



**DNSE Securities Joint Stock Company**

Financial Statements for the year ended  
31 December 2022



**DNSE Securities Joint Stock Company**  
**Corporate Information**

**Establishment and  
Operation License No.**

62/UBCK-GP

30 October 2007

The Establishment and Operation License was issued by the State Securities Commission of Vietnam.

The most recent amended license No. 37/GPDC-UBCK was issued by the State Securities Commission of Vietnam on 13 May 2022.

**Branch Establishment  
Decision No.**

132/QD-UBCK

16 March 2021

Establishment Decision of DNSE Securities Company – Ho Chi Minh City Branch was issued by the State Securities Commission of Vietnam with the most recent amended version No. 71/QD-UBCK dated 2 February 2023.

**Enterprise Registration  
Certificate No.**

0102459106

30 October 2007

The Enterprise Registration Certificate was issued by Hanoi Department of Planning and Investment.

The 8<sup>th</sup> amended Enterprise Registration Certificate was issued by Hanoi Department of Planning and Investment on 1 July 2022.

**Board of Directors**

Mr. Nguyen Hoang Giang	Chairman
Mr. Le Anh Tuan	Vice Chairman
Ms. Pham Thi Thanh Hoa	Member
Ms. Nguyen Thi Ha Ninh	Member

(from 19 April 2022)

**Supervisory Board**

Ms. Pham Thi Lien	Head of the Board
Mr. Nguyen Quang Son	Member
Ms. Pham Thu Quynh	Member

**General Director**

Ms. Pham Thi Thanh Hoa	General Director Legal Representative
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**Registered Office**

6<sup>th</sup> Floor, Pax Sky Building  
No. 63 - 65 Ngo Thi Nham, Pham Dinh Ho Ward  
Hai Ba Trung District, Hanoi, Vietnam

**Ho Chi Minh City Branch Office**

C-00.01, C-00.02, C-00.03, Lot C1  
Low-rise Apartment Building - Block III (Sarina Condominium)  
No. 62 Hoang The Thien Street, An Loi Dong Ward  
Thu Duc City, Ho Chi Minh City, Vietnam

**Auditor**

KPMG Limited  
Vietnam

## DNSE Securities Joint Stock Company Statement of the management

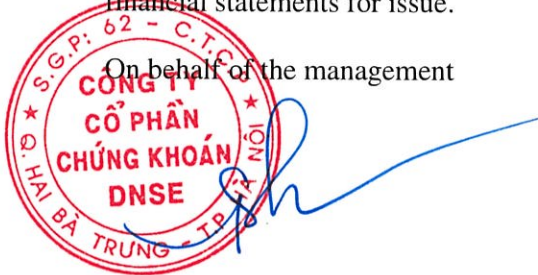
The management of DNSE Securities Joint Stock Company (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2022.

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

- the financial statements set out on pages 5 to 50 give a true and fair view of the financial position of the Company as at 31 December 2022, and of its results of operations, cash flows and changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 of the Ministry of Finance on accounting guidance applicable to securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting; and
- at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Company’s management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the management



Pham Thi Thanh Hoa  
*General Director*

Hanoi, 28 February 2023



KPMG Limited  
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E6 Pham Hung Street, Me Tri Ward  
South Tu Liem District, Hanoi, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders DNSE Securities Joint Stock Company**

We have audited the accompanying financial statements of DNSE Securities Joint Stock Company ("the Company"), which comprise the statement of financial position as at 31 December 2022, the statements of income, cash flows and changes in equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 28 February 2023, as set out on pages 5 to 50.

### **Management's Responsibility**

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 ("Circular 210") of the Ministry of Finance on accounting guidance applicable to securities companies, and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting, and for such internal control as the 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 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 DNSE Securities Joint Stock Company as at 31 December 2022, 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. 210/2014/TT-BTC dated 30 December 2014 of the Ministry of Finance on accounting guidance applicable to securities companies, and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance on amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting.

### KPMG Limited

Vietnam

Audit Report No. 22-02-00121-23-1



Trần Anh Quân  
Practicing Auditor Registration  
Certificate No. 0306-2023-007-1  
Deputy General Director

Le Nhat Vuong  
Practicing Auditor Registration  
Certificate No. 3849-2022-007-1

Hanoi, 28 February 2023



**DNSE Securities Joint Stock Company**  
**Statement of financial position as at 31 December 2022**

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

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>ASSETS</b>				
<b>A. CURRENT ASSETS</b> (100 = 110 + 130)	<b>100</b>		<b>5,429,789,416,430</b>	<b>2,284,352,633,759</b>
<b>I. Financial assets</b>	<b>110</b>		<b>5,401,669,849,551</b>	<b>2,282,120,940,903</b>
1. Cash and cash equivalents	111	5	431,936,111,485	21,021,949,342
1.1. Cash	111.1		431,936,111,485	684,350,376
1.2. Cash equivalents	111.2		-	20,337,598,966
2. Financial assets at fair value through profit or loss ("FVTPL")	112	7(a)	575,600,703,154	84,093,149,735
3. Held-to-maturity investments	113	7(b)	1,902,876,744,103	882,871,000,000
4. Loans	114	7(c)	2,280,376,720,422	1,192,495,353,688
6. Allowance for impairment of financial assets and collaterals	116		(39,586,100,297)	-
7. Accounts receivable	117	8	125,962,559,300	27,267,304,341
7.2. Receivables and accrued dividends, interest from financial assets	117.2		125,962,559,300	27,267,304,341
7.2.1. Receivable dividends, interest on due	117.3		-	80,000
7.2.2. Accrued dividends and interest not on due	117.4		125,962,559,300	27,267,224,341
8. Prepayments to suppliers	118	9	123,424,423,195	72,958,404,976
9. Receivables from services provided by the securities company	119	8	999,297,697	1,263,733,107
12. Other receivables	122	8	79,390,492	150,045,714
<b>II. Other current assets</b>	<b>130</b>		<b>28,119,566,879</b>	<b>2,231,692,856</b>
1. Advances	131		26,152,801,483	1,245,969,599
3. Short-term prepaid expenses	133	10(a)	1,939,765,396	958,723,257
4. Short-term deposits and collaterals	134		27,000,000	27,000,000

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

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

**Form B01 - CTCK**

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

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>B. LONG-TERM ASSETS</b> (200 = 210 + 220 + 250)	<b>200</b>		<b>979,355,431,642</b>	<b>30,873,553,983</b>
<b>I. Long-term financial assets</b>	<b>210</b>		<b>920,608,888,524</b>	-
2. Investments	212		920,608,888,524	-
2.1. Held-to-maturity investments	212.1	7(b)	920,608,888,524	-
<b>II. Fixed assets</b>	<b>220</b>		<b>41,705,860,373</b>	<b>19,730,870,099</b>
1. Tangible fixed assets	221	11	6,642,640,919	6,109,935,527
- Cost	222		11,263,781,519	10,754,059,566
- Accumulated depreciation	223a		(4,621,140,600)	(4,644,124,039)
3. Intangible fixed assets	227	12	35,063,219,454	13,620,934,572
- Cost	228		44,737,612,000	19,959,152,000
- Accumulated amortisation	229a		(9,674,392,546)	(6,338,217,428)
<b>V. Other long-term assets</b>	<b>250</b>		<b>17,040,682,745</b>	<b>11,142,683,884</b>
1. Long-term deposits and collaterals	251		1,981,640,841	454,369,866
2. Long-term prepaid expenses	252	10(b)	3,960,268,810	2,059,257,597
4. Deposits at Payment Support Fund	254	13	11,098,773,094	8,629,056,421
<b>TOTAL ASSETS</b> (270 = 100 + 200)	<b>270</b>		<b>6,409,144,848,072</b>	<b>2,315,226,187,742</b>



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

**DNSE Securities Joint Stock Company**
**Statement of financial position as at 31 December 2022 (continued)**
**Form B01 - CTCK**
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>C. LIABILITIES</b> <b>(300 = 310 + 340)</b>	<b>300</b>		<b>3,272,783,700,813</b>	<b>1,256,658,460,895</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,272,783,520,643</b>	<b>1,255,363,148,949</b>
1. Short-term borrowings and finance lease liabilities	311		2,584,842,672,289	1,103,860,000,000
1.1. <i>Short-term borrowings</i>	312	14	2,584,842,672,289	1,103,860,000,000
4. Short-term bonds issued	316	15	150,000,000,000	120,000,000,000
6. Payables for securities trading activities	318	16	1,780,835,515	3,042,327,396
8. Accounts payable to suppliers – short-term	320		359,088,528	240,758,699
9. Advances from customers – short-term	321		160,000,000	105,000,000
10. Taxes and others payable to the State Treasury	322	17	16,235,901,025	16,276,099,887
11. Payables to employees	323		6,651,489,424	6,625,382,468
12. Employees' benefits payable	324		263,170,429	178,741,372
13. Accrued expenses – short-term	325	18	7,804,079,088	3,509,111,042
17. Other short-term payables	329	19	504,686,065,949	1,525,509,689
19. Bonus and welfare fund	331		218,396	218,396
<b>II. Long-term liabilities</b>	<b>340</b>		<b>180,170</b>	<b>1,295,311,946</b>
14. Deferred tax liabilities	356	20	180,170	1,295,311,946
<b>EQUITY</b> <b>(400 = 410)</b>	<b>400</b>		<b>3,136,361,147,259</b>	<b>1,058,567,726,847</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>3,136,361,147,259</b>	<b>1,058,567,726,847</b>
1. Capital	411		3,000,041,575,300	1,000,010,973,300
1.1. <i>Contributed capital</i>	411.1		3,000,000,000,000	1,000,000,000,000
<i>Ordinary shares with voting rights</i>	411.1a		3,000,000,000,000	1,000,000,000,000
1.2. <i>Share premium</i>	411.2		41,575,300	10,973,300
4. Reserve to supplement charter capital	414		2,598,930,256	2,598,930,256
5. Financial and operational risk reserve	415		3,234,930,256	3,234,930,256
7. Retained profits	417		130,485,711,447	52,722,893,035
7.1. <i>Realised profits</i>	417.1		208,665,324,863	47,541,645,254
7.2. <i>Unrealised profits</i>	417.2		(78,179,613,416)	5,181,247,781
<b>TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)</b>	<b>440</b>		<b>6,409,144,848,072</b>	<b>2,315,226,187,742</b>

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



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

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

**OFF-BALANCE SHEET ITEMS**

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS</b>				
6				
Shares in circulation (number of shares)	006		300,000,000	100,000,000
8.				
Financial assets of the Company listed/registered for trading at Vietnam Securities Depository ("VSD")	008	21(a)	100,633,310,000	29,871,930,000
<i>a. Freely transferred and traded financial assets</i>	<i>008.1</i>		<i>100,633,310,000</i>	<i>29,871,880,000</i>
<i>e. Financial assets awaiting for settlement</i>	<i>008.5</i>		-	50,000
9.				
Financial assets of the Company custodied at VSD but not yet traded	009	21(b)	340,000	-
<i>a. Freely transferred financial assets deposited at VSD but not yet traded</i>	<i>009.1</i>		<i>340,000</i>	-
<b>B. ASSETS AND PAYABLES ON ASSETS MANAGED UNDER COMMITMENTS WITH CUSTOMERS</b>				
1.				
Financial assets of investors listed/ registered for trading at VSD	021	21(c)	8,568,639,410,000	5,622,856,040,000
<i>a. Freely transferred and traded financial assets</i>	<i>021.1</i>		<i>7,919,828,610,000</i>	<i>5,388,961,590,000</i>
<i>b. Financial assets restricted for transfers</i>	<i>021.2</i>		<i>29,053,520,000</i>	<i>3,210,350,000</i>
<i>c. Pledged financial assets</i>	<i>021.3</i>		<i>560,862,510,000</i>	<i>160,136,380,000</i>
<i>e. Financial assets awaiting for settlement</i>	<i>021.5</i>		<i>58,894,770,000</i>	<i>70,547,720,000</i>
2.				
Financial assets of investors custodied at VSD but not yet traded	022	21(d)	125,442,940,000	31,292,990,000
<i>a. Freely transferred financial assets deposited at VSD but not yet traded</i>	<i>022.1</i>		<i>1,357,920,000</i>	<i>31,292,990,000</i>
<i>b. Financial assets of investors custodied at VSD but not yet traded and restricted for transfers</i>	<i>022.2</i>		<i>124,085,020,000</i>	-
3				
Financial assets awaiting settlement of investors	023	21(e)	66,044,730,000	99,658,510,000

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

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

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

		<b>Code</b>	<b>Note</b>	<b>31/12/2022</b> <b>VND</b>	<b>1/1/2022</b> <b>VND</b>
7.	Deposits of customers	026		293,724,871,095	444,947,269,061
7.1.	Deposits of investors for securities transactions managed by the Company	027	21(f)	251,035,496,978	434,671,888,135
7.2.	Collective deposits for securities transactions for customers	028	21(f)	7,022,034	7,262,740
7.3.	Deposits for clearance and settlement of securities transactions	029	21(f)	42,682,352,083	10,268,118,186
a.	<i>Deposits for clearance and settlement of securities transactions of domestic investors</i>	029.1		40,731,981,299	10,198,213,843
b.	<i>Deposits for clearance and settlement of securities transactions of foreign investors</i>	029.2		1,950,370,784	69,904,343
8.	Payables to customers on deposits for securities transactions managed by the Company	031	21(g)	293,724,312,095	444,946,994,561
8.1.	<i>Payables to domestic investors on deposits for securities transactions managed by the Company</i>	031.1		293,719,398,927	444,237,551,749
8.2.	<i>Payables to foreign investors on deposits for securities transactions managed by the Company</i>	031.2		4,913,168	709,442,812
12.	Payables on dividends, principals and interest of bonds	035		559,000	274,500

28 February 2023

Prepared by:



Vu Thi Thanh Tam  
Accountant



Nguyen Thi Duyen  
Chief Accountant



Pham Thi Thanh Hoa  
General Director

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

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

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

	<b>Code</b>	<b>Note</b>	<b>2022 VND</b>	<b>2021 VND</b>
<b>I. OPERATING REVENUE</b>				
1.1.				
1.1.	01		18,718,169,267	20,443,076,776
a.				
a.	01.1	22(a)	15,791,720,906	17,225,004,940
b.				
b.	01.2	22(b)	(6,479,470,056)	3,117,610,636
c.				
c.	01.3	22(c)	9,405,918,417	100,461,200
1.2.				
1.2.	02	22(c)	112,885,074,974	20,103,523,358
1.3.				
1.3.	03	22(c)	223,074,905,611	42,693,449,174
1.6.				
1.6.	06	22(d)	84,848,044,663	90,033,851,558
1.7.				
1.7.	06	22(d)	250,000,000	-
1.8.				
1.8.	08	22(d)	6,654,163,033	5,296,806,499
1.9.				
1.9.	09	22(d)	2,834,979,254	1,543,034,825
1.10.				
1.10.	10	22(d)	90,000,000	50,000,000
1.11.				
1.11.	11	22(d)	2,732,330,337	527,166,925
	<b>20</b>		<b>452,087,667,139</b>	<b>180,690,909,115</b>
<b>II. OPERATING EXPENSES</b>				
2.1.				
2.1.	21		80,013,516,180	24,814,274,031
a.				
a.	21.1	23	1,761,701,302	24,747,970,416
b.				
b.	21.2	22(b)	78,176,522,917	3,930,409
c.				
c.	21.3		75,291,961	62,373,206
2.4.				
2.4.	24	24	142,467,628,953	21,234,536,964
2.6.				
2.6.	26		145,335,923	7,000,000
2.7.				
2.7.	27		74,404,728,375	51,491,686,802
2.8.				
2.8.	28		204,831,070	-
2.9.				
2.9.	29		18,601,221	-
2.10.				
2.10.	30		2,736,807,188	1,468,615,288
2.12.				
2.12.	32		4,570,863,060	1,587,197,870
	<b>40</b>		<b>304,562,311,970</b>	<b>100,603,310,955</b>

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

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

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

	Code	Note	2022 VND	2021 VND
<b>III FINANCIAL INCOME</b>				
3.1. Realised and unrealised foreign exchange gains	41	25	20,701,367	4,962,705
3.2. Revenue and interest in the year	42	25	1,854,143,406	768,378,459
3.4. Other financial income	44	25	2,906,324,072	-
<b>Total financial income</b>	<b>50</b>		<b>4,781,168,845</b>	<b>773,341,164</b>
<b>IV. FINANCIAL EXPENSES</b>				
4.1. Realised and unrealised foreign exchange losses	51		205,926	-
4.2. Interest expense	52		29,836,352,893	2,723,326,027
4.4. Other financial expenses	52		443,817,204	106,182,796
<b>Total financial expenses</b>	<b>60</b>		<b>30,280,376,023</b>	<b>2,829,508,823</b>
<b>VI. GENERAL AND ADMINISTRATION EXPENSES</b>	<b>62</b>	<b>26</b>	<b>37,071,988,580</b>	<b>14,861,502,475</b>
<b>VII. OPERATING PROFIT (70 = 20 - 40 + 50 - 60 - 62)</b>	<b>70</b>		<b>84,954,159,411</b>	<b>63,169,928,026</b>
<b>VIII. OTHER INCOME AND EXPENSES</b>				
8.1. Other income	71	27	10,073,991,233	5,145,830,869
8.2. Other expenses	72		104,352,121	189,767,093
<b>Total results of other activities (80 = 71 - 72)</b>	<b>80</b>		<b>9,969,639,112</b>	<b>4,956,063,776</b>
<b>IX. TOTAL ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)</b>	<b>90</b>		<b>94,923,798,523</b>	<b>68,125,991,802</b>
9.1. Realised profit	91		179,579,791,496	65,012,311,575
9.2. Unrealised (loss)/ profit	92		(84,655,992,973)	3,113,680,227
<b>X. INCOME TAX EXPENSES</b>	<b>100</b>		<b>17,160,980,111</b>	<b>13,656,442,493</b>
10.1. Income tax expense - current	100.1	28	18,456,111,887	13,033,706,447
10.2. Income tax (benefit)/expense - deferred	100.2	28	(1,295,131,776)	622,736,046
<b>XI. ACCOUNTING PROFIT AFTER TAX (200 = 90 - 100)</b>	<b>200</b>		<b>77,762,818,412</b>	<b>54,469,549,309</b>

28 February 2023

Prepared by:

*W*

Vu Thi Thanh Tam  
Accountant

*JAN*

Nguyen Thi Duyen  
Chief Accountant



Pham Thi Thanh Hoa  
General Director

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

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

**Form B03 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>1. Profit before tax</b>	<b>01</b>		<b>94,923,798,523</b>	<b>68,125,991,802</b>
<b>2. Adjustments for</b>	<b>02</b>		<b>23,738,787,170</b>	<b>(6,053,766,319)</b>
- Depreciation of fixed assets	03		5,035,290,326	2,445,114,597
- Provisions and allowances	04		39,586,100,297	-
- Interest expense	06		29,836,352,893	2,723,326,027
- Gains from investment activities	07		(1,854,143,406)	(768,378,459)
- Accrued interest income	08		(48,864,812,940)	(10,453,828,484)
<b>3. Increase in non - cash expenses</b>	<b>10</b>		<b>78,176,522,917</b>	<b>3,930,409</b>
- Downward revaluation differences of financial assets at FVTPL	11		78,176,522,917	3,930,409
<b>4. Increase in non-cash income</b>	<b>18</b>		<b>6,479,470,056</b>	<b>(3,117,610,636)</b>
- Upward revaluation differences of financial assets at FVTPL	19		6,479,470,056	(3,117,610,636)
<b>5. Changes in working capital</b>	<b>30</b>		<b>(3,278,261,553,618)</b>	<b>(2,068,534,442,659)</b>
- Increase in financial assets at FVTPL	31		(576,163,546,392)	(57,979,469,508)
- Increase in held-to-maturity investments	32		(1,940,614,632,627)	(800,437,816,438)
- Increase in loans	33		(1,087,881,366,734)	(1,169,398,685,079)
- Increase in receivables and accrued dividends, interest from financial assets	36		(49,830,442,019)	(15,604,340,574)
- Decrease/(increase) in receivables from services provided	37		264,435,410	(978,669,357)
- Increase in other receivables	39		(50,395,362,997)	(34,116,037,976)
- Increase in other assets	40		(24,906,831,884)	(1,015,213,670)
- Increase in accrued expenses (excluding interest expense)	41		102,881,528,656	22,317,139,704
- Decrease in prepayments	42		(2,882,053,352)	(1,228,600,313)
- Corporate income tax paid	43		(8,902,130,594)	(11,480,094,130)
- Interest paid	44		(128,422,913,503)	(23,195,692,832)
- Increase in payables to suppliers	45		118,329,829	85,441,619
- Increase in provision for employees' benefits	46		84,429,057	65,710,000
- (Decrease)/increase in taxes and other payables to the State (excluding corporate income tax paid)	47		(9,594,180,155)	14,295,383,740
- Increase in payables to employees	48		26,106,956	6,369,025,627
- Increase in other payables	50		501,954,064,379	4,047,394,938
- Other (payment)/receipt for operating activities	52		(3,996,987,648)	(279,918,410)
<b>Net cash flows from operating activities</b>	<b>60</b>		<b>(3,074,942,974,952)</b>	<b>(2,009,575,897,403)</b>

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

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

**Form B03 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND	
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>					
1.		Payments for purchases of fixed assets	61	(27,010,280,600)	(15,932,786,400)
5.		Receipts of dividends and share of profit from long-term financial investments	65	1,854,143,406	768,378,459
		<i>Net cash flows from investing activities</i>	<b>70</b>	<b>(25,156,137,194)</b>	<b>(15,164,407,941)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>					
1.		Proceeds from equity issued, capital contributed by owners	71	2,000,030,602,000	840,010,973,300
3.		Proceeds from borrowings	73	9,434,861,465,387	3,928,876,593,709
3.2.		<i>Other borrowings</i>	73.2	9,434,861,465,387	3,928,876,593,709
4.		Payments to settle principals of borrowings	74	(7,923,878,793,098)	(2,724,221,593,709)
4.3.		<i>Payments to settle other principals of borrowings</i>	74.3	(7,923,878,793,098)	(2,724,221,593,709)
		<i>Net cash flows from financing activities</i>	<b>80</b>	<b>3,511,013,274,289</b>	<b>2,044,665,973,300</b>
<b>IV.</b>		<b>Net cash flows during the year (90 = 60 + 70 + 80)</b>	<b>90</b>	<b>410,914,162,143</b>	<b>19,925,667,956</b>
<b>V.</b>		<b>Cash and cash equivalents at the beginning of the year</b>	<b>101</b>	<b>21,021,949,342</b>	<b>1,096,281,386</b>
		Cash	101.1	684,350,376	96,281,386
		Cash equivalents	101.2	20,337,598,966	1,000,000,000
<b>VI.</b>		<b>Cash and cash equivalents at the end of the year (103 = 90 + 101)</b>	<b>103</b>	<b>431,936,111,485</b>	<b>21,021,949,342</b>
		Cash	103.1	431,936,111,485	684,350,376
		Cash equivalents	103.2	-	20,337,598,966

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

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

**Form B03 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

**CASH FLOWS OF CUSTOMERS FROM BROKERAGE  
AND UNDERWRITING ACTIVITIES**

	Code	2022 VND	2021 VND
<b>I. Cash flows of customers from brokerage and underwriting activities</b>			
1. Proceeds from sales of customers' securities	01	37,934,970,715,260	23,205,913,410,400
2. Payments for purchases of customers' securities	02	(37,964,109,864,680)	(32,693,100,653,700)
7. Receipts of deposits of customers for securities transactions	07	67,486,378,879,937	25,857,815,029,185
8. Payments to settle securities transactions of customers	08	(67,605,828,111,258)	(16,090,811,038,492)
11. Payments of securities custody fees of customers	11	(2,634,301,725)	(1,356,879,560)
14. Receipts from securities issuers	14	79,561,634,130	50,835,884,658
15. Payments to securities issuers	15	(79,561,349,630)	(51,070,871,358)
<i>Net cash inflows during the year</i>	<b>20</b>	<b>(151,222,397,966)</b>	<b>278,224,881,133</b>
<b>II. Cash and cash equivalents of customers at the beginning of the year</b>	<b>30</b>	<b>444,947,269,061</b>	<b>166,722,387,928</b>
Cash at banks at the beginning of the year:	31	444,947,269,061	166,722,387,928
- Deposits of investors for securities transactions managed by securities companies	32	434,671,888,135	113,728,858,808
- Collective deposits of customers for securities transactions	33	7,262,740	52,967,461,038
- Deposits for clearance and settlement of securities transactions	34	10,268,118,186	26,068,082

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

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

**Form B03 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	2022 VND	2021 VND
<b>III. Cash and cash equivalents of customers at the end of the year (40 = 20 + 30)</b>	<b>40</b>	<b>293,724,871,095</b>	<b>444,947,269,061</b>
Cash at banks at the end of the year:	41	293,724,871,095	444,947,269,061
- Deposits of investors for securities transactions managed by the securities company	42	251,035,496,978	434,671,888,135
- Collective deposits of customers for securities transactions	43	7,022,034	7,262,740
- Deposits for clearance and settlement of securities transactions	44	42,682,352,083	10,268,118,186

28 February 2023

Prepared by:



Vu Thi Thanh Tam  
Accountant



Nguyen Thi Duyen  
Chief Accountant

Approved by:



Pham Thi Thanh Hoa  
General Director

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



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

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

	Opening balance		2021		2022		Closing balance	
	1/1/2021	1/1/2022	Increases	Decreases	Increases	Decreases	31/12/2021	31/12/2022
	VND	VND	VND	VND	VND	VND	VND	VND
<b>I. Changes in equity</b>								
1. Capital	160,000,000,000	1,000,010,973,300	840,010,973,300	-	2,000,030,602,000	-	1,000,010,973,300	3,000,041,575,300
1.1 Contributed capital	160,000,000,000	1,000,000,000,000	840,000,000,000	-	2,000,000,000,000	-	1,000,000,000,000	3,000,000,000,000
1.2 Share premium	-	10,973,300	10,973,300	-	30,602,000	-	10,973,300	41,575,300
3. Reserve to supplement charter capital	-	2,598,930,256	2,598,930,256	-	-	-	2,598,930,256	2,598,930,256
4. Financial and operational risk reserve	636,000,000	3,234,930,256	2,598,930,256	-	-	-	3,234,930,256	3,234,930,256
8. Retained profits	3,451,204,238	52,722,893,035	54,469,549,309	(5,197,860,512)	161,123,679,609	(83,360,861,197)	52,722,893,035	130,485,711,447
8.1 Realised profits	760,900,638	47,541,645,254	51,978,605,128	(5,197,860,512)	161,123,679,609	-	47,541,645,254	208,665,324,863
8.2 Unrealised profits	2,690,303,600	5,181,247,781	2,490,944,181	-	-	(83,360,861,197)	5,181,247,781	(78,179,613,416)
<b>TOTAL</b>	<b>164,087,204,238</b>	<b>1,058,567,726,847</b>	<b>899,678,383,121</b>	<b>(5,197,860,512)</b>	<b>2,161,154,281,609</b>	<b>(83,360,861,197)</b>	<b>1,058,567,726,847</b>	<b>3,136,361,147,259</b>

28 February 2023

Prepared by:

*(Signature)*

Vu Thi Thanh Tam  
Accountant

Approved by:



Nguyen Thi Duyen  
Chief Accountant

Pham Thi Thanh Hoa  
General Director

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

**DNSE Securities Joint Stock Company**  
**Notes to the financial statements for the year ended 31 December 2022**

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

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

## **1. Reporting entity**

### **(a) Basis of establishment**

DNSE Securities Joint Stock Company (“the Company”) is a joint stock company incorporated under Establishment and Operation Licence No. 62/UBCK-GP initially issued on 30 October 2007 in Vietnam. On 18 August 2021, the State Securities Commission of Vietnam issued the amended Licence on the change of the Company’s name. The most recent amended Licence No. 37/GPDC-UBCK was issued by the State Securities Commission of Vietnam on 13 May 2022.

The Company’s Head Office is located at the 6th Floor, Pax Sky Building, No. 63 - 65 Ngo Thi Nham Street, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 31 December 2022, the Company has one (01) branch in Ho Chi Minh City (1/1/2022: 1 branch).

The Company’s charter was most recently updated on 18 May 2022.

### **(b) Charter capital**

As at 31 December 2022, the Company’s charter capital was VND3,000,000,000,000 (1/1/2022: VND1,000,000,000,000).

### **(c) Principal activities**

The principal activities of the Company are: securities brokerage, securities trading; securities investment advisory, securities custody and securities underwriting services, derivative securities brokerage, derivative securities trading, derivative securities investment consulting, clearing and settlement services for derivative transactions.

### **(d) Number of employees**

As at 31 December 2022, the Company had 89 employees (1/1/2022: 50 employees).

## **2. Basis of preparation**

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

#### ***Applicable accounting system***

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



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

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

**(b) Basis of measurement**

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

**(c) Accounting period**

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

**(d) Accounting and presentation currency**

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

**3. Summary of significant accounting policies**

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

**(a) Financial assets and financial liabilities**

**(i) Recognition**

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

**(ii) Classification and measurement**

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

**(iii) Derecognition**

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

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

**(iv) Offsetting**

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

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

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

Objective evidence indicating that financial assets may be impaired include:

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

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

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

**(b) Cash and cash equivalents**

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

Cash equivalents are short-term investments with recovery or maturity of three months or less that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value in conversion to cash from the date of purchase at the reporting date.

**(c) Financial assets at FVTPL**

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

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

## **DNSE Securities Joint Stock Company**

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

**Form B09 – CTCK**

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

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

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

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

#### **(d) Held-to-maturity investments**

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

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

Held-to-maturity investments are measured initially at purchase prices plus transaction costs which are directly attributable to the acquisition of the financial assets such as brokerage fee, trading fee, communication fee, duties and banking transaction fee.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate less allowance for diminution in the value of financial assets.

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

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

#### **(e) Loans**

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

Loans granted are measured at cost less allowance for diminution in the value of financial assets (if any).

Allowance for impairment of margin loans is made at the carrying amount of the loans less market value or fair value of the respective collaterals at the end of annual accounting period.

**DNSE Securities Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***(f) Accounts receivable**

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

The Company has provided allowance for doubtful debts based on the estimate of recoverability of the receivables, but not lower than the allowance rates based on the overdue period as follows:

<u>Overdue period</u>	<u>Allowance rate</u>
From six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
Over three (3) years	100%

**(g) Tangible fixed assets****(i) Cost**

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

**(ii) Depreciation**

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

- Motor vehicles 6 years
- Office equipment 3 – 8 years

**(h) Intangible fixed assets**

Intangible fixed assets of the Company are software. Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 8 years.

**(i) Trade and other payables**

Trade and other payables are stated at their cost.

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

**Form B09 – CTCK**

*(Issued under Circular No. 334/2016/TT-BTC  
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**(j) 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.

**(k) Statutory reserves**

*Before 1 January 2022*

The Company made appropriation to reserves from annual profit after tax in accordance with Circular No. 146/2014/TT-BTC dated 6 October 2014 (“Circular 146”) as follows:

	<b>Annual allocation rate</b>	<b>Maximum balance</b>
Reserve to supplement charter capital	5% of profit after tax	10% of charter capital
Financial reserve	5% of profit after tax	10% of charter capital

The reserve to supplement charter capital is used to increase the annual charter capital as determined by the Management.

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

These statutory reserves are non-distributable and are classified as equity. The annual allocation rate is approved by the Company’s General Meeting of Shareholders.

*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 takes effect from 1 February 2022 and is applicable to the annual reporting period ending 31 December 2022.

Circular 114 supersedes the regulations under Circular 16. Accordingly:

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

**(l) Share capital**

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

**DNSE Securities Joint Stock Company**

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

**Form B09 – CTCK**

*(Issued under Circular No. 334/2016/TT-BTC  
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**(m) Revenue and income**

**(i) *Gains/losses from sales of financial assets***

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

**(ii) *Dividends and interest from financial assets***

Dividend income is recognised when the right to receive dividends is established. Dividend is not recognised for trading shares traded after the ex-dividend date. For bonus shares or share dividend, the Company only recognised the number of the shares, and no revenue from their dividends is recognised.

Interest incomes include interest from deposits at banks, interest from financial assets at FVTPL and held-to-maturity investments, interest from margin loans and advances of proceeds from trading securities. These incomes are recognised in the statement of income on an accrual basis unless collectability is in doubt.

**(iii) *Services rendered***

Revenue from services include revenue from securities brokerage services, revenue from securities underwriting and issuance agency services, revenue from securities custody services and revenue from financial consulting services.

Revenue from services rendered is recognised in the statement of income when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(n) 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.

**(o) Borrowing costs**

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

**(p) 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.



## **DNSE Securities Joint Stock Company**

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

**Form B09 – CTCK**

*(Issued under Circular No. 334/2016/TT-BTC  
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Deferred tax is provided, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

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

#### **(q) 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.

#### **(r) Nil balances**

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

#### **(s) 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.

## **4. Financial risk management**

### **(a) Overview**

The Company is of the view that risk management is integral to the whole business. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The General Director incessantly monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

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

- credit risk;
- liquidity risk; and
- market risk.

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

The General Director reviews and agrees upon policies for managing each of these risks which are summarised below.

**DNSE Securities Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***(b) Credit risk**

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

***Collaterals***

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for doubtful debts.

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

	Note	31/12/2022 VND	1/1/2022 VND
Cash and cash equivalents	(i)	431,936,111,485	21,021,949,342
Held-to-maturity investments – short term	(i)	1,902,876,744,103	882,871,000,000
Held-to-maturity investments – long term	(i)	920,608,888,524	-
Loans	(ii)	2,240,790,620,125	1,192,495,353,688
Receivables	(ii)	125,962,559,300	27,267,304,341
Receivables from services provided by the securities company	(ii)	999,297,697	1,263,733,107
Other receivables	(ii)	79,390,492	150,045,714
Short-term deposits and collaterals	(ii)	27,000,000	27,000,000
Long-term deposits and collaterals	(ii)	1,981,640,841	454,369,866
Deposits at Payment Support Fund	(iii)	11,098,773,094	8,629,056,421
		5,636,361,025,661	2,134,179,812,479

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

Cash and cash equivalents and held-to-maturity investments of the Company are mainly held with well-known credit institutions. 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.

## **DNSE Securities Joint Stock Company**

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

**Form B09 – CTCK**

*(Issued under Circular No. 334/2016/TT-BTC  
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**(ii) *Loans, accounts receivable, short term and long term deposits and collaterals***

Under prevailing laws on securities, the Company is allowed to provide loans to customers for purchases of securities in accordance with regulations on margin trading of securities under margin contracts. The Company complies with the limits on margin loans in Decision No. 87/QĐ-UBCK dated 25 January 2017 of the State Securities Commission of Vietnam on promulgation of the regulation guiding the margin trading of securities. The Company manages the customer credit risk through its control policies, procedures and processes relating to customer credit risk management.

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

There were no receivables at year-end that were past due.

**(iii) *Deposits at Payment Support Fund***

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

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

**(c) *Liquidity risk***

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

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

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

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

<b>At 31/12/2022</b>	<b>Carrying amount VND</b>	<b>Contractual cash flows VND</b>	<b>Within one year VND</b>
Short-term borrowings and finance lease liabilities	2,584,842,672,289	2,592,523,751,377	2,592,523,751,377
Short-term bonds issued	150,000,000,000	150,087,000,000	150,087,000,000
Payables for securities trading activities	1,780,835,515	1,780,835,515	1,780,835,515
Accounts payable to suppliers – short-term	359,088,528	359,088,528	359,088,528
Accrued expenses – short-term	7,804,079,088	7,804,079,088	7,804,079,088
Other short-term payables	503,618,683,151	504,686,065,949	504,686,065,949
	<b>3,248,405,358,571</b>	<b>3,257,240,820,457</b>	<b>3,257,240,820,457</b>

**At 1/1/2022**

	<b>Carrying amount VND</b>	<b>Contractual cash flows VND</b>	<b>Within one year VND</b>
Short-term borrowings and finance lease liabilities	1,103,860,000,000	1,105,860,108,849	1,105,860,108,849
Short-term bonds issued	120,000,000,000	122,692,602,740	122,692,602,740
Payables for securities trading activities	3,042,327,396	3,042,327,396	3,042,327,396
Accounts payable to suppliers – short-term	240,758,699	240,758,699	240,758,699
Accrued expenses – short-term	3,509,111,042	3,509,111,042	3,509,111,042
Other short-term payables	1,525,509,689	1,525,509,689	1,525,509,689
	<b>1,232,177,706,826</b>	<b>1,236,870,418,415</b>	<b>1,236,870,418,415</b>

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

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

**Form B09 – CTCK**  
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**(d) Market risk**

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

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

**(i) Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at 31 December 2022, the Company had no assets/liabilities exposed to currency risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash, short-term deposits, trade and other receivables, payables for securities trading activities, other payables, and short-term borrowings and liabilities.

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

At the reporting date, the Company's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2022 VND	1/1/2022 VND
<b>Fixed rate instruments</b>		
<b>Financial assets – short-term</b>		
Cash and cash equivalents	431,936,111,485	21,021,949,342
Held-to-maturity investments	1,902,876,744,103	882,871,000,000
Loans	2,240,790,620,125	1,192,495,353,688
<b>Financial assets – long-term</b>		
Held-to-maturity investments	920,608,888,524	-
Deposits at Payment Support Fund	11,098,773,094	8,629,056,421
<b>Financial liabilities</b>		
Short-term borrowings and finance lease liabilities	(2,584,842,672,289)	(1,103,860,000,000)
Short-term bonds issued	(150,000,000,000)	(120,000,000,000)
<b>Fixed rate instruments</b>	<u>2,772,468,465,042</u>	<u>881,157,359,451</u>

**DNSE Securities Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***(iii) Share price risk**

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

As at 31 December 2022, fair value of listed equity shares of the Company was VND295,600,703,154 (1/1/2022: VND84,093,149,735). Had the market value of these securities increased or decreased by 15% as at 31 December 2022, assuming that all other variables remained constant, profit after tax of the Company would have increased or decreased by VND35,472,084,378 (1/1/2022: the market value of these securities increased or decreased by 13%, profit after tax of the Company would have increased or decreased by VND equivalent to VND8,745,687,572).

**5. Cash and cash equivalents**

	<b>31/12/2022</b> <b>VND</b>	<b>1/1/2022</b> <b>VND</b>
Cash in banks	431,933,192,089	681,446,916
Deposits for clearance and settlement of securities transactions	2,919,396	2,903,460
Cash equivalents (i)	-	20,337,598,966
	<hr/> 431,936,111,485	<hr/> 21,021,949,342 <hr/>

- (i) These term deposits were placed at commercial joint stock banks with original terms ranging from 1 to 3 months and earned interest at a rate of 4% per annum (1/1/2022: 4% per annum).

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

	<b>2022</b>		<b>2021</b>	
	<b>Volume of transactions Unit</b>	<b>Value of transactions VND</b>	<b>Volume of transactions Unit</b>	<b>Value of transactions VND</b>
By the Company	53,264,991	11,947,413,768,050	13,632,532	399,997,741,365
<i>Shares</i>	8,946,238	339,791,073,825	13,632,532	399,997,741,365
<i>Bonds</i>	43,741,163	4,936,365,236,435	-	-
<i>Valuable papers</i>	577,590	6,671,257,457,790	-	-
By investors	3,191,324,461	75,610,503,120,465	1,891,489,181	57,048,421,565,065
<i>Shares</i>	3,191,324,461	75,610,503,120,465	1,891,489,181	57,048,421,565,065
		<hr/> 87,557,916,888,515		<hr/> 57,448,419,306,430 <hr/>

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

**Form B09 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
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	31/12/2022			1/1/2022	
	Cost VND	Fair value VND	Carrying amount VND	Cost VND	Fair value VND
Unlisted shares or shares registered for trading	280,000,000,000	(*)	280,000,000,000	-	-
- <i>Ba Huan Joint Stock Company</i>	280,000,000,000	(*)	280,000,000,000	-	-
Listed shares or shares registered for trading	373,780,136,400	295,600,703,154	295,600,703,154	77,616,590,008	84,093,149,735
- <i>Saigon Thuong Tin Commercial Joint Stock Bank</i>	151,647,467,564	139,725,022,500	139,725,022,500	67,559,162,060	71,851,500,000
- <i>PetroVietnam Oil Corporation – Joint Stock Company</i>	2,664,885,714	1,501,000,000	1,501,000,000	9,818,000,000	11,970,000,000
- <i>Military Commercial Joint Stock Bank</i>	-	-	-	22,105,521	24,622,800
- <i>Moc Chau Diary Cattle Breeding Joint Stock Company</i>	219,185,851,400	154,186,562,000	154,186,562,000	-	-
- <i>Other shares</i>	281,931,722	188,118,654	188,118,654	217,322,427	247,026,935
	653,780,136,400	575,600,703,154	575,600,703,154	77,616,590,008	84,093,149,735

(\*) This financial asset is carried at cost because information about its market price is not available and the Company is not able to determine fair value reliably.

**DNSE Securities Joint Stock Company**

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

**Form B09 – CTCK**

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

**(b) Held-to-maturity investments**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Current	1,902,876,744,103	882,871,000,000
<i>Deposits with original terms ranging from over 3 months to 1 year (i)</i>	727,876,744,103	882,871,000,000
<i>Deposit certificates with original terms ranging from over 3 months to 1 year (ii)</i>	1,175,000,000,000	-
Non-current	920,608,888,524	-
<i>Corporate bonds (iii)</i>	920,608,888,524	-
	2,823,485,632,627	882,871,000,000

- (i) These deposits were placed at commercial joint stock banks with original terms ranging from over 3 months to 1 year and earned interest at rates from 5% to 9% per annum (1/1/2022: 3.9% to 5.9% per annum).
- (ii) These deposit certificates were placed at commercial joint stock banks with original terms ranging from over 3 months to 1 year and earned interest at rates from 4.8% to 8.8% per annum (1/1/2022: Nil).
- (iii) These include bonds issued by commercial joint stock banks with original terms from 5 years to 8 years, having a total value of VND412,764,815,068 and interest rates from 6.43% to 8.7% per annum, and bonds issued by enterprises with original terms from 3 years to 5 years, having a total value of VND507,844,073,497 with interest rates from 9.9% to 10% per annum (1/1/2022: Nil).

As at 31 December 2022, deposits with a total value of VND1,902,876,744,103 (1/1/2022: VND882,87,000,000) and bonds with a total value of VND407,000,000,000 (1/1/2022: VND0) were pledged as security for the borrowings from banks totalling VND2,018,469,874,581 (Note 14).

**(c) Loans**

	<b>31/12/2022</b>		<b>1/1/2022</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
Margin loans	2,250,172,052,105	(*)	1,107,025,517,980	(*)
Advances to customers for their sale of securities	30,204,668,317	(*)	85,469,835,708	(*)
	2,280,376,720,422	(*)	1,192,495,353,688	(*)



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

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

**8. Receivables**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Receivables and interests from financial assets	125,962,559,300	27,267,304,341
- <i>Accrued interest from deposits – fixed term deposits and deposit certificates</i>	55,602,029,472	16,813,395,857
- <i>Accrued interest from bonds</i>	21,495,716,888	-
- <i>Accrued interest from margin loans</i>	48,838,307,508	10,418,254,901
- <i>Accrued interest from advances to customers for their sale of securities</i>	26,505,432	35,573,583
- <i>Receivable dividends</i>	-	80,000
Receivables from services provided by the Company	999,297,697	1,263,733,107
- <i>Receivable from consulting services</i>	327,401,153	792,514,092
- <i>Custody fees receivable from investors</i>	671,896,544	471,219,015
Others	79,390,492	150,045,714
	<hr/>	<hr/>
	127,041,247,489	28,681,083,162
	<hr/>	<hr/>

**9. Prepayments to suppliers**

	<b>31/12/2022</b>	<b>1/1/2022</b>
	<b>VND</b>	<b>VND</b>
Encapital Financial Technology Joint Stock Company	43,792,223,200	72,028,060,000
Others	79,632,199,995	930,344,976
	<hr/>	<hr/>
	123,424,423,195	72,958,404,976
	<hr/>	<hr/>

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

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

**10. Prepaid expenses**

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

	31/12/2022 VND	1/1/2022 VND
Tools and instruments issued for use, other expenses	1,939,765,396	958,723,257

**(b) Tools and instruments issued for use, other expenses**

	31/12/2022 VND	1/1/2022 VND
Expenses for furniture system	1,570,753,086	549,989,337
Tools and instruments issued for use	2,389,515,724	1,509,268,260
	3,960,268,810	2,059,257,597

**11. Tangible fixed assets**

*Year ended 31 December 2022*

	Motor vehicles VND	Office equipment VND	Total VND
<b>Cost</b>			
Opening balance	2,696,883,400	8,057,176,166	10,754,059,566
Additions	1,553,266,600	678,554,000	2,231,820,600
Disposals	-	(1,722,098,647)	(1,722,098,647)
Closing balance	4,250,150,000	7,013,631,519	11,263,781,519
<b>Accumulated depreciation</b>			
Opening balance	225,988,841	4,418,135,198	4,644,124,039
Charge for the year	640,642,043	1,058,473,165	1,699,115,208
Disposals	-	(1,722,098,647)	(1,722,098,647)
Closing balance	866,630,884	3,754,509,716	4,621,140,600
<b>Net book value</b>			
Opening balance	2,470,894,559	3,639,040,968	6,109,935,527
Closing balance	3,383,519,116	3,259,121,803	6,642,640,919

Included in tangible fixed assets were assets costing VND1,242 million which were fully depreciated as of 31 December 2022 (1/1/2022: VND2,964 million), but which are still in active use.

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

**Form B09 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
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*Year ended 31 December 2021*

	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	-	7,203,213,166	7,203,213,166
Additions	2,696,883,400	853,963,000	3,550,846,400
Closing balance	2,696,883,400	8,057,176,166	10,754,059,566
<b>Accumulated depreciation</b>			
Opening balance	-	3,385,163,878	3,385,163,878
Charge for the year	225,988,841	1,032,971,320	1,258,960,161
Closing balance	225,988,841	4,418,135,198	4,644,124,039
<b>Net book value</b>			
Opening balance	-	3,818,049,288	3,818,049,288
Closing balance	2,470,894,559	3,639,040,968	6,109,935,527

## 12. Intangible fixed assets

	<b>Software</b>	
	<b>2022 VND</b>	<b>2021 VND</b>
<b>Cost</b>		
Opening balance	19,959,152,000	7,577,212,000
Purchases	24,778,460,000	12,381,940,000
Closing balance	44,737,612,000	19,959,152,000
<b>Accumulated amortisation</b>		
Opening balance	6,338,217,428	5,152,062,992
Charge for the year	3,336,175,118	1,186,154,436
Closing balance	9,674,392,546	6,338,217,428
<b>Net book value</b>		
Opening balance	13,620,934,572	2,425,149,008
Closing balance	35,063,219,454	13,620,934,572

Included in intangible fixed assets were assets costing VND5,010 million which were fully amortised as of 31 December 2022 (1/1/2022: VND5,010 million), but which are still in use.

**DNSE Securities Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***13. Deposits at Payment Support Fund**

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

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

Deposits at Payment Support Fund were as follows:

	<b>31/12/2022</b> <b>VND</b>	<b>1/1/2022</b> <b>VND</b>
Initial deposit	120,000,000	120,000,000
Additional deposit	7,214,409,060	5,192,149,379
Interest amortised during the year	3,764,364,034	3,316,907,042
	<b>11,098,773,094</b>	<b>8,629,056,421</b>



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

**Form B09 – CTCK**  
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**14. Short-term borrowings**

	1/1/2022 Carrying amount VND	Movements during the year Addition VND	Decrease VND	31/12/2022 Carrying amount VND
<b>Borrowings from banks (i)</b>				
- Joint Stock Commercial Bank for Investment and Development of Vietnam	385,100,000,000	3,462,087,294,521	(2,683,717,694,521)	1,163,469,600,000
- Public Bank Vietnam Limited	105,000,000,000	1,030,000,000,000	(1,030,000,000,000)	105,000,000,000
- Vietnam Joint Stock Commercial Bank for Industry and Trade	220,700,000,000	2,161,928,274,581	(2,082,628,000,000)	300,000,274,581
- Vietnam – Asia Commercial Joint Stock Bank	49,500,000,000	198,000,000,000	(247,500,000,000)	-
- Joint Stock Commercial Bank for Foreign Trade of Vietnam	-	850,000,000,000	(400,000,000,000)	450,000,000,000
- Vietnam Prosperity Joint Stock Commercial Bank	-	1,000,000,000,000	(492,152,098,577)	507,847,901,423
<b>Other borrowings (ii)</b>				
- Borrowings from institutions	134,500,000,000	234,400,000,000	(342,400,000,000)	26,500,000,000
- Borrowings from individuals	209,060,000,000	348,445,896,285	(525,481,000,000)	32,024,896,285
	1,103,860,000,000	9,284,861,465,387	(7,803,878,793,098)	2,584,842,672,289

(i) Overdrafts and credit loans from banks bore interest rates from 4.5% to 9.2% per annum, and were secured by deposit contracts/deposit certificates/bonds at banks with a total amount of VND2,309,876,744,103 (1/1/2022: VND882,871,000,000).

(ii) Other borrowings from companies and individuals bore interest rates from 7.6% to 10.6% per annum, and were unsecured (1/1/2022: 9% to 16% per annum).

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

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**15. Short-term bonds issued**

	Interest rate	Number of bonds issued as at 31/12/2022	Total par value as at 31/12/2022
Issued on 30 March 2022	10.5% per annum	1,500,000	150,000,000,000

The Company made a private placement of unsecured bonds, with par value of VND100,000/bond. These bonds had a term of 12 months with interest payment every 3 months.

**16. Payables for securities trading activities**

	31/12/2022 VND	1/1/2022 VND
Payables to Stock Exchanges	1,488,782,259	2,853,871,317
Payables to Vietnam Securities Depository	292,053,256	188,456,079
	1,780,835,515	3,042,327,396

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

	1/1/2022 VND	Incurred VND	Paid/deducted VND	31/12/2022 VND
Value added tax	55,362,056	362,329,278	(327,890,009)	89,801,325
Corporate income tax	1,450,856,133	18,456,111,887	(8,902,130,594)	11,004,837,426
Personal income tax	14,769,881,698	59,492,436,384	(69,151,422,609)	5,110,895,473
Other taxes	-	164,020,001	(133,653,200)	30,366,801
	16,276,099,887	78,474,897,550	(78,515,096,412)	16,235,901,025

**DNSE Securities Joint Stock Company**

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	1/1/2021 VND	Incurred VND	Paid/deducted VND	31/12/2021 VND
Value added tax	10,129,646	71,636,745	(26,404,335)	55,362,056
Corporate income tax	(102,756,184)	13,033,706,447	(11,480,094,130)	1,450,856,133
Personal income tax	519,730,368	29,537,138,104	(15,286,986,774)	14,769,881,698
Other taxes	-	132,885,966	(132,885,966)	-
	427,103,830	42,775,367,262	(26,926,371,205)	16,276,099,887

**18. Accrued expenses**

	31/12/2022 VND	1/1/2022 VND
Accrued interests from bonds issued	87,000,000	2,692,602,740
Accrued interests from borrowings	7,681,079,088	780,508,302
Other accrued expenses	36,000,000	36,000,000
	7,804,079,088	3,509,111,042

**19. Other short-term payables**

	31/12/2022 VND	1/1/2022 VND
Principals payable relating to asset management and optimisation agreements (i)	504,659,662,065	-
Other payables	26,403,884	1,525,509,689
	504,686,065,949	1,525,509,689

- (i) Principals payable relating to asset management and optimisation agreements represent amounts the Company received from investors for management services in accordance with the agreements with those investors, with terms from an indefinite term to 3 months.

**DNSE Securities Joint Stock Company**

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

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**20. Deferred tax liabilities**

Recognised deferred tax liabilities:

	<b>31/12/2022</b> <b>VND</b>	<b>1/1/2022</b> <b>VND</b>
Deferred tax liabilities:		
Gains from revaluation of financial assets at FVTPL	180,170	1,295,311,946
	<hr/>	<hr/>
Total deferred tax liabilities	180,170	1,295,311,946

Movements in temporary differences during the year:

	<b>1/1/2022</b> <b>VND</b>	<b>Recognised</b> <b>in income</b> <b>VND</b>	<b>31/12/2022</b> <b>VND</b>
Other gains from revaluation of financial assets at FVTPL	6,476,559,727	(6,475,658,877)	900,850
	<hr/>	<hr/>	<hr/>
	<b>1/1/2021</b> <b>VND</b>	<b>Recognised</b> <b>in income</b> <b>VND</b>	<b>31/12/2021</b> <b>VND</b>
Other gains from revaluation of financial assets at FVTPL	3,362,879,500	3,113,680,227	6,476,559,727

**21. Off balance sheet accounts**

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

	<b>31/12/2022</b>		<b>1/1/2022</b>	
	<b>Quantity</b> <b>Unit</b>	<b>Amount at</b> <b>par value</b> <b>VND</b>	<b>Quantity</b> <b>Unit</b>	<b>Amount at</b> <b>par value</b> <b>VND</b>
Freely transferred and traded financial assets	10,063,331	100,633,310,000	2,987,193	29,871,880,000
Financial assets awaiting settlement	-	-	5	50,000
		<hr/>		<hr/>
		100,633,310,000		29,871,930,000



**DNSE Securities Joint Stock Company**

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

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

	31/12/2022		1/1/2022	
	Quantity Unit	Amount at par value VND	Quantity Unit	Amount at par value VND
Freely transferred financial assets deposited at VSD but not yet traded	34	340,000	-	-

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

	31/12/2022		1/1/2022	
	Quantity Unit	Amount at par value VND	Quantity Unit	Amount at par value VND
Freely transferred and traded financial assets	791,982,861	7,919,828,610,000	538,896,159	5,388,961,590,000
Financial assets restricted for transfers	2,905,352	29,053,520,000	321,035	3,210,350,000
Pledged financial assets	56,086,251	560,862,510,000	16,013,638	160,136,380,000
Financial assets awaiting settlement	5,889,477	58,894,770,000	7,054,772	70,547,720,000
		<u>8,568,639,410,000</u>		<u>5,622,856,040,000</u>

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

	31/12/2022		1/1/2022	
	Quantity Unit	Amount at par value VND	Quantity Unit	Amount at par value VND
Freely transferred financial assets deposited at VSD but not yet traded	135,792	1,357,920,000	3,129,299	31,292,990,000
Financial assets custodied at VSD but not yet traded and restricted for transfers	12,408,502	124,085,020,000	-	-
		<u>125,442,940,000</u>		<u>31,292,990,000</u>

**DNSE Securities Joint Stock Company**

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

**Form B09 – CTCK**

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**(e) Financial assets awaiting settlement of investors**

	31/12/2022		1/1/2022	
	Quantity Unit	Amount at par value VND	Quantity Unit	Amount at par value VND
Less than 1 year	6,604,473	66,044,730,000	9,965,851	99,658,510,000

**(f) Deposits of customers**

	31/12/2022 VND	1/1/2022 VND
1. Deposits of investors for securities transactions managed by the Company	251,035,496,978	434,671,888,135
<i>a. Deposits of domestic investors for securities transactions managed by the Company</i>	251,035,496,978	434,671,888,135
2. Collective deposits for securities transactions for customers	7,022,034	7,262,740
3. Deposits for clearance and settlement of securities transactions of investors	42,682,352,083	10,268,118,186
<i>a. Deposits for clearance and settlement of securities transactions of domestic investors</i>	40,731,981,299	10,198,213,843
<i>b. Deposits for clearance and settlement of securities transactions of foreign investors</i>	1,950,370,784	69,904,343
	293,724,871,095	444,947,269,061

**(g) Payables to investors**

	31/12/2022 VND	1/1/2022 VND
Payables to investors – Deposits of investors for securities transactions managed by the Company		
<i>Domestic investors</i>	293,719,398,927	444,237,551,749
<i>Foreign investors</i>	4,913,168	709,442,812
	293,724,312,095	444,946,994,561

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

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**22. Operating revenue**

**(a) Gains from sales of financial assets at FVTPL**

	Quantity Unit	Average selling price VND	Total amount VND	Cost VND	Gains from sales of financial assets at FVTPL VND
<b>2022</b>					
Listed shares	901,971	22,215	20,037,068,740	17,620,227,029	2,416,841,712
Deposit certificates	3,453	173,457,439	598,948,538,538	597,102,048,079	1,846,490,459
Unlisted bonds	18,118,514	111,137	2,013,642,368,323	2,002,113,979,588	11,528,388,735
			618,985,607,278	614,722,275,108	15,791,720,906
<b>2021</b>					
Listed shares	3,152,200	28,894	91,079,470,000	73,866,135,800	17,213,334,200
Deposit certificates	1	142,011,670,740	142,011,670,740	142,000,000,000	11,670,740
			233,091,140,740	215,866,135,800	17,225,004,940

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

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**(b) Differences from revaluation of financial assets at FVTPL**

2022	Cost VND	Market price VND	Revaluation differences for the current year VND	Revaluation differences for the prior year VND	Differences from revaluation of financial assets at FVTPL VND
<b>Financial assets at FVTPL</b>					
<i>Listed shares</i>					
Sai Gon Thuong Tin Commercial Joint Stock Bank	151,647,467,564	139,725,022,500	(11,922,445,064)	4,292,337,940	(16,214,783,004)
PetroVietnam Oil Corporation	2,664,885,714	1,501,000,000	(1,163,885,714)	2,152,000,000	(3,315,885,714)
Military Commercial Joint Stock Bank	-	-	-	2,517,279	(2,517,279)
Seed Moc Chau Dairy Cattle Corporation JSC	219,185,851,400	154,186,562,000	(64,999,289,400)	-	(64,999,289,400)
Other shares	281,931,722	188,118,654	(93,813,068)	29,704,508	(123,517,576)
	373,780,136,400	295,600,703,154	(78,179,433,246)	6,476,559,727	(84,655,992,973)
<b>Recognised in the statement of income:</b>					
Upward revaluation differences of financial assets					(6,479,470,056)
Downward revaluation differences of financial assets					78,176,522,917
<b>Unrealised profit during the year</b>					(84,655,992,973)

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

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2021	Cost VND	Market price VND	Revaluation differences for the current year VND	Revaluation differences for the prior year VND	Differences from revaluation of financial assets at FVTPL VND
<b>Financial assets at FVTPL</b>					
<i>Listed shares</i>					
Sai Gon Thuong Tin Commercial Joint Stock Bank	67,559,162,060	71,851,500,000	4,292,337,940	-	4,292,337,940
PetroVietnam Oil Corporation	9,818,000,000	11,970,000,000	2,152,000,000	-	2,152,000,000
Military Commercial Joint Stock Bank	22,105,521	24,622,800	2,517,279	3,362,879,500	(3,360,362,221)
Other shares	217,322,427	247,026,935	29,704,508	-	29,704,508
	77,616,590,008	84,093,149,735	6,476,559,727	3,362,879,500	3,113,680,227
<b>Recognised in the statement of income:</b>					
Upward revaluation differences of financial assets					3,117,610,636
Downward revaluation differences of financial assets					3,930,409
<b>Unrealised profit during the year</b>					<b>3,113,680,227</b>



**DNSE Securities Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***(c) Dividends and interest from financial assets**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
From financial assets at FVTPL	9,405,918,417	100,461,200
From investments held to maturity	112,885,074,974	20,103,523,358
From loans	223,074,905,611	42,693,449,174
	<hr/>	<hr/>
	345,365,899,002	62,897,433,732
	<hr/>	<hr/>

**(d) Revenue other than income from financial assets**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Revenue from securities brokerage	84,848,044,663	90,033,851,558
Revenue from securities underwriting and issuance agency services	250,000,000	-
Revenue from securities investment consulting	6,654,163,033	5,296,806,499
Revenue from securities custody services	2,834,979,254	1,543,034,825
Revenue from financial investment consulting	90,000,000	50,000,000
Other operating income	2,732,330,337	527,166,925
	<hr/>	<hr/>
	97,409,517,287	97,450,859,807
	<hr/>	<hr/>

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

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**23. Losses from sale of financial assets at FVTPL**

2022	Quantity Unit	Average selling price VND	Total amount VND	Cost VND	Losses from sales of securities for the current year VND
Unlisted shares	100,433	29,021	2,914,698,000	3,065,235,664	(150,537,665)
Deposit certificates	284,853	9,607,755	2,736,797,853,768	2,738,409,017,405	(1,611,163,637)
			2,739,712,551,768	2,741,474,253,069	(1,761,701,302)

2021	Quantity Unit	Average selling price VND	Total amount VND	Cost VND	Losses from sales of securities for the current year VND
Unlisted shares	2,324,000	27,525	63,968,400,000	88,400,000,000	(24,431,600,000)
Listed shares	300,300	29,299	8,798,540,000	9,001,750,543	(203,210,543)
Deposit certificates	50,105	9,142,447	458,082,292,041	458,195,451,914	(113,159,873)
			530,849,232,041	555,597,202,457	(24,747,970,416)

**DNSE Securities Joint Stock Company****Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***24. Allowance for impairment of financial assets and doubtful debts, and borrowing costs of margin loans**

	<b>2022 VND</b>	<b>2021 VND</b>
Allowance	39,586,100,297	-
Borrowing costs of margin loans	102,881,528,656	21,234,536,964
	<hr/>	
	142,467,628,953	21,234,536,964
	<hr/>	

**25. Financial income**

	<b>2022 VND</b>	<b>2021 VND</b>
Interest income from demand deposits	1,854,143,406	768,378,459
Realised and unrealised foreign exchange gains	20,701,367	4,962,705
Other financial income	2,906,324,072	-
	<hr/>	
	4,781,168,845	773,341,164
	<hr/>	

**26. General and administration expenses**

	<b>2022 VND</b>	<b>2021 VND</b>
Salary and related expenses	12,145,475,129	8,560,021,392
Office supplies	494,612,165	533,594,950
Depreciation of fixed assets	126,665,812	67,222,538
Taxes, fees and charges	190,660,217	229,309,600
Outside services	21,548,888,663	4,798,370,654
Other expenses	2,565,686,594	672,983,341
	<hr/>	
	37,071,988,580	14,861,502,475
	<hr/>	



**DNSE Securities Joint Stock Company**

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

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**27. Other income**

	<b>2022 VND</b>	<b>2021 VND</b>
Penalties received from counterparties	10,031,942,777	5,145,810,959
Others	42,048,456	19,910
	10,073,991,233	5,145,830,869

**28. Income tax**

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

	<b>2022 VND</b>	<b>2021 VND</b>
<b>Current income tax expense</b>		
Current year	18,456,111,887	13,033,706,447
<b>Deferred tax (benefit)/expense</b>		
Origination from temporary differences	(1,295,131,776)	622,736,046
	17,160,980,111	13,656,442,493

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

	<b>2022 VND</b>	<b>2021 VND</b>
Accounting profit before tax	94,923,798,523	68,125,991,802
Tax at the Company's tax	18,984,759,705	13,625,198,360
Non-deductible tax expenses	57,404,091	51,336,373
Tax exempt income	(1,881,183,685)	(20,092,240)
	17,160,980,111	13,656,442,493

**(c) Applicable tax rates**

Under the terms of the Law on Corporate Income Tax, the Company has an obligation to pay the Government income tax at the rate of 20% of taxable profit.

**DNSE Securities Joint Stock Company**

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

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**29. Significant transactions with related parties**

	Balances as at	
	31/12/2022 Receivable/ (Payable) VND	1/1/2022 Receivable/ (Payable) VND
<b>Encapital Financial Technology Joint Stock Company (Major shareholder)</b>		
Prepayments to suppliers	43,792,223,200	72,028,060,000
	<hr/>	
	Transaction value Income/(expense)	
	2022 VND	2021 VND
<b>Encapital Financial Technology Joint Stock Company (Major shareholder)</b>		
Other income	3,172,591,693	4,229,597,261
System administration expenses	(9,000,000,000)	(9,000,000,000)
Software purchase expenses	(23,904,360,000)	(11,471,940,000)
<b>Encapital Holdings Joint Stock Company (Major shareholder)</b>		
Other income	2,010,165,479	-
<b>Board of Directors, General Director and Supervisory Board</b>		
Salary and bonus of General Director	(1,440,095,238)	(1,182,260,000)
Remuneration of Board of Directors and Supervisory Board	-	-

**30. Operating lease commitments**

The future minimum lease payments under operating leases were:

	31/12/2022 VND	1/1/2022 VND
Within one year	3,361,930,750	1,749,547,372
Within two to five years	23,895,861,660	657,632,640
	<hr/>	
	27,257,792,410	2,407,180,012

**DNSE Securities Joint Stock Company**

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

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*(Issued under Circular No. 334/2016/TT-BTC  
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**31. Comparative information**

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

28 February 2023

Prepared by:



Vu Thi Thanh Tam  
Accountant



Nguyen Thi Duyen  
Chief Accountant

Approved by:



Pham Thi Thanh Hoa  
General Director

