities, Government bonds and bonds guaranteed by the Government. Market risk value is increased in accordance with the following principles:

- Increase by 10% if the total value of any investment in shares and bonds of an organisation accounts for from more than 10% to 15% of the Company's equity;
- Increase by 20% if the total value of any investment in shares and bonds of an organisation accounts for from more than 15% to 25% of the Company's equity;
- Increase by 30% if the total value of any investment in shares and bonds of an organisation accounts for more than 25% of the Company's equity.

Dividends, coupons, value of privileged rights of securities (if any) or interest receivables from cash and cash equivalents, transferrable instruments and valuable papers are added to the asset values when determining the market risk value.

**(d) Settlement risk value**

Settlement risk value is the value corresponding to the level of loss which may occur if counterparty is unable settle obligations or transfer assets on time as committed. Settlement risk value is determined at the end of transaction date or contract date as follows:

- Settlement risk value before the due date for payment/transfer of securities is determined in accordance with following principle:

$$\text{Settlement risk before due date} = \text{Value of the asset with settlement risk} \times \text{Settlement risk coefficient by counterparty}$$

The above principle to determine settlement risk value before due date is applicable for following contracts:

- Term deposits at credit institutions, certificates of deposit issued by credit institutions;
  - Securities lending contracts and securities borrowing contracts in compliance with laws;
  - Repurchase agreements in compliance with laws;
  - Reverse repurchase agreements in compliance with law;
  - Margin loan contracts in compliance with laws; and
  - Accounts receivable from customers in securities trading transactions.
- For underwriting contracts signed with other organisations in an underwriting syndicate in the form of a firm undertaking in which the Company is the lead underwriter, the settlement risk value shall be 30% of the residual value of an underwriting contract for which payment has not been made.

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

- Overdue settlement risk value is determined in accordance with following principle:

$$\text{Overdue settlement risk} = \frac{\text{Value of the asset with settlement risk}}{\text{settlement risk}} \times \text{Settlement risk coefficient by overdue status}$$

The above principle to determine settlement risk value after due date is applicable for:

- Receivables on matured bonds, valuable papers, matured but unpaid debt instruments;
- Assets that are overdue for transfer, including securities incurred during the normal business of the Company, customers' securities in securities brokerage transactions;
- Securities, cash not received from matured transactions/contracts include: term deposits at credit institutions, certificates of deposit issued by credit institutions; securities lending contracts and securities borrowing contracts in compliance with laws; repurchase agreements in compliance with laws; reverse repurchase agreements in compliance with laws; margin loan contracts in compliance with laws; and accounts receivable from customers in securities trading transactions.

(i) **Settlement risk coefficient**

In accordance with the requirements of Circular 91, settlement risk coefficient by counterparty is as follows:

No.	Counterparty	Settlement risk coefficient
1	The Government, issuing organizations guaranteed by the Government and central banks of countries in the OECD, people's committee of provinces and cities under central authority	0%
2	Stock Exchanges, Vietnam Securities Depository	0.8%
3	Credit institutions, financial institutions, and securities companies established in countries in the OECD and with a credit rating satisfying the internal rules of the Company	3.2%
4	Credit institutions, financial institutions, and securities companies established in countries outside the OECD; or established in countries in the OECD but with a credit rating not satisfying the internal rules of the Company	4.8%
5	Credit institutions, financial institutions, securities business organisations, securities investment funds and securities investment companies established and operating in Vietnam	6%
6	Other organizations and individuals	8%

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

In accordance with the requirements of Circular 91, settlement risk coefficient by overdue status is as follows:

No.	Overdue status	Settlement risk coefficient
1	0 - 15 days after the due date for payment/transfer of securities	16%
2	16 - 30 days after the due date for payment/transfer of securities	32%
3	31 - 60 days after the due date for payment/transfer of securities	48%
4	More than 60 days after the due date for payment/transfer of securities	100%

Time for payment/transfer of securities is in accordance with regulations on derivative securities (for derivative securities), T+2 (for listed shares), T+1 (for listed bonds), or T+n (for transactions agreed outside the trading system in n days as agreed by the two parties).

**(ii) Value of assets with settlement risk**

➤ *Value of assets with settlement risk in securities borrowing activities, securities lending activities, margin trading activities, repurchase/reverse repurchase agreements, and other transactions:*

No.	Type of transaction	Value of assets with settlement risk
1	Term deposits, certificates of deposit, unsecured loans; other contracts, transactions and capital utilisation amounts	All balances of deposits, certificates of deposit, loans, contracts, transactions plus dividends, coupons, value of privileged rights (for securities) or interest receivables and other charges (for credit amounts)
2	Securities lending	Max {(Market value of the contract – Value of collateral assets (if any)), 0}
3	Securities borrowings	Max {(Value of collateral assets – Market value of the contract), 0}
4	Reverse repurchase agreements	Max {(Contract value calculated in accordance with purchase price – Market value of the contract * (1 – Market risk coefficient)), 0}
5	Repurchase agreements	Max {Market value of the contract * (1 – Market risk coefficient) – Contract value based on the selling price), 0}
6	Margin loans (lending to customers to purchase securities)/Other arrangements with similar nature	Max {(Outstanding loan balance – Value of collateral assets), 0}

Outstanding balance comprises the principal, interest and related fees.

Value of collateral assets is based on the market value. When the market values of collateral assets are not available, market values are determined in accordance with Company's internal methodology.

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

➤ *Value of assets with settlement risk in securities trading transactions:*

No.	Time	Value of assets with settlement risk
<b>A. For the sale of securities transactions</b> (seller is the Company or the Company's customers in brokerage activities)		
1	Before the due date for payment	Nil
2	After the due date for payment	Market value of the contract (if the market value is lower than the transaction price)
		Nil (if the market value is higher than the transaction price)
<b>B. For the purchase of securities transactions</b> (buyer is the Company or the Company's customers)		
1	Before the due date for securities transfer	Nil
2	After the due date for securities transfer	Market value of the contract (if the market value is lower than the transaction price)
		Nil (if the market value is higher than the transaction price)

Time for payment/transfer of securities is in accordance with regulations on derivative securities (for derivative securities), T+2 (for listed shares), T+1 (for listed bonds), or T+n (for transactions agreed outside the trading system in n days as agreed by the two parties)

➤ *Settlement risk values of overdue accounts receivable, matured bonds and debt instruments are the underlying amounts including par value plus accrued interest and fees, less actual cash previously received (if any).*

**(iii) Deductions from the value of assets with settlement risk**

The Company deducts the value of collateral asset received from counterparties or customers from the value of assets with settlement risk when determining the value of assets with settlement risks if the contracts and transactions meet the following criteria:

- The counterparties or customers have collateral assets to secure for their obligations including cash, cash equivalents, valuable papers, transferable money market instruments, listed securities on Vietnam Stock Exchanges and its subsidiaries, Government bonds, or bonds underwritten by the Ministry of Finance;
- The Company has the right to control, manage, use or transfer the collateral assets if the counterparties fail to settle the obligations according to the contractual schedules.

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

Value of collateral assets deducted from the value of assets with settlement risk is calculated as follows:

$$\text{Value of collateral assets} = \text{Collateral asset quantity} \times \text{Collateral asset value per unit} \times (1 - \text{Market risk coefficient})$$

Asset value is determined in accordance with the requirements of Circular 91 as described in Note 4(c)(i).

Market risk coefficient is determined in accordance with the requirements of Circular 91 as disclosed in Note 6(a).

**(iv) Settlement risk value increase**

Settlement risk values are increased in the following cases:

- Increase by 10% if the value of deposit contracts, certificates of deposit, loans, undue accounts receivable, reverse repurchase agreements, repurchase agreements, total loans to any organisation or individual and group of related organisations and individuals (if any), accounts for more than 10% to 15% of the Company's equity;
- Increase by 20% if the value of deposit contracts, certificates of deposit, loans, undue accounts receivable, reverse repurchase agreements, repurchase agreements, total loans to any organisation or individual and group of related organisations and individuals (if any), accounts for more than 15% to 25% of the Company's equity;
- Increase by 30% if the value of deposit contracts, certificates of deposit, loans, undue accounts receivable, reverse repurchase agreements, repurchase agreements, total loans to any organisation or individual and group of related organisations and individuals (if any), or any individual and its related parties (if any), accounts for over 25% of the Company's equity.

Dividends, coupons, value of privileged rights of securities (if any) or interest receivables from cash and cash equivalents, transferrable instruments and valuable papers are added to the asset values when determining the payment risk value.

**(v) Netting off value of assets with settlement risk**

The value of assets with settlement risk is netted off if all the following conditions are met:

- The settlement risk is related to the same counter party;
- The settlement risk arises from the same type of transactions; and
- The netting off is agreed by the parties in writing in advance.

**(e) Operational risk value**

Operational risk value is the value corresponding to the level of loss which may occur due to a technical or system error, human error during the operations, or shortage of capital arising from expenses, losses from investment activities, or other objective reasons

The operational risk of the Company is calculated at the higher of 25% of the operating expenses in the latest 12-month period to the reporting date and 20% of its minimum charter capital for business operations in accordance with the law.

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

Operating expenses include all costs incurred during the period after deducting:

- Depreciation expenses
- Expense or reversal of allowance for diminution in the value of current financial assets and collaterals;
- Expense or reversal of allowance for diminution in the value of long-term financial assets;
- Expense or reversal of allowance for diminution in the value of accounts receivable;
- Expense or reversal of allowance for diminution in the value of other current assets;
- Expense on downward revaluation differences of financial assets at FVTPL; and
- Interest expenses.

## 5. Liquid capital

No.	Items	Liquid capital as of 30/06/2021		
		Liquid capital VND	Deductions VND	Additions VND
<b>A</b>	<b>Owners' equity</b>			
1	Owners' equity excluding redeemable preference shares (if any)	1,675,020,900,000		
2	Capital surplus excluding redeemable preference shares (if any)	-		
3	Treasury shares	-		
4	Options to convert bonds - equity component	-		
5	Other capital	-		
6	Differences upon asset revaluations at fair value	-		
7	Reserve to supplement share capital	18,275,822,797		
8	Operational risk and financial reserves	33,146,243,323		
9	Other equity funds	-		
10	Retained profits (i)	559,404,599,975		
11	Allowance for diminution in the value of assets	550,965,657		
12	Differences upon fixed asset revaluations	-		
13	Foreign exchange differences	-		
14	Convertible debts	-		-
15	Deductions or additions relating to investments (ii)		12,231,062	82,086,772
16	Other capital (if any)	-		
<b>1A</b>	<b>Sub-total</b>			<b>2,286,468,387,462</b>
<b>B</b>	<b>Current assets</b>			
<b>I</b>	<b>Financial assets</b>			
1	Cash and cash equivalents			
2	Financial assets at Fair Value through Profit or Loss (FVTPL)			
	- Securities with market risks			
	- Securities deducted from the liquid capital			-

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

No.	Items	Liquid capital as of 30/06/2021		
		Liquid capital VND	Deductions VND	Additions VND
3	Held-to-maturity investments (HTM)			
	- Securities with market risks			
	- Securities deducted from the liquid capital		-	
4	Loans			
5	Available-for-sale financial assets (AFS)			
	- Securities with market risks			
	- Securities deducted from the liquid capital		-	
6	Allowance for diminution in the value of financial assets and collaterals			
7	Accounts receivable (Receivables from sales of financial assets, Receivable and accrued dividends, interest from financial assets)			
	Accounts receivable with remaining terms to maturity of 90 days or less			
	Accounts receivable with remaining terms to maturity of more than 90 days		8,113,071,233	
8	Covered warrants not yet issued			
9	Underlying securities for hedging upon issuance of covered warrants		-	
10	Receivables from securities services provided			
	- Accounts receivable with remaining terms to maturity of 90 days or less			
	- Accounts receivable with remaining terms to maturity of more than 90 days		-	
11	Intra-company receivables			
	- Intra-company receivables with remaining terms to maturity of 90 days or less			
	- Intra-company receivables with remaining terms to maturity of more than 90 days		-	
12	Receivables on securities transaction errors			
	- Accounts receivable with remaining terms to maturity of 90 days or less			



**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

No.	Items	Liquid capital as of 30/06/2021		
		Liquid capital VND	Deductions VND	Additions VND
	- Accounts receivable with remaining terms to maturity of more than 90 days		-	
13	Other receivables			
	- Accounts receivable with remaining terms to maturity of 90 days or less			
	- Accounts receivable with remaining terms to maturity of more than 90 days		-	
14	Allowance for diminution in value of receivables			
<b>II</b>	<b><i>Other current assets</i></b>		-	
1	Advances			
	- Advances with remaining terms of 90 days or less			
	- Advances with remaining terms of more than 90 days		-	
2	Office supplies, tools and instruments		-	
3	Short-term prepaid expenses		7,189,426,841	
4	Short-term deposits and collaterals		3,722,654,585	
5	Deductible value added tax		-	
6	Taxes and others receivable from State Treasury		-	
7	Other current assets		1,492,250,400	
8	Allowance for diminution in the value of other current assets		-	
<b>1B</b>	<b>Sub-total</b>			<b>20,517,403,059</b>
<b>C</b>	<b>Long-term assets</b>			
<b>I</b>	<b><i>Long-term financial assets</i></b>			
1	Long-term receivables		-	
2	Investments			
2.1	Held-to-maturity investments			
	- Securities with market risks			
	- Securities deducted from the liquid capital		-	

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

No.	Items	Liquid capital as of 30/06/2021		
		Liquid capital VND	Deductions VND	Additions VND
2.2	Investments in subsidiaries		-	
2.3	Other long-term investments		-	
2.4	Accounts receivable – long-term		-	
<b>II</b>	<b>Fixed assets</b>		<b>20,559,708,406</b>	
<b>III</b>	<b>Investment properties</b>		-	
<b>IV</b>	<b>Construction in progress</b>		-	
<b>V</b>	<b>Other long-term assets</b>			
1	Long-term deposits and collaterals		15,000,000	
2	Long-term prepayments		7,383,439,761	
3	Deferred tax assets		-	
4	Deposits at Payment Support Fund		18,274,400,248	
5	Other long-term assets		10,036,217,037	
<b>VI</b>	<b>Allowance for diminution in the value of long-term assets</b>			
	Assets being qualified, subject to adverse opinion or disclaimer of opinion in the audited/reviewed annual financial statements but not yet included in the deductions in accordance with prevailing regulations		-	
<b>1C</b>	<b>Sub-total</b>			<b>56,268,765,452</b>
<b>D</b>	<b>Deposits</b>			
1	Deposited amounts			
1.1	Amounts deposited at Payment Support Fund of Vietnam Securities Depository and Clearing Corporation		-	
1.2	Amount deposited at the clearance fund of central counterparties for open position of clearing members		-	
1.3	Deposit of cash and payment guarantee of bank upon issuance of covered warrants		-	
2	Value of collaterals for liabilities with the remaining term exceeding 90 days		-	
<b>1D</b>	<b>Sub-total</b>			<b>-</b>
<b>LIQUID CAPITAL = 1A - 1B - 1C - 1D</b>				<b>2,209,682,218,951</b>

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

(i) *Retained profits*

	30/06/2021 VND
<b>Retained profits</b>	<b>559,360,183,271</b>
<b>Plus: Unrealised loss</b>	
Revaluation of financial asset at fair value through profit and loss	44,416,704
	<hr/> <b>559,404,599,975</b> <hr/>

(ii) *Additions and deductions relating to investments*

Details of deductions and additions relating to investments which were added back/deducted from the liquid capital as of 30 June 2021 are as follows:

	Cost VND	Market value VND	Difference VND
<b>Increases</b>			
Shares	391,724,618	473,811,390	82,086,772
	<hr/>		
<b>Decreases</b>			
Shares	118,936,522	106,705,460	(12,231,062)
	<hr/>		

## 6. Risk value

(a) **Market risk value**

Investment portfolio as at 30 June 2021		Risk coefficient	Risk exposure (VND)	Risk value (VND)
		(1)	(2)	(3) = (1) x (2)
<b>I</b>	<b>Cash and cash equivalents, money market instruments</b>			
1	Cash	0%	240,610,508,743	-
2	Cash equivalents	0%	675,305,440,890	-
3	Valuable papers and transferable money market instruments, certificates of deposits	0%	2,064,601,643,836	-
<b>II</b>	<b>Government bonds</b>			
4	Zero-coupon Government bonds	0%		
5	Government coupon bonds			
5.1	Government bonds (including treasury bonds and project bonds previously issued), bonds issued by governments of countries in the OECD or bonds guaranteed by the government or central bank of countries in the OECD, and	3%		

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

Investment portfolio as at 30 June 2021		Risk coefficient	Risk exposure (VND)	Risk value (VND)
		(1)	(2)	(3) = (1) x (2)
	bonds issued by IBRD, ADB, IADB, AFDB, EIB and EBRD, municipal bonds			
<b>III</b>	<b>Credit institution bonds</b>			
6	Credit institution bonds with remaining terms to maturity of less than 1 year, including convertible bonds	3%		
	Credit institution bonds with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	8%		
	Credit institution bonds with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	10%		
	Credit institution bonds with remaining terms to maturity of more than 5 years, including convertible bonds	15%		
<b>III</b>	<b>Corporate bonds</b>			
7	<b>Listed corporate bonds</b>			
	Listed bonds with remaining term to maturity of less than 1 year, including convertible bonds	8%		
	Listed bonds with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	10%		
	Listed bonds with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	15%		
	Listed bonds with remaining terms to maturity of more than 5 years, including convertible bonds	20%		
8	<b>Unlisted corporate bonds</b>			
	Unlisted bonds issued by listed enterprises with remaining term to maturity of less than 1 year, including convertible bonds	15%		
	Unlisted bonds issued by listed enterprises with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	20%		
	Unlisted bonds issued by listed enterprises with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	25%		
	Unlisted bonds issued by listed enterprises with remaining terms to maturity of more than 5 years, including convertible bonds	30%		

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

Investment portfolio as at 30 June 2021		Risk coefficient	Risk exposure (VND)	Risk value (VND)
		(1)	(2)	(3) = (1) x (2)
	Unlisted bonds issued by other enterprises with remaining term to maturity of less than 1 year, including convertible bonds	25%		
	Unlisted bonds issued by other enterprises with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	30%		
	Unlisted bonds issued by other enterprises with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	35%		
	Unlisted bonds issued by other enterprises with remaining terms to maturity of more than 5 years, including convertible bonds	40%		
<b>IV</b>	<b>Shares</b>			
9	Ordinary shares and preference shares of companies listed on the Ho Chi Minh City Stock Exchange; shares of open-ended funds	10%	570,715,985	57,071,599
10	Ordinary shares and preference shares of companies listed on the Hanoi Stock Exchange	15%	4,720,700	708,105
11	Ordinary shares and preference shares of unlisted public companies registered for UpCom trading	20%	6,035,969	1,207,194
12	Ordinary shares and preference shares of public companies which have been registered for depository, but have not been listed or not yet registered for trading; shares of Initial Public Offerings (IPO)	30%		
13	Shares of other public companies	50%		
<b>V</b>	<b>Securities investment fund certificates</b>			
14	Public funds, including public securities investment companies	10%		
15	Member funds, individual securities investment companies	30%		
<b>VI</b>	<b>Securities restricted for trading</b>			
16	Securities of unlisted public companies subject to reminders due to delay in disclosure in audited/reviewed financial statements according to prevailing regulations	30%		
17	Listed securities subject to warning	20%		
18	Listed securities subject to control	25%		
19	Temporary non-trading securities	40%		
20	Securities with delisting or trading cancellation	80%		

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

Investment portfolio as at 30 June 2021		Risk coefficient	Risk exposure (VND)	Risk value (VND)
		(1)	(2)	(3) = (1) x (2)
<b>VII Derivative securities</b>				
21	Future contracts on share index	8%		
22	Future contracts on Government bonds	3%		
<b>VIII Other securities</b>				
23	Shares listed on foreign stock markets within standard indexes	25%		
24	Shares listed on foreign stock markets not within standard indexes	100%		
25	Covered warrants listed on Ho Chi Minh Stock Exchange	8%		
26	Covered warrants listed on Hanoi Stock Exchange	10%		
27	Shares and bonds issued by non-public companies that do not have the most recent audited financial statements at the reporting date or have audited financial statements with adverse opinion or disclaimer of opinion or qualified opinion.	100%		
28	Shares, capital contribution and other securities	80%	897,376,000	717,900,800
29	Covered warrants listed issued by the securities company			
30	Securities generated from hedging of covered warrants issued by the security company (for interest-free covered warrants)			
31	Difference between the value of underlying securities used for hedging and the value of underlying securities necessary for hedging for covered warrants			
<b>IX Increased risks (if applicable)</b>				
<b>TOTAL MARKET RISK</b>				<b>776,887,698</b>

**(b) Settlement risk value**

	<b>30/06/2021</b> <b>VND</b>
Settlement risk before due date (i)	170,890,753,957
Overdue settlement risk (ii)	550,965,657
Incremental risk (iii)	34,067,058,740
 Total settlement risk	 <b>205,508,778,354</b>

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

**(i) Settlement risk before due date**

I	Settlement risk before due date at of 30 June 2021	Risk value VND						Total risk value VND
		(1)	(2)	(3)	(4)	(5)	(6)	
	Type of transaction							
	Settlement risk coefficient	0%	0,8%	3,2%	4,8%	6%	8%	
1	Term deposits, certificates of deposit, unsecured loans, receivables from securities trading activities and other items with settlement risk		4,150,826,765	71,624,518		164,394,425,084	2,273,877,590	170,890,753,957
2	Financial assets lending/Other arrangements with similar nature							
3	Financial assets borrowings/Other arrangements with similar nature							
4	Reverse repurchase agreements/Other arrangements with similar nature							
5	Repurchase agreements/Other arrangements with similar nature							
	<b>TOTAL RISK BEFORE DUE DATE</b>							<b>170,890,753,957</b>

- (1) The Government, issuing organizations guaranteed by the Government and central banks of countries in the OECD, people's committee of provinces and cities under central authority;
- (2) Stock Exchanges, Vietnam Securities Depository;
- (3) Credit institutions, financial institutions, and securities companies established in the OECD countries and with a credit rating satisfying the internal rules of the Company;
- (4) Credit institutions, financial institutions, and securities companies established outside the OECD; or established in countries in the OECD but with a credit rating not satisfying the internal rules of the Company;
- (5) Credit institutions, financial institutions, securities business organisations, securities investment funds and securities investment companies established and operating in Vietnam;
- (6) Other organisations and individuals.

**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

**(ii) Overdue settlement risk**

<b>Overdue settlement risk at of 30 June 2021</b>				
<b>II</b>	<b>Overdue status</b>	<b>Risk coefficient</b>	<b>Risk exposure VND</b>	<b>Risk value VND</b>
1	0 - 15 days after the due date for payment/transfer of securities	16%	-	-
2	16 - 30 days after the due date for payment/transfer of securities	32%	-	-
3	31 - 60 days after the due date for payment/transfer of securities	48%	-	-
4	More than 60 days after the due date for payment/transfer of securities	100%	550,965,657	550,965,657
	<b>TOTAL OVERDUE SETTLEMENT RISK</b>			<b>550,965,657</b>

**(iii) Incremental risk**

<b>Incremental risk at of 30 June 2021</b>				
<b>IV</b>	<b>Details by loan/counterparty</b>	<b>Increase rate</b>	<b>Risk exposure VND</b>	<b>Risk value VND</b>
1	Term deposits and accrued interest at Vietnam Maritime Commercial Joint Stock Bank	10%	15,300,000,000	1,530,000,000
2	Term deposits and accrued interest at Military Commercial Joint Stock Bank	20%	28,191,093,699	5,638,218,740
3	Term deposits and accrued interest at Joint Stock Commercial Bank for Investment and Development of Vietnam	30%	89,662,800,000	26,898,840,000
	<b>TOTAL INCREMENTAL RISK</b>			<b>34,067,058,740</b>



**KB Securities Vietnam Joint Stock Company**  
**Notes to Financial Safety Ratio Report as at 30 June 2021 (continued)**

**(c) Operational risk value**

No.	Items	Period from 1/7/2020 to 30/06/2021 VND
I	Total operating expenses in 12 months	545,710,227,849
II	Deductions from total operating expenses (i)	201,884,723,360
III	Total operating expenses after deductions (III = I – II)	343,825,504,489
IV	25% of total operating expenses after deductions (IV = 25% III)	85,956,376,122
V	20% of minimum charter capital for business operations of the securities company	5,000,000,000
<b>TOTAL OPERATIONAL RISK (C=Max {IV, V})</b>		<b>85,956,376,122</b>

**(i) Deductions from total operating expenses**

	Period from 1/7/2020 to 30/06/2021 VND
Depreciation expenses	10,549,965,255
Downward revaluation differences of financial assets at FVTPL	2,330,301
Interest expenses	191,332,427,804
<b>Total deductions from total operating expenses</b>	<b>201,884,723,360</b>

9 August 2021

Prepared by:



Ha Thanh Hoa  
Chief Accountant

Approved by:



Jeon Mun Cheol  
Acting General Director