



NICE
Information Service Co., Ltd.

Semi-Annual Report 2020

4. Segment Information:

Executive staffs determine the sector of sales on the basis of reporting while set up the strategies of sales and others. Sales sector of the consolidated entity is strategic units to provide each other's goods and services. These areas require marketing strategy, so this reports had to be shown individually. Sales area is separated by corporate and personal credit information, debt collection service, and others.

(1) Operating results by reportable segment for the ended June 30, 2020 and 2019 are as follows:

(Unit: a dollar)	2020		
Categories	Revenue	Expense	Net amounts
1. Consumer & Corporate CB	194,961,316	(161,386,862)	33,574,454
2. Debt-Collection	32,151,131	(31,128,220)	1,022,911
3. Others	3,073,690	(2,657,229)	416,461
Subtotal	230,186,137	(195,172,311)	35,013,826
Internal Transactions	(3,700,080)	3,710,922	10,842
Equity Method Profit & Loss			93,417
Net Financial Profit&Loss			465,407
Other			(730,219)
Total	226,486,057	(191,461,389)	34,853,273

(Unit: a dollar)	2019		
Categories	Revenue	Expense	Net amounts
1. Consumer & Corporate CB	178,073,186	(147,417,585)	30,655,601
2. Debt-Collection	33,167,838	(32,244,841)	922,997
3. Others	1,850,073	(2,959,852)	(1,109,779)
Subtotal	213,091,097	(182,622,278)	30,468,819

(Unit: a dollar)	2019		
Categories	Revenue	Expense	Net amounts
Internal Transactions	(3,458,065)	3,468,065	10,000
Equity Method Profit & Loss			(73,569)
Net Financial Profit&Loss			441,492
Other			128,895
Total	209,633,032	(179,154,213)	30,975,637

(2) Total Assets of reportable segment as of June 30, 2020 and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Individual & Corporate CB	295,855,959	280,881,919
Collection Service	28,975,129	29,566,787
Other business	7,852,531	9,371,988
Sub total	332,683,619	319,820,694
Internal transaction	(793,741)	(737,863)
Total	331,889,878	319,082,831

(3) Total liabilities of reportable segment as of June 30, 2020 and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Individual & Corporate CB	84,511,367	83,509,696
Collection Service	9,509,590	10,357,769
Other business	1,323,266	1,772,156
Sub total	95,344,223	95,639,621

(In a thousand of KRW)	2020	2019
Internal transaction	(793,741)	(737,863)
Total	94,550,482	94,901,758

(4) Labor services by reportable segment as of June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	2020	2019
Corporate CB & Individual CB Service	110,565,771	96,856,003
Solution & Model Development Service	16,050,891	15,244,993
Self-Credit Management	68,297,626	65,903,952
Collection Service	29,162,444	30,390,276
Other service	2,409,325	1,693,240
Total	226,486,057	209,633,032

(5) Agreement asset & liabilities by reportable segment as of June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	2020	2019
Contract Asset	9,724,037	5,254,108
Contract liabilities	15,638,988	14,925,660

5. Financial Instrument:

(1) Capital Risk Management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratio and debt-to-equity ratio as at June 30, 2020 and June 31, 2019, were as follows:

(In a thousand of KRW)	2020	2019
Total borrowings	-	-
less: cash and cash equivalents	121,426,997	128,510,716
Net debt (a)	-	-
Total equity	237,339,396	224,181,072
Total capital (b)	237,339,396	224,181,072
Gearing ratio (a)/(b)	-	-

(2) Financial instruments by category

Categorizations of financial instruments as at June 30, 2020 and June 31, 2019, are as follows:

1. Financial asset for 2020

(In a thousand of KRW)	2020			Total
	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortized cost	
Cash and cash equivalents	-	-	80,435,131	80,435,131
Trade receivables and Other receivables	-	-	44,492,969	44,492,969

2020				
(In a thousand of KRW)	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortized cost	Total
Other financial assets	-	-	40,991,866	40,991,866
Financial assets at FVTPL	4,156,268	-	-	4,156,268
Financial assets at FVOCI	-	166,471	-	166,471
Other non-financial assets	-	-	25,970,155	25,970,155
Total	4,156,268	166,471	191,890,121	196,212,860

2. Financial liabilities for 2020

2020			
(In a thousand of KRW)	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Trade Payables and Other payables	-	37,653,113	37,653,113
Other current financial liabilities	-	5,066,124	5,066,124
Other non-current financial liabilities	-	13,113,308	13,113,308
Total	-	55,832,545	55,832,545

1. Financial assets for 2019

2019				
(In a thousand of KRW)	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortized cost	Total
Cash and cash equivalents	-	-	89,851,365	89,851,365
Trade receivables and Other receivables	-	-	37,137,171	37,137,171
Other current financial assets	-	-	38,659,351	38,659,351
Financial assets at FVTPL	6,170,601	-	-	6,170,601
Financial assets at FVOCI	-	166,471	-	166,471
Other non-current financial assets	-	-	24,140,483	24,140,483
Total	6,170,601	166,471	189,788,370	196,125,442

2. Financial liabilities for 2019

2019			
(In a thousand of KRW)	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Trade Payables and Other payables	-	41,106,355	41,106,355
Other current financial liabilities	-	7,541,663	7,541,663
Other non-current financial liabilities	-	12,583,203	12,583,203
Total	-	61,231,221	61,231,221

(3) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to

minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's finance team under policies approved by the Corporate Management Committee. The finance team identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Corporate Management Committee reviews and approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, investment of excess liquidity.

1) Market risk

(1) Price risk

The Group is exposed to equity securities price risk arises from investments held by the Group and classified in the consolidated interim statement of financial position as financial assets at FVTPL and available-for-sale financial assets.

Investments in marketable equity securities are at the management's discretion and the Group does not have a separate investment policy for this matter. At the end of the reporting period, the Group's marketable equity instruments are classified as financial assets at FVOCI and changes in fair value are reflected in equity. Therefore, there is no effect of changes in the price of equity instruments on the Group's profit or loss. In case fair value of financial assets at FVTPL, as of the reporting date, either increases or decreases by 10%, the Group's before-tax profit for the six-month periods ended June 30 will increase or decrease by KRW 4,245 million.

(2) Credit risk

Credit risk is managed at group level. Credit risk is posed not only from accounts' credit risk including notes/account receivables and firm contracts in possession but also from bank deposits of banks and financial institutions.

For customers such as banks and financial institutions, transactions are conducted only when an independent credit rating agency assigns a letter grade 'A' as the minimum requirement. For other conventional customers, credit is assessed based on other factors such as the customer's financial condition, past experience, and others. The Group does not have specific risk management policy for business counterparties.

(3) Liquidity risk

Finance team of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below analyzes the Group's financial liabilities and credit contract into relevant maturity groupings based on the remaining period at the reporting period to the contractual maturity date.

2020						
(In a thousand of KRW)	Book Value	C/F on contract	Less than 3 months	Between 3 month ~ 1 year	Between 1 year ~ 5 years	Over 5 years
Trade and other current payables	37,653,113	37,653,113	36,797,430	855,683	-	-
Other current financial liabilities	5,066,124	5,106,944	2,038,446	3,068,498	-	-
Other non-current financial liabilities	13,113,308	15,966,741	-	-	5,515,513	10,451,228
합 계	55,832,545	58,726,798	38,835,876	3,924,181	5,515,513	10,451,228

2019						
(In a thousand of KRW)	Book Value	C/F on contract	Less than 3 months	Between 3 month ~ 1 year	Between 1 year ~ 5 years	Over 5 years
Trade and other current payables	41,106,355	41,106,355	39,210,561	1,895,794	-	-
Other current financial liabilities	7,541,663	7,615,283	1,972,694	5,642,589	-	-
Other non-current	12,583,203	15,320,284	-	-	5,515,980	9,804,304

2019						
(In a thousand of KRW)	Book Value	C/F on contract	Less than 3 months	Between 3 month ~ 1 year	Between 1 year ~ 5 years	Over 5 years
financial liabilities						
합 계	61,231,221	64,041,922	41,183,255	7,538,383	5,515,980	9,804,304

(5) Fair value of financial instruments

- 1) Financial instruments that are measured subsequent to initial recognition at fair value are categorized into Level 1 to Level 3, and fair value measurements of financial instruments by fair value hierarchy level as of June 30, 2020, and June 31, 2019, are as follows:

2020				
(In a thousand of KRW)	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Equity-Linked Securities; ELS	-	809,334	-	809,334
Investment association fund	-	-	3,346,934	3,346,934
Total	-	809,334	3,346,934	4,156,268
Financial liabilities at FVOCI:				
Non-listed stocks	-	-	166,471	166,471

2019				
(In a thousand of KRW)	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Equity-Linked Securities; ELS	-	805,334	-	805,334
Other-Derivative Linked Securities	-	1,015,000	-	1,015,000
Equity-Linked Deposit	-	1,003,333	-	1,003,333
Investment association fund	-	-	3,346,934	3,346,934

2019				
(In a thousand of KRW)	Level 1	Level 2	Level 3	Total
Total	-	2,823,667	3,346,934	6,170,601
Financial liabilities at FVOCI:				
Non-listed stocks	-	-	166,471	166,471

There is no significant movement between Level 1 and Level 2 for the six months ended June 30, 2020 and 2019.

2) The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximate their fair values.

6. Restricted Deposit:

Details of other current assets as of June 31, 2020 and 2019 are as follows:

Restricted deposits as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	Description	2020	2019
Other current financial assets	Establishment of Pledge right	155,000	75,000
Other non-current financial assets	Establishment of Pledge right	-	50,000

7. Trade and Other Receivables:

(1) Trade and other receivables as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Trade receivables	45,276,426	37,321,696
Loss allowance	(1,837,844)	(1,385,655)
Long-term trade receivables (net)	43,438,582	35,936,041
Accrued revenue	517,581	643,747

(In a thousand of KRW)	2020	2019
Loss allowance	(123,513)	(123,513)
Accrued revenue(net)	394,068	520,234
Guarantee Deposits	660,319	680,896
Total	44,492,969	37,137,171

(2) Changes in loss allowance for trade receivables for the six months ended June 30, 2020 and 2019, are as follows:

2020				
(In a thousand of KRW)	Expected Loss	Balance	Loss amount	Book value
Below 30 days	0.63%	42,489,715	(266,265)	42,223,450
Between 30 days ~ 60 days	7.50%	721,380	(54,126)	667,254
Between 60 days ~ 90 days	16.98%	84,529	(14,352)	70,177
Between 90 days ~ 365 days	31.53%	671,662	(211,742)	459,920
Above 356 days	98.64%	1,309,140	(1,291,359)	17,781
Total		45,276,426	(1,837,844)	43,438,582

2019				
(In a thousand of KRW)	Expected Loss	Balance	Loss amount	Book value
Below 30 days	0.41%	34,885,689	(141,801)	34,743,888
Between 30 days ~ 60 days	5.97%	1,006,727	(60,085)	946,642
Between 60 days ~ 90 days	15.60%	240,333	(37,492)	202,841
Between 90 days ~ 365 days	40.41%	50,010	(20,207)	29,803
Above 356 days	98.87%	1,138,937	(1,126,070)	12,867
Total		37,321,696	(1,385,655)	35,936,041

(3) Changes in trade receivable and other allowance for the six months ended June 30, 2020 and 2019, are as follows:

2020			
(In a thousand of KRW)	Beginning balance	Bad debt expenses	Ending balance
Trade receivable allowance	1,385,655	452,189	1,837,844
Accrued revenue allowance	123,513	-	123,513
Total	1,509,168	452,189	1,961,357

2019			
(In a thousand of KRW)	Beginning balance	Bad debt expenses	Ending balance
Trade receivable allowance	1,401,754	74,016	1,475,770
Accrued revenue allowance	37,185	-	37,185
Total	1,438,939	74,016	1,512,955

8. Other Current Financial Assets:

(1) Changes in other financial assets for the six-month periods ended June 30, 2020 and for the year ended June 31, 2019, are as follows:

(In a thousand of KRW)	2020	2019
Short-term financial instruments	40,947,468	38,575,953
Short-term loan	44,398	83,398
Total	40,991,866	38,659,351

9. Other Current Assets:

Other current assets as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Other current assets		
Prepayments	1,349,323	1,252,365
prepaid expenses	1,732,453	482,618
Total	3,081,776	1,734,983
Other non-current assets		
Other Investment assets	250,000	250,000
Long-term prepayemtn	737,925	685,434
Total	987,925	935,434

10. Financial Assets at FVTPL:

(1) Financial assets at FVTPL as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Current Financial assets at FVTPL		
Equity-Linked Securities	809,334	805,334
Equity investment	-	1,003,333
Total	809,334	1,808,667
Non-current Financial assets at FVTPL		
Other-Derivative Linked Securities	-	1,015,000
Investment association fund	3,346,934	3,346,934
Subtotal	3,346,934	4,361,934
Total	4,156,268	6,170,601

(2) Changes in other financial assets for the six-month periods ended June 30, 2020 and for the year ended June 31, 2019, are as follows:

(In a thousand of KRW)	2020	2019
Beginning balance	6,170,601	5,307,376
Acquisition	-	2,500,000
Disposal	(2,019,583)	(88,000)
Evaluation	5,250	22,500
Alternative(*)	-	(380,376)
Ending balance	4,156,268	7,361,500

* Related company named 'Open-mate's convertible stocks change into common stocks which means re-distributed as investment in related company.

11. Financial Assets at FVOCI and AFS Financial Assets:

(1) Financial assets at FVOCI as of June 30, 2020, and AFS financial assets as of June 31, 2019, consist of the following:

(In a thousand of KRW)	Categories	2020	2019
Non-marketable financial assets	Equity Securities	166,471	166,471

12. Tangible Assets:

Changes in the carrying amount of tangible assets for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	Beginning balance	Acquisition	Amortization	Ending balance
Building	21,062,056	-	(274,053)	20,788,003
Mechanical equipment	10,990,225	668,145	(2,013,934)	9,644,436
Furnishing	3,111,936	327,521	(616,992)	2,822,465
Delivery Equipment	12,274	-	(3,240)	9,034
The asset of right of use(Lease asset)	19,929,320	1,892,408	(3,922,935)	17,898,793
Total	55,105,811	2,888,074	(6,831,154)	51,162,731

(In a thousand of KRW)	2019							
	Ending balance(June 30, 2019)	Conversion effect – 1116	Beginning balance	Acquisition	Disposal	Amortization	Alternative	Ending balance
Building	21,456,812	-	21,456,812	-	-	(272,180)	-	21,184,632
Mechanical equipment	11,402,589	-	11,402,589	2,266,636	-	(2,042,425)	-	11,626,800
Furnishing	3,454,216	-	3,454,216	595,635	(704)	(616,523)	28,000	3,460,624
The asset of right of use(Lease asset)	-	15,291,438	15,291,438	37,329	-	(1,496,722)	-	13,832,045

(In a thousand of KRW)	2019							
	Ending balance(June 30, 2019)	Conversion effect – 1116	Beginning balance	Acquisition	Disposal	Amortization	Alternative	Ending balance
Construction in progress	14,000	-	14,000	14,000	-	-	(28,000)	-
합 계	36,327,617	15,291,438	51,619,055	2,913,600	(704)	(4,427,850)	-	50,104,101

13. Investment Properties:

(1) Changes in the carrying amount of investment properties for the six months ended June 30, 2020 and 2019, are as follows:

2020			
(In a thousand of KRW)	Beginning balance	Amortization	Ending balance
Land	3,481,041	-	3,481,041
Building	10,000,722	(145,995)	9,854,727
Structures	1,991,996	(68,976)	1,923,020
Total	15,473,759	(214,971)	15,258,788

2019			
(In a thousand of KRW)	Beginning balance	Amortization	Ending balance
Land	3,481,042	-	3,481,042
Building	10,292,714	(145,996)	10,146,718
Structures	2,129,947	(68,976)	2,060,971
Total	15,903,703	(214,972)	15,688,731

(2) Changes in rent revenue and expense from investment property for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	2020	2019
Rent revenue	171,030	165,114
Rent expense	278,414	263,342

(3) The fair value of investment property for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)			
2020		2019	
Book value	Fair value	Book value	Fair value
15,258,788	17,418,000	15,473,759	17,418,000

14. Intangible Assets:

Changes in the carrying amount of intangible assets for the six months ended June 30, 2020 and 2019, are as follows:

2020				
(In a thousand of KRW)	Beginning balance	Acquisition	Disposal	Ending balance
Goodwill	13,554,007	-	-	-
Customer relationships	605,167	-	-	(363,100)
Other intangibles	14,117,082	2,119,035	(10,233)	(2,567,621)
Total	28,276,256	2,119,035	(10,233)	(2,930,721)

2019				
(In a thousand of KRW)	Beginning balance	Acquisition	Disposal	Ending balance
Goodwill	13,554,008	-	-	13,554,008
Customer relationships	1,331,367	-	(363,100)	968,267
Other intangibles	12,244,246	4,136,487	(2,412,916)	13,967,817
Total	27,129,621	4,136,487	(2,776,016)	28,490,092

15. Investments in Subsidiaries:

(1) Investments in subsidiaries as of June 30, 2020, and June 31, 2019, consist of the following:

Subsidiary	Location	Principal business	Ownership of Group(%)	
			2020	2019
NICE Credit Information	S.Korea	Asset management and debt-collection	100	100
NICE ZiniData	S.Korea	Data analysis service	100	100
Specified Money In Trust	S.Korea	Specified money in trust	100	100

(2) Summarized financial position (before elimination of intercompany transactions and adjustments for differences in accounting policies) of subsidiaries as of June 30, 2020, and June 31, 2019, are as follows:

(단위: 천원)						
(In a thousand of KRW)	NICE Credit Information		NICE Zinidata		Specified Money In Trust	
	2020	2019	2020	2019	2020	2019
Current asset	19,370,655	19,272,684	6,199,453	6,350,240	-	1,514,385
Non-current asset	9,604,474	10,294,103	1,653,078	1,507,363	-	6,519,723
Total assets	28,975,129	29,566,787	7,852,531	7,857,603	-	8,034,108

Current liabilities	8,147,885	8,935,807	687,375	1,137,140	-	15,036
Non-current liabilities	1,361,705	1,421,962	635,891	619,980	-	-
Total liabilities	9,509,590	10,357,769	1,323,266	1,757,120	-	15,036
Total equity	19,465,539	19,209,018	6,529,265	6,100,483	-	8,019,072

(3) Financial performances of the Group's major subsidiaries for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	NICE Credit Information		NICE Zinidata		Specified Money In Trust	
	2020	2019	2020	2019	2020	2019
Operating revenue	32,151,131	33,167,838	3,073,690	1,846,581	-	-
Operating profit and loss	1,022,912	922,997	417,435	(614,040)	(974)	(6,970)
Semi-annual net profit and loss	256,522	682,511	428,782	(627,066)	121	5,009
Other comprehensive profit and loss	-	-	-	-	-	-
Semi-annual total comprehensive profit and loss	256,522	682,511	428,782	(627,066)	121	5,009

(4) Cash flows of the firm's major subsidiaries for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	NICE Credit Information		NICE Zinidata		Specified Money In Trust	
	2020	2019	2020	2019	2020	2019
C/F from operating activity	450,062	1,666,936	336,338	170,147	(14,914)	(3,057)

C/F from investment	(157,060)	(190,641)	(1,609,850)	(474,347)	-	-
C/F from financial activity	(674,807)	(707,561)	(106,739)	(84,429)	(1,499,471)	-
Beginning cash and cash equivalent asset	(381,805)	768,734	(1,380,251)	(388,629)	(1,514,385)	(3,057)
Ending cash and cash equivalent asset	7,742,035	4,288,409	1,927,246	797,317	1,514,385	1,506,389

16. Investments in Associates:

(1) Investments in associates as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KR W)	Company	Main business	Location	Fiscal year	share(%)	Investment	Book value	
							2020	2019
Joint firm	Dongbu Real Estate Trust, 11 (Joint venture)	Real estate rental	S.Korea	Dec.	50	9,500,000	9,566,337	9,565,166
Relative	Nice Info Vietnam Co., LTD	Business strategy and risk consulting	Vietnam	Dec.	40	1,726,040	553,992	879,213

(In a thousand of KR W)	Company	Main business	Location	Fiscal year	share(%)	Investment	Book value	
							2020	2019
	NICE Digital renaissance 3 rd New tech. investment	Other investment institution	S.Korea	Dec.	20.5	1,660,000	1,676,222	1,614,076
	NICE DWR	Securities Investment	S.Korea	Dec.	36.7	11,000,000	11,000,000	-
Total						23,886,040	22,796,551	12,058,455

(2) Changes in investments in associates for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	Beginning balance	Acquisition	Gain&loss in equity method	Dividend acquisition	Capital change in equity method	Ending balance
Dongbu Real Estate Trust, 11 (Joint venture)	9,565,166	-	390,354	(389,183)	-	9,566,337
Nice Info Vietnam Co., LTD	879,213	-	(359,082)	-	33,861	553,992
NICE Digital renaissance 3 rd New tech. investment	1,614,076	-	62,146	-	-	1,676,222

(In a thousand of KRW)	Beginning balance	Acquisition	Gain&loss in equity method	Dividend acquisition	Capital change in equity method	Ending balance
NICE DWR	-	11,000,000	-	-	-	11,000,000
Total	12,058,455	11,000,000	93,418	(389,183)	33,861	22,796,551

2019							
(In a thousand of KRW)	Beginning balance	Acquisition	Gain&loss in equity method	Dividend acquisition	Capital change in equity method	Convertible Stocks	Ending balance
Dongbu Real Estate Trust, 11 (Joint venture)	9,594,896	-	386,886	(415,589)	-	-	9,566,193
Nice Info Vietnam Co., LTD	1,399,766	-	(224,558)	-	39,291	-	1,214,499
Openmate	426,906	-	(215,646)	-	-	380,376	591,636
NICE Digital renaissance 3 rd New tech. investment	-	1,528,000	(20,253)	-	-	-	1,507,747
Total	11,421,568	1,528,000	(73,571)	(415,589)	39,291	380,376	12,880,075

(3) Summarized financial position of the firms' investments in associates as of June 30, 2020, and June 31, 2019 are as follows:

(In a thousand of KRW)							
Categories	Dongbu Real Estate Trust, 11 (Joint venture)		Nice Info Vietnam Co., LTD		NICE Digital renaissance 3 rd New tech. investment		NICE DWR
	2020	2019	2020	2019	2020	2019	2020
Current asset	706,932	760,810	909,878	528,091	921,798	185,825	3,358,475
Non-current asset	48,854,908	48,798,698	2,090,712	2,118,275	7,563,661	7,898,826	26,641,525
Total asset	49,561,840	49,559,508	3,000,590	2,646,366	8,485,459	8,084,651	30,000,000
Current liability	626,465	626,474	730,192	293,917	147,108	49,261	-
Non-current liability	29,802,701	29,802,701	731,002	-	-	-	-
Total Liability	30,429,166	30,429,175	1,461,194	293,917	147,108	49,261	-
Total capital	19,132,674	19,130,333	1,539,396	2,352,449	8,338,351	8,035,390	30,000,000

(4) Financial performances of the Group's major subsidiaries for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)							
Categories	Dongbu Real Estate Trust, 11 (Joint venture)		Nice Info Vietnam Co., LTD		NICE Digital renaissance 3 rd New tech. investment		NICE DWR
	2020	2019	2020	2019	2020	2019	2020
Revenue	1,348,724	1,342,059	192,928	383,603	403,906	447	-

(In a thousand of KRW)							
Categories	Dongbu Real Estate Trust, 11 (Joint venture)		Nice Info Vietnam Co., LTD		NICE Digital renaissance 3 rd New tech. investment		NICE DWR
	2020	2019	2020	2019	2020	2019	2020
Operating profit and loss	1,276,476	1,263,694	(916,832)	(610,287)	302,961	(98,735)	-
Net amount	780,624	773,666	(896,119)	(561,394)	302,961	(98,735)	-
Other comprehensive income	-	-	84,654	98,227	-	-	-
Total comprehensive income	780,624	773,666	(811,465)	(463,167)	302,961	(98,735)	-

(5) Adjustments from equity of associates to book value of shares owned as of June 30, 2020, is as follows:

Categories	Dongbu Real Estate Trust, 11 (Joint venture)		Nice Info Vietnam Co., LTD		NICE Digital renaissance 3 rd New tech. investment		NICE DWR
	2020	2019	2020	2019	2020	2019	2020
Net assets(A)	19,132,674	19,130,333	1,539,396	2,352,449	8,338,351	8,035,390	30,000,000

Categories	Dongbu Real Estate Trust, 11 (Joint venture)		Nice Info Vietnam Co., LTD		NICE Digital renaissance 3 rd New tech. investment		NICE DWR
	2020	2019	2020	2019	2020	2019	2020
Ownership ratio(B)	50.0%	50.0%	40.0%	40.0%	20.5%	20.5%	36.7%
(A)x(B)	9,566,337	9,565,167	615,759	940,980	1,710,431	1,648,285	11,000,000
Other	-	-	(61,767)	(61,767)	(34,209)	(34,209)	-
Goodwill	9,566,337	9,565,167	553,992	879,213	1,676,222	1,614,076	11,000,000
Ending balance	19,132,674	19,130,333	1,539,396	2,352,449	8,338,351	8,035,390	30,000,000

17. Other Non-Current Assets:

Other non-current assets as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Long-term financial instruments	10,000,000	12,000,000
Long-term loan receivables	10,612,276	6,799,021
Guarantee Deposits	5,357,879	5,341,462
Total	25,970,155	24,140,483

18. Trade and Other payables:

Long-term trade and other payables as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Long-term loans	670,489	1,654,462
Accrued expenses	39,812,062	41,507,054
Others	795,273	799,092
Total	41,277,824	43,960,608

19. Other Current Liabilities and Other Non-Current Liabilities:

Other current liabilities and other non-current liabilities as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Other current liabilities:		
Withholdings	8,060,919	7,871,854
Others	107,058	107,508
Total	8,167,977	7,979,362
Other non-current liabilities		
Long-term accrued expense	535,602	499,504

20. Income Tax Expenses:

Income tax expense was recognized as current tax expense adjusted to current adjustments for prior periods, deferred tax income/expenses by origination and reversal of deferred assets/liabilities and temporary differences, and income tax recognized in other comprehensive income. The Group's separate effective tax rate for the six months ended June 30, 2020, was 24.72% (2019: 24.62%).

21. Retirement Plans:

(1) Net defined benefit liabilities as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Present value of defined benefit obligations	44,297,209	42,853,880
Fair value of plan assets	(42,989,607)	(42,227,167)
Net defined benefit obligations(asset)	1,307,602	626,713

(2) Changes in carrying amount of the net defined benefit liabilities for the six months ended June 30, 2020 and 2019, are as follows:

2020			
(In a thousand of KRW)	Present value of defined benefit obligations	Accumulated assets	Total
Beginning balance	42,853,880	(42,227,167)	626,713
Current service cost	2,682,801	-	2,682,801
Interest expense (income)	409,583	(405,446)	4,137
Contributions	-	(2,000,000)	(2,000,000)
Retirement benefits paid	(1,804,822)	1,798,773	(6,049)
Relative transfer	155,767	(155,767)	-
Ending balance	44,297,209	(42,989,607)	1,307,602

2019			
(In a thousand of KRW)	Present value of defined benefit obligations	Accumulated assets	Total
Beginning balance	36,630,473	(37,173,834)	(543,361)
Current service cost	2,417,639	-	2,417,639
Interest expense (income)	406,799	(416,141)	(9,342)

2019			
(In a thousand of KRW)	Present value of defined benefit obligations	Accumulated assets	Total
Contributions	-	(2,500,000)	(2,500,000)
Retirement benefits paid	(1,839,974)	1,824,969	(15,005)
Relative transfer	28,877	(28,877)	-
Ending balance	37,643,814	(38,293,883)	(650,069)

22. Capital Stock:

Capital stock as of June 30, 2020, and June 31, 2019, consists of the following:

(In a thousand of KRW)	2020	2019
Number of shares authorized	200,000,000 shares	200,000,000 shares
Par value	500	500
Number of shares issued	60,714,820 shares	60,714,820 shares
Issued capital	30,357,410,000	30,357,410,000

23. Other Capital Surplus and Other Components of Equity:

(1) Other capital surplus as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Additional Paid-in Capital	49,852,079	49,852,079
Treasury Stock	(6,551,753)	(6,551,753)
Other capital adjustments	(796,569)	(796,569)
Stock award	230,981	75,703
Total	42,734,738	42,579,460

(2) Other capital paid-up as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Beginning balance	42,579,460	42,503,757
Stock award	155,278	30,281
Ending balance	42,734,738	42,534,038

(3) Other components of equity as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Loss on financial assets at FVOCI	(4,322,439)	(4,322,439)
Change in equity method investment	108,764	74,903
Total	(4,213,675)	(4,247,536)

(4) Fluctuation of other components of equity as of June 30, 2020, and June 31, 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Beginning balance	(4,247,536)	(3,328,028)
Change in equity method investment	33,861	39,291
Ending balance	(4,213,675)	(3,288,737)

24. Stock award

(1) Stock option of June 30, 2020, and June 31, 2019, consist of the following:

Placement	Number of shares authorized	Award method	Price (unit : won)	Period	Term
21 st Mar 2020	110,000 shares	New stock issued, Treasury stock	10,905 won	22 nd Mar 2022 ~ 21 st Mar 2026	3 years of work needed

Placement	Number of shares authorized	Award method	Price (unit : won)	Period	Term
		issued, appreciation			
March 26 th 2020	150,000 shares	Treasury stock issued, appreciation	13,882 won	27 nd Mar 2023 ~ 26 st Mar 2027	2 years of work needed

(2) Number of shares and its weighted average price as of June 30, 2020, and June 31, 2019, consist of the following:

(Unit : shares, won)	Number of stocks	Weighted average price
Beginning number of stocks	110,000	10,905
Given stocks	150,000	13,882
Ending number of stocks	260,000	12,623

25. Retained earnings and dividend

(1) Current retained earnings for the six months ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	2020	2019
Earned surplus reserve	7,141,688	5,766,683
Other surplus reserve	2,250,000	2,250,000
Unappropriated earned surplus	159,069,235	147,475,055
Total	168,460,923	155,491,738

(2) The details of the dividend payment for the six months ended June 30, 2020 and 2019, are as follows:

2020					
(Unit : shares, a thousand won)	Total number of stock issued	Treasury stocks	Number of stock dividend	Dividend per share (unit : won)	Total dividend
Common stocks	60,714,820	932,027	59,782,793	230	13,750,042

2019					
(Unit : shares, a thousand won)	Total number of stock issued	Treasury stocks	Number of stock dividend	Dividend per share (unit : won)	Total dividend
Common stocks	60,714,820	932,027	59,782,793	190	11,358,731

26. Other Operating Expenses:

Other operating expenses for the ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	2020	2019
Travel expense	440,019	572,755
Rental expense	538,957	534,430
Task propulsion expense	618,892	1,066,529
Taxes and dues	374,471	293,336

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(In a thousand of KRW)	2020	2019
Advertising expense	11,472,278	8,500,616
Bad debt expense	452,189	74,016
Congratulatory & Condolences Expense	53,789	51,067
Communication expense	1,871,546	1,838,794
Exclusive line use expense	1,290,781	1,053,431
Electronic facilities expense	2,531,096	4,375,807
Information usage expense	625,484	617,145
Insurance premium	738,422	619,644
Conference expense	122,573	339,006
Repair expense	112,935	79,084
Vehicle maintenance expense	104,153	148,568
Cost of sales from sale of goods	154,729	108,223
Training expense	87,459	201,718
Publication expense	202,320	195,743
Building maintenance expense	1,806,591	1,794,984
Utility expense	16,050	16,193
Stock awards	155,278	30,281
Total	23,770,012	22,511,370

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27. FINANCIAL INCOME AND EXPENSES:

Financial income and expenses for the ended June 30, 2020 and 2019, are as follows:

(In a thousand of KRW)	2020	2019
Financial income		
Financial assets at FVOCI	711,020	835,071
Total		
Income expense		
Lease liabilities	245,613	393,579

28. OTHER NON-OPERATING INCOME:

(1) Other non-operating income for the ended June 30, 2020 and 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Gain on foreign currency exchange transaction	29,676	32,931
Gain on financial assets at fair value through profit and loss	5,250	22,500
Gain on disposal of financial assets at fair value through profit and loss	49,705	-
Gains on disposal of tangible assets	600	850
Gain on disposal of intangible assets	14,767	-
Gain on rent	171,030	183,671
Others	3,325	21,594
Total	274,353	261,546

29. OTHER NON-OPERATING EXPENSES:

(1) Other non-operating expenses for the ended June 30, 2020 and 2019, consist of the following:

(In a thousand of KRW)	2020	2019
Losses Foreign Currency exchange Transactions	9,462	18,324
Donations	221,946	53,987
Others	773,164	77,786
Total	1,004,572	151,455

30. EARNINGS (LOSS) PER SHARE:

(1) Basic earnings (loss) per share

Basic earnings (loss) per share for the ended June 30, 2020 and 2019, are as follows (In a thousand of Korean won, except for share data and earnings (loss) per share):

(Unit: Won, shares)	2020	2019
Net profit	26,719,226,688	23,399,472,414
Weighted-average number of common shares outstanding	59,782,793	59,782,793
Earnings (loss) per share:	447	391

(2) Diluted earnings (loss) per share

Diluted earnings (loss) per share for the ended June 30, 2020 and 2019, are the same as the basic earnings (loss) per share, as there are no dilutive potential common shares and dilutive effect.