



Vietcombank Fund Management

Financial Statements for the year ended
31 December 2020



Vietcombank Fund Management Corporate Information

Establishment and

Operation License No. 06/UBCK-GPHDQLQ

2 December 2005

The Company's Establishment and Operation License has been amended several times, the most recent of which is the Establishment and Operation License No. 17/GPDC-UBCK dated 9 February 2018. The Establishment and Operation License was issued by the State Securities Commission of Vietnam and is valid for 30 years

Board of Directors

Mr. Avinash Deepak Satwalekar

Ms. Pham Thi An Binh

Mr. Stephen Grundlingh

Mr. Bui Sy Tan

Mr. Vu Quang Dong

Chairman

Vice Chairwoman

Member

Member

Member

Board of Management

Mr. Vu Quang Dong

Mr. Bui Sy Tan

Chief Executive Officer

Deputy Chief Executive Officer

Registered Office

Vietcombank Tower, 15th Floor

198 Tran Quang Khai Street

Hoan Kiem District, Hanoi

Vietnam

Auditor

KPMG Limited

Vietnam

Vietcombank Fund Management Statement of the Board of Management

The Board of Management of Vietcombank Fund Management (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2020.

The 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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of the accounting system applicable to fund management companies and the relevant statutory requirements applicable to financial reporting. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- confirm that applicable accounting standards have been followed by the Company, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In the opinion of the Board of Management:

- (a) the financial statements set out on pages 5 to 33 give a true and fair view of the financial position of the Company as at 31 December 2020, and of its results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of the accounting system applicable to fund management companies and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of Management



The stamp is circular with a red border. Inside the border, the text reads: 'S. Q. P. : 08.11.2011', 'CÔNG TY LIÊN DOANH QUẢN LÝ QUỸ ĐẦU TƯ CHỨNG KHOÁN VIETCOMBANK', and 'Q. HOÀN KIẾM - T.P. HÀ NỘI'. A blue ink signature is written over the stamp.

Vũ Quang, Đông
Chief Executive Officer

Hanoi, 26 March 2021



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South Tu Liem District, Hanoi, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Investors Vietcombank Fund Management

We have audited the accompanying financial statements of Vietcombank Fund Management ("the Company"), which comprise the balance sheet as at 31 December 2020, the statements of income, cash flows and changes in owners' equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 26 March 2021, as set out on pages 5 to 33.

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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of the accounting guidance for fund management companies and the 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.



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Vietcombank Fund Management as at 31 December 2020, 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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of the accounting guidance for fund management companies and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Audit Report No.: 20-02-00403-21-1



Dam Xuan Lam
Practicing Auditor Registration
Certificate No.: 0861-2018-007-1
Deputy General Director

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

Hanoi, 26 March 2021



Vietcombank Fund Management
Balance sheet as at 31 December 2020

Form B01 – CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Item	Code	Note	31/12/2020 VND	31/12/2019 VND
ASSETS					
A	CURRENT ASSETS (100 = 110 + 120 + 130 + 150)	100		282,828,624,214	295,716,515,972
I	Cash and cash equivalents	110	4	4,614,642,762	6,834,334,677
1	Cash	111		4,614,642,762	6,834,334,677
II	Short-term investments	120	5	250,628,822,654	273,011,854,297
1	Short-term investments	121		250,628,822,654	273,011,854,297
III	Short-term accounts receivable	130		26,529,808,209	14,287,464,932
2	Prepayment to suppliers	132		-	57,313,025
4	Receivables from operating activities	134	6	22,618,182,095	9,685,879,624
5	Other receivables	135	7	3,911,626,114	4,544,272,283
V	Other current assets	150		1,055,350,589	1,582,862,066
1	Short-term prepayments	151		981,779,970	1,502,573,347
5	Other current assets	158		73,570,619	80,288,719
B	NON-CURRENT ASSETS (200 = 220 + 250 + 260)	200		45,031,447,022	11,259,546,886
II	Fixed assets	220		4,071,521,676	3,325,293,952
1	Tangible fixed assets	221	8	2,421,920,018	1,250,965,890
	- Cost	222		6,576,413,239	6,880,070,039
	- Accumulated depreciation	223		(4,154,493,221)	(5,629,104,149)
3	Intangible fixed assets	227	9	1,649,601,658	2,074,328,062
	- Cost	228		4,491,662,895	4,491,662,895
	- Accumulated amortisation	229		(2,842,061,237)	(2,417,334,833)
III	Long-term financial investments	250		40,000,000,000	7,000,000,000
1	Other long-term investments	251	10	40,000,000,000	7,000,000,000
IV	Other long-term assets	260		959,925,346	934,252,934
1	Long-term prepaid expenses	261		48,712,260	23,039,848
3	Other long-term assets	268	11	911,213,086	911,213,086
TOTAL ASSETS (270 = 100 + 200)				327,860,071,236	306,976,062,858

The accompanying notes are an integral part of these financial statements

Vietcombank Fund Management
Balance sheet as at 31 December 2020 (continued)

Form B01 – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

	Item	Code	Note	31/12/2020 VND	31/12/2019 VND
RESOURCES					
A	LIABILITIES (300 = 310)	300		10,026,454,095	7,146,834,269
I	Current liabilities	310		10,026,454,095	7,146,834,269
2	Accounts payable to suppliers	312		96,266,000	-
4	Taxes and others payable to State Treasury	314	12	1,723,995,342	1,571,505,392
5	Payables to employees	315		1,940,679,601	3,645,530,154
6	Accrued expenses	316		4,941,942,704	823,783,555
8	Other short-term payables	319		6,529,613	23,307,666
10	Bonus and welfare fund	323		1,317,040,835	1,082,707,502
B	EQUITY	400		317,833,617,141	299,829,228,589
1	Contributed capital	411	13	265,000,000,000	265,000,000,000
7	Investment and development fund	417		4,301,548,849	4,301,548,849
8	Financial reserve	418		4,100,368,084	3,073,673,656
9	Other equity funds	419		1,211,433,887	184,739,459
10	Retained profits	420		43,220,266,321	27,269,266,625
	TOTAL RESOURCES (440 = 300 + 400)	440		327,860,071,236	306,976,062,858

The accompanying notes are an integral part of these financial statements

Vietcombank Fund Management
Balance sheet as at 31 December 2020 (continued)

Form B01 – CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

OFF - BALANCE SHEET ITEMS

	Item	Code	Note	31/12/2020 VND	31/12/2019 VND
5	Foreign currencies	005		13,595,035	15,006,942
7	Non-custody securities of the Company	020		118,520,557,600	78,520,557,600
8	Cash held on behalf of entrusting investors	030	20	51,691,857,644	47,231,705,668
8.1	<i>Domestic entrusting investors</i>	031		49,771,890,005	45,420,780,477
8.2	<i>Foreign entrusting investors</i>	032		1,919,967,639	1,810,925,191
9	Securities held on behalf of entrusting investors	040	21	1,629,347,962,860	2,446,099,504,306
9.1	<i>Domestic entrusting investors</i>	041		1,100,421,047,060	1,950,623,461,306
9.2	<i>Foreign entrusting investors</i>	042		528,926,915,800	495,476,043,000
10	Receivables of entrusting investors	050	22	24,518,760,698	34,301,984,289
11	Payables of entrusting investors	051	23	30,648,077,014	17,097,287,818

26 March 2021

Prepared by:



Ngo Thi Le Quyen
Accountant

Reviewed by:



Nguyen Bang Tam
Chief Accountant

Approved by:



VIETCOMBANK
 CÔNG TY
 LIÊN DOANH
 QUẢN LÝ QUỸ ĐẦU TƯ
 CHỨNG KHOÁN
 VIETCOMBANK
 S.G.P.: 08 - L.Đ. NG
 D.Đ. HOÀN KIẾM V.T.P. H.Đ.

Vu Quang Dong
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Vietcombank Fund Management
Statement of income for the year ended 31 December 2020

Form B02 – CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

Item	Code	Note	2020 VND	2019 VND
1 Revenue	01	14	56,422,054,571	47,710,370,417
4 Operating expenses	11	15	19,086,206,382	16,738,699,496
5 Gross profit (20 = 01 - 11)	20		37,335,848,189	30,971,670,921
6 Financial income	21	16	14,769,109,681	20,230,631,617
7 Financial expenses	22	17	15,798,830	1,035,553
8 General and administration expenses	25	18	28,443,992,913	28,884,348,370
9 Net operating profit (30 = 20 + 21 - 22 - 25)	30		23,645,166,127	22,316,918,615
10 Other income	31		273,636,364	-
12 Results of other activities (40 = 31)	40		273,636,364	-
13 Accounting profit before tax (50 = 30 + 40)	50		23,918,802,491	22,316,918,615
14 Income tax expense – current	51	19	3,384,913,939	969,633,530
15 Income tax expense – deferred	52	19	-	3,530,499,183
16 Net profit after tax (60 = 50 - 51 - 52)	60		20,533,888,552	17,816,785,902

26 March 2021

Prepared by:



Ngo Thi Le Quyen
Accountant

Reviewed by:



Nguyen Bang Tam
Chief Accountant

Approved by:



Vu Quang Dong
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Vietcombank Fund Management

Statement of cash flows for the year ended 31 December 2020 (Direct method)

Form B03 – CTQ

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

Item	Code	Note	2020 VND	2019 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Receipts from operating activities, services rendered and other revenue	01		43,458,147,486	52,367,228,108
2. Payments for operating activities and to suppliers	02		(13,860,462,593)	(14,900,092,832)
3. Payments to employees	03		(22,907,310,302)	(21,055,649,648)
5. Payments for corporate income tax	05		(3,208,108,628)	-
6. Other receipts from operating activities	06		465,292,476	871,485,300
7. Other payments for operating activities	07		(9,698,516,226)	(13,117,883,749)
Net cash flows from operating activities	20		(5,750,957,787)	4,165,087,179
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Payments for additions to fixed assets and other long-term assets	21		(1,564,399,000)	(1,818,133,000)
2. Proceeds from disposals of fixed assets and other long-term assets	22		301,000,000	-
3. Payments for purchase of debt instruments of other entities	23		(144,826,410,953)	(15,000,000,000)
4. Receipts from disposal of investments in debt instruments of other entities	24		138,571,967,567	2,500,000,000
5. Payments for investments in other entities	25		-	(50,000,000,000)
6. Collections on investments in other entities	26		-	11,599,130,000
7. Receipt of interest	27		11,049,171,545	3,692,871,973
Net cash flows from investing activities	30		3,531,329,159	(49,026,131,027)
Net cash flows during the year (50 = 20 + 30)	50		(2,219,628,628)	(44,861,043,848)
Cash and cash equivalents at the beginning of the year	60		6,834,334,677	51,695,284,365
Effect of exchange rate fluctuations on cash and cash equivalents	61		(63,287)	94,160
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	4	4,614,642,762	6,834,334,677

26 March 2021

Prepared by:



Ngo Thi Le Quyen
Accountant

Reviewed by:



Nguyen Bang Tam
Chief Accountant

Approved by:



Mu Quang Dong
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Vietcombank Fund Management
Statement of changes in equity for the year ended 31 December 2020

Form B05 – CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Opening balance		Increase/(decrease) during the year				Closing balance	
	1/1/2019	1/1/2020	2019	2020	2020	2020	31/12/2019	31/12/2020
	VND	VND	Increase VND	Decrease VND	Increase VND	Decrease (i) VND	VND	VND
Contributed capital	265,000,000,000	265,000,000,000	-	-	-	-	265,000,000,000	265,000,000,000
Investment and development fund	4,301,548,849	4,301,548,849	-	-	-	-	4,301,548,849	4,301,548,849
Financial reserve	2,888,934,197	3,073,673,656	184,739,459	-	1,026,694,428	-	3,073,673,656	4,100,368,084
Other equity funds	-	184,739,459	184,739,459	-	1,026,694,428	-	184,739,459	1,211,433,887
Retained profits	12,174,959,641	27,269,266,625	17,816,785,902	(2,722,478,918)	20,533,888,552	(4,582,888,856)	27,269,266,625	43,220,266,321
	284,365,442,687	299,829,228,589	18,186,264,820	(2,722,478,918)	22,587,277,408	(4,582,888,856)	299,829,228,589	317,833,617,141

(i) Decreases in profit after tax during the year comprise: appropriation to bonus and welfare fund of VND2,529,500,000, appropriation to financial reserve of VND1,026,694,428 and appropriation to reserve to supplement charter capital of VND1,026,694,428.

26 March 2021

Prepared by:


 Ngo Thi Le Quyen
 Accountant

Reviewed by:


 Nguyen Bang Tam
 Chief Accountant

Approved by:


 Vu Quang Dong
 Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Vietcombank Fund Management
Notes to the financial statements for the year ended 31 December 2020

Form B09 – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 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) Ownership structure

Vietcombank Fund Management (“the Company”) is a joint venture company incorporated in Vietnam. The joint venture partners are Joint Stock Commercial Bank for Foreign Trade of Vietnam (“Vietcombank”) (incorporated in Vietnam) and Franklin Templeton Capital Holdings Private Limited (incorporated in Singapore) with ownership interest of 51% and 49%, respectively.

The Company was granted the Establishment and Operation License No. 06/UBCK-GPHDQLQ dated 2 December 2005 by the State Securities Commission of Vietnam with the operation period of 30 years. The Company’s Establishment and Operation License has been amended several times, the most recent of which is the Establishment and Operation License No. 17/GPDC-UBCK dated 9 February 2018.

(b) Principal activities

The principal activities of the Company are to establish and manage investment funds; and to manage investment portfolios. The Company is currently managing three funds, namely VCBF Tactical Balanced Fund, VCBF Blue Chip Fund and VCBF Fixed Income Fund.

(c) Normal operating cycle

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

(d) Number of employees

As at 31 December 2020, the Company had 43 employees (31/12/2019: 42 employees).

Vietcombank Fund Management
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of the accounting system applicable to investment fund management companies (“Circular 125”) and the relevant statutory requirements applicable to financial reporting. These accounting policies may differ in some material respects from International Financial Reporting Standards and the generally accepted accounting principles and standards of other countries. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices.

(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 is prepared using the direct method.

(c) Annual 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 presentation of financial statements.

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) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate/account transfer selling rate at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits at bank.

(c) Investments

(i) *Investment in fund certificates*

Investments in fund certificates, including open-ended fund certificates, are initially stated at purchase price and the cost of acquisition (original cost); then, are stated at original cost less allowance for diminution (if any).

Allowance for diminution is the difference between original cost and net asset value (NAV) of investment which is computed on capital contribution rate in case the net asset value is less than original cost. Increases or decreases of the allowance balance are recorded to financial expenses/financial income account during the year.

(ii) *Other investments*

Other investments include deposits at bank with original terms exceeding three months and investments in bonds issued by other institutions. These investments are stated at costs less allowance for doubtful debts (if any).

(d) Accounts receivable

Trade, receivables from operating activities and other receivables are stated at cost less allowance for doubtful debts (if any).

(e) 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 repair, 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:

▪ office equipment	3 years
▪ motor vehicles	6 years

Vietcombank Fund Management
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
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(f) Intangible fixed assets

(i) Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 3 years.

(ii) Golf club memberships

Golf club memberships are recorded at cost and amortised on a straight-line basis over 20 years.

(g) Accounts payable and other payables

Trade and other payables are stated at their cost.

(h) Provisions

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

(i) Taxation

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 year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, 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.

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

(j) Contributed capital

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(k) Reserves

In accordance with Circular No. 146/2014/TT-BTC dated 6 October 2014 of the Ministry of Finance, realised profits of fund management companies after prior-year tax loss offset in accordance with the income tax law and income tax payment are distributed as follows:

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

Reserve to supplement charter capital is established to supplement the charter capital of the Company when necessary. Financial reserve is allocated from profit after tax and is to cover losses incurred during the normal course of business. These statutory reserves are non-distributable and are classified as equity.

Investment and development fund is allocated from profit after tax and is to expand the Company's operations and investments. This fund is appropriated at year end in accordance with the Company's decision and is distributable.

(l) Revenue and other income

(i) Management fee

Management fee is recognised in the statement of income on the accrual basis and calculated based on the pledged capital or net asset value of each entrusting investment portfolio or net asset value of each fund.

(ii) Investment consulting fee

Investment consulting fee is recorded in the statement of income on the accrual basis in accordance with the terms and conditions of investment consulting contracts.

(iii) Incentive fees

Incentive fees are recorded in the statement of income when incurred if the increases in Net Asset Value of the entrusting investment portfolios are higher than basis thresholds as indicated in the entrustment contracts.

(iv) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

(v) Gains from investment in fund certificates

Gains from investment in fund certificates are determined based on the difference between the selling prices and the average costs of fund certificates.

(m) Leases

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, over the term of the lease.

(n) 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.

Related companies refer to the investors, their ultimate parent companies, subsidiaries and associates of investors and funds managed by the Company.

(o) Nil balances

Items or balances required by the Circular 125 that are not shown in these financial statements indicate nil balances.

(p) Comparative 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.

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

4. Cash and cash equivalents

	31/12/2020 VND	31/12/2019 VND
Cash on hand	4,814,719	4,814,719
Demand deposits at banks	4,609,828,043	6,829,519,958
	4,614,642,762	6,834,334,677

5. Short-term investments

	31/12/2020 VND	31/12/2019 VND
Investment in fund certificates (i)	78,634,639,970	78,634,639,970
Deposits at banks (ii)	171,994,182,684	194,377,214,327
	250,628,822,654	273,011,854,297

(i) Details of short-term investments in fund units are as follows:

	31/12/2020		31/12/2019	
	Quantity	Cost VND	Quantity	Cost VND
VCBF Tactical Balanced Fund (“VCBF-TBF”)	1,409,027.88	14,146,639,985	1,409,027.88	14,146,639,985
VCBF Blue Chip Fund (“VCBF-BCF”)	1,443,027.88	14,487,999,985	1,443,027.88	14,487,999,985
VCBF Fixed Income Fund (“VCBF-FIF”)	5,000,000.00	50,000,000,000	5,000,000.00	50,000,000,000
	7,852,055.76	78,634,639,970	7,852,055.76	78,634,639,970

(ii) These represent deposits at banks in VND with original terms exceeding 3 months from the placement date, remaining term below 12 months from the end of the annual accounting period and earning interest rates ranging from 4.9% to 7.6% (31/12/2019: from 7.05% to 7.5%) per annum.

Vietcombank Fund Management**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B09 – CTQ**

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

6. Receivables from operating activities

	31/12/2020 VND	31/12/2019 VND
Management fee receivable	4,082,216,182	7,003,668,331
Receivables on incentive fees	17,996,297,038	2,511,239,045
Receivables on investment consultancy fees	418,272,727	-
Other receivables from operating activities	121,396,148	170,972,248
	<hr/>	<hr/>
	22,618,182,095	9,685,879,624

7. Other receivables

	31/12/2020 VND	31/12/2019 VND
Interest receivable from deposits at banks	3,600,357,911	4,544,272,283
Interest receivable from bonds	278,684,926	-
Other receivables	32,583,277	-
	<hr/>	<hr/>
	3,911,626,114	4,544,272,283

8. Tangible fixed assets

2020	Office equipment VND	Motor vehicles VND	Total VND
Cost			
Opening balance	2,723,823,825	4,156,246,214	6,880,070,039
Additions	439,234,000	1,125,165,000	1,564,399,000
Disposal	-	(1,247,540,000)	(1,247,540,000)
Written off	(620,515,800)	-	(620,515,800)
Closing balance	2,542,542,025	4,033,871,214	6,576,413,239
Accumulated depreciation			
Opening balance	2,578,987,933	3,050,116,216	5,629,104,149
Charge for the year	101,764,540	291,680,332	393,444,872
Disposal	-	(1,247,540,000)	(1,247,540,000)
Written off	(620,515,800)	-	(620,515,800)
Closing balance	2,060,236,673	2,094,256,548	4,154,493,221
Net book value			
Opening balance	144,835,892	1,106,129,998	1,250,965,890
Closing balance	482,305,352	1,939,614,666	2,421,920,018
2019			
Cost			
Opening balance	2,966,776,425	4,156,246,214	7,123,022,639
Additions	89,133,000	-	89,133,000
Written off	(332,085,600)	-	(332,085,600)
Closing balance	2,723,823,825	4,156,246,214	6,880,070,039
Accumulated depreciation			
Opening balance	2,742,853,206	2,804,309,548	5,547,162,754
Charge for the year	168,220,327	245,806,668	414,026,995
Written off	(332,085,600)	-	(332,085,600)
Closing balance	2,578,987,933	3,050,116,216	5,629,104,149
Net book value			
Opening balance	223,923,219	1,351,936,666	1,575,859,885
Closing balance	144,835,892	1,106,129,998	1,250,965,890

Included in tangible fixed assets as of 31 December 2020, were assets costing VND3,377 million (31/12/2019: VND5,047 million) which were fully depreciated but which are still in active use.

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

9. Intangible fixed assets

2020	Software VND	Golf club memberships VND	Total VND
Cost			
Opening and closing balance	2,913,134,895	1,578,528,000	4,491,662,895
Accumulated amortisation			
Opening balance	1,443,484,898	973,849,935	2,417,334,833
Charge for the year	345,800,004	78,926,400	424,726,404
Closing balance	1,789,284,902	1,052,776,335	2,842,061,237
Net book value			
Opening balance	1,469,649,997	604,678,065	2,074,328,062
Closing balance	1,123,849,993	525,751,665	1,649,601,658
2019			
Cost			
Opening balance	1,184,134,895	1,578,528,000	2,762,662,895
Additions	1,729,000,000	-	1,729,000,000
Closing balance	2,913,134,895	1,578,528,000	4,491,662,895
Accumulated amortisation			
Opening balance	1,184,134,895	894,923,535	2,079,058,430
Charge for the year	259,350,003	78,926,400	338,276,403
Closing balance	1,443,484,898	973,849,935	2,417,334,833
Net book value			
Opening balance	-	683,604,465	683,604,465
Closing balance	1,469,649,997	604,678,065	2,074,328,062

Intangible fixed assets as of 31 December 2020 were assets costing VND1,184 million (31/12/2019: VND1,184 million) which were fully amortised but which are still in use.

Vietcombank Fund Management**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B09 – CTQ***(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)***10. Other long-term investments**

	31/12/2020 VND	31/12/2019 VND
Deposits at bank (i)	-	7,000,000,000
Bonds (ii)	40,000,000,000	-
	40,000,000,000	7,000,000,000

- (i) As at 31 December 2019, other long-term investments represent deposits at bank in VND with the remaining term to maturity of more than 12 months from the annual accounting period and earning interest rate of 7.5% per annum.
- (ii) As at 31 December 2020, other long-term investments represent the investment in bonds issued by well-known financial institutions in VND with terms ranging from 7 to 10 years and earning interest rates ranging from 6.9% to 7.0% per annum.

11. Other long-term assets

Other long-term assets represent deposits for office rental of the Company.

12. Taxes and others payable to State Treasury

	31/12/2020 VND	31/12/2019 VND
Corporate income tax	1,146,438,841	969,633,530
Personal income tax	535,183,183	531,243,014
Value added tax	42,373,318	70,628,848
	1,723,995,342	1,571,505,392

13. Contributed capital

The Company's authorised and contributed charter capital is:

	31/12/2020 and 31/12/2019 VND	%
Joint Stock Commercial Bank for Foreign Trade of Vietnam	135,150,000,000	51%
Franklin Templeton Capital Holdings Private Limited	129,850,000,000	49%
	265,000,000,000	100%

Vietcombank Fund Management
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

14. Total revenue

Total revenue represents the gross invoiced value of services rendered exclusive of value added tax.

Revenue comprised:

	2020 VND	2019 VND
Management fees from entrusting investment management activities (i)	28,904,320,815	31,454,365,849
Management fees from fund management activities (ii)	8,676,559,308	13,066,640,249
Incentive fees (iii)	17,996,297,038	2,511,239,045
Investment consultancy fees	418,272,727	-
Others	426,604,683	678,125,274
	56,422,054,571	47,710,370,417

- (i) The Company is managing entrusting investment portfolios for some customers. The Company earns management fee based on the committed fund or Net Asset Value of the entrusting investment portfolios.
- (ii) The Company is managing three funds, namely VCBF Tactical Balanced Fund, VCBF Blue Chip Fund and VCBF Fixed Income Fund. Under the funds' charters, the funds are charged by the Company a monthly management fee based on their Net Asset Value at month end.
- (iii) The Company also receives an annual performance incentive if Net Asset Value of the entrusting investment portfolio is higher than a basis threshold as indicated in the entrustment contracts.

15. Operating expenses

	2020 VND	2019 VND
Salary and related expenses	15,060,425,770	12,120,601,229
Depreciation of fixed assets	378,010,577	310,872,236
Other expenses	3,647,770,035	4,307,226,031
	19,086,206,382	16,738,699,496

Vietcombank Fund Management**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B09 – CTQ***(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)***16. Financial income**

	2020 VND	2019 VND
Interest income from deposits at banks	14,594,193,097	14,654,217,945
Interest income from bonds	152,273,973	-
Gain from investment in fund certificates	-	5,575,129,970
Foreign exchange gains	22,642,611	1,283,702
	<hr/> 14,769,109,681	<hr/> 20,230,631,617

17. Financial expenses

	2020 VND	2019 VND
Expense for securities trading	14,000,000	-
Foreign exchange losses	1,798,830	1,035,553
	<hr/> 15,798,830	<hr/> 1,035,553

18. General and administration expenses

	2020 VND	2019 VND
Salary and related expenses	16,017,496,179	14,921,257,718
Office rental	4,603,778,850	4,475,585,971
Public relation	1,302,426,743	1,750,923,333
Transportation	401,208,194	711,229,751
Depreciation of fixed assets	440,160,699	441,431,162
Telecommunication	445,820,541	437,638,611
Tax and legal fee	262,231,119	265,641,088
Other expenses	4,970,870,588	5,880,640,736
	<hr/> 28,443,992,913	<hr/> 28,884,348,370

Vietcombank Fund Management
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

19. Corporate income tax

(a) Recognised in the statement of income

	2020 VND	2019 VND
Current tax expense		
Current year	3,384,913,939	969,633,530
Deferred tax expense		
Reversal of temporary differences	-	3,530,499,183
Corporate income tax expense	3,384,913,939	4,500,132,713

(b) Reconciliation of effective tax rate

	2020 VND	2019 VND
Accounting profit before tax	23,918,802,491	22,316,918,615
Tax at the Company's tax rate	4,783,760,498	4,463,383,723
Non-deductible expenses	51,818,186	36,699,360
Changes in temporary differences	12,657	49,630
Tax reduction (*)	(1,450,677,402)	-
Corporate income tax expense	3,384,913,939	4,500,132,713

(*) According to Decree No. 114/2020/ND-CP dated 25 September 2020 of the Government, the Company is entitled to 30% reduction of corporate income tax payable of the 2020 tax period as its total revenue in 2020 does not exceed VND200 billion.

(c) Applicable tax rates

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

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)

20. Cash held on behalf of entrusting investors

Movements in cash held on behalf of entrusting investors during the year were as follows:

	2020 VND	2019 VND
Opening balance	47,231,705,668	55,215,214,517
Net increase/(decrease)	4,460,151,976	(7,983,508,849)
Closing balance	51,691,857,644	47,231,705,668

21. Securities held on behalf of entrusting investors

31/12/2020	Domestic entrusting investors VND	Foreign entrusting investors VND	Total VND
Listed shares	944,985,308,936	-	944,985,308,936
<i>Detail of devaluated securities:</i>			
<i>BSR</i>	436,564,975	-	436,564,975
<i>CNG</i>	16,895,140,110	-	16,895,140,110
<i>DSN</i>	4,562,279,236	-	4,562,279,236
<i>NCT</i>	36,707,384,880	-	36,707,384,880
<i>NT2</i>	44,411,535,601	-	44,411,535,601
<i>PAC</i>	8,723,482,527	-	8,723,482,527
<i>PTB</i>	2,070,321,870	-	2,070,321,870
<i>SKG</i>	30,113,301,510	-	30,113,301,510
<i>VHC</i>	601,950,000	-	601,950,000
<i>VIT</i>	6,501,459,938	-	6,501,459,938
Bonds	155,435,738,124	441,426,915,800	596,862,653,924
Certificates of deposits	-	87,500,000,000	87,500,000,000
	1,100,421,047,060	528,926,915,800	1,629,347,962,860

31/12/2019	Domestic entrusting investors VND	Foreign entrusting investors VND	Total VND
Listed shares	900,711,321,748	-	900,711,321,748
<i>Detail of devaluated securities:</i>			
<i>BCC</i>	20,680,640,656	-	20,680,640,656
<i>BMP</i>	20,599,822,054	-	20,599,822,054
<i>BSR</i>	1,088,198,766	-	1,088,198,766
<i>BWE</i>	30,421,415,873	-	30,421,415,873



Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)

31/12/2019	Domestic entrusting investors VND	Foreign entrusting investors VND	Total VND
CNG	15,426,389,930	-	15,426,389,930
CTD	1,181,181,300	-	1,181,181,300
CTG	15,047,677,655	-	15,047,677,655
DGC	25,422,924,631	-	25,422,924,631
DPM	30,884,523,856	-	30,884,523,856
GDT	7,577,293,990	-	7,577,293,990
GMC	1,934,063,189	-	1,934,063,189
HPG	24,432,119,919	-	24,432,119,919
IMP	3,613,853,524	-	3,613,853,524
LAS	5,635,226,220	-	5,635,226,220
LPB	10,291,508,008	-	10,291,508,008
LTG	2,858,608,128	-	2,858,608,128
MSH	6,637,723,467	-	6,637,723,467
NCT	24,975,789,272	-	24,975,789,272
NDN	123,900,000	-	123,900,000
NLG	18,092,711,180	-	18,092,711,180
NT2	42,719,864,760	-	42,719,864,760
PAC	9,945,395,302	-	9,945,395,302
PCI	2,738,749,998	-	2,738,749,998
PET	27,599,887,582	-	27,599,887,582
PLC	17,442,122,425	-	17,442,122,425
PME	16,422,152,750	-	16,422,152,750
POM	1,258,351,185	-	1,258,351,185
POW	17,295,455,927	-	17,295,455,927
PSD	1,727,613,760	-	1,727,613,760
PVS	34,124,220,562	-	34,124,220,562
PHR	23,701,146,770	-	23,701,146,770
QNS	6,951,007,966	-	6,951,007,966
SDT	905,528,320	-	905,528,320
SKG	27,036,754,273	-	27,036,754,273
TCM	8,354,387,426	-	8,354,387,426
TDM	915,994,870	-	915,994,870
TMS	489,382,800	-	489,382,800
TRA	8,731,591,429	-	8,731,591,429
VIB	5,201,762,469	-	5,201,762,469
VIT	6,953,931,538	-	6,953,931,538
VNS	6,240,873,675	-	6,240,873,675
VSC	33,886,839,501	-	33,886,839,501
VTP	4,987,802,612	-	4,987,802,612
Bonds	1,049,912,139,558	433,676,043,000	1,483,588,182,558
Certificates of deposits	-	61,800,000,000	61,800,000,000
	1,950,623,461,306	495,476,043,000	2,446,099,504,306

Vietcombank Fund Management**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B09 – CTQ**

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

22. Receivables of entrusting investors

	31/12/2020 VND	31/12/2019 VND
Dividends receivable	4,148,088,000	5,320,166,500
Interest receivable	12,038,632,794	27,299,843,994
Receivables from sale of securities	8,302,039,904	1,616,973,795
Other receivables	30,000,000	65,000,000
	<hr/>	<hr/>
	24,518,760,698	34,301,984,289
	<hr/>	<hr/>

23. Payables of entrusting investor

	31/12/2020 VND	31/12/2019 VND
Payables for purchases of securities	9,043,615,365	8,215,465,060
Payables on custody fees	162,689,361	147,245,376
Payables on entrusting investment management fees	21,386,716,614	8,579,434,982
Other payables	55,055,674	155,142,400
	<hr/>	<hr/>
	30,648,077,014	17,097,287,818
	<hr/>	<hr/>

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)***24. Significant transactions and balances with related parties****(a) Significant balances with related parties**

	Balance as at	
	31/12/2020	31/12/2019
	VND	VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam		
Deposits	4,597,603,855	6,823,080,703
Receivables on entrusting investment management fee	-	3,059,102,976
Franklin Templeton Capital Holdings Private Limited		
Receivables on entrusting investment management fee	1,638,549,687	1,553,271,676
Receivables on incentive fees	3,630,536,691	2,511,239,045
Receivables on investment consultancy fees	418,272,727	-
VCBF Tactical Balanced Fund		
Investments in fund certificates	14,146,639,985	14,146,639,985
Receivables on fund management fee	243,098,495	282,297,515
Receivables on commission fee	36,088,963	82,881,727
VCBF Blue Chip Fund		
Investments in fund certificates	14,487,999,985	14,487,999,985
Receivables on fund management fee	451,114,165	648,457,869
Receivables on commission fee	69,780,480	77,978,516
VCBF Fixed Income Fund		
Investments in fund certificates	50,000,000,000	50,000,000,000
Receivables on fund management fee	6,362,793	45,985,651
Receivables on commission fee	7,826,705	10,112,005

Vietcombank Fund Management
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(b) Significant transactions with related parties

	Transaction value	
	2020 VND	2019 VND
VCBF Tactical Balanced Fund		
Management fee	2,711,457,714	3,913,165,480
Commission fee	145,284,807	307,938,552
VCBF Blue Chip Fund		
Management fee	5,622,352,521	8,942,266,811
Commission fee	243,065,995	330,490,957
VCBF Fixed Income Fund		
Management fee	342,749,073	211,207,958
Commission fee	38,253,881	39,695,765
Joint Stock Commercial Bank for Foreign Trade of Vietnam		
Entrusting investment management fee	8,962,926,752	12,258,140,326
Interest income from deposits	5,308,290	5,841,223
Franklin Templeton Capital Holdings Private Limited		
Entrusting investment management fee	6,369,880,711	6,511,378,578
Incentive fees	3,630,536,691	2,511,239,045
Receivables on investment consultancy fees	418,272,727	-
Board of Management		
Salary and bonus	2,804,204,090	2,734,106,591

25. Financial risk management

The Company has exposure to the following 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 Board of Management 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.

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, receivables from operating activities, other receivables and investments in debt securities.

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the annual accounting period was as follows:

	Note	31/12/2020 VND	31/12/2019 VND
Cash in banks and cash equivalents	(i)	4,609,828,043	6,829,519,958
Term deposits at banks	(i)	171,994,182,684	201,377,214,327
Receivables from operating activities	(ii)	22,618,182,095	9,685,879,624
Other receivables	(ii)	3,911,626,114	4,544,272,283
Bonds	(iii)	40,000,000,000	-
		<hr/>	<hr/>
		243,133,818,936	222,436,886,192

(i) *Cash in banks, cash equivalents and term deposits at banks*

Cash in banks, cash equivalents and term deposits at banks of the Company are mainly held with well-known financial institutions. 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) *Trade receivables, receivables from operating activities and other receivables*

Account receivables mainly include management fee receivables and interest receivable from deposits at banks. Credit risk is considered minimal as these are mainly receivables from entrusting investments and funds managed by the Company and receivables from well-known financial institutions.

(iii) *Bonds*

The Company has invested in bonds issued by well-known financial 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.

Vietcombank Fund Management**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B09 – CTQ***(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)***(b) 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 financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

	Carrying amount VND	Contractual cash flow VND	Within one year VND
31/12/2020			
Accounts payable to suppliers	96,266,000	96,266,000	96,266,000
Accrued expenses	4,941,942,704	4,941,942,704	4,941,942,704
Other short-term payables	6,529,613	6,529,613	6,529,613
	5,044,738,317	5,044,738,317	5,044,738,317
31/12/2019			
Accrued expenses	823,783,555	823,783,555	823,783,555
Other short-term payables	5,029,613	5,029,613	5,029,613
	828,813,168	828,813,168	828,813,168

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company had the following net monetary asset position exposed to currency risk:

	31/12/2020 VND equivalent	31/12/2019 VND equivalent
Cash and cash equivalents in USD	13,595,035	15,006,942

Vietcombank Fund Management
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

The followings are the significant exchange rates applied by the Company:

	Exchange rate as at	
	31/12/2020	31/12/2019
USD/VND	23,005	23,230

Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations at the end of the annual accounting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect to profit before tax	
	31/12/2020	31/12/2019
	VND	VND
USD strengthens 1% against VND	135,950	150,069

At the end of the annual accounting period, the opposite movement of USD would have the equal but opposite effect to the profit before tax of the Company.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates.

At the end of the annual accounting period, the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2020	31/12/2019
	VND	VND
<i>Fixed rate instruments</i>		
Cash in banks and cash equivalents	4,609,828,043	6,829,519,958
Term deposits at banks	171,994,182,684	201,377,214,327
Bonds	40,000,000,000	-
	216,604,010,727	208,206,734,285

Vietcombank Fund Management

Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B09 – CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(iii) Market price risk

Market price risk is the risk that the value of the financial instruments will decrease as a result of change in equity indices and the values of individual securities. The Company invests and trades in fund units of the VCBF Tactical Balanced Fund, the VCBF Blue Chip Fund and VCBF Fixed Income Fund (Note 5) and is exposed to market price risk of listed securities in their entrusting investment portfolios.

As at 31 December 2020, market value of investments in these funds is VND115,063,832,006. If the market value of investments in these funds decreased by 10% as at 31 December 2020 and all other variables remained constant, net profit of the Company for the year would decrease by VND990,400,000.

26 March 2021

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Vu Quang Dong
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