

To Be a *Good Company*



TOKIO MARINE
INSURANCE GROUP

ANNUAL REPORT

TOKIO MARINE
INSURANCE VIETNAM

2023



CONTENTS

I. COMPANY UPDATE

1.1. MESSAGE FROM GD 3

1.2. OVERVIEW 5

- *Company Profile*

- *Overview*

- *History*

- *Management team*

1.3. PRODUCTS & SERVICES 9

1.4. FINANCIAL HIGHLIGHTS 12

1.5. CORPORATE SOCIAL RESPONSIBILITY 13

B. 2024 AUDITED FINANCIAL STATEMENTS

- *General Information* 16

- *Balance sheet* 20

- *Income statement* 23

- *Cash flow statement* 26

- *Notes to the financial statements* 27

MESSAGE FROM GENERAL DIRECTOR



The insurance industry in Vietnam has witnessed a challenging year in 2023 under the volatile domestic and global macro economy. The highlight of the local insurance market within the year is the perfecting legal framework for the market through the new Law on Insurance Business which required certain transformation in operation and management by insurers. Along with the macrofundamentals, the Vietnamese non-life insurance market total revenue is recorded at VND 71,149 billion which is equivalent to a growth rate of 2.87% over last year result.

2023 marked the 27th year of Tokio Marine Insurance Vietnam (TMIV) realizing the mission of protecting customers and society in time of need in local market. As we evolve towards our sustainable development journey, TMIV has tried our best to maximize human capabilities as well as accelerate innovative solutions to streamline operation efficiency and bring about the best protection for clients. Regarding business results, we finished the year with Gross Written Premium reaching VND 1,018 billion, equivalent to 113% of the 2022 figure. Underwriting Profit and Profit Before Tax were recorded at 64 VND billion and 159.7 VND billion respectively, achieving 71% and 104% of 2022 figures.

In addition to enhancing business activities, TMIV has also continuously strengthened corporate governance as a strong pillar in our business platform to ensure sustainable

growth and resilience in the increasingly turbulent and frequently changing economic environment. Both compliance and risk management activities have been standardized in line with Tokio Marine Group standards. Pro-active risk management culture has been fortified companywide in different ways of communication to both management and staff level.

Besides, the company has also implemented certain projects in 2023 to bring about added values to clients and society in line with the philosophy of “To Be a Good Company in Vietnam”. One of the initiatives is conducting risk evaluation surveys for manufacturing corporate clients with solar panel systems to support them in efficient property risk prevention and mitigation. The other project that TMIV has newly started in 2023 is “Sharing on life safety skills” for the local pupils which is in line with Tokio Marine Group global sustainable development initiative. TMIV Risk Engineering team have successfully conducted the sharing sessions for over 800 secondary pupils in Hanoi, equipping them with two important skills on fire and drowning prevention. The project was highly appreciated by local schools’ teachers and pupils for its meaningful values. By assisting clients and the community to solve typical issues, we hope to fulfill our role as a long-term partner in safety and security journey.

In closing, I would like to express my heartfelt gratitude to all TMIV members as well as stakeholders for the continuous support which makes it possible for TMIV to expand our corporate values. The year 2024 will likely offer a different set of opportunities, headwinds and risks towards a better local insurance market. In the annual conference held in early 2024, I addressed our employees with the message on the importance of positive change in day-to-day work. In a digitally centered market, it is important to quickly learn and move forward by making changes in daily operation. And with innovative and tailored-made general insurance service, TMIV will continue providing the best Japan Quality solutions to societal challenges.

With best regards and thanks,

Yours sincerely,

General Director
Mr. Yasuhiro Takeda

CORPORATE PROFILE

Name	TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED
Establishment	1996
Address	<ul style="list-style-type: none"> • Head Office • Room 601, 6th Floor, Sun Red River Building, No. 23 Phan Chu Trinh Street, Hoan Kiem District, Hanoi • Branch Office • 14th Floor, Lim Tower 3, 29A Nguyen Dinh Chieu, Da Kao Ward, Dist. 1, Ho Chi Minh City • Rep Office • Da Nang: 14th Floor, 249 Nguyen Van Linh, Thanh Khe Dist., Da Nang City Hai Phong: Lot B2, 2nd Floor, Harbor View Building, 12 Tran Phu, Ngo Quyen, Hai Phong
Chapter capital	VND 300,000,000,000
Member's Council	(Updated to 1/4/2024)
<ul style="list-style-type: none"> • Chairman • Members 	<ul style="list-style-type: none"> • Mr. Nguyen Quang Phi • Mr. Yasuhiro Miyoshi - Vice Chairman • Mr. Koichi Tao - MC Member • Mr. Yasuhiro Takeda - MC Member and General Director • Mr. Doan Viet Trang - MC Member • Ms. Tran Thi Thu Thuy - MC Member
Capital Contributors	

Tokio Marine Asia (51%)

The Asia – Pacific Regional Head Quarter of Tokio Marine Holdings – a top-tier global insurance group established in Japan since 1879.

Areas of business: non-life insurance, life insurance, international insurance, financial and other businesses.

Worldwide network: Overseas offices in 43 countries and regions with over 43,000 employees.

Trademark

Bao Viet Holdings (49%)

The leading & longest serving financial insurance group in Vietnam established since 1965 with countrywide network.

Areas of business: life insurance, non-life insurance, investment and other financial services.

Countrywide network: Over 170 branches & 700 transaction offices countrywide with over 6,000 employees.

OVERVIEW

Established in 1996, Tokio Marine Insurance Vietnam (previously known as Bao Viet Tokio Marine Insurance) was the first foreign invested 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

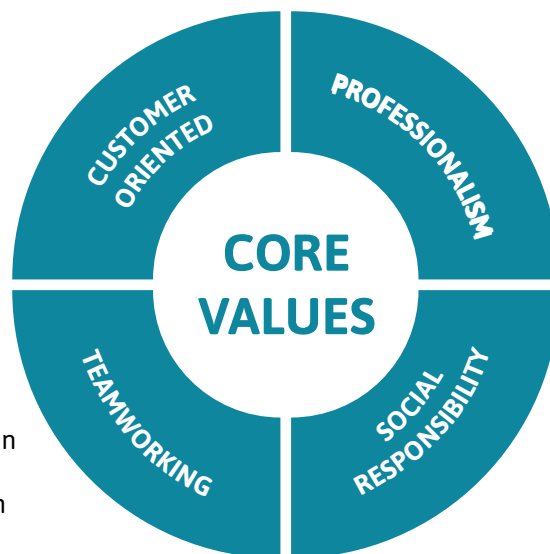
We, Tokio Marine Insurance Vietnam strives to be selected by our valued customers and partners as a Best Quality insurance company in Vietnam.

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 team



PROFESSIONALISM

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

SOCIAL RESPONSIBILITY

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

HISTORY

05 AUG 1996

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

14 JAN 2009

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

04 SEP 2009

Head Office was relocated to Hanoi

76 people

24 APR 2012

A Representative Office was established in Hai Phong

91 people

08 JULY 2016

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

20 AUG 2020

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."

19 DEC 1997

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

09 DEC 2002

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

25 MAY 2009

A Representative Office was established in Da Nang

76 people

10 SEP 2010

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

79 people

01 JULY 2013

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

5 AUG 2023

27 YEARS OF DEVELOPMENT

151 people

MEMBERS' COUNCIL

Mr. Nguyen Quang Phi
Chairman



Mr. Yasuhiro Miyoshi
Vice Chairman



Mr. Yasuhiro Takeda
MC Member



Mr. Tran Thi Thu Thuy
MC Member



Mr. Koichi Tao
MC Member



Mr. Doan Viet Trang
MC Member



MANAGEMENT TEAM

*Mr. Yasuhiro Takeda
General Director*



*Ms. Duong Thi Thanh Toan
Deputy General Director*



*Mr. Hidehisa Iwamoto
HCM Branch Director*



*Mr. Norifumi Watanabe
General Manager*



*Mr. Dam Trung Kien
General Manager*



*Ms. Pham Thu Trang
Chief Accountant*



*Ms. Nguyen Thi Phuong Anh
General Manager*



PRODUCTS & SERVICES

MAJOR LINES OF 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, 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



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:

Non Project Engineering

- Machinery Breakdown Insurance
- Electronic Equipment Insurance
- Others

Project Engineering

- Construction All Risks Insurance
- Erection All Risks 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, In addition, we also offer you the broader coverage with the best benefits:

- Partial Theft Coverage
- Damaged vehicles to be repaired at authorized nominated garage
- Water Damage Coverage
- Car Substitution Expense while your car is kept by the police for accident investigation



LIABILITY INSURANCE

Since the liability insurance has become increasingly popular with an increasing number of liability lawsuits being filed every 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.



PERSONAL ACCIDENT/ HEALTHCARE 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 Accident/Healthcare Insurance products. This will ensure you and your family members, your employees, etc. to have the best protection against the unfortunate events.

As for personal accident insurance, the coverage can be included all cases of injury caused by accident for:

- Death or Permanent Disablement
- Temporary Disablement
- Medical Expenses

As for healthcare insurance, the coverage may include:

- Personal accident
- Death/total permanent disablement due to sickness/maternity
- Hospitalization/Medical expenses due to sickness/maternity
- Other optional coverages per selection by the customer



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.



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 compensation to your staff but also protects 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 addition, 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.



OTHER SPECIALIZED INSURANCE

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

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.

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 sharing sessions 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 SHARING

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 SHARING/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.



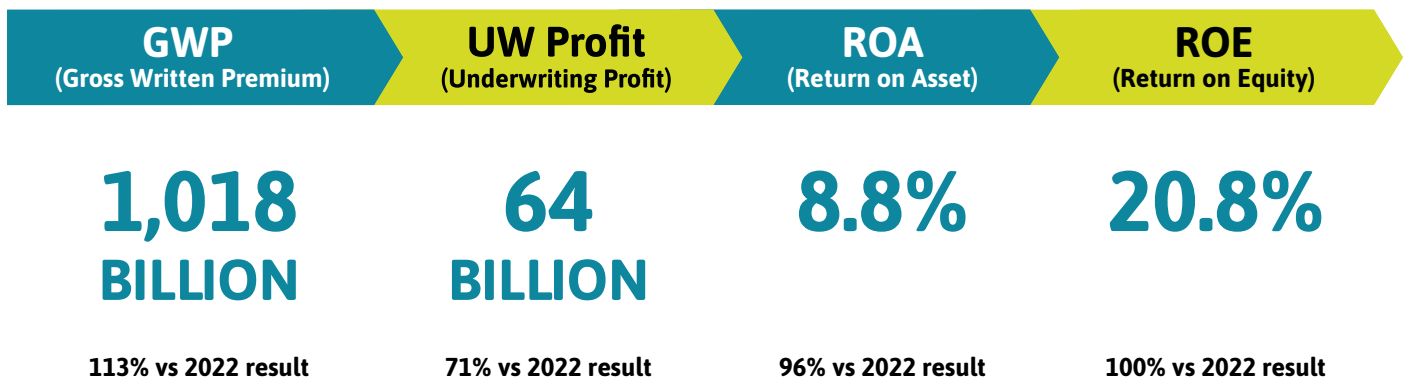
FINANCIAL HIGHLIGHTS

2023 RESULT

Financial results at the end of 2023 were showing solid performance with major Key Performance Indicators achieving positive growth.

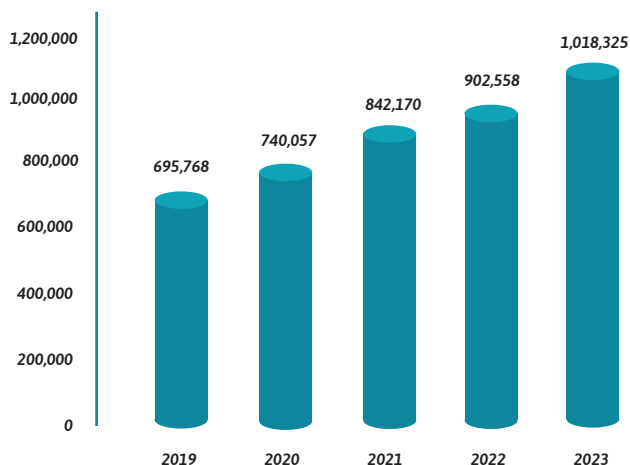
Total Gross Written Premium reached VND 1,018 billion which is equivalent to 110% of 2022 result and contributed to a sustainably upward trend over the past five years.

KEY FIGURES

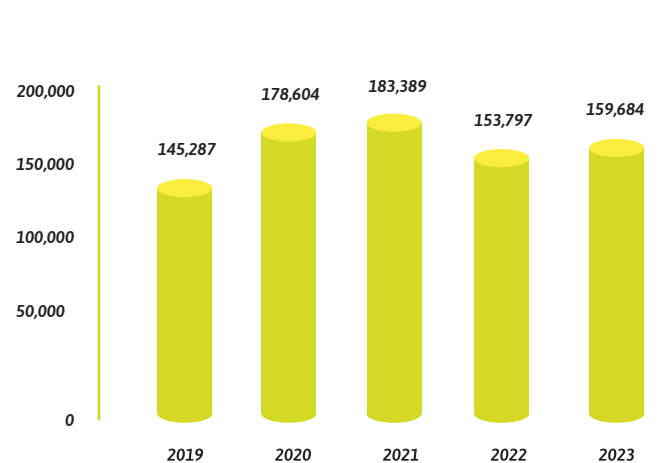


KEY MOVEMENT

**GROSS WRITTEN PREMIUM OVER 5 YEARS
DURING 2019 - 2023 (VND MILLION)**



**PROFIT BEFORE TAX OVER 5 YEARS
DURING 2019 - 2023 (VND MILLION)**



CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABLE PROJECT “LIFE SAFETY SKILL FOR A SUSTAINABLE FUTURE”

With an aim to bring positive values to future generation for a sustainable social development, TMIV has started the project to deliver sharing on life safety skills for the local children, helping them be aware of potential risks in daily life, improve knowledge on how to deal with unexpected risks as well as prevention measures.

The sharing session has been delivered to over 800 secondary pupils aged 12-15 in Hanoi within the year with topic of “Safety skills against fire & drowning risks”. These two risks are considered the most popular in daily life, being the causes of thousands of fatal accidents among local children over the past years.

The sharing was conducted by TMIV Risk Engineering team who are well experienced in safety and risk prevention area. The project was highly appreciated by local teachers and pupils for its meaningful values.



CSR PROJECT “HELMETS FOR THE CHILDREN”



In 2023, TMIV continued the annual project to deliver over 2,000 good quality helmets to pupils aged 12 to 15 in the secondary schools in Binh Duong province, southern Vietnam. Besides, a sharing session on traffic safety precautions was also delivered to over 900 pupils attending the ceremony with their active participation. In addition, TMIV presented 10 financial scholarships to students in the province facing difficulties due to traffic accidents who are either suffering from traffic accidents themselves or lost a parent due to accidents.

According to Vietnam National Traffic Safety Committee, road traffic injuries continue to be a major public health problem and a leading cause of death, injury and disability in children and young people in Vietnam.

Ms. Huynh Thanh Tam, the principal of Hiep An secondary school in Binh Duong province shared her thoughts in the delivery ceremony: “Our school deeply appreciates Tokio Marine Insurance Vietnam for providing meaningful gifts to our students. The school is located near a national highway, so these high-quality helmets will help our students travel with peace of mind every day.”

TMIV hopes to join a hand with the local community and schools to help the students - the future generation of Vietnam - to be better aware of traffic safety culture and the practice of wearing high-quality helmets when travelling.



TOKIO MARINE INSURANCE VIET NAM COMPANY LIMITED

FINANCIAL STATEMENTS

General Information

Report of the Members' Council

Independent auditors' report

Balance sheet

Income statement

Cashflow statement

Notes to the financial statements

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/KDBH	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. Yasuhiro Miyoshi	Vice Chairperson	Appointed on 01 April 2023
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. Shiro Ipposhi	Vice Chairperson	Appointed on 01 April 2022
		Resigned on 01 April 2023

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	Director Appointed on 01 January 2019
Ms. Pham Thu Trang	Chief Accountant	Appointed on 01 January 2017

LEGAL REPRESENTATIVE

The legal representative at the date of this report is Mr. Yasuhiro Takeda, General Director of the Company

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited

REPORT OF THE MEMBERS' COUNCIL

Members' Council of Tokio Marine Insurance Vietnam Company Limited ("the Company") is pleased to present its report and approve the financial statements for the year ended 31 December 2023

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 of the Company is required to:

- Select suitable accounting policies and then apply them consistently
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Make judgements and estimates that are reasonable and prudent
- 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 2023 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:



The stamp is circular with a red border and contains the following text: S.G.P. 65, CÔNG TY TRÁCH NHIỆM HỮU HẠN BẢO HIỂM TOKIO MARINE VIỆT NAM, HANOI. The signature is written in blue ink over the stamp.

Mr. Nguyen Quang Phi
Chairperson

Hanoi, Vietnam
25 March 2024

INDEPENDENT AUDITORS' REPORT

TO: THE MEMBERS' COUNCIL TOKIO MARINE INSURANCE VIET NAM COMPANY LIMITED

We have audited the accompanying financial statements of Tokio Marine Insurance Vietnam Company Limited ("the Company") as prepared on 25 March 2024 and set out on pages 6 to 53, which comprise the balance sheet as at 31 December 2023, 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 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 statements, and for such internal control as management determines is necessary to enable the preparation and presentation of free from material misstatement, whether due to fraud or error.

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 2023 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.

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 Company'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 Company'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.

ERNST & YOUNG VIETNAM LIMITED – HANOI BRANCH



Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2023-004-1

Ho Chi Minh City, Vietnam
25 March 2024

Huynh Nhat Hung
Auditor
Audit Practising Registration
Certificate No. 5040-2024-004-1

BALANCE SHEET

AS AT 31 DECEMBER 2023

Currency: VND

CODE	ASSETS	NOTESE	ENDING BALANCE	BEGINNING BALANCE
100	A. CURRENT ASSETS		1,788,769,715,372	1,505,429,228,356
110	I. Cash and cash equivalents	4	37,879,593,293	28,557,097,289
111	1. Cash		37,879,593,293	28,557,097,289
120	II. Short-term investments	5	1,072,186,250,000	906,360,000,000
121	1. Trading securities		8,430,000,000	8,430,000,000
123	2. Held-to-maturity investments		1,063,756,250,000	897,930,000,000
130	III. Current account receivables	6	130,378,996,108	96,142,430,296
131	1. Short-term trade receivables		69,946,357,662	61,785,246,453
131.1	1.1. Insurance receivables		64,145,423,229	56,516,248,473
131.2	1.2. Other trade receivables		5,800,934,433	5,268,997,980
135	2. Other short-term receivables		61,035,650,224	35,271,308,590
139	3. Allowance for doubtful debts		(603,011,778)	(914,124,747)
140	IV. Inventories		28,174,545	46,774,544
141	1. Inventories		28,174,545	46,774,544
150	V. Other short-term assets		32,543,684,425	27,439,122,725
151	1. Prepaid expenses		29,343,594,658	25,221,884,168
151.1	1.1. Unallocated commission expense	7	25,099,000,662	21,101,119,352
151.2	1.2. Other prepaid expenses		4,244,593,996	4,102,764,816
152	2. Deductible VAT		3,200,089,767	2,217,238,557
190	VI. Reinsurance assets	16	515,753,017,001	446,883,803,502
191	1. Reinsurance assets from unearned premium reserve	16.1.1	209,391,770,534	108,813,396,643
192	2. Reinsurance assets from claim reserve	16.1.2	306,361,246,467	266,070,406,859

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
200	B. NON-CURRENT ASSETS		25,541,521,162	162,184,716,792
210	I. Long-term receivables		11,244,170,036	10,944,810,472
216	1. Other long-term receivables		11,244,170,036	10,944,810,472
216.1	1.1. Statutory deposit	8	9,030,000,000	8,778,750,000
216.2	1.2. Other long-term receivables		2,214,170,036	2,166,060,472
220	II. Fixed assets		7,806,569,948	7,505,196,308
221	1. Tangible fixed assets	9	2,375,593,758	2,891,179,008
222	Cost		9,076,603,337	9,735,758,792
223	Accumulated depreciation		(6,701,009,579)	(6,844,579,784)
227	2. Intangible fixed assets	10	5,430,976,190	3,787,629,917
228	Cost		14,250,655,769	10,724,615,003
229	Accumulated amortisation		(8,819,679,579)	(6,936,985,086)
230	3. Work-in-process		-	826,387,383
250	III. Long-term investments	5	-	138,819,822,178
255	1. Held-to-maturity investments		-	138,819,822,178
260	IV. Other non-current assets		6,490,781,178	4,914,887,834
261	1. Long-term prepaid expense	11	6,490,781,178	4,914,887,834
270	TOTAL ASSETS		1,814,311,236,534	1,667,613,945,148

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
300	A. TOTAL LIABILITIES		1,197,472,042,378	1,080,091,648,117
310	I. Current liabilities		1,189,587,145,335	1,072,602,372,906
311	1.Trade payables	12	268,714,768,239	263,873,993,176
311.1	1.1. Insurance payables		253,817,308,106	240,391,365,233
311.2	1.2. Other trade payables		14,897,460,133	23,482,627,943
313	2. Tax and other statutory obligations	13	22,748,606,070	18,658,522,189
314	3. Payables to employees		31,754,116,416	28,298,926,904
318	4. Short-term deferred revenue		2,237,170,709	6,926,169,840
318.1	5. Un-earned commission revenue	14	47,284,062,207	43,306,999,962
319	6. Other short-term payables	15	828,155,356	170,583,736
322	7. Bonus and welfare funds		16,225,420,747	15,595,942,728
329	8. Technical reserves	16	799,794,845,591	695,771,234,371
329.1	8.1. Gross un-earned premium reserve	16.1.1	301,091,456,981	263,357,843,985
329.2	8.2. Gross claim reserve	16.1.1	397,009,791,853	340,246,965,331
329.3	8.3. Catastrophe reserve	16.2	101,693,596,757	92,166,425,055
330	II. Non-current liabilities		7,884,897,043	7,489,275,211
341	1.Deferred tax liability	27.3	7,884,897,043	7,489,275,211
400	B. OWNERS' EQUITY		616,839,194,156	587,522,297,031
410	I. Capital	17	616,839,194,156	587,522,297,031
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		255,318,394,156	226,001,497,031
421a	4.1. Accumulated undistributed profit of previous years		133,485,315,937	110,356,270,663
412b	4.2. Undistributed profit of current year		121,833,078,219	115,645,226,368
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,814,311,236,534	1,667,613,945,148



Ms. Pham Thu Trang
Chief Accountant



Ms. Yasuhiro Takeda
General Director



25 March 2024

INCOME STATEMENT

PART I: COMPREHENSIVE INCOME STATEMENT for the year ended 31 December 2023

Currency: VND

CODE	ITEMS	CURRENT YEAR	PREVIOUS YEAR
10	1.Total operating income	469,166,424,524	444,424,567,308
12	2. Finance income	87,640,785,669	58,601,285,199
13	3. Other income	569,521,639	80,255,014
20	4.Total direct operating expenses	239,339,544,510	201,945,043,973
22	5. Finance expense	5,637,673,896	5,336,353,101
23	6. General and administrative expenses	152,715,222,747	142,612,890,939
24	7. Other expenses	68,599	-
50	8. Profit before corporate income tax (50 = 10 + 12 + 13 - 20 - 22 - 23 -24)	159,684,222,080	153,211,819,508
51	9. Current corporate income tax	31,043,254,753	31,480,002,279
52	10. Deferred income tax expense	395,621,832	-
60	11. Net profit for the year after corporate income tax (60 = 50 - 51 - 52)	128,245,345,495	121,731,817,229

PART II: OPERATIONAL INCOME STATEMENT

for the year ended 31 December 2023

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Insurance revenue (01 = 01.1 + 01.2 - 01.3) <i>In which:</i>	18	980,591,746,123	883,901,253,085
01.1	Direct written premiums	18.1	934,881,944,580	836,613,911,575
01.2	Reinsurance premium assumed	18.2	83,443,414,539	65,944,286,384
01.3	Increase in un-earned premium reserve	16.1	37,733,612,996	18,656,944,874
02	2. Reinsurance premium ceded (02 = 02.1 - 02.2) <i>In which:</i>	19	672,174,594,988	584,585,718,373
02.1	Reinsurance premium ceded	19.1	700,752,968,879	595,329,856,776
02.2	Increase in ceded premium reserve	16.1	28,578,373,891	10,744,138,403
03	3. Net insurance premiums (03 = 01 - 02)		308,417,151,135	299,315,534,712
04	4. Commission on reinsurance ceded and other insurance income (04 = 04.1 + 04.2) <i>In which:</i>	20	160,749,273,389	145,109,032,596
04.1	Commission on reinsurance ceded	20.1	146,991,673,389	131,381,928,718
04.2	Other income from insurance activities	20.2	13,757,600,000	13,727,103,878
10	5. Total net revenue from insurance business (10 = 03 + 04)		469,166,424,524	444,424,567,308
11	6. Claim expenses (11 = 11.1 - 11.2) <i>In which:</i>		272,003,572,315	234,957,888,538
11.1	Claim expenses		279,191,268,122	250,588,701,393
11.2	Claim expense reductions		7,187,695,807	15,630,812,855
12	7. Recoveries from reinsurance ceded	21.3	151,865,262,202	124,571,827,812
13	8. Increase/(Decrease) in direct and assumed claim reserve	16.1	56,762,826,522	(148,001,955,657)
14	9. Increase/(Decrease) in ceded claim reserve	16.1	40,290,839,608	(149,597,887,497)
15	10. Net claim expenses (15 = 11 - 12 + 13 - 14)	21	136,610,297,027	111,981,992,566
16	11. Increase in catastrophe reserve	16.2	9,527,171,701	9,216,850,233

PART II: OPERATIONAL INCOME STATEMENT

for the year ended 31 December 2023

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
17	12. Other operating expenses (17 = 17.1 + 17.2) In which:		93,202,075,782	80,746,201,174
17.1	Commission expense	7	78,354,320,564	66,396,963,871
17.2	Other underwriting expenses	22	14,847,755,218	14,349,237,303
18	13. Total direct operating expenses (18 = 15 + 16 + 17)		239,339,544,510	201,945,043,973
19	14. Gross insurance operating profit (19 = 10 - 18)		229,826,880,014	242,479,523,335
23	15. Finance income	23	87,640,785,669	58,601,285,199
24	16. Finance expense	24	5,637,673,896	5,336,353,101
25	17. Profit from financial activities (25 = 23 - 24)		82,003,111,773	53,264,932,098
26	18. General and administrative expenses	25	152,715,222,747	142,612,890,939
30	19. Net operating income (30 = 19 + 25 - 26)		159,114,769,040	153,131,564,494
31	20. Other income	26	569,521,639	80,255,014
32	21. Other expenses	26	68,599	-
40	22. Net other profit (40 = 31 - 32)		569,453,040	80,255,014
50	23. Profit before corporate income tax (50 = 30 + 40)		159,684,222,080	153,211,819,508
51	24. Current corporate income tax	27	31,043,254,753	31,480,002,279
52	25. Deferred income tax expense	27	395,621,832	-
60	26. Net profit for the year after tax (60 = 50 - 51 - 52)		128,245,345,495	121,731,817,229



Ms. Pham Thu Trang
Chief Accountant



Mr. Yasuhiro Takeda
General Director



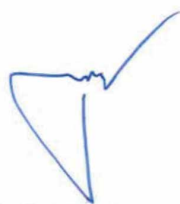
25 March 2024

CASH FLOW STATEMENT

for the year ended 31 December 2023

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Receipt from sale of goods and rendering of services		992,737,288,908	924,044,273,570
02	Payments to suppliers		(892,489,989,540)	(777,881,840,228)
03	Payment to employees		(98,546,032,591)	(90,322,671,530)
05	Payment of corporate income tax	13	(28,232,844,286)	(26,610,000,000)
06	Receipts from other operating activities		207,614,262,209	187,392,418,407
07	Payment of other operating activities		(109,687,862,969)	(90,910,327,294)
20	Net cash inflows from operating activities		71,394,821,730	125,711,852,925
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Payment to purchase fixed assets and constructions		(2,448,571,858)	(2,549,430,825)
22	Receipts on disposals of fixed assets		556,770,555	30,500,000
23	Disbursement for loans and purchase of investment securities		(916,192,353,805)	(934,500,918,439)
24	Receipts from loans and sale of investment securities		886,668,100,000	885,887,600,000
27	Receipts from investment interest and dividends		61,477,121,494	44,718,306,035
30	Net cash flow from/(used) in investing activities		30,061,066,386	(6,413,943,229)
III. CASH FLOWS FROM FINANCIAL ACTIVITIES				
36	Profit distribution paid		(92,144,501,124)	(110,514,747,160)
40	Net cash flow used in financial activities		(92,144,501,124)	(110,514,747,160)
50	Net change in cash and cash equivalents	4	9,311,386,992	8,783,162,536
60	Cash and cash equivalents at the beginning of the year		28,557,097,289	20,323,943,871
61	Impact of exchange rate fluctuation		11,109,012	(550,009,118)
70	Cash and cash equivalents at the end of the year	4	37,879,593,293	28,557,097,289



Ms. Pham Thu Trang
Chief Accountant



Mr. Yasuhiro Takeda
General Director

25 March 2024

NOTES TO THE FINANCIAL STATEMENT

as at 31 December 2023 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/KDBH	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 2023 is VND 300,000,000,000.



Total number of employees of the Company as at 31 December 2023 is 163 people (as at 31 December 2022: 148 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);

Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);

Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and

Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the accompanying balance sheet, income statement, cash flow statement and related notes, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2. Registered accounting documentation system

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

2.3. Fiscal year

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

2.4. Accounting currency

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies used to prepare the financial statements are applied consistently with the accounting policies used to prepare the financial statements for the fiscal year ended 31 December 2022 and other new regulations take effect in 2023 as follows:

On 16 June 2022, the National Assembly passed Insurance Business Law No. 08/2022/QH15 ("Insurance Business Law 2022"). On 1 July 2023, the Government issued Decree No. 46/2023/ND-CP detailing several articles of the Law on Insurance Business 2022 ("Decree 46"). On 2 November 2023, the Ministry of Finance issued Circular No. 67/2023/TT-BTC guiding a number of articles of the Law on Insurance Business 2022 and Decree 46 ("Circular 67").

The Law on Insurance Business 2022 takes effect from 01 January 2023, replacing the Law on Insurance Business No. 24/2000/QH10 dated 9 December 2000, the Law amending and supplementing several articles of the Insurance Business Law No. 61/2010/QH12 dated 24 November 2010 and Law amending and supplementing several articles of the insurance business law and intellectual property law No. 42/2019/QH14 dated 14 June 2019 ("Insurance Business Law 2000").

Decree 46 takes effect from 1 July 2023, replacing Decree No. 73/2016/ND-CP dated 1 July 2016 ("Decree 73") detailing a number of articles of the Law on Business insurance business 2000.

Circular 67 takes effect from 2 November 2023, replacing a number of articles of Circular 50/2017/TT-BTC dated 15 May 2017 guiding the implementation of Decree No. 73/2016/ND-CP.

The Company complies with the regulations in the Insurance Business Law 2022, Decree 46 and Circular 67. Accordingly, at the date of these Financial Statements, the Company is applying the policies as presented in the accompanying Notes.

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 applies the provision policies as follows:

Overdue receivables	Allowance rate
Over six (06) months to less than one (01) year	30%
From one (01) to less than two (02) years	50%
From two (02) to less than three (03) years	70%
From three (03) years	100%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

3.5. 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:

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. 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.

3.4. 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.

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

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 several 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.10. Technical reserve

The technical reserves include technical reserves for non-life insurance and technical reserve of health insurance, and are appropriated according to the method approved by the Ministry of Finance.

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:

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

(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; and
- Reserve for incurred but not reported claims for which the insurer is liable (“IBNR reserve”): is established based on the formula approved by the Ministry of Finance as follows:

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

(iii) Catastrophe reserve

Catastrophe reserve is set aside annually for catastrophe in loss. In 2023, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.10. Technical reserve

b) Technical reserve of health insurance

(i) 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:

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

(ii) Claim reserve

- 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 approved by the Ministry of Finance as follows:

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

(iii) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 46.

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 revenue of insurance business as follows:

- The insurance contract has been entered into by the insurer and the insured has paid full premium;
- There's evidence about coverage acceptance and the insured has paid full premium;
- The insurance contract has been concluded, The insurer has an agreement with the policyholder on the premium payment period (shall record revenues from the premium that the policyholder must pay according to the agreement in the insurance policy at the beginning of the insurance period)
- When the insurance policy has been concluded and there is an agreement for the policyholder to pay the premium in installments under the insurance policy (shall record revenues from the premium corresponding to the period or periods of premium that have incurred and shall not record revenues from the premium that has not yet come due for the policyholder to pay according to the agreement under the insurance policy).

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.

Insurance contracts have been concluded before the effective date of the Insurance Business Law 2022 and the contract term is still valid will continue to be implemented according to the provisions of law at the time of entering into the insurance contract, except in cases where the the party participating in the insurance contract has an agreement on amending and supplementing the contract to comply with the Law on Insurance Business 2022 and to apply the provisions of the Law on Insurance Business 2022.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

(iii) Agents' bonus, support and other benefits

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 46.

(iv) General & administration expense

Other administration expense is recognized on accrual basis.

(vi) 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) Commission expense

Commission is calculated for all products with specific percentages for each type of products stipulated in agency contracts and in accordance with current regulations. 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".

As for non-life insurance: Total bonuses, support, and other benefits of insurance agents do not exceed 50% of the insurance agent commission of all non-life insurance policies marketed in the fiscal year. This expense is accounted for in the income statement on an accrual basis.

(v) Operating lease

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

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash	Currency: VND	
	Ending balance	Beginning balance
Cash on hand (VND)	24,326,779	24,326,779
Cash at bank	37,855,266,514	28,503,734,510
<i>In which</i>		
VND	23,677,353,783	26,416,856,451
Foreign currency	14,177,912,731	2,086,878,059
TOTAL	37,879,593,293	28,557,097,289

5. FINANCIAL INVESTMENTS

Trading securities	Currency: VND	
	Ending balance	Beginning balance
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	1,063,756,250,000	897,930,000,000
- Term deposits in VND (iii)	985,480,000,000	821,620,000,000
- Term deposits in USD (iii)	78,276,250,000	76,310,000,000
Long - term	-	138,819,822,178
- Term deposits	-	38,000,000,000
- Bonds (iv)	-	100,819,822,178
NET VALUE OF INVESTMENTS	1,063,756,250,000	1,036,749,822,178
	1,072,186,250,000	1,045,179,822,178

(i) Including 846,094 VNR shares. (31 December 2022: 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 4.70% 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

	Ending balance	Beginning balance
Currency: VND		
Insurance receivables		
Gross written premium receivables	26,076,853,675	16,691,758,304
- Premium receivable from the Insured	15,090,620,858	10,063,948,657
- Premium receivable from brokers	10,924,291,138	6,169,711,968
- Premium receivable from agents	61,941,679	458,097,679
Reinsurance assumed receivables	9,645,904,245	4,600,406,698
Reinsurance ceded receivables	24,915,476,044	32,809,738,214
Receivables from co-insurers	3,507,189,265	2,414,345,257
- Claims recoveries from co-insurers	634,749,324	710,613,475
- Other receivables from co-insurers	2,872,439,941	1,703,731,782
	64,145,423,229	56,516,248,473
Other trade receivables		
Receivables from claim handling services	4,693,622,355	4,745,834,319
Other trade receivables	1,107,312,078	523,163,661
	5,800,934,433	5,268,997,980
Other short-term receivables		
Bank deposit interest receivables	53,612,381,778	25,359,793,094
Bond coupon receivables	-	5,124,657,534
Deposit for third party claim handling service	5,709,961,812	4,099,605,390
Advances, other short-term deposits	859,202,769	439,915,610
Other receivables	854,103,865	247,336,962
	61,035,650,224	35,271,308,590
Total receivables	130,982,007,886	97,056,555,043
Allowance for doubtful debts	(603,011,778)	(914,124,747)
Net current account receivables	130,378,996,108	96,142,430,296

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.

	Current year	Previous year
Currency: VND		
Opening balance	21,101,119,352	18,967,333,542
Paid commission during the year	82,352,201,874	68,530,749,681
Allocated commission during the year	(78,354,320,564)	(66,396,963,871)
Closing balance	25,099,000,662	21,101,119,352

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 charter capital.

9. TANGIBLE FIXED ASSETS

	Currency: VND		
Cost:	Motor vehicles	Office equipment	Total
Beginning balance	4,684,410,909	5,051,347,883	9,735,758,792
Additions during the year	-	534,350,000	534,350,000
Disposals during the year	(1,193,505,455)	-	(1,193,505,455)
Ending balance	3,490,905,454	5,585,697,883	9,076,603,337
Accumulated depreciation:			
Beginning balance	(2,771,174,785)	(4,073,404,999)	(6,844,579,784)
Charge for the year	(504,743,320)	(545,191,930)	(1,049,935,250)
Decease during the year	1,193,505,455	-	1,193,505,455
Ending balance	(2,082,412,650)	(4,618,596,929)	(6,701,009,579)
Net book value:			
Beginning balance	1,913,236,124	977,942,884	2,891,179,008
Ending balance	1,408,492,804	967,100,954	2,375,593,758

10. INTANGIBLE FIXED ASSETS

	Currency: VND	
Cost:	Software	Total
Beginning balance	10,724,615,003	10,724,615,003
Additions during the year	3,526,040,766	3,526,040,766
Ending balance	14,250,655,769	14,250,655,769
Accumulated depreciation:		
Beginning balance	(6,936,985,086)	(6,936,985,086)
Charge for the year	(1,882,694,493)	(1,882,694,493)
Ending balance	(8,819,679,579)	(8,819,679,579)
Net book value:		
Beginning balance	3,787,629,917	3,787,629,917
Ending balance	5,430,976,190	5,430,976,190

11. LONG-TERM PREPAID EXPENSE

	Currency: VND	
	Ending balance	Beginning balance
Tools and equipment	1,215,703,051	1,007,869,851
Office renovations	1,208,779,182	1,729,929,498
Network and transmission	2,449,834,488	199,087,313
Golf	1,314,804,227	1,484,434,020
Others	301,660,230	493,567,152
TOTAL	6,490,781,178	4,914,887,834

12. TRADE PAYABLES

	Currency: VND	
	Ending balance	Beginning balance
Insurance payables		
Payables for ceded activities	236,837,510,155	212,789,480,745
Payables to co-insurers	7,493,242,695	8,290,192,850
Commission payables	7,931,110,569	5,234,080,498
Other payables from insurance business	1,555,444,687	14,077,611,140
	253,817,308,106	240,391,365,233
Other trade payables		
Assessment fee for "Financial Risk and Credit Insurance" Policies	634,123,000	6,690,004,186
IT Advisory fee & other service related IT	3,420,944,992	7,590,477,487
Compulsory fire and explosion fund and compulsory TPL fund	3,069,452,225	2,687,590,693
Survey fee payable	1,553,105,517	68,628,750
Other trade payables	6,219,834,399	6,445,926,827
	14,897,460,133	23,482,627,943
TOTAL	268,714,768,239	263,873,993,176

13. TAXES AND OTHER STATUTORY OBLIGATIONS

	Movement during the year			Currency: VND
	Beginning balance	Payables	Paid	Ending balance
Value added tax	2,627,338,909	47,958,270,312	(47,241,627,254)	3,343,981,967
Corporate income tax	11,928,466,977	31,043,254,753	(28,232,844,286)	14,738,877,444
Personal income tax	(237,883,395)	11,061,965,742	(10,276,633,983)	547,448,364
Foreign contractor tax	4,340,599,698	1,390,825,850	(1,613,127,253)	4,118,298,295
TOTAL	18,658,522,189	91,454,316,657	(87,364,232,776)	22,748,606,070

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	43,306,999,962	40,585,246,452
Increased during the year	150,968,735,634	134,103,682,228
Allocated during the year	(146,991,673,389)	(131,381,928,718)
Closing balance	47,284,062,207	43,306,999,962

15. OTHER SHORT – TERM PAYABLES

	Currency: VND	
	Ending balance	Beginning balance
Other payables	828,155,356	170,583,736
TOTAL	828,155,356	170,583,736

16. TECHNICAL RESERVES

16.1. Unearned premium reserve and claim reserve

	Currency: VND		
	Reserve for direct insurance and inward reinsurance	Reserve for outward reinsurance (Reinsurance assets)	Net reserve
Beginning 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
Ending balance			
Unearned premium reserve	301,091,456,981	(209,391,770,534)	91,699,686,447
Claim reserves	397,009,791,853	(306,361,246,467)	90,648,545,386
Outstanding claim reserve	370,198,098,646	(306,361,246,467)	63,836,852,179
Incurred but not reported claim reserve	26,811,693,207	-	26,811,693,207
TOTAL	698,101,248,834	(515,753,017,001)	182,348,231,833

16. TECHNICAL RESERVES

16.1. Unearned premium reserve and claim reserve

16.1.1. Unearned premium reserve

Unearned Gross and Assumed Premium Reserves

Product	Ending balance	Currency: VND
		Beginning balance
Health and Personal Accident Insurance	42,787,555,992	34,000,508,627
Property, Damages and Fire Insurance	155,737,333,378	139,968,720,755
Cargo Insurance	13,702,217,012	10,086,219,247
Automobile Insurance	7,645,789,676	7,610,472,659
Marine Hull and P&I Insurance	176,745,513	349,160,577
Liability Insurance	36,823,190,318	32,677,880,339
Business Risk Insurance	7,033,941,234	4,806,884,852
Financial Risk and Credit Insurance	37,184,683,858	33,857,996,929
TOTAL	301,091,456,981	263,357,843,985

Unearned ceded premium reserve (Reinsurance assets)

Product	Ending balance	Beginning balance
Health and Personal Accident Insurance	1,557,164,011	1,131,880,034
Property, Damages and Fire Insurance	141,604,947,487	126,167,842,485
Cargo Insurance	7,638,090,708	4,278,502,109
Automobile Insurance	65,752,559	108,679,020
Marine Hull and P&I Insurance	173,799,672	344,437,175
Liability Insurance	16,909,075,791	13,037,974,073
Business Risk Insurance	6,837,411,587	4,564,480,188
Financial Risk and Credit Insurance	34,605,528,719	31,179,601,559
TOTAL	209,391,770,534	180,813,396,643

16.1.2 Claim reserve

Direct and Reinsurance assumed claim reserve

Product	Ending balance	Currency: VND
		Beginning balance
Health and Personal Accident Insurance	27,013,630,731	15,671,944,536
Property, Damages and Fire Insurance	47,153,529,624	186,656,239,405
Cargo Insurance	46,205,189,532	50,796,292,563
Automobile Insurance	7,294,612,836	6,479,343,636
Marine Hull and P&I Insurance	202,299,374	21,121,194
Liability Insurance	18,814,453,501	13,252,964,679
Business Risk Insurance	263,864,954	11,071,018,068
Financial Risk and Credit Insurance	250,062,211,301	56,298,041,250
TOTAL	397,009,791,853	340,246,965,331

16. TECHNICAL RESERVES

16.1. Unearned premium reserve and claim reserve

16.1.2 Claim reserve

Reinsurance ceded claim reserve (Reinsurance assets)

Product	Currency: VND	
	Ending balance	Beginning balance
Property, Damages and Fire Insurance	42,049,238,110	168,860,455,553
Cargo Insurance	26,672,329,518	32,107,094,275
Marine Hull and P&I Insurance	198,927,650	20,769,167
Liability Insurance	7,947,282,653	3,640,371,051
Business Risk Insurance	216,757,778	10,973,641,977
Financial Risk and Credit Insurance	229,276,710,758	50,468,074,836
TOTAL	306,361,246,467	266,070,406,859

16.2. Catastrophe reserve

Product	Currency: VND	
	Ending balance	Beginning balance
Health and Personal Accident Insurance	22,432,558,102	18,931,447,373
Property, Damages and Fire Insurance	12,017,910,958	10,917,064,087
Cargo Insurance	34,328,996,626	32,147,810,052
Automobile Insurance	14,498,598,683	13,805,762,651
Marine Hull and P&I Insurance	115,312,195	114,677,973
Liability Insurance	16,104,840,207	14,461,792,076
Business Risk Insurance	201,456,445	187,750,627
Financial Risk and Credit Insurance	1,993,923,541	1,600,120,216
TOTAL	101,693,596,757	92,166,425,055

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	92,166,425,055	82,949,574,821
Increased during the year	9,527,171,702	9,216,850,234
Closing balance	101,693,596,757	92,166,425,055

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	300,000,000,000	300,000,000,000	221,536,814,552	31,520,800,000	583,057,614,552
Beginning balance	-	-	(111,180,543,889)	-	(111,180,543,889)
Profit distribution declared	-	-	121,731,817,229	-	121,731,817,229
Profit for the year	-	-	(6,086,590,861)	-	(6,086,590,861)
Appropriation of profit to bonus and welfare fund	300,000,000,000	300,000,000,000	226,001,497,031	31,520,800,000	587,522,297,031
Ending balance	300,000,000,000	300,000,000,000	226,001,497,031	31,520,800,000	587,522,297,031
Current year					
Beginning balance	-	-	(92,516,181,094)	-	(92,516,181,094)
Profit distribution declared (**)	-	-	128,245,345,495	-	128,245,345,495
Profit for the year	-	-	-	-	-
Appropriation of profit to bonus and welfare fund (***)			(6,412,267,276)		(6,412,267,276)
Ending balance	300,000,000,000	300,000,000,000	255,318,394,156	31,520,800,000	616,839,194,156

(*) The balance of foreign exchange translation reserve of VND 31,520,800,000 as at 31 December 2023 represents the foreign exchange difference resulted from the conversion of accounting currency from USD to VND in 2008.

(**) On 21 March 2023, Members' Council approved Resolution No.07/2023/NQ-HĐTV on profit distribution for 2022.

(***) The Company allocated 5% profit after tax to bonus, welfare fund in accordance with the Company's Charter dated 03 October 2022.

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	-
TOTAL	300,000,000,00	100%	300,000,000,00	-

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 distribution declared	92,516,181,094	111,180,543,889

18. REVENUE

	Currency: VND	
	Current year	Previous year
Gross written premiums	946,074,047,658	849,354,649,066
Deductions	(11,192,103,078)	(12,740,737,491)
Net direct premium	934,881,944,580	836,613,911,575
Reinsurance assumed premiums	84,500,746,545	66,366,096,845
Deductions	(1,057,332,006)	(421,810,461)
Net assumed premium	83,443,414,539	65,944,286,384
Increase in un-earned premium reserve	(37,733,612,996)	(18,656,944,874)
	980,591,746,123	883,901,253,085

18.1. Gross written premiums

	Currency: VND	
<i>Product</i>	Current year	Previous year
Health and Personal Accident Insurance	121,700,822,638	95,578,731,711
Property, Damages and Fire Insurance	404,094,683,526	359,416,588,549
Cargo Insurance	111,150,623,732	123,361,546,976
Automobile Insurance	22,770,434,260	23,480,616,252
Marine Hull and P&I Insurance	1,268,408,971	2,512,293,872
Liability Insurance	97,983,989,238	90,466,127,703
Business Risk Insurance	17,016,706,921	12,384,946,950
Financial Risk and Credit Insurance	158,896,275,294	129,413,059,562
TOTAL	934,881,944,580	836,613,911,575

18.2. Reinsurance assumed premiums

	Currency: VND	
<i>Product</i>	Current year	Previous year
Health and Personal Accident Insurance	622,652,143	603,103,719
Property, Damages and Fire Insurance	74,872,778,579	54,780,296,448
Cargo Insurance	2,390,139,478	2,000,999,548
Automobile Insurance	597,193,502	5,489,465,958
Liability Insurance	2,557,067,008	1,420,249,644
Business Risk Insurance	2,373,827,104	572,648,053
Financial Risk and Credit Insurance	29,756,725	1,077,523,014
TOTAL	83,443,414,539	65,944,286,384

19. REINSURANCE PREMIUM CEDED

	Currency: VND	
	Current year	Previous year
Reinsurance premium ceded	700,752,968,879	595,329,856,776
Increase in ceded premium reserve	(28,578,373,891)	(10,744,138,403)
TOTAL	672,174,594,988	584,585,718,373

19.1. Reinsurance premium ceded

Product	Currency: VND	
	Current year	Previous year
Health and Personal Accident Insurance	5,619,783,817	3,701,474,496
Property, Damages and Fire Insurance	442,304,152,045	378,703,597,048
Cargo Insurance	40,834,544,060	38,910,733,135
Automobile Insurance	273,093,383	237,809,504
Marine Hull and P&I Insurance	1,247,268,232	2,478,653,105
Liability Insurance	45,766,525,190	39,684,257,034
Business Risk Insurance	18,908,347,653	12,388,304,627
Financial Risk and Credit Insurance	145,799,254,499	119,225,027,827
TOTAL	700,752,968,879	595,329,856,776

20. COMMISSION ON REINSURANCE CEDED AND OTHER INSURANCE INCOME

	Currency: VND	
	Current year	Previous year
Commission on reinsurance ceded	146,991,673,389	131,381,928,718
Other income from insurance activities	13,757,600,000	13,727,103,878
TOTAL	160,749,273,389	145,109,032,596

20.1. Commission on reinsurance ceded

Product	Currency: VND	
	Current year	Previous year
Health and Personal Accident Insurance	541,187,743	243,355,812
Property, Damages and Fire Insurance	97,669,991,040	87,674,014,057
Cargo Insurance	8,618,283,110	9,086,673,652
Automobile Insurance	71,864,053	51,248,089
Marine Hull and P&I Insurance	201,606,348	474,230,457
Liability Insurance	9,099,828,100	6,870,806,089
Business Risk Insurance	3,916,648,418	3,903,426,969
Financial Risk and Credit Insurance	26,872,264,577	23,078,173,593
TOTAL	146,991,673,389	131,381,928,718

20.2. Other income from insurance activities

	Currency: VND	
	Current year	Previous year
Claim settling Agent income	11,366,618,597	9,128,758,893
Handling charge income	1,932,111,403	2,049,428,807
Other income	458,870,000	2,548,916,178
TOTAL	13,757,600,000	13,727,103,878

21. CLAIM EXPENSES

	Currency: VND	
	Current year	Previous year
Direct claim expenses and claim expenses on inward reinsurance	279,191,268,122	250,588,701,393
Direct claim expense	276,374,077,226	240,294,807,572
Claim expense on inward reinsurance	2,817,190,896	10,293,893,821
Recovery from third party, recovery from 100% compensated goods	(7,187,695,807)	(15,630,812,855)
Recovery from reinsurance ceded	(151,865,262,202)	(124,571,827,812)
Increase/(Decrease) in gross claim reserve and reinsurance assumed claim reserve	56,762,826,522	(148,001,955,657)
(Increase)/Decrease in outward reinsurance claim reserve	(40,290,839,608)	149,597,887,497
TOTAL	136,610,297,027	111,981,992,566

21.1. Direct claim expense

	Currency: VND	
Product	Current year	Previous year
Health Insurance and Personal Accident Insurance	79,930,921,748	56,473,571,403
Property, Damages and Fire Insurance	130,667,072,317	87,589,781,360
Cargo Insurance	15,806,382,797	38,887,064,505
Automobile Insurance	7,243,754,065	8,803,383,735
Marine Hull and P&I Insurance	2,045,573,304	227,285,872
Liability Insurance	21,236,736,074	18,474,394,028
Business Risk Insurance	65,792,986	103,845,226
Financial Risk and Credit Insurance	19,377,843,935	29,735,481,443
TOTAL	276,374,077,226	240,294,807,572

21.2. Claim expenses on reinsurance assumed

	Currency: VND	
Product	Current year	Previous year
Health Insurance and Personal Accident Insurance	1,258,539	2,740,814
Property, Damages and Fire Insurance	1,779,752,748	7,886,805,678
Cargo Insurance	1,007,554,975	784,303,394
Automobile Insurance	-	982,214,707
Liability Insurance	28,624,634	36,266,253
Business Risk Insurance	-	601,562,975
TOTAL	2,817,190,896	10,293,893,821

21.3. Recovery from reinsurance ceded

	Currency: VND	
Product	Current year	Previous year
Property, Damages and Fire Insurance	123,484,242,635	86,631,144,541
Cargo Insurance	6,119,664,103	18,994,419,726
Automobile Insurance	2,942,130	2,366,500
Marine Hull and P&I Insurance	2,011,479,734	223,497,698
Liability Insurance	4,170,065,162	4,341,647,492
Business Risk Insurance	65,464,021	697,731,048
Financial Risk and Credit Insurance	16,011,404,417	13,681,020,807
TOTAL	151,865,262,202	124,571,827,812

22. OTHER OPERATING EXPENSES

Product	Currency: VND	
	Current year	Previous year
Underwriting risk survey expenses	3,454,806,334	2,368,700,429
Agent management fee	413,859,033	572,118,440
Handling charged	1,387,988,336	1,327,261,825
Loss prevention	529,519,213	540,608,969
Statutory contributions	3,138,810,511	2,776,681,376
Others	5,922,771,791	6,763,866,264
TOTAL	14,847,755,218	14,349,237,303

23. FINANCE INCOME

	Currency: VND	
	Current year	Previous year
Interest income from deposits	73,689,382,229	43,259,298,233
Interest income from bonds	6,299,978,206	8,700,000,000
Dividend received	769,177,000	999,930,100
Foreign exchange gains	6,882,248,234	5,642,056,866
TOTAL	87,640,785,669	58,601,285,199

24. FINANCE EXPENSE

	Currency: VND	
	Current year	Previous year
Finance expenses	3,090,984,603	2,472,510,588
Foreign exchange losses	2,546,689,293	2,863,842,513
TOTAL	5,637,673,896	5,336,353,101

25. GENERAL AND ADMINISTRATIVE EXPENSES

	Currency: VND	
	Current year	Previous year
Employee expense	99,596,437,365	89,674,539,651
Material, tool and equipment expense	1,876,718,205	2,537,054,144
IT consultancy fee	17,126,604,169	16,907,112,642
Depreciation expense	2,932,629,743	2,245,547,755
Tax, fee, and charge	780,598,172	632,678,411
Office rental and office renewal expense	10,768,230,458	11,024,286,625
Outsourcing expenses	19,688,243,159	19,174,033,238
(Reversal)/Addition of provision for doubtful debts	(311,112,969)	135,082,487
Others	256,874,445	282,555,986
TOTAL	152,715,222,747	142,612,890,939

26. OTHER INCOME AND EXPENSES

	Currency: VND	
	Current year	Previous year
Gain from disposal assets, tools and equipment	506,155,050	27,727,272
Other income	63,366,589	52,527,742
	569,521,639	80,255,014
Other expenses	68,599	-
NET OTHER PROFIT	569,453,040	80,255,014

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

	Current year	Currency: VND Previous year
Current tax expense	31,043,254,753	31,480,002,279
Current deferred tax	395,621,832	-
TOTAL	31,438,876,585	31,480,002,279

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

	Current year	Currency: VND Previous year
Accounting profit before tax	159,684,222,080	153,211,819,508
At CIT rate of 20%	31,936,844,416	30,642,363,902
<i>Adjustments to increase</i>		
- Non-deductible expenses	516,945,051	150,208,051
- Members' council remuneration	183,780,900	171,412,800
- Others	451,623,067	951,722,081
<i>Adjustments to decrease</i>		
- Dividend income	(153,835,400)	(199,986,020)
- Others	(1,892,103,281)	(235,718,535)
CIT expense	31,043,254,753	31,480,002,279

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:

	Balance sheet		Income statement	
	Ending balance	Beginning balance	Current year	Previous year
Year-end revaluation of assets denominated in foreign currencies	7,884,897,043	7,489,275,211	395,621,832	-
Deferred tax liability	7,884,897,043	7,489,275,211	395,621,832	-

28. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

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

	Current year	Currency: VND Previous year
Commitments for the rental of offices and apartment	9,995,163,527	13,071,954,470
Less than 1 year	10,972,422,000	1,954,821,675
From 1 to 5 years		
TOTAL	20,967,585,527	15,026,776,145

Other off-balance sheet items

ITEMS	Ending balance	Currency: VND Beginning balance
Insurance policies signed but not yet effective (VND)	62,351,364,611	53,378,058,507
Ceded Insurance policies signed but for which no obligations have arisen on the part of the Company (VND)	36,732,452,982	27,258,552,310
Foreign currency (USD)	4,213,770	3,714,038

29. TRANSACTIONS WITH RELATED PARTIES

Currency: VND

Related parties	Relationship	Transactions	Income/(Expense)	
			Current year	Previous year
Tokio Marine Asia Pte. Ltd	Joint-Owner	Profit distributed in the year	(47,183,252,358)	(56,702,077,383)
		IT consultancy fee	(5,114,646,957)	(6,069,134,339)
		Consultancy fee for internal audit, compliance, risk management and other service fee	(4,107,495,288)	(4,121,374,207)
		Underwriting risk survey fee	(2,209,946,750)	(1,441,828,636)
Bao Viet Holdings	Joint-Owner	Profit distributed in the year	(45,332,928,736)	(54,478,466,506)
Bao Viet General Insurance Corporation	Owned by Bao Viet Holdings	Co-insurance premium	-	6,764,626,765
		Inward reinsurance premiums	5,991,401,814	1,179,141,978
		Inward reinsurance commission	(664,880,193)	(242,423,181)
		Inward reinsurance claim expense	(25,624,075)	(450,187,749)
		Outward reinsurance premiums	(33,475,672,022)	(28,964,625,767)
		Outward reinsurance Commission	8,885,124,319	7,732,083,199
		Outward reinsurance claim recovery	6,237,823,493	4,116,382,832
The Tokio Marine and Nichido Fire Insurance Co., Ltd	Indirect investment via Tokio Marine Asia Pte. Ltd	Claims Settling Agent Fee	10,145,846,840	7,714,447,732
		Outward reinsurance premiums	(162,735,597,175)	(147,046,953,828)
		Outward reinsurance Commission	37,838,664,611	35,673,894,427
		Outward reinsurance claim recovery	28,999,584,222	22,845,489,125

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.

29. TRANSACTIONS WITH RELATED PARTIES

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	(2,726,727,326)	(3,880,534,108)
Bao Viet General Insurance Corporation	Owned by Bao Viet Holdings	Outward reinsurance payables	(14,628,116,824)	(7,030,000,441)
		Outward reinsurance receivables	4,472,775,532	3,826,475,189
		Co-insurance payables	(3,780,040,488)	(4,756,283,789)
The Tokio Marine and Nichido Fire Insurance Co., Ltd	Indirect investment via Tokio Marine Asia Pte. Ltd	Claims Settling Agent Fee receivables	4,734,741,692	4,525,662,235
		Outward reinsurance payables	(71,353,367,130)	(58,603,517,116)
		Outward reinsurance receivables	10,106,458,626	8,670,513,300

Transactions with other related parties

Remuneration of members of Members' Council

	Currency: VND	
	Current year	Previous year
Members' Council Remuneration	918,904,500	857,064,000
TOTAL	918,904,500	857,064,000

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 2022.

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. RISK MANAGEMENT FRAMEWORK

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. 67.

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
Solvency	554,118	106,258	521.49%
Margin Ratio	535,002	93,568	571.78%

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 agree-

ments, 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

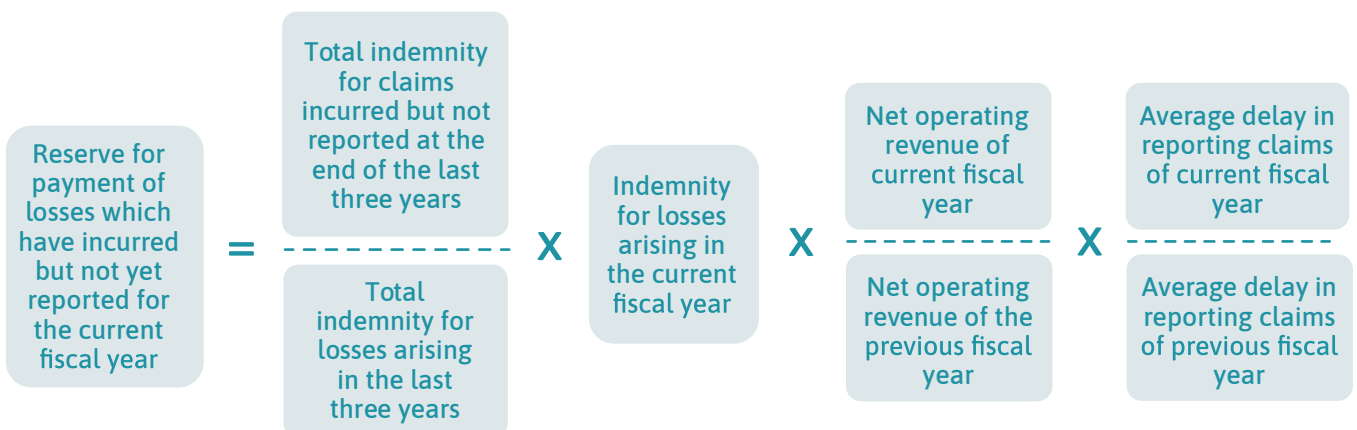
Assumptions, changes in assumptions and sensitivity analysis

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 approval from the Ministry of Finance 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 current regulations; 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:



31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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.

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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
	2019	2020	2021	2022	2023	
At end of accident year	1	2	3	4	5	
I. Estimate of cumulative claims incurred						
1	97,936	89,640	79,329	120,799	132,280	
2	98,652	83,998	73,708	119,693		
3	98,300	83,411	72,458			
4	98,094	82,763				
5	93,948					
Current estimate of cumulative claims incurred (1)	93,948	82,763	72,458	119,693	132,280	501,142
II. Cumulative claim payment						
1	56,639	47,983	48,393	79,665	84,213	
2	81,428	79,988	71,063	113,550		
3	89,904	82,442	71,960			
4	91,747	82,753				
5	92,301					
Cumulative claim payment to date (2)	92,301	82,753	71,960	113,550	84,213	444,777
III. Net outstanding claim reserve (3) = (1) - (2)	1,647	10	498	6,143	48,067	56,365
IV. Current estimate of surplus (4)	3,988	6,877	6,871	1,106	-	18,842
V. Percentage of current estimate of surplus over current estimate of cumulative claims incurred (5) = (4)/(1)*100%	4.24%	8.31%	9.48%	0.92%	0.00%	3.76%

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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:

<i>Change in variance</i>	<i>Impact on profit before tax</i>	<i>Impact on equity</i>
31 December 2023		
+5%	5,074,208,137	4,059,366,509
-5%	(5,074,208,137)	(4,059,366,509)
31 December 2022		
+5%	4,358,781,403	3,487,025,122
-5%	(4,358,781,403)	(3,487,025,122)

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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 2023 are as follows:

	Not yet due	Past-due but not individually impaired	Individually impaired	TOTAL
Financial instruments				
Available-for-sale	8,430,000,000	-	-	8,430,000,000
Listed share	8,430,000,000	-	-	8,430,000,000
Loans and receivables	1,259,049,168,928	-	-	1,260,448,913,565
Term deposits	1,117,368,631,778	-	1,399,744,637	1,117,368,631,778
Statutory deposit	9,030,000,000	-	-	9,030,000,000
Insurance receivables	62,745,678,592	-	1,399,744,637	64,145,423,229
Other receivables from customers	6,655,038,298	-	-	6,655,038,298
Other assets	63,249,820,260	-	-	63,249,820,260
Cash	37,879,593,293	-	-	37,879,593,293
TOTAL	1,305,358,762,221	-	1,399,744,637	1,306,758,506,858

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.

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

31.2.2. Credit risk

Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2022 are as follows:

	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	-	2,654,282,373	8,778,750,000
Insurance receivables	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	1,209,815,790,199	-	2,654,282,373	1,212,470,072,572

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:

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Currency: VND

	Overdue	Up to one year	More than one year	No maturity date	Total
Ending balance					
Financial assets					
Available-for-sale					
Listed share	-	-	-	8,430,000,000	8,430,000,000
Treasury bond	-	-	-	8,430,000,000	8,430,000,000
Loans and receivables	1,399,744,637	1,259,049,168,928	-	-	1,260,448,913,565
Term deposits	-	1,117,368,631,778	-	-	1,117,368,631,778
Statutory deposit	-	9,030,000,000	-	-	9,030,000,000
Insurance receivables	1,399,744,637	62,745,678,592	-	-	64,145,423,229
Other receivables from customers	-	6,655,038,298	-	-	6,655,038,298
Other assets	-	63,249,820,260	-	-	63,249,820,260
Cash	-	37,879,593,293	-	-	37,879,593,293
TOTAL	1,399,744,637	1,296,928,762,221	-	8,430,000,000	1,306,758,506,858
Financial liabilities					
Trade payables	-	268,714,768,239	-	-	268,714,768,239
Other payables	-	828,155,356	-	-	828,155,356
TOTAL	-	269,542,923,595	-	-	269,542,923,595
Net liquidity	1,399,744,637	1,027,385,838,626	-	8,430,000,000	1,037,215,583,263
Beginning balance					
Financial assets					
Available-for-sale					
Listed share	-	-	105,944,479,712	8,430,000,000	114,374,479,712
Treasury bond	-	-	-	8,430,000,000	8,430,000,000
	-	-	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
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
TOTAL	-	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

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 2023:

Currency: VND

	Carrying amount				Fair value
	Cost	Accrued interest	Provision	Total	
Ending balance					
Financial assets					
Available-for-sale	8,430,000,000	-	-	8,430,000,000	(*)
Listed share	8,430,000,000	-	-	8,430,000,000	28,558,697,010
Loans and receivables	1,206,836,531,787	53,612,381,778	(603,011,778)	1,259,845,901,787	(*)
Term deposits	1,063,756,250,000	53,612,381,778	-	1,117,368,631,778	(*)
Statutory deposit	9,030,000,000	-	-	9,030,000,000	9,030,000,000
Insurance receivables	64,145,423,229	-	(603,011,778)	63,542,411,451	(*)
Other receivables from customers	6,655,038,298	-	-	6,655,038,298	(*)
Other assets	63,249,820,260	-	-	63,249,820,260	(*)
Cash	37,879,593,293	-	-	37,879,593,293	37,879,593,293
TOTAL	1,253,146,125,080	53,612,381,778	53,612,381,778	1,306,155,495,080	
Financial liabilities					
Trade payables	268,714,768,239	-	-	268,714,768,239	(*)
Other payables	828,155,356	-	-	828,155,356	(*)
NET LIQUIDITY	269,542,923,595	-	-	269,542,923,595	

(*) 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 2022:

Currency: VND

	Carrying amount				Fair value
	Cost	Accrued interest	Provision	Total	
Beginning balance					
Financial assets					
Available-for-sale	109,249,822,178	5,124,657,534	-	114,374,479,712	(*)
Listed share	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	(*)
Loans and receivables	1,044,178,702,477	53,612,381,778	(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	25,359,793,094	-	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
TOTAL	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.

32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

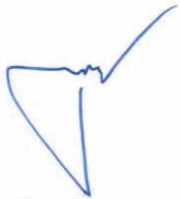
The following methods and assumption are used to estimate fair values:

- 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 2023 that requires adjustment or disclosure to be made in the financial statements of the Company.



Ms. Pham Thu Trang
Chief Accountant

25 March 2024



Mr. Yasuhiro Takeda
General Director



Tokio Marine Insurance Vietnam Co.,Ltd.

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