

Vietcombank Fund Management



# Annual report

# 2022

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# Message from the CEO





## MESSAGE FROM THE CEO

The year 2022 has really been a remarkably tumultuous year, global events wreaking havoc on the world economy just as most countries emerged from the Covid pandemic. Petrol, energy and food prices rose drastically as the Russian war in Ukraine dragged on, significantly adding to inflationary pressures that the USA and Europe had built up from their overly generous economic stimulus programmes during the pandemic. Central banks had to step in, raising interest rates repeatedly to try to control inflation. Remarkably, in this context the Vietnamese economy still outperformed, reaching 8% growth yoy and the envy of many countries struggling to avoid recession and fight inflation.

Vietnam has not however been immune to the turmoil. Manufacturing has lost momentum as exports slowed. Domestic interest rates had to be raised to ward off rapid devaluation of the currency and protect reserves. A combination of unfortunate scandals and new regulations dogged the real estate market and upended investor confidence, severely impacting the corporate bond market. Consequently, after several bullish years, the stock market reversed course and the indices lost a third over the year, ending up at levels last seen in late 2020.





The good news is that, just like the sound economy in general, many Vietnamese companies are still strong, resourceful and growing. So, the listed stock valuations are now quite attractive. While our equity heavy funds all lost value in 2022, a good sign is that they all outperformed their respective benchmarks. To bring our funds closer to investors, VCBF has implemented a series of initiatives including lowering the minimum subscription, exempting all subscription fees, doubling trading frequency, introducing SIP Flex as well as launching VCBF Mobile and bringing VCBF funds to VCB Digibank. It is particularly encouraging as all of our funds have gained more investors. Many of you, our investors, have been using the low valuations to make investments which we believe will pay off once the stock markets and economy improve.

It is clear that 2023 will remain difficult, at least for the next two quarters until there is less turmoil and more stability. We are carefully examining all positive and negative factors because we aim to identify good opportunities to make those investments in the funds that will provide you, our investors, with good returns in the long run.

We thank you for trusting and investing with Vietcombank Fund Management and look forward to continuing to serve you in following years. We will continue to keep you informed of the developments through our many online events and updates on our various online channels. For all the links and all the information, also about the funds' performance, please visit us at [www.vcbf.com](http://www.vcbf.com).

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Vu Quang Dong  
CEO

Chapter I

# General Information





- 2022**
- Received licence for management of **voluntary pension funds**
  - VCBF Mobile** app launched
- 2021**
- Received licence for **VCBF Mid-cap Growth Fund (VCBF-MGF)**
- 2019**
- Electronic trading system- "VCBF ETRADE" launched
  - Received licence for **VCBF Fixed Income Fund (VCBF-FIF)**
- 2014**
- Received licence for **VCBF Blue Chip Fund (VCBF-BCF)**
- 2013**
- Received licence for the first open-ended fund - **VCBF Tactical Balanced Fund (VCBF-TBF)**
- 2008**
- Takeover of Viet Capital Holdings by Franklin Templeton Investments
- 2007**
- Established **VPF2 Private Equity Fund**
  - Established **VPF3 Private Equity Fund**
- 2006**
- Established Branch Office in Ho Chi Minh City
- 2005**
- Establishment VCBF – a JV between Vietcombank and Viet Capital Holdings; Head Office opened in Hanoi.
  - Established **VPF1 Private Equity Fund.**

## GENERAL INFORMATION


Company Name **VIETCOMBANK FUND MANAGEMENT COMPANY LIMITED (VCBF)**

Establishment and Operation Licence No.: 06/UBCK-GPHĐQLQ issued by the State Securities Commission on 2 December 2005

Chartered capital **265,000,000,000 VND**

Owners equity **340,701,383,926 VND**

Contributing members

	Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	<b>51%</b>
	Franklin Templeton Capital Holdings Private Limited	<b>49%</b>

Head office 15th Floor, Vietcombank Tower, 198 Tran Quang Khai, Hanoi

Telephone 024.3936.4540 Fax 024.3936.4542

Website [www.vcbf.com](http://www.vcbf.com)

Stock market ticker None

## Steadfast to create outsized long-term value

We pursue the investment philosophy adopted from our foreign parent company, Franklin Templeton Investments, which is the value investment philosophy established by Sir John Templeton, one of the greatest world value investors. Core tenet of the philosophy is to buy and hold for long-term companies that are carefully selected via in-depth research and valuation. These companies own talented and dedicated leadership teams who always act for the best interests of the companies and have proven their track record in create long-term value for their shareholders.

The Vietnamese stock market is highly volatile, making it challenging to remain steadfast in this investment philosophy, particularly during market downturns. However, taking advantage of short-term market volatility to accumulate quality companies at reasonable prices has truly delivered superior returns for investors in the long run. And this has

## Awards

07/  
2013

**Best Investment Fund Management Company in Vietnam**

*World Finance Magazine, UK*

04/  
2017

**Best Fund Management Company in Vietnam in 2017**

*International Finance Magazine, UK*

02/  
2018

**Best Investment Fund Management Company in Vietnam**

*Global Business Outlook Magazine and British Global Grands Magazine*

05/  
2020

**Decade of Excellence Asset Management Vietnam 2020**

*Global Business Outlook Magazine and British Global Grands Magazine*

06/  
2020

**Best Fund Management Company in Vietnam 2020**

*International Finance Magazine, UK*

07/  
2020

**Best Fund Management Company in Vietnam 2020**

*Finance Derivative Magazine*

05/  
2021

**Best Investment Fund Management Company in Vietnam 2021**

*International Business Magazine*



## BUSINESS DESCRIPTION

### Principal business activities

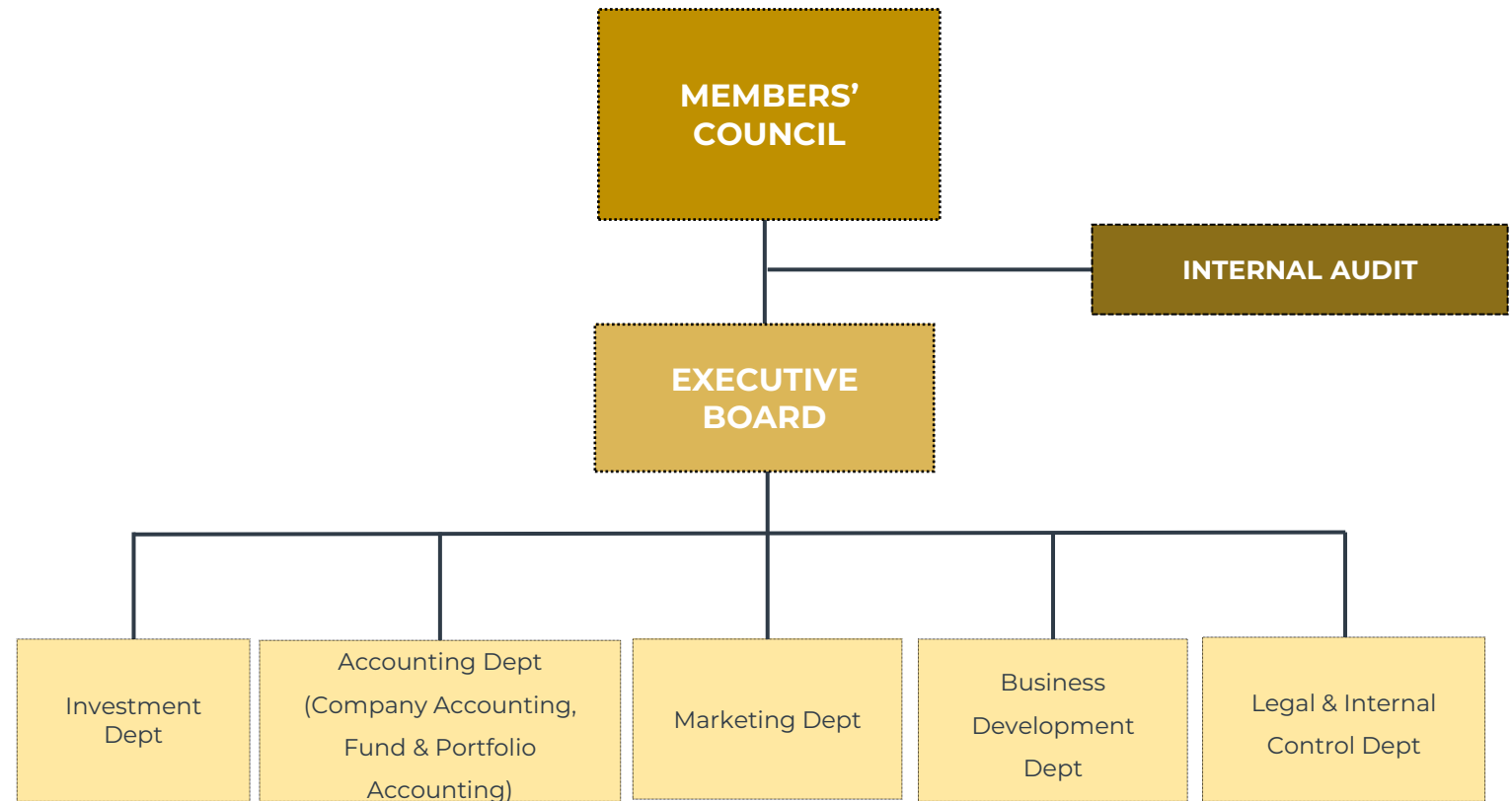
- Securities investment fund management
- Portfolio management
- Securities investment consultancy and other investment activities in accordance with the law.

### Registered offices

- Hanoi (Head Office)
- Ho Chi Minh City (Branch Office)

## ORGANIZATIONAL STRUCTURE

The organizational structure of the company consists of a Members' Council, an Internal Audit Department, an Executive Board and functional departments as follows:



## MEMBERS' COUNCIL



### Mr. AVINASH DEEPAK SATWALEKAR, CFA

#### Chairman

Mr. Avinash Satwalekar officially became the Chairman of VCBF in July 2017. Prior to that, he served as the CEO and Chief Investment Officer of VCBF since May 2012. Currently, he also serves as the President of Franklin Templeton Asset Management (India) Private Limited.

Mr. Satwalekar holds a Bachelor's degree in Commerce from the University of Bombay, India, and a Master's degree in Finance from the Wharton School at the University of Pennsylvania.

He is a member of the Chartered Financial Analyst (CFA) Institute and is affiliated with the CFA Society in the United States.



### Ms. DOAN HONG NHUNG

#### Vice Chairman

Ms. Doan Hong Nhung officially became the Vice Chairman of VCBF in April 2022.

Currently, she holds the position of Head of Customer Policy and Retail Product Department at Vietcombank. With over 10 years of experience at Vietcombank, she has received numerous commendations for her outstanding achievements in her work, including commendations from the Prime Minister, Industry-level Meritorious Soldier, Grassroots-level Meritorious Soldier, Commendation from the Chairman of the Board of Directors, Commendation from the CEO, and more.

She holds a Bachelor's degree in Foreign Trade from the Foreign Trade University in Hanoi, specializing in international economics, and a Master's degree in International Economic Relations from the University of Konstanz, Germany.



### Mr. STEPHEN GRUNDLINGH

#### Member of the Members' Council

Mr. Grundlingh officially joined VCBF when Franklin Templeton became a shareholder of the company in February 2008, and he currently holds the position of a Member of the Members' Council.

With nearly 30 years of experience in investment and international affairs, Mr. Grundlingh brings valuable expertise to his role.

He holds a Bachelor's degree in Law and Political Science from Stellenbosch University in South Africa.



### Mr. VU QUANG DONG

#### Member of the Members' Council

Mr. Dong officially became the CEO and a Member of the Board of VCBF in July 2017.



### Mr. BUI SY TAN

#### Member of the Members' Council

Mr. Tan officially joined VCBF in February 2016 and works at the company's headquarters in Hanoi.



## BOARD OF DIRECTOR



**Vu Quang Dong**

*CEO*

Mr. Dong has officially become the CEO and a member of VCBF's Board of Directors (now Members' Council) since July 2017. He began his career at Vietnam Joint Stock Commercial Bank for Foreign Trade ("Vietcombank") in 2002. Prior to his appointment as CEO of VCBF, he served as the CEO of Vietnam Joint Stock Commercial Bank for Foreign Trade Securities Company Limited ("VCBS") since 2012.

He holds a Ph.D. in Finance from Georgetown University, USA, a Master's degree in Economics from Georgetown University, USA, a Master's degree in Economics from the National Economics University in Hanoi, and a Bachelor's degree in Economics from the Foreign Trade University in Hanoi.



**Bui Sy Tan**

*Deputy CEO*

Mr. Tan officially joined VCBF as a Deputy CEO in February 2016 and works at the company's headquarters in Hanoi.

Prior to joining VCBF, he had worked for Vietcombank since 2001, holding various positions in different departments. Before joining VCBF, he spent 5 years in capital management and 9 years in investment portfolio management at Vietcombank, holding the title of Deputy Head of the Investment Department.

Mr. Tan holds a Master's degree in Business Administration, specializing in Finance, from the University of Leeds in the United Kingdom, and a Bachelor's degree in Banking and Finance from the National Economics University in Hanoi.



**Nguyen Thi Hang Nga, CFA**

*Deputy CEO  
Chief Investment Officer*

Ms. Nga was appointed as the Deputy CEO of VCBF, responsible for marketing and investment in March 2022. She has been acting as the Chief Investment Officer since July 2018, overseeing all equity investment activities and serving as a member of the Investment Committee responsible for approving all bond investments of VCBF. She is also a portfolio manager, managing discretionary mandates for institutional investors since 2010 and a member of portfolio management team for all VCBF's open ended funds since 2013. Prior to joining VCBF in 2006, she worked at Deloitte Vietnam as a Senior Auditor and Senior Financial Advisor.

Ms. Nga holds a Master's degree in Commerce (Advanced) with specializations in Applied Finance and Professional Accounting from the University of Queensland, Australia. She also holds a Bachelor's degree in Economics with a major in Accounting and Auditing from the National Economics University. She is a member of the CFA Institute.

# PRODUCT: OPEN-ENDED FUNDS

VCBF-MGF

VCBF-BCF

VCBF-TBF

VCBF-FIF

## Fund Name

VCBF Midcap Growth Fund

## Investment Objectives

Capital appreciation in Medium and Long-term

## Investment Strategy

Majorly investing in stocks of companies with medium market capitalization and high growth potentials.

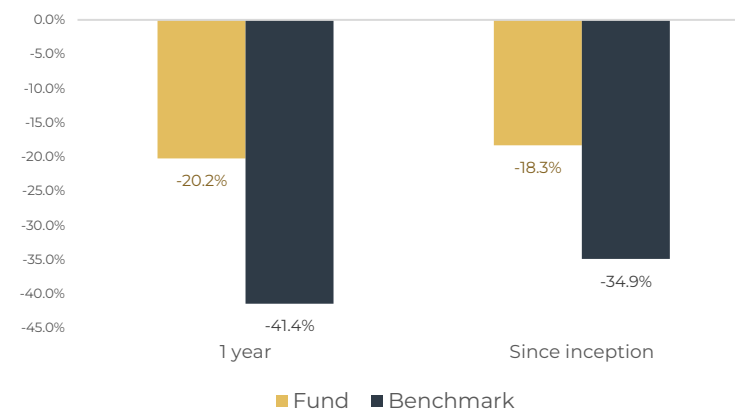
## Benchmark

VNMIDCAP

## Expected profit/risk

High

Fund Profit



### Notice:

The profit is calculated annually using **the compound interest** method, after deducting all fees. The profit calculated by VCBF is based on the NAV provided by Standard Chartered Bank (Vietnam) Ltd and has not been audited by a third party. Past profits do not imply or guarantee future investment results.



## PRODUCT: OPEN-ENDED FUND

VCBF-MGF

VCBF-BCF

VCBF-TBF

VCBF-FIF

### Fund Name

VCBF Blue Chip Fund

### Investment Objectives

Capital appreciation in Medium and Long-term

### Investment Strategy

Primarily investing in stocks of companies with large market capitalization and high liquidity.

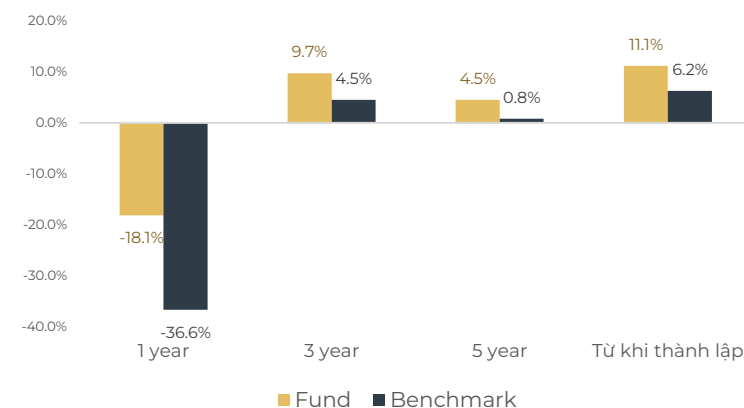
### Benchmark

VN100

### Expected profit/risk

Medium to High

### Fund Profit



### Notice:

The profit is calculated annually using **the compound interest** method, after deducting all fees. The profit calculated by VCBF is based on the NAV provided by Standard Chartered Bank (Vietnam) Ltd and has not been audited by a third party. Past profits do not imply or guarantee future investment results.

## PRODUCT: OPEN-ENDED FUND

VCBF-MGF

VCBF-BCF

VCBF-TBF

VCBF-FIF

### Fund Name

VCBF Tactical Balanced Fund

### Investment Objectives

Total return (capital gain and income)

### Investment Strategy

Investing in large and mid-cap stocks (25% to 75%) + bonds and fixed income assets (25%-75%)

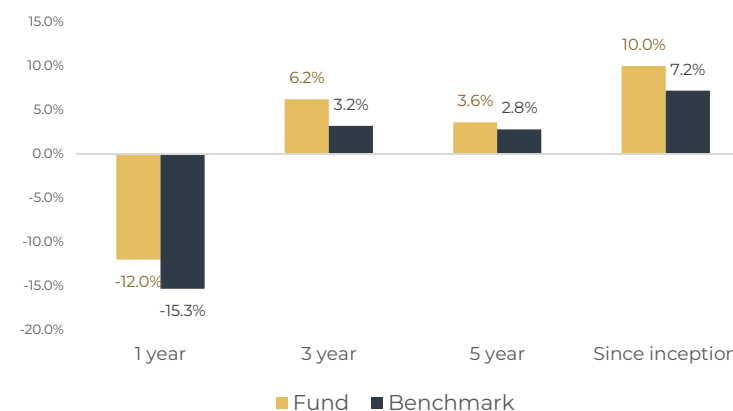
### Benchmark

The average change of VN-Index and the 10-year Government bond yield.

### Expected profit/risk

Medium

### Fund Profit



### Notice:

The profit is calculated annually using **the compound interest** method, after deducting all fees. The profit calculated by VCBF is based on the NAV provided by Standard Chartered Bank (Vietnam) Ltd and has not been audited by a third party. Past profits do not imply or guarantee future investment results.

## PRODUCT: OPEN-ENDED FUND

VCBF-MGF

VCBF-BCF

VCBF-TBF

VCBF-FIF

### Fund Name

VCBF Fixed Income Fund

### Investment Objectives

Preserve initial capital and generate regular income

### Investment Strategy

Investing in fixed-income assets such as Vietnamese Government bonds, local government bonds, government-guaranteed bonds, corporate bonds with good credit ratings, promissory notes, and deposit certificates.

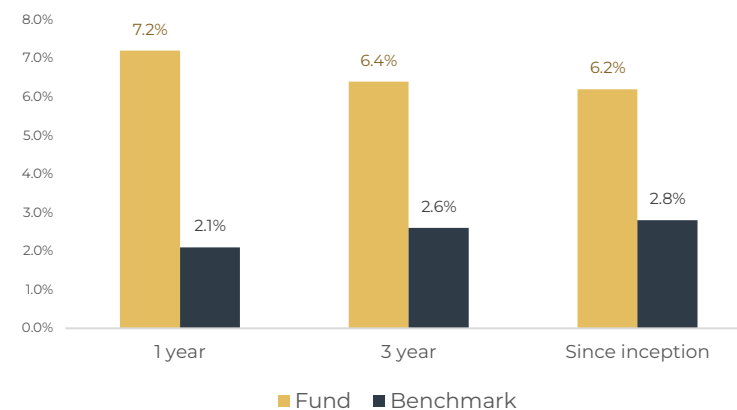
### Benchmark

The 10-year Government bond yield.

### Expected profit/risk

Low

### Fund Profit



### Notice:

The profit is calculated annually using **the compound interest** method, after deducting all fees. The profit calculated by VCBF is based on the NAV provided by Standard Chartered Bank (Vietnam) Ltd and has not been audited by a third party. Past profits do not imply or guarantee future investment results.



# PRODUCT: PORTFOLIO MANAGEMENT

## A separate portfolio.

Investing according to individual needs with a flexibly designed and separate portfolio.

## Premium services

Receiving regular reports and receiving strategic advice during market volatility.

## Superior returns

Optimizing long-term profitability with a professional investment process.

### Portfolio

- Specially tailored design for each investor (institutional or individual).
- Investment in selectively chosen stocks and bonds based on financial goals and risk appetite.

### Benchmark

Fixed or flexible (savings interest rates, market indices such as VN-Index, VN100...

### Investment strategy

Focusing on investing in companies with:

- Strong and clear development strategies
- Leaders in their respective industries
- Solid financial foundation and business scale
- The potential to generate sustainable profits and cash flow growth
- High dividends

### Clients



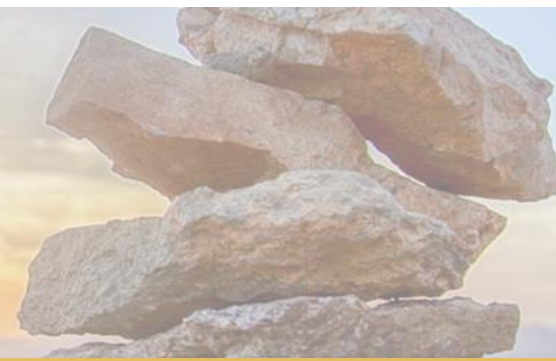
# PRODUCT: PENSION FUND



VCBF-CB



VCBF-BT

**Fund Name**

VCBF Balanced Pension Fund

**Investment objectives**

Long-term profit growth and asset preservation

**Asset allocation**50% Equity Investment Fund  
50% Government Bonds

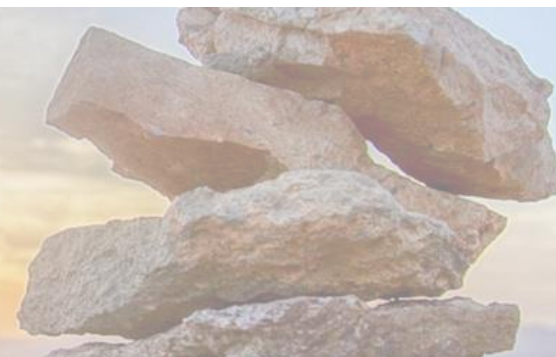
# PRODUCT: PENSION FUND



VCBF-CB



VCBF-BT

**Fund Name**

VCBF Conservative Pension Fund

**Investment objectives**

Preserve the initial capital, generate regular income, and achieve capital appreciation

**Asset allocation**

30% Equity Investment Fund  
20% Bond Investment Fund  
50% Government Bonds



## KEY BUSINESS PRINCIPLES

### “ Building prosperity together

With increasing income compared to expenses, the demand for savings and investment among Vietnamese people is growing, while knowledge about asset allocation and investment management is still limited. We aspire to become a trusted partner for all Vietnamese people in managing their investments towards financial prosperity. VCBF has fundamentally completed a range of open-end fund products that cater to the risk appetite of all investors, from conservative to growth-oriented. We will continue to develop new products to serve the diverse needs of our customers

### “ Customers come first

We strive to understand and meet the requirements of all our customers whether large or small, and seek opportunities to meet and outperform the expectations of all customers. We are always fully responsible to our customers and will always place the customer interests before our own.

### “ Maintain the highest ethical standards

We understand that asset management is a trust-based industry. We are committed to working diligently, honestly, ethically, and avoiding any potential conflicts of interest



## INVESTMENT RISKS

**Market risks:** these arise from adverse price changes in the market caused by many market-external factors such as those affecting the domestic economy, fluctuations in international markets, changes in business environment and market indicators, changes in macro policies, interest rate fluctuations, bond yields, exchange rates etc; or from those arising from market activities, such as a company's business or financial results reducing the price of its shares or bonds, from large volumes of securities being sold by bond or shareholders, from conditions of local market illiquidity and other factors that adversely affect security prices.

**Management & Operational risks:** these arise in all levels of the management, operation, productions of goods and services of a company. These can arise from changes and disruptions in supply of inputs or sales, input prices, competitive pressure, human error or limitations in control or other factors that result in cash flow or working capital shortages and company losses.

Other risks such as legal risks, compliance risks, risks of changing laws and catastrophe risks.

### Vision and mission



**Become a trusted asset management partner for every Vietnamese family**

We establish and efficiently manage funds and investment portfolios. We maintain and enhance trust from our clients. We continue to affirm VCBF's leading position in the fund management industry in Vietnam

Chapter II

# Results of Business Operations





## HIGHLIGHTS

### Asset management



#### TOTAL MANAGED ASSETS HAVE INCREASED BY 3%.

Despite the VN-Index decreasing by 32.8%, VCBF's total managed assets still increased by 3%, reaching nearly 4,015 billion VND



#### CERTIFICATE OF ESTABLISHMENT OF VOLUNTARY PENSION FUND

Announcing the immediate deployment of the Voluntary Retirement Fund, a pension fund product designed to cater to the needs of investors, particularly those within the working age group.

#### VCBF AND FWD INSURANCE COMPANY HAVE OFFICIALLY SIGNED A PORTFOLIO MANAGEMENT AGREEMENT

Managing four unit-link funds of FWD Insurance Company

### Digital



#### VCBF MOBILE

Providing an investment portfolio management and investment value lookup application through personal mobile devices. It allows investors to place orders to buy, sell, or switch fund units, access transaction data quickly and easily, and offers various other features.



#### VCBF ON VCB DIGIBANK

Directly opening investment accounts for VCBF's open-ended funds through the VCB Digibank application.



## Open-ended funds



### OVER 3000 NEW INVESTORS

VCBF's open-end funds have attracted an additional 3,336 new investors in 2022.



### INCREASING THE TRADING FREQUENCY AND 0% PURCHASE FEES

- The trading frequency has been increased from 1 day per week to 2 days per week
- 0% purchase fees



### MINIMUM INVESTMENT AMOUNT REDUCED

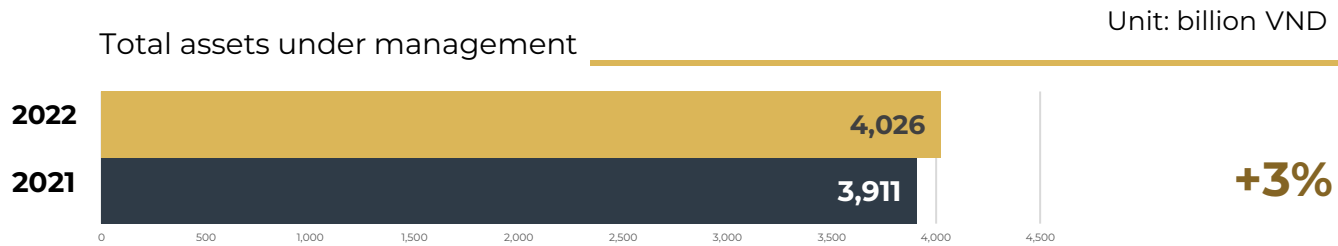
- The initial investment amount has been reduced from 5,000,000đ to 100,000đ
- The subsequent investment amount has been reduced from 1,000,000đ to 100,000đ



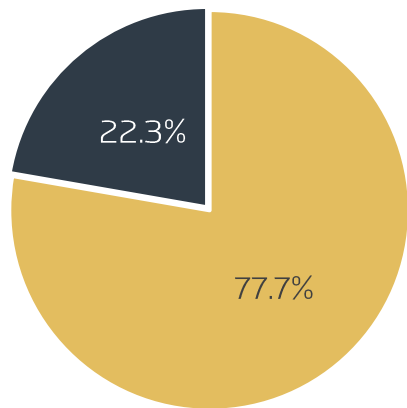
### SIP - FLEX

These changes provide added convenience for customers who prefer to invest on a regular basis

# BUSINESS OPERATION SITUATION

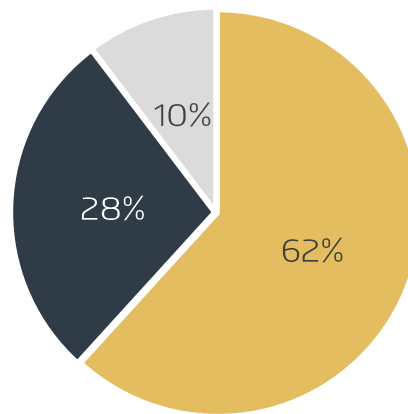


Structure of assets under management



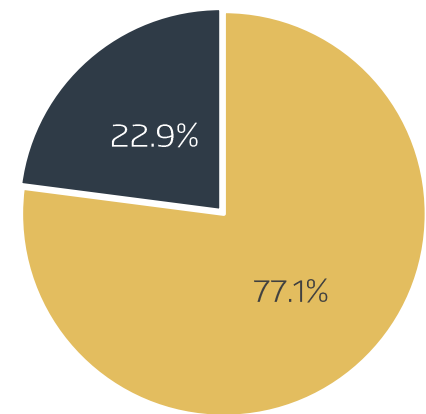
■ Asset management mandates ■ Open-ended funds

Portfolio structure (by assets under management)



■ Equity ■ Fixed Income ■ Blended

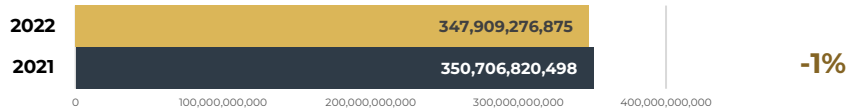
Customer structure (by asset under management)



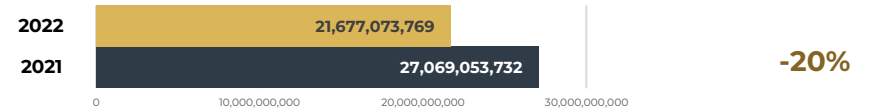
■ Institutional ■ Retail

# FINANCIAL SITUATION

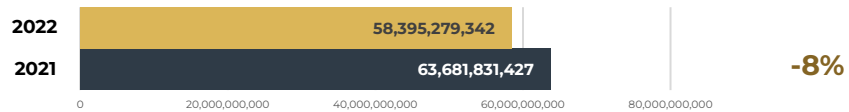
Total asset Unit: VND



Profit before tax before provisions Unit: VND



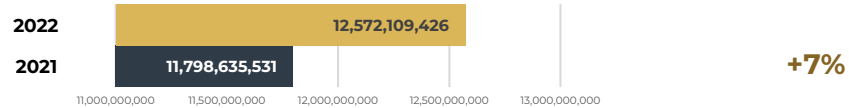
Revenue Unit: VND



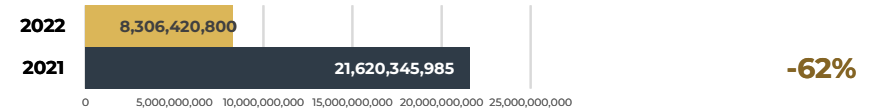
Profit before tax Unit: VND



Taxes payable to State Treasury Unit: VND



Profit after tax Unit: VND





## Key financial indicators

### Solvency Ratios

Indicators	2021	2022
Working capital ratio Current assets / current liabilities	20.8	42.1
Liquidity ratio: Current assets / short-term debt + payables	20.8	42.1

### Leverage Ratios

Indicators	2021	2022
Total debt / total assets ratio	0.04	0.02
Total debt / total equity ratio	0.04	0.02

### Operating Ratios

Indicators	2021	2022
Expense ratio: Total operating expenses / Average total assets	-	-
Asset ratio: Net revenues / Average total assets	0.19	0.17

### Profitability Ratios

Indicators	2021	2022
Profit after tax / Net revenue	0.34	0.14
Profit after tax / Total equity	0.06	0.02
Profit after tax / Total assets	0.06	0.02
Operating profit / Net revenue	0.20	0.17

## Key financial indicators (continued)

### Capital Ratios

Indicators	2021	2022
Charter capital	265,000,000,000	265,000,000,000
Total assets	350,706,820,498	347,909,276,875
Capital adequacy ratio	773%	793%

### Liquidity

Indicators	2021	2022
Cash ratio	4.46	0.97
Liquidity ratio	23.72	48.27

### Income Statement

Indicators	2021	2022
Fee income from Open-ended funds	10,016,515,538	15,623,188,343
Fee income from portfolio management	29,340,536,679	34,514,098,181
Other income	24,324,779,210	8,257,992,818
Overdue debts	-	-
Doubtful debts	-	-
Capital Utilization ratio	-	-
Overdue debt / Total debt	-	-
Overdue debt / Total debt and payables	-	-
Total bad debt / Total receivables	-	-

## ENVIRONMENTAL AND SOCIAL GOVERNANCE REPORT

### Compliance with environmental protection laws

- a) Number of times sanctioned for non-compliance with environmental laws and regulations: None.
- b) Total amount due to penalties for violations due to non-compliance with environmental laws and regulations: None.

### Policies related to employees

- a) Number of employees: 44 people.  
Average income for employees: VND 50.2 million VND/month
- b) Labour policies aimed at ensuring health, safety and welfare of employees:
  - VCBF has purchased health insurance for official employees of the company and relatives of employees.
  - Annual training sessions are conducted for employees.
- c) Employee training activities  
VCBF supports the development of skills and continuous learning programs to support all employees to improve their employment prospects and career development. VCBF encourages and supports all employees to take courses to obtain securities practice certificates suitable to their job positions.

## CORPORATE SOCIAL RESPONSIBILITY REPORT

VCBF's Trade Union has co-operated with the Trade Union of Vietnam Foreign Trade Joint Stock Commercial Bank Securities Company Limited ("VCBS") to jointly finance the project to build boarding accommodation for students of Nam Ban Lower Secondary School, Meo Vac district, Ha Giang province. On 17 January 2022, the project was completed and handed over to the School.





Chapter III

# Report of the Board of Directors



## SUMMARY OF PERFORMANCE AND BUSINESS RESULTS

Despite the challenging financial market in Vietnam in 2022, VCBF has achieved remarkable accomplishments that we take pride in.

- Despite the VN-Index declining by 32.8%, VCBF's total managed assets still increased by 3%, reaching nearly 4,015 billion Vietnamese dong. Moreover, the open-end funds managed by VCBF have achieved profits that rank among the top performers in the market. These results are a testament to the company's commitment and perseverance in its long-term investment and holding approach since its establishment.
- In 2022, VCBF signed contracts to manage four affiliated funds with FWD Life Insurance Company (Vietnam) Limited, providing FWD's customers with additional investment options through one of Vietnam's leading fund management companies when purchasing FWD insurance products.
- VCBF officially launched the VCBF Mobile application, enabling customers to easily open accounts, place buy and sell orders for fund certificates, and track investment portfolios on their mobile devices.
- Along with a series of initiatives to make open-end fund accumulation more convenient and accessible, the number of investors in VCBF's open-end funds has nearly doubled compared to the beginning of the year.
- VCBF officially introduced the VCBF open-end fund product on the VCB Digibank application, allowing Vietcombank customers to easily register and open investment fund accounts through the VCB Digibank app.
- In 2022, VCBF was granted a Certificate of Eligibility to provide supplementary voluntary pension fund management services, which will be launched in 2023.
- With a cautious investment approach, the bonds in VCBF's portfolio and the funds managed by VCBF have not encountered any issues regarding payment ability during a period of volatile bond markets.

## FINANCIAL POSITION

### ASSET MANAGEMENT

In 2022, VCBF's total managed assets increased by 3%, reaching nearly 4,015 billion VND

### PAYABILITY SITUATION

The company does not incur any overdue debts.

### CAPITAL SAFETY

Liquidity and safety criteria are guaranteed

## FUTURE DEVELOPMENT PLANS



Establishing and efficiently managing funds and investment portfolios. Affirming VCBF's leading position in the fund management industry in Vietnam.



Ensuring compliance with regulatory requirements governing investment activities set by the supervisory authorities.



Chapter IV

# Financial Statement





## **Vietcombank Fund Management**



Financial Statements for the year ended  
31 December 2022

## Vietcombank Fund Management Corporate Information

<b>Establishment and Operation License No.</b>	06/UBCK-GPHĐQLQ	2 December 2005
	The company's establishment and operation license was issued by the State Securities Commission of Vietnam and valid for 30 years from issuance date, has been amended several times, the most recent of which is amended License No. 17/GPDC-UBCK dated 9 February 2018	
<b>Board of Directors</b>	Mr. Avinash Deepak Satwalekar Ms. Doan Hong Nhung  Ms. Pham Thi An Binh	Chairman Vice Chairman (from 20 April 2022) Vice Chairman  (until 20 April 2022)
	Mr. Stephen Grundlingh Mr. Bui Sy Tan Mr. Vu Quang Dong	Member Member Member
<b>Board of Management</b>	Mr. Vu Quang Dong Mr. Bui Sy Tan Ms. Nguyen Thi Hang Nga	Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer (from 1 March 2022)
<b>Registered Office</b>	Vietcombank Tower, 15th Floor 198 Tran Quang Khai Street Hoan Kiem District, Hanoi Vietnam	
<b>Auditor</b>	KPMG Limited Vietnam	

## Present of 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 2022.

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 the opinion of the Board of Management::

- (a) the financial statements set out on pages 5 to 34 give a true and fair view of the financial position of the Company as at 31 December 2022, and of its results of operations and cash flows for 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



Vu Quang Dong  
Chief Executive Officer  
Hanoi, 31 March 2023

## 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 2022, 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 31 March 2023, as set out on pages 5 to 34.

### 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 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. 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.

Công ty TNHH KPMG

Việt Nam  
Báo cáo kiểm toán số: 23-02-00014-23-1



Wang Toon Kim  
Giấy chứng nhận Đăng ký Hành nghề  
Kiểm toán số 0557-2023-007-1  
Phó Tổng Giám đốc

Hà Nội, 31 tháng 3 năm 2023

Lê Nhật Vương  
Giấy chứng nhận Đăng ký Hành nghề  
Kiểm toán số 3849-2022-007-1

Form B01 – CTQ

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

## Balance sheet as at 31 December 2022

Item	Code	Note	31/12/2022 VND	31/12/2021 VND
<b>ASSETS</b>				
<b>A</b>	<b>CURRENT ASSETS</b> (100 = 110 + 120 + 130 + 150)	<b>100</b>	<b>303.487.542.803</b>	<b>306.743.928.790</b>
<b>I</b>	<b>Cash and cash equivalents</b>	<b>110</b>	<b>6.986.641.370</b>	<b>65.986.819.255</b>
1	Cash	111	6.986.641.370	986.819.255
2	Cash equivalents	112	-	65.000.000.000
<b>II</b>	<b>Short-term investments</b>	<b>120</b>	<b>279.220.708.752</b>	<b>212.549.939.458</b>
1	Short-term investments	121	290.373.490.777	212.550.250.249
2	Allowance for diminution of short-term investments	129	(11.152.782.025)	(310.791)
<b>III</b>	<b>Short-term accounts receivable</b>	<b>130</b>	<b>16.102.903.644</b>	<b>27.948.663.965</b>
1	Prepayment to suppliers	132	160.152.000	358.177.368
2	Receivables from operating activities	134	11.765.816.635	25.144.320.272
3	Other receivables	135	4.176.935.009	2.446.166.325
<b>IV</b>	<b>Other current assets</b>	<b>150</b>	<b>1.177.289.037</b>	<b>258.506.112</b>
1	Short-term prepayments	151	1.145.696.737	186.466.773
2	Other current assets	158	31.592.300	72.039.339
<b>B</b>	<b>NON-CURRENT ASSETS</b> (200 = 220 + 250 + 260)	<b>200</b>	<b>44.421.734.072</b>	<b>43.962.891.708</b>
<b>I</b>	<b>Fixed assets</b>	<b>220</b>	<b>3.316.135.264</b>	<b>3.025.448.938</b>
1	Tangible fixed assets	221	1.246.058.188	1.800.573.684
-	Cost	222	5.396.982.214	5.422.073.214
-	Accumulated depreciation	223	(4.150.924.026)	(3.621.499.530)
2	Intangible fixed assets	227	2.070.077.076	1.224.875.254
-	Cost	228	4.729.828.000	3.307.528.000
-	Accumulated amortisation	229	(2.659.750.924)	(2.082.652.746)
<b>II</b>	<b>Long-term financial investments</b>	<b>250</b>	<b>40.000.000.000</b>	<b>40.000.000.000</b>
1	Other long-term investments	251	40.000.000.000	40.000.000.000
<b>III</b>	<b>Other long-term assets</b>	<b>260</b>	<b>1.105.598.808</b>	<b>937.442.770</b>
1	Long-term prepaid expenses	261	3.747.108	26.229.684
2	Other long-term assets	268	1.101.851.700	911.213.086
<b>TOTAL ASSETS (270 = 100 + 200)</b>			<b>347.909.276.875</b>	<b>350.706.820.498</b>

Item	Code	Note	31/12/2022 VND	31/12/2021 VND
<b>RESOURCES</b>				
<b>A</b>	<b>LIABILITIES (300 = 310)</b>	<b>300</b>	<b>7.207.892.949</b>	<b>14.782.357.372</b>
<b>I</b>	<b>Current liabilities</b>	<b>310</b>	<b>7.207.892.949</b>	<b>14.782.357.372</b>
1	Accounts payable to suppliers	312	-	56.265.000
2	Taxes and others payable to State Treasury	314	114.928.697	3.134.920.882
3	Payables to employees	315	3.713.279.071	2.876.658.573
4	Accrued expenses	316	1.590.936.429	6.997.040.992
5	Other short-term payables	319	552.074.724	7.638.689
6	Bonus and welfare fund	323	1.236.674.028	1.709.833.236
<b>B</b>	<b>EQUITY</b>	<b>400</b>	<b>340.701.383.926</b>	<b>335.924.463.126</b>
1	Contributed capital	411	265.000.000.000	265.000.000.000
2	Investment and development fund	417	4.301.548.849	4.301.548.849
3	Financial reserve	418	5.181.385.383	5.181.385.383
4	Other equity funds	419	2.292.451.186	2.292.451.186
5	Retained profits	420	63.925.998.508	59.149.077.708
<b>TOTAL RESOURCES (440 = 300 + 400)</b>			<b>347.909.276.875</b>	<b>350.706.820.498</b>

The accompanying notes are an integral part of these financial statements



## Balance sheet as at 31 December 2022 (continued)

Form B01 – CTQ

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

	Item	Code	Note	31/12/2022 VND	31/12/2021 VND
1	Foreign currencies	005		9.489.712	9.177.577
2	Non-custody securities of the Company	020		169.771.779.200	117.020.557.600
3	Cash held on behalf of entrusting investors	030	22	110.019.593.554	54.495.007.668
3.1	Domestic entrusting investors	031		108.181.406.622	41.431.238.491
3.2		032		1.838.186.932	13.063.769.177
4	Foreign entrusting investors Securities held on behalf of entrusting investors	040	23	2.828.102.542.650	2.192.220.346.526
4.1	Domestic entrusting investors	041		2.239.094.183.899	1.635.328.917.403
4.2	Foreign entrusting investors	042		589.008.358.751	556.891.429.123
5		050	24	39.587.018.198	17.926.542.590
6	Receivables of entrusting investors Payables of entrusting investors	051	25	10.667.909.206	23.792.326.970

Ngày 31 tháng 3 năm 2023

Người lập:

  
 Ngô Thị Lệ Quyên  
 Kế toán viên

Người kiểm tra:

  
 Trần Thị Hà Linh  
 Kế toán trưởng

Người duyệt:

  
 Vũ Quang Đông  
 Tổng Giám đốc


## Statement of income for the year ended 31 December 2022

Form B02 – CTQ

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

	Code	Note	31/12/2022 VND	31/12/2021 VND
<b>1 Revenue</b>	<b>01</b>	<b>16</b>	<b>58.395.279.342</b>	<b>63.681.831.427</b>
<b>4 Operating expenses</b>	<b>11</b>	<b>17</b>	<b>17.981.761.942</b>	<b>22.430.884.800</b>
<b>5 Gross profit (20 = 01 - 11)</b>	<b>20</b>		<b>40.413.517.400</b>	<b>41.250.946.627</b>
6 Financial income	21	18	11.728.573.945	14.637.214.379
7 Financial expenses	22	19	11.159.308.841	90.257.185
8 General and administration expenses	25	20	30.458.179.969	28.729.160.880
<b>9 Net operating profit (30 = 20 + 21 - 22 - 25)</b>	<b>30</b>		<b>10.524.602.535</b>	<b>27.068.742.941</b>
<b>13 Accounting profit before tax (50 = 30)</b>	<b>50</b>		<b>10.524.602.535</b>	<b>27.068.742.941</b>
1 Income tax expense – current	51	21	2.218.181.735	5.448.396.956
<b>16 Net profit after tax (60 = 50 - 51)</b>	<b>60</b>		<b>8.306.420.800</b>	<b>21.620.345.985</b>

Ngày 31 tháng 3 năm 2023

Người lập:


Ngô Thị Lệ Quyên  
Kế toán viên

Người kiểm tra:


Trần Thị Hà Linh  
Kế toán trưởng

Người duyệt:

Vũ Quang Đông  
Tổng Giám đốc

## Statement of cash flows for the year ended 31 December 2022 (Direct method)

Form B03 – CTQ

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

Item	Code	31/12/2022 VND	31/12/2021 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Receipts from operating activities, services rendered and other revenue	01	73.072.232.857	61.324.554.588
2. Payments for operating activities and to suppliers	02	(17.238.440.031)	(13.243.854.859)
3. Payments to employees	03	(26.811.650.486)	(26.811.812.545)
4. Payments for corporate income tax	05	(5.270.883.086)	(4.095.510.507)
5. Other receipts from operating activities	06	1.301.256.427	1.270.899.132
6. Other payments for operating activities	07	(15.960.279.647)	(11.165.471.180)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>9.092.236.034</b>	<b>7.278.804.629</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Payments for additions to fixed assets and other long-term assets	21	(330.000.000)	-
2. Payments for purchase of debt instruments of other entities	23	(148.768.800.421)	(150.951.019.148)
3. Receipts from disposal of investments in debt instruments of other entities	24	127.341.200.519	189.348.882.949
4. Payments for investments in other entities	25	(55.000.000.000)	-
5. Receipts from investments in other entities	26	-	3.904.596.750
6. Receipts of interest	27	8.664.873.848	11.791.098.122
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(68.092.726.054)</b>	<b>54.093.558.673</b>
<b>Net cash flows during the year (50 = 20 + 30)</b>	<b>50</b>	<b>(59.000.490.020)</b>	<b>61.372.363.302</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>65.986.819.255</b>	<b>4.614.642.762</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>312.135</b>	<b>(186.809)</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)</b>	<b>70</b>	<b>6.986.641.370</b>	<b>65.986.819.255</b>

Ngày 31 tháng 3 năm 2023

Người lập:

  
Ngô Thị Lệ Quyên  
Kế toán viên

Người kiểm tra:

  
Trần Thị Hà Linh  
Kế toán trưởng

Người duyệt:

  
Vũ Quang Đông  
Tổng Giám đốc



## Statement of changes in equity for the year ended 31 December 2022

Form B05 – CTQ

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

Item	Opening balance		Increase/(decrease) during the year				Closing balance	
	1/1/2021	1/1/2022	2021		2022		31/12/2021	31/12/2022
	VND	VND	Tăng VND	Giảm VND	Tăng VND	Giảm (*) 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	4.100.368.084	5.181.385.383	1.081.017.299	-	-	-	- 5.181.385.383	5.181.385.383
Other equity funds	1.211.433.887	2.292.451.186	1.081.017.299	-	-	-	- 2.292.451.186	2.292.451.186
Retained profits	43.220.266.321	59.149.077.708	21.620.345.985	(5.691.534.598)	8.306.420.800	(3.529.500.000)	59.149.077.708	63.925.998.508
	<b>317.833.617.141</b>	<b>335.924.463.126</b>	<b>23.782.380.583</b>	<b>(5.691.534.598)</b>	<b>8.306.420.800</b>	<b>(3.529.500.000)</b>	<b>335.924.463.126</b>	<b>340.701.383.926</b>

(\*) The decrease in retained profits for the year represents the amount appropriated to bonus and welfare funds.

Ngày 31 tháng 3 năm 2023.

Người lập:   
 Ngô Thị Lệ Quyên  
 Kế toán viên

Người kiểm tra:   
 Trần Thị Hà Linh  
 Kế toán trưởng

Người duyệt:   
 Vũ Quang Đông  
 Tổng Giám đốc



The accompanying notes are an integral part of these financial statements



## Notes to the financial statements for the year ended 31 December 2022

**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 from the issuance date. The Company’s establishment and operation License has been amended several times, and the most recent of which is the amendment License No. 17/GPDC-UBCK dated 9 February 2018.

#### (b) Principal activities

The principal activities of the Company are to establish and manage security investment funds and to manage investment portfolios. The Company is currently managing four funds, namely VCBF Tactical Balanced Fund, VCBF Blue Chip Fund, VCBF Fixed Income Fund and VCBF Midcap Growth 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 2022, the Company had 44 employees (31/12/2021: 44 employees).

### 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 (“Circular 125”) on promulgation of the accounting system applicable to investment fund management companies 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.

Except for accounting policies described in Note 3(k), the accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the most recent annual 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

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

**Form B09 – CTQ**

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

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.

### **(b) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### **(c) Investments**

#### **(i) Investment in fund certificates**

Investments in fund certificates are initially stated at purchase price and the cost of acquisition (original cost). Subsequently, these investments are stated at original cost less allowance for diminution of investment (if any).

Allowance for diminution of investments in fund certificates is made when the investment value calculated by the net asset value (NAV) of the fund as a percentage of contributed capital to the fund falls below its carrying value. After the allowance is made, if the net asset value of the fund increases, the allowance will be reversed. Allowance is reversed only to the extent that the carrying amount of investment does not exceed the carrying amount that has been determined if no allowance had been recognised.

#### **(ii) Other investments**

Other investments include deposits at bank with original terms exceeding three months and investments in bonds issued by institutions. These investments are stated at costs less allowance for diminution of investment (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
		-----

### **(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 from 3 to 5 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.

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

**Form B09 – CTQ**

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

### (h) Provisions

Except for provisions in Note 3(c) and 3(d), 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 future economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future outflow to settle the obligation 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.

### (j) Contributed capital

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

### (k) Reserves

Prior 1 January 2022

In accordance with Circular No. 146/2014/TT-BTC ("Circular 146") dated 6 October 2014 of the Ministry of Finance guiding financial regimes for securities companies and fund management companies, realised profits of fund management companies after offset with prior-year tax loss 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 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.

*From 1 January 2022*

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC ("Circular 114") to replace Circular 146. Circular 114 is effective from 1 February 2022 and is applicable from the financial year of 2022.

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

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In accordance with Circular 114, regulations under Circular 146 are dismissed:

- 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, guidance documents and the Company's Charter;
- Balance of the financial and operational risk reserve made in accordance with regulations of Circular 146 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, guidance documents and the Company's Charter, to ensure the financial safety ratio are met as prescribed by securities regulations.

### (l) Revenue and other income

#### (i) Management fee

Management fee is charged on the entrusted capital or net asset value of the trust portfolio or net asset value of the security investment fund, recognised in the income statement on an accrual basis.

#### (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 in the statement of income on the accrual basis with reference to the holding period based on principal outstanding and the applicable interest rate.

#### (v) Gains from investment in securities

Gains from investment in securities are determined based on the difference between the selling prices and the average costs of securities and are recognised in statement of income upon completion of the selling transaction of securities.

### (m) 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, 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 and their ultimate parent companies and subsidiaries and associates and the 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 is 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. Cash and cash equivalents

	31/12/2022 VND	31/12/2021 VND
Cash on hand	4.814.719	4.814.719
Demand deposits at banks	6.981.826.651	982.004.536
Cash equivalents	-	65.000.000.000
	6.986.641.370	65.986.819.255



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

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### 5. Short-term investments

	31/12/2022 VND	31/12/2021 VND
Investment in fund certificates (i)	132.128.639.962	77.128.639.962
Investment in listed bonds (ii)	35.532.995.773	2.072.250.791
Term deposits at banks (iii)	122.711.855.042	133.349.359.496
	<u>290.373.490.777</u>	<u>212.550.250.249</u>
Allowance for diminution of short-term investments	(11.152.782.025)	(310.791)
	<u>279.220.708.752</u>	<u>212.549.939.458</u>

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

	31/12/2022		31/12/2021	
	Quantity (Fund certificates)	Cost VND	Quantity (Fund certificates)	Cost VND
VCBF Tactical Balanced Fund ("VCBF-TBF")	1.334.027,88	13.393.639.981	1.334.027,88	13.393.639.981
VCBF Blue Chip Fund ("VCBF-BCF")	1.368.027,88	13.734.999.981	1.368.027,88	13.734.999.981
VCBF Fixed Income Fund ("VCBF-FIF")	5.413.870,24	55.000.000.000	5.000.000,00	50.000.000.000
VCBF Mid-cap Growth Fund ("VCBF-MGF")	4.861.250,92	50.000.000.000	-	-
	<u>12.977.176,92</u>	<u>132.128.639.962</u>	<u>7.702.055,76</u>	<u>77.128.639.962</u>

(i) These represent Company's investments in listed bonds issued by economic organisations in VND with term from 3 to 5 years and earns interest rate from 9.6% to 11.4% per annum at the end of the annual accounting period.

(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 annual interest rates ranging from 4.6% to 10.2% (31/12/2021: from 4.0% to 5.5%).

### 6. Receivables from operating activities

	31/12/2022 VND	31/12/2021 VND
Management fee receivable	6.411.044.268	6.497.007.376
Receivables on incentive fees	4.254.731.030	17.976.464.132
Receivables on investment consultancy fees	351.150.000	342.225.000
Other receivables from operating activities	748.891.337	328.623.764
	<u>11.765.816.635</u>	<u>25.144.320.272</u>

### 7. Other receivables

	31/12/2022 VND	31/12/2021 VND
Interest receivable from deposits at banks	3.315.820.441	2.148.073.622
Interest receivable from bonds	769.189.704	263.246.574
Other receivables	91.924.864	34.846.129
	<u>4.176.935.009</u>	<u>2.446.166.325</u>

### 8. Tangible fixed assets

2022	Office equipment VND	Motor vehicles VND	Total VND
<b>Cost</b>			
Opening balance	1.388.202.000	4.033.871.214	5.422.073.214
Acquisitions	49.280.000	-	49.280.000
Written off		-	(74.371.000)
	<u>(74.371.000)</u>		
Closing balance	<u>1.363.111.000</u>	4.033.871.214	5.396.982.214
<b>Accumulated depreciation</b>			
Opening balance	1.093.908.810	2.527.590.720	3.621.499.530
Charge for the year	170.461.324	433.334.172	603.795.496
Written off		-	(74.371.000)
	<u>(74.371.000)</u>		
Closing balance		2.960.924.892	4.150.924.026
	<u>1.189.999.134</u>		
<b>Net book value</b>			
Opening balance	294.293.190	1.506.280.494	1.800.573.684
Closing balance	<u>173.111.866</u>	1.072.946.322	1.246.058.188

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

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2021	Office equipment VND	Motor vehicles VND	Total VND
<b>Cost</b>			
Opening balance	2.542.542.025	4.033.871.214	6.576.413.239
Written off	(1.154.340.025)	-	(1.154.340.025)
Closing balance	1.388.202.000	4.033.871.214	5.422.073.214
<b>Accumulated depreciation</b>			
Opening balance	2.060.236.673	2.094.256.548	4.154.493.221
Charge for the year	188.012.162	433.334.172	621.346.334
Written off	(1.154.340.025)	-	(1.154.340.025)
Closing balance	1.093.908.810	2.527.590.720	3.621.499.530
<b>Net book value</b>			
Opening balance	482.305.352	1.939.614.666	2.421.920.018
Closing balance	294.293.190	1.506.280.494	1.800.573.684

Included in tangible fixed assets as of 31 December 2022, were assets costing VND2,308 million (31/12/2021: VND2,294 million) which were fully depreciated but which are still in active use.

### 9. Intangible fixed assets

2022	Software VND	Golf club memberships VND	Total VND
<b>Cost</b>			
Opening balance	1.729.000.000	1.578.528.000	3.307.528.000
Acquisitions	1.422.300.000	-	1.422.300.000
Closing balance	3.151.300.000	1.578.528.000	4.729.828.000
<b>Accumulated amortisation</b>			
Opening balance	950.950.011	1.131.702.735	2.082.652.746
Charge for the year	498.171.778	78.926.400	577.098.178
Closing balance	1.449.121.789	1.210.629.135	2.659.750.924
<b>Net book value</b>			
Opening balance	778.049.989	446.825.265	1.224.875.254
Closing balance	1.702.178.211	367.898.865	2.070.077.076

2021	Software VND	Golf club memberships VND	Total VND
<b>Cost</b>			
Opening balance	2.913.134.895	1.578.528.000	4.491.662.895
Written off	(1.184.134.895)	-	(1.184.134.895)
Closing balance	1.729.000.000	1.578.528.000	3.307.528.000
<b>Accumulated amortisation</b>			
Opening balance	1.789.284.902	1.052.776.335	2.842.061.237
Charge for the year	345.800.004	78.926.400	424.726.404
Written off	(1.184.134.895)	-	(1.184.134.895)
Closing balance	950.950.011	1.131.702.735	2.082.652.746
<b>Net book value</b>			
Opening balance	1.123.849.993	525.751.665	1.649.601.658
Closing balance	778.049.989	446.825.265	1.224.875.254

### 10. Other long-term investments

Other long-term investments reflect the Company's investment in bonds issued by credit institutions in VND with maturities ranging from 7 to 10 years and earning annual interest rates from 6.6% to 8.7% at the end of the annual accounting period.

### 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

	31/12/2022 VND	31/12/2021 VND
Corporate income tax	(553.376.061)	2.499.325.290
Personal income tax	562.556.799	479.428.873
Value added tax	105.747.959	156.166.719
	114.928.697	3.134.920.882

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

### 13. Accrued expenses

	31/12/2022 VND	31/12/2021 VND
Accrued bonus	1.568.122.219	6.152.985.512
Other accrued expenses	22.814.210	844.055.480
	<u>1.590.936.429</u>	<u>6.997.040.992</u>

### 14. Bonus and welfare funds

Movements of bonus and welfare funds of the Company during the year are as follows:

	2022 VND	2021 VND
Opening balance	1.709.833.236	1.317.040.835
Addition during the year	3.529.500.000	3.529.500.000
Utilisation during the year	(4.002.659.208)	(3.136.707.599)
	<u>1.236.674.028</u>	<u>1.709.833.236</u>

### 15. Contributed capital

The Company's authorised and contributed charter capital is:

	31/12/2022 and 31/12/2021 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%
	<u>265.000.000.000</u>	<u>100%</u>

### 16. Total revenue

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

Revenue comprised:	2022 VND	2021 VND
Management fees from entrusting investment portfolio management activities (i)	34.514.098.181	29.340.536.679
Management fees from fund management activities (ii)	15.623.188.343	10.016.515.538
Incentive fees (iii)	5.375.769.407	21.921.865.472
Investment consultancy fees	1.267.568.183	1.245.545.455
Others	1.614.655.228	1.157.368.283
	<u>58.395.279.342</u>	<u>63.681.831.427</u>

(i) The Company manages entrusting investment portfolios for customers. The Company is entitled to management fee based on the entrusted capital or Net Asset Value of the entrusting investment portfolios.

(ii) The Company is currently managing four funds, namely VCBF Tactical Balanced Fund, VCBF Blue Chip Fund,

VCBF Fixed Income Fund and VCBF Midcap Growth Fund. Under the funds' charters, the Company is entitled to a monthly management fee based on Net Asset Value of the funds and are paid monthly.

(iii) According to entrusting investment contracts, the Company is also entitled to a performance incentive if the increase in Net Asset Value of the entrusting investment portfolio is higher than a basis threshold as indicated in the entrusting investment contracts.

### 17. Operating expenses

	2022 VND	2021 VND
Salary and related expenses	13.297.218.791	18.525.906.182
External service expenses	3.137.158.416	2.417.708.840
Depreciation of fixed assets	502.477.042	356.132.676
Other expenses	1.044.907.693	1.131.137.102
	<u>17.981.761.942</u>	<u>22.430.884.800</u>

### 18. Financial income

	2022 VND	2021 VND
Interest income from deposits at banks	8.780.760.240	9.296.173.186
Interest income from bonds	2.823.612.964	2.941.999.945
Gain from investment in securities	118.344.066	2.398.596.742
Foreign exchange gains	5.856.675	444.506
	<u>11.728.573.945</u>	<u>14.637.214.379</u>

### 19. General and administration expenses

	2022 VND	2021 VND
Salary and related expenses	17.500.903.845	16.143.090.845
Expenses for office rental	4.344.622.811	4.586.763.225
Expenses for public relation	1.308.773.039	576.986.970
Expenses for transportation	478.640.061	260.727.293
Depreciation of fixed assets	678.416.632	689.940.062
Expenses for telecommunication	410.424.103	380.137.392
Tax, fee and charges	355.072.406	458.374.271
Other expenses	5.381.327.072	5.633.140.822
	<u>30.458.179.969</u>	<u>28.729.160.880</u>

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

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### 21. Corporate income tax

#### (a) Recognised in the statement of income

	2022 VND	2021 VND
<b>Income tax expense</b>		
Income tax expense – current	2.218.181.735	5.448.396.956

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

	2022 VND	2021 VND
Accounting profit before tax	10.524.602.535	27.068.742.941
Tax at the Company's tax rate	2.104.920.507	5.413.748.588
Non-deductible expenses	113.261.228	34.611.006
Changes in temporary differences	-	37.362
Corporate income tax expense	2.218.181.735	5.448.396.956

#### (c) Applicable tax rates

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

### 22. Cash held on behalf of entrusting investors

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

	2022 VND	2021 VND
Opening balance	54.495.007.668	51.691.857.644
Net increase	55.524.585.886	2.803.150.024
Closing balance	110.019.593.554	54.495.007.668

Cash held on behalf of entrusting investors include:

	31/12/2022 VND	31/12/2021 VND
Domestic entrusting investors	108.181.406.622	41.431.238.491
Foreign entrusting investors	1.838.186.932	13.063.769.177
	110.019.593.554	54.495.007.668

### 23. Securities held on behalf of entrusting investors

31/12/2022	Domestic entrusting investors VND	Foreign entrusting investors VND	Total VND
Listed shares	1.720.846.178.802	-	1.720.846.178.802
<i>Details of devaluated securities:</i>			
BMI	13.500.149.300	-	13.500.149.300
BVH	76.514.100.741	-	76.514.100.741
CNG	9.051.513.750	-	9.051.513.750
CTD	39.822.693.000	-	39.822.693.000
DCM	40.929.218.600	-	40.929.218.600
DVP	6.655.714.380	-	6.655.714.380
HCM	29.988.123.800	-	29.988.123.800
HTI	33.272.081.070	-	33.272.081.070
IJC	40.588.493.200	-	40.588.493.200
LHG	40.945.971.400	-	40.945.971.400
MIG	4.488.280.000	-	4.488.280.000
MSH	31.359.994.510	-	31.359.994.510
PAC	8.723.502.688	-	8.723.502.688
PHR	46.604.165.100	-	46.604.165.100
SMC	12.266.243.100	-	12.266.243.100
VHM	61.142.775.620	-	61.142.775.620
VIC	52.230.834.574	-	52.230.834.574
VNM	107.545.168.663	-	107.545.168.663
VRE	23.069.375.849	-	23.069.375.849
QNS	13.404.847.000	-	13.404.847.000
VTP	14.630.730.219	-	14.630.730.219
NTC	6.124.076.400	-	6.124.076.400
POW	1.510.350.300	-	1.510.350.300
SAS	870.037.000	-	870.037.000
TCB	1.975.425.000	-	1.975.425.000
<b>Bonds</b>	516.108.005.097	537.408.358.751	1.053.516.363.848
<b>Certificates of deposits</b>	2.140.000.000	51.600.000.000	53.740.000.000
	2.239.094.183.899	589.008.358.751	2.828.102.542.650



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

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#### 24. Receivables of entrusting investors

	31/12/2022 VND	31/12/2021 VND
Dividend receivable	7.732.819.000	7.322.517.000
Interest receivable	17.824.199.198	10.574.025.590
Other receivables	14.030.000.000	30.000.000
	<u>39.587.018.198</u>	<u>17.926.542.590</u>

#### 25. Payables of entrusting investors:

	31/12/2022 VND	31/12/2021 VND
Payables for purchases of securities	440.159.250	-
Payables for custody fees	114.710.265	110.511.575
Payables for management fees	9.578.497.453	23.324.476.680
Other payables	534.542.238	357.338.715
	<u>10.667.909.206</u>	<u>23.792.326.970</u>

#### 26. Significant transactions and balances with related parties

##### (a) Significant balances with related parties

	Số dư tại ngày	
	31/12/2022 VND	31/12/2021 VND
	Tài sản/(Nợ phải trả)	
<b>Joint Stock Commercial Bank for Foreign Trade of Vietnam</b>		
Deposits	6.810.115.927	933.416.353
<b>Vietcombank Securities Company Limited</b>		
Trailer fee payables	(10.577.932)	(13.431.478)
Balance of securities trading account	120.719.610	9.308.459
<b>Vietcombank Tower 198 Ltd.</b>		
Office rental deposits	449.482.950	428.079.000
<b>Franklin Templeton Capital Holdings Private Limited</b>		
Receivables from entrusting investment management fees	1.791.223.404	1.728.741.758
Receivables from incentive fees	4.045.014.985	4.808.300.070
Receivables from investment consultancy fees	351.150.000	311.113.636
<b>VCBF Tactical Balanced Fund</b>		
Investment in fund certificates	13.393.639.981	13.393.639.981
Receivables from fund management fees	282.838.768	322.038.221
Receivables from commission fees	106.334.569	100.184.627
<b>VCBF Blue Chip Fund</b>		
Investment in fund certificates	13.734.999.981	13.734.999.981
Receivables from fund management fees	557.297.017	612.396.580
Receivables from commission fees	74.709.227	167.496.611
<b>VCBF Fixed Income Fund</b>		
Investment in fund certificates	55.000.000.000	50.000.000.000
Receivables from fund management fees	7.606.545	7.727.568
Receivables from commission fees	41.693.845	7.915.967
<b>VCBF Midcap Growth Fund</b>		
Investment in fund certificates	50.000.000.000	-
Receivables from fund management fees	337.740.265	247.624.942
Receivables from commission fees	96.087.906	52.477.652

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

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### (b) Significant transactions with related parties

	Transaction value	
	2022 VND	2021 VND
	Revenue/(Expense)	
<b>VCBF Tactical Balanced Fund</b>		
Fund management fees	3.663.117.377	3.023.146.930
Commission fees	291.880.006	217.995.452
<b>VCBF Blue Chip Fund</b>		
Fund management fees	7.232.972.568	6.659.722.408
Commission fees	411.158.324	493.328.672
<b>VCBF Fixed Income Fund</b>		
Fund management fees	90.614.872	86.021.258
Commission fees	69.064.735	37.973.522
<b>VCBF Midcap Growth Fund</b>		
IPO subscription fees	-	355.592.985
Fund management fees	4.636.483.526	247.624.942
Commission fees	842.552.163	52.477.652
<b>Vietcombank Securities Company Limited</b>		
Interest income from deposits	967.596	-
Trailer fees	(48.564.813)	(54.068.686)
<b>Joint Stock Commercial Bank for Foreign Trade of Vietnam</b>		
Trailer fees	-	98.677.397
Interest income from deposits	8.997.025	7.010.955
<b>Vietcombank Tower 198 Ltd.</b>		
Office rental fees	(1.914.940.060)	(2.011.561.701)
Service fees	(148.885.142)	(118.506.909)
<b>Franklin Templeton Capital Holdings Private Limited</b>		
Entrusting investment management fees	6.981.099.112	6.708.163.641
Incentive fees	4.045.014.985	4.808.300.070
Investment consultancy fees	1.267.568.183	1.245.545.455
<b>Board of Management</b>		
Salary and bonus	(4.718.148.308)	(3.505.297.005)

### 27. 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.

#### (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:

	Thuyết minh	31/12/2022 VND	31/12/2021 VND
Cash in banks and cash equivalents	(i)	6.981.826.651	65.982.004.536
Term deposits at banks	(i)	122.711.855.042	133.349.359.496
Investment in bonds – short term	(iii)	35.532.995.773	2.072.250.791
Receivables from operating activities	(ii)	11.765.816.635	25.144.320.272
Other receivables	(ii)	4.176.935.009	2.446.166.325
Investment in bonds – long term	(iii)	40.000.000.000	40.000.000.000
		<u>221.169.429.110</u>	<u>268.994.101.420</u>

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

### (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 from entrusting investment portfolios and funds managed by the Company and interest receivables from deposits at banks, and from bonds. Therefore, credit risk is considered minimal.

### (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.

### (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
<b>31/12/2022</b>			
Accrued expenses	1,590,936,429	1,590,936,429	1,590,936,429
Other short-term payables	552,074,724	552,074,724	552,074,724
	<u>2,143,011,153</u>	<u>2,143,011,153</u>	<u>2,143,011,153</u>
<b>31/12/2021</b>			
Accounts payable to suppliers	56,265,000	56,265,000	56,265,000
Accrued expenses	6,997,040,992	6,997,040,992	6,997,040,992
Other short-term payables	7,638,689	7,638,689	7,638,689
	<u>7,060,944,681</u>	<u>7,060,944,681</u>	<u>7,060,944,681</u>

### (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) Exchange rate risk

The Company is exposed to exchange rate risk from transactions in a currency other than the Company's accounting currency. The currency of these transactions is mainly USD.

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

	6	31/12/2021 VND equivalent
Cash and cash equivalents in USD	<u>9,489,712</u>	<u>9,177,577</u>

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

Form B09 – CTQ

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

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

**Form B09 – CTQ**

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

	Exchange rate as at	
	31/12/2022	31/12/2021
USD/VND	23.410	22.610

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 on profit before tax VND million
<b>Year ended 31 December 2022</b>	
USD strengthens 3% against VND	284.691
<b>Year ended 31 December 2021</b>	
USD strengthens 1% against VND	73.421

At the end of the annual accounting period, the opposite movement of USD would have an equal but opposite effect on 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 annual accounting period, the Company's interest-bearing financial instruments was as follows:

	Carrying amount	
	31/12/2022 VND	31/12/2021 VND
<i>Fixed rate instruments</i>		
Cash at banks and cash equivalents	6.981.826.651	65.982.004.536
Term deposits at banks	122.711.855.042	133.349.359.496
Short - term investment in bonds	35.532.995.773	2.072.250.791
Long - term investment in bonds	40.000.000.000	40.000.000.000
	<u>205.226.677.466</u>	<u>241.403.614.823</u>

### (iii) Market price risk

Market price risk is the risk that the value of the financial instruments will decrease as a result of changes in securities indices and the values of individual securities.

As at 31 December 2022, market value of short-term investments in these funds and bonds is VND205,473,215,301 (carrying amount: VND167,661,635,735). Had the market value of investments in these funds decreased by 20% as at 31 December 2022, assuming that all other variables remained constant, profit before tax for the year of the Company would be have decreased by VND16,612,658,606 due to the provision of allowance for diminution in the value short-term investments (31/12/2021: 10%, VND207,194,000) .

Ngày 31 tháng 3 năm 2023

Người lập:   
Ngô Thị Lệ Quyên  
Kế toán viên

Người kiểm tra:   
Trần Thị Hà Linh  
Kế toán trưởng

Người duyệt:   
Vũ Quang Đông  
Tổng Giám đốc



**VIETCOMBANK FUND MANAGEMENT**



**Vu Quang Dong**

CEO

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