

To Be a **Good Company**



**TOKIO MARINE**  
INSURANCE GROUP

A large, artistic graphic composed of thick, expressive brush strokes. A yellow stroke forms a partial circle at the top left, overlapping with a teal stroke that forms a larger, more complete circle below it. The strokes have a textured, painterly quality with visible bristles and varying opacity.

**2021 ANNUAL  
REPORT**  
TOKIO MARINE INSURANCE VIETNAM

# CONTENTS

Message from General Director	03
Overview - Mission - Vision - Core Value	05
History	06
Corporate Profile	07
Management Team	09
Products & Services	10
Financial Highlights	15
Corporate Social Responsibility	16
Audited Financial Statements	18
General Information	
Balance sheet	
Income statement	
Cash flow statement	
Notes to the financial statements	



# MESSAGE FROM GENERAL DIRECTOR



2021 was a special year for Tokio Marine Insurance Vietnam (TMIV), our 25th anniversary, a celebration of two decades of passion for the safety and security of customers and society. This special milestone was an opportunity for our Company to honor the mission, vision, and philosophy of “To Be a Good Company in Vietnam”, which have been continuously pursued over the past two decades. In fact, I would like to emphasize that the sustainable growth of the company could never have been achieved without the unwavering support from our customers, business partners, stakeholders, employees and local authorities. I would like to express my sincere appreciation to everyone who has contributed to the company’s success in its development pathway.

For TMIV, 2021 was another year that the management and all employees tried our best to deliver the best Japan Quality insurance services to our clients irrespective of many challenges resulting from severe lockdowns countrywide due to the pandemic during the second half of 2021. Regarding business result, we finished the year with Gross Written Premium reaching VND 842 billion, growing up by 13.8% compared to 2020 figures. In addition, Underwriting Profit and Profit before Tax were recorded at VND 127.5 billion and VND 183.4 billion, achieving 115.7% and 102.7% respectively of 2020 results, showing our efforts in prudent underwriting and expense management.

In celebration of TMIV’s special milestone, the company has also successfully launched digital insurance project named “TM Care”, bringing service innovations to the next level. TM Care is an insurance app for employees of Japanese companies operating in Vietnam, which leverages on Tokio Marine’s expertise in online insurance sales in Japan, enables paperless, cashless and contactless insurance policy processing. Through the app, employees can purchase different insurance products easily on their own such as medical insurance, personal accident insurance, automobile insurance and

personal liability insurance. The app was first launched in November 2021 with subsequent release phases and would be further enhanced to improve user experience and its products offerings.

In 2021, to join a hand to help reduce the pandemic impact on vulnerable groups in local community, TMIV executed the charity campaign delivering 250 tablets to disadvantaged students in HCMC who have been affected by the Covid-19 outbreak. Tablet devices are new and good quality products of Samsung brand, which are expected to be helpful tools for students to pursue distant learning effectively. Previously, TMIV also contributed to the national COVID vaccine fund, and assisted customers and partners in preventing pandemic risks through the presentation of medical masks, hand sanitizers, and digital infrared thermometers. Throughout its 25-year development journey in Vietnam, TMIV has continuously engaged in practical social corporate responsibility projects that are aimed at supporting vulnerable groups and contributing to local community’s sustainable growth.

In the coming years, we will continue to seize the opportunities that arise from changes by leveraging our strengths as well as Tokio Marine Group synergies to bring about innovative business solutions to clients’ needs. We are excited to continue our journey of trustful and sustainable collaboration with you.

With best personal regards and thanks,

Yours sincerely,

Yasuhiro Takeda

General Director

**Yasuhiro Takeda**



ENDLESS JOURNEY OF TRUST  
1996-2021

-----  
COMING TOGETHER IS THE START.  
WORKING TOGETHER IS THE PROGRESS  
GROWING TOGETHER IS THE JOURNEY...

FOUNDED SINCE 1996 AS THE FIRST FOREIGN-INVESTED INSURER IN VIETNAM, TOKIO MARINE INSURANCE VIETNAM HAS BEEN PROVIDING SAFETY AND SECURITY SOLUTIONS TO CUSTOMERS AND SOCIETY AS A TRUSTED PARTNER IN TIME OF NEED. OVER THE PAST DECADES, THE COMPANY HAS BEEN GROWING UP FROM A TEAM OF LESS THAN 10 MEMBERS TO 150 MEMBERS WHO ARE ALWAYS EMPOWERED TO BUILD UP A STRONG CORPORATE CULTURE AND DELIVER THE BEST JAPAN QUALITY NON-LIFE INSURANCE SERVICE. WE ARE GRATEFUL FOR YOUR CONTINUOUS SUPPORT AND HAPPY TO BE WITH YOU IN OUR ENDLESS JOURNEY OF TRUST.





# OVERVIEW

Established in 1996, Tokio Marine Insurance Vietnam (previously known as Bao Viet Tokio Marine Insurance) was the first foreign investment joint-venture in Vietnam with its current partners being Baoviet Holdings - a leading insurance group in Vietnam and Tokio Marine - a leading insurance giant insurance group in Japan. Tokio Marine Insurance Vietnam provides non-life insurance products and services for all international and domestic clients including both organizations and individuals in accordance with Viet Nam's Law.

## MISSION

Through the provision of the highest quality products and services, Tokio Marine Insurance Vietnam aims to deliver safety and security to all our customers, and contribute to the development of Vietnam society based on trust

## VISION

We, Tokio Marine Insurance Vietnam strives to be selected by our valued customers and partners as a Best Quality insurance company in Vietnam.

## CORE VALUE

### PROFESSIONALISM

- Pursue our quality all the time
- Be compliant and do the right things
- Be responsible with strong commitment

### SOCIAL RESPONSIBILITY

- Be a good cooperate citizen in Vietnam
- Contribute to the development of Vietnamese society

### CUSTOMER ORIENTED

- Set customer trust as the foundation of all our activities
- Stand on the customer's side
- Be innovative to customer's needs

### TEAMWORKING

- Respect our people
- Enhance effective communication and collaboration
- Maximize our ability as one

# HISTORY

Vietnam International Assurance Company (VIA) was established by 3 shareholders: Bao Viet (51%), Commercial Union (24.5%) and Tokio Marine (24.5%), being the very first insurer with foreign investment in Vietnam. The Company had the legal capital of USD 6,000,000 and was based in Ho Chi Minh City

**10 PEOPLE**

The Chartered capital was VND 300,000,000,000. The Company acquired full business license to provide insurance services to all clients in Vietnam

**76 PEOPLE**

A Representative Office was established in Da Nang

**76 PEOPLE**

A Representative Office was established in Hai Phong

**91 PEOPLE**

The company has changed its name from Bao Viet Tokio Marine Insurance Joint Venture Company into Bao Viet Tokio Marine Insurance Company Limited

**99 PEOPLE**

**25 YEARS OF DEVELOPMENT**

**150 PEOPLE**

05 AUG  
1996

19 DEC  
1997

09 JAN  
2002

14 JAN  
2009

25 MAY  
2009

04 SEP  
2009

10 SEP  
2010

24 APR  
2012

01 JULY  
2013

08 JULY  
2016

2020

2021

Hanoi Branch Office was established and started market penetration in the North of Vietnam

Tokio Marine Asia purchased the shares of Commercial Union. Since then, the capital ratio has been 49% from Tokio Marine Asia and 51% from Bao Viet Holdings

**18 PEOPLE**

Head Office was relocated to Hanoi

**76 PEOPLE**

Vietnam International Assurance Company was renamed to "Baoviet Tokio Marine Insurance Joint Venture Company

**79 PEOPLE**

Tokio Marine increased share in BVTM from 49% to 51%.

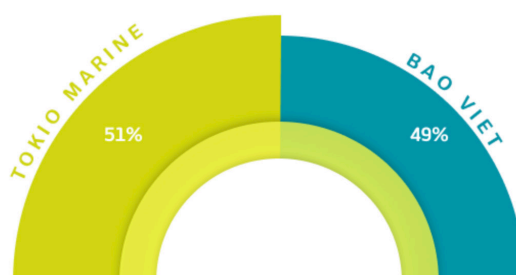
**COMPANY NAME CHANGE**

The company had its corporate name and brand identity changed. The name was changed from "Bao Viet Tokio Marine Insurance Co. Ltd." to "Tokio Marine Insurance Vietnam Co. Ltd."

# CORPORATE PROFILE

<b>Name</b>	TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED
<b>Establishment</b>	1996
<b>Address</b>	
• <b>Head Office</b>	Room 601, 6th Floor, Sun Red River Building,
• <b>Branch Office</b>	14th Floor, Lim Tower 3, 29A Nguyen Dinh Chieu, Da Kao Ward, Dist. 1, Ho Chi Minh City, Vietnam
• <b>Rep. Office</b>	Da Nang: 14th Floor, Thanh Loi Building, 135 Nguyen Van Linh, Thanh Khe Dist., Danang City Hai Phong: Lot B2, 2nd Floor, Harbor View Building, 12 Tran Phu, Ngo Quyen, Hai Phong, Vietnam
<b>Charter capital</b>	VND 300,000,000,000
<b>Capital Contributors</b>	
<b>Tokio Marine Asia Pte. Ltd</b>	51%
<b>Bao Viet Holdings</b>	49%
<b>Members' Council</b>	(Updated to 1/4/2022)
• <b>Chairman</b>	Mr. Nguyen Quang Phi
• <b>Members</b>	Mr. Shiro Ipposhi - Vice Chairman Mr. Yasuhiro Takeda - MC Member and General Director Mr. Taisuke Obokata - MC Member Mr. Doan Viet Trang - MC Member Ms. Tran Thi Thu Thuy - MC Member

## Trademark



Tokio Marine Asia Pte. Ltd, the Asia – Pacific Regional Head Quarter of Tokio Marine Holdings – a top-tier global insurance group in Japan with overseas offices located in 486 cities in 39 countries and more than 33,829 employees.

Bao Viet Holdings (BVH), one of the leading and longest serving financial insurance group in Vietnam with Over 168 branches, over 700 transaction offices in 63 cities & provinces in Vietnam and more than 6,000 employees and 45,000 agents nationwide.

# MEMBERS' COUNCIL



**Mr. Nguyen Quang Phi**  
Chairman



**Mr. Shiro Ipposhi**  
Vice Chairman



**Mr. Taisuke Obokata**  
MC Member



**Mr. Yasuhiro Takeda**  
MC Member



**Mr. Doan Viet Trang**  
MC Member



**Ms. Tran Thi Thu Thuy**  
MC Member





# MANAGEMENT TEAM

# PRODUCTS & SERVICES

## PRODUCTS

### COMMERCIAL INSURANCE



#### MARINE CARGO INSURANCE

More than 100 years of experience in Marine Cargo insurance of Tokio Marine Group enables us to perfectly understand your needs and design our Marine Cargo Insurance product, basing on standard Institute Cargo Clauses (A), (B) or (C), to best protect your cargo against physical losses, expenses and damages during transit, including but not limited to following special features:

- Stock throughput policy
- Designated worldwide master policy for Multinational transport cargo

On the other hand, the broad network of as many as 250 Claims Setting Agents throughout the world of Tokio Marine Group allows us to provide response quickly and effectively when your goods suffer loss or damage



#### ENGINEERING INSURANCE

Mechanical and electrical contracts for the construction of buildings, towers, erectors of platforms, etc. are complex projects and exposed to accidental or unforeseen loss, damage or liability during the construction or erection period, as well as equipment and electronic damage or loss. A suitable insurance cover should provide the peace of mind to the owner of the project as well as to the contractor. You can rely on our Innovative and Comprehensive Engineering Protection which is categorized into two branches:

- Project Engineering:
  - Construction All Risks Insurance
  - Erection All Risks Insurance
- Non Project Engineering:
  - Machinery Breakdown Insurance
  - Electronic Equipment Insurance
  - Others

Tailor-made policies can be designed to meet your specific demands.



#### PROPERTY INSURANCE

We write property insurance for a wide range of customers, from smaller business owners to large corporations to provide your business with the comprehensive insurance coverage from property's damage as well as any business interruption loss caused by fire, natural disaster, or other damage with sudden occurrence.

With a broad suite of products in the insurance industry, a team of experiment risk engineering, property underwriting and claims professionals and our property solution, we are committed to helping you prevent loss and recovery quickly and manage property risks confidently and effectively.



#### MOTOR INSURANCE

With our insurance policy, your vehicles will receive the comprehensive protection including the physical damage, third party liability and also the personal accident for the motorists due to any accidents that they might cause or be involved in. Buying insurance means You will not be worry about the risks like an accident, fire which suffer and cause an injury or death. In additional, we also offer you the broader coverage with the best benefits:

- Partial Theft Coverage
- Damaged vehicles to be repaired at Authorised Nominated Garage
- Water Damage Coverage
- Car Substitution Expense while your car is kept by
- The police for accident investigation



## PERSONAL ACCIDENT INSURANCE

In daily life, an accident could be just around the corner and could come at the most unexpected time. You can minimize these unforeseen events by choosing the suitable insurance coverage from our Personal Insurance products. This will ensure you and your family members, your employees, etc. to have the best protection against the unfortunate accident.

The coverage can be included all cases of injury caused by accident for:

- Death or Permanent Disablement
- Temporary Disablement
- Medical Expenses



## LIABILITY INSURANCE

Since the liability insurance has become increasingly popular with an increasing number of liability lawsuits being filed ever year, we have developed our Liability Insurance to provide important coverage that organizations need in today's challenging times. This policy shall indemnify you in respect of your legal liability to someone who suffers:

- Bodily injury
- Loss of or damage to property

We will pay the amount of any court award or reasonable negotiated "out of court" settlement plus costs and expenses arising in connection with the claim and other expenses which have been incurred.

Besides, the Company has also developed "Premise pollution liability insurance" which is to offer organizations against various premise-based risks.



## WORKERS' COMPENSATION INSURANCE

Almost every company from small size with a few loyal employees to large chains with many employees at any level, workers' compensation insurance is always necessary. This insurance does not only provide the compensation to your staff but also protect you, the employer, from the legal liability against your employee benefits. For this reason, our Workers' Compensation Insurance is designed to indemnify for death or disability arising from the bodily injury caused by accident or disease in the course of employment. In additional, we help you reduce your workers' compensation costs by providing the Safety Training for the employees and keep the indemnification costs in line with the best practices for growing your workforce.



## WELLCARE INSURANCE

*Insurance for company's employees & their family*

Wellcare is a family-friendly health insurance package specially developed by Bao Viet Tokio Marine with medical assistance offered by Wellbe - a company with many years of experience in medical support services for Japanese in Vietnam. The package offers sound protection and contributes to employees and their families' physical, emotional and financial well-being with below major benefits:

- Health counselling service provided by Wellbe from 9:30 to 17:00 weekdays
- Incentives to register for Wellbe periodic health check-up at associated private clinics
- Report on hospitalization status
- Four different flexible insurance package options



## TRADE CREDIT INSURANCE

Together with Marine Cargo Insurance, Trade Credit Insurance is the protector for manufacturing and trading companies during transactions with their customers. While Marine Cargo Insurance covers the physical loss/damages to the cargo during transit and before reaching the buyer, Trade Credit Insurance protects the sellers from non-payment exposures. This insurance works much more efficiently than traditional methods of seller-protectors such as L/C due to its simplicity and wider protection.



## SPECIALTY INSURANCE

Responding to new risk exposures in the increasingly fluctuating world of business nowadays, we also developed new insurance products to protect our clients of all sizes in various industries. For the past two years, there are several packages of specialized insurance designed to meet our clients' arising demand:

### Directors & Officers Liability

D&O insurance protects personal assets and liability of directors, officers and senior personnel against claims arising from wrongful acts or decisions made in their business capacity, including but not limited to:

- Accounting irregularities
- Mergers and acquisitions
- Insolvency-related proceedings (wrongful trading/disqualification)
- Employment-related claims
- Corporate manslaughter/breaches of health and safety legislation
- Environment liability

- Breaches of competition law

### Cyber Security Insurance

Our cyber insurance is designed to protect companies that may face different kinds of risks including but not limited to computer attacks, operational errors, network outages or data breaches...Coverage may include both third party liability such as failure to properly handle, manage, store or destroy data; transmission of a virus; defamation or first party liability such as notification costs; data breach, forensic, security and crisis management services.

### "Bankers Blanket Bond and Electronic Computer Crime" Insurance

The BBB & ECC is a protection for financial organizations against any losses incurred as a direct result of fraud, theft, forgery of employee or changes to the Computer System, electronic data, and fax machines with fraudulent purposes that result in financial loss of the Assured.



## LOAN PROTECTION

Loan Protection Insurance for Borrowers will provide insurance coverage for individual borrower who obtains loans from Financial institutions. In the event the Borrower as the Insured suffers a death, total permanent disablement due to an accident, illnesses or disease before the loan is fully paid, the company shall, on behalf of the Insured, reimburse the Financial Institution for the Outstanding loan amount.

Major insurance coverage:

- a. Death, Total Permanent Disability due to accident
- b. Death, Total Permanent disability due to Illness, Disease or Pregnancy complication
- c. Missing due to Accident

Besides, the Company will cover for additional benefits as below:

- a. Partial Permanent Disability
- b. Waiver of the waiting period for Special Diseases





## MISCELLANEOUS INSURANCE

Other than our main insurance products, many different types of insurance now are available in our Miscellaneous Insurance category which gives you an additional security to your existing insurance. Miscellaneous Insurance provides the diversified coverage such as:

- Office Multi Risk Insurance,
- Money Insurance,
- Fidelity Insurance,
- Golfer Insurance,
- etc.

## PERSONAL INSURANCE



### TRAVEL MATE INSURANCE

The product is developed to provide a comprehensive protection to our clients traveling abroad for various purposes like business, holidays, study...No matter what type of travel you may take, our travel mate insurance ensures you a safe and secured trip with a lot of benefits including wide coverage, flexible premium packages and 24hour support call center which offers clients support at any time in any case worldwide.

Our Travel Mate product offers below types of coverage:

- Personal Accident;
- Medical Expenses;
- Travel Assistance;
- Other Extensions;



### FLEXI HOME

Flexi Home Insurance provides you with protection and certainty against any eventuality in your time of need. Various perils are covered under flexi home insurance include Fire & Explosion, thunder & lightning; natural perils; overflowing of water; burglary & theft; impact damage by road vehicle and electric poles...The insured could feel at peace with home building and its contents in the basic coverage and have financial stress released in case of family personal accident or legal liability against third party with the optional coverage.



### GOLF INSURANCE

Golf Insurance offered by Tokio Marine Insurance Viet Nam would provide you a comprehensive safety solution against any accident while you are playing on golf courses across the country. A wide range of coverage include:

- Public Liability
  - Compensation in case the insured causes injury/damage to body/property of third party when playing golf
  - Litigation cost recovered by the claimant from the insured
- Damage to Golf equipment and personal effects
  - Indemnify the Insured against damaged gold equipment by any accident or misfortune at any golf course or in transit
  - Indemnify the insured against loss or damage to personal effects belonging to the Insured.
- Personal Accident
  - Compensation in case the Insured causes injury/damage to body/property of third party when playing golf
  - Medical expenses arising out of body injury due to accidents during the time playing or practicing golf
- Hole-in-one



## SERVICES

The company has a Specialized Risk Engineering Team for property risk. This team is fully backed up and supported by Risk Engineering Service of Tokio Marine Asia Pte. Ltd. Apart from risk assessment service, the team also offers Loss Control Report for the Insureds both in English or Vietnam languages. Safety Training course will be operated by Safety Engineers, who have experience safety management in various fields including hands-on experience with chemical industry, paint manufacturing, food industry, pharmaceutical, steel manufacturing, furniture manufacturing and semi-conductor & electronics industries.

### RISK SURVEY

As an added-value service, we regularly conduct risk surveys to help our customers identify risk exposures that may exist in their premises, whereby giving appropriate recommendations for the loss prevention and mitigation purpose.

### SAFETY TRAINING

The purpose of the basic safety courses is to increase safety awareness for everyone working in your factory of the various existing on-site hazards, and how to recognize and avoid them.

### LOSS PREVENTION TRAINING/SEMINARS

The purpose of Loss Prevention seminars is to enhance the awareness of property loss prevention within an organization and to provide assistance to the insured in achieving risk improvement.



# FINANCIAL HIGHLIGHTS

## 2021 RESULT

Financial results at the end of 2021 were showing solid performance with major Key Performance Indicators achieving positive growth.

Total Gross Written Premium reached **VND 842 billion** which is equivalent to **114%** of 2020 result and contributed to a sustainably upward trend over the past five years. At the same time, Profit Before Tax was recorded at good result of **VND 183.4 billion** which is equivalent to 102.7% of 2020 result and achieved **144.6%** of annual business plan. The achievement was driven by stable topline growth and well monitored business expenses, particularly the low claims ratio compared to previous year figures.

## KEY FIGURES

GWP  
(Gross Written Premium)

Unit: VND

**842  
billion**

↑↑ 114% vs 2020

UW Profit  
(Underwriting Profit)

Unit: VND

**128  
billion**

↑↑ 116% vs 2020

ROA\*  
(Return on Asset)\*

**10.7%**

\*Profit before Tax/Total Asset

94% vs 2020

ROE\*\*  
(Return on Equity)

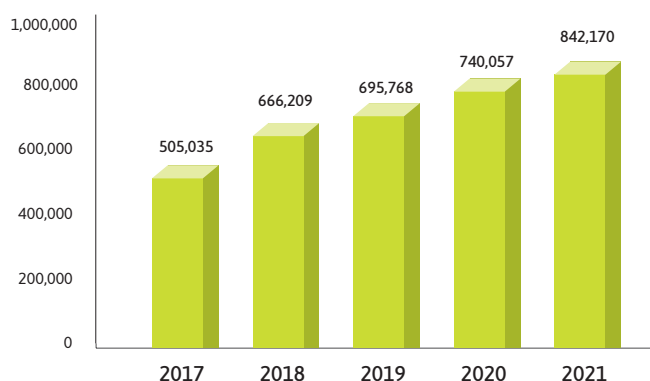
**25.1%**

\*\*Profit after Tax/Total Equity

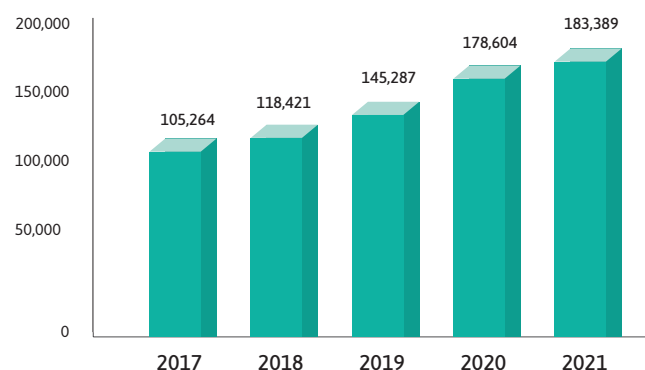
98% vs 2020

## KEY MOVEMENT

GROSS WRITTEN PREMIUM  
OVER 5 YEARS



PROFIT BEFORE TAX  
OVER 5 YEARS





# CORPORATE SOCIAL RESPONSIBILITY





In Dec. 2021, Tokio Marine Insurance Vietnam launched the “Loving Arms – Vòng tay yêu thương” campaign, delivering 250 tablets to disadvantaged students in HCMC who have been affected by the Covid-19 outbreak. The project aims to assist the community, particularly pupils from disadvantaged circumstances in Ho Chi Minh City, in overcoming the COVID-19. Tablet devices are new and good quality products of Samsung brand, which are expected to be helpful tools for students to pursue distant learning effectively.

Tokio Marine Vietnam Insurance Co., Ltd. wishes to join a hand to help reduce the pandemic impact on vulnerable groups in local community, particularly pupils who are the country’s future. Previously, TMIV also contributed to the national COVID vaccine fund, and assisted customers and partners in preventing pandemic risks through the presentation of medical masks, hand sanitizers, and digital infrared thermometers.

Throughout its 25-year development journey in Vietnam, Tokio Marine Insurance Vietnam has continuously engaged in practical social corporate responsibility projects that are aimed at supporting vulnerable groups and contributing to local community’s sustainable growth.



# TOKIO MARINE INSURANCE VIET NAM COMPANY LIMITED

## FINANCIAL STATEMENTS

General Information	19
Report of the Members' Council	21
Independent auditors' report	22
Balance sheet	24
Income statement	27
Cash flow statement	30
Notes to the financial statements	31

# GENERAL INFORMATION

## THE COMPANY

Tokio Marine Insurance Vietnam Company Limited (“The Company”) was formerly a joint-venture between Bao Viet Holdings, Commercial Union Assurance Company Plc and Tokio Marine and Fire Insurance Co., Ltd. The Company, previously known as “Baoviet Tokio Marine Insurance Company Limited”, was established under the Investment Licence No. 1639/GP issued by the Ministry of Planning and Investment on 5 August 1996. According to amended License No. 65/GPDC3/KDBH issued on 20 August 2020, the Company’s name was changed in to Tokio Marine Insurance Vietnam Company Limited. Establishment and Operation License No. 65/GP/KDBH was issued by the Ministry of Finance on 1 July 2013 and subsequently amended as follows:

Amendment license No.	Date
65/GPDC1/KDBH	08 July 2016
65/GPDC2/LDBH	19 April 2018
65/GPDC3/KDBH	20 August 2020
65/GPDC4/KDBH	11 December 2020

Main activities of the Company are to provide general insurance products, reinsurance, investing activities, auxiliary insurance services (including insurance consultancy, insurance underwriting, actuarial services, loss survey, assistance with claim settlement) and other business operations that are in line with prevailing laws and regulations.

The Company’s head office is located at Room 601, 6th Floor, The Sun Red River Building, 23 Phan Chu Trinh, Hoan Kiem District, Hanoi. The branch is located at 14th floor, Lim Tower 3, 29A Nguyen Dinh Chieu, Da Kao ward, District 1, Ho Chi Minh City.

## MEMBERS’ COUNCIL

The members of Members’ Council during the year and at the date of this report are:

Mr. Nguyen Quang Phi	Chairperson	Appointed on 15 January 2019
Mr. Shinkichi Mike Miki	Vice Chairperson	Appointed on 01 April 2019
Ms. Noriko Kojima	Member	Appointed on 01 April 2019
Ms. Tran Thi Thu Thuy	Member	Appointed on 01 January 2020
Mr. Doan Viet Trang	Member	Appointed on 01 January 2020
Mr. Hideaki Maeomote	Member	Appointed on 20 April 2017

## MANAGEMENT

The members of the Management during the year and at the date of this report are:

Mr. Hideaki Maeomote	General Director	Appointed on 20 April 2017
Ms. Duong Thi Thanh Toan	Deputy General Director	Appointed on 01 January 2019
Ms. Pham Thu Trang	Chief Accountant	Appointed on 1 January 2017
Mr. Ha Vu Hien	Deputy General Director	Resigned on 01 January 2019

## LEGAL REPRESENTATIVE

The legal representative of the Company for the year ended 31 December 2021 and at the date of this report is Mr. Hideaki Maeomote, General Director of the Company.

## AUDITORS

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



# REPORT OF THE MEMBERS' COUNCIL

Members' Council of Tokio Marine Insurance Vietnam Company Limited ("the Company") is pleased to present its report and approve the financial statements for the year ended 31 December 2021.

## MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

Management of the Company confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

## APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of the Members' Council:



Mr. Nguyễn Quang Phi  
Chairperson

Hanoi, Vietnam  
25 March 2022

# INDEPENDENT AUDITORS' REPORT

**To: The Members' Council**

**TOKIO MARINE INSURANCE VIET NAM COMPANY LIMITED**

We have audited the accompanying financial statements of Tokio Marine Insurance Vietnam Company Limited ("the Company") as prepared on 25 March 2022 and set out on pages 5 to 53 which comprise the balance sheet as at 31 December 2021, the income statement and the cash flow statement for the year then ended and the notes thereto.

## Management's responsibility

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

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2021 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of financial statements.

### **Ernst & Young Vietnam Limited**



**Trinh Hoang Anh**  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 2071-2018-004-1

Ho Chi Minh City, Vietnam  
25 March 2022

A blue ink signature is written above a horizontal line.

**Huynh Nhat Hung**  
Auditor  
Auditor Practicing Registration  
Certificate No. 5040-2019-004-1

# BALANCE SHEET

as at 31 December 2021

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,552,797,864,827</b>	<b>1,317,689,236,800</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>20,323,943,871</b>	<b>19,615,187,964</b>
111	1. Cash		20,323,943,871	19,615,187,964
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>854,806,250,000</b>	<b>807,990,000,000</b>
121	1. Trading securities		8,430,000,000	8,430,000,000
123	2. Held-to-maturity investments		846,376,250,000	799,560,000,000
<b>130</b>	<b>III. Current account receivables</b>	<b>6</b>	<b>68,643,854,673</b>	<b>79,880,667,542</b>
131	1. Short-term trade receivables		41,486,628,897	50,159,217,866
131.1	1.1. Insurance receivables		38,777,160,906	44,074,906,169
131.2	1.2. Other trade receivables		2,709,467,991	6,084,311,697
135	2. Other short-term receivables		27,936,268,036	29,905,781,066
139	3. Allowance for doubtful debts		(779,042,260)	(184,331,390)
<b>140</b>	<b>IV. Inventories</b>		<b>28,174,545</b>	<b>52,146,545</b>
141	1. Inventories		28,174,545	52,146,545
<b>150</b>	<b>V. Other short-term assets</b>		<b>23,258,089,142</b>	<b>18,934,001,024</b>
151.1	1. Prepaid expenses		21,568,924,040	18,185,830,583
151.1	1.1. Unallocated commission expense	7	18,967,333,542	16,114,108,821
151.2	1.2. Other prepaid expenses		2,601,590,498	2,071,721,762
152	2. Deductible VAT		1,689,165,102	748,170,441
<b>190</b>	<b>V. Reinsurance assets</b>	<b>16</b>	<b>585,737,552,596</b>	<b>391,217,233,725</b>
191	1. Reinsurance assets from unearned premium reserve	16.1.1	170,069,258,240	180,091,262,300
192	2. Reinsurance assets from claim reserve	16.1.2	415,668,294,356	211,125,971,425



Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>163,122,334,212</b>	<b>123,068,835,494</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>10,746,671,382</b>	<b>11,349,019,098</b>
216	1. Other long-term receivables		10,746,671,382	11,349,019,098
216.1	1.1. Statutory deposit	8	8,490,000,000	8,638,125,000
216.2	1.2. Other long-term receivables		2,256,671,382	2,710,894,098
<b>220</b>	<b>II. Fixed assets</b>		<b>2,274,103,452</b>	<b>3,317,032,264</b>
221	1. Tangible fixed assets	9	2,722,617,125	3,152,072,124
222	Cost		8,610,724,247	8,951,060,302
223	Accumulated depreciation		(5,888,107,122)	(5,798,988,178)
227	2. Intangible fixed assets	10	4,505,205,162	295,738,084
228	Cost		10,153,115,155	5,509,644,344
229	Accumulated amortisation		(5,647,909,993)	(5,213,906,260)
230	3. Work-in-process		826,387,383	-
<b>250</b>	<b>III. Long-term investments</b>	<b>5</b>	<b>137,168,613,477</b>	<b>101,977,404,776</b>
255	1. Held-to-maturity investments		137,168,613,477	101,977,404,776
<b>260</b>	<b>IV. Other non-current assets</b>		<b>7,152,839,683</b>	<b>6,294,601,412</b>
261	1. Long-term prepaid expense	11	7,152,839,683	6,294,601,412
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,715,920,199,039</b>	<b>1,440,758,072,294</b>

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>A. TOTAL LIABILITIES</b>		<b>1,132,862,584,487</b>	<b>888,897,343,602</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,125,373,309,276</b>	<b>881,408,068,391</b>
311	1. Trade payables	12	214,598,955,037	152,115,386,221
311.1	1.1. Insurance payables		198,863,749,351	142,223,350,512
311.2	1.2. Other trade payables		15,735,205,686	9,892,035,709
313	2. Tax and other statutory obligations	13	14,538,233,876	22,327,162,191
314	3. Payables to employees		22,371,879,933	21,312,369,880
318	4. Short-term deferred revenue		1,130,811,831	2,346,290,576
318.1	5. Un-earned commission revenue	14	40,585,246,452	35,778,531,358
319	6. Other short-term payables	15	289,597,387	176,439,683
322	7. Bonus and welfare funds		15,959,189,840	14,546,660,126
329	8. Technical reserves	16	815,899,394,920	632,805,228,356
329.1	8.1. Gross un-earned premium reserve	16.1.1	244,700,899,111	252,964,133,559
329.2	8.2. Gross claim reserve	16.1.2	488,248,920,988	305,520,336,901
329.3	8.3. Catastrophe reserve	16.2	82,949,574,821	74,320,757,896
<b>330</b>	<b>II. Non-current liabilities</b>		<b>7,489,275,211</b>	<b>7,489,275,211</b>
341	1. Deferred tax liability	27.3	7,489,275,211	7,489,275,211
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>583,057,614,552</b>	<b>551,860,728,692</b>
<b>410</b>	<b>I. Capital</b>	<b>17</b>	<b>583,057,614,552</b>	<b>551,860,728,692</b>
411	1. Contributed chartered capital		300,000,000,000	300,000,000,000
417	2 Foreign exchange translation reserve		31,520,800,000	31,520,800,000
419	3. Statutory reserve		30,000,000,000	30,000,000,000
421	4. Undistributed earnings		221,536,814,552	190,339,928,692
421a	4.1. Accumulated undistributed profit of previous years		82,561,134,690	55,616,436,190
421b	4.2. Undistributed profit of current year		138,975,679,862	134,723,492,502
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,715,920,199,039</b>	<b>1,440,758,072,294</b>

Ms. Pham Thu Trang  
Chief Accountant

Mr. Hideaki Maeomote  
General Director

25 March 2022

# INCOME STATEMENT

## PART I: COMPREHENSIVE INCOME STATEMENT

for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Current year	Previous year
10	1. Total operating income	414,151,957,936	381,929,266,778
12	2. Finance income	51,324,917,705	59,858,924,647
13	3. Other income	71,727,273	705,409,091
20	4. Total direct operating expenses	154,833,624,439	147,460,523,096
22	5. Finance expense	4,831,950,444	4,117,079,628
23	6. General and administrative expenses	122,462,055,159	112,025,921,312
24	7. Other expenses	32,318,866	286,367,042
50	8. Profit before corporate income tax (50 = 10 + 12 + 13 - 20 - 22 - 23 - 24)"	183,388,654,006	178,603,709,438
51	9. Current corporate income tax	37,098,464,676	36,789,506,804
52	10. Deferred income tax expense	-	-
60	11. Net profit for the year after corporate income tax (60 = 50 - 51 - 52)	146,290,189,330	141,814,202,634

## PART II: OPERATIONAL INCOME STATEMENT

for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
<b>1</b>	<b>1. Insurance revenue (01 = 01.1 + 01.2 - 01.3)</b>	<b>18</b>	<b>850,433,620,441</b>	<b>757,433,764,574</b>
	<i>In which:</i>			
1.1	Direct written premiums	18.1	752,684,431,931	683,314,582,737
1.2	Reinsurance premium assumed	18.2	89,485,954,062	56,742,472,825
1.3	Increase in un-earned premium reserve	16.1	(8,263,234,448)	(17,376,709,012)
<b>2</b>	<b>2. Reinsurance premium ceded (02 = 02.1 - 02.2)</b>	<b>19</b>	<b>564,565,159,220</b>	<b>497,352,436,813</b>
	<i>In which:</i>			
2.1	Reinsurance premium ceded	19.1	554,543,155,160	476,888,783,613
2.2	Decrease in ceded premium reserve	16.1	(10,022,004,060)	(20,463,653,200)
<b>3</b>	<b>3. Net insurance premiums (03 = 01 - 02)</b>		<b>285,868,461,221</b>	<b>260,081,327,761</b>
<b>4</b>	<b>4. Commission on reinsurance ceded and other insurance income (04 = 04.1 + 04.2)</b>	<b>20</b>	<b>128,283,496,715</b>	<b>121,847,939,017</b>
	<i>In which:</i>			
4.1	Commission on reinsurance ceded	20.1	116,411,844,115	107,210,049,137
4.2	Other income from insurance activities	20.2	11,871,652,600	14,637,889,880
<b>10</b>	<b>5. Total net revenue from insurance busi- ness (10 = 03 + 04)</b>		<b>414,151,957,936</b>	<b>381,929,266,778</b>
<b>11</b>	<b>6. Claim expenses (11 = 11.1 - 11.2)</b>		<b>227,890,508,850</b>	<b>197,216,210,942</b>
	<i>In which:</i>			
11.1	Claim expenses		234,419,920,193	225,599,135,252
11.2	Claim expense reductions		6,529,411,343	28,382,924,310
12	7. Recoveries from reinsurance ceded	21.3	131,494,667,644	116,832,181,373
13	8. (Decrease)/increase in direct and as- sumed claim reserve	16.1	182,728,584,087	(165,919,512,896)
<b>14</b>	<b>9. (Decrease)/increase in ceded claim reserve</b>	<b>16.1</b>	<b>204,542,322,931</b>	<b>(162,501,712,395)</b>
<b>15</b>	<b>10. Net claim expenses (15 = 11 - 12 + 13 - 14)</b>	<b>21</b>	<b>74,582,102,362</b>	<b>76,966,229,068</b>



## PART II: OPERATIONAL INCOME STATEMENT (continued)

for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
16	11. Increase in catastrophe reserve	16.2	8,628,816,925	7,895,048,158
17	12. Other operating expenses (17 = 17.1 + 17.2)		71,622,705,152	62,599,245,870
	In which:			
17.1	Commission expense	7	60,944,440,733	51,544,370,292
17.2	Other underwriting expenses	22	10,678,264,419	11,054,875,578
18	13. Total direct operating expenses (18 = 15 + 16 + 17)		154,833,624,439	147,460,523,096
19	14. Gross insurance operating profit (19 = 10 - 18)		259,318,333,497	234,468,743,682
23	15. Finance income	23	51,324,917,705	59,858,924,647
24	16. Finance expense	24	4,831,950,444	4,117,079,628
25	17. Profit from financial activities (25 = 23 - 24)		46,492,967,261	55,741,845,019
26	18. General and administrative expenses	25	122,462,055,159	112,025,921,312
30	19. Net operating income (30 = 19 + 25 - 26)		183,349,245,599	178,184,667,389
31	20. Other income	26	71,727,273	705,409,091
32	21. Other expenses	26	32,318,866	286,367,042
40	22. Net other (loss)/profit (40 = 31 - 32)		39,408,407	419,042,049
50	23. Profit before corporate income tax (50 = 30 + 40)		183,388,654,006	178,603,709,438
51	24. Current corporate income tax	27	37,098,464,676	36,789,506,804
52	25. Deferred income tax expense	27	-	-
60	26. Net profit for the year after corporate income tax (60 = 50 - 51 - 52)		146,290,189,330	93,772,017,346



Ms. Pham Thu Trang  
Chief Accountant



Mr. Hideaki Maeomote  
General Director

25 March 2022

TOKIO MARINE INSURANCE VIETNAM 29

# CASH FLOW STATEMENT

for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
1	Receipt from sale of goods and rendering of services		823,642,554,898	772,894,445,819
2	Payments to suppliers		(685,648,802,903)	(603,222,231,587)
3	Payment to employees		(81,652,343,312)	(70,593,980,206)
5	Payment of corporate income tax	13	(45,929,506,804)	(28,292,766,048)
6	Receipts from other operating activities		208,814,659,101	133,290,165,528
7	Payment of other operating activities		(76,045,093,135)	(75,914,515,812)
<b>20</b>	<b>Net cash inflows from operating activities</b>		<b>143,181,467,845</b>	<b>128,161,117,694</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	Payment to purchase fixed assets and constructions		(1,723,085,883)	(2,803,079,200)
22	Receipts on disposals of fixed assets		89,309,272	775,900,000
23	Disbursement for loans and purchase of investment securities		(845,662,261,688)	(851,231,175,250)
24	Receipts from loans and sale of investment securities		767,773,050,959	764,068,069,726
27	Receipts from investment interest and dividends		44,625,776,169	46,811,955,550
<b>30</b>	<b>Net cash flow used in investing activities</b>		<b>(34,897,211,171)</b>	<b>(42,378,329,174)</b>
<b>III. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>				
36	Distributed profit paid		(107,547,599,168)	(77,636,683,513)
<b>40</b>	<b>Net cash flow used in financial activities</b>		<b>(107,547,599,168)</b>	<b>(77,636,683,513)</b>
<b>50</b>	<b>Net change in cash and cash equivalents</b>		<b>736,657,506</b>	<b>8,146,105,007</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>4</b>	<b>19,615,187,964</b>	<b>11,467,300,809</b>
<b>61</b>	<b>Impact of exchange rate fluctuation</b>		<b>(27,901,599)</b>	<b>1,782,148</b>
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>20,323,943,871</b>	<b>19,615,187,964</b>



Ms. Pham Thu Trang  
Chief Accountant



Mr. Hideaki Maeomote  
General Director

25 March 2022

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2021 and for the year then ended

## 1. CORPORATE INFORMATION

Tokio Marine Insurance Vietnam Company Limited (“The Company”) was formerly a joint-venture between Bao Viet Holdings, Commercial Union Assurance Company Plc and Tokio Marine and Fire Insurance Co., Ltd. The Company, previously known as “Baoviet Tokio Marine Insurance Company Limited”, was established under the Investment Licence No. 1639/GP issued by the Ministry of Planning and Investment on 5 August 1996. According to amended License No. 65/GPDC3/KDBH issued on 20 August 2020, the Company’s name was changed in to Tokio Marine Insurance Vietnam Company Limited. Establishment and Operation License No. 65/GP/KDBH was issued by the Ministry of Finance on 1 July 2013 and subsequently amended as follows:

Amendment license No.	Date
65/GPDC1/KDBH	08 July 2016
65/GPDC2/LDBH	19 April 2018
65/GPDC3/KDBH	20 August 2020
65/GPDC4/KDBH	11 December 2020

Main activities of the Company are to provide general insurance products, reinsurance, investing activities, auxiliary insurance services (including insurance consultancy, insurance underwriting, actuarial services, loss survey, assistance with claim settlement) and other business operations that are in line with prevailing laws and regulations.

The Company’s Head office is located at Room 601, 6th Floor, The Sun Red River Building, 23 Phan Chu Trinh, Hoan Kiem District, Hanoi. The branch is located at 14th floor, Lim Tower 3, 29A Nguyen Dinh Chieu, Da Kao ward, District 1, Ho Chi Minh City.

The charter capital of the Company as at 31 December 2021 is VND 300,000,000,000.

Total number of employees of the Company as at 31 December 2021 is 146 people (as at 31 December 2020: 143 people).

## 2. BASIS OF PREPARATION

### 2.1 Accounting standard and system

The financial statements of the Company, which are expressed in Vietnam 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 accounting guidance for non-life insurance, reinsurance and branch of foreign non-life insurance companies, Vietnamese Enterprise Accounting System, and Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese 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);

## 2. BASIS OF PREPARATION

### 2.1 Accounting standard and system

- Decision No. 234/2003/QD-BTC dated 30 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 balance sheet, income statement, cash flow statement and related notes, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 Registered accounting documentation system

Company's applied accounting documentation system is the journal ledger system.

### 2.3 Fiscal year

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

### 2.4 Accounting currency

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

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

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in preparation of the financial statement are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2020.

### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with an original maturity of three months or less which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### 3.2 Receivables

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

The provision for doubtful debts represents amounts of outstanding receivables at the 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 income statement.

For overdue receivables, the Company adopts the provision policy as promulgated by the Ministry of Finance in Circular No. 48/2019/TT-BTC dated 08 August 2019 (Circular 48). Details on the basis of provision are as follows:

Overdue receivables	Allowance rate
Over six (6) months to less than one (1) year	30%
From one (1) to less than two (2) years	50%
From two (2) to less than three (3) years	70%
From three (3) years	100%

### 3.3 Tangible fixed assets

For overdue receivables, the Company adopts the provision policy as promulgated by the Ministry of Finance in Circular No. 48/2019/TT-BTC dated 08 August 2019 (Circular 48). Details on the basis of provision are as follows:

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 income statement.

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



### 3.4 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 bringing the intangible fixed asset to working condition for its intended use.

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

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

### 3.5 Depreciation and amortisation

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

Office equipment	3 - 7 years
Motor vehicles	6 - 10 years
Software	3 - 5 years

### 3.6 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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.

### 3.7 Financial 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 financial 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 income statement.*

### 3.8 Payables and accruals

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

### 3.9 Severance allowance

#### 3.9.1 Post-employment benefits

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

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

#### 3.9.2 Unemployment benefits

According to Article 57, Law on Employment No.38/2013/QH13 effective from 1 January 2015 and Decree No.28/2015/ND-CP dated 12 March 2015 of the Government detailing the implementation of a number of articles on unemployment insurance of the Law on Employment, the Company is obliged to contribute to unemployment insurance at the rate of 1% of the salary and wage fund paid for unemployment insurance premiums of the participants and deduct 1% of each employee's monthly salary and wages to contribute to the unemployment insurance fund. According to Decision No. 28/2021/QĐ-TTg, from October 1, 2021, the Company is entitled to reduce the unemployment insurance contribution rate from 1% to 0% within 12 months.

### 3.10 Technical reserves

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

The reserving methodologies are based on Circular No. 50/2017/TT-BTC dated 01 July 2017 issued by the Ministry of Finance ("Circular No. 50") as follows:

a) Technical reserves for non-life insurance

(i) Unearned premium reserve

The Company applied the daily basis to calculate unearned premium reserve for all types of insurance. The formula is as follow:

$$\text{Unearned premium reserve} = \frac{\text{Retained premiums} \times \text{Remaining days of insurance policy}}{\text{Number of coverage days}}$$

(ii) Claim reserves

Claim reserves include the reserve for outstanding claims and for claims incurred but not reported (“IBNR”).

- Outstanding claim reserve: to be set aside for each line of insurance according to estimates of indemnities for single covered loss have been reported or claimed but not yet resolved at the end of the fiscal year in accordance to Circular No. 50.
- Reserve for incurred but not reported claims for which the insurer is liable (“IBNR reserve”): is established based on the formula in Circular No. 50 as follows:

$$\begin{array}{l} \text{Reserve for} \\ \text{payment of} \\ \text{losses which have} \\ \text{incurred but not} \\ \text{yet reported for} \\ \text{the current fiscal} \\ \text{year} \end{array} = \frac{\text{Total indemnity} \\ \text{for claims incurred} \\ \text{but not reported} \\ \text{as at the end of} \\ \text{last 3 consecutive} \\ \text{fiscal years}}{\text{Total indemnity} \\ \text{for losses arising} \\ \text{in the last 3} \\ \text{consecutive fiscal} \\ \text{years}} \times \text{Indemnity for} \\ \text{losses arising in} \\ \text{the current fiscal} \\ \text{year}} \times \frac{\text{Net operating} \\ \text{revenue of current} \\ \text{fiscal year}}{\text{Net operating} \\ \text{revenue of the} \\ \text{previous fiscal} \\ \text{year}} \times \frac{\text{Average delay in} \\ \text{reporting claims} \\ \text{of current fiscal} \\ \text{year}}{\text{Average delay in} \\ \text{reporting claims} \\ \text{of previous fiscal} \\ \text{year}}$$

(iii) Catastrophe reserve

Catastrophe reserve is set aside annually for catastrophe in loss. In 2021, the catastrophe reserve ratio was 3% of net written premium. The balance of catastrophe reserve fund does not exceed 100% of net written premium (not including net premium of health and personal accident insurance) of the current fiscal year.

On 28 December 2005, the Ministry of Finance issued Decision 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard (“VAS”) 19 - Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents “possible claims under contracts that are not in existence at the reporting date”. However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 1 July 2016 regarding financial regulations for insurance enterprises. The company still allocates catastrophe reserve on the financial statements for the financial year ended at 31 December 2021.

b) Technical reserve of health insurance

(i) Mathematical reserve

Mathematical reserve applies for insurance policies and reinsurance policies with a term of more than a year. Mathematical reserve is set aside as follows:

$$\text{Mathematical reserve} = \frac{\text{Retained premiums} \times \text{Remaining days of insurance policy}}{\text{Number of coverage days}}$$

As the period of all health insurance policies issued by the Company is maximum 1 year so the Company do not apply mathematical reserves.

(ii).Unearned premiums reserve

Regarding insurance policies with a term of less than or equal to 1 year. Unearned premiums reserve is set aside as follows:

$$\text{Unearned premium reserve} = \frac{\text{Retained premiums} \times \text{Remaining days of insurance policy}}{\text{Number of coverage days}}$$

(ii) Claim reserves

- Outstanding claim reserve: to be set aside according to estimates of indemnities for single covered loss have been reported or claimed but not yet resolved at the end of the fiscal year; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established based on the formula in Circular No. 50 as follows

$$\begin{array}{l} \text{Reserve for payment of losses which have incurred but not yet reported for the current fiscal year} \\ = \end{array} \frac{\begin{array}{l} \text{Total indemnity for claims incurred but not reported as at the end of last 3 consecutive fiscal years} \end{array}}{\begin{array}{l} \text{Total indemnity for losses arising in the last 3 consecutive fiscal years} \end{array}} \times \begin{array}{l} \text{Indemnity for losses arising in the current fiscal year} \end{array} \times \frac{\begin{array}{l} \text{Net operating revenue of current fiscal year} \end{array}}{\begin{array}{l} \text{Net operating revenue of the previous fiscal year} \end{array}} \times \frac{\begin{array}{l} \text{Average delay in reporting claims of current fiscal year} \end{array}}{\begin{array}{l} \text{Average delay in reporting claims of previous fiscal year} \end{array}}$$

(iv) Equalization reserve

Equalization reserve for health insurance is established at 3% of net premium and recognised in the catastrophe reserve account on balance sheet.

### 3.11 Foreign currency transactions

The Company follows the guidance under Vietnamese Accounting Standard No. 10 “The Effects of Changes in Exchange Rates” (the “VAS 10”) and Circular 200.

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

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

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

- deposit assets are translated at buying exchange rate of the commercial bank where the Company deposits;
- monetary assets are translated at average buying exchange rate of the commercial banks where the Company conducts transactions regularly;
- monetary liabilities are translated at average selling exchange rate of the commercial banks where the Company conducts transactions regularly.

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

### 3.12 Appropriation of net profit after tax

Based on the approval of the appropriate level of authority/Members' Council, net profit after tax shall be considered as profit distributed to investors/shareholders. Distributed profit shall be paid after consideration of any deduction of profit not for distribution and after making funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

- The Company Statutory reserve is set in order to supplement the Company's charter capital and ensure its solvency. This fund shall deduct 5% of the Company's annual profit after tax until it equals to 10% of the Company's charter capital based on Decree 73.
- Every year, the Company establishes Bonus and welfare fund. This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.

### 3.13 Revenue recognition

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

#### (i) Gross written premium

Gross written premiums are recognized in accordance with Circular No. 50 on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches.

Gross written premium is recognized as revenue at the point of time when the insurance liability is incurred, specific as follow:

(1) the insurance contract has been entered into by the insurer and the insured has paid full premium;

(2) there's evidence about coverage acceptance and the insured has paid full premium;

(3) the insurance contract has been entered into by the insurer and the insured and there is agreement between the Company and the insured for term payment of insurance premium, which in such case the insurer still should recognize as revenue the premium payables according to agreement in the insurance contract. According to Circular 50, the credit term shall not exceed 30 days from policy inception date. For installment contracts, general insurers are required to record revenue from insurance premium of the first installment on the insurance contract's effective date and record revenue from premium of the remaining installments only when the policyholder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment, insurance contract shall automatically terminate after contractual premium payment date.



Advance premium from the insured is recorded as “Short-term unearned revenue” in the balance sheet.

Premium return and premium reduction are considered as revenue deduction and must be booked separately. At year 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 recognised when the Company’s entitlement as an investor to receive the dividend in cash is established.

(iv) Other income

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

### 3.14 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 Company is certain that the loss is within its insured liabilities and has paid an advance to the customer as per their request, such advance would also be recognized as claim expenses. Any claim that is not yet approved by authorized persons is considered an outstanding claim and included in claims reserve.

(ii) Commission expense

Commission is calculated for all products with specific percentages for each type of products, and in accordance with Circular No.50. Commission expenses are calculated as the percentages of premium revenue and are recognized in the income statement. Commission expense which incurred, however, was not accounted in income statement shall be recorded in “short-term prepaid expense”.

(iii) General & administration expense

Other administration expense is recognized on accrual basis.

(iv) Operating lease

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

(iv) Other expenses

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

### 3.15 Recognition of reinsurance activities

#### (i) Reinsurance ceded

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

Reinsurance premiums ceded under facultative reinsurance agreement is recognized when the facultative reinsurance agreement has been entered into by the Company 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 accounting period, the part of reinsurance commission which is not included in income and expense of period corresponding to unearned premium of reinsurance ceded shall be determined and allocated in the subsequent periods based on registered method for unearned premium reserve.

#### (ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

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

Reinsurance assumed under facultative arrangement:

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

### 3.16 Taxation

#### Current income tax

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

Current income tax is charged or credited to the 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 Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

#### Deferred tax

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

Deferred tax liabilities are recognized 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.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit (or loss).

The carrying amount of deferred income tax assets is reviewed at each 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 asset to be recovered. Previously unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to 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 Company intends either settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.17 Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income and expenses and the resultant

provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

### 3.18 Related parties

Parties are considered to be related parties of the Company 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 Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

## 4. CASH AND CASH EQUIVALENTS

Currency: VND

	Ending balance	Beginning balance
<b>Cash</b>		
Cash on hand (VND)	62,031,779	47,569,079
Cash at bank	20,261,912,092	19,567,618,885
<i>In which:</i>		
VND	19,096,054,432	18,313,342,999
Foreign currency	1,165,857,660	1,254,275,886
<b>TOTAL</b>	<b>20,323,943,871</b>	<b>19,615,187,964</b>

## 5. FINANCIAL INVESTMENTS

		Ending balance	Beginning balance
<b>Trading securities</b>			
Listed shares	(i)	3,430,000,000	3,430,000,000
Fund certificates	(ii)	5,000,000,000	5,000,000,000
		<b>8,430,000,000</b>	<b>8,430,000,000</b>
<b>Held-to-maturity investments</b>			
Short-term		846,376,250,000	799,560,000,000
- Term deposits in VND	(iii)	772,780,000,000	724,810,000,000
- Term deposits in UD	(iii)	73,596,250,000	74,750,000,000
Long-term		137,168,613,477	101,977,404,776
- Term deposits		35,770,000,000	-
- Bonds	(iv)	101,398,613,477	101,977,404,776
		<b>983,544,863,477</b>	<b>901,537,404,776</b>
<b>Net value of investments</b>		<b>991,974,863,477</b>	<b>909,967,404,776</b>

(i) Including 769,177 VNR shares. (31 December 2020: 668,850 VNR shares)

(ii) Including 492,810 Bao Viet Bond Fund certificates.

(iii) Term deposits in VND have original terms of more than three (3) months and interest rate from 3.20% to 4.90%/year.  
Term deposits in USD with original terms less than a year and interest rate 0.00%/year.

(iv) Including government bonds code TD1424092, which have a term of 10 years, par value of VND 100,000,000,000 and interest of 8.70%/year.



## 6. CURRENT ACCOUNT RECEIVABLES

Currency: VND

	Ending balance	Beginning balance
<b>Insurance receivables</b>		
Gross written premium receivables	15,307,113,947	20,038,104,506
- Premium receivable from the Insured	8,595,151,848	10,485,280,434
- Premium receivable from brokers	6,588,610,769	9,412,525,225
- Premium receivable from agents	123,351,330	140,298,847
Reinsurance assumed receivables	7,795,039,235	1,535,062,109
Reinsurance ceded receivables	10,841,999,131	20,326,543,355
Receivables from co-insurers	4,833,008,593	2,175,196,199
- Claims recoveries from co-insurers	808,171,821	1,096,359,396
- Other receivables from co-insurers	4,024,836,772	1,078,836,803
	<b>38,777,160,906</b>	<b>44,074,906,169</b>
<b>Other trade receivables</b>		
Receivables from claim handling services	2,395,968,906	5,527,297,167
Other trade receivables	313,499,085	557,014,530
	<b>2,709,467,991</b>	<b>6,084,311,697</b>
<b>Other short-term receivables</b>		
Bank deposit interest receivables	19,863,225,215	21,952,881,463
Bond coupon receivables	5,124,657,534	5,124,657,534
Deposit for third party claim handling service	1,950,000,000	1,650,000,000
Advances, other short-term deposits	460,580,587	507,211,756
Other receivables	537,804,700	671,030,313
	<b>27,936,268,036</b>	<b>29,905,781,066</b>
<b>Total receivables</b>	<b>69,422,896,933</b>	<b>80,064,998,932</b>
Allowance for doubtful debts	(779,042,260)	(184,331,390)
<b>Net current account receivables</b>	<b>68,643,854,673</b>	<b>79,880,667,542</b>

## 7. UNALLOCATED COMMISSION EXPENSE

Unallocated commission expenses were the part of commission expenses which were not included in expenses of the year corresponding with direct and reinsurance unearned premium and will be allocated in subsequent years in accordance with Circular 232.

Currency: VND

	Current year	Previous year
<b>Opening balance</b>	<b>16,114,108,821</b>	<b>14,805,458,353</b>
Paid commission during the year	63,797,665,454	52,853,020,760
Allocated commission during the year	(60,944,440,733)	(51,544,370,292)
<b>Closing balance</b>	<b>18,967,333,542</b>	<b>16,114,108,821</b>

## 8. COMPULSORY DEPOSITS

Compulsory deposit is denominated in USD. Under the prevailing regulation, the Company has to maintain statutory insurance deposit equivalent to 2% of its legal capital.

## 9. TANGIBLE FIXED ASSETS

Currency: VND

	Motor vehicles	Office equipment	Total
<b>Cost:</b>			
Beginning balance	3,699,956,364	5,251,103,938	8,951,060,302
Additions during the year	-	683,160,000	683,160,000
Decrease during the year	-	(1,023,496,055)	(1,023,496,055)
Ending balance	3,699,956,364	4,910,767,883	8,610,724,247
<b>Accumulated depreciation:</b>			
Beginning balance	(1,742,564,811)	(4,056,423,367)	(5,798,988,178)
Charge for the year	(609,986,030)	(490,451,992)	(1,100,438,022)
Decrease during the year	-	1,011,319,078	1,011,319,078
Ending balance	(2,352,550,841)	(3,535,556,281)	(5,888,107,122)
<b>Net book value:</b>			
Beginning balance	1,957,391,553	1,194,680,571	3,152,072,124
Ending balance	1,347,405,523	1,375,211,602	2,722,617,125

## 10. INTANGIBLE FIXED ASSETS

Currency: VND

	Software	Total
<b>Cost:</b>		
Beginning balance	5,509,644,344	5,509,644,344
Additions during the year	4,643,470,811	4,643,470,811
Ending balance	10,153,115,155	10,153,115,155
<b>Accumulated depreciation:</b>		
Beginning balance	(5,213,906,260)	(5,213,906,260)
Charge for the year	(434,003,733)	(434,003,733)
Ending balance	(5,647,909,993)	(5,647,909,993)
<b>Net book value:</b>		
Beginning balance	295,738,084	295,738,084
Ending balance	4,505,205,162	4,505,205,162

## 11. LONG-TERM PREPAID EXPENSE

Currency: VND

	Ending balance	Beginning balance
Tools and equipment	1,393,747,715	1,637,039,915
Office renovations	2,458,326,832	807,965,700
Others	3,300,765,136	3,849,595,797
<b>TOTAL</b>	<b>7,152,839,683</b>	<b>6,294,601,412</b>

## 12. TRADE PAYABLES

Currency: VND

	Ending balance	Beginning balance
<b>Insurance payables</b>		
Payables for ceded activities	181,675,769,422	131,668,627,110
Payables to co-insurers	6,421,982,113	3,466,405,672
Commission payables	7,606,369,514	4,730,534,541
Other payables from insurance business	3,159,628,302	2,357,783,189
	<b>198,863,749,351</b>	<b>142,223,350,512</b>
<b>Other trade payables</b>		
Assessment fee for Financial Risk and Credit Policies	4,141,088,008	2,266,586,998
IT Advisory fee & other service related IT	7,045,578,666	1,827,468,043
Compulsory fire and explosion fund and compulsory TPL fund	2,262,237,236	2,161,068,731
Survey fee payable	416,620,500	84,697,500
Other trade payables	1,869,681,276	3,552,214,437
	<b>15,735,205,686</b>	<b>9,892,035,709</b>
<b>TOTAL</b>	<b>214,598,955,037</b>	<b>152,115,386,221</b>

## 13. TAXES AND OTHER STATUTORY OBLIGATIONS

Currency: VND

	Beginning balance	Movement during the year		Ending balance
		Payables	Paid	
Value added tax	3,226,794,488	41,201,506,974	(40,615,621,484)	3,812,679,978
Corporate income tax	15,889,506,826	37,098,464,676	(45,929,506,804)	7,058,464,698
Personal income tax	(605,284,883)	7,435,585,122	(7,071,825,714)	(241,525,475)
Foreign contractor tax	3,816,145,760	751,728,437	(659,259,522)	3,908,614,675
<b>TOTAL</b>	<b>22,327,162,191</b>	<b>86,487,285,209</b>	<b>(94,276,213,524)</b>	<b>14,538,233,876</b>

## 14. UNEARNED COMMISSION REVENUE

Unearned commission revenue was the part of commission which was not included in revenue of the year corresponding with reinsurance ceded unearned premium and will be allocated in subsequent year in accordance with Circular 232.

Currency: VND

	Current year	Previous year
<b>Opening balance</b>	<b>35,778,531,358</b>	<b>34,315,081,082</b>
Increased during the year	121,218,559,209	108,673,499,413
Allocated during the year	(116,411,844,115)	(107,210,049,137)
<b>Closing balance</b>	<b>40,585,246,452</b>	<b>35,778,531,358</b>

## 15. OTHER SHORT – TERM PAYABLES

Currency: VND

	Ending balance	Beginning balance
Other payables	289,597,387	176,439,683
	<b>289,597,387</b>	<b>176,439,683</b>



## 16. TECHNICAL RESERVES

### 16.1 Unearned premium reserve and claim reserve

Currency: VND

	Reserve for direct insurance and inward reinsurance	Reserve for outward reinsurance	Net reserve
<b>Beginning balance</b>			
Unearned premium reserve	252,964,133,559	(180,091,262,300)	72,872,871,259
<b>Claim reserves</b>	<b>305,520,336,901</b>	<b>(211,125,971,425)</b>	<b>94,394,365,476</b>
Outstanding claim reserve	290,833,704,886	(211,125,971,425)	79,707,733,461
Incurred but not reported claim reserve	14,686,632,015	-	14,686,632,015
<b>Total</b>	<b>558,484,470,460</b>	<b>(391,217,233,725)</b>	<b>167,267,236,735</b>
<b>Ending balance</b>			
Unearned premium reserve	244,700,899,111	(170,069,258,240)	74,631,640,871
<b>Claim reserves</b>	<b>488,248,920,988</b>	<b>(415,668,294,356)</b>	<b>72,580,626,632</b>
Outstanding claim reserve	471,357,883,546	(415,668,294,356)	55,689,589,190
Incurred but not reported claim reserve	16,891,037,442	-	16,891,037,442
<b>Total</b>	<b>732,949,820,099</b>	<b>(585,737,552,596)</b>	<b>147,212,267,503</b>

#### 16.1.1 Unearned premium reserve

##### Unearned Gross and Assumed Premium Reserves

Currency: VND

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	27,289,768,265	24,867,029,669
Property and Damages Insurance	131,712,677,115	154,807,728,206
Cargo Insurance	9,320,186,436	8,929,701,179
Automobile Insurance	7,524,742,969	8,224,303,050
Fire Insurance	399,051,043	266,385,634
Marine Hull and P&I Insurance	457,514,201	460,369,248
Liability Insurance	29,869,626,050	29,619,557,501
Business Risk Insurance	7,400,990,972	6,555,111,255
Financial Risk and Credit Insurance	30,726,342,060	19,233,947,817
<b>TOTAL</b>	<b>244,700,899,111</b>	<b>252,964,133,559</b>

Unearned ceded premium reserve (Reinsurance assets)

Currency: VND

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	1,102,827,608	921,765,673
Property and Damages Insurance	117,974,693,446	141,966,275,559
Cargo Insurance	3,368,862,085	1,966,746,049
Automobile Insurance	96,676,715	134,525,095
Fire Insurance	159,596,128	179,491,248
Marine Hull and P&I Insurance	451,826,199	454,645,622
Liability Insurance	11,430,413,458	10,720,682,117
Business Risk Insurance	7,197,110,611	6,370,310,554
Financial Risk and Credit Insurance	28,287,251,990	17,376,820,383
<b>TOTAL</b>	<b>170,069,258,240</b>	<b>180,091,262,300</b>

**16.1.2 Claim reserve**

Direct and Reinsurance assumed claim reserve

Currency: VND

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	12,366,234,590	12,151,836,033
Property and Damages Insurance	340,691,366,640	139,349,764,280
Cargo Insurance	39,334,383,280	35,331,088,520
Automobile Insurance	16,351,324,293	8,932,750,049
Fire Insurance	30,000,000	-
Marine Hull and P&I Insurance	190,182,444	30,000,000
Liability Insurance	13,205,232,065	13,291,708,043
Business Risk Insurance	11,644,372,237	1,602,300,835
Financial Risk and Credit Insurance	54,435,825,439	94,830,889,141
<b>TOTAL</b>	<b>488,248,920,988</b>	<b>305,520,336,901</b>

Reinsurance ceded claim reserve (Reinsurance assets)

Currency: VND

Product	Ending balance	Beginning balance
Property and Damages Insurance	330,978,872,815	112,357,552,630
Cargo Insurance	20,452,359,223	12,510,396,928
Marine Hull and P&I Insurance	187,012,673	29,499,990
Liability Insurance	5,856,832,375	3,210,350,537
Business Risk Insurance	11,579,503,509	1,586,453,400
Financial Risk and Credit Insurance	46,613,713,761	81,431,717,940
<b>TOTAL</b>	<b>415,668,294,356</b>	<b>211,125,971,425</b>

## 16.2 Catastrophe reserve

Currency: VND

<b>Product</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Health and Personal Accident Insurance	16,172,791,609	13,811,019,909
Property and Damages Insurance	9,546,302,714	8,566,596,841
Cargo Insurance	29,554,255,649	27,086,213,443
Automobile Insurance	12,943,794,470	12,074,488,386
Fire Insurance	289,548,649	249,972,418
Marine Hull and P&I Insurance	113,668,750	112,444,156
Liability Insurance	12,896,882,955	11,325,906,550
Business Risk Insurance	170,176,451	156,912,873
Financial Risk and Credit Insurance	1,262,153,574	937,203,320
<b>TOTAL</b>	<b>82,949,574,821</b>	<b>74,320,757,896</b>

Catastrophe reserve is accrued annually and calculated at 3% of net written premiums. Details are as follows:

Currency: VND

	<b>Ending balance</b>	<b>Beginning balance</b>
<b>Opening balance</b>	<b>74,320,757,896</b>	<b>66,425,709,738</b>
Increased during the year	8,628,816,925	7,895,048,158
Closing balance	82,949,574,821	74,320,757,896

## 17. OWNERS' EQUITY

### 17.1 Increase and decrease in owners' equity

Currency: VND

	Contributed chartered capital	Statutory reserve fund	Undistributed after-tax profits	Foreign exchange translation reserve (*)	Total
<b>Previous year</b>					
Beginning balance	300,000,000,000	30,000,000,000	133,369,281,607	31,520,800,000	494,890,081,607
Profit declared	-	-	(77,752,845,417)	-	(77,752,845,417)
Profit for the year	-	-	141,814,202,634	-	141,814,202,634
Appropriation of profit to bonus and welfare fund	-	-	(7,090,710,132)	-	(7,090,710,132)
<b>Ending balance</b>	<b>300,000,000,000</b>	<b>30,000,000,000</b>	<b>190,339,928,692</b>	<b>31,520,800,000</b>	<b>551,860,728,692</b>
<b>Current year</b>					
Beginning balance	300,000,000,000	30,000,000,000	190,339,928,692	31,520,800,000	551,860,728,692
Profit declared (**)	-	-	(107,778,794,002)	-	(107,778,794,002)
Profit for the year	-	-	146,290,189,330	-	146,290,189,330
Appropriation of profit to bonus and welfare fund	-	-	(7,314,509,468)	-	(7,314,509,468)
<b>Ending balance</b>	<b>300,000,000,000</b>	<b>30,000,000,000</b>	<b>221,536,814,552</b>	<b>31,520,800,000</b>	<b>583,057,614,552</b>

(\*) The balance of foreign exchange translation reserve of VND 31,520,800,000 as at 31 December 2021 represents the foreign exchange difference resulted from the conversion of accounting currency from USD to VND in 2008.

(\*\*) According to Resolution No. 08/2021/NQ-HĐTV on profit distribution for 2020, approved by Members' Council on 25 March 2021.

(\*\*\*) The Company allocated 5% profit after tax to bonus, welfare fund in accordance with the Company's charter dated 13 October 2017.

## 17.2 Contributed charter capital

Currency: VND

	Charter capital amount	Percentage of ownership %"	Contributed charter capital	Uncontributed charter capital
<b>Foreign party:</b>				
Tokio Marine Asia Pte. Ltd	153,000,000,000	51%	153,000,000,000	-
<b>Vietnamese party:</b>				
Bao Viet Holdings	147,000,000,000	49%	147,000,000,000	-
	<b>300,000,000,000</b>	<b>100%</b>	<b>300,000,000,000</b>	-

## 17.3 Capital transactions with owners and distributions of profit

Currency: VND

	Ending balance	Beginning balance
<b>Contributed capital</b>		
Beginning balance	300,000,000,000	300,000,000,000
Ending balance	300,000,000,000	300,000,000,000
<b>Profit declared</b>	<b>107,778,794,002</b>	<b>77,752,845,417</b>

## 18. REVENUE

Currency: VND

	Current year	Previous year
Gross written premiums	761,697,106,785	689,642,383,633
Deductions	(9,012,674,854)	(6,327,800,896)
<b>Net direct premium</b>	<b>752,684,431,931</b>	<b>683,314,582,737</b>
Reinsurance assumed premiums	89,993,645,359	58,308,995,843
Deductions	(507,691,297)	(1,566,523,018)
<b>Net assumed premium</b>	<b>89,485,954,062</b>	<b>56,742,472,825</b>
Decrease in un-earned premium reserve	8,263,234,448	17,376,709,012
	<b>850,433,620,441</b>	<b>757,433,764,574</b>

## 18.1 Gross written premiums

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	81,105,853,282	73,082,323,040
Property and Damages Insurance	316,626,512,415	309,581,966,535
Cargo Insurance	106,570,526,336	94,126,269,823
Automobile Insurance	25,014,877,507	24,975,230,236
Fire Insurance	127,512,566	142,266,036
Marine Hull and P&I Insurance	3,283,337,204	3,134,383,780
Liability Insurance	80,804,490,137	75,975,154,058
Business Risk Insurance	15,253,259,995	11,468,736,717
Financial Risk and Credit Insurance	123,898,062,489	90,828,252,512
<b>TOTAL</b>	<b>752,684,431,931</b>	<b>683,314,582,737</b>

## 18.2 Reinsurance assumed premiums

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	265,272,579	-
Property and Damages Insurance	71,156,117,923	49,347,498,248
Cargo Insurance	2,207,222,118	1,574,507,799
Automobile Insurance	4,157,323,995	-
Fire Insurance	1,688,487,577	355,430,565
Liability Insurance	7,909,635,819	3,349,746,835
Business Risk Insurance	1,056,963,037	949,948,476
Financial Risk and Credit Insurance	1,044,931,014	1,165,340,902
<b>TOTAL</b>	<b>89,485,954,062</b>	<b>56,742,472,825</b>



## 19. REINSURANCE PREMIUMS CEDED

Currency: VND

	Current year	Previous year
Reinsurance premium ceded	554,543,155,160	476,888,783,613
Decrease in ceded premium reserve	10,022,004,060	20,463,653,200
	<b>564,565,159,220</b>	<b>497,352,436,813</b>

### 19.1 Reinsurance premium ceded

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	3,170,571,319	2,314,751,195
Property and Damages Insurance	354,600,599,107	325,691,205,765
Cargo Insurance	26,509,674,899	19,398,615,759
Automobile Insurance	195,332,011	512,189,025
Fire Insurance	496,792,456	348,534,740
Marine Hull and P&I Insurance	3,242,517,419	3,094,980,835
Liability Insurance	36,348,245,804	30,738,630,665
Business Risk Insurance	15,868,103,764	12,020,284,989
Financial Risk and Credit Insurance	114,111,318,381	82,769,590,640
	<b>554,543,155,160</b>	<b>476,888,783,613</b>

## 20. COMMISSION ON REINSURANCE CEDED AND OTHER INSURANCE INCOME

Currency: VND

	Current year	Previous year
Commission on reinsurance ceded	116,411,844,115	107,210,049,137
Other income from insurance activities	11,871,652,600	14,637,889,880
<b>TOTAL</b>	<b>128,283,496,715</b>	<b>121,847,939,017</b>

### 20.1 Commission on reinsurance ceded

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	25,423,065	163,436,456
Property and Damages Insurance	79,307,085,201	75,423,079,075
Cargo Insurance	4,815,380,097	3,744,466,444
Automobile Insurance	53,747,864	132,494,472
Fire Insurance	63,936,360	64,962,049
Marine Hull and P&I Insurance	617,049,614	638,962,540
Liability Insurance	6,506,981,133	6,349,522,152
Business Risk Insurance	3,961,147,921	3,292,691,930
Financial Risk and Credit Insurance	21,061,092,860	17,400,434,019
<b>TOTAL</b>	<b>116,411,844,115</b>	<b>107,210,049,137</b>

### 20.2 Other income from insurance activities

Currency: VND

	Current year	Previous year
Claim settling Agent income	8,103,074,997	10,686,972,821
Handling charge income	1,894,076,593	1,790,018,561
Other income	1,874,501,010	2,160,898,498
<b>TOTAL</b>	<b>11,871,652,600</b>	<b>14,637,889,880</b>

## 21. CLAIM EXPENSES

Currency: VND

	Current year	Previous year
Direct claim expenses and claim expenses on inward reinsurance	234,419,920,193	225,599,135,252
- Direct claim expense	226,452,039,054	215,624,727,786
- Claim expense on inward reinsurance	7,967,881,139	9,974,407,466
Recovery from third party, recovery from 100% compensated goods	(6,529,411,343)	(28,382,924,310)
Recovery from reinsurance ceded	(131,494,667,644)	(116,832,181,373)
Increase/(Decrease) in gross claim reserve and reinsurance assumed claim reserve	182,728,584,087	(165,919,512,896)
(Increase)/Decrease in outward reinsurance claim reserve	(204,542,322,931)	162,501,712,395
	<b>74,582,102,362</b>	<b>76,966,229,068</b>

### 21.1 Direct claim expense

Currency: VND

Product	Current year	Previous year
Health Insurance and Personal Accident Insurance	32,960,635,577	31,845,669,191
Property and Damages Insurance	73,663,370,621	108,012,084,260
Cargo Insurance	23,901,150,718	20,556,687,497
Automobile Insurance	5,132,005,483	9,581,034,360
Liability Insurance	14,618,244,725	13,111,245,018
Business Risk Insurance	94,362,165	79,289,890
Financial Risk and Credit Insurance	76,082,269,765	32,438,717,570
<b>TOTAL</b>	<b>226,452,039,054</b>	<b>215,624,727,786</b>

## 21.2 Claim expenses on reinsurance assumed

Currency: VND

Product	Current year	Previous year
Health Insurance and Personal Accident Insurance	-	22,789,887
Property and Damages Insurance	7,081,076,082	8,292,293,605
Cargo Insurance	799,810,986	17,916,327
Liability Insurance	86,994,071	408,761,187
Business Risk Insurance	-	1,082,359,832
Financial Risk and Credit Insurance	-	150,286,628
<b>TOTAL</b>	<b>7,967,881,139</b>	<b>9,974,407,466</b>

## 21.3 Recovery from reinsurance ceded

Currency: VND

Product	Current year	Previous year
Property and Damages Insurance	63,343,080,191	108,592,765,516
Cargo Insurance	2,734,408,714	(16,649,014,658)
Automobile Insurance	2,099,190	-
Liability Insurance	497,113,788	1,469,654,828
Business Risk Insurance	93,890,354	1,150,429,675
Financial Risk and Credit Insurance	64,824,075,407	22,268,346,012
<b>Total</b>	<b>131,494,667,644</b>	<b>116,832,181,373</b>

## 22. OTHER OPERATING EXPENSES

Currency: VND

	Current year	Previous year
Underwriting risk survey expenses	1,040,917,648	1,829,815,721
Agent management fee	481,337,718	787,932,206
Handling charged	1,513,278,275	1,264,782,789
Loss prevention	316,506,807	265,379,002
Statutory contributions	2,361,986,503	2,232,200,959
Others	4,964,237,468	4,674,764,901
	<b>10,678,264,419</b>	<b>11,054,875,578</b>

## 23. FINANCE INCOME

	Current year	Previous year
Interest income from deposits	39,098,880,833	46,957,816,824
Interest income from bonds	8,700,000,000	8,714,001,795
Dividend received	1,003,275,000	1,830,509,510
Foreign exchange gains	2,522,761,872	2,356,596,518
	<b>51,324,917,705</b>	<b>59,858,924,647</b>

## 24. FINANCE EXPENSE

	Current year	Previous year
Finance expenses	2,117,564,744	2,324,701,790
Foreign exchange losses	2,714,385,700	1,792,377,838
<b>TOTAL</b>	<b>4,831,950,444</b>	<b>4,117,079,628</b>

## 25. GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND

	Current year	Previous year
Employee expense	79,450,062,333	72,717,558,752
Material, tool and equipment expense	3,129,192,961	3,366,868,100
IT consultancy fee	12,015,938,953	12,175,126,192
Depreciation expense	1,534,441,755	1,140,676,020
Tax, fee, and charge	798,082,473	670,145,400
Office rental and office renewal expense	11,381,880,160	10,658,649,555
Outsourcing expenses	12,622,135,765	11,212,351,597
Addition/(Reversal) of provision for doubtful debts	594,710,870	(179,161,691)
Others	935,609,889	263,707,387
	<b>122,462,055,159</b>	<b>112,025,921,312</b>

## 26. OTHER INCOME AND EXPENSES

	Current year	Previous year
Gain from disposal assets	71,727,273	704,909,091
Other income	-	500,000
	71,727,273	705,409,091
Other expenses	32,318,866	286,367,042
<b>Net other /profit</b>	<b>39,408,407</b>	<b>419,042,049</b>



## 27. CORPORATE INCOME TAX

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

The tax returns filed by the Company 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 financial statements could change at a later date upon final determination by the tax authorities.

### 27.1 CIT expense

Currency: VND

	Current year	Previous year
Current tax expense	37,098,464,676	36,789,506,804
<b>Total</b>	<b>37,098,464,676</b>	<b>36,789,506,804</b>

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

Currency: VND

	Current year	Previous year
<b>Accounting profit before tax</b>	<b>183,388,654,006</b>	<b>178,603,709,438</b>
At CIT rate of 20%	36,677,730,801	35,720,741,888
Adjustments to increase		
Non-deductible expenses	556,010,522	1,061,201,250
Members' council remuneration	196,617,300	198,450,460
Others	187,075,663	371,095,206
Adjustments to decrease		
Dividend income	(200,655,000)	(267,540,000)
Others	(318,314,610)	(294,442,000)
<b>CIT expense</b>	<b>37,098,464,676</b>	<b>36,789,506,804</b>

### 27.2 Current tax

The current tax payable is based on taxable income for the current year. The taxable income of the Company for the year differs from the profit as reported in the 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 Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

### 27.3 Deferred corporate income tax

The followings are the deferred tax assets and deferred tax liability recognized by the Company, and the movements thereon, during the current and previous years:

Currency: VND

	Balance sheet		Income statement	
	Ending balance	Beginning balance	Current year	Previous year
Year-end revaluation of assets denominated in foreign currencies	7,489,275,211	7,489,275,211	-	-
<b>Deferred tax liability</b>	<b>7,489,275,211</b>	<b>7,489,275,211</b>	-	-

## 28. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Company has contractual commitments for the rent of offices and apartment as follows:

Currency: VND

	Ending balance	Beginning balance
Commitments for the rental of offices and apartment		
Less than 1 year	13,006,750,800	16,315,391,220
From 1 to 5 years	12,324,410,400	21,050,265,600
<b>TOTAL</b>	<b>25,331,161,200</b>	<b>37,365,656,820</b>

Other off-balance sheet items

ITEMS	Ending balance	Beginning balance
Insurance policies signed but not yet effective (VND)	41,915,623,392	49,822,877,145
Ceded Insurance policies signed but for which no obligations have arisen on the part of the Company (VND)	22,681,783,158	27,979,742,999
Foreign currency (USD)	3,676,487	3,679,467

## 29. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with some related companies during the year were as follows:

Currency: VND				
Related parties	Relationship	Transactions	Current year	Previous year
Tokio Marine Asia Pte. Ltd	Joint-Owner	Profit distributed in the year	(54,967,184,941)	(39,653,951,163)
		IT consultancy fee	(3,625,490,789)	(4,016,895,567)
		Consultancy fee for internal audit, compliance and risk management	(170,688,300)	(172,711,614)
		Underwriting risk survey fee	(109,736,247)	(483,803,069)
Bao Viet Holdings	Joint-Owner	Profit distributed in the year	(52,811,609,061)	(38,098,894,254)
Bao Viet General Insurance Corporation	Owned by Bao Viet Holdings	Co-insurance premium	6,172,413,880	4,289,436,404
		Inward reinsurance premiums	199,150,061	300,784,696
		Inward reinsurance commission	(39,894,586)	(76,223,457)
		Inward reinsurance claim expense	(5,409,704)	(4,028,319,467)
		Outward reinsurance premiums	(32,022,884,163)	(39,097,585,564)
		Outward reinsurance Commission	8,471,351,885	10,016,819,991
		Outward reinsurance claim recovery	10,604,731,877	10,647,117,865
		Policies handling charge	(961,463)	(83,475)
The Tokio Marine and Nichido Fire Insurance Co., Ltd.	Indirect investment via Tokio Marine Asia Pte. Ltd	Claims Settling Agent Fee	6,495,288,305	9,672,185,073
		Outward reinsurance premiums	(149,737,661,386)	(110,968,458,691)
		Outward reinsurance Commission	32,645,866,466	25,860,587,076
		Outward reinsurance claim recovery	3,235,010,576	49,916,656,949

## 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.

Amounts due to and due from related parties at the balance sheet dates were as follows:

Related parties	Relationship	Transactions	Receivables/(Payables)	
			Ending balance	Beginning balance
Tokio Marine Asia Pte. Ltd	Joint-Owner	IT consultancy fee payables	(2,071,995,970)	(1,827,468,043)
		Outward reinsurance payables		
Bao Viet General Insurance Corporation	Owned by Bao Viet Holdings	Outward reinsurance receivables	(8,348,399,355)	(11,343,402,574)
		Co-insurance payables	1,459,257,477	4,756,362,354
		Claims Settling Agent Fee receivables	2,139,717,492	5,492,332,639
The Tokio Marine and Nichido Fire Insurance Co., Ltd.	Indirect investment via Tokio Marine Asia Pte. Ltd	Outward reinsurance payables	(43,530,538,796)	(24,532,115,430)
		Outward reinsurance receivables	2,745,280,640	4,323,243,881

## Transactions with other related parties

Remuneration of members of Members' Council

Currency: VND

	Current year	Previous year
Members' Council Remuneration	983,086,500	992,252,300
<b>Total</b>	<b>983,086,500</b>	<b>992,252,300</b>

The policies for the Members' Council remuneration and General Director's salaries and bonus are in accordance with the decision of Members' Council and in consistency with those applied in the financial year ended as at 31 December 2020.

## 30. RISK MANAGEMENT FRAMEWORK

### 30.1 Governance framework

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

The Company has established a risk management function with clear terms of reference agreed by the Members' Council and other committees. This function is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the Members' Council to the Board of Management and other senior management. A policy framework has been developed and implemented which sets out the Company's risk profiles; risk management; control and business conduct standards for the Company's operations. Each policy will be overseen by a member of the Board of Management on its compliance throughout the Company.

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

The primary insurance activity carried out by the Company 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 Company is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Company also has exposure to market risk through its insurance and investment activities.

The Company 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.

### 30.3 Capital management and regulatory framework

The primary capital management objective of the Company 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 Company recognises the impact on shareholders returns of the level of equity capital employed and seek to maintain a prudent balance.

Regulatory capital requirements arise from the operations of the Company require the Company to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The principal solvency requirements that apply to the Company are those set out in Circular No. 50.

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 Company maintains appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The tables below summarise the minimum regulatory solvency margin for the Company and the solvency capital

Currency: VND million

	Company Solvency Capital	Minimum Solvency Margin	Solvency Margin Ratio
31 December 2021	537,134	101,441	529.50%
31 December 2020	509,824	91,909	554.71%

The solvency ratio of the Company is calculated based on the relevant regulations promulgated by the Ministry of Finance in Vietnam.

### 30.4 Underwriting strategy

The Company's underwriting strategy seeks diversity 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.

### 30.5 Reinsurance strategy

The Company 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 Company's evaluation of the specific risk, subject in certain circumstances, to maximize limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to pay the claim amount in the event the claim is paid. However, the Company 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 meeting the Company's credit rating standard, either assessed from public rating information or internal investigations, will be used.



# 31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

## 31.1 Insurance risk

### 31.1.1 General insurance contracts

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 regularly and are updated as and when new information arises. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments.

The key method is based on Circular No. 50 of such reserving methodologies are as follows:

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 to the insurer or requested for payment but is still unresolved at the end of the fiscal year, in accordance to the Circular No. 50; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR).



The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the general insurance risk appetite as decided by management. The management may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

#### Claim development table

The table below presents estimates of net cumulative claim incurred and cumulative payment to date:

Currency: VND million

ITEMS	Accident year					Total
	2017	2018	2019	2020	2021	
At end of accident year	1	2	3	4	5	
<b>I. Estimate of cumulative claims incurred</b>						
1	81,789	97,352	97,936	89,640	79,329	
2	83,383	97,220	98,652	83,998		
3	79,354	95,819	98,300			
4	78,892	95,078				
5	78,818					
Current estimate of cumulative claims incurred (1)	78,818	95,078	98,300	83,998	79,329	435,523
<b>II. Cumulative claim payment</b>						
1	39,718	47,835	56,639	47,983	48,393	
2	73,745	74,528	81,428	79,988		
3	77,037	80,533	89,904			
4	78,023	87,777				
5	78,022					
Cumulative claim payment to date (2)	78,022	87,777	89,904	79,988	48,393	384,084
<b>III. Net outstanding claim reserve (3) = (1) - (2)</b>						
	796	7,301	8,396	4,010	30,936	51,439
<b>IV. Current estimate of surplus (4)</b>						
	(2,971)	(2,274)	364	(5,642)	-	10,523
<b>V. Percentage of current estimate of surplus over current estimate of cumulative claims incurred (5) = (4)/(1)*100%</b>						
	(3.77%)	(2.39%)	0.37%	(6.7%)	0.00%	(2.42%)

## **31.2 Financial risk**

Transactions in financial instruments may result in the Company assuming financial risks. These include market risk, credit risk and liquidity risk. Each of these financial risks is described below, together with a summary of the ways in which the Company manages these risks.

### **31.2.1 Market risk**

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices and foreign currency exchange rates.

#### **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 Company's exposure to market risk for changes in interest rate relates primarily to the Company's term deposits and bonds. These investments are mainly short term in nature and they are not held for speculative purposes.

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

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

#### **Equity price risk**

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

#### **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 Company conducts business may affect its financial condition and results of operations. The foreign currency risk facing the Company mainly comes from movements in the USD/VND exchange rates. The Company seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

Major of the Company financial assets are denominated in VND which mitigates the foreign currency risk. With assets denominated in foreign currency, most of them are in USD.

The effect of a reasonably possible movement of the foreign currency exchange rate against the VND on the income statement and statement of financial position of the Company with all other variables held constant is indicated in the table below:

Currency: VND

Change in variance on equity	Impact on profit before tax	Impact on equity
<b>31 December 2021</b>		
+5%	4,162,605,383	3,330,084,306
-5%	(4,162,605,383)	(3,330,084,306)
31 December 2020		
+5%	3,806,620,561	3,045,296,449
-5%	(3,806,620,561)	(3,045,296,449)

### 31.2.2 Credit risk

The Company's portfolio of fixed maturity investments (included its deposit arrangement with commercial banks) is subject to credit risk. This risk is defined as the potential loss in market value resulting from adverse changes in borrowers or counterparties' ability to repay the debts. The Company's objective is to earn competitive relative returns by investing in a diversified portfolio of investments. Management has a credit policy in place. Limits are established to manage credit quality and concentration risk.

The Company also has insurance and reinsurance receivables, and other receivable amounts subject to credit risk. The most significant of these are reinsurance recoveries. To mitigate the risk of the counterparties not paying the amount due, the Company has established certain business and financial guidelines for reinsurer approval, incorporating ratings by major agencies and considering currently available market information. The Company also periodically reviews the financial stability of reinsurers from public and other sources and the settlement trend of amounts due from reinsurers.

Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2021 are as follows:

Currency: VND

	Not yet due	Past-due but not individually impaired	Individually impaired	Total
<b>Financial instruments</b>				
Available-for-sale	114,953,271,011	-	-	114,953,271,011
Listed share	8,430,000,000	-	-	8,430,000,000
Treasury bonds	106,523,271,011	-	-	106,523,271,011
Loans and receivables	980,268,927,344	-	2,447,920,886	982,716,848,230
Term deposits	902,009,475,215	-	-	902,009,475,215
Statutory deposit	8,490,000,000	-	-	8,490,000,000
Insurance receivables	36,329,240,020	-	2,447,920,886	38,777,160,906
Other receivables from customers	3,247,272,691	-	-	3,247,272,691
Other assets	30,192,939,418	-	-	30,192,939,418
Cash	20,323,943,871	-	-	20,323,943,871
<b>TOTAL</b>	<b>1,115,546,142,226</b>	<b>-</b>	<b>2,447,920,886</b>	<b>1,117,994,063,112</b>

Not yet due: financial assets or the loans with interest or principal payments not yet past due and there is no evidence of impairment.

Past due but not individually impaired: financial assets with past due interest and principal payments but the Company believes that these assets are not impaired as they are secured by collaterals and has confidence in the customer's creditworthiness and other credit enhancements.

Individually impaired: debt instruments and loans to customers for which the Company considers that interests and principals are not able to be recovered under the terms of the contracts.



Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2020 are as follows:

Currency: VND

	Not yet due	Past-due but not individually impaired	Individually impaired	Total
<b>Financial instruments</b>				
Available-for-sale	115,532,062,310	-	-	115,532,062,310
Listed share	8,430,000,000	-	-	8,430,000,000
Treasury bonds	107,102,062,310	-	-	107,102,062,310
Loans and receivables	913,024,881,813	-	573,047,993	913,597,929,806
Term deposits	821,512,881,463	-	-	821,512,881,463
Statutory deposit	8,638,125,000	-	-	8,638,125,000
Insurance receivables	43,501,858,176	-	573,047,993	44,074,906,169
Other receivables from customers	6,755,342,010	-	-	6,755,342,010
Other assets	32,616,675,164	-	-	32,616,675,164
Cash	19,615,187,964	-	-	19,615,187,964
Cash	1,048,172,132,087	-	573,047,993	1,048,745,180,080
	<b>865,634,447,498</b>	<b>-</b>	<b>923,616,164</b>	<b>866,558,063,662</b>

### 31.2.3 Liquidity risk

The Company has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts and early surrender of policies for surrender value. There is, therefore, a risk that cash will not be available to settle liabilities when due at a reasonable cost.

### Contractual maturity

The following table indicates contractual maturity of the income-earning financial assets and financial liabilities based on contractual undiscounted payments:

Currency: VND

	Overdue	Up to one year	More than one year	No maturity date	Total
<b>Ending balance</b>					
<b>Financial assets</b>					
Available-for-sale	-	-	106,523,271,011	8,430,000,000	114,953,271,011
Listed share	-	-	-	8,430,000,000	8,430,000,000
Treasury bond	-	-	106,523,271,011	-	106,523,271,011
Loans and receivables	<b>2,447,920,886</b>	944,498,927,344	35,770,000,000	-	982,716,848,230

Currency: VND

	Overdue	Up to one year	More than one year	No maturity date	Total
Term deposits	-	866,239,475,215	35,770,000,000	-	902,009,475,215
Statutory deposit	-	8,490,000,000	-	-	8,490,000,000
Insurance receivables	<b>2,447,920,886</b>	36,329,240,020	-	-	38,777,160,906
Other receivables from customers	-	3,247,272,691	-	-	3,247,272,691
Other assets	-	30,192,939,418	-	-	30,192,939,418
Cash	-	20,323,943,871	-	-	20,323,943,871
<b>TOTAL</b>	<b>2,447,920,886</b>	<b>964,822,871,215</b>	<b>142,293,271,011</b>	<b>8,430,000,000</b>	<b>1,117,994,063,112</b>
<b>Financial liabilities</b>					
Trade payables	-	214,598,955,037	-	-	214,598,955,037
Other payables	-	289,597,386	-	-	289,597,386
	-	<b>214,888,552,423</b>	-	-	<b>214,888,552,423</b>
<b>Net liquidity</b>	<b>573,047,993</b>	<b>751,809,191,685</b>	<b>142,293,271,011</b>	<b>8,430,000,000</b>	<b>903,105,510,689</b>
<b>Beginning balance</b>					
<b>Financial assets</b>					
Available-for-sale	-	-	107,102,062,310	8,430,000,000	115,532,062,310
Listed share	-	-	-	8,430,000,000	8,430,000,000
Treasury bond	-	-	107,102,062,310	-	107,102,062,310
Loans and receivables	573,047,993	913,024,881,813	-	-	913,597,929,806
Term deposits	-	821,512,881,463	-	-	821,512,881,463
Statutory deposit	-	8,638,125,000	-	-	8,638,125,000
Insurance receivables	-	43,501,858,176	-	-	44,074,906,169
Other receivables from customers	-	6,755,342,010	-	-	6,755,342,010
Other assets	-	32,616,675,164	-	-	32,616,675,164
Cash	-	19,615,187,964	-	-	19,615,187,964
<b>TOTAL</b>	<b>573,047,993</b>	<b>932,640,069,777</b>	<b>107,102,062,310</b>	<b>8,430,000,000</b>	<b>1,048,745,180,080</b>
<b>Financial liabilities</b>					
Trade payables	-	152,115,386,221	-	-	152,115,386,221
Other payables	-	176,439,683	-	-	176,439,683
<b>TOTAL</b>	-	<b>152,291,825,904</b>	-	-	<b>152,291,825,904</b>
<b>Net liquidity</b>	<b>573,047,993</b>	<b>780,348,243,873</b>	<b>107,102,062,310</b>	<b>8,430,000,000</b>	<b>896,453,354,176</b>

## 32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements as at 31 December 2021:

Currency: VND

	Carrying amount			Total	Fair value
	Cost	Accrued interest	Provision		
<b>Ending balance</b>					
<b>Financial assets</b>					
Available for sale	109,828,613,477	5,124,657,534	-	114,953,271,011	(*)
Listed shares	8,430,000,000	-	-	8,430,000,000	32,661,547,410
Treasury bonds	101,398,613,477	5,124,657,534	-	106,523,271,011	(*)
Loan and receivables	962,853,623,015	19,863,225,215	(779,042,260)	981,937,805,970	(*)
Term deposits	882,146,250,000	19,863,225,215	-	902,009,475,215	(*)
Statutory deposit	8,490,000,000	-	-	8,490,000,000	8,490,000,000
Insurance receivables	38,777,160,906	-	(779,042,260)	37,998,118,646	(*)
Other receivables from customers	3,247,272,691	-	-	3,247,272,691	(*)
Other assets	30,192,939,418	-	-	30,192,939,418	(*)
Cash	20,323,943,871	-	-	20,323,943,871	20,323,943,871
	<b>1,093,006,180,363</b>	<b>24,987,882,749</b>	<b>(779,042,260)</b>	<b>1,117,215,020,852</b>	
<b>Financial liabilities</b>					
Trade payables	214,598,955,037	-	-	214,598,955,037	(*)
Other payables	289,597,386	-	-	289,597,386	(*)
<b>NET LIQUIDITY</b>	<b>214,888,552,423</b>	<b>-</b>	<b>-</b>	<b>214,888,552,423</b>	

(\*) The fair value of those financial assets and liabilities cannot be determined because there is no specific guidance from Vietnamese Accounting Standards and Accounting System on determination of fair value.

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements as at 31 December 2020:

Currency: VND

	Carrying amount				Fair value
	Cost	Accrued interest	Provision	Total	
<b>Beginning balance</b>					
<b>Financial assets</b>					
Available for sale	110,407,404,776	5,124,657,534	-	115,532,062,310	(*)
Listed shares	8,430,000,000	-	-	8,430,000,000	21,451,199,040
Treasury bonds	101,977,404,776	5,124,657,534	-	107,102,062,310	(*)
Loan and receivables	891,645,048,343	21,952,881,463	(184,331,390)	913,413,598,416	(*)
Term deposits	799,560,000,000	21,952,881,463	-	821,512,881,463	(*)
Statutory deposit	8,638,125,000	-	-	8,638,125,000	8,638,125,000
Insurance receivables	44,074,906,169	-	(184,331,390)	43,890,574,779	(*)
Other receivables from customers	6,755,342,010	-	-	6,755,342,010	(*)
Other assets	32,616,675,164	-	-	32,616,675,164	(*)
Cash	19,615,187,964	-	-	19,615,187,964	19,615,187,964
<b>TOTAL</b>	<b>1,021,667,641,083</b>	<b>27,077,538,997</b>	<b>(184,331,390)</b>	<b>1,048,560,848,690</b>	
<b>Financial liabilities</b>					
Trade payables	152,115,386,221	-	-	152,115,386,221	(*)
Othe payables	176,439,683	-	-	176,439,683	(*)
<b>TOTAL</b>	<b>152,291,825,904</b>	<b>-</b>	<b>-</b>	<b>152,291,825,904</b>	

(\*) The fair value of those financial assets and liabilities cannot be determined because there is no specific guidance from Vietnamese Accounting Standards and Accounting System on determination of fair value.

The following methods and assumption are used to estimate fair values:

- Fair value of cash and statutory deposit are carried at cost.
- Fair value of listed shares are derived from quoted closing market prices in active markets.

For other financial assets and liabilities cannot be determined because there is no specific guidance from Vietnamese Accounting Standards and Accounting System on determination of fair value.

### 33. IMPORTANT EVENT IN THE YEAR

Covid-19 pandemic

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this financial statements.

### 34. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since 31 December 2021 that requires adjustment or disclosure to be made in the financial statements of the Company.



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**Ms. Pham Thu Trang**  
Chief Accountant

25 March 2022



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**Mr. Hideaki Maeomote**  
General Director

**Tokio Marine  
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