

# **Bao Minh Insurance Corporation**

Interim financial statements

For the six-month period ended 30 June 2023



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For the six-month period ended 30 June 2023



# Bao Minh Insurance Corporation

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# Bao Minh Insurance Corporation

## GENERAL INFORMATION

### THE CORPORATION

Bao Minh Insurance Corporation ("the Corporation") is a shareholding Corporation incorporated under the Law on Insurance No. 24/2000/QH10 and the Law No. 61/2010/QH12 which amended a number of articles of the Law on Insurance and the Law No. 42/2019/QH14 which amended a number of articles of the Law on Insurance and Law on Intellectual property. Business License No. 27GP/KDBH issued by the Ministry of Finance ("the MoF") on 8 September 2004 and the latest amendment license No. 27/GPDC13/KDBH dated 30 December 2022. The stocks of the Corporation had been listed in Hanoi Stock Exchange since 28 November 2006 and were transferred to Ho Chi Minh City Stock Exchange on 21 April 2008 with the stock code as BMI.

The following summarizes some key information about the entity:

Registered name:	Bao Minh Insurance Corporation
Address:	No.26 Ton That Dam Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City
Operating activities:	providing general insurance products, reinsurance, investing activities and other business operations that are in line with prevailing laws and regulations.
Charter Capital:	VND 1,096,239,850,000
Number of outstanding shares:	109,623,985 shares

As at 30 June 2023, the Corporation has an investment in joint-venture as follow:

<i>Company Name</i>	<i>Charter Capital VND</i>	<i>Capital contributed VND</i>	<i>Ownership %</i>
United Insurance Company	300,000,000,000	145,350,000,000	48.45%

### **Location and branch network**

The Corporation has its Head Office located at No 26, Ton That Dam Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City. As at 30 June 2023, the Corporation has one (1) Head Office and sixty-five (65) branches nationwide.

### **Employees**

The number of the Corporation's employees as at 30 June 2023 is 1,667 (31 December 2022: 1,640).

### **Key events during period**

From 1 January 2023 to 30 June 2023, the Corporation has key event as follow:

On 17 April 2023, the Corporation held a successful Annual General Meeting of 2023 and approved the dividend by cash at the rate of 5% for fiscal year 2022 (VND 500 per share) on charter capital of VND 1,096,239,850,000, equivalent to VND 54,811,992,500; and the dividend by share for fiscal year 2022 was 10% per charter capital of VND 1,096,239,850,000 according to Resolution No.0001/2023-BM/DHDCD.

# Bao Minh Insurance Corporation

## GENERAL INFORMATION (continued)

### BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Dinh Viet Tung	Chairman	Appointed on 23 April 2021
Mr. Tran Van Ta	Member	Appointed on 25 April 2019
Mr. Vu Anh Tuan	Member	Appointed on 25 April 2019
Mr. Kwok Wing Tam	Member	Re-appointed on 25 April 2019
Ms. Bui Thi Thu Thanh	Member	Re-appointed on 25 April 2019
Mr. Le Viet Thanh	Member	Appointed on 24 April 2020
Ms. Callard Stumpf Céline	Member	Appointed on 24 April 2020

### BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Ms. Le Minh Tuyet	Head	Appointed on 01 August 2019
Ms. Phan Thi Hong Phuong	Member	Appointed on 25 April 2019
Mr. Yau Chung Hun	Member	Re-appointed on 25 April 2019
Mr. Nicolas de Nazelle	Member	Re-appointed on 25 April 2019

### MANAGEMENT

Members of the Management during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Vu Anh Tuan	Chief Executive Officer	Appointed on 01 June 2020
Mr. Pham Minh Tuan	Deputy Chief Executive Officer	Appointed on 26 September 2018
Mr. Nguyen The Nang	Deputy Chief Executive Officer	Resigned on 14 April 2023
Mr. Chau Quang Linh	Deputy Chief Executive Officer	Appointed on 08 August 2019
Mr. Nguyen Ngoc Anh	Deputy Chief Executive Officer	Appointed on 16 January 2023
Mr. Vu Hai Lam	Deputy Chief Executive Officer	Appointed on 16 January 2023
Mr. Sai Van Hung	Chief Accountant	Appointed on 10 August 2020

### LEGAL REPRESENTATIVE

The legal representative of the Corporation during the period and at the date of this report is Mr. Vu Anh Tuan - Chief Executive Officer.

### AUDITORS

The auditor of the Corporation is Ernst & Young Vietnam Limited.



Reference: 61169673/66974899-SX

## **REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**To: The Shareholders of Bao Minh Insurance Corporation**

We have reviewed the accompanying interim financial statements of Bao Minh Insurance Corporation ("the Corporation") as prepared on 15 August 2023 and set out on pages 6 to 68, which comprise the interim balance sheet as at 30 June 2023, the interim income statement and the interim cash flow statement for the six-month period then ended and the notes thereto.

### ***Management's responsibility***

The Corporation's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim financial statements and for such internal control as management determines is necessary to enable the preparation and presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' responsibility***

Our responsibility is to express a conclusion on the interim financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Corporation as at 30 June 2023, and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of interim financial statements.

**Emphasis of matter**

We draw attention to Note 39 - Corresponding figures in which the Company describes the restatement of certain corresponding figures in the interim financial statements for the six-month period ended 30 June 2023 to correct error in claim reserve for claim incurred but not reported (IBNR) balance as at 31 December 2022.

Our conclusion is not modified in respect of this matter.

**Ernst & Young Vietnam Limited**



CÔNG TY  
TRÁCH NHIỆM HỮU HẠN  
ERNST & YOUNG  
VIỆT NAM

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Vu Thi Dung  
Deputy General Director  
Audit Practising Registration  
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

15 August 2023



INTERIM BALANCE SHEET  
as at 30 June 2023

Currency: VND

Code	ITEMS	Notes	30 June 2023	31 December 2022 (Restated)
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>6,142,308,016,013</b>	<b>6,287,264,593,775</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>272,360,036,953</b>	<b>168,725,034,414</b>
111	1. Cash		272,360,036,953	168,725,034,414
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>3,204,418,879,709</b>	<b>3,281,240,047,383</b>
121	1. Trading securities	5.1	98,524,973,965	98,535,654,971
122	2. Provision for trading securities		(39,106,094,256)	(44,295,607,588)
123	3. Held-to-maturity investments	5.2	3,145,000,000,000	3,227,000,000,000
<b>130</b>	<b>III. Short-term receivables</b>	<b>6</b>	<b>775,089,166,471</b>	<b>738,536,245,378</b>
131	1. Trade receivables		731,915,906,543	773,041,934,916
131.1	1.1. Insurance receivables		731,915,906,543	773,041,934,916
132	2. Advances to suppliers		6,699,856,795	4,069,611,910
135	3. Other receivables		344,423,836,086	273,963,911,368
139	4. Provision for doubtful debts		(307,950,432,953)	(312,539,212,816)
<b>140</b>	<b>IV. Inventories</b>	<b>7</b>	<b>5,704,968,720</b>	<b>5,225,520,176</b>
141	1. Inventories		5,704,968,720	5,225,520,176
<b>150</b>	<b>V. Other short-term assets</b>		<b>586,073,392,450</b>	<b>654,605,179,435</b>
151	1. Prepaid expenses	8	564,964,090,641	633,906,064,555
151.1	1.1. Unallocated commission expenses		248,287,834,651	264,605,176,559
151.2	1.2. Other prepaid expenses		316,676,255,990	369,300,887,996
152	2. Value-added tax deductible	17	11,998,967,852	13,948,018,136
154	3. Tax and other receivables from the State		9,110,333,957	6,751,096,744
<b>190</b>	<b>VI. Reinsurance assets</b>		<b>1,298,661,571,710</b>	<b>1,438,932,566,989</b>
191	1. Reinsurance ceded unearned premium reserve	20.1	545,700,798,741	455,218,380,182
192	2. Reinsurance ceded claim reserve	20.2	752,960,772,969	983,714,186,807

INTERIM BALANCE SHEET (continued)  
as at 30 June 2023

Currency: VND

Code	ITEMS	Notes	30 June 2023	31 December 2022 (Restated)
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>753,449,677,670</b>	<b>749,616,509,385</b>
<b>210</b>	<b>I. Long-term receivables</b>	<b>9</b>	<b>16,480,825,062</b>	<b>14,459,831,172</b>
218	1. Other long-term receivables		16,480,825,062	14,459,831,172
218.1	1.1. Statutory deposit		7,000,000,000	7,000,000,000
218.2	1.2. Other receivables		9,480,825,062	7,459,831,172
<b>220</b>	<b>II. Fixed assets</b>		<b>286,595,193,639</b>	<b>287,403,398,362</b>
221	1. Tangible fixed assets	10	67,798,676,489	72,850,856,721
222	Costs		238,934,984,720	239,141,755,773
223	Accumulated depreciation		(171,136,308,231)	(166,290,899,052)
227	2. Intangible assets	11	183,449,974,438	185,252,062,696
228	Costs		284,206,931,481	284,206,931,481
229	Accumulated amortization		(100,756,957,043)	(98,954,868,785)
230	3. Construction in progress	12	35,346,542,712	29,300,478,945
<b>240</b>	<b>III. Investment properties</b>	<b>13</b>	<b>153,374,527,141</b>	<b>154,595,649,338</b>
241	1. Costs		181,861,353,463	181,861,353,463
242	2. Accumulated depreciation		(28,486,826,322)	(27,265,704,125)
<b>250</b>	<b>IV. Long-term investments</b>	<b>14</b>	<b>251,711,409,977</b>	<b>252,105,924,536</b>
252	1. Investments in jointly controlled entities and associates	14.1	145,350,000,000	145,350,000,000
253	2. Investment in other entities	14.1	57,615,300,000	57,615,300,000
254	3. Provision for impairment of other long-term investments		(2,954,890,023)	(2,860,375,464)
255	4. Held-to-maturity investments	14.2	51,701,000,000	52,001,000,000
<b>260</b>	<b>V. Other long-term assets</b>		<b>45,287,721,851</b>	<b>41,051,705,977</b>
261	1. Prepaid expenses	15	28,133,291,148	21,856,502,573
262	2. Deferred tax assets	31.3	17,154,430,703	19,195,203,404
<b>270</b>	<b>TOTAL ASSETS</b>		<b>6,895,757,693,683</b>	<b>7,036,881,103,160</b>

INTERIM BALANCE SHEET (continued)  
as at 30 June 2023

Currency: VND

Code	ITEMS	Notes	30 June 2023	31 December 2022 (Restated)
<b>300</b>	<b>C. LIABILITIES</b>		<b>4,409,669,356,323</b>	<b>4,625,742,620,216</b>
<b>310</b>	<b>I. Short-term liabilities</b>		<b>4,408,473,897,574</b>	<b>4,624,601,659,866</b>
312	1. Trade payables	16	909,921,924,852	879,331,850,055
312.1	1.1. Insurance payables		909,921,924,852	879,331,850,055
314	2. Statutory obligations	17	17,589,151,360	18,821,187,558
315	3. Payables to employees		70,739,297,238	171,128,115,768
318	4. Short-term unearned revenue		17,761,659,373	27,219,894,669
319.1	5. Un-earned commission revenue	18	121,236,139,789	104,641,438,802
319	6. Other short-term payables	19	36,063,488,214	20,678,398,749
323	7. Bonus and welfare fund		54,888,032,604	47,042,027,237
329	8. Technical reserves		3,180,274,204,144	3,355,738,747,028
329.1	8.1. Direct and reinsurance assumed un-earned premium reserve	20.1	1,880,210,771,874	1,874,304,158,642
329.2	8.2. Direct and reinsurance assumed claim reserve	20.2	1,068,466,027,330	1,271,121,923,198
329.3	8.3. Catastrophe reserve	20.3	231,597,404,940	210,312,665,188
<b>330</b>	<b>II. Long-term liabilities</b>		<b>1,195,458,749</b>	<b>1,140,960,350</b>
333	1. Other long-term payables		1,195,458,749	1,140,960,350
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>2,486,088,337,360</b>	<b>2,411,138,482,944</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>21</b>	<b>2,486,088,337,360</b>	<b>2,411,138,482,944</b>
411	1. Contributed capital		1,096,239,850,000	1,096,239,850,000
412	2. Share premium		792,244,224,449	792,244,224,449
419	3. Statutory reserves		109,623,985,000	109,623,985,000
420	4. Financial reserve funds		28,085,153,439	28,085,153,439
421	5. Retained earnings		459,895,124,472	384,945,270,056
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>6,895,757,693,683</b>	<b>7,036,881,103,160</b>



Mr. Doan Tan Phong  
Preparer



Mr. Sai Van Hung  
Chief Accountant



Mr. Vu Anh Tuan  
Chief Executive Officer

Ho Chi Minh City, Viet Nam

15 August 2023

INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2023

**PART I: COMPREHENSIVE INCOME STATEMENT**

Currency: VND

Code	ITEMS	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
10	1. Total insurance operating income	2,316,805,178,838	2,068,166,367,056
11	2. Total investment properties income	6,785,207,726	6,159,545,015
12	3. Finance income	133,969,006,977	120,487,025,767
13	4. Other income	492,302,579	135,927,571
20	5. Total insurance operating expenses	(2,146,785,019,538)	(1,900,655,193,706)
21	6. Cost of investment properties	(2,475,098,260)	(2,817,499,740)
22	7. Finance expenses	(42,394,522,594)	(50,514,100,298)
23	8. General and administrative expenses	(81,210,654,158)	(66,816,418,312)
24	9. Other expenses	(377,386,613)	(2,295,822,864)
50	10. Profit before Corporate income tax (50=10+11+12+13+20+21+22+23+24)	184,809,014,957	171,849,830,489
51	11. Current corporate income tax expenses	(34,847,458,758)	(28,010,138,600)
52	12. Deferred tax expense	(2,040,772,701)	(4,152,295,493)
60	13. Net profit for the period after corporate income tax (60=50+51+52)	147,920,783,498	139,687,396,396
70	14. Earnings per share	1,203	1,090



INTERIM INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2023

**PART II: OPERATIONAL INCOME STATEMENT**

Currency: VND

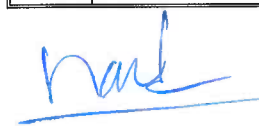
Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
01	<b>1. Insurance premium income (01 = 01.1 + 01.2 + 01.3)</b>	<b>22</b>	<b>3,011,746,566,581</b>	<b>2,642,506,180,481</b>
	<i>In which:</i>			
01.1	- Direct written premium	22.1	2,691,575,571,676	2,489,205,626,724
01.2	- Assumed premium	22.2	326,077,608,137	293,954,789,583
01.3	- Increase in un-earned direct written premium and assumed premium reserve	20.1	(5,906,613,232)	(140,654,235,826)
02	<b>2. Ceded premium (02 = 02.1 + 02.2)</b>	<b>23</b>	<b>(798,696,786,076)</b>	<b>(676,839,189,851)</b>
	<i>In which:</i>			
02.1	- Ceded premium		(889,179,204,635)	(711,189,832,435)
02.2	- Increase in ceded premium reserve	20.1	90,482,418,559	34,350,642,584
03	<b>3. Net insurance premium (03 = 01 + 02)</b>		<b>2,213,049,780,505</b>	<b>1,965,666,990,630</b>
04	<b>4. Ceded commission and other income from insurance activities (04 = 04.1 + 04.2)</b>	<b>24</b>	<b>103,755,398,333</b>	<b>102,499,376,426</b>
	<i>In which:</i>			
04.1	- Ceded commission		102,791,909,738	101,763,898,910
04.2	- Other income from insurance activities		963,488,595	735,477,516
10	<b>5. Total operating revenues (10 = 03 + 04)</b>		<b>2,316,805,178,838</b>	<b>2,068,166,367,056</b>
11	<b>6. Claim expenses (11 = 11.1 + 11.2)</b>	<b>25</b>	<b>(988,490,252,621)</b>	<b>(1,043,115,512,961)</b>
	<i>In which:</i>			
11.1	- Claim expenses		(991,496,375,294)	(1,048,021,372,107)
11.2	- Deductions (third party recoveries and salvages)		3,006,122,673	4,905,859,146
12	<b>7. Recoveries from reinsurance ceded</b>	<b>25.3</b>	<b>230,141,608,662</b>	<b>395,396,049,982</b>
13	<b>8. Decrease in direct and assumed claim reserve</b>	<b>25</b>	<b>202,655,895,868</b>	<b>388,955,050,150</b>
14	<b>9. Decrease in ceded claim reserve</b>	<b>25</b>	<b>(230,753,413,838)</b>	<b>(304,823,645,964)</b>
15	<b>10. Total claim expenses (15 = 11 + 12 + 13 + 14)</b>		<b>(786,446,161,929)</b>	<b>(563,588,058,793)</b>

INTERIM INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2023

**PART 2: OPERATIONAL INCOME STATEMENT (continued)**

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
16	11. Increase in catastrophe reserve	20.3	(21,284,739,752)	(20,719,705,839)
17	12. Other operating expenses (17 = 17.1 + 17.2) <i>In which</i>	26	(1,339,054,117,857)	(1,316,347,429,074)
17.1	- Commission expenses		(407,082,242,061)	(375,732,552,590)
17.2	- Other expenses from insurance activities		(931,971,875,796)	(940,614,876,484)
18	13. Total direct operating expenses (18 = 15 + 16 + 17)		(2,146,785,019,538)	(1,900,655,193,706)
19	14. Gross insurance operating profit (19 = 10 + 18)		170,020,159,300	167,511,173,350
20.	15. Total investment properties income		6,785,207,726	6,159,545,015
21	16. Cost of investment properties		(2,475,098,260)	(2,817,499,740)
22	17. Profit from investment properties (22 = 20+21)		4,310,109,466	3,342,045,275
23	18. Finance income	27	133,969,006,977	120,487,025,767
24	19. Finance expenses	28	(42,394,522,594)	(50,514,100,298)
25	20. Profit from financial activities (25 = 23 + 24)		91,574,484,383	69,972,925,469
26	21. General and administrative expenses	29	(81,210,654,158)	(66,816,418,312)
30	22. Net operating income (30 = 19 + 22 + 25 + 26)		184,694,098,991	174,009,725,782
31	23. Other income	30	492,302,579	135,927,571
32	24. Other expenses	30	(377,386,613)	(2,295,822,864)
40	25. Other profit (40 = 31 + 32)		114,915,966	(2,159,895,293)
50	26. Profit before corporate income tax (50 = 30 + 40)		184,809,014,957	171,849,830,489
51	27. Current corporate income tax expenses	31.1	(34,847,458,758)	(28,010,138,600)
52	28. Deferred tax expense	31.3	(2,040,772,701)	(4,152,295,493)
60	29. Profit after corporate income tax (60 = 50 + 51 + 52)		147,920,783,498	139,687,396,396
70	30. Earnings per share	35	1,203	1,090

  
Mr. Doan Tan Phong  
Preparer

  
Mr. Sai Van Hung  
Chief Accountant

  
Mr. Vu Anh Tuan  
Chief Executive Officer



Ho Chi Minh City, Viet Nam

15 August 2023



INTERIM CASH FLOW STATEMENT  
for the six-month period ended 30 June 2023

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>184,809,014,957</b>	<b>171,849,830,489</b>
01	<b>Net profit before tax</b>			
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortization of intangible assets		8,202,550,687	9,102,888,926
03	Provisions		(44,877,326,241)	40,614,104,597
04	Foreign exchange (loss)/gains arising from revaluation of monetary accounts denominated in foreign currency		(24,073,224)	1,971,564,088
05	Profits from investment activities and other activities		(126,381,889,573)	(109,732,683,216)
08	<b>Operating profit before changes in working capital</b>		<b>21,728,276,606</b>	<b>113,805,704,884</b>
09	Increase in receivables		(84,916,910,818)	(96,111,796,610)
10	(Increase)/decrease in inventories		(479,448,544)	483,422,557
11	(Decrease)/increase in payables		(61,063,122,656)	36,735,679,963
12	Decrease/(increase) in prepaid expenses		62,665,185,339	(55,456,412,283)
13	Decrease/(increase) in held-for-trading securities		10,681,006	(8,130,890,011)
15	Corporate income tax paid	17	(34,759,569,768)	(28,078,133,692)
20	<b>Net cash flows used in operating activities</b>		<b>(96,814,908,835)</b>	<b>(36,752,425,192)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase, construction of fixed assets and other long-term assets		(6,173,223,767)	(1,666,558,299)
22	Proceeds from disposals and transfer of fixed assets and other long-term assets		12,476,767	5,097,364
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,139,000,000,000)	(1,428,840,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		1,221,300,000,000	1,399,840,000,000
27	Interest and dividends received		178,931,774,276	96,928,154,974
30	<b>Net cash flows from investment activities</b>		<b>255,071,027,276</b>	<b>66,266,694,039</b>



INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2023

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
36	Dividends paid out	21	(54,811,992,500)	(164,435,977,500)
40	<b>Net cash flows used in financing activities</b>		<b>(54,811,992,500)</b>	<b>(164,435,977,500)</b>
50	<b>Net in cash for the period</b>		<b>103,444,125,941</b>	<b>(134,921,708,653)</b>
60	<b>Cash and cash equivalents at the beginning of period</b>		<b>168,725,034,414</b>	<b>220,659,039,990</b>
61	<b>Impact of exchange rate fluctuation</b>		<b>190,876,598</b>	<b>293,970,678</b>
70	<b>Cash and cash equivalents at the end of period</b>	4	<b>272,360,036,953</b>	<b>86,031,302,015</b>



Mr. Doan Tan Phong  
Preparer



Mr. Sai Van Hung  
Chief Accountant



Mr. Vu Anh Tuan  
Chief Executive Officer



Ho Chi Minh City, Viet Nam

15 August 2023



NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at and for the six-month period ended 30 June 2023

**1. CORPORATE INFORMATION**

Bao Minh Insurance Corporation ("the Corporation") is a shareholding Corporation incorporated under the Law on Insurance No. 24/2000/QH10 and the Law No. 61/2010/QH12 which amended a number of articles of the Law on Insurance and the Law No. 42/2019/QH14 which amended a number of articles of the Law on Insurance and Law on Intellectual property. Business License No. 27GP/KDBH issued by the Ministry of Finance ("the MoF") on 8 September 2004 and the latest amendment license No. 27/GPDC13/KDBH dated 30 December 2022. The stocks of the Corporation had been listed in Hanoi Stock Exchange since 28 November 2006 and were transferred to Ho Chi Minh City Stock Exchange on 21 April 2008 with the stock code as BMI.

The following summarizes some key information about the entity:

Registered name:	Bao Minh Insurance Corporation
Address:	No.26 Ton That Dam Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.
Operating activities:	providing general insurance products, reinsurance, financial investment and other business operations that are in line with prevailing laws and regulations.
Charter Capital:	VND 1,096,239,850,000
Number of outstanding shares:	109,623,985 shares

The capital structure of the Corporation as at 30 June 2023:

<i>Shareholder</i>	<i>Number of shares</i>	<i>Ownership</i>
- State Capital Investment Corporation	55,580,817	50.70%
- AXA.SA – France	18,251,640	16.65%
- Firstland Ltd, Co.	6,195,175	5.65%
- Bao Minh's employees and other shareholders	29,596,353	27.00%
	<b>109,623,985</b>	<b>100%</b>

**Joint Venture Company**

<i>Company Name</i>	<i>Charter Capital VND</i>	<i>Capital Contributed VND</i>	<i>Ownership %</i>
United Insurance Company	300,000,000,000	145,350,000,000	48.45%

United Insurance Company ("UIC") was incorporated in Vietnam as a joint venture company among the Bao Minh Corporation, Sompo Japan Insurance Company (incorporated in Japan) and KB Insurance Company for 25 years under the Investment Certificate No. 2003/GP dated 1 November 1997 issued by the Ministry of Planning and Investment, and the latest amendment No. 09GP/KDBH dated 29 April 2010 issued by the Ministry of Finance. UIC has its head office locate at No 2, Ngo Quyen Street, Hoan Kiem District, Hanoi, Vietnam.

The principal activities of the UIC are to provide general insurance services, reinsurance services and other related services including: inspection, investigation, calculation adjusters, evaluation and process of claims from third party.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**1. CORPORATE INFORMATION** (continued)

***Location and branch network***

The Corporation has its Head office located at No 26, Ton That Dam Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City. As at 30 June 2023, the Corporation has one (1) Head Office and sixty-five (65) branches nationwide.

***Employee***

The number of the Corporation's employees as at 30 June 2023 is 1,667 (31 December 2022: 1,640).

**2. BASIC FOR PREPARATION**

**2.1 *Accounting standards and system***

The interim financial statements of Bao Minh Insurance Corporation, which are expressed in Vietnam Dong ("VND"), are prepared in accordance with accounting guidance for non-life insurance companies issued by the Ministry of Finance in Circular No. 232/2012/TT-BTC (Circular 232) dated 28 December 2012, Vietnamese Accounting Standard No.27 – Interim Financial Reporting and Vietnamese Enterprise Accounting System stipulated in Circular No. 200/2014/TT-BTC dated 22 December 2014, in accordance with Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim financial position and interim results of operations and interim cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2.2. *Applied accounting documentation system***

The Corporation's applied accounting documentation system is the Journal Ledger system.

**2.3 *Fiscal year***

The Corporation's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December. The Corporation also prepares interim financial statements for the six-month period ended 30 June.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**2. BASIC FOR PREPARATION (continued)**

**2.4 Accounting currency**

The interim financial statements are prepared in Vietnam Dong ("VND") which is also the Corporation's accounting currency.

**2.5 Statement on the compliance with Vietnamese accounting standards and systems**

Management of the Corporation confirms that the Corporation has complied with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Systems, the accounting guidance applicable to insurance companies and statutory requirements relevant to preparation and presentation of interim financial statements.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Changes in accounting policies and disclosures**

The accounting policies adopted by the Corporation in preparation of the interim financial statements for the six-month period ended 30 June 2023 are consistent with those followed in the preparation of the Corporation's interim financial statements for the year ended 31 December 2022 and the interim financial statements for the six-month period ended 30 June 2022., except for the change: Circular No. 24/2022/TT-BTC takes effect from 25 May 2022 and applies since financial year of 2022 on amendments and supplements to several articles of Circular No. 48/2019/TT-BTC of the Minister of Finance, providing instructions about creation and management of provisions for devaluation of inventories, loss of investments, bad debts and warranties for products, goods, services or construction works at enterprises. The main change of Circular No. 24/2022/TT-BTC is the exemption from provisioning requirements for Government bonds, Government-guaranteed bonds and municipal bonds.

**3.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

**3.3 Receivables**

Receivables comprise of trade receivables and other receivables that are initially recognized at cost and subsequently are recognized at cost.

Provision for impairment of receivables will be made based on their overdue ages. For undue receivables but those were owned by indebted economic organizations which fall bankrupt or are undergoing dissolution procedures, debtors are missing, have absconded, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased, these undue receivables should be estimated the irrecoverable loss for appropriating the provision. Increases or decreases to the provision balance are recorded as the administrative expense in the interim income statement.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.3 Receivables (continued)**

For overdue receivables, the Corporation adopts the provision policy as promulgated by the Ministry of Finance in Circular No. 48/2019/TT-BTC, effective on 10 October 2019 (Circular 48"). Details on the basis of provision are as follows:

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

**3.4 Fixed assets**

Fixed assets are stated at cost less accumulated depreciation/amortization.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim income statement.

**3.5 Depreciation and amortization**

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset, which are as follows:

	<u>Number of years</u>
Machinery and equipment	08 – 15
Vehicle	10 - 15
Office equipment	06 - 10
Buildings	20 - 45
Other tangible fixed assets	04 - 06
Software	03 - 08
Land use rights with finite terms	Based on the terms on Certificates of land use rights

Land use rights with indefinite term are not amortised in accordance with Circular 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013.

**3.6 Construction in progress**

Properties in the course of construction for operation, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and other expenses for qualifying assets, with in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.7 *Investment properties***

Investment properties are stated at cost including transaction cost less accumulated depreciation and/or amortization. Investment properties held for capital appreciation are not depreciated/amortised but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Corporation.

Depreciation and amortization of investment properties are calculated on a straight-line basis over the estimated useful life of each asset.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

**3.8 *Prepaid expenses***

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

**3.9 *Investments***

**3.9.1 *Investments in joint-venture companies***

Investments in joint-venture companies over which the Corporation has joint control are carried at cost.

Distributions from accumulated net profits of the joint-venture companies arising subsequent to the date of acquisition are recognised in the interim income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

**3.9.2 *Held-for-trading securities***

Trading securities include securities listed on the securities market and other securities and financial instruments which are held for trading purpose. Trading securities are stated at their acquisition costs less provision for impairment losses.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**3.9 Investments** (continued)

**3.9.3 Held-to-maturity investments**

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the interim financial statements and deducted against the value of such investments.

**3.9.4 Investments in other entities**

Investments in other entities include equity investments in other entities that the Corporation does not have control, joint control or significant influence. The investments are initially recognized at cost and subsequently are recognized at cost during the holding period. Other investments are subject to review for impairment. Any impairment losses are recognized in the Corporation's interim income statement.

**3.9.5 Provision for diminution in value of investment**

Provision for impairment of investment is made with reference to Circular 48 and Circular 24. Details of the basis of determination of impairment of investment are as follows:

Listed shares

For financial investments in listed shares that are carried at cost in accordance with Vietnamese Accounting Standards, if there is an objective evidence about an impairment loss on a listed share that is carried at cost, the amount of the loss is measured as the difference between the investments' carrying amount and the closing market value as at the balance sheet date based the formula as follows:

$$\begin{array}{l} \text{Provision for} \\ \text{diminution of} \\ \text{value in} \\ \text{individual} \\ \text{shares} \end{array} = \begin{array}{l} \text{Quantity of} \\ \text{impaired} \\ \text{securities held} \\ \text{as at the period-} \\ \text{end} \end{array} \times \left( \begin{array}{l} \text{Unit price of} \\ \text{security in} \\ \text{accounting} \\ \text{book} \end{array} - \begin{array}{l} \text{Market price of a} \\ \text{unit of security as} \\ \text{at the period-end} \end{array} \right)$$

Unlisted shares

For unlisted shares, the following methods were used in calculating the fair value in order to compare with the book value to determine the provision:

- ▶ For shares which have been registered for trading in the market specially tailored for shares of unlisted companies (UPCom), market value is the average trading price within the last 30 transaction days before balance sheet date announced by the Stock exchange.
- ▶ Market value of over-the-counter (OTC) shares is the average price announced by at least three (3) independent securities companies operating in Vietnam.

For other securities that have no market prices for purpose of making provision of impairment, the Corporation considers using book value of securities.

Equity investments in other entities

For capital amounts invested by the enterprise in economic organizations and other long-term investments, a provision was set up if economic organizations in which the enterprise is investing suffer from loss (except where such losses are already planned in their business plans before investment).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.9 Investments (continued)**

**3.9.5 Provision for diminution in value of investment**

Equity investments in other entities (continued)

The level of provision for each financial investment to be set up shall be at most equal to the capital amount already invested and calculated according to the following formula as given in the Circular 48:

Level of provision for investment	=	Actual rate of charter capital (%) of the enterprise at an business organization at the time of making the provision	X	Parties' actual investment capital at the business organization receiving capital contribution at the time of making the provision	-	Actual equity capital of business organization at the time of making the provision
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The basis for setting up the provision is the positive difference between the parties' actual capital contributions and the actual owners' equity at the time of preparing the economic organization's interim financial statements.

**3.10 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Corporation.

**3.11 Technical reserves**

The technical reserves include (i) unearned premium reserve, (ii) claims reserve and (iii) catastrophe reserve. The reserving methodologies are based on specific regulations of Circular No. 50/2017/TT-BTC dated 15 May 2017 issued by the MoF ("Circular 50"), Circular No. 89/2020/TT-BTC dated 11 November 2020 amended and supplemented certain articles of Circular 50 and approved according to the Official Letter 3167/BTC-QLBH dated 21 March 2018 as follows:

*(i) Unearned premium reserve:*

Based on 1/365 method - based on remaining day of insurance policy for the following types of insurance: Property & Casualty, Cargo, Vehicle, Fire & Explosion, Marine Hull, Liability and Business Interruption.

Based on 1/24 method for all non – life reinsurance business and the following types of insurance policy: Aviation, Motor, Credit & financial risk, Agriculture and Guarantee.

Gross and assumed unearned premium reserve are presented as liabilities; Unearned premium reserve of ceded reinsurance is presented as reinsurance asset.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.11 Technical reserves (continued)**

a) Technical reserves for non-life insurance (continued)

(ii) *Claims reserves*

Claims reserves include the reserve for outstanding claims but not yet resolved and for claims incurred but not reported.

- ▶ Outstanding claims reserve is established based on the estimated claims payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the period; and

- ▶ Reserve for incurred but not reported claims is calculated as follow:

For Vehicle insurance and Health and Personal accident insurance, the following formula is applied:

$$\begin{array}{ccccccc}
 & & \text{Total indemnity for} & & & \text{Net written} & \text{Average time} \\
 & & \text{claims unmade at} & & & \text{premiums} & \text{of claim} \\
 & & \text{the end of the year} & & & \text{during the} & \text{reporting} \\
 & & \text{last three} & & \text{Total} & \text{current} & \text{delay during} \\
 & & \text{consecutive fiscal} & & \text{indemnity} & \text{fiscal year} & \text{the current} \\
 & & \text{years} & & \text{losses} & & \text{fiscal year} \\
 \text{IBNR of} & = & \frac{\hspace{10em}}{\hspace{10em}} & \times & \text{arising in} & \times & \frac{\hspace{10em}}{\hspace{10em}} \\
 \text{current year} & & & & \text{the} & & \text{Average time} \\
 & & \text{Total indemnity for} & & \text{current} & \text{Net written} & \text{of claims} \\
 & & \text{losses arising in} & & \text{fiscal} & \text{premiums} & \text{reporting} \\
 & & \text{the last three} & & \text{year} & \text{during the} & \text{delay during} \\
 & & \text{consecutive fiscal} & & & \text{previous} & \text{the previous} \\
 & & \text{years} & & & \text{fiscal year} & \text{year}
 \end{array}$$

For other line of insurance product, applying the rate of 3% on the total retained premium.

(iii) *Catastrophe reserve*

Catastrophe reserve is accrued annually until such reserve reaches 100% of the retained premiums of the current financial year. The Corporation has elected to adopt the policy of providing for catastrophe reserve at 1% of total retained premium for each line of insurance.

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 - Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree No. 73/2016/ND-CP issued by the Government of Vietnam on 1 July 2016 regarding financial regulations for insurance enterprises ("Decree 73"). The Corporation still makes provision for catastrophe reserve for the six-month period ended 30 June 2023. The Corporation has elected to adopt the policy of providing for the catastrophe reserve at 1% of total retained premium for each insurance product.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Technical reserves (continued)

b) Technical reserve for health insurance

(i) Mathematical reserve

- ▶ Regarding health insurance policies and reinsurance policies with a term of more than 1 year, unearned premiums reserve is calculated based on 1/24 method. In any cases, mathematical reserve must give results not less than those obtained from 1/8 method.
- ▶ Regarding health insurance policies which only cover death or total permanent disability, mathematical reserve is calculated based on net premium valuation and basis for term life insurance according to Circular 50.

(ii) Unearned premiums reserve

Regarding insurance policies with a term of less than or equal to 1 year, unearned premiums reserve is calculated based on 1/24 method.

(iii) Claim reserves

Claims reserves include the reserve for outstanding claims but not yet resolved and for claims incurred but not reported.

- ▶ Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the period; and
- ▶ Reserve for incurred but not reported claims is applied the following formula:

$$\begin{array}{ccccccc}
 \text{IBNR of} & & \text{Total indemnity for} & & \text{Net written} & & \text{Average time} \\
 \text{current year} & = & \text{claims unmade at} & & \text{premiums} & & \text{of claim} \\
 & & \text{the end of the year} & & \text{during the} & & \text{reporting delay} \\
 & & \text{last three} & & \text{current fiscal} & & \text{during the} \\
 & & \text{consecutive fiscal} & & \text{year} & & \text{current fiscal} \\
 & & \text{years} & \times & & \times & \text{year} \\
 & & \text{Total indemnity for} & & \text{Net written} & & \text{Average time} \\
 & & \text{losses arising in} & & \text{premiums} & & \text{of claims} \\
 & & \text{the} & & \text{during the} & & \text{reporting delay} \\
 & & \text{current} & & \text{previous} & & \text{during the} \\
 & & \text{fiscal year} & & \text{fiscal year} & & \text{previous year} \\
 & & & & & & \\
 & & \text{Total indemnity for} & & & & \\
 & & \text{losses arising in the} & & & & \\
 & & \text{last three} & & & & \\
 & & \text{consecutive fiscal} & & & & \\
 & & \text{years} & & & & 
 \end{array}$$

(iv) Balancing reserve

Balancing reserve for health insurance is established at 1% of retained premium.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 *Transactions in foreign currencies*

Transactions in currencies other than the Corporation's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised are recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the interim balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Corporation conducts transactions regularly;
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Corporation conducts transactions regularly.

All foreign exchange differences incurred are taken to the interim income statement.

#### 3.13 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval by the appropriate level of authority in the Annual General Meeting, and after making appropriation to reserve funds and remuneration to Board of Managements, Board of Directors and Board of Supervision in accordance with the Corporation's Charter and Vietnam's regulatory requirements.

The Corporation maintains the following reserve funds which are appropriated from the Corporation's net profit as proposed by the Board of Managements and subject to approval by shareholders at the Annual General Meeting:

- ▶ Statutory reserve is set in order to supplement the Corporation's charter capital and ensure its solvency. This fund shall deduct 5% of the Corporation's annual profit after tax until it equals to 10% of the Corporation's charter capital based on Decree 73.
- ▶ Bonus and welfare fund is set in order to reward employees, encourage physical benefits and improve the general welfare for employees, and presented as a liability on the interim balance sheet.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.14 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*(i) Gross written premiums*

Gross written premiums are recognized in accordance with Circular 50 on financial regime applicable to insurers, reinsurers, insurance brokers and foreign general insurance branches.

Specifically, gross written premium is recognized as revenue based on the inception of policies (at the point of time when risk is insured) and when the following conditions are met:

- (1) the insurance contract has been entered into by the insurer and the insured, and the insured has paid full premium; or
- (2) there's evidence about coverage acceptance and the insured has paid full premium; or
- (3) the insurance contract has been entered into by the insurer and the insured and there is agreement between the Corporation and the insured for term payment of insurance premium, which in such case the insurer still should recognize as revenue the premium payables according to agreement in the insurance contract. The credit term shall not exceed 30 days from policy inception date. For instalment contracts, general insurers are required to record revenue from insurance premium of the first instalment on the insurance contract's effective date and record revenue from premium of the remaining instalments only when the policyholder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment, insurance contract shall automatically terminate after contractual premium payment date.

Advance premium before due date is recorded as "Short-term unearned revenue" in the interim balance sheet as at the interim balance sheet date.

*(ii) Reinsurance recovery from outward reinsurance*

Reinsurance recovery is recognized on an accrual basis.

*(iii) Commission income from outward reinsurance*

Commission income is recognized on an accrual basis and based on outward reinsurance premium ceded.

*(iv) Interest*

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless recoverability is improbable.

*(v) Dividends*

Income is recognized when the Corporation's entitlement as an investor to receive the dividend in cash is established. If the Corporation is entitled to receive dividend in shares or bonus share, only the number of shares received will be reflected in the share portfolio of the Corporation.

*(vi) Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the terms of the lease.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 *Expense recognition*

(i) *Outward reinsurance premium*

Outward reinsurance premium ceded is recognized as expense on an accrual basis and based on gross written premiums and reinsurance arrangements.

(ii) *Claim expense*

Claim expenses are recognized at the point of time when the claims documents are completed and approved by authorized personnels. Any claim that is not yet approved by authorized personnels is considered as an outstanding claim and included in claims reserve.

(iii) *Commission expense*

Commission expenses are recognized on accrual basis. Commission expenses are calculated at percentage of gross written premium and recognized in the interim income statement. The percentage of commission over the gross written premium for specific line of insurance is stipulated in Circular 50. At the end of accounting period, the part of insurance commission which is not included in income and expense of period corresponding with unearned premium of direct insurance shall be determined and allocated in the subsequent years using registered method for unearned premium reserve.

(iv) *Other general administrative expense*

Other general and administrative expense is recognized on accrual basis.

(v) *Leased assets*

Rentals paid under operating leases are charged to the interim income statement on a straight-line basis over the term of the lease.

#### 3.16 *Recognition of reinsurance activities*

(i) *Reinsurance ceded*

- ▶ Reinsurance premium ceded under treaty reinsurance agreements are recognized when gross written premiums within the scope of the treaty agreements are recognized.
- ▶ Reinsurance premium ceded under facultative reinsurance agreements is recognized when the facultative reinsurance agreement has been entered into by the Corporation and when gross written premiums within the scope of the facultative agreements are recognized.
- ▶ Reinsurance recovery is recognized when there is evidence of liability on the part of the reinsurer.
- ▶ Reinsurance commission is recognized when there is a corresponding reinsurance premium ceded. As at the reporting date, reinsurance commission belongs to treaty reinsurance agreement is recognized based on the statement of account with the reinsurer.

At the end of the accounting period, the part of reinsurance commission which is not included in income and expenses of the period corresponding to unearned premium of reinsurance ceded shall be determined and allocated in the subsequent periods based on registered method for unearned premium reserve.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**3.16 Recognition of reinsurance activities** (continued)

(ii) *Reinsurance assumed*

Reinsurance assumed under treaty arrangement:

- ▶ Income and expenses relating to reinsurance assumed under treaty arrangements are recognized when the statement of account is received from the cedants. As at the reporting date, income and expenses relating to reinsurance assumed under treaty arrangements but for which the cedants have not sent their statement of accounts are estimated based on the historical experience and the Corporation's own estimate taking into account.

Reinsurance assumed under facultative arrangement:

- ▶ Reinsurance premium assumed is recognized when the facultative reinsurance agreement has been entered into by the Corporation and a statement of account (for each facultative reinsurance agreement) has been received from the cedants;
- ▶ Claim expenses for reinsurance assumed is recognized when there is evidence of liability of the Corporation and when a statement of account has been sent to the Corporation; and
- ▶ Reinsurance commission is recognized when the reinsurance premium is ceded and when a statement of account has been sent to the Corporation. At the end of accounting period, the part of reinsurance commission which is not included in expenses of the period corresponding to unearned premium of reinsurance assumed shall be determined and allocated in the subsequent periods based on registered method for unearned premium reserve.

**3.17 Taxation**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the interim balance sheet date.

Current income tax is charged or credited to the interim income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Corporation to off-set current tax assets against current tax liabilities and when the Corporation intends to settle its current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred tax is provided using liability method on temporary differences at the interim balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.17 Taxation (continued)**

*Deferred tax (continued)*

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each interim balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each interim balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.18 Financial instruments**

*Financial instruments – initial recognition and presentation*

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the interim financial statements, as financial assets at fair value through interim profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Corporation determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Corporation's financial assets include cash and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.18 Financial instruments (continued)**

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the interim financial statements, as financial liabilities at fair value through interim profit or loss or financial liabilities measured at amortised cost as appropriate. The Corporation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Corporation's financial liabilities include trade, other payables, loans and derivative financial instruments.

*Financial instruments – subsequent re-measurement*

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the interim balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**3.19 Use of estimates**

The preparation of the interim financial statements requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income and expenses and the resultant provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

**3.20 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Corporation (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Corporation (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.21 Related parties**

Parties are considered to be related parties of the group if one party has the ability to control the other parties or exercise significant influence over the other party in making financial and operating decisions, or when the group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

**4. CASH AND CASH EQUIVALENTS**

	<i>Currency: VND</i>	
	<u>30 June 2023</u>	<u>31 December 2022</u>
Cash on hand	6,472,423,721	6,829,579,841
<i>In which: VND</i>	6,472,423,721	6,829,579,841
Cash at bank	265,758,090,748	161,895,454,573
<i>In which: VND</i>	178,905,880,438	155,506,676,976
<i>Foreign currency</i>	86,852,210,310	6,388,777,597
Cash in transit	129,522,484	-
	<b><u>272,360,036,953</u></b>	<b><u>168,725,034,414</u></b>

**5. SHORT-TERM INVESTMENTS**

		<i>Currency: VND</i>	
	<u>Notes</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
<b>Trading securities</b>	<b>5.1</b>		
Shares		98,524,973,965	98,535,654,971
Provision for impairment of trading securities		(39,106,094,256)	(44,295,607,588)
<b>Held-to-maturity investments</b>	<b>5.2</b>		
Deposits		3,273,445,125,210	3,355,445,125,210
Bonds		127,172,887,595	127,172,887,595
		<b><u>3,400,618,012,805</u></b>	<b><u>3,482,618,012,805</u></b>
Provision for other short-term investment		(255,618,012,805)	(255,618,012,805)
<b>Net value of short-term investments</b>		<b><u>3,204,418,879,709</u></b>	<b><u>3,281,240,047,383</u></b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

5. SHORT-TERM INVESTMENTS (continued)

5.1 Trading Securities

Currency: VND

	Market	30 June 2023			31 December 2022		
		Cost	Carrying value	Provision	Cost	Carrying value	Provision
NOS	UpCom	20,000,000,000	1,966,000,000	(18,034,000,000)	20,000,000,000	2,166,000,000	(17,834,000,000)
TCB	HOSE	17,214,028,506	15,744,745,000	(1,469,283,506)	17,214,028,506	12,581,195,000	(4,632,833,506)
VNM	HOSE	9,951,200,000	7,668,000,000	(2,283,200,000)	9,951,200,000	8,218,800,000	(1,732,400,000)
TCO	HOSE	9,878,810,000	2,952,600,000	(6,926,210,000)	9,878,810,000	2,869,000,000	(7,009,810,000)
DGT	UpCom	9,683,360,000	1,852,500,000	(7,830,860,000)	9,683,360,000	1,798,250,000	(7,885,110,000)
NCT	HOSE	9,663,698,000	9,059,571,000	(604,127,000)	9,663,698,000	8,326,596,000	(1,337,102,000)
CTG	HOSE	9,532,000,000	9,056,500,000	(475,500,000)	9,532,000,000	8,365,750,000	(1,166,250,000)
IMP	HOSE	5,319,588,709	5,319,588,709	-	5,319,588,709	5,319,588,709	-
HDB	HOSE	3,530,500,000	3,022,500,000	(508,000,000)	3,530,500,000	2,591,875,000	(938,625,000)
HHV	HOSE	2,410,250,000	1,631,750,000	(778,500,000)	2,410,250,000	942,000,000	(1,468,250,000)
NTP	HNX	827,538,750	631,125,000	(196,413,750)	827,538,750	538,560,000	(288,978,750)
Dia oc 9	OTC	514,000,000	514,000,000	-	514,000,000	514,000,000	-
Cil	HOSE	-	-	-	2,387,394	903,000	(1,484,394)
GMD	HOSE	-	-	-	2,022,126	2,022,126	-
VPB	HOSE	-	-	-	1,897,526	1,897,526	-
LPB	HOSE	-	-	-	1,570,694	1,048,000	(522,694)
STG	HOSE	-	-	-	1,077,369	1,077,369	-
PTB	HOSE	-	-	-	884,593	670,400	(214,193)
MBB	HOSE	-	-	-	577,866	577,866	-
TCL	HOSE	-	-	-	172,486	172,486	-
POW	HOSE	-	-	-	90,952	63,901	(27,051)
HTP	HNX	-	-	-	-	-	-
		<b>98,524,973,965</b>	<b>59,418,879,709</b>	<b>(39,106,094,256)</b>	<b>98,535,654,971</b>	<b>54,240,047,383</b>	<b>(44,295,607,588)</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

## 5. SHORT-TERM INVESTMENTS (continued)

### 5.2 Held-to-maturity investments

	30 June 2023			31 December 2022			Currency: VND
	Cost	Carrying value	Provision	Cost	Carrying value	Provision	
Deposits (i)	3,273,445,125,210	3,095,000,000,000	(178,445,125,210)	3,355,445,125,210	3,177,000,000,000	(178,445,125,210)	
Bonds	127,172,887,595	50,000,000,000	(77,172,887,595)	127,172,887,595	50,000,000,000	(77,172,887,595)	
- Song Da - Thang Long, JSC (ii)	8,763,407,588	-	(8,763,407,588)	8,763,407,588	-	(8,763,407,588)	
- Vinashin (ii)	68,409,480,007	-	(68,409,480,007)	68,409,480,007	-	(68,409,480,007)	
- Vietnam International Bank (iii)	50,000,000,000	50,000,000,000	-	50,000,000,000	50,000,000,000	-	
	<b>3,400,618,012,805</b>	<b>3,145,000,000,000</b>	<b>(255,618,012,805)</b>	<b>3,482,618,012,805</b>	<b>3,227,000,000,000</b>	<b>(255,618,012,805)</b>	

(i) Term deposits having original terms greater than 3 months, remaining terms not greater than 12 months as at 30 June 2023 which earn interest at rates ranging from 5% p.a. to 8.9% p.a. Provision for term deposit receivable 178 billion VND is provision for overdue deposit at ALC2.

(ii) Bonds of Song Da - Thang Long JSC and Vinashin were overdue and these entities were insolvency. The Corporation made provision 100% for these investments according to Circular 48/2019/TT-BTC.

(iii) Bonds of Vietnam International Commercial Joint Stock Bank (VIB) have the remaining term as at 30 June 2023 less than 12 months which earn interest at rate 9.4% p.a.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

## 6. SHORT-TERM RECEIVABLES

	<i>30 June 2023</i>	<i>31 December 2022</i>
		<i>Currency: VND</i>
		<i>30 June 2023</i>
		<i>31 December 2022</i>
<b>Trade receivables</b>	<b>731,915,906,543</b>	<b>773,041,934,916</b>
Direct Insurance receivables	268,586,152,494	254,420,097,904
Assumed premium receivables	248,445,857,130	239,105,045,874
Reinsurance ceded receivables	203,579,829,593	271,567,158,290
Receivables from co-insurers	934,973,577	772,733,148
Other trade receivables	10,369,093,749	7,176,899,700
<b>Advances to suppliers</b>	<b>6,699,856,795</b>	<b>4,069,611,910</b>
<b>Other receivables</b>	<b>344,423,836,086</b>	<b>273,963,911,368</b>
Investment receivables	210,144,197,359	157,581,835,889
Other receivables	134,279,638,727	116,382,075,479
	<b>1,083,039,599,424</b>	<b>1,051,075,458,194</b>
<b>Provision for doubtful debts</b>	<b>(307,950,432,953)</b>	<b>(312,539,212,816)</b>
Provision for doubtful debts of trade receivables	(233,629,474,410)	(238,218,254,273)
Provision for doubtful debts of investment receivables	(74,320,958,543)	(74,320,958,543)
<b>Net short-term receivables</b>	<b>775,089,166,471</b>	<b>738,536,245,378</b>

## 7. INVENTORIES

	<i>30 June 2023</i>	<i>31 December 2022</i>
		<i>Currency: VND</i>
		<i>30 June 2023</i>
		<i>31 December 2022</i>
Pre-printed certificates	5,385,685,340	4,942,628,637
Materials and stationery	319,283,380	282,891,539
	<b>5,704,968,720</b>	<b>5,225,520,176</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

#### 8. SHORT-TERM PREPAID EXPENSES

	<i>Currency: VND</i>	
	<u>30 June 2023</u>	<u>31 December 2022</u>
<b>Unallocated commission expenses</b>	<b>248,287,834,651</b>	<b>264,605,176,559</b>
<b>Other prepaid expenses</b>	<b>316,676,255,990</b>	<b>369,300,887,996</b>
- <i>Tools and equipment</i>	19,965,809	9,643,081
- <i>Prepaid expenses for external services</i>	312,567,216,955	367,427,477,670
- <i>Other prepaid expenses</i>	4,089,073,226	1,863,767,245
	<b><u>564,964,090,641</u></b>	<b><u>633,906,064,555</u></b>

#### 9. LONG-TERM RECEIVABLES

	<i>Currency: VND</i>	
	<u>30 June 2023</u>	<u>31 December 2022</u>
Statutory deposit (*)	7,000,000,000	7,000,000,000
Other long-term receivables	9,480,825,062	7,458,516,104
Accrual interest receivables	-	1,315,068
	<b><u>16,480,825,062</u></b>	<b><u>14,459,831,172</u></b>

(\*) The Corporation has to maintain statutory insurance deposit equivalent to 2% of its legal capital according to Decree No. 73/2016/ND-CP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**10. TANGIBLE FIXED ASSETS**

	Machinery and equipment	Vehicles	Office equipment	Building	Other tangible fixed assets	Total
<b>Costs</b>						
Balance at 1 January 2023	721,085,009	73,024,403,351	19,666,507,260	138,846,878,021	6,882,882,132	239,141,755,773
Newly purchased	-	-	45,310,000	-	81,850,000	127,160,000
Disposed	-	-	(333,931,053)	-	-	(333,931,053)
Balance at 30 June 2023	721,085,009	73,024,403,351	19,377,886,207	138,846,878,021	6,964,732,132	238,934,984,720
<i>In which:</i>						
Fully depreciated	-	22,899,358,996	17,642,978,397	15,010,452,188	3,900,535,483	59,453,325,064
<b>Accumulated depreciation</b>						
Balance at 1 January 2023	155,624,350	49,840,018,517	18,894,833,434	91,343,278,399	6,057,144,352	166,290,899,052
Depreciation for the period	28,093,811	2,524,038,957	108,540,273	2,268,137,590	250,529,601	5,179,340,232
Disposed	-	-	(333,931,053)	-	-	(333,931,053)
Balance at 30 June 2023	183,718,161	52,364,057,474	18,669,442,654	93,611,415,989	6,307,673,953	171,136,308,231
<b>Net carrying amount</b>						
Balance at 1 January 2023	565,460,659	23,184,384,834	771,673,826	47,503,599,622	825,737,780	72,850,856,721
Balance at 30 June 2023	537,366,848	20,660,345,877	708,443,553	45,235,462,032	657,058,179	67,798,676,489

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

#### 11. INTANGIBLE FIXED ASSETS

	<i>Currency: VND</i>		
	<u>Software</u>	<u>Land use rights</u>	<u>Total</u>
<b>Costs</b>			
Balance at 1 January 2023	90,040,768,187	194,166,163,294	284,206,931,481
Balance at 30 June 2023	90,040,768,187	194,166,163,294	284,206,931,481
<i>In which:</i>			
Fully depreciated	75,529,685,347	1,767,995,413	77,297,680,760
<b>Accumulated amortization</b>			
Balance at 1 January 2023	81,551,195,982	17,403,672,803	98,954,868,785
Amortisation for the period	900,598,046	901,490,212	1,802,088,258
Balance at 30 June 2023	82,451,794,028	18,305,163,015	100,756,957,043
<b>Net carrying amount</b>			
Balance at 1 January 2023	8,489,572,205	176,762,490,491	185,252,062,696
Balance at 30 June 2023	7,588,974,159	175,861,000,279	183,449,974,438

#### 12. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<u>30 June 2023</u>	<u>31 December 2022</u>
Construction in progress	22,793,020,066	22,824,124,009
Purchased fixed assets	84,324,182	84,324,182
Repaired fixed assets	12,469,198,464	6,392,030,754
	<b>35,346,542,712</b>	<b>29,300,478,945</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**13. INVESTMENT PROPERTIES**

	<i>Building</i>	<i>Land use rights</i>	<i>Currency: VND Total</i>
<b>Costs</b>			
Balance at 1 January 2023	80,790,163,699	101,071,189,764	181,861,353,463
Addition resulting from capitalised subsequent expenditure	-	-	-
Balance at 30 June 2023	80,790,163,699	101,071,189,764	181,861,353,463
<i>In which:</i>			
Fully depreciated	8,505,821,827	-	8,505,821,827
<b>Accumulated depreciation</b>			
Balance at 1 January 2023	27,265,704,125	-	27,265,704,125
Depreciation	1,221,122,197	-	1,221,122,197
Balance at 30 June 2023	28,486,826,322	-	28,486,826,322
<b>Net carrying amount</b>			
Balance at 1 January 2023	53,524,459,574	101,071,189,764	154,595,649,338
Balance at 30 June 2023	52,303,337,377	101,071,189,764	153,374,527,141

**14. LONG-TERM INVESTMENTS**

	<i>Notes</i>	<i>30 June 2023</i>	<i>Currency: VND 31 December 2022</i>
<b>Investments in associates and joint-venture</b>	<b>14.1</b>	<b>145,350,000,000</b>	<b>145,350,000,000</b>
<b>Investments in other entities</b>	<b>14.1</b>	<b>57,615,300,000</b>	<b>57,615,300,000</b>
<b>Provision for impairment of other long-term investments</b>	<b>14.1</b>	<b>(2,954,890,023)</b>	<b>(2,860,375,464)</b>
<b>Held-to-maturity investments</b>	<b>14.2</b>	<b>51,701,000,000</b>	<b>52,001,000,000</b>
- Bonds		51,701,000,000	51,701,000,000
- Term deposits		-	300,000,000
		<b>251,711,409,977</b>	<b>252,105,924,536</b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

#### 14. LONG-TERM INVESTMENTS (continued)

##### 14.1. Investments in associates and jointly controlled entities

	30 June 2023			31 December 2022		
	Cost VND	Provision VND	Carrying value VND	Cost VND	Provision VND	Carrying value VND
Investment in associates and joint-venture (*)	145,350,000,000	-	145,350,000,000	145,350,000,000	-	145,350,000,000
Investments in other entities	57,615,300,000	(2,954,890,023)	54,660,409,977	57,615,300,000	(2,860,375,464)	54,754,924,536
Ha Long Bay Hotel Joint Stock Company	6,000,000,000	(58,701,910)	5,941,298,090	6,000,000,000	(112,795,565)	5,887,204,435
Sai Gon Kim Lien JSC Vietnam National Reinsurance Corporation	7,618,100,000	(2,896,188,113)	4,721,911,887	7,618,100,000	(2,747,579,899)	4,870,520,101
(Vinare) Ha Tien Cement Joint-Stock Company	43,218,000,000	-	43,218,000,000	43,218,000,000	-	43,218,000,000
	779,200,000	-	779,200,000	779,200,000	-	779,200,000

(\*) United Insurance Company ("UIC") was incorporated in Vietnam as a joint venture company between the Corporation, Sampo Japan Insurance Company (incorporated in Japan) and KB Insurance Company for 25 years under the Investment Certificate No. 2003/GP dated 1 November 1997 issued by the Ministry of Planning and Investment, and latest amendment No. 09GP/KDBH dated 29 April 2010 issued by the Ministry of Finance. The Corporation owns 48.45% of its charter capital.

##### 14.2 Held-to-maturity investments

	30 June 2023			31 December 2022		
	Term Year	Interest rate % per annum	Carrying value VND	Term Year	Interest rate % per annum	Carrying value VND
Corporate bonds	5	8,2 – 11,0	51,701,000,000	5	7,3 – 11,0	51,701,000,000
Term deposits	-	-	-	1 – 2	8,0	300,000,000
			<b>51,701,000,000</b>			<b>52,001,000,000</b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**15. LONG-TERM PREPAID EXPENSES**

Long-term prepaid expenses include tools and supplies, office rental expenses and other prepaid expenses.

	<i>Currency: VND</i>	
	<u>30 June 2023</u>	<u>31 December 2022</u>
Prepaid rentals	21,032,207,280	15,033,318,834
Tools and equipment	3,376,719,770	3,429,419,321
Others	3,724,364,098	3,393,764,418
	<b><u>28,133,291,148</u></b>	<b><u>21,856,502,573</u></b>

**16. TRADE PAYABLES**

	<i>Currency: VND</i>	
	<u>30 June 2023</u>	<u>31 December 2022</u>
Claims payables	15,111,880,289	25,632,006,526
Reinsurance assumed payables	208,160,283,550	211,906,003,875
Reinsurance ceded payables	473,655,941,651	446,782,127,507
Payables to co-insurers	31,892,702,306	54,544,631,278
Other payables for direct insurance activities	113,578,928,184	89,088,260,110
Commission payables	67,522,188,872	51,378,820,759
	<b><u>909,921,924,852</u></b>	<b><u>879,331,850,055</u></b>

**17. STATUTORY OBLIGATIONS**

	<i>Currency: VND</i>			
	<u>31 December 2022</u>	<u>Movement during the period</u>		<u>30 June 2023</u>
		<u>Increased</u>	<u>Paid</u>	
<b>Receivables</b>				
Value added tax	(13,948,018,136)	118,520,376,754	(116,571,326,470)	(11,998,967,852)
Personal income tax	(2,461,494,616)	4,527,803,889	(6,759,107,842)	(4,692,798,569)
Other taxes	(4,289,602,128)	143,549,426	(271,482,686)	(4,417,535,388)
	<b><u>(20,699,114,880)</u></b>	<b><u>123,191,730,069</u></b>	<b><u>(123,601,916,998)</u></b>	<b><u>(21,109,301,809)</u></b>
	<u>31 December 2022 (Restated)</u>	<u>Movement during the period</u>		<u>30 June 2023</u>
		<u>Increased</u>	<u>Paid</u>	
<b>Payables</b>				
Corporate income tax	14,486,665,443	34,846,198,758	(34,759,569,768)	14,573,294,433
Personal income tax of agents	3,514,511,487	4,791,879,385	(6,019,418,451)	2,286,972,421
Foreign contractor tax	746,826,516	327,097,190	(417,223,312)	656,700,394
Other taxes	73,184,112	106,439,056	(107,439,056)	72,184,112
	<b><u>18,821,187,558</u></b>	<b><u>40,071,614,389</u></b>	<b><u>(41,303,650,587)</u></b>	<b><u>17,589,151,360</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**18. UN-EARNED COMMISSION REVENUE**

	<i>31 December 2022</i>	<i>Increased</i>	<i>Allocate during the period</i>	<i>Currency: VND</i>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>30 June 2023</u>
Reinsurance ceded commission income	<u>104,641,438,802</u>	<u>119,386,610,725</u>	<u>(102,791,909,738)</u>	<u>121,236,139,789</u>

**19. OTHER SHORT-TERM PAYABLES**

Other current payables present social insurance payable, health insurance payable, unemployment insurance payable, compulsory fire and explosion fund, deposits received and other payables relating to insurance business operation.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

## 20. TECHNICAL RESERVES

	30 June 2023			31 December 2022 (Restated)			Currency: VND
	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve	
Unearned premium reserve	1,880,210,771,874	(545,700,798,741)	1,334,509,973,133	1,874,304,158,642	(455,218,380,182)	1,419,085,778,460	
Claim reserve	1,068,466,027,330	(752,960,772,969)	315,505,254,361	1,271,121,923,198	(983,714,186,807)	287,407,736,391	
	<b>2,948,676,799,204</b>	<b>(1,298,661,571,710)</b>	<b>1,650,015,227,494</b>	<b>3,145,426,081,840</b>	<b>(1,438,932,566,989)</b>	<b>1,706,493,514,851</b>	
<b>20.1 Unearned Premium reserve</b>							Currency: VND
	30 June 2023			31 December 2022			Currency: VND
	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve	
Opening balance	1,874,304,158,642	(455,218,380,182)	1,419,085,778,460	1,548,104,092,014	(379,950,827,788)	1,168,153,264,226	
Movement during the period	5,906,613,232	(90,482,418,559)	(84,575,805,327)	326,200,066,628	(75,267,552,394)	250,932,514,234	
Closing balance	<b>1,880,210,771,874</b>	<b>(545,700,798,741)</b>	<b>1,334,509,973,133</b>	<b>1,874,304,158,642</b>	<b>(455,218,380,182)</b>	<b>1,419,085,778,460</b>	



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**20. TECHNICAL RESERVES (continued)**

**20.2 Claim reserve**

	30 June 2023		31 December 2022 (Restated)		Currency: VND	
	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve
Opening balance	1,271,121,923,198	(983,714,186,807)	287,407,736,391	2,083,544,882,985	(1,617,885,993,931)	465,658,889,054
Movement during the period	(202,655,895,868)	230,753,413,838	28,097,517,970	(812,422,959,787)	634,171,807,124	(178,251,152,663)
<b>Closing balance</b>	<b>1,068,466,027,330</b>	<b>(752,960,772,969)</b>	<b>315,505,254,361</b>	<b>1,271,121,923,198</b>	<b>(983,714,186,807)</b>	<b>287,407,736,391</b>

Based on loss estimate for each individual large claim, for which the Corporation is liable, which is either notified to the Corporation or requested for payment but is still unresolved as at 30 June 2022. Such reserves amounted to VND 967,390,607,842 in which, the amount recoverable from reinsurers relating to these outstanding claims amounted to VND 704,394,270,314.

Reserves for claims incurred but not reported as at 30 June 2023, amounted to VND 52,679,641,775.

**20.3 Catastrophe reserve**

	30 June 2023		31 December 2022		Currency: VND
Opening balance	210,312,665,188				<b>165,018,435,580</b>
Increased for the period	21,284,739,752				45,294,229,608
<b>Closing balance</b>	<b>231,597,404,940</b>				<b>210,312,665,188</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

## 21. STATEMENT OF CHANGES IN EQUITY

	<i>Charter capital</i>	<i>Share premium</i>	<i>Financial reserves funds</i>	<i>Retained earning</i>	<i>Statutory reserve fund</i>	<i>Currency: VND</i> <i>Total</i>
<b>For the six-month period ended 30 June 2022</b>						
<b>Balance at 31 December 2021</b>	<b>1,096,239,850,000</b>	<b>792,244,224,449</b>	<b>28,085,153,439</b>	<b>314,678,973,341</b>	<b>104,108,119,199</b>	<b>2,335,356,320,428</b>
Appropriation to bonus and welfare fund, remuneration to members of Board of Management and Board of Supervision	-	-	-	(21,648,265,606)	-	(21,648,265,606)
Dividend paid	-	-	-	(164,435,977,500)	-	(164,435,977,500)
Profit for the period	-	-	-	139,687,396,396	-	139,687,396,396
Statutory reserve fund	-	-	-	(5,515,865,801)	5,515,865,801	-
<b>Balance at 30 June 2022</b>	<b>1,096,239,850,000</b>	<b>792,244,224,449</b>	<b>28,085,153,439</b>	<b>262,766,260,830</b>	<b>109,623,985,000</b>	<b>2,288,959,473,718</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

21. STATEMENT OF CHANGES IN EQUITY (continued)

	Charter capital	Share premium	Financial reserves funds	Retained earning (Restated)	Statutory reserve fund	Total
<b>For the six-month period ended 30 June 2023</b>						
Balance at 31 January 2022	1,096,239,850,000	792,244,224,449	28,085,153,439	384,945,270,056	109,623,985,000	2,411,138,482,944
Appropriation to bonus and welfare fund, remuneration to members of Board of Management and Board of Supervision	-	-	-	(18,158,936,582)	-	(18,158,936,582)
Dividend paid	-	-	-	(54,811,992,500)	-	(54,811,992,500)
Profit for the period	-	-	-	147,920,783,498	-	147,920,783,498
<b>Balance at 30 June 2023</b>	<b>1,096,239,850,000</b>	<b>792,244,224,449</b>	<b>28,085,153,439</b>	<b>459,895,124,472</b>	<b>109,623,985,000</b>	<b>2,486,088,337,360</b>

21.1 Contributed capital

	30 June 2023		31 December 2022	
	Total	Bonus shares	Total	Bonus shares
Contributed capital	1,096,239,850,000	1,096,239,850,000	1,096,239,850,000	1,096,239,850,000
Share premium	792,244,224,449	792,244,224,449	792,244,224,449	792,244,224,449
	<b>1,888,484,074,449</b>	<b>1,888,484,074,449</b>	<b>1,888,484,074,449</b>	<b>1,888,484,074,449</b>

Currency: VND

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

## 21. STATEMENT OF CHANGES IN EQUITY (continued)

### 21.2 Dividend

On 17 April 2023, the Corporation has held successfully Annual General Meeting of 2023 and approved the dividend by cash at the rate of 5% for year 2022 (VND500 per share) on charter capital of VND1,096,239,850,000 equivalent to VND54,811,992,500 and the dividend by share for fiscal year 2022 was 10% per charter capital of VND1,096,239,850,000.

## 22. INSURANCE REVENUES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Direct premium	2,695,932,460,025	2,492,617,254,374
Deductions on direct premium	(4,356,888,349)	(3,411,627,650)
<b>Net direct premium</b>	<b>2,691,575,571,676</b>	<b>2,489,205,626,724</b>
Assumed premium	326,689,704,184	294,649,354,178
Deductions on assumed premium	(612,096,047)	(694,564,595)
<b>Net assumed premium</b>	<b>326,077,608,137</b>	<b>293,954,789,583</b>
Increase in gross written un-earned premium reserve	(5,906,613,232)	(140,654,235,826)
	<b><u>3,011,746,566,581</u></b>	<b><u>2,642,506,180,481</u></b>

### 22.1 Direct premium

	<i>Currency: VND</i>	
<i>Product</i>	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Fire & Explosion Insurance	616,200,698,519	542,828,857,003
Health and Personal Accident Insurance	848,866,577,851	897,420,867,382
Cargo Insurance	81,711,232,618	86,084,969,116
Aviation Insurance	47,222,812,177	18,879,441,850
Engineering Insurance	99,077,150,786	86,946,683,739
Agriculture Insurance	1,200,346,096	665,404,433
Marine Insurance	78,736,834,137	66,250,699,362
Business Interruption Insurance	80,596,517,649	51,064,179,784
Credit Insurance	324,177,263,593	253,297,767,059
Liability Insurance	61,816,465,414	49,627,155,927
Vehicle Insurance	451,969,672,836	436,139,601,069
	<b><u>2,691,575,571,676</u></b>	<b><u>2,489,205,626,724</u></b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**22. INSURANCE REVENUES (continued)**

**22.2 Assumed premium**

<i>Product</i>	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Fire & Explosion Insurance	201,385,931,250	163,356,504,372
Health and Personal Accident Insurance	4,221,028,467	3,681,246,192
Cargo Insurance	22,186,545,566	20,153,337,297
Aviation Insurance	53,676,305,337	52,192,627,470
Engineering Insurance	24,287,366,069	28,176,592,541
Agriculture Insurance	-	3,332
Marine Insurance	9,461,123,086	7,256,944,582
Liability Insurance	10,237,171,335	17,582,004,827
Vehicle Insurance	622,137,027	1,555,528,970
	<b><u>326,077,608,137</u></b>	<b><u>293,954,789,583</u></b>

**23. CEDED PREMIUM**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Ceded premium	889,179,204,635	711,189,832,435
Increase in un-earned ceded premium reserve	(90,482,418,559)	(34,350,642,584)
	<b><u>798,696,786,076</u></b>	<b><u>676,839,189,851</u></b>

**23.1 Ceded premium**

<i>Product</i>	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Fire & Explosion Insurance	503,337,057,920	420,106,273,286
Health and Personal Accident Insurance	7,401,967,275	1,278,586,828
Cargo Insurance	43,634,742,665	39,963,728,431
Aviation Insurance	46,922,783,451	25,727,943,789
Engineering Insurance	75,644,745,050	64,402,894,587
Agriculture Insurance	1,046,561,476	665,397,778
Marine Insurance	41,728,019,139	38,227,154,338
Business Interruption Insurance	78,175,270,280	46,089,922,250
Credit Insurance	40,948,922,260	41,750,065,750
Liability Insurance	50,001,121,557	32,801,008,198
Vehicle Insurance	338,013,562	176,857,200
	<b><u>889,179,204,635</u></b>	<b><u>711,189,832,435</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**24. CEDED COMMISSION AND OTHER INCOME FROM INSURANCE ACTIVITIES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Reinsurance ceded commission	102,791,909,738	101,763,898,910
Other incomes from insurance activities	963,488,595	735,477,516
	<b><u>103,755,398,333</u></b>	<b><u>102,499,376,426</u></b>

**25. CLAIM EXPENSES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Direct claim expenses and claim expenses on inward reinsurance	991,496,375,294	1,048,021,372,107
- <i>Direct claim expenses (Note 25.1)</i>	826,124,235,411	882,229,787,160
- <i>Claim expenses on inward reinsurance (Note 25.2)</i>	165,372,139,883	165,791,584,947
Reductions on claim expenses (Recovery from third party and salvages)	(3,006,122,673)	(4,905,859,146)
Recovery from reinsurance ceded	(230,141,608,662)	(395,396,049,982)
Decrease in gross claim reserve and reinsurance assumed claim reserve	(202,655,895,868)	(388,955,050,150)
Decrease in outward reinsurance claim reserve	230,753,413,838	304,823,645,964
	<b><u>786,446,161,929</u></b>	<b><u>563,588,058,793</u></b>

**25.1 Direct claim expenses**

	<i>Currency: VND</i>	
<i>Product</i>	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Fire & Explosion Insurance	199,461,917,509	411,000,160,882
Health and Personal Accident Insurance	314,062,719,956	202,980,280,975
Cargo Insurance	17,642,853,677	38,998,932,481
Aviation Insurance	378,630,928	-
Engineering Insurance	13,416,829,043	23,338,636,625
Agriculture Insurance	2,120,000	21,200,000
Marine Insurance	26,613,099,258	14,069,115,614
Business Interruption Insurance	33,321,051,056	-
Credit Insurance	20,736,509,444	25,982,290,324
Liability Insurance	1,406,061,665	1,551,823,334
Vehicle Insurance	199,082,442,875	164,287,346,925
	<b><u>826,124,235,411</u></b>	<b><u>882,229,787,160</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**25. CLAIM EXPENSES (continued)**

**25.2 Claim expenses on inward reinsurance**

<i>Product</i>	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Fire & Explosion Insurance	104,086,443,945	86,155,779,012
Health and Personal Accident Insurance	4,464,441,299	3,940,916,953
Cargo Insurance	9,356,491,710	7,236,309,826
Aviation Insurance	27,139,441,888	32,333,860,201
Engineering Insurance	9,458,305,455	10,180,606,717
Agriculture Insurance	8,171,884	44,739,897
Marine Insurance	6,221,998,176	16,750,144,958
Liability Insurance	4,592,478,194	8,997,354,094
Vehicle Insurance	44,367,332	151,873,289
	<b>165,372,139,883</b>	<b>165,791,584,947</b>

**25.3 Recovery from reinsurance ceded**

<i>Product</i>	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Fire & Explosion Insurance	171,534,265,968	350,703,698,029
Health and Personal Accident Insurance	240,117,704	-
Cargo Insurance	3,714,197,172	22,094,504,994
Aviation Insurance	116,790,111	-
Engineering Insurance	11,156,936,978	17,541,459,351
Marine Insurance	8,357,527,381	3,581,179,091
Business Interruption Insurance	33,305,856,657	-
Credit Insurance	1,418,901,384	1,338,398,304
Liability Insurance	295,671,307	131,399,954
Vehicle Insurance	1,344,000	5,410,259
	<b>230,141,608,662</b>	<b>395,396,049,982</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**26. OTHER OPERATING EXPENSES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Commission expense	407,082,242,061	375,732,552,590
Underwriting expense	480,818,647,994	419,152,876,793
Salary	183,604,375,742	237,278,029,027
Selling, advertising expense	143,979,224,794	145,044,499,434
Agent supporting expense	78,906,150,657	112,628,093,845
Other service expenses	20,466,351,309	14,423,604,298
Reversal for doubtful debt	(4,588,779,863)	(16,934,162,315)
Loss prevention expense	5,101,268,667	6,214,280,140
Office expense	7,075,707,422	6,600,885,309
Promotion expense for students insurance	687,511,977	1,431,890,568
Depreciation expense	4,783,354,176	4,980,414,888
Tax, fee	7,906,863,657	6,733,169,918
Expense for insured's risk assessment	247,852,885	244,596,899
Other expenses	2,983,346,379	2,816,697,680
	<b><u>1,339,054,117,857</u></b>	<b><u>1,316,347,429,074</u></b>

**27. FINANCE INCOME**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Interest income from deposits at banks	115,956,143,929	86,435,614,390
Dividends earned	577,316,500	13,246,505,500
Foreign exchange gains	11,904,493,660	5,802,115,179
Gain from investment securities	5,209,977	8,299,370,011
Coupon interest from investments in bonds	4,435,331,548	5,851,111,243
Other finance income	1,090,511,363	852,309,444
	<b><u>133,969,006,977</u></b>	<b><u>120,487,025,767</u></b>

**28. FINANCE EXPENSES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Expenses allocated from administrative expenses	34,985,585,257	26,839,368,094
Foreign exchange losses	12,025,509,028	8,460,005,507
(Reversal of provisions)/provisions for investment	(5,094,998,773)	14,998,191,407
Loss from trading securities	1,506,883	-
Other financial expenses	476,920,199	216,535,290
	<b><u>42,394,522,594</u></b>	<b><u>50,514,100,298</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**29. GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Labour costs	45,046,873,961	39,222,653,253
Stationeries, tools & equipment	1,585,008,854	1,315,903,518
Depreciation expenses	2,198,074,314	2,323,706,600
Tax and fees	254,681,408	306,261,809
Expenses for external services	17,775,542,242	11,740,853,387
Conference, meeting expenses	13,249,001,508	10,027,654,828
Other expenses	1,101,471,871	1,879,384,917
	<b><u>81,210,654,158</u></b>	<b><u>66,816,418,312</u></b>

**30. OTHER INCOME AND EXPENSES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Proceeds on disposal of assets	4,436,363	5,097,364
Other income	487,866,216	130,830,207
<b>Other income</b>	<b><u>492,302,579</u></b>	<b><u>135,927,571</u></b>
	(8,040,404)	-
Other expenses	(369,346,209)	(2,295,822,864)
<b>Other expenses</b>	<b><u>(377,386,613)</u></b>	<b><u>(2,295,822,864)</u></b>
<b>Net other income</b>	<b><u>114,915,966</u></b>	<b><u>(2,159,895,293)</u></b>

**31. CURRENT CORPORATE INCOME TAX**

In 2023, the Corporation is subject to paying Corporate Income Tax ("CIT") at the rate of 20% of its taxable profits (2022: 20%).

The Corporation's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations is susceptible to varying interpretations, amounts reported in the interim financial statements could be changed at a later date upon final determination by the tax authorities.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**31. CURRENT CORPORATE INCOME TAX (continued)**

**31.1 Corporate Income Tax Expenses**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Current Corporate Income Tax Expenses	34,847,458,758	28,010,138,600
Deferred tax expense	2,040,772,701	4,152,295,493
<b>Corporate Income Tax Expenses</b>	<b><u>36,888,231,459</u></b>	<b><u>32,162,434,093</u></b>

**31.2 Current Corporate Income Tax**

The current tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the interim income statement because it excludes items of income or expenses that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Corporation's liability for current tax is calculated by using tax rates that have been enacted by the interim balance sheet date.

The reconciliation between CIT expense and the accounting profit/(loss) multiplied by CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Accounting profit before tax</b>	<b>184,809,014,957</b>	<b>171,849,830,489</b>
<b>At CIT rate of 20%</b>	<b>36,961,802,991</b>	<b>34,369,966,098</b>
<b>Adjustments to increase</b>		
Non-deductible expenses	40,631,768	46,107,960
Adjustment for under accrual of tax from prior period	1,260,000	-
Penalty	-	395,661,135
<b>Adjustments to decrease</b>		
Non-taxable income	(115,463,300)	(2,649,301,100)
<b>Estimated current Corporate income tax expenses</b>	<b><u>36,888,231,459</u></b>	<b><u>32,162,434,093</u></b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**31. CURRENT CORPORATE INCOME TAX (continued)**

**31.3 Deferred Income Tax**

The followings are the major deferred tax assets and liabilities recognized by the Corporation, and the movements thereon, during the current and prior reporting period.

Currency: VND

	<i>Interim balance sheet</i>		<i>Interim income statement</i>	
	<i>30 June 2023</i>	<i>31 December 2022</i>	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Deferred tax assets</b>	<b>17,154,430,703</b>	<b>19,195,203,404</b>	-	-
Provision expenses for doubtful debt	17,154,430,703	19,195,203,404	(2,040,772,701)	(4,152,295,493)
<b>Net deferred tax assets</b>	<b>17,154,430,703</b>	<b>19,195,203,404</b>		
<i>Net deferred tax expense charged to income statement</i>			<b>(2,040,772,701)</b>	<b>(4,152,295,493)</b>

**32. COMMITMENTS AND OTHER OBLIGATIONS**

**Operational leasing commitments**

The Corporation leases office premises under operating lease arrangements. The minimum lease commitments as at the interim balance sheet dates under the operating lease agreements are as follows:

	<i>Currency: VND</i>	
	<i>30 June 2023</i>	<i>31 December 2022</i>
Within 1 year	7,924,489,278	9,101,596,520
From 1-5 years	10,293,505,662	13,498,775,846
Over 5 years	213,000,000	234,000,000
	<b>18,430,994,940</b>	<b>22,834,372,366</b>

**33. OFF BALANCE SHEET ITEMS**

	<i>30 June 2023</i>	<i>31 December 2022</i>
Foreign currencies		
- USD	3,709,583.38	272,432.90
- EUR	242.48	247.94
- JPY	-	41.00
- SGD	278.02	289.06

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**34. TRANSACTIONS WITH RELATED PARTIES**

Parties are considered to be related parties of the Corporation if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Corporation and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

List of related parties as at 30 June 2023 is as follows:

<i>Related parties</i>	<i>Relationship</i>
State Capital Investment Corporation	Shareholder
AXA.SA – France	Shareholder
Firstland Ltd, Co.	Shareholder
Bao Minh's employees and other shareholders	Shareholder
United Insurance Company	Joint Venture Company
Vietnam National Reinsurance Corporation (Vinare)	The Corporation is the shareholder

Significant transactions with related companies during the period were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Currency: VND</i>	
		<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
AXA.SA - France	Ceded premium	66,281,583,045	56,606,339,511
	Ceded commission	4,178,115,664	2,945,804,514
United Insurance Company of Vietnam	Assumed premium	60,464,413,439	69,277,583,414
	Assumed commission expense	23,315,349,366	26,381,064,973
Vinare	Ceded premium	8,071,875,500	4,525,221,236
	Ceded commission	47,880,455	288,204,561
	Assumed premium	19,998,283,429	39,687,067,341
	Assumed commission expense	5,109,048,844	12,223,903,559

Amounts due to and due from related parties as at the end of the period were as follows:

<i>Related party</i>	<i>Description</i>	<i>Currency: VND</i>	
		<i>30 June 2023</i>	<i>31 December 2022</i>
AXA.SA - France	Claim recovery receivable	7,060,793,411	8,655,030,272
	Ceded premium payable	(23,326,766,898)	(75,195,537,726)
United Insurance Company of Vietnam	Assumed premium receivable	12,387,908,354	7,410,105,394
	Claim recovery payable	(955,872,189)	(8,795,626,422)
Vinare	Claim recovery receivable	48,707,894,330	52,756,378,889
	Ceded premium payable	(55,357,219,355)	(49,109,431,589)
	Assumed premium receivable	64,395,328,448	55,987,215,509
	Claim recovery payable	(57,647,716,759)	(56,098,764,721)

# Bao Minh Insurance Corporation

B09a-DNPNT

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

## 34. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of Board of Management, Board of Director and Board of Supervision:

Name	Title	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022	Currency: VND
Dinh Viet Tung	Chairman	60,000,000	41,600,000	
Vu Anh Tuan	Board of Directors member, Chief Executive Officer	600,706,000	738,051,443	
Ivan Tam Kwok Wing	Board of Directors member	48,000,000	41,600,000	
Bui Thi Thu Thanh	Board of Directors member	54,000,000	41,600,000	
Le Viet Thanh	Board of Directors member	60,000,000	41,600,000	
Callard Stumpf Céline	Board of Directors member	48,000,000	41,600,000	
Tran Van Ta	Board of Directors member	-	120,000,000	
Le Minh Tuyet	Head of the Board of Supervision	60,000,000	41,600,000	
Nicolas De Nazelle	Board of Supervision member	38,400,000	33,300,000	
Phan Thi Hong Phuong	Board of Supervision member	36,000,000	33,300,000	
Jonathan Yau Chun Hung	Board of Supervision member	38,400,000	33,300,000	
Pham Minh Tuan	Deputy Chief Executive Officer	528,299,000	646,068,271	
Nguyen The Nang	Deputy Chief Executive Officer	449,384,696	685,053,576	
Chau Quang Linh	Deputy Chief Executive Officer	451,385,000	541,641,154	
Sai Van Hung	Chief Accountant	421,124,000	503,831,556	

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**35. EARNINGS PER SHARE**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Net profit after tax attributable to ordinary shareholders	147,920,783,498	139,687,396,396
Distribution to bonus and welfare fund (*)	<u>(16,010,455,522)</u>	<u>(20,245,316,652)</u>
<b>Net profit after tax attributable to ordinary shareholders for basic earnings</b>	<b>131,910,327,976</b>	<b>119,442,079,744</b>
Weighted average number of ordinary shares for basic earnings per share	109,623,985	109,623,985
Basic earnings per share	1,203	1,090

(\*) Net profit used to compute earnings per share for the year 2023 was adjusted for the provisional allocation to bonus and welfare fund from 2023 profit following the approval by the resolution of the shareholders meeting No. 0001/2023-BM/DHDCD dated 17 April 2023. The actual distribution to bonus and welfare this year will be decided according to the resolution of Annual General Meeting of 2024.

**36. RISK MANAGEMENT FRAMEWORK**

**36.1 Risk management framework**

The primary objective of the Corporation's risk and financial management framework is to achieve its sustainable financial performance targets. The Members' Council and the Board of Management recognize the importance of an efficient and effective risk management system.

The risk management activities include identifying and managing significant risk events which could impact directly or indirectly on the Corporation financial position, brand name or other factors that could prevent the Corporation from achieving its plans.

For the Corporation, risk events can be categorized into two groups: insurance risk and financial risk. The insurance risk arises when the Corporation accepts risk transferred through an effective policy with insured and other insurance company. The financial risk events are credit risk, liquidity risk. The financial risk arises from payment commitments by customers, reinsurers; invested entities and investment environment as well as the situation of insurance risk events.

Risk management is conducted through identifying and classifying risk events based on sets of criteria; evaluating causes and possibility of risk events as well as measuring the impact of each event; proposing solutions for each risk event in line with risk appetite of the Corporation.

The Corporation is currently implementing the delivery of Phase I of "Develop Risk Management Framework" project. Board of Management intends to implement Risk Management Framework in accordance with pre-determined roadmap to improve risk management awareness for all levels of management and employees and to make risk management become a part of the Corporation's culture.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

### 36. RISK MANAGEMENT FRAMEWORK (continued)

#### 36.2 *Risk management objectives, policies and processes for management of insurance risk*

The primary insurance activity carried out by the Corporation is the assumption of risk of loss from people or organizations that are directly subject to the risk. Such risks may relate to property, liability, accident, health, financial or other perils that may arise from an insurable event. As such the Corporation is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Corporation also has exposure to market risk through its insurance and investment activities.

The Corporation manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or those exceed set limits, risk diversification, pricing guidelines, reinsurance and monitoring of emerging issues.

#### 36.3 *Capital management and regulatory framework*

The primary capital management objectives of the Corporation are meeting the requirement on the legal capital to fulfil insurance operation, financial investment, and other activities; and developing and maintaining a strong capital base to support the development of its business. The Corporation recognises the impact on shareholders returns of the level of equity capital employed and seek to maintain a prudent balance.

Regulatory capital requirements on the insurance operations require the Corporation to hold sufficient assets to cover liabilities and satisfy the minimum solvency margin requirements in Vietnam. The solvency requirements that apply to the Corporation are those set out in Circular 50 issued by the Ministry of Finance. Regulators are primarily interested in protecting the rights of policyholders and monitoring the insurance companies closely to ensure that the insurers maintain appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The tables below summarise the minimum regulatory solvency margin and the Corporation's solvency margin:

	<i>Corporation Solvency Margin VND million</i>	<i>Minimum Solvency Margin VND million</i>	<i>Solvency Margin Ratio</i>
30 June 2023	1,452,747	1,146,482	126.7%
31 December 2022 (Restated)	1,305,522	1,132,356	115.3%

The solvency ratio of the Corporation is calculated based on the relevant regulations promulgated by the Ministry of Finance in Vietnam, which is an indicator of the overall solvency position of the relevant insurance operations.

#### 36.4 *Underwriting strategy*

The Corporation's underwriting strategy seeks the diversity for products, distribution channel and focus on the most profitable products to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

### 36. RISK MANAGEMENT FRAMEWORK (continued)

#### 36.5 *Reinsurance strategy*

The Corporation reinsures a portion of the insurance risks it underwrites in order to control its exposures to losses and protect its capital, through treaty and facultative reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured. The amount of each risk retained depends on the Corporation's evaluation of the specific risk, subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Corporation remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

Ceded reinsurance contains credit risk, and to minimise such risk, only those reinsurers whose credit rating either assessed by credit rating agencies or internally.

#### 36.6 *Management of insurance and financial risk*

The Corporation's operating is impacted by risks as below:

- ▶ Insurance risk
- ▶ Other risks including fraud risk, financial risk, liquidity risk, credit risk, compliance risk and market risk.

##### *Insurance risk*

To achieve risk management objectives, the Corporation has established and applied strict policies on all operation process including underwriting, reinsurance, loss survey and claim settlement.

In underwriting operation, the Corporation has diversified the insurance risks through individual customers and retail channels. Furthermore, the Corporation applies risk selective criteria. It pays special attention to insurance risks with high probability of claims or potential fraud. Besides, the Corporation also has enhanced cumulative risk evaluation and established regulations on insurance acceptance for difference product categories, for each location in order to diversify risks and avoid cumulative risk.

In 2023, the Corporation has revised the premium rate for each risk categories based on analysis of the loss experience and trends of risks, inflation, competition and change in regulations. With high loss rate and expenses categories, the Corporation only accepts to enter the insurance contract with higher premium or limited insurance coverage or increased deductible amount. The Corporation also increased the insurance acceptance rate for low risk group to increase market share and revenue.

Loss assessment and claim settlement have been executed at two levels. The large and complicated losses are handled and settled at Head Office. Small and less complicated ones which the member companies have experience in receiving and settling are handled at branch level. The Corporation has also enhanced claims processing and compensation procedure to avoid the additional risks that may arise such as: exchange rate, additional claim cost, inflation, ethics risks, etc.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**36. RISK MANAGEMENT FRAMEWORK (continued)**

**36.6 Management of insurance and financial risk (continued)**

***Other risks***

Furthermore, the Corporation has also faced with fraud risk, financial risks, liquidity risks, credit risk, compliance risk and market risk.

The mentioned risks are managed by the Corporation as follows:

**Credit risk**

The Corporation faces credit risk arising from both insurance operations and investment activities.

***Credit risk arising from insurance operations***

Despite the terms and conditions of the insurance contract defined the obligations and the deadline to pay premium, there is possibility that the policyholders may not pay premium fully and timely. To reduce these risks, the Corporation issued regulations on payment term extension process and required all the member companies to strictly comply with. Accordingly, the Corporation only delegate to member companies to extend payment term for insurance policies when they met the requirements prescribed by Circular 50. The Corporation will terminate the contracts with policyholders who are at low credit rating or inability to pay premium. The Corporation will keep track of non-performing debts to recover or write off later. For premiums which are not paid on time, the Corporation will make provision in accordance with current regulation on doubtful debts and write off if there is sufficient evidence.

The Ministry of Finance has issued Circular 50 which became effective from 1 July 2017 and defined stricter conditions for premium receivables. With this new regulation, the premium collection will be managed better.

Though the reinsurer liability under reinsurance agreement is defined, the Corporation still faces credit risk of being unable to recover claim loss from the reinsurers. To manage that risk, the Corporation has only performed reinsurance placement with international counterparties that have a good credit rating accredited by well-known rating firms. For local reinsurers who are not rated, the Corporation also has performed its own assessment as well as closely monitored their financial capacity.

***Credit risk arising from investment activities***

In addition to complying with regulatory requirements on investment of idle capital for general insurance companies, the Corporation developed its own procedures and regulations on financial investment activities to minimize credit risk. The Corporation's investment portfolio mainly comprises of fixed term investments with high liquidity such as deposits at banks, government bonds.

The Corporation maintains its adopted investment policies which focus on term deposits at banks with high credit rating and government bonds to ensure the liquidity requirements and stable income. These investments have stable interest rates with long term items available, suitable for the downward trend of market interest rate.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**36. RISK MANAGEMENT FRAMEWORK** (continued)

**36.6 Management of insurance and financial risk** (continued)

*Other risks* (continued)

**Liquidity risk**

Liquidity risk occurs when the total cash/liquid assets available to the Corporation is not sufficient to meet the total short term liabilities or when the cash available is not sufficient to meet the total incurred payment demand at specific time. Only claim payment requirements could bring liquidity risk to the Corporation because regular payment and others are stable and controllable. The quick liquidity risk to the Corporation is not high due to the Corporation's experience in the insurance industry, stable loss ratio, risk transferral, and diversification.

For liquidity risk, the Corporation has an objective to maximise the profit on condition that the liquidity of the Corporation is highly assured and met claim payment demand. The Corporation has also minimized the credit risk to ensure the availability of cash when required. The Corporation has been prudent to create technical reserves and invest technical reserve fund in high liquidity portfolio with suitable term to claim payment demand term.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**36. RISK MANAGEMENT FRAMEWORK (continued)**

**36.6 Management of insurance and financial risk (continued)**

Liquidity risk (continued)

The following table summarizes the contractual maturity profile of the Corporation's financial assets based on contractual undiscounted payment at reporting date:

	Overdue	No maturity date	Up to 1 year	From 1 - 5 years	Currency: VND Total
<b>30 June 2023</b>					
<b>Financial assets</b>					
Fixed term investments	255,618,012,805	-	3,145,000,000,000	51,701,000,000	3,452,319,012,805
- Held to maturity	77,172,887,595	-	50,000,000,000	51,701,000,000	178,873,887,595
- Loans and receivables - deposit contract	178,445,125,210	-	3,095,000,000,000	-	3,273,445,125,210
Equity investment	-	301,490,273,965	-	-	301,490,273,965
- Available for sale securities	-	98,524,973,965	-	-	98,524,973,965
- Investments in joint-venture and associate	-	145,350,000,000	-	-	145,350,000,000
- Other long-term investments	-	57,615,300,000	-	-	57,615,300,000
Receivables	91,524,652,525	-	1,884,999,443,833	405,177,074,776	2,381,701,171,134
- Insurance receivables	91,524,652,525	-	235,214,179,242	405,177,074,776	731,915,906,543
- Advance to suppliers	-	-	6,699,856,795	-	6,699,856,795
- Other receivables	-	-	344,423,836,086	-	344,423,836,086
- Reinsurance assets	-	-	1,298,661,571,710	-	1,298,661,571,710
Cash and cash equivalents	-	272,360,036,953	-	-	272,360,036,953
	<b>347,142,665,330</b>	<b>573,850,310,918</b>	<b>5,029,999,443,833</b>	<b>456,878,074,776</b>	<b>6,407,870,494,857</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**36. RISK MANAGEMENT FRAMEWORK (continued)**

**36.6 Management of insurance and financial risk (continued)**

Liquidity risk (continued)

The following table summarizes the contractual maturity profile of the Corporation's financial assets based on contractual undiscounted payment at reporting date:

	Overdue	No maturity date	Up to 1 year	From 1 - 5 years	Currency: VND Total
<b>31 December 2022</b>					
<b>Financial assets</b>					
Fixed term investments	<b>255,618,012,805</b>	-	<b>3,227,000,000,000</b>	<b>52,001,000,000</b>	<b>3,534,619,012,805</b>
- Held to maturity	77,172,887,595	-	50,000,000,000	51,701,000,000	178,873,887,595
- Loans and receivables - deposit contract	178,445,125,210	-	3,177,000,000,000	300,000,000	3,355,745,125,210
Equity investments	-	301,500,954,971	-	-	301,500,954,971
- Available for sale securities	-	98,535,654,971	-	-	98,535,654,971
- Investments in joint-venture and associate	-	145,350,000,000	-	-	145,350,000,000
- Other long-term investments	-	57,615,300,000	-	-	57,615,300,000
Receivables	105,813,433,524	-	2,112,546,563,359	271,648,028,300	2,490,008,025,183
- Insurance receivables	105,813,433,524	-	395,580,473,092	271,648,028,300	773,041,934,916
- Advance to suppliers	-	-	4,069,611,910	-	4,069,611,910
- Other receivables	-	-	273,963,911,368	-	273,963,911,368
- Reinsurance assets	-	-	1,438,932,566,989	-	1,438,932,566,989
Cash and cash equivalents	-	168,725,034,414	-	-	168,725,034,414
	<b>361,431,446,329</b>	<b>470,225,989,385</b>	<b>5,339,546,563,359</b>	<b>323,649,028,300</b>	<b>6,494,853,027,373</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**36. RISK MANAGEMENT FRAMEWORK (continued)**

**36.6 Management of insurance and financial risk (continued)**

Liquidity risk (continued)

The following table summarizes the contractual maturity profile of the Corporation's financial liabilities based on contractual undiscounted payment at reporting date:

	Overdue	No maturity date	Up to 1 year	From 1 - 5 years	Total
<i>Currency: VND</i>					
<b>30 June 2023</b>					
<b>Financial Liabilities</b>					
Insurance payables	-	-	909,921,924,852	-	909,921,924,852
Technical reserves	-	-	3,104,670,686,559	75,603,517,585	3,180,274,204,144
Other short-term payables	-	-	36,063,488,214	-	36,063,488,214
	-	-	<b>4,050,656,099,625</b>	<b>75,603,517,585</b>	<b>4,126,259,617,210</b>
<b>31 December 2022 (Restated)</b>					
<b>Financial Liabilities</b>					
Insurance payables	-	-	879,331,850,055	-	879,331,850,055
Technical reserves	-	-	3,238,378,607,550	117,360,139,478	3,355,738,747,028
Other short-term payables	-	-	20,678,398,749	-	20,678,398,749
	-	-	<b>4,138,388,856,354</b>	<b>117,360,139,478</b>	<b>4,255,748,995,832</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**36. RISK MANAGEMENT FRAMEWORK** (continued)

**36.6 Management of insurance and financial risk** (continued)

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise three types of risk: currency risk, interest rate risk, and other price risks such as equity price risk. Financial instruments affected by market risk include fixed maturity instruments, loans and borrowings, equity investments and financial assets, and financial liabilities denominated in foreign currency. Under the impact of many market factors such as interest rate, exchange rate, stock price, etc. the Corporation investment portfolio and cash flow could be affected negatively. With this kind of risk, the Corporation is not active to take initiative on change and effects. The solution of the Corporations is to avoid the effects or balance the adverse effects by investing in term deposits or government bonds to minimize credit risk.

**37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 has not only given the definitions of financial instruments, including financial assets and liabilities, derivative financial instruments and equity instruments; but also guided about classifying, presenting and disclosing these financial instruments.

Because Circular 210 has only required to make presentation and disclosure about financial instruments, following Circular 210 definitions are only applied to the preparation of this Note. The Corporation's asset and liability are still presented and recorded in accordance with Vietnamese Accounting Standard and Vietnam Accounting System applicable to insurance enterprises and the other relevant regulations.

**Financial Assets**

The Corporation's financial assets within the scope of Circular 210/2009/TT-BTC including cash and cash equivalents, fixed-term instruments and listed and un-listed equity instruments, loans and receivables and other financial receivables.

According to Circular 210/2009/TT-BTC, financial assets are classified appropriately, for the purpose of disclosures in the interim financial statements, into one of the following categories:



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**Financial Assets** (continued)

- ▶ ***Financial asset recognized at fair value through interim profit or loss statement that satisfies either of the following conditions:***

Financial asset that satisfies either of the following conditions:

- a) A financial asset will be classified as securities held for trading if:
  - (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;
  - (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
  - (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
- b) Upon initial recognition, the entity categorizes the financial asset as such reflected at fair value through interim profit or loss statement.

- ▶ ***Held-to-maturity investments are non-derivative financial assets with fixed or identifiable payments and fixed maturity periods which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:***

- a) Financial assets that, upon initial recognition, were categorized as such recognized at fair value through interim profit or loss statement;
- b) Financial assets already categorized as available for sale;
- c) Financial assets that meet the definitions of loans and receivables.

- ▶ ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:

- a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair, value through interim profit or loss statement;
- b) The amounts categorized by the entity as available for sale upon initial recognition; or;
- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**Financial Assets** (continued)

▶ ***Available-for-sale assets***

Available-for-sale assets are non-derivative financial assets determined as available for sale or not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets recognized at fair value through interim profit or loss statements.

**Financial liabilities**

Financial liabilities within the scope of Circular 210 include trade and other payables, loans and borrowings.

According to Circular 210, for the purpose of disclosure in the interim financial statements, financial liabilities are classified as appropriate into one of the following categories:

▶ ***Financial liability recognized at fair value through interim profit or loss statements that satisfies either of the following conditions:***

- a) Being classified as held for trading, a financial liability will be classified as securities held for trading if:
  - (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;
  - (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,
  - (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
- b) Upon initial recognition, the entity categorizes the financial liability as such reflected at fair value through interim profit and loss statement.

▶ ***Financial liabilities measured at amortized cost***

Financial liabilities measured at amortized cost include financial liabilities that were not categorized as financial liabilities at fair value through interim profit or loss statements.

**Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the interim balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

### 37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The table below presents the carrying value and fair value of financial assets which are presented in the interim financial statements of the Corporation as at 30 June 2023 and 31 December 2022:

	Book value		Fair value		Currency: VND
	30 June 2023		31 December 2022		
	Cost	Provision	Cost	Provision	
<b>Financial assets</b>					
Fixed term investments	3,452,319,012,805	(255,618,012,805)	3,534,619,012,805	(255,618,012,805)	3,196,701,000,000
- Held to maturity	178,873,887,595	(77,172,887,595)	178,873,887,595	(77,172,887,595)	101,701,000,000
- Loans and receivables - deposit contract	3,273,445,125,210	(178,445,125,210)	3,355,745,125,210	(178,445,125,210)	3,095,000,000,000
Equity investments	301,490,273,965	(42,060,984,279)	301,500,954,971	(47,155,983,052)	259,429,289,686
- Available for sale securities	98,524,973,965	(39,106,094,256)	98,535,654,971	(44,295,607,588)	59,418,879,709
- Investments in associates and joint-venture	145,350,000,000	-	145,350,000,000	-	145,350,000,000
- Other long-term investments	57,615,300,000	(2,954,890,023)	57,615,300,000	(2,860,375,464)	54,660,409,977
Receivables	2,381,701,171,134	(307,950,432,953)	2,490,008,025,183	(312,539,212,816)	2,073,750,738,181
- Insurance receivables	731,915,906,543	(130,483,138,474)	773,041,934,916	(130,603,960,337)	601,432,768,069
- Advances to suppliers	6,699,856,795	-	4,069,611,910	-	6,699,856,795
- Other receivables	344,423,836,086	(177,467,294,479)	273,963,911,368	(181,935,252,479)	166,956,541,607
- Reinsurance assets	1,298,661,571,710	-	1,438,932,566,989	-	1,298,661,571,710
Cash and cash equivalents	272,360,036,953	-	168,725,034,414	-	272,360,036,953
	<b>6,407,870,494,857</b>	<b>(605,629,430,037)</b>	<b>6,494,853,027,373</b>	<b>(615,313,208,673)</b>	<b>5,802,241,064,820</b>
					<b>5,879,539,818,700</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

### 37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The table below presents the book value of financial liabilities measured at amortized cost which are presented in the interim financial statements of the Corporation as at 30 June 2023 and 31 December 2022:

	Book value		Fair value		Currency: VND
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	
<b>Financial liabilities measured at amortized cost</b>					
- Insurance payables	909,921,924,852	879,331,850,055	909,921,924,852	879,331,850,055	
- Technical reserves	3,180,274,204,144	3,355,738,747,028	3,180,274,204,144	3,355,738,747,028	
- Other short-term receivables	36,063,488,214	20,678,398,749	36,063,488,214	20,678,398,749	
	<b>4,126,259,617,210</b>	<b>4,255,748,995,832</b>	<b>4,126,259,617,210</b>	<b>4,255,748,995,832</b>	

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair values:

- ▶ Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ▶ Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Corporation based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 30 June 2023, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- ▶ With capital investments without an active market, fair value is determined by using appropriate valuation methods. These methods include: discounting cash flow, comparing with similar financial instruments which have market prices, net asset values and other relevant valuation models.
- ▶ For equity investments in other entities, provision is made if the investees are suffering from loss (except when such loss has been determined in their business plan prior to investment). Accordingly, provision is the difference between actual capital contribution and actual owners' equity multiply (x) percentage of ownership of the Corporation.
- ▶ If the fair value is not determinable, the carrying value has been shown under fair value column.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

### 38. BASIC FINANCIAL INDICES

No.	ITEMS	Unit	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
<b>1.</b>	<b>Asset structure</b>			
	Fixed assets/Total assets	%	4.16	4.10
	Liquid assets/Total assets	%	89.07	88.70
<b>2.</b>	<b>Capital structure</b>			
	Total liabilities/ (Total liabilities and owners' equity)	%	63.95	68.11
	Owners' equity/ (Total liabilities and owners' equity)	%	36.05	31.89
<b>3.</b>	<b>Liquidity ratio</b>			
	Quick ratio	Times	0.06	0.02
	Current ratio	Times	1.39	1.30
<b>4.</b>	<b>Profitability ratio</b>			
	Profit before tax/Total assets	%	2.59	2.36
	Profit after tax/Net premium from insurance activities	%	6.38	6.75
	Profit after tax/Owners' equity	%	6.14	6.04

### 39. CORRESPONDING FIGURES

The Corporation restated certain corresponding figures in the interim financial statements for the six-month period ended 30 June 2023 to correct error in claim reserve for claim incurred but not reported (IBNR) balance as at 31 December 2022. Details are as follows

#### Extract from Balance Sheet

Currency: VND

Code	ITEMS	Beginning balance (Previously stated)	Adjustments	Beginning balance (Restated)
<b>300</b>	<b>C. LIABILITIES</b>	<b>4,616,731,719,342</b>	<b>9,010,900,874</b>	<b>4,625,742,620,216</b>
<b>310</b>	<b>I. Short-term liabilities</b>	<b>4,615,590,758,992</b>	<b>9,010,900,874</b>	<b>4,624,601,659,866</b>
314	2. Statutory obligations	21,073,912,777	(2,252,725,219)	18,821,187,558
329	8. Technical reserves	3,344,475,120,935	11,263,626,093	3,355,738,747,028
329.2	8.2. Direct and reinsurance assumed claim reserve	1,259,858,297,105	11,263,626,093	1,271,121,923,198
<b>400</b>	<b>D. OWNERS' EQUITY</b>	<b>2,420,149,383,818</b>	<b>(9,010,900,874)</b>	<b>2,411,138,482,944</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>2,420,149,383,818</b>	<b>(9,010,900,874)</b>	<b>2,411,138,482,944</b>
421	5. Retained earnings	393,956,170,930	(9,010,900,874)	384,945,270,056

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2023

**40. EVENTS AFTER THE INTERIM BALANCE SHEET DATE**


There have been no significant events occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the interim financial statements.



Mr. Doan Tan Phong  
Preparer



Mr. Sai Van Hung  
Chief Accountant



Mr. Vu Anh Tuan  
Chief Executive Officer

Ho Chi Minh City, Viet Nam

15 August 2023