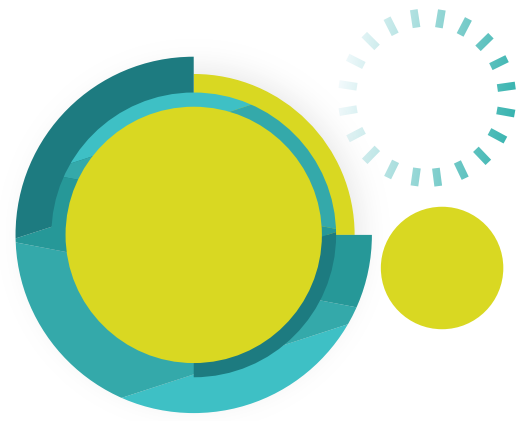




TOKIO MARINE
INSURANCE GROUP

To Be a **Good Company**



ANNUAL REPORT

TOKIO MARINE INSURANCE VIETNAM

2022





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MESSAGE FROM GENERAL DIRECTOR



In 2022, Tokio Marine has been working at its best under the philosophy “To Be a Good Company” to fulfill annual corporate initiatives and business innovations for the enhancement of operation efficiency as well as corporate culture. At the end of the fiscal year 2022, our total Gross Written Premium reached VND 903 billion, which is equivalent to 107% of 2021 result and contributed to a sustainably upward trend over the past five years. At the same time, Profit Before Tax was recorded at VND 154 billion, achieving 142.3% of annual business plan. The achievement was driven by stable topline growth and positive results of underwriting & non-underwriting profit.

In addition, the company has also implemented certain projects in 2022 to bring about new added values to the clients. One of the initiatives is organizing the webinar on mental healthcare topic for all corporate clients’ employees and workers to support them in enhancing awareness and skills in improving mental wellness during post-covid period. The other one is conducting risk evaluation surveys for manufacturing corporate clients with boiler risk systems to support them in efficient fire risk prevention and mitigation. By assisting clients to solve typical issues, we hope to fulfill our role as a long-term partner in safety & security journey.

Besides, one of our meaningful events in 2022 was CSR project “Helmets for Kids” which has been launched for the past years. With collaboration from Vietnam Traffic Safety Committee

we provided over 2,000 helmets for primary and secondary students in Ha Giang northern province and delivered a direct training on traffic safety practices for school pupils, which was warmly received by all the attendees. We would like to continue the project for long time to contribute to a safer Vietnamese society, along with insurance solutions.

2023 will likely offer a different set of opportunities, headwinds and risks towards building a sustainable local insurance market. Along with other players, Tokio Marine Insurance Vietnam would continue refining our strengths and making solid investment in our intellectual as well as technology to fulfill the mission of protecting our customers and community in time of need. We hope to become more of a “Good Company” even only in a simple and small way, through continuing to take on new challenges and business innovations.

With best regards and thanks,

Yours sincerely,

General Director

Yasuhiro Takeda



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

26 YEARS OF DEVELOPMENT

151 PEOPLE

05 AUG
1996

19 DEC
1997

09 DEC
2002

14 JAN
2009

25 MAY
2009

04 SEP
2009

10 SEP
2010

24 APR
2012

01 JULY
2013

08 JULY
2016

2020

2021

2022

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

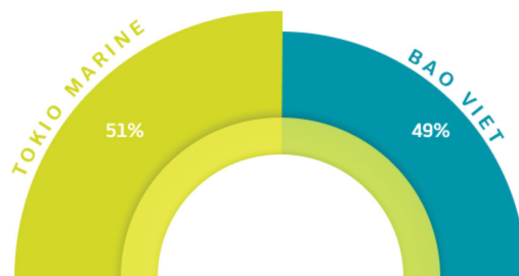
The company had its corporate name and brand identity changed. The name was changed from "Bao Viet Tokio Marine Insurance Co. Ltd." to "Tokio Marine Insurance Vietnam Co. Ltd."



CORPORATE PROFILE

Name	TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED
Establishment	1996
Address	
• Head Office	Room 601, 6th Floor, Sun Red River Building,
• Branch Office	14th Floor, Lim Tower 3, 29A Nguyen Dinh Chieu, Da Kao Ward, Dist. 1, Ho Chi Minh City, Vietnam
• Rep. Office	Da Nang: 14th Floor, 249 Nguyen Van Linh, Thanh Khe Dist., Da Nang City, Vietnam Hai Phong: Lot B2, 2nd Floor, Harbor View Building, 12 Tran Phu, Ngo Quyen, Hai Phong, Vietnam
Charter capital	VND 300,000,000,000
Capital Contributors	
Tokio Marine Asia Pte. Ltd	51%
Bao Viet Holdings	49%
Members' Council	(Updated to 1/4/2023)
• Chairman	Mr. Nguyen Quang Phi
• Members	Mr. Yasuhiro Miyoshi - 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 43,000 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. Yasuhiro Miyoshi
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

2022 RESULT

"Financial results at the end of 2022 were showing solid performance with major Key Performance Indicators achieving positive growth.

Total Gross Written Premium reached VND 903 billion which is equivalent to 107% of 2021 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 154 billion which is equivalent to 84% of 2021 result and achieved 142.3% of annual business plan. The achievement was driven by stable topline growth and positive result of underwriting & non-underwriting profit."

KEY FIGURES

GWP
(Gross Written Premium)

Unit: VND

903
billion

107% vs 2021

UW Profit
(Underwriting Profit)

Unit: VND

89.8
billion

70.4% vs 2021

ROA*
(Return on Asset)*

9.2%

*Profit before Tax/Total Asset

94% vs 2021

ROE**
(Return on Equity)

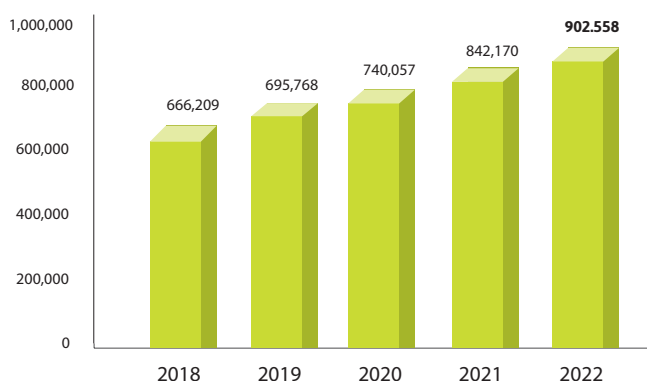
20.7%

**Profit after Tax/Total Equity

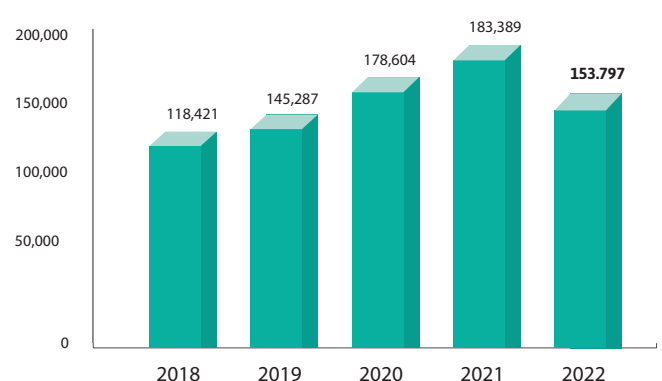
98% vs 2021

KEY MOVEMENT

GROSS WRITTEN PREMIUM OVER 5 YEARS



PROFIT BEFORE TAX OVER 5 YEARS



CORPORATE SOCIAL RESPONSIBILITY

To Be a Good Company in Vietnam
“Helmets for the children”



In Nov. 2022, Tokio Marine Insurance Vietnam continued implementing the annual campaign "Helmets for the children", delivering over 2,200 good quality helmets to disadvantaged primary and secondary pupils in four boarding schools in Ha Giang province in Vietnam's northeast.

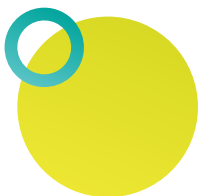
The campaign was conducted with the collaboration of the National Traffic Safety Committee and local schools' board of management. A direct training session on traffic safety practices was also implemented for 800 school pupils, which was warmly received and participated by all the attendees. Besides, the company also presented local schools with five sets of desk computers and 120 warm winter blankets to contribute to a better learning environment.

Road traffic injuries has been a major public health problem and a leading cause of death, injury and disability in children and young people in Vietnam. As a result, the project is expected to increase the road traffic safety awareness and practice of wearing quality helmets when travelling among the local school pupils, thereby contributing to safer lives of local community. Throughout its 26-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.

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Local school children in Ha Giang province at the ceremony



TOKIO MARINE INSURANCE VIET NAM COMPANY LIMITED

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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. Shiro Ipposhi	Vice Chairperson	Appointed on 01 April 2022
Ms. Tran Thi Thu Thuy	Member	Appointed on 01 January 2020
Mr. Doan Viet Trang	Member	Appointed on 01 January 2020
Mr. Taisuke Obokata	Member	Appointed on 01 April 2022
Mr. Yasuhiro Takeda	Member	Appointed on 01 April 2022

Mr. Shinkichi Mike Miki	Vice Chairperson	Appointed on 01 April 2019 Resigned on 01 April 2022
Mr. Hideaki Maeomote	Member	Appointed on 20 April 2017 Resigned on 01 April 2022
Ms. Noriko Kojima	Member	Appointed on 01 April 2019 Resigned on 01 April 2022

MANAGEMENT

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

Mr. Yasuhiro Takeda	General Director	Appointed on 18 April 2022
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. Hideaki Maeomote	General Director	Appointed on 20 April 2017 Resigned on 18 April 2022

LEGAL REPRESENTATIVE

The legal representative of the Company from 01 January 2022 to 18 April 2022 is Mr. Hideaki Maeomote, General Director of the Company.

The legal representative of the Company from 18 April 2022 to the date of this report is Mr. Yasuhiro Takeda, General Director of the Company.

AUDITORS

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

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 2022.

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 2022.

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. Nguyen Quang Phi

Chairperson

Hanoi, Vietnam
21 March 2023

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 21 March 2023 and set out on pages 5 to 53 which comprise the balance sheet as at 31 December 2022, 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 2022 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



Trình Hoàng Anh
Deputy General Director
Audit Practicing Registration
Certificate No. 2071-2018-004-1

Ho Chi Minh City, Vietnam
22 March 2023

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

BALANCE SHEET

as at 31 December 2022

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,505,429,228,356	1,552,797,864,827
110	<i>I. Cash and cash equivalents</i>	4	28,557,097,289	20,323,943,871
111	1. Cash		28,557,097,289	20,323,943,871
120	<i>II. Short-term investments</i>	5	906,360,000,000	854,806,250,000
121	1. Trading securities		8,430,000,000	8,430,000,000
123	2. Held-to-maturity investments		897,930,000,000	846,376,250,000
130	<i>III. Current account receivables</i>	6	96,142,430,296	68,643,854,673
131	1. Short-term trade receivables		61,785,246,453	41,486,628,897
131.1	1.1. Insurance receivables		56,516,248,473	38,777,160,906
131.2	1.2. Other trade receivables		5,268,997,980	2,709,467,991
135	2. Other short-term receivables		35,271,308,590	27,936,268,036
139	3. Allowance for doubtful debts		(914,124,747)	(779,042,260)
140	<i>IV. Inventories</i>		46,774,544	28,174,545
141	1. Inventories		46,774,544	28,174,545
150	<i>V. Other short-term assets</i>		27,439,122,725	23,258,089,142
151.1	1. Prepaid expenses		25,221,884,168	21,568,924,040
151.1	1.1. Unallocated commission expense	7	21,101,119,352	18,967,333,542
151.2	1.2. Other prepaid expenses		4,120,764,816	2,601,590,498
152	2. Deductible VAT		2,217,238,557	1,689,165,102
190	<i>V. Reinsurance assets</i>	16	446,883,803,502	585,737,552,596
191	1. Reinsurance assets from unearned premium reserve	16.1.1	180,813,396,643	170,069,258,240
192	2. Reinsurance assets from claim reserve	16.1.2	266,070,406,859	415,668,294,356

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		162,184,716,792	163,122,334,212
210	I. Long-term receivables		10,944,810,472	10,746,671,382
216	1. Other long-term receivables		10,944,810,472	10,746,671,382
216.1	1.1. Statutory deposit	8	8,778,750,000	8,490,000,000
216.2	1.2. Other long-term receivables		2,166,060,472	2,256,671,382
220	II. Fixed assets		7,505,196,308	8,054,209,670
221	1. Tangible fixed assets	9	2,891,179,008	2,722,617,125
222	Cost		9,735,758,792	8,610,724,247
223	Accumulated depreciation		(6,844,579,784)	(5,888,107,122)
227	2. Intangible fixed assets	10	3,787,629,917	4,505,205,162
228	Cost		10,724,615,003	10,153,115,155
229	Accumulated amortisation		(6,936,985,086)	(5,647,909,993)
230	3. Work-in-process		826,387,383	826,387,383
250	III. Long-term investments	5	138,819,822,178	137,168,613,477
255	1. Held-to-maturity investments		138,819,822,178	137,168,613,477
260	IV. Other non-current assets		4,914,887,834	7,152,839,683
261	1. Long-term prepaid expense	11	4,914,887,834	7,152,839,683
270	TOTAL ASSETS		1,667,613,945,148	1,715,920,199,039

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. TOTAL LIABILITIES		1,080,091,648,117	1,132,862,584,487
310	<i>I. Current liabilities</i>		1,072,602,372,906	1,125,373,309,276
311	1. Trade payables	12	263,873,993,176	214,598,955,037
311.1	1.1. Insurance payables		240,391,365,233	198,863,749,351
311.2	1.2. Other trade payables		23,482,627,943	15,735,205,686
313	2. Tax and other statutory obligations	13	18,658,522,189	14,538,233,876
314	3. Payables to employees		28,298,926,904	22,371,879,933
318	4. Short-term deferred revenue		6,926,169,840	1,130,811,831
318.1	5. Un-earned commission revenue	14	43,306,999,962	40,585,246,452
319	6. Other short-term payables	15	170,583,736	289,597,387
322	7. Bonus and welfare funds		15,595,942,728	15,959,189,840
329	8. Technical reserves	16	695,771,234,371	815,899,394,920
329.1	8.1. Gross un-earned premium reserve	16.1.1	263,357,843,985	244,700,899,111
329.2	8.2. Gross claim reserve	16.1.2	340,246,965,331	488,248,920,988
329.3	8.3. Catastrophe reserve	16.2	92,166,425,055	82,949,574,821
330	<i>II. Non-current liabilities</i>		7,489,275,211	7,489,275,211
341	1. Deferred tax liability	27.3	7,489,275,211	7,489,275,211
400	B. OWNERS' EQUITY		587,522,297,031	583,057,614,552
410	<i>I. Capital</i>	17	587,522,297,031	583,057,614,552
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		226,001,497,031	221,536,814,552
421a	4.1. Accumulated undistributed profit of previous years		110,356,270,663	82,561,134,690
421b	4.2. Undistributed profit of current year		115,645,226,368	138,975,679,862
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,667,613,945,148	1,715,920,199,039



Ms. Pham Thu Trang
Chief Accountant

21 March 2023



Mr. Yasuhiro Takeda
General Director

INCOME STATEMENT

PART I: COMPREHENSIVE INCOME STATEMENT

for the year ended 31 December 2022

Currency: VND

Code	ITEMS	Current year	Previous year
10	1. Total operating income	444,424,567,308	414,151,957,936
12	2. Finance income	58,601,285,199	51,324,917,705
13	3. Other income	80,255,014	71,727,273
20	4. Total direct operating expenses	201,945,043,973	154,833,624,439
22	5. Finance expense	5,336,353,101	4,831,950,444
23	6. General and administrative expenses	142,612,890,939	122,462,055,159
24	7. Other expenses	-	32,318,866
50	8. Profit before corporate income tax (50 = 10 + 12 + 13 - 20 - 22 - 23 - 24)"	153,211,819,508	183,388,654,006
51	9. Current corporate income tax	31,480,002,279	37,098,464,676
52	10. Deferred income tax expense	-	-
60	11. Net profit for the year after corporate income tax (60 = 50 - 51 - 52)	121,731,817,229	146,290,189,330

PART II: OPERATIONAL INCOME STATEMENT

for the year ended 31 December 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
1	1. Insurance revenue (01 = 01.1 + 01.2 - 01.3)	18	883,901,253,085	850,433,620,441
	<i>In which:</i>			
1.1	Direct written premiums	18.1	836,613,911,575	752,684,431,931
1.2	Reinsurance premium assumed	18.2	65,944,286,384	89,485,954,062
1.3	Increase in un-earned premium reserve	16.1	18,656,944,874	(8,263,234,448)
2	2. Reinsurance premium ceded (02 = 02.1 - 02.2)	19	584,585,718,373	564,565,159,220
	<i>In which:</i>			
2.1	Reinsurance premium ceded	19.1	595,329,856,776	554,543,155,160
2.2	Decrease in ceded premium reserve	16.1	10,744,138,403	(10,022,004,060)
3	3. Net insurance premiums (03 = 01 - 02)		299,315,534,712	285,868,461,221
4	4. Commission on reinsurance ceded and other insurance income (04 = 04.1 + 04.2)	20	145,109,032,596	128,283,496,715
	<i>In which:</i>			
4.1	Commission on reinsurance ceded	20.1	131,381,928,718	116,411,844,115
4.2	Other income from insurance activities	20.2	13,727,103,878	11,871,652,600
10	5. Total net revenue from insurance busi- ness (10 = 03 + 04)		444,424,567,308	414,151,957,936
11	6. Claim expenses (11 = 11.1 - 11.2)		234,957,888,538	227,890,508,850
	<i>In which:</i>			
11.1	Claim expenses		250,588,701,393	234,419,920,193
11.2	Claim expense reductions		15,630,812,855	6,529,411,343
12	7. Recoveries from reinsurance ceded	21.3	124,571,827,812	131,494,667,644
13	8. (Decrease)/increase in direct and as- sumed claim reserve	16.1	(148,001,955,657)	182,728,584,087
14	9. (Decrease)/increase in ceded claim reserve	16.1	(149,597,887,497)	204,542,322,931
15	10. Net claim expenses (15 = 11 - 12 + 13 - 14)	21	111,981,992,566	74,582,102,362

PART II: OPERATIONAL INCOME STATEMENT

for the year ended 31 December 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
16	11. Increase in catastrophe reserve	16.2	9,216,850,233	8,628,816,925
17	12. Other operating expenses (17 = 17.1 + 17.2)		80,746,201,174	71,622,705,152
	In which:			
17.1	Commission expense	7	66,396,963,871	60,944,440,733
17.2	Other underwriting expenses	22	14,349,237,303	10,678,264,419
18	13. Total direct operating expenses (18 = 15 + 16 + 17)		201,945,043,973	154,833,624,439
19	14. Gross insurance operating profit (19 = 10 - 18)		242,479,523,335	259,318,333,497
23	15. Finance income	23	58,601,285,199	51,324,917,705
24	16. Finance expense	24	5,336,353,101	4,831,950,444
25	17. Profit from financial activities (25 = 23 - 24)		53,264,932,098	46,492,967,261
26	18. General and administrative expenses	25	142,612,890,939	122,462,055,159
30	19. Net operating income (30 = 19 + 25 - 26)		153,131,564,494	183,349,245,599
31	20. Other income	26	80,255,014	71,727,273
32	21. Other expenses	26	-	32,318,866
40	22. Net other (loss)/profit (40 = 31 - 32)		80,255,014	39,408,407
50	23. Profit before corporate income tax (50 = 30 + 40)		153,211,819,508	183,388,654,006
51	24. Current corporate income tax	27	31,480,002,279	37,098,464,676
52	25. Deferred income tax expense	27	-	-
60	26. Net profit for the year after corporate income tax (60 = 50 - 51 - 52)		121,731,817,229	146,290,189,330



Ms. Pham Thu Trang
Chief Accountant



Mr. Yasuhiro Takeda
General Director

21 March 2023

TOKIO MARINE INSURANCE VIETNAM 28

CASH FLOW STATEMENT

for the year ended 31 December 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1	Receipt from sale of goods and rendering of services		924,044,273,570	823,642,554,898
2	Payments to suppliers		(777,881,840,228)	(685,648,802,903)
3	Payment to employees		(90,322,671,530)	(81,652,343,312)
5	Payment of corporate income tax	13	(26,610,000,000)	(45,929,506,804)
6	Receipts from other operating activities		187,392,418,407	208,814,659,101
7	Payment of other operating activities		(90,910,327,294)	(76,045,093,135)
20	Net cash inflows from operating activities		125,711,852,925	143,181,467,845
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Payment to purchase fixed assets and constructions		(2,549,430,825)	(1,723,085,883)
22	Receipts on disposals of fixed assets		30,500,000	89,309,272
23	Disbursement for loans and purchase of investment securities		(934,500,918,439)	(845,662,261,688)
24	Receipts from loans and sale of investment securities		885,887,600,000	767,773,050,959
27	Receipts from investment interest and dividends		44,718,306,035	44,625,776,169
30	Net cash flow used in investing activities		(6,413,943,299)	(34,897,211,171)
III. CASH FLOWS FROM FINANCIAL ACTIVITIES				
36	Distributed profit paid		(110,514,747,160)	(107,547,599,168)
40	Net cash flow used in financial activities		(110,514,747,160)	(107,547,599,168)
50	Net change in cash and cash equivalents		8,783,162,536	736,657,506
60	Cash and cash equivalents at the beginning of the year	4	20,323,943,871	19,615,187,964
61	Impact of exchange rate fluctuation		(550,009,118)	(27,901,599)
70	Cash and cash equivalents at the end of the year	4	28,557,097,289	20,323,943,871



Ms. Pham Thu Trang
Chief Accountant



Mr. Yasuhiko Takeda
General Director

21 March 2023



NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2022 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 2022 is VND 300,000,000.

Total number of employees of the Company as at 31 December 2022 is 148 people (as at 31 December 2021: 146 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 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

Law on Insurance Business No. 8/2022/QH15 passed by the National Assembly dated 16 June 2022, takes effect from 1 January 2023.

Accordingly, The new Law on Insurance Business has introduced several amendments and supplements, including specific provisions on insurance contracts, insurance and reinsurance enterprises; on finance, accounting, reporting as well as state management regulations on insurance business, capital...

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 2021.

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). and the Ministry of Finance in Circular No. 24/2022/TT-BTC dated 07 April 2022 (Circular 24). 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

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.

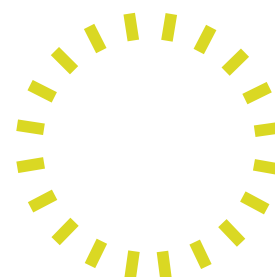
Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

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

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 is 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:

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

(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

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

(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

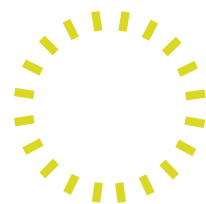
Gross written premiums are recognized in accordance with Circular No. 50 on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches.

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.

(v) 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
Cash		
Cash on hand (VND)	53,362,779	62,031,779
Cash at bank	28,503,734,510	20,261,912,092
<i>In which:</i>		
VND	26,416,856,451	19,096,054,432
Foreign currency	2,086,878,059	1,165,857,660
TOTAL	28,557,097,289	20,323,943,871

5. FINANCIAL INVESTMENTS

		Ending balance	Beginning balance
Trading securities			
Listed shares	(i)	3,430,000,000	3,430,000,000
Fund certificates	(ii)	5,000,000,000	5,000,000,000
		8,430,000,000	8,430,000,000
Held-to-maturity investments			
Short-term		897,930,000,000	846,376,250,000
- Term deposits in VND	(iii)	821,620,000,000	772,780,000,000
- Term deposits in UD	(iii)	76,310,000,000	73,596,250,000
Long-term		138,819,822,178	137,168,613,477
- Term deposits		38,000,000,000	35,770,000,000
- Bonds	(iv)	100,819,822,178	101,398,613,477
		1,036,749,822,178	983,544,863,477
Net value of investments		1,045,179,822,178	991,974,863,477

(i) Including 769,177 VNR shares. (31 December 2021: 769,177 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 4.60% to 9.00%/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
Insurance receivables		
Gross written premium receivables	16,691,758,304	15,307,113,947
- Premium receivable from the Insured	10,063,948,657	8,595,151,848
- Premium receivable from brokers	6,169,711,968	6,588,610,769
- Premium receivable from agents	458,097,679	123,351,330
Reinsurance assumed receivables	4,600,406,698	7,795,039,235
Reinsurance ceded receivables	32,809,738,214	10,841,999,131
Receivables from co-insurers	2,414,345,257	4,833,008,593
- Claims recoveries from co-insurers	710,613,475	808,171,821
- Other receivables from co-insurers	1,703,731,782	4,024,836,772
	56,516,248,743	38,777,160,906
Other trade receivables		
Receivables from claim handling services	4,745,834,319	2,395,968,906
Other trade receivables	523,163,661	313,499,085
	5,268,997,980	2,709,467,991
Other short-term receivables		
Bank deposit interest receivables	25,359,793,094	19,863,225,215
Bond coupon receivables	5,124,657,534	5,124,657,534
Deposit for third party claim handling service	4,099,605,390	1,950,000,000
Advances, other short-term deposits	439,915,610	460,580,587
Other receivables	247,336,962	537,804,700
	35,271,308,590	27,936,268,036
Total receivables	97,056,555,043	69,422,896,933
Allowance for doubtful debts	(914,124,747)	(779,042,260)
Net current account receivables	96,142,430,296	68,643,854,673

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
Opening balance	18,967,333,542	16,114,108,821
Paid commission during the year	68,530,749,681	63,797,665,454
Allocated commission during the year	(66,396,963,871)	(60,944,440,733)
Closing balance	21,101,119,352	18,967,333,542

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
Cost:			
Beginning balance	3,699,956,364	4,910,767,883	8,610,724,247
Additions during the year	984,454,545	140,580,000	1,125,034,545
Decrease during the year	-	-	-
Ending balance	4,684,410,909	5,051,347,883	9,735,758,792
Accumulated depreciation:			
Beginning balance	(2,352,550,841)	(3,535,556,281)	(5,888,107,122)
Charge for the year	(418,623,944)	(537,848,718)	(956,472,662)
Decrease during the year	-	1,011,319,078	1,011,319,078
Ending balance	(2,771,174,785)	(4,073,404,999)	(6,844,579,784)
Net book value:			
Beginning balance	1,347,405,523	1,375,211,602	2,722,617,125
Ending balance	1,913,236,124	977,942,884	2,891,179,008



10. INTANGIBLE FIXED ASSETS

Currency: VND

	Software	Total
Cost:		
Beginning balance	10,153,115,155	10,153,115,155
Additions during the year	571,499,848	571,499,848
Ending balance	10,724,615,003	10,724,615,003
Accumulated depreciation:		
Beginning balance	(5,647,909,993)	(5,647,909,993)
Charge for the year	(1,289,075,093)	(1,289,075,093)
Ending balance	(6,936,985,086)	(6,936,985,086)
Net book value:		
Beginning balance	4,505,205,162	4,505,205,162
Ending balance	3,787,629,917	3,787,629,917

11. LONG-TERM PREPAID EXPENSE

Currency: VND

	Ending balance	Beginning balance
Tools and equipment	1,007,869,851	1,393,747,715
Office renovations	1,729,929,498	2,458,326,832
Others	2,177,088,485	3,300,765,136
TOTAL	4,914,887,834	7,152,839,683

12. TRADE PAYABLES

Currency: VND

	Ending balance	Beginning balance
Insurance payables		
Payables for ceded activities	212,789,480,745	181,675,769,422
Payables to co-insurers	8,290,192,850	6,421,982,113
Commission payables	5,234,080,498	7,606,369,514
Other payables from insurance business	14,077,611,140	3,159,628,302
	240,391,365,233	198,863,749,351
Other trade payables		
Assessment fee for Financial Risk and Credit Insurance Policies	6,690,004,186	4,141,088,008
IT Advisory fee & other service related IT	7,590,477,487	7,045,578,666
Compulsory fire and explosion fund and compulsory TPL fund	2,687,590,693	2,262,237,236
Survey fee payable	68,628,750	416,620,500
Other trade payables	6,445,926,827	1,869,681,276
	23,482,627,943	15,735,205,686
TOTAL	263,873,993,176	214,598,955,037

13. TAXES AND OTHER STATUTORY OBLIGATIONS

Currency: VND

	Beginning balance	Movement during the year		Ending balance
		Payables	Paid	
Value added tax	3,812,679,978	44,472,311,938	(45,657,653,003)	2,627,338,909
Corporate income tax	7,058,464,698	31,480,002,279	(26,610,000,000)	11,928,466,977
Personal income tax	(241,525,475)	8,087,296,056	(8,083,653,976)	(237,883,395)
Foreign contractor tax	3,908,614,675	1,311,041,861	(879,056,837)	4,340,599,698
TOTAL	14,538,233,876	85,350,652,134	(81,230,363,816)	18,658,522,189

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
Opening balance	40,585,246,452	35,778,531,358
Increased during the year	134,103,682,228	121,218,559,209
Allocated during the year	(131,381,928,718)	(116,411,844,115)
Closing balance	43,306,999,962	40,585,246,452

15. OTHER SHORT – TERM PAYABLES

Currency: VND

	Ending balance	Beginning balance
Other payables	170,583,736	289,597,387
TOTAL	170,583,736	289,597,387

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
Beginning balance			
Unearned premium reserve	244,700,899,111	(170,069,258,240)	74,631,640,871
Claim reserves	488,248,920,988	(415,668,294,356)	72,580,626,632
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
Total	732,949,820,099	(585,737,552,596)	147,212,267,503
Ending balance			
Unearned premium reserve	263,357,843,985	(180,813,396,643)	82,544,447,342
Claim reserves	340,246,965,331	(266,070,406,859)	74,176,558,472
Outstanding claim reserve	324,818,225,727	(266,070,406,859)	58,747,818,868
Incurred but not reported claim reserve	15,428,739,604	-	15,428,739,604
Total	603,604,809,316	(446,883,803,502)	156,721,005,814

16.1.1 Unearned premium reserve

Unearned Gross and Assumed Premium Reserves

Currency: VND

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	34,000,508,627	27,289,768,265
Property and Damages Insurance	139,827,814,512	131,712,677,115
Cargo Insurance	10,086,219,247	9,320,186,436
Automobile Insurance	7,610,472,659	7,524,742,969
Fire Insurance	140,906,243	399,051,043
Marine Hull and P&I Insurance	349,160,577	457,514,201
Liability Insurance	32,677,880,339	29,869,626,050
Business Risk Insurance	4,806,884,852	7,400,990,972
Financial Risk and Credit Insurance	33,857,996,929	30,726,342,060
TOTAL	263,357,843,985	244,700,899,111

Unearned ceded premium reserve (Reinsurance assets)

Currency: VND

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	1,131,880,034	1,102,827,608
Property and Damages Insurance	126,100,918,473	117,974,693,446
Cargo Insurance	4,278,502,109	3,368,862,085
Automobile Insurance	108,679,020	96,676,715
Fire Insurance	66,924,012	159,596,128
Marine Hull and P&I Insurance	344,437,175	451,826,199
Liability Insurance	13,037,974,073	11,430,413,458
Business Risk Insurance	4,564,480,188	7,197,110,611
Financial Risk and Credit Insurance	31,179,601,559	28,287,251,990
TOTAL	180,813,396,643	170,069,258,240

16.1.2 Claim reserve

Direct and Reinsurance assumed claim reserve

Currency: VND

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	15,671,944,536	12,366,234,590
Property and Damages Insurance	186,626,239,405	340,691,366,640
Cargo Insurance	50,796,292,563	39,334,383,280
Automobile Insurance	6,479,343,636	16,351,324,293
Fire Insurance	30,000,000	30,000,000
Marine Hull and P&I Insurance	21,121,194	190,182,444
Liability Insurance	13,252,964,679	13,205,232,065
Business Risk Insurance	11,071,018,068	11,644,372,237
Financial Risk and Credit Insurance	56,298,041,250	54,435,825,439
TOTAL	340,246,965,331	488,248,920,988

Reinsurance ceded claim reserve (Reinsurance assets)

Currency: VND

Product	Ending balance	Beginning balance
Property and Damages Insurance	168,860,455,553	330,978,872,815
Cargo Insurance	32,107,094,275	20,452,359,223
Marine Hull and P&I Insurance	20,769,167	187,012,673
Liability Insurance	3,640,371,051	5,856,832,375
Business Risk Insurance	10,973,641,977	11,579,503,509
Financial Risk and Credit Insurance	50,468,074,836	46,613,713,761
TOTAL	266,070,406,859	415,668,294,356

16.2 Catastrophe reserve

Currency: VND

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	18,931,447,373	16,172,791,609
Property and Damages Insurance	10,581,078,545	9,546,302,714
Cargo Insurance	32,147,810,052	29,554,255,649
Automobile Insurance	13,805,762,651	12,943,794,470
Fire Insurance	335,985,542	289,548,649
Marine Hull and P&I Insurance	114,677,973	113,668,750
Liability Insurance	14,461,792,076	12,896,882,955
Business Risk Insurance	187,750,627	170,176,451
Financial Risk and Credit Insurance	1,600,120,216	1,262,153,574
TOTAL	92,166,425,055	82,949,574,821

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

Currency: VND

	Ending balance	Beginning balance
Opening balance	82,949,574,821	74,320,757,896
Increased during the year	9,216,850,234	8,628,816,925
Closing balance	92,166,425,055	82,949,574,821

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
Previous year					
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)
Ending balance	300,000,000,000	30,000,000,000	221,536,814,552	31,520,800,000	583,057,614,552
Current year					
Beginning balance	300,000,000,000	30,000,000,000	221,536,814,552	31,520,800,000	583,057,614,552
Profit declared (**)	-	-	(111,180,543,889)	-	(111,180,543,889)
Profit for the year	-	-	121,731,817,229	-	121,731,817,229
Appropriation of profit to bonus and welfare fund	-	-	(6,086,590,861)	-	(6,086,590,861)
Ending balance	300,000,000,000	30,000,000,000	226,001,497,031	31,520,800,000	587,522,297,031

(*) 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.

(**) On 25 March 2022, Members' Council approved Resolution No. 10/2022/NQ-HĐTV on profit distribution for 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
Foreign party:				
Tokio Marine Asia Pte. Ltd	153,000,000,000	51%	153,000,000,000	-
Vietnamese party:				
Bao Viet Holdings	147,000,000,000	49%	147,000,000,000	-
	300,000,000,000	100%	300,000,000,000	-

17.3 Capital transactions with owners and distributions of profit

Currency: VND

	Ending balance	Beginning balance
Contributed capital		
Beginning balance	300,000,000,000	300,000,000,000
Ending balance	300,000,000,000	300,000,000,000
Profit declared	111,180,543,889	107,778,794,002

18. REVENUE

Currency: VND

	Current year	Previous year
Gross written premiums	849,354,649,066	761,697,106,785
Deductions	(12,740,737,491)	(9,012,674,854)
Net direct premium	836,613,911,575	752,684,431,931
Reinsurance assumed premiums	66,366,096,845	89,993,645,359
Deductions	(421,810,461)	(507,691,297)
Net assumed premium	65,944,286,384	89,485,954,062
Decrease in un-earned premium reserve	(18,656,944,874)	8,263,234,448
	883,901,253,085	850,433,620,441

18.1 Gross written premiums

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	95,578,731,711	81,105,853,282
Property and Damages Insurance	359,196,831,076	316,626,512,415
Cargo Insurance	123,361,546,976	106,570,526,336
Automobile Insurance	23,480,616,252	25,014,877,507
Fire Insurance	219,757,473	127,512,566
Marine Hull and P&I Insurance	2,512,293,872	3,283,337,204
Liability Insurance	90,466,127,703	80,804,490,137
Business Risk Insurance	12,384,946,950	15,253,259,995
Financial Risk and Credit Insurance	129,413,059,562	123,898,062,489
TOTAL	836,613,911,575	752,684,431,931

18.2 Reinsurance assumed premiums

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	603,103,719	265,272,579
Property and Damages Insurance	52,934,299,346	71,156,117,923
Cargo Insurance	2,000,999,548	2,207,222,118
Automobile Insurance	5,489,465,958	4,157,323,995
Fire Insurance	1,845,997,102	1,688,487,577
Liability Insurance	1,420,249,644	7,909,635,819
Business Risk Insurance	572,648,053	1,056,963,037
Financial Risk and Credit Insurance	1,077,523,014	1,044,931,014
TOTAL	65,944,286,384	89,485,954,062

19. REINSURANCE PREMIUMS CEDED

Currency: VND

	Current year	Previous year
Reinsurance premium ceded	595,329,856,776	554,543,155,160
Decrease in ceded premium reserve	(10,744,138,403)	10,022,004,060
	584,585,718,373	564,565,159,220

19.1 Reinsurance premium ceded

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	3,701,474,496	3,170,571,319
Property and Damages Insurance	378,185,738,907	354,600,599,107
Cargo Insurance	38,910,733,135	26,509,674,899
Automobile Insurance	237,809,504	195,332,011
Fire Insurance	517,858,141	496,792,456
Marine Hull and P&I Insurance	2,478,653,105	3,242,517,419
Liability Insurance	39,684,257,034	36,348,245,804
Business Risk Insurance	12,388,304,627	15,868,103,764
Financial Risk and Credit Insurance	119,225,027,827	114,111,318,381
	595,329,856,776	554,543,155,160

20. COMMISSION ON REINSURANCE CEDED AND OTHER INSURANCE INCOME

Currency: VND

	Current year	Previous year
Commission on reinsurance ceded	131,381,928,718	116,411,844,115
Other income from insurance activities	13,727,103,878	11,871,652,600
	145,109,032,596	128,283,496,715

20.1 Commission on reinsurance ceded

Currency: VND

Product	Current year	Previous year
Health and Personal Accident Insurance	243,355,812	25,423,065
Property and Damages Insurance	87,646,903,833	79,307,085,201
Cargo Insurance	9,086,673,652	4,815,380,097
Automobile Insurance	51,248,089	53,747,864
Fire Insurance	27,110,224	63,936,360
Marine Hull and P&I Insurance	474,230,457	617,049,614
Liability Insurance	6,870,806,089	6,506,981,133
Business Risk Insurance	3,903,426,969	3,961,147,921
Financial Risk and Credit Insurance	23,078,173,593	21,061,092,860
TOTAL	131,381,928,718	116,411,844,115

20.2 Other income from insurance activities

Currency: VND

	Current year	Previous year
Claim settling Agent income	9,128,758,893	8,103,074,997
Handling charge income	2,049,428,807	1,894,076,593
Other income	2,548,916,178	1,874,501,010
TOTAL	13,727,103,878	11,871,652,600

21. CLAIM EXPENSES

Currency: VND

	Current year	Previous year
Direct claim expenses and claim expenses on inward reinsurance	250,588,701,393	234,419,920,193
- Direct claim expense	240,294,807,572	226,452,039,054
- Claim expense on inward reinsurance	10,293,893,821	7,967,881,139
Recovery from third party, recovery from 100% compensated goods	(15,630,812,855)	(6,529,411,343)
Recovery from reinsurance ceded	(124,571,827,812)	(131,494,667,644)
Increase/(Decrease) in gross claim reserve and reinsurance assumed claim reserve	(148,001,955,657)	182,728,584,087
(Increase)/Decrease in outward reinsurance claim reserve	149,597,887,497	(204,542,322,931)
TOTAL	111,981,992,566	74,582,102,362

21.1 Direct claim expense

Currency: VND

Product	Current year	Previous year
Health Insurance and Personal Accident Insurance	56,473,571,403	32,960,635,577
Property and Damages Insurance	87,589,781,360	73,663,370,621
Cargo Insurance	38,887,064,505	23,901,150,718
Automobile Insurance	8,803,383,735	5,132,005,483
Liability Insurance	18,474,394,028	14,618,244,725
Business Risk Insurance	103,845,226	94,362,165
Financial Risk and Credit Insurance	29,735,481,443	76,082,269,765
Marine Hull and P&I Insurance	227,285,872	-
TOTAL	240,294,807,572	226,452,039,054

21.2 Claim expenses on reinsurance assumed

Currency: VND

Product	Current year	Previous year
Health Insurance and Personal Accident Insurance	2,740,814	-
Property and Damages Insurance	7,886,805,678	7,081,076,082
Cargo Insurance	784,303,394	799,810,986
Automobile Insurance	982,214,707	-
Business Risk Insurance	601,562,975	-
Liability Insurance	36,266,253	86,994,071
TOTAL	10,293,893,821	7,967,881,139

21.3 Recovery from reinsurance ceded

Currency: VND

Product	Current year	Previous year
Property and Damages Insurance	86,631,144,541	63,343,080,191
Cargo Insurance	18,994,419,726	2,734,408,714
Automobile Insurance	2,366,500	2,099,190
Liability Insurance	4,341,647,492	497,113,788
Business Risk Insurance	697,731,048	93,890,354
Financial Risk and Credit Insurance	13,681,020,807	64,824,075,407
Marine Hull and P&I Insurance	223,497,698	-
Total	124,571,827,812	131,494,667,644

22. OTHER OPERATING EXPENSES

Currency: VND

	Current year	Previous year
Underwriting risk survey expenses	2,368,700,429	1,040,917,648
Agent management fee	572,118,440	481,337,718
Handling charged	1,327,261,825	1,513,278,275
Loss prevention	540,608,969	316,506,807
Statutory contributions	2,776,681,376	2,361,986,503
Others	6,763,866,264	4,964,237,468
TOTAL	14,349,237,303	10,678,264,419

23. FINANCE INCOME

	Current year	Previous year
Interest income from deposits	43,259,298,233	39,098,880,833
Interest income from bonds	8,700,000,000	8,700,000,000
Dividend received	999,930,100	1,003,275,000
Foreign exchange gains	5,642,056,866	2,522,761,872
TOTAL	58,601,285,199	51,324,917,705

24. FINANCE EXPENSE

	Current year	Previous year
Finance expenses	2,472,510,588	2,117,564,744
Foreign exchange losses	2,863,842,513	2,714,385,700
TOTAL	5,336,353,101	4,831,950,444

25. GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND

	Current year	Previous year
Employee expense	89,674,539,651	79,450,062,333
Material, tool and equipment expense	2,537,054,144	3,129,192,961
IT consultancy fee	16,907,112,642	12,015,938,953
Depreciation expense	2,245,547,755	1,534,441,755
Tax, fee, and charge	632,678,411	798,082,473
Office rental and office renewal expense	11,024,286,625	11,381,880,160
Outsourcing expenses	19,174,033,238	12,622,135,765
Addition of provision for doubtful debts	135,082,487	594,710,870
Others	282,555,986	935,609,889
TOTAL	142,612,890,939	122,462,055,159

26. OTHER INCOME AND EXPENSES

	Current year	Previous year
Gain from disposal assets	27,727,272	71,727,273
Other income	52,527,742	-
	80,255,014	71,727,273
Other expenses	-	32,318,866
Net other /profit	80,255,014	39,408,407

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	31,480,002,279	37,098,464,676
Total	31,480,002,279	37,098,464,676

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

Currency: VND

	Current year	Previous year
Accounting profit before tax	153,211,819,508	183,388,654,006
At CIT rate of 20%	30,642,363,902	36,677,730,801
Adjustments to increase		
Non-deductible expenses	150,208,051	556,010,522
Members’ council remuneration	171,412,800	196,617,300
Others	951,722,081	187,075,663
Adjustments to decrease		
Dividend income	(199,986,020)	(200,655,000)
Others	(235,718,535)	(318,314,610)
CIT expense	31,480,002,279	37,098,464,676

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	-	-
Deferred tax liability	7,489,275,211	7,489,275,211	-	-

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	13,071,954,470	13,006,750,800
From 1 to 5 years	1,954,821,675	12,324,410,400
TOTAL	15,026,776,146	25,331,161,200

Other off-balance sheet items

ITEMS	Ending balance	Beginning balance
Insurance policies signed but not yet effective (VND)	53,378,058,507	41,915,623,392
Ceded Insurance policies signed but for which no obligations have arisen on the part of the Company (VND)	27,258,552,310	22,681,783,158
Foreign currency (USD)	3,714,038	3,676,487

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	(56,702,077,383)	(54,967,184,941)
		IT consultancy fee	(6,069,134,339)	(3,625,490,789)
		Consultancy fee for internal audit, compliance and risk management	(1,050,846,435)	(170,688,300)
		Underwriting risk survey fee	(1,441,828,636)	(109,736,247)
Bao Viet Holdings	Joint-Owner	Profit distributed in the year	(54,478,466,506)	(52,811,609,061)
Bao Viet General Insurance Corporation	Owned by Bao Viet Holdings	Co-insurance premium	6,764,626,765	6,172,413,880
		Inward reinsurance premiums	1,179,141,978	199,150,061
		Inward reinsurance commission	(242,423,181)	(39,894,586)
		Inward reinsurance claim expense	(450,187,749)	(5,409,704)
		Outward reinsurance premiums	(28,964,625,767)	(32,022,884,163)
		Outward reinsurance Commission	7,732,083,199	8,471,351,885
		Outward reinsurance claim recovery	4,116,382,832	10,604,731,877
		Policies handling charge	-	(961,463)
The Tokio Marine and Nichido Fire Insurance Co., Ltd.	Indirect investment via Tokio Marine Asia Pte. Ltd	Claims Settling Agent Fee	7,714,447,732	6,495,288,305
		Outward reinsurance premiums	(147,046,953,828)	(149,737,661,386)
		Outward reinsurance Commission	35,673,894,427	32,645,866,466
		Outward reinsurance claim recovery	22,845,489,125	3,235,010,576

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:

Currency: VND

Related parties	Relationship	Transactions	Receivables/(Payables)	
			Ending balance	Beginning balance
Tokio Marine Asia Pte. Ltd	Joint-Owner	IT consultancy fee payables	(3,880,534,108)	(2,071,995,970)
Bao Viet General Insurance Corporation	Owned by Bao Viet Holdings	Outward reinsurance payables	(7,030,000,441)	(8,348,399,355)
		Outward reinsurance receivables	3,826,475,189	1,459,257,477
		Co-insurance payables	(4,756,283,789)	(7,430,008,203)
The Tokio Marine and Nichido Fire Insurance Co., Ltd.	Indirect investment via Tokio Marine Asia Pte. Ltd	Claims Settling Agent Fee receivables	4,525,662,235	2,139,717,492
		Outward reinsurance payables	(58,603,517,116)	(43,530,538,796)
		Outward reinsurance receivables	8,670,513,300	2,745,280,640

Transactions with other related parties

Remuneration of members of Members' Council

Currency: VND

	Current year	Previous year
Members' Council Remuneration	857,064,000	983,086,500
Total	857,064,000	983,086,500

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 202

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 2022	535,002	93,568	571.78%
31 December 2021	537,134	101,441	529.50%

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 Company is calculating the reserve for incurred but not reported claims based on the following formula:

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

The Company issues general insurance contracts such as Health and Personal accident insurance, Property and Damages insurance, Cargo insurance, Automobile insurance, Fire insurance, Liability insurance, Business risk insurance, Marine hull and P&I insurance, Financial risk, and Credit insurance. Risks under general insurance contracts usually cover twelve-month duration.

The Company is exposed to risk of accumulation in view of the economic development across the country and flow of foreign investment in manufacturing and real estates, especially in the major economic hubs such as Ho Chi Minh City, Hanoi, and Da Nang.

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

For longer tail claims that take over a year to settle; there is also inflation risk. These risks do not vary significantly in relation to the location of the risk insured by the general insurance, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors.

Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the general insurance. The general insurance further enforces a policy of managing activity and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

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

The purpose of 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
	2018	2019	2020	2021	2022	
At end of accident year	1	2	3	4	5	
I. Estimate of cumulative claims incurred						
1	97,352	97,936	89,640	79,329	120,799	
2	97,220	98,652	83,998	73,708		
3	95,819	98,300	83,411			
4	95,078	98,094				
5	94,003					
Current estimate of cumulative claims incurred (1)	94,003	98,094	83,411	73,708	120,799	470,015
II. Cumulative claim payment						
1	47,835	56,639	56,639	47,983	48,393	
2	74,528	81,428	81,428	79,988		
3	80,533	89,904	89,904			
4	87,777	91,747				
5	91,491					
Cumulative claim payment to date (2)	91,491	91,747	82,442	71,063	79,665	416,408
III. Net outstanding claim reserve (3) = (1) - (2)						
	2,512	6,347	969	2,645	41,134	53,607
IV. Current estimate of surplus (4)						
	3,349	(158)	6,229	5,621	-	15,041
V. Percentage of current estimate of surplus over current estimate of cumulative claims incurred (5) = (4)/(1)*100%						
	3.56%	(0.16%)	7.47%	7.63%	0.00%	3.20%

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
31 December 2022		
+5%	4,358,781,403	3,487,025,122
-5%	(4,358,781,403)	(3,487,025,122)
31 December 2021		
+5%	4,162,605,383	3,330,084,306
-5%	(4,162,605,383)	(3,330,084,306)

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
Financial instruments				
Available-for-sale	114,374,479,712	-	-	114,374,479,712
Listed share	8,430,000,000	-	-	8,430,000,000
Treasury bonds	105,944,479,712	-	-	105,944,479,712
Loans and receivables	1,066,884,213,198	-	2,654,282,373	1,069,538,495,571
Term deposits	961,289,793,094	-	-	961,289,793,094
Statutory deposit	8,778,750,000	-	-	8,778,750,000
Insurance receivables	53,861,966,100	-	2,654,282,373	56,516,248,473
Other receivables from customers	5,516,334,942	-	-	5,516,334,942
Other assets	37,437,369,062	-	-	37,437,369,062
Cash	28,557,097,289	-	-	28,557,097,289
TOTAL	1,209,815,790,199	-	2,654,282,373	1,212,470,072,572

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
Financial instruments				
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	8,490,000,00	-	-	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
Cash	1,048,172,132,087	-	573,047,993	1,048,745,180,080
	1,115,546,142,226	-	2,447,920,886	1,117,994,063,112

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
Ending balance					
Financial assets					
Available-for-sale	-	-	105,944,479,712	8,430,000,000	114,374,479,712
Listed share	-	-	-	8,430,000,000	8,430,000,000
Treasury bond	-	-	105,944,479,712	-	105,944,479,712
Loans and receivables	2,654,282,373	1,028,884,213,198	38,000,000,000	-	1,069,538,495,571

Currency: VND

	Overdue	Up to one year	More than one year	No maturity date	Total
Term deposits	-	923,289,793,094	38,000,000,000	-	961,289,793,094
Statutory deposit	-	8,778,750,000	-	-	8,778,750,000
Insurance receivables	2,654,282,373	53,861,966,100	-	-	56,516,248,473
Other receivables from customers	-	5,516,334,942	-	-	5,516,334,942
Other assets	-	37,437,369,062	-	-	37,437,369,062
Cash	-	28,557,097,289	-	-	28,557,097,289
TOTAL	2,654,282,373	1,057,441,310,487	143,944,479,712	8,430,000,000	1,212,470,072,572
Financial liabilities					
Trade payables	-	263,873,993,176	-	-	263,873,993,176
Other payables	-	170,583,733	-	-	170,583,733
	-	264,044,576,912	-	-	264,044,576,912
Net liquidity	2,654,282,373	793,396,733,575	143,944,479,712	8,430,000,000	948,425,495,660
Beginning balance					
Financial assets					
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	2,447,920,886	944,498,927,344	35,770,000,000	-	982,716,848,230
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	2,447,920,886	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
TOTAL	2,447,920,886	964,822,871,215	142,293,271,011	8,430,000,000	1,117,994,063,112
Financial liabilities					
Trade payables	-	214,598,955,037	-	-	214,598,955,037
Other payables	-	289,597,387	-	-	289,597,387
TOTAL	-	214,888,552,424	-	-	214,888,552,424
Net liquidity	2,447,920,886	749,934,318,791	142,293,271,011	8,430,000,000	903,105,510,688

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		
Ending balance					
Financial assets					
Available for sale	109,249,822,178	5,124,657,534	-	114,374,479,712	(*)
Listed shares	8,430,000,000	-	-	8,430,000,000	23,833,595,710
Treasury bonds	100,819,822,178	5,124,657,534	-	105,944,479,712	(*)
Loan and receivables	1,044,178,702,477	25,359,793,094	(914,124,747)	1,068,624,370,824	(*)
Term deposits	935,930,000,000	25,359,793,094	-	961,289,793,094	(*)
Statutory deposit	8,778,750,000	-	-	8,778,750,000	8,778,750,000
Insurance receivables	56,516,248,473	-	(914,124,747)	55,602,123,726	(*)
Other receivables from customers	5,516,334,942	-	-	5,516,334,942	(*)
Other assets	37,437,369,062	-	-	37,437,369,062	(*)
Cash	28,557,097,289	-	-	28,557,097,289	28,557,097,289
	1,181,985,621,944	30,484,450,628	(914,124,747)	1,211,555,947,825	
Financial liabilities					
Trade payables	263,873,993,176	-	-	263,873,993,176	(*)
Other payables	170,583,733	-	-	170,583,733	(*)
NET LIQUIDITY	264,044,576,912	-	-	264,044,576,912	

(*) 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	
Beginning balance					
Financial assets					
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
TOTAL	1,093,006,180,363	24,987,882,749	(779,042,260)	1,117,215,020,852	
Financial liabilities					
Trade payables	214,598,955,037	-	-	214,598,955,037	(*)
Othe payables	289,597,387	-	-	289,597,387	(*)
TOTAL	214,888,552,423	-	-	214,888,552,423	

(*) 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. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since 31 December 2022 that requires adjustment or disclosure to be made in the financial statements of the Company.



Ms. Pham Thu Trang
Chief Accountant

21 March 2023



Mr. Yasuhiro Takeda
General Director

**Tokio Marine
Insurance Vietnam Co. Ltd.**



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