

Liberty Insurance Limited

Financial statements

For the year ended 31 December 2024



Liberty Insurance Limited

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Liberty Insurance Limited

GENERAL INFORMATION

THE COMPANY

Liberty Insurance Limited Company ("the Company") is a 100% foreign-owned limited liability company with one member incorporated in Vietnam under the Law on Insurance No. 24/2000/QH10, the Law No. 61/2010/QH12 which amended a number of articles of the law on insurance and the Law No. 42/2019/QH14 which amended a number of articles of the law on insurance and law on intellectual property. The Company was incorporated and has been operating pursuant to the License for Establishment and Operation No. 40GP/KDBH issued by the Ministry of Finance ("the MoF") on 15 November 2006 and the latest Amended Business License No. 40/GPDC7/KDBH issued by the MoF on 8 November 2017.

The current principal activities of the Company are:

- to provide general insurance products including health and personal accident insurance; property and casualty insurance; cargo insurance transported by road, sea, river, railway and airway; automobile insurance; fire insurance; general liability insurance; credit and finance risk insurance and business interruption insurance;
- to assume and cede reinsurance of all lines of general insurance; and
- to conduct activities in risk and loss prevention and minimization; loss survey; agent for loss survey services; claim settlement; third party recovery settlement; fund management and capital investment and other business operations that are in line with prevailing laws and regulations.

The Company's head office is located at Vincom Office Building, 45A Ly Tu Trong Street, District 1, Ho Chi Minh City, Vietnam. The Company has two (2) branches in Ha Noi and Hai Phong. At 31 December 2024, these branches are located at Hanoi Lotte Center Building, 54 Lieu Giai Street, Ba Dinh District, Hanoi, Vietnam and at 17 Area B1, Block 7B, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong, Vietnam.

MEMBERS' COUNCIL

Members of the Members' Council during the year and at the date of this report are:

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Ms. Saime Defne Turkes	Chairwoman	Appointed on 11 August 2020 Resigned on 2 January 2025
Ms. Lee Kar Lun Karen	Chairwoman	Appointed on 3 January 2025
Ms. Nguyen Thuy Dung	Member	Appointed on 30 September 2016
Mr. Scott Edward Roddy	Member	Appointed on 1 September 2023 Resigned on 13 August 2024
Mr. Christopher John Alexander	Member	Appointed on 13 August 2024

Liberty Insurance Limited

GENERAL INFORMATION (continued)

MANAGEMENT

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

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>
Ms. Tran Thi To Nga	General Director	Appointed on 1 November 2022
Ms. Nguyen Thuy Dung	Chief Financial Officer	Appointed on 1 June 2014
Ms. Nguyen Ngoc Thuy	Human Resources Director	Appointed on 1 July 2011
Mr. Le Cong Hung	Chief Information Officer	Appointed on 1 January 2007
Ms. Ngo Thi Phuong Lan	Leader of Valuation and Analysis Department	Appointed on 1 January 2025
Mr. Cao Nguyen Tri	Leader of Claims Department	Appointed on 15 May 2023
Ms. Chung Thi Ngoc Tram	Leader of Motor Vehicle Products Department	Appointed on 1 November 2022
Mr. Duong Phung Hien	Leader of Property Insurance Products Department	Appointed on 29 August 2022
Ms. Nguyen Nhat Vy	Leader of Personal Insurance Products Department	Appointed on 23 April 2018
Ms. Nguyen Thanh Thuy	Leader of Operations Department	Appointed on 1 April 2019
Ms. Nguyen Hoang Diep	Leader of Risk and Compliance Department	Appointed on 1 January 2025
Ms. Pham Thi Thanh Thuy	Leader of Legal Department	Appointed on 10 November 2023

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report are:

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Ms. Lee Kar Lun Karen	Chairwoman	Appointed on 3 January 2025
Ms. Saime Defne Turkes	Chairwoman	Appointed on 11 August 2020 Resigned on 2 January 2025
Ms. Tran Thi To Nga	General Director	Appointed on 1 November 2022
Ms. Nguyen Thuy Dung	Chief Financial Officer	Appointed on 31 December 2017

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

Liberty Insurance Limited

REPORT OF MANAGEMENT

Management of Liberty Insurance Limited Company ("the Company") is pleased to present its report and the financial statements of the Company for the year ended 31 December 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of the financial statements.



Ms. Tran Thi To Nga
General Director

Ho Chi Minh City, Vietnam

3 March 2025

Reference: 12856015/67869790

INDEPENDENT AUDITORS' REPORT

To: The Members' Council of Liberty Insurance Limited

We have audited the accompanying financial statements of Liberty Insurance Limited ("the Company") as prepared on 3 March 2025 and set out on pages 6 to 52, which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



Saman Wijaya Bandara
Deputy General Director
Audit Practicing Registration
Certificate No. 2036-2023-004-1

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

Ho Chi Minh City, Vietnam

3 March 2025

Liberty Insurance Limited

BALANCE SHEET
as at 31 December 2024

B01 - DNPNT

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,359,675,020,607	1,424,670,240,101
110	I. Cash and cash equivalents	4	124,857,162,940	109,345,264,756
111	1. Cash		124,857,162,940	109,345,264,756
120	II. Short-term investments	5	1,121,639,500,659	1,174,336,440,597
121	1. Held-to-maturity investments		1,121,639,500,659	1,174,336,440,597
130	III. Short-term receivables	6	71,538,065,614	101,965,494,829
131	1. Short-term trade receivables		33,194,341,136	37,366,883,833
131.1	1.1 Insurance receivables		33,194,341,136	37,366,883,833
135	2. Other short-term receivables		45,836,279,865	71,837,860,925
139	3. Provision for doubtful debts		(7,492,555,387)	(7,239,249,929)
150	IV. Other short-term assets		30,627,381,292	28,223,007,418
151	1. Short-term prepaid expenses		30,627,381,292	28,223,007,418
151.1	1.1 Unallocated commission expenses	7	27,960,808,499	25,203,225,179
151.2	1.2 Other short-term prepaid expenses		2,666,572,793	3,019,782,239
190	V. Reinsurance assets	17.1	11,012,910,102	10,800,032,501
191	1. Reinsurance assets from unearned premium reserves		6,591,236,789	5,843,940,629
192	2. Reinsurance assets from claim reserves		4,421,673,313	4,956,091,872

Liberty Insurance Limited

BALANCE SHEET (continued)
as at 31 December 2024

B01 - DNPNT

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		227,175,016,260	96,300,165,384
210	I. Long-term receivables		14,279,869,320	13,277,577,480
218	1. Other long-term receivables		14,279,869,320	13,277,577,480
218.1	1.1 Insurance deposit	8	8,000,000,000	8,000,000,000
218.2	1.2 Other long-term receivables	9	6,279,869,320	5,277,577,480
220	II. Fixed assets		10,134,111,781	11,264,541,725
221	1. Tangible fixed assets	10	1,696,179,011	3,228,990,380
222	Cost		36,206,915,293	36,233,451,151
223	Accumulated depreciation		(34,510,736,282)	(33,004,460,771)
227	2. Intangible assets	11	6,514,250,436	2,750,157,654
228	Cost		48,076,625,358	48,676,989,167
229	Accumulated amortization		(41,562,374,922)	(45,926,831,513)
230	3. Construction in progress	12	1,923,682,334	5,285,393,691
250	III. Long-term investments	5	187,632,227,415	64,054,790,883
258	1. Held-to-maturity investments		187,632,227,415	64,054,790,883
260	IV. Other long-term assets		15,128,807,744	7,703,255,296
261	1. Long-term prepaid expenses		8,270,802,090	284,376,361
262	2. Deferred tax assets	25.3	6,858,005,654	7,418,878,935
270	TOTAL ASSETS		1,586,850,036,867	1,520,970,405,485

Liberty Insurance Limited

BALANCE SHEET (continued)
as at 31 December 2024

B01 - DNPNT

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		614,799,932,984	548,300,598,895
310	I. Current liabilities		613,350,848,106	547,760,086,968
312	1. Short-term trade payables	13	24,103,854,436	26,311,570,586
312.1	1.1 Insurance payables		23,750,662,639	23,981,709,470
312.2	1.2 Other trade payables		353,191,797	2,329,861,116
313	2. Short-term unearned revenue		7,529,915,754	4,984,153,879
314	3. Tax and other statutory obligations	14	7,679,574,718	6,046,307,246
316	4. Short-term accrued expenses	15	42,384,280,200	28,946,465,002
319	5. Other short-term payables		3,930,884,397	9,574,627,700
319.1	6. Unearned commission income	16	1,692,850,795	1,467,228,602
329	7. Technical reserves		526,029,487,806	470,429,733,953
329.1	7.1 Gross unearned premium reserve	17.1	339,677,377,669	306,605,002,789
329.2	7.2 Gross claims reserve	17.1	81,072,131,731	65,009,533,442
329.3	7.3 Catastrophe reserve	17.2	105,279,978,406	98,815,197,722
330	II. Non-current liabilities		1,449,084,878	540,511,927
336	1. Severance allowance		1,449,084,878	540,511,927
400	B. OWNER'S EQUITY		972,050,103,883	972,669,806,590
410	I. Owner's equity	18	972,050,103,883	972,669,806,590
411	1. Contributed charter capital		1,204,072,000,000	1,204,072,000,000
419	2. Statutory reserve		22,892,022,695	22,892,022,695
421	3. Accumulated losses		(254,913,918,812)	(254,294,216,105)
440	TOTAL LIABILITIES AND OWNER'S EQUITY		1,586,850,036,867	1,520,970,405,485

Ms. Luu Mong Ngoc Nhi
Preparer

Ms. Ly Boi Lang
Chief Accountant



Ms. Tran Thi To Nga
General Director

Ho Chi Minh City, Vietnam

3 March 2025

Liberty Insurance Limited

INCOME STATEMENT
Part 1: COMPREHENSIVE INCOME STATEMENT
for the year ended 31 December 2024

B02 - DNPNT

VND

<i>Code</i>	<i>ITEMS</i>	<i>Current year</i>	<i>Previous year</i>
10	1. Insurance operating income	618,690,341,010	575,488,152,534
12	2. Finance income	69,581,756,036	91,629,450,203
13	3. Other income	6,497,957,774	3,333,955,549
20	4. Insurance operating expenses	(466,773,548,259)	(396,462,804,001)
22	5. Finance expenses	(8,622,467,470)	(9,134,715,795)
23	6. General and administrative expenses	(215,608,677,714)	(221,763,137,739)
24	7. Other expenses	(1,476,989,243)	(2,968,212,699)
50	8. Accounting profit before tax	2,288,372,134	40,122,688,052
51	9. Current corporate income tax expense	(2,347,201,560)	(9,614,660,140)
52	10. Deferred tax (expense)/income	(560,873,281)	27,388,067
60	11. Net (loss)/profit after tax	(619,702,707)	30,535,415,979

Liberty Insurance Limited

INCOME STATEMENT (continued)
Part 2: OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2024

B02 - DNPNT

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Insurance revenue		643,068,114,282	591,377,135,776
	<i>In which:</i>			
01.1	Gross written premium	19	674,553,143,437	615,252,375,455
01.2	Reinsurance premium assumed	19.1	1,587,345,725	1,288,692,369
01.3	Increase in gross unearned premium reserve	17.1	(33,072,374,880)	(25,163,932,048)
02	2. Reinsurance premium ceded		(28,915,124,629)	(19,695,269,848)
	<i>In which:</i>			
02.1	Reinsurance premium ceded	20	(29,662,420,789)	(20,124,344,411)
02.2	Increase in ceded unearned premium reserve	17.1	747,296,160	429,074,563
03	3. Net insurance premium		614,152,989,653	571,681,865,928
04	4. Commission on reinsurance ceded and other insurance income		4,537,351,357	3,806,286,606
	<i>In which:</i>			
04.1	Commission on reinsurance ceded		4,537,351,357	3,806,286,606
10	5. Insurance operating income		618,690,341,010	575,488,152,534
11	6. Claim expenses		(279,290,299,373)	(259,384,444,254)
	<i>In which:</i>			
11.1	Claim expenses	21.1	(279,290,299,373)	(259,384,444,254)
12	7. Recoveries from reinsurance ceded	21.2	4,975,735,651	1,089,346,537
13	8. (Increase)/decrease in direct and reinsurance assumed claim reserves	17.1	(16,062,598,289)	16,185,180,884
14	9. (Decrease)/increase in reinsurance ceded claim reserves	17.1	(534,418,559)	1,284,424,654
15	10. Net claim expenses	21	(290,911,580,570)	(240,825,492,179)
16	11. Increase in catastrophe reserve	17.2	(6,464,780,684)	(5,964,167,234)

Liberty Insurance Limited

INCOME STATEMENT (continued)
Part 2: OPERATIONAL INCOME STATEMENT (continued)
for the year ended 31 December 2024

B02 - DNPNT

VND

Code	ITEMS	Notes	Current year	Previous year
17	12. Other operating expenses		(169,397,187,005)	(149,673,144,588)
	<i>In which:</i>			
17.1	Commission expenses		(53,876,729,453)	(50,460,650,570)
17.2	Other underwriting expenses	22	(115,520,457,552)	(99,212,494,018)
18	13. Total insurance operating expenses		(466,773,548,259)	(396,462,804,001)
19	14. Gross insurance operating profit		151,916,792,751	179,025,348,533
23	15. Finance income		69,581,756,036	91,629,450,203
24	16. Finance expenses		(8,622,467,470)	(9,134,715,795)
25	17. Profit from financial activities	23	60,959,288,566	82,494,734,408
26	18. General and administrative expenses	24	(215,608,677,714)	(221,763,137,739)
30	19. Net operating (loss)/profit		(2,732,596,397)	39,756,945,202
31	20. Other income		6,497,957,774	3,333,955,549
32	21. Other expenses		(1,476,989,243)	(2,968,212,699)
40	22. Other profit		5,020,968,531	365,742,850
50	23. Profit before tax		2,288,372,134	40,122,688,052
51	24. Current corporate income tax expense	25.2	(2,347,201,560)	(9,614,660,140)
52	25. Deferred tax (expense)/income	25.3	(560,873,281)	27,388,067
60	26. Net (loss)/profit after tax		(619,702,707)	30,535,415,979



Ms. Luu Mong Ngoc Nhi
Preparer



Ms. Ly Boi Lang
Chief Accountant



Stamp: S.G.P. 40 - Đ. T. N. G. CÔNG TY TNHH BẢO HIỂM LIBERTY QUẬN 1 - T. P. HỒ CHÍ MINH

Ms. Tran Thi To Nga
General Director

Ho Chi Minh City, Vietnam

3 March 2025

Liberty Insurance Limited

CASH FLOW STATEMENT
for the year ended 31 December 2024

B03 - DNPNT

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax		2,288,372,134	40,122,688,052
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10,11	5,490,306,547	5,079,784,551
03	Provisions and reserves		55,386,876,252	13,229,253,931
04	Unrealized foreign exchange (gain)/loss		(3,891,548,881)	2,372,185,593
05	Gain from investing activities		(58,547,657,940)	(78,366,916,455)
08	Operating profit/(loss) before changes in working capital		726,348,112	(17,563,004,328)
09	Decrease/(increase) in receivables		9,566,994,905	(15,015,098,937)
11	Increase/(decrease) in payables		11,008,177,457	(886,537,307)
12	Increase in prepaid expenses		(10,951,672,884)	(1,853,500,914)
15	Corporate income tax paid	14	(2,455,798,781)	(5,686,414,592)
20	Net cash flows from/ (used in) operating activities		7,894,048,809	(41,004,556,078)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Payments for purchase of fixed assets		(4,359,876,603)	(9,161,628,384)
23	Payments for purchase of investments		(1,359,407,000,641)	(1,097,040,816,986)
24	Proceeds from collection of investments		1,281,521,816,986	1,053,653,946,759
27	Interest income received		85,971,360,752	66,564,552,044
30	Net cash flow from investing activities		3,726,300,494	14,016,053,433
50	Net change in cash and cash equivalents		11,620,349,303	(26,988,502,645)
60	Cash and cash equivalents at beginning of year	4	109,345,264,756	138,705,952,994
61	Impact of exchange rate fluctuation		3,891,548,881	(2,372,185,593)
70	Cash and cash equivalents at end of year	4	124,857,162,940	109,345,264,756

Ms. Luu Mong Ngoc Nhi
Preparer

Ms. Ly Boi Lang
Chief Accountant



Ms. Tran Thi To Nga
General Director

Ho Chi Minh City, Vietnam

3 March 2025

1. CORPORATE INFORMATION

Liberty Insurance Limited Company ("the Company") is a 100% foreign-owned limited liability company with one member incorporated in Vietnam under the Law on Insurance No. 24/2000/QH10, the Law No. 61/2010/QH12 which amended a number of articles of the law on insurance and the Law No. 42/2019/QH14 which amended a number of articles of the law on insurance and law on intellectual property. The Company was incorporated and has been operating pursuant to the License for Establishment and Operation No. 40GP/KDBH issued by the MoF on 15 November 2006 and the latest Amended Business License No. 40/GPDC7/KDBH issued by the MoF on 8 November 2017.

The current principal activities of the Company are:

- to provide general insurance products including health and personal accident insurance; property and casualty insurance; cargo insurance transported by road, sea, river, railway and airway; automobile insurance; fire insurance; general liability insurance; credit and finance risk insurance and business interruption insurance;
- to assume and cede reinsurance of all lines of general insurance; and
- to conduct activities in risk and loss prevention and minimization; loss survey; agent for loss survey services; claim settlement; third party recovery settlement; fund management and capital investment and other business operations that are in line with prevailing laws and regulations.

The Company's head office is located at Vincom Office Building, 45A Ly Tu Trong Street, District 1, Ho Chi Minh City, Vietnam. The Company has two (2) branches in Ha Noi and Hai Phong. Until 31 December 2024, these branches are located at Hanoi Lotte Center Building, 54 Lieu Giai Street, Ba Dinh District, Hanoi, Vietnam and at 17 Area B1, Block 7B, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong, Vietnam

The number of the Company's employees as at 31 December 2024 was 314 (31 December 2023: 323).

2. BASIS OF PREPARATION

2.1 *Accounting standard and system*

The financial statements of the Company ("the Company") expressed in Vietnam dong ("VND"), are prepared in accordance with Circular No. 232/2012/TT-BTC dated 28 December 2012 providing accounting guidance for non-life insurance, reinsurance and branch of foreign non-life insurance companies; Circular No. 200/2014/TT-BTC dated 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises and with Vietnamese Accounting Standards issued by the MoF as per the:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

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

2. BASIS OF PREPARATION (continued)

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies and disclosures*

The accounting policies adopted by the Company in preparation of the financial statements for the year ended 31 December 2024 are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2023.

3.2 *Cash and cash equivalents*

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

3.3 *Receivables*

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Receivables (continued)

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the income statement.

Details the provision rates for overdue receivables are as follows:

<i>Overdue status</i>	<i>Provision rate</i>
From six (6) months to less than one (1) year	30%
From one (1) to less than two (2) years	50%
From two (2) to less than three (3) years	70%
From three (3) years and above	100%

3.4 Prepaid expenses

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

3.5 Fixed assets

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

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

Expenditure for additions, improvements and renewals are capitalized and expenditure for maintenance and repairs are charged to the income statement.

When assets are sold or retired, their cost and accumulated depreciation/amortization are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

3.6 Depreciation and amortization

Depreciation and amortization of tangible and intangible assets are calculated on a straight-line basis over the estimated useful lives of these assets as follows:

Furniture and fixtures	2 - 5 years
Computer equipment	3 years
Office equipment	3 years
Motor vehicles	3 years
Computer software	3 - 5 years

3.7 Construction in progress

Properties in the course of construction for operation, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and other expenses for qualifying assets, with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

3.8 *Leased assets*

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

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

3.9 *Investments*

Held-to-maturity investments

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

3.10 *Payables and accruals*

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.11 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 46 of the Labour Code.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.12 Technical reserves**

The technical reserves include: (i) unearned premium reserve, (ii) claim reserve and (iii) catastrophe reserve. The reserving methodologies are based on Circular No. 67/2023/TT-BTC dated 2 November 2023 issued by the MoF on financial regime applicable to insurers and insurance brokers ("Circular 67") and Decree No. 46/2023/ND-CP dated 1 July 2023 of the MoF ("Decree 46"). Details of such reserving methodologies as at 31 December 2024 are as follows:

*a. For general insurance policies:**(i) Unearned premium reserve*

Establishment method based on the coefficient of the insurance policy term: Daily pro-rata method outlined in Point c, Clause 2, Article 35, Circular 67, as follows:

This method may be employed for calculating the unearned premium reserve for insurance/reinsurance policies of different terms according to the following formula:

$$\text{Unearned premium reserve} = \frac{\text{Premium} * \text{Remaining day of the insurance/reinsurance policy}}{\text{Number of coverage days}}$$

(ii) Claim reserves

Method of establishing claim reserves according to statistics on claim records outlined in Clause 1, Article 36, Circular 67: Under this method, the Company establishes 2 types of reserves:

- ▶ Claim reserve for incurred but not settled ("IBNS") losses (by the end of the fiscal year): Claim reserve is established for each insurance type based on the estimated claim amount for each loss that has been reported but has not been settled by the end of the fiscal year, outlined in Point a, Clause 1, Article 36, Circular 67 of the MoF.
- ▶ Claim reserve for incurred but not reported ("IBNR") losses is establish a rate of 3% of the insurance premium for each insurance types, outlined in Point b, Clause 1, Article 36, Circular 67 of the MoF.

(iii) Catastrophe reserve

Annual establishment is 1% of the retained premiums by each insurance type, outlined in Point b, Clause 1, Article 37, Circular 67 of the MoF.

The maximum amount that can be used from the reserves for major losses is calculated for each insurance type according to the following outlined in Point b, Clause 2, Article 37, Circular 67 of the MoF.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.12 Technical reserves (continued)***b. For health insurance policies with term less than 1 year:**(i) Unearned premium reserve*

Establishment method based on the coefficient of the insurance policy term: Daily pro-rata method outlined in Point c, Clause 2, Article 35, Circular 67, as follows:

This method may be employed for calculating the unearned premium reserve for insurance/reinsurance policies of different terms according to the following formula:

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

(ii) Claim reserve

Method of establishing claim reserves according to statistics on claim records outlined in Clause 1, Article 36, Circular 67: Under this method, the Company establishes 2 types of reserves.

- ▶ Claim reserve for incurred but not settled ("IBNS") losses (by the end of the fiscal year): Claim reserve is established for each insurance type based on the estimated claim amount for each loss that has been reported but has not been settled by the end of the fiscal year, outlined in Point a, Clause 1, Article 36, Circular 67 of the MoF; and
- ▶ Claim reserve for incurred but not reported ("IBNR") losses is establish a rate of 3% of the insurance premium for each insurance types, outlined in Point b, Clause 1, Article 36, Circular 67 of the MoF.

(iii) Balancing reserve

Annual establishment is 1% of the retained premiums by each insurance type, outlined in Clause 3, Article 40 and Point b, Clause 1, Article 37, Circular 67 of the MoF

The maximum amount that can be used from the reserves for major losses is calculated for each insurance type according to the following outlined in Clause 3, Article 40, Circular 67 of the MoF.

3.13 Statutory reserve

The statutory reserve is established in order to supplement the Company's charter capital and ensure its solvency. Appropriation to the statutory reserve fund is made annually at 5% of after-tax profit until it reaches 10% of charter capital in compliance with Article 54, Decree 46 of MoF.

3.14 Foreign currency transactions

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Foreign currency transactions (continued)

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

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

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

3.15 Revenue recognition

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

(i) Gross written premium

Gross written premiums are recognized in accordance with Circular 67 on guidelines for the accounting policies on non-life insurers, reinsurers, insurance brokers and branches of foreign non-life insurers.

Accordingly, gross written premium is recognized as revenues from insurance business as follows: (1) When the insurance policy has been concluded between the insurer or foreign branch of non-life insurer and the policyholder has paid the full premium; (2) there is evidence about coverage acceptance and the insured has paid full premium; (3) when the insurance policy has been concluded and the Company has an agreement with the policyholder on the premium payment period, the Company shall record revenues from the premium that the policyholder must pay according to the agreement in the insurance policy at the beginning of the insurance period; (4) when the insurance policy has been concluded and there is an agreement for the policyholder to pay the premium in installments under the insurance policy, the Company record revenues from the premium corresponding to the period or periods of premium that have incurred, and shall not record revenues from the premium that has not yet come due for the policyholder to pay according to the agreement under the insurance policy.

Insurance policies that were signed before the effective date of the Law on Insurance Business 2022 and still have contractual terms will continue to be implemented as per the regulations of the Law at the time the insurance policy was signed, unless the parties involved in the insurance policy have an agreement to modify or supplement the contract to comply with the Law on Insurance Business 2022 and to apply the elaboration of the Law on Insurance Business 2022.

Advance premium before due date is recorded as "Short-term unearned revenue" in the balance sheet as at the balance sheet date.

(ii) Interest

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless recoverability is improbable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.16 Expense recognition***(i) Claim expenses*

Claim expense is recognized at the point of time when the claim documents are completed and approved by authorized personnel. In case there is no conclusion of the final insured amount, but the Company has a certainty that the loss was under the insurance coverage and claimed a part of compensation at the request of customers, this claim payment was also recorded as claim expense.

(ii) Commission expenses

Commission expense is recognized when incurred. Commission expense is calculated at percentage of gross written premium and recognized in the income statement. The percentage of commission over the gross written premium for specific line of insurance is stipulated in Circular 67. At the end of accounting period, commission expenses are amortized and recognized in the income statement in proportion to the earned premium.

(iii) Bonus and supporting fee for agent

According to Clause 1, Article 52, Circular 67 of MoF, bonuses and support for insurance agents and other benefits as agreed in the agency contracts are provided as follows:

For health insurance: Total bonuses, support, and other benefits of insurance agents do not exceed 100% of the insurance agent commission of all health insurance policies marketed in the fiscal year;

For non-life insurance: Total bonuses, support, and other benefits of insurance agents do not exceed 50% of the insurance agent commission of all non-life insurance policies marketed in the fiscal year.

(iv) Other general administrative expenses

Other general and administrative expense is recognized on accrual basis.

3.17 Recognition of reinsurance activities*(i) Reinsurance ceded*

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

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

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

Ceded reinsurance commission is recognized when there is a corresponding reinsurance premium ceded. At the end of accounting period, the part of ceded reinsurance commission which is not included in income of period corresponding with unearned premium of reinsurance ceded must be determined and allocated in the subsequent periods using the approved method from the MoF for unearned premium reserve as mentioned at Point 3.12.

(ii) Reinsurance assumed

Reinsurance assumed under facultative arrangement:

- ▶ Reinsurance premium assumed is recognized when the facultative reinsurance agreement has been entered into by the Company and a statement of account (for each facultative reinsurance agreement) has been received from the cedants;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.17 Recognition of reinsurance activities (continued)***(ii) Reinsurance assumed (continued)*

Reinsurance assumed under facultative arrangement: (continued)

- ▶ Claim expenses for reinsurance assumed is recognized when there is evidence of liability of the Company and when a statement of account has been sent to the Company; and
- ▶ Assumed reinsurance commission is recognized when the reinsurance premium is assumed and when a statement of account has been sent to the Company. At the end of accounting period, the part of reinsurance commission which is not included in expenses of period corresponding with unearned premium of reinsurance assumed must be determined and allocated in the subsequent periods using the approved method from the MoF for unearned premium reserve as mentioned at Point 3.12.

3.18 Taxation**3.18.1 Current income tax**

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

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

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

3.18.2 Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the years when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

3.18.2 Deferred tax (continued)

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

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

3.19 Financial instruments

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210 /2009/TT-BTC dated 6 November 2009 issued by the MoF providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Company's financial assets include cash, short-term and long-term deposits, trade and other receivables, insurance deposit and other deposits, reinsurance assets and unquoted financial instruments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, claim reserves and accrued expense.

Financial instruments – subsequent measurement

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Use of estimates

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

3.21 Related parties

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

4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Cash on hand	-	5,000,000
<i>In VND</i>	-	5,000,000
Demand deposits at banks	124,857,162,940	109,340,264,756
<i>In VND (*)</i>	28,681,513,135	19,949,604,774
<i>In USD</i>	96,175,649,805	89,390,659,982
	124,857,162,940	109,345,264,756

(*) As at 6 December 2022, the Company requested the bank to issue a guarantee commitment to participate in the bidding with the amount of VND1,000,000,000 (In words: VND one billion). At 3 July 2024, the Company signed an Agreement on amendments and supplements to the effective period of the Letter of Guarantee from 6 December 2022 to 3 January 2025. Accordingly, the company has deposited this amount at the bank.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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5. INVESTMENTS

	Ending balance		Beginning balance		VND
	Cost	Carrying value	Cost	Carrying value	
Short-term					
Term deposits (i)	1,121,639,500,659	1,121,639,500,659	1,022,852,780,365	1,022,852,780,365	
Government bonds	-	-	200,000,000,000	151,483,660,232	
	1,121,639,500,659	1,121,639,500,659	1,222,852,780,365	1,174,336,440,597	
Long-term					
Government bonds (ii)	150,000,000,000	187,632,227,415	50,000,000,000	64,054,790,883	
	150,000,000,000	187,632,227,415	50,000,000,000	64,054,790,883	
	1,271,639,500,659	1,309,271,728,074	1,272,852,780,365	1,238,391,231,480	

(i) Term deposits have original terms of more than three (3) months and remaining periods up to one (1) year, and earn annual interest at rates ranging from 4.0% p.a. to 5.3% p.a.

(ii) Long term Government bonds have remaining terms from more than one (1) year and earn annual interest at rates ranging from 7.2% p.a. to 8.8% p.a.

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6. SHORT-TERM RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
	VND	
Insurance receivables	33,194,341,136	37,366,883,833
Direct insurance and assumed premium receivables	32,277,218,214	36,717,849,036
Reinsurance claim recoveries	749,892,231	550,756,496
Co-insurance receivables	167,230,691	98,278,301
Other receivables	45,836,279,865	71,837,860,925
Interest receivables	37,257,650,919	57,676,666,670
Other short-term mortgages, deposits	703,831,726	3,374,469,240
Other short-term receivables	7,874,797,220	10,786,725,015
Provision for doubtful debts	(7,492,555,387)	(7,239,249,929)
	71,538,065,614	101,965,494,829

7. UNALLOCATED COMMISSION EXPENSES

Unallocated commission expenses were the part of commission expenses which were not included in expenses of the year corresponding with direct and reinsurance unearned premium and will be allocated in subsequent years in accordance with Circular 232.

	<i>Current year</i>	<i>Previous year</i>
	VND	
Beginning balance	25,203,225,179	23,410,940,465
Commission paid during the year	54,857,473,373	49,977,760,962
Allocated to expenses during the year	(52,099,890,053)	(48,185,476,248)
Ending balance	27,960,808,499	25,203,225,179

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8. INSURANCE DEPOSIT

Statutory insurance deposit is a deposit calculated at 2% of the minimum charter capital according to regulations in Insurance Business Law No. 08/2022/QH15 and Decree 46/2023/ND-CP. As at 31 December 2024, the company had made a deposit at the Joint Stock Commercial Bank for Foreign Trade of Vietnam, Ho Chi Minh, with an amount of VND 8,000,000,000 and earns interest at rates ranging from 4.1% p.a. to 4.6% p.a. (31 December 2023: VND 8,000,000,000 earned interest rate of 4.6% of per annum).

9. OTHER LONG-TERM RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Deposits for offices rental	6,257,619,320	5,267,327,480
Others	22,250,000	10,250,000
	<u>6,279,869,320</u>	<u>5,277,577,480</u>

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10. TANGIBLE FIXED ASSETS

	Furniture and fixtures	Computer equipment	Office equipment	Motor vehicles	VND Total
Cost					
Beginning balance	9,590,209,561	22,211,280,273	4,206,576,589	225,384,728	36,233,451,151
New purchase	-	60,522,000	-	-	60,522,000
Disposal	(87,057,858)	-	-	-	(87,057,858)
Ending balance	9,503,151,703	22,271,802,273	4,206,576,589	225,384,728	36,206,915,293
<i>In which:</i>					
Fully depreciated	9,503,151,703	17,829,672,273	4,206,576,589	225,384,728	31,764,785,293
Accumulated depreciation					
Beginning balance	9,462,455,680	19,110,043,774	4,206,576,589	225,384,728	33,004,460,771
Depreciated for the year	127,753,881	1,465,579,488	-	-	1,593,333,369
Disposal	(87,057,858)	-	-	-	(87,057,858)
Ending balance	9,503,151,703	20,575,623,262	4,206,576,589	225,384,728	34,510,736,282
Net carrying amount					
Beginning balance	127,753,881	3,101,236,499	-	-	3,228,990,380
Ending balance	-	1,696,179,011	-	-	1,696,179,011

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11. INTANGIBLE ASSETS

	<i>VND</i>
	<i>Computer software</i>
Cost	
Beginning balance	48,676,989,167
New purchase	1,914,500,000
Disposal	(8,261,429,769)
Transferred from construction in progress	5,746,565,960
	<u>48,076,625,358</u>
Ending balance	48,076,625,358
<i>In which:</i>	
<i>Fully depreciated</i>	36,621,381,047
Accumulated amortization	
Beginning balance	45,926,831,513
Amortised for the year	3,896,973,178
Disposal	(8,261,429,769)
	<u>41,562,374,922</u>
Ending balance	41,562,374,922
Net carrying amount	
Beginning balance	2,750,157,654
Ending balance	<u>6,514,250,436</u>

12. CONSTRUCTION IN PROGRESS

	<i>Ending balance</i>	<i>Beginning balance</i>
Developed software	<u>1,923,682,334</u>	<u>5,285,393,691</u>

13. SHORT-TERM TRADE PAYABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables for insurance activities	23,750,662,639	23,981,709,470
Commission payables	8,755,000,803	10,176,507,958
Claim payables	5,922,627,874	5,154,173,546
Refund premium payables	1,895,400,850	3,041,226,942
Reinsurance premium payables	4,359,281,314	2,228,305,879
Co-insurance premium payables	84,492,493	716,350,243
Others	2,733,859,305	2,665,144,902
Other trade payables	353,191,797	2,329,861,116
Trade payables to suppliers	353,191,797	2,329,861,116
	<u>24,103,854,436</u>	<u>26,311,570,586</u>

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14. TAX AND OTHER STATUTORY OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Movement during the year</i>		<i>Ending balance</i>
		<i>Payable</i>	<i>Paid</i>	
Value added tax	3,659,530,863	24,075,956,501	(23,502,322,036)	4,233,165,328
Personal income tax	1,020,181,746	18,969,087,295	(18,131,566,163)	1,857,702,878
Corporate income tax	405,414,734	2,347,201,560	(2,455,798,781)	296,817,513
Foreign withholding tax	794,477,479	5,873,488,654	(5,577,328,100)	1,090,638,033
Income tax of agents	166,702,424	1,998,522,386	(1,963,973,844)	201,250,966
	6,046,307,246	53,264,256,396	(51,630,988,924)	7,679,574,718

15. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Performance bonus	24,238,486,719	13,993,151,651
Other operating expenses	18,145,793,481	14,953,313,351
	42,384,280,200	28,946,465,002

16. UNEARNED COMMISSION INCOME

Unearned commission income was the part of commission which was not allocated in income of the year corresponding with reinsurance ceded unearned premium and will be allocated in subsequent year in accordance with Circular 232.

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	1,467,228,602	1,366,591,234
Increased during the year	4,071,988,171	3,218,387,574
Allocated to income during the year	(3,846,365,978)	(3,117,750,206)
Ending balance	1,692,850,795	1,467,228,602

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17. TECHNICAL RESERVES

17.1. Claim reserve and unearned premium reserve

	Ending balance			Beginning balance			VND
	Direct insurance premium and assumed reinsurance premium	Ceded reinsurance premium	Net amount	Direct insurance premium and assumed reinsurance premium	Ceded reinsurance premium	Net amount	
Claim reserve	81,072,131,731	4,421,673,313	76,650,458,418	65,009,533,442	4,956,091,872	60,053,441,570	
- Outstanding case claim reserve	60,787,917,063	3,531,800,688	57,256,116,375	46,513,301,411	4,352,361,535	42,160,939,876	
- IBNR claim reserve	20,284,214,668	889,872,625	19,394,342,043	18,496,232,031	603,730,337	17,892,501,694	
Unearned premium reserve	339,677,377,669	6,591,236,789	333,086,140,880	306,605,002,789	5,843,940,629	300,761,062,160	
	420,749,509,400	11,012,910,102	409,736,599,298	371,614,536,231	10,800,032,501	360,814,503,730	

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17. TECHNICAL RESERVES (continued)

17.1. Claim reserve and unearned premium reserve (continued)

In particular:

	Current year			Previous year			VND
	Direct insurance and assumed reinsurance	Ceded reinsurance	Net amount	Direct insurance and assumed reinsurance	Ceded reinsurance	Net amount	
Claim reserve							
Beginning balance	65,009,533,442	4,956,091,872	60,053,441,570	81,194,879,576	3,671,667,218	77,523,212,358	
Movement during the year	16,062,598,289	(534,418,559)	16,597,016,848	(16,185,346,134)	1,284,424,654	(17,469,770,788)	
Ending balance	81,072,131,731	4,421,673,313	76,650,458,418	65,009,533,442	4,956,091,872	60,053,441,570	
Unearned premium reserve							
Beginning balance	306,605,002,789	5,843,940,629	300,761,062,160	281,441,070,741	5,414,866,066	276,026,204,675	
Movement during the year	33,072,374,880	747,296,160	32,325,078,720	25,163,932,048	429,074,563	24,734,857,485	
Ending balance	339,677,377,669	6,591,236,789	333,086,140,880	306,605,002,789	5,843,940,629	300,761,062,160	

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17. TECHNICAL RESERVES (continued)

17.2 Catastrophe reserve

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	98,815,197,722	92,851,030,488
Increase	6,464,780,684	5,964,167,234
Ending balance	<u>105,279,978,406</u>	<u>98,815,197,722</u>

18. OWNER'S EQUITY

18.1 Changes in owner's equity

	VND			
	<u>Contributed charter capital</u>	<u>Statutory reserve fund</u>	<u>Accumulated losses</u>	<u>Total</u>
Previous year				
Beginning balance	1,204,072,000,000	21,365,251,896	(283,302,861,285)	942,134,390,611
Net profit for the year	-	-	30,535,415,979	30,535,415,979
Increase statutory reserve	-	1,526,770,799	(1,526,770,799)	-
Ending balance	<u>1,204,072,000,000</u>	<u>22,892,022,695</u>	<u>(254,294,216,105)</u>	<u>972,669,806,590</u>
Current year				
Beginning balance	1,204,072,000,000	22,892,022,695	(254,294,216,105)	972,669,806,590
Net loss for the year	-	-	(619,702,707)	(619,702,707)
Increase statutory reserve	-	-	-	-
Ending balance	<u>1,204,072,000,000</u>	<u>22,892,022,695</u>	<u>(254,913,918,812)</u>	<u>972,050,103,883</u>

18.2 Contributed charter capital

	<u>Contributed capital (VND)</u>	<u>Total contributed charter capital as per License for Establishment and Operation (VND)</u>	<u>Ownership %</u>
Liberty UK and Europe Holdings Limited.	<u>1,204,072,000,000</u>	<u>1,204,072,000,000</u>	<u>100</u>

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19. GROSS WRITTEN PREMIUM

	<i>Current year</i>	<i>Previous year</i>
Automobile Insurance	424,201,740,378	377,622,010,521
Health and Personal Accident Insurance	215,125,476,738	205,726,945,580
Fire Insurance	26,469,767,974	23,292,774,798
Liability Insurance	5,013,725,254	5,092,353,830
Cargo Insurance	3,591,381,830	3,440,415,615
Property and Damage Insurance	151,051,263	77,875,111
	<u>674,553,143,437</u>	<u>615,252,375,455</u>

19.1 Reinsurance premium assumed

	<i>Current year</i>	<i>Previous year</i>
Fire Insurance	1,527,725,452	1,271,056,899
Property and Damage Insurance	59,620,273	17,635,470
	<u>1,587,345,725</u>	<u>1,288,692,369</u>

20. REINSURANCE PREMIUM CEDED

	<i>Current year</i>	<i>Previous year</i>
Fire Insurance	12,804,222,403	9,411,089,268
Automobile Insurance	10,035,156,714	4,916,969,402
Liability Insurance	4,095,927,850	4,175,991,341
Cargo Insurance	1,057,819,319	1,016,675,801
Health and Personal Accident Insurance	1,588,522,637	580,951,949
Property and Damage Insurance	80,771,866	22,666,650
	<u>29,662,420,789</u>	<u>20,124,344,411</u>

21. NET CLAIM EXPENSES

	<i>Current year</i>	<i>Previous year</i>
Direct claim expenses (Note 21.1)	279,290,299,373	259,384,444,254
Recoveries from reinsurance ceded (Note 21.2)	(4,975,735,651)	(1,089,346,537)
Increase/(decrease) in direct and reinsurance assumed claim reserve (Note 17.1)	16,062,598,289	(16,185,180,884)
Decrease/(increase) in reinsurance ceded claim reserve (Note 17.1)	534,418,559	(1,284,424,654)
	<u>290,911,580,570</u>	<u>240,825,492,179</u>

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21. NET CLAIM EXPENSES (continued)

21.1 Direct claim expenses

	VND	
	<u>Current year</u>	<u>Previous year</u>
Automobile Insurance	190,678,645,209	182,526,629,308
Health and Personal Accident Insurance	82,572,434,582	74,301,943,182
Fire Insurance	4,438,910,851	2,303,996,940
Property and Damage Insurance	-	131,110,622
Cargo Insurance	1,600,308,731	120,764,202
	<u>279,290,299,373</u>	<u>259,384,444,254</u>

21.2 Recoveries from reinsurance ceded

	VND	
	<u>Current year</u>	<u>Previous year</u>
Automobile Insurance	2,666,700,608	-
Fire Insurance	1,843,161,873	1,006,775,155
Cargo Insurance	320,061,804	33,727,315
Property and Damage Insurance	-	26,222,124
Health and Personal Accident Insurance	145,811,366	22,621,943
	<u>4,975,735,651</u>	<u>1,089,346,537</u>

22. OTHER UNDERWRITING EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Allowances for sales staff	70,135,419,745	62,945,957,050
Operating expenses	34,655,799,284	26,988,443,015
Loss prevention expenses	5,490,000,083	5,181,124,499
Compulsory funds	486,033,865	341,657,890
Other expenses	4,753,204,575	3,755,311,564
	<u>115,520,457,552</u>	<u>99,212,494,018</u>

23. PROFIT FROM FINANCIAL ACTIVITIES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Finance income	69,581,756,036	91,629,450,203
Interest income	65,552,345,001	88,834,373,819
Foreign exchange gain	3,990,033,006	2,707,650,633
Other finance income	39,378,029	87,425,751
Finance expenses	8,622,467,470	9,134,715,795
Amortization of bond premium	7,004,687,061	7,572,050,247
Other finance expenses	1,617,780,409	1,562,665,548
	<u>60,959,288,566</u>	<u>82,494,734,408</u>

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24. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Salary and allowances	106,239,921,161	94,425,113,638
Expenses for external services	76,016,241,639	95,767,461,268
Computer related cost	14,475,940,936	13,453,195,335
Taxes, fees, and charges	6,081,888,946	5,173,105,678
Depreciation and amortization expenses (Note 10, 11)	5,490,306,547	5,079,784,551
Bad debt provision expense	253,305,458	25,536,513
Other expenses	7,051,073,027	7,838,940,756
	<u>215,608,677,714</u>	<u>221,763,137,739</u>

25. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits (2023: 20%).

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

25.1 Corporate income tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

	VND	
	<u>Current year</u>	<u>Previous year</u>
Current corporate income tax expense (Note 25.2)	2,209,488,702	9,614,660,139
Adjustment for under accrual of tax from prior years (Note 25.2)	137,712,858	-
Deferred tax expense/(income) (Note 25.3)	560,873,281	(27,388,067)
Corporate income tax expenses	<u>2,908,074,841</u>	<u>9,587,272,072</u>

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25. CORPORATE INCOME TAX (continued)

25.2 Current corporate income tax expense

The reconciliation between accounting profit and taxable profit/(loss) is presented as follows:

	VND	
	<u>Current year</u>	<u>Previous year</u>
Accounting (loss)/profit before tax	2,288,372,134	40,122,688,052
At CIT rate of 20% (2023: 20%)	457,674,427	8,024,537,610
<i>Adjustments to increase:</i>		
Non-deductible expenses	2,312,687,556	1,562,734,463
Gain on foreign currencies which was realized in the year	334,934,037	714,582,826
Adjustment for under accrual of tax from prior years	137,712,858	-
<i>Adjustments to decrease:</i>		
Change in accrued expenses	(117,497,542)	(212,757,641)
Unrealized foreign exchange gain	(778,309,776)	(474,437,119)
Estimated current income tax expense	<u>2,347,201,560</u>	<u>9,614,660,139</u>

25.3 Deferred tax assets

The following are the deferred tax assets recognised by the Company, and the movements thereon, during the current year and previous year.

	Balance sheet		Income statement	
	<u>Ending balance</u>	<u>Beginning balance</u>	<u>Current year</u>	<u>Previous year</u>
Deferred tax assets				
Accrued expenses	5,511,723,567	5,629,221,109	(117,497,542)	(212,757,641)
Provision for doubtful debts	1,368,051,275	1,368,051,275	-	-
Impact of exchange rate fluctuations	(21,769,188)	421,606,551	(443,375,739)	240,145,708
	<u>6,858,005,654</u>	<u>7,418,878,935</u>	<u>(560,873,281)</u>	<u>27,388,067</u>
Net deferred tax assets	<u>6,858,005,654</u>	<u>7,418,878,935</u>		
Net deferred tax (expense)/income to income statement			<u>(560,873,281)</u>	<u>27,388,067</u>

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26. OPERATING LEASE COMMITMENTS

The Company leases its office space, house and vehicles for employees under operating lease agreements. Future rental amounts due under the operating lease agreements as at 31 December 2024 are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
		VND
Less than one (1) year	23,110,635,087	24,910,791,704
From one (1) to five (5) years	38,029,885,169	7,473,381,129
	<u>61,140,520,256</u>	<u>32,384,172,833</u>

27. OFF BALANCE SHEET ITEMS

	<u>Ending balance</u>	<u>Beginning balance</u>
Insurance policies signed but not yet effective – VND	21,616,506,237	16,337,398,508
Foreign currency - USD	3,802,611.49	3,709,925.71



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28. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the current year were as follows:

<i>Related company</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year Revenue/(expense)</i>	<i>VND Previous year Revenue/(expense)</i>
Liberty International Holdings Inc ("LIHI")	Indirect Ownership	Payment on behalf	10,260,225,265	10,715,704,918
		IT Service fee	(3,080,758,094)	(4,605,200,534)
		Other service fee	(1,931,040,053)	(3,486,027,574)
Liberty Mutual Technology Group, Inc.	Affiliate	IT service fee	(17,204,137,067)	(35,710,877,294)
Liberty International Underwriters Pte Ltd.	Affiliate	Reinsurance premium	(2,115,987,603)	(2,326,795,843)
		Reinsurance commission	191,262,569	265,556,805
Liberty Mutual Group Asset Management Inc.	Affiliate	Investment fee	(1,469,025,200)	(1,414,664,164)
Liberty Mutual Insurance Company	Affiliate	Reinsurance premium	(18,420,914,894)	(16,446,456,113)
		Reinsurance commission	3,775,980,352	3,610,868,408
		Reinsurance claim recoveries	4,742,799,580	1,089,346,537
Liberty International Insurance Limited (Hong Kong)	Affiliate	Management fee	6,346,828,941	3,749,622,027
		IT service fee and Others	(4,381,168,048)	(2,075,853,966)
		Payment on behalf	1,294,876,859	57,536,016
Liberty Insurance Pte Ltd (Singapore)	Affiliate	Management fee	1,355,811,340	(4,004,202,984)
		IT service fee	(1,606,311,914)	(2,770,790,562)
		Payment on behalf	1,636,517,206	137,120,354
LMG Insurance Public Company Limited (Thailand)	Affiliate	Management fee	6,628,604,086	5,407,022,363
		IT service fee	(1,929,624,069)	(923,243,508)
		Payment on behalf	1,273,635,430	390,092,681

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet date were as follows:

<i>Related company</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance Receivable/ (Payable)</i>	<i>VND Beginning balance Receivable/ (Payable)</i>
Liberty International Holdings Inc ("LIHI")	Indirect Ownership	Payment on behalf IT service fee and Others	2,379,221,224 (5,288,398,550)	3,051,564,537 (10,841,531,303)
Liberty International Underwriters Pte Ltd.	Affiliate	Reinsurance premium Reinsurance commission	(156,443,546) 40,189,423	(368,488,156) 54,359,243
Liberty Mutual Group Asset Management Inc.	Affiliate	Investment fee	(377,490,474)	(363,747,343)
Liberty Mutual Insurance Company	Affiliate	Reinsurance premium Reinsurance commission Reinsurance claim recoveries	(4,454,311,893) 1,787,162,782 621,835,546	(3,222,001,194) 1,321,574,260 550,756,496
Liberty International Insurance Limited (Hong Kong)	Affiliate	Management fee IT service fee and Others	- (357,544,461)	1,291,877,520 (716,088,577)
Liberty Insurance Pte Ltd (Singapore)	Affiliate	Management fee IT service fee Payment on behalf	- (205,441,121) (56,957,940)	970,952,119 66,064,876 -
LMG Insurance Public Company Limited (Thailand)	Affiliate	Management fee IT service fee	- -	1,713,588,210 (383,200,374)

Remuneration paid to members of the Members' Council and Management:

	<i>Current year</i>	<i>VND Previous year</i>
Salaries, bonus and other benefits	15,885,250,050	17,136,899,435
	15,885,250,050	17,136,899,435

29. RISK MANAGEMENT FRAMEWORK

29.1 Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of financial performance objectives. The Members' Council and Management recognize the importance of having efficient and effective risk management systems in place.

The Company has established a procedure with clear terms of reference from the Members' Council. A policy framework has been developed and implemented which sets out the risk profiles for the Company, risk management, control and business conduct standards for the Company's operations. Each policy has a member of the Management charged with overseeing compliance with the policy throughout the Company.

29.2 Risk management objectives, policies and processes for management of insurance risk

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

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

29.3 Capital management and regulatory framework

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

Regulatory capital requirements arise from the operations of the Company require the Company to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The principal solvency requirements applicable to the Company are those set out in Circular 67.

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

	<i>Company Solvency Capital VND</i>	<i>Minimum Solvency Margin VND</i>	<i>Solvency Margin Ratio</i>
31 December 2024	909,680,697,242	161,619,517,093	563%
31 December 2023	912,269,710,571	149,104,180,853	612%

The solvency ratio of the Company is calculated based on the relevant regulations promulgated by the MoF in Vietnam.

29. RISK MANAGEMENT FRAMEWORK (continued)

29.4 *Underwriting strategy*

The Company's underwriting strategy seeks diversity to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

29.5 *Reinsurance strategy*

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

Ceded reinsurance contains credit risk, and to minimize such risk, only those reinsurers meeting the Company's credit rating standard, either assessed from public rating information or internally investigations, will be used.

30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

30.1 *Insurance risk*

Assumptions, changes in assumptions and sensitivity analysis

The process used to determine the assumptions is intended to result in estimates of the most likely outcome. The sources of data used as inputs for the assumptions are internal, based on detailed studies that are carried out regularly. The assumptions are checked to ensure that they are consistent with other observable information. There is more emphasis on current trends, and where there is insufficient historical information, prudent assumptions are used.

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a case by case basis with due regard to the circumstances, information available from loss adjusters and historical evidence of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises. The impact of many of the factors affecting the ultimate loss is difficult to estimate. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments.

30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.1 Insurance risk (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

The key method in calculating the claim reserves is based on Circular 67 issued by the MoF. Details of such reserving methodologies are as follows:

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

- ▶ Outstanding case claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the financial year in accordance to the Circular 67; and
- ▶ Reserve for incurred but not reported claims for which the insurer is liable ("IBNR") is established according to Circular 67 for applying the rate equal to 3% of retained premium for each insurance product.

For general insurance contracts the most significant risks arise from climate changes and natural disasters. Vietnam has suffered heavily from catastrophic losses such as tropical typhoon, river flood, flash flood, heavy rain and landslide. It is expected that tropical typhoon will affect Vietnam regularly with the high severity and insured losses. In view of the exposures, the general insurance has arranged the reinsurance protection for the fire, engineering, motor, marine cargo portfolios against the catastrophic events to minimize the risks.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the general insurance. The general insurance further enforces a policy of activity managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. typhoon and flood damages).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the general insurance's risk appetite as decided by management. The management may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

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30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.1 Insurance risk (continued)

Claim data table

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

Currency: million VND

ITEMS	Accident year					
	2020	2021	2022	2023	2024	Total
At end of accident year	1	2	3	4	5	6
I. Estimate of cumulative claims incurred						
1	286,204	241,298	283,467	247,938	298,677	1,357,584
2	281,761	235,024	278,891	242,687	-	1,038,363
3	281,278	234,951	278,818	-	-	795,047
4	280,756	234,963	-	-	-	515,719
5	280,956	-	-	-	-	280,956
Current estimate of cumulative claims incurred (1)	280,956	234,963	278,818	242,687	298,677	1,336,101
II. Cumulative claim payment						
1	226,463	189,881	222,720	202,481	241,050	1,082,596
2	280,323	234,142	278,489	240,429	-	1,033,383
3	280,958	234,858	278,523	-	-	794,339
4	281,161	234,965	-	-	-	516,126
5	281,312	-	-	-	-	281,312
Cumulative claim payment to date (2)	281,312	234,965	278,523	240,429	241,050	1,276,280
III. Net outstanding claim reserve (3) = (1) – (2)	(356)	(2)	295	2,258	57,627	59,821
IV. Current estimate of surplus/ (deficit) (4)	-	-	4	3,428	56,797	60,229
V. Percentage of current estimate of surplus/ (deficit) over current estimate of cumulative claims incurred (5) = (4)/(1)*100%	0%	0%	0%	1%	19%	4.5%

30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.2 Financial risk

The Company's principal financial liabilities comprise trade and other payables. Financial assets of the Company comprise cash and term deposits, bonds, trade and other receivables that arise directly from its operations. The Company does not hold or issue derivative financial instruments.

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

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

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

30.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Company, market prices comprise two types of risk: interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to investments in term deposits and bonds.

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

A sensitivity analysis is not performed for interest rate risk as the Company's exposure to interest rate risk is minimal at reporting date.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Company conducts business may affect its financial condition and results of operations. The foreign current risk facing the Company mainly comes from movements in the USD/VND exchange rate. The Company seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position. Major of the Company financial assets are denominated in VND which mitigates the foreign currency risk. With assets denominated in foreign currency, most of them are in USD.

The table below indicates the effect of a reasonably possible movement of the USD rate against the VND, with all other variables held constant, on the income statement and balance sheet of the Company:

<i>Increase/decrease in basic points</i>	<i>VND Impact on profit before tax</i>
31 December 2024	
+2%	1,923,512,996
-2%	(1,923,512,996)
31 December 2023	
+2%	1,787,813,200
-2%	(1,787,813,200)

30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.2 Financial risk (continued)

30.2.2 Credit risk

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

Trade receivables

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

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

Bank deposits and other financial instruments

The Company's bank balances are mainly maintained with well-known banks in Vietnam. The Company evaluates the concentration of credit risk in respect to bank deposits is low.

The Management evaluate that all the Company's bank deposits and other financial assets are neither past due nor impaired as they are related to recognized and creditworthy counterparties as at 31 December 2024.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.2 Financial risk (continued)

30.2.2 Credit risk (continued)

	Neither past due nor impaired	Individually impaired	Total
			VND
31 December 2024			
Cash and cash equivalents	124,857,162,940	-	124,857,162,940
Held-to-maturity investments	1,309,271,728,074	-	1,309,271,728,074
Term deposits	1,121,639,500,659	-	1,121,639,500,659
Government bonds	187,632,227,415	-	187,632,227,415
Insurance receivables (*)	32,948,235,700	246,105,436	33,194,341,136
Other short-term receivables (*)	37,755,198,840	7,246,449,951	45,001,648,791
Accrued interest receivable	37,257,650,919	-	37,257,650,919
Other receivables	497,547,921	7,246,449,951	7,743,997,872
Reinsurance assets from claim reserves	4,421,673,313	-	4,421,673,313
Statutory deposit	8,000,000,000	-	8,000,000,000
Other long-term receivables	6,279,869,320	-	6,279,869,320
	1,523,533,868,187	7,492,555,387	1,531,026,423,574

(*) Balances of these items do not include provisions for impairment losses.

30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.2 Financial risk (continued)

30.2.2 Credit risk (continued)

	Neither past due nor impaired	Individually impaired	Total
			VND
31 December 2023			
Cash and cash equivalents	109,345,264,756	-	109,345,264,756
Held-to-maturity investments	1,238,391,231,480	-	1,238,391,231,480
Term deposits	1,022,852,780,365	-	1,022,852,780,365
Government bonds	215,538,451,115	-	215,538,451,115
Insurance receivables (*)	36,974,336,359	392,547,474	37,366,883,833
Other short-term receivables (*)	61,417,860,905	7,061,482,513	68,479,343,418
Accrued interest receivable	57,676,666,670	-	57,676,666,670
Other receivables	3,741,194,235	7,061,482,513	10,802,676,748
Reinsurance assets from claim reserves	4,956,091,872	-	4,956,091,872
Statutory deposit	8,000,000,000	-	8,000,000,000
Other long-term receivables	5,277,577,480	-	5,277,577,480
	1,464,362,362,852	7,454,029,987	1,471,816,392,839

(*) Balances of these items do not include provisions for impairment losses.

In which:

- ▶ Neither past due nor impaired: the assets or receivables with amounts that have not come due yet and there is no evidence for the decline in value.
- ▶ Individually impaired: receivables from customers that, according to the Company, cannot be repaid fully under the terms of the contract.

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30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.2 Financial risk (continued)

30.2.3 Liquidity risk

The Company has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts. There is therefore a risk that cash will not be available to settle liabilities when due at a reasonable cost. Investment portfolios are structured with regard to liquidity requirement to defray costs of unexpected cash requirements.

The table below summarizes the maturity profile of the Company's financial assets and liabilities based on contractual non-discounted payments at the reporting date:
VND

	On demand	Less than 3 months	From 3 months to 12 months	More than 1 year	Total
31 December 2024					
Financial assets					
Cash and cash equivalents	124,857,162,940	-	-	-	124,857,162,940
Held-to-maturity investments	-	775,919,925,669	345,719,574,990	187,632,227,415	1,309,271,728,074
Term deposits	-	775,919,925,669	345,719,574,990	-	1,121,639,500,659
Government bonds	-	-	-	187,632,227,415	187,632,227,415
Insurance receivables (*)	-	31,618,191,165	891,670,984	684,478,987	33,194,341,136
Other short-term receivables (*)	-	30,862,298,884	4,250,821,227	9,888,528,680	45,001,648,791
Accrued interest receivable	-	23,822,132,738	3,546,989,501	9,888,528,680	37,257,650,919
Other receivables	-	7,040,166,146	703,831,726	-	7,743,997,872
Reinsurance assets from claim reserves	-	-	4,421,673,313	-	4,421,673,313
Statutory deposit	-	-	-	8,000,000,000	8,000,000,000
Other long-term receivables	-	-	-	6,279,869,320	6,279,869,320
	124,857,162,940	838,400,415,718	355,283,740,514	212,485,104,402	1,531,026,423,574
Financial liabilities					
Insurance payables	-	24,103,854,436	-	-	24,103,854,436
Short-term accrued expenses	-	18,145,793,481	-	-	18,145,793,481
Other short-term payables	-	3,922,283,784	-	-	3,922,283,784
Claim reserves	-	-	81,072,131,731	-	81,072,131,731
	-	46,171,931,701	81,072,131,731	-	127,244,063,432
NET LIQUIDITY GAP	124,857,162,940	792,228,484,017	274,211,608,783	212,485,104,402	1,403,782,360,142

(*) Balances of these items do not include provisions for impairment losses.

There is no significant difference between the expected utilization or settlement of assets and liabilities and the contractual maturity as disclosed above.

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30. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

30.2 Financial risk (continued)

30.2.3 Liquidity risk (continued)

	On demand	Less than 3 months	From 3 months to 12 months	More than 1 year	Total
31 December 2023					VND
Financial assets					
Cash and cash equivalents	109,345,264,756	-	-	-	109,345,264,756
Held-to-maturity investments	-	324,242,000,000	850,094,440,597	64,054,790,883	1,238,391,231,480
Term deposits	-	324,242,000,000	698,610,780,365	-	1,022,852,780,365
Government bonds	-	-	151,483,660,232	64,054,790,883	215,538,451,115
Insurance receivables (*)	-	36,166,019,071	-	1,200,864,762	37,366,883,833
Other short-term receivables (*)	-	34,126,306,193	34,353,037,225	-	68,479,343,418
Accrued interest receivable	-	26,698,098,685	30,978,567,985	-	57,676,666,670
Other receivables	-	7,428,207,508	3,374,469,240	-	10,802,676,748
Reinsurance assets from claim reserves	-	-	4,956,091,872	-	4,956,091,872
Statutory deposit	-	-	-	8,000,000,000	8,000,000,000
Other long-term receivables	-	-	-	5,277,577,480	5,277,577,480
	109,345,264,756	394,534,325,264	889,403,569,694	78,533,233,125	1,471,816,392,839
Financial liabilities					
Insurance payables	-	26,311,570,586	-	-	26,311,570,586
Short-term accrued expenses	-	14,953,313,351	-	-	14,953,313,351
Other short-term payables	-	8,324,827,211	-	-	8,324,827,211
Claim reserves	-	-	65,009,533,442	-	65,009,533,442
	-	49,589,711,148	65,009,533,442	-	114,599,244,590
NET LIQUIDITY GAP	109,345,264,756	344,944,614,116	824,394,036,252	78,533,233,125	1,357,217,148,249

(*) Balances of these items do not include provisions for impairment losses.

There is no significant difference between the expected utilization or settlement of assets and liabilities and the contractual maturity as disclosed above.

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31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets that are carried in the financial statements of 31 December 2024 and 31 December 2023:

	Carrying amount				Fair value		VND
	Ending balance		Beginning balance		Ending balance	Beginning balance	
	Cost	Provision	Cost	Provision			
Financial assets							
Held-to-maturity investments							
Government bonds	187,632,227,415	-	215,538,451,115	-	187,632,227,415	215,538,451,115	
Loans and receivables							
Short-term deposits	1,121,639,500,659	-	1,022,852,780,365	-	1,121,639,500,659	1,022,852,780,365	
Insurance receivables	33,194,341,136	(246,105,436)	37,366,883,833	(177,767,416)	32,948,235,700	37,189,116,417	
Other short-term receivables	45,001,648,791	(7,246,449,951)	68,479,343,418	(7,061,482,513)	37,755,198,840	61,417,860,905	
Accrued interest receivable	37,257,650,919	-	57,676,666,670	-	37,257,650,919	57,676,666,670	
Other receivables	7,743,997,872	(7,246,449,951)	10,802,676,748	(7,061,482,513)	497,547,921	3,741,194,235	
Reinsurance assets from claim reserves	4,421,673,313	-	4,956,091,872	-	4,421,673,313	4,956,091,872	
Statutory deposit	8,000,000,000	-	8,000,000,000	-	8,000,000,000	8,000,000,000	
Other long-term receivables	6,279,869,320	-	5,277,577,480	-	6,279,869,320	5,277,577,480	
Cash and cash equivalents	124,857,162,940	-	109,345,264,756	-	124,857,162,940	109,345,264,756	
	1,531,026,423,574	(7,492,555,387)	1,471,816,392,839	(7,239,249,929)	1,523,533,868,187	1,464,577,142,910	

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31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	Carrying amount		Fair value		VND
	Ending balance	Beginning balance	Ending balance	Beginning balance	
Financial liabilities					
Insurance payables	24,103,854,436	26,311,570,586	24,103,854,436	26,311,570,586	
Short-term accrued expenses	18,145,793,481	14,953,313,351	18,145,793,481	14,953,313,351	
Other short-term payables	3,922,283,784	8,324,827,211	3,922,283,784	8,324,827,211	
Claim reserves	81,072,131,731	65,009,533,442	81,072,131,731	65,009,533,442	
	127,244,063,432	114,599,244,590	127,244,063,432	114,599,244,590	

- ▶ The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- ▶ Fair value of cash and cash equivalents, short-term deposits, trade receivables, trade payables, other receivables and other liabilities are approximately their carrying amounts largely due to the short-term maturities of these instruments.
- ▶ If the fair value is not determinable, the carrying value is used for presentation of fair value.

32. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.



Ms. Luu Mong Ngoc Nhi
Preparer



Ms. Ly Boi Lang
Chief Accountant



Ms. Tran Thi To Nga
General Director

Ho Chi Minh City, Vietnam

3 March 2025

