



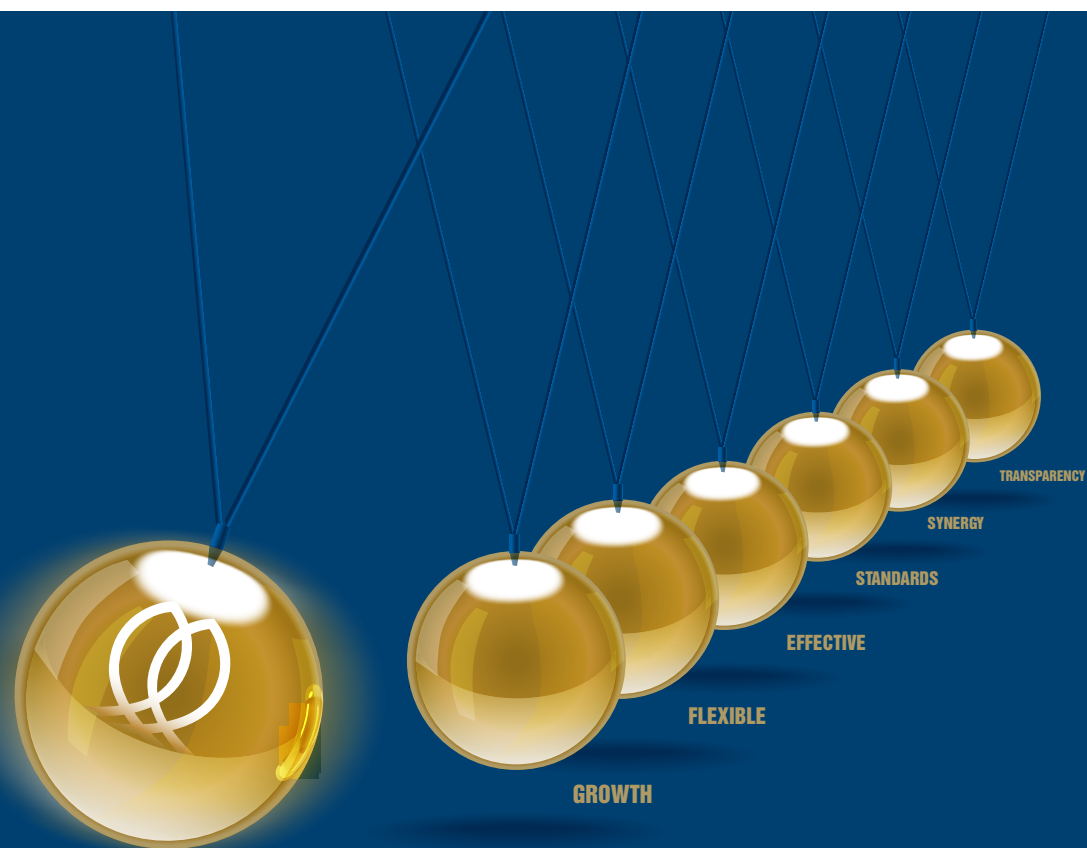
VIETNAM NATIONAL REINSURANCE CORPORATION



2021

ANNUAL REPORT

LEVERAGING GROWTH MOMENTUM
VALUES SYNERGY



VINARE

Leveraging **GROWTH** Momentum
VALUES Synergy

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ANNUAL REPORT 2021

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2021 HIGHLIGHT



VINARE raised its **CHARTER CAPITAL**
VND **1,507** billion



TOP 10 BANKING -
FINANCIAL SERVICES
of Vietnam Top Brands 2020 - 2021



VINARE listed in **PROFIT 500**
The list of 500 most profitable companies in Vietnam and
ranked 9th out of 23 most profitable insurers/reinsurers



Investor **AWARDS**
Relation **2021**
granted to Vietnam National Reinsurance Corporation
for full compliance with information disclosure
requirements on the stock market in 2021



OUTSTANDING
VINARE's Annual Report named as **PROGRESS**
in the Listed Companies Awards



MESSAGE FROM THE CHAIRMAN

Leveraging GROWTH Momentum VALUES Synergy

Dear shareholders,

The pandemic was raging on throughout 2021, forcing the Government to impose a prolonged lockdown in many key economic regions of the country. Nevertheless, as we narrowly navigated between fighting the pandemic and somehow maintaining production and business activities, the economy returned to growth in the 4th Quarter, leading to a year-on-year GDP growth of 2.58%.

Under the same circumstances, the insurance industry posted a growth of 16.7% year-on-year largely thanks to the life sector. The non-life sector where VINARE is most active was hit harder by the pandemic and only registered a modest growth of 4.3%.

Ever since our establishment 27 years ago, VINARE has pursued the mission of making our growth and success resonate among stakeholders. In strengthening our financial and underwriting capacity, we also position ourselves as a facilitator for the sustainable development of the insurance industry and for the well-being of the whole community.

Over the last five years, VINARE recorded an average growth rate of 8.59% year-on-year in terms of gross written premium and 24.05% in terms of net written premium. On a parallel line, investment income posted average growth rate of 12.14% year-on-year, driving the growth of profit before tax to 9.4% on an annual basis.

Nguyen Anh Tuan
Chairman

TOTAL INVESTMENT ASSETS
(VND Billion)



4,021

TOTAL ASSETS
(VND Billion)



6,915

Over the last five years, VINARE recorded an average growth rate of 8.59% year-on-year in terms of gross written premium and 24.05% in terms of net written premium. On a parallel line, investment income posted average growth rate of 12.14% year-on-year, driving the growth of profit before tax to 9.4% on an annual basis. Total investment assets reached VND4,130 billion by the end of 2021.



MESSAGE FROM THE CHAIRMAN

VINARE - Leveraging GROWTH Momentum

Here are some of the most notable achievements during the last year.

1. KEY BUSINESS TARGETS ACHIEVED, leading to profit growth of over 14%.

VINARE fulfilled all key business targets in 2021 whereby both gross written premium and underwriting profit exceeded earlier expectations. Most notably, premium revenue from core business lines increased 7.2% against the previous year after several years of almost no growth at all. Growth in core business lines were essential to gross underwriting profit 39.2% growth in 2021. Together with returns on investment, it drove our pre-tax profit to VND408 billion, representing an increase of 14.2% year-on-year and 8.2% over the target.

2. 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.

3. LEVERAGING THE GROWTH MOMENTUM to strengthen financial and governance capability

In tandem with strengthening financial capacity, VINARE continued to enhance its governance structure with the establishment of Internal Audit. Internal Audit will play a key role in ensuring the achievement of key strategic goals and identifying and preventing business and operational risks.

4. VINARE SHARE PRICE INCREASED as a result of high dividend and bonus share issuance

In 2021 VINARE raised its charter capital to VND1,507 billion by issuing bonus shares to its shareholders at the ratio of 15%. VINARE share price increased considerably during the year and more closely reflected the true value of the company.

5. OUR ACHIEVEMENTS were duly recognized and acknowledged by various independent institutions.

VINARE was listed in the Top Ten Banking - Financial Services Providers of Vietnam Top Brands 2020 - 2021 and the PROFIT500 - List of the most profitable companies of the economy. On the investor relation side, VINARE continued to receive IR Awards 2021, which certifies that the company has fully complied with information disclosure requirements of listed companies. Our Annual Report was honored with the "Outstanding Progress" Award by Listed Companies Awards 2021.

VINARE - VALUES Synergy

1. IN CONNECTION WITH long-term development goals

The year 2022 will be key in reaching the business targets set out for the period 2020 - 2024: average gross written premium growth of 9%/year, maximum average combined ratio of 98%, minimum average pre-tax profit growth of 7%/year, minimum dividend payout ratio of 12%/year and minimum average return on equity of 10%. The charter capital shall be raised to VND2 trillion by 2024.

2. IN CONNECTION WITH our ESG commitments

It has always been our commitment that our corporate governance ensures an environment of confidence, transparency and accountability, which are essentials for building long-term development, financial stability and business morality. Thus, our philosophy is that sustainability is our way of doing business on the foundation of environmental, social and governance commitments.

3. IN CONNECTION WITH our partners

In addition to the focus on core business lines, VINARE has also invested resources into new product development together with our partners. This will be a co-effort between international partners, VINARE as a national reinsurer and a local insurer to explore new channels to bring new products to potential clients. In the long term, VINARE will be able to expand its market share and increase its revenue.

4. IN CONNECTION WITH shareholders

VINARE always cares about the interest of shareholders. We have developed a dividend policy which can harmonize shareholders' interest and the enhancement of financial capability for future development goals.

5. IN CONNECTION WITH our employees

During the pandemic, VINARE has tried to maintain normal business operation and to strengthen IT security in the work-from-home conditions. VINARE has also increased welfare benefits for the employees to help them cope with the impacts of lockdown and health issues.

Dear shareholders,

With the close direction of the Board of Directors, the Board of Control, the valuable cooperation of our partners and shareholders, and the support from the Government in insurance industry development policies, together with the efforts of all VINARE employees, I am confident that VINARE is well-positioned and well-prepared to achieve new successes.

On behalf of the Board of Directors, I would like to express my sincere thanks for all the assistance and cooperation of related authorities, stakeholders and partners of VINARE. Especially, I would like to express my great appreciation for all the efforts and achievements that VINARE's staff achieved in 2021.

I wish all of you happiness, health and prosperity./.

Nguyen Anh Tuan
Chairman



DEVELOPMENT STRATEGY



OUR VISION

- 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.

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 as required;
- Supporting new insurance product development.

ACTIVE INVOLVEMENT IN PROMOTING SUSTAINABLE DEVELOPMENT OF VIETNAM

GROWTH TARGETS 2020 - 2024

GROWTH

AVERAGE GROSS WRITTEN PREMIUM GROWTH	9%
MAXIMUM AVERAGE COMBINED RATIO	98%
MINIMUM AVERAGE PRE-TAX PROFIT GROWTH	7%
MINIMUM DIVIDEND RATIO	12%
MINIMUM AVERAGE ROE	10%



CHARTER CAPITAL: to be increased to VND2,000 billion by 2024



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.
- Resonating sustainable development values to shareholders, employees and the community as well as other stakeholders.

OVERVIEW OF VINARE



In spite of the unprecedented challenges caused by the pandemic, VINARE managed to maintain the growth momentum of core business lines in line with our expectations. The top line reached VND2,246 billion, exceeding the target by 11.2% and the bottom line reached VND408 billion, 14.2% higher than the previous year."

Mr. Mai Xuan Dzung
Chief Executive Officer

Dear shareholders,

VINARE MANAGED TO KEEP GROWING IN 2021 IN SPITE OF CHALLENGES

Vietnam economy managed to stay firm amid the many challenges brought about by the unprecedented pandemic. Even though the GDP growth rate was not fully recovered to the pre-Covid level, import-export turnover and disbursed FDI capital reached the highest-ever increase to date.

About the insurance industry, total market premium volume amounted to VND218,244 billion, representing an increase of 16.7% year-on-year. The non-life market recorded a growth rate of 4.3% with premium volume estimated at VND58,786 billion, which was slightly higher than the previous year mainly thanks to the economic recovery in the last quarter of the year. As repeatedly reported from year to year, intensive competition and worsening loss situation remained a significant concern and took their tolls on the underwriting profitability of many insurers.

Facing all these challenges, VINARE chose to lay focus on its core business in order to increase underwriting profitability. The result was rewarding as gross written premium exceeded target by 11.2% in which premium written from core business increased 7% against initial expectation of 6%.

Returns from financial investments and other activities also posted a growth rate of 5.6% year-on-year, pushing pre-tax profit of the Corporation to nearly VND408 billion, an increase of 14.2% year-on-year.

VINARE maintained its solvency margin 6.7 times higher than the minimum margin stipulated by the Ministry of Finance. Dividend payout for fiscal year 2021 was proposed at 13% compared with the initial projection of 12%.

All-in-all, we succeeded in maintaining our financial strength whilst ensuring the interests of shareholders in a very challenging year.

WHAT TO DO IN THE POST-COVID PERIOD

Both the world's and Vietnam's economy is forecasted to bounce back strongly after the pandemic. A GDP growth rate of 6 - 6.5% is the target of the Government backed by The Socio - Economic Recovery Programme worth of VND800 trillion. The insurance industry is also expected to benefit from growing business activities as well as higher awareness of and demand for insurance protection.

With the focus remaining on underwriting profitability, we are aiming to increase premium written from core business lines by at least 10% against 2021 pre-tax profit by 6.6%.

GROSS WRITTEN PREMIUM (VND billion)



2,246.2

increased by ↑11.2% against the plan

PRE-TAX PROFIT (VND billion)



408

an increase of ↑14.2% year-on-year

VINARE - VALUES Synergy

In order to achieve the business targets set for 2022, we shall focus on promoting the development of new products and deploying new channels of distribution together with our partners. VINARE will also reach out to enterprises to help identify their insurance demands and provide solutions accordingly. We also plan to strengthen relationships with major insurance brokers to explore new opportunities in the overseas market as well as cooperation with our traditional partners.

Other operational areas including internal audit, risk management and human resource development policies will also see significant changes in 2022.

We have established a detailed action plan to overcome the challenges and strongly committed to providing international quality services and long-term solutions to the local market. In addition, we wish to make our values resonate with the industry as well as the whole community for the sake of sustainable prosperity.

I wish all of you health, happiness and success./.

Mai Xuan Dzung
Chief Executive Officer



HISTORICAL MILESTONES



1999

Honored with the Third Class Labour Order by the President of State.

2001

The head quarter building at 141 Le Duan, Hanoi was inaugurated and put into operation.



2007-2008

Increased the paid-up capital to VND672 billion.

Swiss Re became the strategic partner (25% stake).



2012-2013

Corporate organisation restructuring.

New IT system (WebXL) in operation.

Assigned Financial Strength Rating of "B++" (Good) and Issuer Credit Rating of "bbb" by A.M. Best Asia-Pacific Ltd.

2014

Issued bonus shares to increase charter capital to VND1,310 billion.

Received Third Class Independence Order of the State on the 20th anniversary of establishment.

Maintained Financial Strength Rating of "B++" and Issuer Credit Rating of "bbb".

2015-2016

Development Strategy for 2015 - 2020 approved by General Meeting of Shareholders.

Financial Strength Rating of "B++" and Issuer Credit Rating upgraded to "bbb+".



2018

VINARE was honored among Top 500 most profitable companies 2018; ranked 5/15 most profitable insurance companies in the List Profit 500 by Vietnam Report.

Maintained Financial Strength Rating of "B++" with positive evaluation.

Awarded with the "Vietnam Excellent Brand 2018" by Vietnam Economic Times.

2019

Honored with the Government's Emulation Flag for outstanding achievements in business activities.

2020

Honored with the Investor Relation Award 2020 for full compliance with information disclosure requirements on the stock market in 2020.

1994 1999-2001 2004-2006 2007-2008 2009-2011 2012-2016 2017 2018-2020 2021

1994

Founding of VINARE as the first domestic reinsurance company with initial capital of VND40 billion.

Compulsory reinsurance scheme (ended in 2005).



2004-2005

Successfully equitized and started operation as a shareholding company with charter capital of VND500 billion.

13 direct insurers as strategic shareholders committed to ceding business to VINARE.

Honored with the Second Class Labour Order by the President of State on its 10th Anniversary.

2006

The first enterprise of the insurance industry to be listed on the stock exchange and the tenth to be listed on Hanoi Stock Trading Center.



2009

Awarded with the First Class Labour Order by the President of State on its 15th Anniversary.

2011

Issued bonus shares to increase the paid-up capital to VND1,008 billion.



2017

VINARE was honored among Top 30 Transparent Enterprises of Hanoi Stock Exchange in 2017 for the fourth consecutive time.

Maintained Financial Strength Rating of "B++" and Issuer Credit Rating of "bbb+".

Awarded with the "Vietnam Excellent Brand 2017" by Vietnam Economic Times.

"Best Reinsurance Brand" in Vietnam 2017 by Global Brands Magazine.



2021

Issued bonus shares to increase charter capital to VND1,507 billion.

VINARE listed in **Top Ten Banking - Financial Services** of Vietnam Top Brands 2020 - 2021.

VINARE listed in PROFIT500 - The list of 500 most profitable companies in Vietnam and ranked 9th out of 23 most profitable insurers/reinsurers.

Investor Relation Award 2021 granted to Vietnam National Reinsurance Corporation for full compliance with information disclosure requirements on the stock market in 2021.

VINARE's Annual Report named as **"Outstanding Progress"** in the Listed Companies Awards.





ORGANIZATION





BOARD OF DIRECTORS



Mr. Nguyen Anh Tuan
Executive Chairman



Mr. Nguyen Xuan Viet
Deputy Chairman



Mr. Jared Orchard
Deputy Chairman



Mr. Mai Xuan Dzong
Member



Mr. Dao Nam Hai
Member



Mr. Nguyen Dinh An
Member



Mr. Vu Anh Tuan
Member



Ms. Nguyen Thi Quynh Huong
Member



Mr. Pham Phan Dzong
Independent 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 Dzong
Chief Executive Officer



Mr. Nguyen Manh Linh
Deputy Chief Executive Officer



Ms. Luu Thi Viet Hoa
Chief Accountant



SHAREHOLDING STRUCTURE

VND
PAID-UP CHARTER CAPITAL **1,507,371,300,000**



(According to the List No. B011/2021-VNR/VSD-DK as at 19/07/2021 of Vietnam Securities Depository)

No.	Shareholder	Capital contribution (VND)	Share amount	Shareholding stake
1	State Capital Investment Corporation (SCIC)	608,419,402,500	60,841,940	40.36%
2	Swiss Re	376,843,373,500	37,684,337	25.00%
3	Bao Viet Holding	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	96,916,355,000	9,691,636	6.43%
6	PG Insurance Corporation	37,689,687,500	3,768,969	2.50%
7	UIC	16,152,717,500	1,615,272	1.07%
8	BIC	12,420,105,000	1,242,011	0.82%
9	Tokio Marine Insurance Vietnam	7,691,765,000	769,177	0.51%
10	PYN Elite Fund	6,645,850,000	664,585	0.44%
11	Firstland Company Ltd	5,716,650,000	571,665	0.38%
12	Others	79,867,564,000	7,986,756	5.30%
Total		1,507,371,300,000	150,737,130	100.00%

SHAREHOLDING STRUCTURE

No.	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/charter capital
1	Institutions	144,230,212	95.68%
a	Local	103,453,469	68.63%
	• State Capital Investment Corporation	60,841,940	40.36%
	• Others	42,611,529	28.27%
b	Overseas	40,776,743	27.05%
2	Individuals	6,506,918	4.32%
a	Local	6,070,028	4.03%
b	Overseas	436,890	0.29%
	Total	150,737,130	100.00%

MAJOR SHAREHOLDERS

No.	Shareholder	Share amount	Shareholding stake
1	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%

Message Overview of VINARE Management Report Corporate Governance Sustainable development Financial statements



KEY FINANCIAL INDICATORS 2015 - 2021

(Separate Financial Statements)

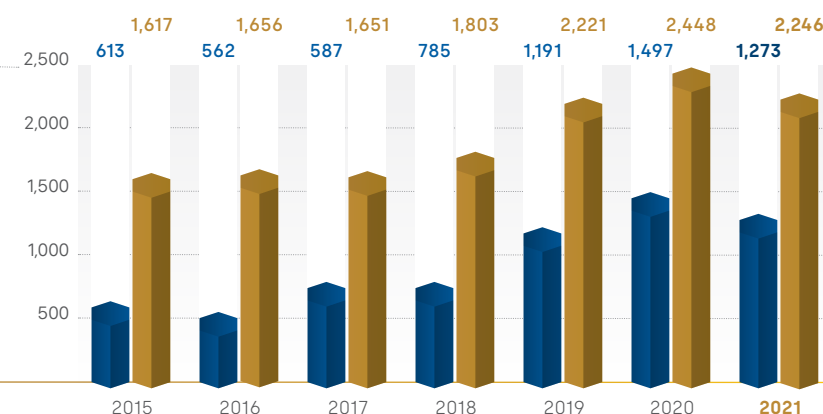
GROSS WRITTEN PREMIUM

Unit: VND billion

● Net written premium ● Gross written premium

2,246

GROSS WRITTEN PREMIUM



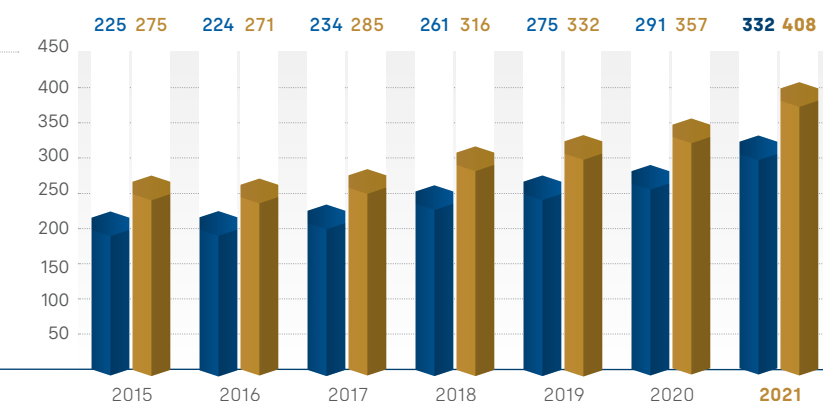
PROFIT

Unit: VND billion

● After-tax profit ● Pre-tax profit

408

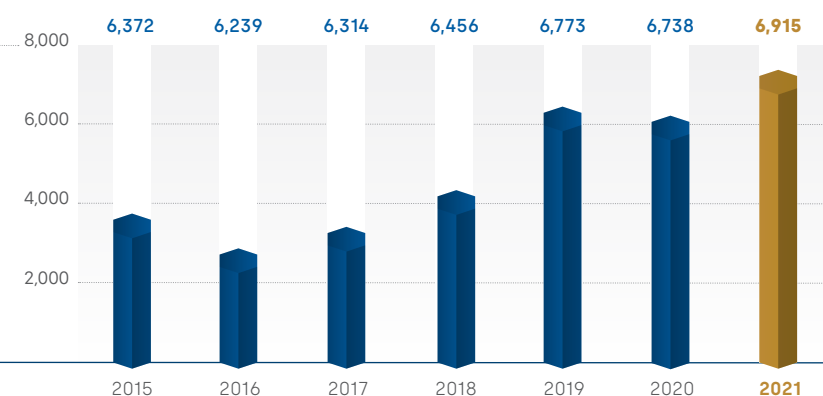
PRE-TAX PROFIT



TOTAL ASSETS

Unit: VND billion

6,915



PROFIT RATIO

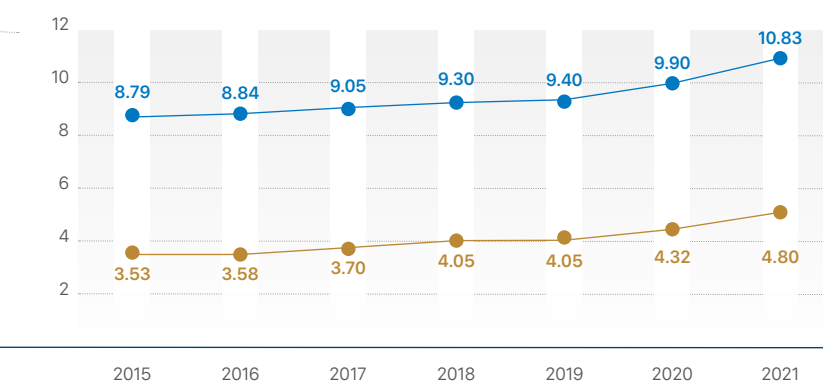
Unit: %

● ROA ● ROE

4.80 10.83

ROA

ROE



CONSOLIDATED FINANCIAL STATEMENTS

Unit: VND billion

	2015	2016	2017	2018	2019	2020	2021
Gross written premium	1,617	1,656	1,651	1,803	2,221	2,448	2,246
Net written premium	613	562	587	785	1,191	1,497	1,273
Revenue from investment and other activities	230	231	297	365	337	380	480
Accumulated technical reserves (net)	818	839	910	1,072	1,314	1,543	1,520
Charter capital	1,310	1,310	1,310	1,310	1,310	1,310	1,507
Total assets	6,465	6,350	6,472	6,667	6,994	6,976	7,157
Pre-tax profit	290	287	311	358	344	377	423
After-tax profit	241	240	259	302	287	311	347
ROA (%)	3.73	3.78	4.01	4.53	4.10	4.46	4.85
ROE (%)	9.19	8.81	9.64	10.24	9.33	9.89	10.56
EPS (VND)	1,802	1,777	1,918	2,204	2,118	2,314	2,235

SEPARATE FINANCIAL STATEMENTS

Unit: VND billion

	2015	2016	2017	2018	2019	2020	2021
Gross written premium	1,617	1,656	1,651	1,803	2,221	2,448	2,246
Net written premium	613	562	587	785	1,191	1,497	1,273
Revenue from investment and other activities	243	239	304	355	357	390	463
Accumulated technical reserves (net)	818	839	910	1,072	1,314	1,543	1,520
Charter capital	1,310	1,310	1,310	1,310	1,310	1,310	1,507
Total assets	6,372	6,239	6,314	6,456	6,773	6,738	6,915
Pre-tax profit	275	271	285	316	332	357	408
After-tax profit	225	224	234	261	275	291	332
ROA (%)	3.53	3.58	3.70	4.05	4.05	4.32	4.80
ROE (%)	8.79	8.84	9.05	9.30	9.40	9.90	10.83



THE YEAR IN REVIEW



1

VINARE's in-house actuary approved by the Ministry of Finance



2

The Youth Union joined the Voluntary Blood Donation Festival 2021 co-organized by the Ministry of Finance and the Institute of Hematology on 9th December 2020.



3

VINARE listed in Top Ten Banking – Financial Services of Vietnam Top Brands 2020 – 2021



4

VINARE listed in PROFIT500 – The list of 500 most profitable companies in Vietnam and ranked 9th out of 23 most profitable insurers/reinsurers



5

International credit rating reaffirmed with Financial Strength Rating of "B++" and Issuer Credit Rating of "bbb+" (AM Best) in May 2021.



6

Investor Relation Award 2021 granted to Vietnam National Reinsurance Corporation for full compliance with information disclosure requirements on the stock market in 2021.



7

Reinsurance Round-table Webinar organized on 29 October 2021: market overview ahead of renewal season.



8

VINARE's Annual Report named as "Outstanding Progress" in the Listed Companies Awards.



9

Donation of funds and equipments to several hospitals in joint efforts to fight Covid-19 pandemic.

02

BUSINESS ENVIRONMENT



In 2020, Vietnam is a bright spot amid many challenges brought about by the covid-19 pandemic. However, the pandemic was raging on throughout 2021, directly impacting the entire economy and each family. In that context, if VINARE were not flexible in its strategy, we would not have been able to grow in a market with increasing uncertainties.

You can't change the direction of the wind, but you can adjust the sails.



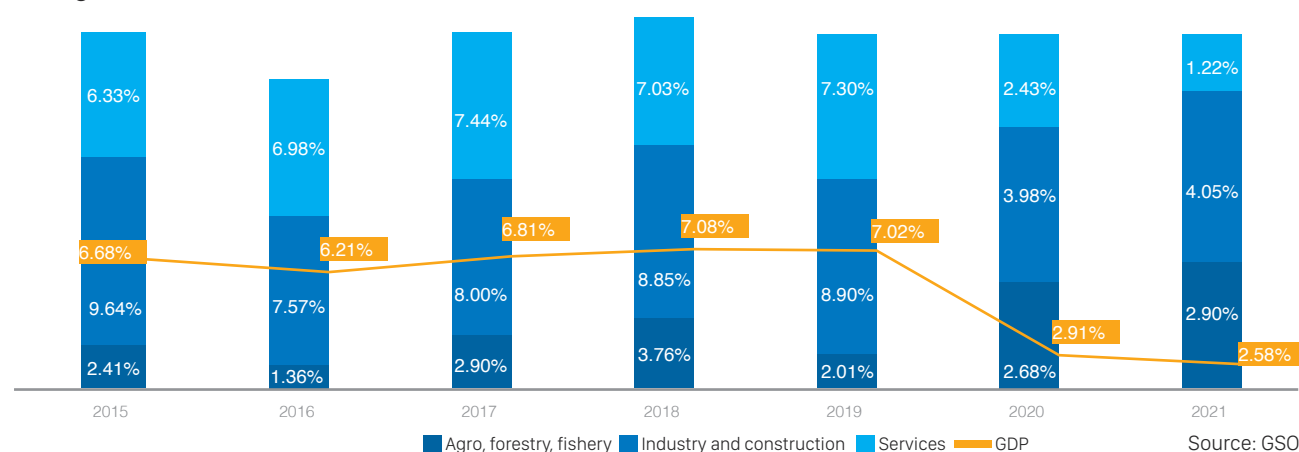
Mr. Nguyen Dinh An
Member of the Board of Directors



BUSINESS ENVIRONMENT



GDP growth (2015-2021)



In 2021, Vietnam's economy continued to be heavily affected by the Covid-19 pandemic with strict social distancing measures applied in most major cities and provinces. However, with the combination of pandemic prevention measures, especially the extensive vaccination programme, and great efforts put into maintaining production and business activities, the economy recovered growth in the fourth quarter.

GDP growth rate in Quarter IV/2021 grew by 5.22% over the same period, whilst GDP in Quarter III decreased by 6.17%. Year-on-year GDP growth rate posted 2.58% in 2021, lower than that of 2.91% in 2020.

Import-export was considered a bright spot with export turnover increasing by 19% and import turnover increasing by 26.5%. On the contrary, the service sector was severely impacted by the lack of foreign visitors and only grew 1.2% compared to 2.3% in 2020 and 7.9% in 2019.

Total foreign investment capital into Vietnam reached USD31.15 billion, increasing by 9.2% compared to 2020, of which newly registered capital increased 4.1% against the previous year. All the setbacks caused by the pandemic such as supply chain disruption and travel restrictions could not hold back the licensing of new FDI projects and even proved that Vietnam is an attractive destination for investors worldwide.

Average CPI increased by 1.84% compared to 2020, which was the lowest increase since 2016. Inflation was still at low level in spite of the pressure of rising fuel and transportation prices as well as the impacts from supply chain disruptions on the costs of production.



According to Vietnam Insurance Association, the insurance industry registered a growth rate of 16.7% in 2021 in which the non-life sector contributed a mere 4.3%, which was the lowest ever recorded in history.

Although during the first 6 months of the year, the non-life market saw a remarkable recovery with a growth rate of 10%, the outbreak of the pandemic at the end of April 2021 exerted a negative impact on the performance of insurers.

The slow-down could be attributed to the slump of Personal insurance products (Health, Personal Insurance, Motor) which account for the majority of many insurers' portfolio. In the meantime, other traditional commercial business such as Property, Engineering or Marine Cargo were able to register relatively good growth.

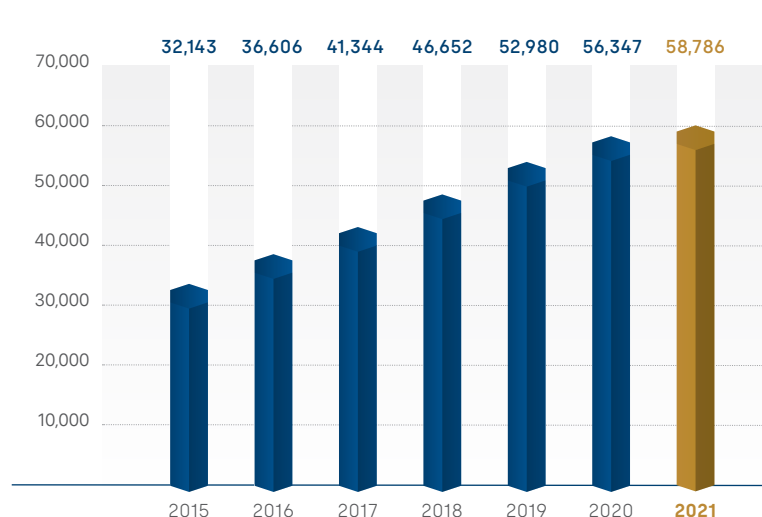
Cargo and Aviation insurance even witnessed a good recovery thanks to the resilience of the economic and import & export activities. The price hike of some key imports such as gasoline, iron and steel, construction materials was also contributing to the recovery of Cargo insurance.

Property was able to maintain the growth momentum even after the surge triggered by Decree No. 23 on compulsory fire and explosion insurance. However, harsh competition pressure was prevalent with premium continuously on the fall whilst losses were still at warning levels.

Falling rates and rising losses were also of critical concern for Engineering and Marine Cargo as these business lines used to experience mild loss situation in previous years.

Although the market was able to avoid large losses from natural catastrophe, the number of large losses of Property and Engineering remained high, the majority of which still fell in Cat 4 and Cat 5 risks such as storage, plastics, foams or textile.

Non-life premium written



Top 6 non-life players

(Unit: VND Billion)

Company	2021		2020		Growth
	GWP	Market share	GWP	Market share	
Bao Viet	8,949,193	15.22%	9,692,212	17.20%	-7.67%
PVI	8,287,702	14.10%	7,401,610	13.14%	11.97%
PTI	5,836,199	9.93%	5,959,244	10.58%	-2.06%
Bao Minh	4,486,145	7.63%	4,295,331	7.62%	4.44%
MIC	3,936,424	6.70%	3,156,614	5.60%	24.70%
PJICO	3,344,092	5.69%	3,508,664	6.23%	-4.69%

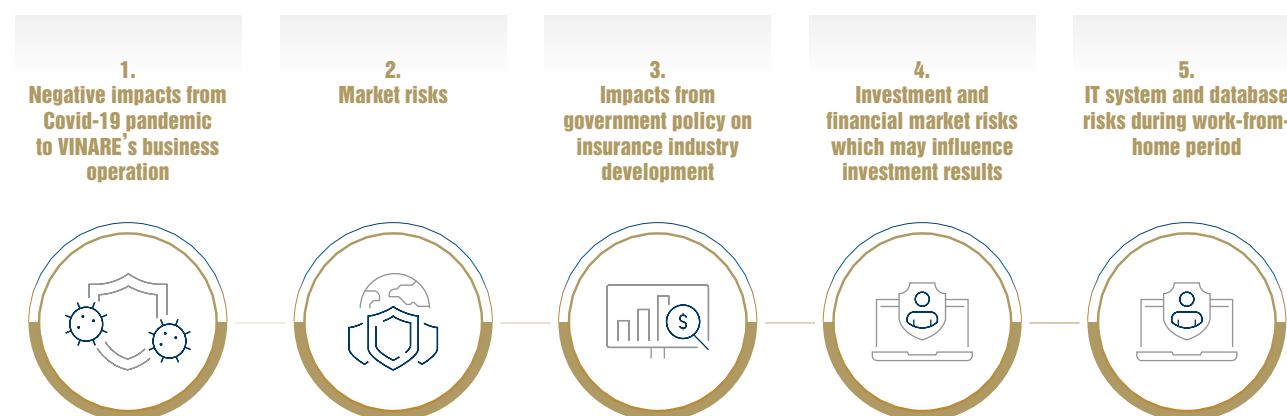


RISK MANAGEMENT

VINARE RISK LANDSCAPE



EMERGING RISKS IN 2021



Property, Marine Hull and Engineering faced worsening loss situation.

Growth in key business lines such as Property, Engineering, Marine Hull and P&I, Marine Cargo, Motor and Health was not upto expectation.

03

BUSINESS RESULTS 2021 & BUSINESS PLAN 2022



VINARE has made best efforts to accomplish the 2021 objectives as well as the development strategic goals approved by the General Meeting of Shareholders. In 2021, total revenue recorded VND3,031 billion, in which gross written premium reached VND2,246.2 billion, exceeding the target by 11.2%. The core business lines, which became a focus in business plan 2022, grew by 7.2%. Therefore, VINARE achieved pre-tax profit of VND408 billion, exceeding 8.2% of the target and ensured a stable and effective growth in the long term.

Mr. Nguyen Manh Linh
Deputy Chief Executive Officer



BUSINESS RESULTS 2021



BUSINESS RESULTS 2021

GROSS WRITTEN PREMIUM (VND million)

2,246.2

achieving 111.2% of target

Core business lines (including Property, Engineering, Marine and Miscellaneous) posted an increase in gross written premium of 7.2% year-on-year to VND1,728.5 billion. This was the first time after several years that core business showed positive growth as they are mostly subject to heavy competition.

Contributing largely to this growth were Engineering, increasing by 25.1%, Hull, by 18.4%, Marine, 11.9% and Property, 4.4%, most of which benefited from the recovery of the primary market.

On the downside, Miscellaneous and Health were slightly decreasing in terms of revenue mainly due to fluctuations in inward business from overseas contracts.

Personal Accident Insurance for bank loan holders, which was not in our focus for growth, registered a fall of 38% in terms of written premium.

Gross written premium by lines 2021

Unit: VND million

Criteria	2021	2020	2021/2020	Plan 2021	2021/Plan
Engineering	306,118	244,718	125.1%	269,000	113.8%
Property	709,387	679,402	104.4%	725,000	97.8%
Marine	397,777	380,895	104.4%	374,700	106.2%
Miscellaneous	315,213	307,488	101.9%	340,553	92.6%
Total	1,728,494	1,612,503	107.2%	1,709,253	101.1%
Personal Accident Home Credit	517,666	835,202	62.0%	310,000	167.0%
Total	2,246,160	2,447,705	91.8%	2,019,253	111.2%

Net written premium by lines 2021

Unit: VND million

Criteria	2021	2020	2021/2020	Plan 2021	2021/Plan
Engineering	179,895	138,043	130.3%	148,400	119.5%
Property	278,235	262,167	106.1%	267,200	104.0%
Marine	201,453	185,858	108.4%	178,100	113.1%
Miscellaneous	95,527	75,635	126.3%	117,600	81.2%
Total	755,110	661,703	114.1%	711,300	106.1%
Personal Accident Home Credit	517,666	835,202	62.0%	310,000	167.0%
Total	1,272,776	1,496,905	85.0%	1,021,300	124.6%

CLAIMS

Unit: VND million

	2021	2020	2021 vs 2020
Claim payment for inward reinsurance (1)	856,128	950,313	90.1%
Claims recovered from outward reinsurance (2)	548,472	579,287	94.7%
Increase in claim reserve (3)	83,031	59,766	138.9%
Net claim incurred (4 = 1-2+3)	390,686	430,792	90.7%

NET CLAIMS INCURRED

VND 390,686 million

fell 9.3% or 40.1 billion against last year

Loss situation in 2021 could be described as mild as we saw both the frequency and severity of losses decreasing, which might probably be an upside of the pandemic. There were a few major losses VINARE's participation in which was not high. Especially, there were no Nat Cat losses which cost us VND47 billion in 2020.

Large losses in 2021 (Large losses in terms of VINARE's net retention)

Unit: USD

Losses	Line of Business	Date of Loss	100% Loss	VINARE's share	VINARE's Retention
Vung Ang 1 TPP CMI	Engineering	19/09/2021	100,000,000	1,719,000	164,429
Vinalines Green	P&I	13/11/2021	2,210,000	1,668,550	232,050
Dreamtech Vina	Property	16/04/2021	6,478,261	1,457,609	485,870
Wonderful Sg Electric	Property	28/10/2021	30,000,000	807,378	484,427
Trai Lon Hung Dung	Property	13/01/2021	822,611	671,060	402,635
Arirang Chemical	Property	28/06/2021	2,693,913	538,783	323,270
Dong Tien Paper	Property	03/05/2021	2,369,415	473,883	284,330
Duc Sinh Furniture	Property	03/08/2021	2,266,948	453,390	272,034
Jufeng New Materials	Property	14/11/2021	6,086,957	438,401	263,041
Ivory Trieu Son	Property	27/03/2021	2,152,173	430,434	258,260
Shenglong Bio	Property	04/09/2021	6,043,478	427,963	256,778
Kortek	Property	25/09/2021	2,652,174	417,717	250,630



BUSINESS RESULTS 2021



FINANCIAL INVESTMENT 2021

Financial investment activities in 2021 were focused on assets which produced higher returns to counter the negative effects of falling interest rates as a result of loose monetary policy to support economic recovery.

Total investment assets increased by VND242 billion, in which allocation to bonds increased 2.2 times and new investment in bonds in 2021 reached VND320 billion. As a result, bond yields increased by 40.8% with the average yield of new bonds investment reaching 7.46%, 43% higher than the average deposit interest which was only 5.22%.

An addition of VND70 billion was also allocated to entrusted investment. Thanks to the boom in stock market, this portfolio performed very well in 2021 with ROI reaching 24.1% and NAV reaching 142.7%.

On the contrary, returns from bank deposits decreased by 11.1% mainly due to the decrease in deposit allocation and deposit interest rates.

Total investment and other incomes increased 5.5% against the previous year to VND367.7 billion. The average return on investment was 8.8%.

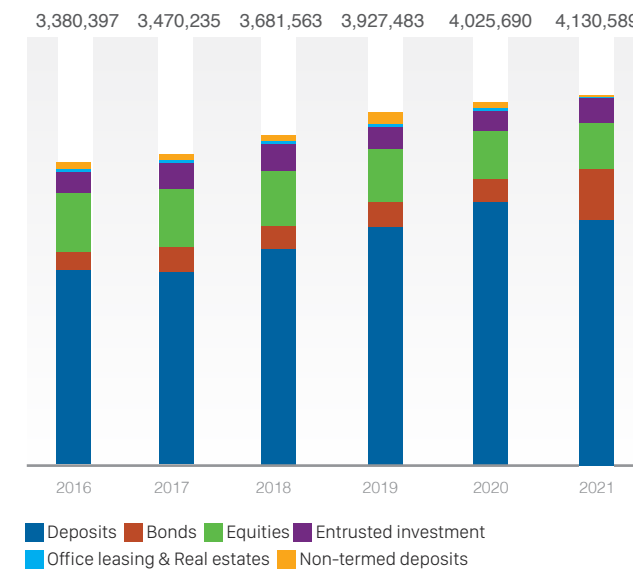


Investment portfolio (31/12/2021)

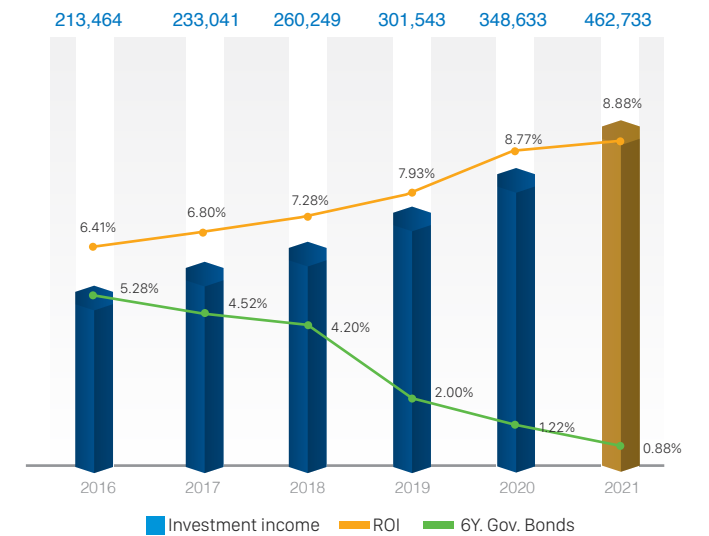
Unit: VND million

No.	Portfolio	31/12/2021	01/01/2021	+/-	Weighted
1	Deposits	2,740,500	2,965,000	(224,500)	66.4%
2	Bonds	559,490	249,100	310,390	13.5%
3	Equities	522,701	542,354	(19,653)	12.6%
4	Securities, fund certificates & entrusted investment	265,000	195,000	70,000	6.4%
5	Office leasing	6,410	8,031	(1,621)	0.2%
6	Real estates	11,206	13,304	(2,098)	0.3%
7	Non-termed deposits	25,282	52,900	(27,618)	0.6%
	Total	4,130,589	4,025,690	104,900	100%

Investment portfolio



Investment portfolio returns



Investment results & office leasing 2021

Unit: VND million

Criteria	2021	2020	2021/2020	Plan 2021	2021/Plan
Investment revenue & others	462,733	389,988	118.7%	402,700	114.9%
Investment expenses & others	95,055	41,355	229.9%	47,700	199.3%
Investment income & others	367,678	348,633	105.5%	355,000	103.6%
Average ROI	8.8%	8.77%		8.7%	

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

No.	Indicator	2021	2020
1	Balance of total assets value and liabilities	3,064	2,939
2	Asset values deducted upon solvency calculation	943	1,057
3	Solvency Margin of VINARE	2,121	1,882
4	Minimum Solvency Margin required	318	374
5	Comparison between (3) and (4)		
	• Absolute value	1,803	1,508
	• Percentage	667%	503%



BUSINESS PLAN 2022

The world economy is expected to recover strongly after being heavily affected by the pandemic and will exert a positive impact on Vietnam in the context that Vietnam's economy is highly open. In addition, the 2022 - 2023 socio-economic development and recovery program with an expected amount of VND800 trillion will provide the much-needed boost to various sectors of the economy.

As a result, the insurance market will very likely follow suit and non-life insurance premium volume is forecasted to grow at double digits. Product development on digitalized platforms is becoming the mainstream in the market with advantages like low acquisition cost, fast claim payment and reduced risk of fraud.

While traditional commercial insurance business will continue to face a highly competitive environment and is expected to grow at a low rate (6 - 8%), retail business (Motor, Personal insurance) and Home credit are expected to grow by 20-25% in the context of low increase in the previous year.

Reinsurance market will continue to be hard and reinsurance placement will not be easy for loss-making portfolio.



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 2022 reflects a 9%-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 the bond and entrusted investment portfolio in order to make up for the falling bank interest rates.



Business plan 2022

Unit: VND million

Indicators	2022 Plan	2021 Performance	Growth
Gross written premium			
• Core lines of business	1,901,345	1,728,495	10%
• Personal Accident	310,000	517,666	(40.1%)
Profit before tax			
• Excluding foreign exchange difference	434,700	408,821	6.3%
• Including foreign exchange difference		407,914	6.6%
• Foreign exchange difference	unidentified	(907)	
Projected dividend payment			
• Cash	12%	13%	

Projected allocation of investment assets 2022

Unit: VND million

No.	Investment portfolio	31/12/2022	31/12/2021	+/-	Proportion (31/12/2022)
1	Deposits	2,700,000	2,740,500	(40,500)	62.8%
2	Bonds	700,000	559,490	140,510	16.3%
3	Equities	504,000	522,701	(18,701)	11.7%
4	Securities, fund certificates & entrusted investment	315,000	265,000	50,000	7.3%
5	Office leasing	5,400	6,410	(1,010)	0.1%
6	Real estates	11,200	11,206		0.3%
7	Current deposits	64,400	25,282	39,118	1.5%
Total		4,300,000	4,130,589	169,411	100.0%



Corporate governance is the key factor to ensure effective growth and sustainable development in the long-term, contributing to the enhancement of our reputation and brand name. We have been striving to approach international standards in corporate governance and aiming to achieve higher results in all the areas of operation.



Mr. Nguyen Xuan Viet
Deputy Chairman



CORPORATE GOVERNANCE FRAMEWORK



Corporate governance is a key factor in ensuring efficient growth and sustainable long-term development and building the company's reputation.

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

PILLARS OF CORPORATE GOVERNANCE

VINARE corporate governance is implemented based on five pillars





CORPORATE GOVERNANCE FRAMEWORK

CORPORATE GOVERNANCE FOR SUSTAINABLE GROWTH

Solid corporate governance structure	International governance standards	Compliance with legal requirements and practices in Vietnam	Strict application across the system
VINARE corporate governance structure comprises of the General Meeting of Shareholders, the Board of Directors, Committees under the Board of Directors, the Board of Control and the Board of Management.	Compliance with OECD framework and practices on corporate governance, and ASEAN corporate governance scorecards.	Compliance with legal requirements and practices in Vietnam applied to listed companies.	Strict application of corporate governance principles in every activity and business conduct.



CORPORATE GOVERNANCE AS PART OF ESG

1. Inclusion of ESG as a regular agenda of the Board of Directors
2. Priority and support given to ESG commitments
3. Integration of ESG in strategic planning
4. Assessment of impacts

CORPORATE GOVERNANCE FRAMEWORK



1. **Composition and structure of the Board of Directors**
 - Composition and structure
 - Induction and training
 - Compensation
 - Succession planning
2. **Operation and effectiveness**
 - Strategy Development Committee
 - Human Resource Committee
 - Remuneration and Compensation Committee
 - Integrity and relationship
3. **Strategy, planning and supervision**
 - Vision and mission
 - Business strategy and plan
 - Supervision of operation and governance
 - IT strategy
 - Human resource management
4. **Risk management and compliance**
 - Risk management system
 - Internal audit and compliance
5. **Transparency and disclosures**
 - Financial statements
 - Corporate governance and ESG reporting
6. **VINARE's social responsibilities**
 - Code of conduct
 - Business morality
 - Safety and healthcare
 - Social responsibilities



REPORT OF THE BOARD OF DIRECTORS

COMMITTEE ACTIVITIES



STRATEGIC DEVELOPMENT COMMITTEE

- Direct and supervise the implementation of business plan 2021 and 5-year plan for 2020 - 2024 period.
- Direct and review the growth targets for 2022 - 2024 period.

- Complete the Regulation on Succession planning, appointment, re-appointment and dismissal of management titles under the Board's authority;
- Evaluate the 1-year performance of the Chief Executive Officer.



HUMAN RESOURCE COMMITTEE



REMUNERATION AND COMPENSATION COMMITTEE

- Maintain the compensation policy applied in 2020;
- Review the compensation policy for executive Board member.



KEY DECISIONS

1. Dissolution of Internal Inspection and Control.
2. Establishment of Internal Audit.
3. Changing Risk Management Department into Risk Management & Compliance Department.
4. Amendments of Charter of Organization and Operation, Corporate Governance Rules, Operation Rules of Board of Directors, revised Regulation on Information Disclosure.
5. Amendments of Investment Guidelines, Finance Rules and Regulation on succession planning, appointment, re-appointment and dismissal of management titles under Board of Directors' authority.
6. Increase of charter capital by bonus share issuance.
7. 2022 reinsurance program.

SUPERVISION ACTIVITIES

All issues relating to the decision making authority of the Board of Directors were discussed and informed in a fully, timely and correctly manner to the Board of Management.

Under the closely direction of the Executive Chairman, the Board of Management has focused on a number of prioritized tasks in 2021:

1. Leveraging and promoting relationship with primary insurance companies to increase inward business and optimize reinsurance capacity;
2. Co-ordinating with partners in product development to explore new business and distribution channels;
3. Channeling investment into safe and productive assets in the context of decreasing deposit interest rates;
4. Closely monitoring and improving management efficiency of equity portfolio;
5. Continuing to strengthen financial capacity, internal audit, compliance and risk management;
6. Enhancing internal governance efficiency and improving performance assessment and rewarding mechanism;
7. Securing adequate facilities and equipment and system for staff working from home.

The Board of Management strictly followed all resolutions of the Annual General Meeting of Shareholders and Board of Directors. All proposals of the Board of Management were studied and discussed by the Board of Directors and addressed accordingly.

The Chief Executive Officer directed the management team and the entire staff to follow all the decisions of the Board of Directors, Annual General Meeting of Shareholders and to comply with all regulatory requirements, charter of listed company in a fully and timely manner.



REPORT OF THE BOARD OF CONTROL



In 2021, the Board of Control carried out all the functions and mandates set out in the Charter of Organization and Operation:

- Convened periodical meetings, reviewed and submitted to the General Meeting of Shareholders (GSM) to approve 2020 financial statements and to select the independent auditing company in 2021, attended 2021 Annual General Meeting of Shareholders as well as all the Board meetings;
- Oversaw the performance of the Board of Directors and the Board of Management in corporate governance and management;
- Examined the rationality, legitimacy, honesty and prudence in management and direction, accounting, statistics and the preparation of financial statements;
- Inspected the reports on business results, the interim and yearly financial statements;
- Coordinated with the Board of Management and all the functioning departments.

Based on the financial statements and the report on business results in 2021, the Board of Control has the following observations:

ON BUSINESS OPERATION

- VINARE has fulfilled the business plan 2021 assigned by the General Meeting of Shareholder;
- VINARE has strictly adhered to financial regulations and made proper and cautious provisions.

ON CORPORATE GOVERNANCE

- The Board of Directors and the Board of Management clearly stated their viewpoints and closely monitored day-to-day operation;
- All the decisions of the Board of Directors were thoroughly discussed and fully communicated to the Board of Management and the Board of Control;
- The Board of Management strictly followed all resolutions and direction from the Board of Directors.

05

SUSTAINABLE DEVELOPMENT



As investors are getting more and more concerned about ESG commitments and transparency, VINARE is exploring the opportunities to create new values in integrating ESG into business strategy. We hope that this will enhance our competitiveness and create the synergy of values for our stakeholders, investors, shareholders, employees and the community in the long-term.



Mr. Pham Phan Dzung
Independent Board member



CONTRIBUTIONS TO SOCIAL DEVELOPMENTS



1. Inauguration and handover ceremony of charity house in Muong Hoong, Dak Glei, Kon Tum;
2. VINARE joined the Voluntary Blood Donation Festival 2021;
3. Donation of funds and equipments to several hospitals in joint efforts to fight Covid-19 pandemic.

CONTRIBUTIONS TO SOCIAL DEVELOPMENTS 2021

In 2021, VINARE staff joined efforts in a charity program to build houses for the poor households in Huu Nghi, Hoa Binh province worth VND70 million. Aiming at helping families with financial difficulties and low income to relieve their burdens and reduce the imbalance between urban and rural areas, VINARE considers this one of the key policies in which the Corporation is willing to join effort with the Government and the Ministry of Finance.

The Trade Union and the Youth Union also made contributions to the Fire and Explosion Prevention Fund; donated saving accounts and contributed to social funds with the total amount of VND335 million.

VINARE donated a photocopier for Truong Sa Lon island with the donation amount of VND50 million.

VINARE also spent a considerable budget for other charitable activities such as Invalids and Martyrs' Day and other charitable activities or supporting retirement fund.

Since the outbreak of the pandemic, VINARE made a donation of funds and equipments to several hospitals in joint efforts to fight Covid-19 pandemic with the total amount of VND637,490,000.

In addition, VINARE also participated in the annual "Blood Donation" campaign.



OVERVIEW ON VINARE SUSTAINABLE DEVELOPMENT POLICY

With the goal to becoming a leading reinsurer in Vietnam and the region, VINARE aims to provide our clients with quality and reliable services and also to engage in social, environmental and community commitments. VINARE considers business growth as the most important as the realisation of this growth is essential to pursuing social and environmental goals.



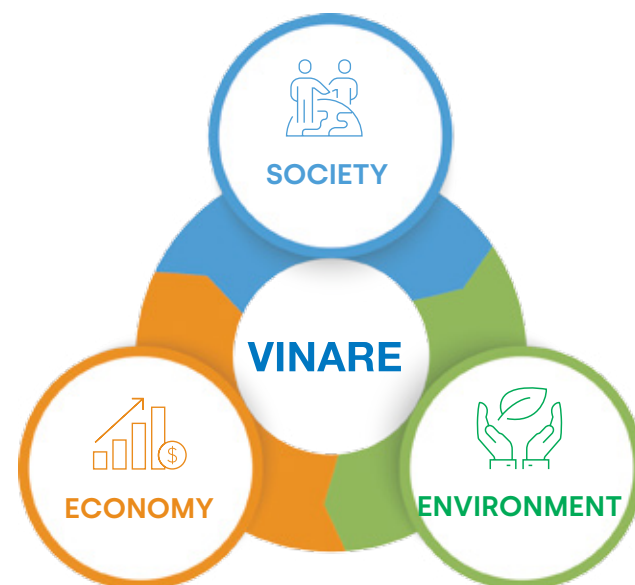
These goals are interconnected in order to maintain the balance of interests between stakeholders and ensure the benefits for clients, investors, employees and the community. They are supported by Corporate Governance and Human Resource Development, which are the two key pillars of long-term sustainable development.

We regularly and publicly disclose our sustainable development policies with our stakeholders to identify issues of mutual concern. These issues are considered in correlation with our current operation in order to identify the ones that need to be improved.

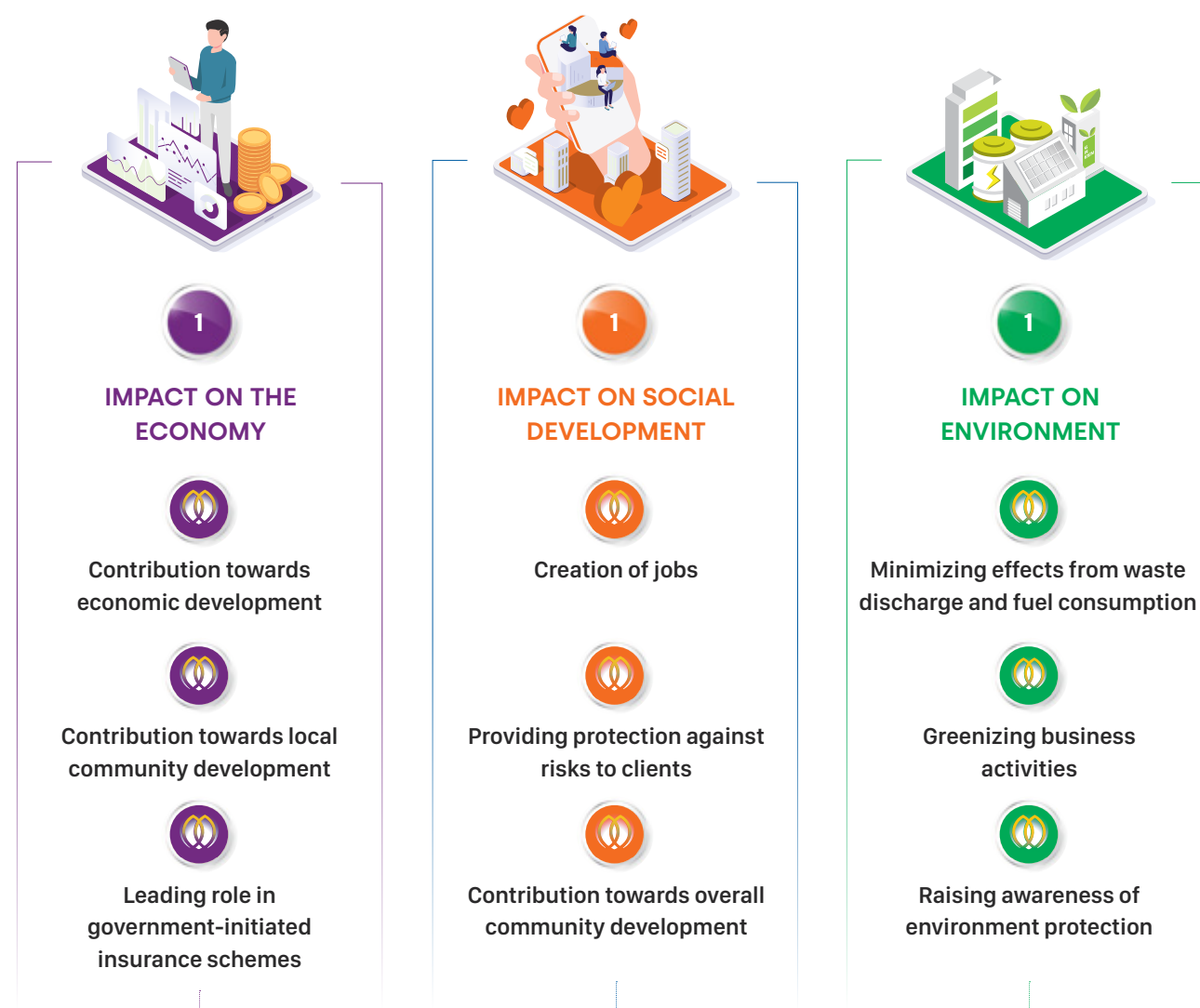
We also hold dialogues with various partners as well as regulators to support sustainable development by providing tailor-made risk transfer and risk management solutions.



OVERVIEW ON VINARE SUSTAINABLE DEVELOPMENT POLICY



VINARE IMPACTS ON SUSTAINABLE DEVELOPMENT



17 UNITED SUSTAINABLE DEVELOPMENT GOALS 2020 - 2030



According to the 17 sustainable development goals of the United Nations, VINARE selects and integrates six goals into the sustainable development strategy for the period 2020 - 2030 which are:





OVERVIEW ON VINARE SUSTAINABLE DEVELOPMENT POLICY

OUR ESG COMMITMENTS

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 sustainable development of Vietnam.

ESG INCORPORATION



- Giving priority to providing capacity to environmental-friendly business and renewal power projects
- Having a roadmap to limit, restrain from providing capacity for fossil fuelled 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

- 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



- Raising awareness about climate change risks through dialogue with clients, employees and the public
- Prioritising the digital transformation in office operation to reduce the consumption of paper
- Allocate proper budget for charity causes and other community activities
- Monitoring the progress in managing ESG issues and regularly disclosing the information publicly

06

FINANCIAL STATEMENTS



For VINARE, transparency means being open and truthful about the various operations and business activities, which is considered an indispensable factor to build the trust of partners, shareholders, employees, communities and other stakeholders. VNR is a listed share, thus, ensuring transparency in information disclosure, financial data and governance is a matter of business's "survival".



Ms. Luu Thi Viet Hoa
Chief Accountant



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/GPĐC5/KDBH was issued on 6 September 2021.

Board of Directors

Mr. Nguyen Anh Tuan	Chairman
Mr. Nguyen Xuan Viet	Deputy Chairman
Mr. Jared Orchard	Deputy Chairman
Mr. Dao Nam Hai	Member
Mr. Pham Phan Dzung	Member
Mr. Mai Xuan Dzung	Member
Mr. Nguyen Dinh An	Member
Mr. Vu Anh Tuan	Member
Ms. Nguyen Thi Quynh Huong	Member
(appointed on 23 April 2021)	

Board of Supervision

Mr. Tran Trung Tinh	Chief Supervisor
Mr. Vu Ngoc Vuong	Member
Ms. Le Thi Thanh Hien	Member
Mr. Tushar Chatterjee	Member
Mr. Dao Manh Duong	Member

Board of Management

Mr. Mai Xuan Dzung	General Director
Mr. Nguyen Manh Linh	Deputy General Director

Legal Representative

Mr. Mai Xuan Dzung	General Director
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Registered Office

7th 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 financial position of the Corporation and its subsidiary as at 31 December 2021 and the results of its operations and its cash flows 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 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 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 53 to 106 which give a true and fair view of the consolidated financial position of the Corporation and its subsidiary as at 31 December 2021 and of the results of operations and 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 financial statements of reinsurance companies established and operating in compliance with the laws of Vietnam.

On behalf of the Board of Management



MAI XUAN DZUNG
General Director

Hanoi, SR Vietnam
24 March 2022



INDEPENDENT AUDITOR'S REPORT

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 2021 and approved by the Board of Management of the Corporation on 24 March 2022. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 53 to 106.

Responsibility of the Board of Management

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 as necessary to enable the preparation and fair presentation of the 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'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 internal control of the Corporation and its subsidiary. 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.

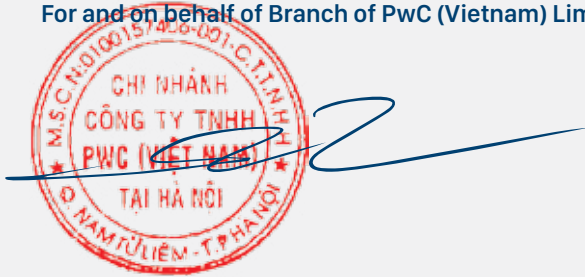
Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position as at 31 December 2021, 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 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



BUI PHUONG HANH
Audit Practising Licence No.
Số Giấy CN ĐKHN kiểm toán:
3823-2021-006-1

Report reference number: HAN 2970
Hanoi, 24 March 2022



CONSOLIDATED BALANCE SHEET

Form B 01 - DNPNT/HH

			As at	
Code	ASSETS	Note	31/12/2021 VND	31/12/2020 VND
100	CURRENT ASSETS		5,413,636,204,872	4,893,422,736,475
110	Cash and cash equivalents	3	25,281,771,911	55,424,073,810
111	Cash		25,281,771,911	55,424,073,810
120	Short-term investments		2,555,626,973,276	2,053,240,931,318
121	Trading securities	4(a)	173,907,022	173,907,022
122	Provision for diminution in value of trading securities	4(a)	(173,907,022)	(173,907,022)
123	Investments held-to-maturity	4(b)	2,555,627,849,488	2,053,240,931,318
124	Provision for impairment of short-term financial investments	4(b)	(876,212)	-
130	Short-term receivables		749,104,853,143	700,282,516,268
131	Short-term trade accounts receivable	5	574,919,058,343	564,034,646,896
131.1	- Insurance receivables		574,030,810,370	563,619,791,897
131.2	- Other trade accounts receivable		888,247,973	414,854,999
132	Short-term prepayments to suppliers		189,648,282	106,018,000
136	Other short-term receivables	6(a)	199,777,878,746	166,095,471,952
137	Provision for doubtful debts - short-term	7	(25,781,732,228)	(29,953,620,580)
140	Inventories	8	10,906,163,404	36,417,776,783
141	Inventories		12,285,428,859	40,964,900,921
149	Provision for decline in value of inventories		(1,379,265,455)	(4,547,124,138)
150	Other current assets		455,060,722,169	585,394,346,564
151	Short-term prepaid expenses	9(a)	453,284,805,473	580,190,581,169
151.1	- Deferred commission expenses		453,183,431,245	580,190,581,169
151.2	- Other short-term prepaid expenses		101,374,228	-
152	Value Added Tax to be reclaimed	14(a)	1,775,916,696	5,203,765,395
190	Reinsurance assets		1,617,655,720,969	1,462,663,091,732
191	Unearned premium reserve for outward reinsurance	18(a)	480,852,069,331	470,264,225,140
192	Claim reserve for outward reinsurance	18(a)	1,136,803,651,638	992,398,866,592

The notes on pages 61 to 106 are an integral part of these consolidated financial statements.



CONSOLIDATED BALANCE SHEET (CONTINUED)


Form B 01 - DNPNT/HN

Code	ASSETS	Note	As at	
			31/12/2021 VND	31/12/2020 VND
200	LONG-TERM ASSETS		1,742,978,080,307	2,082,317,191,954
210	Long-term receivables		25,936,008,219	36,303,139,726
218	Other long-term receivables		25,936,008,219	36,303,139,726
218.1	- Insurance deposits	2.11	22,000,000,000	22,000,000,000
218.2	- Other long-term receivables	6(b)	3,936,008,219	14,303,139,726
220	Fixed assets		7,763,664,750	8,020,286,076
221	Tangible fixed assets	10(a)	7,763,664,750	8,020,286,076
222	Historical cost		30,710,866,071	29,980,897,654
223	Accumulated depreciation		(22,947,201,321)	(21,960,611,578)
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	6,409,861,437	8,031,430,158
231	Historical cost		34,055,061,893	34,055,061,893
232	Accumulated depreciation		(27,645,200,456)	(26,023,631,735)
240	Long-term assets in progress		17,107,901,513	15,652,813,679
241	Long-term work in progress	12	14,036,123,679	14,036,123,679
242	Construction in progress		3,071,777,834	1,616,690,000
250	Long-term investments		1,675,986,694,437	2,000,881,548,394
252	Investments in associates and joint ventures	4(c)	312,911,750,370	297,645,573,026
253	Investments in other entities	4(c)	337,701,918,974	357,354,024,845
254	Provision for impairment of long-term financial investments	4(c)	(474,000,291)	-
255	Held-to-maturity investments	4(d)	1,025,847,025,384	1,345,881,950,523
260	Other long-term assets		9,773,949,951	13,427,973,921
261	Long-term prepaid expenses	9(b)	964,663,623	5,569,640,588
262	Deferred income tax assets	33	950,952,995	-
268	Other long-term assets	6(b)	7,858,333,333	7,858,333,333
270	TOTAL ASSETS		7,156,614,285,179	6,975,739,928,429

Code	RESOURCES	Note	As at	
			31/12/2021 VND	31/12/2020 VND
300	LIABILITIES		3,870,939,538,027	3,830,456,981,846
310	Short-term liabilities		3,869,948,911,283	3,828,953,753,466
311	Short-term trade accounts payable	13	483,810,717,898	581,516,210,025
311.1	- Insurance payables		482,821,864,066	580,352,904,664
311.2	- Other trade accounts payable		988,853,832	1,163,305,361
312	Short-term advances from customers		1,411,832,743	1,503,634,974
313	Tax and other payables to the State	14(b)	17,428,131,172	16,220,037,904
314	Payables to employees		28,609,644,657	25,352,582,932
315	Short-term accrued expenses		324,371,676	302,524,570
319	Other short-term payables	15(a)	49,687,581,072	51,429,072,572
319.1	- Deferred commission income	15(a)	99,311,540,367	102,957,752,564
321	Provision for short-term liabilities	16	25,929,549,564	21,468,757,438
322	Bonus and welfare fund	17	26,088,235,092	22,690,170,128
329	Technical reserves	18	3,137,347,307,042	3,005,513,010,359
329.1	- Unearned premium reserves for inward reinsurance		1,095,520,329,811	1,196,704,406,560
329.2	- Claim reserves for inward reinsurance		1,857,062,704,442	1,636,743,500,588
329.3	- Catastrophe reserves		184,764,272,789	172,065,103,211
330	Long-term liabilities		990,626,744	1,503,228,380
337	Other long-term payables	15(b)	990,626,744	1,503,228,380
400	OWNERS' EQUITY		3,285,674,747,152	3,145,282,946,583
410	Capital and reserves		3,285,674,747,152	3,145,282,946,583
411	Owners' capital	19	1,507,371,300,000	1,310,759,370,000
411a	- Ordinary shares with voting rights		1,507,371,300,000	1,310,759,370,000
412	Share premium	19	369,756,607,309	566,368,537,309
418	Investment and development fund	20	206,077,621,278	211,573,836,051
419	Compulsory reserve	20	147,705,447,699	131,075,937,000
421	Undistributed earnings	20	1,021,039,304,742	891,887,455,949
421a	- Undistributed post-tax profits of previous years		700,769,765,222	588,621,802,716
421b	- Post-tax profit of current year		320,269,539,520	303,265,653,233
429	Non-controlling interests	20	33,724,466,124	33,617,810,274
440	TOTAL RESOURCES		7,156,614,285,179	6,975,739,928,429


NGUYEN THANH CONG
 Preparer


LUU THI VIET HOA
 Chief Accountant


MAI XUAN DZUNG
 General Director
 24 March 2022

The notes on pages 61 to 106 are an integral part of these consolidated financial statements.

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CONSOLIDATED BALANCE SHEET (CONTINUED)

Form B 01 - DNPNT/HN

			As at	
Code	OFF BALANCE SHEET ITEMS	Currency unit	31/12/2021	31/12/2020
1.	Foreign currencies			
	United States Dollar	USD	461,003,78	1,834,964,63
	Australian Dollar	AUD	345,15	345,15
	Japanese Yen	JPY	43,775,00	43,775,00
	Singapore Dollar	SGD	2,974,87	3,419,87
	Great Britain Pound	GBP	5,770,51	5,770,51
	Euro	EUR	257,206,30	115,531,26


NGUYEN THANH CONG
Preparer


LUU THI VIET HOA
Chief Accountant


MAI XUAN DZUNG
General Director
24 March 2022

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CONSOLIDATED INCOME STATEMENT


Form B 02 - DNPNT/HN

PART I - COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

		For the year ended	
Code	Note	2021 VND	2020 VND
10	Net income from insurance business	1,605,861,780,616	1,578,398,460,337
11	Investment income from investment properties	39,429,595,709	14,164,995,805
12	Financial income	27	365,586,847,756
13	Other income	627,774,476	641,715,981
20	Total insurance expenses	(1,476,106,971,239)	(1,485,160,867,556)
21	Cost of investment properties	(33,250,635,479)	(7,605,566,971)
22	Financial expenses	28	(41,806,408,317)
23	General and administrative expenses	29	(84,657,729,594)
24	Other expenses	(416,016,290)	(1,205,969,139)
25	Profit having from associates	32,381,023,580	38,838,017,475
50	Net accounting profit before tax	423,286,584,924	377,193,495,777
51	Business income tax ("BIT") - current	33	(66,121,705,916)
52	BIT- deferred	33	950,952,995
60	Net profit after tax	347,055,678,021	311,071,789,861
70	Basic earnings per share	21	2,235
71	Diluted earnings per shares	21	2,235


NGUYEN THANH CONG
Preparer


LUU THI VIET HOA
Chief Accountant


MAI XUAN DZUNG
General Director
24 March 2022

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CONSOLIDATED INCOME STATEMENT (CONTINUED)

Form B 02 - DNPNT/HN

PART II - COMPREHENSIVE CONSOLIDATED INCOME STATEMENT BY ACTIVITIES

		For the year ended	
Code	Note	2021 VND	2020 VND
1	Insurance premium income 22	2,347,344,273,540	2,328,522,737,462
1.2	- Inward reinsurance premium	2,246,160,196,791	2,447,705,160,831
1.3	- (Decrease)/increase in unearned premium reserves for inward reinsurance	(101,184,076,749)	119,182,423,369
2	Outward reinsurance premium 23	(962,796,018,762)	(988,683,109,085)
2.1	- Outward reinsurance premium	(973,383,862,953)	(950,799,681,643)
2.2	- Increase/(decrease) in unearned premium reserves for outward reinsurance	10,587,844,191	(37,883,427,442)
3	Net insurance premium income	1,384,548,254,778	1,339,839,628,377
4	Commission income from outward reinsurance and other insurance income	221,313,525,838	238,558,831,960
4.1	- Commission income from outward reinsurance 15(b)	205,117,518,035	216,930,820,188
4.2	- Other insurance income	16,196,007,803	21,628,011,772
10	Net income from insurance business	1,605,861,780,616	1,578,398,460,337
11	Claim expenses 24	(856,127,582,862)	(950,313,250,918)
11.1	- Gross claim expenses 24	(856,127,582,862)	(950,313,250,918)
12	Recoverable from outward reinsurance 24	548,472,453,322	579,287,329,344
13	Increase in inward claim reserves 24	263,813,338,082	59,871,801,757
14	Increase in outward claim reserves 24	180,782,500,303	105,536,227
15	Net claim expenses 24	(390,685,967,319)	(430,792,187,104)
16	Increase in catastrophe reserves	12,699,169,578	14,891,899,511
17	Other insurance expenses	(1,072,721,834,342)	(1,039,476,780,941)
17.1	- Commission expenses 25	(1,049,234,929,108)	(1,002,846,259,958)
17.2	- Other insurance expenses 26	(23,486,905,234)	(36,630,520,983)
18	Total insurance expenses	(1,476,106,971,239)	(1,485,160,867,556)
19	Gross insurance profit	129,754,809,377	93,237,592,781
20	Income from investment properties	39,429,595,709	14,164,995,805
21	Cost of investment properties	(33,250,635,479)	(7,605,566,971)
22	Profit from investment properties	6,178,960,230	6,559,428,834

The notes on pages 61 to 106 are an integral part of these consolidated financial statements.

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

		For the year ended		
Code	Note	2021 VND	2020 VND	
23	Financial income	27	440,196,284,389	365,586,847,756
24	Financial expenses	28	(95,917,055,674)	(41,806,408,317)
25	Profit from financial activities		344,279,228,715	323,780,439,439
26	General and administrative expenses	29	(89,519,195,164)	(84,657,729,594)
30	Operating profit		390,693,803,158	338,919,731,460
31	Other income		627,774,476	641,715,981
32	Other expenses		(416,016,290)	(1,205,969,139)
40	Net other income/(expense)		211,758,186	(564,253,158)
40.1	Profit sharing from associates		32,381,023,580	38,838,017,475
50	Net accounting profit before tax		423,286,584,924	377,193,495,777
51	Business income tax ("BIT") - current	33	(77,181,859,898)	(66,121,705,916)
52	BIT- deferred	33	950,952,995	-
60	Net profit after tax		347,055,678,021	311,071,789,861
	Attributable to:			
61	Shareholders of the Corporation		346,949,022,171	312,244,294,056
62	Non-controlling interests		106,655,850	(1,172,504,195)
70	Basic earnings per share	21	2,235	2,314
71	Diluted earnings per shares	21	2,235	2,314

NGUYEN THANH CONG
Preparer

LUU THI VIET HOA
Chief Accountant



MAI XUAN DZUNG
General Director
24 March 2022

The notes on pages 61 to 106 are an integral part of these consolidated financial statements.



CONSOLIDATED CASH FLOW STATEMENT

(Direct method)

Form B 03 - DNPNT/HN

		For the year ended	
Code	Note	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Proceeds from inward and outward reinsurance activities	691,598,279,339	574,997,091,053
02	Cash paid for inward and outward reinsurance activities	(588,112,339,933)	(437,534,364,332)
03	Cash paid to employees	(54,557,008,523)	(44,125,159,885)
05	BIT paid	(76,260,650,384)	(67,641,470,965)
06	Cash received from other operating activities	48,752,021,602	8,229,266,254
07	Cash paid for other operating activities	(61,474,076,965)	(29,539,293,174)
20	Net cash (outflows)/inflows from operating activities	(40,053,774,864)	4,386,068,951
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(2,291,321,234)	(2,641,835,855)
23	Purchases of debt instruments of other entities	(1,468,609,200,000)	(2,146,460,954,990)
24	Proceeds from sales of debt instruments of other entities	1,343,149,210,067	1,911,604,517,959
26	Proceeds from divestment in other entities	19,652,181,917	45,801,851,201
27	Dividends and interest received	315,533,321,727	401,818,699,523
30	Net cash inflows from investing activities	207,434,192,477	210,122,277,838
CASH FLOWS FROM FINANCING ACTIVITIES			
36	Dividends paid; profits distributed to owners	(196,613,905,500)	(262,150,813,160)
40	Net cash outflows from financing activities	(196,613,905,500)	(262,150,813,160)
50	Net decrease in cash and cash equivalents	(29,233,487,887)	(47,642,466,371)
60	Cash and cash equivalents at beginning of year	55,424,073,810	103,163,125,222
61	Effect of foreign exchange differences	(908,814,012)	(96,585,041)
70	Cash and cash equivalents at end of year	25,281,771,911	55,424,073,810


NGUYEN THANH CONG
 Preparer


LUU THI VIET HOA
 Chief Accountant


MAI XUAN DZUNG
 General Director
 24 March 2022

The notes on pages 61 to 106 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2021

Form B 09 - DNPNT/HN

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 the stock trading code 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.

As of 31 December 2021, 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 ("Vinare Invest")	Investment	Hanoi, Vietnam	63.9%	63.9%
Associate				
Samsung Vina Insurance Company Limited	Insurance	Hanoi, Vietnam	25%	25%

As at 31 December 2021, the Corporation and its subsidiary had 98 employees (as at 31 December 2020: 101 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 reinsurance 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.

2.2 Fiscal year

The Corporation and its subsidiary's fiscal year is from 1 January to 31 December.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2021

Form B 09 – DNPNT/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Currency

The consolidated financial statements are measured and presented in the Vietnamese Dong (“VND”). The Corporation and its subsidiary determine accounting currency based on the currency which is mainly used in collection of inward reinsurance premiums, payment of outward reinsurance premiums, inward/outward reinsurance commissions transactions; which is normally used for inward/outward premiums price listing and receiving payments; which is mainly used in claims payments/receipts; which has a significant impact on cost of labor, cost of reinsurance commission, and other reinsurance expenses and normally used as payments of those costs.

In addition, the Corporation and its subsidiary also use this currency to raise financial resources from business operation and savings.

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 banks 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 banks. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are translated at the transfer rate at the balance sheet date of the commercial banks where the Corporation and its subsidiary regularly trade. The transfer rate is the buying rate or selling rate of the commercial banks. 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 50% 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 subsidiaries 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 subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

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.

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 include goodwill identified on acquisition, net of any accumulated impairment loss.

The Corporation and its subsidiary'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 a associate equals or exceeds its interest in the associate, the Corporation and its subsidiary do 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 and its subsidiary.

Unrealised gains and losses on transactions between the Corporation and associates are eliminated to the extent of the Corporation and its subsidiary's interest in the associates.

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 receivables from inward reinsurance, receivables from outward reinsurance, reinstatement premium receivables and other receivables from reinsurance activities;
- 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2021

Form B 09 – DNPNT/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Receivables (continued)

Provision for doubtful debts is made for each outstanding amount based on the number of overdue days to the initial payment commitment (not taking into account the rescheduled payment agreed between parties), or based on the estimated loss that may arise. When making provision for a debtor that has both receivable and payable balances, based on the record of debt reconciliation sent to debtors, the Corporation and its subsidiary shall make provision for the remaining receivable amount after offsetting with the payable balance. Bad debts are written off when identified.

Receivables are classified into long-term and short-term 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 weighted average method 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.

The Corporation and its subsidiary apply the perpetual system for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period 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. Difference in the provision balances between the beginning and closing of the financial year is recorded as an increase or decrease in financial expenses of the year. A reversal, if any, is made only to the extent the investment is wholly or partly restored to its original cost, but in any case the reversal not exceeds the corresponding provision previously made.

Provision for impairment of investments in entrusted funds is made when the carrying amount of such investment exceeds the net asset value ("NAV") of the investment at the balance sheet date as reported by the entrusted 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 having control or common control, or without having significant influence over the investees. The Board of Management shall review these investments to determine the amount of provision to recognise at the year end.

(d) Provision for investments in other entities

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end.

For investments in shares listed on stock exchanges, shares of the public companies registered for trading on the Unlisted Public Company Market ("UPCoM"), the Board of Management bases on the closing price of the trading session on the reporting date (or the preceding session if there is no transaction on the reporting date) to record provision at the year end.

For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Board of Management before the date of investment. The Board of Management reviews the financial position and business performance in the audited financial statements of the current period or the latest period for all outstanding investments to determine the amount of provision to recognise at the year end.

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 wholly or partly restored to its original cost, but in any cases the reversal does not exceed the corresponding provision previously made.

2.11 Insurance deposits

The Corporation is obliged to make a deposit equal to 2% of the Corporate's legal capital, and such deposit shall be entitled an interest rate as agreed with the bank to which the deposit is made and shall be refundable at the end of the term. The Corporation can only use its insurance deposits to meet its commitment to insurance buyers 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 consolidated income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method to write off the historical cost of the fixed assets over their estimated useful lives. The principal annual rates of each asset class are as follows:

Buildings and structures	4%
Motor vehicle	17%
Office equipment	25%
Other tangible fixed assets	20 - 25%
Software	20%

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 installation or 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2021

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 period 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, they are charged to the consolidated income statement when incurred.

Depreciation

Investment properties are depreciated under the straight-line method to write off the historical cost of the assets over their estimated useful lives. The estimated useful lives of the investment properties 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 recognized 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 its subsidiary 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 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.

2.17 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 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 invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

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 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 its 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 its 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 six-month period prior to the balance sheet date. This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

The Corporation and its subsidiary do not recognise the provision for severance allowances as the Corporation and its subsidiary apply Circular No. 180/2012/TT-BTC of the Ministry of Finance dated 24 October 2012.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2021

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 No. 50/2017/TT-BTC dated 15 May 2017 issued by the Ministry of Finance (to replace Circular No.125/2012/TT-BTC);
- Official letter No. 2713/BTC-QLBH dated 12 March 2018 issued by the Ministry of Finance and effective from the financial year 2017;
- Official letter No. 2134/BTC-QLBH dated 22 February 2019 issued by the Ministry of Finance and effective from the financial year 2019;
- Circular No. 01/2019/TT-BTC issued by the Ministry of Finance on 2 January 2019 (amending Circular 50/2017/TT-BTC); and
- Circular No. 89/2020/TT-BTC issued by the Ministry of Finance on 11 November 2020 (amending 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 1 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 1 year with the payment term under 1 year, renewed annually and signed before the effective date of Circular 50/2017/TT-BTC, the Corporation applied 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 1 year and signed after the effective date of Circular 50/2017/TT-BTC, the Corporation sets up the mathematical reserves in accordance with the applicable regulations.

(b) Claim reserves

- Claims reserves for the losses which were 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.
- Claims reserves for the losses incurred but not (fully) reported ("IBNR") are provided for at 5% of the total aggregated inward/outward reinsurance premium for each insurance product in the financial year.

(c) Catastrophe reserves

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

(d) Equalisation reserves

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

- Health-care reinsurance: Equalisation reserves are made annually at the rate of 1% of the retained premium for all transactions until it reaches 100% of Corporate's retained premium in the year.
- Life reinsurance: Equalisation reserves are made annually at the rate of 1% of the Corporate's profit before tax until it reaches 5% of the life inward premium received in the year.

On 28 December 2005, the Ministry of Finance issued Decision 100/2005/QĐ-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 "possible claims under contracts that are not in existence at the reporting date".

However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 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 year, 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 1/8 coefficient.
 - For reinsurance contract with a term of more than 1 year with the payment term under 1 year, renewed annually: mathematical reserve is calculated at a 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:

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 when the amounts is actually received.

Undistributed earnings record the Corporation and its subsidiary's accumulated financial performance (profit or loss) after business income tax at the reporting date.

2.24 Appropriation of profit

Profit after business income tax can be distributed to shareholders upon approval at General Meeting of Shareholders, and after appropriation to other funds in accordance with the Corporation and its subsidiary's charter and Vietnamese regulations.

The Corporation's and its subsidiary's funds are as below:

(a) Compulsory reserve fund

In accordance with Article 77 of the Decree No.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 profit after-tax until the fund reaches 10% of the Corporate's charter capital.

(b) Investment and development fund

The investment and development fund are appropriated from profit after tax of the Corporation and approved by shareholders in the General Meeting of Shareholders. The fund is used to expand the scale of business or in-depth investment of the Corporation. Based on the Resolution No. 06/2013/NQ/DHDCD dated 25 April 2013, which is the amendment for Resolution No. 07/NQ-DHDCD/2006 dated 28 April 2006 and No. 08/NQ-DHDCD/2008 dated 28 April 2008, the investment and development fund is appropriated at the rate of 2% of annual profit after tax and approved at the Annual General Meeting of Shareholders.

(c) Bonus and welfare fund

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

2.25 Revenue recognition

(a) Inward reinsurance premium

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

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

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

The Corporation recognizes reinstatement premium for excess-of-loss reinsurance contracts. This is the amount the insurers have to top up so as to restore the coverage up to the contract's original limit.

Reinstatement premium is recognized based on the statement of accounts which is confirmed between the Corporation and the insurers for the losses which have been compensated for. At the year end of the financial year, the Corporation accrues reinstatement premium for losses that have occurred but have not been compensated.

(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) Dividend income

Income from dividends is recognised when the Corporation and its subsidiary have established the receiving dividends 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 all 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 outward 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 in the event that any reinsurer is unable to meet its obligations under reinsurance agreements.

Reinstatement premium payables are recognized for excess-of-loss reinsurance contract. This is the amount the Corporation has to top up to restore the coverage up to the contract's original limit. Reinstatement premium is recognized based on the statement of accounts which is confirmed between the Corporation and the re-insurers for the losses which have been compensated for. At the end of the fiscal year, the Corporation accrues reinstatement premium for losses that have occurred but have not been compensated.

2.27 Commission expenses

Commission expenses represent fee payments to ceding insurance companies of the Corporation. They are calculated on the basis of gross inward reinsurance premium.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acceptance 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 that are incurred for administrative purposes of the Corporation and its subsidiary.

2.32 Current and deferred income tax

Income tax include all Income tax which are 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 period, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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.

2.33 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, the Board of Supervision, the 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 financial statements of reinsurance 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 18);
- Unearned commission revenue (Note 2.22 and Note 15); and
- Reinstatement premium receivable and reinstatement premium payables (Note 2.25(a), Note 2.26, and Note 18).

(*) For receivables related to real estate projects, the Board of Management prudently evaluates the recoverability of the assets in the future, using discounted cash flow method based on assumptions such as expected selling price, time to construct and handover the asset and discount rate to derive at the fair values of the asset at the date of the consolidated balance sheet.

Such estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that may have a financial impact on the Corporation and its subsidiary and that are assessed to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	31/12/2021 VND	31/12/2020 VND
Cash on hand	786,508,519	978,027,728
Cash in bank	24,495,263,392	54,446,046,082
	25,281,771,911	55,424,073,810



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4 INVESTMENTS

(a) Trading securities

	As at 31/12/2021			As at 31/12/2020		
	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

	Tại ngày 31/12/2021			Tại ngày 31/12/2020		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Short-term deposits (i)	2,338,300,000,000	2,338,300,000,000	-	1,936,500,000,000	1,936,500,000,000	-
Short-term bonds (ii)	100,000,000,000	(*)	-	10,000,000,000	(*)	-
Entrusted investments (iii)	117,327,849,488	176,641,270,280	(876,212)	106,740,931,318	131,544,679,778	-
	2,555,627,849,488	(*)	(876,212)	2,053,240,931,318	(*)	-

i. Deposits at local commercial banks with original terms of more than 3 months and remaining maturities within 12 months from 31 December 2021, interest rates ranging from 4.9% to 7.1% per annum (2020: from 4.9% to 8% per annum).

ii. Unlisted bonds at local commercial banks with remaining maturities within 12 months from 31 December 2021 and interest rates ranging from 7% to 7.4% per annum (2020: 8.3% per annum).

iii. Investments under entrusted contracts with Vietcombank Fund Management ("VCBF") and SSI Asset Management Limited Company ("SSIAM"), with the pre-determined remaining maturities within 12 months from 31 December 2021. The Corporation bears all risks related to the entrusted investments. Details are as follows:

	Historical cost VND	Management fee for entrusted fund VND	Net book value at 31/12/2021 VND	Net asset value as at 31/12/2021 VND	Provision VND
SSIAM	70,000,000,000	(60,382,073)	69,939,617,927	69,938,741,715	(876,212)
VCBF	50,000,000,000	(2,611,768,439)	47,388,231,561	106,702,528,565	-
	120,000,000,000	(2,672,150,512)	117,327,849,488	176,641,270,280	(876,212)

(c) Investments in other entities

	As at 31/12/2021			As at 31/12/2020		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Investments in associates	312,911,750,370	(*)	-	297,645,573,026	(*)	-
Investments in other entities	337,701,918,974	(*)	(474,000,291)	357,354,024,845	(*)	-
	650,613,669,344	(*)	(474,000,291)	654,999,597,871	(*)	-

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

	31/12/2021 VND	31/12/2020 VND
Opening balance	297,645,573,026	274,951,845,713
Profit sharing from associates	32,381,023,580	38,838,017,475
Dividends received (Note 36(a))	(17,114,846,236)	(16,144,290,162)
Closing balance	312,911,750,370	297,645,573,026



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4 INVESTMENTS (CONTINUED)

(c) Investments in other entities (continued)

Investments in other entities include investments in other companies over which the Corporation and its subsidiary do not have the right to control or have significant influence. Details of investments are as follows:

	As at 31/12/2021			As at 31/12/2020		
	Cost VND	Fair value VND	Provision (**) VND	Cost VND	Fair value VND	Provision VND
Petrolimex Joint Stock Insurance Corporation	-	-	-	76,046	173,200	-
Post and Telecommunication Joint Stock Insurance Corporation	38,416,000,000	209,817,216,000	-	38,416,000,000	78,236,928,000	-
Sai Gon – Ha Long Hotel	10,139,800,000	(*)	(474,000,291)	10,139,800,000	(*)	-
Global Insurance Joint Stock Company	17,600,000,000	(*)	-	17,600,000,000	(*)	-
Agriculture Bank Insurance Joint Stock Company	32,000,000,000	226,176,000,000	-	32,000,000,000	133,760,000,000	-
Hung Vuong Insurance Joint Stock Company	30,000,000,000	(*)	-	30,000,000,000	(*)	-
Tien Phong Commercial Joint Stock Bank	209,546,118,974	1,982,965,692,350	-	229,198,148,799	1,048,901,133,600	-
	337,701,918,974	(*)	(474,000,291)	357,354,024,845	(*)	-

(*) As of 31 December 2021 and 31 December 2020, the Company 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 Company assessed the provision of the investments based on the accumulated losses of these investees as of 31 December 2021.

(d) Held-to-maturity investments

	As at 31/12/2021			As at 31/12/2020 (As restated)		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Long-term deposits (i)	423,500,000,000	423,500,000,000	-	1,023,000,000,000	1,023,000,000,000	-
Long-term bonds (ii)	459,490,021,918	(*)	-	239,100,000,000	(*)	-
Entrusted investments (iii)	137,857,003,466	194,394,255,216	-	78,781,950,523	102,209,875,777	-
Other investments to Bao Viet Prospect Equity Fund	5,000,000,000	(*)	-	5,000,000,000	(*)	-
	1,025,847,025,384	(*)	-	1,345,881,950,523	(*)	-

i. Deposits at local commercial banks with remaining maturities of more than 12 months from 31 December 2021 and interest rates ranging from 5.3% to 5.6% per annum (2020: from 4.9% - 7.1% per annum)

ii. Unlisted bonds of local commercial banks in Vietnam with remaining maturities of 1 to 5 years from 31 December 2021 and interest rates ranging from 6.3% to 8.5% per annum (2020: from 6.9% - 8.5% per annum)

iii. Investments under entrusted contracts with Vietcombank Fund Management ("VCBF"), Bao Viet Fund Management Company ("BVF") and MB Capital Management Joint Stock Company (MB Capital), with the pre-determined remaining maturities of more than 12 months from 31 December 2021. The Corporation bears all risks related to the entrusted investments. Details are as follows:

	Cost VND	Management fee for entrusted fund VND	Net book value at 31/12/2021 VND	Net asset value as at 31/12/2021 VND	Provision VND
BVF	30,000,000,000	(215,691,830)	29,784,308,170	38,771,447,284	-
VCBF	80,000,000,000	(1,523,370,644)	78,476,629,356	122,725,171,367	-
MB Capital	30,000,000,000	(403,934,060)	29,596,065,940	32,897,636,565	-
	140,000,000,000	(2,142,996,534)	137,857,003,466	194,394,255,216	-

(*) As of 31 December 2021 and 31 December 2020, the Company 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.



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5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2021 VND	31/12/2020 VND
Receivable from insurance contracts	574,030,810,370	563,619,791,897
- Receivable from inward reinsurance	291,379,969,989	294,365,347,246
- Receivable from outward reinsurance	260,129,149,848	245,467,645,205
- Other receivables from reinsurance activities	22,521,690,533	23,786,799,446
Other trade receivables	888,247,973	414,854,999
	574,919,058,343	564,034,646,896

6 OTHER RECEIVABLES

(a) Short-term

	31/12/2021 VND	31/12/2020 VND
Accrued short-term deposit interest income	107,237,858,353	75,219,600,002
Accrued short-term bond interest income	7,432,630,137	1,771,630,137
Premium withheld by insurance companies	28,310,364,354	20,366,418,458
Investment cooperation contract deposit related to Tincom Plaza project (i)	43,414,421,304	53,513,866,700
Principal receivable from the investment to Contrexim Complex project (ii)	7,500,000,000	7,500,000,000
Interest receivables from the investment to Contrexim Complex project (ii)	2,577,541,667	2,577,541,667
Receivable from the investment to Hanoi Paragon project (iii)	2,345,742,517	3,745,742,517
Others	959,320,414	1,400,672,471
	199,777,878,746	166,095,471,952
Provision for doubtful debts - short-term		
- Contrexim Complex project (ii)	(10,077,541,667)	(10,077,541,667)
- Hanoi Paragon project (iii)	(2,345,742,517)	(2,622,019,762)
	(12,423,284,184)	(12,699,561,429)
	187,391,544,994	153,395,910,523

(i) Tincom Plaza Project

The amount represents the investments contributed by the Corporation and the subsidiary under the Business Co-operation Contract No. 02/2010/HDDC-Tincom Plaza dated 1 July 2010 between the subsidiary and 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.

The total invested amount by the subsidiary in the Project was VND60,149,250,000 in which VND 7,134,674,895 was contributed by the Corporation and VND 53,014,575,105 was contributed by other investors. However, the construction of the Project has been delayed by the Investor for a long period of time and the construction of HH3 building has been ceased 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/QĐ-HDQT dated 22 June 2018 of the Board of Directors, Management of the Corporation and its subsidiary had decided not to continue to invest in this project and filed a lawsuit against the Investor.

In accordance with Decision No. 14/2019/QĐST-KDTM dated 15 November 2019 by the Thanh Xuan District Court ("Decision No. 14"), Thang Long Company must 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 up to 31 October 2019) to the subsidiary either in cash or by handing apartments of the Project to the subsidiary.

On 30 December 2019 and 31 August 2020, the subsidiary and Thang Long Company have signed settlement agreements by apartments, according to that, Thang Long Company shall hand over 65 apartments (comprising 7 completed apartments in HH2 buildings and 58 unbuilt apartments in HH3 building) with a total value equal to those stated in the apartment purchase contracts of the off-the-plan apartments equivalent to VND 117,880,956,550. 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.

On 10 January 2020 and 31 August 2020 Accordingly, the subsidiary and Thang Long Company has signed apartment purchase contracts for 65 apartments, with total value of VND 117,880,956,550 (in which the value of 7 apartments in HH2 building is at VND 17,687,716,550 and the value of 58 apartments in HH3 building is at VND 100,193,240,000). These apartment purchase contracts do not establish the ownership of the subsidiary to the apartments until the subsidiary continues paying in full the apartment selling price and other related payments as specified in the contracts.

Up until 31 December 2021, the subsidiary has transferred all 7 apartment purchase contracts of HH2 apartments to third parties. The remaining 58 apartments in HH3 building have not been handed over to the subsidiary as the construction of HH3 building is not yet completed. For those HH3 apartments, the subsidiary will need to pay an additional 30% of the value of apartments, equivalent to VND 42,939,960,000, comprising of 25% of the value of the apartments, equivalent to VND 35,783,300,000 to eligible for apartment hand-over and the remaining 5% of the value of the apartments, equivalent to VND 7,156,660,000 when the subsidiary receives the ownership certificate.

On 31 December 2021, Thang Long Company and the subsidiary signed a Minute on Debts Balance Reconciliation and Confirmation to add up the late payment interest up to 31 December 2021. According to this, the remaining balance that Thang Long Company is required to pay in cash is VND 15,645,957,604 (VND 8,495,105,200 of principal and VND 5,621,733,468 of interest (Note 39).

In accordance with the apartment purchase agreement between the subsidiary and Thang Long Company and document No. 85/2020/CV-TL responded by Thang Long Company dated 21 December 2020, the construction of HH3 building is expected to be resumed in March 2021. Thang Long Company has committed to deliver 27 HH3 apartments on 25 March 2022 and 31 remaining HH3 apartments on 25 December 2022. However at present the construction of HH3 building has not been resumed.

As of 31 December 2021, all 58 apartments in HH3 building have not been handed over to the subsidiary hence the investment is reflected as receivables at cost of VND 43,414,421,304 after deducting the value received from sales of 4 apartments in HH2 building in 2021 and 3 HH2 apartments in 2021 and 2020 respectively. The Corporation and Vinare Invest are willing to sell the apartments to recover the invested amount.

The recoverability of the receivable is determined by the Board of Management by offsetting with the fair value of the apartments which will be handed over by the Investor to the subsidiary when the HH3 building construction is completed and on the basis that the Corporation and the subsidiary continue to pay 25% of the value of the apartments, equivalent to VND 35,783,300,000 to eligible for apartment hand-over and the remaining 5% of the value of the apartments, equivalent to VND 7,156,660,000 when the subsidiary receives the ownership certificate



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6 OTHER RECEIVABLES (CONTINUED)

(a) Short-term (continued)

(i) Tincom Plaza project (continued)

According to the Valuation Certificate No. 495/CT-DG/VAE dated 17 December 2021 issued by the Vietnam Auditing and Evaluation Co., Ltd ("the valuation company"), the appraised value of these 58 apartments was estimated at VND 67,423,000,000 using the discounted cash flow method. Based on this result, the Board of Management has made further assessment by adjusting the expected selling price from VND 31,600,000 per m2 (the unit selling price used by the valuation company) to VND 28,000,000 per m2 (the actual unit selling price stated in the apartment purchase agreements signed with Thang Long Company) and adjusted the appraised value down to VND 56,556,471,948. According to the Management, the fair value of the amount is estimated higher than their book value of the investment principal of VND 43,414,421,304, no provision is required for the principal receivables amount.

The Board of Management has assessed that the recoverability of the interest at VND 73,377,664,154 is uncertain hence reflected the receivable interest as contingent assets (Note 39 - Contingent assets) in the consolidated financial statements.

(ii) Contrexim Complex project

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, the subsidiary is entitled to product sharing from the project.

During the period from 1 December 2010 to 10 December 2010, if the subsidiary does not have intention to receive the product sharing corresponding to the amount of the contributed investment, the subsidiary has the right to sell the apartments to Viet San Investment Joint Stock Company. However, as of 4 November 2010, the subsidiary issued Official Letter No. 38/2010/HTDT announcing the termination of the investment, transferring of product purchasing rights to Viet San Company. The subsidiary has initiated a lawsuit against The Vietnam Bank for Agriculture and Rural Development and Viet San Company for the receivable amount from Viet San Company.

As of 31 December 2021, the subsidiary has not yet collected this investment including both principal and interest of VND 10,077,541,667. The Board of Management assessed this receivable balance is a bad debt and the subsidiary has made a provision for 100% value of this receivable balance (Notes 7 and Note 8).

(iii) Hanoi Paragon Project

This is the principal 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. In 2021, VT Construction and Trade Joint Stock Company had paid VND 1,400,000,000. The subsidiary has made 100% provision for the remaining receivable balance (Notes 7 and Note 8).

(b) Long-term

	31/12/2021 VND	31/12/2020 VND
Accrued interest income from investments	3,936,008,219	14,303,139,726
Land lot in Tincom Plaza Project (*)	7,858,333,333	7,858,333,333
	11,794,341,552	22,161,473,059

(*) This represents the principal and interest of Vinare Invest's contribution related to the cooperation and product sharing of the Tincom 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 project is approved.

As of 31 December 2021, the legal procedures to ensure the conditions for handover of this land lot have not been completed due to change of planning by the Investor.

In accordance with the Valuation Certificate No. 200517/CT-VNVC dated 29 December 2020 issued by Vietnam Appraisal and Consulting Joint Stock Company, the appraised value of this property was VND 10,740,037,212 (inclusive of VAT). The Board of Management has assessed that the expected recoverability of the amount is higher than the book value, therefore, no provision is provided for this receivable in the consolidated financial statements as of 31 December 2021.

7 PROVISION FOR DOUBTFUL DEBTS

	As at 31/12/2021				Recoverable amount VND
	Overdue trade accounts receivable VND	Trade accounts payable VND	Net overdue trade accounts receivable VND	Provision VND	
Short-term trade accounts receivable					
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 short-term provision for doubtful debts				(25,781,732,228)	



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7 PROVISION FOR DOUBTFUL DEBTS (CONTINUED)

	As at 31/12/2020				
	Overdue trade accounts receivable VND	Trade accounts payable VND	Net overdue trade accounts receivable VND	Provision VND	Recoverable amount VND
Short-term trade accounts receivable					
1) Vass Assurance Corporation	6,338,175,073	(364,391,214)	5,973,783,859	(5,142,121,071)	831,662,788
2) Willis (Singapore) Pte Ltd	9,032,237,681	(2,010,899,783)	7,021,337,898	(6,758,122,294)	263,215,604
3) Xuan Thanh Insurance Joint Stock Corporation	9,156,880,622	(6,311,616,731)	2,845,263,891	(1,082,919,165)	1,762,344,726
4) PVI Insurance Corporation	1,690,331,228	(661,095,787)	1,029,235,441	(1,019,142,310)	10,093,131
5) Others	11,044,918,540	(6,614,703,756)	4,430,214,784	(3,251,754,311)	1,178,459,473
	37,262,543,144	(15,962,707,271)	21,299,835,873	(17,254,059,151)	4,045,775,722
Other short-term receivables					
1) Contrexim Complex Project	10,077,541,667	-	-	(10,077,541,667)	-
2) Hanoi Paragon Project	3,745,742,517	-	-	(2,622,019,762)	1,123,722,755
	13,823,284,184	-	-	(12,699,561,429)	1,123,722,755
Total short-term provision for doubtful debts				(29,953,620,580)	

8 INVENTORIES

	31/12/2021		31/12/2020	
	Historical cost VND	Provision VND	Historical cost VND	Provision VND
Apartment No. B0303	4,065,155,091	(607,151,091)	4,065,155,091	(607,151,091)
Apartment No. B0601	-	-	4,046,033,727	(450,498,227)
Apartment No. B0603	-	-	4,065,155,091	(607,151,091)
Apartment No. B1101	-	-	4,261,046,455	(520,374,455)
Apartment No. B1103	-	-	4,281,202,364	(680,644,364)
Apartment No. B12A03	-	-	4,065,155,091	(607,151,091)
Apartment No. B2101	4,281,361,909	(527,482,909)	4,281,361,909	(527,482,909)
Apartment No. B2103	-	-	3,915,431,455	(302,039,455)
Apartment No. B2704 (*)	3,915,431,455	(244,631,455)	3,915,431,455	(244,631,455)
Apartment No. 12A04	-	-	4,039,917,818	-
Apartment No. B1804	-	-	-	-
Others	23,480,404	-	29,010,465	-
	12,285,428,859	(1,379,265,455)	40,964,900,921	(4,547,124,138)
Provision	(1,379,265,455)		(4,547,124,138)	
	10,906,163,404		36,417,776,783	

As of 31 December 2021, inventories mainly represent the value of three apartments handed over from VT Construction and Trade Joint Stock Company to offset its liabilities to the subsidiary, recorded with historical cost of VND 12,285,428,859, owned by the subsidiary at Hanoi Paragon Project - Dich Vong Hau Urban Area, Cau Giay District, Hanoi.

In accordance with the valuation report No.200453/CT-VNVC dated 10 December 2020 issued Vietnam Appraisal and Consulting Joint Stock Company, the appraised value of the 3 apartments is estimated at VND 10,606,570,077. However, based on the actual selling prices of similar apartments in the Hanoi Paragon Project in 2021, the Board of Management assessed that as at 31 December 2021, there was no significant difference between the historical costs of the three apartments, the appraisal value and the actual selling prices noted during the year, hence no additional provision was made for inventories for financial year ended 31 December 2021.

(*) On 15 December 2021, Vinare Invest submitted an Application to the People's Court of Hai Ba Trung District to sue the buyer of apartment B2704. This buyer has only paid an advance of VND 1,262,700,000, equivalent to 30% of the value of the apartment as per the contract and has not yet paid the remaining obligation for apartment handover. At the date of signing this financial statement, Vinare Invest is waiting for a response from the Court.



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9 PREPAID EXPENSES

(a) Short-term

	31/12/2021 VND	31/12/2020 VND
Deferred commission expenses (*)	453,183,431,245	580,190,581,169
Other short-term prepaid expenses	101,374,228	-
	453,284,805,473	580,190,581,169

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

	31/12/2021 VND	31/12/2020 VND
Beginning of year	580,190,581,169	406,888,443,007
Increase during the year	922,227,779,184	1,176,148,398,120
Allocation during the year (Note 25)	(1,049,234,929,108)	(1,002,846,259,958)
End of year	453,183,431,245	580,190,581,169

(b) Long-term

	31/12/2021 VND	31/12/2020 VND
Long-term prepaid expenses for entrusted fund	-	4,477,118,159
Others long-term prepaid expenses	964,663,623	1,092,522,429
	964,663,623	5,569,640,588

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Motor vehicle VND	Office equipment VND	Others VND	Total VND
Historical cost					
As at 1/1/2021	18,354,529,037	3,033,957,071	7,704,237,247	888,174,299	29,980,897,654
New purchases	-	-	844,618,417	36,050,000	880,668,417
Disposals	-	-	(150,700,000)	-	(150,700,000)
As at 31/12/2021	18,354,529,037	3,033,957,071	8,398,155,664	924,224,299	30,710,866,071
Accumulated depreciation					
As at 1/1/2021	(11,728,955,538)	(2,990,342,071)	(6,858,344,934)	(382,969,035)	(21,960,611,578)
Charge for the year	(694,958,023)	(13,420,000)	(281,585,150)	(142,941,153)	(1,132,904,326)
Disposals	-	-	146,314,583	-	146,314,583
As at 31/12/2021	(12,423,913,561)	(3,003,762,071)	(6,993,615,501)	(525,910,188)	(22,947,201,321)
Net book value					
As at 1/1/2021	6,625,573,499	43,615,000	845,892,313	505,205,264	8,020,286,076
As at 31/12/2021	5,930,615,476	30,195,000	1,404,540,163	398,314,111	7,763,664,750

Historical cost of fully depreciated tangible fixed assets but still in use as of 31 December 2021 was VND 10,251,005,603 (as of 31 December 2020: VND 10,359,605,603).



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10 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Software VND
Historical cost	
As at 1/1/2021	32,434,195,934
As at 31/12/2021	32,434,195,934
Accumulated amortisation	
As at 1/1/2021	(32,434,195,934)
As at 31/12/2021	(32,434,195,934)
Net book value	
As at 1/1/2021	-
As at 31/12/2021	-

Historical cost of fully amortised intangible fixed assets but still in use as of 31 December 2021 was VND 32,434,195,934 (as of 31 December 2020: VND 32,434,195,934).

11 INVESTMENT PROPERTIES

	Investment properties for leasing VND
Historical cost	
As at 1/1/2021	34,055,061,893
As at 31/12/2021	34,055,061,893
Accumulated depreciation	
As at 1/1/2021	(26,023,631,735)
Charge for the year	(1,621,568,721)
As at 31/12/2021	(27,645,200,456)
Net book value	
As at 1/1/2021	8,031,430,158
As at 31/12/2021	6,409,861,437

Investment properties represent the value of the Building No. 141 Le Duan 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 2021 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 CONSTRUCTION IN PROGRESS

	31/12/2021 VND	31/12/2020 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 between the Corporation, Vinare Invest and Vietnam Railway Signal - Telecommunication Joint Stock Company, which was invested by the Corporation in accordance with the Business Cooperation Contract No. 25/2011/HĐHTKD 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 Department of Planning and Architecture in the Official Letter No.1369/VP-DT of Hanoi People's Committee dated 23 February 2018.

On 18 January 2019, Hanoi Department of Planning and Investment issued Notification letter No. 96/TB-KH&DT to Vinare Invest to update the status on its application for the investment policy of the project "Mixed use complex for service, commercial, office and house project at 142 Dinh Cong, Hoang Mai, Hanoi". According to this notification letter, the project dossier has generally met the conditions to apply with Hanoi People's Committee for approval of the investing policy, however it is currently subject to review for conversion of land use purposes under the direction of the Hanoi People's Committee dated 2 January 2019, which is currently being executed by the city's departments and agencies. After the results of the review, inspection, research, and evaluation of projects using land for production and business purposes in the area of Hanoi city are available, the Department of Planning and Investment will continue to provide further guidance to Vinare Invest to complete the dossier according to applicable regulations.

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

13 TRADE ACCOUNTS PAYABLE

	31/12/2021 VND	31/12/2020 VND
Payables of insurance contracts	482,821,864,066	580,352,904,664
- Payable for inward reinsurance activities	169,184,689,062	238,830,722,156
- Payable for outward reinsurance activities	311,368,408,837	340,584,747,561
- Other payables for reinsurance activities	2,268,766,167	937,434,947
Other trade payables	988,853,832	1,163,305,361
- Other payables	988,853,832	1,163,305,361
	483,810,717,898	581,516,210,025



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14 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1/1/2021 VND	Receivables/ payable during the year VND	Receipt/ payment/offset during the year VND	As at 31/12/2021 VND
a) Tax and other receivables from the State				
Value added tax	5,203,765,395	158,329,325	(3,586,178,024)	1,775,916,696
b) Tax and other payables to the State				
Value added tax	51,667,659	4,338,432,063	(4,313,350,044)	76,749,678
Personal income tax	331,655,069	8,254,543,476	(8,115,595,792)	470,602,753
Business income tax	15,786,475,549	77,181,859,898	(76,260,650,384)	16,707,685,063
Other taxes	50,239,627	1,008,832,325	(885,978,274)	173,093,678
	16,220,037,904	90,783,667,762	(89,575,574,494)	17,428,131,172

15 OTHER PAYABLES

	31/12/2021 VND	31/12/2020 VND
(a) Short-term		
Withheld premiums ceded	23,477,631,391	15,215,855,236
Payable to co-investors of Tincom Plaza Project (Note 7)	15,794,143,115	22,641,503,475
Payable to co-investors of Hanoi Paragon Project (Note 8)	1,486,757,941	5,915,459,941
Payable to co-investors of 142 Dinh Cong Project (Note 12)	646,765,000	646,765,000
Others	8,282,283,625	7,009,488,920
	49,687,581,072	51,429,072,572
Deferred commission income (*)	99,311,540,367	102,957,752,564
	148,999,121,439	154,386,825,136
(b) Long-term		
Long-term deposits	990,626,744	1,503,228,380
	149,989,748,183	155,890,053,516

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

	31/12/2021 VND	31/12/2020 VND
Beginning of year	102,957,752,564	111,386,015,883
Increase during the year	201,471,305,838	208,502,556,869
Allocation during the year	(205,117,518,035)	(216,930,820,188)
End of year	99,311,540,367	102,957,752,564

16 PROVISION FOR SHORT-TERM LIABILITIES

	31/12/2021 VND	31/12/2020 VND
Provision for reinstatement premium payable	25,929,549,564	21,468,757,438

17 BONUS AND WELFARE FUND

	31/12/2021 VND	31/12/2020 VND
Beginning of year	22,690,170,128	18,970,301,148
Increase in year (Note 20)	10,049,971,952	10,978,640,823
Utilisation in year	(6,651,906,988)	(7,258,771,843)
End of year	26,088,235,092	22,690,170,128

18 TECHNICAL RESERVES

	31/12/2021 VND	31/12/2020 VND
Unearned inward reinsurance premium reserves	1,095,520,329,811	1,196,704,406,560
Inward reinsurance claim reserves	1,857,062,704,442	1,636,743,500,588
In which:		
- Reserves for losses incurred and reported ("OSLR")	1,744,754,694,601	1,514,358,242,545
- Reserves for losses incurred but not yet reported ("IBNR")	112,308,009,841	122,385,258,043
Catastrophe reserves	184,764,272,789	172,065,103,211
	3,137,347,307,042	3,005,513,010,359



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18 TECHNICAL RESERVES (CONTINUED)

(a) Claim reserves and unearned premium reserves

	Inward reinsurance claim reserves/ Unearned premium reserves for inward reinsurance VND	Outward reinsurance claim reserves/ Unearned premium reserves for outward reinsurance VND	Net inward reinsurance claim reserves/ Unearned premium reserves VND
Inward reinsurance claim reserves	1,857,062,704,442	(1,136,803,651,638)	720,259,052,804
<i>In which:</i>			
- Reserves for losses incurred and reported ("OSLR")	1,744,754,694,601	(1,088,186,222,287)	656,568,472,314
- Reserves for losses incurred but not yet reported ("IBNR")	112,308,009,841	(48,617,429,351)	63,690,580,490
Unearned reinsurance premium reserves	1,095,520,329,811	(480,852,069,331)	614,668,260,480
	2,952,583,034,253	(1,617,655,720,969)	1,334,927,313,284

Details of movement of reserves are as follows:

Claim reserves	Inward reinsurance claim reserves VND	Outward reinsurance claim reserves VND	Net inward reinsurance claim reserves VND
Beginning of the year	1,636,743,500,588	(992,398,866,592)	644,344,633,996
Increase/(decrease) in the year	220,319,203,854	(144,404,785,046)	75,914,418,808
End of the year	1,857,062,704,442	(1,136,803,651,638)	720,259,052,804

Unearned premium reserves	Unearned inward reinsurance premium reservesVND	Unearned outward reinsurance premium reservesVND	Net unearned inward reinsurance premium reservesVND
Beginning of the year	1,196,704,406,560	(470,264,225,140)	726,440,181,420
Increase/(decrease) in the year (Note 22 and 23)	(101,184,076,749)	(10,587,844,191)	(111,771,920,940)
End of the year	1,095,520,329,811	(480,852,069,331)	614,668,260,480

(b) Catastrophe reserves

	2021 VND	2020 VND
I. Main activities		
Beginning of the year	162,775,905,203	147,884,005,692
Increase in the year	12,699,169,578	14,891,899,511
Utilisation in the year	-	-
II. Pilot agricultural insurance activities		
Beginning of the year	9,289,198,008	9,289,198,008
Increase in the year	-	-
End of the year	184,764,272,789	172,065,103,211

19 OWNERS' CAPITAL

(a) Number of shares

	31/12/2021 Ordinary shares	31/12/2020 Ordinary shares
Number of shares registered	150,737,130	131,075,937
Number of shares issued	150,737,130	131,075,937
Number of outstanding shares	150,737,130	131,075,937

(b) Details of owners' shareholding

	31/12/2021		31/12/2020	
	Cổ phiếu phổ thông	%	Cổ phiếu phổ thông	%
Owners' contributed capital	1,507,371,300,000	100.00	1,310,759,370,000	100.00
State Capital Investment Corporation ("SCIC")	608,419,402,500	40.36	529,060,350,000	40.36
Swiss Re Group	376,843,373,500	25.00	327,689,890,000	25.00
Bao Viet Holdings	138,308,430,000	9.18	120,268,200,000	9.18
Bao Viet Value Investment Fund	120,699,400,000	8.01	104,956,000,000	8.01
Bao Minh Insurance Joint Stock Corporation	96,916,355,000	6.43	84,275,100,000	6.43
Other institutional shareholders	101,115,159,000	6.70	111,619,330,000	8.52
Other individual shareholders	65,069,180,000	4.32	32,890,500,000	2.51
Share premium	369,756,607,309		566,368,537,309	
Total	1,877,127,907,309		1,877,127,907,309	



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20 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Compulsory reserve fund VND	Compulsory reserve fund VND	Non-controlling interests VND	Total VND
As at 1/1/2020	1,310,759,370,000	566,368,537,309	211,573,836,051	131,075,937,000	852,773,676,716	34,790,314,469	3,107,341,671,545
Net profit for the year	-	-	-	-	312,244,294,056	(1,172,504,195)	311,071,789,861
Appropriation to Bonus and welfare fund (Note 17)	-	-	-	-	(10,978,640,823)	-	(10,978,640,823)
Dividends distribution	-	-	-	-	(262,151,874,000)	-	(262,151,874,000)
As at 31/12/2020 (iv)	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 (i)	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 (iii) (Note 17)	-	-	-	-	(10,049,971,952)	-	(10,049,971,952)
Dividends distribution (iii)	-	-	-	-	(196,613,905,500)	-	(196,613,905,500)
Revert of appropriation to Investment and development fund in 2019 (iv)	-	-	(5,496,214,773)	-	5,496,214,773	-	-
As at 31/12/2021	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

(i) Implementing Resolution No. 08/2021/NQ-DHDCD dated 23 April 2021 of the General Meeting of Shareholders and Resolution No. 13/2021/NQ-HDQT dated 14 May 2021 of the Board of Management, the Corporation has completed increasing the Charter Capital by bonus shares from the share capital surplus, the rate of 15% equivalent to the amount of VND 196,611,930,000. On 6 September 2021, the Ministry of Finance issued the Adjustment License No. 28/GPDC5/KDBH, which approved the new charter capital of the Corporation to be VND 1,507,371,300,000.

(ii) In accordance with General Meeting of Shareholders' Resolution No. 06/2013/NQ-DHDCD dated 25 April 2013, the General Meeting of Shareholders has approved the amendments to profit appropriation policies, which according to 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 exceeding 2 months of actual salary. The Corporation has temporarily appropriated an amount of VND 10,049,971,952 from the profit after tax for the year ended 31 December 2021 to the welfare and bonus fund, in accordance with General Meeting of Shareholders' Resolution No. 04/2021/NQ-DHDCD dated 24 March 2021. The final decision for profit distribution of 2021 will be concluded in the Annual General Meeting of Shareholders in 2022.

(iii) In accordance with General Meeting of Shareholders' Resolution No. 04/2021/NQ-DHDCD dated 24 March 2021, the General Meeting of Shareholders has agreed to declare dividend in cash to the shareholders for the year 2020 at the rate of 15%, which is equivalent to VND 196,613,905,500.

(iv) In accordance with General Meeting of Shareholders' Resolution No. 10/2020/NQ-DHDCD dated 11 June 2020, the General Meeting of Shareholders has agreed to revert of appropriation to Investment and development fund in 2019 of VND 5,496,214,773. The Corporation has reflected this reversal in 2021.

21 BASIC EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share ("EPS") 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:

	31/12/2021	31/12/2020
Net profit attributable to shareholders (VND)	346,949,022,171	312,244,294,056
Deducting bonus and welfare fund (VND)	(10,049,971,952)	(8,978,640,823)
Profit for calculating basic earnings per share	336,899,050,219	303,265,653,233
Weighted average number of ordinary shares including potential shares (shares)	150,737,130	131,075,937
Basic earnings per share (VND)	2,235	2,314

(b) Diluted earnings per share

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



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22 REINSURANCE PREMIUM INCOME

	2021 VND	2020 VND
Inward reinsurance premium	2,285,708,010,022	2,474,291,508,984
Personal accident insurance	517,665,591,362	835,201,664,655
Fire and property insurance	724,046,283,375	695,839,542,148
Engineering insurance	313,263,514,667	249,420,568,501
Miscellaneous insurance	304,049,023,683	288,072,338,209
Hull and P&I Insurance	257,135,738,212	244,940,290,411
Cargo insurance	142,477,217,184	125,983,968,432
Aviation insurance	8,647,091,583	5,630,879,254
K-Care insurance	6,636,496,041	7,264,476,623
Agriculture insurance	6,524,480,524	3,870,086,921
Energy insurance	3,134,731,395	3,123,922,775
Fishing boat insurance	1,257,630,549	13,675,726,722
Life insurance	870,211,447	1,268,044,333
Deductions in inward reinsurance premium	(39,547,813,231)	(26,586,348,153)
(Decrease)/increase in unearned inward reinsurance premium reserves (Note 18(a))	(101,184,076,749)	119,182,423,369
	2,347,344,273,540	2,328,522,737,462

23 OUTWARD REINSURANCE PREMIUMS

	2021 VND	2020 VND
Total outward reinsurance premium	979,800,605,275	958,330,948,151
Fire and property insurance	432,366,188,836	418,070,061,172
Engineering insurance	129,440,038,789	111,414,050,053
Miscellaneous insurance	206,024,021,718	221,041,762,796
Hull and P&I Insurance	170,253,887,132	163,913,715,448
Cargo insurance	26,327,801,820	25,259,554,088
Aviation insurance	6,094,413,349	3,428,025,266
K-Care insurance	2,485,250,555	2,717,556,600
Agriculture insurance	3,769,511,460	2,935,880,433
Energy insurance	2,622,576,422	2,861,960,663
Fishing boat insurance	416,915,194	6,688,381,632
Deductions in outward reinsurance premium	(6,416,742,322)	(7,531,266,508)
Increase/(decrease) in unearned outward reinsurance premium reserves (Note 18(a))	10,587,844,191	(37,883,427,442)
	962,796,018,762	988,683,109,085

24 TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES

	2021 VND	2020 VND
Claim settlement expenses	856,127,582,862	950,313,250,918
Personal accident insurance	2,329,608,972	25,607,737,106
Fire and property insurance	278,824,006,856	264,861,892,401
Engineering insurance	101,904,659,424	124,279,312,926
Miscellaneous insurance	216,189,213,139	248,013,170,459
Hull and P&I Insurance	199,047,688,121	160,472,179,953
Cargo insurance	41,202,282,906	45,135,491,764
Aviation insurance	6,714,535,499	2,788,359,754
K-Care insurance	204,750,000	2,172,625,000
Agriculture insurance	1,112,111,924	25,818,521,144
Energy insurance	(94,235,229)	17,545,697,688
Fishing boat insurance	8,529,014,710	33,444,097,253
Life insurance	163,946,540	174,165,470
Claim receipts from ceded policies	548,472,453,322	579,287,329,344
Increase in inward reinsurance claim reserves (*)	220,319,203,854	46,237,188,587
Other increase in inward reinsurance claim reserves	43,494,134,228	13,634,613,170
Increase in outward reinsurance claim reserves (*)	144,404,785,046	10,296,136,613
Other increase/(decrease) in outward reinsurance claim reserves	36,377,715,257	(10,190,600,386)
	390,685,967,319	430,792,187,104

(*) In addition to reflecting the increase and decrease of the claim reserve for outward reinsurance (Code 192) and claim reserves for inward reinsurance (Code 329.2), these codes also reflect the claim reserves for inward/outward reinsurance for losses which have been reported, recognized and settled of the Sirius and KRIC contracts for the property and engineering insurance activities.

25 COMMISSION EXPENSES

	2021 VND	2020 VND
Personal accident insurance	665,799,704,453	623,596,590,586
Fire and property insurance	170,453,463,883	163,454,416,990
Engineering insurance	84,881,303,418	69,875,621,371
Miscellaneous insurance	56,303,931,066	68,780,164,945
Hull and P&I Insurance	28,654,879,273	30,035,009,205
Cargo insurance	37,121,861,524	36,915,703,205
Aviation insurance	875,155,745	706,350,710
K-Care insurance	1,912,691,889	2,214,757,578
Agriculture insurance	795,318,935	1,001,880,903
Energy insurance	181,142,337	189,618,810
Fishing boat insurance	2,221,454,140	6,038,367,235
Life insurance	34,022,445	37,778,420
	1,049,234,929,108	1,002,846,259,958



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26 OTHER EXPENSES FROM INSURANCE ACTIVITIES

	2021 VND	2020 VND
Other payments for inward reinsurance activities	22,713,553,164	26,738,533,882
<i>In which:</i>		
- Brokerage fees	12,569,021,299	11,523,022,450
- Bonus for no claims	7,302,104,054	9,085,850,901
- Others	2,842,427,811	6,129,660,531
Other payments for outward reinsurance activities	773,352,070	9,891,987,101
	23,486,905,234	36,630,520,983

27 FINANCIAL INCOME

	2021 VND	2020 VND
Interest income from term deposits	177,000,783,321	200,736,912,330
Profit from sales of investments	88,298,015,329	104,499,665,799
Dividends and profits distributed (*)	6,186,225,600	11,502,230,400
Realized foreign exchange gains	67,134,449,181	22,453,169,773
Interest income from bonds	27,751,655,251	19,703,664,383
Interest income from investments in entrusted funds	73,740,354,832	6,598,277,037
Interest income from demand deposits	84,800,875	92,928,034
	440,196,284,389	365,586,847,756

(*) Details of dividends that the Corporation has received during the year were as follows:

	2021 VND	2020 VND
Agriculture Bank Insurance Joint Stock Company	1,280,000,000	6,400,000,000
Post and Telecommunication Joint Stock Insurance Corporation	3,556,224,000	3,556,224,000
Hung Vuong Assurance Corporation	1,350,000,000	-
Global Insurance Joint Stock Company	-	880,000,000
Sai Gon - Ha Long Hotel	-	665,988,000
Petrolimex Joint Stock Insurance Corporation	1,600	18,400
	6,186,225,600	11,502,230,400

28 FINANCIAL EXPENSES

	2021 VND	2020 VND
Foreign exchange losses	64,641,782,999	21,235,488,248
Expenses of investments in entrustment funds	18,119,779,506	8,119,068,784
Additional/(reversal) of provision for impairment of investments	474,876,503	(2,630,970,980)
Foreign currency swap expenses	-	2,545,907,973
Other financial expenses	12,680,616,666	12,536,914,292
	95,917,055,674	41,806,408,317

29 GENERAL AND ADMINISTRATIVE EXPENSES

	2021 VND	2020 VND
Staff and expert expenses	65,457,765,671	58,125,393,292
Outside service expenses	11,416,434,214	10,255,497,303
Guest and advertisement expenses	4,997,855,024	5,020,652,552
Tax and fee expenses	2,958,712,558	2,906,569,603
(Reversal)/additional of provision for doubtful debts	(3,895,611,107)	2,343,764,414
Depreciation and amortisation expenses	1,526,086,137	849,246,571
Office supplies expenses	1,132,904,326	589,952,456
Others	5,925,048,341	4,566,653,403
	89,519,195,164	84,657,729,594

30 COST OF OPERATION BY FACTOR

	2021 VND	2020 VND
Insurance activities expenses	1,476,106,971,239	1,485,160,867,556
Staff expenses	65,457,765,671	58,125,393,292
Outside service expenses	11,416,434,214	10,255,497,303
(Reversal)/additional of provision for doubtful debts	(3,895,611,107)	2,343,764,414
Depreciation and amortization expenses	1,132,904,326	849,246,571
Other cash expenses	15,407,702,060	13,083,828,014
	1,565,626,166,403	1,569,818,597,150

31 PILOT PROGRAM ON AGRICULTURAL INSURANCE ACTIVITIES

On 1 March 2011, the Prime Minister issued Decision No. 315/QĐ-TTg on the pilot program on provision of agricultural insurance during the 2011 - 2013 period with objectives to help agricultural producers actively remedy and recover 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 No. 121/2011/TT-BTC providing guidance on certain clauses of Decision No. 315/QĐ-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 the pilot agricultural insurance activities separately from 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.



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31 PILOT PROGRAM ON AGRICULTURAL INSURANCE ACTIVITIES (CONTINUED)

On 20 June 2012, the Ministry of Finance issued Circular No. 101/2012/TT-BTC stipulating a number of financial matters for insurance enterprises and reinsurance enterprises who provide pilot agricultural insurance under Decision No. 315/QĐ-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.

During the year, insurance enterprises and reinsurance enterprises which incur for losses from pilot agricultural insurance activities for the financial year will account for the losses in their income statement. In case of losses incurred due to losses on pilot agricultural insurance activities, such losses will be carried forward to the following year as regulated by law. During the year, no pilot agricultural insurance activities were carried out. During the year, no pilot agricultural insurance activities were carried out (2020: No pilot agricultural insurance activities incurred).

From 2012, the Corporation started undertaking inward reinsurance for pilot agricultural insurance activities. Accumulated loss as of 31 December 2013 of the pilot program on agricultural insurance activities is VND 42,015,277,691.

According to Decision No. 315/QĐ-TTg, pilot agricultural insurance activities ended on 31 December 2013, the Corporation has been carrying out procedures to finalise these activities with the Ministry of Finance. The results of the Corporation's pilot provision of agricultural insurance will be subject to the Ministry of Finance's approval.

32 OFFSHORE FISHING BOAT INSURANCE ACTIVITIES

On 7 July 2014, the Government issued Decree No. 67/2014/ND-CP on some fisheries development policies, including regulations on insurance policy for the offshore fishing fleet ("fishing boat insurance"). The Corporation undertakes this type of insurance, along with the local insurance companies, for supporting market and implementing the policies as per the Government's objectives.

On 20 August 2014, the Ministry of Finance issued Circular No. 116/2014/TT-BTC providing guidance on a number of financial matters for insurance enterprises undertaking the insurance activities as stipulated in aforementioned Decree No. 67/2014/ND-CP. According to Circular No. 116/2014/TT-BTC, the business results of fishing boat insurance activities shall be included in the results of operations of the insurance enterprises. The insurance enterprises must separately monitor revenue, expenses and results of operations of this type of insurance. Gain from fishing boat insurance activities (if any) shall be transferred to the catastrophe reserves at the year end.

On 11 November 2020, the Ministry of Finance issued Circular No. 89/2020/TT-BTC which repealed the Circular No. 116/2014/TT-BTC dated 20 August 2014 providing guidance on a number of financial matters for insurance enterprises undertaking the insurance activities as stipulated in Decree No. 67/2014/ND-CP and Circular No. 43/2016/TT-BTC. Accordingly, from 1 January 2021, the financial policy applied to the fishing boat insurance activities is implemented by the Corporation as ordinary insurance activities.

33 BUSINESS INCOME TAX

The 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:

	2021 VND	2020 VND
Net accounting profit before tax	423,286,584,924	377,193,495,777
Tax calculated at a rate of 20%	84,657,316,985	75,438,699,155
Effect of:		
Income not subject to tax	741,489,319	863,368,928
Expenses not deductible for tax purposes	(9,189,230,571)	(10,682,192,491)
Losses of subsidiary	(21,331,170)	501,830,324
BIT charge (*)	76,230,906,903	66,121,705,916
Charged to the consolidated income statement:		
BIT- current	77,181,859,898	66,121,705,916
BIT- deferred	(950,952,995)	-
BIT expense (*)	76,230,906,903	66,121,705,916

(*) The BIT 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	2021	2020
1. Asset and equity structure		
1.1 Asset structure		
- Long-term assets/Total assets	% 24.35	29.85
- Short-term assets/Total assets	% 75.65	70.15
1.2 Equity structure		
- Total liabilities/Total resources	% 54.09	54.91
- Owners' equity/Total resources	% 45.91	45.09
2. Liquidity		
2.1 Liquidity ratio	lần 1.85	1.82
2.2 Current ratio	lần 1.40	1.28
2.3 Quick ratio	lần 0.67	0.55
3. Profitability		
3.1 Profit margins		
- Net profit before tax/Revenue	% 20.29	19.26
- Net profit after tax/Revenue	% 16.64	15.88
3.2 Return on assets		
- Net profit before tax/Total assets	% 5.91	5.41
- Net profit after tax/Total assets	% 4.85	4.46
3.3 Net profit after tax/Owners' equity	% 10.56	9.89

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 maximizing the return to shareholders through the optimization 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 by the Corporation and its subsidiary (including the criteria for recognition, basis of measurement and recognition of income and expenses) for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 2.

Categories of financial instruments

	Carrying value	
	31/12/2021 VND	31/12/2020 VND
Financial assets		
Cash and cash equivalents	25,281,771,911	55,424,073,810
Trade accounts receivable and other short-term receivables	774,733,887,521	730,130,118,848
Short-term investments	2,555,627,849,488	2,053,240,931,318
Long-term investments	1,025,847,025,384	1,345,881,950,523
Total	4,381,490,534,304	4,184,677,074,499
Financial liabilities		
Trade accounts payable	483,810,717,898	581,516,210,025
Other long-term payables	990,626,744	1,503,228,380
Total	484,801,344,642	583,019,438,405



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35 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Corporation and its subsidiary have not assessed fair value of its financial assets and financial liabilities as at the 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 risk management 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 minimize the potential adverse effects of these risks on the Corporation and its subsidiary's business performance.

(a) Reinsurance risk

The risks from reinsurance activities are risks arising from the portfolio that the Corporation reinsures. 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 insured 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 Board 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 aims to maintain a strong capital base to support the development of its business and to comply with regulatory capital and the solvency requirements always regulated in the relevant local regulations. The table below presents the solvency capital and the minimum solvency margin of the Corporation:

	Solvency capital	Minimum solvency margin	Solvency margin percentage
As of 31 December 2021	2,120 VND Billion	318 tỷ VND Billion	666%
As of 31 December 2020	1,882 VND Billion	374 VND Billion	503%

(b) Market risk

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

(i) Currency risk

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

In the year, the Corporation and its subsidiary have entered into currencies swap transactions with banks to mitigate foreign exchange risk.

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 denominated monetary assets and monetary liabilities in foreign currencies at the end of financial year is as follows:

	Assets		Liabilities	
	31/12/2021 VND	31/12/2020 VND	31/12/2021 VND	31/12/2020 VND
United States Dollar (USD)	336,043,197,815	302,013,535,702	306,638,947,480	280,399,898,125
Euro (EUR)	6,531,495,033	3,227,980,573	888,964,917	973,305,361
Great Britain Pound (GBP)	181,114,843	179,211,555	-	-
Australian Dollar (AUD)	5,879,596	6,044,477	-	-
Singapore Dollar (SGD)	57,654,699	58,835,238	27,999,481	27,697,590
Japanese Yen (JPY)	304,984,692	287,728,168	105,813,334	108,651,354

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2021

Form B 09 – DNPNT/HN

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(i) Currency risk (continued)

5% is the sensitivity rate used by the Board of Management when analyzing 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 monetary items denominated in foreign currency and adjusts their translation at the year-end for a 5% change in exchange 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:

	2021 VND	2020 VND
United States Dollar (USD)	1,470,212,517	1,080,681,879
Euro (EUR)	282,126,506	112,733,761

(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 associates. The Corporation and its subsidiary's Board of Management assesses and approves decisions on investments in associate such as operating industry, investees. Investments in the Corporation's 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 deposit in VND have many different interest rates and will bear interest rate risk when reinvesting.

(c) RCredit 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 customers operating in insurance. As at the balance sheet date, there is credit risk arising on the trade accounts receivable. The Corporation and its subsidiary have made a 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 policies 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 remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The table has been drawn up based on the contractual cash flows of financial assets and contractual 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.

	Total book value VND	Unspecified term VND	Original term less than 1 year VND	Original term from 1 to 5 years VND	Original term over 5 years VND
As at 31/12/2021					
Cash and cash equivalents	25,281,771,911	25,281,771,911	-	-	-
Trade accounts receivable and other short-term receivables (*)	774,696,937,089	-	774,696,937,089	-	-
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	4,381,453,583,872	25,281,771,911	3,330,324,786,577	566,357,003,466	459,490,021,918
Trade accounts payable	(483,810,717,898)	-	(483,810,717,898)	-	-
Long-term deposits received	(990,626,744)	-	-	(990,626,744)	-
Total	(484,801,344,642)	-	(483,810,717,898)	(990,626,744)	-
Net liquidity gap	3,896,689,189,662	25,281,771,911	2,846,551,019,111	565,366,376,722	459,490,021,918
As at 31/12/2020					
Cash and cash equivalents	55,424,073,810	55,424,073,810	-	-	-
Trade accounts receivable and other short-term receivables (*)	730,130,118,848	-	730,130,118,848	-	-
Short-term investments (*)	2,053,240,931,318	-	2,053,240,931,318	-	-
Long-term investments (*)	1,345,881,950,523	-	-	1,345,881,950,523	-
Total	4,184,677,074,499	55,424,073,810	2,783,371,050,166	1,345,881,950,523	-
Trade accounts payable	(581,516,210,025)	-	(581,516,210,025)	-	-
Long-term deposits received	(1,503,228,380)	-	-	(1,503,228,380)	-
Total	(583,019,438,405)	-	(581,516,210,025)	(1,503,228,380)	-
Net liquidity gap	3,601,657,636,094	55,424,073,810	2,201,854,840,141	1,344,378,722,143	-

(*) Figures shown are before provision.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2021

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36 RELATED PARTY DISCLOSURES

During the year, the Corporation and its subsidiary had the mainly carried out transactions 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

(a) Related party transactions

	2021 VND	2020 VND
<i>i) Swiss Re Group</i>		
Outward reinsurance premium	249,449,905,863	249,543,008,892
Outward reinsurance commission	71,943,026,613	71,801,808,322
Receipt from outward reinsurance claims	96,598,143,982	100,665,348,396
Dividends paid	49,153,483,500	65,537,978,000
<i>ii) Samsung Vina Insurance Company Limited</i>		
Outward reinsurance premium	55,747,448	396,774,886
Outward reinsurance commission	18,641,733	108,749,920
Receipt from outward reinsurance claims	1,631,566,641	251,788,042
Inward reinsurance premium	116,615,189,348	115,959,632,569
Inward reinsurance commission	25,848,990,716	25,604,629,352
Claim settlement of inward reinsurance	13,529,591,732	29,589,256,125
Dividends received	17,114,846,236	16,144,290,162
<i>iii) State Capital Investment Corporation</i>		
Dividends paid	79,359,052,500	105,812,070,000
<i>iv) Remuneration of key management</i>		
Board of Directors	6,542,838,908	6,237,560,821
Board of Supervision	1,541,023,609	1,407,957,212
Board of Management	4,006,448,318	3,431,157,028
	12,090,310,835	11,076,675,061

(b) Year end balances with related parties

	31/12/2021 VND	31/12/2020 VND
Swiss Re Group		
Receivables from outward reinsurance	10,709,314,660	30,317,434,631
Payables from outward reinsurance	32,723,137,324	85,659,522,563
Samsung Vina Insurance Company Limited		
Receivables from inward reinsurance	7,365,327,632	6,367,138,445
Payables from inward reinsurance	521,639,997	63,995,583
Receivables from outward reinsurance	1,247,072,124	-
Payables from outward reinsurance	1,139,766	-

37 SUMMARY OF CLAIMS

	Year of loss incurred			Total VND
	2019 VND	2020 VND	2021 VND	
i. Accumulated claim reserve				
Accumulated Claim reserves accumulated to the current year 2021 (1)	390,263,412,191	314,856,325,673	267,267,986,433	972,387,724,297
ii. Accumulated paid claim amount				
Paid in 2019	(82,503,031,532)	-	-	(82,503,031,532)
Paid in 2020	(188,034,493,364)	(41,993,786,854)	-	(230,028,280,218)
Paid in 2021	(48,377,659,750)	(121,928,084,857)	(34,326,426,608)	(204,632,171,215)
Paid claims accumulated to the current year (2)	(318,915,184,646)	(163,921,871,711)	(34,326,426,608)	(517,163,482,965)
iii. Total outstanding claim reserves (3) = (1) + (2)				
Outstanding claim reserves for previous years	-	-	-	-
Total outstanding claim reserves at the year end	71,348,227,545	150,934,453,962	232,941,559,825	455,224,241,332

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 has assessed it is not necessary to present segment reporting considering 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) to the subsidiary either in cash or by handing apartments of the Project to the subsidiary.

On 10 January 2020 and 31 August 2020, the subsidiary and Thang Long Company has signed apartment purchase contracts for 65 apartments, with total value of VND 117,880,956,550.

Up to 31 December 2021, the amount which was offset by 7 apartment purchase contracts in HH2 building is VND 17,687,716,550. The amount to be offset by 58 apartment purchase contracts in HH3 building is VND 100,193,240,000. In addition, Thang Long Company is required to pay an amount of VND 15,645,957,604 in cash (VND 8,495,105,200 principal and VND 5,621,733,468 interest).

According to the Board of Management's assessment, the possibility to recover the amount of VND 73,377,664,154 interest is assessed as uncertain. Hence 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2021

Form B 09 – DNPNT/HN

40 CONTINGENT LIABILITIES

In accordance with the land lease contract No. 30-99/DCND-HDTDTN dated 13 October 1999 between the Corporation and 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. Accordingly, the Corporation did not make a provision for the dismantling and relocation cost of the land lot in the separate financial statements in the previous years.

However, this land lease contract was expired on 16 August 2019. In 2020 and 2021, the Corporation has been working with State agencies and carried out necessary procedures to renew the contract.

According to the Notification letter 1016/TB-STNMT-CCQLDD dated 2 December 2021 of the Hanoi Department of Natural Resources and Environment (“STNMT”), the Corporation is required to provide additional documents and continue working with the Department of Construction on the planning status of the land lot. For the time being, STNMT shall propose Hanoi People's Committee to consider allowing the Corporation to temporarily continue to lease the land lot for a period of five years.

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 has 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 for the year ended 31 December 2021.

41 EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 31 December 2021, the widespread of Covid-19 is a fluid and challenging situation facing all industries. The Corporation has performed an assessment of the impact of the situation on the Corporation's operations, including a recoverability assessment for the receivable balances and investments as of 31 December 2021 and concluded that the impact was not significant in the foreseeable future. Up to the signing date of the consolidated financial statements, there was no significant losses incurred as a result of this event. The Corporation and its subsidiary will continue monitoring the situation, take appropriate and timely actions to minimize the impact.

The consolidated financial statements were approved by the Board of Management on 24 March 2022.

NGUYEN THANH CONG
Preparer

LUU THI VIET HOA
Chief Accountant



MAI XUAN DZUNG
General Director
24 March 2022

SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



SEPARATE BALANCE SHEET

Form B 01 - DNPNT

			As at	
Code	ASSETS	Note	31/12/2021 VND	31/12/2020 VND
100	CURRENT ASSETS		5,333,758,112,595	4,784,925,999,430
110	Cash and cash equivalents	3	23,404,895,430	52,900,251,472
111	Cash		23,404,895,430	52,900,251,472
120	Short-term investments	4(a)	2,529,826,973,276	2,036,740,931,318
123	Investments held-to-maturity		2,529,827,849,488	2,036,740,931,318
124	Provision for impairment of short-term financial investments		(876,212)	-
130	Short-term receivables		709,562,237,043	652,402,133,274
131	Short-term trade accounts receivable	5	574,919,058,343	564,034,646,896
131.1	- Insurance receivables		574,030,810,370	563,619,791,897
131.2	- Other trade accounts receivable		888,247,973	414,854,999
132	Short-term prepayments to suppliers		92,148,282	23,518,000
136	Other short-term receivables	6(a)	147,909,478,462	105,598,027,529
137	Provision for doubtful debts - short-term	7	(13,358,448,044)	(17,254,059,151)
140	Inventories		23,480,404	29,010,465
141	Inventories		23,480,404	29,010,465
150	Other current assets		453,284,805,473	580,190,581,169
151	Short-term prepaid expenses	8(a)	453,284,805,473	580,190,581,169
151.1	- Deferred commission expenses		453,183,431,245	580,190,581,169
151.2	- Other short-term prepaid expenses		101,374,228	-
190	Reinsurance assets		1,617,655,720,969	1,462,663,091,732
191	Unearned premium reserve for outward reinsurance	16(a)	480,852,069,331	470,264,225,140
192	Claim reserve for outward reinsurance	16(a)	1,136,803,651,638	992,398,866,592

			As at	
Code	ASSETS	Note	31/12/2021 VND	31/12/2020 VND
200	LONG-TERM ASSETS		1,581,497,131,979	1,953,413,755,296
210	Long-term receivables		32,105,382,152	42,472,513,659
218	Other long-term receivables		32,105,382,152	42,472,513,659
218.1	- Insurance deposits	2.9	22,000,000,000	22,000,000,000
218.2	- Other long-term receivables	6(b)	10,105,382,152	20,472,513,659
220	Fixed assets		7,763,664,750	8,020,286,076
221	Tangible fixed assets	9(a)	7,763,664,750	8,020,286,076
222	Historical cost		30,710,866,071	29,980,897,654
223	Accumulated depreciation		(22,947,201,321)	(21,960,611,578)
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	6,409,861,437	8,031,430,158
231	Historical cost		34,055,061,893	34,055,061,893
232	Accumulated depreciation		(27,645,200,456)	(26,023,631,735)
240	Long-term assets in progress		3,071,777,834	1,616,690,000
242	Construction in progress		3,071,777,834	1,616,690,000
250	Long-term investments		1,530,230,829,188	1,887,703,194,815
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)	337,701,918,974	357,354,024,845
254	Provision for impairment of long-term financial investments	4(b)	(818,115,170)	(532,780,553)
255	Held-to-maturity investments	4(c)	1,008,347,025,384	1,345,881,950,523
260	Other long-term assets		1,915,616,618	5,569,640,588
261	Long-term prepaid expenses	8(b)	964,663,623	5,569,640,588
262	Deferred income tax assets		950,952,995	-
270	TOTAL ASSETS		6,915,255,244,574	6,738,339,754,726



SEPARATE BALANCE SHEET (Continued)

Form B 01 - DNPNT

		As at	
Code	RESOURCES	Note	
		31/12/2021 VND	31/12/2020 VND
300	LIABILITIES	3,851,216,713,916	3,799,320,191,443
310	Short-term liabilities	3,850,226,087,172	3,797,816,963,063
311	Short-term trade accounts payable	11 483,810,717,898	581,516,210,025
311.1	- Insurance payables	482,821,864,066	580,352,904,664
311.2	- Other trade accounts payable	988,853,832	1,163,305,361
312	Short-term advances from customers	149,132,743	240,934,974
313	Tax and other payables to the State	12 17,424,801,172	16,187,287,904
314	Payables to employees	28,535,860,657	25,352,582,932
315	Short-term accrued expenses	324,371,676	302,524,570
319	Other short-term payables	13(a) 31,305,070,961	21,588,232,169
319.1	- Deferred commission income	13(a) 99,311,540,367	102,957,752,564
321	Provision for short-term liabilities	14 25,929,549,564	21,468,757,438
322	Bonus and welfare fund	15 26,087,735,092	22,689,670,128
329	Technical reserves	16 3,137,347,307,042	3,005,513,010,359
329.1	- Unearned premium reserves for inward reinsurance	1,095,520,329,811	1,196,704,406,560
329.2	- Claim reserves for inward reinsurance	1,857,062,704,442	1,636,743,500,588
329.3	- Catastrophe reserves	184,764,272,789	172,065,103,211
330	Long-term liabilities	990,626,744	1,503,228,380
337	Other long-term payables	13(b) 990,626,744	1,503,228,380
400	OWNERS' EQUITY	3,064,038,530,658	2,939,019,563,283
410	Capital and reserves	3,064,038,530,658	2,939,019,563,283
411	Owners' capital	17,18 1,507,371,300,000	1,310,759,370,000
411a	- Ordinary shares with voting rights	1,507,371,300,000	1,310,759,370,000
412	Share premium	17,18 369,756,607,309	566,368,537,309
418	Investment and development fund	18 205,815,380,525	211,311,595,298
419	Compulsory reserve	18 147,705,447,699	131,075,937,000
421	Undistributed earnings	18 833,389,795,125	719,504,123,676
421a	- Undistributed post-tax profits of previous years	528,386,432,949	437,390,912,101
421b	- Post-tax profit of current year	305,003,362,176	282,113,211,575
440	TOTAL RESOURCES	6,915,255,244,574	6,738,339,754,726

		As at	
Code	OFF BALANCE SHEET ITEMS	Currency unit	
		31/12/2021	31/12/2020
1.	Foreign currencies		
	United States Dollar	USD 461,003,78	1,834,964,63
	Australian Dollar	AUD 345,15	345,15
	Japanese Yen	JPY 43,775,00	43,775,00
	Singapore Dollar	SGD 2,974,87	3,419,87
	Great Britain Pound	GBP 5,770,51	5,770,51
	Euro	EUR 257,206,30	115,531,26

NGUYEN THANH CONG
Preparer

LUU THI VIET HOA
Chief Accountant



MAI XUAN DZUNG
General Director
24 March 2022

NGUYEN THANH CONG
Preparer

LUU THI VIET HOA
Chief Accountant



MAI XUAN DZUNG
General Director
24 March 2022

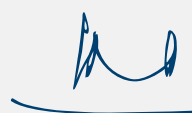


SEPARATE INCOME STATEMENT

Form B 02 - DNPNT

PART I - COMPREHENSIVE SEPARATE INCOME STATEMENT

Code	Note	Year ended	
		2021 VND	2020 VND
10	Net income from insurance business	1,605,861,780,616	1,578,398,460,337
11	Investment income from investment properties	6,377,322,910	8,467,926,462
12	Financial income 24	455,727,554,841	380,878,976,246
13	Other income	627,773,726	641,715,981
20	Total insurance expenses	(1,476,106,971,239)	(1,485,160,867,556)
21	Cost of investment properties	(1,685,024,583)	(1,542,259,810)
22	Financial expenses 25	(92,953,473,087)	(38,606,694,613)
23	General and administrative expenses 26	(89,519,195,164)	(84,657,729,594)
24	Other expenses	(416,016,290)	(1,205,969,139)
50	Net accounting profit before tax	407,913,751,730	357,213,558,314
51	Business income tax ("BIT") - current 30	(77,181,859,898)	(66,121,705,916)
52	BIT- deferred 30	950,952,995	-
60	Net profit after tax	331,682,844,827	291,091,852,398


NGUYEN THANH CONG
 Preparer


LUU THI VIET HOA
 Chief Accountant


MAI XUAN DZUNG
 General Director
 24 March 2022

PART II - COMPREHENSIVE SEPARATE INCOME STATEMENT BY ACTIVITIES

Code	Note	Year ended	
		2021 VND	2020 VND
1	Insurance premium income 19	2,347,344,273,540	2,328,522,737,462
1.2	- Inward reinsurance premium	2,246,160,196,791	2,447,705,160,831
1.3	- (Decrease)/increase in unearned premium reserves for inward reinsurance	(101,184,076,749)	119,182,423,369
2	Outward reinsurance premium 20	(962,796,018,762)	(988,683,109,085)
2.1	- Outward reinsurance premium	(973,383,862,953)	(950,799,681,643)
2.2	- Increase/(decrease) in unearned premium reserves for outward reinsurance	10,587,844,191	(37,883,427,442)
3	Net insurance premium income	1,384,548,254,778	1,339,839,628,377
4	Commission income from outward reinsurance and other insurance income	221,313,525,838	238,558,831,960
4.1	- Commission income from outward reinsurance 13	205,117,518,035	216,930,820,188
4.2	- Other insurance income	16,196,007,803	21,628,011,772
10	Net income from insurance business	1,605,861,780,616	1,578,398,460,337
11	Claim expenses 21	(856,127,582,862)	(950,313,250,918)
11.1	- Gross claim expenses 21	(856,127,582,862)	(950,313,250,918)
12	Recoverable from outward reinsurance 21	548,472,453,322	579,287,329,344
13	Increase in inward claim reserves 21	263,813,338,082	59,871,801,757
14	Increase in outward claim reserves 21	180,782,500,303	105,536,227
15	Net claim expenses 21	(390,685,967,319)	(430,792,187,104)
16	Increase in catastrophe reserves	12,699,169,578	14,891,899,511
17	Other insurance expenses	(1,072,721,834,342)	(1,039,476,780,941)
17.1	- Commission expenses 22	(1,049,234,929,108)	(1,002,846,259,958)
17.2	- Other insurance expenses 23	(23,486,905,234)	(36,630,520,983)
18	Total insurance expenses	(1,476,106,971,239)	(1,485,160,867,556)
19	Gross insurance profit	129,754,809,377	93,237,592,781
20	Income from investment properties	6,377,322,910	8,467,926,462
21	Cost of investment properties	(1,685,024,583)	(1,542,259,810)
22	Profit from investment properties	4,692,298,327	6,925,666,652




SEPARATE INCOME STATEMENT (Continued)

Form B 02 - DNPNT

PART II - COMPREHENSIVE SEPARATE INCOME STATEMENT BY ACTIVITIES (continued)

			Year ended	
Code		Note	2021 VND	2020 VND
23	Financial income	24	455,727,554,841	380,878,976,246
24	Financial expenses	25	(92,953,473,087)	(38,606,694,613)
25	Profit from financial activities		362,774,081,754	342,272,281,633
26	General and administrative expenses	26	(89,519,195,164)	(84,657,729,594)
30	Operating profit		407,701,994,294	357,777,811,472
31	Other income		627,773,726	641,715,981
32	Other expenses		(416,016,290)	(1,205,969,139)
40	Net other income/(expense)		211,757,436	(564,253,158)
50	Net accounting profit before tax		407,913,751,730	357,213,558,314
51	Business income tax ("BIT") - current	30	(77,181,859,898)	(66,121,705,916)
52	BIT- deferred	30	950,952,995	-
60	Net profit after tax		331,682,844,827	291,091,852,398


NGUYEN THANH CONG
 Preparer


LUU THI VIET HOA
 Chief Accountant


MAI XUAN DZUNG
 General Director
 24 March 2022




SEPARATE CASH FLOW STATEMENT

(direct method)

Form B 03 - DNPNT

		Year ended	
Code	Note	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Proceeds from inward and outward reinsurance activities	691,598,279,339	574,997,091,053
02	Cash paid for inward and outward reinsurance activities	(588,112,339,933)	(437,534,364,332)
03	Cash paid to employees	(53,445,641,903)	(44,125,159,885)
05	BIT paid	(76,260,650,384)	(67,641,470,965)
06	Cash received from other operating activities	3,765,401,726	1,838,971,478
07	Cash paid for other operating activities	(25,373,326,176)	(26,561,559,599)
20	Net cash (outflows)/inflows from operating activities	(47,828,277,331)	973,507,750
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(2,291,321,234)	(2,641,835,855)
23	Purchases of debt instruments of other entities	(1,448,309,200,000)	(2,130,460,954,990)
24	Proceeds from sales of debt instruments of other entities	1,332,149,210,067	1,898,804,517,959
26	Proceeds from divestment in other entities	19,652,181,917	45,801,851,201
27	Dividends and interest received	314,654,770,051	401,054,439,496
30	Net cash inflows from investing activities	215,855,640,801	212,558,017,811
CASH FLOWS FROM FINANCING ACTIVITIES			
36	Dividends paid; profits distributed to owners	(196,613,905,500)	(262,150,813,160)
40	Net cash outflows from financing activities	(196,613,905,500)	(262,150,813,160)
50	Net decrease in cash and cash equivalents	(28,586,542,030)	(48,619,287,599)
60	Cash and cash equivalents at beginning of year3	52,900,251,472	101,616,124,112
61	Effect of foreign exchange differences	(908,814,012)	(96,585,041)
70	Cash and cash equivalents at end of year3	23,404,895,430	52,900,251,472


NGUYEN THANH CONG
 Preparer


LUU THI VIET HOA
 Chief Accountant





MAI XUAN DZUNG
 General Director
 24 March 2022

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