



VIETNAM NATIONAL REINSURANCE CORPORATION

Re-uniting MARKET STRENGTH



VIETNAM NATIONAL REINSURANCE CORPORATION - ANNUAL REPORT 2022

VIETNAM NATIONAL REINSURANCE CORPORATION

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ANNUAL REPORT **2022,**

ANNUAL REPORT'S MESSAGE



In September 2022, Vietnam National Reinsurance Corporation (VINARE) successfully hosted the 8th Reinsurance Conference in Nha Trang with the theme “Re-uniting market strength”. Vietnamese people has a saying: “Solidarity is strength”. In this context, solidarity is not only among Vietnamese insurers but also implies a stronger connection with reinsurers in the international market. This kind of bond has become even more important in the context of recent challenges and unpredictable developments.

Despite unprecedented challenges during the last two years, Vietnam insurance market still recorded a solid growth averaging 20% in the last 5 years (2017-2021), in which the non-life sector recorded an average growth rate of approximately 10%. The insurance market is witnessing significant changes such as the development of information technology or new demands arising after the pandemic. However, opportunities also come along with challenges such as inflation, geopolitical conflicts, climate change and cyber risks.

In addition, the new Law on Insurance Business enacted in 2022 has introduced several new requirements which insurance businesses should address with a strict and methodical

approach. Therefore, to prepare for this event, VINARE had worked closely with partners in an effort to provide participants with the most updated information on the local market landscape, latest developments in legal regulations as well as perspectives of regional and international reinsurers on the international insurance market situation.

Through the informative presentations at the 8th Reinsurance Conference, VINARE expects all participants to have a more comprehensive picture of Vietnam's insurance/reinsurance industry. There are new risks and challenges for non-life insurance/reinsurance businesses, but also numerous exciting potentials and opportunities waiting to be discovered.

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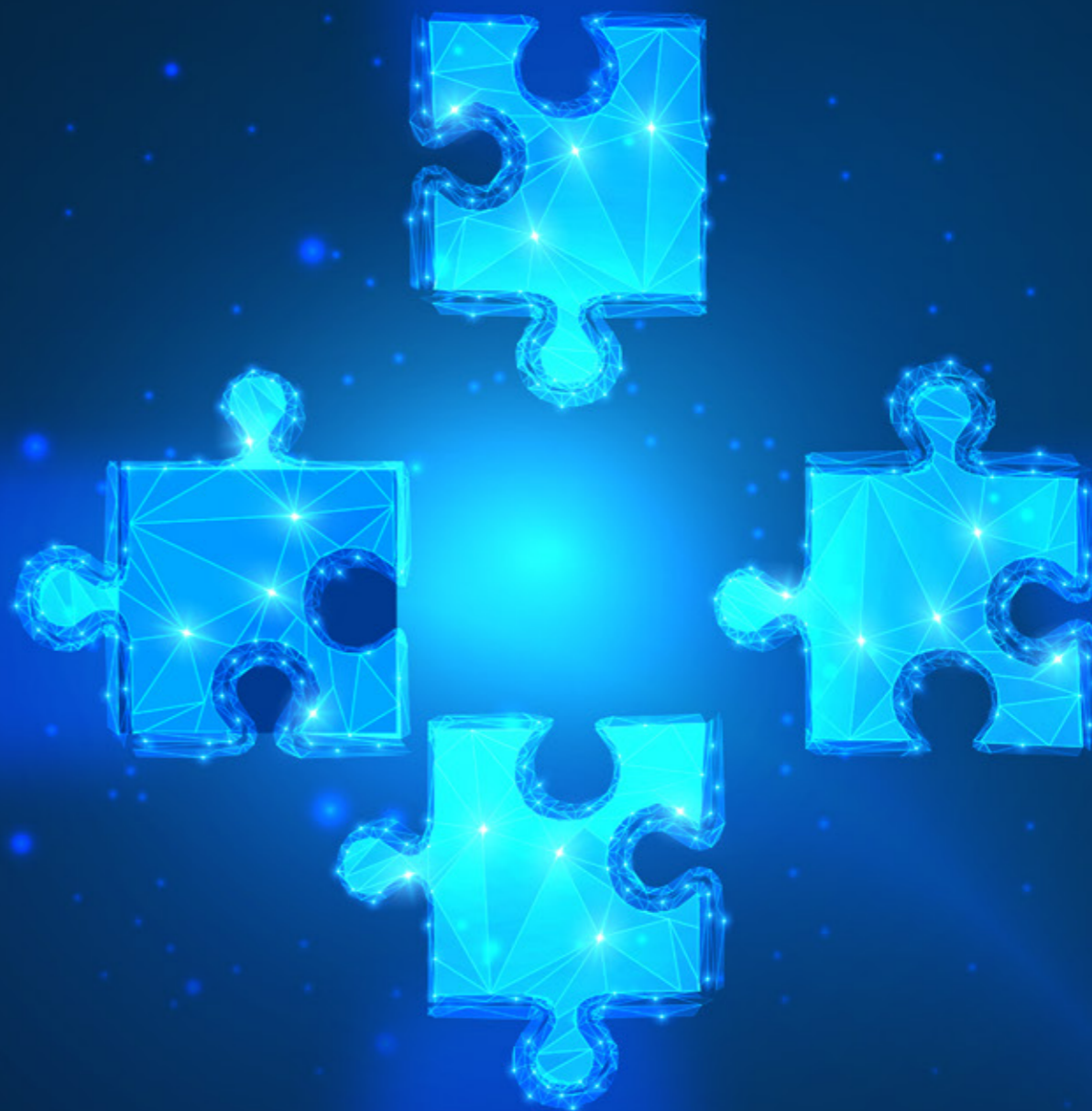
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MESSAGE



RE-UNITING

06 Message from the Chairman
10 Highlights of 2022



Message from the Chairman



Total revenue 2022
(VND million)

2,969

Pre-tax profit
(VND million)

439.3

VINARE's focus in 2022 is **"Re-uniting market strength"** which reflected the desire to enhance connectivity after a period of disruption caused by the Covid-19 pandemic. At the same time, the global insurance-reinsurance market underwent significant changes in the past year in response to increased inflationary pressures, climate change-related risks, and widespread political conflicts. VINARE has developed a plan to adapt to these new challenges while also strengthening its ties with domestic insurance companies, with the common goal of developing a sustainable insurance market in Vietnam.

VINARE - Enhancing Internal Strength

VINARE understands that corporate governance is one of the important foundation factors for a company's success. In an increasingly challenging environment, leveraging internal strength in corporate governance is crucial to achieve strategic targets.

Dear shareholders,

In 2022, with the reopening of all key economic hubs, GDP of Vietnam posted a very strong growth rate of 8.02%, the highest level in 2011-2022 period. And according to the statistics of the Insurance Association of Vietnam, the non-life insurance industry recorded an increase of 16.8% year-on-year.

In tandem with the economic and industrial recovery, VINARE also recorded outstanding results in its business operation. The total revenue in 2022 reached VND 2,969 billion, of which gross written premium reached VND 2,368 billion, a 5.5% increase compared to 2021. Most notably, revenue from core business grew by 14.1% year-on-year beyond all estimates and expectation.

Although investment returns were significantly affected by stock market volatility, keeping tight control over underwriting disciplines and risk management has brought about good results in underwriting. As a result, pre-tax profit reached VND 439.3 billion, representing 7.7% year-on-year growth. This achievement is the result of VINARE's focus on enhancing **its internal strength** along with connecting with **the market's strengths**.

Since its establishment, VINARE has continuously improved its business performance whilst manoeuvring the world of increasing integration and competition. In a volatile environment, VINARE remains committed to the strategy of "efficient and sustainable growth, emphasizing strict compliance with underwriting discipline, risk management, and prioritizing operating performance". This strategy has helped VINARE to have a firm foothold in the local market and to harmonise the interests of the company, of shareholders, and employees, as well as to bring the best values to our partners.

VINARE has built its ESG roadmap in furtherance of sustainable and responsible growth

In the past year, VINARE has focused on prioritizing internal management and enhancing core competencies in areas such as enterprise risk management (ERM), pricing tools and internal audits.

We are the first player in the Vietnam insurance industry to publicly announce the ESG roadmap upto 2035. VINARE recognizes its role not only as a provider of reinsurance protection and services to customers but also as a company actively participating in environmental protection and community development. Good ESG management will bring about a long-term positive and proactive development for VINARE and help building a more inclusive and highly resilient society.

We have also released the Code of Conduct and Professional Ethics, as well as some important regulations on human resource and organization structure to ensure a fair and transparent working environment for VINARE employees.

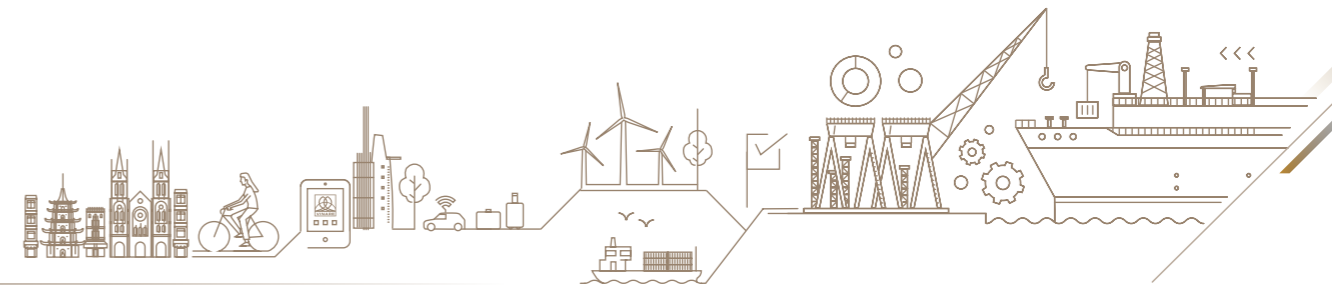
VINARE's digital transformation is also being carried out systematically, gradually expanding and ensuring effectiveness. In 2022, VINARE focused on upgrading its business management system (Vicore) and implementing an electronic document management and circulation system in line with the trend of digitizing office operations (Vidoc).

Maintaining financial strength
rating of

B++
(Good)

& Long-term Issuer Credit Rating of

bbb+
by AM Best



Maintaining financial strength rating of B++ (Good) and Long-term Issuer Credit Rating of bbb+ by AM Best

VINARE has maintained its Financial Strength Rating of B++ and Long-term Issuer Credit Rating of bbb+ since 2013, being one of the first market players to be rated by an international rating agency at the time. The ratings reflect VINARE's balance sheet strength, which AM Best assesses as very strong, as well as strong operating performance, neutral business profile and appropriate enterprise risk management.

Our achievements were duly recognized and acknowledged by various independent institutions

In 2022, VINARE also achieved many remarkable accomplishments: the honor of receiving a Certificate of Merit from the Ministry of Finance for the outstanding achievements in business operations during the 2020-2021 period, Top 10 Outstanding Brands - Strong Brands of Vietnam 2021-2022, Top 10 Listed Companies with good corporate governance in the 2021-2022 evaluation period, and Top 500 Enterprises with the Best Profit in 2022. Additionally, VINARE was recognized as one of the 10 listed mid-cap companies with the most outstanding Annual Reports in 2022.

VINARE - Re-uniting market strenghts



After 28 years of establishment and development, VINARE, as one of the leading reinsurers in the region, has always assumed its responsibility to unite the market's strength. VINARE's position and image have been increasingly affirmed in the eyes of international and domestic partners as a well-organized, professional, and influential player in the reinsurance market.

The 8th Reinsurance Conference

In 2022, VINARE successfully hosted the 8th Reinsurance Conference with the theme "**Re-uniting market strength**". The Conference is a biennial event, creating an opportunity for domestic insurers and international reinsurers to meet and address recent insurance/reinsurance market developments, discuss major trends and outlook for the upcoming time. As a leading reinsurer in the country, VINARE has established a forum to connect domestic and international insurance companies, together finding directions and solutions in a context full of challenges and unpredictable developments.

Strengthening partnerships with international partners

In addition to focusing on traditional businesses, VINARE has also strengthened collaboration with partners to develop new products, expand distribution channels, thereby creating new business sources and potential revenue flows in the future.

Dear shareholders,

In 2023, the global economy is forecasted to face many challenges as global economic growth drivers are weakening due to inflation and high oil prices. In this context, the government's target for GDP growth in 2023 is set at 6-6.5%.

The non-life insurance market is expected to continue its growth rate of over 15% thanks to the economic recovery, strong domestic consumption, economic reform policies, attracting foreign investment as well as the increasingly diverse development of new insurance products and distribution methods. The positive supporting factor is that the Insurance Business Law has come into effect, and many national key transport infrastructure projects are being promoted...

For VINARE, 2023 is a decisive year for implementing its development strategy and achieving the goals set for the 2020-2024 period that were approved by the Annual General Meeting of Shareholders. The target for gross premium growth is set at 4.7%, with the core business segment expected to achieve a higher growth rate of 10.6%. VINARE also aims to achieve a pre-tax profit growth rate of 5.1%, assuming no major fluctuations in the securities and investment market.

Throughout its formation and development, VINARE understands that the goal of corporate governance is to build an environment of trust, transparency, and accountability, which are necessary elements to promote long-term development, financial stability, and ethical business practices. VINARE also focuses on further enhancing its management capacity and improving its institutional framework to prepare for sustainable development in the long term, enhancing transparency with partners, shareholders, and employees.

With the motto "**Connecting Market Strengths**," VINARE will continue to promote the cooperation and partnership with domestic and international partners to expand the value-added services for our clients and the insurance market as a whole.

I truly believe that VINARE will be able to conquer new challenges and make new achievement on the path towards the 30-year milestone. On behalf of the Board of Directors, I sincerely express my gratitude for the unanimous support and solidarity of the Board of Directors and the Board of Control, the valuable cooperation of our partners and shareholders, the maximum support from the government's innovative policies, and the relentless efforts of all VINARE staffs.

VINARE has been doing our best to achieve outstanding business performance and surpass the targets assigned by the Board of Directors and the General Meeting of Shareholders. We always appreciate and acknowledge the trust of our esteemed shareholders who have accompanied VINARE throughout the past time.

Wishing you happiness, health, and success.

Nguyen Anh Tuan
Chairman of the Board of Directors

Hightlights of 2022

The Minister of Finance

Certificate of merit from the Minister of Finance for the company

Having achieved outstanding performance in business operation during the period of 2020-2021

Mr. Nguyen Anh Tuan

Chairman of the Board of Directors of VINARE, was awarded a Certificate of Merit by the Ministry of Finance for

Individual with outstanding achievements in business operations during the period of 2020-2021

Insurance Association of Vietnam

Association awarded a Certificate of Commendation to the team of Vietnam National Reinsurance Corporation (VINARE) for

Outstanding achievements in business operation in 2021 and several Certificates of Commendation for Outstanding Insurance Practitioners and Managers

VINARE was ranked in the

TOP 500

Most Profitable Enterprises in Vietnam in 2022

Mr. Nguyen Anh Tuan

Chairman of the Board of Directors of the Vietnam National Reinsurance Corporation, was honored to receive

Outstanding Vietnamese Young Entrepreneur Award 2022

Insurance Association of Vietnam awarded a Certificate of Commendation to Mr. Nguyen Anh Tuan

Chairman of the Board of Directors of VINARE, for achieving the title of

Outstanding Insurance Manager in 2021

VINARE was ranked in the VNR500

TOP 500

Largest Enterprises in Vietnam in 2022

At the Listed Company Awards 2022

TOP 10

listed mid-cap companies with the best annual reports in 2021

At the 2022 Annual Conference of the Hanoi Stock Exchange

TOP 10

listed companies with good corporate governance in the evaluation period of 2021-2022



VINARE was ranked among the **TOP 10** Excellent Brands - Strong Brands of Vietnam 2021-2022

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OVERVIEW OF VINARE



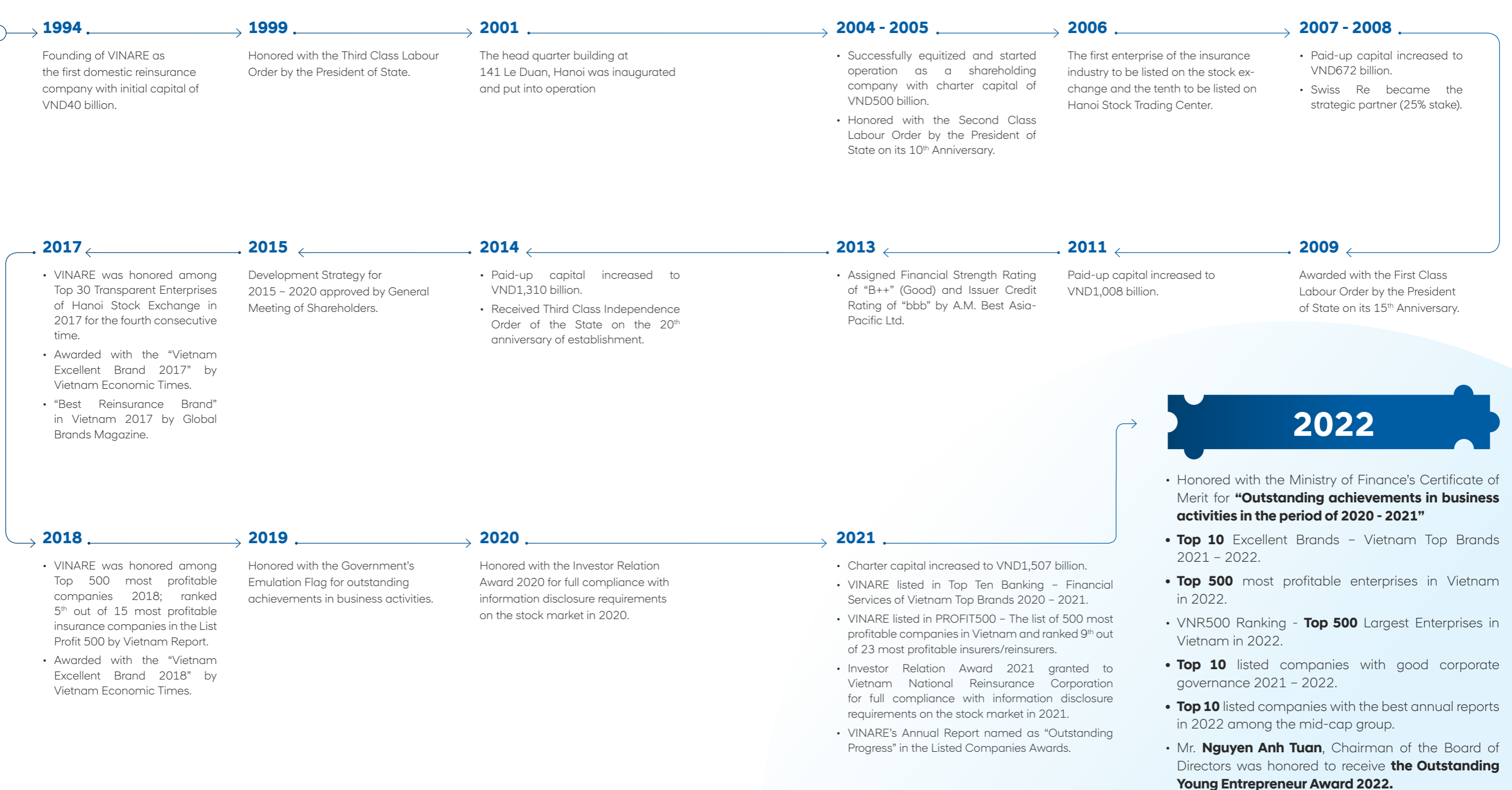
PARTNERSHIP



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Historical milestones

1994-2022



Development strategy



Our vision

BEING A LEADING REINSURER IN VIETNAM

- Being a leading reinsurer in Vietnam and the region and a professional investor
- Providing long-term solutions and services of international quality
- Supporting Vietnam insurance industry, aiming for a sustainable and efficient market growth
- Assuming social responsibility to support the socio-economic development and international competitiveness of Vietnam

Growth Targets 2020 - 2025

Growth

- Average gross written premium growth: **9%/year**
- Maximum average Combined Ratio: **98%**
- Minimum average pre-tax profit growth: **7%/year**
- Minimum dividend ratio: **12%/year**
- Minimum average ROE: **10%**

Charter capital

to be increased to VND2,000 billion

Our value propositions

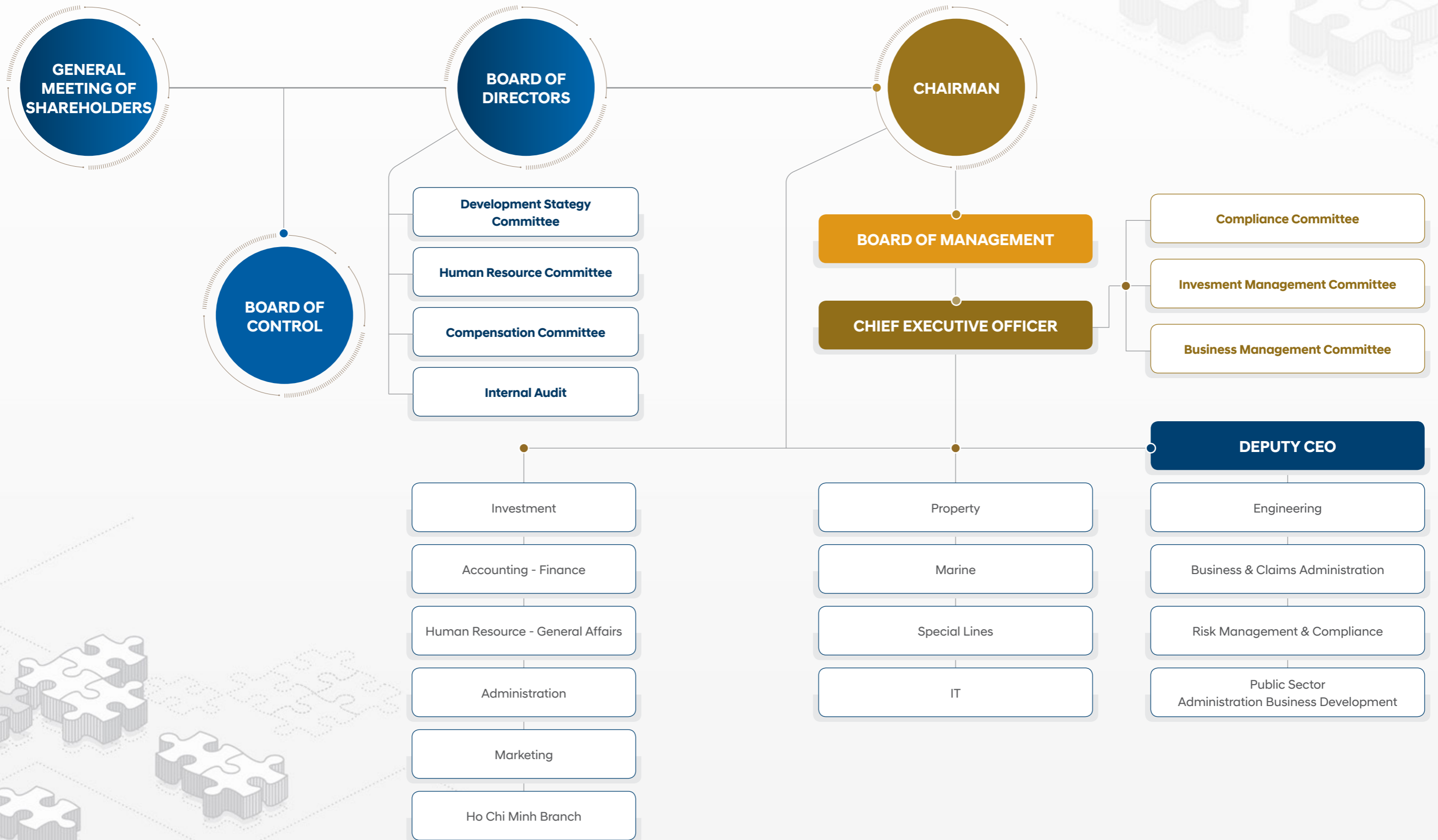
- Optimum profit to investors
- Improving insurance market efficiency and profitability:
 - Risk and capital management
 - Training and knowhow transfer
 - Insurance and reinsurance market information
- Sustained insurance market growth:
 - Providing reinsurance capacity
 - Supporting new insurance product development
- Active involvement in promoting sustainable development of Vietnam

Sustainable development

- Contributing to the sustainable development of Vietnam insurance market through raising awareness on insurance, providing reinsurance capacity and supporting the development of insurance products for the large number of citizens
- Actively participating in the sustainable development of Vietnam



Organization



Board of Directors



Mr. NGUYEN ANH TUAN
Executive Chairman



Mr. NGUYEN XUAN VIET
Deputy Chairman



Ms. ANNA LEE ON WAH
Deputy Chairwoman



Mr. MAI XUAN DZUNG
Member



Mr. NGUYEN DINH AN
Member



Mr. VU ANH TUAN
Member



Mr. PHAM PHAN DZUNG
Independent Member



Ms. NGUYEN THI HUONG GIANG
Member



Ms. NGUYEN THI QUYNH HUONG
Member

Board of Control



Mr. TRAN TRUNG TINH
Head



Ms. LE THI THANH HIEN
Member



Mr. VU NGOC VUONG
Member



Mr. DAO MANH DUONG
Member



Mr. TUSHAR CHATTERJEE
Member

Board of Management



Mr. MAI XUAN DZUNG
Chief Executive Officer



Mr. NGUYEN MANH LINH
Deputy Chief Executive Officer



Ms. LUU THI VIET HOA
Chief Accountant

Shareholding structure



VINARE's shareholding structure as at 29/06/2022

(According to the List No. C245/2022-VNR/VSD-DK as at 01/07/2022 of Vietnam Securities Depository)

No.	Shareholder	Capital contribution (VND)	Share amount	Shareholding stake
1	State Capital Investment Corporation (SCIC)	608,419,400,000	60,841,940	40.36%
2	Swiss Re	376,843,370,000	37,684,337	25.00%
3	Bao Viet Holdings	138,308,430,000	13,830,843	9.18%
4	Bao Viet Fund Management Limited Company	120,699,400,000	12,069,940	8.01%
5	Bao Minh Insurance Corporation	96,916,360,000	9,691,636	6.43%
6	PG Insurance Corporation	37,689,690,000	3,768,969	2.50%
7	Others	128,494,650,000	12,849,465	8.52%
	Total	1,507,371,300,000	150,737,130	100.00%

Shareholding structure

Criteria	Share amount
1. Total number of share	150,737,130
- Openly traded common stock	150,736,988
- Restricted common stock	142
2. Number of shares by types	150,737,130
- Openly traded common stock	150,736,988
- Restricted common stock	142

Shareholder structure

No.	Shareholder	Share amount	Shareholding stake
1. Institutions		142,689,610	94.66%
a	Local	103,065,175	68.37%
	- State Capital Investment Corporation	60,841,940	40.36%
	- Others	42,223,235	28.01%
b	Overseas	39,624,435	26.29%
2. Individuals		8,047,520	5.34%
a	Local	7,651,355	5.08%
b	Overseas	396,165	0.26%
	Total	150,737,130	100.00%

Major shareholders

No.	Shareholder	Share amount	Shareholding stake
1	State Capital Investment Corporation (SCIC)	60,841,940	40.36%
2	Swiss Re	37,684,337	25.00%
3	Bao Viet Holding	13,830,843	9.18%
4	Bao Viet Fund Management Limited Company	12,069,940	8.01%
5	Bao Minh Insurance Corporation	9,691,636	6.43%

Key financial indicators 2018-2022

**TOTAL REVENUE
(CONSOLIDATED)**
(VND billion)

2,969

Gross written premium **2,368.8** VND billion



**TOTAL ASSETS
(CONSOLIDATED)**
(VND billion)

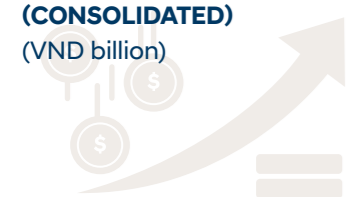
7,126



**PRE-TAX PROFIT
(CONSOLIDATED)**
(VND billion)

462.9

After-tax profit
378.4 VND billion



VINARE
has built its
ESG

roadmap in futherance of
sustainable and
responsible growth



**AM BEST AFFIRMS
CREDIT RATINGS OF VINARE**



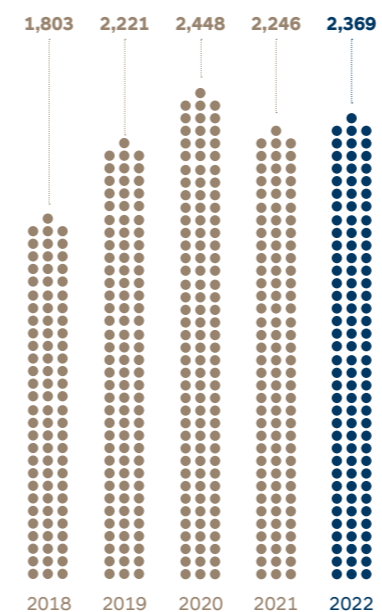
FSR **B++**
ICR **bbb+**

(CONSOLIDATED)
(%)

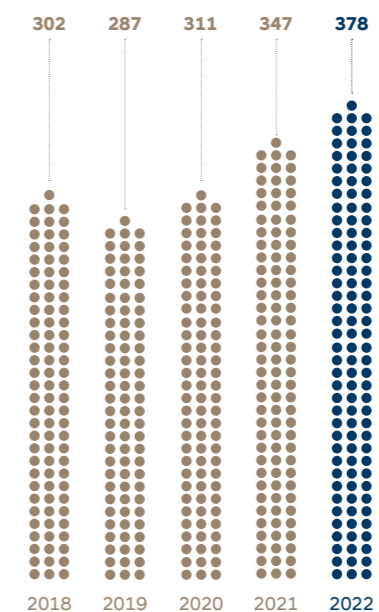
ROA **5.31**
ROE **10.94**



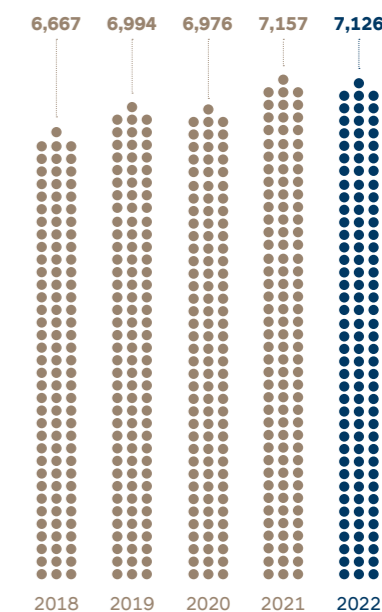
**GROSS WRITTEN
PREMIUM (VND billion)**



**CONSOLIDATED
AFTER-TAX PROFIT (VND billion)**



**CONSOLIDATED
TOTAL ASSETS (VND billion)**



Consolidated Financial Statements

Unit: VND billion

	2018	2019	2020	2021	2022
Gross written premium	1,803	2,221	2,448	2,246	2,369
Net written premium	785	1,191	1,497	1,273	1,275
Revenue from investment and other activities	365	337	380	480	415
Accumulated technical reserves (net)	1,072	1,314	1,543	1,520	1,497
Charter capital	1,310	1,310	1,310	1,507	1,507
Total assets	6,667	6,994	6,976	7,157	7,126
Pre-tax profit	358	344	377	423	463
After-tax profit	302	287	311	347	378
ROA (%)	4.53	4.10	4.46	4.85	5.31
ROE (%)	10.24	9.33	9.89	10.56	10.94
EPS (VND)	2,204	2,118	2,314	2,235	2,451

Separate Financial Statements

Unit: VND billion

	2018	2019	2020	2021	2022
Gross written premium	1,803	2,221	2,448	2,246	2,369
Net written premium	785	1,191	1,497	1,273	1,275
Revenue from investment and other activities	355	357	390	463	419
Accumulated technical reserves (net)	1,072	1,314	1,543	1,520	1,497
Charter capital	1,310	1,310	1,310	1,507	1,507
Total assets	6,456	6,773	6,738	6,915	6,862
Pre-tax profit	316	332	357	408	439
After-tax profit	261	275	291	332	355
ROA (%)	4.05	4.05	4.32	4.80	5.17
ROE (%)	9.30	9.40	9.90	10.83	11.05

3

BUSINESS
ENVIRONMENT

ADAPTABILITY

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Vietnam macroeconomy

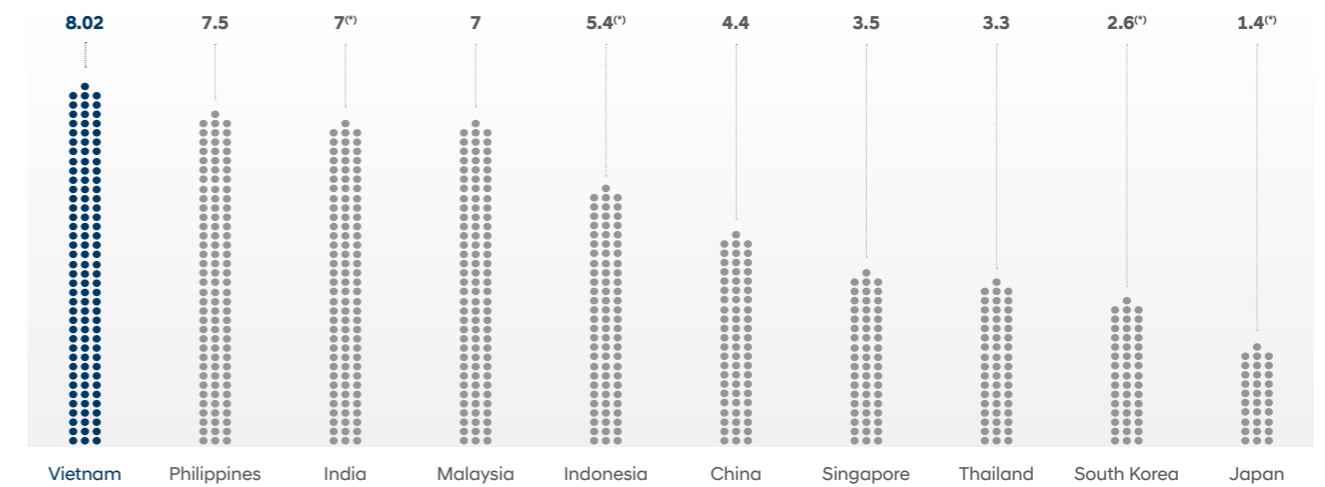


Vietnam macroeconomy 2022

“ Vietnam GDP growth rate struck a record high of 8.02% in 2022, which is the highest in 2011-2022 period. Vietnam’s economy achieved a better growth performance than other countries in the region, driven by the recovery in consumer spending, strong export activities and the gradual revival of international tourism after prolonged impacts from the Covid-19 pandemic. However, the ongoing conflict between Russia and Ukraine was altering the prospects for this growth. The risks arising from this conflict will likely significantly affect the economy, including supply chain disruptions.

Vietnam leading GDP growth in the region

(Unit: %)



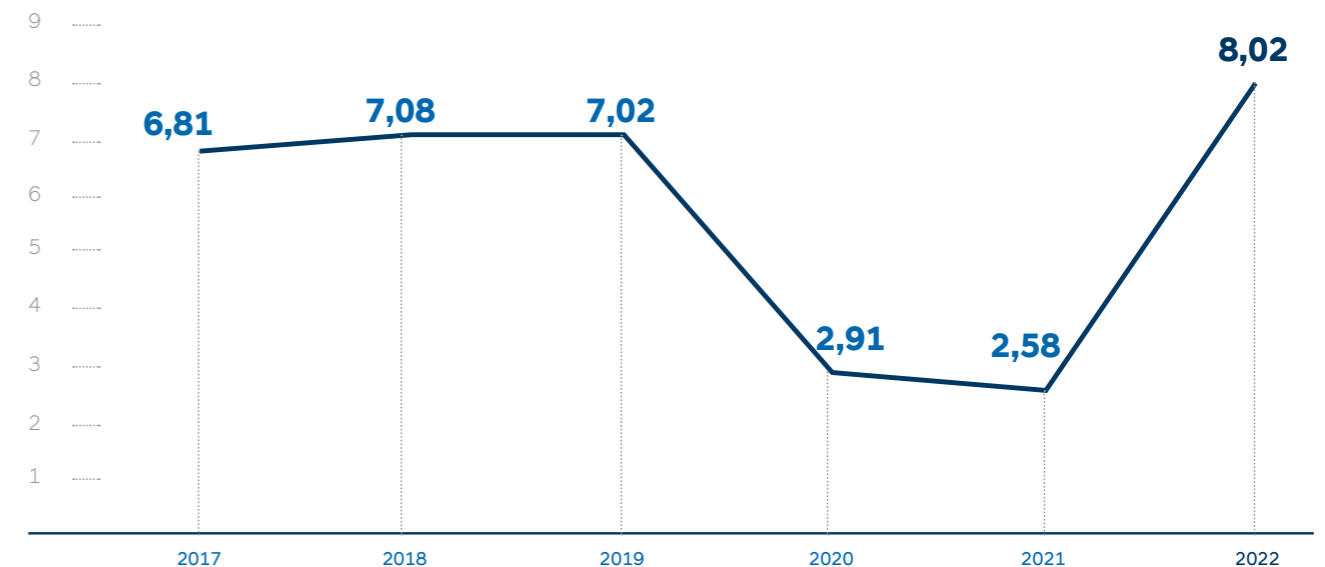
Overall, the Vietnamese economy in 2022 experienced a strong recovery, with macroeconomic stability and controlled inflation, ensuring significant balances.



- Ensuring the supply of essential food and commodities, controlling the increase in fuel prices, maintaining stable electricity prices, medical service fees, and tuition fees have successfully helped the Government control inflation in 2022 at below 4%. According to information from the State Bank, overall outstanding credit in 2022 was estimated to increase by about 14.5% compared to the beginning of the year, reaching approximately 12 quadrillion Vietnamese dong.
- The pressure on the exchange rate has significantly reduced, especially since December 2022. In 2022, the State Bank implemented various measures, including foreign exchange interventions (selling USD) and raising the prime interest rate (twice), contributing to the Vietnamese dong being one of the least devalued currencies in 2022.

GDP Growth by years

(Unit: %)



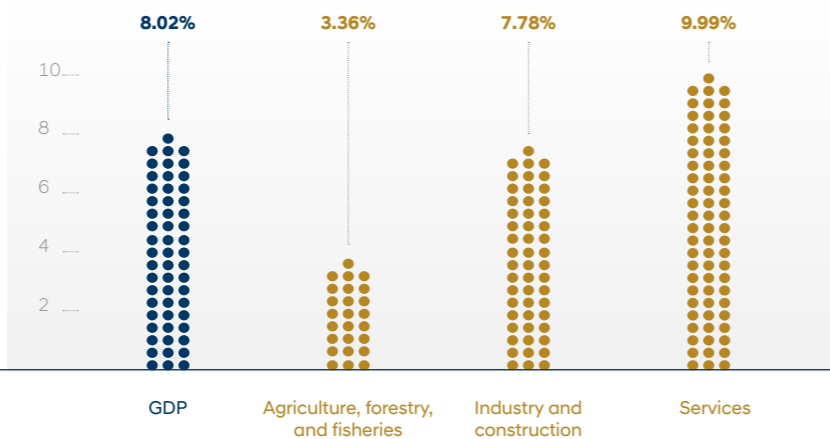
VIETNAM
MACROECONOMY (CONTINUED)

The economic growth rate of GDP in different economic regions

(Unit: %)

8.02%

Growth rate of GDP

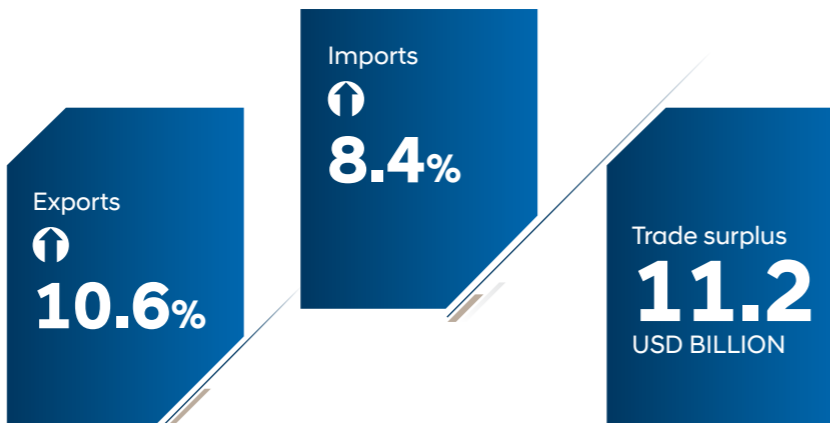


Total merchandise trade
(exports and imports)

732.5

USD BILLION

↑9.5%



Investment

Overall social investment capital

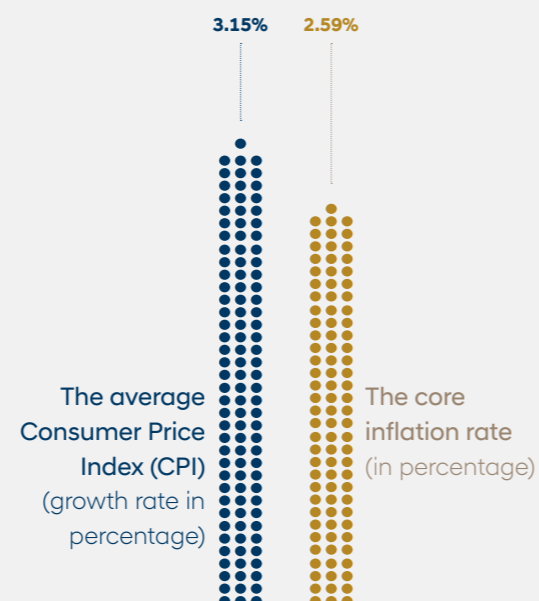
↑ **11.2%**

Foreign investment in Vietnam

22.4
USD BILLION

↑ **13.5%**

The CPI growth rate
and the core inflation rate in 2022



Vietnam
macroeconomic
outlook
2023



The global economy is forecasted to face significant challenges in 2023, as the growth momentum is weakening. The three major economies, namely the United States, Europe, and China, are all experiencing a slowdown. Despite solid growth in 2022, global demand for Vietnam's exports is showing signs of receding. Indeed, key indicators such as industrial production growth and export performance in the fourth quarter all declined compared to the third quarter. Therefore, the economy is anticipated to encounter several challenges in 2023, with a slower growth trajectory. The government has set a target of 6.5% GDP growth for 2023.

In 2023, the Vietnamese economy will continue to face with external risks and challenges. The crisis in Ukraine remains uncertain and prolonged, leading to high prices and inflation. The risks of energy and food crises are also escalating. In addition, the tightening of fiscal and monetary policies in various countries to control inflation have resulted in slower global economic growth and the possibility of stagnation in some nations. China's slowdown, driven by restructuring, quality improvement, and risk control, will reduce trade, investment, and tourism demand. Besides, the global supply chain is disrupted, and fiscal risks (public debt, budget deficits, debt repayment obligations, etc.) increase as interest rates rise and the US dollar appreciates.

In 2023, Vietnam's export activities will go down a rough path as consumer goods demand decreases due to increasing uncertainties, rising inflation, and tighter consumer spending. Increased interest rates will slow down consumer borrowing and business investment and operations, thus reducing the demand for imports from Vietnam. The supply chain disruptions persist, leading to shortages or increases in input material prices. Additionally, the implementation of the 2022-2023 economic and social recovery and development program remains slow, while the disbursement of public investment remains a bottleneck for the economy, and inflation risks are on the rise.

Non-Life insurance market



Non-life insurance market in Vietnam continues to experience growth in 2022

Following the social distancing measures due to Covid-19 pandemic in the third quarter of 2021 and the resulting impacts on all economic and social aspects, the non-life insurance market has continued to witness solid growth, effectively serving as a shield for the economy against risks. The average growth rate over the past five years (2017-2021) reached over 20%, with the non-life insurance market accounting for approximately 10% of that growth.

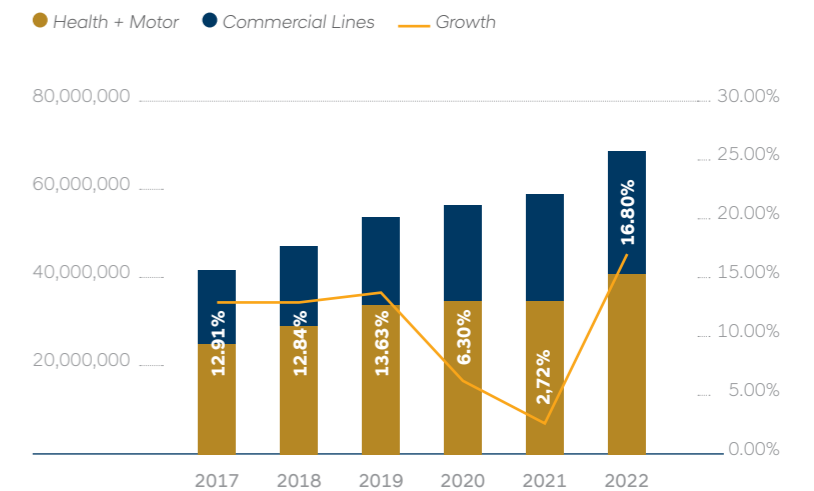
According to preliminary data from the Insurance Association of Vietnam, Non-life insurance premium in 2022 was estimated to reach around VND 67,607 billion, an increase of 16.8% year-on-year. This impressive growth came from the strong recovery of personal products, with motor insurance increasing by 11.9% and health insurance by 25.3%. Traditional commercial insurance lines also experienced good growth, such as Property (15.1%), Engineering (8.6%), Cargo (15.8%), Marine Hull and Shipowner's Liability (19.3%).

Additionally, the new legal provisions coming into force recently (Law on Insurance Business amended, Circular 50/2022/TT-BTC on compulsory insurance in construction activities, Decree 97/2021/ND-CP on compulsory fire insurance) will have a positive impact on the development of the market in the long term.

Non-technical competition in the market persists in almost every business lines, by way of widening terms and condition in addition to undercutting premiums. Lower premium rates combined with an increasingly high overall loss ratio is becoming a real challenge for many insurers. Besides, the adverse effects of the pandemic in 2020/2021 have motivated insurers to promote digital transformations in operation, especially in the distribution and sale of products.

Local non-life insurers have experienced a tough 2022/2023 renewal season due to the direct influence of the world's

Non-life premium volume



hard-market trend and the not-so-good result of the insurance contracts (including non-proportional treaties). XOL contracts must accept an increase of 15% - 20% (or even higher) and an increase in attachment level. Most proportional contracts have lower capacity, event limit, commission, and some need to accept Sliding Scale Commission.

Insurance/Reinsurance market forecast for 2023

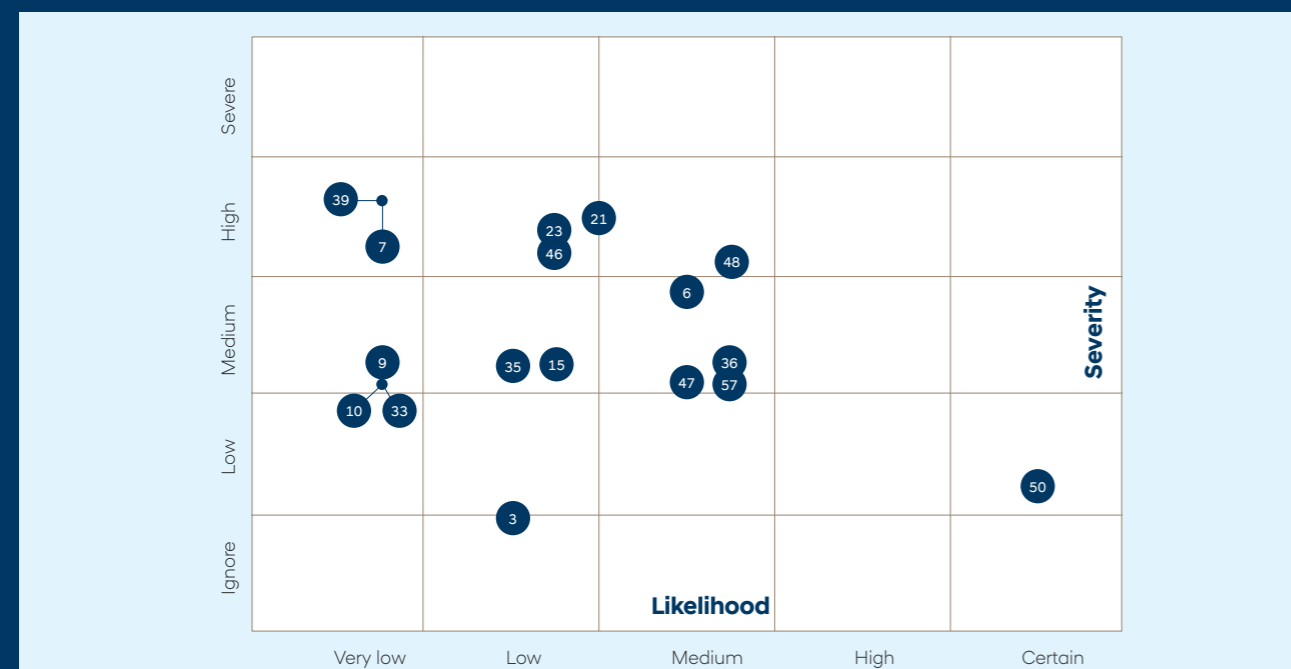
- The local market's uncertainty and the world economy's pessimistic forecast make insurers quite cautious when setting business targets for 2023.
- Competitive pressure increases, gaining new customers and retaining old customers is challenging.
- The positive supporting factor is that the Law on Insurance Business 2022 took effect from January 1, 2023. Besides, many critical national transport infrastructure projects have been promoted.
- The non-life insurance market is expected to maintain a growth rate of over 15% thanks to the continued recovery of the economy, strong domestic consumption, economic reform policies, attracting foreign investment, and the increasingly diversified development of new insurance products well as new channels of distribution. Many insurance companies see retail product as the driving force for their growth.

Risk management

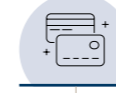
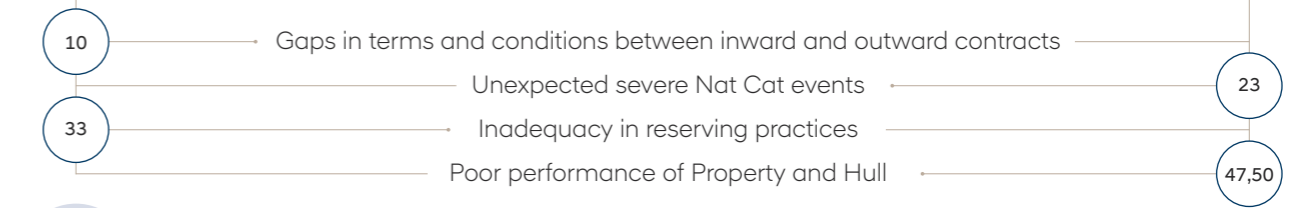
VINARE RISK LANDSCAPE



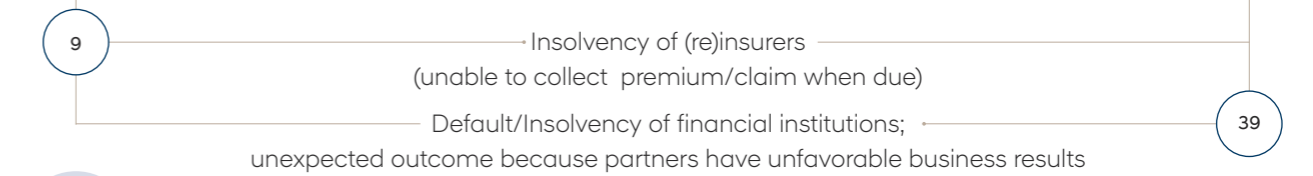
KEY IDENTIFIED RISKS



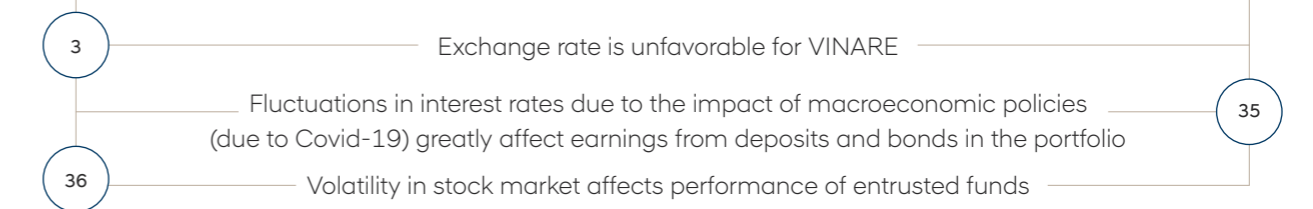
Insurance Risks



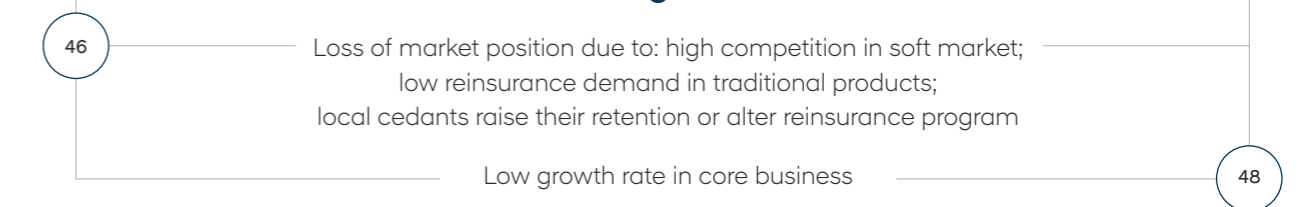
Credit Risks



Financial Market Risks



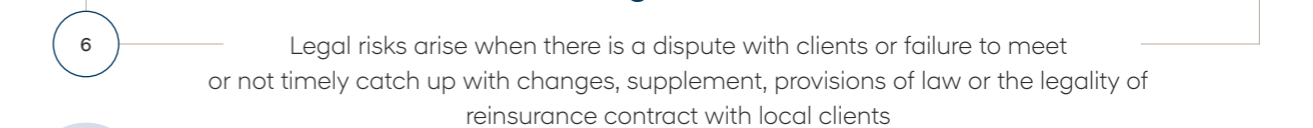
Strategic Risks



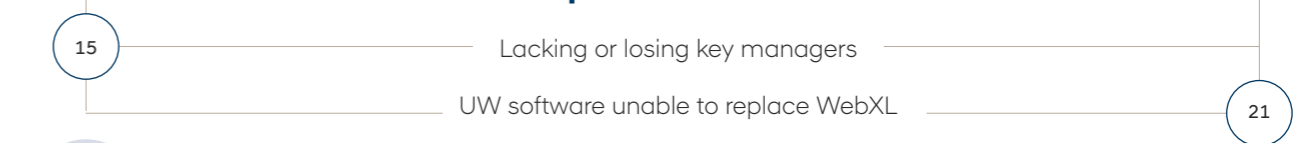
Reputation Risks



Legal Risks



Operational Risks



Impact of Covid 19 to company operation and performance

57

Business strategy and sustainable development strategy

Business Orientation



Diversify the types of reinsurance business to achieve sustainable revenue growth



Enhance the provision of value-added services to support sustainable market development



Ensure policies that promote good risk management practices and do not support risks that have a negative impact on the environment



Ensure financial investment policies that target environmentally friendly investment assets



Ensure stable income and progressively increasing welfare policies for employees



Contribute to the sustainable development of the Vietnamese insurance market by raising awareness of risk insurance, providing reinsurance capacity, and supporting the development of risk protection products for the general population



Strengthen social responsibility towards the community



OUR ESG STRATEGY & ROADMAP

WHY ESG



Since its establishment, VINARE's role has been to provide customers with value-added services, focus on profitability and optimize profits and to become an active business in environmental protection and community development issues.

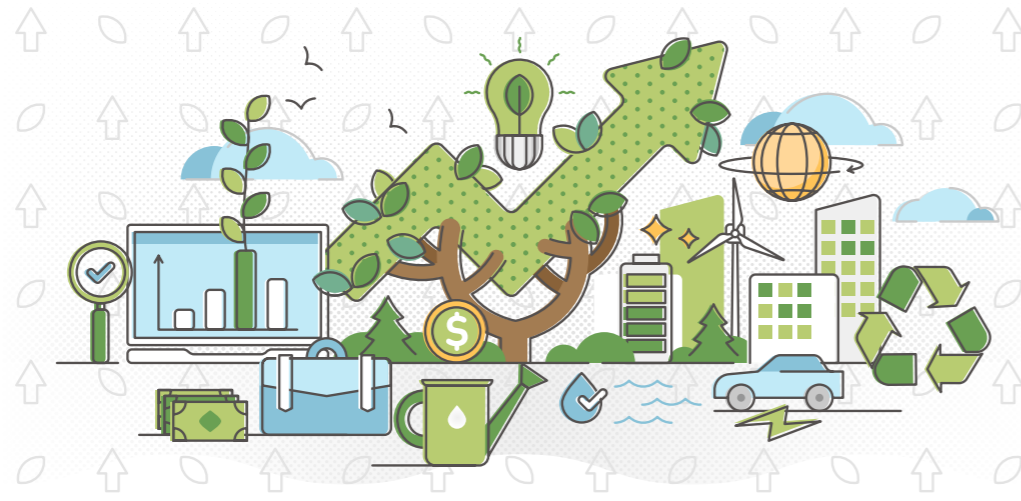


Businesses are becoming increasingly intertwined with Environmental, Social and Governance (ESG) concern reflecting the sustainable development.






In fact, ESG is an inevitable trend. Our world is facing environmental, social and governance challenges. International reinsurers consider ESG as one of the critical conditions and requirements before investing or cooperating.









As a player in the insurance and reinsurance industry, VINARE has a vital interest in fostering sustainable economic and social development. We aim to provide our clients with quality and reliable services and to engage in social, environmental and community commitments.

Our ESG ambition

-  Greenizing business activities
-  Promoting development of affordable insurance products
-  Upholding community responsibilities for sustainable development

Our principles

We uphold the Four principles recommended by UNEPFI:

-  We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.
-  We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.
-  We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social and governance issues.
-  We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Our ESG incorporation

Underwriting

- Giving priority to providing capacity to environmental-friendly business and renewal power projects
- Having a roadmap to limit, restrain from providing capacity for fossil fueled thermal power plants/projects
- Promoting R&D efforts in parametric insurance for agriculture sector
- Actively participating in risk protection schemes for the community initiated by the Government

Investment

- Systematic integration of ESG criteria into investment process and portfolio
- Integrating ESG issues into investment decision-making and ownership practices
- Avoiding investment related to low ESG-rated business

Operation

- Prioritizing the digital transformation in office operation to reduce the consumption of paper
- Allocate proper budget for charity causes and other community activities
- Prioritizing consumption of recyclable products
- Minimizing wastes and consumption of water and electricity

Governance

- Monitoring the progress in managing ESG issues and regularly disclosing the information publicly
- Identifying and assessing the key ESG risks and their impacts on business activities
- Raising awareness about climate change risks through dialogue with clients, employees, and the public

Our ESG roadmap

	2025	2035
Facultative coal thermal power (overseas)	Full exit	
Newly-built coal thermal power (Vietnam)	Limit	Full exit
Coal shipment	Limit	Full exit
Facultative worker compensation, Employee Liability, Professional Indemnity for Architect & Engineers for coal thermal power plants	Full exit	
Investment in bonds issued for coal exploitation and/or coal power projects	No new disbursement	Full exit
Entrusted investment	ESG-related considerations included in Entrusted investment agreements	

4

**BUSINESS RESULTS 2022
& BUSINESS PLAN 2023**

COMPANIONSHIP

42 Business results 2022
48 Business plan 2023





BUSINESS RESULTS 2022

BUSINESS RESULTS 2022

Gross written premium
(VND billion)

2,368.8
achieving **107.1%** of target

Core business lines
(VND billion)

1,971.3
achieving **103.7%** of target

This impressive growth was driven by the strong recovery of Vietnam's insurance market and VINARE's efforts to writing more new business.

Core business lines (including Property, Engineering, Marine and Miscellaneous) posted an increase in gross written premium of 14.1% year-on-year to VND1,971.3 billion. This was a positive result compared to previous years in the context that the insurance - reinsurance market is facing with several challenges such as non-technical competition, loss uncertainty, and a hardening reinsurance market.

The lines that largely contributed to this growth were Property, Engineering, Marine Cargo and P&I. Property increased by 13.9% y-o-y thanks to the steady growth of the primary market (15.1%) and positive impacts from Decree 97/2021/ND-CP whereby rates for some industries have increased. Engineering grew by 11.9% year-on-year thanks to the overall market growth of about 8.6% and especially the increase in renewable energy projects. Marine Cargo registered a growth rate of 13.1% owing to increasing prices of key imported commodities such as petrol, iron and steel, construction materials, etc.. and also increasing facultative business. Protection & Indemnity (P&I) grew by 18.3% owing to additional calls by LSSO and movement of insured vessels among local insurance companies.

Some other lines of business which accounted for relatively small shares in the overall premium revenue also posted good results such as Agriculture, increasing more than 4 times compared to 2021 mainly thanks to contracts from international market; Motor insurance, growing well but for

caution reason, the share was still kept at low level; Miscellaneous and Aviation business, registering a slight improvement.

On the downside, Hull insurance witnessed a decrease of 7.4% due to tighter underwriting policy by insurance enterprises.

VINARE also restricts receiving or supporting facultative business of this line due to bad loss history (loss ratio of 2022 was 116%).

Bancass Personal Accident continued to shrink by 23.2% y-o-y as a result of a proactive downsizing plan, but still exceeded the plan by 28.2%.

Gross written premium by lines 2022

(Unit: VND million)

Line of business	2022	2021	2022/2021	Plan 2022	2022/Plan
Engineering	342,629	306,118	111.9%	320,000	107.1%
Property	808,190	709,387	113.9%	800,000	101.0%
Marine	453,314	397,777	114.0%	424,000	106.9%
Miscellaneous	367,202	315,213	116.5%	357,345	102.8%
Total	1,971,335	1,728,495	114.1%	1,901,345	103.7%
Bancass Personal Accident	397,536	517,666	76.8%	310,000	128.2%
Total	2,368,870	2,246,160	105.46%	2,211,345	107.1%



Net written premium
(VND million)

1,274.8
achieving **105.8%** of target

Core business posted an increase in net written premium of 16.2% year-on-year to VND877.3 billion whilst that of Bancass Personal Accident reduced by 23.2% as premium written from this line was wholly retained.

BUSINESS RESULTS 2022 (CONTINUED)



Claims incurred decreased by

11.8%

equivalent to VND46 billion year-on-year

Both claims payment and recovery in 2022 increased sharply y-o-y as many large claims (Property, P&I) were settled during this period, resulting in net claims paid increased by 17.2%.

Regarding losses incurred and reported in the year, Property recorded two large local losses of above USD10 million and two other large losses from overseas treaties. However, the net claims incurred by VINARE decreased compared to 2021. Engineering recorded some medium losses of wind and solar power plants. Marine Cargo experienced two large losses of over 1 million USD in 2022 and a loss of over 3 million USD from 2021 but was not reported until 2022 (parts shipment of Hyundai Shipping). Hull insurance only recorded one loss of over USD1 million. However, some losses from previous years have been updated recently due to legal disputes.

With a reserve release of VND15.7 billion, net claims incurred decreased by 11.8%

(Unit: VND million)

Criteria	2022	2021	2022 vs 2021 (%)
Claim payment for inward reinsurance (1)	976,933	856,128	114.1%
Claims recovered from outward reinsurance (2)	616,506	548,472	112.4%
Increase in claim reserve (3)	(15,752)	83,030	
Net claim payment (4 = 1-2+3)	344,675	390,685	88.2%

Large losses in 2022

(Large losses in terms of VINARE's net retention)

(Unit: VND million)

Losses	Line of Business	Date of los	100% loss	VNR share
SWR XOL - Renesas Electronics	Property	19/03/2021	69,022,255	2,243,223
SIRIUS POINT - Hurricane Ian	Property	23/09/2022	85,774,591	2,102,897
TAY SON 4-3308/2021	P&I	27/07/2021	3,430,000	823,200
SCAVI HUE	Property	13/06/2022	21,800,000	700,938
KODA SAIGON	Property	03/01/2022	2,387,893	417,058
CTY CP NHA TRANG - DA LAT	Engineering	26/02/2020	413,396	385,079
CV VINA	Property	20/01/2022	1,866,957	373,391
KRIC OSL - Changseong Construction	Engineering	05/01/2022	44,120,521	317,668
LIMCO ASIA	Hull	22/01/2019	1,398,031	279,606
GLOBE 6-2022002234	P&I	05/06/2022	320,000	265,600
PHONG NGUYEN WINDFARM	Property	04/07/2022	2,608,696	261,701



RELATED PARTY TRANSACTIONS

No.	Enterprises	Related parties	Year of transaction	Transactions, value and number of contracts		
				Transactions	Value (VND)	Number of contracts
1	Bao Viet Insurance (Bao Viet)	Major shareholder	2022	Inward premium	114,454,187,352	43
				Outward premium	20,955,618,902	23
2	Bao Minh Joint Stock Corporation (Bao Minh)	Major shareholder	2022	Inward premium	41,392,588,205	26
				Outward premium	32,512,241,649	30
3	Petrolimex Insurance Joint-stock Company (PG Insurance)	Related party	2022	Inward premium	152,519,452,741	66
				Outward premium	38,334,197,606	36
4	BIDV Insurance Joint Stock Corporation (BIC)	Related party	2022	Inward premium	93,154,660,694	44
				Outward premium	33,669,898,231	40
5	Post and Telecommunication Joint Stock Insurance Corporation (PTI)	Related party	2022	Inward premium	99,939,934,286	27
				Outward premium	19,803,299,468	34
6	Agriculture Bank Insurance Joint Stock Corporation (ABIC)	Related party	2022	Inward premium	54,391,325,928	52
				Outward premium	587,451,881	5
7	Global Insurance Corporation (GIC)	Related party	2022	Inward premium	20,256,837,163	19
				Outward premium	608,696,040	2
8	Samsung Vina Insurance Co., Ltd (SVI)	Related party	2022	Inward premium	89,453,128,915	68
				Outward premium	0	0
9	Swiss Re	Major shareholder	2022	Inward premium	0	0
				Outward premium	153,714,932,353	6
10	Bao Viet Fund (BVF)	Major shareholder	2022	Entrusted investment contract	30,000,000,000	1

FINANCIAL INVESTMENT 2022

In 2022 all major central banks in the world shifted from easing to tightening their monetary policy and Vietnam was not an exception. Faced with inflation pressure and in line with the trend worldwide, the State Bank of Vietnam twice increased the prime interest rates in September and October 2022 by about one per cent each time. The increases were more intense towards the end of the year.

In addition, the investment environment witnessed a tumultuous year in 2022 with several incidences involving listed companies which are charged with manipulation of stock prices or wrong-doings in offerings of corporate bonds. These scandalous happenings have affected investors' sentiments and confidence and thus, capital flows.

As such, Vietnam's stock market witnessed a deep plunge since the beginning of the second quarter after reaching the peak of 1,536.45 points on January 10. VN-Index fell to a record low of the year (873.78 points) on November 16. As of December 31, 2022, VN-Index has decreased by 33% compared to the end of previous year, to 1,007 points. The market's liquidity has dropped significantly with average trading value of only 19.1 trillion VND/session, decreasing 24% y-o-y.

The corporate bond market also recorded a sharp decrease in issuance volume compared to 2021. According to Fiinpro and VBMA, accumulated in 12 months of 2022, the value of bonds issued to the public was VND10,599 billion, a decrease of 65% (accounting for 4% of the total offered value). The value of private bond issuance was VND244,565 billion, declined by 66% (representing 96% of the total issued value).

Investment portfolio (31/12/2022)

(Unit: VND million, %)

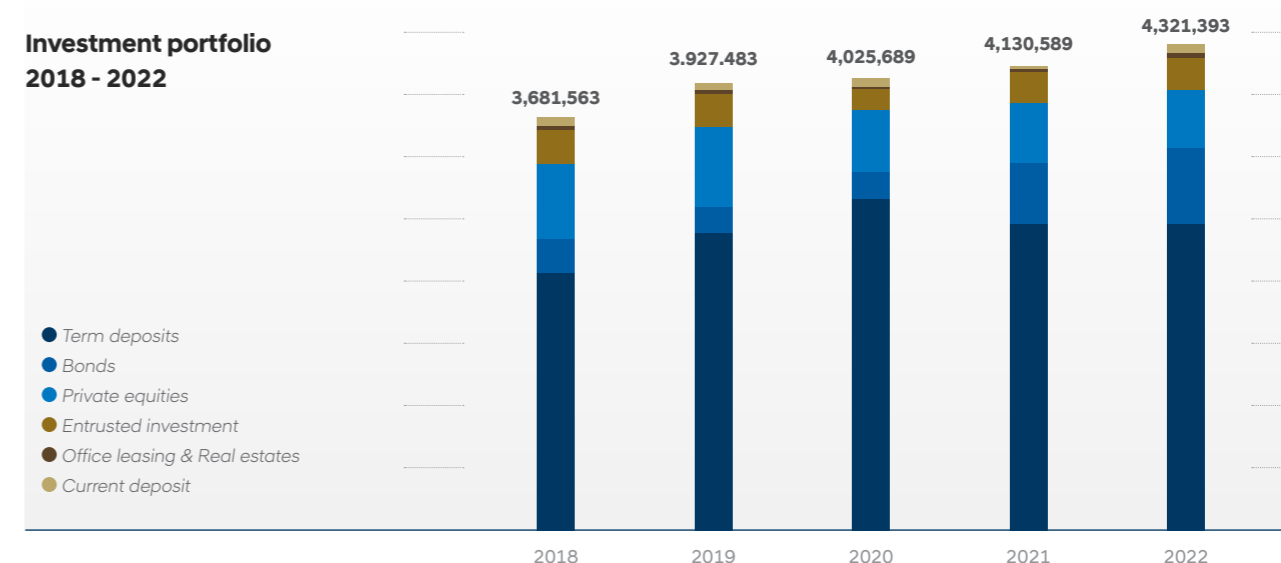
No.	Portfolio	31/12/2022	31/12/2021	+/-	Weighted (%)
1	Term deposits	2,765,300	2,740,500	24,800	64.0%
2	Bonds	680,000	559,490	120,510	15.7%
3	Private equities	494,296	522,701	(28,406)	11.4%
4	Securities, fund certificates & entrusted investment	315,000	265,000	50,000	7.3%
5	Office leasing	4,591	6,410	(1,819)	0.1%
6	Real estates	11,206	11,206	-	0.3%
7	Current deposit (*)	51,000	25,282	25,718	1.1%
	Total	4,321,393	4,130,589	190,803	100.0%

(*) Including foreign currency balance equivalent to VND 49.6 bn

Investment results & office leasing 2022 (Unit: VND million)

Criteria	2022	2021	2022/2021	Plan 2022	2022/Plan
Investment revenue & others	418,910	462,733	90.5%	438,000	95.6%
Investment expenses & others	106,270	95,055	111.8%	29,000	366.4%
Investment income & others	312,640	367,678	85.0%	409,000	76.4%

Investment portfolio 2018 - 2022



SOLVENCY MARGIN

Decree 73/2016/ND-CP and Circular 50/2017/TT-BTC stipulate the method of calculation of the solvency margin of an insurance enterprise as follows:

1. A company's Minimum Solvency Margin is the larger figure of the followings:

- 25% of net written premium at the time of calculation
- 12.5% of gross inward reinsurance premium at the time of calculation

2. A company's Solvency Margin is the balance of the total value of assets (after certain deductions based on types of assets) and the total value of liabilities at the time of calculation

(Unit: VND billion)

Criteria	2022	2021
1. Balance of total assets value and liabilities	3,212	3,064
2. Asset values deducted upon solvency calculation	930	943
3. Solvency Margin of VINARE	2,282	2,121
4. Minimum Solvency Margin required	318	318
5. Comparison between (3) and (4)		
- Absolute value	1,964	1,803
- Percentage	716%	667%

Business Plan 2023



BUSINESS PLAN 2023

The world economy will continue to face several challenges in 2023, and the drivers of global economic growth are weakening. Despite good growth in 2022, the global demand for Vietnamese exports is slowing down. It is forecasted that in 2023 the economy will face many difficulties and slowed-down growth. Vietnam's GDP growth target in 2023 is expected at 6.5%.

As a result, the insurance market will very likely follow suit and the non-life insurance market is expected to maintain a growth rate of over 15% thanks to the continued recovery of the economy, strong domestic consumption, economic reform policies, attracting foreign investment, and the increasingly diversified development of new insurance products well as new channels of distribution. Many insurance companies see retails product as the driving force for their growth.

Heavy competition in the local market's and the world economy's bleak forecast make insurers cautious when setting business targets for 2023. With competitive pressure rising, gaining new customers and retaining current ones is challenging. The positive supporting factor is that the Law on Insurance Business 2022 took effect from January 1, 2023. Besides, several key national transport infrastructure projects have been promoted, ...

VINARE will continue the underwriting policy which upholds tightening underwriting disciplines and prioritizing underwriting profitability. Thus, VINARE will focus more on core traditional business lines with relatively good results in local markets whilst selectively write business from overseas. At the same time, VINARE will actively leverage the partnership with primary local players to write new business and develop new products.

The business plan in 2023 reflects a 10%-growth in core lines of business and a significant reduction in Personal Accident which generated only a narrow profit margin for the last few years and proved to be highly volatile.

The assets allocation plan continues to see a higher allocation into bonds as there have been several offerings with good returns and controllable risks.



Business plan 2023

Unit: VND million

Indicators	2023 Plan	2022 Performance	Growth
Gross written premium	2,468,000	2,368,870	4.2%
- Core lines of business	2,168,000	1,971,335	10.0%
- Personal Accident	300,000	397,536	-24.5%
Profit before tax	460,000	439,371	
- Excluding foreign exchange difference	460,000	437,753	5.1%
- Foreign exchange difference	unidentified	1,618	
Projected dividend payment			
	12%	10% in cash 10% in shares	

Projected allocation of investment assets 2023

Unit: VND million

No.	Investment portfolio	31/12/2023	31/12/2022	+/-	Proportion (31/12/2022)
1	Term deposits	2,690,000	2,765,300	(75,300)	59.8%
2	Bonds	850,000	680,000	170,000	18.9%
3	Private equities	525,000	494,296	30,704	11.7%
4	Fund certificates & entrusted investment	365,000	315,000	50,000	8.1%
5	Office leasing	5,000	4,591	409	0.1%
6	Real estates	11,206	11,206	0	0.2%
7	Current deposit	53,794	51,000	2,794	1.2%
	Total	4,500,000	4,321,393	178,607	100.0%

5

CORPORATE GOVERNANCE

TRANSPARENCY



52 Corporate governance
56 Control framework

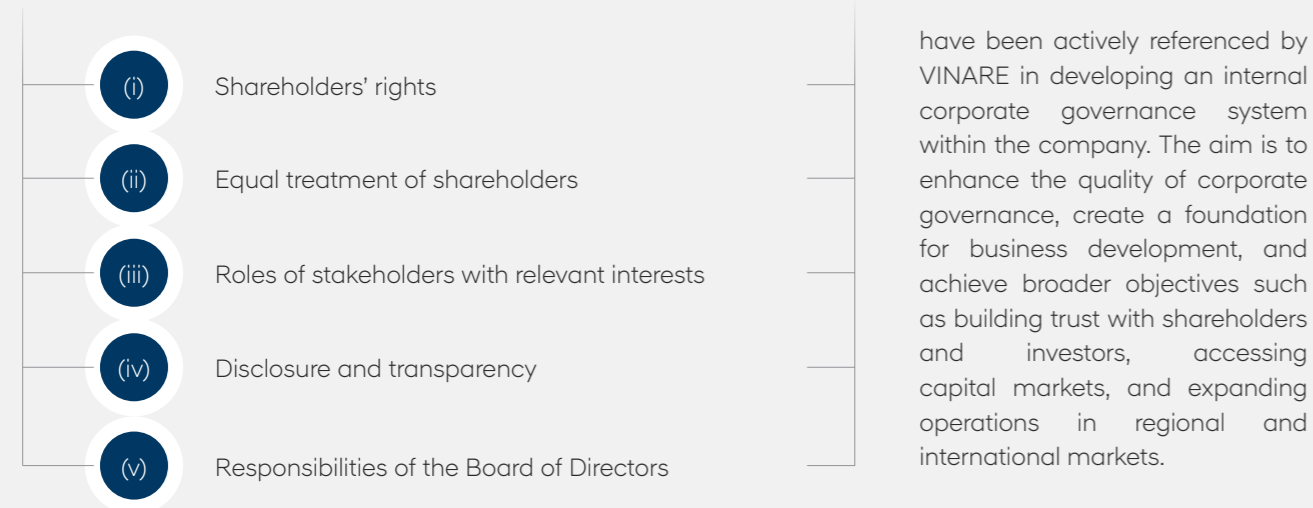
Corporate governance



Principles and Core Values of Corporate Governance in VINARE

In recent years, under the guidance and direction of the Board of Directors, VINARE has implemented good practices in corporate governance, including the Corporate Governance Principles of the Organization for Economic Cooperation and Development (OECD) and the ASEAN Corporate Governance Scorecard.

The corporate governance principles related to:



Principles of Corporate Governance in VINARE

- Ensuring an effective governance structure
- Ensuring shareholders' interests and fair treatment for all shareholders
- Ensuring the roles and interests of stakeholders
- Ensuring transparency in every action and conduct of the company
- Ensuring effective operation of the Board of Directors and the Board of Control

10 Principles of Corporate Governance implemented by VINARE:

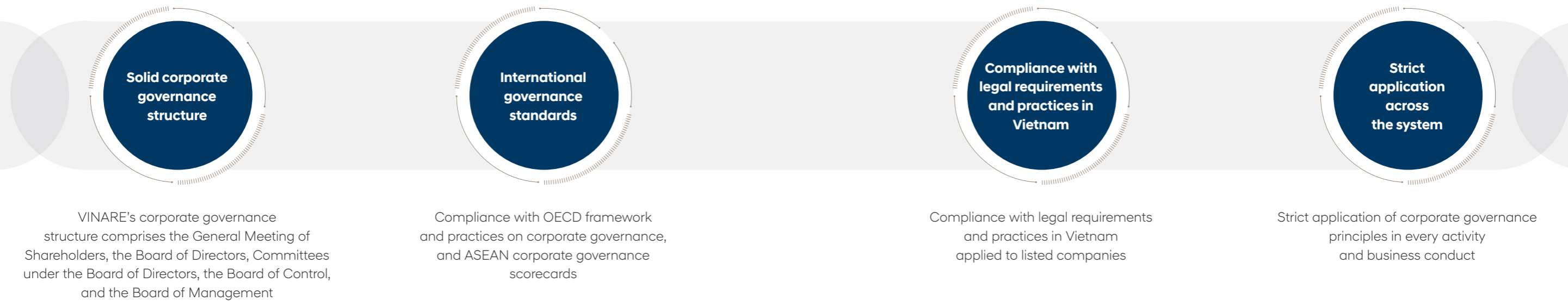
- | | |
|---|---|
| Responsibilities of the Board of Directors | <ol style="list-style-type: none"> 1 Clearly define the roles, responsibilities, and commitments of the Board of Directors 2 Establish a highly capable and professional Board of Directors 3 Ensure the independence of the Board of Directors 4 Establish Committees under the Board of Directors 5 Ensure the effective operation of the Board of Directors 6 Establish and maintain the ethical culture of VINARE |
| Control Framework | <ol style="list-style-type: none"> 7 Establish Enterprise Risk Management (ERM) framework, internal control system, and internal audit function |
| Transparency and Disclosure | <ol style="list-style-type: none"> 8 Ensure full, timely, and transparent disclosure of information |
| Shareholder Rights | <ol style="list-style-type: none"> 9 Establishing a framework to effectively exercise shareholders' rights |
| Relationships with relevant parties | <ol style="list-style-type: none"> 10 Enhancing the effective participation of parties with relevant rights and interests |

Pillars of Corporate Governance

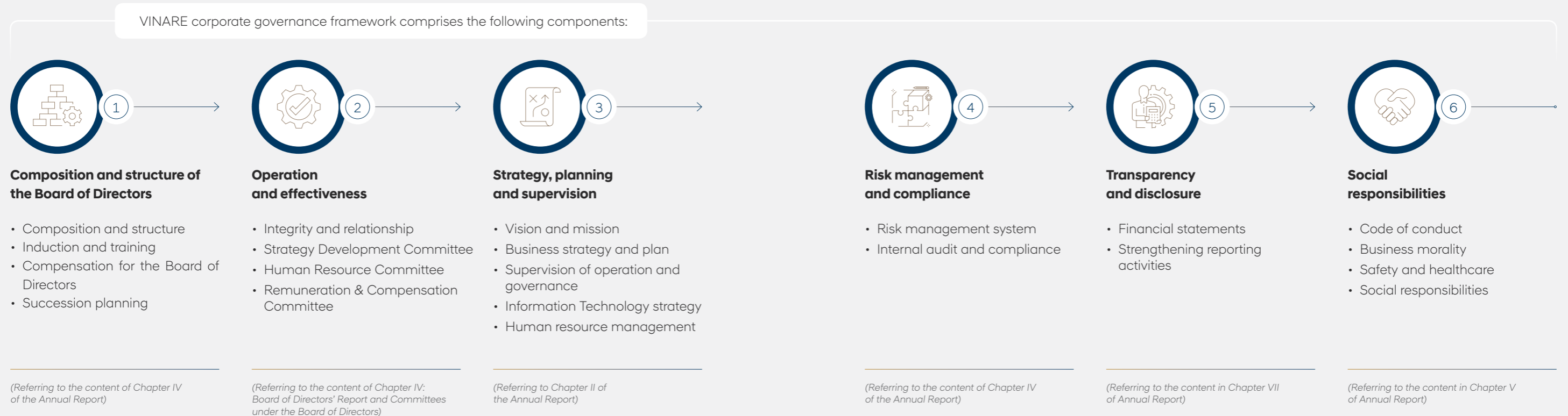
VINARE corporate governance is implemented based on five pillars:



VINARE's sustainable corporate governance is implemented based on the combination of the following elements:



VINARE corporate governance framework



Control Framework

Internal Audit

The Internal Audit was established according to Decision No. 05/2021/QD-VNR dated March 30, 2021, by the Chairman of the Board of Directors

The Internal Audit operates under the direct supervision of the Board of Directors and is directly accountable to the Chairman of the Board of Directors.

The Internal Audit operates in accordance with the Internal Audit regulations and the Internal Audit handbook.

The functions of Internal Audit are to provide independent, objective, and advisory assurances through examination, evaluation, and recommendations on the following:

- The internal control system has been established and operated appropriately to prevent, detect, and address risks within VINARE.
- The governance and risk management processes ensure effectiveness and high performance.
- The objectives of operations, strategic goals, plans, and assigned tasks are achieved.

Internal audit activities in 2022

In 2022, the Internal Audit conducted 5 audits as per the approved plan by the Board of Directors:

- Engineering Department:**
Underwriting process
- Marine Department:**
Underwriting process
- Accounting - Finance Department:**
Operational and accounting processes
- IT Department:**
Managing technical infrastructure and ensuring information technology system security
- Human Resource – General Affairs Department:**
Human resources management and development processes.

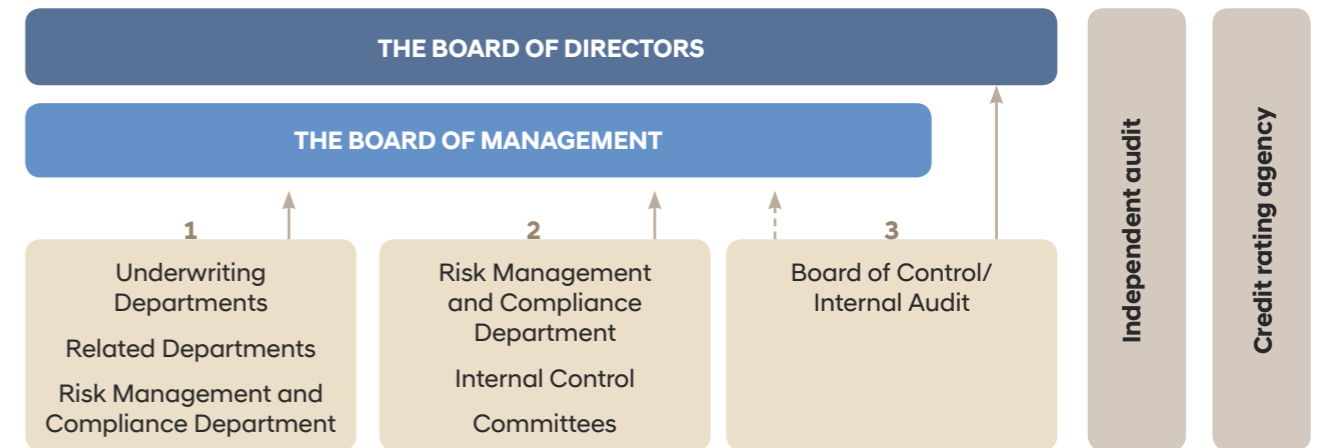
Internal audit plan in 2023

- Underwriting process - Special Lines Department
- Investment process - Investment Department
- Ho Chi Minh City Branch
- Process of calculating technical reserve, solvency, and performing other functions and duties of Actuary

Risk management

The risk management activities are carried out based on the principle that all departments within the system must participate in the risk management process to ensure that all risks in the company's business operations are identified, controlled, and minimized.

Enterprise risk management (ERM)



The risk management process is conducted periodically. Risk Management and Compliance Department conducts surveys/reviews and exchanges information with underwriting departments through the Risk Control Self Assessment (RCSA) report template to identify/update risks that may arise.

of Management. Once identified, risks are discussed extensively (between Underwriting Departments, Risk Management & Compliance Department, and the Board of Management) regarding the ongoing solutions and the impact of those risks.

Committees and councils also participate in the risk identification process by providing support to the Board

Risk reports are compiled every 6 months to monitor and evaluate the effectiveness of the implemented solutions.

Major risk management activities during the reporting period

- Assessing and analyzing the accumulated risks in the underwriting of non-bordereaux treaties and treaties with detailed bordereaux based on 2022 underwriting process of Engineering Department
- Proposing risk control solutions for the accumulated risk cases mentioned above, in coordination with Business & Claims Administration Department, as well as other underwriting departments
- Calculating and confirming technical reserves according to the task of the Actuary
- Evaluating Risk-Based Capital (RBC) for internal management requirements
- Technical reserves are determined by actuarial methods to assess adequacy in the provision for the year 2022
- Collaborating with underwriting departments to assess the inward business (renewable energy sector, construction projects, hydropower plants in Vietnam and Laos)

6

SUSTAINABLE DEVELOPMENT

SHARING

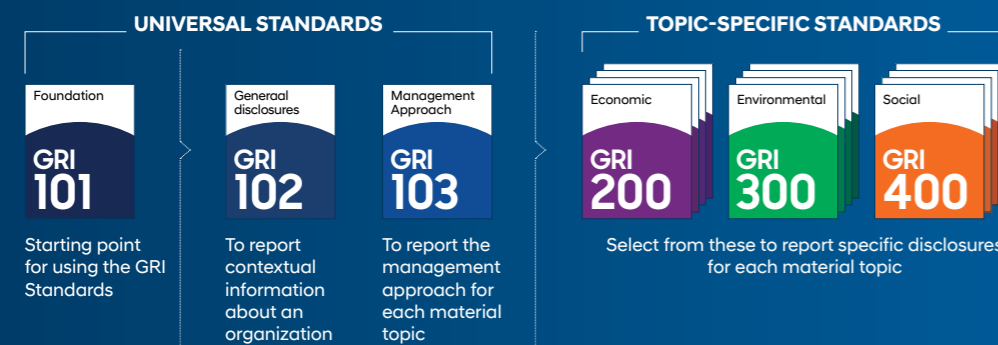
60	Disclosure of information (common standards)
62	Sustainable development activities at VINARE
66	Sustainable Development Orientation and Strategy
68	Sustainable Development Management
73	Involvement of stakeholders
74	Economic Objective - GRI 200
84	Environmental Objectives - GRI 300
92	Social criteria - GRI 400
101	Social responsibilities



Disclosure of information (common standards)

General information

Overview



General information

This report documents the key activities related to sustainable development in 2022. VINARE's approach to sustainable development originates from the company's long-term development goals combined with the goals of social development and environmental protection, thus contributing to the development of the entire community. VINARE collaborates with regulatory agencies and other stakeholders to promote ESG-minded actions while demonstrating accountability and transparency by regularly disclosing comprehensive information in this report.

Scope of the Report: The report demonstrates performance indicators of Vietnam National Reinsurance Corporation.

Period: 1/1/2022 - 31/12/2022

Applicable standard

This report has been developed in accordance with the latest version of the Guidelines for Sustainability Reporting Standards by the Global Reporting Initiative (GRI). The report includes indicators for the financial sector under GRI G4 (FS) and disclosure indicators according to the general standard (GRI 100). Additionally, the report includes detailed disclosure regarding three standards: Economic (GRI 200), Environmental (GRI 300), and Social (GRI 400).



Contact

To send any questions, recommendations related to VINARE's sustainable development activities as well as the content of the report, please contact us by the following information:

Ms. **Nguyen Thi Minh Chau**
Chief Corporate Governance Officer

Tel: +024-3942-2354

Address: Vietnam National Reinsurance Corporation, 141 Le Duan, Hoan Kiem District, Hanoi.

Your feedback will assist VINARE in formulating appropriate policies to realize its sustainable development mission.

Sustainable development activities at VINARE

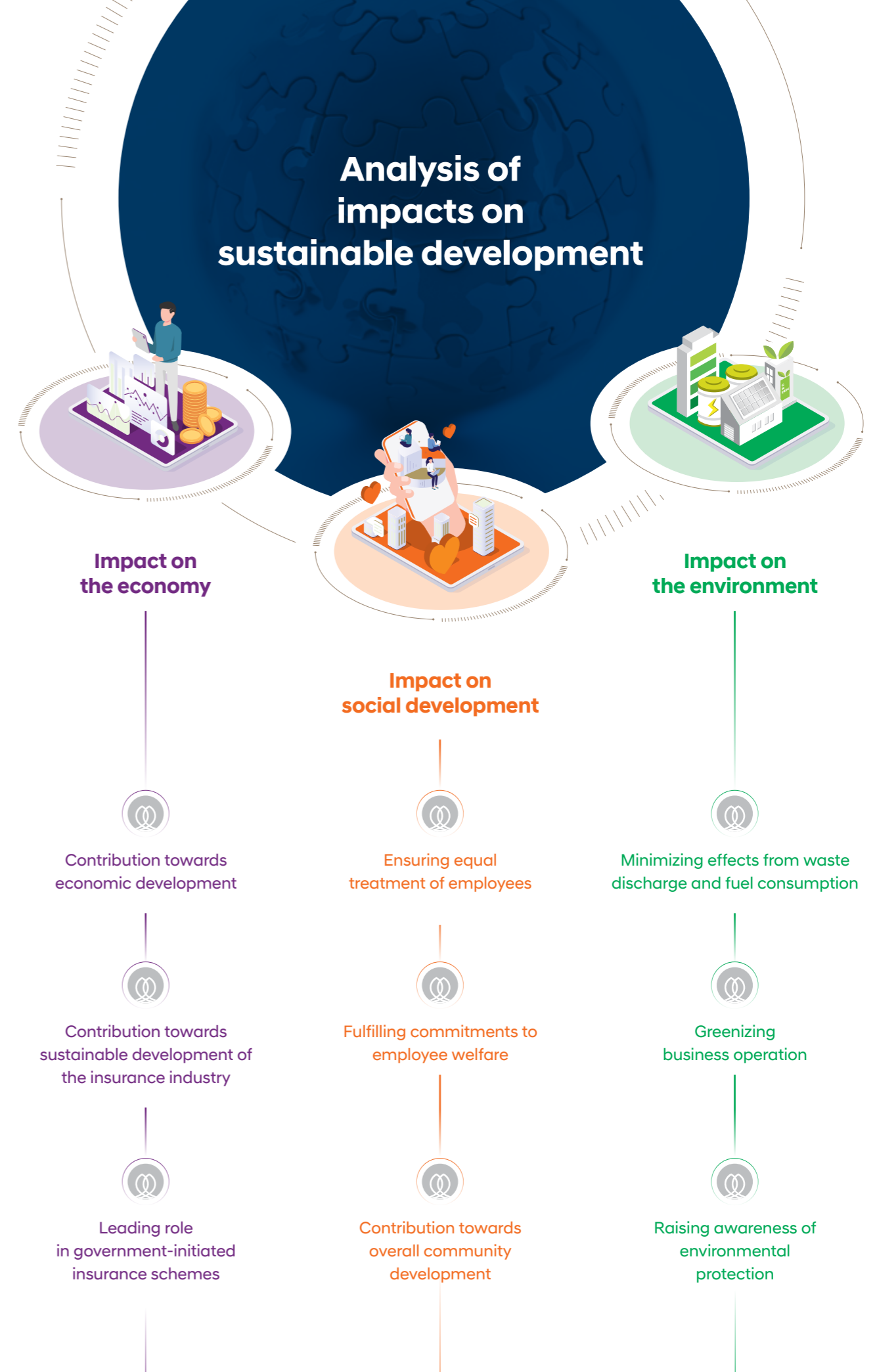
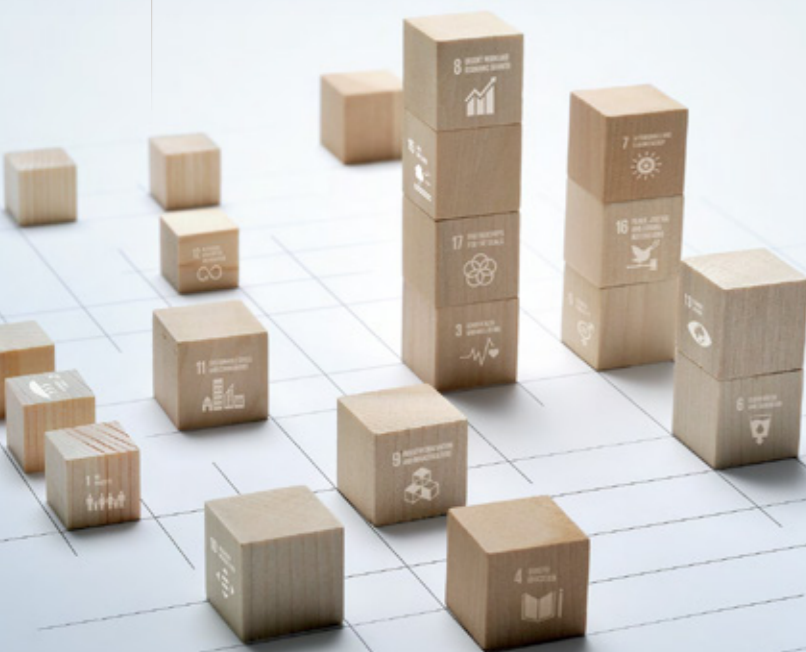


With a strategy to become a leading reinsurer in Vietnam and the region as well as a professional investor, VINARE has not only provided customers with value-added services, focused on profitability and optimized returns to meet shareholder expectations for nearly 30 years, but has also actively participated in environmental protection and community development.

The combination of business goals with social and environmental objectives ensures a balance of interests between stakeholders, thereby fulfilling the mission of ensuring safety, prosperity, and long-term benefits for customers, investors, employees as well as the community.

We recognize that along with ensuring business growth, social and community benefits, and environmental protection, Corporate Governance and Human Resource Development are two key factors that ensure VINARE's sustainable development. Therefore, VINARE prioritizes integrating these two factors into a sustainable development model for the medium and long term. VINARE actively communicates with stakeholders regarding sustainable development to identify issues of concern. These issues will continue to be considered in relation to our current activities and sustainable development strategy, from which critical issues are determined for review, improvement, and presentation in the 2022 Sustainability Development Report of the Annual Report.

In the Annual Report 2022, VINARE integrates the sustainable development goals throughout the overall development strategy until 2022 and the vision until 2025 into our daily business activities.



SUSTAINABLE DEVELOPMENT ACTIVITIES AT VINARE (GRI 100) (CONTINUED)



Impact on the economy

Contribution towards economic development and insurance market

As a pioneering enterprise in the reinsurance market, VINARE has become the leading reinsurer in Vietnam and a professional investor. For nearly 30 years, VINARE has played a pivotal role in supporting the insurance market, serving as a focal point for business exchange, providing value-added services to our clients, and making positive contributions towards the development of Vietnam insurance industry.

In providing reinsurance protection for the insurance industry, VINARE also contributes to job creation, investment of idle capital back into the economy, contributing to the rapid recovery and stabilization of economic activities in times of need.

Leading role in government-initiated insurance schemes

Holding an important position in implementing key state policies regarding insurance market, VINARE always takes the leading role in supporting government-initiated insurance schemes such as agricultural insurance, aquaculture insurance, natural disaster insurance, etc.



Impact on social development

Ensuring equal treatment and welfare commitments

Employees working at VINARE are treated equally regardless of gender, religion, or region. Salary scheme and welfare benefits are ensured according to internal regulations.

Joining hands for the community

In 2022, in response to the call from the Transportation Hospital, Vietnam National Reinsurance Corporation (VINARE) donated a non-invasive ventilator worth VND220,000,000. Also in 2022, VINARE donated several equipment for operation and medical examination (85-inch television and 02 Dell computers) worth VND87,439,000 to the University of Medicine Hospital. Up to now, in line with our policy for communal activities, VINARE has supported a significant number of medical equipment and supplies for hospitals nationwide, along with many other charitable activities.



The Trade Union of Vietnam National Reinsurance Corporation (VINARE) donated VND70,000,000 to a joint fund with Nghi An commune authority (Nghe An Province) to build a house for the family of former youth volunteer, Ms. Tran Thi Man, living in Kim Chi village, Nghe An Province. With the aim of helping poor families with special difficult circumstances, VINARE considers this as one of the key activities, always ready to accompany, support, and share when needed.

The annual "Voluntary Blood Donation Day" program has been enthusiastically responded to and participated in by officers, employees, and workers.

VINARE also allocates a considerable budget for other charity activities: supporting Invalids and Martyrs' Day, supporting retirement funds, and other charitable activities.



Impact on the environment

VINARE actively takes actions aimed at minimizing the environmental impact of the insurance industry, such as discontinuing reinsurance support for coal risks both domestically and internationally.

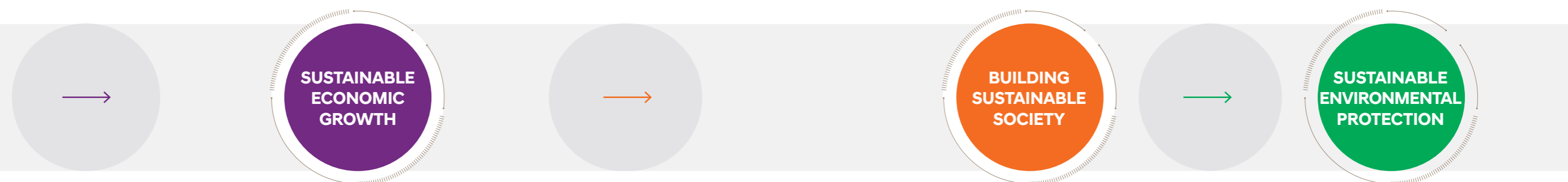
With 90% of its equity investment portfolio focused on insurance and financial industry, which are environmentally friendly, VINARE's environmental impact primarily stems from waste disposition and energy consumption at its headquarters and its environmental protection awareness.

To reduce this impact, VINARE has developed an environmental protection plan for its office headquarters. This plan includes analyzing sources of hazardous wastes at VINARE's office building and proposing solutions to reduce pollution.

Sustainable Development Orientation and Strategy



Implementation Plan for 2023



	2023	2025	2035
Facultative coal thermal power (overseas)	Limit	Full exit	
Newly-built coal thermal power (Vietnam)	Limit	Limit	Full exit
Coal shipment	Limit	Limit	Full exit
Facultative worker compensation, Employee Liability, Professional Indemnity for Architect & Engineers for coal thermal power plants	Limit	Full exit	
Investment in bonds issued for coal exploitation and/or coal power projects	No new disbursement	No new disbursement	
Entrusted investment	ESG-related considerations included in Entrusted investment agreements		

- Develop a plan for a chain of charity activities associated with VINARE's image
- Invest in training and developing human resources, improving the evaluation mechanism and salary payment based on performance, and promoting corporate culture to engage employees
- Actively participate in raising public awareness of the role and benefits of insurance in coping with natural disasters and climate change

- Reduce greenhouse gas emissions by decreasing energy consumption in office buildings
- Save office supplies and reduce waste in the workplace
- Implement projects to plant trees and increase green coverage

Sustainable Development Management

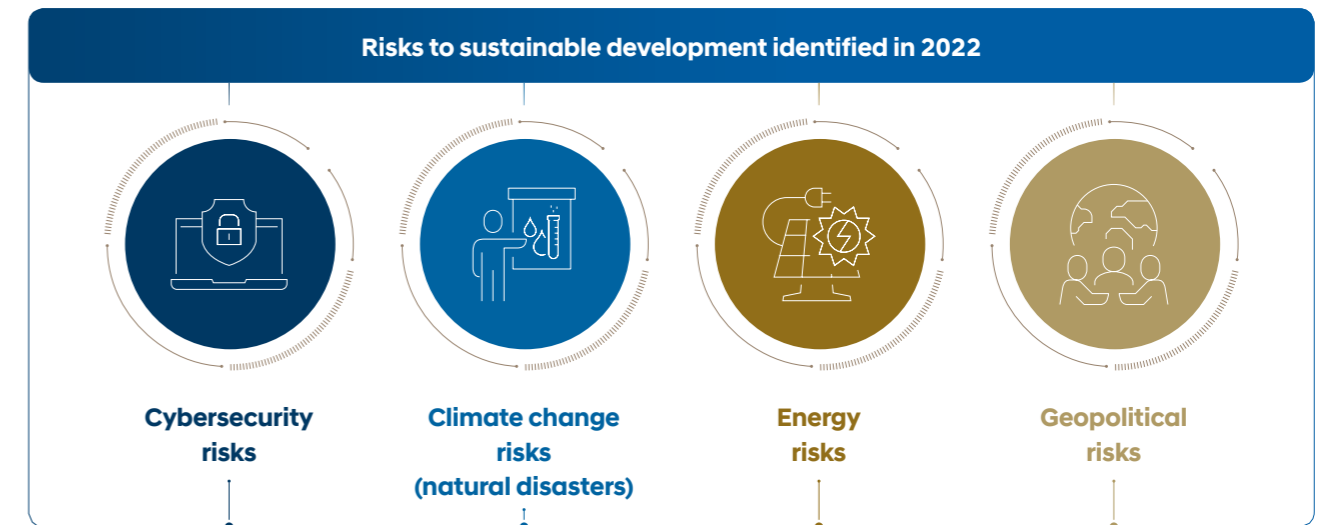


Sustainable Development Taskforce at VINARE



Sustainable Development Risk Management

Sustainable Development Risk Management is integrated into the Risk Management Framework of VINARE. The overall risk landscape and key identified risks are presented in Chapter Three: Business Environment of this Report.



Cybersecurity risks



The term "cybersecurity risk" encompasses various types of risks related to cybersecurity incidents and hacking of information technology (IT) systems, including intentional attacks on IT infrastructure and unintentional incidents. European experts estimate that cyber-attacks currently account for 40% of network incidents. The risks of cyber-attacks are increasing as cloud computing technologies become widely used - this trend is particularly exacerbated by the widespread shift to remote work during the Covid-19 pandemic.

Climate change risks



Climate change is the phenomenon of global warming caused by the emission of greenhouse gases from fossil fuels such as coal, oil, and gas, leading to increasingly extreme weather events such as heat waves, floods, and forest fires. The past decade has been the warmest period recorded globally, and countries agree that urgent collective action is needed to prevent further global warming. In order to limit the increase in global temperature to 1.5 degrees Celsius compared to pre-industrial levels, and to prevent the serious impacts of climate change, nearly 100 countries have committed to reducing methane emissions by 30% by 2030 at the COP26 conference. 40 countries, including Vietnam, have committed to phasing out coal - which accounted for about 37% of total electricity generation worldwide in 2019 - and is the largest contributor to climate change.

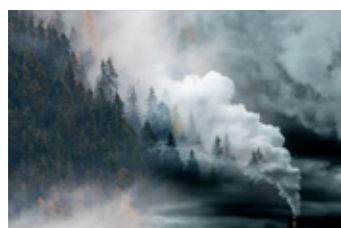


Energy risks



The energy crisis is currently happening in some major economies in Europe and China. The increase in natural gas prices has led to a sharp increase in production and transportation costs. Countries are stocking up on fuel reserves, causing an increase in demand for fossil fuels. Many countries in Europe and Asia are starting to compete for limited natural gas supplies from the United States, Norway, Russia, and the Middle East, driving up natural gas prices and creating new risks.

Political risks



Political risks include a set of interconnected events related to corruption, instability, internal political crises of countries, civil wars, the possibility of crises, the collapse of states, international terrorism activities, or conflicts between countries causing regional and global instability.

The conflict between Russia and Ukraine, as well as uncertainty in many regions, not only affects the parties involved but also has an impact on the global economy, creating new risks by leading to high prices for oil, wheat, and inflation, as well as unstable stock markets.

To manage these risks, demonstrate responsibility towards the environment and society, and meet compliance requirements while creating sustainable values for VINARE and our partners, customers, and the community in general, VINARE is always aiming for practical measures to maintain business development associated with environmental protection activities and community building.

In 2022, VINARE focused on implementing sustainable development risk management in three aspects:

- 1 Measuring with financial and non-financial indices of impact
- 2 Regular monitoring and tracking quarterly
- 3 Management through procedures, processes, and regulations

Impacts on sustainable development in VINARE system

SUSTAINABLE DEVELOPMENT STRATEGY

We have integrated the vision of sustainable development of the company into the business strategy whilst ensuring the company's profitability and dividends for shareholders.

FINANCIAL AND MANAGEMENT REPORTS

We have established mechanisms to provide non-financial information and financial reports to enhance the transparency of VINARE and to create a positive image of VINARE in the eyes of investors and the public. In addition, the supply of information from the Departments for management purpose is implemented on a quarterly basis, ensuring that operational and financial information is reported to the Company's leadership in a timely and accurate manner.

COMPLIANCE AND INTERNAL CONTROL

Along with the internal control system, evaluating compliance risks helps VINARE implement sustainable development strategies in each business area and throughout the entire system. We assess compliance risks in implementing legal regulations, VINARE's internal regulations, especially those related to the rights and benefits of employees. In addition, VINARE always complies with the obligation to disclose information to build trust for investors in a transparent market. Accurate and timely information not only benefits the market and investors, but also helps businesses create opportunities to build and enhance their reputation towards sustainable development.

The Impacts of Environmental and Social Factors on VINARE

VINARE is a company that operates in the insurance, investment and financial service sectors. Therefore, risks arising from environmental and social factors directly impact VINARE's business operations, particularly in the reinsurance business. VINARE's risk management objective is to control the scale

and level of losses incurred from insurance risks and ensure that, at a reasonable cost, our reinsurance business is profitable.

Climate change and global warming are among the causes of natural disasters and floods, which directly affect the loss ratio of insurance companies. VINARE utilizes a catastrophe risk assessment modeling (CAT modeling) to effectively manage rare but high-impact risks associated with natural disasters. This model uses scientific knowledge of natural disasters and parameters to estimate the financial losses that could occur in the research area due to natural disasters. This result allows VINARE to determine the appropriate level of reinsurance protection to purchase, based on the level and frequency of losses incurred.

THE IMPACTS OF VINARE'S BUSINESS OPERATION ON THE ENVIRONMENT AND SOCIETY

VINARE conducts an assessment of the environmental impacts of each business function and devises measures to reduce these impacts. Identifying the direct and indirect impacts of VINARE's business operation on the environment and society helps to minimize potential risks associated with these factors, thereby contributing to the realization of sustainable development strategy and ensuring long-term benefits for investors, customers, employees, and the entire community.

As VINARE does not directly engage in production activities, the environmental and social impacts resulting from VINARE's business operation are relatively small. The focus is mainly on indirect impacts from VINARE's value chain (including suppliers, inputs, and investment projects).



2023 Sustainable Development Plan

VINARE

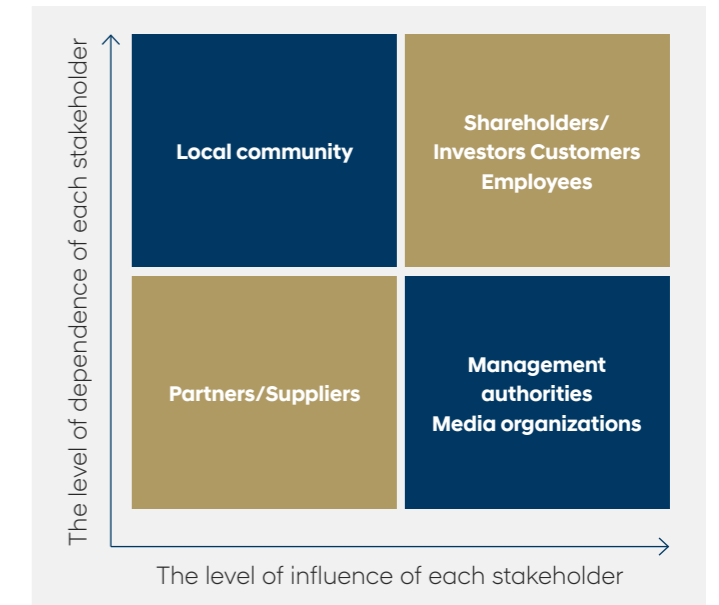
AIMS TO ENHANCE THE EFFECTIVENESS OF ITS ENTERPRISE RISK MANAGEMENT SYSTEM VIA THE FOLLOWING KEY SOLUTIONS:

- Improving the integrity of the organizational structure and internal audit function to oversee the management of critical risks within the company.
- Continuing to adhere to the principles of investment asset allocation: safety, efficiency, sustainable development, and liquidity.
- Safely and efficiently operating the business management system (Vicore) and document management system (Vidoc), while advancing towards digitalizing office operations.
- Collaborating internally and with partners to strengthen the capacity for product development; pricing tools; risk-based capital evaluation; and risk management.
- Strengthening the provision of value-added services to the Vietnamese market comprehensively and efficiently in areas such as product and distribution channels, training services, risk assessment, pricing, information supply, reinsurance solutions, and sustainable market development.

Involvement of stakeholders



Key stakeholders involved in VINARE's operation



VINARE's collaborative activities with stakeholders are as follow

- Stakeholders, Investors**
 - Direct meeting with investors
 - Annual General Meeting of Shareholders
 - VINARE Website
 - Exchange programs, cooperation, investor introductions
- Media organizations**
 - Direct meeting with investors
 - Annual General Meeting of Shareholders
 - Exchange programs, cooperation, and investor introductions
- Management authorities**
 - Participate in Conferences and Workshops organized by the Government and Ministries
 - Engage in organizations and associations such as the Vietnam Insurance Association, the Business Council for Sustainable Development, the World Economic Forum, etc
- Local community**
 - Coordinate with local authorities to interact with and understand the sentiments and aspirations of residents
- Partners, Suppliers**
 - Direct meeting and exchange
 - Supplement in Procurement Regulations, Cooperative Contracts with Suppliers
- Customers**
 - The Marketing Department collects customer information, conducts evaluation and segmentation, and proposes suitable customer policies
- Employees**
 - Annual Employee Conference
 - Internal publications, fan page, Insurance – Reinsurance Newsletters, training programs



In 2022, VINARE continued to strengthen connections with stakeholders through multi-dimensional channels of information, where sustainable development issues will be addressed more deeply by VINARE to listen to the opinions of stakeholders regarding the company's activities related to the Economic - Social - Environmental factors.



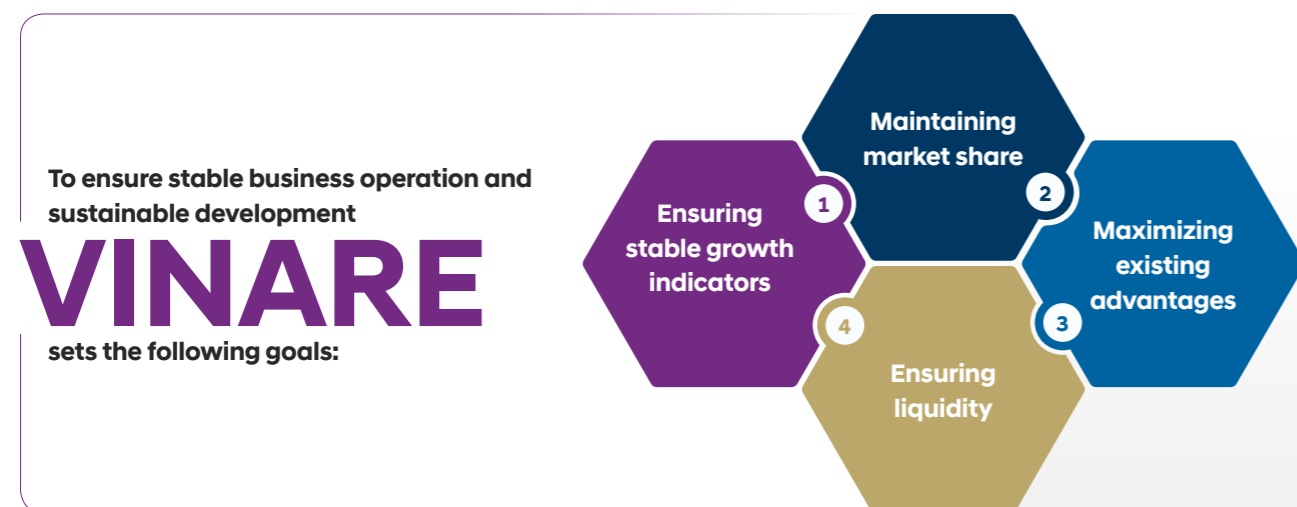
Economic Objective



In our understanding, the sustainable development strategy can only be realized when business objectives are ensured. VINARE can only provide sustainable benefits to customers, shareholders, employees, and communities when it has established strong resources for itself.

As a result, VINARE can increase its contributions to society through its contributions to the state budget; ensuring financial interests for shareholders; creating employment opportunities for local people; and implementing environmental protection activities, programs, and projects.

With the goal of building a sustainable value chain, VINARE promotes the integration of ESG factors in reviewing and evaluating input suppliers, while also applying responsible investment principles to financial investment activities.



Details about the economic criteria are presented in the business analysis section of this report.





GRI 201

Economic Performance

Promoting efficient and sustainable growth



Total revenue in 2022
(VND billion)

2,969



Revenue from core business grew by
(VND billion)

14.1%

compared to 2021



In 2022, VINARE faced several challenges due to unfavorable developments in the stock market. However, the company made every effort to achieve the targets for 2022 and the strategic development objectives approved by the General Meeting of Shareholders.

Total revenue in 2022 reached VND 2,969 billion, of which reinsurance premium revenue reached VND 2,368 billion, achieving 107.1% of the annual plan and increasing by 5.5% year-on-year, and investment revenue reached VND 418.9 billion. In the reinsurance business, revenue from core business grew by 14.1% compared to 2021. Although profits from reinsurance underwriting grew well, returns from financial investment activities were lower

than expected. The main reason for this was the uncertain factors inside and outside the country that strongly affected the investment market, such as tightening monetary policies on a broad scale, rising interest rates in Europe and the US, and the decline in liquidity and stock market indices as well as problems in the corporate bond market. Pre-tax profit reached VND 439 billion, increasing by 7.7% year-on-year.

Actively participating in government insurance initiatives

Agriculture insurance products following Decree 58/2018/ND-CP



VINARE, along with strategic partner Swiss Re and domestic insurance companies Bao Viet and Bao Minh, collaborated to develop agriculture insurance products following Decree 58/2018/ND-CP dated April 18, 2018 of the Government on agricultural insurance and Decision No. 13/2022/QD-TTg on implementing policies to support agriculture insurance.

However, the deployment has only achieved limited results as this is a new and complex policy for localities, as well as businesses and farmers, especially when implemented during the times of raging Covid-19 pandemic.

VINARE, together with Bao Viet, Bao Minh, and Swiss Re, have actively contributed inputs and recommendations to the Insurance Supervisory Authority for the next implementation phase.



GRI 202 Market presence

VINARE is a Vietnamese reinsurance company that was established by the Ministry of Finance in 1994. VINARE’s main activities include doing reinsurance business both domestically and internationally, providing consultation and support to insurance companies in the field of reinsurance, and engaging in financial investment.

Following the policy of renovating state-owned enterprises, VINARE successfully completed its equitization process and operated as a joint-stock company from January 1, 2005, with major shareholders being domestic insurance companies. VINARE’s next strategic step was to call for additional capital raising and select a strategic partner in 2007. Swiss Re, the largest reinsurance company in the world with a 160-year history, has been selected as the foreign strategic shareholder of VINARE with a 25% stake. This move has helped enhance VINARE’s competitiveness and reputation in the domestic and international insurance markets. VINARE’s

selection of a strategic partner was voted by Finance Asia as the “Most Successful Deal in Vietnam in 2008.”

With increased financial resources and comprehensive support from Swiss Re, VINARE has made continuous efforts to provide added value to its customers and the entire Vietnamese insurance industry in areas such as providing consultation, risk assessment and control, reinsurance solutions, technology training and transfer, market information, and product development.

GRI 203 Indirect economic impact

VINARE’s contribution to the stable development of the economy

VINARE has closely collaborated with domestic and international insurance and reinsurance companies and played a leading role in implementing government insurance schemes. Our contribution to stable economic growth

also includes providing new products and sustainable development solutions for the market and promoting the sustainable growth of the Vietnam insurance market.

As a leading reinsurance company in Vietnam, VINARE provides reinsurance solutions for Vietnamese insurance companies and makes sure claims, whenever arising, are handled quickly and accurately.



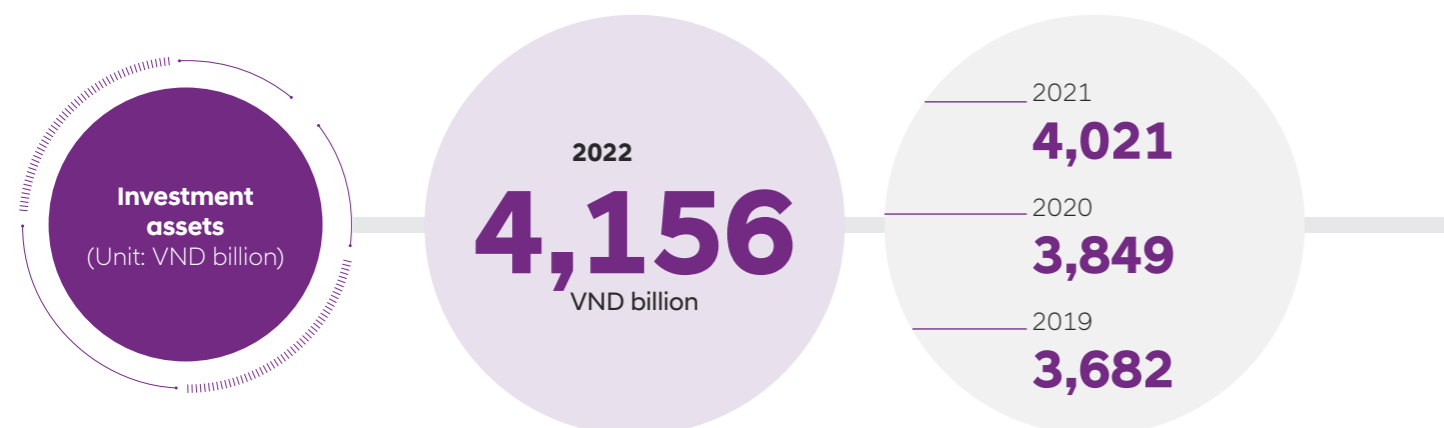
ECONOMIC OBJECTIVE
INDIRECT ECONOMIC IMPACT (CONTINUED)



Indirect investment in the economy



VINARE is a business engaged in the investment of idle capital back into the economy, contributing to the development of the socio-economic landscape. The total value of investment assets in 2022 was 4,156 billion VND. Our investment assets has steadily increased over the years.



Incorporating environmental, social, and governance (ESG) criteria into VINARE's investment activities



Our top priority in investment strategy is to invest safely and efficiently while ensuring sustainable development of the company, thereby guaranteeing the interests of shareholders, customers, and employees. Throughout the investment process, VINARE always focuses on optimizing the values that investment activities may contribute to the community.

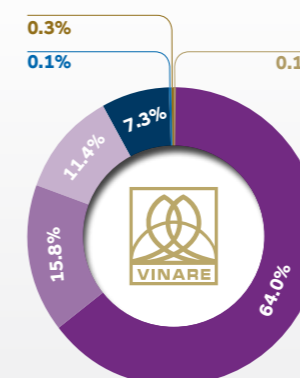
Our investment assets were allocated as per the following portfolio structure. ESG factors have been taken into account in each and every investment decision, selecting only businesses

and stocks in environmentally friendly industries. Going forward, we will continue to prioritize the selection of sustainable business in order to reduce harmful impacts on the environment.



Investment portfolio

No.	Portfolio	31/12/2022	01/01/2022	+/-	Weight
1	Term deposits	2,765,300	2,740,500	24,800	64.0%
2	Bonds	680,000	559,490	120,510	15.7%
3	Private equities	494,296	522,701	(28,406)	11.4%
4	Entrusted investment and fund certificates	315,000	265,000	50,000	7.3%
5	Office leasing	4,591	6,410	(1,819)	0.1%
6	Real estates	11,206	11,206	-	0.3%
7	Current deposit	51,000	25,282	25,718	1.1%
Total		4,321,393	4,130,589	190,803	100.0%



We believe that corporate governance, environment, and social responsibility are important factors in evaluating the value and long-term effectiveness of investment transactions. Therefore, in addition to performance metrics, we also prioritize ESG criteria during the evaluation process, investment selection as well as the ongoing application of responsible investment principles in developing investment asset allocation plan.

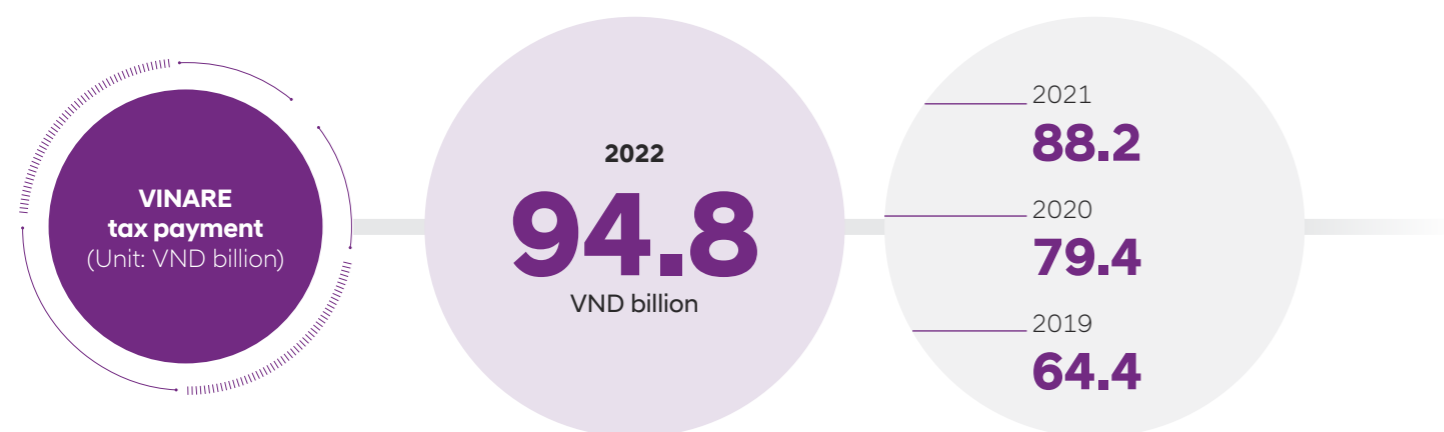
ECONOMIC OBJECTIVE
INDIRECT ECONOMIC IMPACT (CONTINUED)



Indirect contributions to the economy

CONTRIBUTIONS TO THE STATE BUDGET

In 2022, the total tax payment was approximately VND 94.8 billion, which is the highest level in recent years, primarily due to the contribution of value-added tax (VAT), corporate income tax, and personal income tax. The good business performance and improved income of employees were two main factors that led to the increase in corporate income tax and personal income tax payment. The amount of VINARE's tax payment has steadily increased over the years in line with the improvement in business performance.



DIVIDEND PAYMENT TO SHAREHOLDERS

Dividend for financial year 2021 was executed in 2022 at the rate of 13%, meaning each share received VND1,300.

The dividend payment for 2022 has been decided to be 10% in cash and 10% in shares, meaning each share is entitled to VND1,000 and each 100 share is entitled to 10 new shares.

VINARE's strategy is to maintain a stable annual dividend payment policy in order to ensure sufficient resources for long-term development and to create long-term value for shareholders.

Dividend payment to shareholders (Unit: VND billion)

	2022	2021	2020	2019
Dividend amount	150	196	196.5	262
Dividend payment ratio in cash	10%	13%	15%	20%
Dividend payment ratio in shares	10%		15%	

BUILDING A SUSTAINABLE VALUE CHAIN

Sustainable development is one of VINARE's strategic objectives, therefore sustainable factors are always integrated into all activities of the company, from input supply chains to business operations and output factors, which are considered in three aspects: **economic**, **social**, and **environmental**. The profits obtained will be used to pay dividends to shareholders and employees, as well as to fund various community and the environment activities. The remaining profit will be retained to strengthen financial standing and support further expansion.

INTEGRATING SUSTAINABILITY INTO REINSURANCE BUSINESS, IMPROVING SUPPLIER SELECTION PROCESS

VINARE actively participates in the insurance industry's initiatives and solutions towards environmental protection. Specifically, from 2022 onwards, VINARE will gradually reduce and finally cease to provide reinsurance protection for coal-fired power projects. In parallel with this, VINARE is prioritizing reinsurance capacity for the construction, installation, and operation of clean energy projects such as solar and wind power. The number of such projects has increased significantly in 2022.

To ensure sustainability in procurement, we have selected suppliers who fully comply with legal requirements, have a sense of responsibility towards environmental protection, ensure the rights of workers, and have ethical business practices. The integration of sustainability issues into procuring decisions helps us better align with sustainability goals, especially with regard to environmental issues.



Anti-corruption

In 2022, VINARE had no confirmed cases of corruption.

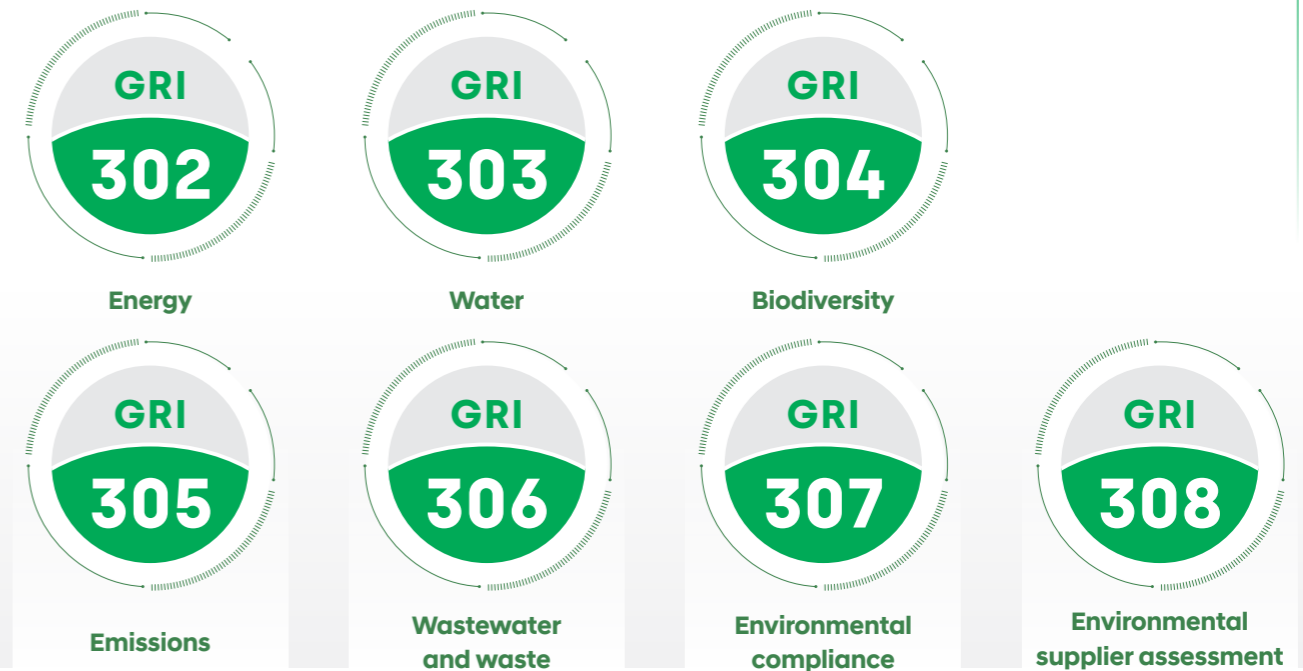
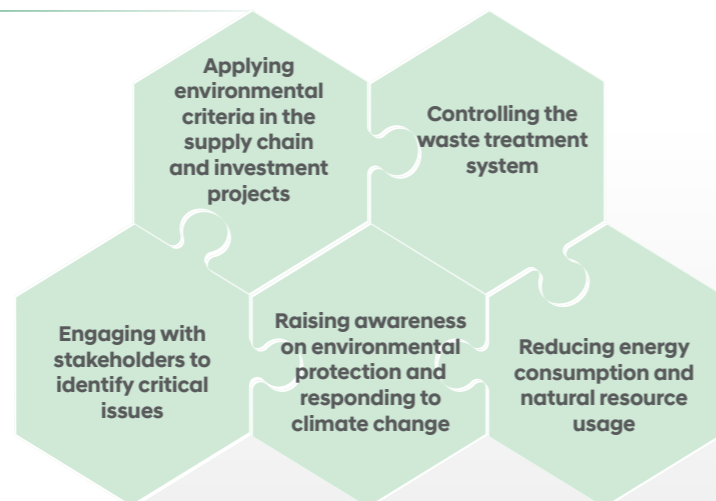


Environmental Objectives

As a financial service provider, VINARE's activities have a negligible impact on the environment. Therefore, for internal operation, we prioritize enhancing the environmental awareness of our employees and their ability to respond to climate change. We focus on implementing a waste management system in VINARE's head office building to ensure compliance with environmental standards. Additionally, we aim to minimize the use of energy and natural resources, thus contributing to reducing greenhouse gas emissions.

For stakeholders, we incorporate environmental issues into the discussions related to sustainable development and evaluate them based on the level of concern from the parties involved. Specifically, environmental criteria are also considered in supply chain management and in evaluating VINARE's investment projects.

Integrating environmental objectives into operation





Energy

Monitoring and controlling energy consumption data



Total fuel consumption in 2022
(liters)

8,934



Total electricity consumption in 2022
(Kwh)

536,682



equivalent to
(GJ)

2,273.79



To better control energy consumption throughout its operations, VINARE regularly monitors electricity and fuel consumption every month.

The total fuel consumption of VINARE in 2022 was 8,934 liters, equivalent to 341.79 GJ. VINARE's fuel consumption mainly came from company cars used to transport company officers in Hanoi. Due to the COVID-19 pandemic in 2021, travel was restricted, resulting in an increase in domestic travel and more frequent movements in 2022.

The total electricity consumption of VINARE in 2022 was 536,682 kWh, equivalent to 1,932 GJ. In 2021, VINARE mainly worked from home and took time off due to the COVID-19 pandemic, but in 2022, normal operation was resumed with the entire staff working in the office, resulting in an increase in total electricity consumption.

The total fuel consumption of VINARE in 2022

	2022	2021	2020
Total gasoline consumption	8,934 liters	6,780 liters	9,739 liters
	341.79GJ	259.39GJ	372.61GJ
Total electricity consumption	536,682 Kwh	514,417Kwh	507,242Kwh
	1,932GJ	1.851GJ	1.826 GJ
Total energy consumption	2,273.79GJ	2,110.39GJ	2,198.61GJ

In 2022, the total energy consumption of VINARE was 2,273.79 GJ. Controlling energy indicators in 2022 is an opportunity for VINARE to establish a standard system of reporting data related to energy consumption statistics at the headquarter and branch office in Ho Chi Minh City, thereby having a better basis to control specific reduction targets in the following years and to use effective energy-saving measures.



Solutions to reduce energy consumption for greenhouse gas emissions reduction

ENERGY SAVING IN THE BUILDING

According to the report summary on rational energy use in buildings by the World Business Council for Sustainable Development, in most countries, buildings consume at least 40% of the energy sources, contributing to the increase in greenhouse gas emission. Therefore, VINARE has been promoting energy-saving measures in its office buildings across the system, particularly by reducing electricity consumption.



Electricity consumption sources

- Effective solutions for consumption

Air conditioning system (consuming 40-60% of electricity)

- Regular maintenance and repair of machinery and equipment.
- Maintain a temperature of 25-27 degrees Celsius, avoid temperature differences between the air-conditioned and non-air-conditioned areas.
- Turn off the entire air conditioning system after 5:30 p.m.

Lighting system (consuming 15-20% of electricity)

- Replace low-efficiency lighting systems (incandescent bulbs, fluorescent lamps with iron ballasts, etc.) with energy-efficient lighting devices (compact energy-saving bulbs, electronic ballasts, etc.).
- For outdoor lighting devices, control their on-off modes automatically (based on time or ambient light intensity).



Emission, Wastewater, and Waste



Wastewater
(m³)

5,000



Waste
(m³)

168

2022 statistical data

	2022	2021	2020
Wastewater	5,000 m ³	5,021 m ³	5,078 m ³
Waste	168 m ³	168.41 m ³	168.25 m ³

In 2022, VINARE continued to assess the environmental impacts of its office building operation. These assessments will include:

- Analyzing energy use, including electricity and fuel consumption, throughout the year
- Reporting on the environmental protection measures implemented by the facility, including air pollution control, water pollution, solid waste management, hazardous waste management, and on-site firefighting capabilities



NET ZERO

VINARE's Greenhouse Gas Emission (Unit: Tons of CO₂)

Activities	2021	2022
Burning fuel to operate systems	0.00	0.00
Burning fuel to operate the company's transportation	25.44	32.88
Burning fuel to operate air conditioning systems	0.30	0.38
Scope 1 - Total	25.74	33.25
Electricity consumption for power generators, air conditioning systems, and office equipment	206.02	152.10
Electricity consumption for hot and cold water systems and heating	0.73	0.52
Scope 2 - Total	205.29	152.62
Use of company vehicles for business purposes	1.84	26.28
Use of company vehicles for employee transportation	0.04	0.04
Scope 3 - Total	1.88	26.32
Grand total	232.91	212.19

ENVIRONMENTAL OBJECTIVES
NET ZERO (CONTINUED)



A detailed greenhouse gas (GHG) emissions measurement report

Scope 1	2022	2021	Note
S1 - Burning fuel to operate systems (Stationary Combustion)			
The amount of fuel used by the power generator during the year (kg/MJ/GJ)	0	0	Kilograms of DO05 diesel fuel
S1 - Burning fuel to operate the company's transportation (Mobile Combustion)			
The amount of gasoline consumed during the year (in liters)	8,934	6,780	Liters of A95 gasoline
The distance traveled during the year (in kilometers)	49,633	39,675	km
S1 - Burning fuel to operate air conditioning systems (Refrigerants)			
The number of air conditioners used during the year (units)	17	14	Local air conditioning units ranging from 9000 BTU to 22000 BTU
Type of refrigerant used in air conditioners (R-401A, R-401B, R-402A, ...)	Refrigerant gas	Refrigerant gas	R 410
Amount of refrigerant used in each air conditioner (in kilograms)	0.8 - 1.5	0.6 - 0.9	Kg
Number of refrigerators used during the year (units)	4	3	400 - 650 liters
Type of refrigerant used in refrigerators (R-401A, R-401B, R-402A, ...)	Refrigerant gas	Refrigerant gas	R134a
The amount of refrigerant in each refrigerator (in kilograms)	0.8 - 1.2	0.6 - 0.9	Kg
Number of other refrigeration units used during the year (units)	2	1	120 Ton
Type of refrigerant used (R-401A, R-401B, R-402A, ...)	Refrigerant gas	Refrigerant gas	R134a
Amount of refrigerant used in each unit (in kilograms)	228	197	Kg

Scope 2	2022	2021	Note
S2 - The electrical power consumption for the power generation system, air conditioning system, office equipment, and hot and cold-water system. (Purchased Electricity)			
The amount of electricity consumed by the power generation system, air conditioning system, and office equipment (in kWh)	351,962	418,225	kWh
The amount of electricity consumed by the hot and cold-water system (hot and cold shower tank):			
The amount of electricity consumed by the machine in 1 hour (kWh)	0.3	0.2	kWh
The average daily usage time of the machine	2	2	hour
The total number of machines in a year	11	11	Hot and cold shower tank
The amount of electricity consumed by the hot and cold water dispenser (water cooler machine):			
The amount of electricity consumed by the machine in 1 hour (kWh)	0.2	0.2	kWh
The average daily usage time of the machine	4	4	hour
The total number of machines in a year	7	7	Water dispenser
Scope 3			
S3 - Vehicles used for business purposes or transporting employees that are not owned or controlled by the company			
Aircraft (in miles):			
The number of business trips	39	2	
Number of miles	156,976	2,884	
Car (km):			
Number of business trips	1	25	
Number of kilometers	310	9,876	Miles



Social criteria



Human-beings are a core factor in creating sustainable development.

VINARE recognizes that its human resource are essential to the sustainable development of the enterprise. Therefore, in our human resource management strategy, solutions are focused on building, training, and developing a workforce with expertise in key areas; creating an attractive, professional, and friendly working environment; implementing an effective performance evaluation system... all closely linked together based on the vision, ethical principles, professional ethics, and cultural characteristics of VINARE.



VINARE values and recognizes that the contributions made by its members are integral to the collective success of the business today, regardless of position, age, gender, education, social status, personality, lifestyle, thought process, work experience, ethnic background, etc. VINARE creates a dynamic and fair working environment that provides every individual with the opportunity to work and develop their career towards success within the company.

 GRI 401	 GRI 402	 GRI 403	
Employment	Labor and Management Relations	Occupational Health and Safety	
 GRI 404	 GRI 405	 GRI 406	 GRI 407
Education and Training	Diversity and Equal Opportunity	Equal treatment	The rights to participate in trade union and collective bargaining

Basic rights and benefits of **VINARE** employees and officials

- ① Policies to ensure the health, safety, and welfare of workers.
- ② **Regular health checkups:** The company organizes annual health checkups for employees.
- ③ **Insurance policies:** In addition to mandatory insurance policies such as Social Insurance, Health Insurance, and Unemployment Insurance, VINARE provides accident insurance and hospitalization allowances, as well as Life Insurance for employees. The Life Insurance policy has been in effect since 2019.
- ④ **Allowances:** Employees are entitled to allowances from the welfare fund in the following cases:
 - Sudden difficulties, illness, or disability
 - Maternity leave allowance for female employees
 - Gifts on birthdays, retirements, and weddings
 - Annual vacation benefit...
- ⑤ **Professional training and development:** Depending on demands, plans, and personnel planning, employees are sent to participate in training courses, both domestic and international.
- ⑥ In 2022, VINARE allocated a budget of VND 896 million to invest in human resource training activities. 17 practitioners attended domestic professional training, 9 attended international training, and 2 attended online training courses.
- ⑦ Employees receive income from salaries and other benefits based on their productivity in production and business activities.
- ⑧ Transparent and cautious policies for appointing officials according to procedures.



Employment

Labor structure at VINARE

In 2022, the total number of employees at VINARE was 102 (one more than in 2021), positioned in 14 departments and one branch, with male employees accounting for 46% and female employees 54%. VINARE maintains the ratio of young employees in recent years, with employees under 30 accounting for 10% in 2022, middle-aged employees (from 30 to under 50 years old) accounting for 75%, and employees aged 50 and above, who have been with VINARE for a long time, accounting for 15%.

Regarding the employees' qualification, with the goal of building and maintaining a team of high-quality practitioners, VINARE continued to maintain a high proportion of employees with graduate and post-graduate qualification, accounting for over 80% of the total. 25% of the entire staff have post-graduate qualification, while the proportion of employees with lower qualifications decreased compared to the previous year to 18% (including 9% of employees with vocational training).

Labor structure



In 2022, the turnover rate of VINARE was 3%, with a difference in turnover rate between male (3%) and female (0%) employees. Workers over 50 years old and under 30 years old tend to have the highest stability whilst workers in the age group of 30-50 years old have an average turnover rate of 3%.

		<30	30-50	>50	Male	Female	Total
Number of resignments in 2021	Number of employees	1	1	0	1	1	2
	Percentage (%)	2%	2%	0%	2%	2%	4%
Number of resignments in 2022	Number of employees	0	3	0	3	0	3
	Percentage (%)	0%	3%	0%	3%	0%	3%



GRI 402 Labor and Management Relations

Regarding the structure of management personnel, VINARE continues to maintain a reasonable ratio between management personnel and employees. In 2022, the total number of VINARE's management personnel is 29, accounting for 29% of the total labor force; among them, 5 are in high-level management and 24 in mid-level.



GRI 403 Occupational Health and Safety

VINARE recognizes that the success of an organization depends on a committed and united workforce working towards a common goal. Therefore, VINARE highly values the contribution and dedication of its employees towards the overall success of the company. This is reflected in VINARE's compensation and benefits system, which ensures material well-being, and also acknowledges the employees' commitment to their work.

In addition, we encourage employees' physical exercise and sports activities through various classes and clubs such as yoga, dance, tennis tournaments, friendly football matches, and golf tournaments.

VINARE has a policy to take care of the health of not only employees but also their families. The results of VINARE's 2022 employee satisfaction survey showed that over 95% of the workforce is highly satisfied with the welfare benefits VINARE provides.

For retired employees, in addition to organizing visits and giving gifts on holidays and Tet, VINARE still maintains the cover of Personal Accident Insurance and Hospitalization Allowance for 2-5 years after retirement.

In 2022, VINARE continued to demonstrate its concern for employee health by conducting regular health check-ups with an expanded list of health services. In

Complying with current labor laws, dialogue activities are conducted via the Labor Conference program, trade union organizations, and internal surveys to understand the thoughts and aspirations of individuals, as well as to share business orientations and operational results of VINARE, fostering cohesion and harmony between personal goals and the company's overall objectives.

GRI 404 Education and Training

In the context of deep integration into the global economy, VINARE recognizes that this is both an opportunity and a challenge to maintain and develop the achievements it has made. Understanding clearly that improving the quality of human resources is a common trend, VINARE has invested in building a high-quality workforce to gain a competitive advantage through activities.



Officials who need to further their education, professional qualifications, or foreign language skills are all sponsored for training costs according to the training policy of the company.



GRI 405 Diversity and Equal Opportunity

Human Resource Recruitment and Talent Attraction

Recognizing the importance of human resources in achieving annual business goals and sustainable development strategies, VINARE continuously improves its human resource policies and invests financial resources to enhance the quality of human resources, financial and non-financial benefits for employees to create motivation, as well as labor productivity.

Fair Treatment of Employees

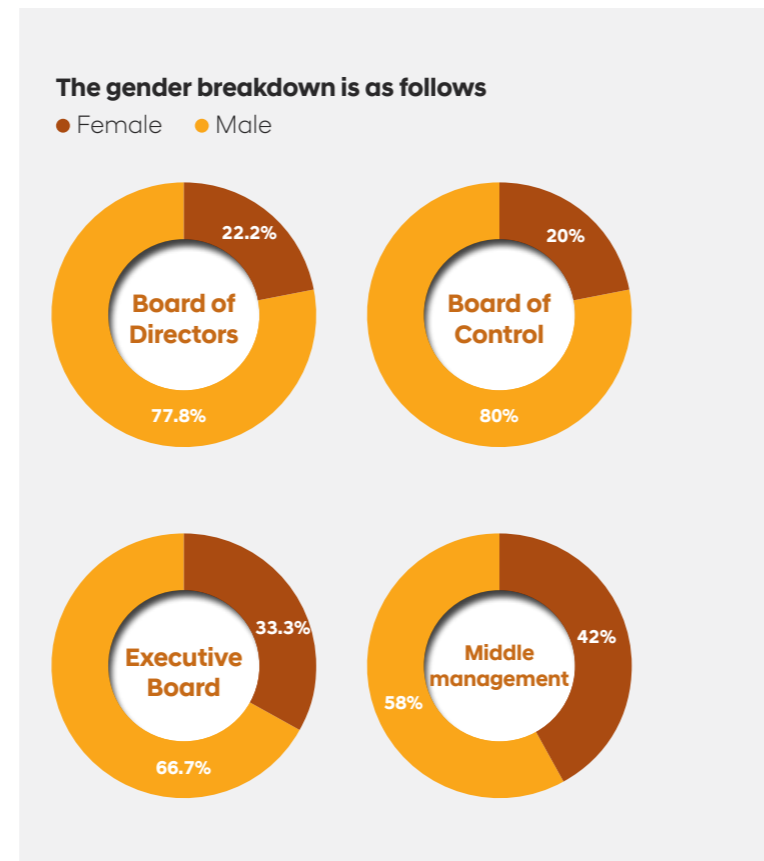
Treating employees fairly plays an important role in creating a good working environment, motivating employees, and fostering their abilities and loyalty to VINARE. VINARE's human resource policies are built upon the following principles:

- No discrimination based on gender, ethnicity, skin color, social status, marital status, religion, health status according to labor law regulations.
- Providing fair remuneration to employees based on work performance.
- Respecting and listening to the opinions of employees. All employees have the right to contribute their opinions for the improvement in operation.
- All employees have equal opportunities in recruitment, training, and promotion.

VINARE ensures fairness in all business activities, takes care of the material and spiritual lives of employees, and creates conditions for female officers to participate in professional work, succession planning, and appointment to leadership positions.

Along with the Labor Union, VINARE's "Committee for Women's Advancement" plays an important role in incorporating gender issues into the process of building and implementing personnel policies at VINARE. It ensures that female employees are fully entitled to all state policies and welfare benefits, such as social insurance, leave days under female labor regulations, social insurance leave, participation in various health insurance schemes, life insurance, regular health check-ups and cultural activities within the company.

In VINARE's management and operational structure, female employees are present in all levels.



GRI 406 Equal treatment



Performance-based compensation policy

VINARE advocates for building a reasonable rewarding and compensation policy to enhance its competitive advantage in terms of human resources, to attract talent, retain high-quality labor force, motivate employees and increase labor productivity.

With the human resource development strategy approved by the Board of Directors, in 2022, VINARE will continue to implement a performance-based compensation policy and participate in market salary surveys to determine the salary range. VINARE employees are entitled to salary payment corresponding to their positions and performance, ensuring internal fairness and competition with external entities.

Performance evaluation policy

VINARE continues to maintain a performance evaluation mechanism to establish, control, and evaluate the level of goal achievement, determining the work efficiency of each individual and providing a basis for calculating performance-based bonus for each employee. This contributes to creating a mechanism for fair and competitive income policies at VINARE.

The performance evaluation system continues to be applied and improved to enhance efficiency in practice. Since its implementation, this system has helped to connect the goals of VINARE to each department and employee level and to provide them with the necessary capabilities and tools to clearly understand VINARE's expectations, providing conditions for individuals to work effectively, tap into their full potential and contribute to VINARE's success.

Income structure:

Salary:

- Basic salary, monthly fixed salary
- Performance-based salary
- Salary for unused annual leave days

Other benefits:

- Welfare on the occasion of VINARE's establishment day, holidays, and Tet
- Allowances for telephone, business expenses, transportation, uniforms, vacations, etc
- Mandatory social insurance, health insurance, unemployment insurance, and regular health check-ups
- Health and hospitalization insurance
- Life insurance for mid-level leaders and employees with tenure of 15 years or more



GRI 407

The rights to participate in trade union and collective bargaining

BUILDING A COHESIVE ENVIRONMENT AND A STRONG CULTURE

VINARE has built a culture of unity and amicable attitude in the workplace. Regular team-building activities as well as sport, cultural and artistic events are organized with participation from all staff member.

BUILDING A DISTINCTIVE CORPORATE CULTURE: VINARE – REUNITING MARKET STRENGTHS - ELEVATING TO NEW HEIGHTS

VINARE's corporate culture is an intangible asset comprising all the cultural values built and developed throughout its existence and has become the spiritual values and traditions driving the thoughts and behaviors of each employee.

Maintaining a distinctive cultural identity helps VINARE stand out, leave a branding mark, and contribute to creating the competitive advantage for VINARE. The leaders and employees of VINARE contribute to creating and transmitting these distinctive cultural values through their actions and attitudes in internal and external communication.

EACH EMPLOYEE IS A BRAND AMBASSADOR

With the desire for employees to have a better understanding of the significance of the community activities that VINARE is implementing, we encourage everyone of them to participate in all the community projects and present themselves as a brand ambassador.

ENVIRONMENTAL SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY AT VINARE: WORKING TOGETHER TOWARDS A COMMON GOAL

The term "sustainable development" is becoming more and more familiar to VINARE employees through continuous communication in the system-wide newsletter. Through a series of communication articles, electronic signature systems, and posters calling for the efficient use of energy, VINARE aims to increase employees' awareness of sustainable development and environmental protection.

Social responsibilities



In addition to the goal of steady economic growth, VINARE's sustainable development strategy aims to balance the benefits for the community and the environment. Therefore, we are fully committed to carrying out our social responsibilities to the best of our abilities.



With the desire to bring a better life to the community, VINARE also invests in community projects. For VINARE, carrying out community activities is a long-term investment for the company. We act on behalf of our shareholders to implement community development projects that bring benefits to both the community and VINARE itself, by maximizing the value of community projects for residents and the level of VINARE's influence in that locality.



7

FINANCIAL STATEMENTS

SUCCESS

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CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

VIETNAM NATIONAL REINSURANCE CORPORATION

CORPORATE INFORMATION

Establishment and Operation Licence	No. 28/GP/KDBH dated 15 November 2004 issued by the Ministry of Finance. The Establishment and Operation Licence has been amended several times and the latest amendment No. 28/GPDC5/KDBH was issued on 6 September 2021.	
Board of Directors	Mr. Nguyen Anh Tuan Mr. Nguyen Xuan Viet Ms. Anna Lee Oh Wah Mr. Jared Orchard Ms. Nguyen Thi Huong Giang Mr. Dao Nam Hai Mr. Pham Phan Dung Mr. Mai Xuan Dung Mr. Nguyen Dinh An Mr. Vu Anh Tuan Ms. Nguyen Thi Quynh Huong	Chairman Deputy Chairman Deputy Chairman (appointed on 29 August 2022) Deputy Chairman (resigned on 22 April 2022) Member (appointed on 22 April 2022) Member (resigned on 22 April 2022) Member Member Member Member Member
Board of Supervision	Mr. Tran Trung Tinh Mr. Vu Ngoc Vuong Ms. Le Thi Thanh Hien Mr. Tushar Chatterjee Mr. Dao Manh Duong	Chief Supervisor Member Member Member Member
Board of Management	Mr. Mai Xuan Dung Mr. Nguyen Manh Linh Mr. Do Anh Duc	Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer (appointed on 1 February 2023)
Legal Representative	Mr. Mai Xuan Dung	Chief Executive Officer
Registered Office	7 th Floor, 141 Le Duan, Hoan Kiem District, Hanoi, Vietnam	
Auditor	Branch of PwC (Viet Nam) Limited in Hanoi	

STATEMENT OF THE BOARD OF MANAGEMENT

Statement of Responsibility of the Board of Management of the Corporation in respect of the Consolidated Financial Statements

The Board of Management of Vietnam National Reinsurance Corporation (“the Corporation”) is responsible for preparing the consolidated financial statements which give a true and fair view of the consolidated financial position of the Corporation and its subsidiary as at 31 December 2022, and the consolidated results of operations and the consolidated cash flows of the Corporation and its subsidiary for year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Corporation and its subsidiary and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud or error.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby, approve the accompanying consolidated financial statements as set out on pages 108 to 160 which give a true and fair view of the consolidated financial position of the Corporation and its subsidiary as at 31 December 2022 and of the consolidated results of operations and the consolidated cash flows of the Corporation and its subsidiary for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements of reinsurance companies established and operating in compliance with the laws of Vietnam.

On behalf of the Board of Management



MAI XUAN DUNG
Chief Executive Officer

Hanoi, SR Vietnam
20 March 2023

TO THE SHAREHOLDERS OF VIETNAM NATIONAL REINSURANCE CORPORATION

We have audited the accompanying consolidated financial statements of Vietnam National Reinsurance Corporation ("the Corporation") and its subsidiary which were prepared on 31 December 2022, and approved by the Board of Management of the Corporation on 20 March 2023. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 66.

The Board of Management's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiary as at 31 December 2022, the consolidated financial performance and the consolidated cash flows of the Corporation and its subsidiary for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements of reinsurance companies established and operating in compliance with the laws of Vietnam.

Other matter

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

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



NGUYEN PHI LAN

Deputy General Director
Audit Practising Licence No.
0573-2018-006-1
Authorised signatory

Report reference number: HAN 3283
Hanoi, 20 March 2023



DANG THAI SON

Audit Practising Licence No.
4668-2023-006-1

Code ASSETS	Note	As at	
		31/12/2022 VND	31/12/2021 VND
100 CURRENT ASSETS		5,110,927,838,927	5,413,636,204,872
110 Cash and cash equivalents	3	62,299,850,107	25,281,771,911
111 Cash		50,999,850,107	25,281,771,911
112 Cash equivalents		11,300,000,000	-
120 Short-term investments	4	2,448,421,841,342	2,555,626,973,276
121 Trading securities		173,907,022	173,907,022
122 Provision for diminution in value of trading securities		(173,907,022)	(173,907,022)
123 Investments held to maturity		2,449,930,445,739	2,555,627,849,488
124 Provision for impairment of short-term financial investments		(1,508,604,397)	(876,212)
130 Short-term receivables		734,437,899,128	749,104,853,143
131 Short-term trade accounts receivable	5	574,051,278,975	574,919,058,343
131.1 - Insurance receivables		574,020,303,681	574,030,810,370
131.2 - Other trade accounts receivable		30,975,294	888,247,973
132 Short-term prepayments to suppliers		210,900,000	189,648,282
136 Other short-term receivables	6(a)	199,397,155,234	199,777,878,746
137 Provision for doubtful debts – short-term	7	(39,221,435,081)	(25,781,732,228)
140 Inventories	8	3,733,935,360	10,906,163,404
141 Inventories		3,978,566,815	12,285,428,859
149 Provision for devaluation of inventories		(244,631,455)	(1,379,265,455)
150 Other current assets		421,137,138,034	455,060,722,169
151 Short-term prepaid expenses	9(a)	419,833,617,004	453,284,805,473
151.1 - Deferred commission expenses		419,575,164,824	453,183,431,245
151.2 - Other Short-term prepaid expenses		258,452,180	101,374,228
152 Value added tax ("VAT") to be reclaimed		1,298,192,006	1,775,916,696
153 Tax and other receivables from the State		5,329,024	-
190 Reinsurance assets		1,440,897,174,956	1,617,655,720,969
191 Unearned premium reserve for outward reinsurance	19(a)	539,131,785,146	480,852,069,331
192 Claim reserve for outward reinsurance	19(b)	901,765,389,810	1,136,803,651,638

The notes on pages 13 to 66 are an integral part of these consolidated financial statements.

Code ASSETS	Note	As at	
		31/12/2022 VND	31/12/2021 VND
200 LONG-TERM ASSETS		2,015,550,990,215	1,742,978,080,307
210 Long-term receivables		24,343,353,424	25,936,008,219
218 Other long-term receivables		24,343,353,424	25,936,008,219
218.1 - Insurance deposits	2.11	22,000,000,000	22,000,000,000
218.2 - Other long-term receivables	6(b)	2,343,353,424	3,936,008,219
220 Fixed assets		7,475,165,347	7,763,664,750
221 Tangible fixed assets	10(a)	7,475,165,347	7,763,664,750
222 Historical cost		31,352,944,471	30,710,866,071
223 Accumulated depreciation		(23,877,779,124)	(22,947,201,321)
227 Intangible fixed assets	10(b)	-	-
228 Historical cost		32,434,195,934	32,434,195,934
229 Accumulated amortisation		(32,434,195,934)	(32,434,195,934)
230 Investment properties	11	4,591,264,839	6,409,861,437
231 Historical cost		34,055,061,893	34,055,061,893
232 Accumulated depreciation		(29,463,797,054)	(27,645,200,456)
240 Long-term assets in progress		21,306,605,255	17,107,901,513
241 Long-term work in progress	12	14,036,123,679	14,036,123,679
242 Construction in progress		7,270,481,576	3,071,777,834
250 Long-term investments		1,947,745,227,843	1,675,986,694,437
252 Investments in associates	4(c)	338,240,028,217	312,911,750,370
253 Investments in other entities	4(c)	309,296,176,180	337,701,918,974
254 Provision for impairment of long-term financial investments	4(c), 4(d)	(24,600,686,400)	(474,000,291)
255 Held to maturity investments	4(d)	1,324,809,709,846	1,025,847,025,384
260 Other long-term assets		10,089,373,507	9,773,949,951
261 Long-term prepaid expenses	9(b)	1,489,415,725	964,663,623
262 Deferred income tax assets		741,624,449	950,952,995
268 Other long-term assets	13	7,858,333,333	7,858,333,333
270 TOTAL ASSETS		7,126,478,829,142	7,156,614,285,179

The notes on pages 13 to 66 are an integral part of these consolidated financial statements.

Code	RESOURCES	Note	As at	
			31/12/2022 VND	31/12/2021 VND
300	LIABILITIES		3,669,148,286,585	3,870,939,538,027
310	Short-term liabilities		3,668,095,927,009	3,869,948,911,283
311	Short-term trade accounts payable	14	446,338,966,173	483,810,717,898
311.1	- Insurance payables		444,926,702,759	482,821,864,066
311.2	- Other trade accounts payable		1,412,263,414	988,853,832
312	Short-term advances from customers		641,838,862	1,411,832,743
313	Tax and other payables to the State	15	30,243,810,801	17,428,131,172
314	Payables to employees		23,553,328,343	28,609,644,657
315	Short-term accrued expenses		1,227,469,537	324,371,676
319	Other short-term payables	16(a)	54,830,680,934	49,687,581,072
319.1	Deferred commission income	16(a)	112,203,575,689	99,311,540,367
321	Provision for short-term liabilities	17	32,662,726,852	25,929,549,564
322	Bonus and welfare fund	18	28,436,745,506	26,088,235,092
329	Technical reserves	19	2,937,956,784,312	3,137,347,307,042
329.1	- Unearned premium reserves for inward reinsurance		1,148,013,393,804	1,095,520,329,811
329.2	- Claim reserves for inward reinsurance		1,592,468,265,070	1,857,062,704,442
329.3	- Catastrophe reserves		197,475,125,438	184,764,272,789
330	Long-term liabilities		1,052,359,576	990,626,744
337	Other long-term payables	16(b)	1,052,359,576	990,626,744
400	OWNERS' EQUITY		3,457,330,542,557	3,285,674,747,152
410	Capital and reserves		3,457,330,542,557	3,285,674,747,152
411	Owners' capital	20	1,507,371,300,000	1,507,371,300,000
411a	- Ordinary shares with voting rights		1,507,371,300,000	1,507,371,300,000
412	Share premium	20	369,756,607,309	369,756,607,309
418	Investment and development fund	21	206,077,621,278	206,077,621,278
419	Compulsory reserve	21	150,737,130,000	147,705,447,699
421	Undistributed earnings	21	1,191,435,474,370	1,021,039,304,742
421a	- Undistributed post-tax profits of previous years		825,016,470,707	700,769,765,222
421b	- Post-tax profit of current year		366,419,003,663	320,269,539,520
429	Non-controlling int		31,952,409,600	33,724,466,124
440	TOTAL RESOURCES		7,126,478,829,142	7,156,614,285,179

The notes on pages 13 to 66 are an integral part of these consolidated financial statements

Code	OFF BALANCE SHEET ITEMS	Currency unit	As at	
			31/12/2022	31/12/2021
1	Foreign currencies			
	United States Dollar	USD	2,068,564,40	461,003,78
	Australian Dollar	AUD	345,15	345,15
	Japanese Yen	JPY	43,775,00	43,775,00
	Singapore Dollar	SGD	1,119,87	2,974,87
	Great Britain Pound	GBP	5,770,51	5,770,51
	Euro	EUR	74,24	257,206,30



NGUYEN THANH CONG
Preparer



LUU THI VIET HOA
Chief Accountant



MAI XUAN DUNG
Chief Executive Officer
20 March 2023

The notes on pages 13 to 66 are an integral part of these consolidated financial statements

PPART I – COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

Code	Description	Note	Year ended	
			31/12/2022 VND	31/12/2021 VND
10	Net income from insurance business		1,514,308,357,861	1,605,861,780,616
11	Income from investment properties		13,822,954,311	39,429,595,709
12	Financial income	28	400,134,424,278	440,196,284,389
13	Other income		985,724,488	627,774,476
20	Total insurance expenses		(1,277,076,254,994)	(1,476,106,971,239)
21	Cost of investment properties		(9,492,836,244)	(33,250,635,479)
22	Financial expenses	29	(102,322,056,599)	(95,917,055,674)
23	General and administrative expenses	30	(116,490,295,677)	(89,519,195,164)
24	Other expenses		(725,937,423)	(416,016,290)
25	Profit having from associates	4(c)	39,783,389,736	32,381,023,580
50	Net accounting profit before tax		462,927,469,737	423,286,584,924
51	Corporate income tax ("CIT") - current	33	(84,333,563,188)	(77,181,859,898)
52	CIT - deferred	33	(209,328,546)	950,952,995
60	Net profit after tax		378,384,578,003	347,055,678,021
70	Basic earnings per share	22	2,451	2,235
71	Diluted earnings per share	22	2,451	2,235

NGUYEN THANH CONG
Preparer

LUU THI VIET HOA
Chief Accountant



MAI XUAN DUNG
Chief Executive Officer
20 March 2023

The notes on pages 13 to 66 are an integral part of these consolidated financial statements.

PART II – COMPREHENSIVE CONSOLIDATED INCOME STATEMENT BY ACTIVITIES

Code	Description	Note	Year ended	
			31/12/2022 VND	31/12/2021 VND
1	Insurance premium income	23	2,316,377,064,685	2,347,344,273,540
1.2	- Inward reinsurance premium		2,368,870,128,678	2,246,160,196,791
1.3	- Increase/(decrease) in unearned premium reserves for inward reinsurance		52,493,063,993	(101,184,076,749)
2	Outward reinsurance premium	24	(1,035,745,910,966)	(962,796,018,762)
2.1	- Outward reinsurance premium		(1,094,025,626,781)	(973,383,862,953)
2.2	- Increase in unearned premium reserves for outward reinsurance		58,279,715,815	10,587,844,191
3	Net insurance premium income		1,280,631,153,719	1,384,548,254,778
4	Commission income from outward reinsurance and other insurance income		233,677,204,142	221,313,525,838
4.1	- Commission income from outward reinsurance	16	214,834,397,860	205,117,518,035
4.2	- Other insurance income	27(a)	18,842,806,282	16,196,007,803
10	Net income from insurance business		1,514,308,357,861	1,605,861,780,616
11	Claim expenses		(976,933,211,110)	(856,127,582,862)
11.1	- Gross claim expenses		(976,933,211,110)	(856,127,582,862)
12	Recoverable from outward reinsurance		616,506,062,624	548,472,453,322
13	(Decrease)/increase in inward claim reserves		(169,200,647,067)	263,813,338,082
14	(Decrease)/increase in outward claim reserves		(153,448,695,516)	180,782,500,303
15	Net claim expenses	25	(344,675,196,935)	(390,685,967,319)
16	Increase in catastrophe reserves	19(b)	12,710,852,649	12,699,169,578
17	Other insurance expenses		(919,690,205,410)	(1,072,721,834,342)
17.1	- Commission expenses	26	(892,989,696,846)	(1,049,234,929,108)
17.2	- Other insurance expenses	27(b)	(26,700,508,564)	(23,486,905,234)
18	Total insurance expenses		(1,277,076,254,994)	(1,476,106,971,239)
19	Gross insurance profit		237,232,102,867	129,754,809,377
20	Income from investment properties		13,822,954,311	39,429,595,709
21	Cost of investment properties		(9,492,836,244)	(33,250,635,479)
22	Profit from investment properties		4,330,118,067	6,178,960,230

The notes on pages 13 to 66 are an integral part of these consolidated financial statements.

PART II – COMPREHENSIVE CONSOLIDATED INCOME STATEMENT BY ACTIVITIES (CONTINUED)

Code	Description	Note	Year ended	
			31/12/2022 VND	31/12/2021 VND
23	Financial income	28	400,134,424,278	440,196,284,389
24	Financial expenses	29	(102,322,056,599)	(95,917,055,674)
25	Profit from financial activities		297,812,367,679	344,279,228,715
26	General and administrative expenses	30	(116,490,295,677)	(89,519,195,164)
30	Operating profit		422,884,292,936	390,693,803,158
31	Other income		985,724,488	627,774,476
32	Other expenses		(725,937,423)	(416,016,290)
40	Net other income		259,787,065	211,758,186
40.1	Profit sharing from joint ventures and associates		39,783,389,736	32,381,023,580
50	Net accounting profit before tax		462,927,469,737	423,286,584,924
51	CIT - current	33	(84,333,563,188)	(77,181,859,898)
52	CIT- deferred	33	(209,328,546)	950,952,995
60	Net profit after tax		378,384,578,003	347,055,678,021
	Attributable to:			
61	Owners of the parent company		380,156,634,527	346,949,022,171
62	Non-controlling interests		(1,772,056,524)	106,655,850
70	Basic earnings per share		2,451	2,235
71	Diluted earnings per share		2,451	2,235

NGUYEN THANH CONG
Preparer

LUU THI VIET HOA
Chief Accountant



MAI XUAN DUNG
Chief Executive Officer
20 March 2023

Code	Note	Year ended	
		31/12/2022 VND	31/12/2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Proceeds from inward and outward reinsurance activities	968,004,203,788	691,598,279,339
02	Cash paid for inward and outward reinsurance activities	(770,423,212,950)	(588,112,339,933)
03	Cash paid to employees	(63,201,354,905)	(54,557,008,523)
05	CIT paid	(73,516,269,944)	(76,260,650,384)
06	Cash received from other operating activities	14,590,712,543	48,752,021,602
07	Cash paid for other operating activities	(38,451,453,822)	(61,474,076,965)
20	Net cash inflows/(outflows) from operating activities	37,002,624,710	(40,053,774,864)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(5,498,472,350)	(2,291,321,234)
23	Purchases of debt instruments of other entities	(1,927,548,482,791)	(1,468,609,200,000)
24	Proceeds from sales of debt instruments of other entities	1,712,648,314,110	1,343,149,210,067
26	Proceeds from divestment in other entities	28,405,742,794	19,652,181,917
27	Dividends and interest received	386,455,730,285	315,533,321,727
30	Net cash inflows from investing activities	194,462,832,048	207,434,192,477
CASH FLOWS FROM FINANCING ACTIVITIES			
36	Dividends paid, profit distributed to owners	(195,958,269,000)	(196,613,905,500)
40	Net cash flows from financing activities	(195,958,269,000)	(196,613,905,500)
50	Net increase in cash and cash equivalents of year	35,507,187,758	(29,233,487,887)
60	Cash and cash equivalents at beginning of year	25,281,771,911	55,424,073,810
61	Effect of foreign exchange differences	1,510,890,438	(908,814,012)
70	Cash and cash equivalents at end of year	62,299,850,107	25,281,771,911

NGUYEN THANH CONG
Preparer

LUU THI VIET HOA
Chief Accountant



MAI XUAN DUNG
Chief Executive Officer
20 March 2023

The notes on pages 13 to 66 are an integral part of these consolidated financial statements.

The notes on pages 13 to 66 are an integral part of these consolidated financial statements.

1 GENERAL INFORMATION

Vietnam National Reinsurance Corporation (“the Corporation”) is a joint stock company established in SR Vietnam pursuant to the Establishment and Operation Licence No. 28/GP/KDBH dated 15 November 2004 issued by the Ministry of Finance. The Establishment and Operation Licence has been amended several times and the latest amendment No. 28/GPDC5/KDBH was issued on 6 September 2021.

Shares of the Corporation were officially listed for trading at the Hanoi Stock Exchange on 13 March 2006 with ticker symbol of VNR.

The principal activities of the Corporation are to provide inward/outward reinsurance services and to carry out financial investment activities.

The normal business cycle of the Corporation is 12 months.

The consolidated financial statements are not affected by the seasonality but depend on the fluctuation in the market.

As at 31 December 2022, the Corporation had one subsidiary and one associate as disclosed in Note 4(c) – Investments in other entities. The details are as follows:

	Principal activities	Place of incorporation and operation	% of ownership	% of voting rights
Subsidiary				
Vinare Investment Joint Stock Company	Investment	Hanoi, Vietnam	63.9%	63.9%
Associate				
Samsung Vina Insurance Corporation Limited	Insurance	Hanoi, Vietnam	25%	25%

As at 31 December 2022, the Corporation and its subsidiary had 101 employees (as at 31 December 2021: 98 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements of insurance companies established and operating in compliance with the laws of Vietnam. The consolidated financial statements have been prepared under the historical cost convention except for investments in associates and business combinations as presented in Note 2.5.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

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

2.2 Financial year

The Corporation and its subsidiary’s financial year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in the Vietnamese Dong (“VND”).

2.4 Exchange rates

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank(s) where the Corporation and its subsidiary regularly trade. The Corporation and its subsidiary ensure that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially impact the financial position and result of operations during the fiscal year. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank(s). Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the transfer rate at the consolidated balance sheet date of the commercial bank(s) where the Corporation and its subsidiary regularly trade. The transfer rate is the buying rate or selling rate of the commercial bank(s). Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

2.5 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiary by the Corporation. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Corporation’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between the group companies are eliminated.

Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

The financial statements of the subsidiary are prepared for the same accounting period of the Corporation for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiary’ accounting period and that of the Corporation’s. The length of the reporting period and differences in reporting date must be consistent between years.

Non-controlling transactions and interests

The Corporation applies a policy for transactions with non-controlling interests as transactions with external parties to the Corporation.

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

A divestment of the Corporation’s interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Corporation’s share of net assets of the subsidiary and any consideration paid or received from divestment of the Corporation’s interest in the subsidiary is recorded directly in the undistributed earnings under equity

In a divestment of the Corporation’s interest in a subsidiary that results in a loss of control, the difference between the Corporation’s share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Basis of consolidation (continued)

Associates

Associates are all entities over which the Corporation and its subsidiary have significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting and are initially recognised at cost. The Corporation and its subsidiary's investments in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Corporation's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Corporation's share of losses in an associate equals or exceeds its interest in the associate, the Corporation does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

Unrealised gains and losses on transactions between the Corporation and associates are eliminated to the extent of the Corporation's interest in the associates in accordance with applicable accounting regulations.

2.6 Form of records applied

The Corporation and its subsidiary use general journal to record its transactions.

2.7 Cash and cash equivalents

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

2.8 Receivables

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

- Reinsurance receivables are trade receivables arising from reinsurance transactions including premiums receivable from insurers, claim recoveries from reinsurers, commission receivables from reinsurers at the year end;
- Other trade receivables are receivables arising from sales and providing services other than insurance transactions; and
- Other receivables are non-trade receivables and receivables not relating to providing services.

Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. When making provision for a bad debt of a debtor who has both receivables and payables, based on the record of debt reconciliation sent to customers, the Corporation shall make provision for the remaining amount after offsetting the payables of its debtor. Bad debts are written off when identified as uncollectible.

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

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the purchase price and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of operating expenses in the year.

2.10 Investments

(a) Investments held to maturity

Investments held to maturity are investments which the Board of Management of the Corporation and its subsidiary has positive intention and ability to hold until maturity.

Investments held to maturity include term deposits, certificates of deposit, bonds which the issuer is required to buy back in the future, investments in entrustment funds with a pre-determined settlement date agreed with fund management companies in accordance with the entrustment contract and other investments held to maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

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

Provision for impairment of investments in entrustment funds, is made when the carrying amount of such investment exceeds the value of that investment as stated in the net asset value ("NAV") report at the balance sheet date provided by the entrustment funds.

(b) Investments in associates

Investments in associates are accounted for using the equity method when preparing the consolidated financial statements.

(c) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision is calculated similarly to provision for investments in associates.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Insurance deposits

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

2.12 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

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

Plant and buildings	4%/year
Means of transportation	17%/year
Office equipment	25%/year
Other tangible assets	20% - 25%/year
Software	20%/year

Disposals

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

Construction in progress

Construction in progress represents the cost of assets in the course of construction for operation, rental or administrative purposes, or for purposes not yet determined are carried at cost, including necessary cost to newly build, repair, renovate, expand or re-engineering such as construction costs, costs of tools and equipment. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.13 Leased assets

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

2.14 Investment properties

The historical cost of an investment property represents the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Depreciation

Investment properties are depreciated on the straight-line basis to write off the depreciable amount of the assets over their estimated useful lives. Depreciable amount equals to the historical cost of assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of the investment property are 25 years.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of investment properties and are recognised as income or expense in the consolidated income statement.

2.15 Business cooperation contract

A business cooperation contract ("BCC") is a cooperation contract between the Corporation and other parties to carry out specific business activities without establishing a new legal entity. These activities are jointly controlled by the parties under the BCC or controlled by one of the parties.

The BCC is based on jointly controlled assets or jointly controlled operations. The parties in a BCC may agree to share revenues, products or profits after tax.

2.16 Prepaid expenses

Prepaid expenses include deferred commission expenses, costs of tools, supplies issued for consumption and other expenses which are expected to provide future economic benefits to the Corporation and its subsidiary. Prepaid expenses are recorded at cost.

Deferred commissions are determined by the Corporation and its subsidiary at the balance sheet date using the proportional method corresponding to unearned reinsurance premium reserve (Note 2.21(a)) as follows:

Type of contract	Term of reinsurance contract	
	1 year or less	Over 1 year
Cargo insurance (road, sea, inland waterways, rail and air)	25%	55%
Others	50%	55%

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Payables

Classifications of payables are based in their natures as follows:

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

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

2.18 Accrued expenses

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

2.19 Provision

Provisions is recognised when the Corporation and its subsidiary have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of expenditures expected to be required to settle the obligations. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.20 Provision for severance allowances

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

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

The Corporation and its subsidiary do not recognise the provision for severance allowances as the Corporation applies Circular 180/2012/TT-BTC of the Ministry of Finance dated 24 October 2012, in which, the severance allowances is recognised on cash basis.

2.21 Technical reserves

Technical reserves are provided in accordance with the assumptions and methodologies, which are determined by the Corporation's appointed actuary, registered with and approved by the Ministry of Finance ("MoF") and other regulations and guidance in:

- Circular 50/2017/TT-BTC dated 15 May 2017 issued by the Ministry of Finance (to replace Circular 125/2012/TT-BTC);
- Official letter 2713/BTC-QLBH dated 12 March 2018 issued by the Ministry of Finance. The letter is effective from the financial year 2017;
- Official letter 2134/BTC-QLBH dated 22 February 2019 issued by the Ministry of Finance. The letter is effective from the financial year 2019.
- Circular 01/2019/TT-BTC dated 2 January 2019 issued by the Ministry of Finance (to amend Circular 50/2017/TT-BTC);
- Circular 89/2020/TT-BTC dated 11 November 2020 issued by the Ministry of Finance (to amend Circular 50/2017/TT-BTC);

The Corporation's technical reserves include:

(a) **Unearned premium reserves**

Non-life reinsurance

Provision for unearned premium reserves for inward and outward reinsurance is calculated on the total inward/outward reinsurance premium as follows:

Type of contract	Term of reinsurance contract	
	1 year or less	Over 1 year
Cargo insurance (road, sea, inland waterways, rail and air)	25%	55%
Others	50%	55%

Life reinsurance

- For reinsurance contract with a term of one year or less, the Corporation applies a prorated method equal to 50% of the total premium in the fiscal year for each life reinsurance contract.
- For reinsurance contract with a term of more than one year with the payment term under one year, renewed annually and signed before the effective date of Circular 50/2017/TT-BTC, the Corporation applies the calculation method at the rate of 50% of the total premium in the fiscal year for each life reinsurance contract.
- For reinsurance contract with a term of more than one year and signed after the effective date of Circular 50/2017/TT-BTC, the Corporation calculates mathematical reserves in accordance with applicable regulations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Technical reserves (continued)

(b) Claim reserves

- Claims reserves for the losses which were incurred, notified but not yet settled (“OSLR”) at the end of the financial year are provided for each insurance case based on the estimated claim payable which has been notified or submitted but not yet settled as at the reporting date.
- Claims reserves for the losses incurred but not notified and/or reported (“IBNR”) are provided for at 5% of the total aggregated inward/outward reinsurance premium for each insurance line in the financial year.

(c) Catastrophe reserves

This reserve is made at a rate of 1% of the retained premium for each insurance line until it reaches 100% of the retained premium in the year.

(d) Equalisation reserves

Equalisation reserves are made for each type of reinsurance as follow:

- Health-care reinsurance: this reserve is made annually at 1% of the retained premium for all transactions until it reaches 100% of retained premium in the year.
- Life reinsurance: this reserve is made annually at 1% of the profit before tax until it reaches 5% of the life inward premium received in the year.

On 28 December 2005, the MoF issued Decision 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard (“VAS”) 19 – Insurance Contracts. Following the issuance of this Standard, provision for equalisation reserves is no longer required since it represents “claims on insurance contracts which do not in exist as at the reporting date”.

However, since the MoF has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 1 July 2016 (“Decree 73”) regarding financial regulations for insurance companies, the Corporation continues providing annually for equalisation reserves with the applicable rate mentioned above.

(e) Mathematical reserves

For health reinsurance contract with contract term of more than 1 years, the mathematical reserve is made as follows:

- For health reinsurance contract (except health reinsurance contract that cover only death, permanent total disability):
 - For reinsurance contract with contract term of more than 1 year: Apply the calculation method using the coefficient 1/8;
 - For reinsurance contract with a term of more than 1 year with the payment term under 1 year, renewed annually: Apply the calculation method at the rate of 50% of the total premium of the fiscal year. In all cases, the Corporation must ensure that the result of the calculation is not lower than the 1/8 coefficient.

- For health reinsurance contracts that cover only death, permanent total disability, the Corporation applies the method of daily premium provision according to the general formula as follows:

$$\text{Unearned premiums reserves} = \frac{\text{Insurance premium} \times \text{Number of unexpired days of insurance policy or reinsurance agreement}}{\text{Total days of insurance policy or reinsurance agreement}}$$

2.22 Deferred commission income

Deferred commission income is determined by the Corporation at the balance sheet date using the prorated method corresponding with unearned premiums reserves (Note 2.21(a)) as follows:

Type of contract	Term of reinsurance contract	
	1 year or less	Over 1 year
Cargo insurance (road, sea, inland waterways, rail and air)	25%	55%
Others	50%	55%

2.23 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Undistributed earnings record the Corporation and the subsidiary's results (profit) after business income tax at the reporting date.

2.24 Appropriation of profit

Net profit after tax could be distributed to shareholders upon approval at General Meeting of shareholders, and after appropriation to other funds in accordance with the Corporation's charter and Vietnamese regulations.

The Corporation's funds are as below:

(a) Compulsory reserve fund

In accordance with Article 77 of the Decree 73/2016/ND-CP dated 1 July 2016, the Corporation is required to make an annual appropriation to the compulsory reserve fund at 5% of after-tax profit until the fund reaches 10% of the charter capital.

(b) Investment and development fund

Investment and development fund is appropriated from profit after tax and approved in the Annual General Meeting of shareholders. The fund is used to expand the scale of business or in-depth investment of the Corporation. The appropriation and appropriation rate are approved at the Annual General Meeting of Shareholders.

(c) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Corporation and the subsidiary's profit after corporate income tax and subject to shareholders approval at the General Meeting of shareholders. This fund is presented as a liability on the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition

(a) Inward reinsurance premium

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

- The insurance contract has been entered into by the Corporation and the reinsured; and
- Statement of accounts of reinsurance transactions is confirmed between the Corporation and the reinsured.

This recognition is in line with Circular 50/2017/TT-BTC for reinsurance enterprises.

For excess of loss reinsurance contract, the Corporation recognizes reinstatement premium. This is the amount the reinsured must pay to restore the coverage up to the contract's original limit. The basis for recognition of reinstatement premium is the confirmed statement of accounts between the Corporation and the re-insurers for the losses which have been compensated for. At the end of the financial year, the Corporation accrues reinstatement premium for losses that have occurred but have not been compensated for.

(b) Commission income

Commission income represents commissions received or receivable from reinsurers. They are calculated on the basis of gross premiums ceded and are recorded in the same quarterly reporting period that the original insurance premium or corresponding reinsurance premium is recognised.

(c) Interest income

Interest income is recognised on an accruals basis.

(d) Dividends income

Income from dividends is recognised when the Corporation and its subsidiary have established the receiving right from investees.

2.26 Outward reinsurance premium ceded

Outward reinsurance premium is recorded in the consolidated income statement as a reduction in gross premiums written. Outward reinsurance premiums ceded is recognized at the point of time when both of the following two (2) conditions are met:

- The insurance contract has been entered into by the Corporation and the re-insurers; and
- Statement of accounts of reinsurance transactions is confirmed between the Corporation and the re-insurers.

Outward reinsurance does not relieve the Corporation of its liabilities to its insured customers if any reinsurer is unable to meet its obligations under reinsurance agreements.

For excess of loss reinsurance contract, the Corporation recognizes reinstatement premium payables. This is the amount the reinsured must pay to restore the coverage up to the contract's original limit. The basis for recognition of reinstatement premium is the confirmed statement of accounts between the Corporation and the re-insurers for the losses which have been compensated for. At the end of the financial year, the Corporation accrues reinstatement premium for losses that have occurred but have not been compensated for.

2.27 Commission expenses

Commission expenses represent fee payments to ceding insurance companies of the Corporation. They are calculated and recorded when there is evidence of agreement among the parties (via the statement of account).

2.28 Claim expenses

Claim settlement expenses for inward reinsurance are recorded as incurred following the statement of accounts the insurers send to the Corporation and the claim is accepted by the Corporation.

2.29 Claims to be recovered from reinsurers

Claims incurred are recovered from reinsurers according to the terms in the respective reinsurance agreements.

2.30 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activities; provision for diminution in value of investments in other entities; losses incurred on selling foreign currencies; losses from foreign exchange differences.

2.31 General administration expenses

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

2.32 Current and deferred income tax

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.33 Related parties

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

In considering its related-party relationships, the Corporation and its subsidiary consider the substance of the relationships, not merely the legal form.

2.34 Critical accounting estimates

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

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

- Provision for doubtful debts (Note 2.8, Note 6 and Note 7);
- Deferred commissions (Note 2.16 and Note 9(a));
- Technical reserves (Note 2.21 and Note 19);
- Unearned commission revenue (Note 2.22 and Note 16); and
- Reinstatement premium receivable and reinstatement premium payables (Note 2.25(a), Note 2.26 and Note 17).

Such estimates and assumptions are continually evaluated based on historical experiences and other factors, including assumptions on future events that may have significant financial impact on the financial statements of the Corporation and its subsidiary, and that are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	31/12/2022 VND	31/12/2021 VND
Cash on hand	1,194,197,455	786,508,519
Cash at bank	49,805,652,652	24,495,263,392
Cash equivalents (*)	11,300,000,000	-
	62,299,850,107	25,281,771,911

(*) Cash equivalents as at 31 December 2022 includes deposit at domestic commercial banks with original terms of less than 3 months and an interest rates of 6% per annum.

4 INVESTMENTS

(a) Trading securities

	31/12/2022			31/12/2021		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Shares of Thang Long Telecommunications Joint Stock Company	173,907,022	-	(173,907,022)	173,907,022	-	(173,907,022)

(b) Short-term investments

	31/12/2022			31/12/2021		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Short-term deposits (i)	2,343,400,149,589	2,343,400,149,589	-	2,338,300,000,000	2,338,300,000,000	-
Short-term bonds	-	-	-	100,000,000,000	(*)	-
Entrustment investments (ii)	106,530,296,150	120,836,714,967	(1,508,604,397)	117,327,849,488	176,641,270,280	(876,212)
	2,449,930,445,739	2,464,236,864,556	(1,508,604,397)	2,555,627,849,488	(*)	(876,212)

(i) Deposits at domestic commercial banks with original terms of more than 3 months and remaining maturities within 12 months from the consolidated balance sheet and interest rates ranging from 5% to 9.8% per annum (2021: 4.9% to 7.1% per annum).

(ii) Investments under entrustment contracts with Vietcombank Fund Management ("VCBF"), Baoviet Fund Management Company ("BVF") and MB Capital Management Joint Stock Company ("MBCapital") with the pre-determined remaining maturities within 12 months from 31 December 2022. The Corporation bears all risks related to the entrustment investments. Details are as follows:

	Historical cost VND	Management fee related to entrustment funds VND	Net book value at 31/12/2022 VND	Net asset value at 31/12/2022 VND	Provision VND
BVF	30,000,000,000	(598,608,883)	29,401,391,117	31,076,507,656	-
VCBF	50,000,000,000	(2,293,808,708)	47,706,191,292	61,846,097,967	-
MBCapital	30,000,000,000	(577,286,259)	29,422,713,741	27,914,109,344	(1,508,604,397)
	110,000,000,000	(3,469,703,850)	106,530,296,150	120,836,714,967	(1,508,604,397)

4 INVESTMENTS (CONTINUED)

(c) Investments in other entities

	31/12/2022			31/12/2021		
	Carrying value VND	Fair value VND	Provision VND	Carrying value VND	Fair value VND	Provision VND
Investments in associates	338,240,028,217	(*)	-	312,911,750,370	(*)	-
Investments in other entities	309,296,176,180	(*)	(153,875,823)	337,701,918,974	(*)	(474,000,291)
	647,536,204,397	(*)	(153,875,823)	650,613,669,344	(*)	(474,000,291)

Movements in investments in associates during the year were as follows:

	2022 VND	2021 VND
Beginning of the year	312,911,750,370	297,645,573,026
Profit sharing from associates	39,783,389,736	32,381,023,580
Dividend received (Note 36(a))	(14,455,111,889)	(17,114,846,236)
End of the year	338,240,028,217	312,911,750,370

Investments in other entities include investments in other companies over which the Corporation neither has the right to control nor has significant influence. Details of investments are as follows:

	31/12/2022			31/12/2021		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Tien Phong Commercial Joint Stock Bank	181,140,376,180	879,001,837,350	-	209,546,118,974	1,982,965,692,350	-
Post and Telecommunication Joint Stock Insurance Corporation	38,416,000,000	177,455,577,600	-	38,416,000,000	209,817,216,000	-
Agriculture Bank Insurance Joint Stock Company	32,000,000,000	159,782,400,000	-	32,000,000,000	217,420,800,000	-
Hung Vuong Insurance Joint Stock Company	30,000,000,000	(*)	-	30,000,000,000	(*)	-
Global Insurance Joint Stock Company	17,600,000,000	(*)	-	17,600,000,000	(*)	-
Sai Gon – Ha Long Hotel (**)	10,139,800,000	(*)	(153,875,823)	10,139,800,000	(*)	(474,000,291)
	309,296,176,180	(*)	(153,875,823)	337,701,918,974	(*)	(474,000,291)

(*) As of 31 December 2022 and 31 December 2021, the Corporation has not determined the fair value of these investments to disclose on the consolidated financial statements because they do not have quoted prices and Vietnamese Accounting Standards do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their carrying value.

(**) The Corporation assessed the provision of the investments based on the accumulated losses of these investees as of 31 December 2022.

(d) Held to maturity investments

	31/12/2022			31/12/2021		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Long-term deposits (i)	442,000,000,000	442,000,000,000	-	423,500,000,000	423,500,000,000	-
Long-term bonds (ii)	680,000,000,000	(*)	-	459,490,021,918	(*)	-
Entrustment investments (iii)	187,809,709,846	177,206,225,720	(22,076,747,027)	137,857,003,466	194,394,255,216	-
Other investments to VCBF Midcap Growth Fu	15,000,000,000	12,629,936,450	(2,370,063,550)	-	-	-
Other investments to Bao Viet Prospect Equity Fu	-	-	-	5,000,000,000	(*)	-
	1,324,809,709,846	(*)	(24,446,810,577)	1,025,847,025,384	(*)	-

(i) Deposits at domestic commercial banks with remaining maturities of more than 12 months from the consolidated balance sheet and interest rates ranging from 10.3% to 11.9% per annum (2021: 5.3% to 5.6% per annum).

(ii) Bonds of local commercial banks in Vietnam with remaining maturities of 4 to 10 years from the consolidated balance sheet and interest rates ranging from 6.3% to 10.5% per annum (2021: 6.3% to 8.5% per annum). During the year, the Corporation bought new bonds of local commercial banks in Vietnam with maturities from 6 to 10 years and interest rates ranging from 7.3% to 10.5% per annum.

(iii) Investments under entrustment contracts with SSIAM and 2 contracts with VCBF with the pre-determined remaining maturities of more than 12 months from the consolidated balance sheet date. The Corporation bears all risks related to the entrustment investments. Details are as follows:

	Historical cost VND	Management fee related to entrustment funds VND	Net book value at 31/12/2022 VND	Net asset value at 31/12/2022 VND	Provision VND
VCBF dated 16/11/2022	70,000,000,000	(171,753,816)	69,828,246,184	81,301,509,085	-
VCBF dated 1/8/2021	50,000,000,000	(1,443,319,962)	48,556,680,038	46,344,269,505	(2,212,410,533)
SSIAM	70,000,000,000	(575,216,376)	69,424,783,624	49,560,447,130	(19,864,336,494)
	190,000,000,000	(2,190,290,154)	187,809,709,846	177,206,225,720	(22,076,747,027)

(*) As of 31 December 2022 and 31 December 2021, the Corporation has not determined the fair value of these investments to disclose on the consolidated financial statements because they do not have quoted prices and Vietnamese Accounting Standards do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their carrying value.

5 TRADE ACCOUNTS RECEIVABLE

	31/12/2022 VND	31/12/2021 VND
Receivable from insurance contracts	574,020,303,681	574,030,810,370
- Receivable from inward reinsurance	290,411,064,401	291,379,969,989
- Receivable from outward reinsurance	256,904,029,060	260,129,149,848
- Other receivables from reinsurance activities	26,705,210,220	22,521,690,533
Other trade receivables	30,975,294	888,247,973
	574,051,278,975	574,919,058,343

6 OTHER RECEIVABLES

(a) Short-term

	31/12/2022 VND	31/12/2021 VND
Accrued from short-term deposits interest income	91,778,039,260	107,237,858,353
Accrued short-term bonds interest income	13,717,390,411	7,432,630,137
Premium withheld by insurance companies	37,886,446,377	28,310,364,354
Investment in Tincom Plaza Project (i)	43,176,145,672	43,414,421,304
Principal and interest receivable from the investment to Contrexim Complex Project (ii)	9,877,541,667	10,077,541,667
Receivables from the investment to Hanoi Paragon Project (iii)	2,045,742,517	2,345,742,517
Others	915,849,330	959,320,414
	199,397,155,234	199,777,878,746
Provision for doubtful debts – short-term		
- Tincom Plaza Project (i)	(8,000,217,099)	-
- Contrexim Complex Project (ii)	(9,877,541,667)	(10,077,541,667)
- Hanoi Paragon Project (iii)	(2,045,742,517)	(2,345,742,517)
	(19,923,501,283)	(12,423,284,184)
	179,473,653,951	187,354,594,562

(i) Tincom Plaza project

The investments were signed by the subsidiary under the Business Cooperation Contract No. 02/2010/HDDC-Tincom Plaza dated 1 July 2010 with Thang Long Investment and Trade Group Joint Stock Company (“Thang Long Company”, “the Investor”) to construct Tincom Plaza Project (now Skyview Plaza Project) (“the Project”) at No. 360 Giai Phong Street, Hanoi.

The total invested amount by the subsidiary in the Project was VND 60,149,250,000 in which VND 7,134,674,895 was contributed by the Corporation, VND 30,641,245,983 was contributed by the subsidiary and VND 22,373,329,122 was contributed by other investors. However, the Investor has ceased the construction of HH3 building since 2019 when it has been built up to the 14th floor due to the Investor’s financial difficulties.

As per Decision No. 02/2018/QD-HDQT dated 22 June 2018 of the Board of Directors, the Board of Management of the Corporation and its subsidiary decided not to continue to invest in the Project and filed a lawsuit against the Investor. In accordance with Decision No. 14/2019/QDST-KDTM dated 15 November 2019 issued by the Thanh Xuan District Court (“Decision No. 14”), Thang Long Company must repay a total amount of VND 126,376,061,750 (comprising of VND 60,149,250,000 of principal and VND 66,226,811,750 of interest up to 31 October 2019) to the subsidiary either in cash or by handing apartments of the Project to the subsidiary.

In 2020, the subsidiary and Thang Long Company signed apartment purchase contracts for 65 apartments, with total value of VND 117,880,956,550 (in which the value of 7 completed apartments in HH2 building is at VND 17,687,716,550 and the value of 58 unbuilt apartments in HH3 building is at VND 100,193,240,000). If Thang Long Company is not able to fully settle the amount, they shall be charged an interest rate of 13.5% per year on the late payment amount commencing from 1 January 2020 until the settlement date. The remaining unsettled amount by transferring apartment purchase contracts is VND 8,495,105,200. Besides, the subsidiary will have to pay an additional 30% of the value of the apartments, equivalent to VND 42,939,960,000, to be eligible for apartment hand-over and receipt of the ownership certificate. The Corporation and the subsidiary are willing to sell these apartments to recover the invested amount, therefore the balance is classified as short-term receivables.

As at 31 December 2022, the subsidiary has transferred all 7 apartment purchase contracts of HH2 building to third parties. The receivables are recorded at cost of VND 43,176,145,672 after deducting the value received from sales of 7 apartments in HH2 building.

The recoverability of the receivable is determined by the Board of Management by comparing with the 70% value of the 58 apartments which will be handed over by the Investor to the subsidiary in the future and on the basis that the Corporation and the subsidiary do not continue to pay an additional 30% of the value of the apartments.

In accordance with the Valuation Certificate No. 526-22/CT-DG/VAE dated 5 December 2022 issued by the Vietnam Auditing and Evaluation Co., Ltd, 70% of the appraised value of these 58 apartments was estimated at VND 62,692,400,000 using the discounted cash flow method.

The handover progress of 58 HH3 apartments are that 27 apartments are on 25 March 2022 and 31 remaining apartments are on 25 December 2022. As at the date of this consolidated financial statements, the handover date above has been overdue. The Board of Management assessed that this receivable is impaired as the handover date has been overdue and the project has not shown any signs of restarting. Therefore, the Board of Directors estimated the provision for devaluation of receivables of VND 8,000,217,099, equivalent to 30% total value of the receivable balance corresponding to the initial invested amount of the Corporation and its subsidiary.

Besides, the Board of Management has also assessed that the recoverability of the related interest of VND 77,261,407,563 (as at 31 December 2021: VND 73,377,664,154) is uncertain, therefore the interest amount is disclosed as contingent assets (Note 39 - Contingent assets) in the consolidated financial statements.

(ii) Contrexim Complex Project

This investment was made in accordance with Contract No. 0911210/HDKT dated 10 December 2009 between the subsidiary and Viet San Investment Joint Stock Company (“Viet San Company”) on the investment in the Contrexim Complex project. However, the subsidiary issued Official Letter No. 38/2010/HTDT dated 4 November 2010 announcing the termination of the investment, transferring of product purchasing rights to Viet San Company. The Board of Management assessed this receivable balance as a doubtful debt and the subsidiary has made 100% provision for the value of the receivable balance (Note 7).

(iii) Hanoi Paragon Project

This is the balance which VT Construction and Trade Joint Stock Company must pay to the subsidiary after offsetting the payables by transferring apartments at Hanoi Paragon Project – Dich Vong Hau Urban Area. The subsidiary has made 100% provision for the remaining receivable balance (Notes 7 and Note 8).

(b) Long-term

	31/12/2022 VND	31/12/2021 VND
Accrued interest income from investments	2,343,353,424	3,936,008,219

7 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

	31/12/2022				
	Overdue trade accounts receivable VND	Trade accounts payable VND	Net overdue trade accounts receivable VND	Provision VND	Recoverable amount VND
Short-term trade receivables					
1) Vass Assurance Corporation	7,037,127,213	(1,919,344,671)	5,117,782,542	(5,033,070,283)	84,712,259
2) Willis (Singapore) Pte Ltd	5,255,347,654	(479,433,368)	4,775,914,286	(4,545,775,311)	230,138,975
3) J.B Boda & Co Ltd	1,765,607,483	(2,105,542)	1,763,501,941	(1,763,501,941)	-
4) Best Reinsurance	1,890,150,519	(284,892,269)	1,605,258,250	(1,424,420,223)	180,838,027
5) Sai Gon - Ha Noi Insurance Corporation	22,293,566,993	(21,606,463,766)	687,103,227	(233,851,694)	453,251,533
6) UIB Brokers Korea	21,187,292,135	(19,801,127,600)	1,386,164,535	(500,870,192)	885,294,343
7) Sogaz Insurance	11,554,401,597	(8,323,143,255)	3,231,258,342	(1,372,667,823)	1,858,590,519
8) Others	19,390,917,703	(9,772,479,830)	9,618,437,873	(4,423,776,331)	5,194,661,542
	90,374,411,297	(62,188,990,301)	28,185,420,996	(19,297,933,798)	8,887,487,198
Other short-term receivables					
1) Contrexim Complex Project	9,877,541,667	-	-	(9,877,541,667)	-
2) Hanoi Paragon Project	2,045,742,517	-	-	(2,045,742,517)	-
3) Tincom Plaza Project	43,176,145,672	-	-	(8,000,217,099)	35,175,928,573
	55,099,429,856	-	-	(19,923,501,283)	35,175,928,573
Total provision for doubtful debts – short-term				(39,221,435,081)	

7 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM (CONTINUED)

	31/12/2021				
	Overdue trade accounts receivable VND	Trade accounts payable VND	Net overdue trade accounts receivable VND	Provision VND	Recoverable amount VND
Short-term trade receivables					
1) Vass Assurance Corporation	7,002,887,107	(362,323,432)	6,640,563,675	(6,246,237,746)	394,325,929
2) Willis (Singapore) Pte Ltd	4,910,565,739	(3,141,867,412)	1,768,698,327	(1,737,119,825)	31,578,502
3) J.B Boda & Co Ltd	1,778,990,751	(277,035,830)	1,501,954,921	(1,501,954,921)	-
4) Best Reinsurance	1,823,108,170	(280,834,220)	1,542,273,950	(1,176,933,648)	365,340,302
5) Others	13,598,376,752	(9,881,096,671)	3,717,280,081	(2,696,201,904)	1,021,078,177
	29,113,928,519	(13,943,157,565)	15,170,770,954	(13,358,448,044)	1,812,322,910
Other short-term receivables					
1) Contrexim Complex Project	10,077,541,667	-	-	(10,077,541,667)	-
2) Hanoi Paragon Project	2,345,742,517	-	-	(2,345,742,517)	-
	12,423,284,184	-	-	(12,423,284,184)	-
Total provision for doubtful debts – short-term				(25,781,732,228)	

8 INVENTORIES

	31/12/2022		31/12/2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Apartment No. B0303	-	-	4,065,155,091	(607,151,091)
Apartment No. B2101	-	-	4,281,361,909	(527,482,909)
Apartment No. B2704	3,915,431,455	(244,631,455)	3,915,431,455	(244,631,455)
Others	63,135,360	-	23,480,404	-
	3,978,566,815	(244,631,455)	12,285,428,859	(1,379,265,455)
Provision	(244,631,455)		(1,379,265,455)	
	3,733,935,360		10,906,163,404	

As of 31 December 2022, inventories mainly represent the value of an apartment handed over from VT Construction and Trade Joint Stock Company to offset its liabilities to the subsidiary owned by the subsidiary at Hanoi Paragon Project – Dich Vong Hau Urban Area, Cau Giay District, Hanoi.

9 PREPAID EXPENSES

(a) Short-term

	31/12/2022 VND	31/12/2021 VND
Deferred commission expenses (*)	419,575,164,824	453,183,431,245
Others short-term prepaid expenses	258,452,180	101,374,228
	419,833,617,004	453,284,805,473

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

	31/12/2022 VND	31/12/2021 VND
Beginning of year	453,183,431,245	580,190,581,169
Increase during the year	859,381,430,425	922,227,779,184
Allocation during the year (Note 26)	(892,989,696,846)	(1,049,234,929,108)
End of year	419,575,164,824	453,183,431,245

(b) Long-term

	31/12/2022 VND	31/12/2021 VND
Other long-term prepaid expenses	1,489,415,725	964,663,623

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Motor vehicles VND	Office equipment VND	Other tangible fixed assets VND	Total VND
Historical cost					
As at 1/1/2022	18,354,529,037	3,033,957,071	8,398,155,664	924,224,299	30,710,866,071
New purchases	-	-	762,490,400	337,500,000	1,099,990,400
Disposals	-	(457,912,000)	-	-	(457,912,000)
As at 31/12/2022	18,354,529,037	2,576,045,071	9,160,646,064	1,261,724,299	31,352,944,471
Accumulated depreciation					
As at 1/1/2022	(12,423,913,561)	(3,003,762,071)	(6,993,615,501)	(525,910,188)	(22,947,201,321)
Charge for the year	(779,398,542)	(13,420,000)	(420,098,851)	(175,572,410)	(1,388,489,803)
Disposals	-	457,912,000	-	-	457,912,000
As at 31/12/2022	(13,203,312,103)	(2,559,270,071)	(7,413,714,352)	(701,482,598)	(23,877,779,124)
Net book value					
As at 1/1/2022	5,930,615,476	30,195,000	1,404,540,163	398,314,111	7,763,664,750
As at 31/12/2022	5,151,216,934	16,775,000	1,746,931,712	560,241,701	7,475,165,347

Historical cost of fully depreciated tangible fixed assets but still in use of the Corporation and its subsidiary at 31 December 2022 was 9,793,093,603 (as at 31 December 2021: VND 10,251,005,603).

10 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Software VND
Historical cost	
As at 1/1/2022	32,434,195,934
As at 31/12/2022	32,434,195,934
Accumulated amortisation	
As at 1/1/2022	(32,434,195,934)
As at 31/12/2022	(32,434,195,934)
Net book value	
As at 1/1/2022	-
As at 31/12/2022	-

Historical cost of fully amortised intangible fixed assets of the Corporation and its subsidiary but still in use as at 31 December 2022 was VND 32,434,195,934 (as at 31 December 2021: VND 32,434,195,934).

11 INVESTMENT PROPERTIES

	Investment properties for leasing VND
Historical cost	
As at 1/1/2022	34,055,061,893
As at 31/12/2022	34,055,061,893
Accumulated depreciation	
As at 1/1/2022	(27,645,200,456)
Charge for the year	(1,818,596,598)
As at 31/12/2022	(29,463,797,054)
Net book value	
As at 1/1/2022	6,409,861,437
As at 31/12/2022	4,591,264,839

Investment properties represent the value of building No. 141 Le Duan, Hoan Kiem District, Hanoi corresponding to the area for lease.

In accordance with Vietnamese Accounting Standard No. 05 - Investment properties, fair value of investment properties as of 31 December 2022 should be presented. However, the Corporation has not been able to determine the fair value for disclosure purpose in the note to the consolidated financial statements.

12 LONG-TERM WORK IN PROGRESS

	31/12/2022 VND	31/12/2021 VND
142 Dinh Cong Project (*)	14,036,123,679	14,036,123,679

(*) The amount represents the investment for the construction of the residential, service, and commercial building at No. 142 Dinh Cong Street, Hoang Mai District, Hanoi between the Corporation, Vinare Invest and Vietnam Railway Signal - Telecommunication Joint Stock Company in accordance with the Business Cooperation Contract No. 25/2011/HDHTKD dated 25 July 2011 and the Investment Cooperation Agreement dated 28 October 2017.

The project architecture plan has been approved by Hanoi People's Committee as proposed by the Hanoi Department of Planning and Architecture in the Official Letter No.1369/VP-DT of Hanoi People's Committee dated 23 February 2018.

In accordance with the Notification Letter No. 96/TB-KH&DT dated 18 January 2019 issued by the Hanoi Department of Planning and Investment to the subsidiary, the project application has basically met conditions for further submission to the Hanoi People's Committee for approval in principle, however the project is currently subject to review for conversion of land use purposes as instructed by the Hanoi People's Committee on 2 January 2019. When the result of such review is available, the Hanoi Department of Planning and Investment will continue to provide guidance to Vinare Invest, the subsidiary to complete its project application according to regulations.

Although there have been no specific results on the above review, the Board of Management of Vinare Invest believes that this project will be approved by the relevant State agencies for implementation. Therefore, no provision is required for this balance.

13 OTHER LONG-TERM ASSETS

	31/12/2022 VND	31/12/2021 VND
Land lots in Tincorn City Project (*)	7,858,333,333	7,858,333,333

(*) This represents the subsidiary's contribution amount related to the cooperation and product sharing of the Tincorn Plaza Project with Thang Long Company at No. 360 Giai Phong Street. The subsidiary would receive a land lot of 101.1 m2 after the revised project master plan is approved.

As of 31 December 2022, the legal procedures to ensure the conditions for handover of this land lot have not been completed due to change of the project master plan by the Investor.

In accordance with the Valuation Certificate No. 526-22/CT-DG/VAE dated 5 December 2022 issued by the Vietnam Auditing and Evaluation Co., Ltd, the appraised value of this property was VND 8,090,600,000. The Board of Management has assessed that the recoverable value of this long-term asset is higher than its book value, therefore, no provision is provided for this long-term asset in the consolidated financial statements.

14 TRADE ACCOUNTS PAYABLE

	31/12/2022 VND	31/12/2021 VND
Payables of insurance contracts	444,926,702,759	482,821,864,066
- Payable for inward reinsurance activities	125,866,699,853	169,184,689,062
- Payable for outward reinsurance activities	318,486,753,871	311,368,408,837
- Other payables for reinsurance activities	573,249,035	2,268,766,167
Other trade payables	1,412,263,414	988,853,832
	446,338,966,173	483,810,717,898

15 TAX AND OTHER PAYABLES TO THE STATE

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

	As at 1/1/2022 VND	Payable during the year VND	Payment during the year VND	As at 31/12/2022 VND
VAT	76,749,678	684,822,030	(761,571,708)	-
Personal income tax	470,602,753	19,594,443,410	(17,514,725,344)	2,550,320,819
Corporate income tax	16,707,685,063	84,398,128,223	(73,516,269,944)	27,589,543,342
Other taxes	173,093,678	770,975,159	(840,122,197)	103,946,640
	17,428,131,172	105,448,368,822	(92,632,689,193)	30,243,810,801

16 OTHER PAYABLES

	31/12/2022 VND	31/12/2021 VND
(a) Short-term		
Withheld premiums ceded	32,957,137,921	23,477,631,391
Payable to co-investors of Tincom Plaza Project (Note 6(a))	15,794,143,115	15,794,143,115
Payable to co-investors of Hanoi Paragon Project (Note 8)	1,486,757,941	1,486,757,941
Payable to co-investors of 142 Dinh Cong Project (Note 12)	646,765,000	646,765,000
Others	3,945,876,957	8,282,283,625
	54,830,680,934	49,687,581,072
Deferred commission income (*)	112,203,575,689	99,311,540,367
	167,034,256,623	148,999,121,439
(b) Long-term		
Long-term deposits	1,052,359,576	990,626,744
	168,086,616,199	149,989,748,183

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

	2022 VND	2021 VND
Beginning of year	99,311,540,367	102,957,752,564
Increase during the year	227,726,433,182	201,471,305,838
Allocation during the year	(214,834,397,860)	(205,117,518,035)
End of year	112,203,575,689	99,311,540,367

17 PROVISION FOR SHORT-TERM LIABILITIES

	31/12/2022 VND	31/12/2021 VND
Provision for reinstatement premium payable	32,662,726,852	25,929,549,564

18 BONUS AND WELFARE FUND

	2022 VND	2021 VND
Beginning of year	26,088,235,092	22,690,170,128
Increase in year (Note 21)	10,705,948,563	10,049,971,952
Utilisation in year	(8,357,438,149)	(6,651,906,988)
End of year	28,436,745,506	26,088,235,092

19 TECHNICAL RESERVES

	31/12/2022 VND	31/12/2021 VND
Unearned inward reinsurance premium reserves	1,148,013,393,804	1,095,520,329,811
Inward reinsurance claim reserves	1,592,468,265,070	1,857,062,704,442
<i>In which:</i>		
- Reserves for losses incurred and reported ("OSLR")	1,474,024,758,635	1,744,754,694,601
- Reserves for losses incurred but not yet reported ("IBNR")	118,443,506,435	112,308,009,841
Catastrophe reserves	197,475,125,438	184,764,272,789
	2,937,956,784,312	3,137,347,307,042

19 TECHNICAL RESERVES (CONTINUED)

(a) Claim reserves and unearned premium reserves

	As at 31 December 2022		
	Inward reinsurance claim reserves VND	Outward reinsurance claim reserves VND	Net inward reinsurance claim reserves VND
Unearned premium reserves	1,148,013,393,804	539,131,785,146	608,881,608,658
Claim reserves	1,592,468,265,070	901,765,389,810	690,702,875,260
<i>In which:</i>			
- Reserves for losses incurred and reported ("OSLR")	1,474,024,758,635	847,064,108,470	626,960,650,165
- Reserves for losses incurred but not yet reported ("IBNR")	118,443,506,435	54,701,281,340	63,742,225,095
	2,740,481,658,874	1,440,897,174,956	1,299,584,483,918

Details of movement of reserves are as follows:

	2022		
	Inward reinsurance claim reserves VND	Outward reinsurance claim reserves VND	Net inward reinsurance claim reserves VND
Claim reserves			
Beginning of year	1,857,062,704,442	1,136,803,651,638	720,259,052,804
Movements in year (Note 25)	(264,594,439,372)	(235,038,261,828)	(29,556,177,544)
End of year	1,592,468,265,070	901,765,389,810	690,702,875,260

	2022		
	Unearned inward reinsurance premium reserves VND	Unearned outward reinsurance premium reserves VND	Net unearned inward reinsurance premium reserves VND
Unearned premium reserves			
Beginning of year	1,095,520,329,811	480,852,069,331	614,668,260,480
Movements in year (Note 23 and 24)	52,493,063,993	58,279,715,815	(5,786,651,822)
End of year	1,148,013,393,804	539,131,785,146	608,881,608,658

(b) Catastrophe reserves

	2022 VND	2021 VND
I. Main activities		
Beginning of year	175,475,074,781	162,775,905,203
Increase in year	12,710,852,649	12,699,169,578
Utilisation in year	-	-
II. Pilot agricultural insurance activities		
Beginning of year	9,289,198,008	9,289,198,008
Increase in year	-	-
Balance of catastrophe reserves at end of year	197,475,125,438	184,764,272,789

20 OWNERS' CAPITAL

(a) Number of shares

	31/12/2022 Ordinary shares	31/12/2021 Ordinary shares
Number of shares registered	150,737,130	150,737,130
Number of shares issued	150,737,130	150,737,130
Number of outstanding shares	150,737,130	150,737,130

(b) Details of owners' shareholding

	31/12/2022		31/12/2021	
	Ordinary shares	% (*)	Ordinary shares	% (*)
Owners' contributed capital	1,507,371,300,000	100.00	1,507,371,300,000	100.00
State Capital Investment Corporation ("SCIC")	608,419,402,500	40.36	608,419,402,500	40.36
Swiss Re Group	376,843,373,500	25.00	376,843,373,500	25.00
Bao Viet Holdings	138,308,430,000	9.18	138,308,430,000	9.18
Bao Viet Value Investment Fund	120,699,400,000	8.01	120,699,400,000	8.01
Bao Minh Insurance Joint Stock Corporation	96,916,355,000	6.43	96,916,355,000	6.43
Other individual shareholders	84,930,525,000	5.63	65,069,180,000	4.32
Other institutional shareholders	81,253,814,000	5.39	101,115,159,000	6.70
Share premium	369,756,607,309		369,756,607,309	
Total	1,877,127,907,309		1,877,127,907,309	

(*) Represent the voting rights and ownership percentage of the shareholders.

21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Compulsory reserve fund VND	Undistributed earnings VND	Non-controlling interest VND	Total VND
As at 1/1/2021	1,310,759,370,000	566,368,537,309	211,573,836,051	131,075,937,000	891,887,455,949	33,617,810,274	3,145,282,946,583
Capital increase during the year	196,611,930,000	(196,611,930,000)	-	-	-	-	-
Net profit for the year	-	-	-	-	346,949,022,171	106,655,850	347,055,678,021
Appropriation to compulsory reserve	-	-	-	16,629,510,699	(16,629,510,699)	-	-
Appropriation to bonus and welfare fund (Note 18)	-	-	-	-	(10,049,971,952)	-	(10,049,971,952)
Dividends distribution	-	-	-	-	(196,613,905,500)	-	(196,613,905,500)
Revert of appropriation to investment and development fund in 2019	-	-	(5,496,214,773)	-	5,496,214,773	-	-
As at 1/1/2022	1,507,371,300,000	369,756,607,309	206,077,621,278	147,705,447,699	1,021,039,304,742	33,724,466,124	3,285,674,747,152
Net profit for the year	-	-	-	-	380,156,634,527	(1,772,056,524)	378,384,578,003
Appropriation to compulsory reserve	-	-	-	3,031,682,301	(3,031,682,301)	-	-
Appropriation to bonus and welfare fund (Note 18) (i)	-	-	-	-	(10,705,948,563)	-	(10,705,948,563)
Dividends distribution (ii)	-	-	-	-	(195,958,269,000)	-	(195,958,269,000)
Others	-	-	-	-	(64,565,035)	-	(64,565,035)
As at 31/12/2022	1,507,371,300,000	369,756,607,309	206,077,621,278	150,737,130,000	1,191,435,474,370	31,952,409,600	3,457,330,542,557

(i) In accordance with the General Meeting of Shareholders' Resolution No. 06/2013/NQ-DHDCD dated 25 April 2013, the General Meeting of Shareholders approved the amendments to profit appropriation policies, accordingly the welfare fund appropriation is equal to 1 month of actual salary and the bonus fund appropriation is equal to maximum of 1.5% of profit after tax but not exceeded 2 months of actual salary. The Corporation has temporarily appropriated an amount of VND 10,705,948,563 from the profit after tax for the year ended 31 December 2022 to the bonus and welfare fund. The final decision for profit distribution of 2022 will be approved in the Annual General Meeting of Shareholders in 2023.

(ii) In accordance with General Meeting of Shareholders' Resolution No. 07/2022/NQ-DHDCD dated 22 April 2022, the General Meeting of Shareholders approved to declare 2021 dividend distribution in cash to the shareholders at the rate of 13%, which is equivalent to VND 195,958,269,000. In accordance with the Notice No. 1983/TB-VSD issued by Vietnam Securities Depository, the last registration date to receive dividends is 29 June 2022. The dividend payment date is 28 July 2022.

22 BASIC EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Corporation and held as treasury shares:

	For the year ended	
	31.12.2022	31.12.2021
Net profit attributable to shareholders (VND)	380,156,634,527	346,949,022,171
Less amount allocated to bonus and welfare funds (VND)	(10,705,948,563)	(10,049,971,952)
	369,450,685,964	336,899,050,219
Weighted average number of ordinary shares in issue (shares)	150,737,130	150,737,130
Basic earnings per share (VND) (*)	2,451	2,235

(b) Diluted earnings per share

The Corporation did not have any ordinary shares potentially diluted during the year and up to the date of these consolidated financial statements. Therefore, the diluted earnings per share is equal to the basic earnings per share.

23 REINSURANCE PREMIUM INCOME

	2022 VND	2021 VND
Inward reinsurance premiums	2,399,055,038,643	2,285,708,010,022
<i>Personal accident insurance</i>	397,535,954,018	517,665,591,362
<i>Fire and property insurance</i>	824,192,034,570	724,046,283,375
<i>Engineering insurance</i>	349,141,209,487	313,263,514,667
<i>Miscellaneous insurance</i>	323,035,220,567	304,049,023,683
<i>Hull and P&I Insurance</i>	293,745,087,757	257,135,738,212
<i>Cargo insurance</i>	157,904,642,925	142,477,217,184
<i>Aviation insurance</i>	6,408,065,916	8,647,091,583
<i>K-Care insurance</i>	6,554,386,016	6,636,496,041
<i>Agriculture insurance</i>	33,851,257,961	6,524,480,524
<i>Energy insurance</i>	1,802,169,335	3,134,731,395
<i>Fishing boat insurance</i>	3,970,735,885	1,257,630,549
<i>Life insurance</i>	914,274,206	870,211,447
Deductions in inward reinsurance premium	(30,184,909,965)	(39,547,813,231)
Increase in unearned inward reinsurance premium reserves (Note 19(a))	52,493,063,993	(101,184,076,749)
	2,316,377,064,685	2,347,344,273,540

24 OUTWARD REINSURANCE PREMIUMS

	2022 VND	2021 VND
Total outward reinsurance premium	1,101,362,599,956	979,800,605,275
<i>Fire and property insurance</i>	491,920,288,438	432,366,188,836
<i>Engineering insurance</i>	166,854,117,958	129,440,038,789
<i>Miscellaneous insurance</i>	175,253,170,875	206,024,021,718
<i>Hull and P&I Insurance</i>	198,684,975,009	170,253,887,132
<i>Cargo insurance</i>	34,876,255,824	26,327,801,820
<i>Aviation insurance</i>	3,815,796,150	6,094,413,349
<i>K-Care insurance</i>	1,292,791,550	2,485,250,555
<i>Agriculture insurance</i>	25,660,586,365	3,769,511,460
<i>Energy insurance</i>	1,579,285,490	2,622,576,422
<i>Fishing boat insurance</i>	1,425,332,297	416,915,194
Deductions in outward reinsurance premium	(7,336,973,175)	(6,416,742,322)
Increase in unearned outward reinsurance premium reserves (Note 19(a))	58,279,715,815	10,587,844,191
	1,035,745,910,966	962,796,018,762

25 TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES

	2022 VND	2021 VND
Claim settlement expenses	976,933,211,110	856,127,582,862
Personal accident insurance	985,776,043	2,329,608,972
Fire and property insurance	476,535,160,995	278,824,006,856
Engineering insurance	82,512,965,329	101,904,659,424
Miscellaneous insurance	190,072,954,405	216,189,213,139
Hull and P&I Insurance	152,347,944,365	199,047,688,121
Cargo insurance	49,517,824,771	41,202,282,906
Aviation insurance	576,788,128	6,714,535,499
K-Care insurance	2,134,385,000	204,750,000
Agriculture insurance	7,083,582,417	1,112,111,924
Energy insurance	516,034,772	(94,235,229)
Life insurance	220,362,560	163,946,540
Fishing boat insurance	14,429,432,325	8,529,014,710
Claim receipts from ceded policies	616,506,062,624	548,472,453,322
(Decrease)/increase in inward reinsurance claim reserves (Note 19(a))	(264,594,439,372)	220,319,203,854
Other increase in inward reinsurance claim reserves (*)	95,393,792,305	43,494,134,228
(Decrease)/increase in outward reinsurance claim reserves (Note 19(a))	(235,038,261,828)	144,404,785,046
Other increase in outward reinsurance claim reserves (*)	81,589,566,312	36,377,715,257
	344,675,196,935	390,685,967,319

(*) These codes reflect the claim reserves for inward/outward reinsurance for losses which have been reported, recognised and settled of the Sirius contracts for the property and engineering insurance activities.

26 COMMISSION EXPENSES

	2022 VND	2021 VND
Fire and property insurance	183,024,616,121	170,453,463,883
Personal accident insurance	466,947,231,281	665,799,704,453
Engineering insurance	100,131,462,663	84,881,303,418
Miscellaneous insurance	61,511,442,113	56,303,931,066
Hull and P&I Insurance	30,550,541,905	28,654,879,273
Cargo insurance	44,048,177,868	37,121,861,524
Aviation insurance	1,020,902,568	875,155,745
K-Care insurance	1,404,434,067	1,912,691,889
Agriculture insurance	111,174,699	795,318,935
Energy insurance	3,527,940,545	181,142,337
Fishing boat insurance	680,791,411	2,221,454,140
Life insurance	30,981,605	34,022,445
	892,989,696,846	1,049,234,929,108

27 OTHER INCOME/EXPENSES FROM INSURANCE ACTIVITIES

(a) Other income

	2022 VND	2021 VND
Other receipts from inward reinsurance activities	3,708,223,447	2,116,586,650
Other receipts from outward reinsurance activities	15,134,582,835	14,079,421,153
In which:		
- <i>Brokerage income</i>	9,523,211,532	9,457,936,876
- <i>Profit commission</i>	4,563,157,724	288,225,649
- <i>Other income</i>	1,048,213,579	4,333,258,628
	18,842,806,282	16,196,007,803

(b) Other expenses

	2022 VND	2021 VND
Other payments for inward reinsurance activities	26,186,910,496	22,713,553,164
In which:		
- <i>Bonus for no claims</i>	13,474,186,641	12,569,021,299
- <i>Brokerage fee</i>	7,975,708,404	7,302,104,054
- <i>Others</i>	4,737,015,451	2,842,427,811
Other payments for outward reinsurance activities	513,598,068	773,352,070
	26,700,508,564	23,486,905,234

28 FINANCIAL INCOME

	2022 VND	2021 VND
Interest income from term deposits	149,401,752,174	177,000,783,321
Profit from sales of investments	117,059,807,206	88,298,015,329
Dividends and profits	-	6,186,225,600
Realised foreign exchange gains	54,475,020,096	67,134,449,181
Interest income from bonds	46,781,825,970	27,751,655,251
Profits from entrustment investments	27,616,617,399	73,740,354,832
Others	4,799,401,433	84,800,875
	400,134,424,278	440,196,284,389

29 FINANCIAL EXPENSES

	2022 VND	2021 VND
Realised foreign exchange losses	59,261,490,422	64,641,782,999
Provision for devaluation of entrustment investments (Note 4(d))	23,584,475,212	876,212
Provision for devaluation of investment in other entities (Note 4(c))	(320,124,468)	285,334,617
Provision for devaluation of investment in open-ended fund (Note 4(d))	2,370,063,550	-
Expenses related to entrustment funds	5,569,096,880	18,119,779,506
Other financial expenses	11,857,055,003	12,869,282,340
	102,322,056,599	95,917,055,674

30 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff and expert expenses	78,646,447,823	72,316,687,671
Outside service expenses	6,769,247,373	8,913,212,760
Guest and advertisement expenses	9,822,332,365	5,386,397,267
Tax and fee expenses	2,985,512,090	2,985,833,959
Addition/(reversal) of provision for doubtful debts (Note 7)	13,439,702,853	(3,895,611,107)
Depreciation and amortisation expenses	1,388,489,803	1,132,904,326
Office supplies expenses	1,134,338,806	1,556,650,575
Others	2,304,224,564	1,123,119,713
	116,490,295,677	89,519,195,164

31 COST OF OPERATION BY FACTOR

	2022 VND	2021 VND
Insurance activities expenses	1,277,076,254,994	1,476,106,971,239
Staff expenses	78,646,447,823	72,316,687,671
Outside service expenses	6,769,247,373	8,913,212,760
Addition/(reversal) of provision for doubtful debts (Note 7)	13,439,702,853	(3,895,611,107)
Depreciation and amortization expenses	1,388,489,803	1,132,904,326
Others	16,246,407,825	11,052,001,514
	1,393,566,550,671	1,565,626,166,403

32 PILOT AGRICULTURAL INSURANCE ACTIVITIES

On 1 March 2011, the Prime Minister issued Decision 315/QD-TTg on the pilot provision of agricultural insurance during the 2011 - 2013 period with objectives to help agricultural producers take the initiative in remedying and recovering from financial losses caused by natural disasters or epidemics, contributing to assuring social welfare in rural areas and promoting agricultural production. According to the Decision, the Corporation has responsibilities to undertake agricultural reinsurance under the guidance of the Ministry of Finance.

On 17 August 2011, the Ministry of Finance issued Circular 121/2011/TT-BTC providing guidance on certain clauses of Decision 315/QD-TTg dated 1 March 2011 issued by the Prime Minister. Accordingly, the principle of the pilot implementation is that insurance enterprises and the Corporation shall provide pilot agricultural insurance for non-profit purposes. Insurance enterprises have responsibilities to account for revenue and costs incurred from pilot agricultural insurance activities together with other activities and any existing agricultural insurance activities that insurance enterprises are implementing. The retained insurance premium for the year, after deducting valid expenses, is supplemented to the catastrophe reserves.

On 20 June 2012, the Ministry of Finance issued Circular 101/2012/TT-BTC stipulating a number of financial matters for insurance enterprises and reinsurance enterprises who provide pilot agricultural insurance under Decision 315/QD-TTg dated 1 March 2011 issued by the Prime Minister. Accordingly, insurance enterprises and reinsurance enterprises have responsibilities to separately record the annual losses on their pilot agricultural insurance activities.

Insurance enterprises and reinsurance enterprises shall account for losses from pilot agricultural insurance activities for the financial year in their income statement. In case of losses incurred due to loss on pilot agricultural insurance activities, such losses will be carried forward to the following year as regulated by law.

From 2012, the Corporation started undertaking inward reinsurance for pilot agricultural insurance activities. Accumulated loss as at 31 December 2013 of the pilot agricultural insurance activities is VND 42,015,277,691. According to Decision 315/QD-TTg, pilot agricultural insurance activities ended on 31 December 2013. From this time to 31 December 2022, the Corporation did not incur any activities in relation to pilot agricultural insurance. The result of the Corporation's pilot provision of agricultural insurance will be subject to the Ministry of Finance's approval.

33 CIT

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

	2022 VND	2021 VND
Net accounting profit before tax	462,927,469,737	423,286,584,924
Tax calculated at a rate of 20%	92,585,493,947	84,657,316,985
Effect of:		
Income not subject to tax	(9,403,513,753)	(9,108,834,946)
Expenses not deductible for tax purposes	1,289,243,803	741,489,169
Others	71,667,737	21,331,320
CIT charge (*)	84,542,891,734	76,230,906,903
Charged to consolidated income statement:		
CIT – current	84,333,563,188	77,181,859,898
CIT – deferred	209,328,546	(950,952,995)
	84,542,891,734	76,230,906,903

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

34 FINANCIAL RATIOS OF THE CORPORATION AND ITS SUBSIDIARY

	Đơn vị	2022	2021
1. Asset and equity structure			
1.1 Asset structure			
- Long-term assets/Total assets	%	28.28	24.35
- Short-term assets/Total assets	%	71.72	75.65
1.2 Equity structure			
- Total liabilities/Total resources	%	51.49	54.09
- Owners' equity/Total resources	%	48.51	45.91
2. Liquidity			
2.1 Liquidity ratio	times	1.94	1.85
2.2 Current ratio	times	1.39	1.40
2.3 Quick ratio	times	0.68	0.67
3. Profitability			
3.1 Profit margins			
- Net profit before tax/Revenue	%	24.00	20.29
- Net profit after tax/Revenue	%	19.61	16.64
3.2 Return on assets			
- Net profit before tax/Total assets	%	6.50	5.91
- Net profit after tax/Total assets	%	5.31	4.85
3.3 Net profit after tax/Owners' equity	%	10.94	10.56

35 FINANCIAL RISK MANAGEMENT

Capital risk management

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

The capital structure of the Corporation and its subsidiary only consists of equity attributable to shareholders (comprising contributed capital, reserves and retained earnings).

Significant accounting policies

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

Categories of financial instruments

	Carrying value	
	2022 VND	2021 VND
Financial assets		
Cash and cash equivalents	62,299,850,107	25,281,771,911
Short-term trade accounts receivable and short-other receivables	773,448,434,209	774,696,937,089
Short-term investments	2,449,930,445,739	2,555,627,849,488
Long-term receivables	24,343,353,424	25,936,008,219
Long-term investments	1,324,809,709,846	1,025,847,025,384
	4,634,831,793,325	4,407,389,592,091
Financial liabilities		
Trade and other payables	502,397,116,644	533,822,670,644
Other long-term payables	1,052,359,576	990,626,744
	503,449,476,220	534,813,297,390

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

Financial risk management objectives

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

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

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Reinsurance risk

The risks from reinsurance activities are risks arising from the portfolio that the Corporation undertakes. The level of risk depends on the quality of the underwriting processes:

- Assessing the reinsurance risk;
- Pricing, assessing reinsurance ability;
- Terms and conditions applied; and
- Monitoring the concentration of risk and disaster risk.

The objective of the insurance risk management is to improve the quality of the risk portfolio undertaken by implementing the above processes sufficiently and appropriately. The risk arising from insurance activities may include:

- Assessment on reinsurance risk is conducted inadequately, together with inappropriate terms and conditions;
- Pricing is not reasonable with the risk insured;
- Retrocession policies are inappropriate;
- Claims are not properly handled;
- Reserves are made inadequately;
- Receivables from retrocession activities are unable to be collected.

Objectives, policies and processes of the insurance risk management

The ultimate goal of the insurance risk management is to control insurance events that may affect the Corporation's financial position, equity and business performance.

The Corporation's risk management policies are set up through establishing risk tolerances and detailing insurance/reinsurance guidelines such as guideline on treaty insurance/reinsurance, facultative insurance/reinsurance, and guideline on claim handling.

The Corporation sets up a system of insurance risk management at different levels from the department level to the entity level in order to assure the effectiveness of risk management activities. The Risk Management Department plays an important role in the risk management process to ensure collaboration and connection among operational departments, the Board of Management and the Board of Directors of the Corporation.

The insurance risk management is supervised by the top managers through insurance and reinsurance guideline and insurance risk monitoring standards. The bottom-up reporting procedure is also established and performed on a weekly, monthly, and quarterly basis to ensure the effectiveness of the monitoring activities. Insurance risk management procedures are carried out systematically in order to identify, measure, control and handle risks to ensure that risk measurement criteria are kept within the allowed limits.

The Corporation applies various methods to detect risks including risk assessment, risk discussion in internal meetings, or experience from experts. Depending on the circumstances and characteristics of the risks which need to be measured, different quantitative and qualitative measurement methods can be applied. The qualitative method includes risk assessment by underwriting experts for individual transaction or risk portfolios. The quantitative measures include pricing and analyzing the risk portfolio using historical statistical figures (premium, type of risk, loss).

The reinsurance and retrocession schemes play an important role in maintaining the level of risk exposed by the Corporation within the risk tolerance. The Board of Management thus holds responsibility to set up the risk tolerance level appropriate with business performance of the Corporation at certain period as well as perform the annual insurance and reinsurance schemes as approved by the Board of Directors.

Capital management activities

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

	Company solvency capital	Minimum solvency margin	Solvency margin percentage
As at 31/12/2022	VND 2,282 billion	VND 319 billion	716%
As at 31/12/2021	VND 2,120 billion	VND 318 billion	666%

(b) Market risk

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

(i) Currency risk

The Corporation and its subsidiary's activities expose primarily to the financial risks of fluctuations in foreign currency exchange rates and prices.

To manage foreign currencies for reinsurance settlement, the Corporation and its subsidiary undertake certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Corporation and its subsidiary's foreign currency denominated monetary assets and monetary liabilities at the end of financial year is as follows:

	Asset		Liabilities	
	31/12/2022 VND	31/12/2021 VND	31/12/2022 VND	31/12/2021 VND
United States Dollar (USD)	385,366,342,304	336,043,197,815	295,185,254,627	306,638,947,480
Euro (EUR)	2,506,946	6,531,495,033	865,357,040	888,964,917
Great Britain Pound (GBP)	-	181,114,843	-	-
Australian Dollar (AUD)	-	5,879,596	-	-
Singapore Dollar (SGD)	-	57,654,699	-	27,999,481
Japanese Yen (JPY)	253,460,463	304,984,692	91,135,294	105,813,334
Malaysian Ringgit (MYR)	-	-	1,458,213	-

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(i) Currency risk (continued)

The Corporation and its subsidiary are mainly exposed to United States Dollar and Euro.

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

	2022 VND	2021 VND
United States Dollar (USD)	4,509,054,384	1,470,212,517
Euro (EUR)	(43,142,505)	282,126,506

(ii) Price risk

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

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

(iii) Interest rate risk

The Corporation and its subsidiary bear interest rate risk on deposits at banks. The Corporation and its subsidiary's term deposits in VND have many different interest rates and will bear interest rate risk when reinvesting.

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation and its subsidiary. The Corporation and its subsidiary have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Corporation and its subsidiary's business operation is reinsurance; accordingly, the Corporation and its subsidiary's credit risk mainly focuses on clients operating in direct insurance. As at the consolidated balance sheet date, there is credit risk arising on the customer receivables. The Corporation and its subsidiary have made sufficient provision for such receivables.

(d) Liquidity risk

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any year is kept to manageable levels relative to the amount of funds that the Corporation and its subsidiary believe can generate within that year. The Corporation and its subsidiary's policy are to regularly monitor current and expected liquidity requirements to ensure that the Corporation and its subsidiary maintain sufficient reserves of cash, and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

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

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

	Total carrying amount VND	Unspecified term VND	Remaining term less than 1 year VND	Remaining term from 1 to 5 years VND	Remaining term over 5 years VND
As at 31/12/2022					
Cash and cash equivalents	62,299,850,107	50,999,850,107	11,300,000,000	-	-
Trade and other receivables (*)	773,448,434,209	-	773,448,434,209	-	-
Long-term receivables (*)	24,343,353,424	22,000,000,000	-	-	2,343,353,424
Short-term investments (*)	2,449,930,445,739	-	2,449,930,445,739	-	-
Long-term investments (*)	1,324,809,709,846	-	-	694,809,709,846	630,000,000,000
Total	4,634,831,793,325	72,999,850,107	3,234,678,879,948	694,809,709,846	632,343,353,424
Trade and other payables	(502,397,116,644)	-	(502,397,116,644)	-	-
Long-term deposits received	(1,052,359,576)	-	-	(1,052,359,576)	-
Total	(503,449,476,220)	-	(502,397,116,644)	(1,052,359,576)	-
Net liquidity gap	4,131,382,317,105	72,999,850,107	2,732,281,763,304	693,757,350,270	632,343,353,424
As at 31/12/2021					
Cash and cash equivalents	25,281,771,911	25,281,771,911	-	-	-
Trade and other receivables (*)	774,696,937,089	-	774,696,937,089	-	-
Long-term receivables (*)	25,936,008,219	22,000,000,000	-	-	3,936,008,219
Short-term investments (*)	2,555,627,849,488	-	2,555,627,849,488	-	-
Long-term investments (*)	1,025,847,025,384	-	-	566,357,003,466	459,490,021,918
Total	4,407,389,592,091	47,281,771,911	3,330,324,786,577	566,357,003,466	463,426,030,137
Trade and other payables	(533,822,670,646)	-	(533,822,670,646)	-	-
Long-term deposits received	(990,626,744)	-	-	(990,626,744)	-
Total	(534,813,297,390)	-	(533,822,670,646)	(990,626,744)	-
Net liquidity gap	3,872,576,294,701	47,281,771,911	2,796,502,115,931	565,366,376,722	463,426,030,137

(*) Figures shown are before provision

36 RELATED PARTY DISCLOSURES

During the year, the Corporation had major transactions carried out with the following related parties:

Related parties	Relationship
State Capital Investment Corporation	Major shareholder
Swiss Re Group	Major shareholder
Samsung Vina Insurance Company Limited	Associate
Board of Directors/Board of Management/Board of Supervision	Key management personnel

(a) Related party transactions

	2022 VND	2021 VND
<i>Swiss Re Group</i>		
Outward reinsurance premium	287,666,838,974	249,449,905,863
Outward reinsurance commission	84,124,238,753	71,943,026,613
Receipt from outward reinsurance claims	124,131,148,875	96,598,143,982
Dividends paid	48,989,638,555	49,153,483,500
<i>Samsung Vina Insurance Company Limited</i>		
Outward reinsurance premium (*)	(34,720,200)	55,747,448
Outward reinsurance commission (*)	(11,677,018)	18,641,733
Receipt from outward reinsurance claims	12,373,402	1,631,566,641
Inward reinsurance premium	138,141,399,299	116,615,189,348
Inward reinsurance commission	29,757,281,975	25,848,990,716
Claim settlement of inward reinsurance	45,654,615,996	13,529,591,732
Dividends received (Note 4(c))	14,455,111,889	17,114,846,236
<i>State Capital Investment Corporation</i>		
Dividends paid	79,094,522,325	79,359,052,500

(*) During the year, the Corporation incurred outward premium and commission reimbursement transactions with this related party, as the result the amount of transactions during the year and balances as at the year-end were shown as negative figures.

36 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		2022 VND	2021 VND
<i>Compensation of key management</i>			
<i>Board of Directors</i>			
Mr. Nguyen Anh Tuan	Chairman	2,716,429,360	2,627,144,410
Mr. Nguyen Xuan Viet	Deputy Chairman	243,012,652	243,632,632
Ms. Anna Lee Oh Wah	Deputy Chairman (appointed on 29 August 2022)	138,370,446	-
Mr. Jared Orchard	Deputy Chairman (resigned on 22 April 2022)	62,276,786	216,562,339
Ms. Nguyen Thi Huong Giang	Member (appointed on 22 April 2022)	143,380,688	-
Mr. Dao Nam Hai	Member (resigned on 22 April 2022)	51,564,629	207,445,506
Mr. Pham Phan Dung	Member	260,873,218	261,445,506
Mr. Mai Xuan Dung	Member	2,504,164,438	2,412,595,976
Mr. Nguyen Dinh An	Member	206,873,218	207,445,506
Mr. Vu Anh Tuan	Member	206,873,218	207,445,506
Ms. Nguyen Thi Quynh Huong	Member	229,859,131	159,121,527
		6,763,677,784	6,542,838,908
<i>Board of Supervision</i>			
Mr. Tran Trung Tinh	Chief Supervisor	149,133,783	149,658,380
Mr. Vu Ngoc Vuong	Member	123,794,348	124,271,255
Ms. Le Thi Thanh Hien	Member	137,549,276	138,079,172
Mr. Tushar Chatterjee	Member	110,039,421	110,463,338
Mr. Dao Manh Duong	Member	931,857,960	1,018,551,464
		1,452,374,788	1,541,023,609
<i>Board of Management</i>			
Mr. Mai Xuan Dung	Chief Executive Officer	As presented above	As presented above
Mr. Nguyen Manh Linh	Deputy Chief Executive Officer	1,954,279,539	1,853,868,742

(b) Year-end balances with related parties

	31/12/2022 VND	31/12/2021 VND
Swiss Re Group		
Receivables from outward reinsurance	29,459,994,383	10,709,314,660
Payables from outward reinsurance	82,085,389,590	32,723,137,324
Samsung Vina Insurance Company Limited		
Receivables from inward reinsurance	3,590,749,364	7,365,327,632
Payables from inward reinsurance	97,137,896	521,639,997
Receivables from outward reinsurance	(400,702,117)	1,247,072,124
Payables from outward reinsurance	3,483,855	1,139,766

(*) During the year, the Corporation incurred outward premium and commission reimbursement transactions with this related party, as the result the amount of transactions during the year and balances as at the year-end were shown as negative figures.

37 SUMMARIES OF CLAIMS

	2020 VND	2021 VND	2022 VND	Tổng số VND
I. Accumulated claim reserve				
Accumulated Claim reserves accumulated to the current year 2022 (1)	316,390,133,903	331,498,633,421	207,053,451,526	854,942,218,850
II. Accumulated paid claim amount				
Paid in 2020	(41,993,786,854)	-	-	(41,993,786,854)
Paid in 2021	(121,928,084,857)	(34,326,426,608)	-	(156,254,511,465)
Paid in 2022	(75,666,068,964)	(101,479,155,501)	(38,715,650,789)	(215,860,875,254)
Paid claims accumulated to the current year (2)	(239,587,940,675)	(135,805,582,109)	(38,715,650,789)	(414,109,173,573)
III. Total outstanding claim reserves (3) = (1) + (2)	76,802,193,228	195,693,051,312	168,337,800,737	440,833,045,277
Outstanding claim reserves for the years before 2020				186,127,604,888
Total outstanding claim reserves at the year end	76,802,193,228	195,693,051,312	168,337,800,737	626,960,650,165

38 BUSINESS SEGMENT REPORT

The Corporation's principal activities are reinsurance business and investments funded from surplus capital resources. Investments in other business activities are not material. Therefore, the Board of Management assessed that not presenting segment reporting is in line with the Corporation's current business operation.

39 CONTINGENT ASSETS

As disclosed in Note 6(a) – Other short-term receivables, in accordance with Decision No. 14/2019/QDST-KDTM dated 15 November /2019 by the Thanh Xuan District Court, Thang Long Company has to repay the subsidiary a total amount of VND 126,376,061,750 (comprising of VND 60,149,250,000 of principal and VND 66,226,811,750 of interest) either in cash or by handing apartments of the Project to the subsidiary.

In 2020, the subsidiary and Thang Long Company has signed apartment purchase contracts for 65 apartments, with total value of VND 117,880,956,550, including 7 HH2 apartment purchase contracts with value of 17,687,716,550 and 58 HH3 apartment purchase contracts with value of VND 100,193,240,000. The remaining un-settled amount by transferring apartment purchase contracts is VND 8,495,105,200.

As at 31 December 2022, the amount which was offset by 7 apartment purchase contracts in the HH2 building is VND 17,687,716,550. The amount to be offset by 58 apartment purchase contracts in the HH3 building is VND 100,193,240,000. In addition, Thang Long Company is required to pay an amount of VND 19,529,701,013 in cash (VND 8,495,105,200 principal and VND 11,034,595,813 interest).

According to the Board of Management's assessment, the possibility to recover the interest amount of VND 77,261,407,563 (included VND 66,226,811,750 and VND 11,034,595,813 as earlier mentioned) is uncertain. Therefore the Board of Management has not recorded the total interest amount as income and related receivables to the consolidated financial statements but disclosed it as contingent assets.

40 CONTINGENT LIABILITIES

In accordance with the land lease contract No. 30-99/DCND-HDTDTN dated 13 October 1999 between the Corporation and the Hanoi Department of Land Administration - Real Estate Hanoi for the land lot located at 141 Le Duan, Cua Nam Ward, Hoan Kiem District, Hanoi, the Corporation was allowed, however not required to restore to the land to its original condition before returning the land to the State. However, this land lease contract was expired on 16 August 2019.

As at the date of signing these consolidated financial statements, the Corporation has completed the necessary documents and is waiting for the Hanoi People's Committee to consider and approve for the Corporation to temporarily continue to lease the land with the term up to 2028.

The Board of Management believes that the contract will be extended and the term on restoring the land to its original condition will be preserved in the new contract. Since the land lease contract has not been signed, the Board of Management have assessed that the Corporation's dismantling and relocation obligation have not been able to be determined at this stage. Accordingly, the provision for this obligation is not recorded as a liability but disclosed as a contingent liability in the Corporation's consolidated financial statements.

The consolidated financial statements were approved by the Board of Management on 20 March 2023.



NGUYEN THANH CONG
Preparer



LUU THI VIET HOA
Chief Accountant



MAI XUAN DUNG
Chief Executive Officer
20 March 2023

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



Code ASSETS	Note	As at	
		31/12/2022 VND	31/12/2021 VND
100 CURRENT ASSETS		5,018,563,992,986	5,333,758,112,595
110 Cash and cash equivalents	3	62,060,369,355	23,404,895,430
111 Cash		50,760,369,355	23,404,895,430
112 Cash equivalents		11,300,000,000	-
120 Short-term investments	4	2,395,021,691,753	2,529,826,973,276
123 Investments held to maturity		2,396,530,296,150	2,529,827,849,488
124 Provision for impairment of short-term financial investments		(1,508,604,397)	(876,212)
130 Short-term receivables		700,682,675,534	709,562,237,043
131 Short-term trade accounts receivable	5	574,051,278,975	574,919,058,343
131.1 - Insurance receivables		574,020,303,681	574,030,810,370
131.2 - Other trade accounts receivable		30,975,294	888,247,973
132 Short-term prepayments to suppliers		-	92,148,282
136 Other short-term receivables	6(a)	147,440,317,958	147,909,478,462
137 Provision for doubtful debts – short-term	7	(20,808,921,399)	(13,358,448,044)
140 Inventories		63,135,360	23,480,404
141 Inventories		63,135,360	23,480,404
150 Other current assets		419,838,946,028	453,284,805,473
151 Short-term prepaid expenses	8(a)	419,833,617,004	453,284,805,473
151.1 - Deferred commission expenses		419,575,164,824	453,183,431,245
151.2 - Other short-term prepaid expenses		258,452,180	101,374,228
153 Tax and other receivables from the State		5,329,024	-
190 Reinsurance assets		1,440,897,174,956	1,617,655,720,969
191 Unearned premium reserve for outward reinsurance	16(a)	539,131,785,146	480,852,069,331
192 Claim reserve for outward reinsurance	16(a)	901,765,389,810	1,136,803,651,638

Code ASSETS	Note	As at	
		31/12/2022 VND	31/12/2021 VND
200 LONG-TERM ASSETS		1,843,107,137,681	1,581,497,131,979
210 Long-term receivables		30,512,727,357	32,105,382,152
218 Other long-term receivables		30,512,727,357	32,105,382,152
218.1 - Insurance deposits	2.9	22,000,000,000	22,000,000,000
218.2 - Other long-term receivables	6(b)	8,512,727,357	10,105,382,152
220 Fixed assets		7,475,165,347	7,763,664,750
221 Tangible fixed assets	9(a)	7,475,165,347	7,763,664,750
222 Historical cost		31,352,944,471	30,710,866,071
223 Accumulated depreciation		(23,877,779,124)	(22,947,201,321)
227 Intangible fixed assets	9(b)	-	-
228 Historical cost		32,392,480,734	32,392,480,734
229 Accumulated amortisation		(32,392,480,734)	(32,392,480,734)
230 Investment properties	10	4,591,264,839	6,409,861,437
231 Historical cost		34,055,061,893	34,055,061,893
232 Accumulated depreciation		(29,463,797,054)	(27,645,200,456)
240 Long-term assets in progress		7,270,481,576	3,071,777,834
242 Construction in progress		7,270,481,576	3,071,777,834
250 Long-term investments		1,791,026,458,388	1,530,230,829,188
251 Investments in subsidiaries	4(b)	60,000,000,000	60,000,000,000
252 Investments in associates	4(b)	125,000,000,000	125,000,000,000
253 Investments in other entities	4(b)	309,296,176,180	337,701,918,974
254 Provision for impairment of long-term financial investments	4(b), 4(c)	(28,079,427,638)	(818,115,170)
255 Held to maturity investments	4(c)	1,324,809,709,846	1,008,347,025,384
260 Other long-term assets		2,231,040,174	1,915,616,618
261 Long-term prepaid expenses	8(b)	1,489,415,725	964,663,623
262 Deferred income tax assets		741,624,449	950,952,995
270 TOTAL ASSETS		6,861,671,130,667	6,915,255,244,574

Code	RESOURCES	Note	As at	
			31/12/2022 VND	31/12/2021 VND
300	LIABILITIES		3,649,533,025,926	3,851,216,713,916
310	Short-term liabilities		3,648,480,666,350	3,850,226,087,172
311	Short-term trade accounts payable	11	446,338,966,173	483,810,717,898
311.1	- Insurance payables		444,926,702,759	482,821,864,066
311.2	- Other trade accounts payable		1,412,263,414	988,853,832
312	Short-term advances from customers		641,838,862	149,132,743
313	Tax and other payables to the State	12	30,241,330,801	17,424,801,172
314	Payables to employees		23,553,328,343	28,535,860,657
315	Short-term accrued expenses		1,227,469,537	324,371,676
319	Other short-term payables	13(a)	35,217,900,275	31,305,070,961
319.1	Deferred commission income	13(a)	112,203,575,689	99,311,540,367
321	Provision for short-term liabilities	14	32,662,726,852	25,929,549,564
322	Bonus and welfare fund	15	28,436,745,506	26,087,735,092
329	Technical reserves	16	2,937,956,784,312	3,137,347,307,042
329.1	- Unearned premium reserves for inward reinsurance		1,148,013,393,804	1,095,520,329,811
329.2	- Claim reserves for inward reinsurance		1,592,468,265,070	1,857,062,704,442
329.3	- Catastrophe reserves		197,475,125,438	184,764,272,789
330	Long-term liabilities		1,052,359,576	990,626,744
337	Other long-term payables	13(b)	1,052,359,576	990,626,744
400	OWNERS' EQUITY		3,212,138,104,741	3,064,038,530,658
410	Capital and reserves		3,212,138,104,741	3,064,038,530,658
411	Owners' capital	17	1,507,371,300,000	1,507,371,300,000
411a	- Ordinary shares with voting rights		1,507,371,300,000	1,507,371,300,000
412	Share premium	17	369,756,607,309	369,756,607,309
418	Investment and development fund	18	205,815,380,525	205,815,380,525
419	Compulsory reserve	18	150,737,130,000	147,705,447,699
421	Undistributed earnings	18	978,457,686,907	833,389,795,125
421a	- Undistributed post-tax profits of previous years		637,366,961,090	528,386,432,949
421b	- Post-tax profit of current year		341,090,725,817	305,003,362,176
440	TOTAL RESOURCES		6,861,671,130,667	6,915,255,244,574

Code	OFF BALANCE SHEET ITEMS	Currency unit	As at	
			31/12/2022	31/12/2021
1.	Foreign currencies			
	United States Dollar	USD	2,068,564.40	461,003.78
	Australian Dollar	AUD	345.15	345.15
	Japanese Yen	JPY	43,775.00	43,775.00
	Singapore Dollar	SGD	1,119.87	2,974.87
	Great Britain Pound	GBP	5,770.51	5,770.51
	Euro	EUR	74.24	257,206.30



NGUYEN THANH CONG
Preparer



LUU THI VIET HOA
Chief Accountant



MAI XUAN DUNG
Chief Executive Officer
17 March 2023

PART I – COMPREHENSIVE SEPARATE INCOME STATEMENT

Code	Note	Year ended	
		31/12/2022 VND	31/12/2021 VND
10	Net income from insurance business	1,514,308,357,861	1,605,861,780,616
11	Income from investment properties	6,183,638,229	6,377,322,910
12	Financial income	411,740,714,725	455,727,554,841
13	Other income	985,724,488	627,773,726
20	Total insurance expenses	(1,277,076,254,994)	(1,476,106,971,239)
21	Cost of investment properties	(2,280,953,244)	(1,685,024,583)
22	Financial expenses	(103,262,975,048)	(92,953,473,087)
23	General and administrative expenses	(110,501,066,179)	(89,519,195,164)
24	Other expenses	(725,937,423)	(416,016,290)
50	Net accounting profit before tax	439,371,248,415	407,913,751,730
51	Corporate income tax ("CIT") - current	(84,333,563,188)	(77,181,859,898)
52	CIT - deferred	(209,328,546)	950,952,995
60	Net profit after tax	354,828,356,681	331,682,844,827

PART II – COMPREHENSIVE SEPARATE INCOME STATEMENT BY ACTIVITIES

Code	Note	Year ended	
		31/12/2022 VND	31/12/2021 VND
1	Insurance premium income	2,316,377,064,685	2,347,344,273,540
1.2	- Inward reinsurance premium	2,368,870,128,678	2,246,160,196,791
1.3	- Increase/(decrease) in unearned premium reserves for inward reinsurance	52,493,063,993	(101,184,076,749)
2	Outward reinsurance premium	(1,035,745,910,966)	(962,796,018,762)
2.1	- Outward reinsurance premium	(1,094,025,626,781)	(973,383,862,953)
2.2	- Increase in unearned premium reserves for outward reinsurance	58,279,715,815	10,587,844,191
3	Net insurance premium income	1,280,631,153,719	1,384,548,254,778
4	Commission income from outward reinsurance and other insurance income	233,677,204,142	221,313,525,838
4.1	- Commission income from outward reinsurance	214,834,397,860	205,117,518,035
4.2	- Other insurance income	18,842,806,282	16,196,007,803
10	Net income from insurance business	1,514,308,357,861	1,605,861,780,616
11	Claim expenses	(976,933,211,110)	(856,127,582,862)
11.1	- Gross claim expenses	(976,933,211,110)	(856,127,582,862)
12	Recoverable from outward reinsurance	616,506,062,624	548,472,453,322
13	(Decrease)/increase in inward claim reserves	(169,200,647,067)	263,813,338,082
14	(Decrease)/increase in outward claim reserves	(153,448,695,516)	180,782,500,303
15	Net claim expenses	(344,675,196,935)	(390,685,967,319)
16	Increase in catastrophe reserves	12,710,852,649	12,699,169,578
17	Other insurance expenses	(919,690,205,410)	(1,072,721,834,342)
17.1	- Commission expenses	(892,989,696,846)	(1,049,234,929,108)
17.2	- Other insurance expenses	(26,700,508,564)	(23,486,905,234)
18	Total insurance expenses	(1,277,076,254,994)	(1,476,106,971,239)
19	Gross insurance profit	237,232,102,867	129,754,809,377
20	Income from investment properties	6,183,638,229	6,377,322,910
21	Cost of investment properties	(2,280,953,244)	(1,685,024,583)
22	Profit from investment properties	3,902,684,985	4,692,298,327

NGUYEN THANH CONG
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Chief Accountant

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Chief Executive Officer
17 March 2023

PART II – COMPREHENSIVE SEPARATE INCOME STATEMENT BY ACTIVITIES (Continued)

Code	Note	Year ended		
		31/12/2022 VND	31/12/2021 VND	
23	Financial income	24	411,740,714,725	455,727,554,841
24	Financial expenses	25	(103,262,975,048)	(92,953,473,087)
25	Profit from financial activities		308,477,739,677	362,774,081,754
26	General and administrative expenses	26	(110,501,066,179)	(89,519,195,164)
30	Operating profit		439,111,461,350	407,701,994,294
31	Other income		985,724,488	627,773,726
32	Other expenses		(725,937,423)	(416,016,290)
40	Net other income		259,787,065	211,757,436
50	Net accounting profit before tax		439,371,248,415	407,913,751,730
51	CIT - current	29	(84,333,563,188)	(77,181,859,898)
52	CIT- deferred	29	(209,328,546)	950,952,995
60	Net profit after tax		354,828,356,681	331,682,844,827



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MAI XUAN DUNG
Chief Executive Officer
17 March 2023

Code	Note	Year ended		
		31/12/2022 VND	31/12/2021 VND	
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Proceeds from inward and outward reinsurance activities	968,004,203,788	691,598,279,339	
02	Cash paid for inward and outward reinsurance activities	(770,423,212,950)	(588,112,339,933)	
03	Cash paid to employees	(62,368,668,025)	(53,445,641,903)	
05	CIT paid	(73,516,269,944)	(76,260,650,384)	
06	Cash received from other operating activities	5,642,719,293	3,765,401,726	
07	Cash paid for other operating activities	(36,683,684,062)	(25,373,326,176)	
20	Net cash inflows/(outflows) from operating activities	30,655,088,100	(47,828,277,331)	
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases of fixed assets and other long-term assets	(5,498,472,350)	(2,291,321,234)	
23	Purchases of debt instruments of other entities	(1,878,648,482,791)	(1,448,309,200,000)	
24	Proceeds from sales of debt instruments of other entities	1,673,848,314,110	1,332,149,210,067	
26	Proceeds from divestment in other entities	28,405,742,794	19,652,181,917	
27	Dividends and interest received	384,340,662,624	314,654,770,051	
30	Net cash inflows from investing activities	202,447,764,387	215,855,640,801	
CASH FLOWS FROM FINANCING ACTIVITIES				
36	Dividends paid, profit distributed to owners	(195,958,269,000)	(196,613,905,500)	
40	Net cash flows from financing activities	(195,958,269,000)	(196,613,905,500)	
50	Net increase/(decrease) in cash and cash equivalents of year	37,144,583,487	(28,586,542,030)	
60	Cash and cash equivalents at beginning of year	3	23,404,895,430	52,900,251,472
61	Effect of foreign exchange differences		1,510,890,438	(908,814,012)
70	Cash and cash equivalents at end of year	3	62,060,369,355	23,404,895,430



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17 March 2023