BIDV Insurance Joint Stock Corporation

Consolidated financial statements

For the year ended 31 December 2021



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CONTENTS

	Pages
General information	1 - 2
Report of Management	3
Independent auditors' report	4 - 5
Consolidated balance sheet	6 - 9
Consolidated income statement	10 - 12
Consolidated cash flow statement	13 - 14
Notes to the consolidated financial statements	15 - 69

CORPORATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 01 October 2010 under Business Licence No.11/GPDC7/KDBH dated 01 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), and established under Business License No. 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 05 August 2010, the Corporation successfully completed the Initial Public Offering. Accordingly, the percentage of shares held by BIDV and other shareholders was 82.3% and 17.7%. On 05 May 2014, the Corporation issued shares to its employees under Employee Share Option Program (ESOP) which changed the percentage of shares held by BIDV and other shareholders to 78.38% and 21.62% respectively. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of shares held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	Bank for Investment and Development of Vietnam Insurance Joint Stock Corporation
Head office address:	11th Floor, 263 Cau Giay Street, Dich Vong Ward, Cau Giay district, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Twenty-seven (27) branches nationwide
Employee:	1,170 persons at 31 December 2021
Charter Capital:	VND 1,172,768,950,000 as at 31 December 2021

As at 31 December 2021, the Corporation has one (01) subsidiary as follow:

Subsidiary	*Address*	*Principal activities*	*% directly owned*
Lao Viet Insurance Company	3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR	General insurance products, reinsurance services, investment activities and other business activities that are in line with prevailing laws and regulations in Lao PDR	65%

According to Decision no.132/QĐ-HĐQT dated 30 December 2020, Board of Directors has approved to purchase 510 shares, equals to 51% chatter capital of Cambodia – Vietnam Insurance Company (CVI) from Bank of Investment and Development of Cambodia ("BIDC"). Face value of transaction was USD 3.57 million, total value of transaction was USD 4,219,395. Transferring procedure is in progress.

BOARD OF DIRECTORS

Members of the Corporation's Board of Directors during the year and at the date of this report are:

Mr. Tran Xuan Hoang	Chairman	Reappointed on 24 June 2020
Mr. Ramaswamy Athappan	Vice Chairman	Reappointed on 24 June 2020
Mr. Gobinath Arvind Athappan	Member	Reappointed on 24 June 2020
Mr. Tran Hoai An	Member	Reappointed on 24 June 2020
Ms. Pham Thi Van Khanh	Member	Reappointed on 24 June 2020
Ms. Nguyen Thi Ngoc Tu	Member	Appointed on 24 June 2020
Mr. Nguyen Huy Tua	Independent Member	Appointed on 19 April 2019
Mr. Dang The Vinh	Independent Member	Appointed on 19 April 2019

BOARD OF SUPERVISORS

Members of the Corporation's Board of Supervisors during the year and at the date of this report are:

Ms. Lai Ngan Giang	Head of Board	Reappointed on 24 June 2020
Mr. Osith Ramanathan	Member	Reappointed on 24 June 2020
Mr. Wichneswaran Ravishankar	Member	Appointed on 24 June 2020
Mr. Do Viet Dung	Member	Appointed on 24 June 2020
Ms. Nguyen Thi Thu Thuy	Member	Appointed on 24 June 2020

MANAGEMENT

Members of the Corporation's Management during the year and at the date of this report are:

Mr. Tran Hoai An	General Director	Reappointed on 01 November 2017
Mr. Tran Trung Tinh	Deputy General Director	Reappointed on 01 October 2018
Mr. Vu Minh Hai	Deputy General Director	Reappointed on 16 April 2017
Ms. Doan Thi Thu Huyen	Deputy General Director	Reappointed on 01 May 2018
Mr. Huynh Quoc Viet	Deputy General Director	Reappointed on 01 November 2018

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the year and at the date of this report is Mr. Tran Hoai An – Title: General Director.

AUDITORS

The auditors of the Corporation are Ernst & Young Vietnam Limited.

BIDV Insurance Joint Stock Corporation

REPORT OF MANAGEMENT

Management of BIDV Insurance Joint Stock Corporation ("the Corporation") presents its report and the consolidated financial statements of the Corporation and its subsidiary for the year ended 31 December 2021.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation and subsidiary will continue their business.

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

Management has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Corporation and its subsidiary as at 31 December 2021 and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of Management

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

28 February 2022

Ernst & Young Vietnam Limited
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Reference: 60755012/22684958-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders
BIDV Insurance Joint Stock Corporation

We have audited the accompanying consolidated financial statements of BIDV Insurance Joint Stock Corporation and its subsidiary (collectively referred to as "the Corporation") as prepared on 28 February 2022 and set out on pages 6 to 69, which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Building a better working world

Opinion

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

Ernst & Young Vietnam Limited

Dang Phuong Ha
Partner
Audit Practising Registration
Certificate No.: 2400-2018-004-1

Nguyen Van Trung
Auditor
Audit Practising Registration
Certificate No.: 3847-2021-004-1

Hanoi, Vietnam

28 February 2022

CONSOLIDATED BALANCE SHEET
as at 31 December 2021

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**5,200,103,928,530**	**4,820,545,530,673**
110	***I. Cash and cash equivalents***	***4***	***30,488,645,615***	***98,047,858,360***
111	1. Cash		20,488,645,615	98,047,858,360
112	2. Cash equivalents		10,000,000,000	-
120	***II. Short-term investments***		***3,686,827,530,455***	***3,029,813,001,766***
121	1. Trading securities	5.1	296,347,039,632	351,090,546,949
122	2. Provision for trading securities	5.1	(868,097,144)	-
123	3. Held-to-maturity investments	5.2	3,391,348,587,967	2,678,722,454,817
130	***III. Short-term receivables***	***6***	***417,629,059,064***	***545,312,455,032***
131	1. Short-term trade receivables		326,846,317,562	414,975,744,601
131.1	*1.1 Insurance receivables*		*326,846,317,562*	*414,831,192,575*
131.2	*1.2 Other trade receivables*		-	*144,552,026*
132	2. Short-term advances to suppliers		1,536,269,376	189,241,029
136	3. Other receivables		128,631,726,680	175,795,376,230
137	4. Allowance for doubtful debts		(39,385,254,554)	(45,647,906,828)
140	***IV. Inventories***		***118,442,646***	***143,292,371***
141	1. Inventories		118,442,646	143,292,371
150	***V. Other short-term assets***		***186,453,084,245***	***161,652,784,759***
151	1. Prepaid expenses		186,226,744,571	161,214,771,059
151.1	*1.1 Unallocated commission expense*	*7*	*183,094,399,253*	*157,335,387,372*
151.2	*1.2 Other prepaid expenses*		*3,132,345,318*	*3,879,383,687*
152	2. Deductible VAT		226,339,674	438,013,700
190	***VI. Reinsurance assets***	***18.1***	***878,587,166,505***	***985,576,138,385***
191	1. Reinsurance assets from unearned premium reserve		405,958,871,580	328,461,924,772
192	2. Reinsurance assets from claim reserve		472,628,294,925	657,114,213,613

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
200	**B. NON-CURRENT ASSETS**		**844,370,152,690**	**990,567,841,469**
210	***I. Long-term receivables***		***31,613,172,791***	***34,341,555,491***
216	1. Other long-term receivables		31,613,172,791	34,341,555,491
216.1	*1.1. Statutory deposit*	*8*	*28,719,673,852*	*30,899,623,406*
216.2	*1.2. Other long-term receivables*		*2,893,498,939*	*3,441,932,085*
220	***II. Fixed assets***		***28,402,304,019***	***19,031,148,957***
221	1. Tangible fixed assets	9	20,552,727,280	12,518,719,053
222	Costs		*93,308,831,213*	*80,413,793,103*
223	Accumulated depreciation		*(72,756,103,933)*	*(67,895,074,050)*
227	2. Intangible assets	10	7,849,576,739	6,512,429,904
228	Costs		*8,404,698,560*	*6,881,742,436*
229	Accumulated amortisation		*(555,121,821)*	*(369,312,532)*
250	***III. Long-term investments***	***5***	***736,285,811,611***	***887,526,307,164***
253	1. Other long-term investments	5.3	75,907,370,000	75,907,370,000
254	2. Provision for impairment of long-term investments	5.3	(46,460,095,447)	(49,135,926,903)
255	3. Held-to-maturity investments	5.2	706,838,537,058	860,754,864,067
260	***IV. Other long-term assets***		***48,068,864,269***	***49,668,829,857***
261	1. Long-term prepaid expenses	11	48,068,864,269	49,668,829,857
262	2. Deferred income tax assets	31.3	-	-
270	**TOTAL ASSETS**		**6,044,474,081,220**	**5,811,113,372,142**

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	*ITEMS*	*Notes*	*Ending balance*	*Beginning balance*
300	**C. LIABILITIES**		**3,468,983,953,129**	**3,393,495,394,383**
310	***I. Current liabilities***		***3,459,312,475,673***	***3,391,039,529,179***
311	1. Trade payables	12	502,060,155,372	494,254,779,977
311.1	*1.1. Insurance payables*		*486,752,762,263*	*467,751,953,569*
311.2	*1.2. Other payables*		*15,307,393,109*	*26,502,826,408*
312	2. Short-term advance from customers		5,421,530,919	4,296,415,341
313	3. Tax and other statutory obligations	13	26,774,912,543	39,568,862,432
314	4. Payables to employees		140,257,047,252	93,316,802,312
315	5. Short-term accrued expenses	14	42,149,554,858	35,459,983,163
318	6. Short-term deferred revenue		11,337,367,042	7,308,745,960
318.1	7. Un-earned commission revenue	15	73,330,253,319	64,682,158,624
319	8. Other short-term payables	16	11,925,274,186	10,427,726,057
321	9. Short-term provisions	17	37,909,842,113	38,809,232,553
322	10. Bonus and welfare funds		53,357,307,715	20,923,944,691
329	11. Technical reserves		2,554,789,230,354	2,581,990,878,069
329.1	*11.1. Gross un-earned premium reserve*	*18.1*	*1,644,375,293,045*	*1,477,996,269,481*
329.2	*11.2. Gross claim reserve*	*18.1*	*739,705,430,333*	*952,955,012,969*
329.3	*11.3. Catastrophe reserve*	*18.2*	*170,708,506,976*	*151,039,595,619*
330	***II. Non-current liabilities***		***9,671,477,456***	***2,455,865,204***
337	1. Other long-term liabilities	16	1,087,719,131	663,416,284
338	2. Short-term borrowings and finance lease liabilities		7,286,068,882	-
341	3. Deferred tax liabilities		1,297,689,443	1,792,448,920

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
400	**D. OWNERS' EQUITY**		**2,575,490,128,091**	**2,417,617,977,759**
410	***I. Owners' equity***	***19***	***2,575,490,128,091***	***2,417,617,977,759***
411	1. Charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. Common shares with voting rights*		*1,172,768,950,000*	*1,172,768,950,000*
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Foreign exchange differences		(8,794,664,173)	14,241,703,026
418	4. Investment and development fund		213,762,701,660	141,650,242,709
419	5. Statutory reserves		94,662,832,304	76,036,986,348
421	6. Undistributed earnings		420,447,350,479	330,497,250,012
421a	*6.1. Accumulated undistributed earnings of previous years*		*46,415,517,061*	*50,548,480,966*
421b	*6.2. Undistributed earnings of current year*		*374,031,833,418*	*279,948,769,046*
429	7. Non-controlling interest		27,077,924,459	26,857,812,302
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**6,044,474,081,220**	**5,811,113,372,142**

Mr. Le Sy Phuong
Accountant
Accounting Division

Ms. Nguyen Thanh Mai
Deputy Director in - charge
Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

28 February 2022

CONSOLIDATED INCOME STATEMENT

PART 1: CONSOLIDATED SUMMARY INCOME STATEMENT
for the year ended 31 December 2021

Currency: VND

Code	*ITEMS*	*Current year*	*Previous year*
10	1. Total operating income	2,155,106,755,219	1,887,816,084,145
12	2. Finance income	345,537,413,791	295,176,689,142
13	3. Other income	448,667,996	683,135,165
20	4. Total direct operating expenses	(1,502,128,959,410)	(1,368,840,898,262)
22	5. Finance expenses	(23,911,016,422)	(17,042,496,139)
23	6. General and administrative expenses	(472,802,771,733)	(422,340,503,372)
24	7. Other expenses	(85,037,337)	(102,620,516)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**502,165,052,104**	**375,349,390,163**
51	9. Current corporate income tax expense	(102,546,355,108)	(75,748,994,579)
52	10. Deferred corporate income tax expense	494,759,477	(1,947,490,673)
60	**11. Net profit for this period after corporate income tax (60=50+51+52)**	**400,113,456,473**	**297,652,904,911**
61	**12. Net profit after tax attributable to non-controlling interests**	**4,729,386,007**	**3,377,071,987**
62	**13. Net profit after tax attributable to equity owners of the parent**	**395,384,070,466**	**294,275,832,924**
70	**14. Basic earnings per share**	**2,764**	**2,214**

CONSOLIDATED INCOME STATEMENT (continued)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**20**	**2,928,727,401,253**	**2,595,732,192,807**
	In which:			
01.1	- Direct written premiums		2,977,263,860,652	2,659,478,785,807
01.2	- Reinsurance premium assumed		116,330,673,485	92,203,739,201
01.3	- Increase in un-earned premium reserve		(164,867,132,884)	(155,950,332,201)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**21**	**(989,469,630,371)**	**(908,309,831,786)**
	In which:			
02.1	- Reinsurance premium ceded		(1,062,638,142,297)	(883,829,489,318)
02.2	- Increase/(Decrease) in ceded premium reserve		73,168,511,926	(24,480,342,468)
03	**3. Net insurance premiums (03 = 01 + 02)**		**1,939,257,770,882**	**1,687,422,361,021**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**215,848,984,337**	**200,393,723,124**
	In which:			
04.1	- Commission on reinsurance ceded	22	179,157,468,295	166,814,721,102
04.2	- Other income from insurance activities	23	36,691,516,042	33,579,002,022
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**2,155,106,755,219**	**1,887,816,084,145**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(1,178,304,804,340)**	**(1,077,011,779,383)**
	In which:			
11.1	- Claim expenses		(1,189,349,519,514)	(1,081,989,822,203)
11.2	- Claim expense reductions		11,044,715,174	4,978,042,820
12	**7. Recoveries from reinsurance ceded**		**616,703,252,985**	**573,245,947,375**
13	**8. Decrease in direct and assumed claim reserve**		**192,881,942,181**	**37,600,470,968**
14	**9. Decrease in ceded claim reserve**		**(166,266,489,429)**	**(106,071,440,304)**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**24**	**(534,986,098,603)**	**(572,236,801,344)**
16	**11. Increase in catastrophe reserve**	**17.2**	**(20,310,042,953)**	**(18,683,418,796)**

CONSOLIDATED INCOME STATEMENT (continued)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT (continued)
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**25**	**(946,832,817,854)**	**(777,920,678,122)**
	In which:			
17.1	- Commission expense		(280,558,590,725)	(228,636,744,309)
17.2	- Other underwriting expenses		(666,274,227,129)	(549,283,933,813)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(1,502,128,959,410)**	**(1,368,840,898,262)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**652,977,795,809**	**518,975,185,883**
23	15. Finance income	26	345,537,413,791	295,176,689,142
24	16. Finance expenses	27	(23,911,016,422)	(17,042,496,139)
25	**17. Profit from financial activities (25 = 23 + 24)**		**321,626,397,369**	**278,134,193,003**
26	**18. General and administrative expenses**	**28**	**(472,802,771,733)**	**(422,340,503,372)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**501,801,421,445**	**374,768,875,514**
31	20. Other income	29	448,667,996	683,135,165
32	21. Other expenses	30	(85,037,337)	(102,620,516)
40	**22. Net other profit (40 = 31 + 32)**		**363,630,659**	**580,514,649**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**502,165,052,104**	**375,349,390,163**
51	24. Current corporate income tax expense	31.1	(102,546,355,108)	(75,748,994,579)
52	25. Deferred corporate income tax expense	31.3	494,759,477	(1,947,490,673)
60	**26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**400,113,456,473**	**297,652,904,911**
61	**27. Net profit after tax attributable to non-controlling interests**		**4,729,386,007**	**3,377,071,987**
62	**28. Net profit after tax attributable to equity owners of the parent**		**395,384,070,466**	**294,275,832,924**
70	**29. Basic earnings per share**		**2,764**	**2,214**

Mr. Le Sy Phuong
Accountant
Accounting Division

Ms. Nguyen Thanh Mai
Deputy Director in - charge
Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam
28 February 2022

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**502,165,052,104**	**375,349,390,163**
	Adjustments for:			
02	Depreciation and amortisation		6,704,888,863	5,275,973,747
03	Insurance reserves and provision for diminution in investment value and doubtful debts		71,716,937,579	254,239,286,874
04	(Gains)/Losses from revaluation of foreign currencies		(2,945,850,235)	9,254,164,382
05	Profits from investing activities		(245,678,528,763)	(266,021,817,762)
06	Interest expense		87,422,146	51,979,494
08	**Operating profit before changes in working capital**		**332,049,921,694**	**378,148,976,898**
09	Decrease/(Increase) in receivables		113,065,181,344	(105,008,943,799)
10	Decrease in inventory		24,849,725	35,675,544
11	(Decrease)/Increase in payables		(36,000,581,924)	33,650,385,394
12	Increase in prepaid expense		(23,200,333,898)	(73,565,152,072)
13	Decrease/(Increase) in held-for-trading securities		54,743,507,317	(177,820,548,855)
14	Interest paid		(87,422,146)	(51,979,494)
15	Corporate income tax paid	13	(134,559,483,283)	(63,418,798,589)
17	Other cash outflows from operating activities		(38,803,636,976)	(27,485,794,116)
20	**Net cash flow from/(used in) operating activities**		**267,232,001,853**	**(35,516,179,089)**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		(16,259,317,569)	(502,342,573)
22	Disposal of fixed assets and other long-term assets		5,745,455	19,086,520
23	Payments for investments in other entities		(5,205,695,578,467)	(3,292,165,192,455)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		4,632,132,076,103	3,162,678,923,400
27	Interest and dividend received		268,249,088,069	255,311,016,985
30	**Net cash flows (used in)/from in investing activities**		**(321,567,986,409)**	**125,341,491,876**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		-	-
34	Repayment of borrowings		-	(17,910,873,317)
36	Dividends paid		(12,320,000)	(94,010,580,506)
40	**Net cash flow used in financing activities**		**(12,320,000)**	**(111,921,453,823)**
50	**Net change in cash and cash equivalents**		**(54,348,304,556)**	**(22,096,141,036)**
60	**Cash and cash equivalents at the beginning of the year**		**98,047,858,360**	**119,341,101,387**
61	Impact of exchange rate fluctuation		(13,210,908,189)	802,898,009
70	**Cash and cash equivalents at the end of the year**	**4**	**30,488,645,615**	**98,047,858,360**

Mr. Le Sy Phuong
Accountant
Accounting Division

Ms. Nguyen Thanh Mai
Deputy Director in - charge
Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

28 February 2022

1. CORPORATION INFORMATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 01 October 2010 under Business Licence No.11/GPDC7/KDBH dated 01 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), and established under Business License No. 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 05 August 2010, the Corporation successfully completed the Initial Public Offering. Accordingly, the percentage of shares held by BIDV and other shareholders was respectively 82.3% and 17.7%. On 05 May 2014, the Corporation issued shares to its employees under Employee Share Option Program (ESOP) which changed the percentage of shares held by BIDV and other shareholders to 78.38% and 21.62% respectively. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of shares held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	BIDV Insurance Joint Stock Corporation
Head office address:	11th Floor, 263 Cau Giay Street, Dich Vong Ward, Cau Giay District, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Twenty-seven (27) branches nationwide
Employee:	1,170 persons at 31 December 2021
Charter Capital:	VND1,172,768,950,000 as at 31 December 2021

As at 31 December 2021, the Corporation has one (01) subsidiary as follow:

Subsidiary	*Address*	*Principal activities*	*% directly owned*
Lao Viet Insurance Company	3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR	General insurance products, reinsurance services, investment activities and other business activities that are in line with prevailing laws and regulations in Lao PDR	65%

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 *Accounting standards and system*

The Corporation's consolidated financial statements expressed in Vietnamese Dong ("VND") are prepared in accordance with the Vietnamese Accounting System for non-life insurance companies issued by the Ministry of Finance in Circular No. 232/2012/TT-BTC dated 28 December 2012 providing guidance on the accounting applicable to non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies, Vietnamese Enterprise Accounting System, and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 31 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and their results of operations and their cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Corporation's applied accounting documentation system is the Journal Ledger system.

2.3 *Fiscal year*

The Corporation's fiscal year applied to prepare the consolidated financial statements on 01 January and ends on 31 December.

2.4 *Accounting currency*

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

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiary for the year ended 31 December 2021.

The financial statements of the subsidiary are prepared for the same reporting year as the Corporation, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains or losses arising from intra-group transactions, are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Corporation and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies*

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

3.2 *Cash and cash equivalents*

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

3.3 *Receivables*

Receivables comprise of trade receivables and other receivables that are initially recognized at cost and subsequently are recognized at cost.

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

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

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

3.4 *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation/amortisation.

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

Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs is charged to the consolidated income statement as incurred.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Depreciation and amortisation*

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

Buildings and structures	5 - 25 years
Machinery	3 - 7 years
Motor vehicles	6 years
Office equipment	3 years
Other tangible fixed assets	4 years
Software	3 years
Land use right with indefinite term	No amortization

3.6 *Leased assets*

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

3.7 *Prepaid expenses*

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

3.8 *Investments*

Held-for-trading securities and investments in other entities

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

Held-to-maturity investments

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

Provision for diminution in value investments

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

3.9 *Payables and accruals*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Employee benefits

3.10.1 Benefits for employees of the Corporation working in Vietnam

3.10.1.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Corporation by the social insurance agency which belongs to the Ministry of Labour, Invalids and Social Affairs. The Corporation is required to contribute to these post-employment benefits by paying social insurance premiums to the social insurance agency at the rate of 17.5% of employee basic salaries on a monthly basis.

On 1 August 2014, the Corporation issued Decision No. 100/QD-HDQT regulating post-employment benefits to the Corporation's employees. Accordingly, the Corporation also provides post-employment benefits including convalescence, annual leave, sightseeing, post-employment allowance based on employees' position and employment term as well as other benefits based on performance achievement of the employees.

3.10.1.2 Unemployment benefits

According to Social Insurance Law and Decree No. 28/2015/ND-CP dated 12 March 2015 by the Government, the Unemployment insurance fund is implemented from 01 January 2009, to which, employees contribute 1% of their salary, employers contribute 1% of salary of their employees participating in the unemployment insurance, and the Government contributes 1% of salary of all those participating in the unemployment insurance from the State budget. According to Decision No. 116/NQ-CP dated 24 September 2021, from 01 October 2021, the Company is entitled to reduce the unemployment insurance contributions rate of 1% mentioned above to 0% within 12 months.

3.10.2 Benefits for employees working at the Corporation's subsidiary in foreign country

The policy applicable to foreign employees working at the Corporation's overseas subsidiary is in compliance with the prevailing regulations of the home country.

Vietnamese employees working at subsidiary of the Corporation in a foreign country follow the same policy with the one applicable to employees of the Corporation working in Vietnam.

3.11 Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Corporation expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Technical reserves*

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

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

a) Technical reserves for non-life insurance

(i) Unearned premium reserve

The Corporation applies the "daily basis" to calculate unearned premium reserve for all types of insurance and reinsurance businesses, following the formula:

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

(ii) Claims reserve

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year, in accordance with the Circular 50; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of premium for each insurance operation.

(iii) Catastrophe reserve

Catastrophe reserve of the Corporation is accrued annually for significant fluctuations in losses. The catastrophe reserve rate adopted by the Corporation for the year 2021 is 1% of total retained premiums of each type of insurance. The catastrophe reserve maximum of the Corporation is equal to 100% of the retained premiums of the current fiscal year (except for health insurance).

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 – Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 01 July 2016 on the details of the implementation of the Law on Insurance Business and amendments to certain articles of the Law on Insurance Business, the Corporation has elected to adopt the policy of providing for the catastrophe reserve in the consolidated financial statements for the year ended 31 December 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Technical reserves* (continued)

b) Technical reserves of health insurance

(i) Mathematical reserve

Mathematical reserve applies to health insurance policies with a term of more than 1 year to cover liability upon occurrence of insured event as follows:

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

(ii) Unearned premium reserve

Unearned premium reserve applies to health insurance policies with a term of less than or equal to 1 year. The Corporation applies the unearned premium reserve methodology according to coefficients of the insurance policy period – daily method as follows:

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

(iii) Claim reserve

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of premium for each health insurance operation.

(iv) Equalization reserve

Equalization reserve for health insurance is established at 1% of net premium and recognised in catastrophe reserve account on balance sheet.

3.13 *Transactions in foreign currencies*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Transactions in foreign currencies* (continued)

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the Corporation conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Corporation conduct transactions regularly.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currencies at year-end are taken to the consolidated income statement.

3.14 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds and remuneration to Board of Directors in accordance with the Corporation's Charter and Vietnam's regulatory requirements.

The Corporation maintains the following reserve funds which are appropriated from its net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- Statutory reserve fund is set in order to supplement the Corporation's charter capital and ensure its solvency. This fund shall deduct 5% of the Corporation's annual profit after tax until it equals to 10% of the Corporation's charter capital based on Decree 73/2016/ND-CP dated 01 July 2016 by the Ministry of Finance.
- Bonus and welfare fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.
- Investment and Development fund is set up from profit after tax and used for expansion investment of business and production scale, or for intensive investment of enterprises.

3.15 *Revenue recognition*

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

(i) Gross written premiums

Gross written premiums are recognized as revenue at the point of time when the following conditions are met: (1) the insurance contract has been entered into by the insurer and the insured; and (2) the premium has been paid by the insured or (3) there is agreement between the Corporation and the insured for delayed payment of insurance premium.

If the Corporation and its customers mutually agree a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the period. Gross written premiums of insurance policies underwritten by the Corporation in Vietnam and in compliance with Vietnam's prevailing regulations relating to insurance activities are recognized as revenue under the provisions of Circular 50. Hence, premium payment period shall not exceed 30 days from policy inception date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Revenue recognition* (continued)

(i) Gross written premiums (continued)

For instalment contracts, non-life insurers are required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalment only when the policy holder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after contractual premium payment date.

Prepaid premium before due date as at the end of the fiscal year is recorded as "Short-term unearned revenue" in the consolidated balance sheet.

The refund/reduction of gross written premiums are considered as revenue deduction and must be booked separately. At year end, these amounts are net-off to gross written premium to calculate net written premium.

(ii) Interest

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

(iii) Dividends

Income is recognized when the Corporation's entitlement as an investor to receive the dividend is established.

(iv) Other income

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

3.16 *Expense recognition*

(i) Claim expense

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

(ii) Commission expense

Commission is calculated at percentage of direct premiums for specific line of insurance as stipulated in Circular 50. Commission expense is allocated and recognized in the consolidated income statement for direct premiums earned during the year.

(iii) Agent commendation and support expenses

Agent commendation and support expenses are recognized in the consolidated income statement on the accrual basis, corresponding to insurance contracts underwritten in the fiscal year but not exceeding 50% of insurance commission of insurance policies in the fiscal year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Expense recognition* (continued)

(iv) General administrative expenses

General and administrative expenses are recognized on an accrual basis in the consolidated income statement.

(v) Operating lease

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

(vi) Other expenses

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

3.17 *Recognition of reinsurance activities*

(i) Reinsurance ceded

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

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

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

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

(ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Recognition of reinsurance activities* (continued)

(ii) Reinsurance assumed (continued)

Reinsurance assumed under facultative arrangement:

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

3.18 *Taxation*

Current income tax

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

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is audited at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the fiscal year when the asset is realised, or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Use of estimates

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

3.20 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Corporation (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

3.21 Related parties

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

4. CASH AND CASH EQUIVALENTS

	Ending balance VND	*Beginning balance VND*
Cash on hand	369,572,906	430,156,342
Demand deposits at banks	20,055,823,645	97,617,702,018
Cash in transit	63,249,064	-
Cash equivalents	10,000,000,000	-
Total	**30,488,645,615**	**98,047,858,360**

5. INVESTMENTS

	Notes	*Ending balance VND*	*Beginning balance VND*
Trading securities	**5.1**		
Listed shares		253,748,729,743	229,395,440,813
Unlisted shares		42,598,309,889	19,685,472,109
Bonds		-	102,009,634,027
Provision for trading securities		(868,097,144)	-
		295,478,942,488	**351,090,546,949**
Held-to-maturity investments	**5.2**		
Short-term		3,391,348,587,967	2,678,722,454,817
- *Term deposits*		*3,391,348,587,967*	*2,678,722,454,817*
Long-term		706,838,537,058	860,754,864,067
- *Term deposits*		*106,788,537,058*	*313,184,990,670*
- *Bonds*		*600,050,000,000*	*547,569,873,397*
		4,098,187,125,025	**3,539,477,318,884**
Other financial investments	**5.3**		
Investments in other entities		75,907,370,000	75,907,370,000
Provision for impairment of other investments		(46,460,095,447)	(49,135,926,903)
		29,447,274,553	**26,771,443,097**
Net value of investments		**4,423,113,342,066**	**3,917,339,308,930**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	Ending balance				*Beginning balance*			
	Quantity Shares	*Cost VND*	*Provision VND*	*Carrying value VND*	*Quantity Shares*	*Cost VND*	*Provision VND*	*Carrying value VND*
Listed shares	**7,490,058**	**253,748,729,743**	**471,753,969,778**	**(868,097,144)**	**8,241,233**	**229,395,440,813**	**401,511,222,467**	-
ACB	811,525	11,107,456,679	27,997,612,500	-	649,220	11,107,456,679	18,243,082,000	-
VNR	1,242,011	13,792,409,095	39,123,346,500	-	1,080,010	13,792,409,095	21,600,200,000	-
FPT	1,625,700	40,521,871,464	151,190,100,000	-	1,800,609	50,765,193,523	106,415,991,900	-
VNM	645,894	49,849,765,453	55,805,241,600	-	560,894	40,629,307,498	61,025,310,720	-
VCB	927,779	49,469,726,486	73,108,985,200	-	529,000	29,463,124,451	51,789,100,000	-
MBB	-	-	-	-	2,176,010	30,588,366,111	50,048,230,000	-
HPG	324,000	5,776,323,812	15,033,600,000	-	240,000	5,049,062,250	9,948,000,000	-
PLX	559,000	29,955,953,263	30,130,100,000	-	607,000	32,528,225,263	33,142,200,000	-
SAB	130,000	20,494,645,925	19,630,000,000	(864,645,925)	-	--	-	-
CTG	516,278	15,966,744,245	17,501,824,200	-	-	-	-	-
PET	50,000	1,392,034,926	1,827,500,000	-	-	-	-	-
NLG	622,671	14,988,165,598	39,975,478,200	-	563,290	14,988,165,598	48,780,914,000	-
BCEL	35,200	433,632,797	430,181,578	(3,451,219)	35,200	484,130,345	518,193,847	-
Unlisted shares	**654,600**	**42,598,309,889**	**54,000,136,000**	-	**334,000**	**19,685,472,109**	**25,022,166,667**	-
ACV	654,600	42,598,309,889	54,000,136,000	-	334,000	19,685,472,109	25,022,166,667	-
Bonds	-	-	-	-	**1,000**	**102,009,634,027**	**102,009,634,027**	-
MB Bonds	-	-	-	-	1,000	102,009,634,027	102,009,634,027	-
	8,144,658	**296,347,039,632**	**525,754,105,778**	**(868,097,144)**	**8,576,233**	**351,090,546,949**	**528,543,023,161**	-

5. INVESTMENTS (continued)

5.2 *Held-to-maturity investments*

	Ending balance				*Beginning balance*			
	Term Year	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*	*Term Year*	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*
Short-term								
Term deposits	0.5 – 2	4.8 – 8	3,391,348,587,967	3,391,348,587,967	0.5 – 2	4.0 – 8.3	2,678,722,454,817	2,678,722,454,817
			3,391,348,587,967	**3,391,348,587,967**			**2,678,722,454,817**	**2,678,722,454,817**
Long-term								
Term deposits	1.01 – 5	4.7 – 7.2	106,788,537,058	106,788,537,058	1.1 – 2	4.9 – 7.7	313,184,990,670	313,184,990,670
Bonds	3 – 7	7.3 – 9.7	600,050,000,000	600,050,000,000	5 – 10	7.3 – 8.5	547,569,873,397	547,569,873,397
			706,838,537,058	**706,838,537,058**			**860,754,864,067**	**860,754,864,067**
Total			**4,098,187,125,025**	**4,098,187,125,025**			**3,539,477,318,884**	**3,539,477,318,884**

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	Ending balance				*Beginning balance*			
	% ownership	*Cost VND*	*Provision VND*	*Carrying value VND*	*% ownership*	*Cost VND*	*Provision VND*	*Carrying value VND*
Investments in other entities								
Green Indochina Development Joint Stock Company	4.21%	25,907,370,000	(25,907,370,000)	-	4.21%	25,907,370,000	(25,907,370,000)	-
BIDV Metlife Life Insurance Company	4.37%	50,000,000,000	(20,552,725,447)	29,447,274,553	4.57%	50,000,000,000	(23,228,556,903)	26,771,443,097
		75,907,370,000	**(46,460,095,447)**	**29,447,274,553**		**75,907,370,000**	**(49,135,926,903)**	**26,771,443,097**

6. SHORT-TERM RECEIVABLES

	Ending balance VND	*Beginning balance VND*
Insurance receivables		
Gross written premium receivables	220,645,093,654	116,194,247,381
Reinsurance assumed receivables	13,043,891,972	66,367,224,121
Reinsurance ceded receivables	60,544,759,289	217,479,478,423
Receivables from co-insurers	32,188,901,021	14,173,217,469
Other receivables from insurance activities	423,671,626	617,025,181
	326,846,317,562	**414,831,192,575**
Other Trade Receivables	**-**	**144,552,026**
Short-term advances to suppliers	**1,536,269,376**	**189,241,029**
Other receivables		
Dividend receivables	1,285,542,400	423,200,000
Bank deposit interest receivables	108,528,810,934	140,997,494,269
Bond coupon receivables	14,419,006,849	16,080,684,932
Advances	653,853,795	1,374,004,703
Office rental deposit	21,440,464	59,508,940
Short-term mortgages, deposits	396,070,624	13,026,562,635
Other receivables	3,327,001,614	3,833,920,751
	128,631,726,680	**175,795,376,230**
Total receivables	**457,014,313,618**	**590,960,361,860**
Allowance for doubtful debts	(39,385,254,554)	(45,647,906,828)
Net receivables	**417,629,059,064**	**545,312,455,032**

7. UNALLOCATED COMMISSION EXPENSES

	Ending balance VND	*Beginning balance VND*
Opening balance	**157,335,387,372**	**134,772,159,808**
Commission paid during the year	306,317,602,606	251,199,971,873
Allocated to expenses during the year	(280,558,590,725)	(228,636,744,309)
Closing balance	**183,094,399,253**	**157,335,387,372**

8. STATUTORY DEPOSIT

The Corporation maintains a statutory deposit at 2% of its legal capital, as required in Point 2 - Article 16 of Decree No. 73/2016/ND-CP dated 01 July 2016.

The Corporation's subsidiary has to maintain a statutory deposit at one third of its chartered capital, according to Article 24, chapter 1, part IV of Laos Insurance Law (amended) No.06/NA dated 21 December 2011.

9. TANGIBLE FIXED ASSETS

	Buildings VND	*Machinery VND*	*Motor vehicles VND*	*Office equipment VND*	*Other tangible fixed assets VND*	*Total VND*
Costs:						
Beginning balance	3,150,650,000	13,993,700,263	59,968,415,857	209,092,973	3,091,934,010	80,413,793,103
Increase for the year	-	4,393,261,077	10,262,192,580	136,954,000	-	14,792,407,657
Decrease for the year	-	(128,435,636)	(443,331,083)	-	(21,260,370)	(593,027,089)
Difference from revaluation foreign currencies	-	(353,749,198)	(748,496,929)	-	(202,096,331)	(1,304,342,458)
Ending balance	3,150,650,000	17,904,776,506	69,038,780,425	346,046,973	2,868,577,309	93,308,831,213
Accumulated depreciation:						
Beginning balance	813,581,379	8,874,713,172	55,682,096,247	176,734,398	2,347,948,854	67,895,074,050
Increase for the year	262,130,004	2,812,695,234	3,100,049,763	147,837,657	181,103,565	6,503,816,223
Decrease for the year	-	-	(439,106,685)	-	-	(439,106,685)
Difference from revaluation foreign currencies	-	(318,053,120)	(698,960,731)	-	(186,665,804)	(1,203,679,655)
Ending balance	1,075,711,383	11,369,355,286	57,644,078,594	324,572,055	2,342,386,615	72,756,103,933
Net book value:						
Beginning balance	2,337,068,621	5,118,987,091	4,286,319,610	32,358,575	743,985,156	12,518,719,053
Ending balance	2,074,938,617	6,535,421,220	11,394,701,831	21,474,918	526,190,694	20,552,727,280

10. INTANGIBLE ASSETS

	Computer software VND	*Other intangible assets VND*	*Land use right VND*	*Total VND*
Costs:				
Beginning balance	275,849,125	105,893,311	6,500,000,000	6,881,742,436
Increase for the year	1,526,700,000	-	-	1,526,700,000
Difference from revaluation foreign currencies	-	(3,743,876)	-	(3,743,876)
Ending balance	1,802,549,125	102,149,435	6,500,000,000	8,404,698,560
Accumulated amortisation:				
Beginning balance	275,849,125	93,463,407	-	369,312,532
Increase for the year	241,422,131	11,243,342	-	252,665,473
Difference from revaluation foreign currencies	(64,298,870)	(2,557,314)	-	(66,856,184)
Ending balance	452,972,386	102,149,435	-	555,121,821
Net book value:				
Beginning balance	-	12,429,904	6,500,000,000	6,512,429,904
Ending balance	1,349,576,739	-	6,500,000,000	7,849,576,739

11. LONG-TERM PREPAID EXPENSES

Long-term prepaid expenses are office maintenance expenses, tools and consumables which can be used in more than one year.

12. TRADE PAYABLES

	Ending balance VND	*Beginning balance VND*
Insurance activities	**486,752,762,263**	**467,751,953,569**
Payables for ceded activities	354,509,589,264	314,878,816,350
Payables to co-insurers	32,709,047,919	14,918,589,767
Claim payables	9,617,136,952	41,411,988,689
Commission payables	29,434,028,169	22,748,872,891
Payables for XOL contracts	60,335,563,608	73,099,480,327
Other insurance payables	147,396,351	694,205,545
Other trade payables	**15,307,393,109**	**26,502,826,408**
Other payables	15,307,393,109	26,502,826,408
	502,060,155,372	**494,254,779,977**

13. TAXES AND OTHER STATUTORY OBLIGATIONS

	Beginning balance VND	Movement during the year		Ending balance VND
		Payables VND	Paid VND	
Value added tax	8,353,952,831	140,764,543,494	(127,156,282,110)	21,962,214,215
Corporate income tax	26,912,445,940	102,315,257,968	(134,559,483,283)	(5,331,779,375)
Other taxes	4,302,463,661	31,617,632,812	(25,775,618,770)	10,144,477,703
Total	**39,568,862,432**	**274,697,434,274**	**(287,491,384,163)**	**26,774,912,543**

14. SHORT-TERM ACCRUED EXPENSES

	Ending balance VND	Beginning balance VND
Compulsory civil liability fund	197,998,495	218,265,776
Policy holder protection fund	5,666,822,751	5,382,914,610
Compulsory fire and miscellaneous fund	3,869,915,999	3,708,412,025
Fund contribution to enhance management and supervision over insurance market	419,250,130	706,819,693
Other accrued expenses	31,995,567,483	25,443,571,059
Total	**42,149,554,858**	**35,459,983,163**

15. UNEARNED COMMISSION REVENUE

Unearned commission revenue is the deferred commission on reinsurance ceded which is not included in income of current year corresponding to unearned premium of reinsurance ceded and shall be allocated in subsequent fiscal years in accordance with Circular No. 232/2012/TT-BTC of the Ministry of Finance.

	Ending balance VND	Beginning balance VND
Opening balance	**64,682,158,624**	**78,423,568,876**
Increased during the year	187,805,562,990	153,073,310,850
Allocated during the year	(179,157,468,295)	(166,814,721,102)
Closing balance	**73,330,253,319**	**64,682,158,624**

16. OTHER PAYABLES

	Ending balance VND	*Beginning balance VND*
Other short-term payables	**11,925,274,186**	**10,427,726,057**
Employee expenses payable other than salaries	251,991,480	163,814,090
Short-term deposits	2,732,228,500	4,215,429,735
Charity funds	55,556,548	41,002,268
Dividend payables	383,656,000	375,381,400
Other payables	8,501,841,658	5,632,098,564
Other long-term payables	**1,087,719,131**	**663,416,284**
Mortgage, deposit received	1,087,719,131	663,416,284
Total	**13,012,993,317**	**11,091,142,341**

17. PROVISIONS

	Ending balance VND	*Beginning balance VND*
Short-term		
Incentive campaign provision	37,907,813,636	37,907,813,636
Other	2,028,477	901,418,917
TOTAL	**37,909,842,113**	**38,809,232,553**

18. TECHNICAL RESERVES

18.1. Unearned premium reserve and claim reserve

	Reserve for direct insurance and inward reinsurance VND	*Reserve for outward reinsurance (reinsurance assets) VND*	*Net reserve VND*
Opening balance			
Unearned premium reserve	**1,477,996,269,481**	**(328,461,924,772)**	**1,149,534,344,709**
Mathematical reserve for health care insurance	*189,718,455,725*	*(34,646,989)*	*189,683,808,736*
Unearned premium reserve for non - life insurance	*1,288,277,813,756*	*(328,427,277,783)*	*959,850,535,973*
Claim reserve	**952,955,012,969**	**(657,114,213,613)**	**295,840,799,356**
Outstanding claim reserve	*868,176,539,802*	*(598,100,684,441)*	*270,075,855,361*
Incurred but not reported reserve	*84,778,473,167*	*(59,013,529,172)*	*25,764,943,995*
Catastrophe reserve	**151,039,595,619**	**-**	**151,039,595,619**
	2,581,990,878,069	**(985,576,138,385)**	**1,596,414,739,684**

18. TECHNICAL RESERVES (continued)

18.1. *Unearned premium reserve and claim reserve* (continued)

Closing balance	*Reserve for direct insurance and inward reinsurance VND*	*Reserve for outward reinsurance (reinsurance assets) VND*	*Net reserve VND*
Unearned premium reserve	**1,644,375,293,045**	**(405,958,871,580)**	**1,238,416,421,465**
Mathematical reserve for health care insurance	*333,861,516,385*	*(259,246,243)*	*333,602,270,142*
Unearned premium reserve for non - life insurance	*1,310,513,776,660*	*(405,699,625,337)*	*904,814,151,323*
Claim reserve	**739,705,430,333**	**(472,628,294,925)**	**267,077,135,408**
Outstanding claim reserve	*652,716,488,902*	*(447,225,537,497)*	*205,490,951,405*
Incurred but not reported reserve	*86,988,941,431*	*(25,402,757,428)*	*61,586,184,003*
Catastrophe reserve	**170,708,506,976**	-	**170,708,506,976**
Total	**2,554,789,230,354**	**(878,587,166,505)**	**1,676,202,063,849**

18.1.1 *Unearned premium reserve*

Gross unearned premium reserve

Product	*Ending balance VND*	*Beginning balance (Restated) VND*
Health and Personal Accident	649,781,978,552	544,746,657,570
Property and Damages	233,749,426,707	207,960,595,959
Cargo	19,778,065,327	15,125,386,986
Automobile	401,597,991,805	400,427,959,678
Fire	270,592,421,298	233,826,243,653
Liability	21,865,579,761	14,241,200,505
Business Risk	6,116,708,789	14,123,238,891
Aviation	7,898,272,803	17,657,218,219
Hull and P&I	31,436,488,949	29,641,680,242
Agriculture	697,589,951	88,379,446
Guarantee	860,769,103	157,708,332
Total	**1,644,375,293,045**	**1,477,996,269,481**

Ceded unearned premium reserve (Reinsurance assets)

Product	*Ending balance VND*	*Beginning balance (Restated) VND*
Health and Personal Accident	4,032,718,861	5,165,104,207
Property and Damages	173,012,580,099	133,258,615,977
Cargo	10,328,650,899	7,108,778,464
Automobile	3,302,669,491	2,766,681,251
Fire	167,206,201,943	122,985,946,526
Liability	17,690,906,312	10,151,653,433
Business Risk	5,283,377,252	12,672,667,981
Aviation	7,628,934,501	17,639,958,834
Hull and P&I	16,932,263,054	16,629,149,306
Agriculture	540,569,168	83,368,793
Total	**405,958,871,580**	**328,461,924,772**

18. TECHNICAL RESERVES (continued)

18.1 *Unearned premium and claim reserve* (continued)

18.1.2 Claim reserve

Gross claim reserve

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	36,729,045,465	28,090,505,310
Property and Damages	122,315,742,644	292,833,547,282
Cargo	18,458,408,416	28,334,296,669
Automobile	60,724,151,002	72,914,300,602
Fire	441,429,176,513	474,277,058,118
Liability	4,770,507,785	4,094,406,253
Business Risk	11,368,396,987	14,322,348,954
Aviation	60,048,566	358,939,626
Hull and P&I	27,592,163,038	19,177,963,033
Financial and credit risk	16,174,822,477	18,497,979,195
Agriculture	39,031,832	38,011,872
Guarantee	43,935,608	15,656,055
Total	**739,705,430,333**	**952,955,012,969**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	90,197,764	29,584,184
Property and Damages	110,641,807,337	288,389,607,774
Cargo	7,465,133,011	3,722,385,013
Automobile	2,678,388,865	2,775,632,656
Fire	304,274,660,996	322,191,813,966
Liability	1,382,933,075	1,385,194,743
Business Risk	13,713,161,378	12,760,880,854
Aviation	351,265,504	254,820,952
Hull and P&I	17,480,879,157	8,678,077,195
Financial and credit risk	14,546,734,885	16,923,046,525
Agriculture	3,132,953	3,169,751
Total	**472,628,294,925**	**657,114,213,613**

18.2. *Catastrophe reserve*

	Ending balance VND	*Beginning balance VND*
Opening balance	**151,039,595,619**	**132,849,776,798**
Increased during the year	20,310,042,953	18,683,418,796
Difference from revaluation foreign currencies	(641,131,596)	(493,599,975)
Closing balance	**170,708,506,976**	**151,039,595,619**

19. OWNERS' EQUITY

19.1 *Increase and decrease in owners' equity*

	Charter capital	*Share premium*	*Investment and development fund*	*Statutory Reserve*	*Undistributed Earnings*	*Foreign exchange differences*	*Non-controlling interest*	*Total*
	VND	*VND*	*VND*	*VND*	*VND*	*VND*	*VND*	*VND*
Previous year								
Beginning balance	**1,172,768,950,000**	**655,565,033,362**	**87,052,897,663**	**62,101,796,413**	**233,270,939,417**	**5,445,075,699**	**25,080,104,028**	**2,241,284,796,582**
Profit for the year	-	-	-	-	294,275,832,924	-	3,377,071,987	297,652,904,911
Appropriation to statutory reserves	-	-	-	*13,935,189,935*	*(13,935,189,935)*	-	-	-
Appropriation to Bonus and Welfare funds	-	-	-	-	*(34,660,000,000)*	-	-	*(34,660,000,000)*
Appropriation to Investment and Development funds	-	-	*54,597,345,046*	-	*(54,597,345,046)*	-	-	-
Dividend payment	-	-	-	-	*(93,821,516,000)*	-	*(171,899,603)*	*(93,993,415,603)*
Laos income tax on dividend paid to the subsidiary's shareholders	-	-	-	-	*(35,471,348)*	-	*(19,099,956)*	*(54,571,304)*
Difference due to FX translation	-	-	-	-	-	8,796,627,327	(1,408,364,154)	7,388,263,173
Ending balance	**1,172,768,950,000**	**655,565,033,362**	**141,650,242,709**	**76,036,986,348**	**330,497,250,012**	**14,241,703,026**	**26,857,812,302**	**2,417,617,977,759**
Current year								
Beginning balance	**1,172,768,950,000**	**655,565,033,362**	**141,650,242,709**	**76,036,986,348**	**330,497,250,012**	**14,241,703,026**	**26,857,812,302**	**2,417,617,977,759**
Profit for the year	-	-	-	-	395,384,070,466	-	4,729,386,007	400,113,456,473
Appropriation to statutory reserves	-	-	-	18,625,845,956	(18,625,845,956)	-	-	-
Appropriation to Bonus and Welfare funds (*)	-	-	-	-	(71,237,000,000)	-	-	(71,237,000,000)
Appropriation to Investment and Development funds	-	-	72,112,458,951	-	(72,112,458,951)	-	-	-
Dividend payment	-	-	-	-	(140,732,274,000)	-	-	(140,732,274,000)
Laos income tax on dividend paid to the subsidiary's shareholders	-	-	-	-	-	-	-	-
Difference due to FX translation	-	-	-	-	(2,726,391,092)	(23,036,367,199)	(4,509,273,850)	(30,272,032,141)
Ending balance	**1,172,768,950,000**	**655,565,033,362**	**213,762,701,660**	**94,662,832,304**	**420,447,350,479**	**(8,794,664,173)**	**27,077,924,459**	**2,575,490,128,091**

(*) In accordance with Resolution No. 01/2021/NQ-DHDCD dated 16 April 2021 approved by Annual General Meeting of Shareholders.

19. OWNERS' EQUITY (continued)

19.2. Contributed capital

	Ending balance VND	*Beginning balance VND*
Contributed by parent company (BIDV)	597,492,590,000	597,492,590,000
Contributed by Strategic investor (Fairfax)	410,469,130,000	410,469,130,000
Contributed by other shareholders	164,807,230,000	164,807,230,000
Total	**1,172,768,950,000**	**1,172,768,950,000**

19.3. Capital transactions with owners and distributions of dividends

	Current year VND	*Previous year VND*
Paid-in capital		
Contributed capital at the begining of the year	1,172,768,950,000	1,172,768,950,000
Contributed capital at the end of the year	**1,172,768,950,000**	**1,172,768,950,000**
Dividends	**(140,732,274,000)**	**(93,821,516,000)**

19.4. Shares

	Number of shares	
	Current year	*Previous year*
Authorized shares	**117,276,895**	**117,276,895**
Issued shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895
Outstanding shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895

Par value of outstanding shares (VND/share): 10,000

20. INSURANCE REVENUE

	Current year VND	*Previous year VND*
Direct written premiums	2,979,951,553,731	2,661,784,370,453
Deductions from direct premiums	(2,687,693,079)	(2,305,584,646)
Total direct written premiums	**2,977,263,860,652**	**2,659,478,785,807**
Reinsurance premium assumed	116,330,673,485	92,203,739,201
Increase in un-earned premium reserve	(164,867,132,884)	(155,950,332,201)
Total	**2,928,727,401,253**	**2,595,732,192,807**

20.1 Direct written premiums

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	869,734,819,514	677,448,381,138
Property and Damages	398,562,990,000	387,345,990,405
Cargo	172,224,181,145	124,877,353,781
Automobile	767,509,526,330	766,258,133,911
Fire	527,217,930,058	480,242,557,639
Liability	37,519,540,775	23,838,843,385
Business Risk	22,482,247,290	30,606,419,498
Aviation	74,375,000,369	72,720,576,328
Hull and P&I	103,133,792,873	95,510,293,757
Financial and credit risk	6,931,483	-
Agriculture	3,032,380,556	108,367,459
Guarantee	1,464,520,259	521,868,506
Total	**2,977,263,860,652**	**2,659,478,785,807**

20.2 Reinsurance premiums assumed

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	8,787,587,903	4,787,716,626
Property and Damages	75,528,034,123	63,185,665,204
Cargo	640,385,909	230,523,029
Automobile	356,640,959	113,543,060
Fire	23,736,102,447	20,111,750,971
Liability	785,816,723	961,866,465
Business Risk	3,686,269,234	824,702,812
Aviation	310,951,975	349,575,919
Hull and P&I	1,722,407,282	1,606,854,306
Agriculture	776,476,930	31,540,809
Total	**116,330,673,485**	**92,203,739,201**

21. REINSURANCE PREMIUM CEDED

	Current year VND	*Previous year VND*
Reinsurance premium ceded	1,062,638,142,297	883,829,489,318
(Increase)/Decrease in ceded unearned premium reserve	(73,168,511,926)	24,480,342,468
Total	**989,469,630,371**	**908,309,831,786**

Reinsurance premium ceded includes:

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	21,384,488,806	17,193,293,324
Property and Damages	389,160,014,713	322,785,680,002
Cargo	88,677,279,295	51,348,372,134
Automobile	5,737,907,529	4,753,275,526
Fire	361,674,745,350	302,062,830,665
Liability	31,231,482,421	17,443,218,229
Business Risk	23,644,391,458	30,639,248,578
Aviation	72,559,093,742	72,289,149,647
Hull and P&I	65,474,312,342	65,208,762,847
Agriculture	3,094,426,641	105,658,366
Total	**1,062,638,142,297**	**883,829,489,318**

22. COMMISSION ON REINSURANCE CEDED

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	4,124,716,812	8,066,491,908
Property and Damages	62,360,972,446	54,845,535,680
Cargo	24,723,131,818	15,850,387,783
Automobile	2,095,590,773	1,967,218,061
Fire	64,896,035,462	64,448,735,654
Liability	2,867,049,760	2,784,180,184
Business Risk	2,549,921,077	2,911,115,203
Aviation	7,065,253,723	8,052,656,819
Hull and P&I	8,279,715,744	7,844,952,145
Financial and credit risk	-	39,166,667
Agriculture	195,080,680	4,280,998
Total	**179,157,468,295**	**166,814,721,102**

23. OTHER INCOME FROM INSURANCE ACTIVITIES

	Current year VND	*Previous year VND*
Policy management fee	34,811,780,552	32,180,333,534
Other income (*)	1,879,735,490	1,398,668,488
Total	**36,691,516,042**	**33,579,002,022**

(*) Other income includes leading fee from coinsurance and other income from reinsurance activities.

24. NET CLAIM EXPENSES

	Current year VND	*Previous year VND*
Claim expenses	1,189,349,519,514	1,081,989,822,203
- *Direct claim expenses*	*1,125,171,694,912*	*1,002,686,326,933*
- *Claim expense on reinsurance assumed*	*64,177,824,602*	*79,303,495,270*
Salvage and sub-rogation	(11,044,715,174)	(4,978,042,820)
Recovery from reinsurance ceded	(616,703,252,985)	(573,245,947,375)
Increase in gross claim reserve	(192,881,942,181)	(37,600,470,968)
Increase in ceded reinsurance claim reserve	166,266,489,429	106,071,440,304
Total	**534,986,098,603**	**572,236,801,344**

24. NET CLAIM EXPENSES (continued)

24.1 *Direct claim expenses*

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	114,254,181,486	111,975,842,818
Property and Damages	159,784,314,810	172,255,403,948
Cargo	71,318,822,348	41,029,096,480
Automobile	334,104,966,668	316,992,352,871
Fire	133,352,898,479	335,373,781,873
Liability	991,698,999	450,490,972
Business risk	264,622,367,401	2,890,840,365
Aviation	161,331,898	3,007,848,494
Hull and P&I	46,581,112,823	18,710,669,112
Total	**1,125,171,694,912**	**1,002,686,326,933**

24.2 *Claim expense on reinsurance assumed*

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	39,826,622,369	49,450,514,449
Property and Damages	18,887,793,795	23,836,972,283
Cargo	-	2,487,828,976
Automobile	58,324,065	134,833,991
Fire	2,435,064,544	2,134,308,146
Liability	205,152,305	35,691,898
Aviation	-	6,409,184
Hull and P&I	2,699,271,701	1,216,936,343
Agriculture	65,595,823	-
Total	**64,177,824,602**	**79,303,495,270**

24. CLAIM EXPENSES (continued)

24.3 *Recoveries from reinsurance ceded*

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	34,160,222,363	38,780,093,642
Property and Damages	158,208,180,414	187,700,072,297
Cargo	35,098,086,032	27,598,660,667
Automobile	10,689,827,169	204,851,256
Fire	95,426,140,974	298,162,569,722
Liability	24,028,595	115,405,048
Business risk	246,630,114,548	2,464,365,828
Aviation	150,314,422	4,743,255,630
Hull and P&I	36,316,338,468	13,476,673,285
Total	**616,703,252,985**	**573,245,947,375**

25. OTHER OPERATING EXPENSES

	Current year VND	*Previous year VND*
Commission	280,558,590,725	228,636,744,309
Insurance risk assessment expenses	-	9,068,163
Agent management activities	131,037,811,356	76,607,785,336
Loss prevention	2,208,911,837	1,449,821,186
Statutory contributions	5,294,900,024	7,076,303,746
Other expenses	527,732,603,912	464,140,955,382
Total	**946,832,817,854**	**777,920,678,122**

Other expenses include the expenses related to underwriting activities such as marketing expenses, entertainment meals, telephones, petro, per-diem, postage expense...

26. FINANCE INCOME

	Current year VND	*Previous year VND*
Interest income from deposits at banks	189,393,600,223	211,787,788,475
Interest income from bonds	46,308,219,929	44,348,019,687
Dividend income	9,970,963,153	9,866,923,077
Gain from exchange rate difference	32,730,484,735	20,688,737,828
Gain from security trading	67,130,563,677	8,026,496,291
Other financial incomes	3,582,074	458,723,784
Total	**345,537,413,791**	**295,176,689,142**

27. FINANCE EXPENSES

	Current year VND	*Previous year VND*
Interest expenses	87,422,146	51,979,494
Bond premium allocated expenses	-	-
Security trading expenses	311,403,371	241,600,949
Loss on security trading	536,028,616	950,021,927
Loss on exchange rate difference	24,492,138,132	17,293,831,095
Reversal of provision for diminution in value of investments	(1,807,700,230)	(1,560,506,350)
Other financial expenses	291,724,387	65,569,024
Total	**23,911,016,422**	**17,042,496,139**

28. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year VND	*Previous year VND*
Employee expenses	305,523,829,935	235,879,861,127
Material expenses	14,634,140,965	11,584,976,694
Tool and equipment expenses	8,890,385,668	11,928,856,194
Depreciation expenses	6,704,888,861	5,275,973,747
Tax, fee, and charge	14,144,138,694	15,045,728,835
Expenses for external services	122,412,754,652	139,281,531,772
Reversal for doubtful debts	(7,269,140,653)	(3,222,157,593)
Other expenses	7,761,773,611	6,565,732,596
Total	**472,802,771,733**	**422,340,503,372**

29. OTHER INCOME

	Current year VND	*Previous year VND*
Income from disposal of assets	5,961,977	3,626,019
Other income	442,706,019	679,509,146
Total	**448,667,996**	**683,135,165**

30. OTHER EXPENSES

	Current year VND	*Previous year VND*
Administrative penalty	21,517,181	50,391,789
Other expenses	63,520,156	52,228,727
Total	**85,037,337**	**102,620,516**

31. CORPORATE INCOME TAX

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

The tax returns filed by the Corporation are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

31.1 CIT Expense

	Current year VND	*Previous year VND*
Current tax expense	102,546,355,108	75,748,994,579
Deferred tax expense	(494,759,477)	1,947,490,673
Total	**102,051,595,631**	**77,696,485,252**

31. CORPORATE INCOME TAX (continued)

31.1 *CIT Expense* (continued)

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

	Current year VND	*Previous year VND*
Accounting profit before tax	**502,165,052,104**	**375,349,390,163**
At CIT rate of 20% applicable to the Corporation	100,370,450,001	75,069,878,033
Adjustments to increase:	**19,524,575,016**	**19,853,881,517**
Non-deductible expenses	17,624,717,110	19,853,881,517
Accrued expenses in the current year	*9,382,312,737*	*9,371,186,364*
Provision for doubtful debts	*6,493,841,174*	*4,836,644,349*
Other non-deductible expenses	*1,748,563,199*	*5,646,050,804*
Under accrual of tax from prior years	1,899,857,906	-
Adjustments to decrease:	**(17,843,429,386)**	**(17,227,274,298)**
Tax exempted income from business activities	(1,985,656,466)	(1,959,548,887)
Accrued expenses in the prior year	(9,100,282,729)	(5,998,692,297)
Other adjustments to decrease	(6,757,490,191)	(5,798,608,252)
Adjustment for over accrual of tax from prior year(s)	-	(3,470,424,862)
Current CIT expense	**102,051,595,631**	**77,696,485,252**

31.2 *Current tax*

The current CIT payable is based on taxable income for the current year. The taxable income of the Corporation for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

31. CORPORATE INCOME TAX (continued)

31.3 *Deferred tax*

The following are the deferred tax assets and deferred tax liabilities recognized by the Corporation, and the movements thereon, during the current and previous years.

	Consolidated balance sheet		*Consolidated income statement*	
	Ending balance VND	*Beginning balance VND*	*Current year VND*	*Previous year VND*
Deferred tax assets				
Loss on estimated treaty contracts	-	-	-	2,472,045,525
	-	-		
Deferred tax liabilities				
Gain from revaluation of monetary asset items	408,681,095	1,166,860,229	(758,179,134)	531,185,963
Gain from estimates of facultative contracts	889,008,348	625,588,691	263,419,657	(1,055,740,815)
	1,297,689,443	**1,792,448,920**		
Net deferred tax liabilities	**(1,297,689,443)**	**(1,792,448,920)**	-	-
Net deferred tax charge to the consolidated income statement			**(494,759,477)**	**1,947,490,673**

32. TRANSACTIONS WITH RELATED PARTIES

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

Company	*Relationship*	*Transaction*	*Current year* VND	*Previous year* VND
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Gross written premiums	116,844,519,531	94,826,579,565
		Claim expense	(2,259,738,441)	(3,819,870,650)
		Commission expense	(249,050,586,563)	(170,296,536,533)
		Interest income from term deposit	157,761,357,063	176,428,065,311
		Office rental expense	(12,569,449,812)	(16,198,629,188)
		Bank transfer expense	(1,820,787,098)	(2,337,001,145)
		Bank overdraft interest	(341,470)	(4,438,356)
		IT service expenses	(1,553,270,173)	-
BIDV-SuMI TRUST Leasing Company	Affiliate	Gross written premiums	570,953,492	570,586,054
		Claim expense	(1,001,774,771)	(934,263,633)
		Commission expense	-	(14,301,699)
		Interest income from term deposit	1,588,613,699	-
BIDV Securities Company (BSC)	Affiliate	Gross written premiums	1,143,981,064	-
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Gross written premiums	558,139,232	559,291,743
		Interest income from term deposit	8,963,437,251	7,205,914,586
		Claim expense	(22,450,000)	(32,500,000)

Terms and conditions of transactions with related parties

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

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related companies at the consolidated balance sheet date are as follows:

Related company	*Relationship*	*Description*	*Ending balance* VND	*Beginning balance* VND
Trade receivables				
Joint stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Current account	13,741,883,897	94,209,208,408
		Term deposits	3,102,500,000,000	2,602,733,555,310
		Interest from term deposits	83,394,242,476	117,182,150,662
		Premium receivables	2,653,362,855	737,117,540
		Compulsory deposit at BIDV	10,000,000,000	10,000,000,000
		Prepaid office rental expenses	47,455,347,211	49,637,202,257
		Deposits in blocked account	1,173,328,405	1,266,444,690
BIDV Leasing Company I	Affiliate	Premium receivables	606,058,361	568,461,806
		Term Deposits	30,500,000,000	-
		Interest from term deposits	1,935,353,425	-
BIDV-SuMI TRUST Leasing Company	Affiliate	Term Deposits	97,000,000,000	121,500,000,000
		Interest from term deposits	4,016,561,642	6,244,713,698
Bank for Investment and Development of Cambodia (BIDC)	Affiliate			
Trade payables				
Joint stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Commission payables	(6,362,068,696)	(3,402,712,655)
		Office rent payables	(1,476,017,720)	(1,365,040,199)
BIDV-SuMI TRUST Leasing Company	Affiliate	Commission payables	(54,244,538)	(29,177,233)

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Remunation to members of Board of Directors and Board of Management:

Salaries and bonus to members Board of Directors:

	Current year VND	*Previous year VND*
Salaries and bonus	11,575,092,079	10,059,817,340
Other benefits	317,000,000	504,000,000
Total	**11,892,092,079**	**10,563,817,340**

Remuneration to members of Board of Management:

	Current year VND	*Previous year VND*
Remuneration	1,441,070,000	803,706,663
Total	**1,441,070,000**	**803,706,663**

Apart from salaries and bonus, the Board of Management is not entitled to any other benefits.

33. INFORMATION ON SEGMENT REPORTING

The primary segment reporting format is determined to be business segments as the Corporation risks and rates of return are affected predominantly by differences on geographical where the products and services are rendered.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in preparation of the consolidated financial statements.

The Corporation's geographical segments are based on the location of the Corporation's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

33. INFORMATION ON SEGMENT REPORTING (continued)

The following table presents operating result of the Corporation's operating segments for the year ended 31 December 2021:

Currency: million VND

	Domestic market	*Foreign market*	*Adjustments and eliminations*	*Total*
Insurance revenue	2,721,205	275,561	(68,038)	2,928,728
Reinsurance ceded premium	(830,642)	(226,818)	67,990	(989,470)
Net insurance premiums	**1,890,563**	**48,743**	**(48)**	**1,939,258**
Commission on reinsurance ceded and other insurance incomes	201,678	31,424	(17,253)	215,849
Total operating revenues	**2,092,241**	**80,167**	**(17,301)**	**2,155,107**
Claim expenses	(830,964)	(387,277)	39,936	(1,178,305)
Recoveries from reinsurance ceded	286,537	372,744	(42,578)	616,703
Increase in direct and assumed claim reserve	150,586	58,161	(15,865)	192,882
Increase in ceded claim reserve	(129,549)	(59,837)	23,120	(166,266)
Net claim expenses	**(523,390)**	**(16,209)**	**4,613**	**(534,986)**
Increase in catastrophe reserve	(19,819)	-	(491)	(20,310)
Other operating expenses	(923,349)	(40,749)	17,265	(946,833)
Total direct operating expenses	**(1,466,558)**	**(56,958)**	**21,387**	**(1,502,129)**
Gross insurance operating profit	**625,683**	**23,209**	**4,086**	**652,978**
Finance income	320,761	24,777	(2)	345,536
Finance expenses	(10,560)	(8,435)	(4,917)	(23,912)
Profit from financial activities	**310,201**	**16,342**	**(4,919)**	**321,624**
General and administrative expenses	(451,177)	(22,770)	1,144	(472,803)
Net operating income	**484,707**	**16,781**	**311**	**501,799**
Other income	308	141	-	450
Other expenses	(52)	(32)	-	(84)
Net other profit	**256**	**109**	**-**	**366**
Profit before Corporate income tax	**484,963**	**16,890**	**311**	**502,165**

33. INFORMATION ON SEGMENT REPORTING (continued)

Information on the assets and liabilities of segments in geographical segments of Corporation at 31 December 2021 as follow:

Currency: VND

	Domestic market	*Foreign market*	*Adjustments and eliminations*	*Total*
CURRENT ASSETS	**4,961,823**	**352,474**	**(114,193)**	**5,200,104**
Cash and cash equivalents	25,696	4,793	-	30,489
Short-term investments	3,606,049	80,779	-	3,686,828
Short-term receivables	369,663	120,014	(72,048)	417,629
Inventories	-	118	-	118
Other short-term assets	178,908	14,928	(7,383)	186,453
Reinsurance assets	781,507	131,842	(34,762)	878,587
NON-CURRENT ASSETS	**819,826**	**59,206**	**(34,662)**	**844,370**
Long-term receivables	12,893	18,720	-	31,613
Fixed assets	27,706	697	(2)	28,401
Long-term investments	731,158	39,789	(34,660)	736,287
Other long-term assets	48,069	-	-	48,069
TOTAL ASSETS	**5,781,649**	**411,680**	**(148,855)**	**6,044,474**
LIABILITIES	**3,249,021**	**323,381**	**(110,706)**	**3,461,696**
Current liabilities	3,246,636	323,381	(110,706)	3,459,311
Non-current liabilities	2,385	-	-	2,385
OWNERS' EQUITY	**2,532,628**	**88,299**	**(38,149)**	**2,582,778**
TOTAL LIABILITIES AND OWNERS' EQUITY	**5,781,649**	**411,680**	**(148,855)**	**6,044,474**

34. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Corporation leases office premises under an operating lease. Future rental amounts due under operating leases as at the year-end were as follows:

	Ending balance VND	*Beginning balance VND*
Operating lease commitments due:		
- Less than 1 year	687,913,171	2,981,592,981
- From 1 – 5 years	28,051,819,365	42,194,493,584
Total	**28,739,732,536**	**45,176,086,565**

Foreign contractor withholding tax

The Corporation accounted for the FCT on reinsurance premiums ceded to overseas reinsurers from countries without Double Tax Treaty with Vietnam or from countries with Double Tax Treaty with Vietnam but the reinsurers have not submitted adequate supporting documents.

34. COMMITMENTS AND CONTINGENCIES (continued)

Off-balance sheet items

ITEMS	*Ending balance*	*Beginning balance*
Insurance policies signed but not yet effective (VND)	174,760,860,918	170,277,533,225
Foreign currency (USD)	1,450,312	3,395,380
Foreign currency (EUR)	89	100
Foreign currency (GPB)	91	101
Foreign currency (AUD)	83	101
Foreign currency (LAK)	1,264,647,374	605,060,413
Foreign currency (THB)	2,977,098	227,097

35. EARNINGS PER SHARE

The following reflects the income and share data used in the basic earnings per share computations:

	31 December 2021	*31 December 2020*
Net profit after tax attributable to ordinary shareholders (VND)	395,384,070,466	294,275,832,924
Distribution to bonus and welfare fund (VND)	71,237,000,000	34,660,000,000
Net profit after tax attributable to ordinary shareholders for basic earnings (VND)	324,147,070,466	259,615,832,924
Weighted average number of ordinary shares for basic earnings per share (unit)	117,276,895	117,276,895
Earnings per share (VND)	2,764	2,214

36. RISK MANAGEMENT FRAMEWORK

36.1 Governance framework

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

The Corporation has established a risk management function which agreed clear terms of reference by the Board of Directors and committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board of Directors to the Board of Management and other senior management. A policy framework has been developed and implemented which sets out the risk profiles for the Corporation, risk management; control and business conduct standards for the Corporation's operations. Each policy has a member of the Board of Management charged with overseeing compliance with the policy throughout the Corporation.

36. RISK MANAGEMENT FRAMEWORK (continued)

36.2 *Risk management objectives, policies and processes for management of insurance risk*

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

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

36.3 *Capital management and regulatory framework*

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

Regulatory capital requirements arising from the operations of the Corporation require the Corporation to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The solvency requirements that apply to the Corporation is those set out in Circular 50.

The table below summarises the minimum regulatory solvency margin for the Corporation and the solvency capital held against each of them. Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the insurance subsidiaries are satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Corporation maintain appropriate solvency position to meet unforeseen liabilities arising from economic turmoil or natural disasters.

Currency: million VND

	Corporation Solvency Margin	*Minimum Solvency Margin*	*Solvency Margin Ratio*
31 December 2021	2,140,718	582,925	367%
31 December 2020	2,022,629	519,486	389%

The solvency ratio of the Corporation is calculated based on the relevant regulations promulgated by the Ministry of Finance in Vietnam, which is an indicator of the overall solvency position of the relevant insurance operations.

36.4 *Underwriting strategy*

The Corporation's underwriting strategy seeks the diversity for products, distribution channel and focus on the most profitable products to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

36. RISK MANAGEMENT FRAMEWORK (continued)

36.5 Reinsurance strategy

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

Ceded reinsurance contains credit risk, and to minimise such risk, only those reinsurers whose credit rating either assessed by credit rating agencies or internally assessed by the Corporation are satisfied to have business with the Corporation.

37. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

37.1 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.

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a separate case by case basis with due regard to the circumstances, information available from loss adjusters and historical evidence of similar claims. Case estimates are reviewed and updated regularly when there is updated information. The provision is estimated based on information currently available.

The claim reserve is calculated based on method regulated in Circular 50. Details of such reserving methodologies are as follows:

37. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

37.1 *Insurance risk* (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified or requested for payment but is still unresolved at the end of the fiscal year, accordance with the Circular 50; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) calculated at the rate of 3% of premium for each insurance operation.

The Corporation issues general insurance contracts such as cargo, hull, aviation, engineering, fire, health and personal accident, general indemnity and automobile. Risks under general insurance contracts usually cover twelve-month duration.

The Corporation is exposed to cumulative risks from the economic development across the country and flow of foreign investment in manufacturing and real estates, especially in the major economic hubs such as Ho Chi Minh City, Hanoi.

For general insurance contracts, most of significant risks arise from climate changes and natural disasters. Vietnam has suffered heavily from catastrophes 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, motor, marine hull & cargo, fishing vessels portfolios against the catastrophe events to minimize the risks.

For late notified claims that take more than a year to settle, there is also inflation risk. These risks do not vary significantly in relation to the location, type of risk insured and industry.

The Corporation has also limited its exposure by imposing maximum insured 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 the reinsurance and reinsurance strategy is to reduce the risk associated with the Group's catastrophic risk exposure as determined by the Board of Directors. The Board of Directors may decide to increase or decrease the maximum tolerance based on market conditions and other factors.

Concentration level of insurance risk

Insurance risks of the Corporation include most types of non-life insurance risks as cargo, marine, aviation, oil and gas, property, personal and accident, engineering risk, etc. Aside from accumulative risk in the same category, the Corporation also faces concentration of risks e.g. vessel and cargo insurance, asset and human insurance, etc. the Corporation has internal policies on the management of concentration of risks and reinsurance protection contracts to limit liability when accumulative risk events or disasters occur.

37. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

37.1 *Insurance risk* (continued)

Claim data table

The table below presents estimates of accumulated occurred claims, along to accumulated claim settlement until now:

Currency: million VND

ITEMS	Accident year					
	2017	2018	2019	2020	2021	Total
At end of accident year	1	2	3	4	5	6
I. Estimate of cumulative claims incurred						
1	499,619	559,051	562,301	554,265	557,347	
2	506,456	585,807	558,091	539,658		
3	516,302	599,501	551,083			
4	518,840	598,003				
5	519,203					
Current estimate of cumulative claims incurred (1)	**519,203**	**598,003**	**551,083**	**539,658**	**557,347**	**2,765,294**
II. Cumulative claim payment						
1	352,410	428,084	444,950	406,655	441,696	
2	480,432	552,892	520,523	501,341		
3	494,919	562,601	530,501			
4	503,559	572,787				
5	505,573					
Cumulative claim payment to date (2)	**505,573**	**572,787**	**530,501**	**501,341**	**441,696**	**2,551,898**
III. Net outstanding claim reserve (3) = (1) – (2)	**13,630**	**25,216**	**20,582**	**38,317**	**115,651**	**213,396**
IV. Current estimate of surplus/(deficit) (4)	**(19,584)**	**(38,952)**	**11,218**	**14,607**	**-**	**(32,711)**
V. Percentage of current estimate of surplus/(deficit) over current estimate of cumulative claims incurred (5) = (4)/(1)*100%	**(4%)**	**(7%)**	**2%**	**3%**	**0%**	**(1%)**

37. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

37.2 Financial risk

The Corporation's financial liabilities comprise trade and other payables. The Corporation has trade receivables, other receivables, cash and short-term deposits and other financial investments. The Corporation does not hold or issue derivative financial instruments.

The Corporation is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Corporation. The Corporation has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Corporation's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized below.

37.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the Corporation's financial position as at 31 December 2021 and 31 December 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that:

- the sensitivity of the balance sheet relates to available-for-sale debt instrument;
- the sensitivity of the relevant consolidated income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2021 and 31 December 2020.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to market risk for changes in interest rate relates primarily to the Corporation's term deposits and bonds. These investments are mainly short term in nature and they are not held for speculative purposes.

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

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

37. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

37.2 Financial risk (continued)

37.2.1 Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Corporation conducts business may affect its financial condition and results of operations. The foreign currency risk that the Corporation is facing mainly comes from movements in the USD/VND exchange rates. The Corporation seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

As the majority of the Corporation's financial assets are denominated in VND, the foreign currency risk is mitigated. Most of other assets denominated in foreign currency are in USD.

The table below indicates the effect of a reasonably possible movement of the foreign currency exchange rate against the VND, with all other variables held constant, on the consolidated income statement and statement of financial position of the Corporation:

Currency: VND

Change in variance	*Impact on profit before tax*	*Impact on equity*
31 December 2021		
+5%	94,803,975	75,843,180
-5%	(94,803,975)	(75,843,180)
31 December 2020		
+5%	4,564,402,633	3,651,522,107
-5%	(4,564,402,633)	(3,651,522,107)

Equity price risk

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

At the reporting date, the exposure to listed equity securities at fair value was VND 471,753,969,778 (31 December 2020: VND 426,231,675,287). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 5,059,888,162 (31 December 2020: decrease by VND 2,718,001,146), depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Corporation's profit before tax by VND 868,097,144 (31 December 2020: no impact).

37. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

37.2 *Financial risk* (continued)

37.2.2 *Credit risk*

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily for trade receivables from original insurance and reinsurance activities) and from its financing activities, including deposits at banks and other financial instruments.

Trade receivables

The trade receivables, which subject to credit risk, include trade receivables from insurance and reinsurance activities, and other receivables subject to credit risk. Customer credit risk is managed by the Corporation based on its established policy, procedures and control relating to customer credit risk management.

The most significant of reinsurance receivables are reinsurance recoveries. To mitigate the risk of the counterparties not paying the due amount, the Corporation has established certain business and financial guidelines for accepting business with each reinsurer, using ratings by major agencies and considering currently available market information. The Corporation also periodically reviews the financial stability of reinsurers using public information and other sources and the settlement trend of amounts due from reinsurers.

Bank deposits and other financial instruments

The Corporation's bank balances are mainly maintained with well-known banks in Vietnam. The Corporation evaluates the concentration of credit risk in respect of bank deposit at low level.

The Corporation's financial assets are neither past due nor impaired except for the following receivables which are past due and impaired as at 31 December 2021.

Currency: VND million

	Past due but not impaired		*Past due and impaired*		*Provision for impairment*
	< 90 days	*91-180 days*	*181-360 days*	*> 360 days*	
As at 31 December 2021					
Receivables from insurance activities	253,043	32,026	20,480	33,936	30,637
Receivables from financial activities	-	-	-	3,000	3,000
Total	**253,043**	**32,026**	**20,480**	**36,936**	**33,637**
As at 31 December 2020					
Receivables from insurance activities	34,543	32,731	15,013	8,924	41,263
Receivables from financial activities	-	-	-	3,000	3,000
Total	**34,543**	**32,731**	**15,013**	**11,924**	**44,263**

Provisions for impairment of the receivables were made under the Circular No. 48.

37 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

37.2 *Financial risk* (continued)

37.2.3 *Liquidity risk*

The Corporation has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts. Therefore, there is a risk that cash will not be available to settle liabilities when due at a reasonable cost. The Corporation manages this risk by monitoring and setting an appropriate level of operating funds to settle these liabilities.

Contractual maturity

The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments as at 31 December 2021 and 31 December 2020:

Currency: VND

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
31 December 2021				
Insurance payables	71,760,213,040	-	-	71,760,213,040
Reinsurance payables	-	414,845,152,872	-	414,845,152,872
Accrued expenses	-	11,925,274,186	-	11,925,274,186
Claim reserve (*)	739,705,430,333	-	-	739,705,430,333
Other payables	390,537,815,761	-	-	390,537,815,761
	1,202,003,459,134	**426,770,427,058**	**-**	**1,628,773,886,192**

(*) Excluding gross unearned premium reserve and catastrophe reserve

Currency: VND

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
31 December 2020				
Insurance payables	79,079,451,347	-	-	79,079,451,347
Reinsurance payables	-	387,978,296,677	-	387,978,296,677
Accrued expenses	-	10,427,726,057	-	10,427,726,057
Claim reserve	952,955,012,969	-	-	952,955,012,969
Other payables	304,366,145,076	-	-	304,366,145,076
	1,336,400,609,392	**398,406,022,734**	**-**	**1,734,806,632,126**

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 01 January 2011. Circular 210 provides the definitions of financial assets, financial liabilities and derivative financial instruments, equity instruments as well as presentation and disclosures of financial instruments.

Due to Circular 210 only requires the presentation and disclosure of financial instruments, the definitions of financial assets, financial liabilities and other relevant definitions are applicable to prepare this note only. The assets, liabilities and equities of the Corporation still are recognized and accounting in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to insurance companies and comply with the relevant statutory requirements.

Financial assets

Financial assets within the scope of Circular 210 include cash and bank deposits, trade and other receivables, listed and unlisted financial instruments.

According to Circular 210, for the purpose of disclosure in the Consolidated Financial Statements, financial assets are classified as appropriate into one of the following categories:

- ***Financial asset recognized at fair value through profit or loss statements that satisfies either of the following conditions:***

  a) Financial asset that satisfies either of the following conditions:

  A financial asset will be classified as securities held for trading if:

  (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;

  (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or

  (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).

  b) Upon initial recognition, the entity categorizes the financial asset as such reflected at fair value through Profit and loss statement.

- ***Held-to-maturity investments are non-derivative financial assets with fixed or identifiable payments and fixed maturity periods which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:***

  a) Financial assets that, upon initial recognition, were categorized as such recognized at fair value through profit or loss statements;

  b) Financial assets already categorized as available for sale;

  c) Financial assets that meet the definitions of loans and receivables.

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets (continued)

- ***Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:***
  a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair, value through profit or loss statements;
  b) The amounts categorized by the entity as available for sale upon initial recognition; or;
  c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.
- ***Available-for-sale assets are non-derivative financial assets determined as available for sale or not classified as:***
  a) Loans and receivables;
  b) Held-to-maturity investments;
  c) Financial assets recognized at fair value through profit or loss statements.

Financial liabilities

Financial liabilities within the scope of Circular 210 include trade and other payables, loans and borrowings.

According to Circular 210, for the purpose of disclosure in the Consolidated Financial Statements, financial liabilities are classified as appropriate into one of the following categories:

- ***Financial liability recognized at fair value through profit or loss statements that satisfies either of the following conditions:***
  a) Being classified as held for trading, a financial liability will be classified as securities held for trading if:
     (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;
     (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,
     (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
  b) Upon initial recognition, the entity categorizes the financial liability as such reflected at fair value through Profit and loss statement
- ***Financial liabilities measured at amortised cost,***

  Financial liabilities were not categorized as financial liabilities at fair value through profit or loss statements would be categorized as Financial liabilities measured at amortised cost.

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption are used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of listed shares is determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) on 31 December 2021.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCoM) is the average price of the trading market on 31 December 2021.
- Fair value of unlisted shares which have not been registered in the unlisted public companies market (OTC) is the average of public price quotations of at least three (03) reputable and large security companies in the market.
- Where the active market information was not available to determine fair value of financial assets, financial liabilities at the reporting date, impairment information was consider or their carrying amounts were used.

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 31 December 2021:

Currency: VND

	Carrying amount				*Fair value*
31 December 2021	*Cost*	*Accrued interest*	*Provision*	*Total*	
Financial assets					
Available for sale	372,254,409,632	-	(47,328,192,591)	324,926,217,041	555,201,380,331
Listed shares	*253,748,729,743*	-	*(868,097,144)*	*252,880,632,599*	*471,753,969,778*
Unlisted shares	*68,505,679,889*	-	*(25,907,370,000)*	*42,598,309,889*	*54,000,136,000*
Bonds	-	-	-	-	-
BIDV Metlife	*50,000,000,000*	-	*(20,552,725,447)*	*29,447,274,553*	*29,447,274,553*
Loan and receivables	4,460,577,224,088	122,947,817,783	(39,385,254,554)	4,544,139,787,317	4,544,139,787,317
Bonds	*600,050,000,000*	*14,419,006,849*	*(3,000,000,000)*	*611,469,006,849*	*611,469,006,849*
Term deposits	*3,498,137,125,025*	*104,276,942,780*	-	*3,602,414,067,805*	*3,602,414,067,805*
Insurance receivables	*326,846,317,562*	-	*(35,125,829,740)*	*291,720,487,822*	*291,720,487,822*
Other receivables	*6,824,107,649*	-	*(1,259,424,814)*	*5,564,682,835*	*5,564,682,835*
Statutory deposit	*28,719,673,852*	*4,251,868,154*	-	*32,971,542,006*	*32,971,542,006*
Cash and cash equivalents	30,488,645,615	-	-	30,488,645,615	30,488,645,615
Total	**4,863,320,279,335**	**122,947,817,783**	**(86,713,447,145)**	**4,899,554,649,973**	**5,129,829,813,263**
Financial liabilities					
Trade payables	502,060,155,372	-	-	502,060,155,372	502,060,155,372
Accrued expenses	42,149,554,858	-	-	42,149,554,858	42,149,554,858
Other payables	49,835,116,299	-	-	49,835,116,299	49,835,116,299
Total	**594,044,826,529**	-	-	**594,044,826,529**	**594,044,826,529**

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 31 December 2020:

Currency: VND

	Carrying amount				*Fair value*
31 December 2020	*Cost*	*Accrued interest*	*Provision*	*Total*	
Financial assets					
Available for sale	426,997,916,949	-	(49,135,926,903)	377,861,990,046	555,314,466,258
Listed shares	*229,395,440,813*	-	-	*229,395,440,813*	*401,511,222,467*
Unlisted shares	*45,592,842,109*	-	*(25,907,370,000)*	*19,685,472,109*	*25,022,166,667*
Bonds	*102,009,634,027*	-	-	*102,009,634,027*	*102,009,634,027*
BIDV Metlife	*50,000,000,000*	-	*(23,228,556,903)*	*26,771,443,097*	*26,771,443,097*
Loan and receivables	3,991,232,562,314	157,078,179,201	(45,647,906,828)	4,102,662,834,687	4,102,662,834,687
Bonds	*547,569,873,397*	*16,080,684,932*	*(3,000,000,000)*	*560,650,558,329*	*560,650,558,329*
Term deposits	*2,991,907,445,487*	*137,484,630,712*	-	*3,129,392,076,199*	*3,129,392,076,199*
Insurance receivables	*414,831,192,575*	-	*(41,854,123,991)*	*372,977,068,584*	*372,977,068,584*
Other receivables	*6,024,427,449*	-	*(793,782,837)*	*5,230,644,612*	*5,230,644,612*
Statutory deposit	*30,899,623,406*	*3,512,863,557*	-	*34,412,486,963*	*34,412,486,963*
Cash and cash equivalents	98,047,858,360	-	-	98,047,858,360	98,047,858,360
Total	**4,516,278,337,623**	**157,078,179,201**	**(94,783,833,731)**	**4,578,572,683,093**	**4,756,025,159,305**
Financial liabilities					
Trade payables	494,254,779,977	-	-	494,254,779,977	494,254,779,977
Accrued expenses	35,459,983,163	-	-	35,459,983,163	35,459,983,163
Other payables	49,900,374,894	-	-	49,900,374,894	49,900,374,894
Total	**579,615,138,034**	**-**	**-**	**579,615,138,034**	**579,615,138,034**

39. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Corporation and its subsidiary.

40. APPROVAL FOR ISSUANCE

The consolidated financial statements as at and for the year ended 31 December 2021 were authorised for issuance by the General Director on 28 February 2022.

Mr. Le Sy Phuong Accountant Accounting Division	Ms. Nguyen Thanh Mai Deputy Director in - charge Accounting Division	Mr. Tran Hoai An General Director

Hanoi, Vietnam

28 February 2022