BIDV Insurance Joint Stock Corporation

Separate financial statements

For the year ended 31 December 2021



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BIDV Insurance Joint Stock Corporation

GENERAL INFORMATION

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 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:	Bank for Investment and Development of Vietnam Insurance Joint Stock Corporation
Head office's 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:	1,085 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, invesment 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. The transfer procedure is in progress.

GENERAL INFORMATION (continued)

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 Thu 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") is pleased to present this report and the separate financial statements of the Corporation for the year ended 31 December 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Corporation 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Corporation as at 31 December 2021 and of the separate results of its operations and its separate 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 separate financial statements.

The Corporation has a subsidiary as disclosed in the separate financial statements. The Corporation prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Corporation has also prepared the consolidated financial statements of the Corporation and its subsidiary for the year ended 31 December 2021 (the consolidated financial statements) dated 28 February 2022.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Corporation and its subsidiary.

For and on behalf of Management

CÔNG TY CỔ PHẦN BẢO HIỂM NGÂN HÀNG ĐẦU TƯ VÀ PHÁT TRIỂN VIỆT NAM

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

28 February 2022

Ernst & Young Vietnam Limited
8th Floor, CornerStone Building
16 Phan Chu Trinh Street
Hoan Kiem District
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Reference: 60755012/22684958

INDEPENDENT AUDITORS' REPORT

To: The Shareholders
BIDV Insurance Joint Stock Corporation

We have audited the accompanying separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 28 February 2022 and set out on pages 6 to 67, which comprise the separate balance sheet as at 31 December 2021, the separate income statement and the separate 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 separate 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 separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate 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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Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Corporation as at 31 December 2021 and of the separate results of its operations and its separate 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 separate financial statements.

Ernst & Young Vietnam Limited

Dang Phuong Ha
Deputy General Director
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

A member firm of Ernst & Young Global Limited

SEPARATE BALANCE SHEET
as at 31 December 2021

Currency: VND

Code	*ASSETS*	*Notes*	*Ending Balance*	*Beginning Balance*
100	**A. CURRENT ASSETS**		**4,961,823,745,899**	**4,648,148,067,589**
110	***I. Cash and cash equivalents***	***4***	***25,696,080,055***	***95,821,711,569***
111	1. Cash		15,696,080,055	95,821,711,569
112	2. Cash equivalents		10,000,000,000	-
120	***II. Short-term investments***		***3,606,048,760,910***	***3,007,606,416,604***
121	1. Trading securities	5.1	295,913,406,835	350,606,416,604
122	2. Provision for trading securities	5.1	(864,645,925)	-
123	3. Held-to-maturity investments	5.2	3,311,000,000,000	2,657,000,000,000
130	***III. Current accounts receivables***	***6***	***369,663,095,964***	***509,628,447,424***
131	1. Short-term trade receivables		290,988,826,224	400,733,322,672
131.1	*1.1 Insurance receivables*		*290,988,826,224*	*400,733,322,672*
132	2. Short-term advances to suppliers		1,536,269,376	189,241,029
136	3. Other short-term receivables		115,911,383,839	154,789,713,221
137	4. Provision for doubtful short-term receivables		(38,773,383,475)	(46,083,829,498)
150	***IV. Other current assets***		***178,908,932,771***	***160,402,934,930***
151	1. Short-term prepaid expenses		178,908,932,771	160,282,553,180
151.1	*1.1 Unallocated commission expense*	*7*	*176,222,520,272*	*156,946,075,745*
151.2	*1.2 Other prepaid expenses*		*2,686,412,499*	*3,336,477,435*
152	2. Value-added tax deductible		-	120,381,750
190	***V. Reinsurance assets***	***18.1***	***781,506,876,199***	***874,688,557,062***
191	1. Reinsurance assets from unearned premium reserve		305,922,969,851	269,556,932,841
192	2. Reinsurance assets from claim reserve		475,583,906,348	605,131,624,221

SEPARATE BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	*ASSETS*	*Notes*	*Ending Balance*	*Beginning Balance*
200	**B. NON-CURRENT ASSETS**		**819,825,432,680**	**923,975,486,226**
210	***I. Long-term receivables***		***12,893,498,939***	***13,441,932,085***
216	1. Other long-term receivables		12,893,498,939	13,441,932,085
216.1	*1.1. Statutory deposit*	*8*	*10,000,000,000*	*10,000,000,000*
216.2	*1.2. Other long-term receivables*		*2,893,498,939*	*3,441,932,085*
220	***II. Fixed assets***		***27,705,774,919***	***18,363,387,790***
221	1. Tangible fixed assets	9	19,920,497,050	11,863,387,790
222	Costs		*82,046,830,872*	*67,908,794,489*
223	Accumulated depreciation		*(62,126,333,822)*	*(56,045,406,699)*
227	2. Intangible assets	10	7,785,277,869	6,500,000,000
228	Costs		*8,372,549,125*	*6,845,849,125*
229	Accumulated amortisation		*(587,271,256)*	*(345,849,125)*
250	***III. Long-term investments***		***731,157,294,553***	***842,501,336,494***
251	1. Investment in subsidiaries	5.3	34,660,020,000	34,660,020,000
253	2. Investment in other entities	5.3	75,907,370,000	75,907,370,000
254	3. Provision for diminution in value of long-term investments	5.3	(46,460,095,447)	(49,135,926,903)
255	4. Held-to-maturity investments	5.2	667,050,000,000	781,069,873,397
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 tax assets	31.3	-	-
270	**TOTAL ASSETS**		**5,781,649,178,579**	**5,572,123,553,815**

SEPARATE BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	*RESOURCES*	*Notes*	*Ending Balance*	*Beginning Balance*
300	**C. LIABILITIES**		**3,249,021,593,568**	**3,213,814,817,719**
310	***I. Current liabilities***		***3,246,636,184,994***	***3,211,358,952,515***
311	1. Short-term trade payables	12	440,761,715,770	478,816,439,827
311.1	*1.1. Insurance payables*		*425,454,322,661*	*452,313,613,419*
311.2	*1.2. Other payables*		*15,307,393,109*	*26,502,826,408*
312	2. Short-term advance from customers		1,140,435,797	1,149,480,393
313	3. Statutory obligations	13	20,204,765,311	35,310,150,487
314	4. Payables to employees		138,230,865,132	92,861,943,745
315	5. Short-term accrued expenses	14	38,750,662,410	34,756,051,959
318	6. Short-term unearned revenues		11,337,367,042	7,308,745,960
318.1	7. Un-earned commission revenue	15	67,307,857,462	62,201,439,383
319	8. Other short-term payables	16	11,927,190,656	10,421,831,125
320	9. Short-term borrowings		-	-
321	10. Short-term provisions	17	37,909,842,113	38,809,232,553
322	11. Bonus and welfare funds		53,357,307,715	20,923,944,691
329	12. Technical reserves		2,425,708,175,586	2,428,799,692,392
329.1	*12.1. Gross un-earned premium reserve*	*18.1*	*1,515,555,524,604*	*1,387,879,339,204*
329.2	*12.2. Gross claim reserve*	*18.1*	*747,558,563,684*	*898,144,997,348*
329.3	*12.3. Catastrophe reserve*	*18.2*	*162,594,087,298*	*142,775,355,840*
330	***II. Non-current liabilities***		***2,385,408,574***	***2,455,865,204***
337	1. Other long-term liabilities	16	1,087,719,131	663,416,284
341	2. Deferred tax liabilities	31.3	1,297,689,443	1,792,448,920

SEPARATE BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	*RESOURCES*	*Notes*	*Ending Balance*	*Beginning Balance*
400	**D. OWNERS' EQUITY**		**2,532,627,585,011**	**2,358,308,736,096**
410	***I. Capital***	***19***	***2,532,627,585,011***	***2,358,308,736,096***
411	**1.** Contributed charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. 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
418	3. Investment and development fund		213,762,701,660	141,650,242,709
419	4. Statutory reserves		88,749,571,230	69,435,165,084
421	5. Undistributed earnings		401,781,328,759	318,889,344,941
421a	*5.1. Accumulated undistributed earnings by the end of prior year*		*34,807,611,990*	*44,862,000,928*
421b	*5.2. Undistributed earnings of current year*		*366,973,716,769*	*274,027,344,013*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**5,781,649,178,579**	**5,572,123,553,815**

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

Hanoi, Vietnam

28 February 2022

SEPARATE INCOME STATEMENT

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

Currency: VND

Code	*ITEMS*	*Current Year*	*Previous Year*
10	1. Total operating income	2,092,240,806,715	1,828,061,579,277
12	2. Finance income	320,760,707,439	276,255,341,529
13	3. Other income	307,523,988	450,373,555
20	4. Total direct operating expenses	(1,466,556,803,782)	(1,334,117,548,301)
22	5. Finance expenses	(10,560,354,333)	(7,688,136,916)
23	6. General and administrative expenses	(451,176,850,286)	(399,156,568,574)
24	7. Other expenses	(53,444,058)	(70,991,959)
50	**8. Accounting profit before tax (50=10+12+13+20+22+23+24)**	**484,961,585,683**	**363,734,048,611**
51	9. Current corporate income tax expense	(99,168,222,245)	(73,336,722,135)
52	10. Deferred corporate income tax expense	494,759,477	(1,947,490,673)
60	**11. Net profit after tax (60=50+51+52)**	**386,288,122,915**	**288,449,835,803**

SEPARATE INCOME STATEMENT (continued)

PART 2: SEPARATE 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**	**2,721,204,905,683**	**2,381,933,438,791**
	In which:			
01.1	- Direct written premiums		2,678,960,571,965	2,362,704,958,000
01.2	- Reinsurance premium assumed		169,920,519,118	166,137,365,058
01.3	- Increase in un-earned premium reserve		(127,676,185,400)	(146,908,884,267)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**21**	**(830,641,908,249)**	**(741,004,743,072)**
	In which:			
02.1	- Reinsurance premium ceded		(867,007,945,259)	(714,137,798,794)
02.2	- Increase/(Decrease) in ceded premium reserve		36,366,037,010	(26,866,944,278)
03	**3. Net insurance premiums (03 = 01 + 02)**		**1,890,562,997,434**	**1,640,928,695,719**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**201,677,809,281**	**187,132,883,558**
	In which:			
04.1	- Commission on reinsurance ceded	22	165,082,363,346	154,251,653,080
04.2	- Other income from insurance activities	23	36,595,445,935	32,881,230,478
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**2,092,240,806,715**	**1,828,061,579,277**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(830,964,206,240)**	**(1,048,360,133,535)**
	In which:			
11.1	- Claim expenses		(842,008,921,414)	(1,053,338,176,355)
11.2	- Claim expense reductions		11,044,715,174	4,978,042,820
12	**7. Recoveries from reinsurance ceded**		**286,536,771,201**	**553,797,823,684**
13	**8. Decrease in direct and assumed claim reserve**		**150,586,433,664**	**13,173,941,337**
14	**9. Decrease in ceded claim reserve**		**(129,547,717,873)**	**(77,673,210,346)**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**24**	**(523,388,719,248)**	**(559,061,578,860)**
16	**11. Increase in catastrophe reserve**	**18.2**	**(19,818,731,458)**	**(18,147,045,243)**

SEPARATE INCOME STATEMENT (continued)

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

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year*
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**25**	**(923,349,353,076)**	**(756,908,924,198)**
	In which:			
17.1	- Commission expense		(271,220,358,085)	(222,325,148,859)
17.2	- Other underwriting expenses		(652,128,994,991)	(534,583,775,339)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(1,466,556,803,782)**	**(1,334,117,548,301)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**625,684,002,933**	**493,944,030,976**
23	15. Finance income	26	320,760,707,439	276,255,341,529
24	16. Finance expenses	27	(10,560,354,333)	(7,688,136,916)
25	**17. Profit from financial activities (25 = 23 + 24)**		**310,200,353,106**	**268,567,204,613**
26	**18. General and administrative expenses**	**28**	**(451,176,850,286)**	**(399,156,568,574)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**484,707,505,753**	**363,354,667,015**
31	20. Other income	29	307,523,988	450,373,555
32	21. Other expenses	30	(53,444,058)	(70,991,959)
40	**22. Net other (loss)/profit (40 = 31 + 32)**		**254,079,930**	**379,381,596**
50	**23. Accounting profit before tax (50 = 30 + 40)**		**484,961,585,683**	**363,734,048,611**
51	24. Current corporate income tax expense	31.1	(99,168,222,245)	(73,336,722,135)
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)**		**386,288,122,915**	**288,449,835,803**

TỔNG CÔNG TY CỔ PHẦN BẢO HIỂM NGÂN HÀNG ĐẦU TƯ VÀ PHÁT TRIỂN VIỆT NAM

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

SEPARATE 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**		**484,961,585,683**	**363,734,048,611**
	Adjustments for:			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets		6,322,349,254	4,748,875,360
03	Insurance reserves and provision for diminution in investment value and doubtful debts		80,968,532,503	248,771,284,214
04	Foreign exchange losses/(gains) arising from revaluation of monetary accounts denominated in foreign currency		11,618,799,489	(3,583,270,076)
05	Profits from investing activities		(236,391,063,722)	(257,350,105,718)
06	Interest expense		341,470	4,438,356
08	**Operating profit before changes in working capital**		**347,480,544,677**	**356,325,270,747**
09	Decrease/(Increase) in receivables		106,756,327,718	(40,314,537,989)
10	Decrease in inventories		-	-
11	Increase in payables		39,474,344,059	9,819,633,747
12	Increase in prepaid expense		(17,026,414,003)	(75,769,692,504)
13	Decrease/(Increase) in held-for-trading securities		54,693,009,769	(177,859,391,258)
14	Interest paid		(341,470)	(4,438,356)
15	Corporate income tax paid	13	(132,187,522,744)	(61,444,426,124)
17	Other cash outflows from operating activities		(38,803,636,976)	(27,485,794,116)
20	**Net cash flow from/(used in) operating activities**		**360,386,311,030**	**(16,733,375,853)**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(16,210,330,599)	(467,857,500)
22	Proceeds from disposals of fixed assets and other long-term assets		5,745,455	15,460,502
23	Loans to other entities and payments for purchase of debt instruments of other entities		(5,051,975,077,681)	(3,120,543,581,864)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		4,511,994,951,078	2,987,872,950,820
27	Interest and dividends received		274,530,316,248	242,967,544,502
30	**Net cash flow (used in)/from investing activities**		**(281,654,395,499)**	**109,844,516,460**

SEPARATE 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		-	(10,000,000,000)
36	Dividends paid		(140,723,999,400)	(93,784,109,600)
40	**Net cash flow used in financing activities**		**(140,723,999,400)**	**(103,784,109,600)**
50	**Net increase in cash for the year**		**(61,992,083,869)**	**(10,672,968,993)**
60	**Cash and cash equivalents at the beginning of the year**		**95,821,711,569**	**105,692,923,157**
61	Impact of exchange rate fluctuation		(8,133,547,645)	801,757,405
70	**Cash and cash equivalents at the end of the year**	**4**	**25,696,080,055**	**95,821,711,569**

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's 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:	27 branches nationwide
Employee:	1,085 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:

Name	*Location*	*Principal activities*	*Percentage of ownership of the Company*	*Voting rights of the Company*
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%	65%

2. BASIS FOR PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

2.1 Purpose of preparing the separate financial statements

The Corporation prepared these separate financial statements to meet the prevailing requirements for information disclosure as specifically stipulated by the Circular No. 96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Corporation has also prepared the consolidated financial statements of the Corporation and its subsidiary for the year ended 31 December 2021 dated 28 February 2022.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Corporation and its subsidiary.

2.2 Accounting standards and system

The Corporation's separate 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 (Circular 232) dated 28 December 2012, 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 separate 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2. BASIS FOR PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS (continued)

2.3 *Applied accounting documentation system*

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

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies*

The accounting policies adopted by the Corporation in preparation of the separate financial statement are consistent with those followed in the preparation of the separate 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 not more than 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 are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the separate 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	100%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 added to the carrying amount of the assets and expenditure for maintenance and repairs is charged to the separate 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 separate income statement.

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 and equipment	3 - 7 years
Means of transportation	6 years
Office equipment	3 years
Other tangible fixed assets	4 years
Computer software	3 years
Land use rights with indefinite term	No amortization

3.6 Leased assets

Rentals under operating leases are charged to the separate 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 separate 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investments

Investments in subsidiaries

Investments in subsidiaries over which the Corporation has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

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 separate 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 separate 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.

3.10 Employee benefits

3.10.1 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 current prescribed rate.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Employee benefits (continued)

3.10.2 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.

3.11 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 separate 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.

3.12 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:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Technical reserves (continued)

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

(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 separate financial statements for the year ended 31 December 2021.

b) Technical reserve of health insurance

(i) Mathematical reserve

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

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

(ii) Unearned premiums 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:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Technical reserves* (continued)

b) Technical reserves for health insurance (continued)

(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.

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 are taken to the separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. In accordance with Circular No. 50, premium payment period shall not exceed 30 days from policy inception date. 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 separate 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition (continued)

(ii) Interest

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

(iii) Dividends

Income is recognised when the 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 separate 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 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 separate income statement for direct premiums earned during the year.

(iii) Agent commendation and support expenses

Agent commendation and support expenses are recognized in the separate 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. Regarding health insurance line a maximum amount of 100% of insurance commission of health insurance policies underwritten during the period according to Circular No. 89/2020/TT-BTC dated 11 November 2020.

(iv) General administrative expenses

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

(v) Operating lease

Rentals paid under operating leases are charged to the separate 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 separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Recognition of reinsurance activities

(i) Reinsurance ceded to reinsurance counterparties

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 ceded 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 on assumed reinsurance under treaty arrangements are recognized when the statement of account is received from the cedants.

Reinsurance assumed under facultative arrangement:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Current income tax

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

Current income tax is charged or credited to the separate 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 liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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.

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 tax assets are reviewed at each separate 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 tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each separate 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 tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised, or the liability is settled based on tax rates and tax laws that have been enacted at the separate balance sheet date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Deferred tax (continued)

Deferred tax is charged or credited to the separate 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.

3.19 Use of estimates

The preparation of the separate 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 decrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

3.20 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 enterprise or individual, including close members of their family of any such individual.

4. CASH AND CASH EQUIVALENTS

	Ending balance VND	*Beginning balance VND*
Cash on hand	335,834,217	359,996,504
Demand deposits at banks	15,316,539,018	95,461,715,065
- In VND:	*8,396,771,714*	*17,913,930,819*
- In USD:	*6,919,767,304*	*77,547,784,246*
Cash in transit	43,706,820	-
Cash equivalents	10,000,000,000	-
Total	**25,696,080,055**	**95,821,711,569**

5. INVESTMENTS

	Notes	*Ending balance VND*	*Beginning balance VND*
Held-for-trading securities	**5.1**		
Listed shares		253,315,096,946	228,911,310,468
Unlisted shares		42,598,309,889	19,685,472,109
Bonds		-	102,009,634,027
Provision for diminution in value of held-for-trading securities		(864,645,925)	-
		295,048,760,910	**350,606,416,604**
Held-to-maturity investments	**5.2**		
Short-term		3,311,000,000,000	2,657,000,000,000
- Term deposits		*3,311,000,000,000*	*2,657,000,000,000*
Long-term		667,050,000,000	781,069,873,397
- Term deposits		*67,000,000,000*	*233,500,000,000*
- Bonds		*600,050,000,000*	*547,569,873,397*
		3,978,050,000,000	**3,438,069,873,397**
Other financial investments	**5.3**		
Investment in subsidiary		34,660,020,000	34,660,020,000
Investments in other entities		75,907,370,000	75,907,370,000
Provision for diminution in value of long-term investments		(46,460,095,447)	(49,135,926,903)
		64,107,294,553	**61,431,463,097**
Net value of investments		**4,337,206,055,463**	**3,850,107,753,098**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	Ending balance				*Beginning balance*			
	Quantity Shares	*Cost VND*	*Fair value VND*	*Provision VND*	*Quantity Shares*	*Cost VND*	*Fair value VND*	*Provision VND*
Listed shares	**7,454,858**	**253,315,096,946**	**471,323,788,200**	**(864,645,925)**	**8,206,033**	**228,911,310,468**	**400,993,028,620**	**-**
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	-
NLG	622,671	14,988,165,598	39,975,478,200	-	563,290	14,988,165,598	48,780,914,000	-
CTG	516,278	15,966,744,245	17,501,824,200	-	-	-	-	-
PET	50,000	1,392,034,926	1,827,500,000	-	-	-	-	-
SAB	130,000	20,494,645,925	19,630,000,000	(864,645,925)	-	-	-	-
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 bond	-	-	-	-	1,000	102,009,634,027	102,009,634,027	-
	8,109,458	**295,913,406,835**	**525,323,924,200**	**(864,645,925)**	**8,541,033**	**350,606,416,604**	**528,024,829,314**	**-**

5. INVESTMENTS (continued)

5.2 *Held-to-maturity investments*

	Ending balance				*Beginning balance*			
	Term	*Interest rate*	*Cost*	*Carrying value*	*Term*	*Interest rate*	*Cost*	*Carrying value*
	Year	*% per annum*	*VND*	*VND*	*Year*	*% per annum*	*VND*	*VND*
Short-term								
Term deposits	0.5 - 1.52	4.6 - 8	3,311,000,000,000	3,311,000,000,000	0.5 – 1.5	4.6 – 8.3	2,657,000,000,000	2,657,000,000,000
			3,311,000,000,000	**3,311,000,000,000**			**2,657,000,000,000**	**2,657,000,000,000**
Long-term								
Term deposits	1.01 - 2.28	4.7 - 7.2	67,000,000,000	67,000,000,000	1.08 – 1.5	4.9 – 7.7	233,500,000,000	233,500,000,000
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
			667,050,000,000	**667,050,000,000**			**781,069,873,397**	**781,069,873,397**
Total			**3,978,050,000,000**	**3,978,050,000,000**			**3,438,069,873,397**	**3,438,069,873,397**

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	Ending balance				*Beginning balance*			
	% owner -ship	*Cost VND*	*Provision VND*	*Carrying value VND*	*% owner-ship*	*Cost VND*	*Provision VND*	*Carrying value VND*
Investments in subsidiary								
- LaoViet Insurance Company	65%	34,660,020,000	-	34,660,020,000	65%	34,660,020,000	-	34,660,020,000
		34,660,020,000	**-**	**34,660,020,000**		**34,660,020,000**	**-**	**34,660,020,000**
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**
		110,567,390,000	**(46,460,095,447)**	**64,107,294,553**		**110,567,390,000**	**(49,135,926,903)**	**61,431,463,097**

6. SHORT-TERM RECEIVABLES

	Ending balance VND	*Beginning balance VND*
Insurance receivables		
Gross written premium receivables	132,957,909,927	74,274,120,295
Reinsurance assumed receivables	46,858,827,475	95,761,902,706
Reinsurance ceded receivables	78,598,282,578	215,927,086,047
Receivables from co-insurers	32,150,134,618	14,153,188,443
Other receivables from insurance activities	423,671,626	617,025,181
	290,988,826,224	**400,733,322,672**
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	96,003,546,583	133,349,208,881
Bond coupon receivables	14,419,006,849	16,080,684,932
Advances	480,215,773	1,265,970,109
Office rental deposit	-	15,000,000
Short-term mortgages, deposits	396,070,624	305,392,020
Other receivables	3,327,001,610	3,350,257,279
	115,911,383,839	**154,789,713,221**
Total receivables	**408,436,479,439**	**555,712,276,922**
Provision for doubtful receivables	(38,773,383,475)	(46,083,829,498)
Net receivables	**369,663,095,964**	**509,628,447,424**

7. UNALLOCATED COMMISSION EXPENSES

	Ending balance VND	*Beginning balance VND*
Opening balance	**156,946,075,745**	**132,160,431,106**
Commission paid during the year	290,496,802,612	247,110,793,498
Allocated to expenses during the year	(271,220,358,085)	(222,325,148,859)
Closing balance	**176,222,520,272**	**156,946,075,745**

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.

9. TANGIBLE FIXED ASSETS

	Buildings and structures VND	*Machinery and equipment VND*	*Means of transportation VND*	*Office equipment VND*	*Others VND*	*Total VND*
Costs:						
Beginning balance	3,150,650,000	10,602,234,157	52,792,422,323	209,092,973	1,154,395,036	67,908,794,489
Increase for the year	-	4,344,274,107	9,793,762,276	136,954,000	-	14,274,990,383
Decrease for the year	-	128,435,636	8,518,364	-	-	136,954,000
Ending balance	3,150,650,000	14,818,072,628	62,577,666,235	346,046,973	1,154,395,036	82,046,830,872
Accumulated depreciation:						
Beginning balance	813,581,379	5,607,678,398	48,966,635,754	176,734,398	480,776,770	56,045,406,699
Depreciation for the year	262,130,004	2,711,919,739	2,814,333,133	147,837,657	144,706,590	6,080,927,123
Ending balance	1,075,711,383	8,319,598,137	51,780,968,887	324,572,055	625,483,360	62,126,333,822
Net carrying amount:						
Beginning balance	2,337,068,621	4,994,555,759	3,825,786,569	32,358,575	673,618,266	11,863,387,790
Ending balance	2,074,938,617	6,498,474,491	10,796,697,348	21,474,918	528,911,676	19,920,497,050

10. INTANGIBLE ASSETS

	Computer software VND	*Other intangible assets VND*	*Land use right VND*	*Total VND*
Costs:				
Beginning balance	275,849,125	70,000,000	6,500,000,000	6,845,849,125
Increase for the year	1,526,700,000	-	-	1,526,700,000
Ending balance	1,802,549,125	70,000,000	6,500,000,000	8,372,549,125
Accumulated amortisation:				
Beginning balance	275,849,125	70,000,000	-	345,849,125
Amortisation for the year	241,422,131	-	-	241,422,131
Ending balance	517,271,256	70,000,000	-	587,271,256
Net carrying amount:				
Beginning balance	-	-	6,500,000,000	6,500,000,000
Ending balance	1,285,277,869	-	6,500,000,000	7,785,277,869

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	**425,454,322,661**	**452,313,613,419**
Payables for ceded activities	284,660,272,570	292,479,147,980
Payables to co-insurers	32,709,047,919	14,918,589,767
Claim payables	21,092,227,164	50,402,593,793
Commission payables	26,509,815,050	20,719,596,008
Payables for XOL contracts	60,335,563,608	73,099,480,327
Other insurance payables	147,396,350	694,205,544
Other trade payables	**15,307,393,109**	**26,502,826,408**
Other payables	15,307,393,109	26,502,826,408
	440,761,715,770	**478,816,439,827**

13. STATUTORY OBLIGATIONS

	Beginning balance VND	*Movement during the year*		*Ending balance VND*
		Payables VND	*Paid VND*	
Value added tax	5,600,350,631	118,146,978,847	(105,897,735,719)	17,849,593,759
Corporate income tax	25,994,002,014	99,168,222,245	(132,187,522,744)	(7,025,298,485)
Other taxes	3,715,797,842	29,505,241,798	(23,840,569,603)	9,380,470,037
Total	**35,310,150,487**	**246,820,442,890**	**(261,925,828,066)**	**20,204,765,311**

14. 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
Others	28,596,675,035	24,739,639,855
Total	**38,750,662,410**	**34,756,051,959**

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	**62,201,439,383**	**73,978,709,612**
Increased during the year	170,188,781,425	142,474,382,851
Allocated during the year	(165,082,363,346)	(154,251,653,080)
Closing balance	**67,307,857,462**	**62,201,439,383**

16. OTHER PAYABLES

	Ending balance VND	*Beginning balance VND*
Short-term		
Employee expenses payable other than salaries	251,991,480	157,919,155
Short-term deposits	2,732,228,500	4,215,429,735
Charity funds	55,556,548	41,002,269
Dividend payables	383,656,000	375,381,400
Other payables	8,503,758,128	5,632,098,566
TOTAL	**11,927,190,656**	**10,421,831,125**
Long-term		
Mortgage, deposit received	1,087,719,131	663,416,284
TOTAL	**1,087,719,131**	**663,416,284**

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	**1,387,879,339,204**	**(269,556,932,841)**	**1,118,322,406,363**
Mathematical reserve for health care insurance	*181,743,445,025*	*(34,351,898)*	*181,709,093,127*
Unearned premium reserve for non - life insurance	*1,206,135,894,179*	*(269,522,580,943)*	*936,613,313,236*
Claim reserve	**898,144,997,348**	**(605,131,624,221)**	**293,013,373,127**
Outstanding claim reserve	*822,279,727,656*	*(584,185,222,120)*	*238,094,505,536*
Incurred but not reported reserve	*75,865,269,692*	*(20,946,402,101)*	*54,918,867,591*
Catastrophe reserve	**142,775,355,840**	**-**	**142,775,355,840**
Total	**2,428,799,692,392**	**(874,688,557,062)**	**1,554,111,135,330**
Closing balance			
Unearned premium reserve	**1,515,555,524,604**	**(305,922,969,851)**	**1,209,632,554,753**
Mathematical reserve for health care insurance	*325,588,599,491*	*(72,698,126)*	*325,515,901,365*
Unearned premium reserve for non - life insurance	*1,189,966,925,113*	*(305,850,271,725)*	*884,116,653,388*
Claim reserve	**747,558,563,684**	**(475,583,906,348)**	**271,974,657,336**
Outstanding claim reserve	*662,092,130,952*	*(450,181,148,919)*	*211,910,982,033*
Incurred but not reported reserve	*85,466,432,732*	*(25,402,757,429)*	*60,063,675,303*
Catastrophe reserve	**162,594,087,298**	**-**	**162,594,087,298**
Total	**2,425,708,175,586**	**(781,506,876,199)**	**1,644,201,299,387**

18. TECHNICAL RESERVES (continued)

18.1 Unearned premium and claim reserve (continued)

18.1.1 Unearned premium reserve

Gross unearned premium reserve

Product	*Ending balance*	*Beginning balance (restated)*
	VND	*VND*
Health and Personal Accident	637,378,661,939	532,339,073,763
Property and Damages	152,526,133,902	176,388,000,285
Cargo	17,126,395,147	12,343,877,786
Automobile	389,655,235,425	386,580,329,292
Fire	270,506,137,494	233,556,791,079
Liability	7,858,435,891	6,862,727,612
Business Risk	4,999,606,073	6,393,755,203
Aviation	2,510,070,730	3,527,016,164
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	**1,515,555,524,604**	**1,387,879,339,204**

Ceded unearned premium reserve (Reinsurance assets)

Product	*Ending balance*	*Beginning balance (restated)*
	VND	*VND*
Health and Personal Accident	3,286,380,120	4,681,869,474
Property and Damages	96,276,195,499	106,421,065,143
Cargo	7,735,520,519	4,372,261,537
Automobile	3,302,669,491	2,766,681,251
Fire	167,206,201,943	122,985,946,526
Liability	3,974,418,577	3,052,702,803
Business Risk	4,187,910,952	5,067,553,551
Aviation	2,480,840,528	3,496,334,457
Hull and P&I	16,932,263,054	16,629,149,306
Agriculture	540,569,168	83,368,793
Total	**305,922,969,851**	**269,556,932,841**

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 (restated) VND*
Health and Personal Accident	38,003,441,703	26,407,379,011
Property and Damages	123,565,007,118	230,233,929,617
Cargo	18,469,626,902	29,094,216,200
Automobile	63,040,340,115	67,572,256,661
Fire	441,429,176,513	486,944,017,969
Liability	4,770,507,785	4,167,912,865
Business Risk	14,150,800,459	14,706,506,939
Aviation	279,710,134	276,781,483
Hull and P&I	27,592,163,038	19,692,559,123
Financial and credit risk	16,174,822,477	18,994,749,593
Agriculture	39,031,832	39,031,832
Guarantee	43,935,608	15,656,055
Total	**747,558,563,684**	**898,144,997,348**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	91,257,173	30,364,686
Property and Damages	111,151,748,157	228,287,600,680
Cargo	7,538,271,153	3,820,590,505
Automobile	1,017,400,668	1,240,517,732
Fire	307,848,489,356	330,692,010,855
Liability	1,399,176,181	1,421,739,520
Business Risk	13,874,227,978	13,097,543,659
Aviation	256,374,673	261,543,743
Hull and P&I	17,686,199,119	8,907,025,795
Financial and credit risk	14,717,592,139	17,369,517,295
Agriculture	3,169,751	3,169,751
Total	**475,583,906,348**	**605,131,624,221**

18.2. Catastrophe reserve

	Ending balance VND	*Beginning balance VND*
Opening balance	**142,775,355,840**	**124,628,310,597**
Increased during the year	19,818,731,458	18,147,045,243
Closing balance	**162,594,087,298**	**142,775,355,840**

19. OWNERS' EQUITY

19.1 Increase and decrease in owners' equity

	Contributed charter capital VND	*Share premium VND*	*Investment and development fund VND*	*Statutory Reserve VND*	*Undistributed Earnings VND*	*Total VND*
Previous year						
Beginning balance	**1,172,768,950,000**	**655,565,033,362**	**87,052,897,663**	**55,012,673,294**	**227,940,861,974**	**2,198,340,416,293**
Net profit for the year	-	-	-	-	288,449,835,803	288,449,835,803
Appropriation to statutory reserves	-	-	-	14,422,491,790	(14,422,491,790)	-
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)	-
Dividends declared	-	-	-	-	(93,821,516,000)	(93,821,516,000)
Ending balance	**1,172,768,950,000**	**655,565,033,362**	**141,650,242,709**	**69,435,165,084**	**318,889,344,941**	**2,358,308,736,096**
Current year						
Beginning balance	**1,172,768,950,000**	**655,565,033,362**	**141,650,242,709**	**69,435,165,084**	**318,889,344,941**	**2,358,308,736,096**
Net profit for the year	-	-	-	-	386,288,122,915	386,288,122,915
Appropriation to statutory reserves	-	-	-	19,314,406,146	(19,314,406,146)	-
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)	-
Dividends declared (*)	-	-	-	-	(140,732,274,000)	(140,732,274,000)
Ending balance	**1,172,768,950,000**	**655,565,033,362**	**213,762,701,660**	**88,749,571,230**	**401,781,328,759**	**2,532,627,585,011**

(*) 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 charter 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*
Contributed capital		
Beginning balance	1,172,768,950,000	1,172,768,950,000
Ending balance	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	2,681,648,265,043	2,365,008,663,164
Deductions from direct premiums	(2,687,693,078)	(2,303,705,164)
Total direct written premiums	**2,678,960,571,965**	**2,362,704,958,000**
Reinsurance premium assumed	169,920,519,118	166,137,365,058
Increase in un-earned premium reserve	(127,676,185,400)	(146,908,884,267)
Total	**2,721,204,905,683**	**2,381,933,438,791**

20.1 Direct written premiums

Product	*Current year VND*	*Previous year (restated) VND*
Health and Personal Accident	854,397,131,329	660,903,146,820
Property and Damages	268,114,550,827	268,401,689,981
Cargo	168,597,061,544	121,747,380,183
Automobile	713,715,078,819	707,329,530,177
Fire	524,235,701,848	476,277,664,356
Liability	12,988,694,425	12,225,896,860
Business Risk	12,198,252,627	15,156,614,904
Aviation	17,076,475,375	4,766,794,410
Hull and P&I	103,133,792,873	95,266,004,344
Financial and credit risk	6,931,483	-
Agriculture	3,032,380,556	108,367,459
Guarantee	1,464,520,259	521,868,506
Total	**2,678,960,571,965**	**2,362,704,958,000**

20.2 Reinsurance premiums assumed

Product	*Current year VND*	*Previous year (restated) VND*
Health and Personal Accident	16,734,289,401	14,923,830,141
Property and Damages	94,212,348,447	92,515,040,431
Cargo	860,644,613	230,523,029
Automobile	22,693,903,813	30,322,735,249
Fire	26,071,444,868	22,556,876,353
Liability	914,921,723	1,102,483,442
Business Risk	3,744,620,546	949,665,997
Aviation	1,980,111,311	1,956,327,402
Hull and P&I	1,931,757,466	1,548,342,205
Agriculture	776,476,930	31,540,809
Total	**169,920,519,118**	**166,137,365,058**

21. REINSURANCE PREMIUM CEDED

	Current year *VND*	*Previous year* *VND*
Reinsurance premium ceded	867,007,945,259	714,137,798,794
(Increase)/Decrease in ceded unearned premium reserve	(36,366,037,010)	26,866,944,278
Total	**830,641,908,249**	**741,004,743,072**

Reinsurance premium ceded includes

Product	*Current year* *VND*	*Previous year (restated)* *VND*
Health and Personal Accident	20,249,364,302	15,924,395,428
Property and Damages	288,359,812,320	250,586,789,333
Cargo	85,501,221,596	48,161,454,032
Automobile	3,588,379,754	4,016,683,476
Fire	361,752,963,194	302,193,372,119
Liability	6,975,192,481	6,316,859,396
Business Risk	13,418,866,188	15,227,476,985
Aviation	18,593,406,441	6,640,636,225
Hull and P&I	65,474,312,342	64,964,473,434
Agriculture	3,094,426,641	105,658,366
Total	**867,007,945,259**	**714,137,798,794**

22. COMMISSION ON REINSURANCE CEDED

Product	*Current year* *VND*	*Previous year (restated)* *VND*
Health and Personal Accident	3,974,618,069	7,942,592,259
Property and Damages	57,714,610,077	49,664,689,494
Cargo	24,559,428,688	15,751,925,335
Automobile	1,259,496,352	4,108,748,540
Fire	64,956,494,327	64,433,948,277
Liability	1,335,776,702	1,119,764,499
Business Risk	2,403,462,381	2,676,590,391
Aviation	403,680,326	676,928,774
Hull and P&I	8,279,715,744	7,833,017,846
Financial and credit risk	-	39,166,667
Agriculture	195,080,680	4,280,998
Total	**165,082,363,346**	**154,251,653,080**

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 (*)	1,783,665,383	700,896,944
Total	**36,595,445,935**	**32,881,230,478**

(*) 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	842,008,921,414	1,053,338,176,355
- *Direct claim expenses*	*738,073,834,222*	*916,500,638,950*
- *Claim expense on reinsurance assumed*	*103,935,087,192*	*136,837,537,405*
Salvage and sub-rogation	(11,044,715,174)	(4,978,042,820)
Recovery from reinsurance ceded	(286,536,771,201)	(553,797,823,684)
Increase in gross claim reserve	(150,586,433,664)	(13,173,941,337)
Increase in ceded reinsurance claim reserve	129,547,717,873	77,673,210,346
Total	**523,388,719,248**	**559,061,578,860**

24.1 Direct claim expenses

Product	*Current year VND*	*Previous year (restated) VND*
Health and Personal Accident	111,174,328,370	108,186,160,602
Property and Damages	64,036,643,642	130,711,992,216
Cargo	71,318,822,348	40,902,607,469
Automobile	312,880,130,037	291,908,865,923
Fire	122,913,235,181	322,944,715,812
Liability	964,853,142	450,490,972
Business risk	8,043,376,781	2,685,136,844
Aviation	161,331,898	-
Hull and P&I	46,581,112,823	18,710,669,112
Total	**738,073,834,222**	**916,500,638,950**

24. NET CLAIM EXPENSES (continued)

24.2 *Claim expense on reinsurance assumed*

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	38,959,337,945	49,450,514,449
Property and Damages	38,303,975,711	57,363,490,398
Cargo	-	2,487,828,976
Automobile	12,711,814,637	18,404,548,439
Fire	10,989,939,070	7,641,818,063
Liability	205,152,305	35,691,898
Aviation	-	111,674,054
Hull and P&I	2,699,271,701	1,341,971,128
Agriculture	65,595,823	-
Total	**103,935,087,192**	**136,837,537,405**

24.3 *Recoveries from reinsurance ceded*

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	35,689,401,965	38,627,884,589
Property and Damages	73,640,792,292	172,282,452,170
Cargo	37,494,416,298	27,601,900,149
Automobile	830,532,249	621,290,706
Fire	92,764,302,976	298,499,192,386
Liability	25,687,532	115,405,048
Business risk	7,107,322,853	2,470,048,338
Aviation	160,692,148	102,977,013
Hull and P&I	38,823,622,888	13,476,673,285
Total	**286,536,771,201**	**553,797,823,684**

25. OTHER OPERATING EXPENSES

	Current year VND	*Previous year VND*
Commission	271,220,358,085	222,325,148,859
Insurance risk assessment expenses	-	9,068,163
Agent management activities	128,977,217,044	75,568,041,650
Loss prevention	2,208,911,837	1,449,821,186
Statutory contributions	5,294,900,024	7,076,303,746
Other expenses	515,647,966,086	450,480,540,594
Total	**923,349,353,076**	**756,908,924,198**

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	180,148,816,008	202,858,277,982
Gains from investments in treasury bill, bonds and bills	46,308,219,929	44,348,019,687
Profit distributed	-	330,603,109
Dividends earned	9,928,282,330	9,797,744,438
Foreign exchange gains	17,241,243,425	10,435,476,240
Gains from security trading	67,130,563,677	8,026,496,291
Others	3,582,070	458,723,782
Total	**320,760,707,439**	**276,255,341,529**

27. FINANCE EXPENSES

	Current year VND	*Previous year VND*
Interest expenses	341,470	4,438,356
Loss on disposal/sale of investments	311,403,371	241,600,949
Loss on security trading	536,028,616	950,021,927
Foreign exchange losses	11,232,042,021	7,987,013,010
Reversal of provision for diminution in value of securities held for trading and investments impairment loss	(1,811,185,531)	(1,560,506,350)
Other financial expenses	291,724,386	65,569,024
Total	**10,560,354,333**	**7,688,136,916**

28. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year VND	*Previous year VND*
Employee expenses	290,345,680,519	222,317,943,447
Material expenses	14,074,514,786	10,858,141,178
Tool and equipment expenses	8,808,078,140	11,816,519,060
Depreciation expenses	6,322,349,254	4,748,875,360
Tax, fee, and charge	14,010,549,568	14,915,346,181
Expenses for external services	117,598,564,877	134,213,964,323
Reversal for doubtful debts	(7,310,446,023)	(6,090,352,233)
Other expenses	7,327,559,165	6,376,131,258
Total	**451,176,850,286**	**399,156,568,574**

29. OTHER INCOME

	Current year VND	*Previous year VND*
Income from disposal of assets	5,745,455	-
Other income	301,778,533	450,373,555
Total	**307,523,988**	**450,373,555**

30. OTHER EXPENSES

	Current year VND	*Previous year VND*
Administrative penalty	21,517,181	50,391,791
Other expenses	31,926,877	20,600,168
Total	**53,444,058**	**70,991,959**

31. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Corporation is 20% of taxable income.

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 separate financial statements could change at a later date upon final determination by the tax authorities.

31. CORPORATE INCOME TAX (continued)

31.1 CIT expense

	Current year VND	*Previous year VND*
Current tax expense	99,168,222,245	73,336,722,135
Deferred tax expense	(494,759,477)	1,947,490,673
Total	**98,673,462,768**	**75,284,212,808**

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

	Current year VND	*Previous year VND*
Accounting profit before tax	**484,961,585,683**	**363,734,048,611**
At CIT rate of 20% applicable to the Corporation	96,992,317,137	72,746,809,722
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	*9,382,312,736*	*9,371,186,364*
Provision for doubtful debts	*6,493,841,174*	*4,836,644,349*
Other non-deductible expenses	*1,748,563,200*	*5,646,050,804*
Under accrual of tax from prior years	1,899,857,906	-
Adjustments to decrease:	**(17,843,429,385)**	**(17,316,478,431)**
Tax exempted income from business activities	(1,985,656,466)	(2,025,669,509)
Accrued expenses in the prior year	(9,100,282,729)	(5,998,692,297)
Other adjustments to decrease	(6,757,490,190)	(5,821,691,763)
Adjustment for over accrual of tax from prior year(s)	-	(3,470,424,862)
CIT expense	**98,673,462,768**	**75,284,212,808**

31.2 Current tax

The current tax 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 separate 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 separate 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 year.

	Separate balance sheet		*Separate 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 separate 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*	*Previous year*
			VND	*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 services 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)
Lao Viet Insurance Company	Subsidiary	Assumed reinsurance premium	53,880,173,758	73,933,625,857
		Commission from reinsurance assumed	(13,755,483,366)	(19,388,406,763)
		Claim expense from reinsurance assumed	(41,531,542,454)	(57,534,042,135)

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 separate balance sheet date are as follows:

Related company	*Relationship*	*Description*	*Ending balance*	*Beginning balance*
			VND	*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 expense	47,455,347,211	49,637,202,257
		Deposits in blocked account	1,173,328,405	1,266,444,690
BIDV-SuMI TRUST Leasing Company	Affiliate	Premium receivables	606,058,361	568,461,806
		Term Deposits	30,500,000,000	-
		Interest from term deposits	1,935,353,425	-
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Term Deposits	97,000,000,000	121,500,000,000
		Interest from term deposits	4,016,561,642	6,244,713,698
Lao Viet Insurance Company	Subsidiary	Receivables for premium assumed	28,903,149,857	29,639,995,425
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)
Lao Viet Insurance Company	Subsidiary	Claim payables for reinsurance assumed	(12,161,418,571)	(10,272,440,557)
		Claim reserve for reinsurance assumed	(2,033,148,651)	(19,130,042,439)

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

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

According to Section 09, VAS 28, the reportable segments are defined as follows:

- A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments;
- A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

In the view of the Corporation, the member companies of Corporation provide same non-life insurance products, operate in the same economy, and use the same processes and underwriting channels that are standardized and designed by the Corporation.

Besides, these companies are engaged in the same business risk, legal environment and have no other economic benefit with entities in other economic environment and the geographical segment does not affect on the scope of providing insurance service of those companies. Therefore, the Corporation does not have segments which fit the definition of segmental disclosures as required by VAS 28.

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	84,352,260	2,863,309,766
- From 1 – 5 years	25,414,826,909	37,321,843,964
Total	**25,499,179,169**	**40,185,153,730**

Foreign contractor withholding tax (FCT)

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

Off-balance sheet items

ITEMS	*Ending balance*	*Beginning balance*
Insurance policies signed but not yet effective (VND)	174,395,637,815	170,249,718,916
Foreign currency (USD)	304,823.94	3,369,843.02
Foreign currency (EUR)	88.71	100.00
Foreign currency (GBP)	91.01	100.79
Foreign currency (AUD)	82.74	100.68

35. RISK MANAGEMENT FRAMEWORK

35.1 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.

35. RISK MANAGEMENT FRAMEWORK (continued)

35.2 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.

35.3 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	2,079,212	547,009	380%
31 December 2020	1,929,148	505,076	382%

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.

35. RISK MANAGEMENT FRAMEWORK (continued)

35.4 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.

35.5 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.

36. 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.

36.1 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 issued by the Ministry of Finance. Details of such reserving methodologies are as follows:

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.1 Insurance risk (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

- 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, Hai Phong, Da Nang and Dong Nai.

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.

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.1 *Insurance risk* (continued)

Claim data table

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

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	489,421	546,979	555,788	540,301	541,683	
2	496,058	575,251	551,586	525,573		
3	506,187	587,178	544,574			
4	508,725	585,505				
5	509,083					
Current estimate of cumulative claims incurred (1)	**509,083**	**585,505**	**544,574**	**525,573**	**541,683**	**2,706,418**
II. Cumulative claim payment						
1	343,231	418,694	440,854	393,929	428,632	
2	470,190	542,850	514,774	487,516		
3	484,661	550,768	524,584			
4	493,301	560,775				
5	495,311					
Cumulative claim payment to date (2)	**495,311**	**560,775**	**524,584**	**487,516**	**428,632**	**2,496,818**
III. Net outstanding claim reserve (3) = (1) – (2)	**13,772**	**24,730**	**19,990**	**38,057**	**113,051**	**209,600**
IV. Current estimate of surplus/(deficit) (4)	**(19,662)**	**(38,526)**	**11,214**	**14,728**	**-**	**(32,246)**
V. Percentage of current estimate of surplus/(deficit) over current estimate of cumulative claims incurred (5) = (4)/(1)*100%	**(3.86%)**	**(6.58%)**	**2.06%**	**2.80%**	**0%**	**(1.19%)**

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 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.

36.2.1 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.

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 Financial risk (continued)

36.2.1 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 separate income statement and statement of financial position of the Corporation:

Change in variance	*Impact on profit before tax*	*Impact on equity*
	VND	*VND*
31 December 2021		
+5%	(875,415,215)	(700,332,172)
-5%	875,415,215	700,332,172
31 December 2020		
+5%	4,164,651,841	3,331,721,473
-5%	(4,164,651,841)	(3,331,721,473)

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 471,323,788,200 (31 December 2020: VND 400,993,028,620). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 5,016,965,728 (31 December 2020: decrease by VND 2,700,245,263), 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 864,645,925 (31 December 2020: no impact).

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 *Financial risk* (continued)

36.2.2 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	182,492	19,250	16,120	33,932	30,637
Receivables from financial activities	-	-	-	3,000	3,000
Total	**182,492**	**19,250**	**16,120**	**36,932**	**33,637**
As at 31 December 2020					
Receivables from insurance activities	195	34,885	15,614	9,260	41,699
Receivables from financial activities	-	-	-	3,000	3,000
Total	**195**	**34,885**	**15,614**	**12,260**	**44,699**

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

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 *Financial risk* (continued)

36.2.3 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:

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2021				
Insurance payables	80,311,090,133	-	-	80,311,090,133
Reinsurance payables	-	344,995,836,178	-	344,995,836,178
Accrued expenses	-	11,927,190,656	-	11,927,190,656
Claim reserve (*)	747,558,563,684	-	-	747,558,563,684
Other payables	368,239,102,982	-	-	368,239,102,982
	1,196,108,756,799	**356,923,026,834**	**-**	**1,553,031,783,633**

(*) Excluding gross unearned premium reserve and catastrophe reserve

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2020				
Insurance payables	86,040,779,568	-	-	86,040,779,568
Reinsurance payables	-	365,578,628,307	-	365,578,628,307
Accrued expenses	-	10,421,831,125	-	10,421,831,125
Claim reserve	898,144,997,348	-	-	898,144,997,348
Other payables	293,320,989,171	-	-	293,320,989,171
	1,277,506,766,087	**376,000,459,432**	**-**	**1,653,507,225,519**

37. 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 Separate 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.

37. 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 Separate 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,*** include financial liabilities that were not categorized as financial liabilities at fair value through profit or loss statements.

37. 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 separate 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 a nearest closing day having transactions to the time of making the annual financial investment .
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCoM) is the average price within the last 30 transaction days before the time of making annual financial statement announced by the Stock exchange.
- Fair value of unlisted shares which have not been registered in the unlisted public company 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.

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

	Carrying amount				Currency: Fair value
31 December 2021	*Cost* VND	*Accrued interest* VND	*Provision* VND	*Total* VND	VND
Financial assets					
Available for sale	**371,820,776,835**	-	**(47,324,741,372)**	**324,496,035,463**	**554,771,198,753**
Listed shares	253,315,096,946	-	(864,645,925)	252,450,451,021	471,323,788,200
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	**4,287,421,155,570**	**110,422,553,432**	**(38,773,383,475)**	**4,359,070,325,527**	**4,359,070,325,527**
Bonds	600,050,000,000	14,419,006,849	(3,000,000,000)	611,469,006,849	611,469,006,849
Term deposits	3,378,000,000,000	95,475,957,542	-	3,473,475,957,542	3,473,475,957,542
Insurance receivables	290,988,826,224	-	(34,513,958,661)	256,474,867,563	256,474,867,563
Other receivables	8,382,329,346	-	(1,259,424,814)	7,122,904,532	7,122,904,532
Statutory deposit	10,000,000,000	527,589,041	-	10,527,589,041	10,527,589,041
Cash and cash equivalents	25,696,080,055	-	-	25,696,080,055	25,696,080,055
Total	**4,684,938,012,460**	**110,422,553,432**	**(86,098,124,847)**	**4,709,262,441,045**	**4,939,537,604,335**
Financial liabilities					
Trade payables	440,761,715,770	-	-	440,761,715,770	440,761,715,770
Accrued expenses	38,750,662,410	-	-	38,750,662,410	38,750,662,410
Other payables	11,027,800,216	-	-	11,027,800,216	11,027,800,216
Total	**490,540,178,396**	**-**	**-**	**490,540,178,396**	**490,540,178,396**

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

	Carrying amount				*Fair value*
31 December 2020	*Cost VND*	*Accrued interest VND*	*Provision VND*	*Total VND*	*VND*
Financial assets					
Available for sale	**426,513,786,604**	-	**(49,135,926,903)**	**377,377,859,701**	**554,796,272,411**
Listed shares	*228,911,310,468*	-	-	*228,911,310,468*	*400,993,028,620*
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	**3,857,604,947,562**	**149,429,893,813**	**(46,083,829,498)**	**3,960,951,011,877**	**3,960,951,011,877**
Bonds	*547,569,873,397*	*16,080,684,932*	*(3,000,000,000)*	*560,650,558,329*	*560,650,558,329*
Term deposits	*2,890,500,000,000*	*132,532,222,580*	-	*3,023,032,222,580*	*3,023,032,222,580*
Insurance receivables	*400,733,322,672*	-	*(42,290,046,661)*	*358,443,276,011*	*358,443,276,011*
Other receivables	*8,801,751,493*	-	*(793,782,837)*	*8,007,968,656*	*8,007,968,656*
Statutory deposit	*10,000,000,000*	*816,986,301*	-	*10,816,986,301*	*10,816,986,301*
Cash and cash equivalents	95,821,711,569	-	-	95,821,711,569	95,821,711,569
Total	**4,379,940,445,735**	**149,429,893,813**	**(95,219,756,401)**	**4,434,150,583,147**	**4,611,568,995,857**
Financial liabilities					
Trade payables	478,816,439,827	-	-	478,816,439,827	478,816,439,827
Accrued expenses	34,756,051,959	-	-	34,756,051,959	34,756,051,959
Other payables	49,894,479,962	-	-	49,894,479,962	49,894,479,962
Total	**563,466,971,748**	-	-	**563,466,971,748**	**563,466,971,748**

38. EVENTS AFTER THE SEPARATE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the separate balance sheet date that requires adjustments or disclosures to be made in the separate financial statements of the Corporation.

39. APPROVAL FOR ISSUANCE

The separate 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