BIDV Insurance Joint Stock Corporation

Separate financial statements

For the year ended 31 December 2020



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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-six (26) branches nationwide
Employee:	1,025 persons at 31 December 2020
Charter Capital:	VND 1,172,768,950,000 as at 31 December 2020

As at 31 December 2020, 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 31 December 2020, Board of Directors has approved to purchase 510 shares, equals to 51% chatter capital of Cambodia – Vietnam Insurance Company (CVI) from Bank of Investment and Development of Cambodia ("BIDC"). Face value of transaction was USD 3.57 million, total value of transaction was USD 4,219,395. Transferring procedure was expected to complete in Quarter II/2021.

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
Mr. Nguyen Huy Tua	Independent Member	Appointed on 19 April 2019
Mr. Dang The Vinh	Independent Member	Appointed on 19 April 2019
Ms. Nguyen Thi Ngoc Tu	Member	Appointed on 24 June 2020
Mr. Vo Hai Nam	Member	Resigned on 19 June 2020

BOARD OF SUPERVISORS

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

Ms. Lai Ngan Giang	Head of Board	Reappointed on 24 June 2020
Mr. Osith Ramanathan	Member	Reappointed on 24 June 2020
Mr. Wichneswaran Ravishankar	Member	Appointed on 24 June 2020
Mr. Do Viet Dung	Member	Appointed on 24 June 2020
Ms. Nguyen Thi Thu Thuy	Member	Appointed on 24 June 2020
Mr. Zainul Abidin Rasheed	Member	Resigned on 24 June 2020
Mr. Nguyen Trung Kien	Member	Resigned on 24 June 2020
Mr. Nguyen Thanh Cong	Member	Resigned 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 2020.

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 2020 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 155/2015/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 2020 (the consolidated financial statements) dated 17 February 2021.

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

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

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

17 February 2021

Ernst & Young Vietnam Limited
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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 17 February 2021 and set out on pages 6 to 67, which comprise the separate balance sheet as at 31 December 2020, 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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Building a better working world

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 2020 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

Hoang Thi Hong Minh
Auditor
Audit Practising Registration
Certificate No.: 0761-2018-004-1

Hanoi, Vietnam

17 February 2021

A member firm of Ernst & Young Global Limited

SEPARATE BALANCE SHEET
as at 31 December 2020

Currency: VND

Code	*ASSETS*	*Notes*	*Ending Balance*	*Beginning Balance*
100	**A. CURRENT ASSETS**		**4,648,148,067,589**	**3,980,183,086,814**
110	***I. Cash and cash equivalents***	***4***	***95,821,711,569***	***105,692,923,157***
111	1. Cash		95,821,711,569	105,692,923,157
120	***II. Short-term investments***		***3,007,606,416,604***	***2,313,523,032,684***
121	1. Trading securities	5.1	350,606,416,604	172,747,025,346
122	2. Provision for trading securities	5.1	-	(2,223,992,662)
123	3. Held-to-maturity investments	5.2	2,657,000,000,000	2,143,000,000,000
130	***III. Current accounts receivables***	***6***	***509,628,447,424***	***447,498,739,683***
131	1. Short-term trade receivables		400,733,322,672	355,871,591,548
131.1	*1.1 Insurance receivables*		*400,733,322,672*	*355,871,591,548*
132	2. Short-term advances to suppliers		189,241,029	415,132,233
136	3. Other short-term receivables		154,789,713,221	143,386,197,633
137	4. Provision for doubtful short-term receivables		(46,083,829,498)	(52,174,181,731)
150	***IV. Other current assets***		***160,402,934,930***	***134,239,679,604***
151	1. Short-term prepaid expenses		160,282,553,180	134,086,542,097
151.1	*1.1 Unallocated commission expense*	*7*	*156,946,075,745*	*132,160,431,106*
151.2	*1.2 Other prepaid expenses*		*3,336,477,435*	*1,926,110,991*
152	2. Value-added tax deductible		120,381,750	153,137,507
190	***V. Reinsurance assets***	***18.1***	***874,688,557,062***	***979,228,711,686***
191	1. Reinsurance assets from unearned premium reserve		269,556,932,841	296,423,877,119
192	2. Reinsurance assets from claim reserve		605,131,624,221	682,804,834,567

SEPARATE BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND

Code	*ASSETS*	*Notes*	*Ending Balance*	*Beginning Balance*
200	**B. NON-CURRENT ASSETS**		**923,975,486,226**	**1,254,383,553,837**
210	***I. Long-term receivables***		***13,441,932,085***	***12,732,232,493***
216	1. Other long-term receivables		13,441,932,085	12,732,232,493
216.1	*1.1. Statutory deposit*	*8*	*10,000,000,000*	*10,000,000,000*
216.2	*1.2. Other long-term receivables*		*3,441,932,085*	*2,732,232,493*
220	***II. Fixed assets***		***18,363,387,790***	***16,939,695,150***
221	1. Tangible fixed assets	9	11,863,387,790	10,433,594,228
222	Costs		67,908,794,489	61,736,226,489
223	Accumulated depreciation		(56,045,406,699)	(51,302,632,261)
227	2. Intangible assets	10	6,500,000,000	6,506,100,922
228	Costs		*6,845,849,125*	6,845,849,125
229	Accumulated amortisation		*(345,849,125)*	(339,748,203)
250	***III. Long-term investments***		***842,501,336,494***	***1,224,494,191,762***
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	(49,135,926,903)	(48,472,440,591)
255	4. Held-to-maturity investments	5.2	781,069,873,397	1,162,399,242,353
260	***IV. Other long-term assets***		***49,668,829,857***	***217,434,432***
261	1. Long-term prepaid expenses	11	49,668,829,857	62,392,679
262	2. Deferred tax assets	31.3	-	155,041,753
270	**TOTAL ASSETS**		**5,572,123,553,815**	**5,234,566,640,651**

SEPARATE BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND

Code	*RESOURCES*	*Notes*	*Ending Balance*	*Beginning Balance*
300	**C. LIABILITIES**		**3,213,814,817,719**	**3,036,226,224,358**
310	***I. Current liabilities***		***3,211,358,952,515***	***3,035,342,960,408***
311	1. Short-term trade payables	12	478,816,439,827	481,173,201,689
311.1	*1.1. Insurance payables*		*452,313,613,419*	*472,357,323,758*
311.2	*1.2. Other payables*		*26,502,826,408*	*8,815,877,931*
312	2. Short-term advance from customers		1,149,480,393	1,367,221,954
313	3. Statutory obligations	13	35,310,150,487	27,589,250,188
314	4. Payables to employees		92,861,943,745	74,427,362,162
315	5. Short-term accrued expenses	14	34,756,051,959	59,300,154,347
318	6. Short-term unearned revenues		7,308,745,960	6,733,081,597
318.1	7. Un-earned commission revenue	15	62,201,439,383	73,978,709,612
319	8. Other short-term payables	16	10,421,831,125	10,106,535,833
320	9. Short-term borrowings		-	10,000,000,000
321	10. Short-term provisions	17	38,809,232,553	-
322	11. Bonus and welfare funds		20,923,944,691	13,749,738,807
329	12. Technical reserves		2,428,799,692,392	2,276,917,704,219
329.1	*12.1. Gross un-earned premium reserve*	*18.1*	*1,387,879,339,204*	*1,240,970,454,937*
329.2	*12.2. Gross claim reserve*	*18.1*	*898,144,997,348*	*911,318,938,685*
329.3	*12.3. Catastrophe reserve*	*18.2*	*142,775,355,840*	*124,628,310,597*
330	***II. Non-current liabilities***		***2,455,865,204***	***883,263,950***
337	1. Other long-term liabilities	16	663,416,284	883,263,950
341	2. Deferred tax liabilities	31.3	1,792,448,920	-

SEPARATE BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND

Code	*RESOURCES*	*Notes*	*Ending Balance*	*Beginning Balance*
400	**D. OWNERS' EQUITY**		**2,358,308,736,096**	**2,198,340,416,293**
410	***I. Capital***	***19***	***2,358,308,736,096***	***2,198,340,416,293***
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		141,650,242,709	87,052,897,663
419	4. Statutory reserves		69,435,165,084	55,012,673,294
421	5. Undistributed earnings		318,889,344,941	227,940,861,974
421a	*5.1. Accumulated undistributed earnings by the end of prior year*		*44,862,000,928*	*41,241,520,317*
421b	*5.2. Undistributed earnings of current year*		*274,027,344,013*	*186,699,341,657*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**5,572,123,553,815**	**5,234,566,640,651**

Ms. Kieu Thi Hong Nhung	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Accountant	Deputy Director in - charge	General Director
Accounting Division	Accounting Division	

Hanoi, Vietnam

17 February 2021

SEPARATE INCOME STATEMENT

PART 1: SEPARATE SUMMARY INCOME STATEMENT
for the year ended 31 December 2020

Currency: VND

Code	*ITEMS*	*Current Year*	*Previous Year*
10	1. Total operating income	1,828,061,579,277	1,606,975,238,999
12	2. Finance income	276,255,341,529	258,943,189,407
13	3. Other income	450,373,555	655,679,193
20	4. Total direct operating expenses	(1,334,117,548,301)	(1,241,004,719,323)
22	5. Finance expenses	(7,688,136,916)	(4,950,920,409)
23	6. General and administrative expenses	(399,156,568,574)	(358,435,558,678)
24	7. Other expenses	(70,991,959)	(261,357,978)
50	**8. Accounting profit before tax (50=10+12+13+20+22+23+24)**	**363,734,048,611**	**261,921,551,211**
51	9. Current corporate income tax expense	(73,336,722,135)	(56,290,833,494)
52	10. Deferred corporate income tax expense	(1,947,490,673)	(1,337,848,536)
60	**11. Net profit after tax (60=50+51+52)**	**288,449,835,803**	**204,292,869,181**

SEPARATE INCOME STATEMENT (continued)

PART 2: SEPARATE OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2020

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year*
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**20**	**2,381,933,438,791**	**2,139,177,998,041**
	In which:			
01.1	- Direct written premiums		2,362,704,958,000	2,013,138,230,408
01.2	- Reinsurance premium assumed		166,137,365,058	209,697,417,783
01.3	- Increase in un-earned premium reserve		(146,908,884,267)	(83,657,650,150)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**21**	**(741,004,743,072)**	**(723,652,876,289)**
	In which:			
02.1	- Reinsurance premium ceded		(714,137,798,794)	(699,400,696,823)
02.2	- Decrease in ceded premium reserve		(26,866,944,278)	(24,252,179,466)
03	**3. Net insurance premiums (03 = 01 + 02)**		**1,640,928,695,719**	**1,415,525,121,752**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**187,132,883,558**	**191,450,117,247**
	In which:			
04.1	- Commission on reinsurance ceded	22	154,251,653,080	162,823,323,733
04.2	- Other income from insurance activities	23	32,881,230,478	28,626,793,514
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**1,828,061,579,277**	**1,606,975,238,999**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(1,048,360,133,535)**	**(937,803,248,940)**
	In which:			
11.1	- Claim expenses		(1,053,338,176,355)	(948,963,633,291)
11.2	- Claim expense reductions		4,978,042,820	11,160,384,351
12	**7. Recoveries from reinsurance ceded**		**553,797,823,684**	**357,568,231,784**
13	**8. Decrease/(Increase) in direct and assumed claim reserve**		**13,173,941,337**	**(67,701,949,601)**
14	**9. (Decrease)/Increase in ceded claim reserve**		**(77,673,210,346)**	**47,859,552,718**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**24**	**(559,061,578,860)**	**(600,077,414,039)**
16	**11. Increase in catastrophe reserve**	**18.2**	**(18,147,045,243)**	**(15,234,349,514)**

SEPARATE INCOME STATEMENT (continued)

PART 2: SEPARATE OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2020 (continued)

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year*
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**25**	**(756,908,924,198)**	**(625,692,955,770)**
	In which:			
17.1	- Commission expense		(222,325,148,859)	(198,110,717,401)
17.2	- Other underwriting expenses		(534,583,775,339)	(427,582,238,369)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(1,334,117,548,301)**	**(1,241,004,719,323)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**493,944,030,976**	**365,970,519,676**
23	15. Finance income	26	276,255,341,529	258,943,189,407
24	16. Finance expenses	27	(7,688,136,916)	(4,950,920,409)
25	**17. Profit from financial activities (25 = 23 + 24)**		**268,567,204,613**	**253,992,268,998**
26	**18. General and administrative expenses**	**28**	**(399,156,568,574)**	**(358,435,558,678)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**363,354,667,015**	**261,527,229,996**
31	20. Other income	29	450,373,555	655,679,193
32	21. Other expenses	30	(70,991,959)	(261,357,978)
40	**22. Net other (loss)/profit (40 = 31 + 32)**		**379,381,596**	**394,321,215**
50	**23. Accounting profit before tax (50 = 30 + 40)**		**363,734,048,611**	**261,921,551,211**
51	24. Current corporate income tax expense	31.1	(73,336,722,135)	(56,290,833,494)
52	25. Deferred corporate income tax expense	31.3	(1,947,490,673)	(1,337,848,536)
60	**26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**288,449,835,803**	**204,292,869,181**

Ms. Kieu Thi Hong Nhung	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Accountant	Deputy Director in - charge	General Director
Accounting Division	Accounting Division	

Hanoi, Vietnam

17 February 2021

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2020

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**363,734,048,611**	**261,921,551,211**
	Adjustments for:			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets		4,748,875,360	5,805,279,146
03	Insurance reserves and provision for diminution in investment value and doubtful debts		248,771,284,214	156,412,416,446
04	Foreign exchange losses/(gains) arising from revaluation of monetary accounts denominated in foreign currency		(3,583,270,076)	2,430,070,411
05	Profits from investing activities		(257,350,105,718)	(252,541,336,220)
06	Interest expense		4,438,356	1,198,356
08	**Operating profit before changes in working capital**		**356,325,270,747**	**174,029,179,350**
09	(Increase)/Decrease in receivables		(40,314,537,989)	26,399,852,338
10	Decrease in inventories		-	146,828,992
11	Increase in payables		9,819,633,747	56,113,429,855
12	Increase in prepaid expense		(75,769,692,504)	(12,095,788,642)
13	Increase in held-for-trading securities		(177,859,391,258)	(64,360,717,002)
14	Interest paid		(4,438,356)	(1,198,356)
15	Corporate income tax paid	13	(61,444,426,124)	(56,758,745,805)
17	Other cash outflows from operating activities		(27,485,794,116)	(25,593,110,777)
20	**Net cash flow from operating activities**		**(16,733,375,853)**	**97,879,729,953**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(467,857,500)	(1,242,600,000)
22	Proceeds from disposals of fixed assets and other long-term assets		15,460,502	23,393,283
23	Loans to other entities and payments for purchase of debt instruments of other entities		(3,120,543,581,864)	(4,765,510,719,639)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		2,987,872,950,820	4,545,490,507,705
27	Interest and dividends received		242,967,544,502	241,862,309,869
30	**Net cash flow used in investing activities**		**109,844,516,460**	**20,622,891,218**

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2020

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		-	10,000,000,000
34	Repayment of Borrowings		(10,000,000,000)	-
36	Dividends paid		(93,784,109,600)	(82,090,983,900)
40	**Net cash flow used in financing activities**		**(103,784,109,600)**	**(72,090,983,900)**
50	**Net increase in cash for the year**		**(10,672,968,993)**	**46,411,637,271**
60	**Cash and cash equivalents at the beginning of the year**		**105,692,923,157**	**58,406,605,294**
61	Impact of exchange rate fluctuation		801,757,405	874,680,592
70	**Cash and cash equivalents at the end of the year**	**4**	**95,821,711,569**	**105,692,923,157**

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

Ms. Kieu Thi Hong Nhung	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Accountant	Deputy Director in - charge	General Director
Accounting Division	Accounting Division	

Hanoi, Vietnam

17 February 2021

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:	Twenty-six (26) branches nationwide
Employee:	1,025 persons at 31 December 2020
Charter Capital:	VND 1,172,768,950,000 as at 31 December 2020

As at 31 December 2020, 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 has subsidiaries as disclosed in Note 1 and Note 5.3. The Corporation prepared these separate financial statements to meet the prevailing requirements for information disclosure as specifically stipulated by the Circular 155/2015/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 2020 dated 17 February 2021.

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 2019.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 rate of 17.5% of employee basic salaries on a monthly basis.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Employee benefits (continued)

3.10.2 Unemployment benefits

According to Social Insurance Law and Decree No. 127/2008/ND-CP dated 12 December 2008 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.

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 2020 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 2020.

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.

(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	359,996,504	491,332,378
Demand deposits at banks	95,461,715,065	105,151,342,452
Cash in transit	-	50,248,327
Total	**95,821,711,569**	**105,692,923,157**

5. INVESTMENTS

	Notes	*Ending balance VND*	*Beginning balance VND*
Held-for-trading securities	**5.1**		
Listed shares		228,911,310,468	171,220,398,836
Unlisted shares		19,685,472,109	1,526,626,510
Bonds		102,009,634,027	-
Provision for diminution in value of held-for-trading securities		-	(2,223,992,662)
		350,606,416,604	**170,523,032,684**
Held-to-maturity investments	**5.2**		
Short-term		2,657,000,000,000	2,143,000,000,000
- Term deposits		*2,657,000,000,000*	*2,143,000,000,000*
Long-term		781,069,873,397	1,162,399,242,353
- Term deposits		*233,500,000,000*	*659,000,000,000*
- Bonds		*547,569,873,397*	*503,399,242,353*
		3,438,069,873,397	**3,305,399,242,353**
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		(49,135,926,903)	(48,472,440,591)
		61,431,463,097	**62,094,949,409**
Net value of investments		**3,850,107,753,098**	**3,538,017,224,446**

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	**8,206,033**	**228,911,310,468**	**400,993,028,620**	**-**	**6,875,555**	**171,220,398,836**	**252,219,099,800**	**(2,105,345,252)**
ACB	649,220	11,107,456,679	18,243,082,000	-	341,250	8,585,338,000	7,780,500,000	(804,838,000)
VNR	1,080,010	13,792,409,095	21,600,200,000	-	1,080,010	13,792,407,750	23,760,220,000	-
FPT	1,800,609	50,765,193,523	106,415,991,900	-	1,352,858	39,801,369,187	78,871,621,400	-
VNM	560,894	40,629,307,498	61,025,310,720	-	360,432	29,746,032,205	41,990,328,000	-
VCB	529,000	29,463,124,451	51,789,100,000	-	201,150	6,464,790,700	18,143,730,000	-
MBB	2,176,010	30,588,366,111	50,048,230,000	-	2,041,763	33,006,423,884	42,468,670,400	-
HPG	240,000	5,049,062,250	9,948,000,000	-	865,000	19,646,999,858	20,327,500,000	-
PLX	607,000	32,528,225,263	33,142,200,000	-	69,000	4,152,319,154	3,864,000,000	(288,319,154)
PVS	-	-	-	-	50,000	1,036,552,500	875,000,000	(161,552,500)
NLG	563,290	14,988,165,598	48,780,914,000	-	514,092	14,988,165,598	14,137,530,000	(850,635,598)
Unlisted shares	**334,000**	**19,685,472,109**	**25,022,166,667**	**-**	**18,700**	**1,526,626,510**	**1,407,979,100**	**(118,647,410)**
ACV	334,000	19,685,472,109	25,022,166,667	-	18,700	1,526,626,510	1,407,979,100	(118,647,410)
Bonds	**1,000**	**102,009,634,027**	**102,009,634,027**	**-**	**-**	**-**	**-**	**-**
MB bond	1,000	102,009,634,027	102,009,634,027	-	-	-	-	-
	8,541,033	**350,606,416,604**	**528,024,829,314**	**-**	**6,894,255**	**172,747,025,346**	**253,627,078,900**	**(2,223,992,662)**

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 – 1.5	4.6 – 8.3	2,657,000,000,000	2,657,000,000,000	0.4 – 1.5	4.8 – 8.2	2,143,000,000,000	2,143,000,000,000
Bonds			-	-			-	-
			2,657,000,000,000	**2,657,000,000,000**			**2,143,000,000,000**	**2,143,000,000,000**
Long-term								
Term deposits	1.08 – 1.5	4.9 – 7.7	233,500,000,000	233,500,000,000	1.25 – 1.5	7.1 – 8.3	659,000,000,000	659,000,000,000
Bonds	5 - 10	7.3 – 8.5	547,569,873,397	547,569,873,397	5 - 10	7.5 – 8.9	503,399,242,353	503,399,242,353
			781,069,873,397	**781,069,873,397**			**1,162,399,242,353**	**1,162,399,242,353**
Total			**3,438,069,873,397**	**3,438,069,873,397**			**3,305,399,242,353**	**3,305,399,242,353**

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	4.57%	50,000,000,000	(23,228,556,903)	26,771,443,097	4.57%	50,000,000,000	(22,565,070,591)	27,434,929,409
		75,907,370,000	**(49,135,926,903)**	**26,771,443,097**		**75,907,370,000**	**(48,472,440,591)**	**27,434,929,409**
		110,567,390,000	**(49,135,926,903)**	**61,431,463,097**		**110,567,390,000**	**(48,472,440,591)**	**62,094,949,409**

6. SHORT-TERM RECEIVABLES

	Ending balance VND	*Beginning balance VND*
Insurance receivables		
Gross written premium receivables	74,274,120,295	65,128,524,344
Reinsurance assumed receivables	95,761,902,706	133,910,382,065
Reinsurance ceded receivables	215,927,086,047	148,065,177,850
Receivables from co-insurers	14,153,188,443	6,156,626,142
Other receivables from insurance activities	617,025,181	2,610,881,147
	400,733,322,672	**355,871,591,548**
Short-term advances to suppliers	**189,241,029**	**415,132,233**
Other receivables		
Dividend receivables	423,200,000	521,352,000
Bank deposit interest receivables	133,349,208,881	126,059,161,647
Bond coupon receivables	16,080,684,932	8,905,479,452
Advances	1,265,970,109	2,161,810,790
Office rental deposit	15,000,000	655,265,180
Short-term mortgages, deposits	305,392,020	264,943,000
Other receivables	3,350,257,279	4,818,185,564
	154,789,713,221	**143,386,197,633**
Total receivables	**555,712,276,922**	**499,672,921,414**
Provision for doubtful receivables	(46,083,829,498)	(52,174,181,731)
Net receivables	**509,628,447,424**	**447,498,739,683**

7. UNALLOCATED COMMISSION EXPENSES

	Ending balance VND	*Beginning balance VND*
Opening balance	**132,160,431,106**	**120,320,074,128**
Commission paid during the year	247,110,793,498	209,951,074,379
Allocated to expenses during the year	(222,325,148,859)	(198,110,717,401)
Closing balance	**156,946,075,745**	**132,160,431,106**

8. STATUTORY DEPOSIT

The Corporation maintains a statutory deposit at 2% of its legal capital, equivalent to VND 8,000,000,000, 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	2,300,000,000	5,968,207,066	52,792,422,323	209,092,973	466,504,127	61,736,226,489
New purchase	850,650,000	4,634,027,091	-	-	687,890,909	6,172,568,000
Disposal	-	-	-	-	-	-
Ending balance	3,150,650,000	10,602,234,157	52,792,422,323	209,092,973	1,154,395,036	67,908,794,489
Accumulated depreciation:						
Beginning balance	720,666,698	4,838,249,549	45,136,905,781	165,850,662	440,959,571	51,302,632,261
Depreciation for the year	92,914,681	769,428,849	3,829,729,973	10,883,736	39,817,199	4,742,774,438
Disposal	-	-	-	-	-	-
Ending balance	813,581,379	5,607,678,398	48,966,635,754	176,734,398	480,776,770	56,045,406,699
Net carrying amount:						
Beginning balance	1,579,333,302	1,129,957,517	7,655,516,542	43,242,311	25,544,556	10,433,594,228
Ending balance	2,337,068,621	4,994,555,759	3,825,786,569	32,358,575	673,618,266	11,863,387,790

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
Ending balance	275,849,125	70,000,000	6,500,000,000	6,845,849,125
Accumulated amortisation:				
Beginning balance	269,748,203	70,000,000	-	339,748,203
Amortisation for the year	6,100,922	-	-	6,100,922
Ending balance	275,849,125	70,000,000	-	345,849,125
Net carrying amount:				
Beginning balance	6,100,922	-	6,500,000,000	6,506,100,922
Ending balance	-	-	6,500,000,000	6,500,000,000

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	**452,313,613,419**	**472,357,323,758**
Payables for ceded activities	292,479,147,980	297,231,075,155
Payables to co-insurers	14,918,589,767	10,428,572,868
Claim payables	50,402,593,793	45,730,516,648
Commission payables	20,719,596,008	16,697,202,455
Payables for XOL contracts	73,099,480,327	102,096,435,879
Other insurance payables	694,205,544	173,520,753
Other trade payables	**26,502,826,408**	**8,815,877,931**
Other payables	26,502,826,408	8,815,877,931
	478,816,439,827	**481,173,201,689**

13. STATUTORY OBLIGATIONS

	Beginning balance VND	*Movement during the year* *Payables* VND	*Paid* VND	*Ending balance* VND
Value added tax	7,795,428,393	98,754,603,539	(100,949,681,301)	5,600,350,631
Corporate income tax	14,101,706,003	73,336,722,135	(61,444,426,124)	25,994,002,014
Other taxes	5,692,115,792	20,979,956,355	(22,956,274,305)	3,715,797,842
Total	**27,589,250,188**	**193,071,282,029**	**(185,350,381,730)**	**35,310,150,487**

14. ACCRUED EXPENSES

	Ending balance VND	*Beginning balance* VND
Compulsory civil liability fund	218,265,776	134,241,249
Policy holder protection fund	5,382,914,610	5,284,763,065
Compulsory fire and miscellaneous fund	3,708,412,025	3,385,178,553
Fund contribution to enhance management and supervision over insurance market	706,819,693	602,585,198
Others	24,739,639,855	49,893,386,282
Total	**34,756,051,959**	**59,300,154,347**

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	**73,978,709,612**	**81,884,379,223**
Increased during the year	142,474,382,851	154,917,654,122
Allocated during the year	(154,251,653,080)	(162,823,323,733)
Closing balance	**62,201,439,383**	**73,978,709,612**

16. OTHER PAYABLES

	Ending balance VND	*Beginning balance VND*
Short-term		
Employee expenses payable other than salaries	157,919,155	222,003,615
Short-term deposits	4,215,429,735	5,105,579,757
Charity funds	41,002,269	534,766,696
Dividend payables	375,381,400	337,975,000
Other payables	5,632,098,566	3,906,210,765
TOTAL	**10,421,831,125**	**10,106,535,833**
Long-term		
Mortgage, deposit received	663,416,284	883,263,950
TOTAL	**663,416,284**	**883,263,950**

17. PROVISIONS

	Ending balance VND	*Beginning balance VND*
Short-term		
Incentive campaign provision	37,907,813,636	-
Other	901,418,917	-
TOTAL	**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	**1,240,970,454,937**	**(296,423,877,119)**	**944,546,577,818**
Mathematical reserve for health care insurance	*331,403,762,773*	*(107,024,471)*	*331,296,738,302*
Unearned premium reserve for non - life insurance	*909,566,692,164*	*(296,316,852,648)*	*613,249,839,516*
Claim reserve	**911,318,938,685**	**(682,804,834,567)**	**228,514,104,118**
Outstanding claim reserve	*844,634,118,384*	*(662,936,388,251)*	*181,697,730,133*
Incurred but not reported reserve	*66,684,820,301*	*(19,868,446,316)*	*46,816,373,985*
Catastrophe reserve	**124,628,310,597**	**-**	**124,628,310,597**
Total	**2,276,917,704,219**	**(979,228,711,686)**	**1,297,688,992,533**
Closing 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**

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 VND*	*Beginning balance VND*
Health and Personal Accident	532,638,955,814	394,116,557,280
Property and Damages	175,914,109,775	218,491,549,451
Cargo	13,549,586,700	11,706,285,575
Automobile	386,580,329,292	365,964,910,441
Fire	233,556,791,079	215,188,837,520
Liability	9,256,095,279	7,287,820,484
Business Risk	6,111,503,240	7,291,706,154
Aviation	3,527,016,164	346,906,187
Hull and P&I	25,748,511,172	19,624,176,339
Financial and credit risk	908,061,243	888,327,064
Agriculture	88,379,446	63,378,442
Total	**1,387,879,339,204**	**1,240,970,454,937**

Ceded unearned premium reserve (Reinsurance assets)

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	4,681,869,474	22,336,851,151
Property and Damages	105,581,251,994	124,704,560,692
Cargo	5,434,360,512	7,637,729,004
Automobile	2,766,681,251	3,398,784,131
Fire	122,985,946,526	115,824,459,076
Liability	5,148,410,463	3,876,376,736
Business Risk	5,159,986,811	5,434,567,942
Aviation	3,496,334,457	323,777,409
Hull and P&I	13,471,342,671	12,092,855,252
Financial and credit risk	747,379,889	751,695,670
Agriculture	83,368,793	42,220,056
Total	**269,556,932,841**	**296,423,877,119**

18. TECHNICAL RESERVES (continued)

18.1 Unearned premium and claim reserve (continued)

18.1.2 Claim reserve

Gross claim reserve

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	26,407,379,011	58,220,673,603
Property and Damages	230,233,929,617	275,435,551,291
Cargo	29,094,216,200	22,354,748,508
Automobile	67,572,256,661	53,376,917,141
Fire	486,944,017,969	390,063,817,182
Liability	4,167,912,865	8,384,984,405
Business Risk	14,706,506,939	4,692,078,991
Aviation	276,781,483	3,923,473,483
Hull and P&I	19,692,559,123	56,749,786,730
Financial and credit risk	19,010,405,648	37,963,645,089
Agriculture	39,031,832	153,262,262
Total	**898,144,997,348**	**911,318,938,685**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	30,364,686	26,759,570,522
Property and Damages	228,287,600,680	279,356,454,976
Cargo	3,820,590,505	17,587,402,704
Automobile	1,240,517,732	33,480,816
Fire	330,692,010,855	289,370,666,303
Liability	1,421,739,520	4,882,218,596
Business Risk	13,097,543,659	4,417,845,025
Aviation	261,543,743	3,607,556,898
Hull and P&I	8,907,025,795	42,870,069,069
Financial and credit risk	17,369,517,295	13,919,569,658
Agriculture	3,169,751	-
Total	**605,131,624,221**	**682,804,834,567**

18.2. Catastrophe reserve

	Ending balance VND	*Beginning balance VND*
Opening balance	**124,628,310,597**	**109,393,961,083**
Increased during the year	18,147,045,243	15,234,349,514
Closing balance	**142,775,355,840**	**124,628,310,597**

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**	**50,158,477,335**	**44,798,029,835**	**177,850,883,080**	**2,101,141,373,612**
Net profit for the year	-	-	-	-	204,292,869,181	204,292,869,181
Appropriation to statutory reserves	-	-	-	10,214,643,459	(10,214,643,459)	-
Appropriation to Bonus and Welfare funds	-	-	-	-	(25,000,000,000)	(25,000,000,000)
Appropriation to Investment and Development funds	-	-	36,894,420,328	-	(36,894,420,328)	-
Dividends declared	-	-	-	-	(82,093,826,500)	(82,093,826,500)
Ending 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**
Current 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**

(*) In accordance with Resolution No. 01/2019/NQ-DHDCD dated 24 June 2020 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	**(93,821,516,000)**	**(82,093,826,500)**

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**

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

20. INSURANCE REVENUE

	Current year VND	*Previous year VND*
Direct written premiums	2,365,008,663,164	2,013,597,686,469
Deductions from direct premiums	(2,303,705,164)	(459,456,061)
Total direct written premiums	**2,362,704,958,000**	**2,013,138,230,408**
Reinsurance premium assumed	166,137,365,058	209,697,417,783
Increase in un-earned premium reserve	(146,908,884,267)	(83,657,650,150)
Total	**2,381,933,438,791**	**2,139,177,998,041**

20.1 Direct written premiums

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	637,838,792,312	436,008,044,615
Property and Damages	266,359,549,599	236,658,212,134
Cargo	124,925,794,989	121,385,233,829
Automobile	707,329,530,177	663,850,221,394
Fire	476,277,664,356	448,097,258,245
Liability	17,533,883,196	16,280,215,540
Business Risk	14,419,753,588	15,180,961,864
Aviation	4,766,794,410	138,018,200
Hull and P&I	86,708,006,103	71,712,347,962
Financial and credit risk	26,436,821,811	2,534,059,448
Agriculture	108,367,459	1,293,657,177
Total	**2,362,704,958,000**	**2,013,138,230,408**

20.2 Reinsurance premiums assumed

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	14,923,833,146	32,234,721,178
Property and Damages	90,709,851,075	107,788,985,639
Cargo	691,414,155	2,111,344,314
Automobile	30,322,735,249	48,573,217,608
Fire	22,556,876,353	14,712,002,146
Liability	1,177,867,642	648,150,196
Business Risk	3,036,511,727	783,205,237
Aviation	1,956,327,402	2,131,949,684
Hull and P&I	747,423,341	551,638,102
Financial and credit risk	8,176,416	162,203,679
Agriculture	6,348,552	-
Total	**166,137,365,058**	**209,697,417,783**

21. REINSURANCE PREMIUM CEDED

	Current year VND	*Previous year VND*
Reinsurance premium ceded	714,137,798,794	699,400,696,823
Decrease in ceded unearned premium reserve	26,866,944,278	24,252,179,466
Total	**741,004,743,072**	**723,652,876,289**

Reinsurance premium ceded includes

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	15,924,395,428	37,119,152,939
Property and Damages	248,649,593,071	235,478,149,724
Cargo	51,894,441,312	83,434,347,092
Automobile	4,016,683,476	2,576,770,314
Fire	301,900,910,040	264,661,439,648
Liability	11,038,255,679	9,981,676,022
Business Risk	15,032,181,326	14,057,879,745
Aviation	6,640,636,225	2,036,601,424
Hull and P&I	56,824,564,571	47,151,839,185
Financial and credit risk	2,110,479,300	1,803,087,000
Agriculture	105,658,366	1,099,753,730
Total	**714,137,798,794**	**699,400,696,823**

22. COMMISSION ON REINSURANCE CEDED

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	7,942,592,259	9,745,485,430
Property and Damages	52,605,546,711	54,737,510,666
Cargo	15,769,691,657	24,623,157,132
Automobile	1,623,940,173	2,080,097,572
Fire	64,097,227,749	58,544,178,048
Liability	1,198,383,174	1,190,083,460
Business Risk	2,720,945,680	2,435,114,599
Aviation	401,750,963	413,327,345
Hull and P&I	7,781,553,961	7,615,627,388
Financial and credit risk	105,739,755	1,343,842,270
Agriculture	4,280,998	94,899,823
Total	**154,251,653,080**	**162,823,323,733**

23. OTHER INCOME FROM INSURANCE ACTIVITIES

	Current year VND	*Previous year VND*
Policy management fee	32,180,333,534	26,384,403,712
Other income (*)	700,896,944	2,242,389,802
Total	**32,881,230,478**	**28,626,793,514**

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

24. NET CLAIM EXPENSES

	Current year VND	*Previous year VND*
Claim expenses	1,053,338,176,355	948,963,633,291
- *Direct claim expenses*	*916,500,638,950*	823,780,178,332
- *Claim expense on reinsurance assumed*	*136,837,537,405*	125,183,454,959
Salvage and sub-rogation	(4,978,042,820)	(11,160,384,351)
Recovery from reinsurance ceded	(553,797,823,684)	(357,568,231,784)
(Decrease)/Increase in gross claim reserve	(13,173,941,337)	67,701,949,601
Decrease/(Increase) in ceded reinsurance claim reserve	77,673,210,346	(47,859,552,718)
Total	**559,061,578,860**	**600,077,414,039**

24.1 Direct claim expenses

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	108,180,360,602	98,070,347,589
Property and Damages	130,711,992,216	90,691,064,851
Cargo	40,922,562,151	39,110,439,313
Automobile	291,908,865,923	307,038,581,030
Fire	322,944,709,876	235,349,483,812
Liability	1,107,597,772	2,560,102,034
Business risk	2,685,136,844	563,295,749
Aviation	5,936	-
Hull and P&I	18,033,607,630	50,396,863,954
Financial and credit risk	5,800,000	-
Total	**916,500,638,950**	**823,780,178,332**

24. NET CLAIM EXPENSES (continued)

24.2 Claim expense on reinsurance assumed

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	49,435,420,999	57,801,968,308
Property and Damages	57,378,583,848	35,395,693,158
Cargo	3,790,988,738	930,037,208
Automobile	18,404,548,439	21,223,957,568
Fire	7,641,818,063	719,619,965
Liability	35,691,898	28,226,937
Aviation	111,674,054	9,073,149,315
Hull and P&I	38,811,366	10,802,500
Total	**136,837,537,405**	**125,183,454,959**

24.3 Recoveries from reinsurance ceded

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	38,627,884,589	28,214,576,960
Property and Damages	172,282,452,170	122,131,497,022
Cargo	27,862,086,415	21,716,752,552
Automobile	621,290,706	719,149,930
Fire	298,499,192,386	136,537,683,590
Liability	115,405,048	1,157,398,375
Business risk	2,470,048,338	510,599,489
Aviation	102,977,013	5,436,502,557
Hull and P&I	13,216,487,019	41,144,071,309
Total	**553,797,823,684**	**357,568,231,784**

25. OTHER OPERATING EXPENSES

	Current year VND	*Previous year VND*
Commission	222,325,148,859	198,110,717,401
Insurance risk assessment expenses	9,068,163	53,404,856
Agent management activities	75,568,041,650	23,618,581,063
Loss prevention	1,449,821,186	1,321,329,272
Statutory contributions	7,076,303,746	7,227,034,861
Other expenses	450,480,540,594	395,361,888,317
Total	**756,908,924,198**	**625,692,955,770**

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	202,858,277,982	201,648,054,545
Gains from investments in treasury bill, bonds and bills	44,348,019,687	39,741,282,063
Profit distributed	330,603,109	4,179,021,753
Dividends earned	9,797,744,438	6,949,584,576
Foreign exchange gains	10,435,476,240	2,153,478,283
Gains from security trading	8,026,496,291	4,234,741,042
Others	458,723,782	37,027,145
Total	**276,255,341,529**	**258,943,189,407**

27. FINANCE EXPENSES

	Current year VND	*Previous year VND*
Interest expenses	4,438,356	1,198,356
Bond premium allocated expenses	-	64,664,424
Loss on disposal/sale of investments	241,600,949	80,234,685
Loss on security trading	950,021,927	307,852,699
Foreign exchange losses	7,987,013,010	5,079,332,312
Reversal of provision for diminution in value of securities held for trading and investments impairment loss	(1,560,506,350)	(680,254,815)
Other financial expenses	65,569,024	97,892,748
Total	**7,688,136,916**	**4,950,920,409**

28. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year VND	*Previous year VND*
Employee expenses	222,317,943,447	189,894,502,179
Material expenses	10,858,141,178	8,219,047,670
Tool and equipment expenses	11,816,519,060	4,541,852,902
Depreciation expenses	4,748,875,360	5,805,279,146
Tax, fee, and charge	14,915,346,181	9,351,865,248
Expenses for external services	134,213,964,323	120,365,641,538
(Reversal)/Provision for doubtful debts	(6,090,352,233)	14,106,095,248
Other expenses	6,376,131,258	6,151,274,747
Total	**399,156,568,574**	**358,435,558,678**

29. OTHER INCOME

	Current year VND	*Previous year VND*
Income from disposal of assets	-	23,393,283
Other income	450,373,555	632,285,910
Total	**450,373,555**	**655,679,193**

30. OTHER EXPENSES

	Current year VND	*Previous year VND*
Administrative penalty	50,391,791	178,660,639
Other expenses	20,600,168	82,697,339
Total	**70,991,959**	**261,357,978**

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	73,336,722,135	56,290,833,494
Deferred tax expense	1,947,490,673	1,337,848,536
Total	**75,284,212,808**	**57,628,682,030**

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	**363,734,048,611**	**261,921,551,211**
At CIT rate of 20% applicable to the Corporation	72,746,809,722	52,384,310,242
Adjustments to increase:	**19,853,881,517**	**11,430,144,659**
Non-deductible expenses	19,853,881,517	11,000,365,114
Accrued expenses in the current year	*9,371,186,364*	*6,255,451,331*
Provision for doubtful debts	*4,836,644,349*	*3,131,955,027*
Other non-deductible expenses	*5,646,050,804*	*1,612,958,756*
Under accrual of tax from prior years	-	429,779,545
Adjustments to decrease:	**(17,316,478,431)**	**(6,185,772,871)**
Tax exempted income from business activities	(2,025,669,509)	(2,225,721,266)
Accrued expenses in the prior year	(5,998,692,297)	(3,116,537,534)
Other adjustments to decrease	(5,821,691,763)	(843,514,071)
Adjustment for over accrual of tax from prior year(s)	(3,470,424,862)	-
CIT expense	**75,284,212,808**	**57,628,682,030**

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	2,472,045,525	838,024,813
	-	**2,472,045,525**		
Deferred tax liabilities				
Gain from revaluation of monetary asset items	1,166,860,229	635,674,266	531,185,963	(460,711,111)
Gain from estimates of facultative contracts	625,588,691	1,681,329,506	(1,055,740,815)	960,534,834
	1,792,448,920	**2,317,003,772**		
(Net deferred tax liabilities)/ Net deferred tax assets	**(1,792,448,920)**	**155,041,753**		
Net deferred tax charge to the separate income statement			**1,947,490,673**	**1,337,848,536**

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	94,826,579,565	98,353,077,293
		Claim expense	(3,819,870,650)	(26,477,670,532)
		Commission expense	(170,296,536,533)	(57,319,011,863)
		Interest income from term deposit	176,428,065,311	177,357,075,344
		Office rental expense	(16,198,629,188)	(13,591,372,903)
		Bank transfer expense	(2,337,001,145)	(2,110,035,564)
		Bank overdraft interest	(4,438,356)	(1,198,356)
BIDV-SuMI TRUST Leasing Company	Affiliate	Gross written premiums	570,586,054	495,958,587
		Claim expense	(934,263,633)	(325,992,889)
		Commission expense	(14,301,699)	(35,906,609)
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Gross written premiums	559,291,743	535,856,622
		Interest income from term deposit	7,205,914,586	4,768,331,507
		Claim expense	(32,500,000)	(10,615,000)
Lao Viet Insurance Company	Subsidiary	Assumed reinsurance premium	73,933,625,857	108,903,766,146
		Commission from reinsurance assumed	(19,388,406,763)	(27,004,716,173)
		Claim expense from reinsurance assumed	(57,534,042,135)	(28,526,446,260)

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	94,209,208,408	103,978,860,655
		Term deposits	2,602,733,555,310	2,485,500,000,000
		Interest from term deposits	117,182,150,662	111,134,135,618
		Premium receivables	737,117,540	422,050,779
		Compulsory deposit at BIDV	10,000,000,000	10,000,000,000
		Prepaid office rental expense	49,637,202,257	-
		Deposits in blocked account	1,266,444,690	1,520,633,193
BIDV-SuMI TRUST Leasing Company	Affiliate	Premium receivables	568,461,806	450,221,927
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Term Deposits	121,500,000,000	49,500,000,000
		Interest from term deposits	6,244,713,698	2,123,728,767
Lao Viet Insurance Company	Subsidiary	Receivables for premium assumed	29,639,995,425	48,642,339,077
Trade payables				
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Commission payables	(3,402,712,655)	(6,299,323,944)
		Office rent payables	(1,365,040,199)	(1,916,125,528)
BIDV-SuMI TRUST Leasing Company	Affiliate	Commission payables	(29,177,233)	(22,948,622)
Lao Viet Insurance Company	Subsidiary	Claim payables for reinsurance assumed	(10,272,440,557)	(4,396,092,703)
		Claim reserve for reinsurance assumed	(19,130,042,439)	(29,394,266,065)

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of Board of Directors:

Individuals	Position	Remuneration	
		Current year *VND*	*Previous year* *VND*
Mr. Tran Xuan Hoang	Chairman	93,300,000	-
Mr. Ramaswamy Athappan	Vice Chairman	-	-
Mr. Gobinath Arvind Athappan	Member	-	-
Ms. Pham Thi Van Khanh	Member	52,870,000	-
Ms. Dang Thi Hong Phuong	Member	-	73,333,333
Mr. Nguyen Huy Tua	Independent Member	302,333,332	166,666,667
Mr. Dang The Vinh	Independent Member	302,333,332	166,666,667
Ms. Nguyen Thi Ngoc Tu	Member	52,870,000	-
Mr. Tran Hoai An	General Director/ Member	2,972,305,382	2,788,369,360
Mr. Tran Trung Tinh	Deputy General Director	1,859,533,659	1,752,840,604
Mr. Vu Minh Hai	Deputy General Director	1,809,874,057	1,752,840,604
Mr. Doan Thi Thu Huyen	Deputy General Director	1,860,223,335	1,754,840,604
Mr. Huynh Quoc Viet	Deputy General Director	2,061,880,906	2,005,913,810
TOTAL		**11,367,524,003**	**10,461,471,649**

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	2,863,309,766	2,631,985,200
- From 1 – 5 years	37,321,843,964	26,053,101,645
Total	**40,185,153,730**	**28,685,086,845**

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)	170,249,718,916	105,451,914,958
Foreign currency (USD)	3,369,843,02	2,607,887.84
Foreign currency (EUR)	100.00	218,261.47
Foreign currency (GBP)	100.79	68,700.32
Foreign currency (AUD)	100.68	12,320.29

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 2020	1,929,148	505,076	382%
31 December 2019	1,858,647	420,562	442%

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)

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

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

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

The Corporation is exposed to cumulative risks from the economic development across the country and flow of foreign investment in manufacturing and real estates, especially in the major economic hubs such as Ho Chi Minh City, Hanoi, 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					
	2016	2017	2018	2019	2020	Total
At end of accident year	1	2	3	4	5	6
I. Estimate of cumulative claims incurred						
1	418,898	489,421	546,979	555,788	540,301	
2	453,511	496,058	575,251	551,586		
3	462,783	506,187	587,178			
4	464,180	508,725				
5	465,936					
Current estimate of cumulative claims incurred (1)	**465,936**	**508,725**	**587,178**	**551,586**	**540,301**	**2,653,726**
II. Cumulative claim payment						
1	322,946	343,231	418,694	440,854	393,929	
2	446,201	470,190	542,850	514,774		
3	464,973	484,661	550,768			
4	458,268	493,301				
5	460,223					
Cumulative claim payment to date (2)	**460,223**	**493,301**	**550,768**	**514,774**	**393,929**	**2,412,995**
III. Net outstanding claim reserve (3) = (1) – (2)	**5,713**	**15,424**	**36,410**	**36,812**	**146,372**	**240,731**
IV. Current estimate of surplus/(deficit) (4)	**(47,038)**	**(19,304)**	**(40,199)**	**4,202**	**-**	**(102,339)**
V. Percentage of current estimate of surplus/(deficit) over current estimate of cumulative claims incurred (5) = (4)/(1)*100%	**(10%)**	**(4%)**	**(7%)**	**1%**	**0%**	**(4%)**

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 2020 and 31 December 2019.

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 2020 and 31 December 2019.

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 2020		
+5%	4,164,651,841	3,331,721,473
-5%	(4,164,651,841)	(3,331,721,473)
31 December 2019		
+5%	3,544,212,835	2,835,370,268
-5%	(3,544,212,835)	(2,835,370,268)

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 400,993,028,620 (31 December 2019: VND 252,219,099,800). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 2,700,245,263 (31 December 2019: decrease by VND 4,017,952,858), depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would not affect Corporation's profit before tax (31 December 2019: increase by VND 2,004,504,752).

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 2020.

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 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**
As at 31 December 2019					
Receivables from insurance activities	794	14,148	14,077	39,797	38,666
Receivables from financial activities	-	-	-	3,000	3,000
Total	**794**	**14,148**	**14,077**	**42,797**	**41,666**

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 2020 and 31 December 2019:

	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**

(*) 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 2019				
Insurance payables	72,856,291,971	-	-	72,856,291,971
Reinsurance payables	-	399,327,511,034	-	399,327,511,034
Accrued expenses	-	10,106,535,833	-	10,106,535,833
Claim reserve	911,318,938,685	-	-	911,318,938,685
Other payables	267,145,518,667	-	-	267,145,518,667
	1,251,320,749,323	**409,434,046,867**	**-**	**1,660,754,796,190**

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***

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

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 2020:

Currency:

	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**

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 31 December 2019:

	Carrying amount				*Fair value*
31 December 2019	*Cost VND*	*Accrued interest VND*	*Provision VND*	*Total VND*	*VND*
Financial assets					
Available for sale	248,654,395,346	-	(50,696,433,253)	197,957,962,093	281,062,008,309
Listed shares	*171,220,398,836*	-	*(2,105,345,252)*	*169,115,053,584*	*252,219,099,800*
Unlisted shares	*27,433,996,510*	-	*(26,026,017,410)*	*1,407,979,100*	*1,407,979,100*
BIDV Metlife	*50,000,000,000*	-	*(22,565,070,591)*	*27,434,929,409*	*27,434,929,409*
Loan and receivables	3,682,424,622,928	134,964,641,099	(52,174,181,731)	3,765,215,082,296	3,765,215,082,296
Bonds	*503,399,242,353*	*8,905,479,452*	*(3,000,000,000)*	*509,304,721,805*	*509,304,721,805*
Term deposits	*2,802,000,000,000*	*125,954,120,551*		*2,927,954,120,551*	*2,927,954,120,551*
Insurance receivables	*355,871,591,548*	-	*(48,208,297,270)*	*307,663,294,278*	*307,663,294,278*
Other receivables	*11,153,789,027*	-	*(965,884,461)*	*10,187,904,566*	*10,187,904,566*
Statutory deposit	*10,000,000,000*	*105,041,096*	-	*10,105,041,096*	*10,105,041,096*
Cash and cash equivalents	105,692,923,157	-	-	*105,692,923,157*	105,692,923,157
Total	**4,036,771,941,431**	**134,964,641,099**	**(102,870,614,984)**	**4,068,865,967,546**	**4,151,970,013,762**
Financial liabilities					
Trade payables	481,173,201,689	-	-	481,173,201,689	481,173,201,689
Accrued expenses	59,300,154,347	-	-	59,300,154,347	59,300,154,347
Other payables	10,989,799,783	-	-	10,989,799,783	10,989,799,783
Total	**551,463,155,819**	**-**	**-**	**551,463,155,819**	**551,463,155,819**

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 2020 were authorised for issuance by the General Director on 17 February 2021.

Ms. Kieu Thi Hong Nhung	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Accountant	Deputy Director in - charge	General Director
Accounting Division	Accounting Division	

Hanoi, Vietnam

17 February 2021