
Tokio Marine Insurance Vietnam Company Limited

Financial Statements

For the year ended 31 December 2021



Tokio Marine Insurance Vietnam Company Limited

Financial Statements

For the year ended 31 December 2021

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Tokio Marine Insurance Vietnam Company Limited

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:

<u>Amendment license No.</u>	<u>Date</u>
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. Shinkichi Mike Miki	Vice Chairperson	Appointed on 01 April 2019
Ms. Noriko Kojima	Member	Appointed on 01 April 2019
Ms. Tran Thi Thu Thuy	Member	Appointed on 01 January 2020
Mr. Doan Viet Trang	Member	Appointed on 01 January 2020
Mr. Hideaki Maeomote	Member	Appointed on 20 April 2017

MANAGEMENT

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

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

LEGAL REPRESENTATIVE

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

AUDITOR

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

Tokio Marine Insurance Vietnam Company Limited

REPORT OF THE MEMBERS' COUNCIL

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

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

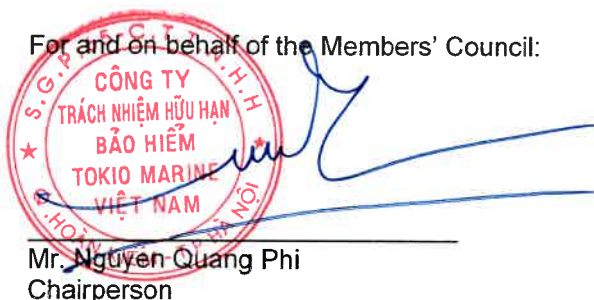
Management of the Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding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

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

APPROVAL OF THE FINANCIAL STATEMENTS

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

For and on behalf of the Members' Council:



Mr. Nguyễn Quang Phi
Chairperson

Hanoi, Vietnam

25 March 2022

Reference: 61370338/22680073

INDEPENDENT AUDITORS' REPORT

**To: The Members' Council
Tokio Marine Insurance Vietnam Company Limited**

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

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

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

Ernst & Young Vietnam Limited



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



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

Ho Chi Minh City, Vietnam

25 March 2022

BALANCE SHEET
as at 31 December 2021

Currency: VND

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

BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		163,122,334,212	123,068,835,494
210	I. Long-term receivables		10,746,671,382	11,349,019,098
216	1. Other long-term receivables		10,746,671,382	11,349,019,098
216.1	1.1. Statutory deposit	8	8,490,000,000	8,638,125,000
216.2	1.2. Other long-term receivables		2,256,671,382	2,710,894,098
220	II. Fixed assets		8,054,209,670	3,447,810,208
221	1. Tangible fixed assets	9	2,722,617,125	3,152,072,124
222	Cost		8,610,724,247	8,951,060,302
223	Accumulated depreciation		(5,888,107,122)	(5,798,988,178)
227	2. Intangible fixed assets	10	4,505,205,162	295,738,084
228	Cost		10,153,115,155	5,509,644,344
229	Accumulated amortisation		(5,647,909,993)	(5,213,906,260)
230	3. Work-in-process		826,387,383	-
250	III. Long-term investments	5	137,168,613,477	101,977,404,776
255	1. Held-to-maturity investments		137,168,613,477	101,977,404,776
260	IV. Other non-current assets		7,152,839,683	6,294,601,412
261	1. Long-term prepaid expense	11	7,152,839,683	6,294,601,412
270	TOTAL ASSETS		1,715,920,199,039	1,440,758,072,294

BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

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

Ms. Pham Thu Trang
Chief Accountant



Mr. Hideaki Maeomote
General Director

25 March 2022

INCOME STATEMENT

PART I: COMPREHENSIVE INCOME STATEMENT
for the year ended 31 December 2021

Currency: VND

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

INCOME STATEMENT (continued)

PART II: OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Insurance revenue (01 = 01.1 + 01.2 - 01.3)	18	850,433,620,441	757,433,764,574
	<i>In which:</i>			
01.1	Direct written premiums	18.1	752,684,431,931	683,314,582,737
01.2	Reinsurance premium assumed	18.2	89,485,954,062	56,742,472,825
01.3	Decrease in un-earned premium reserve	16.1	(8,263,234,448)	(17,376,709,012)
02	2. Reinsurance premium ceded (02 = 02.1 - 02.2)	19	564,565,159,220	497,352,436,813
	<i>In which:</i>			
02.1	Reinsurance premium ceded	19.1	554,543,155,160	476,888,783,613
02.2	Decrease in ceded premium reserve	16.1	(10,022,004,060)	(20,463,653,200)
03	3. Net insurance premiums (03 = 01 - 02)		285,868,461,221	260,081,327,761
04	4. Commission on reinsurance ceded and other insurance income (04 = 04.1 + 04.2)	20	128,283,496,715	121,847,939,017
	<i>In which:</i>			
04.1	Commission on reinsurance ceded	20.1	116,411,844,115	107,210,049,137
04.2	Other income from insurance activities	20.2	11,871,652,600	14,637,889,880
10	5. Total net revenue from insurance business (10 = 03 + 04)		414,151,957,936	381,929,266,778
11	6. Claim expenses (11 = 11.1 - 11.2)		227,890,508,850	197,216,210,942
	<i>In which:</i>			
11.1	Claim expenses		234,419,920,193	225,599,135,252
11.2	Claim expense reductions		6,529,411,343	28,382,924,310
12	7. Recoveries from reinsurance ceded	21.3	131,494,667,644	116,832,181,373
13	8. Increase/(Decrease) in direct and assumed claim reserve	16.1	182,728,584,087	(165,919,512,896)
14	9. Increase/(Decrease) in ceded claim reserve	16.1	204,542,322,931	(162,501,712,395)
15	10. Net claim expenses (15 = 11 - 12 + 13 - 14)	21	74,582,102,362	76,966,229,068
16	11. Increase in catastrophe reserve	16.2	8,628,816,925	7,895,048,158

INCOME STATEMENT (continued)

PART II: OPERATIONAL INCOME STATEMENT (continued)
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
17	12. Other operating expenses (17 = 17.1 + 17.2)		71,622,705,152	62,599,245,870
	<i>In which:</i>			
17.1	Commission expense	7	60,944,440,733	51,544,370,292
17.2	Other underwriting expenses	22	10,678,264,419	11,054,875,578
18	13. Total direct operating expenses (18 = 15 + 16 + 17)		154,833,624,439	147,460,523,096
19	14. Gross insurance operating profit (19 = 10 - 18)		259,318,333,497	234,468,743,682
23	15. Finance income	23	51,324,917,705	59,858,924,647
24	16. Finance expense	24	4,831,950,444	4,117,079,628
25	17. Profit from financial activities (25 = 23 - 24)		46,492,967,261	55,741,845,019
26	18. General and administrative expenses	25	122,462,055,159	112,025,921,312
30	19. Net operating income (30 = 19 + 25 - 26)		183,349,245,599	178,184,667,389
31	20. Other income	26	71,727,273	705,409,091
32	21. Other expenses	26	32,318,866	286,367,042
40	22. Net other profit (40 = 31 - 32)		39,408,407	419,042,049
50	23. Profit before corporate income tax (50 = 30 + 40)		183,388,654,006	178,603,709,438
51	24. Current corporate income tax	27	37,098,464,676	36,789,506,804
52	25. Deferred income tax expense	27	-	-
60	26. Net profit for the year after tax (60 = 50 - 51 - 52)		146,290,189,330	141,814,202,634



Ms. Pham Thu Trang
Chief Accountant



Mr. Hideaki Maeomote
General Director

25 March 2022

CASH FLOW STATEMENT
for the year ended 31 December 2021

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

Ms. Pham Thu Trang
Chief Accountant



Mr. Hideaki Maeomote
General Director

25 March 2022

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2021 and for the year then ended

1. CORPORATE INFORMATION

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

<u>Amendment license No.</u>	<u>Date</u>
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 2021 is VND 300,000,000,000.

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

2. BASIS OF PREPARATION

2.1 Accounting standard and system

The financial statements of the Company, which are expressed in Vietnam Dong (VND), are prepared in accordance with the Vietnamese Accounting System for non-life insurance companies issued by the Ministry of Finance in Circular No. 232/2012/TT-BTC dated 28 December 2012 providing accounting guidance for non-life insurance, reinsurance and branch of foreign non-life insurance companies, Vietnamese Enterprise Accounting System, and Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.2 Registered accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Statement on the compliance with Vietnamese accounting standards and systems

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Receivables

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.4 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.5 *Depreciation and amortisation*

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

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

3.6 *Prepaid expenses*

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Financial investments

Held-for-trading securities and investments in other entities

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

Held-to-maturity investments

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

Provision for diminution in value investments

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

3.8 Payables and accruals

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

3.9 Severance allowance

3.9.1 Post-employment benefits

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

3.9.2 Unemployment benefits

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Technical reserves

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

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

a) Technical reserves for non-life insurance

(i) *Unearned premium reserve*

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

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

(ii) *Claim reserves*

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

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

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

(iii) *Catastrophe reserve*

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Technical reserves (continued)

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

(iii) *Catastrophe reserve* (continued)

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

b) Technical reserve of health insurance

(i) *Mathematical reserve*

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

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

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

(ii) *Unearned premiums reserve*

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

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

(iii) *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 in Circular No. 50 as follows:

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Technical reserves* (continued)

b) Technical reserve of health insurance (continued)

(iv) *Equalization reserve*

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

3.11 *Foreign currency transactions*

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

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

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

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

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

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

3.12 *Appropriation of net profit after tax*

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Revenue recognition

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

(i) Gross written premium

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

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

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

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

Premium return and premium reduction are considered as revenue deduction and must be booked separately. At year end, these amounts are net-off to gross written premium to calculate net written premium.

(ii) Interest

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

(iii) Dividends

Income is recognised when the Company's entitlement as an investor to receive the dividend in cash is established.

(iv) Other income

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Expense recognition

(i) Claim expense

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

(ii) Commission expense

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

(iii) General & administration expense

Other administration expense is recognized on accrual basis.

(iv) Operating lease

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

(v) Other expenses

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

3.15 Recognition of reinsurance activities

(i) Reinsurance ceded

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Recognition of reinsurance activities (continued)

(ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

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

Reinsurance assumed under facultative arrangement:

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

3.16 Taxation

Current income tax

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

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

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

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

3.17 Use of estimates

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

3.18 Related parties

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

4. CASH AND CASH EQUIVALENTS

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

5. FINANCIAL INVESTMENTS

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

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

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

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

Term deposits in USD with original terms less than a year and interest rate 0.00%/year.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

6. CURRENT ACCOUNT RECEIVABLES

Currency: VND

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

7. UNALLOCATED COMMISSION EXPENSE

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

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

8. COMPULSORY DEPOSITS

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

9. TANGIBLE FIXED ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**10. INTANGIBLE FIXED ASSETS**

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

11. LONG-TERM PREPAID EXPENSE

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

12. TRADE PAYABLES

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

13. TAXES AND OTHER STATUTORY OBLIGATIONS

Currency: VND

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

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

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

15. OTHER SHORT – TERM PAYABLES

Currency: VND

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

16. TECHNICAL RESERVES

16.1 Unearned premium reserve and claim reserve

Currency: VND

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

16. TECHNICAL RESERVES (continued)

16.1 Unearned premium reserve and claim reserve (continued)

16.1.1 Unearned premium reserve

Unearned Gross and Assumed Premium Reserves

Currency: VND

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

Unearned ceded premium reserve (Reinsurance assets)

Currency: VND

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

16.1.2 Claim reserve

Direct and Reinsurance assumed claim reserve

Currency: VND

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

16. TECHNICAL RESERVES (continued)

16.1 Unearned premium reserve and claim reserve (continued)

16.1.2 Claim reserve (continued)

Reinsurance ceded claim reserve (Reinsurance assets)

Currency: VND

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

16.2 Catastrophe reserve

Currency: VND

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

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

Currency: VND

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

17. OWNERS' EQUITY

17.1 Increase and decrease in owners' equity

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

17. OWNERS' EQUITY (continued)

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	300,000,000,000	100%	300,000,000,000	-

17.3 Capital transactions with owners and distributions of profit

Currency: VND

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

18. REVENUE

Currency: VND

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

18.1 Gross written premiums

Currency: VND

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**18. REVENUE (continued)****18.2 Reinsurance assumed premiums**

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

19. REINSURANCE PREMIUM CEDED

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

19.1 Reinsurance premium ceded

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

20. COMMISSION ON REINSURANCE CEDED AND OTHER INSURANCE INCOME

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

20.1 Commission on reinsurance ceded

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

20.2 Other income from insurance activities

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**21. CLAIM EXPENSES**

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

21.1 Direct claim expense

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

21.2 Claim expenses on reinsurance assumed

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

21.3 Recovery from reinsurance ceded

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**22. OTHER OPERATING EXPENSES**

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

23. FINANCE INCOME

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

24. FINANCE EXPENSE

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

25. GENERAL AND ADMINISTRATIVE EXPENSES

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

26. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gain from disposal assets	71,727,273	704,909,091
Other income	-	500,000
	71,727,273	705,409,091
Other expenses	32,318,866	286,367,042
NET OTHER PROFIT	39,408,407	419,042,049

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	37,098,464,676	36,789,506,804
TOTAL	37,098,464,676	36,789,506,804

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

27. CORPORATE INCOME TAX (continued)

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:

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

28. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

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

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

Other off-balance sheet items

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES

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

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

Terms and conditions of transactions with related parties

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES (continued)

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	(2,071,995,970)	(1,827,468,043)
Bao Viet General Insurance Corporation	Owned by Bao Viet Holdings	Outward reinsurance payables	(8,348,399,355)	(11,343,402,574)
		Outward reinsurance receivables	1,459,257,477	4,756,362,354
		Co-insurance payables	(7,430,008,203)	(8,584,016,818)
The Tokio Marine and Nichido Fire Insurance Co., Ltd.	Indirect investment via Tokio Marine Asia Pte. Ltd	Claims Settling Agent Fee receivables	2,139,717,492	5,492,332,639
		Outward reinsurance payables	(43,530,538,796)	(24,532,115,430)
		Outward reinsurance receivables	2,745,280,640	4,323,243,881

Transactions with other related parties

Remuneration of members of Members' Council

Currency: VND

	Current year	Previous year
Members' Council Remuneration	983,086,500	992,252,300
TOTAL	983,086,500	992,252,300

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

30. RISK MANAGEMENT FRAMEWORK

30.1 Governance framework

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

30. RISK MANAGEMENT FRAMEWORK (continued)

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

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

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

30.3 Capital management and regulatory framework

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

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

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the insurance subsidiaries are satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

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

Currency: VND million

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

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

30.4 Underwriting strategy

The Company's underwriting strategy seeks diversity to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

30. RISK MANAGEMENT FRAMEWORK (continued)

30.5 Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposures to losses and protect its capital, through treaty and facultative reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured. The amount of each risk retained depends on the Company's evaluation of the specific risk, subject in certain circumstances, to maximize limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to pay the claim amount in the event the claim is paid. However, the Company remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

Ceded reinsurance contains credit risk, and to minimise such risk, only those reinsurers meeting the Company's credit rating standard, either assessed from public rating information or internal investigations, will be used.

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

31.1 Insurance risk

31.1.1 General insurance contracts

Assumptions, changes in assumptions and sensitivity analysis

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

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a separate case by case basis with due regard to the circumstances, information available from loss adjusters and historical evidence of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments.

The key method is based on Circular No. 50 of such reserving methodologies are as follows: Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- ▶ Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year, in accordance to the Circular No. 50; and
- ▶ Reserve for incurred but not reported claims for which the insurer is liable (IBNR).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

31.1 Insurance risk (continued)

31.1.1 General insurance contracts (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

31.1 Insurance risk (continued)

31.1.1 General insurance contracts (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

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

Claim development table

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

Currency: VND million

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

31.2 Financial risk (continued)

31.2.1 Market risk (continued)

Foreign currency risk (continued)

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

Currency: VND

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

31.2.2 Credit risk

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

31.2 Financial risk (continued)

31.2.2 Credit risk (continued)

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

Currency: VND

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

31.2 Financial risk (continued)

31.2.2 Credit risk (continued)

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

Currency: VND

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

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:

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

31.2 Financial risk (continued)

31.2.3 Liquidity risk (continued)

Contractual maturity (continued)

	Overdue	Up to one year	More than one year	No maturity date	TOTAL
Currency: VND					
Ending balance					
Financial assets					
Available-for-sale	-	-	106,523,271,011	8,430,000,000	114,953,271,011
Listed share	-	-	-	8,430,000,000	8,430,000,000
Treasury bond	-	-	106,523,271,011	-	106,523,271,011
Loans and receivables	2,447,920,886	944,498,927,344	35,770,000,000	-	982,716,848,230
Term deposits	-	866,239,475,215	35,770,000,000	-	902,009,475,215
Statutory deposit	-	8,490,000,000	-	-	8,490,000,000
Insurance receivables	2,447,920,886	36,329,240,020	-	-	38,777,160,906
Other receivables from customers	-	3,247,272,691	-	-	3,247,272,691
Other assets	-	30,192,939,418	-	-	30,192,939,418
Cash	-	20,323,943,871	-	-	20,323,943,871
TOTAL	2,447,920,886	964,822,871,215	142,293,271,011	8,430,000,000	1,117,994,063,112
Financial liabilities					
Trade payables	-	214,598,955,037	-	-	214,598,955,037
Other payables	-	289,597,386	-	-	289,597,386
TOTAL	-	214,888,552,423	-	-	214,888,552,423
Net liquidity	573,047,993	751,809,191,685	142,293,271,011	8,430,000,000	903,105,510,689

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

31.2 Financial risk (continued)

31.2.3 Liquidity risk (continued)

Contractual maturity (continued)

	Overdue	Up to one year	More than one year	No maturity date	Currency: VND
					TOTAL
Beginning balance					
Financial assets					
Available-for-sale	-	-	107,102,062,310	8,430,000,000	115,532,062,310
Listed share	-	-	-	8,430,000,000	8,430,000,000
Treasury bond	-	-	107,102,062,310	-	107,102,062,310
Loans and receivables	573,047,993	913,024,881,813	-	-	913,597,929,806
Term deposits	-	821,512,881,463	-	-	821,512,881,463
Statutory deposit	-	8,638,125,000	-	-	8,638,125,000
Insurance receivables	573,047,993	43,501,858,176	-	-	44,074,906,169
Other receivables from customers	-	6,755,342,010	-	-	6,755,342,010
Other assets	-	32,616,675,164	-	-	32,616,675,164
Cash	-	19,615,187,964	-	-	19,615,187,964
TOTAL	573,047,993	932,640,069,777	107,102,062,310	8,430,000,000	1,048,745,180,080
Financial liabilities					
Trade payables	-	152,115,386,221	-	-	152,115,386,221
Other payables	-	176,439,683	-	-	176,439,683
TOTAL	-	152,291,825,904	-	-	152,291,825,904
NET LIQUIDITY	573,047,993	780,348,243,873	107,102,062,310	8,430,000,000	896,453,354,176

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

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

(*) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

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

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

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

33. IMPORTANT EVENT IN THE YEAR***Covid-19 pandemic***

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

34. EVENTS AFTER THE BALANCE SHEET DATE

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



Ms. Pham Thu Trang
Chief Accountant



Mr. Hideaki Maeomote
General Director

25 March 2022