

Bao Minh Insurance Corporation

Interim financial statements

For the six-month period ended 30 June 2022



Bao Minh Insurance Corporation

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Report on review of interim financial statements	4 - 5
Interim balance sheet	6 - 8
Interim income statement	9 - 11
Interim cash flow statement	12 - 13
Notes to the interim financial statements	14 - 64

Bao Minh Insurance Corporation

GENERAL INFORMATION

THE CORPORATION

Bao Minh Insurance Corporation (the "Corporation") is a joint stock company, which was incorporated in Vietnam under the Incorporation Certificate No. 27GP/KDBH dated 8 September 2004 issued by the Ministry of Finance and amendments. The latest amended Certificate is No 27/GPĐC12/KDBH issued by MOF dated 1 December 2021 which allowed Bao Minh to increase the capital to VND 1,096,239,850,000. 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
Contributed Capital:	VND 1,096,239,850,000
Number of registered shares:	109,623,985 shares

As at 30 June 2022, 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 2022, the Corporation has one (01) Head Office and sixty-two (62) branches nationwide.

Employees

Total employees of the Corporation as at 30 June 2022 was 1,595 persons (31 December 2021: 1,583 persons).

Key events during period

From 1 January 2022 to 30 June 2022, the Corporation has key event as follow:

On 28 April 2022, the Corporation has held successfully Annual General Meeting of 2022 and approved the dividend by cash at the rate of 15% for year 2021 (VND 1,500 per share) on charter capital of VND 1,096,239,850,000 equivalent to VND 164,435,977,500 according to Resolution No.0001/2022-BM/ĐHĐCĐ.

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</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	Re-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</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</i>
Mr. Vu Anh Tuan	Chief Executive Officer	Appointed on 01 June 2020
Mr. Nguyen The Nang	Deputy Chief Executive Officer	Re-appointed on 08 August 2019
Mr. Pham Minh Tuan	Deputy Chief Executive Officer	Appointed on 26 September 2018
Mr. Chau Quang Linh	Deputy Chief Executive Officer	Appointed on 08 August 2019
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.

Bao Minh Insurance Corporation

REPORT OF MANAGEMENT

Management of Bao Minh Insurance Corporation ("the Corporation") is pleased to present this report and the interim financial statements of the Corporation for the six-month period ended 30 June 2022.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

Management is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Corporation and of the interim results of its operations and its interim cash flows for the period. In preparing those interim financial statements, management is required to:

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Corporation and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that he has complied with the above requirements in preparing the accompanying interim financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in his opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Corporation as at 30 June 2022 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, the accounting guidance applicable to insurance companies and the statutory requirements relevant to the preparation and presentation of the interim financial statements.

For and on behalf of management:



Mr. Vu Anh Tuan
Chief Executive Officer

Ho Chi Minh City, Vietnam

15 August 2022

Reference: 11654735/22994598/LR

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 2022 and set out on pages 6 to 64, which comprise the interim balance sheet as at 30 June 2022, 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 the interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies 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

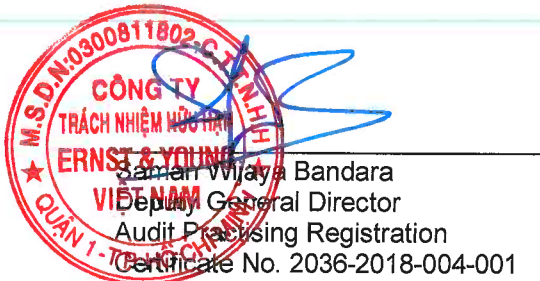
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Corporation as at 30 June 2022, and of the interim results of its operations 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 38 to the interim financial statements which describes an uncertainty related to the outcome of the lawsuit between Binh Dinh Maritime Shipbuilding Industry JSC and the Corporation. On 19 July 2022, the People's Court of Ho Chi Minh City sentenced first-instance judgments of the above case and the judgment is currently in the process of appeal and protest by the related parties. The lawsuit is still in progress and the effect of the mentioned lawsuit only can be determined based on the final conclusion of the Court. Accordingly, the Corporation has not yet recognised any expense and obligations from this lawsuit in the accompanying interim financial statements.

Our review conclusion is not qualified in respect of this matter.

Ernst & Young Vietnam Limited



Ho Chi Minh City, Vietnam

15 August 2022

INTERIM BALANCE SHEET
as at 30 June 2022

Currency: VND

Code	ITEMS	Notes	30 June 2022	31 December 2021
100	A. CURRENT ASSETS		6,367,191,115,624	6,505,894,692,690
110	I. Cash and cash equivalents	4	86,031,302,015	220,659,039,990
111	1. Cash		86,031,302,015	220,659,039,990
120	II. Short-term investments	5	3,197,455,189,980	3,111,804,720,819
121	1. Trading securities	5.1	109,691,712,829	101,560,822,818
122	2. Provision for trading securities		(32,431,522,849)	(17,951,101,999)
123	3. Held-to-maturity investments	5.2	3,120,195,000,000	3,028,195,000,000
130	III. Short-term receivables	6	821,961,407,687	693,130,409,161
131	1. Trade receivables		825,483,485,601	754,412,965,593
131.1	1.1. Insurance receivables		825,483,485,601	754,412,965,593
132	2. Advances to suppliers		5,999,090,621	3,815,664,536
135	3. Other receivables		304,382,703,274	266,081,632,546
139	4. Provision for doubtful debts		(313,903,871,809)	(331,179,853,514)
140	IV. Inventories	7	5,138,206,624	5,621,629,181
141	1. Inventories		5,138,206,624	5,621,629,181
150	V. Other short-term assets		529,241,190,979	476,842,071,820
151	1. Prepaid expenses	8	529,241,190,979	476,842,071,820
151.1	1.1. Unallocated commission expenses		227,102,867,886	217,198,086,583
151.2	1.2. Other prepaid expenses		302,138,323,093	259,643,985,237
190	VI. Reinsurance assets		1,727,363,818,339	1,997,836,821,719
191	1. Reinsurance ceded unearned premium reserve	20.1	414,301,470,372	379,950,827,788
192	2. Reinsurance ceded claim reserve	20.2	1,313,062,347,967	1,617,885,993,931

INTERIM BALANCE SHEET (continued)
as at 30 June 2022

Currency: VND

Code	ITEMS	Notes	30 June 2022	31 December 2021
200	B. NON-CURRENT ASSETS		810,777,010,408	881,317,607,801
210	I. Long-term receivables	9	16,488,435,281	14,979,929,121
218	1. Other long-term receivables		16,488,435,281	14,979,929,121
218.1	1.1. Statutory deposit		10,000,000,000	10,000,000,000
218.2	1.2. Other receivables		6,488,435,281	4,979,929,121
220	II. Fixed assets		294,470,898,099	301,089,017,139
221	1. Tangible fixed assets	10	78,258,315,428	83,263,304,448
222	Costs		239,131,802,613	238,519,702,663
223	Accumulated depreciation		(160,873,487,185)	(155,256,398,215)
227	2. Intangible assets	11	187,114,405,639	189,139,241,558
228	Costs		284,206,931,481	284,206,931,481
229	Accumulated amortization		(97,092,525,842)	(95,067,689,923)
230	3. Construction in progress	12	29,098,177,032	28,686,471,133
240	III. Investment properties	13	156,018,856,966	156,837,068,553
241	1. Costs		181,861,353,463	181,248,868,013
242	2. Accumulated depreciation		(25,842,496,497)	(24,411,799,460)
250	IV. Long-term investments	14	301,898,293,044	365,416,063,601
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		(2,768,006,956)	(2,250,236,399)
255	4. Held-to-maturity investments	14.2	101,701,000,000	164,701,000,000
260	V. Other long-term assets		41,900,527,018	42,995,529,387
261	1. Prepaid expenses	15	22,448,948,970	19,391,655,846
262	2. Deferred tax assets	31.3	19,451,578,048	23,603,873,541
270	TOTAL ASSETS		7,177,968,126,032	7,387,212,300,491

INTERIM BALANCE SHEET (continued)
as at 30 June 2022

Currency: VND

Code	ITEMS	Notes	30 June 2022	31 December 2021
300	C. LIABILITIES		4,889,008,652,314	5,051,855,980,063
310	I. Short-term liabilities		4,887,880,095,195	5,050,761,675,942
312	1. Trade payables	16	961,682,655,007	845,283,976,444
312.1	1.1. Insurance payables		961,682,655,007	845,283,976,444
314	2. Statutory obligations	17	36,868,972,131	35,488,869,563
315	3. Payables to employees		129,586,435,420	180,475,563,429
318	4. Short-term unearned revenue		7,582,701,763	35,677,162,084
319.1	5. Un-earned commission revenue	18	102,194,780,885	90,552,814,720
319	6. Other short-term payables	19	33,594,993,781	28,232,349,065
323	7. Bonus and welfare fund		47,283,254,114	38,383,530,058
329	8. Technical reserves		3,569,086,302,094	3,796,667,410,579
329.1	8.1. Direct and reinsurance assumed un-earned premium reserve	20.1	1,688,758,327,840	1,548,104,092,014
329.2	8.2. Direct and reinsurance assumed claim reserve	20.2	1,694,589,832,835	2,083,544,882,985
329.3	8.3. Catastrophe reserve	20.3	185,738,141,419	165,018,435,580
330	II. Long-term liabilities		1,128,557,119	1,094,304,121
333	1. Other long-term payables		1,128,557,119	1,094,304,121
400	D. OWNERS' EQUITY		2,288,959,473,718	2,335,356,320,428
410	I. Owners' equity	21	2,288,959,473,718	2,335,356,320,428
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	104,108,119,199
420	4. Financial reserve funds		28,085,153,439	28,085,153,439
421	5. Retained earnings		262,766,260,830	314,678,973,341
440	TOTAL LIABILITIES AND OWNERS' EQUITY		7,177,968,126,032	7,387,212,300,491

Mr. Nguyen Tran Thai
Preparer

Mr. Sai Van Hung
Chief Accountant

Mr. Huu Anh Tuan
Chief Executive Officer

Ho Chi Minh City, Viet Nam

15 August 2022

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2022

PART I: COMPREHENSIVE INCOME STATEMENT

Currency: VND

Code	ITEMS	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
10	1. Total insurance operating income	2,068,166,367,056	1,837,737,859,453
11	2. Total investment properties income	6,159,545,015	6,470,942,042
12	3. Finance incomes	120,487,025,767	139,344,317,758
13	4. Other incomes	135,927,571	1,122,079,372
20	5. Total insurance operating expenses	(1,900,655,193,706)	(1,706,045,545,522)
21	6. Cost of investment properties	(2,817,499,740)	(3,390,070,327)
22	7. Finance expenses	(50,514,100,298)	(34,614,051,773)
23	8. General and administrative expenses	(66,816,418,312)	(69,548,946,917)
24	9. Other expenses	(2,295,822,864)	(995,377,090)
50	10. Profit before Corporate income tax (50=10+11+12+13+20+21+22+23+24)	171,849,830,489	170,081,206,996
51	11. Current corporate income tax expenses	(28,010,138,600)	(33,605,913,742)
52	12. Deferred tax expense	(4,152,295,493)	(200,737,326)
60	13. Net profit for the period after corporate income tax (60=50+51+52)	139,687,396,396	136,274,555,928
70	14. Earnings per share	1,090	1,244

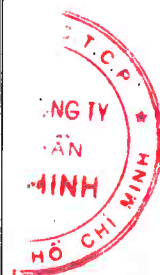


INTERIM INCOME STATEMENT (continued)
for the six-month period ended 30 June 2022

PART II: OPERATIONAL INCOME STATEMENT

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
01	1. Insurance premium income (01 = 01.1 + 01.2 + 01.3)	22	2,642,506,180,481	2,364,656,184,794
	<i>In which:</i>			
01.1	- Direct written premium	22.1	2,489,205,626,724	2,175,325,819,751
01.2	- Assumed premium	22.2	293,954,789,583	263,456,056,291
01.3	- Increase in un-earned direct written premium and assumed premium reserve	20.1	(140,654,235,826)	(74,125,691,248)
02	2. Ceded premium (02 = 02.1 + 02.2)	23	(676,839,189,851)	(623,933,320,761)
	<i>In which:</i>			
02.1	- Ceded premium		(711,189,832,435)	(665,447,160,419)
02.2	- Increase in ceded premium reserve	20.1	34,350,642,584	41,513,839,658
03	3. Net insurance premium (03 = 01 + 02)		1,965,666,990,630	1,740,722,864,033
04	4. Ceded commission and other income from insurance activities (04 = 04.1 + 04.2)	24	102,499,376,426	97,014,995,420
	<i>In which:</i>			
04.1	- Ceded commission		101,763,898,910	90,321,464,785
04.2	- Other income from insurance activities		735,477,516	6,693,530,635
10	5. Total operating revenues (10 = 03 + 04)		2,068,166,367,056	1,837,737,859,453
11	6. Claim expenses (11 = 11.1 + 11.2)	25	(1,043,115,512,961)	(761,031,425,599)
	<i>In which:</i>			
11.1	- Claim expenses		(1,048,021,372,107)	(767,407,132,270)
11.2	- Deductions (third party recoveries and salvages)		4,905,859,146	6,375,706,671
12	7. Recoveries from reinsurance ceded	25.3	395,396,049,982	174,723,915,570
13	8. Decrease in direct and assumed claim reserve	25	388,955,050,150	287,813,562,889
14	9. Decrease in ceded claim reserve	25	(304,823,645,964)	(286,927,057,970)
15	10. Total claim expenses (15 = 11 + 12 + 13 + 14)		(563,588,058,793)	(585,421,005,110)



INTERIM INCOME STATEMENT (continued)
for the six-month period ended 30 June 2022

PART 2: OPERATIONAL INCOME STATEMENT (continued)

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
16	11. Increase in catastrophe reserve	20.3	(20,719,705,839)	(17,733,347,158)
17	12. Other operating expenses (17 = 17.1 + 17.2)	26	(1,316,347,429,074)	(1,102,891,193,254)
	In which			
17.1	- Commission expenses		(375,732,552,590)	(309,323,411,838)
17.2	- Other expenses from insurance activities		(940,614,876,484)	(793,567,781,416)
18	13. Total direct operating expenses (18 = 15 + 16 + 17)		(1,900,655,193,706)	(1,706,045,545,522)
19	14. Gross insurance operating profit (19 = 10 + 18)		167,511,173,350	131,692,313,931
20.	15. Total investment property income		6,159,545,015	6,470,942,042
21	16. Cost of investment property		(2,817,499,740)	(3,390,070,327)
22	17. Profit from investment property (22 = 20+21)		3,342,045,275	3,080,871,715
23	18. Finance income	27	120,487,025,767	139,344,317,758
24	19. Finance expenses	28	(50,514,100,298)	(34,614,051,773)
25	20. Profit from financial activities (25 = 23 + 24)		69,972,925,469	104,730,265,985
26	21. General and administrative expenses	29	(66,816,418,312)	(69,548,946,917)
30	22. Net operating income (30 = 19 + 22 + 25 + 26)		174,009,725,782	169,954,504,714
31	23. Other income	30	135,927,571	1,122,079,372
32	24. Other expenses	30	(2,295,822,864)	(995,377,090)
40	25. Other (loss)/profit (40 = 31 + 32)		(2,159,895,293)	126,702,282
50	26. Profit before corporate income tax (50 = 30 + 40)		171,849,830,489	170,081,206,996
51	27. Current corporate income tax expenses	31.1	(28,010,138,600)	(33,605,913,742)
52	28. Deferred tax expense	31.3	(4,152,295,493)	(200,737,326)
60	29. Profit after corporate income tax (60 = 50 + 51 + 52)		139,687,396,396	136,274,555,928
70	30. Earnings per share	35	1,080	1,244

Mr. Nguyen Tran Thai
Preparer

Mr. Sai Van Hung
Chief Accountant

Mr. Vu Anh Tuan
Chief Executive Officer

Ho Chi Minh City, Viet Nam

15 August 2022

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2022

Currency: VND

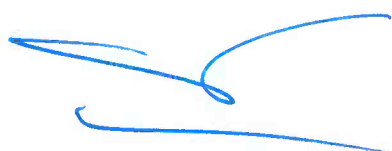
Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax		171,849,830,489	170,081,206,996
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortization of intangible assets		9,102,888,926	9,467,595,651
03	Provisions		40,614,104,597	16,733,037,322
04	Foreign exchange losses/(gains) arising from revaluation of monetary accounts denominated in foreign currency		1,971,564,088	(1,409,296,820)
05	Profits from investment activities and other activities		(109,732,683,216)	(101,558,285,475)
08	Operating profit before changes in working capital		113,805,704,884	93,314,257,674
09	(Increase)/Decrease in receivables		(96,111,796,610)	403,765,931,941
10	Decrease/(Increase) in inventories		483,422,557	(667,053,902)
11	Increase/(Decrease) in payables		36,735,679,963	(310,524,299,443)
12	Increase in prepaid expenses		(55,456,412,283)	(78,406,717,119)
13	(Increase)/Decrease in held-for-trading securities		(8,130,890,011)	56,093,489,910
15	Corporate income tax paid	17	(28,078,133,692)	(4,880,721,651)
20	Net cash flows (used in)/from operating activities		(36,752,425,192)	158,694,887,410
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(1,666,558,299)	(9,477,614,746)
22	Proceeds from disposals and transfer of fixed assets and other long-term assets		5,097,364	873,217,272
23	Investments in securities and term deposits		(1,428,840,000,000)	(978,701,000,000)
24	Proceeds from disposal of investments in securities and term deposits		1,399,840,000,000	977,550,000,000
27	Interest, dividends, and profit received		96,928,154,974	99,490,999,633
30	Net cash flows from investment activities		66,266,694,039	89,735,602,159



INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
36	Dividends paid out	21	(164,435,977,500)	(182,708,075,600)
40	Net cash flows used in financing activities		(164,435,977,500)	(182,708,075,600)
50	Net increase in cash for the period		(134,921,708,653)	65,722,413,969
60	Cash and cash equivalents at the beginning of period	4	220,659,039,990	149,828,620,196
61	Impact of exchange rate fluctuation		293,970,678	(142,516,461)
70	Cash and cash equivalents at the end of period	4	86,031,302,015	215,408,517,704



Mr. Nguyen Tran Thai
Preparer



Mr. Sai Van Hung
Chief Accountant



Mr. Vu Anh Tuan
Chief Executive Officer



Ho Chi Minh City, Viet Nam

15 August 2022

NOTES TO THE INTERIM FINANCIAL STATEMENTS
as at and for the six-month period then ended 30 June 2022

1. CORPORATE INFORMATION

Bao Minh Insurance Corporation (the "Corporation") is a joint stock company, which was incorporated in Vietnam under the Incorporation Certificate No. 27GP/KDBH dated 8 September 2004 issued by the Ministry of Finance. The latest amended certificate is No 27/GPĐC12/KDBH dated 1 December 2021 which allowed Bao Minh to increase the capital to VND 1,096,239,850,000. 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
Contributed Capital:	VND 1,096,239,850,000
Number of registered shares:	109,623,985 shares

The capital structure of the Corporation as at 30 June 2022:

<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%
	109,623,985	100%

Associate and 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, 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 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.

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 2022, the Corporation has one (01) Head Office and sixty-two (62) branches nationwide.

Employee

Total employees of the Corporation as at 30 June 2022 was 1,595 persons (31 December 2021: 1,583 persons).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

2. BASIS 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 financial position and results of operations and 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.

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 financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

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 2022 are consistent with those followed in the preparation of the Corporation's annual financial statements for the year ended 31 December 2021 and the interim financial statements for the six-month period ended 30 June 2021.

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 are presented in the interim financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the interim balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the interim income statement.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

	Number of years
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.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 significant influence are carried at cost.

Distributions from accumulated net profits of the associates 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 costs less provision for impairment losses.

3.9.3 *Held-to-maturity investments*

Held-to-maturity investments: include Government bonds, corporate bonds, term deposits, term loans and other investments which will be held until maturity. After initial recognition at acquisition cost, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as expense in the interim financial statements and deducted against the value of such investments.

Debt securities are initially recognized at par value as at the purchase date. Accumulated interest before the purchase date (for debt securities with interest payment in arrears) and prepaid interest (for debt securities with interest payment in advance) are recorded in separate accounts. Any discount or premium, which is the difference between original cost and the amount equal to par value plus (+) pre-acquisition interest (if any) or minus (-) prepaid interest waiting for amortization (if any), is recorded in a separate account.

In subsequent periods, debt securities are recognized at par value. Any discount or premium (if any) is amortized to the interim income statement using straight-line method over the estimated remaining term of the respective securities. Interest is accrued and recognized to the interim income statement using straight-line method based on nominal rate.

Investment held to maturity is considered for the possibility of decline in their value at each reporting date. Provision for any impairment loss is recognized in the income statement when its cost is more than the market value.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investments (continued)

3.9.5 Provision for diminution in value of investment

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

Listed shares

The market prices of listed equity securities are determined based on the closing price on a nearest closing day having transactions to interim balance sheet date.

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.

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
---	---	--	---	---	---	--

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 financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Employee benefits

Post-employment benefits

Post-employment benefits are paid to retired employees of the Corporation by the Social Insurance Agency which belongs to the Ministry of Labour, Invalids and Social Affairs. The Corporation is required to contribute to these post-employment benefits by paying social insurance premiums to the social insurance agency at the current regulatory rate. The Corporation has no further obligation concerning post-employment benefits for its employees other than this.

Unemployment insurance fund

According to Social Insurance Law and Circular No. 04/2009/TT-BLDTBXH dated 22 January 2009 guiding a number of articles of the Government's Decree No. 127/2008/ND-CP dated 12 December 2008, unemployment insurance is implemented from 01 January 2009. Accordingly, employees contribute 1% of their salaries and employers contribute 1% of the salaries of the employees who participate in the unemployment insurance scheme and the Government contributes 1% of salaries of all those participating in the unemployment insurance scheme from the State budget towards the Unemployment insurance fund.

According to Resolution No.116/NQ-CP dated 24 September 2021, the Corporation is entitled to reduce the unemployment insurance contributions rate of 1% mentioned above to 0% within 12 months from 01 October 2021 to 30 September 2022.

3.12 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 by MoF according to the Official Letter 3167/BTC-QLBH dated 21 March 2018 as follows:

a) Technical reserves for non-life insurance

(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 and Agriculture.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Technical reserves (continued)

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

(ii) Claims reserves

Claims reserves include the reserve for outstanding claims 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:

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

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/QĐ-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 make provision for catastrophe reserve for the six-month period ended 30 June 2022. 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 then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 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 one 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 a year, unearned premiums reserve is calculated based on 1/24 method.

(iii) Claim reserves

Claims reserves include the reserve for outstanding claims 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:

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

(iv) Resilience reserve

Resilience 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 then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 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 is 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 conduct 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.

3.14 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 are set in order to reward employees, encourage physical benefits and improve the general welfare for employees.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 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.

(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 then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *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 persons. Any claim that is not yet approved by authorized persons 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 year, the part of insurance commission which is not included in income and expense of year 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.

3.17 *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 interim balance sheet date, reinsurance commission belongs to treaty reinsurance agreement is recognized based on the statement of account of the reinsurer.

At the end of accounting period, the part of reinsurance commission which is not included in income and expenses of 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 then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 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 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.

3.18 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 then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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 realize 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.

3.19 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 then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *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.

3.20 *Use of estimates*

The preparation of the 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.

3.21 *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.

3.22 *Interim off-balance sheet items*

In accordance with the accounting guidance for insurance companies, insurance policies that have been signed but for which no obligations have arisen on the part of the insurers are not recorded in the interim balance sheet until the premium is collected or the policies become effective.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 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

	Currency: VND	
	30 June 2022	31 December 2021
Cash on hand	6,649,736,996	8,035,609,717
In which: VND	6,649,736,996	8,035,609,717
Cash at bank	76,917,539,674	212,623,430,273
In which: VND	70,476,364,414	187,776,285,529
Foreign currency	6,441,175,260	24,847,144,744
Cash in transit	2,464,025,345	-
	86,031,302,015	220,659,039,990

5. SHORT-TERM INVESTMENTS

		Currency: VND	
	Notes	30 June 2022	31 December 2021
Trading securities	5.1		
Shares		109,691,712,829	101,560,822,818
Provision for impairment of trading securities		(32,431,522,849)	(17,951,101,999)
Held-to-maturity investments	5.2		
Deposits		3,198,640,125,210	3,106,640,125,210
Bonds		127,172,887,595	127,172,887,595
Certificates of deposit		50,000,000,000	50,000,000,000
		3,375,813,012,805	3,283,813,012,805
Provision for other short-term investment		(255,618,012,805)	(255,618,012,805)
Net value of short-term investments		3,197,455,189,980	3,111,804,720,819

Bao Minh Insurance Corporation

B09-DNPNT

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

5. SHORT-TERM INVESTMENTS (continued)

5.1 Trading Securities

		30 June 2022			31 December 2021			Currency: VND
	Market	Cost	Fair value	Provision	Cost	Fair value	Provision	
NOS	UpCom	20,000,000,000	4,700,000,000	(15,300,000,000)	20,000,000,000	5,400,000,000	(14,600,000,000)	
TCB	Hose	19,794,650,000	19,648,485,000	(146,165,000)	-	-	-	
HTP	HNX	9,970,097,850	9,970,097,850	-	9,886,516,784	9,886,516,784	-	
VNM	HOSE	9,951,200,000	7,797,600,000	(2,153,600,000)	9,951,200,000	9,331,200,000	(620,000,000)	
TCO	HOSE	9,878,810,000	3,838,000,000	(6,040,810,000)	9,878,810,000	8,778,000,001	(1,100,809,999)	
DGT	UpCom	9,683,360,000	4,575,790,634	(5,107,569,366)	9,683,360,000	9,683,360,000	-	
NCT	HOSE	9,663,698,000	9,518,902,000	(144,796,000)	9,663,698,000	8,033,406,000	(1,630,292,000)	
CTG	HOSE	8,597,000,000	6,982,050,000	(1,614,950,000)	-	-	-	
IMP	HOSE	5,333,927,223	5,333,927,223	(416,500,000)	9,941,369,740	9,941,369,740	-	
HDB	HOSE	3,056,500,000	2,640,000,000	(416,500,000)	-	-	-	
HHV	HOSE	2,410,250,000	1,165,000,000	(1,245,250,000)	-	-	-	
NTP	HNX	827,538,750	567,630,000	(259,908,750)	10,817,500,000	10,817,500,000	-	
Dia oc 9	OTC	514,000,000	514,000,000	-	514,000,000	514,000,000	-	
CII	HOSE	2,387,394	1,109,500	(1,277,894)	5,810,575,441	5,810,575,441	-	
GMD	HOSE	2,022,126	2,022,126	-	2,022,126	2,022,126	-	
VPB	HOSE	1,897,526	1,897,526	-	1,897,526	1,897,526	-	
LPB	HOSE	1,570,694	1,044,000	(526,694)	5,407,069,935	5,407,069,935	-	
STG	HOSE	1,077,369	1,077,369	-	1,077,369	1,077,369	-	
PTB	HOSE	884,593	724,800	(159,793)	884,593	884,593	-	
MBB	HOSE	577,866	577,866	-	577,866	577,866	-	
TCL	HOSE	172,486	172,486	-	172,486	172,486	-	
POW	HOSE	90,952	81,600	(9,352)	90,952	90,952	-	
		109,691,712,829	77,260,189,980	(32,431,522,849)	101,560,822,818	83,609,720,819	(17,951,101,999)	

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

5. SHORT-TERM INVESTMENTS (continued)

5.2 Held-to-maturity investments

	30 June 2022			31 December 2021		
	Cost	Carrying value	Provision	Cost	Carrying value	Provision
Deposits (i)	3,198,640,125,210	3,020,195,000,000	(178,445,125,210)	3,106,640,125,210	2,928,195,000,000	(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)
- FE Credit (iii)	50,000,000,000	50,000,000,000	-	50,000,000,000	50,000,000,000	-
Certificates of deposit	50,000,000,000	50,000,000,000	-	50,000,000,000	50,000,000,000	-
	3,375,813,012,805	3,120,195,000,000	(255,618,012,805)	3,283,813,012,805	3,028,195,000,000	(255,618,012,805)

Currency: VND

(i) Term deposits having original terms greater than 3 months, remaining terms not greater than 12 months as at 30 June 2022 which earn interest at rates ranging from 4.3% p.a. to 7.8% 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 was overdue and these entities was insolvency. The Corporation made provision 100% for these investments according to Circular 48/2019/TT-BTC.

(iii) Bonds of FE credit have the remaining term as at 30 June 2022 less than 12 months which earn interest at rates 8.5% p.a.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

6. SHORT-TERM RECEIVABLES

	Currency: VND	
	30 June 2022	31 December 2021
Trade receivables	825,483,485,601	754,412,965,593
Direct Insurance receivables	260,352,579,414	204,822,750,553
Assumed premium receivables	264,339,261,461	203,231,722,311
Reinsurance ceded receivables	291,078,755,807	338,055,012,108
- Reinsurance claim ceded receivables	290,802,368,450	337,778,624,751
- Other reinsurance ceded receivables	276,387,357	276,387,357
Receivables from co-insurers	2,675,468,978	1,309,282,312
Other trade receivables	7,037,419,941	6,994,198,309
Advances to suppliers	5,999,090,621	3,815,664,536
Other receivables	304,382,703,274	266,081,632,546
Investment receivables	185,784,981,746	160,254,007,630
Other receivables	118,597,721,528	105,827,624,916
	1,135,865,279,496	1,024,310,262,675
Provision for doubtful debts	(313,903,871,809)	(331,179,853,514)
Provision for doubtful debts of trade receivables	(239,582,913,266)	(256,858,894,971)
Provision for doubtful debts of investment receivables	(74,320,958,543)	(74,320,958,543)
Net short-term receivables	821,961,407,687	693,130,409,161

7. INVENTORIES

	Currency: VND	
	30 June 2022	31 December 2021
Pre-printed certificates	4,900,831,494	5,478,728,360
Materials and stationery	237,375,130	142,900,821
	5,138,206,624	5,621,629,181

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

8. SHORT-TERM PREPAID EXPENSES

	Currency: VND	
	30 June 2022	31 December 2021
Unallocated commission expenses	227,102,867,886	217,198,086,583
Other prepaid expenses	302,138,323,093	259,643,985,237
- Tools and equipment	22,937,526	5,163,638
- Prepaid expenses for bancassurance services	299,719,704,919	258,430,815,703
- Other prepaid expenses	2,395,680,648	1,208,005,896
	529,241,190,979	476,842,071,820

9. LONG-TERM RECEIVABLES

	Currency: VND	
	30 June 2022	31 December 2021
Statutory deposit (*)	10,000,000,000	10,000,000,000
Other long-term receivables	6,440,873,637	4,799,951,039
Accrual interest receivables	47,561,644	179,978,082
	16,488,435,281	14,979,929,121

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

10. TANGIBLE FIXED ASSETS

	Machinery and equipment	Vehicles	Office equipment	Building	Other tangible fixed assets	Currency: VND Total
Costs						
Balance at 1 January 2022	622,199,009	73,016,953,351	19,785,707,100	138,211,961,071	6,882,882,132	238,519,702,663
Newly purchased	-	7,450,000	-	634,916,950	-	642,366,950
Disposed	-	-	(30,267,000)	-	-	(30,267,000)
Balance at 30 June 2022	622,199,009	73,024,403,351	19,755,440,100	138,846,878,021	6,882,882,132	239,131,802,613
<i>In which:</i>						
Fully depreciated	-	20,072,936,269	13,845,531,619	13,190,104,603	3,518,942,280	50,627,514,771
Accumulated depreciation						
Balance at 1 January 2022	110,722,267	44,486,891,350	18,433,679,697	86,728,040,748	5,497,064,153	155,256,398,215
Depreciation for the period	21,964,232	2,676,571,087	367,832,698	2,302,963,567	278,024,386	5,647,355,970
Disposed	-	-	(30,267,000)	-	-	(30,267,000)
Balance at 30 June 2022	132,686,499	47,163,462,437	18,771,245,395	89,031,004,315	5,775,088,539	160,873,487,185
Net carrying amount						
Balance at 1 January 2022	511,476,742	28,530,062,001	1,352,027,403	51,483,920,323	1,385,817,979	83,263,304,448
Balance at 30 June 2022	489,512,510	25,860,940,914	984,194,705	49,815,873,706	1,107,793,593	78,258,315,428

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

11. INTANGIBLE FIXED ASSETS

	Currency: VND	
	<i>Software</i>	<i>Land use rights</i>
	<i>Total</i>	
Costs		
Balance at 1 January 2022	90,040,768,187	194,166,163,294
Newly purchased	-	-
Balance at 30 June 2022	90,040,768,187	194,166,163,294
<i>In which:</i>		
Fully depreciated	75,127,685,347	327,272,727
Accumulated amortization		
Balance at 1 January 2022	79,586,605,237	15,481,084,686
Amortisation for the period	1,035,056,526	989,779,393
Balance at 30 June 2022	80,621,661,763	16,470,864,079
Net carrying amount		
Balance at 1 January 2022	10,454,162,950	178,685,078,608
Balance at 30 June 2022	9,419,106,424	177,695,299,215

12. CONSTRUCTION IN PROGRESS

	Currency: VND	
	<i>30 June 2022</i>	<i>31 December 2021</i>
Construction in progress	22,652,928,264	22,401,669,207
Purchased fixed assets	804,324,182	804,324,182
Repaired fixed assets	5,640,924,586	5,480,477,744
	29,098,177,032	28,686,471,133

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

13. INVESTMENT PROPERTIES

	Currency: VND		
	<i>Building</i>	<i>Land use rights</i>	<i>Total</i>
Costs			
Balance at 1 January 2022	80,177,678,249	101,071,189,764	181,248,868,013
Addition resulting from capitalised subsequent expenditure	612,485,450	-	612,485,450
Balance at 30 June 2022	80,790,163,699	101,071,189,764	181,861,353,463
<i>In which:</i>			
Fully amortised	6,224,772,520	-	6,224,772,520
Accumulated depreciation			
Balance at 1 January 2022	24,411,799,460	-	24,411,799,460
Depreciation for the period	1,430,697,037	-	1,430,697,037
Balance at 30 June 2022	25,842,496,497	-	25,842,496,497
Net carrying amount			
Balance at 1 January 2022	55,765,878,789	101,071,189,764	156,837,068,553
Balance at 30 June 2022	54,947,667,202	101,071,189,764	156,018,856,966

14. LONG-TERM INVESTMENTS

		Currency: VND	
	<i>Notes</i>	<i>30 June 2022</i>	<i>31 December 2021</i>
Investments in associate and joint venture company	14.1	145,350,000,000	145,350,000,000
Investments in other entities	14.1	57,615,300,000	57,615,300,000
Provision for impairment of other long-term investments	14.1	(2,768,006,956)	(2,250,236,399)
Held-to-maturity investments	14.2	101,701,000,000	164,701,000,000
- Term deposits		-	63,000,000,000
- Bonds		101,701,000,000	101,701,000,000
		<u>301,898,293,044</u>	<u>365,416,063,601</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

14. LONG-TERM INVESTMENTS (continued)

14.1. Investments in associates and jointly controlled entities

	30 June 2022			31 December 2021		
	Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair 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	(2,768,006,956)	54,847,293,044	57,615,300,000	(2,250,236,399)	55,365,063,601
Ha Long Bay Hotel						
Joint Stock Company	6,000,000,000	(313,529,568)	5,686,470,432	6,000,000,000	-	6,000,000,000
Sai Gon Kim Lien JSC	7,618,100,000	(2,454,477,388)	5,163,622,612	7,618,100,000	(2,250,236,399)	5,367,863,601
Vietnam National Reinsurance Corporation (Vinare)	43,218,000,000	-	43,218,000,000	43,218,000,000	-	43,218,000,000
Hatien Cement Joint-Stock Company	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, Sompō 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 (equivalent to 48.45% of its voting power).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

14. LONG-TERM INVESTMENTS (continued)

14.2 Held-to-maturity investments

		30 June 2022			31 December 2021			
Term	Interest rate	Cost	Carrying value		Term	Interest rate	Cost	Carrying value
		VND	VND				VND	VND
Term deposits								
Corporate bonds	2 – 5	7.3 – 11	101,701,000,000	101,701,000,000	1 – 2	4.3 – 6.2	63,000,000,000	63,000,000,000
					2 – 5	7.6 – 11	101,701,000,000	101,701,000,000
			101,701,000,000	101,701,000,000			164,701,000,000	164,701,000,000

15. LONG-TERM PREPAID EXPENSES

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

		Currency: VND	
		30 June 2022	31 December 2021
Prepaid rentals		15,767,438,288	12,527,310,504
Equipment with low value		3,258,058,694	3,132,018,245
Others		3,423,451,988	3,732,327,097
		22,448,948,970	19,391,655,846

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

16. TRADE PAYABLES

Currency: VND

	30 June 2022	31 December 2021
Claims payables	49,621,374,949	43,889,943,531
Reinsurance assumed payables	250,080,400,956	222,403,454,374
Reinsurance ceded payables	473,273,402,679	385,582,729,649
Payables to co-insurers	27,452,656,856	25,299,776,452
Other payables for direct insurance activities	79,521,737,282	75,359,120,896
Commission payables	81,733,082,285	92,748,951,542
	961,682,655,007	845,283,976,444

17. STATUTORY OBLIGATIONS

Currency: VND

	31 December 2021	Movement during the period		30 June 2022
		Increased	Paid	
Value Added Tax	23,097,112,030	95,985,974,831	(87,287,206,253)	31,795,880,608
Corporate Income Tax	11,465,100,265	28,010,138,600	(28,078,133,692)	11,397,105,173
Other taxes	926,657,268	13,151,844,341	(20,402,515,259)	(6,324,013,650)
	35,488,869,563	137,147,957,772	(135,767,855,204)	36,868,972,131

18. UN-EARNED COMMISSION REVENUE

Currency: VND

	Opening balance	Increased	Allocate during period	Closing balance
Reinsurance ceded commission income	90,552,814,720	113,405,865,075	(101,763,898,910)	102,194,780,885

19. OTHER SHORT-TERM PAYABLES

Other current payables present social insurance payable, health insurance payable, unemployment insurance payable and other payables relating to insurance business operation.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

20. TECHNICAL RESERVES

	30 June 2022			31 December 2021		
	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve
Unearned premium reserve	1,688,758,327,840	(414,301,470,372)	1,274,456,857,468	1,548,104,092,014	(379,950,827,788)	1,168,153,264,226
Claim reserve	1,694,589,832,835	(1,313,062,347,967)	381,527,484,868	2,083,544,882,985	(1,617,885,993,931)	465,658,889,054
	3,383,348,160,675	(1,727,363,818,339)	1,655,984,342,336	3,631,648,974,999	(1,997,836,821,719)	1,633,812,153,280

Currency: VND

20.1 Unearned Premium reserve

	30 June 2022			31 December 2021		
	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve	Direct insurance and inward reinsurance	Outward reinsurance	Net reserve
Opening balance	1,548,104,092,014	(379,950,827,788)	1,168,153,264,226	1,373,969,505,219	(306,539,651,636)	1,067,429,853,583
Movement during period	140,654,235,826	(34,350,642,584)	106,303,593,242	174,134,586,795	(73,411,176,152)	100,723,410,643
Closing balance	1,688,758,327,840	(414,301,470,372)	1,274,456,857,468	1,548,104,092,014	(379,950,827,788)	1,168,153,264,226

Currency: VND

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

20. TECHNICAL RESERVES (continued)

20.2 Claim reserve

Currency: VND

	30 June 2022		31 December 2021	
	Direct insurance and inward reinsurance	Outward reinsurance	Direct insurance and inward reinsurance	Outward reinsurance
				Net reserve
Opening balance	2,083,544,882,985	(1,617,885,993,931)	1,483,563,452,413	351,805,423,812
Movement during period	(388,955,050,150)	304,823,645,964	599,981,430,572	113,853,465,242
Closing balance	1,694,589,832,835	(1,313,062,347,967)	2,083,544,882,985	465,658,889,054

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 1,611,617,270,281 in which, the amount recoverable from reinsurers relating to these outstanding claims amounted to VND 1,271,182,966,123.

Reserves for claims incurred but not reported as at 30 June 2022, amounted to VND 41,093,180,710.

20.3 Catastrophe reserve

Currency: VND

	30 June 2022	31 December 2021
Beginning balance	165,018,435,580	127,899,591,279
Increased for the year	20,719,705,839	37,118,844,301
Ending balance	185,738,141,419	165,018,435,580

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

21. STATEMENT OF CHANGES IN EQUITY

	Charter capital	Share premium	Financial reserves funds	Retained earning	Statutory reserve fund	Total
						Currency: VND
Balance at 1 January 2022	1,096,239,850,000	792,244,224,449	28,085,153,439	314,678,973,341	104,108,119,199	2,335,356,320,428
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	-
Balance at 30 June 2022	1,096,239,850,000	792,244,224,449	28,085,153,439	262,766,260,830	109,623,985,000	2,288,959,473,718

21.1 Contributed capital

	30 June 2022		31 December 2021	
	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
	1,888,484,074,449	1,888,484,074,449	1,888,484,074,449	1,888,484,074,449

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

21. STATEMENT OF CHANGES IN EQUITY (continued)

21.2 Dividend

On 28 April 2022, the Corporation has held successfully Annual General Meeting of 2022 and approved the dividend at the rate of 15% for year 2021 (VND 1,500 per share) on charter capital of VND 1,096,239,850,000 equivalent to VND 164,435,977,500.

22. INSURANCE REVENUES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Direct premium	2,492,617,254,374	2,177,646,114,045
Deductions on direct premium	(3,411,627,650)	(2,320,294,294)
Net direct premium	2,489,205,626,724	2,175,325,819,751
Assumed premium	294,649,354,178	266,704,892,104
Deductions on assumed premium	(694,564,595)	(3,248,835,813)
Net assumed premium	293,954,789,583	263,456,056,291
Increase in gross written un-earned premium reserve	(140,654,235,826)	(74,125,691,248)
	2,642,506,180,481	2,364,656,184,794

22.1 Direct premium

	<i>Currency: VND</i>	
<i>Product</i>	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Fire & Explosion Insurance	542,828,857,003	500,771,350,403
Health and Personal Accident Insurance	897,420,867,382	688,254,831,692
Cargo Insurance	86,084,969,116	81,678,315,847
Aviation Insurance	18,879,441,850	3,275,376,627
Engineering Insurance	86,946,683,739	68,192,507,920
Agriculture Insurance	665,404,433	3,571,970,000
Marine Insurance	66,250,699,362	59,570,458,863
Business Interruption Insurance	51,064,179,784	44,506,442,359
Credit Insurance	253,297,767,059	265,090,214,239
Liability Insurance	49,627,155,927	43,389,476,392
Vehicle Insurance	436,139,601,069	417,024,875,409
	2,489,205,626,724	2,175,325,819,751

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

22. INSURANCE REVENUES (continued)

22.2 Assumed premium

<i>Product</i>	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Fire & Explosion Insurance	163,356,504,372	177,809,652,502
Health and Personal Accident Insurance	3,681,246,192	9,645,398,656
Cargo Insurance	20,153,337,297	14,484,547,543
Aviation Insurance	52,192,627,470	36,825,543,013
Engineering Insurance	28,176,592,541	12,747,217,140
Agriculture Insurance	3,332	(1,609,122)
Marine Insurance	7,256,944,582	9,009,058,483
Liability Insurance	17,582,004,827	2,936,248,076
Vehicle Insurance	1,555,528,970	-
	293,954,789,583	263,456,056,291

23. CEDED PREMIUM

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Ceded premium	711,189,832,435	665,447,160,419
Increase in un-earned ceded premium reserve	(34,350,642,584)	(41,513,839,658)
	676,839,189,851	623,933,320,761

23.1 Ceded premium

<i>Product</i>	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Fire & Explosion Insurance	420,106,273,286	444,898,014,586
Health and Personal Accident Insurance	1,278,586,828	1,272,654,574
Cargo Insurance	39,963,728,431	41,612,086,447
Aviation Insurance	25,727,943,789	-
Engineering Insurance	64,402,894,587	50,433,758,736
Agriculture Insurance	665,397,778	3,043,349,481
Marine Insurance	38,227,154,338	25,396,033,411
Business Interruption Insurance	46,089,922,250	42,198,335,601
Credit Insurance	41,750,065,750	26,495,683,848
Liability Insurance	32,801,008,198	29,836,654,400
Vehicle Insurance	176,857,200	260,589,335
	711,189,832,435	665,447,160,419

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

24. CEDED COMMISSION AND OTHER INCOME FROM INSURANCE ACTIVITIES

	Currency: VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Reinsurance ceded commission	101,763,898,910	90,321,464,785
Other incomes from insurance activities	735,477,516	6,693,530,635
	102,499,376,426	97,014,995,420

25. CLAIM EXPENSES

	Currency: VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Direct claim expenses and claim expenses on inward reinsurance	1,048,021,372,107	767,407,132,270
- Direct claim expenses	882,229,787,160	632,296,907,948
- Claim expenses on inward reinsurance	165,791,584,947	135,110,224,322
Reductions on claim expenses (Recovery from third party and salvages)	(4,905,859,146)	(6,375,706,671)
Recovery from reinsurance ceded	(395,396,049,982)	(174,723,915,570)
Decrease in gross claim reserve and reinsurance assumed claim reserve	(388,955,050,150)	(287,813,562,889)
Decrease in outward reinsurance claim reserve	304,823,645,964	286,927,057,970
	563,588,058,793	585,421,005,110

25.1 Direct claim expenses

	Currency: VND	
Product	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Fire & Explosion Insurance	411,000,160,882	170,348,147,106
Health and Personal Accident Insurance	202,980,280,975	183,798,202,561
Cargo Insurance	38,998,932,481	15,282,604,102
Engineering Insurance	23,338,636,625	23,893,201,717
Agriculture Insurance	21,200,000	-
Marine Insurance	14,069,115,614	22,133,776,040
Business Interruption Insurance	-	2,883,422,848
Credit Insurance	25,982,290,324	17,804,962,504
Liability Insurance	1,551,823,334	3,115,913,565
Vehicle Insurance	164,287,346,925	193,036,677,505
	882,229,787,160	632,296,907,948

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

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 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Fire & Explosion Insurance	86,155,779,012	85,024,226,664
Health and Personal Accident Insurance	3,940,916,953	10,688,442,778
Cargo Insurance	7,236,309,826	6,025,012,687
Aviation Insurance	32,333,860,201	19,383,103,782
Engineering Insurance	10,180,606,717	6,760,832,923
Agriculture Insurance	44,739,897	1,559,189,112
Marine Insurance	16,750,144,958	5,342,859,754
Liability Insurance	8,997,354,094	326,556,622
Vehicle Insurance	151,873,289	-
	165,791,584,947	135,110,224,322

25.3 Recovery from reinsurance ceded

<i>Product</i>	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Fire & Explosion Insurance	350,703,698,029	145,411,969,748
Cargo Insurance	22,094,504,994	3,060,983,551
Engineering Insurance	17,541,459,351	14,686,777,733
Marine Insurance	3,581,179,091	4,809,106,198
Business Interruption Insurance	-	2,679,972,085
Credit Insurance	1,338,398,304	2,350,089,788
Liability Insurance	131,399,954	1,714,295,185
Vehicle Insurance	5,410,259	10,721,282
	395,396,049,982	174,723,915,570

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

26. OTHER OPERATING EXPENSES

	<i>For the six-month period ended 30 June 2022</i>	<i>Currency: VND For the six-month period ended 30 June 2021</i>
Commission expense	375,732,552,590	309,323,411,838
Salary	237,278,029,027	251,880,967,019
Office expense	6,600,885,309	6,375,687,643
Depreciation expense	4,980,414,888	4,899,111,804
Reversal provision for doubtful debt	(16,934,162,315)	(18,855,413,048)
Other service expenses	14,423,604,298	15,379,371,660
Tax, fee	6,733,169,918	6,242,265,546
Selling, advertising expense	145,044,499,434	140,912,997,286
Underwriting expense	419,152,876,793	314,837,300,507
Agent supporting expense	112,628,093,845	60,979,326,281
Loss prevention expense	6,214,280,140	7,115,077,556
Expense for insured's risk assessment	244,596,899	99,126,508
Premium discount for students	1,431,890,568	452,575,638
Other expenses	2,816,697,680	3,249,387,016
	1,316,347,429,074	1,102,891,193,254

27. FINANCE INCOME

	<i>For the six-month period ended 30 June 2022</i>	<i>Currency: VND For the six-month period ended 30 June 2021</i>
Interest income from deposits at banks	86,435,614,390	88,374,618,536
Coupon interest from investments in bonds	5,851,111,243	6,543,804,865
Dividends earned	13,246,505,500	1,683,194,000
Foreign exchange gains	5,802,115,179	11,786,798,806
Gain from investment securities	8,299,370,011	29,953,322,464
Other finance income	852,309,444	1,002,579,087
	120,487,025,767	139,344,317,758

28. FINANCE EXPENSES

	<i>For the six-month period ended 30 June 2022</i>	<i>Currency: VND For the six-month period ended 30 June 2021</i>
Expenses allocated from administrative expenses	26,839,368,094	39,534,902,265
Foreign exchange losses	8,460,005,507	7,513,537,075
Provision/(Reversal provision) for diminution in value of held-for-trading securities and impairment loss of investments	14,998,191,407	(13,124,682,874)
Loss from trading securities	-	554,717,374
Other financial expenses	216,535,290	135,577,933
	50,514,100,298	34,614,051,773

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

29. GENERAL AND ADMINISTRATIVE EXPENSES

	Currency: VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Labour costs	39,222,653,253	37,228,522,857
Stationeries, tools & equipment	1,315,903,518	1,704,550,090
Depreciation expenses	2,323,706,600	2,533,426,031
Tax and fees	306,261,809	42,026,184
Expenses for external services	11,740,853,387	18,936,917,852
Conference, meeting expenses	10,027,654,828	7,184,548,073
Other expenses	1,879,384,917	1,918,955,830
	66,816,418,312	69,548,946,917

30. OTHER INCOME AND EXPENSES

	Currency: VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Proceeds on disposal of assets	5,097,364	873,217,272
Other income	130,830,207	248,862,100
Other income	135,927,571	1,122,079,372
Other expenses	(2,295,822,864)	(995,377,090)
Other expenses	(2,295,822,864)	(995,377,090)
Net other income	(2,159,895,293)	126,702,282

31. CURRENT CORPORATE INCOME TAX

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

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.

31.1 Corporate Income Tax Expenses

	Currency: VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Current Corporate Income Tax Expenses	28,010,138,600	33,605,913,742
Deferred Tax expense	4,152,295,493	200,737,326
Corporate Income Tax Expenses	32,162,434,093	33,806,651,068

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

31. CURRENT CORPORATE INCOME TAX (continued)

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 years 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:

ITEMS	Currency: VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Accounting profit before tax	171,849,830,489	170,081,206,996
At CIT rate of 20%	34,369,966,098	34,016,241,399
Adjustments to increase		
Non-deductible expenses	46,107,960	127,048,469
Penalty	395,661,135	-
Adjustments to decrease		
Non-taxable dividend income	(2,649,301,100)	(336,638,800)
Estimated current Corporate income tax expenses	32,162,434,093	33,806,651,068

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 year.

	Currency: VND			
	Interim balance sheet		Interim income statement	
	30 June 2022	31 December 2021	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Deferred tax assets	19,451,578,048	23,603,873,541		
Provision expenses for doubtful debt	19,451,578,048	23,603,873,541	(4,152,295,493)	(3,590,772,061)
Accrual expenses	-	-	-	3,390,034,735
Net deferred tax expense charged to Interim income statement			(4,152,295,493)	(200,737,326)

32. COMMITMENTS AND CONTINGENCIES

Operating lease 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:

	Currency: VND	
	30 June 2022	31 December 2021
Within 1 year	8,113,695,787	7,263,682,710
From 1-5 years	14,702,305,273	6,662,360,700
Over 5 years	-	15,000,000
	22,816,001,060	13,941,043,410

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

33. INTERIM OFF BALANCE SHEET ITEMS

	30 June 2022	31 December 2021
1. Insurance policies signed but not yet being effective (VND)	7,582,537,263	35,646,904,584
2. Foreign currencies		
- USD	249,753	1,066,829
- EUR	19,753	19,759
- JPY	24,167	24,893
- SGD	11,300	11,311

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 2022 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	Associate and Joint Venture Company

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

<i>Related parties</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2022</i>	<i>Currency: VND For the six-month period ended 30 June 2021</i>
AXA.SA - France	Ceded premium	56,606,339,511	108,407,484,791
	Ceded commission	2,945,804,514	9,847,852,926
United Insurance Company of Vietnam	Assumed premium	69,277,583,414	32,970,078,529
	Assumed commission expense	26,381,064,973	11,727,762,726

Amounts due to and due from related companies as at 30 June 2022 were as follows:

<i>Related party</i>	<i>Description</i>	<i>30 June 2022</i>	<i>Currency: VND 31 December 2021</i>
AXA.SA - France	Claim recovery receivable	178,475,998,518	81,876,438,634
	Ceded premium payable	(50,695,650,967)	(55,180,493,400)
United Insurance Company of Vietnam	Assumed premium receivable	42,896,518,441	44,493,714,110
	Claim recovery payable	(31,714,064,566)	(17,723,377,241)

Bao Minh Insurance Corporation

B09a-DNPNT

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

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 2022	For the six-month period ended 30 June 2021
Currency: VND				
Dinh Viet Tung		Chairman	41,600,000	-
Vu Thai Huyen		Chairwoman	-	25,000,000
Vu Anh Tuan		Board of Directors member, Chief Executive Officer	738,051,443	546,856,667
Ivan Tam Kwok Wing		Board of Directors member	41,600,000	25,000,000
Bui Thi Thu Thanh		Board of Directors member	41,600,000	25,000,000
Le Viet Thanh		Board of Directors member	41,600,000	25,000,000
Callard Stumpf Céline		Board of Directors member	41,600,000	25,000,000
Tran Van Ta		Board of Directors member	120,000,000	120,000,000
Le Minh Tuyet		Head of the Board of Supervision	41,600,000	25,000,000
Nicolas De Nazelle		Board of Supervision member	33,300,000	20,000,000
Phan Thi Hong Phuong		Board of Supervision member	33,300,000	20,000,000
Jonathan Yau Chun Hung		Board of Supervision member	33,300,000	20,000,000
Nguyen The Nang		Deputy Chief Executive Officer	685,053,576	511,456,000
Pham Minh Tuan		Deputy Chief Executive Officer	646,068,271	507,082,000
Chau Quang Linh		Deputy Chief Executive Officer	541,641,154	405,100,000
Sai Van Hung		Chief Accountant	503,831,556	668,013,071



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

35. EARNINGS PER SHARE

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Net profit after tax	139,687,396,396	136,274,555,928
Distribution to bonus and welfare fund (*)	20,245,316,652	22,627,909,742
Net profit after tax attributable to ordinary shareholders for basic earnings	119,442,079,744	113,646,646,186
Weighted average number of ordinary shares	109,623,985	91,354,037
Net profit attributable to ordinary shareholders	1,090	1,244

(*) Distribution to bonus and welfare fund for 2022 is accrued based on the profit distribution plan of 2022. The actual distribution to bonus and welfare fund from 2022 retained earnings will be decided according to the resolution of Annual General Meeting of 2023.

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 then ended 30 June 2022

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 persons 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 recognizes 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 2022	1,263,036	992,222	127%
31 December 2021	1,229,949	917,563	134%

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 then ended 30 June 2022

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 2022, 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.

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:

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

36. RISK MANAGEMENT FRAMEWORK (continued)

36.6 Management of insurance and financial risk (continued)

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.

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 then ended 30 June 2022

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
30 June 2022					
Financial assets					
Fixed term investment	255,618,012,805	-	3,120,195,000,000	101,701,000,000	3,477,514,012,805
- Held to maturity	77,172,887,595	-	50,000,000,000	101,701,000,000	228,873,887,595
- Loans and receivables - deposit contract	178,445,125,210	-	3,070,195,000,000	-	3,248,640,125,210
Equity investment	-	312,657,012,829	-	-	312,657,012,829
- Available for sale securities	-	109,691,712,829	-	-	109,691,712,829
- Investments in joint-venture and associate	-	145,350,000,000	-	-	145,350,000,000
- Other long-term investment	-	57,615,300,000	-	-	57,615,300,000
Receivables	113,935,636,150	-	2,411,217,632,665	338,075,829,020	2,863,229,097,835
- Insurance receivables	113,935,636,150	-	373,472,020,431	338,075,829,020	825,483,485,601
- Advance to suppliers	-	-	5,999,090,621	-	5,999,090,621
- Other receivables	-	-	304,382,703,274	-	304,382,703,274
- Reinsurance assets	-	-	1,727,363,818,339	-	1,727,363,818,339
Cash and cash equivalents	369,553,648,955	86,031,302,015	-	-	86,031,302,015
	369,553,648,955	398,688,314,844	5,531,412,632,665	439,776,829,020	6,739,431,425,484

Bao Minh Insurance Corporation

B09a-DNPNT

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

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
31 December 2021					
Financial assets					
Fixed term investment	255,618,012,805	-	3,028,195,000,000	164,701,000,000	3,448,514,012,805
- Held to maturity	77,172,887,595	-	50,000,000,000	101,701,000,000	228,873,887,595
- Loans and receivables - deposit contract	178,445,125,210	-	2,978,195,000,000	63,000,000,000	3,219,640,125,210
Equity investment	-	304,526,122,818	-	-	304,526,122,818
- Available for sale securities	-	101,560,822,818	-	-	101,560,822,818
- Investments in joint-venture and associate	-	145,350,000,000	-	-	145,350,000,000
- Other long-term investment	-	57,615,300,000	-	-	57,615,300,000
Receivables	101,149,414,416	-	2,628,192,214,553	292,805,455,425	3,022,147,084,394
- Insurance receivables	101,149,414,416	-	360,458,095,752	292,805,455,425	754,412,965,593
- Advance to suppliers	-	-	3,815,664,536	-	3,815,664,536
- Other receivables	-	-	266,081,632,546	-	266,081,632,546
- Reinsurance assets	-	-	1,997,836,821,719	-	1,997,836,821,719
Cash and cash equivalents	-	220,659,039,990	-	-	220,659,039,990
	356,767,427,221	525,185,162,808	5,656,387,214,553	457,506,455,425	6,995,846,260,007

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

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	Currency: VND Total
30 June 2022					
Financial Liabilities					
Insurance payables	-	-	961,682,655,007	-	961,682,655,007
Technical reserves	-	-	3,456,922,194,541	112,164,107,553	3,569,086,302,094
Other short-term payables	-	-	33,594,993,781	-	33,594,993,781
	-	-	4,452,199,843,329	112,164,107,553	4,564,363,950,882
31 December 2021					
Financial Liabilities					
Insurance payables	-	-	845,283,976,444	-	845,283,976,444
Technical reserves	-	-	3,666,528,750,347	130,138,660,232	3,796,667,410,579
Other short-term payables	-	-	28,232,349,065	-	28,232,349,065
	-	-	4,540,045,075,856	130,138,660,232	4,670,183,736,088

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

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 then ended 30 June 2022

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial Assets (continued)

▶ ***Financial asset recognized at fair value through interim income statements 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 income 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 income statements;
- b/ Financial assets already categorized as available for sales;
- 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 income statements;
- 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 then ended 30 June 2022

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 income 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 income 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 income 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 income 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 then ended 30 June 2022

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 at 30 June 2022 and 31 December 2021:

	Book value				Fair value	
	30 June 2022		31 December 2021		30 June 2022	31 December 2021
	Cost	Provision	Cost	Provision		
Financial assets						
Fixed term investment	3,477,514,012,805	(255,618,012,805)	3,448,514,012,805	(255,618,012,805)	3,221,896,000,000	3,192,896,000,000
- Held to maturity	228,873,887,595	(77,172,887,595)	228,873,887,595	(77,172,887,595)	151,701,000,000	151,701,000,000
- Loans and receivables - deposit contract	3,248,640,125,210	(178,445,125,210)	3,219,640,125,210	(178,445,125,210)	3,070,195,000,000	3,041,195,000,000
Equity investment	312,657,012,829	(35,199,529,805)	304,526,122,818	(20,201,338,398)	277,457,483,024	284,324,784,420
- Available for sale securities	109,691,712,829	(32,431,522,849)	101,560,822,818	(17,951,101,999)	77,260,189,980	83,609,720,819
- Investments in joint-venture and associate	145,350,000,000	-	145,350,000,000	-	145,350,000,000	145,350,000,000
- Other long-term investment	57,615,300,000	(2,768,006,956)	57,615,300,000	(2,250,236,399)	54,847,293,044	55,365,063,601
Receivables	2,863,229,097,835	(313,903,871,809)	3,022,147,084,394	(331,179,853,514)	2,549,325,226,026	2,690,967,230,880
- Insurance receivables	825,483,485,601	(132,098,692,475)	754,412,965,593	(136,004,273,629)	693,384,793,126	618,408,691,964
- Advances to suppliers	5,999,090,621	-	3,815,664,536	-	5,999,090,621	3,815,664,536
- Other receivables	304,382,703,274	(181,805,179,334)	266,081,632,546	(195,175,579,885)	122,577,523,940	70,906,052,661
- Reinsurance assets	1,727,363,818,339	-	1,997,836,821,719	-	1,727,363,818,339	1,997,836,821,719
Cash and cash equivalents	86,031,302,015	-	220,659,039,990	-	86,031,302,015	220,659,039,990
	6,739,431,425,484	(604,721,414,419)	6,995,846,260,007	(606,999,204,717)	6,134,710,011,065	6,388,847,055,290

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period then ended 30 June 2022

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 2022 and 31 December 2021:

Currency: VND

	Book value		Fair value	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Financial liabilities measured at amortized cost				
- Insurance payables	961,682,655,007	845,283,976,444	961,682,655,007	845,283,976,444
- Technical reserves	3,569,086,302,094	3,796,667,410,579	3,569,086,302,094	3,796,667,410,579
- Other short-term receivables	33,594,993,781	28,232,349,065	33,594,993,781	28,232,349,065
	4,564,363,950,882	4,670,183,736,088	4,564,363,950,882	4,670,183,736,088

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 2022, 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 then ended 30 June 2022

38. CONTINGENT LIABILITIES


The Corporation has an on-going lawsuit with Binh Dinh Maritime Shipbuilding Industry JSC with claim requests amount of bVND 66.65 which included the estimated portion of the Corporation to be liable to is bVND 64.6 after deducting the claim recovery from reinsurers.


On 19 July 2022, the People's Court of Ho Chi Minh City sentenced first-instance judgments No.1108/2022KDTM of the above case with the decision not to accept the entire claim of the plaintiff - Binh Dinh Maritime Shipbuilding Industry JSC. Due to the plaintiff's absence, according to the current law and regulations, the absent involved party may appeal the judgment within 15 days from the date of receipt of the judgment or posting the judgment. Up to the date of these interim financial statements, the Corporation confirmed that it has not received any information from the Court regarding the Plaintiff's appeal. In case the first-instance judgment is appealed and brought to appellate trial, the appellate judgment will take effect from the date of such pronouncement.


Consequently, up to the date of these interim financial statements, as the result of the case has yet been determined, the Corporation has not yet recognized any expenses and obligations related to this incident in the accompanying interim financial statements.

39. 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. Nguyen Tran Thai
Preparer


Mr. Sai Van Hung
Chief Accountant


Mr. Vu Anh Tuan
Chief Executive Officer



Ho Chi Minh City, Viet Nam

15 August 2022

