BIDV Insurance Joint Stock Corporation

Interim consolidated financial statements

For the six-month period ended 30 June 2023



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BIDV Insurance Joint Stock Corporation

GENERAL INFORMATION

CORPORATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 1 October 2010 under Business Licence No. 11/GPDC7/KDBH dated 1 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), and established under Business License No. 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Corporation successfully completed the Initial Public Offering. Accordingly, the percentage of shares held by BIDV and other shareholders was 82.3% and 17.7%. On 5 May 2014, the Corporation issued shares to its employees under Employee Share Option Program (ESOP) which changed the percentage of shares held by BIDV and other shareholders to 78.38% and 21.62% respectively. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of shares held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	Bank for Investment and Development of Vietnam Insurance Joint Stock Corporation
Head office address:	11th Floor, 263 Cau Giay Street, Dich Vong Ward, Cau Giay District, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Thirty (30) branches nationwide
Employee:	1,334 persons at 30 June 2023
Charter Capital:	VND 1,172,768,950,000 as at 30 June 2023

As at 30 June 2023, the Corporation has one (01) subsidiary as follow:

Subsidiary	*Address*	*Principal activities*	*% directly owned*
Lao Viet Insurance Company	3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR	General insurance products, reinsurance services, investment activities and other business activities that are in line with prevailing laws and regulations in Lao PDR	65%

According to Decision No. 132/QD-HDQT dated 30 December 2020, Board of Directors has approved to purchase 510 shares, equals to 51% chatter capital of Cambodia – Vietnam Insurance Company (CVI) from Bank of Investment and Development of Cambodia ("BIDC"). Face value of transaction was USD 3.57 million, total value of transaction was USD 4,219,395. Transferring procedure is in progress.

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

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

Mr. Tran Xuan Hoang	Chairman	Reappointed on 24 June 2020
Mr. Ramaswamy Athappan	Vice Chairman	Reappointed on 24 June 2020
Mr. Gobinath Arvind Athappan	Member	Reappointed on 24 June 2020
Mr. Tran Hoai An	Member	Reappointed on 24 June 2020
Ms. Pham Thi Van Khanh	Member	Reappointed on 24 June 2020
Ms. Nguyen Thi Ngoc Tu	Member	Appointed on 24 June 2020
Mr. Nguyen Huy Tua	Independent Member	Appointed on 19 April 2019
Mr. Dang The Vinh	Independent Member	Appointed on 19 April 2019

BOARD OF SUPERVISORS

Members of the Corporation's Board of Supervisors during the period and at the date of this report are:

Ms. Lai Ngan Giang	Head of Board	Reappointed on 24 June 2020
Mr. Osith Ramanathan	Member	Reappointed on 24 June 2020
Mr. Wichneswaran Ravishankar	Member	Appointed on 24 June 2020
Mr. Do Viet Dung	Member	Appointed on 24 June 2020
Ms. Le Lan Chi	Member	Appointed on 5 April 2023
Ms. Nguyen Thu Thu Thuy	Member	Appointed on 24 June 2020 Resigned on 5 April 2023

MANAGEMENT

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

Mr. Tran Hoai An	General Director	Reappointed on 1 November 2022
Mr. Tran Trung Tinh	Deputy General Director	Reappointed on 1 October 2018
Mr. Vu Minh Hai	Deputy General Director	Reappointed on 16 April 2022
Ms. Doan Thi Thu Huyen	Deputy General Director	Reappointed on 1 May 2018
Mr. Huynh Quoc Viet	Deputy General Director	Reappointed on 1 November 2018

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the period and at the date of this report is Mr. Tran Hoai An – Title: General Director.

AUDITORS

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

BIDV Insurance Joint Stock Corporation

REPORT OF MANAGEMENT

Management of BIDV Insurance Joint Stock Corporation ("the Corporation") presents its report and the interim consolidated financial statements of the Corporation and its subsidiary for the six-month period ended 30 June 2023.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Management has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Corporation and its subsidiary as at 30 June 2023 and of the interim consolidated results of their operations and their interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

11 August 2023

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Ernst & Young Vietnam Limited
20th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 28 3824 5252
Fax: +84 28 3824 5250
ey.com

Reference: 12237572/E-67452409-HN/LR

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders
BIDV Insurance Joint Stock Corporation

We have reviewed the accompanying interim consolidated financial statements of BIDV Insurance Joint Stock Corporation and its subsidiary (collectively referred to as "the Corporation"), as prepared on 11 August 2023 and set out on pages 6 to 69 which comprise the interim consolidated balance sheet as at 30 June 2023, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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Conclusion

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

Ernst & Young Vietnam Limited

CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM

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

Hanoi, Vietnam

11 August 2023

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INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2023

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2023*	*31 December 2022*
100	**A. CURRENT ASSETS**		**6,775,014,143,010**	**5,896,969,002,731**
110	***I. Cash and cash equivalents***	***4***	***90,686,931,772***	***28,861,588,967***
111	1. Cash		90,686,931,772	28,861,588,967
120	***II. Short-term investments***		***4,821,686,440,563***	***4,234,225,882,303***
121	1. Trading securities	5.1	453,729,805,184	274,209,150,199
122	2. Provision for trading securities	5.1	(14,877,909,514)	(16,232,490,850)
123	3. Held-to-maturity investments	5.2	4,382,834,544,893	3,976,249,222,954
130	***III. Short-term receivables***	***6***	***466,747,956,038***	***433,171,671,656***
131	1. Short-term trade receivables		273,357,539,780	323,453,063,366
131.1	*1.1 Insurance receivables*		*273,357,539,780*	*323,453,063,366*
132	2. Short-term advances to suppliers		3,813,625,420	2,207,209,993
135	3. Other short-term receivables		227,255,824,244	145,495,715,237
137	4. Allowance for doubtful debts		(37,679,033,406)	(37,984,316,940)
140	***IV. Inventories***		***42,052,259***	***57,031,286***
141	1. Inventories		42,052,259	57,031,286
150	***V. Other short-term assets***		***293,565,722,998***	***242,416,001,861***
151	1. Short-term prepaid expenses		292,700,241,266	242,051,965,271
151.1	*1.1 Unallocated commission expense*	*8*	*286,795,165,324*	*238,866,830,081*
151.2	*1.2 Other prepaid expenses*		*5,905,075,942*	*3,185,135,190*
152	2. Value-added tax deductible		865,481,732	364,036,590
190	***VI. Reinsurance assets***	***19.1***	***1,102,285,039,380***	***958,236,826,658***
191	1. Reinsurance assets from unearned premium reserve		561,730,458,211	445,004,896,595
192	2. Reinsurance assets from claim reserve		540,554,581,169	513,231,930,063

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2023

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2023*	*31 December 2022*
200	**B. NON-CURRENT ASSETS**		**748,433,804,205**	**759,486,894,264**
210	***I. Long-term receivables***		***25,182,882,542***	***34,156,082,374***
216	1. Other long-term receivables		25,182,882,542	34,156,082,374
216.1	*1.1. Statutory deposit*	*9*	*21,387,902,616*	*23,350,173,343*
216.2	*1.2. Other long-term receivables*		*3,794,979,926*	*10,805,909,031*
220	***II. Fixed assets***		***26,362,940,057***	**30,812,602,417**
221	1. Tangible fixed assets	10	19,341,012,182	23,513,296,766
222	*Costs*		*99,587,237,813*	*101,011,274,140*
223	*Accumulated depreciation*		*(80,246,225,631)*	*(77,497,977,374)*
227	2. Intangible assets	11	7,021,927,875	7,299,305,651
228	*Costs*		*8,392,106,871*	*8,395,476,903*
229	*Accumulated amortisation*		*(1,370,178,996)*	*(1,096,171,252)*
250	***III. Long-term investments***	***5***	***634,378,332,737***	***631,486,734,641***
253	1. Other long-term investments	5.3	75,907,370,000	75,907,370,000
254	2. Provision for impairment of long-term investments	5.3	(41,251,754,490)	(42,729,449,376)
255	3. Held-to-maturity investments	5.2	599,722,717,227	598,308,814,017
260	***IV. Other long-term assets***		***62,509,648,869***	***63,031,474,832***
261	1. Long-term prepaid expenses	12	62,509,648,869	63,031,474,832
270	**TOTAL ASSETS**		**7,523,447,947,215**	**6,656,455,896,995**

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2023

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2023*	*31 December 2022*
300	**C. LIABILITIES**		**4,986,637,261,396**	**4,058,086,622,878**
310	***I. Current liabilities***		***4,983,113,853,054***	***4,054,794,428,691***
311	1. Short-term trade payables	13	725,700,477,896	622,332,600,653
311.1	*1.1. Insurance payables*		*720,528,469,434*	*593,468,771,903*
311.2	*1.2. Other short-term payables*		*5,172,008,462*	*28,863,828,750*
312	2. Short-term advance from customers		50,309,265,938	3,425,999,463
313	3. Tax and other statutory obligations	14	63,450,466,619	51,033,901,868
314	4. Payables to employees		123,066,002,075	134,915,596,731
315	5. Short-term accrued expenses	15	119,766,223,236	10,351,692,245
318	6. Short-term deferred revenue		8,716,268,425	11,357,240,631
318.1	7. Un-earned commission revenue	16	93,785,642,720	92,960,250,746
319	8. Other short-term payables	17	163,930,618,682	11,980,237,295
321	9. Short-term provisions	18	56,523,183,712	41,466,231,524
322	10. Bonus and welfare funds		137,898,121,176	98,002,496,402
329	11. Technical reserves		3,439,967,582,575	2,976,968,181,133
329.1	*11.1. Gross un-earned premium reserve*	*19.1*	*2,337,581,272,067*	*1,964,927,094,499*
329.2	*11.2. Gross claim reserve*	*19.1*	*892,267,400,601*	*819,859,988,620*
329.3	*11.3. Catastrophe reserve*	*19.2*	*210,118,909,907*	*192,181,098,014*
330	***II. Non-current liabilities***		***3,523,408,342***	***3,292,194,187***
337	1. Other long-term liabilities	17	1,262,220,561	1,031,006,406
341	2. Deferred tax liabilities		2,261,187,781	2,261,187,781

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2023

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2023*	*31 December 2022*
400	**D. OWNERS' EQUITY**		**2,536,810,685,819**	**2,598,369,274,117**
410	***I. Owners' equity***	***20***	***2,536,810,685,819***	***2,598,369,274,117***
411	1. Charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. Common shares with voting rights*		*1,172,768,950,000*	*1,172,768,950,000*
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Foreign exchange differences		(36,386,578,999)	(16,229,311,635)
418	4. Investment and development fund		370,181,894,249	310,334,732,389
419	5. Statutory reserves		120,929,065,413	110,026,505,345
421	6. Undistributed earnings		230,469,662,250	338,618,194,723
421a	*6.1. Accumulated undistributed earnings of previous periods*		*20,356,493,916*	*47,100,991,634*
421b	*6.2. Undistributed earnings of current period*		*210,113,168,334*	*291,517,203,089*
429	7. Non-controlling interests		23,282,659,544	27,285,169,933
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**7,523,447,947,215**	**6,656,455,896,995**

Ms Phan Thi Minh Hue
Preparer

Ms. Nguyen Thanh Mai
Director
Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

11 August 2023

INTERIM CONSOLIDATED INCOME STATEMENT

PART 1: INTERIM CONSOLIDATED SUMMARY INCOME STATEMENT
for the six-month period ended 30 June 2023

Currency: VND

Code	*ITEMS*	*For the six-month period ended 30 June 2023*	*For the six-month period ended 30 June 2022*
10	1. Total operating income	1,693,186,626,657	1,238,280,128,475
12	2. Finance income	203,662,157,696	166,313,651,170
13	3. Other income	620,605,333	235,965,962
20	4. Total direct operating expenses	(1,304,016,902,810)	(980,502,757,021)
22	5. Finance expenses	(6,303,307,465)	(22,627,955,571)
23	6. General and administrative expenses	(325,363,141,703)	(238,947,454,064)
24	7. Other expenses	(77,403,371)	(37,829,226)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**261,708,634,337**	**162,713,749,725**
51	9. Current corporate income tax expense	(54,021,610,145)	(37,669,123,821)
52	10. Deferred corporate income tax expense	-	-
60	**11. Net profit for this period after corporate income tax (60=50+51+52)**	**207,687,024,192**	**125,044,625,904**
61	**12. Net profit after tax attributable to non-controlling interests**	**3,517,977,429**	**4,606,259,767**
62	**13. Net profit after tax attributable to equity owners of the parent**	**204,169,046,763**	**120,438,366,137**
70	**14. Basic earnings per share**	**1,741**	**1,027**

INTERIM CONSOLIDATED INCOME STATEMENT (continued)

PART 2: INTERIM CONSOLIDATED OPERATIONAL INCOME STATEMENT
for the six-month period ended 30 June 2023

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2023*	*For the six-month period ended 30 June 2022*
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**21**	**2,230,491,080,858**	**1,668,592,797,067**
	In which:			
01.1	- Direct written premiums		2,512,903,632,160	1,941,649,100,652
01.2	- Reinsurance premium assumed		91,973,156,079	91,510,825,193
01.3	- Increase in un-earned premium reserve		(374,385,707,381)	(364,567,128,778)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**22**	**(694,950,775,597)**	**(566,705,404,503)**
	In which:			
02.1	- Reinsurance premium ceded		(811,092,070,973)	(672,753,123,725)
02.2	- Increase in ceded premium reserve		116,141,295,376	106,047,719,222
03	**3. Net insurance premiums (03 = 01 + 02)**		**1,535,540,305,261**	**1,101,887,392,564**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**157,646,321,396**	**136,392,735,911**
	In which:			
04.1	- Commission on reinsurance ceded	23	116,640,492,152	96,590,578,362
04.2	- Other income from insurance activities	24	41,005,829,244	39,802,157,549
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**1,693,186,626,657**	**1,238,280,128,475**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(508,881,880,734)**	**(438,343,129,848)**
	In which:			
11.1	- Claim expenses		(511,922,756,797)	(440,683,891,537)
11.2	- Claim expense reductions		3,040,876,063	2,340,761,689
12	**7. Recoveries from reinsurance ceded**		**134,376,885,702**	**129,094,998,028**
13	**8. Increase in direct and assumed claim reserve**		**(72,067,007,022)**	**(99,183,641,044)**
14	**9. Increase in ceded claim reserve**		**35,401,326,347**	**50,932,232,116**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**25**	**(411,170,675,707)**	**(357,499,540,748)**
16	**11. Increase in catastrophe reserve**	**19.2**	**(17,937,811,893)**	**(13,603,832,723)**
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**26**	**(874,908,415,210)**	**(609,399,383,550)**
	In which:			
17.1	- Commission expense		(257,394,503,861)	(165,529,578,964)
17.2	- Other underwriting expenses		(617,513,911,349)	(443,869,804,586)

INTERIM CONSOLIDATED INCOME STATEMENT (continued)

PART 2: INTERIM CONSOLIDATED OPERATIONAL INCOME STATEMENT (continued)
for the six-month period ended 30 June 2023

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2023*	*For the six-month period ended 30 June 2022*
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(1,304,016,902,810)**	**(980,502,757,021)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**389,169,723,847**	**257,777,371,454**
23	15. Finance income	27	203,662,157,696	166,313,651,170
24	16. Finance expenses	28	(6,303,307,465)	(22,627,955,571)
25	**17. Profit from financial activities (25 = 23 + 24)**		**197,358,850,231**	**143,685,695,599**
26	**18. General and administrative expenses**	**29**	**(325,363,141,703)**	**(238,947,454,064)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**261,165,432,375**	**162,515,612,989**
31	20. Other income	30	620,605,333	235,965,962
32	21. Other expenses	31	(77,403,371)	(37,829,226)
40	**22. Net other profit (40 = 31 + 32)**		**543,201,962**	**198,136,736**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**261,708,634,337**	**162,713,749,725**
51	24. Current corporate income tax expense	32.1	(54,021,610,145)	(37,669,123,821)
52	25. Deferred corporate income tax expense		-	-
60	**26. Net profit for the period after corporate income tax (60 = 50 + 51 + 52)**		**207,687,024,192**	**125,044,625,904**
61	**27. Net profit after tax attributable to non-controlling interests**		**3,517,977,429**	**4,606,259,767**
62	**28. Net profit after tax attributable to equity owners of the parent**		**204,169,046,763**	**120,438,366,137**
70	**29. Basic earnings per share**		**1,741**	**1,027**

Ms Phan Thi Minh Hue	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Preparer	Director	General Director
	Accounting Division	

Hanoi, Vietnam

11 August 2023

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

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2023*	*For the six-month period ended 30 June 2022*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**261,708,634,337**	**162,713,749,725**
	Adjustments for:			
02	Depreciation and amortisation		4,410,430,179	3,764,954,776
03	Insurance reserves and provision for diminution in investment value and doubtful debts		315,813,628,964	324,790,526,292
04	Profit from revaluation of foreign currencies		(13,233,616,432)	(16,220,851,878)
05	Profits from investing activities		(178,567,444,722)	(124,896,096,215)
06	Interest expense		4,154,842	21,797,596
08	**Operating profit before changes in working capital**		**390,135,787,168**	**350,174,080,296**
09	Decrease in receivables		34,122,121,797	109,301,748,944
10	Decrease in inventory		14,979,027	11,985,810
11	Increase in payables		256,258,762,651	251,425,842,007
12	Decrease in prepaid expense		(50,126,450,032)	164,699,139
13	Increase in held-for-trading securities		(179,520,654,985)	(265,460,571)
14	Interest paid		(4,154,842)	(21,583,820)
15	Corporate income tax paid	14	(39,160,646,656)	(10,218,864,365)
17	Other cash outflows from operating activities		(48,687,171,898)	(272,171,845,469)
20	**Net cash flow from operating activities**		**363,032,572,230**	**428,400,601,971**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		(73,305,041)	(205,705,423)
23	Payments for investments in other entities		(2,452,740,489,253)	(3,204,547,499,562)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		2,030,034,267,280	2,714,519,961,268
27	Interest and dividend received		121,079,386,262	140,697,129,664
30	**Net cash flow used in from investing activities**		**(301,700,140,752)**	**(349,536,114,053)**

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

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2023*	*For the six-month period ended 30 June 2022*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
36	Dividends paid		(10,098,000)	(498,826,821)
40	**Net cash flow used in financing activities**		**(10,098,000)**	**(498,826,821)**
50	**Net change in cash and cash equivalents**		**61,322,333,478**	**78,365,661,097**
60	**Cash and cash equivalents at the beginning of the period**		**28,861,588,967**	**30,488,645,615**
61	Impact of exchange rate fluctuation		503,009,327	505,592,956
70	**Cash and cash equivalents at the end of the period**	**4**	**90,686,931,772**	**109,359,899,668**

Ms Phan Thi Minh Hue
Preparer

Ms. Nguyen Thanh Mai
Director
Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

11 August 2023

1. CORPORATION INFORMATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 1 October 2010 under Business Licence No. 11/GPDC7/KDBH dated 1 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), and established under Business License No. 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Corporation successfully completed the Initial Public Offering. Accordingly, the percentage of shares held by BIDV and other shareholders was respectively 82.3% and 17.7%. On 5 May 2014, the Corporation issued shares to its employees under Employee Share Option Program (ESOP) which changed the percentage of shares held by BIDV and other shareholders to 78.38% and 21.62% respectively. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of shares held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	BIDV Insurance Joint Stock Corporation
Head office address:	11th Floor, 263 Cau Giay Street, Dich Vong Ward, Cau Giay District, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Thirty (30) branches nationwide
Employee:	1,334 persons at 30 June 2023
Charter Capital:	VND 1,172,768,950,000 as at 30 June 2023

As at 30 June 2023, the Corporation has one (01) subsidiary as follow:

Subsidiary	*Address*	*Principal activities*	*% directly owned*
Lao Viet Insurance Company	3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR	General insurance products, reinsurance services, investment activities and other business activities that are in line with prevailing laws and regulations in Lao PDR	65%

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 *Accounting standards and system*

The Corporation's interim consolidated financial statements expressed in Vietnamese Dong ("VND") are prepared in accordance with the Vietnamese Accounting System for non-life insurance companies issued by the Ministry of Finance in Circular No. 232/2012/TT-BTC dated 28 December 2012 providing guidance on the accounting applicable to non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies, Vietnamese Enterprise Accounting System, and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

The Corporation's fiscal year applied to prepare the interim consolidated financial statements on 1 January and ends on 31 December.

2.4 *Accounting currency*

The interim consolidated financial statements are prepared in VND which is also the Corporation's accounting currency.

2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the financial statements of the Corporation and its subsidiary for the period from 01 January 2023 to 30 June 2023.

The interim financial statements of the subsidiary are prepared for the same reporting period as the Corporation, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains or losses arising from intra-group transactions, are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Corporation and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies*

The accounting policies adopted by the Corporation in preparation of the interim consolidated financial statement are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2022.

New regulations take effect

On 16th June 2022, the National Assembly of Vietnam passed the Law on Insurance Business number 08/2022/QH15 ("Law on Insurance Business 2022"). On July 1, 2023, the Government issued Decree No. 46/2023/ND-CP detailing some articles of the Law on Insurance Business 2022 ("Decree 46").

The Law on Insurance Business 2022 takes effect from 1 January 2023, replacing the Law on Insurance Business No. 24/2000/QH10 dated 9 December 2000, the Law amending and supplementing some articles of the Law on Insurance Business No. 61/2010/QH12 dated 24 November 2010 and the amended Law, supplementing some articles of the Law on Insurance Business, Law on Intellectual Property No. 42/2019/QH14 dated 14 June 2019 ("Law on Insurance Business 2000").

Decree 46 takes effect from 1 July 1 2023, replacing Decree No. 73/2016/ND-CP dated 1 July 2016 ("Decree 73") detailing some articles of the Law on Business 2000. A number of regulations in Decree 46 take effect from 1 January 2023, including regulations on finance, accounting and financial reporting.

3.2 *Cash and cash equivalents*

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

3.3 *Receivables*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Tangible Fixed asset

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

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

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

3.6 Depreciation and amortisation

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

Buildings and structures	5 - 25 years
Machinery	3 - 7 years
Motor vehicles	6 years
Office equipment	3 years
Other tangible fixed assets	4 years
Software	3 years
Land use rights with indefinite term	No amortization

3.7 Leased assets

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

3.8 Prepaid expenses

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments*

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs

Held-to-maturity investments

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

Provision for diminution in value investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.
Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

3.10 *Payables and accruals*

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

3.11 *Employee benefits*

3.11.1 Benefits for employees of the Corporation working in Vietnam

(i) Post-employment benefits

Post-employment benefits are paid to retired employees of the Corporation by the social insurance agency which belongs to the Ministry of Labour, Invalids and Social Affairs. The Corporation is required to contribute to these post-employment benefits by paying social insurance premiums to the social insurance agency at the rate of 17.5% of employee basic salaries on a monthly basis.

On 1 August 2014, the Corporation issued Decision No. 100/QD-HDQT regulating post-employment benefits to the Corporation's employees. Accordingly, the Corporation also provides post-employment benefits including convalescence, annual leave, sightseeing, post-employment allowance based on employees' position and employment term as well as other benefits based on performance achievement of the employees.

(ii) Unemployment benefits

According to Social Insurance Law and Decree No. 28/2015/ND-CP dated 12 March 2015 by the Government, the Unemployment insurance fund is implemented from 01 January 2009, to which, employees contribute 1% of their salary, employers contribute 1% of salary of their employees participating in the unemployment insurance, and the Government contributes 1% of salary of all those participating in the unemployment insurance from the State budget.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Employee benefits (continued)

3.11.2 Benefits for employees working at the Corporation's subsidiary in foreign country

The policy applicable to foreign employees working at the Corporation's overseas subsidiary is in compliance with the prevailing regulations of the home country.

Vietnamese employees working at subsidiary of the Corporation in a foreign country follow the same policy with the one applicable to employees of the Corporation working in Vietnam.

3.12 Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Corporation expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

3.13 Technical reserves

The technical reserves include technical reserves for non-life insurance and technical reserve of health insurance.

The technical reserves made by the Corporation are based on reserving methodologies as given in Circular No. 50/2017/TT-BTC dated 1 July 2017 ("Circular 50") issued by the Ministry of Finance as follows:

a) Technical reserves for non-life insurance

(i) Unearned premium reserve

The Corporation applies the "daily basis" to calculate unearned premium reserve for all types of insurance and reinsurance businesses, following the formula:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premiums} * \text{Remaining day of insurance policy}}{\text{Number of coverage days}}$$

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Technical reserves (continued)

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

(ii) Claim reserve

Claim reserve includes the reserve for outstanding claim and for claim incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year, in accordance with the Circular 50; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of premium for each insurance operation.

(iii) Catastrophe reserve

Catastrophe reserve of the Corporation is accrued annually for significant fluctuations in losses. The catastrophe reserve rate adopted by the Corporation for the period 2020 is 1% of total retained premiums of each type of insurance. The catastrophe reserve maximum of the Corporation is equal to 100% of the retained premiums of the current fiscal year (except for health insurance).

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 – Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in current regulation, the Corporation has elected to adopt the policy of providing for the catastrophe reserve in the interim consolidated financial statements for the six-month period ended 30 June 2023.

b) Technical reserves of health insurance

(i) Mathematical reserve

Mathematical reserve applies to health insurance policies with a term of more than 1 year to cover liability upon occurrence of insured event as follows:

$$\text{Mathematical reserve} = \frac{\text{Insurance premiums * Remaining day of insurance policy}}{\text{Number of coverage days}}$$

3.13 *Technical reserves* (continued)

(ii) Unearned premium reserve

Unearned premium reserve applies to health insurance policies with a term of less than or equal to 1 year. The Corporation applies the unearned premium reserve methodology according to coefficients of the insurance policy period – daily method as follows:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premiums} * \text{Remaining day of insurance policy}}{\text{Number of coverage days}}$$

(iii) Claim reserve

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of premium for each health insurance operation.

(iv) Equalization reserve

Equalization reserve for health insurance is established at 1% of net premium and recognised in catastrophe reserve account on interim consolidated balance sheet.

3.14 *Transactions in foreign currencies*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Transactions in foreign currencies*

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

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

All foreign exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currencies at period-end are taken to the interim consolidated income statement.

3.15 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds and remuneration to Board of Directors in accordance with the Corporation's Charter and Vietnam's regulatory requirements.

The Corporation maintains the following reserve funds which are appropriated from its net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- Statutory reserve fund is set in order to supplement the Corporation's charter capital and ensure its solvency. This fund shall deduct 5% of the Corporation's profit for this period after tax until it equals to 10% of the Corporation's charter capital based on Decree 46 released by the Government.
- Bonus and welfare fund are set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.
- Investment and Development fund is set up from profit after tax and used for expansion investment of business and production scale, or for intensive investment of enterprises.

3.16 *Revenue recognition*

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

(i) Gross written premiums

Gross written premiums are recognized as revenue at the point of time when the following conditions are met: (1) the insurance contract has been entered into by the insurer and the insured; and (2) the premium has been paid by the insured or (3) there is agreement between the Corporation and the insured for delayed payment of insurance premium.
If the Corporation and its customers mutually agree a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the period. Gross written premiums of insurance policies underwritten by the Corporation in Vietnam and in compliance with Vietnam's prevailing regulations relating to insurance activities are recognized as revenue under the provisions of Circular 50. Hence, premium payment period shall not exceed 30 days from policy inception date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue recognition

For instalment contracts, non-life insurers are required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalment only when the policy holder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after contractual premium payment date.

Prepaid premium before due date as at the end of the period is recorded as "Short-term unearned revenue" in the interim consolidated balance sheet.

The refund/reduction of gross written premiums are considered as revenue deduction and must be booked separately. At period end, these amounts are net-off to gross written premium to calculate net written premium.

(ii) Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

(iii) Dividends

Income is recognized when the Corporation's entitlement as an investor to receive the dividend is established.

(iv) Other income

Other income is recognised on an accrual basis in the interim consolidated income statement.

3.17 Expense recognition

(i) Claim expense

Claim expense is recognized at the point of time when the claim documents are completed and approved by authorized persons. In case that the final claim amount has not been finalized but the Corporation is certain that the loss is within its insured liabilities and has been paid an advance to the customer as per their request, such advance would also be recognized as claim expense. Any claim that is not yet approved by authorized persons at the end of the fiscal year is considered as an outstanding claim and included in claim reserve.

(ii) Commission expense

Commission is calculated at percentage of direct premiums for specific line of insurance as stipulated in Circular 50. Commission expense is allocated and recognized in the interim consolidated income statement for direct premiums earned during the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Expense recognition (continued)

(iii) Agent commendation and support expenses

Agent commendation and support expenses are recognized in the Consolidated income statement on the accrual basis, corresponding to insurance contracts underwritten in the fiscal year but not exceeding 50% of insurance commission of insurance policies in the period. Regarding health insurance line a maximum amount of 100% of insurance commission of health insurance policies underwritten during the period according to Circular No. 89/2020/TT-BTC dated 11 November 2020.

(iv) General administrative expenses

General and administrative expenses are recognized on an accrual basis in the interim consolidated income statement.

(v) Operating lease

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

(vi) Other expenses

Other expenses are recognized on an accrual basis in the interim consolidated income statement.

3.18 Recognition of reinsurance activities

(i) Reinsurance ceded

Reinsurance premium ceded under treaty reinsurance agreements are recognized when gross written premiums within the scope of the treaty agreements are recognized.

Reinsurance premium ceded under facultative reinsurance agreements is recognized when the facultative reinsurance agreement has been entered into by the Corporation and when gross written premiums within the scope of the facultative agreements are recognized.

Reinsurance recovery is recognized when there is evidence of liability on the part of the reinsurer.

Reinsurance commission is recognized when there is a corresponding reinsurance premium ceded. At the end of fiscal year, the part of reinsurance commission which is not included in income of current year corresponding to unearned premium of reinsurance ceded shall be determined and allocated in the subsequent fiscal years based on the registered method of unearned premium reserve.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Recognition of reinsurance activities* (continued)

(ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

- Revenue and expenses relating to reinsurance assumed under treaty arrangements are recognized when the statement of account is received from the cedants.

Reinsurance assumed under facultative arrangement:

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

3.19 *Taxation*

(i) Current income tax

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

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

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

(ii) Deferred tax

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Taxation* (continued)

Deferred tax (continued)

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Use of estimates

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

3.21 Earnings per share

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

3.22 Related parties

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

4. CASH AND CASH EQUIVALENTS

	30 June 2023 VND	*31 December 2022 VND*
Cash on hand	524,800,740	446,802,040
Demand deposits at banks	90,162,131,032	28,414,786,927
Total	**90,686,931,772**	**28,861,588,967**

5. INVESTMENTS

	Notes	*30 June 2023 VND*	*31 December 2022 VND*
Trading securities	**5.1**		
Listed shares		309,901,903,960	227,304,390,310
Unlisted shares		49,810,001,224	46,904,759,889
Bonds		94,017,900,000	-
Provision for trading securities		(14,877,909,514)	(16,275,319,165)
		438,851,895,670	**257,933,831,034**
Held-to-maturity investments	**5.2**		
Short-term		4,382,834,544,893	3,976,249,222,954
- *Term deposits*		*4,281,530,238,099*	*3,918,603,951,311*
- *Bonds*		*101,304,306,794*	*57,645,271,643*
Long-term		599,722,717,227	598,308,814,017
- *Term deposits*		*149,722,717,227*	*48,308,814,017*
- *Bonds*		*450,000,000,000*	*550,000,000,000*
		4,982,557,262,120	**4,574,558,036,971**
Other financial investments	**5.3**		
Investments in other entities		75,907,370,000	75,907,370,000
Provision for impairment of other investments		(41,251,754,490)	(42,686,621,061)
		34,655,615,510	**33,220,748,939**
Net value of investments		**5,456,064,773,300**	**4,865,712,616,944**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	30 June 2023				*31 December 2022*			
	Quantity	*Cost VND*	*Provision VND*	*Carrying value VND*	*Quantity*	*Cost VND*	*Provision VND*	*Carrying value VND*
Listed shares	**7,171,162**	**309,901,903,960**	**421,361,170,116**	**14,877,909,514**	**5,923,901**	**227,304,390,310**	**306,848,856,026**	**(16,275,319,165)**
VNR	1,242,011	13,792,409,095	31,919,682,700	-	1,242,011	13,792,409,095	24,343,415,600	-
FPT	1,670,000	79,611,337,435	143,620,000,000	-	1,130,839	27,336,368,330	86,961,519,100	-
VNM	645,894	49,849,765,450	45,858,474,000	(3,991,291,453)	645,894	49,849,765,453	49,152,533,400	(697,232,053)
VCB	924,779	49,964,601,669	92,477,900,000	-	924,779	49,964,601,669	73,982,320,000	-
MBB	528,000	10,363,009,000	10,665,600,000	-	528,000	10,363,009,000	9,028,800,000	(1,334,209,000)
PLX	559,000	29,955,953,263	20,878,650,000	(9,077,303,263)	559,000	29,955,953,263	17,720,300,000	(12,235,653,263)
VIB	324,000	5,358,901,316	6,366,600,000	-	170,000	3,284,794,814	3,230,000,000	(54,794,814)
GAS	48,000	4,500,267,132	4,464,000,000	(36,267,132)	9,100	936,082,975	923,650,000	(12,432,975)
SAB	188,000	29,851,530,230	28,876,800,000	(974,730,230)	162,800	25,545,410,725	27,171,320,000	-
CTG	516,278	15,966,744,245	15,230,201,000	(736,543,245)	516,278	15,966,744,245	14,068,575,500	(1,898,168,745)
IDC	490,000	20,423,589,500	20,776,000,000	-	-	-	-	-
BCEL	35,200	263,795,625	227262416	(61,774,191)	35,200	309,250,741	266,422,426	(42,828,315)
Unlisted shares	**744,000**	**49,810,001,224**	**57,851,208,000**	**-**	**709,600**	**46,904,759,889**	**59,239,773,333**	**-**
ACV	744,000	49,810,001,224	57,851,208,000	-	709,600	46,904,759,889	59,239,773,333	-
Bonds	**10,000**	**94,017,900,000**	**94,017,900,000**	**-**	**-**	**-**	**-**	**-**
MBBL2229010	10,000	94,017,900,000	94,017,900,000	-	-	-	-	-
Total		**453,729,805,184**	**573,230,278,116**	**(14,877,909,514)**	**6,633,501**	**274,209,150,199**	**366,088,629,359**	**(16,275,319,165)**

5. INVESTMENTS (continued)

5.2 *Held-to-maturity investments*

	30 June 2023				*31 December 2022*			
	Term Year	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*	*Term Year*	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*
Short-term								
Term deposits	0.5-5	5-11	4,281,530,238,099	4,281,530,238,099	0.5 - 2	5-10.5	3,918,603,951,311	3,918,603,951,311
Bonds	0.5-5	8.9-15	101,304,306,794	101,304,306,794	0.5 - 5	8.9 - 20	57,645,271,643	57,645,271,643
			4,382,834,544,893	**4,382,834,544,893**			**3,976,249,222,954**	**3,976,249,222,954**
Long-term								
Term deposits	1-2	5-9.7	149,722,717,227	149,722,717,227	2	5 – 6.71	48,308,814,017	48,308,814,017
Bonds	5-10	7.2-9	450,000,000,000	450,000,000,000	5 – 10	7.2 – 10.9	550,000,000,000	550,000,000,000
			599,722,717,227	**599,722,717,227**			**598,308,814,017**	**598,308,814,017**
Total			**4,982,557,262,120**	**4,982,557,262,120**			**4,574,558,036,971**	**4,574,558,036,971**

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	30 June 2023				*31 December 2022*			
	Owner-ship %	*Cost VND*	*Provision VND*	*Carrying value VND*	*Owner-ship %*	*Cost VND*	*Provision VND*	*Carrying value VND*
Investments in other entities								
Green Indochina Development Joint Stock Company	4.21%	25,907,370,000	(25,907,370,000)	-	4.21%	25,907,370,000	(25,907,370,000)	-
BIDV Metlife Life Insurance Company	4.37%	50,000,000,000	(15,344,384,490)	34,655,615,510	4.37%	50,000,000,000	(16,779,251,061)	33,220,748,939
		75,907,370,000	**(41,251,754,490)**	**34,655,615,510**		**75,907,370,000**	**(42,686,621,061)**	**33,220,748,939**

6. SHORT-TERM RECEIVABLES

	30 June 2023 VND	*31 December 2022 VND*
Insurance receivables		
Gross written premium receivables	69,570,148,038	170,391,604,465
Reinsurance assumed receivables	71,867,106,453	29,842,258,558
Reinsurance ceded receivables	124,601,103,191	92,592,582,805
Receivables from co-insurers	7,071,433,710	30,216,397,569
Other receivables from insurance activities	247,748,388	410,219,969
	273,357,539,780	**323,453,063,366**
Short-term advances to suppliers	**3,813,625,420**	**2,207,209,993**
Other receivables		
Dividend receivables	546,000,000	1,311,251,600
Bank deposit interest receivables	162,173,778,212	116,207,012,262
Bond coupon receivables	29,796,674,434	17,510,130,324
Advances	15,241,096,913	1,415,508,691
Office rental deposit	28,043,068	30,290,543
Short-term mortgages, deposits	6,758,691,738	603,195,614
Other receivables	12,711,539,879	8,418,326,203
	227,255,824,244	**145,495,715,237**
Total receivables	**504,426,989,444**	**471,155,988,596**
Allowance for doubtful debts	(37,679,033,406)	(37,984,316,940)
Net receivables	**466,747,956,038**	**433,171,671,656**

7. INVENTORIES

	30 June 2023 VND	*31 December 2022 VND*
Tool and instruments	42,052,259	57,031,286

8. UNALLOCATED COMMISSION EXPENSES

	30 June 2023 VND	*31 December 2022 VND*
Opening balance	**238,866,830,081**	**183,094,399,253**
Commission paid during the period	305,322,839,104	425,662,851,842
Allocated to expenses during the period	(257,394,503,861)	(369,890,421,014)
Closing balance	**286,795,165,324**	**238,866,830,081**

9. STATUTORY DEPOSIT

The Corporation maintains a statutory deposit in accordance with current regulations. The Corporation's subsidiary has to maintain a statutory deposit at one third of its chartered capital, according to Article 24, chapter 1, part IV of Laos Insurance Law (amended) No.06/NA dated 21 December 2011.

10. TANGIBLE FIXED ASSETS

	Buildings VND	*Machinery VND*	*Motor vehicles VND*	*Office equipment VND*	*Other tangible fixed assets VND*	*Total VND*
Cost:						
As at 1 January 2023	3,150,650,000	23,258,169,192	71,190,317,127	1,025,924,677	2,386,213,144	101,011,274,140
New purchase	-	58,631,590	-	-	14,673,451	73,305,041
Disposal	-	(291,391,245)	-	-	-	(291,391,245)
Difference from revaluation foreign currencies	-	(347,612,046)	(677,279,708)	-	(181,058,369)	(1,205,950,123)
As at 30 June 2023	3,150,650,000	22,677,797,491	70,513,037,419	1,025,924,677	2,219,828,226	99,587,237,813
Accumulated depreciation:						
As at 1 January 2023	1,337,841,387	14,874,105,104	58,854,179,691	446,709,656	1,985,141,536	77,497,977,374
Depreciation for the period	131,065,002	2,512,288,312	1,323,147,814	118,754,820	70,724,235	4,155,980,183
Other increases	-	-	19,383,341	-	-	19,383,341
Disposal	-	(291,391,245)	-	-	-	(291,391,245)
Difference from revaluation foreign currencies	-	(319,596,220)	(636,475,537)	-	(179,652,265)	(1,135,724,022)
As at 30 June 2023	1,468,906,389	16,775,405,951	59,560,235,309	565,464,476	1,876,213,506	80,246,225,631
Net carrying amount:						
As at 1 January 2023	1,812,808,613	8,384,064,088	12,336,137,436	579,215,021	401,071,608	23,513,296,766
As at 30 June 2023	1,681,743,611	5,902,391,540	10,952,802,110	460,460,201	343,614,720	19,341,012,182

11. INTANGIBLE ASSETS

	Computer software VND	*Other intangible assets VND*	*Land use right VND*	*Total VND*
Cost:				
1 January 2023	1,802,549,125	92,927,778	6,500,000,000	8,395,476,903
Difference from revaluation foreign currencies	-	(3,370,032)	-	(3,370,032)
30 June 2023	1,802,549,125	89,557,746	6,500,000,000	8,392,106,871
Accumulated amortisation:				
1 January 2023	1,003,243,474	92,927,778	-	1,096,171,252
Amortization during the period	254,449,998	-	-	254,449,998
Difference from revaluation foreign currencies	22,927,778	(3,370,032)	-	19,557,746
30 June 2023	1,280,621,250	89,557,746	-	1,370,178,996
Net carrying amount:				
1 January 2023	799,305,651	-	6,500,000,000	7,299,305,651
30 June 2023	521,927,875	-	6,500,000,000	7,021,927,875

12. LONG-TERM PREPAID EXPENSES

Long-term prepaid expenses are office maintenance expenses, tools and consumables which can be used in more than one year.

13. SHORT-TERM TRADE PAYABLES

	30 June 2023 VND	*31 December 2022* VND
Insurance activities	**720,528,469,434**	**593,468,771,903**
Payables for ceded activities	557,983,752,742	455,547,837,065
Payables to co-insurers	29,274,124,784	30,657,485,075
Claim payables	40,681,214,419	27,756,414,706
Commission payables	44,652,083,152	34,387,953,358
Payables for XOL contracts	47,932,951,429	44,990,074,624
Other insurance payables	4,342,908	129,007,075
Other trade payables	**5,172,008,462**	**28,863,828,750**
Other payables	5,172,008,462	28,863,828,750
	725,700,477,896	**622,332,600,653**

14. TAXES AND OTHER STATUTORY OBLIGATIONS

	31 December 2022 VND	Movement during the period		Difference from revaluation foreign currencies	30 June 2023 VND
		Payables VND	Paid VND		
Value added tax	17,782,800,987	82,175,590,751	(81,673,495,581)	(214,499,044)	18,070,397,113
Corporate income tax	25,005,565,002	54,021,610,145	(39,160,646,656)	(426,888,773)	39,439,639,718
Other taxes	8,245,535,879	42,407,945,826	(44,629,457,599)	(83,594,318)	5,940,429,788
Total	**51,033,901,868**	**178,605,146,722**	**(165,463,599,836)**	**(724,982,135)**	**63,450,466,619**

15. SHORT-TERM ACCRUED EXPENSES

	30 June 2023 VND	31 December 2022 VND
Compulsory civil liability fund	758,262,634	-
Compulsory fire and miscellaneous fund	7,803,457,788	5,396,401,314
Fund contribution to enhance management and supervision over insurance market	671,928,886	542,171,611
Other accrued expenses	110,532,573,928	4,413,119,320
Total	**119,766,223,236**	**10,351,692,245**

16. UNEARNED COMMISSION REVENUE

Unearned commission revenue is the deferred commission on reinsurance ceded which is not included in income of current year corresponding to unearned premium of reinsurance ceded and shall be allocated in subsequent period in accordance with Circular No. 232/2012/TT-BTC of the Ministry of Finance.

	30 June 2023 VND	31 December 2022 VND
Opening balance	**92,960,250,746**	**73,330,253,319**
Increased during the period	117,465,884,126	226,726,494,125
Allocated during the period	(116,640,492,152)	(207,096,496,698)
Closing balance	**93,785,642,720**	**92,960,250,746**

17. OTHER PAYABLES

	30 June 2023 VND	*31 December 2022 VND*
Other short-term payables	**163,930,618,682**	**11,980,237,295**
Employee expenses payable other than salaries	445,298,590	117,443,941
Short-term deposits	2,111,623,040	2,657,212,999
Charity funds	-	1,051,521
Dividend payables	152,895,196,500	445,331,000
Other payables	8,478,500,552	8,759,197,834
Other long-term payables	**1,262,220,561**	**1,031,006,406**
Mortgage, deposit received	1,262,220,561	1,031,006,406
Total	**165,192,839,243**	**13,011,243,701**

18. PROVISIONS

	30 June 2023 VND	*31 December 2022 VND*
Incentive campaign provision	47,087,132,907	31,566,132,907
Provision for survey expenses	8,916,983,095	9,181,493,099
Other	519,067,710	718,605,518
Total	**56,523,183,712**	**41,466,231,524**

19. TECHNICAL RESERVES

19.1 *Unearned premium reserve and claim reserve*

	Reserve for direct insurance and inward reinsurance VND	*Reserve for outward reinsurance (reinsurance assets) VND*	*Net reserve VND*
1 January 2023			
Unearned premium reserve	**1,964,927,094,499**	**(445,004,896,595)**	**1,519,922,197,904**
Mathematical reserve for health care insurance	607,476,910,441	(2,456,928,990)	605,019,981,451
Unearned premium reserve for non - life insurance	1,357,450,184,058	(442,547,967,605)	914,902,216,453
Claim reserve	**819,859,988,620**	**(513,231,930,063)**	**306,628,058,557**
Outstanding claim reserve	705,972,066,753	(480,639,197,795)	225,332,868,958
Incurred but not reported reserve	113,887,921,867	(32,592,732,268)	81,295,189,599
Catastrophe reserve	**192,181,098,014**	**-**	**192,181,098,014**
	2,976,968,181,133	**(958,236,826,658)**	**2,018,731,354,475**
30 June 2023			
Unearned premium reserve	**2,337,581,272,067**	**(561,730,458,211)**	**1,775,850,813,856**
Mathematical reserve for health care insurance	402,627,652,891	(754,783,196)	401,872,869,695
Unearned premium reserve for non - life insurance	1,934,953,619,176	(560,975,675,015)	1,373,977,944,161
Claim reserve	**892,267,400,601**	**(540,554,581,169)**	**351,712,819,432**
Outstanding claim reserve	767,476,751,170	(507,961,848,901)	259,514,902,269
Incurred but not reported reserve	124,790,649,431	(32,592,732,268)	92,197,917,163
Catastrophe reserve	**210,118,909,907**	**-**	**210,118,909,907**
Total	**3,439,967,582,575**	**(1,102,285,039,380)**	**2,337,682,543,195**

19. TECHNICAL RESERVES (continued)

19.1 Unearned premium and claim reserve (continued)

19.1.1 Unearned premium reserve

Gross unearned premium reserve

Product	*30 June 2023 VND*	*31 December 2022 VND*
Health and Personal Accident	1,160,456,857,514	916,163,391,946
Property and Damages	274,394,098,100	195,295,848,043
Cargo	21,722,982,440	27,102,217,093
Automobile	446,895,771,659	444,583,782,309
Fire	334,049,040,710	317,305,933,830
Liability	17,371,052,268	15,012,968,473
Business Risk	8,096,811,486	6,078,540,641
Aviation	26,916,504,548	7,120,233,574
Hull and P&I	46,677,763,743	35,031,084,619
Financial and credit risk	180,663,881	115,103
Agriculture	510,447,238	988,550,257
Guarantee	309,278,480	244,428,611
Total	**2,337,581,272,067**	**1,964,927,094,499**

Ceded unearned premium reserve (Reinsurance assets)

Product	*30 June 2023 VND*	*31 December 2022 VND*
Health and Personal Accident	5,635,515,127	5,784,324,032
Property and Damages	214,985,779,855	139,979,966,980
Cargo	12,367,043,774	16,420,823,422
Automobile	571,470,988	978,273,495
Fire	254,306,072,163	240,503,419,844
Liability	13,741,546,336	10,998,678,562
Business Risk	7,324,974,152	5,496,473,912
Aviation	25,996,247,811	6,893,425,647
Hull and P&I	26,540,560,057	17,556,540,506
Financial and credit risk	44,829,261	95,096
Agriculture	216,418,687	392,875,099
Total	**561,730,458,211**	**445,004,896,595**

19. TECHNICAL RESERVES (continued)

19.1 Unearned premium and claim reserve (continued)

19.1.2 Claim reserve

Gross claim reserve

Product	*30 June 2023 VND*	*31 December 2022 VND*
Health and Personal Accident	76,434,178,385	63,660,765,943
Property and Damages	240,320,076,467	155,716,058,027
Cargo	25,563,929,575	65,410,719,104
Automobile	89,731,784,273	77,446,752,743
Fire	351,404,142,083	319,261,546,430
Liability	3,390,764,875	3,194,796,593
Business Risk	43,053,729,760	57,461,046,974
Aviation	8,132,930,447	1,826,867,067
Hull and P&I	54,021,635,308	56,849,768,180
Financial and credit risk	10,706,998	18,970,658,105
Agriculture	203,522,430	39,031,832
Guarantee	-	21,977,622
Total	**892,267,400,601**	**819,859,988,620**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*30 June 2023 VND*	*31 December 2022 VND*
Health and Personal Accident	13,936,485	12,353,642
Property and Damages	211,444,328,487	127,241,592,058
Cargo	10,544,674,682	48,230,036,854
Automobile	18,118,105	656,585,427
Fire	238,520,297,772	222,482,553,582
Liability	1,037,452,301	1,021,918,469
Business Risk	39,484,118,355	53,239,268,690
Aviation	529,191,674	2,680,945,263
Hull and P&I	38,921,502,555	40,132,578,199
Financial and credit risk	136,253	17,530,762,773
Agriculture	40,824,500	3,199,177
Guarantee	-	135,929
Total	**540,554,581,169**	**513,231,930,063**

19.2 Catastrophe reserve

	30 June 2023 VND	*31 December 2022 VND*
Opening balance	**192,181,098,014**	**170,708,506,976**
Increased during the period	17,937,811,893	26,978,955,974
Difference from revaluation foreign currencies	-	(5,506,364,936)
Closing balance	**210,118,909,907**	**192,181,098,014**

20. OWNERS' EQUITY

20.1 Increase and decrease in owners' equity

	Charter capital VND	*Share premium VND*	*Investment and development fund VND*	*Statutory Reserve VND*	*Undistributed Earnings VND*	*Foreign exchange differences VND*	*Non-controlling interest VND*	*Total VND*
01 January 2022	**1,172,768,950,000**	**655,565,033,362**	**213,762,701,660**	**94,662,832,304**	**420,447,350,479**	**(8,794,664,173)**	**27,077,924,459**	**2,575,490,128,091**
Profit for the year	-	-	-	-	311,516,648,031	-	6,718,502,397	318,235,150,428
Appropriation to statutory reserves	-	-	-	16,123,936,482	(16,123,936,482)	-	-	-
Appropriation to Bonus and Welfare funds	-	-	-	-	(98,737,434,268)	-	-	(98,737,434,268)
Appropriation to Investment and Development funds	-	-	96,572,030,729	-	(96,572,030,729)	-	-	-
Dividend payment	-	-	-	-	(175,915,342,500)	-	-	(175,915,342,500)
Ex-gratia compensation					(1,465,165,774)	-	-	(1,465,165,774)
Difference due to FX translation	-	-	-	(760,263,441)	(4,531,894,034)	(7,434,647,462)	(6,511,256,923)	(19,238,061,860)
31 December 2022	**1,172,768,950,000**	**655,565,033,362**	**310,334,732,389**	**110,026,505,345**	**338,618,194,723**	**(16,229,311,635)**	**27,285,169,933**	**2,598,369,274,117**
01 January 2023	**1,172,768,950,000**	**655,565,033,362**	**310,334,732,389**	**110,026,505,345**	**338,618,194,723**	**(16,229,311,635)**	**27,285,169,933**	**2,598,369,274,117**
Profit for the period	-	-	-	-	204,169,046,763	-	3,517,977,429	207,687,024,192
Appropriation to statutory reserves (*)	-	-	-	11,348,061,045	(11,348,061,045)	-	-	-
Appropriation to Bonus and Welfare funds (*)	-	-	-	-	(88,582,796,672)	-	-	(88,582,796,672)
Appropriation to Investment and Development funds (*)	-	-	59,847,161,860	-	(59,847,161,860)	-	-	-
Dividend payment (*)	-	-	-	-	(152,459,963,500)	-	-	(152,459,963,500)
Difference due to FX translation	-	-	-	(445,500,977)	(79,596,159)	(20,157,267,364)	(7,520,487,818)	(28,202,852,318)
30 June 2023	**1,172,768,950,000**	**655,565,033,362**	**370,181,894,249**	**120,929,065,413**	**230,469,662,250**	**(36,386,578,999)**	**23,282,659,544**	**2,536,810,685,819**

(*) In accordance with Resolution No. 01/2023/NQ-DHDCD dated 5 April 2023 approved by Annual General Meeting of Shareholders.

20. OWNERS' EQUITY (continued)

20.2 *Contributed capital*

	30 June 2023 VND	*31 December 2022 VND*
Contributed by parent company (BIDV)	597,492,590,000	597,492,590,000
Contributed by Strategic investor (Fairfax)	410,469,130,000	410,469,130,000
Contributed by other shareholders	164,807,230,000	164,807,230,000
Total	**1,172,768,950,000**	**1,172,768,950,000**

20.3 *Capital transactions with owners and distributions of dividends*

	30 June 2023 VND	*31 December 2022 VND*
Paid-in capital		
Contributed capital at the begining of the period	1,172,768,950,000	1,172,768,950,000
Contributed capital at the end of the period	1,172,768,950,000	1,172,768,950,000
Dividends	**(152,459,963,500)**	**(175,915,342,500)**

20.4 *Shares*

	30 June 2023 Shares	*31 December 2022 Shares*
Authorized shares	**117,276,895**	**117,276,895**
Issued shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895
Outstanding shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895

Par value of outstanding shares (VND/share): 10,000

21. INSURANCE REVENUE

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Direct written premiums	2,522,000,248,573	1,944,674,399,731
Deductions from direct premiums	(9,096,616,413)	(3,025,299,079)
Total direct written premiums	**2,512,903,632,160**	**1,941,649,100,652**
Reinsurance premium assumed	91,973,156,079	91,510,825,193
Increase in un-earned premium reserve	(374,385,707,381)	(364,567,128,778)
Total	**2,230,491,080,858**	**1,668,592,797,067**

21.1 Direct written premiums

Product	*For the six-month period ended 30 June 2023 VND*	*For the six-month period ended 30 June 2022 VND*
Health and Personal Accident	1,144,020,856,755	717,944,463,565
Property and Damages	328,473,087,357	256,978,477,663
Cargo	97,866,145,143	97,086,629,993
Automobile	433,707,276,992	432,027,813,598
Fire	352,714,692,280	314,440,508,644
Liability	20,839,361,921	9,702,794,261
Business Risk	9,106,951,974	7,397,732,554
Aviation	57,637,661,005	41,969,176,377
Hull and P&I	67,095,542,436	62,557,102,119
Financial and credit risk	74,144,691	
Agriculture	730,871,553	1,310,491,987
Guarantee	637,040,053	233,909,891
Total	**2,512,903,632,160**	**1,941,649,100,652**

21. INSURANCE REVENUE (continued)

21.2 *Reinsurance premiums assumed*

Product	*For the six-month period ended 30 June 2023 VND*	*For the six-month period ended 30 June 2022 VND*
Health and Personal Accident	7,658,749,331	7,641,488,713
Property and Damages	66,275,176,505	51,627,229,043
Cargo	944,684,699	1,315,923,198
Automobile	228,324,297	6,702,265,511
Fire	6,336,395,024	19,396,207,812
Liability	542,532,539	578,820,252
Business Risk	1,358,407,304	3,571,243,575
Aviation	70,971,789	-
Hull and P&I	8,600,915,658	633,946,488
Financial and credit risk	6,413,278	-
Agriculture	(49,414,345)	43,700,601
Total	**91,973,156,079**	**91,510,825,193**

22. REINSURANCE PREMIUM CEDED

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Reinsurance premium ceded	811,092,070,973	672,753,123,725
Change in ceded unearned premium reserve	(116,141,295,376)	(106,047,719,222)
Total	**694,950,775,597**	**566,705,404,503**

Reinsurance premium ceded includes:

Product	*For the six-month period ended 30 June 2023 VND*	*For the six-month period ended 30 June 2022 VND*
Health and Personal Accident	7,849,131,757	6,531,446,786
Property and Damages	309,743,422,361	250,570,351,836
Cargo	54,943,621,031	53,965,798,546
Automobile	715,822,674	855,572,203
Fire	313,604,171,361	262,206,480,871
Liability	18,510,203,988	7,832,311,552
Business Risk	9,347,208,943	10,056,623,858
Aviation	58,083,217,936	41,170,671,801
Hull and P&I	37,808,818,913	38,497,662,580
Financial and credit risk	5,326,886	-
Agriculture	481,125,123	1,066,203,692
Total	**811,092,070,973**	**672,753,123,725**

23. COMMISSION ON REINSURANCE CEDED

Product	*For the six-month period ended 30 June 2023 VND*	*For the six-month period ended 30 June 2022 VND*
Health and Personal Accident	1,636,992,286	1,268,588,730
Property and Damages	34,781,925,041	31,151,647,127
Cargo	16,652,021,714	15,884,592,925
Automobile	310,494,532	997,264,510
Fire	53,506,500,707	36,938,278,584
Liability	1,744,255,386	1,660,531,242
Business Risk	1,291,547,565	1,021,470,657
Aviation	4,362,365,766	3,655,899,604
Hull and P&I	2,298,762,893	3,952,614,836
Financial and credit risk	26,974	-
Agriculture	55,599,289	59,690,147
Total	**116,640,492,152**	**96,590,578,362**

24. OTHER INCOME FROM INSURANCE ACTIVITIES

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Policy management fee	40,261,671,270	39,148,422,932
Other income (*)	744,157,974	653,734,617
Total	**41,005,829,244**	**39,802,157,549**

(*) Other income includes leading fee from coinsurance and other income from reinsurance activities.

25. NET CLAIM EXPENSES

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Claim expenses	511,922,756,797	440,683,891,537
- *Direct claim expenses*	*470,369,011,595*	*425,653,372,825*
- *Claim expense on reinsurance assumed*	*41,553,745,202*	*15,030,518,712*
Salvage and sub-rogation	(3,040,876,063)	(2,340,761,689)
Recovery from reinsurance ceded	(134,376,885,702)	(129,094,998,028)
Increase in gross claim reserve	72,067,007,022	99,183,641,044
Increase in ceded reinsurance claim reserve	(35,401,326,347)	(50,932,232,116)
Total	**411,170,675,707**	**357,499,540,748**

25. NET CLAIM EXPENSES (continued)

25.1 *Direct claim expenses*

Product	*For the six-month period ended 30 June 2023 VND*	*For the six-month period ended 30 June 2022 VND*
Health and Personal Accident	89,312,729,443	69,233,301,523
Property and Damages	22,935,290,371	21,824,021,382
Cargo	69,128,563,234	18,716,011,569
Automobile	225,042,841,560	190,855,915,078
Fire	31,202,836,615	116,856,658,210
Liability	76,661,779	192,591,234
Business risk	1,290,955,415	-
Aviation	24,517,342,023	114,896
Hull and P&I	6,849,791,155	7,974,758,933
Financial and credit risk	12,000,000	-
Total	**470,369,011,595**	**425,653,372,825**

25.2 *Claim expense on reinsurance assumed*

Product	*For the six-month period ended 30 June 2023 VND*	*For the six-month period ended 30 June 2022 VND*
Health and Personal Accident	1,167,087,226	4,502,529,228
Property and Damages	39,230,222,880	9,428,502,300
Cargo	174,380,202	16,438,939
Automobile	7,959,600	1,392,710
Fire	172,543,939	816,778,062
Liability	51,826,737	22,192,556
Business risk	-	
Aviation	-	
Hull and P&I	749,724,618	242,684,917
Financial and credit risk	-	
Agriculture	-	-
Total	**41,553,745,202**	**15,030,518,712**

25. NET CLAIM EXPENSES (continued)

25.3 *Recoveries from reinsurance ceded*

Product	*For the six-month period ended 30 June 2023 VND*	*For the six-month period ended 30 June 2022 VND*
Health and Personal Accident	4,260,584,958	4,714,971,864
Property and Damages	18,898,380,484	16,581,713,810
Cargo	57,300,727,880	9,123,837,921
Automobile	108,585,357	3,726,033,747
Fire	22,473,843,224	88,689,265,056
Liability	25,693,308	78,160,285
Business risk	1,122,854,891	-
Aviation	25,067,759,820	-
Hull and P&I	5,111,106,573	6,181,015,345
Financial and credit risk	7,349,207	-
Total	**134,376,885,702**	**129,094,998,028**

26. OTHER OPERATING EXPENSES

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Commission	257,394,503,861	165,529,578,964
Agent management activities	216,966,444,801	134,599,052,506
Loss prevention	577,173,161	3,044,084,205
Statutory contributions	3,165,319,108	(1,800,825,522)
Other expenses (*)	396,804,974,279	308,027,493,397
Total	**874,908,415,210**	**609,399,383,550**

(*) Other expenses include the expenses related to underwriting activities such as marketing expenses, entertainment meals, telephones, petro, per-diem, postage expense...

27. FINANCE INCOME

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Interest income from deposits at banks	153,749,416,350	94,083,357,058
Interest income from bonds	23,299,228,372	23,107,739,727
Dividend income	1,518,800,000	4,771,605,568
Gain from exchange rate difference	16,997,970,839	27,955,165,800
Gain from security trading	8,096,742,135	16,395,783,017
Total	**203,662,157,696**	**166,313,651,170**

28. FINANCE EXPENSES

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Loan interest	4,154,842	21,797,596
Securities investment activities expenses	154,460,404	108,327,942
Loss on security trading	61,447,028	86,490,500
Foreign exchange losses	8,903,392,620	9,054,561,541
(Reversal of provision)/Provision for diminution in value of securities held for trading and investments impairment loss	(2,825,647,429)	13,300,894,172
Other financial expenses	5,500,000	55,883,822
Total	**6,303,307,465**	**22,627,955,573**

29. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Employee expenses	218,261,645,264	164,730,024,932
Material expenses	5,083,700,381	6,223,873,259
Tool and equipment expenses	2,732,006,534	1,070,046,365
Depreciation expenses	4,410,430,179	3,764,954,776
Tax, fee, and charge	11,239,269,957	7,324,137,749
Expenses for external services	76,602,280,106	53,539,236,374
Provision/(Reversal of provision) for doubtful debts	1,980,374,050	(2,258,089,982)
Other expenses	5,053,435,232	4,553,270,591
Total	**325,363,141,703**	**238,947,454,064**

30. OTHER INCOME

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Income from disposal of assets	500,000	7,510,909
Other income	620,105,333	228,455,053
Total	**620,605,333**	**235,965,962**

31. OTHER EXPENSES

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Administrative penalty	31,422,347	15,442,352
Other expenses	45,981,024	22,386,874
Total	**77,403,371**	**37,829,226**

32. CORPORATE INCOME TAX

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

The tax returns filed by the Corporation are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

32.1 CIT Expense

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Current tax expense	54,021,610,145	37,669,123,821
Deferred tax expense	-	-
Total	**54,021,610,145**	**37,669,123,821**

Reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	For the six-month period ended 30 June 2023 VND	*For the six-month period ended 30 June 2022 VND*
Accounting profit before tax	**261,708,634,337**	**162,713,749,725**
Corporate Income Tax	**52,341,726,867**	**32,971,766,051**
Adjustments to increase:	**2,354,327,998**	**6,039,870,081**
Non-deductible expenses	793,956,921	5,935,343,188
Penalty for late payment of tax	*6,460,527*	*3,706,613*
Other non-deductible expenses	*787,496,394*	*5,931,636,575*
Adjustment for under accrual of tax from prior periods	1,560,371,077	104,526,893
Adjustments to decrease:	**(674,444,720)**	**(1,342,512,311)**
Tax exempted income from business activities	(303,760,000)	(1,152,552,945)
Accual of policy holder protection fund	-	(189,959,366)
Other decrease	(370,684,720)	-
Current CIT expenses	**54,021,610,145**	**37,669,123,821**

32.2 Current tax

The current CIT payable is based on taxable income for the current period. The taxable income of the Corporation for the period differs from the profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted by the interim consolidated balance sheet date.

33. TRANSACTIONS WITH RELATED PARTIES

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

Company	*Relationship*	*Transaction*	*For the six-month period ended 30 June 2023*	*For the six-month period ended 30 June 2022*
			VND	*VND*
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Gross written premiums	140,497,512,717	123,611,695,991
		Claim expense	(1,959,948,978)	(1,781,378,938)
		Commission expense	(428,826,642,694)	(248,939,403,614)
		Interest income from term deposit	126,662,520,348	79,815,301,331
		Office rental expense	(5,867,613,998)	(6,139,732,458)
		Bank transfer expense	(1,030,601,374)	(1,064,911,637)
		IT service expense	(1,820,558,279)	(820,762,070)
BIDV-SuMi TRUST Leasing Company	Affiliate	Gross written premiums	461,100,100	61,895,087
		Claim expense	(550,808,600)	(823,133,943)
		Commission expense	-	-
		Interest income from term deposit	420,515,069	712,098,630
BIDV Securities Company	Affiliate	Gross written premiums	1,406,956,689	4,107,234
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Gross written premiums	309,206,776	1,315,068
		Interest income from term deposit	3,605,616,139	3,353,675,343
		Claim expense	-	(6,780,000)
Cambodia Vietnam Insurance (CVI)	Affiliate	Assumed reinsurance premiumcho	7,685,280,522	-
		Commission from reinsurance assumed	(1,919,714,203)	-
		Claim expense from reinsurance assumed	(238,075,699)	-
		Recoveries from reinsurance ceded	1,472,490,850	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

33. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related companies at the interim consolidated balance sheet date were as follows:

Related company	*Relationship*	*Description*	*30 June 2023*	*31 December 2022*
			VND	*VND*
Trade receivables				
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Current account	69,627,523,098	25,648,981,534
		Term deposits	3,667,750,000,000	3,381,500,000,000
		Interest from term deposits	127,469,745,212	91,431,242,462
		Premium receivables	430,516,149	554,715,060
		Compulsory deposit at BIDV	10,000,000,000	10,000,000,000
		Prepaid office rental expense	62,023,070,517	62,615,850,768
		Deposits in blocked account	1,815,597,170	100,331,110
BIDV-SuMi TRUST Leasing Company	Affiliate	Premium receivables	610,501,560	925,758,372
		Term deposits	16,000,000,000	16,000,000,000
		Interest from term deposits	1,082,652,055	662,136,986
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Term deposits	87,500,000,000	96,000,000,000
		Interest from term deposits	2,679,175,343	5,808,397,259
Cambodia Vietnam Insurance (CVI)	Affiliate	Assumed receiables	7,546,372,092	-
		Ceded claim receivables	1,797,121,566	-
Trade payables				
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Commission payables	(25,218,000,367)	(8,328,121,814)
		Office rent payables	(1,435,219,746)	(23,990,860)
		Dividend payables	(77,674,036,700)	-
BIDV-SuMi TRUST Leasing Company	Affiliate	Commission payables	(28,164,489)	(19,793,556)
Cambodia Vietnam Insurance (CVI)	Affiliate	Ceded premium payables	(3,112,795,040)	-
		Assumed claim payables	(3,036,710,865)	-

34. INFORMATION ON SEGMENT REPORTING

The primary segment reporting format is determined to be business segments as the Corporation risks and rates of return are affected predominantly by differences on geographical where the products and services are rendered.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in preparation of the interim consolidated financial statements.

The Corporation's geographical segments are based on the location of the Corporation's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

34. INFORMATION ON SEGMENT REPORTING (continued)

The following table presents operating result of the Corporation's operating segments for the period ended 30 June 2023:

Currency: million VND

	Domestic market	*Foreign market*	*Adjustments and eliminations*	*Total*
Insurance revenue	2,040,183	193,202	(2,894)	2,230,491
Reinsurance ceded premium	(533,432)	(164,415)	2,896	(694,951)
Net insurance premiums	1,506,751	28,787	2	1,535,540
Commission on reinsurance ceded and other insurance incomes	145,033	13,156	(543)	157,646
Total operating revenues	1,651,784	41,943	(541)	1,693,186
Claim expenses	(476,480)	(33,633)	1,231	(508,882)
Recoveries from reinsurance ceded	110,685	24,706	(1,014)	134,377
Increase in direct and assumed claim reserve	(64,276)	(8,363)	572	(72,067)
Increase in ceded claim reserve	29,487	5,518	396	35,401
Net claim expenses	(400,584)	(11,772)	1,185	(411,171)
Increase in catastrophe reserve	(17,558)	-	(380)	(17,938)
Other operating expenses	(857,299)	(18,151)	542	(874,908)
Total direct operating expenses	(1,275,441)	(29,923)	1,347	(1,304,017)
Gross insurance operating profit	376,343	12,020	806	389,169
Finance income	193,477	14,605	(4,420)	203,662
Finance expenses	(1,114)	(5,190)	1	(6,303)
Profit from financial activities	192,363	9,415	(4,419)	197,359
General and administrative expenses	(315,897)	(9,209)	(257)	(325,363)
Net operating income	252,809	12,226	(3,870)	261,165
Other income	252	368	1	621
Other expenses	(49)	(29)	1	(77)
Net other profit	203	339	2	544
Profit before Corporate income tax	253,012	12,565	(3,868)	261,709

34. INFORMATION ON SEGMENT REPORTING (continued)

Information on the assets and liabilities of segments in geographical segments of Corporation at 30 June 2023 as follow:

Currency: million VND

	Domestic market	*Foreign market*	*Adjustments and eliminations*	*Total*
CURRENT ASSETS	6,606,966	200,794	(32,746)	6,775,014
Cash and cash equivalents	77,028	13,659	-	90,687
Short-term investments	4,808,400	13,287	(1)	4,821,686
Short-term receivables	458,851	23,678	(15,781)	466,748
Inventories	-	42	-	42
Other short-term assets	282,061	13,987	(2,482)	293,566
Reinsurance assets	980,626	136,141	(14,482)	1,102,285
NON-CURRENT ASSETS	686,113	103,503	(41,182)	748,434
Long-term receivables	13,795	17,909	(6,521)	25,183
Fixed assets	25,992	371	-	26,363
Long-term investments	583,816	85,223	(34,661)	634,378
Other long-term assets	62,510	-	-	62,510
TOTAL ASSETS	7,293,079	304,297	(73,928)	7,523,448
LIABILITIES	4,776,872	231,254	(21,489)	4,986,637
Current liabilities	4,773,349	231,254	(21,489)	4,983,114
Non-current liabilities	3,523	-	-	3,523
OWNERS' EQUITY	2,516,207	73,043	(52,439)	2,536,811
TOTAL LIABILITIES AND OWNERS' EQUITY	7,293,079	304,297	(73,928)	7,523,448

35. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Corporation leases office premises under an operating lease. Future rental amounts due under operating leases as at the period-end were as follows:

	30 June 2023 VND	*31 December 2022 VND*
Operating lease commitments due:		
- Less than 1 year	4,522,649,101	458,924,293
- From 1 – 5 years	23,702,479,192	24,159,896,182
- From over 5 years	7,256,868,381	7,769,751,308
Total	**35,481,996,674**	**32,388,571,783**

35. COMMITMENTS AND CONTINGENCIES (continued)

Foreign contractor withholding tax

The Corporation accounted for the FCT on reinsurance premiums ceded to overseas reinsurers from countries without Double Tax Treaty with Vietnam or from countries with Double Tax Treaty with Vietnam but the reinsurers have not submitted adequate supporting documents.

Off-balance sheet items

ITEMS	*30 June 2023*	*31 December 2022*
Insurance policies signed but not yet effective (VND)	295,831,473,259	368,548,351,347
Foreign currency (USD)	1,886,975.98	470,334
Foreign currency (EUR)	4,539.09	49,896.38
Foreign currency (GBP)	86.16	86.16
Foreign currency (AUD)	3,315.29	2,204.29
Foreign currency (LAK)	2,783,874,472.66	1,254,498,866
Foreign currency (THB)	210,387.94	175,543

36. EARNINGS PER SHARE

The following reflects the income and share data used in the basic earnings per share computations:

	For the six-month period ended 30 June 2023	*For the six-month period ended 30 June 2022*
Net profit after tax attributable to ordinary shareholders (VND)	204.169.046.763	120.438.366.137
Distribution to bonus and welfare fund (VND)	-	-
Net profit after tax attributable to ordinary shareholders for basic earnings (VND)	204.169.046.763	120.438.366.137
Weighted average number of ordinary shares for basic earnings per share (unit)	117.276.895	117.276.895
Earnings per share (VND)	1.741	1.027

37. RISK MANAGEMENT FRAMEWORK

37.1 Governance framework

The primary objective of the Corporation's risk and financial management framework is to protect the Corporation's shareholders from events that hinder the sustainable achievement of financial performance objectives. The Board of Directors and Management recognise the importance of having efficient and effective risk management systems in place.

The Corporation has established a risk management function which agreed clear terms of reference by the Board of Directors and committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board of Directors to the Board of Management and other senior management. A policy framework has been developed and implemented which sets out the risk profiles for the Corporation, risk management; control and business conduct standards for the Corporation's operations. Each policy has a member of the Board of Management charged with overseeing compliance with the policy throughout the Corporation.

37.2 Risk management objectives, policies and processes for management of insurance risk

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

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

37.3 Capital management and regulatory framework

The primary capital management objective of the Corporation is to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements at all times. The Corporation recognises the impact on shareholders returns of the level of equity capital employed and seek to maintain a prudent balance.

Regulatory capital requirements arising from the operations of the Corporation require the Corporation to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The solvency requirements that apply to the Corporation is those set out in Circular 50.

The table below summarises the minimum regulatory solvency margin for the Corporation and the solvency capital held against each of them. Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the insurance subsidiaries are satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Corporation maintain appropriate solvency position to meet unforeseen liabilities arising from economic turmoil or natural disasters.

Currency: VND

	Corporation Solvency Margin	*Minimum Solvency Margin*	*Solvency Margin Ratio*
30 June 2023	2,019,651	838,796	241%
31 December 2022	2,101,415	705,115	298%

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

37. RISK MANAGEMENT FRAMEWORK (continued)

37.4 Underwriting strategy

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

37.5 Reinsurance strategy

The Corporation reinsures a portion of the insurance risks it underwrites in order to control its exposures to losses and protect its capital, through treaty and facultative reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured.

The amount of each risk retained depends on the Corporation's evaluation of the specific risk, subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Corporation remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

Ceded reinsurance contains credit risk, and to minimise such risk, only those reinsurers whose credit rating either assessed by credit rating agencies or internally assessed by the Corporation are satisfied to have business with the Corporation.

38. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Corporation issues contracts that transfer insurance risk or financial risk or both. The following gives details of the Corporation's main products and the ways in which it manages the associated risks.

38.1 Insurance risk

(i) Assumptions, changes in assumptions and sensitivity analysis

The process used to determine the assumptions is intended to result in estimates of the most likely outcome. The sources of data used as inputs for the assumptions are internal, based on detailed studies that are carried out regularly. The assumptions are checked to ensure that they are consistent with other observable information. There is more emphasis on current trends, and where there is insufficient historical information, prudent assumptions are used.

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a separate case by case basis with due regard to the circumstances, information available from loss adjusters and historical evidence of similar claims. Case estimates are reviewed and updated regularly when there is updated information. The provision is estimated based on information currently available.

The claim reserve is calculated based on method regulated in Circular 50. Details of such reserving methodologies are as follows:

38. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

38.1 Insurance risk (continued)

(i) Assumptions, changes in assumptions and sensitivity analysis (continued)

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified or requested for payment but is still unresolved at the end of the fiscal year, accordance with the Circular 50; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) calculated at the rate of 3% of premium for each insurance operation.

The Corporation issues general insurance contracts such as cargo, hull, aviation, engineering, fire, health and personal accident, general indemnity and automobile. Risks under general insurance contracts usually cover twelve-month duration.

The Corporation is exposed to cumulative risks from the economic development across the country and flow of foreign investment in manufacturing and real estates, especially in the major economic hubs such as Ho Chi Minh City, Hanoi, Hai Phong, Da Nang and Dong Nai.

For general insurance contracts, most of significant risks arise from climate changes and natural disasters. Vietnam has suffered heavily from catastrophes such as tropical typhoon, river flood, flash flood, heavy rain and landslide. It is expected that tropical typhoon will affect Vietnam regularly with the high severity and insured losses. In view of the exposures, the general insurance has arranged the reinsurance protection for the fire, engineering, motor, marine hull & cargo, fishing vessels portfolios against the catastrophe events to minimize the risks.

For late notified claims that take more than a year to settle, there is also inflation risk. These risks do not vary significantly in relation to the location, type of risk insured and industry.

The Corporation has also limited its exposure by imposing maximum insured amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. typhoon and flood damages).

The purpose of the reinsurance and reinsurance strategy is to reduce the risk associated with the Group's catastrophic risk exposure as determined by the Board of Directors. The Board of Directors may decide to increase or decrease the maximum tolerance based on market conditions and other factors.

(ii) Concentration level of insurance risk

Insurance risks of the Corporation include most types of non-life insurance risks as cargo, marine, aviation, oil and gas, property, personal and accident, engineering risk, etc. Aside from accumulative risk in the same category, the Corporation also faces concentration of risks e.g. vessel and cargo insurance, asset and human insurance, etc. the Corporation has internal policies on the management of concentration of risks and reinsurance protection contracts to limit liability when accumulative risk events or disasters occur.

38. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

38.2 Financial risk

The Corporation's financial liabilities comprise trade and other payables. The Corporation has trade receivables, other receivables, cash and short-term deposits and other financial investments. The Corporation does not hold or issue derivative financial instruments.

The Corporation is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Corporation. The Corporation has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Corporation's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized below.

38.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the Corporation's interim financial position as at 30 June 2023 and 31 December 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that:

- the sensitivity of the balance sheet relates to available-for-sale debt instrument;
- the sensitivity of the relevant interim consolidated income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2023 and 31 December 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to market risk for changes in interest rate relates primarily to the Corporation's term deposits and bonds. These investments are mainly short term in nature and they are not held for speculative purposes.

The Corporation manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favourable for its purposes within its risk management limits.

An interest rate risk sensitivity analysis is not performed as the Corporation's exposure to interest-rate risk is minimal at reporting date.

38. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

38.2 Financial risk (continued)

38.2.1 Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Corporation conducts business may affect its financial condition and results of operations. The foreign currency risk that the Corporation is facing mainly comes from movements in the USD/VND exchange rates. The Corporation seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

As the majority of the Corporation's financial assets are denominated in VND, the foreign currency risk is mitigated. Most of other assets denominated in foreign currency are in USD.

The table below indicates the effect of a reasonably possible movement of the foreign currency exchange rate against the VND, with all other variables held constant, on the consolidated income statement and statement of financial position of the Corporation:

Currency: VND

Change in variance	*Impact on profit before tax*	*Impact on equity*
30 June 2023		
+5%	(2,892,899,773)	(2,314,319,818)
-5%	2,892,899,773	2,314,319,818
31 December 2022		
+5%	(62,547,169)	(50,037,735)
-5%	62,547,169	50,037,735

Equity price risk

The Corporation's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Corporation manages equity price risk by placing a limit on equity investments and prediction analysis of market. The Corporation's Board of Management reviews and approves significant equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was VND 421,361,170,116 (31 December 2022: VND 306,848,856,026). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 14,017,456,257 (31 December 2022: decrease by VND 10,491,705,374), depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Corporation's profit before tax by VND 7,874,664,284 (31 December 2022: VND 4,889,055,707).

38.2.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily for trade receivables from original insurance and reinsurance activities) and from its financing activities, including deposits at banks and other financial instruments.

38. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

38.2 Financial risk (continued)

38.2.2 Credit risk (continued)

Trade receivables

The trade receivables, which subject to credit risk, include trade receivables from insurance and reinsurance activities, and other receivables subject to credit risk. Customer credit risk is managed by the Corporation based on its established policy, procedures and control relating to customer credit risk management.

The most significant of reinsurance receivables are reinsurance recoveries. To mitigate the risk of the counterparties not paying the due amount, the Corporation has established certain business and financial guidelines for accepting business with each reinsurer, using ratings by major agencies and considering currently available market information. The Corporation also periodically reviews the financial stability of reinsurers using public information and other sources and the settlement trend of amounts due from reinsurers.

Bank deposits and other financial instruments

The Corporation's bank balances are mainly maintained with well-known banks in Vietnam. The Corporation evaluates the concentration of credit risk in respect of bank deposit at low level.

The Corporation's financial assets are neither past due nor impaired except for the following receivables which are past due and impaired as at 30 June 2023.

Currency: VND million

	Past due but not impaired		*Past due and impaired*		*Provision for impairment*
	< 90 days	*91-180 days*	*181-360 days*	*> 360 days*	
As at 30 June 2023					
Receivables from insurance activities	162,041	60,989	12,602	34,727	34,679
Receivables from financial activities	-	-	-	3,000	3,000
Total	**162,041**	**60,989**	**12,602**	**37,727**	**37,679**
As at 31 December 2022					
Receivables from insurance activities	182,492	19,250	16,120	36,932	30,637
Receivables from financial activities	-	-	-	3,000	3,000
Total	**182,492**	**19,250**	**16,120**	**39,932**	**33,637**

Provisions for impairment of the receivables were made under the Circular No. 48.

38. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

38.2 Financial risk (continued)

38.2.3 Liquidity risk

The Corporation has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts. Therefore, there is a risk that cash will not be available to settle liabilities when due at a reasonable cost. The Corporation manages this risk by monitoring and setting an appropriate level of operating funds to settle these liabilities.

Contractual maturity

The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments as at 30 June 2023 and 31 December 2022:

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
30 June 2023				
Insurance payables	114,611,765,263	-	-	114,611,765,263
Reinsurance payables	-	605,916,704,171	-	605,916,704,171
Accrued expenses	-	176,289,406,948	-	176,289,406,948
Claim reserve (*)	892,267,400,601	-	-	892,267,400,601
Other payables	547,349,891,294	-	-	547,349,891,294
	1,554,229,057,158	**782,206,111,119**	**-**	**2,336,435,168,277**

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2022				
Insurance payables	92,801,853,139	-	-	92,801,853,139
Reinsurance payables	-	500,537,911,689	-	500,537,911,689
Accrued expenses	-	11,980,237,295	-	11,980,237,295
Claim reserve (*)	819,859,988,620	-	-	819,859,988,620
Other payables	443,513,409,610	-	-	443,513,409,610
	1,356,175,251,369	**512,518,148,984**	**-**	**1,868,693,400,353**

(*) Excluding gross unearned premium reserve and catastrophe reserve

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 01 January 2011. Circular 210 provides the definitions of financial assets, financial liabilities and derivative financial instruments, equity instruments as well as presentation and disclosures of financial instruments.

Due to Circular 210 only requires the presentation and disclosure of financial instruments, the definitions of financial assets, financial liabilities and other relevant definitions are applicable to prepare this note only. The assets, liabilities and equities of the Corporation still are recognized and accounting in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to insurance companies and comply with the relevant statutory requirements.

39.1 Financial assets

Financial assets within the scope of Circular 210 include cash and bank deposits, trade and other receivables, listed and unlisted financial instruments.

According to Circular 210, for the purpose of disclosure in the Consolidated Financial Statements, financial assets are classified as appropriate into one of the following categories:

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

  Financial asset that satisfies either of the following conditions:

  a) A financial asset will be classified as securities held for trading if:

     (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;

     (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or

     (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).

  b) Upon initial recognition, the entity categorizes the financial asset as such reflected at fair value through Profit and loss statement.

- ***Held-to-maturity investments***

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

  a) Financial assets that, upon initial recognition, were categorized as such recognized at fair value through profit or loss statements;

  b) Financial assets already categorized as available for sale;

  c) Financial assets that meet the definitions of loans and receivables.

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

39.1 Financial assets (continued)

- ***Loans and receivables:***

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

  a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair, value through profit or loss statements;

  b) The amounts categorized by the entity as available for sale upon initial recognition; or;

  c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

- ***Available-for-sale assets:***

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

  a) Loans and receivables;

  b) Held-to-maturity investments;

  c) Financial assets recognized at fair value through profit or loss statements.

39.2 Financial liabilities

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

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

- ***Financial liability recognized at fair value through profit or loss statements***

  Financial liability satisfies either of the following conditions:

  a) Being classified as held for trading, a financial liability will be classified as securities held for trading if:

     (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;

     (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,

     (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).

  b) Upon initial recognition, the entity categorizes the financial liability as such reflected at fair value through Profit and loss statement

- ***Financial liabilities measured at amortised cost:***

  Financial liabilities was not categorized as financial liabilities at fair value through profit or loss statements would be categorized as Financial liabilities measured at amortised cost.

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

39.3 Offsetting of financial assets and financial liabilities

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

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

The following method and assumption are used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of listed shares is determined based on the closing prices on stock markets at the latest transaction up to the date of the financial statements.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price of the trading market on 30 June 2023.
- Fair value of unlisted shares which have not been registered in the unlisted public companies market (OTC) is the average of public price quotations of at least three (03) reputable and large security companies in the market.
- Where the active market information was not available to determine fair value of financial assets, financial liabilities at the reporting date, impairment information was consider or their carrying amounts were used.

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 30 June 2023:

	Carrying amount				*Fair value*
30 June 2023	*Cost*	*Accrued interest*	*Provision*	*Total*	
	VND	*VND*	*VND*	*VND*	*VND*
Financial assets					
Available for sale	529,637,175,184	546,000,000	(56,129,664,004)	474,053,511,180	607,885,893,626
Listed shares	*309,901,903,960*	*546,000,000*	*(14,877,909,514)*	*295,569,994,446*	*421,361,170,116*
Unlisted shares	*49,810,001,224*	-	-	*49,810,001,224*	*57,851,208,000*
Investments in other entities	*75,907,370,000*	-	*(41,251,754,490)*	*34,655,615,510*	*34,655,615,510*
Bond	*94,017,900,000*	-	-	*94,017,900,000*	*94,017,900,000*
Loan and receivables	5,315,837,056,040	191,970,452,646	(37,679,033,406)	5,470,128,475,280	5,470,128,475,280
Bonds	*551,304,306,794*	*29,796,674,434*	-	*581,100,981,228*	*581,100,981,228*
Term deposits	*4,431,252,955,326*	*157,973,687,043*	-	*4,589,226,642,369*	*4,589,226,642,369*
Insurance receivables	*273,357,539,780*	-	*(33,845,787,896)*	*239,511,751,884*	*239,511,751,884*
Other receivables	*38,534,351,524*	-	*(3,833,245,510)*	*34,701,106,014*	*34,701,106,014*
Statutory deposit	*21,387,902,616*	*4,200,091,169*	-	*25,587,993,785*	*25,587,993,785*
Cash and cash equivalents	90,686,931,772	-	-	90,686,931,772	90,686,931,772
Total	**5,936,161,162,996**	**192,516,452,646**	**(93,808,697,410)**	**6,034,868,918,232**	**6,168,701,300,678**
Financial liabilities					
Trade payables	725,700,477,896	-	-	725,700,477,896	725,700,477,896
Accrued expenses	176,289,406,948	-	-	176,289,406,948	176,289,406,948
Other payables	165,192,839,243	-	-	165,192,839,243	165,192,839,243
Total	**1,067,182,724,087**	**-**	**-**	**1,067,182,724,087**	**1,067,182,724,087**

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 31 December 2022:

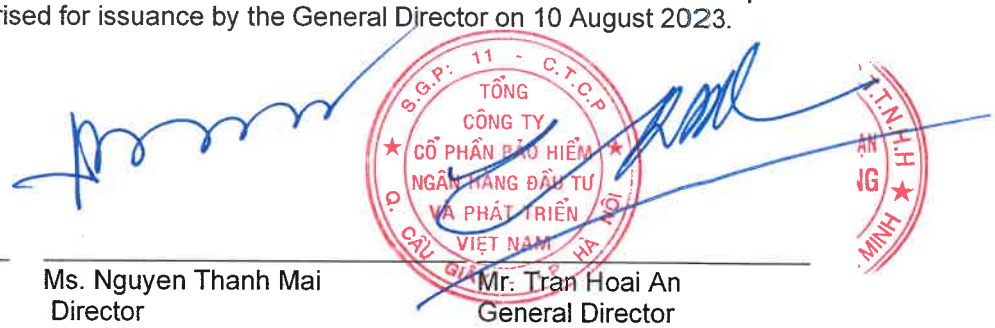
	Carrying amount				*Fair value*
31 December 2022	*Cost*	*Accrued interest*	*Provision*	*Total*	
	VND	*VND*	*VND*	*VND*	*VND*
Financial assets					
Available for sale	350,116,520,199	-	(58,961,940,226)	291,154,579,973	399,309,378,298
Listed shares	227,304,390,310	-	(16,275,319,165)	211,029,071,145	306,848,856,026
Unlisted shares	46,904,759,889	-	-	46,904,759,889	59,239,773,333
Investments in other entities	75,907,370,000	-	(42,686,621,061)	33,220,748,939	33,220,748,939
Loan and receivables	4,943,945,755,362	133,717,142,586	(37,984,316,940)	5,039,678,581,008	5,039,678,581,008
Bonds	607,645,271,643	17,510,130,324	-	625,155,401,967	625,155,401,967
Term deposits	3,966,912,765,328	112,678,266,471	-	4,079,591,031,799	4,079,591,031,799
Insurance receivables	323,453,063,366	-	(34,361,003,534)	289,092,059,832	289,092,059,832
Other receivables	22,584,481,682	-	(3,623,313,406)	18,961,168,276	18,961,168,276
Statutory deposit	23,350,173,343	3,528,745,791	-	26,878,919,134	26,878,919,134
Cash and cash equivalents	28,861,588,967	-	-	28,861,588,967	28,861,588,967
Total	**5,322,923,864,528**	**133,717,142,586**	**(96,946,257,166)**	**5,359,694,749,948**	**5,467,849,548,273**
Financial liabilities					
Trade payables	622,332,600,653	-	-	622,332,600,653	622,332,600,653
Accrued expenses	51,817,923,769	-	-	51,817,923,769	51,817,923,769
Other payables	53,446,468,819	-	-	53,446,468,819	53,446,468,819
Total	**727,596,993,241**	**-**	**-**	**727,596,993,241**	**727,596,993,241**

40. EVENTS AFTER THE INTERIM CONSOLIDATED BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim consolidated balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Corporation and its subsidiary.

41. APPROVAL FOR ISSUANCE

The interim consolidated financial statements as at 30 June 2023 and for the six-month period then ended were authorised for issuance by the General Director on 10 August 2023.



Ms Phan Thi Minh Hue	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Preparer	Director Accounting Division	General Director

Hanoi, Vietnam

11 August 2023