



**KB Securities Vietnam Joint Stock Company**

Financial Statements for the year ended  
31 December 2022



## 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. 128/GPDC-UBCK dated 30 December 2021.

### Board of Directors

Mr. Park Chunsoo	Chairman
Mr. Shin Jhintak	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	General Director <i>(from 7 March 2023)</i> Acting General Director <i>(until 6 March 2023)</i>
Mr. Choi Yunsun	Finance Director <i>(from 12 January 2022)</i>
Mr. Shin Jhintak	Finance Director <i>(until 12 January 2022)</i>

### Supervisory Board

Ms. Nguyen Thi Phuong Anh	Head of Supervisory Board <i>(from 25 August 2022)</i> Specialised Member <i>(from 22 April 2022 until 24 August 2022)</i>
Ms. Hoang Ngoc Anh	Head of Supervisory Board <i>(from 22 April 2022 to 24 August 2022)</i> Specialised Member <i>(from 25 August 2022 until 27 February 2023)</i>
Ms. Nguyen Mai Huong	Head of Supervisory Board <i>(until 21 April 2022)</i>
Ms. Mai Thi Ha	Specialised Member <i>(from 22 April 2022)</i>
Mr. Nguyen Thai Son	Specialised Member <i>(from 28 February 2023)</i>
Ms. Du Thi Linh Chi	Specialised Member <i>(until 21 April 2022)</i>

**KB Securities Vietnam Joint Stock Company  
Corporate Information**

<b>Supervisory Board (continued)</b>	Mr. Jo Jongbum	Specialised Member <i>(until 21 April 2022)</i>
<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	

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

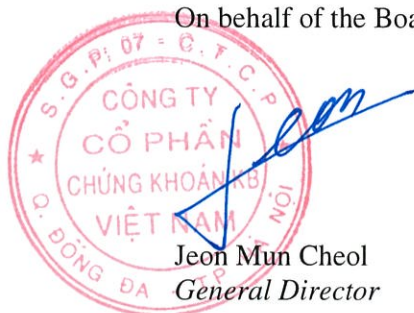
The Board of Management of KB Securities Vietnam Joint Stock Company (“the Company”) presents this statement and the accompanying financial statements of the Company for year ended 31 December 2022.

The Company’s Board of Management is responsible for the preparation and fair presentation of the 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”) issued by 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 relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s Board of Management:

- The financial statements set out on pages 6 to 60 give a true and fair view of financial position of the Company as at 31 December 2022, and the results of operation, cash flow and changes in equity for the year 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”) issued by 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 relevant statutory requirements applicable to financial reporting; and
- At the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as when they fall due.

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

On behalf of the Board of Management



Jeon Mun Cheol  
General Director

Hanoi, 29 March 2023



KPMG Limited  
46th Floor, Keangnam Landmark 72  
E6 Pham Hung Street, Me Tri Ward  
South Tu Liem District, Hanoi, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders KB Securities Vietnam Joint Stock Company**

We have audited the accompanying financial statements of KB Securities Vietnam Joint Stock Company ("the Company"), which comprises the statement of financial position as at 31 December 2022, the statements of income, cash flows and changes in equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 29 March 2023, as set out on pages 6 to 60.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

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

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## Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of KB Securities Vietnam Joint Stock Company as at 31 December 2022, and of its results of operations and its cash flows for the year 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") issued by the Ministry of Finance on accounting guidance applicable to securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued the by Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and relevant statutory requirements applicable to financial reporting.

### KPMG Limited

Vietnam

Audit Report No.: 22-02-00125-23-1



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Wang Toon Kim  
Practicing Auditor Registration  
Certificate No. 0557-2023-007-1  
*Deputy General Director*  
Hanoi, 29 March 2023

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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 31 December 2022**

**Form B01 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>ASSETS</b>				
<b>A. CURRENT ASSETS</b> <b>(100 = 110 + 130)</b>	<b>100</b>		<b>9,787,250,759,663</b>	<b>8,760,470,218,776</b>
<b>I. Financial assets</b>	<b>110</b>		<b>9,777,192,297,273</b>	<b>8,752,607,855,298</b>
1. Cash and cash equivalents	111	5	301,883,794,321	569,100,517,573
1.1. Cash	111.1		101,883,794,321	39,100,517,573
1.2. Cash equivalents	111.2		200,000,000,000	530,000,000,000
2. Financial assets at fair value through profit or loss (FVTPL)	112	7(a)	2,792,273,479,450	2,140,934,274,594
3. Held-to-maturity investments	113	7(c)	1,216,197,000,000	804,073,000,000
4. Loans	114	7(d)	5,415,334,608,285	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 and collaterals	116	8	(107,873,460,788)	(550,965,657)
7. Account receivables	117		144,037,896,070	115,490,050,849
7.2. Receivable dividends and interests	117.2		144,037,896,070	115,490,050,849
7.2.2. Accrued dividends and interests not due	117.4	9	144,037,896,070	115,490,050,849
8. Prepayment to supplier	118		2,873,785,115	761,412,348
9. Receivables from services provided by the securities company	119	9	3,000,000	201,000,000
12. Other receivables	122	9	11,564,818,820	20,524,547,763
<b>II. Other current assets</b>	<b>130</b>		<b>10,058,462,390</b>	<b>7,862,363,478</b>
1. Advances	131		-	20,000,000
2. Office supplies, tools	132		52,887,000	-
3. Short-term prepaid expense	133	10(a)	3,847,636,135	4,110,347,273
4. Short-term deposit and collaterals	134	11	6,157,939,255	3,732,016,205

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of financial position as at 31 December 2022 (continued)**

**Form B01 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>C</b>				
<b>LIABILITIES (300 = 310 + 340)</b>	<b>300</b>		<b>5,966,031,310,009</b>	<b>5,078,815,928,278</b>
<b>I</b>				
<b>Current liabilities</b>	<b>310</b>		<b>5,966,030,751,732</b>	<b>5,078,783,325,585</b>
1. Short-term borrowings and finance lease liabilities	311		5,813,410,000,000	4,985,427,615,579
1.1 <i>Short-term borrowings</i>	312	17	5,813,410,000,000	4,985,427,615,579
6. Payables for securities trading activities	318	18	4,872,676,723	7,969,326,324
8. Accounts payable to suppliers – short-term	320		3,053,702,918	421,526,552
9. Advances from customers – short-term	321		-	205,000,000
10. Taxes and other payables to the State Treasury	322	19	46,683,276,763	39,254,992,125
11. Payables to employees	323		1,881,355,464	1,800,444,736
12. Employees' benefits payable	324		-	1,890,087,494
13. Accrued expenses – short-term	325	20	81,010,254,549	31,335,048,091
17. Other short-term payables	329	21	13,098,208,086	9,562,173,705
19. Bonus and welfare fund	331	22	2,021,277,229	917,110,979
<b>II.</b>				
<b>Long-term liabilities</b>	<b>340</b>		<b>558,277</b>	<b>32,602,693</b>
14. Deferred tax liabilities	356	14	558,277	32,602,693
<b>D.</b>				
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>3,907,970,302,822</b>	<b>3,733,997,658,072</b>
<b>I.</b>				
<b>OWNER EQUITY</b>	<b>410</b>		<b>3,907,970,302,822</b>	<b>3,733,997,658,072</b>
1. Capital	411	23(a)	3,001,686,130,000	3,001,686,130,000
1.1 <i>Contributed capital</i>	411.1	23(a)	3,001,686,130,000	3,001,686,130,000
a. <i>Ordinary shares with voting rights</i>	411.1a	23(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	23(c)	830,798,854,454	680,889,461,952
7.1 <i>Realised profits</i>	417.1		830,915,674,140	680,861,416,953
7.2 <i>Unrealised (losses)/profits</i>	417.2		(116,819,686)	28,044,999
<b>TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)</b>	<b>440</b>		<b>9,874,001,612,831</b>	<b>8,812,813,586,350</b>

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



**KB Securities Vietnam Joint Stock Company**  
**Statement of financial position as at 31 December 2022 (continued)**

**Form B01 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>B. LONG-TERM ASSET</b> <b>(200 = 220 + 250)</b>	<b>200</b>		<b>86,750,853,168</b>	<b>52,343,367,574</b>
<b>II. Fixed asset</b>	<b>220</b>		<b>30,640,148,864</b>	<b>17,111,742,032</b>
1. Tangible fixed assets	221	12	8,054,851,892	6,064,967,670
- Cost	222		37,033,242,113	31,318,152,855
- Accumulated depreciation	223a		(28,978,390,221)	(25,253,185,185)
3. Intangible fixed assets	227	13	22,585,296,972	11,046,774,362
- Cost	228		45,148,545,248	32,340,711,915
- Accumulated amortisation	229a		(22,563,248,276)	(21,293,937,553)
<b>V. Other long-term assets</b>	<b>250</b>		<b>56,110,704,304</b>	<b>35,231,625,542</b>
1. Long-term deposits and collaterals	251		15,000,000	15,000,000
2. Long-term prepaid expenses	252	10(b)	6,709,912,707	5,832,697,067
3. Deferred tax assets	253	14	18,462,335,348	-
4. Deposits at Payment Support Fund	254	15	20,857,019,789	19,337,548,762
5. Other long-term assets	255	16	10,066,436,460	10,046,379,713
<b>TOTAL ASSET</b> <b>(270 = 100 + 200)</b>	<b>270</b>		<b>9,874,001,612,831</b>	<b>8,812,813,586,350</b>

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of financial position as at 31 December 2022 (continued)**

**Form B01 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

**OFF-BALANCE SHEET ITEMS**

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS</b>				
5.	005		107	118
6.	006		300,168,613	300,168,613
8.				
12.	008	24(a)	13,230,000	243,140,000
	012	24(b)	336,000,000	336,000,000
<b>B. ASSETS AND PAYABLES ON ASSETS MANAGED UNDER COMMITMENTS WITH CUSTOMERS</b>				
1.	021	24(c)	15,888,571,990,000	10,358,088,540,000
a.				
	021.1		13,846,479,930,000	8,879,251,280,000
b.				
	021.2		12,134,060,000	262,241,880,000
c.	021.3		1,264,357,670,000	518,511,610,000
d.	021.4		497,795,490,000	297,665,890,000
e.				
	021.5		267,804,840,000	400,417,880,000
2.	022	24(d)	242,960,530,000	98,243,220,000
a.				
	022.1		120,532,530,000	97,449,320,000
b.				
	022.2		122,428,000,000	793,900,000
7.	026	24(e)	1,276,028,109,948	1,796,320,274,853
7.1.	027		1,227,557,569,727	1,510,942,114,241
7.1.1	027.1		39,093,903,221	107,715,504,733
7.3.	029		9,376,637,000	177,662,655,879
a.				
	029.1		-	143,756,855,403
b.				
	029.2		9,376,637,000	33,905,800,476

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of financial position as at 31 December 2022 (continued)**

**Form B01 - CTCK**

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

	Code	Note	31/12/2022 VND	1/1/2022 VND
8. Payables to investors on deposits for securities transactions managed by the Company	031	24(f)	1,276,163,413,842	1,789,291,511,277
8.1. Payables to domestic investors on deposits for securities transactions managed by the Company	031.1		1,155,129,750,919	1,767,785,837,922
8.2. Payables to foreign investors on deposits for securities transactions managed by the Company	031.2		121,033,662,923	21,505,673,355

29 March 2023

Prepared by:



Ha Thanh Hoa  
Chief Accountant

Approved by:



Jeon Mun Cheol  
General Director

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of income for the year ended 31 December 2022**

**Form B02 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
<b>I. OPERATING REVENUE</b>				
1.1. Gains from financial assets at fair value through profit or loss (FVTPL)	01		152,174,445,748	75,516,317,187
a. Gains from sales of financial assets (FVTPL)	01.1	25(a)	33,085,380,296	4,770,722,531
b. Gains from revaluation of financial assets at FVTPL	01.2	26	(160,222,076)	149,581,098
c. Dividend, interest from financial assets at FVTPL	01.3	27	119,249,287,528	70,596,013,558
1.2. Gains from held-to-maturity investments (HTM)	02	27	68,032,098,870	75,968,391,756
1.3. Income from loans and receivables	03	27	524,608,602,881	376,800,924,301
1.6. Revenue from securities brokerage service	06	28	303,999,618,853	393,854,703,826
1.7. Revenue from securities underwriting and issuance agency services	07	28	2,994,187,800	2,655,454,547
1.8. Revenue from securities advisory service	08	28	-	944,125,000
1.9. Revenue from securities custody service	09	28	5,347,377,567	5,036,982,441
1.10. Revenue from financial consulting services	10	28	3,612,787,800	1,200,000,000
1.11. Other operating income	11	28	3,117,640,939	4,819,785,070
<b>Total operating revenue</b>	<b>20</b>		<b>1,063,886,760,458</b>	<b>936,796,684,128</b>
<b>II. OPERATING EXPENSES</b>				
2.1. Losses from financial assets at FVTPL	21		24,978,774,733	1,202,780,634
a. Losses from sales of financial assets at FVTPL	21.1	25(b)	24,994,132,124	1,186,303,815
b. Losses from revaluation of financial assets at FVTPL	21.2	26	(15,357,391)	16,476,819
2.4. Allowance for financial assets, handling of loss of bad receivables and loss of impairment of financial assets and borrowing expenses of loans	24	29	107,322,495,131	-
2.7. Expenses on securities brokerage activities	27	30	314,049,509,811	369,259,373,798
2.8. Expenses for securities underwriting and issuance agency services	28	30	3,665,314,917	6,564,473,476
2.9. Expenses for securities advisory service	29	30	-	2,333,944,495
2.10. Expenses on securities custody service	30	30	7,513,838,625	6,216,458,451
2.11. Expenses for financial consulting services	31	30	4,422,569,959	2,966,485,787
<b>Total operating expenses</b>	<b>40</b>		<b>461,952,503,176</b>	<b>388,543,516,641</b>

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of income for the year ended 31 December 2022 (continued)**

**Form B02 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
<b>III. FINANCIAL INCOME</b>				
3.1. Realised and unrealised foreign exchange gains	41	31	2,414,598,517	3,062,857,144
3.2. Dividends and interest income from demand deposits at banks	42	32	5,288,556,022	5,480,432,698
<b>Total financial income</b>	<b>50</b>		<b>7,703,154,539</b>	<b>8,543,289,842</b>
<b>IV. FINANCIAL EXPENSES</b>		<b>33</b>		
4.1. Realised, unrealised losses on foreign exchange rate	51		356,461	1,089,000
4.2. Interest expenses	52		310,894,700,291	184,975,194,323
4.5. Other financial expenses	55		4,626,669,596	9,245,186,429
<b>Total financial expenses</b>	<b>60</b>		<b>315,521,726,348</b>	<b>194,221,469,752</b>
<b>VI. GENERAL AND ADMINISTRATION EXPENSES</b>	<b>62</b>	<b>34</b>	<b>69,510,359,458</b>	<b>46,679,268,590</b>
<b>VII. OPERATING PROFIT</b> (70 = 20 - 40 + 50 - 60 - 62)	<b>70</b>		<b>224,605,326,015</b>	<b>315,895,718,987</b>
<b>VIII. OTHER INCOME AND EXPENSES</b>				
8.1. Other income	71		278,973,135	101,236,262
8.2. Other expenses	72		575,000,000	15,007,014,420
<b>Total results of other activities</b> (80 = 71 - 72)	<b>80</b>		<b>(296,026,865)</b>	<b>(14,905,778,158)</b>
<b>IX. TOTAL ACCOUNTING PROFIT BEFORE TAX</b> (90 = 70 + 80)	<b>90</b>		<b>224,309,299,150</b>	<b>300,989,940,829</b>
9.1. Realised profit	91		224,454,163,835	300,856,836,550
9.2. Unrealised (loss)/profit	92	26	(144,864,685)	133,104,279
<b>X. INCOME TAX EXPENSE</b>	<b>100</b>	<b>35</b>	<b>45,524,003,950</b>	<b>60,357,418,340</b>
10.1. Income tax expense – current	100.1	35	64,018,383,714	60,327,502,120
10.2. Income tax (benefit)/expense– deferred	100.2	35	(18,494,379,764)	29,916,220
<b>XI. ACCOUNTING PROFIT AFTER TAX</b> (200 = 90 - 100) (carried forward to next page)	<b>200</b>		<b>178,785,295,200</b>	<b>240,632,522,489</b>

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of income for the year ended 31 December 2022 (continued)**

**Form B02 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
<b>XI. ACCOUNTING PROFIT AFTER TAX (200 = 90 - 100)</b> (brought forward from prior page)	200		178,785,295,200	240,632,522,489
<b>XII. OTHER COMPREHENSIVE INCOME</b>	300		-	-
<b>TOTAL COMPREHENSIVE INCOME (400= 200 + 300)</b>	400		178,785,295,200	240,632,522,489

29 March 2023

Prepared by:



Ha Thanh Hoa  
*Chief Accountant*

Approved by:



Jeon Mun Cheol  
*General Director*

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of cash flows for the year ended 31 December 2022**  
**(Indirect method)**

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

	<b>Code</b>	<b>2022 VND</b>	<b>2021 VND</b>
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>224,309,299,150</b>	<b>300,989,940,829</b>
<b>2. Adjustments for</b>	<b>02</b>	<b>277,504,241,099</b>	<b>73,227,996,001</b>
- Depreciation of fixed assets	03	8,613,149,501	9,223,285,225
- Provisions	04	107,322,495,131	-
- Unrealised losses on foreign exchange rate	05	348,268	-
- Interest expense	06	310,894,700,291	184,975,194,323
- Profits from investment activities	07	(5,288,556,022)	(5,480,432,698)
- Accrued interest income	08	(144,037,896,070)	(115,490,050,849)
<b>3. Increase in non – cash expense</b>	<b>10</b>	<b>(15,713,852)</b>	<b>16,476,819</b>
- Loss from revaluation of financial assets at FVTPL	11	(15,357,391)	16,476,819
- Other losses	17	(356,461)	-
<b>4. Decreased in non – cash income</b>	<b>18</b>	<b>160,230,269</b>	<b>(149,581,098)</b>
- Gains from revaluation of financial assets at FVTPL	19	160,222,076	(149,581,098)
- Other gains	21	8,193	-
<b>5. Operating loss before changes in working capital</b>	<b>30</b>	<b>(1,575,015,608,006)</b>	<b>(3,168,761,197,047)</b>
- Increase in financial assets at FVTPL	31	(651,484,069,541)	(484,514,508,529)
- Increase in held-to-maturity investment	32	(412,124,000,000)	(128,900,000,000)
- Increase in loans	33	(314,157,966,457)	(2,025,545,872,350)
- Decrease in receivables from sales of financial asset	35	-	30,441,200
- Decrease in receivable and accrued dividend, interest from financial assets	36	119,901,530,335	84,366,453,095
- Decrease in receivables from services provided	37	198,000,000	4,925,670,491
- Decrease/(increase) in other receivable	39	6,847,356,176	(12,502,400,504)
- Increase in other asset	40	(32,887,000)	(2,566,290,545)
- (Decrease)/increase in accrued expense (excluding interest expense)	41	(5,375,534,716)	11,308,709,851
- (Decrease)/increase in prepayments	42	(614,504,502)	4,671,206,743
- Corporate income tax paid	43	(48,917,853,309)	(61,195,963,709)
- Interest paid	44	(255,843,959,117)	(190,397,700,234)
- (Decrease)/increase in payable to suppliers	45	(464,473,235)	1,991,969,692
- (Decrease)/increase in provision for employees' benefits	46	(1,890,087,494)	836,089,448

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of cash flow for the year ended 31 December 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	2022 VND	2021 VND
- (Decrease)/increase in taxes and other payable to the State (excluding corporate income tax paid)	47	(7,672,245,767)	9,571,051,286
- Increase/(decrease) in payables to employees	48	80,910,728	(17,184,026,562)
- Increase/(decrease) in other payables	50	3,331,034,381	(360,102,816,920)
- Other payments for operating activities	52	(6,796,858,488)	(3,553,209,500)
<b>Net cash flow from operating activities</b>	<b>60</b>	<b>(1,073,057,551,340)</b>	<b>(2,794,676,364,496)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Payments for additions to fixed assets and other long-term assets	61	(22,141,556,333)	(879,939,000)
<b>Net cash flow from investing activities</b>	<b>70</b>	<b>(22,141,556,333)</b>	<b>(879,939,000)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from equity issued	71	-	1,326,665,230,000
3. Proceeds from borrowings	73	17,277,807,612,952	16,243,447,244,233
4. Payment to settle principals of borrowing	74	(16,449,825,228,531)	(14,632,811,413,176)
<b>Net cashflow from financing activities</b>	<b>80</b>	<b>827,982,384,421</b>	<b>2,937,301,061,057</b>
<b>IV. Net cash flows during the year (90 = 60 + 70 + 80)</b>	<b>90</b>	<b>(267,216,723,252)</b>	<b>141,744,757,561</b>
<b>V. Cash and cash equivalents at the beginning of the year</b>	<b>101</b>	<b>569,100,517,573</b>	<b>427,355,760,012</b>
- Cash	101.1	39,100,517,573	427,355,760,012
- Cash equivalents	101.2	530,000,000,000	-
<b>VI. Cash and cash equivalents at the end of the year (Note 5)</b>	<b>103</b>	<b>301,883,794,321</b>	<b>569,100,517,573</b>
- Cash	103.1	101,883,794,321	39,100,517,573
- Cash equivalents	103.2	200,000,000,000	530,000,000,000

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



**KB Securities Vietnam Joint Stock Company**  
**Statement of cash flow for the year ended 31 December 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	2022 VND	2021 VND
<b>I. Cash flows of customers from brokerage and underwriting activities</b>			
1. Proceeds from sales of customers' securities	01	101,661,886,608,364	135,913,398,311,836
2. Payments for purchases of customers' securities	02	(133,012,835,803,570)	(159,569,808,619,443)
7. Receipts of deposits of customers for securities transactions	07	31,945,029,427,049	25,483,900,305,711
7.1. Deposit of customers at VSD	07.1	-	12,398,729,264
8. Payment to settle securities transactions of customers	08	(1,114,372,396,748)	(1,324,029,866,148)
<b>(Decrease)/increase in net cash inflows during the year</b>	<b>20</b>	<b>(520,292,164,905)</b>	<b>515,858,861,220</b>
<b>II. Cash and cash equivalents of customers at the beginning of the year</b>	<b>30</b>	<b>1,796,320,274,853</b>	<b>1,280,461,413,633</b>
Cash at banks at the beginning of the year:	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
<b>III. Cash and cash equivalents of customers at the end of the year</b>	<b>40</b>	<b>1,276,028,109,948</b>	<b>1,796,320,274,853</b>
Cash at banks at the end of the year:	41	1,276,028,109,948	1,796,320,274,853
- Deposits of investors for securities transactions managed by the securities company	42	1,227,557,569,727	1,510,942,114,241
- Deposits for clearance and settlement of securities transactions	44	48,470,540,221	285,378,160,612

29 March 2023

Prepared by:



Ha Thanh Hoa  
Chief Accountant

Approved by:



Jeon Mun Cheol  
General Director

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

**KB Securities Vietnam Joint Stock Company**  
**Statement of changes in equity for the year ended 31 December 2022**

**Form B04 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Opening balance		2021		2022		Closing balance	
	1/1/2021	1/1/2022	Increase	Decrease (*)	Increase	Decrease (*)	31/12/2021	31/12/2022
	VND	VND	VND	VND	VND	VND	VND	VND
<b>I. Changes in equity</b>								
1. Capital	1,675,020,900,000	3,001,686,130,000	1,326,665,230,000	-	-	-	3,001,686,130,000	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 23(c))	460,285,417,867	680,889,461,952	240,632,522,489	(20,028,478,404)	178,785,295,200	(28,875,902,698)	680,889,461,952	830,798,854,454
8.1 Realised profit	460,390,477,147	680,861,416,953	240,499,418,210	(20,028,478,404)	178,930,159,885	(28,875,902,698)	680,861,416,953	830,915,674,140
8.2 Unrealised (loss)/profit	(105,059,280)	28,044,999	133,104,279	-	(144,864,685)	-	28,044,999	(116,819,686)
<b>TOTAL</b>	2,170,037,985,317	3,733,997,658,072	1,583,988,151,159	(20,028,478,404)	202,848,547,448	(28,875,902,698)	3,733,997,658,072	3,907,970,302,822

(\*) Decrease in profit after tax in 2022 included appropriation to bonus and welfare fund of VND4,812,650,450, appropriation to financial and operational risk reserve of VND12,031,626,124 and appropriation to reserve to supplement charter of VND12,031,626,124 (2021: appropriation to bonus and welfare fund of VND3,338,079,734, appropriation to financial and operational risk 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

29 March 2023

Approved by:



Jeon Mun Cheol  
General Director

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

**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statement for year ended 31 December 2022**

**Form B09 - CTCK**

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

These notes form an integral part of and should be read in conjunction with the accompanying 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 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. 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**

At 31 December 2022, the Company’s charter capital is 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 address is G, M, 2<sup>nd</sup> and 7<sup>th</sup> Floors, Sky City building, 88 Lang Ha, Dong Da District, Hanoi, Vietnam. At the date of these financial statements, 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 2<sup>nd</sup> 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 1<sup>st</sup> floor, Office Building, No. 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam.

**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**

*(Issued under Circular No. 334/2016/TT-BTC  
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- Saigon Branch - KB Securities Vietnam Joint Stock Company was established in accordance with the Decision No. 08/QD-UBCK issued by the State Securities Commission of Vietnam on 4 January 2019. The branch is located at 1<sup>st</sup> 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) Total number of employees**

As at 31 December 2022, the Company has 404 employees (1/1/2022: 406 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

*Applicable accounting framework*

The 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 and Circular No. 334/2016/TT-BTC dated 27 December 2016 (“Circular 334”) issued the by Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and relevant statutory requirements applicable to financial reporting.

**(b) Basis of measurement**

The 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.

**(d) Accounting and presentation currency**

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for financial statement presentation purpose.

**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - 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 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 annual 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 annual accounting period quoted by three securities companies.

**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

When there are no market prices at latest date transaction price or market price is at high variation, the Company uses the fair value to revalue financial asset using valuation techniques. For financial assets which are debt securities, the Company applies net value and discounted cash flow model. The assumptions and input in valuation model include risk free interest, credit spread and other measurements to estimate discounted interest.

**(vi) Identification and assessment of impairment**

At the end of the annual 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 a loss event has occurred after the initial recognition of the asset(s) 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 impairment loss (if any) 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 being recoverable, the Company will reverse the allowance for impairment which was previously made.

An increase or decrease in the allowance account balance is recognized in the income statement under the entry “Expenses of provision for financial assets, handling of loss of bad receivables, loss of impairment of financial assets and borrowing costs of loans”.

**(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 deposit account balances.

Cash equivalents are short-term investments with maturities not exceeding 3 months, that are readily convertible to known amounts of cash, and are subject to an insignificant risk of conversion to cash. from the date of acquisition of that investment at the reporting date.

**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

**(c) Financial assets at FVTPL**

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

- FVTPL is considered by the Board of Management as at FVTPL. A financial asset is considered as at FVTPL if:
  - FVTPL is acquired principally for the purpose of selling it in short-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 annual 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**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
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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 by the Company

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 less allowance for diminution in the value of financial assets (if any).

Allowance for diminution in the value of margin loans is made based on estimated losses, which is calculated as the difference between the market value of the securities used as collateral for margin loan and the balance of margin loan.



**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**  
(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)

**(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:

<u>Overdue period</u>	<u>Allowance rate</u>
From six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
Over three (3) 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 year 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:

- Machines and equipment 3 - 5 years

**(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 treated as an intangible asset. Software cost is amortised on a straight-line basis over a period from 3 to 5 years.

**(j) Trade and other payables**

Trade and other payables are stated at their cost.

**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

**(k) Provisions**

A provision, except for allowance mentioned in other accounting policies, 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) Tax**

Income tax on the profit or loss for the year 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 years.

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 annual 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.

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**KB Securities Vietnam Joint Stock Company**  
**Note to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

**(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:

	<b>Annual allocation rate</b>	<b>Maximum balance</b>
Reserve to supplement charter capital:	5% Profit after tax	10% of charter capital
Financial and operational risk reserve:	5% Profit after tax	10% of charter capital

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

The purpose of the financial reserve is to cover losses on capital and 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 statutory reserves are non-distributable and are presented as part of the Equity. Annual appropriation is decided at the annual shareholder meeting in guidance of the Company’s 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).

**(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.

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For bonus shares, the Company only recognised the number of the shares, and no revenue from their dividends is recognised.

Interest income from financial assets is recognised as incurred (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 services and finance consulting services**

Revenue from securities investment consulting services and finance consulting 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.

**(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.

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**(s) Nil balances**

Items or balances required by Circular 210 and Circular 334 that are not shown in these financial statements indicate nil balances.

**(t) Comparatives information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. 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 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.

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.

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**(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	31/12/2022 VND	1/1/2022 VND
Cash and cash equivalents	(i)	301,883,794,321	569,100,517,573
Financial assets at FVTPL	(ii)	2,792,268,513,823	2,140,000,000,000
Held-to-maturity investments	(i)	1,216,197,000,000	804,073,000,000
Loans	(iii)	5,415,334,608,285	5,101,176,641,828
Accounts receivable	(iii)	144,037,896,070	115,490,050,849
Receivables from services provided by the securities company	(iii)	3,000,000	201,000,000
Other receivables	(iii)	11,564,818,820	20,524,547,763
Deposits and collaterals	(iii)	6,172,939,255	3,747,016,205
Deposits at Payment Support Fund	(iv)	20,857,019,789	19,337,548,762
Other long-term assets - Deposits at Clearing Fund for derivative transactions	(iv)	10,066,436,460	10,046,379,713
		9,918,386,026,823	8,783,696,702,693

**(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.

**(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 and state-owned enterprises equitized through public offering (“UpCom”), except where entered 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.

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**(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. 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 31 December 2022 is VND6,091,828 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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**KB Securities Vietnam Joint Stock Company**  
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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 31 December 2022**

	Neither past due nor impaired VND	Overdue but not impaired VND	Impaired VND	Total VND
Loans	5,302,457,541,365	-	112,877,066,920	5,415,334,608,285
<i>Margin loans</i>	5,039,735,145,538	-	112,877,066,920	5,152,612,212,458
<i>Advances to customers for the proceeds from selling securities</i>	262,710,221,649	-	-	262,710,221,649
<i>Other loans</i>	12,174,178	-	-	12,174,178
Accounts receivable	144,037,896,070	-	-	144,037,896,070
Receivables from services provided by the securities company	3,000,000	-	-	3,000,000
Other receivables	11,564,818,820	-	-	11,564,818,820
Deposits and collaterals	6,172,939,255	-	-	6,172,939,255
	5,464,236,195,510	-	112,877,066,920	5,577,113,262,430

**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
	5,240,588,290,988	-	550,965,657	5,241,139,256,645



**KB Securities Vietnam Joint Stock Company**  
**Notes to the financial statement for the year ended 31 December 2022 (continued)**

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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. 115/QD-VSD dated 9 September 2022 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 revaluates 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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<b>At 31 December 2022</b>	<b>Carrying amount VND</b>	<b>Contractual cash flows VND</b>	<b>Within one year VND</b>
Short-term borrowings and finance lease liabilities	5,813,410,000,000	5,904,518,652,652	5,904,518,652,652
Payables for securities trading activities	4,872,676,723	4,872,676,723	4,872,676,723
Accounts payable to suppliers – short-term	3,053,702,918	3,053,702,918	3,053,702,918
Accrued expenses – short-term	81,010,254,549	81,010,254,549	81,010,254,549
	<b>5,902,346,634,190</b>	<b>5,993,455,286,842</b>	<b>5,993,455,286,842</b>
<b>At 1 January 2022</b>	<b>Carrying amount VND</b>	<b>Contractual cash flows VND</b>	<b>Within one year VND</b>
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
	<b>5,029,030,707,118</b>	<b>5,068,976,317,650</b>	<b>5,068,976,317,650</b>

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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**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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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:

	<b>Carrying amount</b>	
	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
Cash and cash equivalents	301,883,794,321	569,100,517,573
Financial assets at FVTPL	2,792,268,513,823	2,140,000,000,000
Held-to-maturity investments	1,216,197,000,000	804,073,000,000
Loans	5,415,334,608,285	5,101,176,641,828
Deposits at Payment Support Fund	20,857,019,789	19,337,548,762
Other long-term assets – Deposits at Clearing Fund for derivative transactions	10,066,436,460	10,046,379,713
<i>Financial liabilities</i>		
Short-term borrowings and finance lease liabilities	(5,813,410,000,000)	(4,985,427,615,579)
	3,943,197,372,678	3,658,306,472,297

As at 31 December 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 31 December 2022, the market value of listed equity shares of the Company was VND4,965,627. Had the market value of these securities increased or decreased by 20% at 31 December 2022, assuming that all other variables remained constant, profit after tax during the year of the Company would have increased or decreased by VND794,500.

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**5. Cash and cash equivalents**

	<b>31/12/2022</b> <b>VND</b>	<b>1/1/2022</b> <b>VND</b>
Cash in banks for the Company's activities	100,338,261,649	37,393,497,922
Deposits for clearance and settlement of securities transactions	1,545,532,672	1,707,019,651
Cash equivalent (*)	200,000,000,000	530,000,000,000
	<hr/>	<hr/>
	301,883,794,321	569,100,517,573
	<hr/>	<hr/>

(\*) These are the term deposit with original term of less than 3 months and earn annual interest rate of 5.5% - 6.0% (1/1/2022: 3.0% - 3.6%).

As at 31 December 2022, deposit at bank with an amount of VND50,000 million were pledged with banks as collaterals for borrowings granted to the Company (Note 17).

**6. Volume and value of securities transactions during the year**

	<b>2022</b>		<b>2021</b>	
	<b>Volume of transactions Unit</b>	<b>Value of transactions VND</b>	<b>Volume of transactions Unit</b>	<b>Value of transactions VND</b>
By the Company				
▪ Shares	285,577	8,575,273,900	32,099,125	612,905,429,000
By investors				
▪ Shares	7,872,629,645	198,783,230,595,492	10,482,174,498	267,300,449,971,180
▪ Bonds	2,100,000	217,410,300,000	20,280,000	2,283,997,180,000
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	7,875,015,222	199,009,216,169,392	10,534,553,623	270,197,352,580,180
	<hr/>	<hr/>	<hr/>	<hr/>

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**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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	31/12/2022		1/1/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
<b>7. Financial assets</b>				
<b>(a) Financial assets at FVTPL</b>				
<b>Listed shares and shares traded on UpCom</b>				
Share of Vietjet Aviation Joint Stock Company	-	-	2,114,181	2,309,400
Share of Vietnam Maritime Commercial Joint Stock Bank	-	-	11,235,140	14,152,000
Share of Vinhomes Joint Stock Company	-	-	32,100,002	34,440,000
Share of của Saigon – Hanoi Securities Joint Stock Company	-	-	40,228,570	42,838,600
Other shares	7,512,899	4,965,627	706,279,288	840,534,594
	<b>7,512,899</b>	<b>4,965,627</b>	<b>791,957,181</b>	<b>934,274,594</b>
<b>Certificates of deposit</b>				
Joint Stock Commercial Bank for Investment and Development of Vietnam	1,328,593,722,000	1,328,593,722,000	1,680,000,000,000	1,680,000,000,000
Saigon - Hanoi Commercial Joint Stock Bank	506,784,791,989	506,784,791,989	-	-
Ho Chi Minh City Development Joint Stock Commercial Bank	441,000,000,000	441,000,000,000	100,000,000,000	100,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	205,946,400,000	205,946,400,000	-	-
Military Commercial Joint Stock Bank	159,943,599,834	159,943,599,834	360,000,000,000	360,000,000,000
Vietnam Asia Commercial Joint Stock Bank	150,000,000,000	150,000,000,000	-	-
	<b>2,792,268,513,823</b>	<b>2,792,268,513,823</b>	<b>2,140,000,000,000</b>	<b>2,140,000,000,000</b>
	<b>2,792,276,026,722</b>	<b>2,792,273,479,450</b>	<b>2,140,791,957,181</b>	<b>2,140,934,274,594</b>

As at 31 December 2022, certificates of deposits with an amount of VND2,116,000 million (1/1/2022: VND1,680,000 million) were pledged with banks as collaterals for borrowings granted to the Company (Note 17).

**KB Securities Vietnam Joint Stock Company**  
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**(b) Available-for-sale financial assets**

	31/12/2022		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**

	31/12/2022 VND	1/1/2022 VND
<b>Held-to-maturity investments – short-term</b>		
Term deposits at:		
▪ Kookmin Bank - Hanoi Branch	400,000,000,000	-
▪ Joint Stock Commercial Bank for Investment and Development of Vietnam	210,000,000,000	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade	201,197,000,000	201,173,000,000
▪ Vietnam Maritime Commercial Joint Stock Bank	155,000,000,000	255,000,000,000
▪ Vietnam Prosperity Joint Stock Commercial Bank	150,000,000,000	100,000,000,000
▪ Vietnam Export Import Joint Stock Commercial Bank	100,000,000,000	-
▪ Vietnam Thuong Tin Commercial Joint Stock Bank	-	102,000,000,000
▪ Asia Commercial Joint Stock Bank	-	75,000,000,000
▪ Vietnam Asia Commercial Joint Stock Bank	-	50,000,000,000
▪ Ho Chi Minh City Development Joint Stock Commercial Bank	-	18,900,000,000
▪ Military Commercial Joint Stock Bank	-	2,000,000,000
	1,216,197,000,000	804,073,000,000

As at 31 December 2022, investments with an amount of VND716,197 million (1/1/2022: VND685,900 million) were pledged with banks as collaterals for borrowings granted to the Company (Note 17).

**KB Securities Vietnam Joint Stock Company**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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**(d) Loans**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Margin loans	5,152,612,212,458	4,455,474,732,253
Advances to customers for the proceeds from selling securities	262,710,221,649	645,672,574,472
Others	12,174,178	29,335,103
	5,415,334,608,285	5,101,176,641,828
	5,415,334,608,285	5,101,176,641,828

**(e) Movements in the market value of FVTPL financial assets recognised at fair value**

<b>As at 31 December 2022</b>	<b>Cost VND</b>	<b>Revaluation differences Increase VND</b>	<b>Decrease VND</b>	<b>Fair value VND</b>
Shares	7,512,899	231,801	(2,779,073)	4,965,627
Certificates of deposits	2,792,268,513,823	-	-	2,792,268,513,823
	2,792,276,026,722	231,801	(2,779,073)	2,792,273,479,450
	2,792,276,026,722	231,801	(2,779,073)	2,792,273,479,450

<b>As at 31 December 2021</b>	<b>Cost VND</b>	<b>Revaluation differences Increase VND</b>	<b>Decrease VND</b>	<b>Fair value VND</b>
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
	2,140,791,957,181	160,453,875	(18,136,462)	2,140,934,274,594
	2,140,791,957,181	160,453,875	(18,136,462)	2,140,934,274,594

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

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Opening balance	550,965,657	550,965,657
Allowance made during the year (Note 29)	107,322,495,131	-
	107,873,460,788	550,965,657
	107,873,460,788	550,965,657



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**9. Accounts receivable**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
<b>Receivables and accrued dividends and interests from financial assets</b>		
▪ Accrued interest from term deposits and certificates of deposits	98,298,801,993	89,085,092,093
▪ Accrued interest from loans	45,739,094,077	26,404,958,756
	144,037,896,070	115,490,050,849
<b>Receivables from services provided by the securities company</b>		
▪ Receivable from financial consulting services	3,000,000	201,000,000
	11,564,818,820	20,524,547,763
<b>Other receivables</b>		
▪ Receivables from securities trading	8,420,054,996	3,019,087,903
▪ Receivables from related parties	1,512,292,806	2,975,499,186
▪ Receivables from derivative contracts	-	5,072,857,144
▪ Receivable from payment product	-	7,722,927,742
▪ Other receivables	1,632,471,018	1,734,175,788
	155,605,714,890	136,215,598,612
	155,605,714,890	136,215,598,612

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**10. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Information technology expenses for operating trading systems	1,634,014,079	2,446,958,619
Office rental	229,594,001	-
Maintenance fees for trading software	1,222,426,433	1,217,367,049
Others	761,601,622	446,021,605
	<hr/>	<hr/>
	3,847,636,135	4,110,347,273
	<hr/>	<hr/>

**(b) Long-term prepaid expenses**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Office renovation expenses	1,278,120,963	1,914,680,243
Office supplies	2,283,312,217	1,787,891,744
Maintenance fees for trading software	911,706,400	182,744,100
Information technology expenses for operating trading systems	2,024,048,236	1,716,343,804
Others	212,724,891	231,037,176
	<hr/>	<hr/>
	6,709,912,707	5,832,697,067
	<hr/>	<hr/>

**11. Short-term deposits and collaterals**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Deposits for office rental	5,459,039,255	3,058,974,235
Deposits for house rental for expatriates	445,200,000	299,958,750
Other deposits	253,700,000	373,083,220
	<hr/>	<hr/>
	6,157,939,255	3,732,016,205
	<hr/>	<hr/>

**KB Securities Vietnam Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 - CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***12. Tangible fixed assets**

	<b>Office equipment</b>	
	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
<b>Cost</b>		
Opening balance	31,318,152,855	31,072,192,855
Purchases	9,333,723,000	245,960,000
Disposals	(3,618,633,742)	-
Closing balance	37,033,242,113	31,318,152,855
<b>Accumulated depreciation</b>		
Opening balance	25,253,185,185	20,719,351,150
Charge for the year	3,853,114,236	4,533,834,035
Disposals	(3,618,633,742)	-
Other movements	3,490,724,542	-
Closing balance	28,978,390,221	25,253,185,185
<b>Net book value</b>		
Opening balance	6,064,967,670	10,352,841,705
Closing balance	8,054,851,892	6,064,967,670

Included in tangible fixed assets were assets costing VND15,826 million which were fully depreciated as at 31 December 2022 (1/1/2022: VND17,164 million).

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**13. Intangible fixed assets**

	Software	
	2022 VND	2021 VND
<b>Cost</b>		
Opening balance	32,340,711,915	31,706,732,915
Purchases	12,807,833,333	633,979,000
Closing balance	45,148,545,248	32,340,711,915
<b>Accumulated amortisation</b>		
Opening balance	21,293,937,553	16,604,486,363
Charge for the year	4,760,035,265	4,689,451,190
Other movements	(3,490,724,542)	-
Closing balance	22,563,248,276	21,293,937,553
<b>Net book value</b>		
Opening balance	11,046,774,362	15,102,246,552
Closing balance	22,585,296,972	11,046,774,362

Included in intangible fixed assets were assets costing VND12,466 million which were fully depreciated but still in use as at 31 December 2022 (1/1/2022: VND9,557 million).

**14. Deferred tax assets and deferred tax liabilities**

	31/12/2022 VND	1/1/2022 VND
<b>Deferred tax assets</b>		
Allowance for diminution in the value of financial assets	18,462,335,348	-
<b>Deferred tax liabilities</b>		
Taxable temporary difference	558,277	32,602,693

**KB Securities Vietnam Joint Stock Company**  
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**15. 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.

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Initial deposits	120,000,000	120,000,000
Additional deposits	15,301,521,935	14,639,070,697
Interest	5,435,497,854	4,578,478,065
	<hr/>	<hr/>
	20,857,019,789	19,337,548,762
	<hr/>	<hr/>

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

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Opening balance	19,337,548,762	16,827,797,182
Additional deposits	662,451,238	1,446,603,066
Interest received	857,019,789	1,063,148,514
	<hr/>	<hr/>
Closing balance	20,857,019,789	19,337,548,762
	<hr/>	<hr/>

**KB Securities Vietnam Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 - CTCK***(Issued under Circular No. 334/2016/TT-BTC  
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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. 115/QD-VSD dated 9 September 2022 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.

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Initial deposits	10,000,000,000	10,000,000,000
Interest	66,436,460	46,379,713
	<hr/>	<hr/>
	10,066,436,460	10,046,379,713
	<hr/>	<hr/>

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

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Opening balance	10,046,379,713	10,026,232,365
Interest received	20,056,747	20,147,348
	<hr/>	<hr/>
Closing balance	10,066,436,460	10,046,379,713
	<hr/>	<hr/>

**KB Securities Vietnam Joint Stock Company**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**Form B09 - CTCK**  
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**17. Short-term borrowings**

	Movement		31/12/2022
	1/1/2022	Paid	
	VND	VND	VND
<b>Short-term borrowings</b>			
▪ Kookmin Bank – Tokyo Branch	1,112,480,000,000	(1,112,480,000,000)	1,781,560,000,000
▪ Sumitomo Mitsui Banking Corporation	915,450,000,000	(915,450,000,000)	1,158,430,000,000
▪ Joint Stock Commercial Bank for Investment and Development of Viet Nam – Ha Thanh Branch	500,000,000,000	3,043,000,000,000	829,000,000,000
▪ DBS Bank Limited	-	541,420,000,000	541,420,000,000
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam	507,000,000,000	(2,607,900,000,000)	450,000,000,000
▪ Kookmin Bank – Hanoi Branch	333,000,000,000	(333,000,000,000)	333,000,000,000
▪ Vietnam Joint Stock Commercial Bank For Industry and Trade	200,000,000,000	(1,250,000,000,000)	200,000,000,000
▪ Deagu Bank	120,000,000,000	(460,000,000,000)	120,000,000,000
▪ Nonghyup Bank Vietnam	110,000,000,000	(330,000,000,000)	110,000,000,000
▪ Indovina Bank Limited	190,000,000,000	(1,800,000,000,000)	100,000,000,000
▪ Vietnam Maritime Commercial Joint Stock Bank	247,997,615,579	(1,691,992,844,110)	90,000,000,000
▪ International Commercial Joint Stock Bank	200,000,000,000	400,000,000,000	50,000,000,000
▪ Vietnam Asia Commercial Joint Stock Bank	49,500,000,000	(786,500,000,000)	50,000,000,000
▪ Vietnam Prosperity Joint Stock Commercial Bank	400,000,000,000	870,000,000,000	50,000,000,000
▪ Military Commercial Joint Stock Bank	100,000,000,000	(1,270,000,000,000)	-
▪ Vietnam Export Import Joint Stock Commercial Bank	-	(100,000,000,000)	-
▪ Ocean Commercial One Member Limited Liability Bank	-	(500,000,000,000)	-
	-	(100,000,000,000)	-
	4,985,427,615,579	17,349,305,228,531	5,813,410,000,000

As at 31 December 2022 the borrowings were secured over the Company's term deposits at banks with an amount of VND716,197 million, deposits at banks with an amount of VND50,000 million and certificates of deposits with an amount of VND2,116,000 million (1/1/2022: term deposits at banks with an amount of VND685,900 million and certificates of deposits with an amount of VND1,680,000 million).

The borrowings bear interest at annual rates from 4.89% to 8.50% (1/1/2022: from 0.92% to 7.93%).

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**18. Payables for securities trading activities**

	<b>31/12/2022</b> <b>VND</b>	<b>1/1/2022</b> <b>VND</b>
Payables to Ho Chi Minh City Stock Exchange	3,394,967,844	6,098,498,070
Payables to Hanoi Stock Exchange	862,103,901	1,354,285,494
Payables to Vietnam Securities Depository	615,604,978	516,542,760
	<hr/>	<hr/>
	4,872,676,723	7,969,326,324
	<hr/>	<hr/>

**19. Taxes and others payable to State Treasury**

	<b>1/1/2022</b> <b>VND</b>	<b>Incurred</b> <b>during the year</b> <b>VND</b>	<b>Paid in the year</b> <b>VND</b>	<b>31/12/2022</b> <b>VND</b>
Corporate income tax	15,417,853,310	64,018,383,714	(48,917,853,309)	30,518,383,715
Personal income tax	4,092,749,752	32,139,368,754	(34,400,590,544)	1,831,527,962
Value added tax	181,603,976	565,525,480	(519,623,665)	227,505,791
Foreign contractor tax	281,410,460	5,257,491,154	(4,704,214,724)	834,686,890
Personal income tax on securities transactions payable on behalf of customers	19,281,374,627	152,398,212,064	(158,408,414,286)	13,271,172,405
	<hr/>	<hr/>	<hr/>	<hr/>
	39,254,992,125	254,378,981,166	(246,950,696,528)	46,683,276,763
	<hr/>	<hr/>	<hr/>	<hr/>

**20. Accrued expenses**

	<b>31/12/2022</b> <b>VND</b>	<b>1/1/2022</b> <b>VND</b>
Accrued interests from borrowings	74,553,477,694	19,502,736,520
Guarantee fees payable to parent company	3,247,225,389	3,947,299,893
Staff remunerations expense	2,712,890,000	7,169,507,378
Others	496,661,466	715,504,300
	<hr/>	<hr/>
	81,010,254,549	31,335,048,091
	<hr/>	<hr/>



**KB Securities Vietnam Joint Stock Company**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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**21. Other payables – short-term**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Payables to investors (i)	13,042,369,568	5,716,983,133
Others	55,838,518	3,845,190,572
	<hr/>	<hr/>
	13,098,208,086	9,562,173,705
	<hr/>	<hr/>

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

**22. 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 year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Opening balance	917,110,979	1,132,240,745
Appropriation (Note 23(c))	4,812,650,450	3,338,079,734
Utilisation	(3,708,484,200)	(3,553,209,500)
	<hr/>	<hr/>
Closing balance	2,021,277,229	917,110,979
	<hr/>	<hr/>

**KB Securities Vietnam Joint Stock Company**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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**23. Contributed capital**

**(a) Number of shares**

	31/12/2022		1/1/2022	
	Number of shares	Par value VND	Number of shares	Par value VND
<b>Authorised and issued share capital</b>	300,168,613	3,001,686,130,000	300,168,613	3,001,686,130,000
<b>Shares in circulation</b>				
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**

	31/12/2022		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%

The parent company, KB Securities Co., Ltd., and the ultimate parent company KB Financial Group, are incorporated in Korean, respectively.

**(c) Retained profits**

	2022 VND	2021 VND
Opening balance	680,889,461,952	460,285,417,867
Net profit for the year	178,785,295,200	240,632,522,489
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 22)	(4,812,650,450)	(3,338,079,734)
Closing balance	830,798,854,454	680,889,461,952

**KB Securities Vietnam Joint Stock Company**  
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**24. Off balance sheet accounts**

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

	31/12/2022		1/1/2022	
	Quantity	Amount at par value VND	Quantity	Amount at par value VND
Less than 1 year	1,323	13,230,000	24,314	243,140,000

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

	31/12/2022		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**

	31/12/2022		1/1/2022	
	Quantity	Amount at par value VND	Quantity	Amount at par value VND
Freely transferred and traded financial assets	1,384,647,993	13,846,479,930,000	887,925,128	8,879,251,280,000
Financial assets restricted for transfers	1,213,406	12,134,060,000	26,224,188	262,241,880,000
Pledged financial assets	126,435,767	1,264,357,670,000	51,851,161	518,511,610,000
Blocked financial assets	49,779,549	497,795,490,000	29,766,589	297,665,890,000
Financial assets awaiting for settlement	26,780,484	267,804,840,000	40,041,788	400,417,880,000
	<b>1,588,857,199</b>	<b>15,888,571,990,000</b>	<b>1,035,808,854</b>	<b>10,358,088,540,000</b>

**KB Securities Vietnam Joint Stock Company**  
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**(d) Financial assets of investors custodied at VSD but not yet traded**

	31/12/2022		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	12,053,253	120,532,530,000	9,744,932	97,449,320,000
Financial assets custodied at VSD but not yet traded and restricted for transfers	12,242,800	122,428,000,000	79,390	793,900,000
	<u>24,296,053</u>	<u>242,960,530,000</u>	<u>9,824,322</u>	<u>98,243,220,000</u>

**(e) Deposits of investors**

	31/12/2022 VND	1/1/2022 VND
Deposits of investors for securities transactions managed by the Company	1,227,557,569,727	1,510,942,114,241
Margin deposits from investors at VSD	39,093,903,221	107,715,504,733
Deposits for clearing and settlements of investor	9,376,637,000	177,662,655,879
▪ <i>Deposits for supplement and securities transactions of domestic investors</i>	-	143,756,855,403
▪ <i>Deposits for supplement and securities transactions of foreign investors</i>	9,376,637,000	33,905,800,476
	<u>1,276,028,109,948</u>	<u>1,796,320,274,853</u>

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

	31/12/2022 VND	1/1/2022 VND
Payables to investors on deposits for securities transactions managed by the Company		
▪ Payables to domestic investors on deposits for securities transactions managed by the Company	1,155,129,750,919	1,767,785,837,922
▪ Payables to foreign investors on deposits for securities transactions managed by the Company	121,033,662,923	21,505,673,355
	<u>1,276,163,413,842</u>	<u>1,789,291,511,277</u>

**KB Securities Vietnam Joint Stock Company**  
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**25. Gains/loss 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 year 2022 VND	Gains from sales of securities for the year 2021 VND
Listed shares	135,110	33,545	4,532,220,340	31,226	313,321,863	1,854,018,121
Listed bonds	3,650	1,013,171,049	3,698,074,327,150	1,012,889,853	1,026,362,800	-
Certificates of deposits	776,042	23,843,370	18,503,456,663,879	23,802,463	31,745,695,633	2,916,704,410
	914,802		22,206,063,211,369		33,085,380,296	4,770,722,531

**(b) Loss from sales of financial assets at FVTPL**

	Quantity	Average selling price VND	Total amount VND	Average cost VND	Loss from sales of securities for the year 2022 VND	Loss from sales of securities for the year 2021 VND
Listed shares	108,826	25,833	2,811,320,010	29,703	(421,192,443)	(125,265,674)
Certificates of deposits	852,302	6,067,255	5,171,133,748,284	6,096,086	(24,572,939,681)	(1,061,038,141)
	961,128		5,173,945,068,294		(24,994,132,124)	(1,186,303,815)

**KB Securities Vietnam Joint Stock Company**  
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**26. Revaluation differences of financial assets at FVTPL**

	Cost VND	Market value/ fair value VND	Revaluation differences for the year ended 31/12/2022 VND	Revaluation differences for the year ended 31/12/2021 VND	Differences accounted in the year ended 31/12/2022 VND
<b>Financial assets at FVTPL</b>					
Listed shares	7,512,899	4,965,627	(2,547,272)	142,317,413	(144,864,685)
Certificates of deposits	2,792,268,513,823	2,792,268,513,823	-	-	-
	<u>2,792,276,026,722</u>	<u>2,792,273,479,450</u>	<u>(2,547,272)</u>	<u>142,317,413</u>	<u>(144,864,685)</u>

**Recognised in the statement of income**

Gains from revaluation of financial assets at FVTPL  
Losses from revaluation of financial assets at FVTPL

(160,222,076)  
15,357,391

Unrealised loss during the year

(144,864,685)

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**27. Dividends and interest from financial assets.**

	<b>2022</b> <b>VND</b>	<b>2021</b> <b>VND</b>
From financial assets at FVTPL	119,249,287,528	70,596,013,558
From investments held to maturity	68,032,098,870	75,968,391,756
From loans	524,608,602,881	376,800,924,301
▪ <i>Margin loans</i>	492,223,051,031	316,236,537,991
▪ <i>Advances to customers for the proceeds from selling securities</i>	32,385,551,850	60,564,386,310
	711,889,989,279	523,365,329,615

**28. Revenue other than income from financial assets**

	<b>2022</b> <b>VND</b>	<b>2021</b> <b>VND</b>
Revenue from securities brokerage	303,999,618,853	393,854,703,826
Revenue from securities underwriting and issuance agency services	2,994,187,800	2,655,454,547
Revenue from securities investment consulting services	-	944,125,000
Revenue from securities custody services	5,347,377,567	5,036,982,441
Revenue from financial consulting services	3,612,787,800	1,200,000,000
Other operating income	3,117,640,939	4,819,785,070
	319,071,612,959	408,511,050,884



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**29. Allowance for financial assets, handling of loss of bad receivables and loss of impairment of financial assets and borrowing expenses of loans**

	<b>2022</b> <b>VND</b>	<b>2021</b> <b>VND</b>
Allowance made for margin loans (Note 8)	107,322,495,131	-

**30. Expenses for services rendered**

	<b>2022</b> <b>VND</b>	<b>2021</b> <b>VND</b>
Expenses for securities brokerage services		
▪ Staff costs	201,331,248,429	243,056,920,637
▪ Depreciation and amortisation	7,551,515,035	9,223,285,225
▪ Securities brokerage services expenses	58,885,504,832	75,434,048,950
▪ Tools and supplies	1,940,825,870	2,115,232,325
▪ Office rental	11,083,016,416	11,753,440,327
▪ Outside services	33,257,399,229	27,676,446,334
	<hr/> 314,049,509,811	<hr/> 369,259,373,798
Expense for securities underwriting and issuance agency services	3,665,314,917	6,564,473,476
Expense for securities investment consulting services	-	2,333,944,495
Expenses for securities custody services	7,513,838,625	6,216,458,451
Expenses for financial consulting services	4,422,569,959	2,966,485,787
	<hr/> 329,651,233,312	<hr/> 387,340,736,007

**31. Realised and unrealised foreign exchange gains**

	<b>2022</b> <b>VND</b>	<b>2021</b> <b>VND</b>
Realised foreign exchange gains	2,414,598,517	3,062,857,144



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**32. Dividends and interest income from demand deposits at banks**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Interest income from call deposits at bank	5,288,556,022	5,480,432,698

**33. Financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Realised, unrealised losses on foreign exchange rate	356,461	1,089,000
Interest expenses	310,894,700,291	184,975,194,323
Other financial expenses	4,626,669,596	9,245,186,429
	315,521,726,348	194,221,469,752

**34. General and administration expenses**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Salary and related expenses	37,915,008,454	28,934,888,380
Social insurance, health insurance, unemployment insurance and trade union fee	3,331,110,477	1,270,185,500
Office stationaries	497,161,743	788,288,799
Tools and supplies	428,935,372	942,519,521
Taxes, fees and charges	99,830,280	63,868,900
Outside services	15,860,437,457	9,334,634,760
Other expenses	11,377,875,675	5,344,882,730
	69,510,359,458	46,679,268,590

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**35. Income tax**

**(a) Recognised in the statement of income for the year**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
<b>Current income tax expense</b>		
Current year	64,018,383,714	60,417,853,310
Over provision in prior year	-	(90,351,190)
	64,018,383,714	60,327,502,120
<b>Deferred tax (benefit)/expense</b>		
Origination and reversal of temporary differences	(18,494,379,764)	29,916,220
	45,524,003,950	60,357,418,340

**(b) Reconciliation of effective tax rate**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	224,309,299,150	300,989,940,829
Tax at the Company's tax rate	44,861,859,830	60,197,988,166
Non-deductible expenses	696,258,197	249,781,364
Tax exempt income	(34,114,077)	-
Over provision in prior year	-	(90,351,190)
	45,524,003,950	60,357,418,340

**(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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**36. Significant balances and transactions with related parties**

**(a) Balances with related parties**

	Balance as at	
	31/12/2022	1/1/2022
	VND	VND
<b>Parent company</b>		
<i>KB Securities Co., Ltd.</i>		
Other receivables	1,280,533,806	2,751,363,186
Receivable from researching services	231,759,000	224,136,000
Guarantee fee payable	3,247,225,389	3,947,299,893
<b>Other related parties</b>		
<i>Kookmin Bank – Ha Noi Branch</i>		
Short-term borrowings	333,000,000,000	333,000,000,000
Interest payable	421,834,521	538,095,890
Term deposit	400,000,000,000	-
Demand deposit	219,607,398	132,602,093
Interest income from demand deposit	2,191,781	-
<i>Kookmin Bank – Ho Chi Minh City Branch</i>		
Demand deposit	82,952,823	83,320,492
<i>Kookmin Bank – Tokyo Branch</i>		
Short-term borrowings	1,781,560,000,000	1,112,480,000,000
Interest payable	18,790,570,720	1,571,160,433
<i>KB Fina</i>		
Prepaid service fees	226,600,000	-

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**(b) Transactions with related parties**

	<b>Transaction amount</b>	
	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
<b>Parent company</b>		
<i>KB Securities Co., Ltd.</i>		
Receipt of capital contribution	-	1,325,989,800,000
Guarantee fee	4,205,042,060	8,525,088,000
Payment on behalf	3,950,525,869	1,870,664,872
Revenue of researching and consulting services	920,650,500	902,682,000
Revenue from transaction fee	332,870,481	1,580,265,832
<b>Other related parties</b>		
<i>Kookmin Bank – Tokyo Branch</i>		
Interest expenses incurred during the year	59,556,907,991	21,420,544,814
Interest paid	42,337,497,704	19,853,411,548
Borrowing granted during the year	1,781,560,000,000	-
Repayment of loan principal in the year	1,112,480,000,000	-
<i>Kookmin Bank – Ha Noi Branch</i>		
Borrowing granted during the year	333,000,000,000	333,000,000,000
Repayment of loan principal in the year	333,000,000,000	-
Interest expense incurred during the year	18,863,021,372	7,961,479,454
Interest paid	18,979,282,741	7,423,383,564
Interest income from demand deposit	1,242,794	68,532
Interest income from term deposit	7,397,261	-
<i>Kookmin Bank – Ho Chi Minh City Branch</i>		
Interest income from demand deposit	82,060	70,155
<i>KB Fina</i>		
Service fees	2,154,307,225	-
<b>Board of Directors, Board of Management and Supervisory Board</b>		
Salaries and remuneration of Board of Directors	185,714,286	600,714,286
Salaries and remuneration of Supervisory Board	108,857,143	84,000,000
Salaries and remuneration of Board of Management	6,617,139,729	3,705,941,966

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**37. Lease commitment**

The minimal lease payment for irrevocable lease contract are as following:

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Within one year	5,218,986,965	3,380,943,264
From over one year to five years	-	281,509,910
	<hr/>	<hr/>
	5,218,986,965	3,662,453,174
	<hr/>	<hr/>

**38. Comparative information**

Comparative information as at 1 January 2022 was derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 December 2021.

29 March 2023

Prepared by:



Ha Thanh Hoa  
Chief Accountant

Approved by:



Jeon Mun Cheol  
General Director