

TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED

CORPORATE INFORMATION

Establishment and Operation Licence	No. 65/GP/KDBH dated 1 July 2013 issued by the Ministry of Finance. The Establishment and Operation Licence has been amended several times and the latest amendment No. 65/GPDC4/KDBH was issued on 11 December 2020.	
Members' Council	Mr. Nguyen Quang Phi Mr. Yasuhiro Miyoshi Ms. Tran Thi Thu Thuy Mr. Doan Viet Trang Mr. Taisuke Obokata Mr. Yasuhiro Takeda Mr. Koichi Tao	Chairperson Vice Chairperson Member Member Member (to 1/4/2024) Member Member (from 1/4/2024)
Board of Management	Mr. Yasuhiro Takeda Ms. Duong Thi Thanh Toan Ms. Pham Thu Trang	General Director Deputy General Director Chief Accountant
Legal Representative	Mr. Yasuhiro Takeda	General Director
Registered Office	Room 601, 6th Floor, The Sun Red River Building, 23 Phan Chu Trinh, Hoan Kiem District, Hanoi	
Auditor	Branch of PwC (Viet Nam) Limited in Hanoi	

TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED

STATEMENT OF THE MEMBERS' COUNCIL

Statement of the responsibility of the Board of Management of the Company in respect of the financial statements

The Board of Management of Tokio Marine Insurance Vietnam Company Limited ("the Company") is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of 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 which enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby, approve the accompanying financial statements as set out on pages 5 to 53 which give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements of non-life insurance companies established and operating in compliance with the laws of Vietnam.

On behalf of the Members' Council



Nguyen Quang Phi
Chairperson

Hanoi, SR Vietnam
21 March 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS' COUNCIL OF TOKIO MARINE INSURANCE VIETNAM COMPANY LIMITED

We have audited the accompanying financial statements of Tokio Marine Insurance Vietnam Company Limited ("the Company") which were prepared on 31 December 2024 and approved by the Members' Council of the Company on 21 March 2025. The financial statements comprise the balance sheet as at 31 December 2024, the income statement, the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 53.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements of non-life insurance companies established and operating in compliance with the laws of Vietnam, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements of the Company 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 an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, 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.

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements of non-life insurance companies established and operating in compliance with the laws of Vietnam.

Other Matters

The financial statements of the Company for the year ended 31 December 2023 were audited by another audit firm whose audit report dated 25 March 2024 expressed an unqualified opinion.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of Branch of PwC (Vietnam) Limited in Hanoi



Tran Hong Kien
Audit Practising Licence
No. 0298-2023-006-1
Authorised Representative



Dang Thai Son
Audit Practising Licence
4668-2023-006-1

Review report reference number: HAN 3956
Hanoi, 21 March 2025

BALANCE SHEET

Code	ASSETS	Note	As at	
			31/12/2024 VND	31/12/2023 VND
100	CURRENT ASSETS (100=110+120+130+140+150+190)		2,734,922,844,864	1,788,769,715,372
110	Cash and cash equivalents	3	6,375,255,373	37,879,593,293
111	Cash		6,375,255,373	37,879,593,293
120	Short-term investments	4	1,130,751,000,685	1,072,186,250,000
121	Trading securities		8,430,000,000	8,430,000,000
123	Investments held to maturity		1,122,321,000,685	1,063,756,250,000
130	Short-term receivables		161,395,640,568	130,378,996,108
131	Short-term trade accounts receivable	5	120,169,440,966	69,946,357,662
131.1	- Insurance receivables		115,996,056,850	64,145,423,229
131.2	- Other trade accounts receivable		4,173,384,116	5,800,934,433
135	Other short-term receivables	6(a)	41,706,215,494	61,035,650,224
139	Provision for doubtful debts - short-term	7	(480,015,892)	(603,011,778)
140	Inventories		44,193,164	28,174,545
141	Inventories		44,193,164	28,174,545
150	Other current assets		34,981,822,367	32,543,684,425
151	Short-term prepaid expenses	8(a)	31,654,345,352	29,343,594,658
151.1	- Deferred commission expenses		28,343,433,972	25,099,000,662
151.2	- Other short-term prepaid expenses		3,310,911,380	4,244,593,996
152	Value added tax ("VAT") to be reclaimed	11(a)	3,327,477,015	3,200,089,767
190	Reinsurance assets	14(a)	1,401,374,932,707	515,753,017,001
191	Unearned premium reserve for outward reinsurance		211,313,040,422	209,391,770,534
192	Claim reserve for outward reinsurance		1,190,061,892,285	306,361,246,467

The notes on pages 13 to 53 are an integral part of these financial statements.

BALANCE SHEET
(CONTINUED)

Code	ASSETS	Note	As at	
			31/12/2024 VND	31/12/2023 VND
200	NON-CURRENT ASSETS (200 = 210 + 220 + 250 + 260)		23,031,101,539	25,541,521,162
210	Long-term receivables		12,058,257,689	11,244,170,036
216	Other long-term receivables	6(b)	12,058,257,689	11,244,170,036
216.1	- Insurance deposits		9,469,125,000	9,030,000,000
216.2	- Other long-term receivables		2,589,132,689	2,214,170,036
220	Fixed assets		5,980,564,617	7,806,569,948
221	Tangible fixed assets	9(a)	2,399,113,268	2,375,593,758
222	Historical cost		9,621,783,069	9,076,603,337
223	Accumulated depreciation		(7,222,669,801)	(6,701,009,579)
227	Intangible fixed assets	9b(b)	3,581,451,349	5,430,976,190
228	Historical cost		14,758,519,832	14,250,655,769
229	Accumulated depreciation		(11,177,068,483)	(8,819,679,579)
260	Other long-term assets		4,992,279,233	6,490,781,178
261	Long-term prepaid expenses	8(b)	4,992,279,233	6,490,781,178
270	TOTAL ASSETS (270 = 100 + 200)		2,757,953,946,403	1,814,311,236,534

The notes on pages 13 to 53 are an integral part of these financial statements.

BALANCE SHEET
(CONTINUED)

Code	RESOURCES	Note	As at	
			31/12/2024 VND	31/12/2023 VND
300	LIABILITIES (300 = 310 + 330)		2,120,958,442,478	1,197,472,042,378
310	Short-term liabilities		2,109,422,169,353	1,189,587,145,335
311	Short-term trade accounts payable	10	284,736,607,538	268,714,768,239
311.1	- Insurance payables		273,217,590,003	253,817,308,106
311.2	- Other trade accounts payable		11,519,017,535	14,897,460,133
313	Tax and other payables to the State	11(b)	24,898,491,797	22,748,606,070
314	Payables to employees		21,816,108,763	31,754,116,416
318	Short-term unearned revenue		5,468,262,642	2,237,170,709
318.1	Deferred commission income	12	48,812,102,020	47,284,062,207
319	Other short-term payables		87,626,286	828,155,356
322	Bonus and welfare fund	13	16,393,261,461	16,225,420,747
329	Technical reserves		1,707,209,708,846	799,794,845,591
329.1	- Unearned premium reserves for direct insurance and inward reinsurance	14(a)	314,989,220,230	301,091,456,981
329.2	- Claim reserves for direct insurance and inward reinsurance	14(a)	1,280,253,033,372	397,009,791,853
329.3	- Catastrophe and equalisation reserves	14(b)	111,967,455,244	101,693,596,757
330	Long-term liabilities		11,536,273,125	7,884,897,043
341	Other long-term payables	15	7,989,894,374	7,884,897,043
342	Provision for long-term liabilities		3,546,378,751	-
400	OWNERS' EQUITY (400 = 410)		636,995,503,925	616,839,194,156
410	Capital and reserves		636,995,503,925	616,839,194,156
411	Owners' capital	16	300,000,000,000	300,000,000,000
417	Foreign exchange differences	17	31,520,800,000	31,520,800,000
419	Compulsory reserve	17	30,000,000,000	30,000,000,000
421	Undistributed earnings	17	275,474,703,925	255,318,394,156
421a	- Undistributed post-tax profits of previous years		159,054,621,953	133,485,315,937
421b	- Post-tax profit of current year		116,420,081,972	121,833,078,219
440	TOTAL RESOURCES (440 = 300 + 400)		2,757,953,946,403	1,814,311,236,534


Pham Thu Trang
Chief AccountantYasuhiro Takeda
Legal Representative/
General Director
21 March 2025

The notes on pages 13 to 53 are an integral part of these financial statements.

BALANCE SHEET
(CONTINUED)

Code	OFF BALANCE SHEET ITEMS	Currency unit	As at	
			31/12/2024	31/12/2023
1.	Direct insurance contracts of which the responsibility is not yet incurred	VND	34,431,968,839	62,351,364,611
2.	Reinsurance contracts of which the responsibility is not yet incurred	VND	16,378,030,987	36,732,452,982
3.	Foreign currencies			
	United States Dollar	USD	3,666,567	4,213,770



Pham Thu Trang
Chief Accountant


Yasuhiro Takeda
Legal Representative/
General Director
21 March 2025

INCOME STATEMENT

PART I – COMPREHENSIVE INCOME STATEMENT

Code		Note	Year ended 31 December	
			2024 VND	2023 VND
10	Net income from insurance business		490,713,016,710	469,166,424,524
12	Financial income	24	65,064,700,518	87,640,785,669
13	Other income		55,370,155	569,521,639
20	Total insurance expenses		246,045,860,256	239,339,544,510
22	Financial expenses	25	2,560,656,070	5,637,673,896
23	General and administrative expenses	26	153,898,669,173	152,715,222,747
24	Other expenses		60,693,805	68,599
50	Net accounting profit before tax (50=10+12+13-20-22-23-24)		153,267,208,079	159,684,222,080
51	Corporate income tax ("CIT") - current	27	30,614,756,041	31,043,254,753
52	CIT - deferred	27	104,997,331	395,621,832
60	Net profit after tax (60=50-51-52)		122,547,454,707	128,245,345,495



Pham Thu Trang
Chief Accountant



Yasuhiro Takeda
Legal Representative/
General Director
21 March 2025

The notes on pages 13 to 53 are an integral part of these financial statements.

INCOME STATEMENT (CONTINUED)

PART II – COMPREHENSIVE INCOME STATEMENT BY ACTIVITIES

Code		Note	Year ended 31 December	
			2024 VND	2023 VND
1	Insurance premium income (1=1.1+1.2-1.3)	18	1,023,346,700,523	980,591,746,123
1.1	- Direct insurance premium		945,727,678,889	934,881,944,580
1.2	- Inward reinsurance premium		91,516,784,883	83,443,414,539
1.3	- Increase in unearned premium reserves for direct insurance and inward reinsurance		13,897,763,249	37,733,612,996
2	Outward reinsurance premium (2=2.1-2.2)	19	692,861,244,229	672,174,594,988
2.1	- Outward reinsurance premium		694,782,514,117	700,752,968,879
2.2	- Increase in unearned premium reserves for outward reinsurance		1,921,269,888	28,578,373,891
3	Net insurance premium income (3=1-2)		330,485,456,294	308,417,151,135
4	Commission income from outward reinsurance and other insurance income (4=4.1+4.2)		160,227,560,416	160,749,273,389
4.1	- Commission income from outward reinsurance	20	146,363,887,143	146,991,673,389
4.2	- Other insurance income	21(a)	13,863,673,273	13,757,600,000
10	Net income from insurance business (10=3+4)		490,713,016,710	469,166,424,524
11	Claim expenses (11=11.1-11.2)		478,066,552,999	272,003,572,315
11.1	- Gross claim expenses	22	483,502,632,068	279,191,268,122
11.2	- Deductions	22	5,436,079,069	7,187,695,807
12	Recoveries from outward reinsurance	22	340,929,728,338	151,865,262,202
13	Increase in direct insurance and inward reinsurance claim reserves	22	883,243,241,519	56,762,826,522
14	Increase in outward claim reserves	22	883,700,645,818	40,290,839,608
15	Net claim expenses (15=11-12+13-14)	22	136,679,420,362	136,610,297,027
16	Increase in catastrophe and equalisation reserves	14(b)	10,273,858,487	9,527,171,701
17	Other insurance expenses (17=17.1+17.2)		99,092,581,406	93,202,075,782
17.1	- Commission expenses	23	84,343,667,879	78,354,320,564
17.2	- Other insurance expenses	21(b)	14,748,913,527	14,847,755,218
18	Total insurance expenses (18=15+16+17)		246,045,860,255	239,339,544,510
19	Gross insurance profit (19=10-18)		244,667,156,455	229,826,880,014

The notes on pages 13 to 53 are an integral part of these financial statements.

INCOME STATEMENT (CONTINUED)

PART II – COMPREHENSIVE INCOME STATEMENT BY ACTIVITIES
(CONTINUED)

Code		Note	Year ended 31 December	
			2024 VND	2023 VND
23	Financial income	24	65,064,700,518	87,640,785,669
24	Financial expenses	24	2,560,656,070	5,637,673,896
25	Profit from financial activities (25=23-24)		62,504,044,448	82,003,111,773
26	General and administrative expenses	26	153,898,669,173	152,715,222,747
30	Operating profit (30=19+25-26)		153,272,531,730	159,114,769,040
31	Other income		55,370,155	569,521,639
32	Other expenses		60,693,806	68,599
40	Net other income (40=31-32)		(5,323,651)	569,453,040
50	Net accounting profit before tax (50=30+40)		153,267,208,079	159,684,222,080
51	CIT - current	27	30,614,756,041	31,043,254,753
52	CIT - deferred	27	104,997,331	395,621,832
60	Net profit after tax (60=50-51-52)		122,547,454,707	128,245,345,495



Pham Thu Trang
Chief Accountant



Yasuhiro Takeda
Legal Representative/
General Director
21 March 2025

CASH FLOW STATEMENT
(DIRECT METHOD)

		Year ended 31 December	
Code	Note	2024 VND	2023 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Receipt from goods sold, services rendered and others	1,039,227,855,797	992,737,288,908
02	Payments to suppliers of goods and services	(1,136,792,957,552)	(892,489,989,540)
03	Cash paid to employees	(107,600,429,449)	(98,546,032,591)
05	CIT paid	(29,343,254,753)	(28,232,844,286)
06	Cash received from other operating activities	387,644,554,962	207,614,262,209
07	Cash paid for other operating activities	(106,648,165,238)	(109,687,862,969)
20	Net cash inflows from operating activities	46,487,603,767	71,394,821,731
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(1,391,993,655)	(2,448,571,858)
22	Proceeds from sales of fixed assets and other long-term assets	42,000,000	556,770,555
23	Purchases of debt instruments of other entities	(1,141,037,906,954)	(916,192,353,805)
24	Proceeds from sales of debt instruments of other entities	1,090,953,750,000	886,668,100,000
27	Dividends and interest received	69,247,492,808	61,477,121,494
30	Net cash inflows from investing activities	17,813,342,199	30,061,066,386
CASH FLOWS FROM FINANCING ACTIVITIES			
36	Dividends paid, profit distributed to owners	(95,886,136,775)	(92,144,501,124)
40	Net cash outflows from financing activities	(95,886,136,775)	(92,144,501,124)
50	Net increase in cash and cash equivalents (50=20+30+40)	(31,585,190,809)	9,311,386,993
60	Cash and cash equivalents at beginning of year	37,879,593,293	28,557,097,289
61	Effect of foreign exchange differences	80,852,889	11,109,011
70	Cash and cash equivalents at end of year (70=50+60+61)	6,375,255,373	37,879,593,293

Pham Thu Trang
Chief Accountant



Yasuhiro Takeda
Legal Representative/
General Director
21 March 2025

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****1 GENERAL 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 05 August 1996. According to amended License No.65/GPDC3/KDBH issued on 20 August 2020, the Company's name was changed to Tokio Marine Insurance Vietnam Company Limited. Establishment and Operation License No.65/GP/KDBH was issued by the Ministry of Finance on 01 July 2013, which has been amended several times and the latest amendment No. 65/GPDC4/KDBH was issued on 11 December 2020.

The Company is a limited liability company, owned by Tokio Marine Asia Pte.Ltd, a company incorporated in Japan, and Bao Viet Holdings. Details of the capital contribution are presented in Note 16.

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 normal business cycle of the Company is 12 months.

As at 31 December 2024, the Company had 174 employees (as at 31 December 2023: 163 employees).

Information comparability in the financial statements: the comparative figures presented on the financial statements and the related disclosures are the figures of the audited financial statements for the year ended 31 December 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements of non-life insurance companies established and operating in compliance with the laws of Vietnam. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements 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 and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements in the Vietnamese language are the official statutory financial statements of the Company. The financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.3 Currency**

The financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company's accounting currency.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the average buying and selling exchange rates at the balance sheet date of all commercial banks which the Company regularly trades. Foreign currencies deposited in banks at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.6 Receivables

Receivables represent insurance receivables from customers, other trade receivables and other receivables which are classified based on their nature as follows:

- Insurance receivables are trade receivables arising from insurance transactions including direct premium receivables, claim recoveries, premium ceded receivables, reinsurance commission receivables from reinsurers at year end;
- Other trade receivables are receivables arising from sales and providing services other than insurance transactions; and
- Other receivables are non-trade receivables and receivables not relating to providing services.

Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible. The difference between the provision of this year and the provision of the previous year is recognised as an increase or decrease of general and administration expenses in the year. Bad debts are written off when identified as uncollectible

Receivables are classified into short-term and long-term receivables on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Investments****(a) Trading securities**

Trading securities are securities, which are held by the Company for trading to earn profits.

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end. The provision for diminution in value of trading securities is made when their carrying value is higher than their fair value. Changes in the provision balance during the financial year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

The Company recognises trading securities when it has ownership of the assets, specifically as follows:

- Listed securities are recorded at the time of orders matching;
- Unlisted securities are recognised at the time when official ownership is established in accordance with regulations.

Profit or loss from liquidation or disposal of trading securities is recognised in the income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

(b) Investments held-to-maturity

Investments held-to-maturity are investments which the Board of Management has a positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits, certificates of deposit, bonds which the issuer is required to buy back in the future, and other held-to-maturity investments. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the financial year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held-to-maturity are classified into short-term and long-term investments held to maturity on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

2.8 Insurance deposits

The Company is obliged to make a deposit equal to 2% of the legal capital of non-life insurance company, and the deposit shall bear interest in accordance with the agreement with the bank to which it is made and shall be refundable at the end of contract term. The Company may only use its insurance deposits to meet its commitment to the policyholders in case of liquidity deficit and upon written approval of the Ministry of Finance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.9 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable condition for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, they are charged to the income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The useful lives of each asset class are as follows:

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

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expenses in the income statement.

2.10 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Short-term prepaid expenses represent deferred commission expenses, deferred insurance business expenses, costs of tools, supplies issued for consumption and other expenses for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent office rental expenses and other expenses which are expected to provide future economic benefits to the Company for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost.

Deferred commission expenses are determined by the Company at the balance sheet date using the proportional method corresponding to the unearned direct premium/reinsurance premium reserve of each line of business.

For other prepaid expenses, the prepaid expenses are allocated on a straight-line basis over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.12 Payables**

Classifications of payables are based in their natures as follows:

- Insurance payables are payables arising from insurance transactions;
- Other trade accounts payable are trade payables arising from purchase of goods and services other than insurance transactions; and
- Other payables are non-trade payables and not relating to purchase of goods and services.

Payables are classified into long-term and short-term payables on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

Accrued expenses include liabilities for goods and services received in the period but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2.13 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the latest six months to the balance sheet date. This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.14 Technical reserves

The technical reserves have been established in accordance with the assumptions and methodologies as determined by the Company's appointed actuary and have been registered and approved by the Ministry of Finance as stated in the Official Letter No. 3059/BTC-QLBH ("Official Letter 3059") dated 19 March 2018 and Official Letter No. 14897/BTC-QLBH ("Official Letter 14897") dated 29 November 2018.

On 2 November 2023, the Ministry of Finance issued Circular No. 67/2023/TT-BTC ("Circular 67") providing guidance on certain articles of the Law on Insurance Business No. 08/2022/QH15 and Decree No. 46/2023/NĐ-CP. Circular 67 includes regulations on the method of setting up technical reserves for non-life insurance companies. In accordance with the assessment of the Company, the current method and basis for setting up technical reserves following Official Letter 3059 and Official Letter 14897 are still appropriate and compliant with Circular 67. Therefore, the Company does not re-register the method of setting up technical reserves with the Ministry of Finance and shall continue to follow the Official Letter 3059 and Official Letter 14897.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Technical reserves (continued)

The Company's technical reserves include:

(a) Technical reserves for non-life insurance

(i) Unearned premium reserves ("UPR")

For all insurance and reinsurance contracts, the unearned premium reserve is set up using the daily gross insurance premiums method.

(ii) Claim reserves

Claims reserves include claims notified but not yet settled ("outstanding claims reserves") and claims incurred but not yet reported ("IBNR") at the balance sheet date.

- Outstanding claims reserves are set up for each insurance case based on the estimated total claim payable which has been notified or submitted but has not been settled at the balance sheet date;
- Claims incurred but not yet reported reserves ("IBNR") are set up based on the fomular approved by the Ministry of Finance as follows:

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

(iii) Catastrophe reserves

Catastrophe reserves are made at 3% of the retained premium for each line of insurance business until it reaches 100% of the retained premium in the year (except for health insurance).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Technical reserves (continued)

(b) Technical reserves for health insurance

(i) *Unearned premium reserves*

For insurance policy with a term of 1 year or less, the unearned premium reserve is set up using the daily gross insurance premiums method.

(ii) *Claim reserves*

Claims reserves include claims notified but not yet settled ("outstanding claims reserves") and claims incurred but not yet reported ("IBNR") at the balance sheet date.

- Outstanding claims reserves are set up for each insurance case based on the estimated total claim payable which has been notified or submitted but has not been settled at the balance sheet date;
- Claims incurred but not yet reported reserves ("IBNR") are set up based on the fomular approved by the Ministry of Finance as follows:

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

(iii) *Mathematical reserves*

The mathematical reserves are applied to insurance policy with a term over one (1) year to ensure the liabilities committed in the future insurance event.

- For health insurance policies that cover only the case of death, total and permanent disability, the Company set up mathematical reserves of establishing the reserve based on daily gross insurance premiums method.
- For the remaining health insurance policies, the Company set up mathematical reserves using daily gross insurance premiums method. In the event that the results of mathematical reserves based on daily gross premiums are less than the results of mathematical reserves based on 1/8 method, the Company shall make additional reserves for the difference.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.14 Technical reserves (continued)****(b) Technical reserves for health insurance (continued)***(iv) Equalisation reserves*

Equalisation reserves are provided annually at the rate of 3% of the retained premium for health insurance until the reserves reach 100% retained premium of the year.

Following the issuance of Vietnamese Accounting Standard ("VAS") No 19 – Insurance Contracts, provision for catastrophe reserves for non-life insurance and equalisation reserves for health insurance are no longer required since it represents possible claims under contracts that are not in existence at the reporting date. However, the Company still recognises catastrophe reserves and equalisation reserves in accordance with the method in the Official Letter 3059 which was approved and in compliance with the current regulations stipulated by the Ministry of Finance.

Reserves for the Company's direct insurance and inward reinsurance are not offset with reserves for outward reinsurance (except for IBNR reserve since it has been calculated on a net basis). These reserves should be presented under separate items in the balance sheet. Accordingly, unearned premium reserves and claim reserves for direct insurance and inward reinsurance, catastrophe reserves and equalisation reserves are recognised as payables while unearned premium reserves for outward reinsurance and claim reserves for outward reinsurance are recognised as reinsurance assets.

2.15 Deferred commission income

Deferred commission income from outward reinsurance policies is deferred and recognised as a liability, using the proportional method corresponding to the unearned outward reinsurance premium reserve of each line of insurance business.

2.16 Unearned revenue

Unearned revenue represents premiums received in advance from insurance policies but the insurance coverage period is not yet effective as of the balance sheet date. The Company shall record unearned revenue for the future obligations that the Company has to fulfill. When revenue recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the income statement to the extent that it has met the recognition criteria.

2.17 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed

Undistributed earnings record the Company's results (profit, loss) after CIT at the reporting date.

2.18 Appropriation of profit

Profit after tax can be distributed to the members upon approval at Members' Council's and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Company sets up the following funds:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.18 Appropriation of profit (continued)****(a) Compulsory reserve**

Compulsory reserve is established in order to supplement the Company's charter capital and ensure its solvency. In accordance with Article 54 of the Decree 46/2023/NĐ-CP dated 1 July 2023, the Company is required to make an annual appropriation to the compulsory reserve at 5% of profit after tax until the reserve reaches 10% of the charter capital.

(b) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Company's profit after tax and is subject to the approval by the Board of members. This fund is presented as a liability on the balance sheet. The fund is used to reward and encourage, to serve the needs of public welfares, to improve and enhance physical and mental life of employees.

2.19 Revenue recognition**(a) Insurance premiums**

Insurance premiums are recognised when the Company incurred insurance obligations for the insured. Specifically, direct written premiums are recognised as revenue at the point of time as follows:

- (1) When the insurance policy is entered into between the insurer and the policyholder, and insurance premium is fully paid; or
- (2) When there is evidence that the insurance policy has been agreed into and that the policyholder has fully paid the insurance premiums; or
- (3) For the insurance policy that has been entered into, and the Company has an agreement with the policyholder on the premium payment period: when the insurance contract is still within the period for premium payment as stipulated in the policy and that the payment period is within the maximum timeframe of Circular 67/2023/TT-BTC.

If insurance policy has been entered into between the Company and the insured but no insurance obligation has arisen to the Company and the insurer has not paid the premium, such policy shall be recognised as off-balance sheet items.

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

For those Insurance policies which have been agreed before the effective date of the Insurance Business Law 2022 and are still effective, they will continue to be implemented according to the provisions of law at the time of agreements, except in cases where the the party participating in the insurance policy has an agreement on amending and supplementing the policy to comply with the Insurance Business Law 2022 and to apply the provisions of the Insurance Business Law 2022.

Co-insurance policy

The Company shall recognise revenue arising from the direct insurance premium which is allocated according to the co-insurance ratio specified in the co-insurance policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.19 Appropriation of profit (continued)****(b) Inward reinsurance premium**

Reinsurance premiums are recognised as revenue at the point of time when both of the following two (2) conditions are met:

- The reinsurance contract has been entered into between the Company and the ceding reinsurance companies; and
- Statement of accounts of reinsurance transactions is confirmed between the Company and the ceding reinsurance companies.

(c) Commission income from outward reinsurance

Commission income from outward reinsurance represents commission received or receivable from reinsurers. They are calculated on the basis of gross premiums ceded and are recorded in the same time that the corresponding outward reinsurance premium is recognised.

Commission on profit arising from the outward reinsurance contract shall be recognised based on the calculation terms in the contract and with supporting evidence of payment approval from the counterparties.

(d) Interest income

Interest income is recognised in the income statement on the basis of the actual time and interest rates for each period when both (2) of the following conditions are satisfied:

- It is probable that economic benefits will be generated; and
- Income can be relatively certain

(e) Dividends income

Income from dividends profits is recognised when both (2) of the following conditions are satisfied:

- It is probable that economic benefits associated with the transaction will flow to the Company; and
- Income can be measured reliably.

Income from dividends profits is recognised when the Company established its receiving rights from investees.

2.20 Outward reinsurance premium ceded

Outward reinsurance premium ceded is recorded in the income statement as a reduction in gross premiums written.

Outward reinsurance does not relieve the Company from its liabilities to its insured if reinsurer is unable to meet its obligations under reinsurance agreements.

2.21 Claim expenses

Claim expenses include expenses payable to insurance policyholders or to third parties damaged by the insurance policyholders, expenses for insurance loss adjuster, investigations, and collection of information related to insurance events.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.22 Claims to be recovered from reinsurers**

Claims recovered from reinsurers according to the terms in the respective reinsurance agreements are recognised as a deduction from the total cost of insurance claims expenses in the income statement.

2.23 Commission expenses

Commission expenses represent fees payable to insurance brokers, agents, ceding reinsurance companies. Commission expenses for insurance brokers, agents are calculated on the actual gross written premiums received during the year. Commission expenses for ceding insurance companies are calculated on the basis of inward premiums during the year.

2.24 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities, losses incurred on selling foreign currencies, losses from foreign exchange differences.

2.25 General and administration expenses

General and administration expenses represent expenses for administrative purposes of the Company.

2.26 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expenses comprises current income tax expenses and deferred income tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expenses and included in the profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.27 The global minimum tax**

On 29 November 2023, the National Assembly of Vietnam passed Resolution No. 107/2023/QH15 ("Resolution 107") on the application of Qualified Domestic Minimum Top-up Tax ("QDMTT") rule and Income Inclusion Rule ("IIR"). These rules align with the Pillar Two of the Global Anti-Base Erosion Model Rules ("BESP 2.0") of the OECD and will be effective from 1 January 2024 (hereinafter referred to as the "Global Minimum Tax Regulations"). The Resolution mandates that large multinational corporations are required to pay a minimum global corporate income tax rate of 15% on profits earned in the jurisdictions where they operate. This new tax rule requires the calculation of the effective tax rate on a jurisdictional basis and the execution of top-up tax payments when the effective tax rate falls below the minimum threshold. The Company is within the scope of Resolution 107 and this change will impact the calculation and accounting for corporate income tax obligation, including the current corporate income tax, deferred tax assets, and deferred tax liabilities.

Although the Decree detailing the implementation of Resolution 107 is still being drafted, Resolution 107 has been effective from 1 January 2024, and applies to the fiscal year 2024, the Company has estimated the impact of Global Minimum Tax Regulations on additional corporate income tax obligations for the financial year ended 31 December 2024 based on the guidelines in the Model Rules issued by the OECD and determined that there is no additional obligation to be recognised since the current CIT rate applicable at the Company is higher than the aforementioned global minimum tax rate.

2.28 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Board of Directors, the Board of Supervision, the Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its related-party relationships, the Company considers the substance of the relationships, not merely the legal form.

2.29 Critical accounting estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements of non-life insurance companies established and operating in compliance with the laws of Vietnam requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Critical accounting estimates (continued)

The areas involving significant estimates and assumptions in the financial statements are as follows:

- Estimated useful lives of fixed assets (Notes 2.9 and 9);
- Deferred commission expenses (Notes 2.11 and 8(a));
- Technical reserves (Notes 2.14 and 14); and
- Deferred commission income (Notes 2.15 and 12).

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	31/12/2024 VND	31/12/2023 VND
Cash on hand	32,153,583	24,326,779
Cash at bank	6,343,101,790	37,855,266,514
	<u>6,375,255,373</u>	<u>37,879,593,293</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 SHORT-TERM INVESTMENTS

	31/12/2024 VND	31/12/2023 VND
Trading securities (i)	8,430,000,000	8,430,000,000
Investments held-to-maturity (ii)	1,122,321,000,685	1,063,756,250,000
	<u>1,130,751,000,685</u>	<u>1,072,186,250,000</u>

(i) Trading securities

	As at 31/12/2024			As at 31/12/2023		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Shares of Vietnam National Reinsurance Corporation	3,430,000,000	20,382,417,600	-	3,430,000,000	19,067,124,467	-
Fund certificates of BaoViet Bond Fund	5,000,000,000	10,175,037,953	-	5,000,000,000	9,491,572,543	-
	<u>8,430,000,000</u>	<u>30,557,455,553</u>	<u>-</u>	<u>8,430,000,000</u>	<u>28,558,697,010</u>	<u>-</u>

- (ii) Included term deposits with original terms of more than 3 months and remaining maturities within 12 months from the balance sheet date at domestic commercial banks and having interest rates ranging from 4.1% per annum to 5.6% per annum (2023: 4.7% to 9.0% per annum) for the deposits in VND and 0% (2023: 0%) with deposits in USD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2024 VND	31/12/2023 VND
Receivable from insurance contracts	115,996,056,850	64,145,423,229
- Receivable from direct insurance premium	26,643,620,270	26,076,853,675
- Receivable from co-insurers	2,789,964,130	3,507,189,264
- Receivable from inward reinsurance	10,777,393,249	9,645,904,245
- Receivable from outward reinsurance	75,785,079,201	24,915,476,045
Other trade receivables	4,173,384,116	5,800,934,433
	<u>120,169,440,966</u>	<u>69,946,357,662</u>

6 OTHER SHORT-TERM RECEIVABLES

(a) Short-term

	31/12/2024 VND	31/12/2023 VND
Accrued interest income from deposits	32,949,013,819	53,612,381,778
Deposits for third party claim handling services	6,059,961,812	5,709,961,812
Others	2,697,239,863	1,713,306,634
	<u>41,706,215,494</u>	<u>61,035,650,224</u>

(b) Long-term

	31/12/2024 VND	31/12/2023 VND
Insurance compulsory deposit (*)	9,469,125,000	9,030,000,000
Other long-term deposits	2,589,132,689	2,214,170,036
	<u>12,058,257,689</u>	<u>11,244,170,036</u>

(*) Insurance compulsory deposit is an insurance deposit with original amount of USD 375,000. According to regulations, the Company is required to maintain an insurance compulsory deposit at 2% of the charter capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

7 PROVISION FOR DOUBTFUL DEBTS

	31/12/2024		
	Cost VND	Recoverable amount VND	Provision VND
Receivables that were past due or not past due but doubtful	1,420,163,741	940,147,849	(480,015,892)
Receivables from direct insurance premium	195,703,751	136,992,626	(58,711,125)
Receivables from reinsurance activities	1,224,459,990	803,155,223	(421,304,767)
	31/12/2023		
	Cost VND	Recoverable amount VND	Provision VND
Receivables that were past due or not past due but doubtful	1,399,774,638	796,762,860	(603,011,778)
Receivables from direct insurance premium	274,695,630	142,184,546	(132,511,084)
Receivables from reinsurance activities	1,125,079,008	654,578,314	(470,500,694)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8 PREPAID EXPENSES

(a) Short-term prepaid expenses

	31/12/2024 VND	31/12/2023 VND
Deferred commission expenses (*)	28,343,433,972	25,099,000,662
Software license fees	2,193,847,627	3,429,909,128
Other short-term prepaid expenses	1,117,063,753	814,684,868
	<u>31,654,345,352</u>	<u>29,343,594,658</u>

(*) Movements of deferred commission expenses during the year were as follows:

	2024 VND	2023 VND
Beginning of year	25,099,000,662	21,101,119,352
Increase during year	87,588,101,189	82,352,201,874
Allocation during the year (Note 23)	(84,343,667,879)	(78,354,320,564)
End of year	<u>28,343,433,972</u>	<u>25,099,000,662</u>

(b) Long-term prepaid expenses

	2024 VND	2023 VND
Tools and supplies expenses	1,655,903,384	1,215,703,051
Office maintenance, renovation expenses	687,628,881	1,208,779,182
Network and transmission expenses	1,489,710,025	2,449,834,488
Golf expenses	1,145,174,436	1,314,804,227
Other long-term prepaid expenses	13,862,507	301,660,230
	<u>4,992,279,233</u>	<u>6,490,781,178</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

9 FIXED ASSETS

(a) Tangible fixed assets

	Office equipment VND	Transportation VND	Total VND
Historical cost			
As at 1 January 2024	5,585,697,883	3,490,905,454	9,076,603,337
New purchases	1,068,900,000	-	1,068,900,000
Disposals	(523,720,268)	-	(523,720,268)
As at 31 December 2024	<u>6,130,877,615</u>	<u>3,490,905,454</u>	<u>9,621,783,069</u>
Accumulated depreciation			
As at 1 January 2024	(4,618,596,929)	(2,082,412,650)	(6,701,009,579)
Charge for the year	(666,907,762)	(378,472,728)	(1,045,380,490)
Disposals	523,720,268	-	523,720,268
As at 31 December 2024	<u>(4,761,784,423)</u>	<u>(2,460,885,378)</u>	<u>(7,222,669,801)</u>
Net book value			
As at 1 January 2024	<u>967,100,954</u>	<u>1,408,492,804</u>	<u>2,375,593,758</u>
As at 31 December 2024	<u>1,369,093,192</u>	<u>1,030,020,076</u>	<u>2,399,113,268</u>

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2024 was VND 4,923,956,807 (as at 31 December 2023: VND 3,832,918,807).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

9 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1 January 2024	14,250,655,769
New purchase	507,864,063
As at 31 December 2024	14,758,519,832
Accumulated amortisation	
As at 1 January 2024	(8,819,679,579)
Charge for the year	(2,357,388,904)
As at 31 December 2024	(11,177,068,483)
Net book value	
As at 1 January 2024	5,430,976,190
As at 31 December 2024	3,581,451,349

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2024 was VND 5,509,644,343 (as at 31 December 2023: VND 5,293,594,343).

10 TRADE ACCOUNTS PAYABLE

	31/12/2024 VND	31/12/2023 VND
Payables of insurance contracts	273,217,590,003	253,817,308,106
- Payable for outward reinsurance activities	255,973,375,370	236,837,510,155
- Payable for co-insurance	5,471,467,298	7,493,242,695
- Payable for insurance commission	10,684,275,853	7,931,110,569
- Other payables for insurance activities	1,088,471,482	1,555,444,687
Other trade payables	11,519,017,535	14,897,460,133
- IT advisory fees and other IT related service	2,894,240,444	3,420,944,992
- Compulsory fire and exploitation fund and compulsory civil liability fund	3,147,842,250	3,069,452,225
- Others	5,476,934,841	8,407,062,916
	284,736,607,538	268,714,768,239

As at 31 December 2024, the trade accounts payable that the Company is able to pay is VND 284,822,785,738 (as at 31 December 2023: VND 268,714,768,239).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and other receivables from/payables to the State during the year were as follows:

(a) Receivables

	As at 1/1/2024 VND	Receivable during the year VND	Offset during the year VND	As at 31/12/2024 VND
VAT to be reclaimed	3,200,089,767	13,068,585,849	(12,941,198,601)	3,327,477,015

(b) Payables

	As at 1/1/2024 VND	Payable during the year VND	Offset during the year VND	Payment during the year VND	As at 31/12/2024 VND
Input VAT on domestically sold goods and services	3,343,981,967	60,693,218,740	(12,941,198,601)	(46,952,707,346)	4,143,294,760
CIT	14,738,877,444	30,614,756,041	-	(29,343,254,753)	16,010,378,732
Personal income tax	547,448,364	11,036,548,293	-	(10,946,059,283)	637,937,374
Other taxes	4,118,298,295	1,538,767,354	-	(1,550,184,718)	4,106,880,931
	22,748,606,070	103,883,290,428	(12,941,198,601)	(88,792,206,100)	24,898,491,797

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

12 DEFERRED COMMISSION INCOME

	31/12/2024 VND	31/12/2023 VND
Deferred commission income	48,812,102,020	47,284,062,207

Movements of deferred commission income during the year were as follows:

	2024 VND	2023 VND
Beginning of year	47,284,062,207	43,306,999,962
Increase during year	147,891,926,956	150,968,735,634
Allocation to revenue during the year (Note 20)	(146,363,887,143)	(146,991,673,389)
End of year	48,812,102,020	47,284,062,207

13 BONUS AND WELFARE FUNDS

Movements in bonus and welfare funds during the year were as follow:

	2024 VND	2023 VND
Beginning of year	16,225,420,747	15,595,942,728
Increase during year (Note 17)	6,127,372,735	6,412,267,276
Utilise during the year	(5,959,532,021)	(5,782,789,257)
End of year	16,393,261,461	16,225,420,747

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

14 TECHNICAL RESERVES

(a) Claim reserves and unearned premium reserves

	31/12/2024		
	Direct insurance and inward reinsurance VND	Outward reinsurance VND	Net reserve VND
Claim reserves	1,280,253,033,372	(1,190,061,892,285)	90,191,141,087
<i>In which:</i>			
- Reserves for losses incurred and reported ("OSLR")	1,252,771,555,731	(1,190,061,892,285)	62,709,663,446
- Reserves for losses incurred but not yet reported ("IBNR")	27,481,477,641	-	27,481,477,641
Unearned premium reserves	314,989,220,230	(211,313,040,422)	103,676,179,808
	<u>1,595,242,253,602</u>	<u>(1,401,374,932,707)</u>	<u>193,867,320,895</u>
	31/12/2023		
	Direct insurance and inward reinsurance VND	Outward reinsurance VND	Net reserve VND
Claim reserves	397,009,791,853	(306,361,246,467)	90,648,545,386
<i>In which:</i>			
- Reserves for losses incurred and reported ("OSLR")	370,198,098,646	(306,361,246,467)	63,836,852,179
- Reserves for losses incurred but not yet reported ("IBNR")	26,811,693,207	-	26,811,693,207
Unearned premium reserves	301,091,456,981	(209,391,770,534)	91,699,686,447
	<u>698,101,248,834</u>	<u>(515,753,017,001)</u>	<u>182,348,231,833</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

14 TECHNICAL RESERVES (CONTINUED)

(a) Claim reserves and unearned premium reserves (continued)

Movements of claim reserves and unearned premium reserves during the year were as follows:

Claim reserves:

	2024			2023		
	Direct insurance and inward reinsurance VND	Outward reinsurance VND	Net reserve VND	Direct insurance and inward reinsurance VND	Outward reinsurance VND	Net reserve VND
Beginning of the year	397,009,791,853	(306,361,246,467)	90,648,545,386	340,246,965,331	(266,070,406,859)	74,176,558,472
Movements in the year (Note 22)	883,243,241,519	(883,700,645,818)	(457,404,299)	56,762,826,522	(40,290,839,608)	16,471,986,914
End of the year	<u>1,280,253,033,372</u>	<u>(1,190,061,892,285)</u>	<u>90,191,141,087</u>	<u>397,009,791,853</u>	<u>(306,361,246,467)</u>	<u>90,648,545,386</u>

Unearned premium reserves:

	2024			2023		
	Direct insurance and inward reinsurance VND	Outward reinsurance VND	Net reserve VND	Direct insurance and inward reinsurance VND	Outward reinsurance VND	Net reserve VND
Beginning of the year	301,091,456,981	(209,391,770,534)	91,699,686,447	263,357,843,985	(180,813,396,643)	82,544,447,342
Movements in the year (Notes 18 and 19)	13,897,763,249	(1,921,269,888)	11,976,493,361	37,733,612,996	(28,578,373,891)	9,155,239,105
End of the year	<u>314,989,220,230</u>	<u>(211,313,040,422)</u>	<u>103,676,179,808</u>	<u>301,091,456,981</u>	<u>(209,391,770,534)</u>	<u>91,699,686,447</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

14 TECHNICAL RESERVES (CONTINUED)

(b) Catastrophe reserves and equalisation reserves

	2024 VND	2023 VND
Beginning of the year	101,693,596,757	92,166,425,055
Increase in the year	10,273,858,487	9,527,171,702
End of the year	<u>111,967,455,244</u>	<u>101,693,596,757</u>

15 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same taxation authority and same taxable unit. The details are as follows:

	2024 VND	2023 VND
Deferred income tax liabilities to be settled after more than 12 months	<u>7,989,894,374</u>	<u>7,884,897,043</u>

Deferred corporate income tax liabilities primarily relate to temporary differences arising from the revaluation of foreign currency-denominated term deposits.

The Company uses a tax rate of 20% in 2024 (2023: 20%) to determine deferred income tax assets and deferred income tax liabilities.

16 OWNERS' CAPITAL

	Charter capital		Contributed capital
	VND	%	VND
Tokio Marine Asia Pte. Ltd	153,000,000,000	51%	153,000,000,000
Bao Viet Holdings	147,000,000,000	49%	147,000,000,000
	<u>300,000,000,000</u>	<u>100%</u>	<u>300,000,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

17 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Foreign exchange differences (*) VND	Compulsory reserve fund VND	Retained earnings VND	Total VND
As at 1 January 2023	300,000,000,000	31,520,800,000	30,000,000,000	226,001,497,031	587,522,297,031
Profit for the year	-	-	-	128,245,345,495	128,245,345,495
Profit distributed	-	-	-	(92,516,181,094)	(92,516,181,094)
Appropriated to Bonus and Welfare Funds (Note 13) (***)	-	-	-	(6,412,267,276)	(6,412,267,276)
As at 31 December 2023	300,000,000,000	31,520,800,000	30,000,000,000	255,318,394,156	616,839,194,156
Profit for the year	-	-	-	122,547,454,707	122,547,454,707
Profit distributed (**)	-	-	-	(96,263,772,203)	(96,263,772,203)
Appropriated to Bonus and Welfare Funds (Note 13) (***)	-	-	-	(6,127,372,735)	(6,127,372,735)
As at 31 December 2024	300,000,000,000	31,520,800,000	30,000,000,000	275,474,703,925	636,995,503,925

(*) The balance of foreign exchange difference of VND 31,520,800,000 as at 31 December 2024 represents the foreign exchange difference resulted from the conversion of accounting currency from USD to VND in 2008.

(**) On 25 March 2024, Members' Council issued the Resolution No. 17/2024/NQ-HĐTV to approve on 2023 profit distribution of the Company.

(***) The Company appropriated 5% profit after tax to bonus and welfare fund in accordance with the Company's Charter dated 3 October 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

18 INSURANCE PREMIUM

	Year ended 31 December	
	2024 VND	2023 VND
1. Direct insurance premiums	945,727,678,889	934,881,944,580
<i>Health and personal accident insurance</i>	146,786,970,677	121,700,822,638
<i>Property, Damage and Fire Insurance</i>	410,550,174,300	404,094,683,526
<i>Cargo insurance</i>	98,768,775,250	111,150,623,732
<i>Motor vehicle insurance</i>	22,768,375,901	22,770,434,260
<i>Hull and P&I insurance</i>	1,351,994,055	1,268,408,971
<i>Liability insurance</i>	96,992,109,439	97,983,989,238
<i>Business risk insurance</i>	14,651,151,222	17,016,706,921
<i>Financial risk and Credit risk insurance</i>	153,858,128,045	158,896,275,294
2. Inward reinsurance premiums	91,516,784,883	83,443,414,539
<i>Health and personal accident insurance</i>	1,074,213,888	622,652,143
<i>Property, Damage and Fire Insurance</i>	82,249,629,812	74,872,778,579
<i>Cargo insurance</i>	1,156,208,867	2,390,139,478
<i>Motor vehicle insurance</i>	2,920,469,303	597,193,502
<i>Liability insurance</i>	1,435,234,441	2,557,067,008
<i>Business risk insurance</i>	2,632,675,605	2,373,827,104
<i>Financial risk and Credit risk insurance</i>	48,352,967	29,756,725
3. Increase in unearned premium reserves for direct insurance and inward reinsurance (Note 14(a))	13,897,763,249	37,733,612,996
4. Total premium income (4=1+2-3)	1,023,346,700,523	980,591,746,123

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

19 OUTWARD REINSURANCE PREMIUM

	Year ended 31 December	
	2024 VND	2023 VND
1. Total outward reinsurance premium	694,782,514,117	700,752,968,879
<i>Health and personal accident insurance</i>	<i>5,196,076,425</i>	<i>5,619,783,817</i>
<i>Property, Damage and Fire Insurance</i>	<i>454,013,698,569</i>	<i>442,304,152,045</i>
<i>Cargo insurance</i>	<i>34,403,542,717</i>	<i>40,834,544,060</i>
<i>Motor vehicle insurance</i>	<i>102,998,745</i>	<i>273,093,383</i>
<i>Hull and P&I insurance</i>	<i>1,329,460,405</i>	<i>1,247,268,232</i>
<i>Liability insurance</i>	<i>41,947,303,247</i>	<i>45,766,525,190</i>
<i>Business risk insurance</i>	<i>16,830,733,339</i>	<i>18,908,347,653</i>
<i>Financial risk and Credit risk insurance</i>	<i>140,958,700,670</i>	<i>145,799,254,499</i>
2. Increase in unearned premium reserve for outward reinsurance (Note 14(a))	1,921,269,888	28,578,373,891
3. Total outward reinsurance premium (3=1-2)	692,861,244,229	672,174,594,988

20 OUTWARD REINSURANCE COMMISSION

	Year ended 31 December	
	2024 VND	2023 VND
Health and personal accident insurance	364,594,898	541,187,743
Property, Damage and Fire Insurance	99,688,303,422	97,669,991,040
Cargo insurance	6,732,292,048	8,618,283,110
Motor vehicle insurance	31,531,462	71,864,053
Hull and P&I insurance	170,471,738	201,606,348
Liability insurance	8,564,766,654	9,099,828,100
Business risk insurance	3,551,515,207	3,916,648,418
Financial risk and Credit risk insurance	27,260,411,714	26,872,264,577
	146,363,887,143	146,991,673,389

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

21 OTHER INCOME/EXPENSES OF INSURANCE ACTIVITIES

(a) Other income

	Year ended 31 December	
	2024 VND	2023 VND
Claim settlement agent income	11,803,715,915	11,366,618,597
Policy management income	2,059,957,358	1,932,111,403
Others	-	458,870,000
	<u>13,863,673,273</u>	<u>13,757,600,000</u>

(b) Other expenses

	Year ended 31 December	
	2024 VND	2023 VND
Risk assessment of insured objects expenses	3,035,978,660	3,454,806,334
Agent management fees	157,276,175	413,859,033
Co-insurance policy management fees	1,354,960,825	1,387,988,336
Preventive and loss reduction expenses	1,418,414,843	529,519,213
Compulsory contributions	3,081,723,949	3,138,810,511
Other expenses	5,700,559,075	5,922,771,791
	<u>14,748,913,527</u>	<u>14,847,755,218</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22 TOTAL CLAIM SETTLEMENT EXPENSES

	Year ended 31 December	
	2024 VND	2023 VND
1. Gross claim expenses	483,502,632,068	279,191,268,122
Health and personal accident insurance	90,229,519,511	79,932,180,287
Property, Damage and Fire Insurance	92,928,177,638	132,446,825,065
Cargo insurance	18,327,590,794	16,813,937,772
Motor vehicle insurance	6,716,913,961	7,243,754,065
Hull and P&I insurance	3,774,745	2,045,573,304
Liability insurance	18,999,769,132	21,265,360,708
Business risk insurance	1,649,968,033	65,792,986
Financial risk and Credit risk insurance	254,646,918,254	19,377,843,935
2. Deductions from gross claim expenses	(5,436,079,069)	(7,187,695,807)
3. Recoveries from outward reinsurance	340,929,728,338	151,865,262,202
4. Increase in direct insurance and inward reinsurance claim reserves (Note 14(a))	883,243,241,519	56,762,826,522
5. Increase in outward claim reserves (Note 14(a))	883,700,645,818	40,290,839,608
6. Net claim expenses (6=1+2-3+4-5)	136,679,420,362	136,610,297,027

23 COMMISSION EXPENSES

	Year ended 31 December	
	2024 VND	2023 VND
Health and personal accident insurance	11,100,231,166	9,491,655,794
Property, Damage and Fire Insurance	38,511,661,735	36,088,250,140
Cargo insurance	5,446,344,861	6,148,101,924
Motor vehicle insurance	1,027,154,039	595,122,116
Hull and P&I insurance	93,859,990	112,361,431
Liability insurance	7,848,580,046	7,894,712,110
Business risk insurance	1,737,699,886	1,964,522,038
Financial risk and Credit risk insurance	18,578,136,156	16,059,595,011
	84,343,667,879	78,354,320,564

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

24 FINANCIAL INCOME

	Year ended 31 December	
	2024 VND	2023 VND
Interest income from deposits	53,674,212,401	73,689,382,229
Investment income from bonds	-	6,299,978,206
Dividends and profits received	846,094,000	769,177,000
Foreign exchange gains	10,544,394,117	6,882,248,234
	<u>65,064,700,518</u>	<u>87,640,785,669</u>

25 FINANCIAL EXPENSE

	Year ended 31 December	
	2024 VND	2023 VND
Investment expenses	369,195,535	3,090,984,603
Foreign exchange losses	2,191,460,535	2,546,689,293
	<u>2,560,656,070</u>	<u>5,637,673,896</u>

26 GENERAL AND ADMINISTRATION EXPENSES

	Year ended 31 December	
	2024 VND	2023 VND
Staff costs	99,944,390,649	99,596,437,365
IT maintenance consulting expenses	16,989,393,905	17,126,604,169
Depreciation and amortisation of fixed assets	3,402,769,394	2,932,629,743
Office equipment expense	1,935,279,534	1,876,718,205
Taxes, fees and charges	917,964,884	780,598,172
Rental and maintenance expenses	11,487,873,042	10,768,230,458
Outside services expenses	18,993,993,651	19,688,243,159
Reversal provision for doubtful debts	(122,995,886)	(311,112,969)
Other expenses	350,000,000	256,874,445
	<u>153,898,669,173</u>	<u>152,715,222,747</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

27 CIT

The CIT on the Corporation's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	Year ended 31 December	
	2024 VND	2023 VND
Net accounting profit before tax	153,267,208,079	159,684,222,080
Tax calculated at a rate of 20%	30,653,441,616	31,936,844,416
Effect of:		
Income not subject to tax	(169,218,800)	(153,835,400)
Expenses not deductible for tax purposes	340,636,684	700,725,950
Temporary differences for which no deferred income tax was recognised	(105,106,128)	(1,044,858,381)
CIT charge (*)	30,719,753,372	31,438,876,585
Charged to income statement:		
CIT – current (Note 11)	30,614,756,041	31,043,254,753
CIT – deferred	104,997,331	395,621,832
	30,719,753,372	31,438,876,585

(*) The CIT charge for the year is based on estimated taxable profit and is subject to review and possible adjustments by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

28 FINANCIAL RATIOS OF THE CORPORATION

	Unit	2024	2023
1. Asset and equity structure			
1.1 Asset structure			
- Long-term assets/Total assets	%	0.84	1.41
- Short-term assets/Total assets	%	99.16	98.59
1.2 Equity structure			
- Total liabilities/Total resources	%	76.90	66.00
- Owners' equity/Total resources	%	23.10	34.00
2. Liquidity			
2.1 Liquidity ratio	times	1.30	1.52
2.2 Current ratio	times	1.30	1.50
2.3 Quick ratio	times	0.54	0.93
		Year ended 31 December	
		2024	2023
3. Profitability			
3.1 Profit margins			
- Net profit before tax/Revenue	%	27.57	28.65
- Net profit after tax/Revenue	%	22.05	23.01
3.2 Return on assets			
- Net profit before tax/Total assets	%	5.56	8.80
- Net profit after tax/Total assets	%	4.44	7.07
3.3 Net profit after tax/Owners' equity	%	19.24	20.79

29 FINANCIAL RISK MANAGEMENT

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going-concern while maximising the return to shareholders through the optimisation of the equity and debt balance.

The capital structure of the Company consists of equity attributable to shareholders (comprising contributed capital, reserves and undistributed earnings, and debts).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, basis of measurement and recognition of income and expenses) for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

	Carrying value (*)	
	31/12/2024 VND	31/12/2023 VND
Financial assets		
Cash and cash equivalents	6,375,255,373	37,879,593,293
Trade and other short-term receivables (*)	161,875,656,460	130,982,007,886
Others long-term receivables	12,058,257,689	11,244,170,036
Short-term investments (*)	1,130,751,000,685	1,072,186,250,000
	<u>1,311,060,170,207</u>	<u>1,252,292,021,215</u>
Financial liabilities		
Trade and other short-term payables	<u>284,824,233,824</u>	<u>269,542,923,595</u>
(*) Figures are before provision		

The Company has not assessed fair value of its financial assets and financial liabilities as at the balance sheet date since there is no detailed guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair values of these financial assets and financial liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it does not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up a risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. The risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

The Company's activities may be exposed to risks include insurance risk, market risk, credit risk and liquidity risk. In general, the Company's risk management policies are intended to minimise the potential adverse effects of these risks on the Company's business performance.

(a) Insurance risk*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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Insurance risk (continued)

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 consolidated 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 method in calculating the claims reserves are disclosed in Note 2.14.

The Company issues general insurance contracts, risks under general insurance contracts usually cover a twelve-month duration.

For general insurance contracts, the 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 the high severity and insured losses. In view of the exposures, the general insurance has arranged the reinsurance protection for the fire, engineering, marine portfolios, etc against the catastrophe events to minimise 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 diversifying across a large portfolio of insurance products, distribution channels and selecting the low insurance risk products. 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 on-going 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 Company further enforces a policy of activity managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

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

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

Capital management activities

The Company always aims to maintain a strong capital base to support the development of its business and to comply with regulatory capital and the solvency requirements regulated in the relevant local regulations. The table below presents the solvency capital and the minimum solvency margin of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Insurance risk (continued)

	Solvency capital	Minimum solvency margin	Solvency margin percentage
As at 31 December 2024	VND 568,825 million	VND 109,479 million	519.58%
As at 31 December 2023	VND 554,118 million	VND 106,258 million	521.49%

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with the fluctuation of market price. Market risk includes 3 types of risk: currency risk, price risk and interest rate risk.

(i) Currency risk

The Company's activities expose primarily to the financial risks of fluctuations in foreign currency exchange rates.

To manage foreign currencies for reinsurance settlement, the Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The book value of monetary assets and liabilities in foreign currency as at the end of the year were as follows:

	Assets		Liabilities	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	VND	VND	VND	VND
US Dollar	100,645,671,493	104,368,551,382	41,210,260,724	50,213,274,067
Others	64,241,546	44,949,350	4,051,479,419	1,611,051,381

The Company's business is mainly exposed to the changes in United States Dollar exchange rates.

The sensitivity rate of 5% is used by the Board of Management when analysing foreign currency risk and represents the Board of Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. For a 5% increase/decrease in the following foreign currencies against Vietnamese Dong, the profit before tax in the year would increase /decrease (2023: increase /decrease) by the respective amounts as follows:

	Year ended 31 December	
	2024	2023
	VND	VND
USD	2,971,770,538	2,707,763,866

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(ii) Price risk

Shares held by the Company are affected by market risks arising from the uncertainty about future prices of such shares. The Company manages this risk exposure by setting up investment limits. The Company's Board of Management also assesses and approves decisions on share investments such as operating industry, investees. The Company assesses the share price risk as insignificant.

The Company is also exposed to equity price risks arising from investments in associates and other long-term investments. The Company's Board of Management assesses and approves decisions on these investments such as the operating industry, the investees. The above investments are held as long-term strategic investments rather than for trading purposes. The Company does not have intention to trade these investments in the foreseeable future. The Company reviews and assesses these investments on an annual basis to provide concrete policies in order to ensure legal compliance and investment effectiveness.

(iii) Interest rate risk

The Company is not exposed to significant interest rate risk as the Company's borrowings are mainly at fixed rates.

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company's business operation is non-life insurance; accordingly, the Company's credit risk mainly focuses on customers operating in direct insurance, reinsurance. As at the balance sheet date, there is credit risk arising on the overdue trade receivables (Note 7). The Company has made sufficient provision for such receivables.

(d) Liquidity risk

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

	Total VND	Less than one year VND	Above one year VND	No maturity date VND
As at 31 December 2024				
Financial assets				
Cash	6,375,255,373	6,375,255,373	-	-
Trade and other receivables	173,933,914,149	161,875,656,460	2,589,132,689	9,469,125,000
Short-term investments	1,130,751,000,685	1,130,751,000,685	-	-
	<u>1,311,060,170,207</u>	<u>1,299,001,912,518</u>	<u>2,589,132,689</u>	<u>9,469,125,000</u>
Financial liabilities				
Trade and other payables	284,824,233,824	284,824,233,824	-	-
	<u>284,824,233,824</u>	<u>284,824,233,824</u>	<u>-</u>	<u>-</u>
Net liquidity gap	<u>1,026,235,936,383</u>	<u>1,014,177,678,694</u>	<u>2,589,132,689</u>	<u>9,469,125,000</u>
As at 31 December 2023				
Financial assets				
Cash	37,879,593,293	37,879,593,293	-	-
Trade and other receivables	142,226,177,922	130,982,007,886	2,214,170,036	9,030,000,000
Short-term investments	1,072,186,250,000	1,072,186,250,000	-	-
	<u>1,252,292,021,215</u>	<u>1,241,047,851,179</u>	<u>2,214,170,036</u>	<u>9,030,000,000</u>
Financial liabilities				
Trade and other payables	269,542,923,595	269,542,923,595	-	-
	<u>269,542,923,595</u>	<u>269,542,923,595</u>	<u>-</u>	<u>-</u>
Net liquidity gap	<u>982,749,097,620</u>	<u>971,504,927,584</u>	<u>2,214,170,036</u>	<u>9,030,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

30 RELATED PARTY DISCLOSURES

During the year, the Company had transactions with the following related parties:

Related parties	Relationship
Tokio Marine Asia Pte. Ltd	Owner
Bao Viet Holdings	Owner
BaoViet Insurance Corporation	Owned by Bao Viet Holdings
The Tokio Marine and Nichido Fire Insurance Co., Ltd	Indirect investment via Tokio Marine Asia Pte. Ltd
Tokio Marine Insurance Singapore Ltd.	Subsidiary of the Tokio Marine and Nichido Fire Insurance Co., Ltd

(a) Related party transactions

	Year ended 31 December	
	2024 VND	2023 VND
<i>i) Tokio Marine Asia Pte. Ltd.</i>		
Dividend paid	49,094,523,825	47,183,252,358
IT consulting expenses	4,827,853,819	5,012,745,864
Internal audit, compliance, risk management and other services expenses	2,488,060,258	4,107,495,288
Risk assessment consulting services expenses	1,944,958,000	2,209,946,750
<i>ii) Bao Viet Holdings</i>		
Dividend paid	47,169,248,381	45,332,928,736
<i>iii) Bao Viet Insurance Corporation</i>		
Inward reinsurance premiums	4,755,984,959	5,991,401,814
Inward reinsurance commissions	664,242,518	664,880,193
Inward reinsurance claims	242,843,872	25,624,075
Outward reinsurance premiums	36,438,482,488	33,475,672,022
Outward reinsurance commissions	9,519,396,171	8,885,124,319
Outward reinsurance claims recoveries	9,908,277,490	6,237,823,493
<i>iv) Tokio Marine and Nichido Fire Insurance Co., Ltd.</i>		
Claim settling Agent fee	10,868,877,250	10,145,846,840
Outward reinsurance premiums	156,108,183,032	162,735,597,175
Outward reinsurance commissions	32,473,004,177	37,838,664,611
Outward reinsurance claims recoveries	19,599,636,507	28,999,584,222

30 RELATED PARTY DISCLOSURES (CONTINUED)

Year ended 31 December

2024 VND

2023
VND

v) Tokio Marine Insurance Singapore Ltd.		
Inward reinsurance premiums	6,585,270,725	8,693,661,069
Inward reinsurance commissions	1,546,612,233	2,016,162,335
Outward reinsurance premiums	187,522,911,894	191,296,383,333
Outward reinsurance commissions	43,815,988,668	45,185,401,763
Outward reinsurance claims recoveries	82,046,091,773	25,239,372,004
Claim settling Agent fee	380,214,343	181,079,942

Total Salary, bonus, allowance and other benefit

10,942,598,245

10,293,862,869

(b) Balances with related parties

31/12/2024
VND

31/12/2023
VND

i)	Tokio Marine Asia Pte. Ltd		
	IT consulting payables	1,788,348,681	2,726,727,326

<i>ii)</i>	<i>Bao Viet Insurance Corporation</i>		
	Outward reinsurance payables	15,838,148,581	14,628,116,824
	Outward reinsurance receivables	11,178,532,590	4,472,775,532
	Co-insurance reinsurance payables	2,564,262,711	3,780,040,488

iii) Tokio Marine and Nichido Fire Insurance Co., Ltd.			
Claim settling Agent fee receivables	3,532,266,464		4,734,741,692
Outward reinsurance payables	52,883,626,890		71,353,367,130
Outward reinsurance receivables	8,352,194,476		10,106,458,626

iv)	Tokio Marine Insurance Singapore Ltd.		
	Outward reinsurance payables	31,926,693,331	28,638,240,816
	Outward reinsurance receivables	16,892,572,614	2,601,807,361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

31 SUMMARY OF CLAIMS

	2020 Million VND	2021 Million VND	2022 Million VND	2023 Million VND	2024 Million VND	Total Million VND
I. Accumulated claim reserves						
Accumulated claim reserves to 31/12/2024 (1)	82,758	72,399	125,579	142,281	124,141	547,158
II. Accumulated claims amount paid						
Paid in 2020	(47,983)	-	-	-	-	(47,983)
Paid in 2021	(32,005)	(48,393)	-	-	-	(80,398)
Paid in 2022	(2,454)	(22,670)	(79,665)	-	-	(104,789)
Paid in 2023	(311)	(897)	(33,885)	(84,213)	-	(119,306)
Paid in 2024	(4)	(432)	(5,711)	(43,989)	(86,890)	(137,026)
Paid claims accumulated to the current year (2)	(82,757)	(72,392)	(119,261)	(128,202)	(86,890)	(489,502)
III. Total outstanding claim reserves (3) = (1) + (2) (*)	1	7	6,318	14,079	37,251	57,656
Outstanding claim reserves before 2020	-	-	-	-	-	5,053
Total outstanding claim reserves at the year end (*)	1	7	6,318	14,079	37,251	62,709
IV. Estimated surplus or deficit claim reserves (4)	6,882	6,930	(4,780)	(10,001)	-	(969)
V. Percentage of reserve surplus or deficit on estimated claim expenses (5)=(4)/(1)	8.32%	9.57%	-3.81%	-7.03%	0.00%	-0.18%

(*) The outstanding claim reserves is presented based on the net amount between the claim reserves of direct insurance, inward reinsurance and the claim reserves of outward reinsurance

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

32 COMMITMENTS

Commitments under operating leases

The future minimum lease payments under non-cancellable operating leases were as follows:

	Year ended 31 December	
	2024 VND	2023 VND
Office and apartment lease commitment		
Within one year	15,060,947,641	9,995,163,527
Between one and five years	15,507,187,112	10,972,422,000
	<u>30,568,134,753</u>	<u>20,967,585,527</u>



Pham Thu Trang
Chief Accountant



Yasuhiro Takeda
Legal Representative/
General Director
21 March 2025