

**INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE FIRST 6 MONTHS OF
THE FISCAL YEAR ENDED 31 DECEMBER 2020

**POST-TELECOMMUNICATION
JOINT STOCK INSURANCE
CORPORATION**

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POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

REPORT OF THE MANAGEMENT BOARD

The Management Board of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation") presents this report together with the interim consolidated financial statements for the first 6 months of the fiscal year ended 31 December 2020 including the interim combined financial statements of the Corporation and its subsidiaries (generally called "the Group").

Business highlights

Post-Telecommunication Joint Stock Insurance Corporation has been operating in accordance with the Business License No. 3633/GP-UB dated 1 August 1998 granted by Hanoi People Committee with the operation duration of 25 years.

During the operation course, the Corporation has been 25 times granted by the Ministry of Finance with the Amended Licenses regarding the increase of charter capital and the additional establishment of affiliates, in which the 25th amended License No. 41A/GPDC25/KDBH dated 14 August 2020 regarding the establishment of affiliate.

Head office

- Address : Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City
- Telephone : 0243 772 4466
- Fax : 0243 772 4460
- Tax code : 0100774631

Affiliates:

	Name	Address
1	Ho Chi Minh Post-Telecommunication Insurance Company	Floor 11, Viettel Tower, No. 285 Cach Mang Thang Tam, Ward 12, District 10, Ho Chi Minh City
2	Da Nang Post-Telecommunication Insurance Company	Floor 5, Da Nang Post Office Building, 271 Pham Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City
3	Hai Phong Post-Telecommunication Insurance Company	Building No. 2, Lot 28A Le Hong Phong, Ngo Quyen District, Hai Phong City
4	Can Tho Post-Telecommunication Insurance Company	No. 40, Vo Van Kiet Road, An Hoa Ward, Ninh Kieu District, Can Tho City
5	Northern Midland Post-Telecommunication Insurance Company	Yen Vinh Quarter, Hung Phuc Ward, Vinh City, Nghe An Province
6	Northern Post-Telecommunication Insurance Company	Nguyen Tat Thanh Road, Trung Vuong, Viet Tri City, Phu Tho Province
7	Dong Nai Post-Telecommunication Insurance Company	No. R64, R65 Vo Thi Sau prolonged, Thong Nhat Ward, Bien Hoa City, Dong Nai Province
8	Highland Post-Telecommunication Insurance Company	27 Tran Khanh Du, Tan Loi Ward, Buon Ma Thuot City, Dak Lak Province
9	Southern Midland Post-Telecommunication Insurance Company	No. 2 Le Thanh Phuong Road, Nha Trang City, Khanh Hoa Province
10	Ca Mau Post-Telecommunication Insurance Company	No. 3 Luu Tan Tai, Ward 5, Ca Mau City
11	Binh Dinh Post-Telecommunication Insurance Company	Floor 4, No. 2 Tran Thi Ky, Quy Nhon City, Binh Dinh Province
12	Binh Duong Post-Telecommunication Insurance Company	No. 150 Ngo Gia Tu Road, Chanh Nghia Ward, Thu Dau Mot City, Binh Duong Province
13	Quang Ninh Post-Telecommunication Insurance Company	No. 164 Le Thanh Tong, Bach Dang Ward, Ha Long City, Quang Ninh Province

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

REPORT OF THE MANAGEMENT BOARD (cont.)

Name	Address
14 Thanh Hoa Post-Telecommunication Insurance Company	Floor 5, No. 11 Hac Thanh, Dien Bien Phu Ward, Thanh Hoa City
15 Thua Thien Hue Area Post-Telecommunication Insurance Company	Floor 2, Building No. 51 Hai Ba Trung, Hue City, Thua Thien Hue Province
16 Thang Long Post-Telecommunication Insurance Company	Hoa Dang Building, No. 290 Nguyen Trai, Trung Van Ward, Nam Tu Liem District, Hanoi
17 An Giang Post-Telecommunication Insurance Company	No. 5/2 Ton Duc Thang Road, My Binh Ward, Long Xuyen City, An Giang Province
18 Long An Post-Telecommunication Insurance Company	No. 37-39 Road 5, Ward 6, Tan An City, Long An Province
19 Vinh Phuc Post-Telecommunication Insurance Company	No. 2, Ngo Quyen Road, Vinh Yen Town, Vinh Phuc Province
20 Sai Gon Post-Telecommunication Insurance Company	Room 2-3, Floor 3, Dali Tower, 24 Phan Dang Luu, Ward 6, Binh Thanh District, Ho Chi Minh City
21 Bac Ninh Post-Telecommunication Insurance Company	Lot B94, Kinh Duong Vuong Road, Vu Ninh Ward, Bac Ninh City, Bac Ninh Province
22 Lao Cai Post-Telecommunication Insurance Company	No. 121 Thanh Nien Road, Duyen Hai Ward, Lao Cai City, Lao Cai Province
23 Southern Red River Post-Telecommunication Insurance Company	No. 8, Le Dai Hanh Road, Thanh Binh Ward, Ninh Binh City, Ninh Binh Province
24 Ben Thanh Post-Telecommunication Insurance Company	Floors 4-5, 322 Dien Bien Phu Building, Ward 22, Binh Thanh District, Ho Chi Minh City
25 Hanoi Post-Telecommunication Insurance Company	Floor 2, Natural Resources and Environment Newspapers Building, Lot E2 Cau Giay New Urban Area, Yen Hoa, Cau Giay, Hanoi
26 Hai Hung Post-Telecommunication Insurance Company	Lot 122, BT 3-4, Western Quarter, Tan Binh Ward, Hai Duong City, Hai Duong Province
27 Tien Giang Post-Telecommunication Insurance Company	No. 59, 30/4 Road, District 1, My Tho City, Tien Giang Province
28 Capital Post-Telecommunication Insurance Company	Floor 5,6 Building 95B Thinh Hao Labor Area, O Cho Dua Ward, Dong Da District, Hanoi
29 Binh Tri Thien Area Post-Telecommunication Insurance Company	No. 146, Ly Thuong Kiet Road, Dong Hoi City, Quang Binh Province
30 Southern Representative Office	Floor 2, Thuy Loi 4 Building, No. 205 Nguyen Xi, Binh Thanh District, Ho Chi Minh City
31 Thong Nhat Post-Telecommunication Insurance Company	Floor 3, No. 170 Bui Thi Xuan, Pham Ngu Lao Ward, District 1, Ho Chi Minh City
32 Phu My Hung Post-Telecommunication Insurance Company	Floor 7, Loyal Building, No. 151-151 Bis Vo Thi Sau, Ward 6, District 3, Ho Chi Minh City
33 Vung Tau Post-Telecommunication Insurance Company	No. 480 Le Hong Phong, Vung Tau City, Ba Ria – Vung Tau Province
34 Thai Nguyen Post-Telecommunication Insurance Company	Floor 2, 9-floor Building, To Ngoc Van Street, Phan Dinh Phung Road, Group 11, Dong Quang Ward, Thai Nguyen City, Thai Nguyen Province
35 Gia Lai Post-Telecommunication Insurance Company	No. 69 Hung Vuong, Tay Son Ward, Pleiku City, Gia Lai Province
36 Ha Thanh Post-Telecommunication Insurance Company	Floor 5, Lac Hong Building, No. 85 Le Van Luong, Thanh Xuan, Hanoi

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
REPORT OF THE MANAGEMENT BOARD (cont.)

Name	Address
37 Nam Dinh Post-Telecommunication Insurance Company	Floor 3 ACB Building – Nam Dinh Branch, No. 67 Le Hong Phong, Nguyen Du Ward, Nam Dinh City
38 Hai Dang Post-Telecommunication Insurance Company	Floor 2 Thanh Dat 1 Building, No. 3 Le Thanh Tong Road, May To Ward, Ngo Quyen District, Hai Phong
39 Trang An Post-Telecommunication Insurance Company	Floor 6, Building No. 434 Tran Khat Chan, Pho Hue Ward, Hai Ba Trung District, Hanoi
40 Northwest Post-Telecommunication Insurance Company	North Tran Hung Dao Post Office, Hamlet 12 Su Ngoi Commune, Hoa Binh City, Hoa Binh
41 Au Lac Post-Telecommunication Insurance Company	Apartment No. 2, N7B Trung Hoa - Nhan Chinh Urban Area, Nhan Chinh Ward, Thanh Xuan District, Hanoi
42 Soc Trang Post-Telecommunication Insurance Company	No. 62 Tran Binh Trong, Quarter 1, Ward 2, Soc Trang City, Soc Trang Province
43 Thai Binh Post-Telecommunication Insurance Company	Floor 5, No. 355 Ly Bon, De Tham Ward, Thai Binh City, Thai Binh Province
44 PTI Representative Office for Claim Appraisal in Hanoi	Floor 2, Link Building No. 2, High Apartment Building at Land Lot CT3, Trung Van New Urban Area, Trung Van Ward, Nam Tu Liem District, Hanoi City
45 PTI Representative Office for Claim Appraisal in Ho Chi Minh City	No. 205 Nguyen Xi, Binh Thanh District, Ho Chi Minh City
46 Ha Tuyen Post-Telecommunication Insurance Company	Group 6, Hung Thanh Ward, Tuyen Quang City, Tuyen Quang Province
47 Tay Nam Post-Telecommunication Insurance Company	Area 7, Ward 3, Tay Ninh City, Tay Ninh Province
48 Digital Post-Telecommunication Insurance Company	Floor 3, Comatce Tower, No. 61 Nguy Nhu Kon Tum, Nhan Chinh Ward, Thanh Xuan District, Hanoi City
49 Gia Dinh Post-Telecommunication Insurance Company	Floor 3, Sun Village Building, No. 31-33 Nguyen Van Dau, Ward 6, Binh Thanh District, Ho Chi Minh City
50 Kien Giang Post-Telecommunication Insurance Company	No. 801-803 Road 3 thang 2, Quarter 5, An Hoa Ward, Rach Gia City, Kien Giang Province.

Operating field: providing non-life insurance

Allowable transactions:

- Providing written insurance:
 - Health and human accident insurance;
 - Property insurance and damage insurance;
 - Insurance of cargo transported by road, seaway, waterway, railway and airway;
 - Joint liability insurance;
 - Motor vehicle insurance;
 - Fire and explosion insurance;
 - Business damage insurance.
- Providing reinsurance: Assuming and ceding reinsurance relating to transactions of non-life insurance.
- Carrying out investment activities in accordance with the legal regulations.
- Assessing losses.
- Being agency for damage survey, compensation settlement, subrogation recovery.
- Other activities in accordance with the legal regulations.

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
REPORT OF THE MANAGEMENT BOARD (cont.)

Board of Management and Executive officers

The Board of Management and the Executive officers of the Corporation during the period and as of the date of this report include:

The Board of Management

Full names	Position	Appointing date /Re-appointing date
Mr. Nguyen Minh Duc	Chairman	Re-appointed on 24 June 2020
Mr. Kim Kang Wook	Vice Chairman	Re-appointed on 24 June 2020
Mr. Bui Xuan Thu	Member	Re-appointed on 24 June 2020
Mr. Ko Young Joo	Member	Re-appointed on 24 June 2020
Mr. Park Suk Gon	Member	Re-appointed on 24 June 2020
Mr. Mai Xuan Dung	Member	Re-appointed on 24 June 2020
Ms. Tran Thi Minh	Member	Re-appointed on 24 June 2020
Mr. Do Ngoc Quynh	Member	Appointed on 24 June 2020
Ms. Nguyen Ho Nga	Member	Appointed on 24 June 2020

The Control Board

Full names	Position	Re-appointing date
Mr. Nguyen Huu Thang	Manager	24 June 2020
Ms. Bui Thanh Hien	Member	24 June 2020
Mr. Park Ki Hyun	Member	24 June 2020
Mr. Bae Taeg Soo	Member	24 June 2020
Ms. Nguyen Thi Ha Ninh	Member	24 June 2020

The General Directors

Full names	Position	Re-appointing date
Mr. Bui Xuan Thu	General Director	27 April 2018
Mr. Cao Ba Huy	Deputy General Director	4 April 2018
Mr. Do Quang Khanh	Deputy General Director	27 April 2018
Mr. Nguyen Kim Lan	Deputy General Director	21 July 2019
Mr. Doan Kien	Deputy General Director	21 July 2019
Mr. Nghiem Xuan Thai	Deputy General Director	1 August 2020
Ms. Luu Phuong Lan	Deputy General Director	1 August 2020

Legal representative

The legal representative of the Corporation during the period and as of the date of this report is Mr. Bui Xuan Thu – General Director.

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the review on the interim consolidated financial statements for the first 6 months of the fiscal year ended 31 December 2020 of the Group.

Responsibilities of the Management Board

The Management Board is responsible for the preparation of the interim consolidated financial statements to give a true and fair view on the consolidated financial position, the consolidated business results and the consolidated cash flows of the Group during the period. In order to prepare these interim consolidated financial statements, the Management Board must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

REPORT OF THE MANAGEMENT BOARD (cont.)

- point out whether the accounting standards applied to the Group have been complied or not and all material errors in comparison with these standards have been presented and explained in the interim consolidated financial statements;
- prepare the interim consolidated financial statements of the Group on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the interim consolidated financial statements are free from material misstatements due to frauds or errors.

The Management Board hereby ensures that all the accounting books have been fully recorded by the Group and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applied accounting standards. The Management Board is also responsible for protecting the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Management Board hereby ensures that all the requirements above have been followed when the interim consolidated financial statements are prepared.

Approval to the financial statements

The Management Board has approved the attached interim consolidated financial statements. The interim consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 30 June 2020, the interim consolidated business results and the interim consolidated cash flows for the first 6 months of the fiscal year then ended 31 December 2020 of the Group in conformity with the Vietnamese accounting standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 202/2014/TT-BTC dated 22 December 2014 and legal regulations related to the preparation and presentation of interim consolidated financial statements.

For and on behalf of the Management Board

General Director



Bùi Xuân Thu

30 August 2020

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No. 1.1293/20/TC-AC

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE GENERAL DIRECTORS POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

We have reviewed the accompanying interim consolidated financial statements of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation") and its subsidiaries (generally called "the Group"), which were prepared on 30 August 2020, from page 9 to page 63, including the interim consolidated balance sheet as of 30 June 2020, the interim consolidated income statement, the interim consolidated cash flow statement for the first 6 months of the fiscal year ended 31 December 2020 and the notes to the interim consolidated financial statements.

The Management Board's Responsibility

The Corporation's Management Board is responsible for the preparation, true and fair presentation of these interim consolidated financial statements of the Group in accordance with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 202/2014/TT-BTC dated 22 December 2014 and the legal regulations related to the preparation and presentation of interim consolidated financial statements and responsible for such internal control as the Management Board determines is necessary to enable the preparation and presentation of the interim consolidated financial statements to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to raise a conclusion on the interim consolidated financial statements 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.

The review works on the interim financial statements mainly include interviews with persons in charge of finance, accounting and application of other analysis and review procedures. Reviewing the Financial Statements is basically narrower than that of auditing the Financial Statements in line with the Vietnamese Standards on Auditing and therefore, it does not allow us to obtain a reasonable assurance to enable us to detect all material issues during the engagement. Accordingly, we do not raise our audit opinion.

Auditor's Conclusion

Based on our review, we do not find out any events to suppose that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of the Group as of 30 June 2020, its consolidated financial performance and its consolidated cash flows for the first 6 months of the fiscal year ended 31 December 2020 in accordance with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 202/2014/TT-BTC dated 22 December 2014 and the legal regulations related to the preparation and presentation of interim consolidated financial statements.

A&C Auditing and Consulting Co., Ltd.



Nguyen Hoang Duc

Deputy General Director

Audit Practice Registration Certificate: No. 0368-2018-008-1

Ho Chi Minh City, 30 August 2020

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

INTERIM CONSOLIDATED BALANCE SHEET

(Complete form)

As of 30 June 2020

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS (100=110+120+130+140+150+190)	100		6,954,946,927,585	6,652,595,735,451
I. Cash and cash equivalents	110	V.1	153,355,510,395	118,142,382,645
1. Cash	111		153,255,510,395	118,142,382,645
2. Cash equivalents	112		100,000,000	-
II. Short-term financial investments	120		3,720,078,997,883	3,178,426,833,594
1. Trading securities	121	V.2a	292,159,071,643	514,695,503,218
2. Provision for devaluation of trading securities	122	V.2a	(39,451,884,893)	(137,506,487,068)
3. Investments held to maturity date	123	V.2b	3,467,371,811,133	2,801,237,817,444
III. Short-term accounts receivable	130		905,585,390,130	957,125,800,733
1. Short-term receivable from customers	131	V.3	493,204,642,499	652,578,397,027
1.1 Receivable on insurance policies	131.1		476,619,722,716	608,316,325,735
1.2 Other receivable from customers	131.2		16,584,919,783	44,262,071,292
2. Short-term prepayments to suppliers	132	V.4	129,873,400,247	90,460,808,098
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Receivable on short-term loans	135		13,140,000,000	13,140,000,000
6. Other short-term receivable	136	V.5a	316,071,999,625	249,425,428,475
7. Provision for short-term bad debts	137	V.6	(46,704,652,241)	(48,478,832,867)
8. Deficient assets to be treated	139		-	-
IV. Inventories	140		14,599,741,323	15,999,232,660
1. Inventories	141	V.7	14,599,741,323	15,999,232,660
2. Provision for devaluation of inventories	149		-	-
V. Other current assets	150		410,315,100,229	399,506,624,819
1. Short-term prepaid expenses	151	V.8a	406,193,786,715	392,988,957,776
1.1 Unappropriated commission expenses	151.1		404,947,362,165	392,345,860,078
1.2 Other short-term prepaid expenses	151.2		1,246,424,550	643,097,698
2. VAT deductible	152		3,261,104,989	6,043,436,712
3. Taxes and accounts receivable from the State	153	V.9	860,208,525	474,230,331
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-
VIII. Reinsurance assets	190	V.22c	1,751,012,187,625	1,983,394,861,000
1. Reinsurance premium ceded reserve	191		1,282,170,582,438	1,373,748,583,697
2. Outstanding claim reserve for reinsurance ceded	192		468,841,605,187	609,646,277,303

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Interim consolidated balance sheet (cont.)

ASSETS		Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS		200		1,018,097,805,995	961,951,592,092
I. Long-term accounts receivable		210		60,912,695,256	83,259,389,178
1. Long-term receivable from customers		211	V.13	-	250,000,000
2. Long-term prepayments to suppliers		212		-	-
3. Working capital in subsidiaries		213		-	-
4. Long-term inter-company receivable		214		-	-
5. Receivable on long-term loans		215		-	-
6. Other long-term receivable		216	V.5b	60,912,695,256	83,009,389,178
6.1 Insurance deposit		216.1		10,280,000,000	10,280,000,000
6.2 Other long-term receivable		216.2		50,632,695,256	72,729,389,178
7. Provision for long-term bad debts		219		-	-
II. Fixed assets		220		117,878,411,549	107,256,657,789
1. Tangible assets		221	V.10	110,452,867,400	98,932,022,661
Historical costs		222		234,710,472,363	215,890,678,814
Accumulated depreciation		223		(124,257,604,964)	(116,958,656,153)
2. Financial leasehold assets		224		-	-
Historical costs		225		-	-
Accumulated depreciation		226		-	-
3. Intangible assets		227	V.11	7,425,544,149	8,324,635,128
Historical costs		228		18,960,592,486	18,637,092,486
Accumulated depreciation		229		(11,535,048,337)	(10,312,457,358)
III. Investment property		230	V.12	132,441,011,195	134,269,251,437
Historical costs		231		145,709,389,296	145,709,389,296
Accumulated depreciation		232		(13,268,378,101)	(11,440,137,859)
IV. Long-term assets in progress		240		34,998,191,793	49,296,477,314
1. Long-term operating expenses in progress		241		-	28,542,791,797
2. Construction in progress		242	V.13	34,998,191,793	20,753,685,517
V. Long-term financial investments		250		647,067,299,732	553,852,252,675
1. Investments in subsidiaries		251		-	-
2. Investments in associates and joint ventures		252	V.2c	44,359,180,878	42,383,971,413
3. Investment, capital contribution in other entities		253	V.2d	41,510,000,000	96,373,299,985
4. Provision for devaluation of long-term financial investments		254	V.2e	(11,813,439,932)	(47,742,571,184)
5. Investments held until maturity date		255	V.2b	573,011,558,786	462,837,552,461
VI. Other long-term assets		260		24,800,196,471	34,017,563,699
1. Long-term prepaid expenses		261	V.8b	23,552,510,303	32,537,961,484
2. Deferred income tax assets		262		-	41,332,557
3. Long-term equipment, materials, spare parts		263		-	-
4. Other long-term assets		268		-	-
5. Goodwill		269		1,247,686,168	1,438,269,658
TOTAL ASSETS		270		7,973,044,733,580	7,614,547,327,543

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Interim consolidated balance sheet (cont.)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
C - LIABILITIES		300		6,073,393,266,535	5,746,984,869,886
I. Current liabilities		310		6,063,014,105,193	5,734,022,260,756
1. Short-term payable to suppliers		311	V.14	613,659,646,279	554,948,319,769
1.1 Payable on insurance policies		311.1		585,467,021,442	500,572,000,572
1.2 Other payable to suppliers		311.2		28,192,624,837	54,376,319,197
2. Short-term prepayments from customers		312	V.15	9,924,693,229	6,817,186,836
3. Taxes and other obligations to the State budget		313	V.16	54,728,322,909	51,618,893,485
4. Payable to employees		314		165,022,354,532	61,510,981,320
5. Short-term accrued expenses		315		3,906,215,497	13,439,688,892
6. Short-term inter-company payable		316		-	-
7. Short-term unrealized revenue		318.1	V.17	89,965,149,290	119,073,727,582
8. Unearned commission		318.2	V.18	335,179,387,772	293,161,262,536
9. Other short-term payable		319	V.19a	217,764,263,220	106,110,480,490
10. Short-term loans and financial lease debts		320	V.20a	188,207,130,731	6,287,285,564
11. Provision for current liabilities		321		-	95,000,000,000
12. Bonus and welfare funds		322		187,836,139	175,336,139
13. Price stabilization fund		323		-	-
14. Transaction of repurchasing the Government's bonds		324		-	-
15. Technical reserve		329		4,384,469,105,595	4,425,879,098,143
15.1 Written premium and reinsurance assumed reserve		329.1	V.21a	3,264,037,381,276	3,160,260,976,999
15.2 Outstanding claim reserve for written insurance and reinsurance assumed		329.2	V.21a	995,685,003,512	1,161,842,936,713
15.3 Catastrophe reserve		329.3	V.21c	124,746,720,807	103,775,184,431
II. Long-term liabilities		330		10,379,161,342	12,962,609,130
1. Long-term accounts payable to suppliers		331		-	-
2. Long-term prepayments from customers		332		-	-
3. Long-term accrued expenses		333		-	-
4. Inter-company payable on working capital		334		-	-
5. Long-term inter-company payable		335		-	-
6. Long-term unrealized revenue		336		-	-
7. Other long-term payable		337	V.19b	1,261,835,586	1,320,665,586
8. Long-term loans and financial lease debts		338	V.20b	9,117,325,756	11,360,701,654
9. Transferable bonds		339		-	-
10. Preferred shares		340		-	-
11. Deferred income tax payable		341		-	281,241,890
12. Provision for long-term liabilities		342		-	-
13. Scientific and technological development fund		343		-	-

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Interim consolidated balance sheet (cont.)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY		400		1,899,651,467,045	1,867,562,457,657
I. Owner's equity		410	V.22	1,899,651,467,045	1,867,562,457,657
1. Owner's contribution capital		411		803,957,090,000	803,957,090,000
- Common shares with voting right		411a		803,957,090,000	803,957,090,000
- Preferred shares		411b		-	-
2. Share premiums		412		827,943,052,804	827,943,052,804
3. Option on converting shares		413		-	-
4. Owner's other capital		414		-	-
5. Treasury stocks		415		-	-
6. Differences on asset revaluation		416		-	-
7. Foreign exchange rate differences		417		-	-
8. Business promotion fund		418		24,031,389,849	22,927,850,857
9. Compulsory reserved fund		419		55,402,458,511	55,402,458,511
10. Other funds		420		-	-
11. Retained profit after tax		421		183,565,366,570	151,901,227,577
- Retained profit after tax accumulated to the end of previous period		421a		66,243,987,386	151,901,227,577
- Retained profit after tax of the current period		421b		117,321,379,184	-
12. Capital sources for construction		422		-	-
13. Interest of non-controlling shareholders		429		4,752,109,311	5,430,777,908
II. Other sources and funds		430		-	-
1. Sources of expenditure		431		-	-
2. Fund to form fixed assets		432		-	-
TOTAL CAPITAL SOURCES		440		7,973,044,733,580	7,614,547,327,543

Interim consolidated balance sheet (cont.)

ITEMS	Note	Ending balance	Beginning balance
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Bad debts already treated			-
4. Written insurance policies for which no obligations have arisen		262,310,608,480	207,619,235,541
5. Foreign currencies			
US Dollar (USD)		165,437.40	347,266.52
Euro (EUR)		28,150.97	28,156.27
Pound Sterling (£)		324.83	328.03

General Director

Ileen



Cao Thu Hien



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

INTERIM CONSOLIDATED INCOME STATEMENT

(Complete form)

For the first 6 months of the fiscal year ended 31 December 2020

PART I: INTERIM CONSOLIDATED INCOME STATEMENT

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
1. Net sales of insurance operation	10.1		2,278,769,788,899	1,866,251,151,622
1.2 Net sales of selling other goods and providing other services	10.2	VI.3	13,142,921,069	68,882,905,720
2. Sales of trading investment property	11	VI.4	3,484,544,009	4,311,145,013
3. Financial income	12	VI.9	87,627,704,151	111,370,394,319
4. Other income	13		2,436,319,621	405,181,621
5. Total expenses for insurance operation	20.1		1,954,291,092,047	1,492,742,009,342
5.2 Costs of providing other goods, services	20.2		7,805,061,326	60,568,562,943
6. Costs of investment property	21	VI.8	2,068,859,742	2,550,744,188
7. Financial expenses	22	VI.10	(1,956,661,078)	90,182,700,944
8.1 Selling expenses	23.1		-	1,115,384,620
8. Administrative overheads	23.2	VI.11	278,240,811,193	373,096,818,857
9. Other expenses	24		723,832,728	379,523,631
10.1 Profit in joint ventures, associates	50.1		1,975,209,465	1,436,373,203
10. Total profit before corporate income tax (50=10.1+10.2+11+12+13-20.1-20.2-21-22-23.1-23.2-24)	50.2		146,263,491,256	32,021,406,973
11. Current corporate income tax	51	V.16	28,883,382,811	4,848,050,076
12. Deferred corporate income tax	52		-	-
13. Profit after corporate income tax	60		<u>117,380,108,445</u>	<u>27,173,356,897</u>
13.1 Profit after tax of non-controlling shareholders	60.1		58,729,261	17,039,356
13.2 Profit after tax of the Holding Company's shareholders	60.2		117,321,379,184	27,156,317,541
14. Basic earnings per share	70	VI.12	<u>1,401</u>	<u>326</u>
15. Declined interest per share	70	VI.12	<u>1,401</u>	<u>326</u>

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Interim consolidated income statement (cont.)**PART II: INTERIM CONSOLIDATED INCOME STATEMENT PER OPERATION**

ITEMS	Code	Note	Unit: VND	
			Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
1. Sales of insurance premium (01 = 01.1 + 01.2 - 01.3)	01	VI.1	2,886,088,436,077	2,097,331,097,093
In which				
- Written premium	01.1		2,950,844,150,235	2,754,741,402,749
- Reinsurance premium assumed	01.2		39,020,690,119	45,210,093,454
- Increase (decrease) in reserve for written premium and reinsurance assumed	01.3		103,776,404,277	702,620,399,110
2. Reinsurance premium ceded (02 = 02.1 - 02.2)	02	VI.2	984,289,203,971	589,345,438,775
In which				
- Reinsurance premium ceded	02.1		892,711,202,712	1,110,481,337,346
- Increase (decrease) in reserve for reinsurance premium ceded	02.2		(91,578,001,259)	521,135,898,571
3. Net sales of premium (03 = 01 - 02)	03		1,901,799,232,106	1,507,985,658,318
4. Commission of reinsurance ceded and other income from insurance operation (04 = 04.1 + 04.2)	04		376,970,556,793	358,265,493,304
In which				
- Commission on reinsurance ceded	04.1	V.18	247,582,720,016	153,560,676,624
- Other income from insurance operation	04.2		129,387,836,777	204,704,816,680
5.1 Net sales of insurance operation (10 = 03 + 04)	10.1		2,278,769,788,899	1,866,251,151,622
5.2 Net sales of selling other goods and providing other services	10.2	VI.3	13,142,921,069	68,882,905,720
6. Claim expenses (11 = 11.1 - 11.2)	11	VI.5	981,997,318,834	924,104,660,273
In which				
- Total claim expenses	11.1		993,856,155,163	932,810,254,713
- Deductions (Subrogation recovery, receipt from disposal of loss paid 100%)	11.2		11,858,836,329	8,705,594,440
7. Recovery from reinsurance ceded	12	VI.5	258,163,106,366	240,223,133,612
8. Increase/decrease in outstanding claim reserve for written premium and reinsurance assumed	13	VI.5	(166,157,933,201)	(38,336,814,764)
9. Increase/decrease in outstanding claim reserve for	14	VI.5	(140,804,672,116)	(32,414,667,147)
10. Total claim expenses (15 = 11 - 12 + 13 - 14)	15	VI.5	698,480,951,383	677,959,379,044
11. Increase/decrease in catastrophe reserve	16		20,971,536,376	16,894,701,588
12. Other operating expenses (17 = 17.1 + 17.2)	17	VI.6	1,234,838,604,288	797,887,928,710
In which:				
- Commission	17.1		334,017,870,003	180,143,392,157
- Others	17.2		900,820,734,285	617,744,536,553

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Interim consolidated income statement (cont.)

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
13. Total insurance operating expenses (18.1 = 15 + 16 + 17)	18.1		1,954,291,092,047	1,492,742,009,342
13.2 Costs of providing other goods, services	18.2	VI.7	7,805,061,326	60,568,562,943
14. Gross profit of insurance operation (19.1 = 10.1 - 18.1)	19.1		324,478,696,852	373,509,142,280
14.2 Gross profit of providing other goods, services (19.2 = 10.2 - 18.2)	19.2		5,337,859,743	8,314,342,777
15. Sales of trading investment property	20	VI.4	3,484,544,009	4,311,145,013
16. Costs of investment property	21	VI.8	2,068,859,742	2,550,744,188
17. Profit from investment property (22 = 20 - 21)	22		1,415,684,267	1,760,400,825
18. Financial income	23	VI.9	87,627,704,151	111,370,394,319
19. Financial expenses	24	VI.10	(1,956,661,078)	90,182,700,944
20. Gross profit of financial activities (25 = 23 - 24)	25		89,584,365,229	21,187,693,375
21.1 Selling expenses	26.1		-	1,115,384,620
21.2 Administrative overheads	26.2	VI.11	278,240,811,193	373,096,818,857
22. Net operating income (30 = 19.1 + 19.1 + 22 + 25 - 26.1 - 26.2)	30		142,575,794,898	30,559,375,780
23. Other income	31		2,436,319,621	405,181,621
24. Other expenses	32		723,832,728	379,523,631
25.1 Other profit (40 = 31 - 32)	40		1,712,486,893	25,657,990
25.2 Profit in joint ventures, associates	41		1,975,209,465	1,436,373,203
26. Total profit before corporate income tax (50 = 30 + 40 + 41)	50		146,263,491,256	32,021,406,973
27. Current corporate income tax	51	V.16	28,883,382,811	4,848,050,076
28. Deferred corporate income tax	52		-	-
29. Profit after corporate income tax	60		<u>117,380,108,445</u>	<u>27,173,356,897</u>
29.2 Profit after tax of the Holding Company's shareholders	61.2		117,321,379,184	27,156,317,541
29.1 Profit after tax of the non-controlling shareholders	61.1		58,729,261	17,039,356
30. Basic earnings per share	70	VI.12	<u>1,401</u>	<u>326</u>
31. Declined interest per share	70	VI.12	<u>1,401</u>	<u>326</u>

Prepared by



Pham Hong Tien

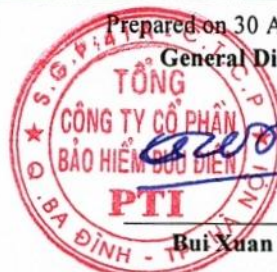
Chief Accountant



Cao Thu Hien

Prepared on 30 August 2020

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT

(Complete form)

(Under the indirect method)

For the first 6 months of the fiscal year ended 31 December 2020

Unit: VND

Accumulated from the beginning of the year
to the end of the period

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		146,263,491,256	32,021,406,973
2. Adjustments				
- Depreciation of fixed assets and investment property	02		13,066,730,156	11,831,179,116
- Provisions	03		(37,021,843,626)	140,393,136,691
- Gain/loss from foreign exchange rate differences due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/loss from investing activities	05		(137,023,136,591)	(81,822,575,726)
- Loan interest expenses	06	VI.10	2,536,114,401	4,190,265,898
- Adjustments	07		-	-
3. Operating profit/loss before changes of working capital	08		(12,178,644,405)	106,613,412,951
- Increase/decrease of accounts receivable	09		84,180,022,610	(179,194,835,225)
- Increase/decrease of inventories	10		29,942,283,134	(6,828,449,317)
- Increase/decrease of accounts payable	11		201,183,649,877	443,266,543,497
- Increase/decrease of prepaid expenses	12		(4,219,377,758)	(113,232,577,790)
- Increase/decrease of trading securities	13		222,536,431,575	(24,642,043,737)
- Loan interests already paid	14		(2,536,114,401)	(4,190,265,898)
- Corporate income tax already paid	15		(19,835,716,466)	-
- Other gains	16		14,500,000	147,368,138
- Other disbursements	17		(2,000,000)	-
Net cash flows from operating activities	20		499,085,034,166	221,939,152,619
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(36,164,970,319)	(76,166,791,129)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		345,454,546	-
3. Loans given and purchases of debt instruments of other entities	23		(2,219,529,281,091)	(1,072,250,000,000)
4. Recovery of loans given and disposals of debt instruments of other entities	24		1,443,001,670,382	703,626,247,522
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26	V.2d	69,310,598,524	60,369,914,197
7. Receipts of loan interests, dividends and profit shared	27		99,620,099,363	70,550,362,701
Net cash flows from investing activities	30		(643,416,428,595)	(313,870,266,709)

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Interim consolidated cash flow statement (cont.)

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
III. Cash flows from financial activities				
1. Gains from stock issuance and capital contributions from shareholders	31		-	-
2. Repayment for capital contributors and re-purchase of stocks already issued	32		-	-
3. Receipts from loans	33	V.20	182,767,652,192	262,956,927,372
4. Loan principal amounts repaid	34	V.20	(3,091,182,923)	(192,786,416,224)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36	V.23c	(131,947,090)	(9,890,148,608)
<i>Net cash flows from financial activities</i>	<i>40</i>		<i>179,544,522,179</i>	<i>60,280,362,540</i>
Net cash flows during the period	50		35,213,127,750	(31,650,751,549)
Beginning cash and cash equivalents	60	V.1	118,142,382,645	124,625,653,602
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	153,355,510,395	92,974,902,053

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 30 August 2020

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS **For the first 6 months of the fiscal year ended 31 December 2020**

I. OPERATION FEATURES

1. Business ownership form

Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called “the Corporation” or “the Holding Company”) is a joint stock company.

2. Operating field : Non-life insurance.

3. Business operations : Providing services of non-life insurance, reinsurance, financial investment and other activities in accordance with the legal regulations.

4. Ordinary cycle of business

The Corporation’s ordinary cycle of business does not exceed 12 months.

5. Structure of the Group

The Group includes the Holding Company and 2 subsidiaries which are controlled by the Holding Company. All subsidiaries are consolidated in these interim consolidated financial statements.

5a. Information on the Group’s restructuring

On 10 December 2019, the Corporation’s BOM issued the Resolution No. 56/NQ-PTI-HDQT on approving the Corporation’s divestment in Vietnam Petro Commercial Corporation (VinaPetro). Accordingly, the Corporation has offered to sell all 1,198,000 shares equivalent to 93.63% of charter capital actually contributed with the starting price of VND 9,800/share.

During the period, the Corporation transferred all 1,198,000 shares in VinaPetro in accordance with the transfer contract dated 27 December 2019 with the transfer price of VND 9,800/share, total transfer value of VND 11,740,400,000, the profit from the subsidiary transfer transaction was VND 1,446,609,451.

As of 30 June 2020, the Corporation had completed the divestment in VinaPetro.

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Notes to the interim consolidated financial statements (cont.)

5b. List of subsidiaries consolidated**Direct subsidiaries**

<i>Name of companies</i>	<i>Address of head office</i>	<i>Main operations</i>	<i>Rate of contribution capital</i>	<i>Rate of interest</i>	<i>Rate of voting right</i>
VN-IBS., JSC.	No. 26 Lang Ha Road, Lang Ha Ward, Dong Da District, Hanoi	Leasing real estate and providing informatics and communication equipment	99%	99%	99%
Post Real Estate JSC. (PostRE)	Floor 5, Lot 18 Dinh Cong Urban Area, Dinh Cong Ward, Hoang Mai District, Hanoi City	Services of housing brokerage, real estate trading and other services	95.32%	95.32%	95.32%

Indirect subsidiary

<i>Name of companies</i>	<i>Address of head office</i>	<i>Main operations</i>	<i>Rate of contribution capital</i>	<i>Rate of interest</i>	<i>Rate of voting right</i>
Dang Nguyen JSC.	No. 64, Alley 180A/3 Nguyen Luong Bang Street, Quang Trung Ward, Dong Da District, Hanoi, Vietnam	Providing informatics and communication equipment	99%	99%	99%

Dang Nguyen JSC. was established in accordance with the 1st Business Registration Certificate No. 0102691204 dated 24 March 2008 and the 11th amendment dated 21 October 2016 granted by Hanoi Authority for Planning and Investment. This subsidiary's main operation includes providing electronic and telecommunication services. Dang Nguyen JSC. was acquired by VN-IBS., JSC. in 2014.

5c. List of associates reflected in the consolidated financial statements in accordance with the owner's equity method

<i>Name of companies</i>	<i>Address of head office</i>	<i>Rate of ownership as committed</i>	<i>Rate of interest</i>
Lanexang Assurance Public Insurance JSC. (LAP)	No. 13, Suphanuvong Road, Vientiane City, Lao People's Democratic Republic	50.00%	50.00%
Kasati JSC.	270A Ly Thuong Kiet, Ward 14, District 10, Ho Chi Minh City	21.30%	21.30%

6. Statement on comparison of information in the interim consolidated financial statements

The corresponding figures in the previous period can be compared with those in the current period.

7. Personnel

As of 30 June 2020, the Group had 2,342 employees (at the end of the previous year, the Group had 2,292 employees).

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Notes to the interim consolidated financial statements (cont.)

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year of the Group is from 1 January to 31 December annually.

2. Standard currency unit

The standard currency unit used in accounting is Vietnam Dong (VND).

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting standards and system

The Group has been applying the Insurance Business Accounting System issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012 of the Ministry of Finance, the Circular No. 200/2014/TT-BTC dated 22 December 2014 on guidelines for accounting policies for enterprises, the Circular No. 202/2014/TT-BTC dated 22 December 2014 giving guidance on the preparation and presentation of interim consolidated financial statements as well as the Circulars giving guidance for the implementation of accounting standards and system of the Ministry of Finance in the preparation and presentation of the interim consolidated financial statements.

2. Statement on the compliance with the accounting standards and system

The Management Board ensures to follow all the requirements of the Accounting Standards, the Insurance Business Accounting System issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars giving guidance for the implementation of accounting standards and system of the Ministry of Finance in the preparation and presentation of these interim consolidated financial statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the financial statements are prepared on the basis of accrued accounting (except for information related to cash flows).

2. Consolidation basis

The interim consolidated financial statements include the interim combined financial statements of the Holding Company and the interim financial statements of its subsidiaries. A subsidiary is a business that is controlled by the Holding Company. The control exists when the Holding Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control right, the potential voting right that is currently valid arising from call options or debt and equity instruments that can be converted to common shares as of the balance sheet date should also be taken into consideration.

The business results of the subsidiaries which are acquired or disposed during the period are included in the interim consolidated income statement from the date of acquisition until the date of disposal of the investments in those subsidiaries.

The interim financial statements of the Holding Company and subsidiaries used for consolidation are prepared for the same accounting period and apply the consistent accounting policies for similar transactions and events in similar circumstances. In case that the accounting policies of the subsidiaries are different from those which are applied consistently within the Group, the appropriate adjustments should be made to the financial statements of the subsidiaries before they are used to prepare the interim consolidated financial statements.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Notes to the interim consolidated financial statements (cont.)

Intra-group balances in the balance sheet and intra-group transactions and unrealized profits resulting from these transactions are eliminated when the consolidated financial statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs which cause those losses cannot be recovered.

Interest of non-controlling shareholders shows gain or loss and net assets of a subsidiary which is not held by the Group and is presented in a specific item in the interim consolidated income statement and the interim consolidated balance sheet (under owner's equity). Interest of non-controlling shareholders includes value of interest of non-controlling shareholders as of the initial business consolidation date and those in the fluctuation of owner's equity commencing from the business consolidation date. Losses in subsidiaries are allocated equivalent to capital of non-controlling shareholders, even when those losses are higher than their capital in net assets of the subsidiary.

3. Transactions in foreign currencies

Transactions in foreign currencies are converted at the actual exchange rates as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rate as of the balance sheet date.

Foreign exchange rate differences arising during the period from transactions in foreign currencies are included in financial income or financial expenses. Foreign exchange rate differences due to revaluation of monetary items in foreign currencies as of the balance sheet date after offsetting increase differences and decrease differences are recorded into financial income or financial expenses.

Exchange rate used to translate transactions occurred in foreign currencies is the actual exchange rate at the time of transaction. The actual exchange rate is approximate to the average transfer buying and selling exchange rate of the commercial banks where the Group often has transactions. The approximate exchange rate does not exceed plus/less 1% in comparison with the average transfer buying and selling exchange rate which is daily determined based on the arithmetic mean between the daily transfer buying exchange rate and the selling exchange rate of the commercial banks where the Group often has transactions.

Foreign exchange rate used to revalue ending balances of monetary items in foreign currencies is the average transfer exchange rate of the commercial bank where the Group often has transactions.

4. Cash and cash equivalents

Cash includes cash on hand and demand deposits at bank. Cash equivalents include short-term investments of which the due dates cannot exceed 3 months from the dates of investment and the convertibility into cash is easy, and which do not have risks in the conversion into cash as of the reporting date.

5. Financial investments

Trading securities

Investments are classified as the trading securities when they are held for the purpose of trading for benefits.

Trading securities are recorded in the ledger in accordance with historical prices. The historical prices of trading securities shall be determined in accordance with fair value of payments at the time when the transaction arises plus costs related to transaction of purchasing trading securities.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2020

Notes to the interim consolidated financial statements (cont.)

The date of recognition of trading securities is the date when the Group has ownership right. Details are as follows:

- Listed securities are recorded at the time of matching (T+0).
- Unlisted securities are recorded at the time when the ownership is acquired as prescribed in regulations of law.

Interests, dividends and profits of the periods before the trading securities are purchased are recorded to decrease the value of those trading securities. Interests, dividends and profits of the periods after the trading securities are purchased are recognized into the revenue. Dividends received by shares are only followed as additional number of shares, not recognized with the value of the shares received.

Provision for devaluation of trading securities is made for each kind of securities traded on the market and has fair value lower than their historical costs. The fair value of trading securities is determined as follows:

- For securities listed on the stock market: it is the closing price at the latest date of transaction to the balance sheet date.
- For shares registered for transactions on the transaction market of the unlisted public companies and the state-owned enterprises equitized under the form of selling stocks to the public (UPCom): it is the average reference price in the latest 30 transaction days before the balance sheet date disclosed by the Stock Exchange.
- For shares listed on the stock market or shares of joint stock companies registered for trading on UPCom market which have no transaction within 30 days prior to the date of provision appropriation, listed shares which have been delisted, suspended or stopped from trading: provision is made based on the loss of the invested company equal to the difference between the actual investment capital of the owners and the owner's equity as of the balance sheet date multiplied by the Corporation's ownership ratio of charter capital to the total charter capital actually contributed.

Increases/decreases in provision for devaluation of trading securities which need appropriating as of the balance sheet date are recognized into financial expenses.

Gain from or loss on transfer of trading securities is recognized into financial income or financial expenses. Costs are determined in accordance with the mobile weighted average method.

Investments held to maturity date

Investments are classified as investments held to maturity date that the Group intends and is able to hold to maturity. Investments held to maturity date include termed deposits, bonds and other investments held to maturity date.

Investments held to maturity date are initially recognized at historical costs including purchasing price and costs related to purchasing transaction of investments. After initial recognition, these investments are recorded at recoverable value. Interest from these investments held to maturity date after acquisition date is recognized in the income statement on the basis of estimated receipt. Interests arising prior to the Group's acquisition of investment held to maturity date are recorded as a decrease in the costs at the acquisition time.

When there are reliable evidences proving that a part or whole of the investment may be unrecoverable and the losses can be measured reliably, the losses are recognized as financial expenses during the year while the investment value is derecognized.

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Investments in associates

An associate is an enterprise in which the Group has significant influence but not control over the financial policies and activities. Significant influence is the right to participate in making decisions about financial policies and business operations of the investee but not control those policies.

Investments in associates are recognized in accordance with the owner's equity method. Accordingly, the investments in associates are presented in the consolidated financial statements by the initial investment costs and adjusted for changes in benefits on net assets of associates after the investment date. If the benefits of the Group in losses of associates are higher than or equal to book value of the investments, the value of investments will be presented in the consolidated financial statements as zero unless the Group has an obligation to make the payment instead of associates.

The financial statements of associates are prepared for the same accounting period with the interim consolidated financial statements of the Group. In case the accounting policies of an associate are different from those consistently applied in the Group, the financial statements of that associate will be suitably adjusted before being used to prepare the interim consolidated financial statements.

Unrealized gains/losses from transactions with associates are excluded equivalent to those of the Group and its associates when the interim consolidated financial statements are prepared.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Group to have the control, joint control or significant influence on the investees.

Investments in equity instruments of other entities are initially recognized at historical costs, including the cost of purchase plus other directly attributable transaction costs. Dividends and profits arising in the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit arising in the periods after the purchase of investments are recorded into the Group's revenue.

Provision for loss of investments in equity instruments of other entities is made as follows:

- For investments in listed shares or fair value of investments is reliably measured, provision is made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital contributed by parties in other entities and the actual owner's equity multiplying (x) by the Group's rate of charter capital over the total actual charter capital contributed by parties in other entities.

Increases/decreases in provision for loss of investments in equity instruments of other entities which need appropriating as of the balance sheet date are recognized into financial expenses.

6. Trade receivable and other receivable

Others receivable are presented in accordance with book values less provisions for bad debts.

The classification of accounts receivable into receivables from customers and other receivables is done as follows:

- Receivables from customers reflect commercial receivables generating from purchase-sale related transactions between the Group and buyers which are independent units against the Group.
- Other receivables reflect non-commercial or non-trading receivables, unrelated to purchase-sale transactions.

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Provision for bad debts is made for each bad debt after being offset with payable liabilities (if any). The appropriation rate is based on the overdue debt age of debts or the estimated loss. Details are as follows:

- As for overdue debts:
 - 30% of the value for debts overdue from over 6 months to under 1 year.
 - 50% of the value for debts overdue from 1 year to under 2 years.
 - 70% of the value for debts overdue from 2 years to under 3 years.
 - 100% of the value for debts overdue from 3 years and over.
- As for doubtful debts but not overdue: provision is made basing on the estimated loss.

Increases/decreases of balance of provision for bad debts which need appropriating as of the balance sheet date are recorded into administrative overheads.

7. Inventories

Inventories are recorded in accordance with the lower value between the historical costs and the net realizable values.

Historical costs of inventories include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Ex warehouse prices are determined in accordance with the specific identification method and recorded in line with the perpetual recording method.

Net realizable values are the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses on product consumption.

Provision for devaluation of inventories is made for each item of inventories which has historical costs higher than net realizable values. Increases/decreases in balances of provision for devaluation of inventories which need appropriating as of the balance sheet date are recognized into costs of goods sold.

8. Prepaid expenses

Prepaid expenses include expenses actually incurred but they are related to operation output of many accounting periods. Prepaid expenses of the Group mainly include unappropriated commission, office rental and expenses for tools, instruments. These prepaid expenses are allocated in the prepayment term or the term in which corresponding economic benefit is derived from these expenses.

Unappropriated commission

Commission expenses are determined in accordance with the specified percentage on revenue of insurance operation and retained on account of unappropriated commission equivalent to rate of unearned premium reserve.

Expenses for agency development

Expenses for agency development is allocated into expenses during the period in accordance with the straight-line method in 3 years.

Office rental

Office rental is allocated in line with the leasing period as in the leasing contracts.

Expenses for tools, instruments

Expenses for tools, instruments being put into use with the value of VND 5 million and over are allocated in 2 years. Those with the value under VND 5 million are allocated in 1 year.

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9. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the period.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of tangible fixed assets are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	35
Machinery and equipment	5 – 6
Vehicles	5 – 12
Office equipment	3 – 10

10. Intangible fixed assets

Intangible fixed assets are determined by their historical costs less accumulated depreciation.

Historical costs of intangible fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Costs related to intangible fixed assets, which are incurred after initial recognition, are recognized as operating costs in the year unless these costs are associated with a specific intangible fixed asset and increase economic benefits from these assets.

When an intangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the period.

Intangible fixed assets of the Group include:

Land use right

Land use right includes all the actual expenses paid by the Group related to the land being used such as expenses to obtain the land use right, expenses for compensation and land clearance, ground leveling, registration fees, etc. For the land use right which is permanent, no amortization is done.

Computer software

Purchasing price of computer software which is not an integrated part of the related hardware is capitalized. Historical cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is depreciated in accordance with the straight-line method within 3 – 4 years.

11. Investment property

Investment property is the use right on land, a building, a part of building or infrastructure owned by the Group in order to earn rental or for capital appreciation. Investment property is determined by its historical costs less accumulated depreciation. Historical cost of investment property includes all the expenses paid by the Group or the fair value of other consideration given to acquire the investment property at the time of its acquisition or construction.

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Subsequent expenses relating to an investment property are recorded into expenses unless these expenses probably make the investment property bring future economic benefits in excess of the originally assessed standard of performance, in that case, they will be recorded to increase the historical costs.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen are posted into income or expenses during the period.

The transfer from owner-occupied property to investment property or from inventory shall be made only if the owner finishes using that property and leasing it to other party for operation or at the end of the construction period. The transfer from investment property to owner-occupied property or inventory shall be made only when the owner begins to use this property or begins to sell it. The transfer of use purpose between investment property and owner-occupied property or inventory does not change the net book value or the cost of the property at the date of conversion.

Investment property for lease is depreciated in accordance with the straight-line method over its estimated useful life. The depreciation years of investment property are as follows:

<u>Fixed assets</u>	<u>Year</u>
Infrastructure	20 - 50

Investment properties held for capital appreciation are not depreciated. When there is strong evidence showing that investment properties held for capital appreciation are devalued compared to the market value and the devaluation can be determined reliably, investment properties held for capital appreciation are reduced in costs and losses are recognized in costs of goods sold.

12. Construction in progress

Construction in progress reflects costs directly related (including related loan interest expenses in accordance with the Group's accounting policies) to assets in progress of construction and machinery, equipment in progress of installation to serve the purpose of production, lease and management as well as costs related to repair of fixed assets in progress. These assets are recognized in accordance with their historical costs and not depreciated.

13. Liabilities payable and accrued expenses

Liabilities payable and accrued expenses are recognized for the amount payable in the future related to goods and services already received. Accrued expenses are recognized based on reasonable estimates on the amount payable.

The classification of accounts payable into payables to suppliers, accrued expenses and other payables is done as follows:

- Payables to suppliers reflect trade payables occurred from purchase-sale transaction of goods, services, assets and the suppliers are independent units against the Group.
- Accrued expenses reflect payables for goods and services already received from suppliers or provided to customers but for which the payment has not been made due to lack of invoices or accounting documents and payables for employees on leave pay, appropriated operating costs.
- Other payables reflect non-trade payables or payables unrelated to purchase-sale transactions, provision of goods and services.

Liabilities payable and accrued expenses are classified into short-term and long-term ones on the interim consolidated balance sheet based on the remaining terms as of the balance sheet date.

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14. Technical reserves

The Corporation has appropriated technical reserves as stipulated in the Circular No. 50/2017/TT-BTC of the Ministry of Finance dated 15 May 2017 and the Approval Letter No. 3281/BTC-QLBH dated 23 March 2018 of Department of Insurance Supervision Authority – Ministry of Finance. Details are as follows:

14.1. Non-life insurance

Unearned premium reserve

Unearned premium reserve for insurance policies and reinsurance agreements, with the term of 1 year and less is appropriated in accordance with the percentage of the insurance premium retained, details are as follows:

- For line of insurance of cargo, unearned premium reserve is appropriated by 25% on total premium retained in the fiscal year of above line of insurance.
- For other lines of insurance, unearned premium reserve is appropriated by 50% on total premium retained in the fiscal year of above lines of insurance.

Unearned premium reserve for insurance policies and reinsurance agreements with the term over 1 year is appropriated in accordance with the coefficients of insurance policy period, details are as follows:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premium retained} \times \text{Number of unexpired days of insurance policy or reinsurance agreement}}{\text{Total days of insurance policy or reinsurance agreement}}$$

Claims reserve

Claims reserve for covered losses that have incurred but have not been resolved at the end of the fiscal year is appropriated for each line of insurance according to estimates of indemnities for single covered loss have been reported or claimed to the Corporation but not yet resolved at the end of the fiscal year.

Claims reserve for covered losses that have incurred but have not been reported or claimed (IBNR) is appropriated according to the following formula:

$$\begin{array}{l} \text{Claims reserve for covered losses that have incurred but have not been reported or claimed (IBNR) of the current fiscal year} \\ \text{Total indemnities for losses that have incurred but have not been reported or claimed of last three consecutive fiscal years} \\ \text{Total indemnities of last three consecutive fiscal years} \end{array} = \frac{\text{Total indemnities for losses that have incurred but have not been reported or claimed of last three consecutive fiscal years}}{\text{Total indemnities of last three consecutive fiscal years}} \times \begin{array}{l} \text{Indemnity of current fiscal year} \\ \text{Net revenue earned from insurance business of current fiscal year} \\ \text{Net revenue earned from insurance business of last fiscal year} \end{array} \times \frac{\text{Average deferred time of claims of current fiscal year}}{\text{Average deferred time of claims of last fiscal year}}$$

Catastrophe reserve

Catastrophe reserve is appropriated annually until such reserve reaches 100% of the net written premium of the fiscal year. The appropriation rate during the year is 1% of the net written premium.

On 28 December 2005, the Ministry of Finance issued the Decision No. 100/2005/QĐ-BTC regarding the issuance and publication of four Vietnamese Accounting Standards including the Accounting Standard No. 19 - Insurance Policy. Accordingly, commencing from 1 January 2006, the appropriation of catastrophe reserve is no longer required since it represents “possible claims that are not in existence at the reporting date”. However, the Ministry of Finance has not given the guidance on implementing the Accounting Standard No. 19 and according to the Decree No. 46/2007/ND-CP dated 27 March 2007 on financial regime for insurers and insurance brokers, therefore, the Corporation is still appropriating catastrophe reserve.

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13.2. Health insurance

Mathematical reserve

Mathematical reserve applicable to health insurance policies or reinsurance agreements (insurance policies) with a term of more than 1 year to cover liability upon occurrence of insured event is appropriated in accordance with the coefficients of insurance policy period, details are as follows:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premium retained} \times \text{Number of unexpired days of insurance policy or reinsurance agreement}}{\text{Total days of insurance policy or reinsurance agreement}}$$

Unearned premium reserve

Unearned premium reserve for insurance policies and reinsurance agreements, with the term of 1 year and less is appropriated in accordance with the percentage of the insurance premium retained.

Claims reserve

Claims reserve for covered losses that have incurred but have not been resolved at the end of the fiscal year is appropriated for each line of insurance according to estimates of indemnities for single covered loss have been reported or claimed to the Corporation but not yet resolved at the end of the fiscal year.

Claims reserve for covered losses that have incurred but have not been reported or claimed (IBNR) is appropriated according to the following formula:

$$\begin{array}{l} \text{Claims reserve for covered losses that have incurred but have not been reported or claimed (IBNR) of the current fiscal year} \\ \text{Total indemnities for losses that have incurred but have not been reported or claimed of last three consecutive fiscal years} \\ \text{Total indemnities of last three consecutive fiscal years} \\ \text{Indemnity of current fiscal year} \\ \text{Net revenue earned from insurance business of current fiscal year} \\ \text{Net revenue earned from insurance business of last fiscal year} \\ \text{Average deferred time of claims of current fiscal year} \\ \text{Average deferred time of claims of last fiscal year} \end{array} = \frac{\text{Total indemnities for losses that have incurred but have not been reported or claimed of last three consecutive fiscal years}}{\text{Total indemnities of last three consecutive fiscal years}} \times \frac{\text{Indemnity of current fiscal year}}{\text{Indemnity of current fiscal year}} \times \frac{\text{Net revenue earned from insurance business of current fiscal year}}{\text{Net revenue earned from insurance business of last fiscal year}} \times \frac{\text{Average deferred time of claims of current fiscal year}}{\text{Average deferred time of claims of last fiscal year}}$$

Equalization reserve

The annual reserve rate is 1% of the retained insurance premium for each line of insurance.

This reserve is used to pay indemnities in case of large fluctuations in risk rate leading the fact that total retained insurance premium in the fiscal year after setting aside mathematical reserve, unearned premium reserve and claims reserve that have been not claimed is not sufficient to pay indemnities under liability of the Corporation. Maximum amount allowed is calculated as follows:

$$\begin{array}{l} \text{Amount allowed of current fiscal year} \\ \text{Indemnity liability for retention of current fiscal year} \\ \text{Total retained insurance premium of current fiscal year} \\ \text{Unearned premium reserve in proportion to required retention to be set aside of current fiscal year} \\ \text{Claims reserve in proportion to required retention for unsettled claim to be set aside of current fiscal year} \end{array} = \text{Indemnity liability for retention of current fiscal year} - \text{Total retained insurance premium of current fiscal year} - \text{Unearned premium reserve in proportion to required retention to be set aside of current fiscal year} - \text{Claims reserve in proportion to required retention for unsettled claim to be set aside of current fiscal year}$$

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15. Sources of capital

Owner's contribution capital

Owner's contribution capital is recognized in line with the amount actually contributed by the shareholders of the Corporation.

Share premiums

Share premiums are recorded in accordance with the difference between issuance price and face value of shares in the first issuance, additional issuance or the difference between reissuance price and book value of treasury stocks. Direct expenses related to the additional issuance of shares and reissuance of treasury stocks are recorded to decrease share premiums.

16. Profit distribution and appropriation of funds

Profit after corporate income tax is distributed to the shareholders after appropriation of funds in accordance with the Corporation's Charter as well as legal regulations and being approved by the General Meeting of Shareholders.

The profit distribution to the shareholders considers non-monetary items in retained profit after tax which can have impacts on cash flows and possibility of profit payment such as gains from revaluation of assets for capital contribution, revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities payable upon the approval of the General Meeting of Shareholders.

Compulsory reserve

Compulsory reserve is used to supplement the Corporation's charter capital and ensure its liquidity. Compulsory reserve is appropriated annually at the rate of 5% of annual profit after tax. The maximum of compulsory reserve is 10% of the Group's charter capital as stipulated in the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government.

Other funds

Other funds are appropriated and used in accordance with the Charter and Resolutions of General Meeting of Shareholders.

17. Recognition of sales, expenses

17.1. Activity of trading written premium

Gross written premium

Gross written premium is recorded in accordance with the regulations in the Circular No. 50/2017/TT-BTC dated 15 May 2017 of the Ministry of Finance giving guidance on the implementation of the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government regulating the financial regime for insurance companies and insurance brokerage companies. Details are as follows:

- (1) When the insurance policy has been entered into by the insurer and the insured and the insured fully paid insurance premium;
- (2) The insurance policy has been entered into and the insured and the insured fully paid insurance premium.
- (3) The insurance policy has been entered into and the insurer has an agreement with the insured about payment term of insurance premium (including extension period).

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In case there is an agreement between the insurer and the insured about periodical payment of premium, premium revenue of the first premium payment period is recognized upon the commencement of the insurance term under the insurance policy and the insurance revenue of the following periods shall be recognized only after the insurance premium has been fully paid as agreed upon in the insurance policy.

Claim expense

Claim expense is recognized at the point of time when the claim documents are completed and approved by authorized persons. In case of having no conclusion about the final claim but the Corporation is sure of loss of the insurers' responsibility, a part of claim is paid to the customers. Any claim that is not yet approved by authorized persons is considered as outstanding claim and included in claim reserve.

Commission

Commission expenses are calculated according to the percentage on revenue of gross written premium actually received and recorded into the income statement during the year. Commission of each product is calculated at separate rates in accordance with the Circular No. 50/2017/TT-BTC dated 15 May 2017 of the Ministry of Finance giving guidance on implementation of the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government on the Law on insurance business.

17.2. Activity of reinsurance assumed

Under treaty reinsurance

Revenue and expenses related to reinsurance assumed under treaty arrangements are recognized when the periodical reconciliation is received from the cedants. As of the date of preparing the financial statements, revenue and expenses related to transactions in the scope of treaty reinsurance but the periodical reconciliation has not been received from the cedants will be estimated based on the statistical and estimated figures of the cedants.

Under facultative reinsurance

Reinsurance premium assumed is recognized when the facultative reinsurance agreement has been signed and a statement of account (for each facultative reinsurance agreement) has been received from the cedant.

Claim expenses for reinsurance assumed are recognized when having claim obligations as committed and the statement of account has been received from the cedants.

Commission on reinsurance assumed is recognized when accepting reinsurance agreement and the statement account has been received from the cedants.

17.3. Activity of reinsurance ceded

Reinsurance premium ceded under treaty reinsurance is recognized when gross written premium in the scope of these agreements is recognized.

Facultative reinsurance premium ceded is recognized when facultative reinsurance agreement has been signed and gross written premium in the scope of this agreement is recognized.

Receiving indemnity of reinsurance ceded is recognized when having existing evidences of reinsurers' obligations.

Commission on reinsurance ceded is recognized when reinsurance premium ceded is recognized.

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17.4. Activity of investment

Interests

Interests are recorded based on the term and the interest rates applied for each period.

Dividends and profit shared

Dividends and profit shared are recognized when the Corporation has the right to receive dividends or profit from the capital contribution. Particularly, dividends received by shares are not recognized into income but only followed with the increasing number.

Investment costs

Investment costs include arising costs directly related to the investment and commonly used expenses allocated.

Direct costs include salary for the Investment Section, expenses for investment portfolio management, provision for devaluation of investments, loss on securities dealing, expenses for dealing securities, expenses related to real estate activity.

Commonly used expenses allocated for the Investment Section at the rate of financial income on total realized revenue during the period.

18. Borrowing costs

Borrowing costs include loan interest and other costs directly related to borrowings. Borrowing costs are recognized into expenses when arising.

19. Corporate income tax

Corporate income tax includes current income tax which is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses, losses transferred.

20. Related parties

A party is considered a related party in case that party is able to control the Group or to cause material effects on the financial decisions as well as the operations of the Group. A party is also considered a related party in case of together being controlled or affected significantly.

In the consideration of relations among related parties, the nature of relations is paid more attention than the legal form.

21. Segment reporting

A business segment is a distinguishable component that is engaged in providing products or services and that is subject to risks and returns different from those of other business segments.

A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policy applied for the preparation and presentation of the Group's interim consolidated financial statements.

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22. Financial instruments

Financial assets

The classification of financial assets depends on the nature and the purpose of them and is determined at the date of initial recognition. Financial assets of the Corporation include cash and cash equivalents, accounts receivable from customers, other receivable, listed and unlisted financial instruments.

At the date of initial recognition, financial assets are initially recognized at historical cost plus other costs directly related to those financial assets.

Financial liabilities

The classification of financial liabilities depends on the natures and purposes of the financial liabilities and is determined at the date of initial recognition. Financial liabilities of the Corporation include accounts payable to suppliers and other payable.

At the date of initial recognition, financial liabilities are initially recognized at historical cost less other costs directly related to those financial liabilities.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.

Offsetting financial instruments against each other

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the balance sheet when, and only when, the Corporation:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liabilities simultaneously.

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V. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM CONSOLIDATED BALANCE SHEET**1. Cash and cash equivalents**

	Ending balance	Beginning balance
Cash on hand	9,645,899,957	7,262,997,130
Demand deposits at bank	143,602,610,438	107,623,805,515
Cash in transit	7,000,000	3,255,580,000
Cash equivalents (<i>Under-3-month deposits</i>)	100,000,000	-
Total	153,355,510,395	118,142,382,645

2. Short-term investments

The Group's financial investments include trading securities, investments held to maturity date and capital contribution investments in other entities. Information on the Group's financial investments is as follows:

2a. Trading securities

	Ending balance			Beginning balance		
	Historical costs	Fair value	Provision	Historical costs	Fair value	Provision
Listed securities	142,664,691,293	103,212,806,400	(39,451,884,893)	354,701,122,868	222,571,116,000	(137,506,487,068)
LPB	92,904,379,333	72,472,415,400	(20,431,963,933)	176,384,114,856	126,722,400,000	(57,671,626,556)
OIL	14,904,794,131	6,275,850,000	(8,628,944,131)	121,619,935,754	56,570,010,000	(62,416,494,254)
HUT	16,594,314,543	10,920,000,000	(5,674,314,543)	33,347,829,873	20,256,720,000	(13,091,109,873)
Others	18,261,203,286	13,544,541,000	(4,716,662,286)	23,349,242,385	19,021,986,000	(4,327,256,385)
Unlisted securities	149,494,380,350	-	-	159,994,380,350	-	-
ALS	49,500,000,000	-	-	60,000,000,000	-	-
OCB	99,994,380,350	-	-	99,994,380,350	-	-
Total	292,159,071,643	103,212,806,400	(39,451,884,893)	514,695,503,218	222,571,116,000	(137,506,487,068)

Situation of fluctuation in provision for devaluation of trading securities is as follows:

	Current period	Previous period
Beginning balance	137,506,487,068	76,375,920,784
Additional appropriation of provision	561,024,586	77,549,401,274
Refund of provision	(98,615,626,761)	(13,533,777,542)
Ending balance	39,451,884,893	140,391,544,516

Fair value

As for investments with listed prices, the fair value is determined based on listed prices as of the balance sheet date. The Corporation has not determined the fair value of investments without listed prices due to having no detailed guidelines on determination of fair value.

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2b. Investments held to maturity date

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Short-term	3,467,371,811,133	-	2,801,237,817,444	-
Termed deposits ⁽ⁱ⁾	3,312,537,511,133	-	2,696,403,517,444	-
Investments in bonds	150,000,000,000	-	100,000,000,000	-
<i>Thanh Thanh Cong Investment JSC.</i> ⁽ⁱⁱ⁾	50,000,000,000	-	50,000,000,000	-
<i>Gia Lai Electricity JSC.</i> ⁽ⁱⁱⁱ⁾	100,000,000,000	-	-	-
<i>Sai Gon Thuong Tin Real Estate JSC.</i>	-	-	50,000,000,000	-
Short-term investment trust	4,834,300,000	-	4,834,300,000	-
Long-term	573,011,558,786	(7,344,000,000)	462,837,552,461	(7,344,000,000)
Termed deposits ⁽ⁱ⁾	465,011,558,786	-	341,924,109,589	-
Investments in bonds ^(iv)	100,000,000,000	-	100,000,000,000	-
Investment portfolio management trust	8,000,000,000	(7,344,000,000)	20,913,442,872	(7,344,000,000)
Total	4,040,383,369,919	(7,344,000,000)	3,264,075,369,905	(7,344,000,000)

⁽ⁱ⁾ The Corporation has used some termed deposits at the credit institutions with the values as of 30 June 2020 of VND 334,202,043,471 and VND 120,000,000,000 respectively to secure the loans from Shinhan Bank Vietnam and Woori Bank Vietnam – Hoan Kiem Branch (see Note V.21).

⁽ⁱⁱ⁾ The Corporation has held 50 bonds, equivalent to VND 50,000,000,000 issued by Thanh Thanh Cong Investment JSC., with the term of 2 years commencing from 23 November 2018, the interest rate of 11.5%/year.

⁽ⁱⁱⁱ⁾ The Corporation has held 1,000 bonds, equivalent to VND 100,000,000,000 issued by Gia Lai Electricity JSC., with the term of 2 years commencing from 14 June 2019, the interest rate of 12.0%/year.

^(iv) The Corporation has held 1,000,000 bonds, equivalent to VND 100,000,000,000 issued by Investment and Industrial Development Joint Stock Corporation, with the term of 2 years commencing from 25 June 2020, the interest rate of 10.9%/year.

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2c. Investments in associates

	Ending balance			Beginning balance		
	Historical costs	Profit after investment	Total	Historical costs	Profit after investment	Total
LAP ⁽ⁱ⁾	20,152,200,000	7,797,611,581	27,949,811,581	20,152,200,000	6,420,408,828	26,572,608,828
Kasati JSC. ⁽ⁱⁱ⁾	14,292,700,000	2,116,669,297	16,409,369,297	14,292,700,000	1,518,662,585	15,811,362,585
Total	34,444,900,000	9,914,280,878	44,359,180,878	34,444,900,000	7,939,071,413	42,383,971,413

(i) According to the amended Investment Certificate No. 347/BKH-DTRNN-DC3 dated 30 September 2014 granted by the Ministry of Planning and Investment, the Corporation would invest in LAP with the amount of USD 1,000,000 equivalent to 50% of charter capital. As of 30 June 2020, the Corporation had fully invested the capital as registered with the amount of USD 1,000,000 equivalent to VND 20,152,200,000.

(ii) The Corporation owns 638,090 shares of Kasati JSC. equivalent to 21.3% of charter capital with the book value of VND 14,292,700,000.

The ownership value of the Corporation in associates is as follows:

	Ownership value at the beginning of the year	Gains or losses during the period	Other increase, decrease	Ownership value at the end of the period
LAP	26,572,608,828	1,377,202,753	-	27,949,811,581
Kasati JSC.	15,811,362,585	830,476,770	(232,470,058)	16,409,369,297
Total	42,383,971,413	2,207,679,523	(232,470,058)	44,359,180,878

Operation of associates

The associates are in the process of normal operation, having no large changes compared with the previous period.

Transactions with associates

LAP	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
<i>Reinsurance ceded</i>		
Reinsurance premium ceded	152,291,073,909	194,385,725,486
Receiving commission on reinsurance ceded	62,501,019,409	81,859,803,500
Receiving indemnity of reinsurance ceded	57,943,386,510	97,178,212,784
<i>Reinsurance assumed</i>		
Reinsurance premium assumed	3,750,521,223	1,875,203,045
Commission expenses for reinsurance assumed	907,442,750	464,421,276
Claim expenses for reinsurance assumed	87,852,687	2,433,328,946

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Notes to the interim consolidated financial statements (cont.)**2d. Capital contribution investments in other entities**

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
UTXI Aquatic Products Processing Corporation	15,000,000,000	(4,469,439,932)	15,000,000,000	(4,469,439,932)
Post and Telecommunications Tourism JSC.	2,940,000,000	-	2,940,000,000	-
Global Data Service JSC.	17,080,000,000	-	17,080,000,000	-
Huawei Vietnam JSC.	5,800,000,000	-	5,800,000,000	-
Phuong Nam Real Estate Investment JSC.	65,000,000	-	65,000,000	-
Communication Technology Development Investment JSC.	625,000,000	-	625,000,000	-
36 JSC.	-	-	54,863,299,985	(35,929,131,252)
Total	41,510,000,000	(4,469,439,932)	96,373,299,985	(40,398,571,184)

2e. Provision for devaluation of long-term financial investments

	Ending balance	Beginning balance
Provision for investments held to maturity date	7,344,000,000	7,344,000,000
Provision for capital contribution in other entities	4,469,439,932	40,398,571,184
Total	11,813,439,932	47,742,571,184

Situation of fluctuations in provision for capital contribution investments in other entities is as follows:

	Current period	Previous period
Beginning balance	47,742,571,184	83,623,256,530
Additional appropriation of provision	-	335,686,935
Use of provision	(35,929,131,252)	(25,176,375,649)
Refund of provision	-	(11,143,877,253)
Ending balance	11,813,439,932	47,638,690,563

3. Short-term receivable from customers

	Ending balance	Beginning balance
Receivable on written premium	358,270,521,403	340,234,806,699
Receivable on reinsurance	118,349,201,313	268,081,519,036
Other receivable from customers	16,584,919,783	44,262,071,292
Total	493,204,642,499	652,578,397,027

4. Prepayments to suppliers

	Ending balance	Beginning balance
Prepayment of claim for written premium	103,431,158,101	69,265,768,884
Other prepayments of written premium activity	867,142,492	1,030,789,360
Prepayments to other suppliers	25,575,099,654	20,164,249,854
Total	129,873,400,247	90,460,808,098

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Notes to the interim consolidated financial statements (cont.)**5. Other receivable****5a. Short-term receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Estimated interest receivable from financial incomes	198,628,197,963	166,476,012,232
Advance of agency commission	21,263,982,840	18,000,000,000
Receivable on claim paid to Khai Thanh Production and Trading Co., Ltd. (due to the decision of the Court in which PTI does not have to pay claim)	5,614,181,754	5,614,181,754
Advances	55,955,875,313	14,667,161,599
Short-term deposits and mortgages	4,384,668,885	1,638,862,379
Others	30,225,092,870	43,029,210,511
Total	316,071,999,625	249,425,428,475

5b. Long-term receivable

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits and mortgages	10,280,000,000	10,280,000,000
Others	50,632,695,256	72,729,389,178
Total	60,912,695,256	83,009,389,178

6. Provision for short-term bad debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for overdue debts under 1 year	882,704,038	754,492,530
Provision for overdue debts from 1 year to under 2 years	1,428,914,492	1,319,189,201
Provision for overdue debts from 2 years to under 3 years	565,533,910	1,319,264,949
Provision for overdue debts over 3 years	43,827,499,801	45,085,886,187
Total	46,704,652,241	48,478,832,867

Situation of fluctuations in provision for bad debts is as follows:

	<u>Current period</u>	<u>Previous period</u>
Beginning balance	48,478,832,867	60,832,254,221
Additional appropriation of provision	989,208,974	1,263,313,456
Use of provision	-	(11,146,059,438)
Refund of provision	-	(212,129,601)
Decrease due to liquidation of subsidiary	(2,763,389,600)	
Ending balance	46,704,652,241	50,525,249,037

7. Inventories

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials, supplies	4,263,405,550	5,042,401,632
Tools, instruments	227,868,742	446,455,942
Merchandises	10,108,467,031	10,510,375,086
Total	14,599,741,323	15,999,232,660

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Notes to the interim consolidated financial statements (cont.)**8. Prepaid expenses****8a. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Unappropriated commission expenses (*)	404,947,362,165	392,345,860,078
Others	1,246,424,550	643,097,698
Total	406,193,786,715	392,988,957,776

(*) Fluctuations in increases, decreases in unappropriated commission expenses during the period are as follows:

	<u>Current period</u>	<u>Previous period</u>
Beginning balance	392,345,860,078	233,777,609,509
Increase during the period	346,619,372,090	299,403,217,728
Amount already allocated into expenses during the period	(334,017,870,003)	(180,143,392,158)
Ending balance	404,947,362,165	353,037,435,079

8b. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Tools, instruments	3,757,311,771	6,219,685,369
Housing rental	3,524,396,638	4,293,023,339
Expenses for agency development	526,774,300	397,927,853
Others	15,744,027,594	21,627,324,923
Total	23,552,510,303	32,537,961,484

9. Taxes and accounts receivable from the State

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT on local sales	801,988	801,988
Personal income tax	844,112,310	384,274,774
Other taxes	15,294,227	89,153,569
Total	860,208,525	474,230,331

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10. Increases, decreases in tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	53,392,648,892	13,913,270,996	113,428,484,970	35,156,273,956	215,890,678,814
Purchase during the period	-	-	1,299,648,182	584,744,818	1,884,393,000
Completed construction	-	20,907,689,163	-	-	20,907,689,163
Decrease due to liquidation of subsidiary	(676,312,055)	-	(945,425,818)	(34,500,000)	(1,656,237,873)
Liquidation and disposal	-	-	(2,316,050,741)	-	(2,316,050,741)
Ending balance	52,716,336,837	34,820,960,159	111,466,656,593	35,706,518,774	234,710,472,363
<i>In which:</i>					
Fully depreciated but being still in use	9,526,834,367	33,850,000	26,601,876,085	17,079,359,126	53,241,919,578
To be liquidated					
Depreciation					
Beginning balance	26,959,018,606	1,018,628,295	65,401,062,919	23,579,946,333	116,958,656,153
Depreciation during the period	2,600,014,368	462,679,206	4,695,940,845	2,130,764,516	9,889,398,935
Decrease due to liquidation of subsidiary	(215,192,302)	-	(945,425,818)	(34,500,000)	(1,195,118,120)
Liquidation and disposal	-	-	(1,395,332,004)	-	(1,395,332,004)
Ending balance	29,343,840,672	1,481,307,501	67,756,245,942	25,676,210,849	124,257,604,964
Net book value					
Beginning balance	26,433,630,286	12,894,642,701	48,027,422,051	11,576,327,623	98,932,022,661
Ending balance	23,372,496,166	33,339,652,658	43,710,410,651	10,030,307,925	110,452,867,400
<i>In which:</i>					
Temporarily unused					

11. Increases, decreases in intangible fixed assets

	Land use right	Computer software	Total
Historical costs			
Beginning balance	5,096,806,800	13,540,285,686	18,637,092,486
Purchase during the period	-	450,000,000	450,000,000
Decrease due to liquidation of subsidiary	-	(126,500,000)	(126,500,000)
Ending balance	5,096,806,800	13,863,785,686	18,960,592,486
<i>In which:</i>			
Fully amortized but being still in use	-	7,456,858,567	7,456,858,567
Amortization			
Beginning balance	-	10,312,457,358	10,312,457,358
Amortization during period	-	1,349,090,979	1,349,090,979
Decrease due to liquidation of subsidiary	-	(126,500,000)	(126,500,000)
Ending balance	-	11,535,048,337	11,535,048,337
Net book value			
Beginning balance	5,096,806,800	3,227,828,328	8,324,635,128
Ending balance	5,096,806,800	2,328,737,349	7,425,544,149
<i>In which:</i>			
Temporarily unused			

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Notes to the interim consolidated financial statements (cont.)**12. Investment property**

The Group's investment properties only include buildings and structures for lease with depreciation expenses during the period of VND 1,828,240,242.

According to the regulations in the Circular No. 232/2012/TT-BTC dated 28 December 2015, the fair value of investment properties as of the balance sheet date should be presented. However, the Group has not been able to determine the fair value of investment properties.

List of investment properties as of the balance sheet date is as follows:

	Historical costs	Accumulated depreciation	Net book value
Commercial floor at Thuy Loi 4 Apartment Building	86,512,743,262	8,334,172,788	78,178,570,474
FLC Quy Nhon	22,557,136,380	3,956,266,699	18,600,869,681
Tasco Project	36,639,509,654	977,938,614	35,661,571,040
Total	145,709,389,296	13,268,378,101	132,441,011,195

Income from and expenses for leasing properties during the period are VND 3,484,544,009 and VND 2,068,859,742 respectively.

13. Construction in progress

	Beginning balance	Increase during the period	Increase transfer of assets during the period	Transfer to properties held for sale	Other decrease	Ending balance
Purchase of fixed assets	10,956,459,398	2,805,812,590	(1,338,880,000)	(45,599,790)	-	12,377,792,198
Construction in progress	38,340,017,916	5,188,887,576	(20,907,689,163)	-	(816,734)	22,620,399,595
Total	49,296,477,314	7,994,700,166	(22,246,569,163)	(45,599,790)	(816,734)	34,998,191,793

14. Short-term payable to suppliers

	Ending balance	Beginning balance
Payable on written premium	257,326,876,644	144,799,167,468
Payable on reinsurance activity	319,142,756,129	338,244,791,629
Payable for co-insurer	8,997,388,669	17,528,041,475
Payable to other suppliers	28,192,624,837	54,376,319,197
Total	613,659,646,279	554,948,319,769

15. Prepayments from customers

	Ending balance	Beginning balance
Prepayments from customers for written premium	9,693,977,020	6,605,563,922
Prepayments from customers for other activities	230,716,209	211,622,914
Total	9,924,693,229	6,817,186,836

16. Taxes and other obligations to the State budget

	Ending balance	Beginning balance
VAT on local sales	23,503,867,660	25,185,493,185
Corporate income tax	23,244,017,956	14,414,608,010
Personal income tax	7,717,663,102	11,570,518,192
Other taxes	262,774,191	448,274,098
Total	54,728,322,909	51,618,893,485

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The Companies in the Group have to pay VAT in accordance with the deduction method at the rate of 10%.

Corporate income tax

The Companies in the Group have to pay corporate income tax on taxable income at the rate of 20%.

The determination of corporate income tax payable of the companies in the Group is based on the prevailing regulations on taxes. However, these regulations change for each period and the regulations on taxes for various transactions can be explained in various ways. Therefore, the tax amount presented in the interim consolidated financial statements could change when being examined by the Tax Office.

Other taxes

The Companies in the Group have declared and paid these taxes in line with the prevailing regulations.

17. Short-term unrealized revenue

Including written premium received in advance for the undue payment periods.

18. Unearned commission

	Current period	Previous period
Beginning balance	293,161,262,536	155,855,656,519
Appropriation of commission during the period	289,600,845,252	249,299,581,631
Refund of commission during the period	(247,582,720,016)	(153,560,676,624)
Ending balance	335,179,387,772	251,594,561,526

19. Other short-term/long-term payable***19a. Other short-term payable***

	Ending balance	Beginning balance
Trade Union's expenditure	4,840,519,702	4,749,641,271
Social insurance, health insurance, unemployment insurance	2,019,655,644	580,138,788
Dividends payable	89,920,911,071	9,657,149,161
Withholding tax temporarily retained	2,905,112,751	2,474,729,464
Premium collected from VNPost not collated yet	40,394,228,706	19,528,905,584
Customer bonus fund	1,927,012,941	2,623,473,949
Short-term deposits and mortgages assumed	1,182,050,908	855,136,400
Advance received for selling securities	6,000,000,000	6,663,249,226
Others	68,574,771,497	58,978,056,647
Total	217,764,263,220	106,110,480,490

19b. Other long-term payable

Including long-term deposits and mortgages assumed.

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Notes to the interim consolidated financial statements (cont.)**20. Loans****20a. Short-term loans**

	Ending balance	Beginning balance
<i>Short-term loans from banks</i>	180,762,500,000	-
Shinhan Bank Vietnam ⁽ⁱ⁾	160,762,500,000	-
Woori Bank Vietnam – Hoan Kiem Branch ⁽ⁱⁱ⁾	20,000,000,000	-
<i>Other short-term loans</i>	5,095,000,000	920,000,000
<i>Long-term loans at maturity (See Note V.20b)</i>	2,349,630,731	5,367,285,564
Total	188,207,130,731	6,287,285,564

⁽ⁱ⁾ This is the loan from Shinhan Bank Vietnam to supplement working capital, with the credit limit of USD 9,800,000, the interest rate of 3-month libor plus margin of 0.8%. This loan is secured by the termed deposits at the credit institutions with the value as of 30 June 2020 of VND 334,202,043,471 (see Note V.2b).

⁽ⁱⁱ⁾ This is the loan from Woori Bank Vietnam – Hoan Kiem Branch to supplement working capital, with the credit limit of VND 100,000,000,000, the interest rate equal to the average 3-month deposit interest rate (for corporate) of state-owned banks in Vietnam plus margin of 0.65%/year. This loan is secured by the termed deposits at the credit institutions with the value as of 30 June 2020 of VND 120,000,000,000 (see Note V.2b).

The Group has solvency to pay short-term loans.

Details of increases/decreases in the short-term loans during the period are as follows:

	Beginning balance	Increase during the period	Transfer from long-term loans and debts	Amount already paid during the period	Ending balance
Short-term loans from banks	-	180,762,500,000	-	-	180,762,500,000
Other short-term loans	920,000,000	-	-	-	5,095,000,000
Long-term loans at maturity	5,367,285,564	-	4,248,528,090	(3,091,182,923)	2,349,630,731
Total	6,287,285,564	180,762,500,000	4,248,528,090	(3,091,182,923)	188,207,130,731

20b. Long-term loans

	Ending balance	Beginning balance
LienVietPostBank – Cau Giay Branch ⁽ⁱ⁾	2,117,325,756	5,846,450,933
BIDV – Gia Lam Branch ⁽ⁱⁱ⁾	7,000,000,000	5,514,250,721
Total	9,117,325,756	11,360,701,654

These are the loans of VN- IBS., JSC. in accordance with the following contracts:

- ⁽ⁱ⁾ The Credit Contract No. HDTD1112018305 dated 22 June 2018 for the purpose of capital refund and payment to the suppliers of the costs invested in the Project of installing Building system for 2 Buildings with the amount of VND 3.7 billion, the term of 4 years commencing from the disbursement date, the interest rate as stipulated by the Bank. The guarantee assets include the debt demand rights from the lease contract of Building coverage system No. 01/2016/HDKT-CNPT-HNI-IBS dated 12 May 2016, the lease contracts of inbuilding system with VNPT and other assets including valuable papers, vehicles and properties of the Corporation and the related parties as stipulated in the contracts.

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- (ii) The Credit Contract No. 01/2018/7611300/HDTD dated 17 December 2018 for the purpose of investing in telecommunication equipment system and labor serving infrastructure execution for the Project of investing in constructing Inbuilding coverage system of 5 buildings with the disbursement amount of VND 7 billion, the term of 36 months commencing from the disbursement date, the interest rate in term of the first year is 8.5%/year; that of the following years in accordance with residential capital mobilizing interest rate with the term of 24 months paid later by BIDV – Gia lam Branch plus 3%/year. The guarantee assets include the deposit contract No. 01/2018/HDTG dated 16 November 2018, the accounts receivable from the economic contracts and the balance of cash in VND, foreign currencies at BIDV and other credit institutions.

Details of increases/decreases in the long-term loans during the period are as follows:

Beginning balance	11,360,701,654
Increase during the period	2,005,152,192
Transferring to long-term loans at maturity	(4,248,528,090)
Ending balance	9,117,325,756

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21. Technical reserve

23a. Claim and unearned premium reserve

	Ending balance			Beginning balance		
	Written premium and reinsurance assumed reserve	Reinsurance ceded reserve	Net written premium and reinsurance assumed reserve	Written premium and reinsurance assumed reserve	Reinsurance ceded reserve	Net written premium and reinsurance assumed reserve
	(1)	(2)	(3) = (1) – (2)	(4)	(5)	(6) = (4) – (5)
1. Claim reserve⁽ⁱ⁾						
Claim reserve for outstanding claims	995,685,003,512	468,841,605,187	526,843,398,325	1,161,842,936,713	609,646,277,303	552,196,659,410
Claim reserve for IBNR	832,709,764,012	378,617,482,930	454,092,281,082	1,018,867,697,213	519,422,155,045	499,445,542,168
	162,975,239,500	90,224,122,257	72,751,117,243	142,975,239,500	90,224,122,258	52,751,117,242
2. Unearned premium reserve⁽ⁱⁱ⁾	3,264,037,381,276	1,282,170,582,438	1,981,866,798,838	3,160,260,976,999	1,373,748,583,697	1,786,512,393,302
Total	4,259,722,384,788	1,751,012,187,625	2,508,710,197,163	4,322,103,913,712	1,983,394,861,000	2,338,709,052,712
In which:						
	First 6 months of the current year			First 6 months of the previous year		
(i) Claim reserve						
Beginning balance	1,161,842,936,713	609,646,277,303	552,196,659,410	896,915,750,913	347,425,959,496	549,489,791,417
Appropriation during the period	20,000,000,000	-	20,000,000,000	20,000,000,000	-	20,000,000,000
Refund during the period	(186,157,933,201)	(140,804,672,116)	(45,353,261,085)	(58,336,814,764)	(32,414,667,146)	(25,922,147,618)
Ending balance	995,685,003,512	468,841,605,187	526,843,398,325	858,578,936,149	315,011,292,350	543,567,643,799
	First 6 months of the current year			First 6 months of the previous year		
(ii) Unearned premium reserve						
Beginning balance	3,160,260,976,999	1,373,748,583,697	1,786,512,393,302	2,144,592,205,609	732,477,619,828	1,412,114,585,781
Appropriation during the period	103,776,404,277	-	103,776,404,277	702,620,299,110	521,135,898,571	181,484,400,539
Refund during the period	-	(91,578,001,259)	91,578,001,259	-	-	-
Ending balance	3,264,037,381,276	1,282,170,582,438	1,981,866,798,838	2,847,212,504,719	1,253,613,518,399	1,593,598,986,320

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	Ending balance	Beginning balance
<i>Claim reserve for reinsurance ceded</i>	468,841,605,187	609,646,277,303
Claim reserve for outstanding claims	378,617,482,930	519,422,155,045
Claim reserve for IBNR	90,224,122,257	90,224,122,258
<i>Reserve for reinsurance ceded premium</i>	1,282,170,582,438	1,373,748,583,697
Total	1,751,012,187,625	1,983,394,861,000

23c. Catastrophe reserve

	Current period	Previous period
Beginning balance	103,775,184,431	98,160,886,772
Additional appropriation during the period	20,971,536,376	16,894,701,588
Ending balance	124,746,720,807	115,055,588,360

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22. Owner's equity

22a. Statement of fluctuations in owner's equity

	Owner's investment capital	Share premiums	Business promotion fund	Compulsory reserve fund	Retained profit after tax	Interest of non- controlling shareholders	Total
First 6 months of the year 2019							
Beginning balance of the previous year	803,957,090,000	827,943,052,804	22,644,374,262	49,884,763,553	110,585,835,597	964,205,519	1,815,979,321,735
Profit in the previous period	-	-	-	-	27,156,317,541	17,039,356	27,173,356,897
Appropriation of business promotion fund in the previous period	-	-	183,476,595	-	(183,476,595)	-	-
Share of dividends in the previous period	-	-	-	-	(64,316,567,200)	-	(64,316,567,200)
Appropriation of customer bonus fund	-	-	-	-	(183,476,595)	-	(183,476,595)
Appropriation of allowance for the BOM, the Control Board	-	-	-	-	(917,382,977)	-	(917,382,977)
Appropriation of the Executive officers' bonus fund	-	-	-	-	(366,953,191)	-	(366,953,191)
Consolidation under owner's equity method	-	-	-	-	-	4,307,070,547	4,307,070,547
Other increase/decrease adjustment	-	-	-	-	(21,778,439)	21,778,439	-
Appropriation of funds in the subsidiary	-	-	-	-	(1,825,668,752)	(21,827,875)	(1,847,496,626)
Ending balance of the previous period	803,957,090,000	827,943,052,804	22,827,850,857	49,884,763,553	69,926,849,390	5,288,265,986	1,779,827,872,590
First 6 months of the year 2020							
Beginning balance of the current year	803,957,090,000	827,943,052,804	22,927,850,857	55,402,458,511	151,901,227,577	5,430,777,908	1,867,562,457,657
Profit in the current period	-	-	-	-	117,321,379,184	58,729,261	117,380,108,445
Appropriation of business promotion fund in the current period	-	-	1,103,538,992	-	(1,103,538,992)	-	-
Share of dividends in the current period	-	-	-	-	(80,395,709,000)	-	(80,395,709,000)
Appropriation of customer bonus fund	-	-	-	-	(1,103,538,992)	-	(1,103,538,992)
Payment of allowance and bonus to the BOM, the Control Board	-	-	-	-	(1,103,538,992)	-	(1,103,538,992)
Appropriation of the Executive officers' bonus fund	-	-	-	-	(2,207,077,982)	-	(2,207,077,982)
Liquidation of subsidiary	-	-	-	-	281,241,890	(719,335,500)	(438,093,610)
Other increase/decrease adjustment	-	-	-	-	(25,078,123)	(18,062,358)	(43,140,481)
Ending balance of the current period	803,957,090,000	827,943,052,804	24,031,389,849	55,402,458,511	183,565,366,570	4,752,109,311	1,899,651,467,045

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Notes to the interim consolidated financial statements (cont.)**22b. Details of owner's contribution capital**

	Ending balance	Beginning balance
Contribution capital of shareholders	803,957,090,000	803,957,090,000
State's investment capital	182,256,480,000	182,256,480,000
Contribution capital of other shareholders	621,700,610,000	621,700,610,000
Share premiums	827,943,052,804	827,943,052,804
Total	1,631,900,142,804	1,631,900,142,804

22c. Dividends

	Current period	Previous period
Unpaid dividends at the beginning of year	9,657,149,161	10,686,233,993
Share of dividends from profit of the previous period	80,395,709,000	64,316,567,200
Dividends already paid during the period	(131,947,090)	(65,345,652,032)
Dividends to be paid at the end of the year	89,920,911,071	9,657,149,161

22d. Shares

	Ending balance	Beginning balance
Number of common shares registered to be issued	80,400,000	80,400,000
Number of common shares already issued	80,395,709	80,395,709
Number of outstanding common shares	80,395,709	80,395,709

Face value per outstanding share: VND 10,000.

22e. Profit distribution

During the period, the Corporation distributed the profit in accordance with the Resolution of the 2020 Annual General Meeting of Shareholders No. 49/NQ-PTI-DHDCCD dated 24 June 2020 as follows:

	VND
• Share of dividends to shareholders	: 80,395,709,000
• Appropriation of business promotion fund	: 1,103,538,992
• Appropriation of customer bonus fund	: 1,103,538,992
• Payment of allowance and bonus to the BOM, the Control Board	: 1,103,538,992
• Executive officers' bonus fund	: 2,207,077,982

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VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM CONSOLIDATED INCOME STATEMENT**1. Sales of insurance premium**

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Written premium	2,950,844,150,235	2,754,741,402,749
<i>Health insurance and human accident insurance</i>	1,039,038,983,002	1,034,894,603,737
<i>Property and damage insurance</i>	199,831,976,767	170,515,601,772
<i>Cargo insurance</i>	66,933,487,937	66,252,888,948
<i>Aviation insurance</i>	20,474,283,101	21,927,097,172
<i>Motor vehicle insurance</i>	1,335,005,425,727	1,243,232,880,543
<i>Fire and explosion insurance</i>	214,165,205,676	157,843,414,943
<i>Hull and civil liability of ship owner insurance</i>	46,483,877,601	37,322,631,483
<i>Joint liability insurance</i>	20,793,010,641	22,603,280,307
<i>Business damage insurance</i>	8,117,899,783	-
<i>Agricultural insurance</i>	-	149,003,844
Reinsurance premium assumed	39,020,690,119	45,210,093,454
Increase/decrease in reserve for written premium and reinsurance assumed	(103,776,404,277)	(702,620,399,110)
Sales of insurance premium	2,886,088,436,077	2,097,331,097,093

2. Reinsurance premium ceded

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Reinsurance premium ceded	892,711,202,712	1,110,481,337,346
<i>Health insurance and human accident insurance</i>	487,185,467,629	324,563,589,853
<i>Property and damage insurance</i>	220,951,635,234	557,716,464,033
<i>Cargo insurance</i>	22,285,927,499	26,477,838,343
<i>Motor vehicle insurance</i>	(386,708,787)	109,544,659,504
<i>Fire and explosion insurance</i>	141,300,932,410	69,220,139,523
<i>Hull and civil liability of ship owner insurance</i>	19,449,102,279	20,840,085,119
<i>Joint liability insurance</i>	1,924,846,448	2,118,560,970
Increase/decrease in reserve for reinsurance premium ceded	91,578,001,259	(521,135,898,571)
Reinsurance premium ceded	984,289,203,971	589,345,438,775

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Notes to the interim consolidated financial statements (cont.)**3. Sales of selling other goods and providing other services**

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Sales of trading petrol	-	56,960,764,989
Sales of providing telecommunication equipment and inbuilding project	13,142,921,069	11,922,140,731
Total	13,142,921,069	68,882,905,720

4. Sales of trading investment property

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Leasing investment property	3,484,544,009	4,311,145,013
Total	3,484,544,009	4,311,145,013

5. Total claim expenses

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Total claim expenses	993,856,155,163	932,810,254,713
<i>Health insurance and accident insurance</i>	279,237,702,981	228,707,487,422
<i>Property and damage insurance</i>	67,314,827,126	100,208,406,595
<i>Cargo insurance</i>	19,640,261,006	39,316,122,924
<i>Motor vehicle insurance</i>	546,461,376,735	522,634,522,142
<i>Fire and explosion insurance</i>	10,192,783,675	15,111,004,853
<i>Hull and civil liability of ship owner insurance</i>	67,242,164,640	18,975,010,854
<i>Joint liability insurance</i>	3,767,039,000	7,857,699,923
Deductions	(11,858,836,329)	(8,705,594,440)
Receiving indemnity of reinsurance ceded	(258,163,106,366)	(240,223,133,612)
Increase/decrease in claim reserve for written premium and reinsurance assumed	(166,157,933,201)	(38,336,814,764)
Increase/decrease in indemnity reserve for reinsurance ceded	140,804,672,116	32,414,667,147
Total claim expenses	698,480,951,383	677,959,379,044

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6. Other expenses for insurance operation

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Insurance commission	334,017,870,003	180,143,392,157
Insurance agency management	368,917,752,918	211,924,992,189
Damage limit provision	6,252,123,601	7,100,701,651
Insurance funds	8,006,096,381	16,366,642,794
Others	517,644,761,385	382,352,199,919
Total	1,234,838,604,288	797,887,928,710

7. Costs of providing other goods and services

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Costs of petrol already sold	-	54,529,906,319
Costs of telecommunication equipment and inbuilding project already provided	7,805,061,326	6,038,656,624
Total	7,805,061,326	60,568,562,943

8. Costs of trading investment property

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Leasing investment property	2,068,859,742	2,550,744,188

9. Financial income

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Termed deposit interest	71,318,445,957	72,526,810,723
Demand deposit interest	94,247,211	163,702,054
Gain on liquidation of subsidiary	1,166,609,451	-
Long-term investment interest	4,587,986,386	838,478,337
Gain on trading securities	9,010,524,830	29,050,241,858
Dividends and profit shared	-	7,020,913,464
Gain on realized exchange rate differences	1,432,813,271	1,110,537,598
Others	17,077,046	659,710,285
Total	87,627,704,151	111,370,394,319

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10. Financial expenses

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Loan interest expenses	2,536,114,401	4,190,265,898
Loss from realized exchange rate difference	1,951,070,066	3,307,315,734
Loss from trading securities	124,538,816,538	18,096,285,870
Appropriation/(Refund) of provision for devaluation of short-term and long-term investments	(131,079,825,960)	63,621,424,763
Others	97,163,877	967,408,680
Total	(1,956,661,078)	90,182,700,944

11. Administrative overheads

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Expenses for staff	121,662,518,274	223,947,892,592
Expenses for materials, supplies	11,763,727,626	10,294,926,670
Expenses for managing tools	6,355,214,595	5,751,379,620
Depreciation of fixed assets	8,122,138,713	7,244,684,442
Taxes, fees and duties	11,181,927,563	8,108,498,137
Contingent expenses	989,208,974	407,728,541
External services hired	48,649,025,342	42,589,346,428
Other expenses in cash	69,517,050,106	74,752,362,428
Total	278,240,811,193	373,096,818,857

12. Basic earnings per share

	Current period	Previous period
Accounting profit after corporate income tax of the Holding Company's shareholders	117,321,379,184	27,156,317,541
Appropriation of customer bonus fund (*)	(1,173,213,792)	(271,563,175)
Appropriation of allowance for the BOM and the Control Board (*)	(1,173,213,792)	(271,563,175)
Appropriation of the Executive officers' bonus fund (*)	(2,346,427,584)	(407,344,763)
Profit distributed to common equity holders	112,628,524,016	26,205,846,428
Average number of common shares outstanding during the period	80,395,709	80,395,709
Basic earnings per share	1,401	326

(*) The figures of appropriation of customer bonus fund, allowance for the BOM and the Control Board, the Executive officers' bonus fund, bonus and welfare funds when determining basic earnings per share in the current period are calculated based on the plan approved in the Resolution No. 49/NQ-PTI-DHDCD dated 24 June 2020.

There have not been any transactions of common shares or potential transactions of common shares from the balance sheet date to the disclosure date of these interim consolidated financial statements.

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VII. OTHER INFORMATION**1. Transactions with related parties***Income of the key managers is as follows:*

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Salary of the Executive Officers	4,904,018,306	4,926,060,080
Allowance for the BOM and the Control Board	408,000,000	359,382,976
Total	5,312,018,306	5,285,443,056

Transactions with other related parties

Other related parties of the Corporation include:

Other related parties	Relationship
Vietnam Post Corporation (VNPost)	Capital contributor
DB Insurance Co., Ltd.	Capital contributor
VNDirect Securities JSC.	Capital contributor
Kasati JSC.	Associate
Lanexang Assurance Public Insurance JSC. (LAP)	Associate
IPAF	The Company has the same key managers

Apart from transactions with subsidiaries and associates as presented in Note V.2c, the Group has also had other transactions with other related parties as follows:

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
DB Insurance Co., Ltd.		
Reinsurance premium ceded	9,547,969,443	4,615,604,701
Receiving commission on reinsurance ceded	3,052,441,195	1,541,302,235
Receiving indemnity of reinsurance ceded	355,600,102	336,394,009
Share of dividends	30,000,000,000	24,000,000,000
VNPost		
Share of dividends	18,225,648,000	14,580,518,400
VNDirect Securities JSC.		
Share of dividends	13,216,055,000	12,012,844,000
IPAF		
Recovery of investment trust	12,913,442,872	-

As of the balance sheet date, the liabilities with other related parties were as follows:

	Ending balance	Beginning balance
LAP – receivable on reinsurance premium	2,650,001,005	-
IPAF – receivable on business cooperation	-	12,913,442,872
Total accounts receivable	2,650,001,005	12,913,442,872

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DB Insurance Co., Ltd. – payable on reinsurance premium	7,820,642,224	1,690,262,049
LAP – payable on reinsurance premium	-	3,701,292,292
Total accounts payable	7,820,642,224	5,391,554,341

The prices of goods and services provided to related parties are the market prices. The purchase of goods and services from related parties is implemented in accordance with the market prices.

Accounts receivable are unsecured and will be paid in cash. No provision for bad debts has been prepared for accounts receivable from related parties.

2. Segment information

The segment information is presented in accordance with business segments and geographical segments. The primary reporting format is the business segments as risk and profit margin of the Group are mainly affected by differences on products and services provided by the Group

Business segments

The Group has had the major business segments as follows:

- Insurance segment: providing non-life insurance products.
- Other segments: trading petroleum products, leasing investment property, trading telecommunication equipment and inbuilding projects.

Information on business results, fixed assets, other long-term assets and values of non-cash large expenses of business segments of the Group is as follows:

Current period	Insurance segment	Other segments	Total
Net sales of selling goods and providing services externally	2,278,769,788,899	16,627,465,078	2,295,397,253,977
Net sales of selling goods and providing services among segments	-	-	-
Total net sales	2,278,769,788,899	16,627,465,078	2,295,397,253,977
Segment business results	50,316,225,608	2,675,204,061	52,991,429,669
Financial income	84,718,713,002	2,908,991,149	87,627,704,151
Financial expenses	3,216,666,865	(1,260,005,787)	1,956,661,078
Gain or loss in associates	-	-	1,975,209,465
Other income	2,338,592,348	97,727,273	2,436,319,621
Other expenses	(646,958,751)	(76,873,977)	(723,832,728)
Current corporate income tax	-	-	(28,883,382,811)
Deferred corporate income tax	-	-	-
Profit after corporate income tax			117,380,108,445
Total expenses arising to purchase fixed assets and other long-term assets	13,598,581,317	5,079,518,731	18,678,100,048
Total depreciation expenses and allocation of long-term prepaid expenses	29,057,681,431	3,241,648,462	32,299,329,893

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Net sales of selling goods and providing services externally	1,866,251,151,622	73,194,050,733	1,939,445,202,355
Net sales of selling goods and providing services among segments	-	-	-
Total net sales	<u>1,866,251,151,622</u>	<u>73,194,050,733</u>	<u>1,939,445,202,355</u>

Segment business results	4,633,424,208	4,738,258,197	9,371,682,405
Financial income	110,711,661,545	658,732,774	111,370,394,319
Financial expenses	(88,981,410,115)	(1,201,290,829)	(90,182,700,944)
Gain or loss in associates	-	-	1,436,373,203
Other income	405,181,621	-	405,181,621
Other expenses	(350,164,752)	(29,358,879)	(379,523,631)
Current corporate income tax	-	-	(4,848,050,076)
Deferred corporate income tax	-	-	-
Profit after corporate income tax			<u>27,173,356,897</u>

Total expenses arising to purchase fixed assets and other long-term assets	<u>58,520,340,385</u>	<u>19,337,987,492</u>	<u>77,858,327,877</u>
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Total depreciation expenses and allocation of long-term prepaid expenses	<u>19,795,622,449</u>	<u>2,498,099,468</u>	<u>22,293,721,917</u>
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Assets and liabilities of business segments based on the Corporation are as follows:

	Insurance segment	Other segments	Total
Ending balance			
Direct assets of segments	7,905,502,005,883	67,542,727,697	7,973,044,733,580
Assets allocated for segments	-	-	-
Assets not allocated for each segment	-	-	-
Total assets	-	-	<u>7,973,044,733,580</u>
Direct payable liabilities of segments	6,028,211,233,163	45,182,033,372	6,073,393,266,535
Payable liabilities allocated for segments	-	-	-
Payable liabilities not allocated for each segment	-	-	-
Total payable liabilities			<u>6,073,393,266,535</u>
Beginning balance			
Direct assets of segments	7,536,593,274,453	77,954,053,090	7,614,547,327,543
Assets allocated for segments	-	-	-
Assets not allocated for each segment	-	-	-
Total assets			<u>7,614,547,327,543</u>
Direct payable liabilities of segments	5,687,729,188,318	59,255,681,568	5,746,984,869,886
Payable liabilities allocated for segments	-	-	-
Payable liabilities not allocated for each segment	-	-	-
Total payable liabilities			<u>5,746,984,869,886</u>

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Geographical segments

All operations of the Group take place in Vietnamese territory only.

3. Financial risk management

Operations of the Group include the following financial risks: credit risk, liquidity risk and market risk. The Management Board is responsible for designing policies and controls to minimize financial risks as well as supervising the application of those policies and controls.

3a. Credit risk

Credit risk is the risk that a contractual party cannot perform its responsibilities, leading to a financial loss to the Group.

The Group has had credit risks mainly from accounts receivable from customers and cash in bank.

Receivable from customers

Receivables from customers subject to credit risk include receivables from insurance, reinsurance and other receivables. The Corporation manages customer credit risks through the Corporation's policies, procedures and control process related to customer credit risk management.

The most significant item of the receivables from reinsurance is the claim receivable from the reinsurance companies. To minimize this risk, the Corporation has established a number of business and financial principles in accepting reinsurance companies, using the classification results of large credit rating organizations, and at the same time taking into account of more information on the market. The Corporation also regularly reviews the financial stability of reinsurance companies from the mass media as well as other sources and the trend of paying the payables of reinsurance companies.

Cash in bank

Termed and demand deposits of the Group are deposited in local banks. The Management Board does not realize any material credit risk in those deposits.

Maximum level of credit risk for financial assets is the net book value of the financial assets (See Note VII.4 regarding net book value of financial assets).

Analysis of overdue time and devaluation of financial assets is as follows:

	Not yet overdue or devalued	Already overdue and/or devalued	Total
Ending balance			
Cash and cash equivalents	153,355,510,395	-	153,355,510,395
Trading securities	149,494,380,350	142,664,691,293	292,159,071,643
Investments held to maturity date	4,032,383,369,919	8,000,000,000	4,040,383,369,919
Receivable from customers	457,591,084,818	35,613,557,681	493,204,642,499
Other receivable	284,942,823,245	14,822,013,484	299,764,836,728
Capital contribution in other entities	26,510,000,000	15,000,000,000	41,510,000,000
Total	5,104,277,168,727	216,100,262,458	5,320,377,431,184

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	Not yet overdue or devalued	Already overdue and/or devalued	Total
Beginning balance			
Cash and cash equivalents	118,142,382,645	-	118,142,382,645
Trading securities	159,994,380,350	354,701,122,868	514,695,503,218
Investments held to maturity date	3,243,161,927,033	8,000,000,000	3,251,161,927,033
Receivable from customers	612,776,447,541	39,801,949,487	652,578,397,027
Other receivable	281,681,659,730	14,822,013,484	317,767,656,054
Capital contribution in other entities	26,510,000,000	69,863,299,985	96,373,299,985
Total	4,442,266,797,299	487,188,385,824	4,950,719,165,962

3b. Liquidity risk

Liquidity risk is the risk that the Group will have difficulties in paying its financial liabilities due to lack of cash.

The Group's liquidity risk is mainly from financial assets and financial liabilities with different maturity dates.

The Group has managed the liquidity risk by frequently following current and forecasted payment requests to maintain a suitable amount of cash as well as loans at a reasonable level, supervising cash flow actually arising in comparison with estimation to minimize the effects of cash flow fluctuations

The payment term of non-derivative financial liabilities (including interest payable) is based on estimated payments according to the contracts but not discounted yet as follows:

	Under 1 year	From 1 year to 5 years	Total
Ending balance			
Payable to suppliers	613,659,646,279	-	613,659,646,279
Loans and debts	188,207,130,731	9,117,325,756	197,324,456,487
Other payable	174,416,074,665	1,261,835,586	175,677,910,251
Total	976,282,851,675	10,379,161,342	986,662,013,017
Beginning balance			
Payable to suppliers	554,948,319,769	-	554,948,319,769
Loans and debts	6,287,285,564	11,360,701,654	17,647,987,218
Other payable	94,691,483,739	1,320,665,586	96,012,149,325
Total	655,927,089,072	12,681,367,240	668,608,456,312

The Management Board realizes that risk level for debt payment is low. The Group has liquidity of due debts by cash flows from business operations and receipts from due financial assets. The Group is able to access capital sources and loans on due within 12 months can be extended by present lenders.

3c. Market risk

Market risk is the risk that fair value or cash flows in the future of financial instruments will change according to changes of market prices.

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The market risk related to operation of the Group includes foreign currency risk, interest rate risk and risk related to price of securities.

The analyses of sensitivity and evaluations hereafter are related to the financial position of the Group as of 30 June 2020 and 31 December 2019 and are based on the value of net liabilities. Changes in foreign exchange rates, interest rates, price of securities used in the analyses of sensitivity are based on the evaluation of ability to occur within the next one year under observable circumstances of the market at present.

Foreign currency risk

Foreign currency risk is the risk that fair value or cash flows in the future of financial instruments will change according to the fluctuations of foreign exchange rates.

The Group manages risks concerning fluctuations in exchange rates by optimizing maturity of debts, forecasting foreign exchange rates, maintaining reasonably structure of borrowing and loans between foreign currencies and VND, choosing time of buying and paying of items in foreign currencies at the time of low foreign exchange rate, utilizing available cash resources to balance between foreign exchange risk and liquidity risk.

The Management Board realizes the impact level due to fluctuations in foreign exchange rates to profit after tax and owner's equity of the Group is not material.

Interest rate risk

Interest rate risk is the risk that fair value or cash flows in the future of financial instrument will change according to changes of market interest rates.

Interest rate risk of the Group is mainly related to termed deposits, loan trust at floating interest rate.

The Group has managed the interest rate risk by analyzing the market situation to make reasonable decisions in choosing time of loans with suitable terms as to gain the most profitable interest rates as well as maintaining the suitable structure of loans at floating rates and fixed rates.

Financial instruments with floating interest rates of the Group are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash and cash equivalents	100,000,000	-
Loans and debts	(180,762,500,000)	-
Total	(180,662,500,000)	-

As of 30 June 2020, with the assumption of other unchangeable variables, if the interest rate of loans in VND with floating rate increased/decreased by 2%, profit after tax and owner's equity of the Group in the current period would decrease/increase by VND 2,890,600,000 (in the previous period, they had increased/decreased by VND 0). The sensitivity level to fluctuations of interest rates of the current period increased in comparison with that of the previous period due to the increase in loans at floating interest rates.

Risk related to price of securities

Securities held by the Group can be affected by risks related to future values of investment securities. The Group manages the risk related to price of securities by setting up investment limit and diversifying investment portfolio.

As of 30 June 2020, with the assumption of other unchangeable variables, if prices of listed securities invested by the Group increased/decreased by 2%, profit after tax and owner's equity of the Group in the current period would increase/decrease by VND 4,674,545,146 (in the previous period, they had increased/decreased by VND 9,986,411,401) due to decrease/increase in provisions. The sensitivity level to fluctuations in prices of securities in the current period sharply decreased in comparison with that of the previous period as the Corporation decreased the investment in listed trading securities in the current period.

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Notes to the interim consolidated financial statements (cont.)**3d. Collaterals**

The Group has had no financial assets used as collaterals to other entities as well as collaterals received from other entities as of 30 June 2020.

4. Fair value of financial assets and liabilities**Financial assets**

Net book value of financial assets is as follows:

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Cash and cash equivalents	153,355,510,395	-	118,142,382,645	-
Trading securities	292,159,071,643	(39,451,884,893)	514,695,503,218	(137,506,487,068)
Investments held to maturity date	4,032,383,369,919	(7,344,000,000)	3,243,161,927,033	(7,344,000,000)
Receivable from customers	493,204,642,499	(31,882,638,757)	652,578,397,027	(33,656,819,383)
Other receivable	299,764,836,728	(14,822,013,484)	317,767,656,054	(14,822,013,484)
Financial assets available for sale	41,510,000,000	(4,469,439,932)	96,373,299,985	(40,398,571,184)
Total	5,312,377,431,184	(97,969,977,066)	4,942,719,165,962	(233,727,891,119)

Financial liabilities

	Ending balance	Beginning balance
Payable to suppliers	613,659,646,279	554,948,319,769
Loans and debts	197,324,456,487	17,647,987,218
Other payable	175,677,910,251	96,012,149,325
Total	986,662,013,017	668,608,456,312

Fair value

The Group has not determined the fair value of financial assets and liabilities because the Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance as well as the prevailing regulations have not given out any detailed guidance.

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Notes to the interim consolidated financial statements (cont.)**5. Several figures to assess overall financial position and business results**

Items	Unit	Current period	Previous period
Structures of assets and capital sources			
<i>Structure of assets</i>			
Current assets/Total assets	%	87.23	86.05
Long-term assets/Total assets	%	12.77	13.95
<i>Capital sources</i>			
Liabilities/Total capital sources	%	76.17	75.15
Owner's equity/Total capital sources	%	23.83	24.85
Solvency			
Current solvency	Time	1.31	1.33
Short-term liabilities solvency	Time	1.15	1.15
Quick solvency	Time	0.03	0.02
Long-term liabilities solvency	Time	98.09	113.46
Profit ratio			
<i>Profit to Revenue ratio</i>			
Profit before tax to Net revenue ratio	%	6.38	1.72
Profit after tax to Net revenue ratio	%	5.12	1.46
<i>Profit to Total assets ratio</i>			
Profit before tax to Total assets ratio	%	1.88	0.45
Profit after tax to Total assets ratio	%	1.51	0.38
<i>Profit after tax to Owner's equity ratio</i>	%	6.23	1.53

6. Insurance risk

The first objective of the Group in capital management is to maintain sufficient capital to support its business growth and meet its legal capital requirements. The Group is aware of the impacts on the shareholders' profit, the level of capital contribution and learns how to maintain a prudent balance.

The legal capital requirements arise from the Corporation's operations and require the Corporation to maintain sufficient capital to settle its debts and meet the requirements on solvency margin in Vietnam. The solvency requirement applicable to the Corporation is stipulated in the Circular No. 50/2017/TT-BTC dated 15 May 2017 of the Ministry of Finance guiding the implementation of Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government on the Law on Insurance Business.

The attached appendix (pages 62 - 63) presents the minimum solvency margin and solvency margin of the Group. Policy makers are concerned about the protection of the insured's benefits and keep tracking to ensure that insurance companies are operating effectively for the insured's benefits. They are also concerned about the assurance that insurance companies are able to maintain adequate solvency to respond to unexpected insurance obligations due to economic recession or natural disasters.

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7. Subsequent events

On 14 August 2020, the Corporation was granted with the amended Business License No. 41A/GPDC25/KDBH regarding the establishment of the affiliate – Kien Giang Post-Telecommunication Insurance Company.

Apart from the above event, there have been no material events after the balance sheet date, which need to make adjustments on the figures or the disclosures in the interim consolidated financial statements.

Prepared on 30 August 2020

Prepared by

Chief Accountant

General Director



Pham Hong Tien



Cao Thu Hien


Bui Xuan Thu

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APPENDIX

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SOLVENCY STATEMENT

Unit: VND

	From 1 Jul. 2019 to 30 Jun. 2020	From 1 Jul. 2018 to 30 Jun. 2019
I. Difference between asset value and liabilities payable	1,899,651,467,045	1,779,827,872,590
1. Total assets	7,973,044,733,580	7,162,663,597,205
2. Liabilities payable	6,073,393,266,535	5,382,835,724,615
II. Asset value excluded	422,992,990,913	474,448,087,617
I. Assets of which accounting values are fully excluded:	101,149,381,843	100,743,443,207
1.1 Capital contribution to establish other insurance companies from the owner's equity of insurance company	20,152,200,000	25,693,741,133
1.2 Assets equivalent to bonus and welfare funds	-	-
1.3 Bad debts as regulated less relevant provision for bad debts	-	-
1.4 Intangible fixed assets except for computer software	-	-
1.5 Prepaid expenses, loans without guarantee, advances, office equipment and stationery, inter-company receivable	80,754,810,166	74,067,976,229
1.6 Receivable on insurance premium and reinsurance premium assumed overdue 2 years less relevant provision for bad debts as regulated	242,371,677	981,725,845
1.7 Loans, re-investment to shareholders or related objects as regulated in Article 4 of the Business Law except for the case of bank deposits	-	-
2. Assets of which accounting values are partly excluded:	321,843,609,071	373,704,644,411
2.1 Investment assets:	83,844,679,126	119,913,791,530
a) Secured bonds: excluding 1% of accounting value;	-	-
b) Unsecured bonds: excluding 3% of accounting value;	7,500,000,000	6,000,000,000
c) Listed shares: excluding 15% of accounting value;	15,481,920,960	53,930,852,421
d) Unlisted shares: excluding 20% of accounting value;	37,306,988,084	36,177,334,000
d) Direct investments in property used by the company itself: excluding 8% of accounting value;	407,744,544	967,325,626
e) Direct investments in property for lease, secured trading loans: excluding 15% of accounting value;	19,866,151,679	19,694,629,865
g) Contribution capital to other entities except for insurance companies: excluding 20% of accounting value.	3,281,873,859	3,143,649,618
2.2 Accounts receivable	1,324,037,785	1,365,345,837
Receivable on insurance premium and reinsurance premium assumed overdue from 180 days to under 1 year less relevant provision for bad debts as regulated: excluding 30%	617,892,827	804,702,848
Receivable on insurance premium and reinsurance premium assumed overdue from 1 year to under 2 years less relevant provision for bad debts as regulated: excluding 50%.	706,144,958	560,642,989
2.3 Tangible fixed assets, intangible fixed assets which are computer software and inventories: excluding 25% of accounting value	31,845,336,518	27,487,269,238
2.4 Other assets: excluding 15% of accounting value	204,829,555,642	224,938,237,805

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III. Solvency margin (I-II)	1,476,658,476,132	1,305,379,784,973
IV. Minimum solvency margin		
25% total retained premium	992,278,311,161	792,011,391,051
Comparison of solvency margin and minimum solvency margin (III and IV)		
Absolute figure difference	484,380,164,970	513,368,393,922
Percentage (%) difference	149%	165%

Prepared on 30 August 2020

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

General Director



Bui Xuan Thu

