



**POST AND TELECOMMUNICATION JOINT STOCK
INSURANCE CORPORATION**

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM SEPARATE
FINANCIAL STATEMENTS**

For the 6-month period ended 30 June 2022



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POST AND TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

8th Floor, Building at No. 4A Lang Ha, Ba Dinh District,

Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Post and Telecommunication Joint Stock Insurance Corporation (the "Corporation") presents this report together with the Corporation's interim separate financial statements for the 6-month period ended 30 June 2022.

THE BOARD OF DIRECTORS, SUPERVISORY BOARD AND BOARD OF MANAGEMENT

The members of the Board of Directors, Supervisory Board and Board of Management of the Corporation who held office during the period and to the date of this report are as follows:

Board of Directors

Ms. Pham Minh Huong	Chairwoman (appointed on 10 March 2022)
	Member (appointed on 10 March 2022, to 10 March 2022)
Ms. Nguyen Ho Nga	Chairwoman (appointed on 19 January 2022, resigned on 10 March 2022)
	Member (resigned on 28 April 2022)
Mr. Nguyen Minh Duc	Chairman (resigned on 19 January 2022)
Mr. Vu Hoang Ha	Vice Chairman (appointed on 28 April 2022)
Mr. Kim Kang Wook	Vice Chairman
Mr. Ko Young Joo	Member
Mr. Mai Xuan Dung	Member
Ms. Tran Thi Minh	Member
Mr. Park Ki Hyun	Member (appointed on 28 April 2022)
Ms. Vu Nam Huong	Member (appointed on 10 March 2022)
Ms. Do Thanh Huong	Member (appointed on 10 March 2022)
Mr. Ha Chan Ho	Member (resigned on 28 April 2022)
Mr. Bui Xuan Thu	Member (resigned on 10 March 2022)
Mr. Do Ngoc Quynh	Member (resigned on 10 March 2022)

Supervisory Board

Mr. Bui Van Toi	Head of the Supervisory Board (appointed on 28 April 2022)
Mr. Nguyen Huu Thang	Head of the Supervisory Board (resigned on 28 April 2022)
Ms. Bui Thanh Hien	Member
Ms. Nguyen Thi Ha Ninh	Member
Mr. Park Han Woong	Member (appointed on 28 April 2022)
Mr. Lee Tae Hun	Member (appointed on 28 April 2022)
Mr. Bae Taeg Soo	Member (resigned on 28 April 2022)
Mr. Park Ki Hyun	Member (resigned on 10 March 2022)

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

Board of Management

Mr. Bui Xuan Thu	Chief Executive Officer
	Deputy Chief Executive Officer (resigned on 01 January 2022)
Mr. Cao Ba Huy	Deputy Chief Executive Officer (appointed on 21 April 2022, resigned 22 August 2022)
Mr. Vu Chi Huy	Deputy Chief Executive Officer (appointed 21 April 2022)
Mr. Do Quang Khanh	Deputy Chief Executive Officer
Mr. Nguyen Kim Lan	Deputy Chief Executive Officer
Mr. Doan Kien	Deputy Chief Executive Officer
Mr. Nghiem Xuan Thai	Deputy Chief Executive Officer
Mr. Hoang Manh Huyen	Deputy Chief Executive Officer (appointed on 01 January 2022)
Mr. Do Phuc Hiep	Deputy Chief Executive Officer (appointed on 01 January 2022)
Ms. Luu Phuong Lan	Deputy Chief Executive Officer

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the interim separate financial statements, which give a true and fair view of the financial position of the Corporation as at 30 June 2022, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to interim financial reporting. In preparing these interim separate financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim separate financial statements;
- Prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the interim separate financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the interim separate financial statements comply with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to interim financial reporting. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these interim separate financial statements.

For and on behalf of the Board of Management,



Bùi Xuân Thu
Chief Executive Officer

Hanoi, 29 August 2022

No.: 0316/VN1A-HN-BC

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: **Shareholders**
Board of Directors, Supervisory Board and Board of Management
Post and Telecommunication Joint Stock Insurance Corporation

We have reviewed the accompanying interim separate financial statements of Post and Telecommunication Joint Stock Insurance Corporation (the "Corporation"), prepared on 29 August 2022 as set out from page 06 to page 51, which comprise the interim separate balance sheet as at 30 June 2022, the interim separate income statement and interim separate cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Interim Separate Financial Statements

The Board of Management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Corporation as at 30 June 2022, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to interim financial reporting.



Khúc Thị Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2018-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

29 August 2022
Hanoi, S.R. Vietnam

INTERIM SEPARATE BALANCE SHEET

As at 30 June 2022

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS (100=110+120+130+140+150+190)	100		7,487,858,142,142	7,302,507,743,231
I. Cash and cash equivalents	110	4	244,242,042,047	151,424,045,640
1. Cash	111		243,242,042,047	151,424,045,640
2. Cash equivalents	112		1,000,000,000	-
II. Short-term financial investments	120		3,819,635,046,413	3,900,840,869,585
1. Trading securities	121	5	58,404,992,981	14,236,657,070
2. Held-to-maturity investments	123	5	3,762,242,573,130	3,886,630,907,515
3. Provision for impairment of short-term investments	129		(1,012,519,698)	(26,695,000)
III. Short-term receivables	130		1,021,000,236,007	876,020,440,187
1. Trade accounts receivable	131		443,928,306,765	505,026,777,965
1.1. Receivables of insurance contracts	131.1	6	443,928,306,765	505,026,777,965
2. Advances to suppliers	132	7	336,643,697,247	156,411,002,969
3. Other receivables	135	8	331,653,269,359	302,867,451,661
4. Provision for short-term doubtful debts	139	9	(91,225,037,364)	(88,284,792,408)
IV. Inventories	140		3,099,971,204	1,861,097,801
1. Inventories	141		3,099,971,204	1,861,097,801
V. Other current assets	150		633,217,694,942	671,493,412,538
1. Short-term prepaid expenses	151	10	611,216,656,242	645,710,200,393
1.1. Unallocated commission expenses	151.1		391,816,934,126	390,719,147,172
1.2. Other short-term prepaid expenses	151.2		219,399,722,116	254,991,053,221
2. VAT deductibles	152		19,566,839,005	25,081,341,829
3. Taxes and other receivables from the State budget	154	16	2,434,199,695	701,870,316
VI. Reinsurance assets	190	19	1,766,663,151,529	1,700,867,877,480
1. Unearned premium reserve for outward reinsurance	191		1,144,487,222,330	1,065,833,353,023
2. Claim reserve for outward reinsurance	192		622,175,929,199	635,034,524,457
B. NON-CURRENT ASSETS (200=210+220+240+250+260)	200		1,593,554,942,679	1,261,707,925,343
I. Long-term receivables	210		18,206,293,906	18,079,886,286
1. Other long-term receivables	218		18,206,293,906	18,079,886,286
1.1. Insurance deposits	218.1		8,000,000,000	8,000,000,000
1.2. Other long-term receivables	218.2		10,206,293,906	10,079,886,286
II. Fixed assets	220		336,330,906,006	119,944,036,929
1. Tangible fixed assets	221	11	302,810,808,848	85,177,014,058
Cost	222		430,581,430,538	196,980,053,944
Accumulated depreciation	223		(127,770,621,690)	(111,803,039,886)
2. Intangible assets	227	12	24,696,769,885	24,959,539,311
Cost	228		40,089,960,138	38,685,603,304
Accumulated amortization	229		(15,393,190,253)	(13,726,063,993)
3. Construction in progress	230		8,823,327,273	9,807,483,560
III. Investment property	240	13	91,059,501,381	305,771,041,259
Cost	241		109,069,879,642	327,110,252,494
Accumulated amortization	242		(18,010,378,261)	(21,339,211,235)
IV. Long-term financial investments	250	5	1,119,640,362,928	779,449,595,713
1. Investments in subsidiaries	251		176,400,000,000	88,200,000,000
2. Investments in associates	252		34,444,900,000	34,444,900,000
3. Equity investments in other entities	253		30,129,400,000	30,129,400,000
4. Provision for impairment of long-term financial investments	254		(36,392,472,493)	(38,050,915,615)
5. Held-to-maturity investments	255		915,058,535,421	664,726,211,328
V. Other non-current assets	260		28,317,878,458	38,463,365,156
1. Long-term prepaid expenses	261	10	28,317,878,458	38,463,365,156
TOTAL ASSETS (270=100+200)	270		9,081,413,084,821	8,564,215,668,574

The accompanying notes are an integral part of these interim separate financial statements

INTERIM SEPARATE BALANCE SHEET (Continued)

As at 30 June 2022

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
A. LIABILITIES (300=310+330)	300		7,098,578,484,250	6,380,627,904,934
I. Current liabilities	310		7,096,546,102,407	6,378,237,207,591
1. Short-term loans and liabilities	311	14	248,100,000,000	-
2. Trade accounts payable	312	15	737,994,277,243	538,684,318,279
2.1. Payables of insurance contracts	312.1		721,521,511,123	515,439,391,359
2.2. Other payables to suppliers	312.2		16,472,766,120	23,244,926,920
3. Advances from customers	313		12,557,011,274	6,899,172,213
4. Taxes and amounts payable to the State budget	314	16	55,323,920,644	74,444,964,952
5. Payables to employees	315		192,116,138,087	116,591,266,323
6. Accrued expenses	316		15,885,867,841	17,454,785,143
7. Unearned revenue	318	17	56,069,498,120	133,432,368,564
8. Other current payables	319	18	283,244,467,227	106,886,853,247
9. Unearned commission income	319.1	18	269,426,237,056	345,133,359,458
10. Short-term provisions	320		-	136,800,000,000
11. Underwriting reserves	329	19	5,225,828,684,915	4,901,910,119,412
11.1. Unearned premium reserve for direct insurance and inward reinsurance	329.1		3,648,292,223,794	3,366,993,634,760
11.2. Claim reserve for direct insurance and inward reinsurance	329.2		1,466,314,694,120	1,450,296,486,631
11.3. Catastrophe reserve	329.3		111,221,767,001	84,619,998,021
II. Long-term liabilities	330		2,032,381,843	2,390,697,343
1. Other long-term payables	333		2,032,381,843	2,390,697,343
B. EQUITY (400=410)	400		1,982,834,600,571	2,183,587,763,640
I. Owners' equity	410	20	1,982,834,600,571	2,183,587,763,640
1. Owners' investment capital	411		803,957,090,000	803,957,090,000
2. Share premium	412		827,943,052,804	827,943,052,804
3. Investment and development funds	417		28,642,118,155	26,019,645,665
4. Compulsory reserve fund	419		80,395,709,000	80,395,709,000
5. Retained earnings	421		241,896,630,612	445,272,266,171
- Retained earnings accumulated to the prior year end	421a		421,400,343,883	195,508,688,597
- (Loss)/Retained earnings of the current period/year	421b		(179,503,713,271)	249,763,577,574
TOTAL RESOURCES (440 = 300+ 400)	440		9,081,413,084,821	8,564,215,668,574

The accompanying notes are an integral part of these interim separate financial statements

INTERIM SEPARATE BALANCE SHEET (Continued)

As at 30 June 2022

OFF-BALANCE SHEET ITEMS

ITEMS	Unit	Closing balance	Opening balance
1. Direct insurance contract of which the responsibility has not yet been incurred	VND	211,600,342,558	178,104,873,414
2. Foreign currencies			
- United States Dollar	USD	627,199.65	513,029.43
- Euro	EUR	119,425.47	119,430.93
- British Pound	GBP	311.63	314.93



Le Trong Hiep
Preparer



Cao Thu Hien
Chief Accountant



Bui Xuan Thu
Chief Executive Officer

Hanoi, 29 August 2022

INTERIM SEPARATE INCOME STATEMENT

For the 6-month period ended 30 June 2022

Unit: VND

PART I: GENERAL INTERIM INCOME STATEMENT

ITEMS	Codes	Current period	Prior period
1. Net revenue from insurance activities	10	2,853,088,037,333	2,437,915,653,043
2. Revenue from investment property business	11	5,757,744,774	24,008,293,657
3. Financial income	12	77,339,141,678	105,977,053,566
4. Other income	13	1,195,914,412	2,716,924,629
5. Total expenses for insurance activities	20	2,944,123,190,293	2,304,058,922,023
6. Cost of investment property	21	2,698,936,507	15,919,673,346
7. Financial expenses	22	19,798,616,748	28,438,054,616
8. General and administration expenses	23	120,717,276,911	104,924,752,798
9. Other expenses	24	51,919,518	336,996,129
10. Total accounting (loss)/profit before tax (50 = 10+11+12+13-20-21-22-23-24)	50	(150,009,101,780)	116,939,525,983
11. Current corporate income tax expense	51	29,494,611,491	23,329,169,226
12. Net (loss)/profit after corporate income tax (60 = 50-51)	60	(179,503,713,271)	93,610,356,757

The accompanying notes are an integral part of these interim separate financial statements

INTERIM SEPARATE INCOME STATEMENT (Continued)

For the 6-month period ended 30 June 2022

Unit: VND

PART II: INTERIM INCOME STATEMENT BY ACTIVITY

ITEMS	Codes	Notes	Current period	Prior period
1. Insurance premium (01 = 01.1 + 01.2 - 01.3)	01	21	3,185,002,536,896	2,747,709,991,913
- Direct insurance premium	01.1		3,409,229,687,196	3,022,706,508,661
- Inward reinsurance premium	01.2		57,071,438,734	51,874,861,692
- Increase in unearned premium reserves for direct insurance and inward reinsurance	01.3		281,298,589,034	326,871,378,440
2. Outward reinsurance premium (02=02.1-02.2)	02	22	727,470,358,589	699,447,862,434
- Total outward reinsurance premium	02.1		806,124,227,896	842,804,376,861
- Increase in unearned premium reserve for outward reinsurance	02.2		78,653,869,307	143,356,514,427
3. Net insurance premium (03= 01 - 02)	03		2,457,532,178,307	2,048,262,129,479
4. Commission income from outward reinsurance and other income from insurance activities (04 = 04.1 + 04.2)	04		395,555,859,026	389,653,523,564
- Commission income from outward reinsurance	04.1		292,354,095,319	285,629,413,671
- Other income from insurance activities	04.2		103,201,763,707	104,024,109,893
5. Net revenue from insurance activities (10 = 03 + 04)	10		2,853,088,037,333	2,437,915,653,043
6. Claim settlement expenses (11= 11.1 - 11.2)	11		1,245,962,308,889	1,132,864,096,072
- Total claim settlement expenses	11.1		1,259,555,414,984	1,138,014,870,322
- Deductions (Receipt of claim form third party, receipt of 100% claim for goods)	11.2		13,593,106,095	5,150,774,250
7. Claims receipts from ceded policies	12		307,460,307,533	244,752,075,910
8. Increase/(Decrease) in claim reserves for direct insurance and inward reinsurance	13		16,018,207,489	(42,350,872,417)
9. (Decrease)/increase in claim reserve for outward reinsurance	14		(12,858,595,258)	1,663,644,862
10. Total insurance claim settlement expenses (15 = 11 - 12 + 13 - 14)	15	23	967,378,804,103	844,097,502,883
11. Increase in catastrophe reserve	16		26,601,768,980	22,317,769,935
Including: Claim settlement from catastrophe reserve			-	-
12. Other expenses for insurance activities (17 = 17.1 + 17.2)	17	24	1,950,142,617,210	1,437,643,649,205
- Insurance commission expense	17.1		367,377,078,952	336,818,724,091
- Other expenses for insurance activities	17.2		1,582,765,538,258	1,100,824,925,114
13. Total expenses for insurance activities (18 = 15 + 16 + 17)	18		2,944,123,190,293	2,304,058,922,023
14. Gross (loss)/profit from insurance activities (19 = 10 - 18)	19		(91,035,152,960)	133,856,731,020

The accompanying notes are an integral part of these interim separate financial statements

INTERIM SEPARATE INCOME STATEMENT (Continued)

For the 6-month period ended 30 June 2022

Unit: VND

PART II: INTERIM INCOME STATEMENT BY ACTIVITY (Continued)

ITEMS	Codes	Notes	Current period	Prior period
15. Revenue from investment properties	20	25	5,757,744,774	24,008,293,657
16. Cost of investment properties	21	26	2,698,936,507	15,919,673,346
17. Gross profit from investment properties (22 = 20 - 21)	22		3,058,808,267	8,088,620,311
18. Financial income	23	27	77,339,141,678	105,977,053,566
19. Financial expenses	24	28	19,798,616,748	28,438,054,616
20. Gross profit from financial activities (25 = 23 - 24)	25		57,540,524,930	77,538,998,950
21. General and administration expenses	26	29	120,717,276,911	104,924,752,798
22. Net (loss)/profit from operating activities (30 = 19 + 22 + 25 - 26)	30		(151,153,096,674)	114,559,597,483
23. Other income	31		1,195,914,412	2,716,924,629
24. Other expenses	32		51,919,518	336,996,129
25. Other profit (40 = 31 - 32)	40		1,143,994,894	2,379,928,500
26. Accounting (loss)/profit before tax (50 = 30 + 40)	50		(150,009,101,780)	116,939,525,983
27. Current corporate income tax expense	51	31	29,494,611,491	23,329,169,226
28. Net (loss)/profit after corporate income tax (60 = 50 - 51)	60		(179,503,713,271)	93,610,356,757



Le Trong Hiep
Preparer



Cao Thu Hien
Chief Accountant



Bui Xuan Thu
Chief Executive Officer

Hanoi, 29 August 2022

INTERIM SEPARATE CASH FLOW STATEMENT

For the 6-month period ended 30 June 2022

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. (Loss)/Profit before tax	01	(150,009,101,780)	116,939,525,983
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	14,305,875,090	12,540,030,280
Provisions	03	123,590,917,986	57,443,242,828
Foreign exchange losses arising from translating foreign currency items	04	590,237,355	743,300,575
Gain from investing activities	05	(138,727,120,887)	(151,513,168,050)
Interest expense	06	3,346,871,687	2,454,249,054
3. Operating (loss)/profit before movements in working capital	08	(146,902,320,549)	38,607,180,670
(Increase)/decrease in receivables	09	(139,885,887,191)	11,751,755,421
Increases in inventories	10	(1,238,873,403)	(1,262,655,688)
Increases in payables (excluding accrued loan interest and corporate income tax payable)	11	265,437,009,346	71,985,442,556
Decreases in prepaid expenses	12	44,639,030,849	28,562,009,449
Increases in trading securities	13	(44,168,335,911)	(44,226,785,142)
Interest paid	14	(2,623,399,310)	(1,521,331,083)
Corporate income tax paid	15	(33,927,329,243)	(26,663,966,201)
Net cash (used in)/generated by operating activities	20	(58,670,105,412)	77,231,649,982
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(73,144,950,608)	(66,066,616,622)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	11,537,866,199
3. Cash outflow for lending, buying debt instruments of other entities	23	(2,757,943,934,585)	(1,965,270,913,699)
4. Cash recovered from lending, selling debt instruments of other entities	24	2,631,999,944,877	1,466,941,831,892
5. Equity investments in other entities	25	(88,200,000,000)	-
6. Interest earned, dividends and profits received	27	191,512,479,446	101,697,840,972
Net cash used in investing activities	30	(95,776,460,870)	(451,159,991,258)


The accompanying notes are an integral part of these interim separate financial statements


INTERIM SEPARATE CASH FLOW STATEMENT (Continued)

For the 6-month period ended 30 June 2022


Unit: VND

ITEMS	Codes	Current period	Prior period
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	348,100,000,000	262,304,000,000
2. Repayment of borrowings	34	(100,000,000,000)	-
3. Dividends and profits paid	36	(245,199,956)	(241,269,763)
Net cash generated by financing activities	40	247,854,800,044	262,062,730,237
Net increase/(decrease) in cash (50=20+30+40)	50	93,408,233,762	(111,865,611,039)
Cash at the beginning of the period	60	151,424,045,640	297,060,378,455
Effects of changes in foreign exchange rates	61	(590,237,355)	(95,580,754)
Cash and cash equivalents at the end of the period (70=50+60+61)	70	244,242,042,047	185,099,186,662


Le Trong Hiep
Preparer


Cao Thu Hien
Chief Accountant




Bui Xuan Thu
Chief Executive Officer

Hanoi, 29 August 2022

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying interim separate financial statements

1. GENERAL INFORMATION

Structure of ownership

Post and Telecommunication Joint Stock Insurance Corporation (the "Corporation") was incorporated and has operated under Business Licence No. 3633/GP-UB dated 01 August 1998 issued by Hanoi People's Committee and the latest amended Business Licence No. 41A/GPDC32/KDBH dated 05 January 2022.

The number of employees of the Corporation as at 30 June 2022 was 2,504 (as at 31 December 2021: 2,535).

Business sector and principal activities

Business sector of the Corporation is non-life insurance services.

The Corporation's principal activities include:

- Non-life insurance business;
- Re-insurance business;
- Financial investments;
- Other activities in accordance with the Business Licence.

Normal operating cycle

The Corporation's normal operating cycle is carried out for a time period of 12 months or less.

The Corporation's structure

As at 30 June 2022, the Corporation has the main office located on 8th Floor, Building at No. 4A Lang Ha, Ba Dinh District, Hanoi; 03 representative offices for claim appraisal in Hanoi, Ho Chi Minh and Hai Phong Cities; 01 Southern representative office and 52 branches directly under the Corporation.

According to Official Letter No. 8093/BTC-QLBH, the Corporation was approved to move the Head Office to the new head office at No. 95, Tran Thai Tong Street, Dich Vong Ward, Cau Giay District, Hanoi from 05 September 2022.

The list of the Corporation's subsidiary and associates as at 30 June 2022 are as follow:

	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
Subsidiary				
- Post Real Estate Joint Stock Company	Hanoi	97.6	97.6	Real estate investment; financial investments
Associates				
- Lanexang Assurance Public Company	Vientian, Lao	50	50	Insurance business
- Kasati Joint Stock Company	Ho Chi Minh	21.3	21.3	Telecom, informatics and electronic devices

Disclosure of information comparability in the interim separate financial statements

Comparative figures of the interim balance sheet and corresponding notes are the figures of the audited financial statements for the year ended 31 December 2021. Comparative figures of the interim separate income statement, interim separate cash flow statement and corresponding notes are the figures of the reviewed interim separate financial statements for the 6-month period ended 30 June 2021.

During the period, the Board of Management decided to change the recognition of some expense items from administrative expenses to insurance business expenses to bring them in line with the business and cost management model of the Corporation. Accordingly, certain items in the interim separate income statement for the 6-month period ended 30 June 2021 have been reclassified to enhance their comparability with the current period's figures.

Details of the reclassified figures are presented as follows:

Items	Codes	Prior period (Reported) VND	Adjustments VND	Prior period (Restated) VND
Interim separate income statement for the 6-month period ended 30 June 2021				
Other expenses for insurance activities	17.2	927,723,329,967	173,101,595,147	1,100,824,925,114
General and administration expenses	26	278,026,347,945	(173,101,595,147)	104,924,752,798

Events occurring during the period affecting the Corporation's operations

In the 6-month period ended 30 June 2022, the Corporation incurred expenses related to the insurance program "Vung Tam An" with a rounded amount of VND 296 billion, leading to a sharp decline in business results compared to the same period last year.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying interim separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to interim financial reporting.

The accompanying interim separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Accounting period

The Corporation's financial year begins on 01 January and ends on 31 December.

These interim separate financial statements are prepared for the 6-month period ended 30 June 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these interim separate financial statements, are as follows:

Estimates

The preparation of interim separate financial statements in conformity with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to interim financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim separate financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash, cash equivalents, short-term and long-term investments, trade receivables and other receivables.

The fair value of cash and cash equivalents is defined as the book value. The fair value of the receivables is measured at cost less provision. The fair value of the investments is presented in the Notes to the financial investments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Corporation comprise trade payables, other payables, borrowings and other financial liabilities.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

a) Trading securities

Trading securities are those the Corporation holds for trading purpose. Trading securities are recognised from the date the Corporation obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent periods, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made in accordance with prevailing accounting regulations.

b) Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including bank term deposits, entrusted investments and investment in bonds.

Held-to-maturity investments are recognized on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognized in the interim income statement on an accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

c) Investments in subsidiaries, associates

Investment in subsidiaries

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries and associates are initially recognised at cost. The Corporation's share of the net profit of the investee after acquisition is recognised in the interim separate income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries and associates are carried in the interim separate balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries and associates are made when there is reliable evidence for declining in value of these investments at the balance sheet date.

d) Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

e) Provisions for impairment of investments

Provisions for impairment of investments in subsidiaries, joint ventures, associates and other long-term investments are made in accordance with the prevailing accounting regulations if the investee suffers a net loss.

Provisions for impairment of long-term investments are recognized as an operating expense in the separate income statement. For investments in listed shares or where the fair value of the investment can be measured reliably, provision is made based on the market value of the shares (similar to provision for impairment of investments in trading securities).

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts. Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Number of years</u>
Buildings and structures	25 - 50
Machinery and equipment	05 - 06
Motor vehicles	05 - 10
Office equipment	03 - 05

Gains and losses arising from the disposal or sale of tangible fixed assets are the difference between the income from proceeds and the carrying amount of the assets and are recognized in the interim separate income statement.

Intangible assets and amortization

Land use rights

Intangible assets represent indefinite land use rights. According to the current regulations, the Corporation does not amortize the indefinite land use rights.

Computer software

Intangible assets represent computer software that is amortized using the straight-line method over the estimated useful life from 03 – 04 years.

Investment properties

Investment properties are composed of land use rights, buildings, a part of buildings and structures held by the Corporation to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation. Investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives from 20 – 50 years.

Investment property is transferred to owner-occupied property – fixed assets or inventory only when there is a change in the purpose of use, specifically as follows:

- Investment property turns into owner-occupied property when the owner starts using the property;
- Investment property turns into inventory when the owner begins to deploy it for sale.

Conversion of use between investment property and owner-occupied property or inventory does not change the carrying amount of the converted asset and does not change the historical cost of the property in the determination of value or for the preparation of financial statements.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments include unallocated commissions expenses, prepayments for business development and other prepayments.

Business development expenses relating to Credit risk insurance in the period is allocated in line with the unearned premium reserves method of this type of insurance.

The accounting policy for prepayment for insurance commissions expenses is presented in the accounting policy section for some specific operations of insurance business activities, under "Expenditures" section.

Other prepayments comprise costs of tools, supplies issued for consumption, office rentals, agent development, other prepaid service expenses which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayments, and are allocated to the interim separate income statement using the straight-line method in accordance with the prevailing accounting regulations.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the interim balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognized in the interim income statement.

Other payable provisions

Other payable provisions are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Payable provisions are measured at the Board of Management's best estimate of the expenditures required to settle the obligation at the interim separate balance sheet date.

Unearned revenue

Unearned revenue is recognized as amounts payable by the Corporation to its customers when the Corporation has received money from the customers but have yet to provide services to them.

Underwriting reserves

Underwriting reserves are made in accordance with Circular No. 50/2017/TT-BTC issued by the Ministry of Finance dated 15 May 2017 ("Circular 50") and Approval Document No. 3281/BTC-QLBH dated 23 March 2018 by the Department of the Insurance Supervisory Authority - Ministry of Finance. Details are as follows:

a) Non-life insurance lines

Unearned premium reserve:

Unearned premium reserves are made by a factor of period of direct policies, in which:

- For direct insurance and reinsurance contracts with a term of less than 01 year, the reserves are determined by the percentage of total retained insurance premium, details are as follows:
 - For cargo insurance: The reserves are made by 25% of total retained insurance premium.
 - For other types of insurance: The reserves are made by 50% of total retained insurance premium.
- For direct insurance and reinsurance contracts with more than 01 year term, unearned premium reserves are determined by a factor of period of insurance contract.

Claim reserve

For losses incurred and reported, the Corporation provides claim reserves for direct insurance and inward reinsurance and outward reinsurance using the statistic of retention liabilities for each estimated loss incurred and reported.

For losses incurred but not reported ("IBNR"), claim reserves are made based on statistic rate on claim in 3 consecutive years. The Board of Management believes IBNR reserve has been prudently evaluated and fully recorded.

Catastrophe reserve

Under Vietnamese Accounting Standard No. 19 "Insurance Contract", the reserve for claim under contracts that has neither arisen nor existed at the reporting date (including catastrophe reserve) is not required to be made. However, the Corporation follows the reserve policy in accordance with Circular 50, accordingly, catastrophe reserves for all types of insurance were consistently made at 1% of total retained premium in the period.

b) Health insurance lines

Mathematical reserve

For health insurance and reinsurance contract (insurance contract) with a term of more than 01 year, mathematical reserves are made in line with the method of making reserve on a daily basis according to the gross premium valuation.

Unearned premium reserve

For health insurance and reinsurance contract with a term of less than 01 year, the unearned premium reserve is made in accordance with the percentage of the insurance premium retained.



Claim reserve

For losses incurred and reported, the Corporation provides claim reserves for direct insurance and inward reinsurance and outward reinsurance using the statistic of retention liabilities for each estimated loss incurred and reported.

For losses incurred but not reported ("IBNR"), claim reserves are made based on statistic rate on claim in 3 consecutive years. The Board of Management believes IBNR reserve has been prudently evaluated and fully recorded.

Equalization reserve

The Corporation's equalization reserve was consistently provided at 1% of the premium retained in the period and recorded in Catastrophe reserve in the interim separate balance sheet.

Reserves for the Corporation's direct insurance and inward reinsurance are not offset with reserve for outward reinsurance. Such reserves should be presented under separate items in the interim separate balance sheet. Accordingly, unearned premium reserve and claim reserve for direct insurance and inward reinsurance and catastrophe reserve are recognized as payables while unearned premium reserve for outward reinsurance and claim reserve for outward reinsurance are recognized as reinsurance assets.

Insurance deposits

The Corporation is obliged to pay a deposit equal to 2% of the legal capital, the deposit shall receive interest in accordance with the agreement reached with the bank into which it is paid and the Corporation may withdraw the whole amount of their deposit upon termination of its operation. The Corporation may only use its insurance deposit to meet undertakings to purchasers of insurance when its solvency is inadequate and upon written approval of the Ministry of Finance.

Enterprise funds

The compulsory reserve fund is made at 5% of the Corporation's profit after tax until it is equal to 10% of the Corporation's charter capital.

Revenue recognition

Direct insurance premium

Direct insurance premium is recognized under Circular 50. In particular, direct insurance premiums are recognized when the following conditions are met:

- (1) The contract has been signed between the insurer and the insured;
- (2) The insured has paid insurance fee or has agreed with the insurer on the payment of the premium (including the extension period) which is no more than 30 days from the effective date of the insurance policy (applicable to the first installment of insurance premium or one-time payment policy). The first installment of insurance premium (for periodical premium payment) or insurance premium for the one-time premium payment should be accounted for at the beginning of the insurance policy.

Inward reinsurance

a) Treaty inward 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 interim separate financial statements, revenue and expenses related to treaty reinsurance transactions whose the periodical reconciliation has not been received from the cedants will be estimated based on the statistical and estimated figures of the cedants.

b) Facultative inward reinsurance

Inward reinsurance premium 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.

Outward reinsurance

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.

Claim receipts from ceded policies are recognized when there is substantial evidence on reinsurers' obligations.

Commission income from outward reinsurance is recognized when outward reinsurance premium is recognized.

Other revenues

Other revenues of the Corporation such as revenue from other services relating to insurance activities, revenue from selling investment properties, leasing houses, interest on bank deposits, securities, bonds and loans are recognized when incurred.

The allocation principles for assets, resources, revenue, general expenses related to Shareholders' fund and Policyholders' fund approved by the Ministry of Finance in Official Letter No. 7034/BTC-QLBH dated 14 June 2018 were applied to allocating revenue from investment activities using technical reserves to insurance operation. During the period, gain from investing activities from the use of technical reserves for insurance operations amounted to VND 83.17 billion (for 6-month period ended 30 June 2021: VND 71.36 billion).

Expenditure recognition

Claim settlement expenses

Claim expense is recognized when the claim procedures are completed and approved by authorized persons. Any claim that has not been approved at the reporting date is considered as outstanding claim and included in claim reserve.

Claim settlement expenses for inward reinsurance are recorded as incurred following the statement of accounts sent by the reinsurers to the Corporation and when the claim is accepted by the Corporation.

Claim receipts from ceded policies are recognized when incurred corresponding to the claim settlement expenses recorded in the period and the ceded ratios.

Commission expenses

Commission expenses are recognized corresponding to the percentage of direct premium in the interim separate income statement in the period. Commission of each type of products are calculated by respective percentage in accordance with Circular 50 guiding the implementation of Decision No. 73/2016/ND-CP dated 01 July 2016 of the Government regarding Insurance Business Law.

At the period end, the Corporation should determine unearned commission expenses for direct insurance and inward reinsurance which have not been recognized as expenses for the period corresponding to unearned direct premium and inward reinsurance premium so as to allocate such commission expenses to the subsequent accounting periods in accordance with the above-mentioned method.

Other expenses

Other expenses are recognized when incurred.

Interest income

Interest income is recorded in the accrued basis and actual interest rate in the period.

Dividends and shared profits

Dividends and shared profits are recorded where the Corporation has the right to receive dividends or shared profits. Dividends by shares are recorded by increasing number of shares, not increasing the value of the received shares.

Expenditure on investing activities

Expenditure on investing activities includes directly incurred expenses relating to investment activities and allocated expenses from general expenses.

Direct expenses include salary of staffs in investment department, investment portfolio management expenses, provision for devaluation of investments, securities trading losses, securities transaction costs, expenses related to real estate activities.

General expenses for investing activities are allocated to insurance operations based on the proportion of revenue from investments of each investment source in the total revenue in the period. This allocation principal was approved by the Ministry of Finance in Official Letter No. 7034/BTC-QLBH dated 14 June 2018. During the period, general expenses have been allocated from investing activities with the amount of VND 2.6 billion (for 6-month period ended 30 June 2021: VND 9.4 billion).

Borrowing costs

Borrowing costs are recognised in the interim separate income statement in the period when incurred in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs".

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the interim separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
- Cash on hand	6,414,787,788	6,143,629,858
- Bank demand deposits	236,523,254,259	144,815,915,782
- Cash in transit	304,000,000	464,500,000
- Cash equivalents (i)	1,000,000,000	-
	<u>244,242,042,047</u>	<u>151,424,045,640</u>

(i) Represent deposits at bank with term of 3 months with interest rate of 3.4% per annum.

POST AND TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B09a-DNPNT

5. FINANCIAL INVESTMENTS

	Cost	Closing balance		Cost	Fair value		Provision	Opening balance	
		VND	VND		VND	VND		VND	VND
a) Trading securities	58,404,992,981		57,403,576,000		14,236,657,070	15,492,750,000		(26,695,000)	(26,695,000)
- Total trading securities	58,404,992,981		57,403,576,000		14,236,657,070	15,492,750,000		(26,695,000)	(26,695,000)
+ Lien Viet Post Joint Stock Commercial Bank (LPB)	377,137,300		250,560,000		5,384,064,000	5,575,000,000		-	-
+ Military Commercial Joint Stock Bank	6,460,446,156		5,626,500,000		-	-		-	-
+ Dong Phu Rubber Joint Stock Company (DPR)	-		-		4,093,991,790	4,110,750,000		-	-
+ Aviation Logistics Corporation (ALS)	50,000,000,000		50,000,000,000		-	-		-	-
+ Other	1,567,409,525		1,526,516,000		(51,996,242)	5,807,000,000		(26,695,000)	(26,695,000)
b) Held-to-maturity investments	4,677,301,108,551		4,663,584,063,541		4,551,357,118,843	4,544,013,118,843		(7,344,000,000)	(7,344,000,000)
b1) Short-term	3,762,242,573,130		3,762,242,573,130		-	3,886,630,907,515		-	-
- Short-term deposits (i)	3,453,961,257,548		3,453,961,257,548		-	3,786,630,907,515		-	-
- Bonds (ii)	308,281,315,582		308,281,315,582		-	100,000,000,000		-	-
b2) Long-term	915,058,535,421		901,341,490,411		(13,717,045,010)	657,382,211,328		(7,344,000,000)	(7,344,000,000)
- Long-term deposits (iii)	185,685,490,411		185,685,490,411		-	291,726,211,328		-	-
- Bonds (iv)	721,373,045,010		715,000,000,000		(6,373,045,010)	365,000,000,000		-	-
- Investment in real estate project through Post Real Estate Joint Stock Company	8,000,000,000		656,000,000		(7,344,000,000)	656,000,000		(7,344,000,000)	(7,344,000,000)
c) Equity investments in other entities	240,974,300,000		222,254,633,381		(22,675,427,483)	123,781,652,202		(30,706,915,615)	(30,706,915,615)
- Investment in subsidiary	176,400,000,000		161,625,285,113		(14,774,714,887)	88,200,000,000		(16,518,559,985)	(16,518,559,985)
+ Post Real Estate Joint Stock Company	176,400,000,000		161,625,285,113		(14,774,714,887)	88,200,000,000		(16,518,559,985)	(16,518,559,985)
- Investments in associates	34,444,900,000		34,169,222,742		(275,677,258)	34,444,900,000		(6,563,320,292)	(6,563,320,292)
+ Lanexang Assurance Public Company	20,152,200,000		19,876,522,742		(275,677,258)	20,152,200,000		(6,563,320,292)	(6,563,320,292)
+ Kasati Joint Stock Company	14,292,700,000		14,292,700,000		-	14,292,700,000		-	-
- Investments in other entities	30,129,400,000		26,460,125,526		(7,625,035,338)	30,129,400,000		(7,625,035,338)	(7,625,035,338)
+ Ut Xi Aquatic Products Processing Corporation	15,000,000,000		7,374,964,662		(7,625,035,338)	15,000,000,000		(7,625,035,338)	(7,625,035,338)
+ Post and Telecommunications Tourism Joint Stock Company	2,940,000,000		3,020,991,491		-	2,940,000,000		-	-
+ Global Data Service Joint Stock Company	5,699,400,000		8,365,809,342		-	5,699,400,000		-	-
+ Huawei Vietnam Joint Stock Company	5,800,000,000		6,906,395,883		-	5,800,000,000		-	-
+ Phuong Nam Real Estate Investment Joint Stock Company	65,000,000		65,000,000		-	65,000,000		-	-
+ Technology and Media Investment Development Joint Stock Company	625,000,000		726,964,149		-	625,000,000		-	-

- (i) Represent deposits at domestic banks with original term of more than 3 months and remaining term of 12 months or less from the balance sheet date. In which, VND 699 billion short-term deposits are used as collateral for loans of the Corporation.
- (ii) Represent investments in bank and corporate bonds with the remaining terms of less than 12 months from the balance sheet date.
- (iii) Represent deposits at domestic banks with the remaining term of more than 12 months from the balance sheet date.
- (iv) Represent investments in bank and corporate bonds with the remaining terms more than 12 months from the balance sheet date.

The fair value of the investments is determined as follows:

- The fair value of listed trading securities is determined according to the average trading price on the Hanoi Stock Exchange (HNX) or the closing price on the Ho Chi Minh Stock Exchange (HOSE) at the period-end date.
- The fair value of trading securities which have been registered for trading in the market of unlisted public company (UPCoM) is determined according to the average preference price of the latest 30 consecutive days before the year-end date. For the securities which are not traded in 30 consecutive days before the year-end date, fair value is determined by the net asset value method based on the financial statements of the investees.
- The fair value of long-term equity investments is determined by the net asset value method based on the financial statements of the investees.
- The fair value of short-term deposits is determined at the book value because of their short term.
- For other investments with insufficient information in the market to determine the fair value at the reporting date, the book value less provision for impairment of these items is shown instead of the fair value.

6. RECEIVABLES OF INSURANCE CONTRACTS

	Closing balance VND	Opening balance VND
Receivables regarding direct insurance premium	254,498,868,415	330,775,955,361
<i>Including:</i>		
- Receivable from policy holders	136,192,185,032	175,402,149,576
- Receivable from insurance agencies	98,265,906,238	116,239,022,015
- Receivable from co-insurers	20,036,138,709	39,130,145,334
- Other receivables from direct insurance business	4,638,436	4,638,436
Receivables regarding inward reinsurance premium	32,125,223,160	46,490,743,163
Receivables regarding outward reinsurance claim	157,304,215,190	127,760,079,441
	443,928,306,765	505,026,777,965

7. ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Advances for claim regarding direct insurance	216,065,654,851	123,625,392,746
Other advances regarding direct insurance	2,204,077,516	2,145,266,420
Other advances to suppliers	118,373,964,880	30,640,343,803
	<u>336,643,697,247</u>	<u>156,411,002,969</u>

8. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Interest, dividend receivables from financial activities	171,653,709,633	224,439,068,192
Commission advances for agencies	18,000,000,000	18,000,000,000
Other receivables	72,193,014,095	37,498,378,130
Advances for business activities	59,791,561,798	15,237,725,009
Short-term deposits and mortgages	10,014,983,833	7,692,280,330
	<u>331,653,269,359</u>	<u>302,867,451,661</u>



9. PROVISIONS FOR SHORT-TERM DOUBTFUL DEBTS

	Closing balance			Opening balance		
	Cost	Recoverable amount	Provisions	Cost	Recoverable amount	Provisions
	VND	VND	VND	VND	VND	VND
- The total value of the receivables, loans past due or not past due but impaired:	280,039,545,551	188,814,508,187	91,225,037,364	321,494,409,449	233,209,617,041	88,284,792,408
+ Receivables regarding direct insurance	218,605,632,400	188,814,508,187	29,791,124,213	260,060,496,298	228,746,952,809	31,313,543,489
+ Receivables regarding reinsurance	2,706,938,219	-	2,706,938,219	2,706,938,219	-	2,706,938,219
+ Receivables regarding investment activities	32,465,894,661	-	32,465,894,661	32,465,894,661	4,462,664,232	28,003,230,429
+ Other receivables	26,261,080,271	-	26,261,080,271	26,261,080,271	-	26,261,080,271

Recoverable amount is measured at cost less provision for doubtful debts.

10. PREPAID EXPENSES

	Closing balance	Opening balance
	VND	VND
a) Short-term		
- Unallocated commission expenses	391,816,934,126	390,719,147,172
- Unallocated operating expenses (i)	218,671,516,798	254,774,661,621
- Other short-term prepaid expenses	728,205,318	216,391,600
	611,216,656,242	645,710,200,393
b) Long-term		
- Cost of tools and supplies	3,212,156,508	5,615,637,228
- Office rental	5,606,167,898	5,895,718,621
- Expenses on agent development	1,336,576,282	1,260,582,489
- Other long-term prepaid expenses	18,162,977,770	25,691,426,818
	28,317,878,458	38,463,365,156

- (i) Represent unallocated operating expenses relating to Credit risk insurance in the period. These expenses are recorded and allocated in line with the unearned premium reserves method of this insurance.

11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery, equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	21,995,579,410	237,270,000	125,661,209,670	49,085,994,864	196,980,053,944
New purchases	11,042,486,135	38,636,364	3,895,863,969	584,017,274	15,561,003,742
Reclassifications from investment property	218,040,372,852	-	-	-	218,040,372,852
Closing balance	251,078,438,397	275,906,364	129,557,073,639	49,670,012,138	430,581,430,538
ACCUMULATED DEPRECIATION					
Opening balance	4,709,784,094	210,763,024	74,257,643,884	32,624,848,884	111,803,039,886
Charge for the period	2,962,695,384	8,729,230	4,605,249,909	3,632,089,624	11,208,764,147
Reclassifications from investment property	4,758,817,657	-	-	-	4,758,817,657
Closing balance	12,431,297,135	219,492,254	78,862,893,793	36,256,938,508	127,770,621,690
NET BOOK VALUE					
Opening balance	17,285,795,316	26,506,976	51,403,565,786	16,461,145,980	85,177,014,058
Closing balance	238,647,141,262	56,414,110	50,694,179,846	13,413,073,630	302,810,808,848

The cost of the Corporation's tangible fixed assets includes VND 56,059,350,504 of tangible fixed assets which have been fully depreciated but are still in use as at 30 June 2022 (as at 31 December 2021: VND 54,780,019,737).

12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software	Total
	VND	VND	VND
COST			
Opening balance	19,181,218,618	19,504,384,686	38,685,603,304
New purchases	-	1,404,356,834	1,404,356,834
Closing balance	19,181,218,618	20,908,741,520	40,089,960,138
ACCUMULATED AMORTISATION			
Opening balance	-	13,726,063,993	13,726,063,993
Charge for the period	-	1,667,126,260	1,667,126,260
Closing balance	-	15,393,190,253	15,393,190,253
NET BOOK VALUE			
Opening balance	19,181,218,618	5,778,320,693	24,959,539,311
Closing balance	19,181,218,618	5,515,551,267	24,696,769,885

The cost of the Corporation's intangible assets includes VND 10,660,382,686 of intangible assets which have been fully amortised but are still in use as at 30 June 2022 (as at 31 December 2021: VND 10,660,382,686).

13. INCREASE, DECREASE IN INVESTMENT PROPERTIES

	Land use rights and buildings, structures
	VND
COST	
Opening balance	327,110,252,494
Reclassifications to tangible fixed assets	(218,040,372,852)
Closing balance	109,069,879,642
ACCUMULATED AMORTISATION	
Opening balance	21,339,211,235
Charge for the period	1,429,984,683
Reclassifications to tangible fixed assets	(4,758,817,657)
Closing balance	18,010,378,261
NET BOOK VALUE	
Opening balance	305,771,041,259
Closing balance	91,059,501,381

According to VAS No. 05 - Investment Properties, fair value of investment property as at 30 June 2022 is required to be disclosed. However, the Corporation could not determine the fair value as at 30 June 2022; therefore, no information about the fair value is disclosed in the notes to the interim separate financial statements. In order to determine the fair value, the Corporation would require an independent consultancy company to perform the valuation. At present, the Corporation has not found a suitable consultancy company yet.

14. SHORT-TERM LOANS AND LIABILITIES

	Opening balance		In the period		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
Woori Bank Vietnam - Hoan Kiem Branch (i)	-	-	278,800,000,000	100,000,000,000	178,800,000,000	178,800,000,000
Shinhan Bank - Singapore Branch (ii)	-	-	69,300,000,000	-	69,300,000,000	69,300,000,000
	-	-	348,100,000,000	100,000,000,000	248,100,000,000	248,100,000,000

(i) Represent the loans from Woori Bank Vietnam – Hoan Kiem Branch under the Credit line contracts No. VN122001291-001/2022-HDCVHM/WBVM101 dated 11 March 2022 and No. VN120002335-012/2022/HDCVHM/WBVM101 dated 18 May 2022 with credit limits of VND 78,000,000,000 and VND 100,000,000,000 respectively to supplement working capital. This loan is secured by VND 369 billion deposit balance at commercial bank. The credit term for each credit is determined according to each debt acknowledgement. The interest rate is equal to the 3-month deposit interest rate at state-owned banks plus 0.69%/year and is adjusted every 3 months.

(ii) Represent the loan from Shinhan Bank - Singapore Branch under loan contract dated 15 December 2021 to supplement working capital with credit limit of USD 9,800,000, and interest rate equal to interest rate of 3-month LIBOR rate plus 1.1%/year. This loan is guaranteed by L/C issued by Shinhan Bank – Pham Hung branch and VND 330 billion deposit balance at commercial bank. The credit term is stated on each debt acknowledgement, the term of loan is until 08 December 2022.

Closing balance	Opening balance
VND	VND
286,233,840,247	172,946,212,173
139,709,600,457	54,349,619,247
133,733,223,754	112,710,325,251
12,791,016,036	5,886,267,675
429,730,590,765	317,085,177,202
5,557,080,111	25,408,001,984
16,472,766,120	23,244,926,920
737,994,277,243	538,684,318,279

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16. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO THE STATE BUDGET

	Opening balance		Payable during the period	Paid/Net off during the period	Closing balance	
	Receivables	Payables			Receivables	Payables
	VND	VND	VND	VND	VND	VND
Value added taxes on goods and services sold domestically	-	30,776,883,277	131,018,761,841	139,917,531,518	37,643,603	21,915,757,203
Corporate income tax	-	31,867,284,111	29,494,611,491	33,927,329,243	-	27,434,566,359
Personal income tax	693,567,013	10,514,313,574	42,237,871,545	48,532,351,029	2,386,752,789	5,913,019,866
Other taxes and charges payable	8,303,303	1,286,483,990	390,994,681	1,618,401,455	9,803,303	60,577,216
	701,870,316	74,444,964,952	203,142,239,558	223,995,613,245	2,434,199,695	55,323,920,644

17. SHORT-TERM UNEARNED REVENUE

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Unearned revenue from direct insurance	56,069,498,120	133,411,668,563
Unearned revenue from investment properties	-	20,700,001
	<u>56,069,498,120</u>	<u>133,432,368,564</u>

18. OTHER CURRENT PAYABLES

a) Unearned commission income

	<u>Current period</u>	<u>Prior year</u>
	VND	VND
Opening balance	345,133,359,458	353,365,193,200
Unearned commission income incurred in the period/year	216,646,972,917	578,185,454,133
Commission income allocated in the period/year	(292,354,095,319)	(586,417,287,875)
Closing balance	<u>269,426,237,056</u>	<u>345,133,359,458</u>

b) Other payables

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Social, health and unemployment insurances	607,226,613	249,894,318
Trade Union fees	6,916,509,420	6,652,763,191
Short-term deposits received	50,000,000	50,000,000
Payable dividends and profits	10,532,975,593	10,778,175,549
Withheld foreign contractor tax	540,794,093	185,610,396
Insurance fund contribution payables	12,116,096,493	17,982,670,765
Unreconciled claim paid on behalf	48,563,700,634	4,551,640,606
Unreconciled insurance premium receipts	11,600,079,585	30,532,118,496
Other payables	192,317,084,796	35,903,979,926
	<u>283,244,467,227</u>	<u>106,886,853,247</u>

19. UNDERWRITING RESERVES

Claim reserve and unearned premium reserve:

Unit: VND

	Closing balance			Opening balance	
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve
Claim reserve and unearned premium reserve					
1. Unearned premium reserve	3,648,292,223,794	1,144,487,222,330	2,503,805,001,464	3,366,993,634,760	1,065,833,353,023
2. Claim reserve	1,466,314,694,120	622,175,929,199	844,138,764,921	1,450,296,486,631	635,034,524,457
Including:					
- Reserve for claims not yet settled	1,345,257,076,495	592,423,612,560	752,833,463,935	1,321,665,718,525	597,554,745,600
- Reserve for loss incurred but not reported (IBNR)	121,057,617,625	29,752,316,639	91,305,300,986	128,630,768,106	37,479,778,857
Total	5,114,606,917,914	1,766,663,151,529	3,347,943,766,385	4,817,290,121,391	1,700,867,877,480

In detail:

	Current period			Prior period	
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net unearned premium reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve
1. Unearned premium reserve					
Opening balance	3,366,993,634,760	1,065,833,353,023	2,301,160,281,737	3,126,304,107,134	894,555,566,300
Provided for in the period	281,298,589,034	78,653,869,307	202,644,719,727	326,871,378,440	143,356,514,427
Closing balance	3,648,292,223,794	1,144,487,222,330	2,503,805,001,464	3,453,175,485,574	1,037,912,080,727

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	Current period			Prior period	
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net claim reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve
2. Claim reserve					
Opening balance	1,450,296,486,631	635,034,524,457	815,261,962,174	1,203,186,839,531	521,255,463,634
(Reversed)/Provided for in the period	16,018,207,489	(12,858,595,258)	28,876,802,747	(42,350,872,417)	1,663,644,862
Closing balance	1,466,314,694,120	622,175,929,199	844,138,764,921	1,160,835,967,114	522,919,108,496

Catastrophe reserve:

	Current period	Prior period
	VND	VND
Opening balance	84,619,998,021	42,506,326,441
Provided for in the period	26,601,768,980	22,317,769,935
Closing balance	111,221,767,001	64,824,096,376

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20. OWNERS' EQUITY

	Owners' contributed capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Prior year's opening balance	803,957,090,000	827,943,052,804	23,517,729,849	67,912,037,589	290,915,892,492	2,014,245,802,734
Profit for the year	-	-	-	-	262,247,248,985	262,247,248,985
Appropriation to other owners' funds	-	-	2,501,915,816	12,483,671,411	(14,985,587,227)	-
Appropriation of customer bonus fund	-	-	-	-	(5,003,831,631)	(5,003,831,631)
Compensation and bonuses payment to Board of Directors and Supervisory Board	-	-	-	-	(2,501,915,817)	(2,501,915,817)
Executive officers' bonus fund	-	-	-	-	(5,003,831,631)	(5,003,831,631)
Dividend declared	-	-	-	-	(80,395,709,000)	(80,395,709,000)
Current period's opening balance	803,957,090,000	827,943,052,804	26,019,645,665	80,395,709,000	445,272,266,171	2,183,587,763,640
(Losses) for the period	-	-	-	-	(179,503,713,271)	(179,503,713,271)
Appropriation to investment and development fund (i)	-	-	2,622,472,490	-	(2,622,472,490)	-
Appropriation of customer bonus fund (i)	-	-	-	-	(5,244,944,980)	(5,244,944,980)
Compensation and bonuses payment to Board of Directors and Supervisory Board(i)	-	-	-	-	(5,334,834,939)	(5,334,834,939)
Executive officers' bonus fund (i)	-	-	-	-	(10,669,669,879)	(10,669,669,879)
Current period's closing balance	803,957,090,000	827,943,052,804	28,642,118,155	80,395,709,000	241,896,630,612	1,982,834,600,571

(i) The Corporation have allocated funds under Resolution of General shareholders' meeting No. 44/NQ-PTI-DHDCD dated 28 April 2022.

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
a) Number of ordinary shares registered to be issued	80,400,000	80,400,000
b) Number of ordinary shares issued	80,395,709	80,395,709
c) Number of outstanding ordinary shares in circulation	80,395,709	80,395,709

Dividend

	<u>Current period</u>	<u>Prior period</u>
Unpaid dividends at the beginning of the period	10,778,175,549	10,309,046,235
Dividend declared in the period	-	80,395,709,000
Dividend paid in the period	(245,199,956)	(241,269,763)
Dividend unpaid at the end of the period	10,532,975,593	90,463,485,472



21. INSURANCE PREMIUM

	Current period	Prior period
	VND	VND
Direct insurance premium	3,409,229,687,196	3,022,706,508,661
Motor vehicle insurance	1,499,157,394,082	1,325,170,807,897
Health and personal accident insurance	920,574,192,362	711,944,847,666
Property and business interruption insurance	324,436,096,308	332,653,285,562
Credit and financial risk insurance	282,116,159,237	323,341,498,798
Fire insurance	208,175,158,278	151,034,373,672
Cargo insurance	72,437,804,139	72,632,753,013
Hull and P&I insurance	61,055,924,554	66,714,100,879
General liability insurance	31,225,667,513	28,629,262,323
Aviation insurance	9,779,446,512	10,648,125,905
Agriculture insurance	271,844,211	(62,547,054)
Inward reinsurance premium	57,071,438,734	51,874,861,692
Property and business interruption insurance	51,434,206,703	45,056,191,241
Cargo insurance	2,348,823,411	2,785,603,600
Motor vehicle insurance	697,490,788	1,047,096,807
Hull and P&I insurance	1,417,354,800	1,013,765,795
Health and personal accident insurance	349,414,496	916,695,298
General liability insurance	303,812,000	573,398,486
Fire insurance	445,200,161	389,814,572
Agriculture insurance	75,136,375	92,295,893
Increase in unearned premium reserves for direct insurance and inward reinsurance	281,298,589,034	326,871,378,440
	3,185,002,536,896	2,747,709,991,913

22. OUTWARD REINSURANCE PREMIUM

	Current period	Prior period
	VND	VND
Total outward reinsurance premium	806,124,227,896	842,804,376,861
Health and personal accident insurance	332,832,432,581	308,379,139,351
Property and business interruption insurance	259,636,159,935	326,730,356,713
Fire insurance	146,574,873,765	69,608,340,588
Credit and financial risk insurance	-	78,424,728,685
Hull and P&I insurance	18,993,116,319	27,770,843,521
Cargo insurance	30,814,772,859	26,031,245,728
General liability insurance	12,271,085,705	5,859,722,275
Aviation insurance	4,450,047,803	-
Motor vehicle insurance	182,703,271	-
Agriculture insurance	369,035,658	-
Increase in unearned premium reserve for outward reinsurance	78,653,869,307	143,356,514,427
	727,470,358,589	699,447,862,434

23. TOTAL CLAIM SETTLEMENT EXPENSES

	Current period	Prior period
	VND	VND
Total claim settlement expenses	1,259,555,414,984	1,138,014,870,322
Motor vehicle insurance	586,652,265,257	605,263,800,288
Health and personal accident insurance	412,568,026,682	406,263,141,105
Property and business interruption insurance	132,589,751,065	55,027,057,228
Cargo insurance	21,709,897,432	30,190,235,563
Hull and P&I insurance	41,801,520,401	21,950,951,155
Fire insurance	57,449,519,793	15,183,897,076
General liability insurance	6,784,434,354	3,085,673,135
Aviation insurance	-	1,050,114,772
Deductions from claim settlement expenses	13,593,106,095	5,150,774,250
Claims receipts from ceded policies	307,460,307,533	244,752,075,910
Increase/(decrease) in claim reserves for direct insurance and inward reinsurance	16,018,207,489	(42,350,872,417)
(Decrease)/increase in claim reserve for outward reinsurance	(12,858,595,258)	1,663,644,862
	967,378,804,103	844,097,502,883

24. OTHER EXPENSES FOR INSURANCE ACTIVITIES

	Current period	Prior period
	VND	VND
Direct expenses of insurance development department	873,858,868,647	742,452,741,268
Commission expense	367,377,078,952	336,818,724,091
Agents' management expense	357,667,770,954	295,923,038,729
Advertising and marketing expense	309,522,929,778	32,665,175,707
Expense for risk limitation	4,555,668,263	6,228,858,023
Contributions to insurance funds	2,558,259,881	9,512,275,332
Other expenses	34,602,040,735	14,042,836,055
	1,950,142,617,210	1,437,643,649,205

25. REVENUE FROM INVESTMENT PROPERTY TRADING

	Current period	Prior period
	VND	VND
Revenues from selling investment properties	-	12,033,446,546
Revenues from leasing investment properties	5,757,744,774	11,974,847,111
	5,757,744,774	24,008,293,657

26. COST OF INVESTMENT PROPERTY TRADING

	Current period	Prior period
	VND	VND
Cost of sold investment properties	-	11,537,866,199
Cost of investment properties for lease	2,698,936,507	4,381,807,147
	2,698,936,507	15,919,673,346

27. FINANCIAL INCOME

	Current period	Prior period
	VND	VND
Interest on term deposits, bonds	55,460,706,640	76,645,016,936
Interest on demand deposits	64,686,579	83,321,570
Gain on securities trading	19,985,093,643	26,654,807,110
Dividends and profits received	98,950,000	1,084,753,000
Realized foreign exchange gains	1,721,148,498	1,507,664,706
Other financial income	8,556,318	1,490,244
	77,339,141,678	105,977,053,566

28. FINANCIAL EXPENSES

	Current period	Prior period
	VND	VND
Interest expenses	3,346,871,687	2,454,249,054
Foreign exchange losses	2,802,170,206	2,081,229,858
Loss on securities trading	14,250,337,225	15,372,474,331
Provision (reversed) for impairment of short-term and long-term financial investments	(672,618,424)	(902,933,566)
Others	71,856,054	9,433,034,939
	19,798,616,748	28,438,054,616

29. GENERAL AND ADMINISTRATION EXPENSES

	Current period	Prior period
	VND	VND
Labour cost	64,364,744,277	54,301,298,646
Office equipment expense	2,651,490,849	3,784,100,949
Depreciation and amortisation of fixed assets	8,403,492,458	4,225,202,785
Taxes, fees and charges	2,060,734,708	1,253,510,879
Provision expenses	2,940,244,956	6,528,059,725
Out-sourced services	14,048,185,661	14,121,473,564
Other expenses	26,248,384,002	20,711,106,250
	120,717,276,911	104,924,752,798

30. OPERATION COST BY NATURE

	Current period	Prior period
	VND	VND
Cost of insurance business activities	2,070,264,321,646	1,561,606,180,755
Labour cost	471,643,204,568	505,756,677,651
Office expenses	25,046,356,812	26,336,861,248
Depreciation and amortisation of fixed assets and investment properties	14,305,875,090	12,540,030,280
Taxes, fees and charges	26,458,835,759	25,118,924,367
Provision expenses	2,940,244,956	6,528,059,725
Out-sourced services	73,042,975,048	67,448,329,677
Other expenses	383,837,589,832	219,568,284,464
	3,067,539,403,711	2,424,903,348,167

31. CORPORATE INCOME TAX

	Current period	Prior period
	VND	VND
(Loss)/Profit before tax	(150,009,101,780)	116,939,525,983
Adjustments for taxable profit		
Less: Non-taxable profit	98,950,000	1,084,753,000
- Dividends, profits received	98,950,000	1,084,753,000
Add: Non-deductible expenses	297,581,109,236	791,073,146
- Depreciation charge of car that has historical cost more than VND 1.6 billion	586,664,308	488,456,616
- Other non-deductible expenses	296,994,444,928	302,616,530
Taxable profit	147,473,057,456	116,645,846,129
Normal tax rate	20%	20%
Total current corporate income tax expense	29,494,611,491	23,329,169,226

32. LIQUIDATION MARGIN

	<u>Closing balance</u>	<u>Opening balance</u>
I. Difference between total assets and liabilities payable	1,982,834,600,571	2,183,587,763,640
1. Total corporate assets	9,081,413,084,821	8,564,215,668,574
2. Liabilities payable	7,098,578,484,250	6,380,627,904,934
II. Asset liquidity	516,507,272,851	410,655,628,365
1. Illiquidity of fully illiquid assets:	108,836,928,392	72,281,046,282
1.1 Capital contribution to establish other insurance companies from the owner's equity of insurance company	19,876,522,742	13,588,879,708
1.2 Irrecoverable debts under law after deducting corresponding provisions for bad debts	-	4,462,664,232
1.3 Prepaid expenses, loans without guarantee, advances, office equipment and stationery, inter-company receivables	88,837,645,574	53,917,481,765
1.4 Receivable on over-2-year overdue insurance premium and reinsurance premium less relevant provision for bad debts as regulated	122,760,076	312,020,577
2. Illiquidity of partly illiquid assets:	407,670,344,459	338,374,582,083
2.1 Investment assets:	85,682,001,619	80,677,348,924
a) Secured bonds: excluding 1% of accounting value;	4,347,196,421	2,250,000,000
b) Unsecured bonds: excluding 3% of accounting value;	17,848,041,555	7,200,000,000
c) Listed shares: excluding 15% of accounting value;	8,608,870,992	2,131,494,311
d) Unlisted shares: excluding 20% of accounting value;	4,500,872,932	4,500,872,932
e) Direct investments in property used by the company: excluding 8% of accounting value;	1,534,497,489	1,534,497,489
f) Direct investments in property for lease, secured trading loans: excluding 15% of accounting value;	13,658,925,207	45,865,656,189
g) Contribution capital to other entities except for insurance companies: excluding 20% of accounting value.	35,183,597,023	17,194,828,003
2.2 Accounts receivable	3,637,966,366	2,175,704,081
a) Receivable on insurance premium and inward reinsurance premium overdue from 90 days to under 1 year less relevant provision for bad debts as regulated: excluding 30%;	3,240,067,177	2,020,655,044
b) Receivable on insurance premium and inward reinsurance premium overdue from 1 year to under 2 years less relevant provision for bad debts as regulated: excluding 50%;	397,899,189	155,049,037
2.3 Tangible fixed assets, intangible assets (computer software and inventories): excluding 25% of accounting value;	77,856,582,830	23,204,108,138
2.4 Other assets: excluding 15% of accounting value.	240,493,793,644	232,317,420,940
III. Solvency margin (I-II)	1,466,327,327,720	1,772,932,135,275
IV. Minimum solvency margin	1,159,941,765,639	1,052,841,789,504
[Maximum value of (a) and (b)]		
(a) 25% of total retained premium	1,159,941,765,639	1,052,841,789,504
(b) 12.5% of total direct premium and inward reinsurance premium	792,079,854,294	743,114,884,847
V. Comparison between Solvency margin and Minimum solvency margin (III and IV)		
Difference in absolute amount	306,385,562,081	720,090,345,771
Difference in percentage	126%	168%

33. FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximizing the return to the owners through the optimization of the debt and equity balance.

The capital structure of the Corporation consists of net debt (comprising borrowings offset by cash and cash equivalents) and owners' equity (comprising contributed capital and reserves).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of financial instruments

	Closing balance		Opening balance	
	Book value	Fair value	Book value	Fair value
	VND	VND	VND	VND
Financial assets				
Cash and cash equivalents	244,242,042,047	244,242,042,047	151,424,045,640	151,424,045,640
Trade and other receivables	634,771,270,868	634,771,270,868	714,451,598,495	714,451,598,495
Short-term investments	3,819,635,046,413	3,819,646,149,130	3,900,840,869,585	3,900,840,869,585
Long-term investments	923,845,855,073	927,801,615,937	679,886,575,990	681,600,843,807
Total	5,622,494,214,401	5,626,461,077,982	5,446,603,089,710	5,448,317,357,527
Financial liabilities				
Loans	248,100,000,000	248,100,000,000	-	-
Trade and other payables	1,013,715,008,437	1,013,715,008,437	638,668,514,017	638,668,514,017
Other financial liabilities	17,918,249,684	17,918,249,684	19,845,482,486	19,845,482,486
Total	1,279,733,258,121	1,279,733,258,121	658,513,996,503	658,513,996,503

The fair value of financial assets and financial liabilities is stated at the value of convertible financial instruments in a current transaction between the parties, except where required to sell or liquidate. The Corporation uses the following methods and assumptions to estimate the fair value:

- The fair value of short-term items including cash, cash equivalents, trade receivables, other receivables, trade payables, accrued expenses, and other short-term amounts is equivalent to the book value of these items due to their short or undetermined terms.
- For financial assets and financial liabilities with insufficient information in the market to have the fair value determined at the reporting date, the book value of these items is shown instead of the fair value.

Financial risk management objectives

The Corporation has set up risk management system to identify and assess the risks exposed by the Corporation and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and insurance risk.

Market risk

The Corporation's activities primarily expose it to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Corporation does not hedge these risk exposures due to the lack of active market for the trading activities of these financial instruments.

Foreign currency risk management

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

Interest rate risk

The Corporation has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Share price risk management

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits and diversifying the investment portfolio.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit risk was evaluated prudently by the Board of Management as presented in Note 5 and Note 9.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that period. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer terms.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flow of financial liabilities based on the earliest date on which the Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Closing balance			
Cash and cash equivalents	244,242,042,047	-	244,242,042,047
Trade and other receivables	624,564,976,962	10,206,293,906	634,771,270,868
Short-term investments	3,819,635,046,413	-	3,819,635,046,413
Long-term investments	-	923,845,855,073	923,845,855,073
Total	4,688,442,065,422	934,052,148,979	5,622,494,214,401
Borrowings	248,100,000,000	-	248,100,000,000
Trade and other payables	1,013,715,008,437	-	1,013,715,008,437
Other financial liabilities	15,885,867,841	2,032,381,843	17,918,249,684
Total	1,277,700,876,278	2,032,381,843	1,279,733,258,121
Net liquidity gap	3,410,741,189,144	932,019,767,136	4,342,760,956,280
	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Opening balance			
Cash	151,424,045,640	-	151,424,045,640
Trade and other receivables	704,371,712,209	10,079,886,286	714,451,598,495
Short-term investments	3,900,840,869,585	-	3,900,840,869,585
Long-term investments	-	679,886,575,990	679,886,575,990
Total	4,756,636,627,434	689,966,462,276	5,446,603,089,710
Trade and other payables	638,668,514,017	-	638,668,514,017
Other financial liabilities	17,454,785,143	2,390,697,343	19,845,482,486
Total	656,123,299,160	2,390,697,343	658,513,996,503
Net liquidity gap	4,100,513,328,274	687,575,764,933	4,788,089,093,207

The Board of Management assessed the liquidity risk at low level. The Board of Management believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

Insurance risk

A risk arising from any insurance contract is the possibility that the insured event occurs and of the uncertainty of the amount of the claims payments. As the nature of an insurance contract, this risk is random and therefore unpredictable.

To achieve the goal of managing insurance risk, the Corporation has established and applied a full range of risk assessment processes before accepting insurance, insurance risk transfer processes (reinsurance), damage assessment processes and claim settlement processes.

For premium operations, the Corporation has diversified the types of insurance services, insurance products as well as geographical areas to minimize concentrations of insurance risk. Besides, the Corporation has also applied different criteria in risk selection, implemented various measures in risk assessment to build an appropriate premium level. The Corporation does not accept insurance risks that highly likely occur or are subject to self-interested profit-maximizing behaviours.

For insurance risks accepted for the 6-month period ended 30 June 2022, the Corporation redefined the premium rates applicable to each risk group based on historical loss statistics and forecast of the trend of risks, inflation, level of industry competition and related regulations.

- With regard to the risk groups having increasing rates of losses and premiums, the Corporation will only accept insurance risk if the insured accepts to increase the premium correspondingly or limit the insurance coverage and increase deductibles;
- With regard to the risk groups having loss rate increasing but still at an acceptable level and ensuring insurance profit, the Corporation has adopted a policy on increasing the proportion of acceptable insurance risk to have its market share risen, and also takes advantage of cash inflows from insurance premiums for the purpose of investments.

The Corporation has also conducted thorough and strict measures to transfer insurance risks to other insurance companies in order to minimize the risks that may occur but still ensure the effectiveness of insurance businesses through building a reasonable level of retained premium for each type of insurance products, reinsurance arrangements and co-insurances.

The Corporation has been undertaking the policy on the acceleration of the damage assessment and settlement of compensation to minimize the risks that may arise during the compensation assessment process, such as exchange rate risk, inflation risk, increased loss risk, ethical risk, etc. The damage assessment and compensation settlement are conducted by the Corporation at two different levels depending on the complexity and nature of damage:

- For large and complicated cases, the damage assessment and compensation settlement will be conducted at the Corporation's office;
- For small cases where the Corporation's member companies have practical experience and sufficient resources to implement, the work will be handled by the Corporation's members.

34. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances:

<u>Related parties</u>	<u>Relationship</u>
Dongbu Insurance Company Limited	Major Shareholder
VN Direct Securities Joint Stock Company	Major Shareholder
Vietnam Post Corporation	Shareholder (no longer a major shareholder from 24 December 2021)
Post Real Estate Joint Stock Company	Subsidiary
Kasati Joint Stock Company	Associate
Lanexang Assurance Public Company	Associate
I.P.A. Securities Investment Fund Management Limited Company	Having the same key management

In the period, the Corporation entered into the significant transactions with its related parties as follows:

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Post Real Estate Joint Stock Company		
- Capital contribution	88,200,000,000	-
Lanexang Assurance Public Company		
Outward reinsurance		
- Outward reinsurance premium	13,910,198,109	18,482,380,093
- Commission income from outward reinsurance	14,233,777,744	17,736,949,934
- Other income from insurance activities	5,095,573,297	5,778,085,157
- Claim receipt from ceded policies	64,477,654	98,459,931
Inward reinsurance		
- Inward reinsurance premium	8,318,339,684	9,520,318,567
- Commission expenses for inward reinsurance	1,742,701,482	1,834,550,047
- Claim settlements for inward reinsurance	537,868,278	99,457,940
Kasati Joint Stock Company		
- Dividend receivables	-	1,084,753,000
Dongbu Insurance Company Limited		
- Outward reinsurance premium	10,695,009,384	8,034,947,702
- Commission income from outward reinsurance	3,525,364,915	2,557,188,920
- Claim receipt from ceded policies	1,289,511,055	1,590,873,464
- Prior year's dividend received	-	30,000,000,000
Vietnam Post Corporation		
- Prior year's dividend received	-	18,225,648,000
VNDirect Securities Joint Stock Company		
- Prior year's dividend received	-	13,216,055,000

Significant related parties' balances at the interim balance sheet date were as follows:

	Closing balance	Opening balance
	VND	VND
Long-term investment trust		
- Post Real Estate Joint Stock Company	8,000,000,000	8,000,000,000
Reinsurance receivables		
- Dongbu Insurance Company Limited	1,154,036,752	574,529,544
- Lanexang Assurance Public Company	-	1,121,270,779
	1,154,036,752	1,695,800,323
Other short-term receivables		
- Post Real Estate Joint Stock Company	17,590,347,222	17,590,347,222
Reinsurance payables		
- Dongbu Insurance Company Limited	7,023,475,138	2,291,450,573
- Lanexang Assurance Public Company	-	6,163,563,645
	7,023,475,138	8,455,014,218

Salary of the Board of Management and remuneration of the Board of Directors, Supervisory Board during the period are as follows:

	Current period	Prior period (Restated)
	VND	VND
Board of Management's salary	9,678,768,409	7,454,748,867
Remuneration for Board of Directors and Supervisory Board	4,668,834,939	2,093,915,816
	14,347,603,348	9,548,664,683



Le Trong Hiep
Preparer



Cao Thu Hien
Chief Accountant



Bui Xuan Thu
Chief Executive Officer

Hanoi, 29 August 2022