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PVI INSURANCE CORPORATION
(Incorporated in the Socialist Republic of Vietnam)



AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2023



PVI INSURANCE CORPORATION

PVI Tower, No. 01 Pham Van Bach, Cau Giay District
Hanoi, S.R. Vietnam

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PVI INSURANCE CORPORATION

PVI Tower, No. 01 Pham Van Bach, Cau Giay District

Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PVI Insurance Corporation (the "Corporation") presents this report together with the Corporation's financial statements for the year ended 31 December 2023.

THE MEMBERS' COUNCIL AND THE BOARD OF MANAGEMENT

The members of the Members' Council and the Board of Management of the Corporation during the year and to the date of this report are as follows:

Members' Council

Mr. Duong Thanh François	Chairman
Mr. Do Tien Thanh	Vice Chairman
Mr. Pham Anh Duc	Member
Mr. Phung Tuan Kien	Member
Mr. Tung Sing Lau	Member

Board of Management

Mr. Pham Anh Duc	Chief Executive Officer
Mr. Do Tien Thanh	Deputy Chief Executive Officer
Mr. Vu Van Thang	Deputy Chief Executive Officer
Mr. Nguyen Minh Tri Vi	Deputy Chief Executive Officer (Resigned on 01 June 2023)
Ms. Le Hong Linh	Deputy Chief Executive Officer (Appointed on 03 November 2023)
Mr. Pham Thanh Vinh	Deputy Chief Executive Officer (Appointed on 10 January 2023)
Mr. Nguyen Anh Tuan	Deputy Chief Executive Officer (Appointed on 03 November 2023)

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Corporation as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and

PVI INSURANCE CORPORATION

PVI Tower, No. 01 Pham Van Bach, Cau Giay District
Hanoi, S.R. Vietnam

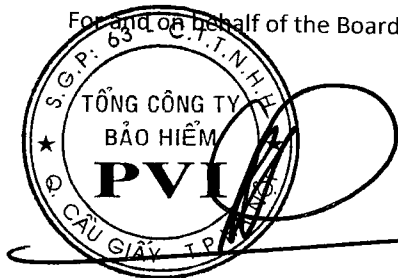
STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Management of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the financial statements comply with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Management,



Pham Anh Duc
Chief Executive Officer

Hanoi, 16 February 2024

No.: 0888 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

**To: The Members' Council and Board of Management
PVI Insurance Corporation**

We have audited the accompanying financial statements of PVI Insurance Corporation (the "Corporation"), prepared on 16 February 2024 as set out from page 05 to page 44, which comprise the balance sheet as at 31 December 2023, and the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Financial Statements

The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of 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 auditors consider internal control relevant to the Corporation'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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting.



Pham Hoai Nam
Deputy General Director
Audit Practising Registration Certificate
No. 0042-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

16 February 2024
Hanoi, S.R. Vietnam

Nguyen Khuong Duy
Auditor
Audit Practising Registration Certificate
No. 5063-2020-001-1

PVI INSURANCE CORPORATION

PVI Tower, No. 01 Pham Van Bach, Cau Giay District
Hanoi, S.R. Vietnam

FORM B01-DNPNT

Issued under Circular No.232/2012/TT-BTC
dated 28 December 2012 of the Ministry of Finance

BALANCE SHEET*As at 31 December 2023**Unit: VND*

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS (100=110+120+130+140+150+190)	100		16,773,689,256,205	17,584,720,559,693
I. Cash and cash equivalents	110	5	282,292,980,159	583,386,027,801
1. Cash	111		282,292,980,159	536,146,027,801
2. Cash equivalents	112		-	47,240,000,000
II. Short-term financial investments	120	6	4,294,452,980,142	4,780,869,883,562
1. Short-term investments	121		4,462,425,609,049	4,948,842,512,469
2. Provision for impairment of short-term investments	129		(167,972,628,907)	(167,972,628,907)
III. Short-term receivables	130		1,863,939,057,438	2,289,325,250,808
1. Short-term trade receivables	131		1,836,353,907,160	2,127,159,061,322
1.1. Receivables of insurance contracts	131.1	7	1,463,921,095,860	1,937,666,812,024
1.2. Other trade accounts receivable	131.2		372,432,811,300	189,492,249,298
2. Short-term advances to suppliers	132		11,750,445,179	6,947,772,764
3. Other receivables	135	8	75,783,587,340	207,000,428,140
4. Provision for short-term doubtful debts	139	9	(59,948,882,241)	(51,782,011,418)
IV. Inventories	140		1,158,874,766	2,114,257,865
1. Inventories	141		1,158,874,766	2,114,257,865
V. Other short-term assets	150		502,287,242,664	491,309,294,750
1. Short-term prepayments	151	10	501,665,947,201	491,049,758,821
1.1. Unallocated commission expenses	151.1		302,365,422,127	324,918,431,167
1.2. Other short-term prepaid expenses	151.2		199,300,525,074	166,131,327,654
2. Value added tax deductibles	152		621,295,463	259,535,929
VI. Reinsurance assets	190	16	9,829,558,121,036	9,437,715,844,907
1. Unearned premium reserve for outward reinsurance	191		3,045,182,747,065	2,580,021,803,419
2. Claim reserve for outward reinsurance	192		6,784,375,373,971	6,857,694,041,488
B. NON-CURRENT ASSETS (200=210+220+250+260)	200		4,064,824,336,363	2,178,163,568,388
I. Long-term receivables	210		21,240,670,338	18,871,638,618
1. Other long-term receivables	218		21,240,670,338	18,871,638,618
1.1. Insurance deposit	218.1		9,000,000,000	8,000,000,000
1.2. Other long-term receivables	218.2		12,240,670,338	10,871,638,618
II. Fixed assets	220		127,081,152,907	138,310,202,018
1. Tangible fixed assets	221	11	60,321,954,311	55,377,983,022
- Cost	222		195,110,335,701	182,678,036,465
- Accumulated depreciation	223		(134,788,381,390)	(127,300,053,443)
2. Intangible assets	227	12	66,759,198,596	82,932,218,996
- Cost	228		179,183,791,493	178,383,041,493
- Accumulated amortisation	229		(112,424,592,897)	(95,450,822,497)
III. Long-term financial investments	250	6	3,737,795,732,942	1,822,922,592,455
1. Other long-term investments	258		3,740,094,434,487	1,825,221,294,000
2. Provision for impairment of long-term financial investments	259		(2,298,701,545)	(2,298,701,545)
IV. Other long-term assets	260		178,706,780,176	198,059,135,297
1. Long-term prepayments	261	10	165,597,464,539	187,234,376,202
2. Deferred tax assets	262		13,109,315,637	10,824,759,095
TOTAL ASSETS (270=100+200)	270		20,838,513,592,568	19,762,884,128,081

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)

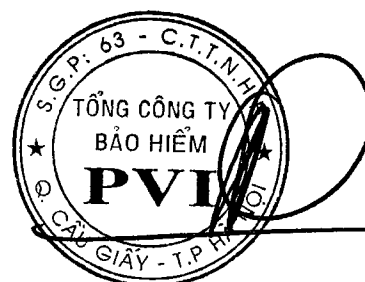
As at 31 December 2023

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES (300=310+330)	300		17,129,010,263,952	16,166,435,990,198
I. Current liabilities	310		17,105,523,208,253	16,165,100,908,362
1. Short-term loans	311		-	28,998,000,000
2. Trade accounts payable	312		2,768,545,913,671	2,708,838,285,682
2.1. Payables of insurance contracts	312.1	13	2,761,493,125,548	2,620,850,784,949
2.2. Other payables to suppliers	312.2		7,052,788,123	87,987,500,733
3. Advances from customers	313		68,298,574,592	73,316,070,165
4. Taxes and amounts payable to the State budget	314	14	166,628,608,188	152,014,120,075
5. Payables to employees	315		369,173,542,226	220,640,921,321
6. Accrued expenses	316		71,379,078,183	52,942,750,174
7. Short-term unearned revenue	318	15	21,448,602,740	-
8. Other current payables	319	15	241,589,073,383	224,362,332,980
9. Unearned commission income from outward reinsurance	319.1	15	427,766,147,182	445,407,919,737
10. Bonus and welfare funds	323		7,364,044,093	7,904,984,315
11. Underwriting reserves	329	16	12,963,329,623,995	12,250,675,523,913
11.1. Unearned premium reserve for direct insurance and inward reinsurance	329.1		5,157,245,216,524	4,423,343,371,125
11.2. Claim reserve for direct insurance and inward reinsurance	329.2		7,572,987,994,571	7,620,352,557,580
11.3. Catastrophe reserve	329.3		233,096,412,900	206,979,595,208
II. Long-term liabilities	330		23,487,055,699	1,335,081,836
1. Long-term unearned revenue	338	15	22,047,369,863	-
2. Other long-term payables	333		135,000,000	-
3. Long-term provisions	336		1,304,685,836	1,335,081,836
D. EQUITY (400=410)	400		3,709,503,328,616	3,596,448,137,883
I. Owner's equity	410	17	3,709,503,328,616	3,596,448,137,883
1. Owner's contributed capital	411		3,300,000,000,000	3,300,000,000,000
2. Compulsory reserve fund	419		301,319,713,795	269,520,576,174
3. Retained earnings	421		108,183,614,821	26,927,561,709
TOTAL RESOURCES (440=300+400)	440		20,838,513,592,568	19,762,884,128,081


Hoang Le Thuy Hang
Preparer


Nguyen Vuong Huynh
Chief Accountant



Pham Anh Duc
Chief Executive Officer

Hanoi, 16 February 2024

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT

For the year ended 31 December 2023

Unit: VND

PART I: GENERAL INCOME STATEMENT

ITEMS	Codes	Current year	Prior year
1. Net revenue from insurance activities	10	5,530,879,288,287	5,147,083,828,692
2. Financial income	12	810,948,198,495	600,415,378,877
3. Other income	13	90,747,151,082	43,635,217,982
4. Total expenses for insurance activities	20	4,700,858,057,900	4,427,767,207,374
5. Financial expenses	22	319,046,874,640	172,537,548,382
6. General and administration expenses	23	528,229,353,544	474,682,684,221
7. Other expenses	24	89,449,310,444	36,174,388,770
8. Total accounting profit before tax (50 = 10+12+13-20-22-23-24)	50	794,991,041,336	679,972,596,804
9. Current corporate income tax expense	51	161,292,845,436	132,638,640,082
10. Deferred corporate tax (income)/expense	52	(2,284,556,542)	1,094,418,081
11. Net profit after corporate income tax (60 = 50-51-52)	60	635,982,752,442	546,239,538,641

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT (Continued)

For the year ended 31 December 2023

Unit: VND

PART II: INCOME STATEMENT BY ACTIVITY

ITEMS	Codes	Notes	Current year	Prior year
1. Insurance premium (01=01.1 + 01.2 - 01.3)	01	19	11,879,008,620,783	10,483,621,589,526
- Direct insurance premium	01.1		11,002,077,073,236	10,032,093,736,956
- Inward reinsurance premium	01.2		1,610,833,392,946	1,038,323,598,192
- Increase in unearned premium reserves for direct insurance and inward reinsurance	01.3		733,901,845,399	586,795,745,622
2. Outward reinsurance premium (02=02.1 - 02.2)	02	20	7,386,067,753,325	6,386,920,834,919
- Total outward reinsurance premium	02.1		7,851,228,696,971	6,801,507,105,220
- Increase in unearned premium reserve for outward reinsurance	02.2		465,160,943,646	414,586,270,301
3. Net insurance premium (03= 01 - 02)	03		4,492,940,867,458	4,096,700,754,607
4. Commission income from outward reinsurance and other income from insurance activities (04 = 04.1 + 04.2)	04		1,037,938,420,829	1,050,383,074,085
- Commission income from outward reinsurance	04.1	21	989,749,000,137	1,032,367,985,018
- Other income from insurance activities	04.2		48,189,420,692	18,015,089,067
5. Net revenue from insurance activities (10 = 03 + 04)	10		5,530,879,288,287	5,147,083,828,692
6. Claim settlement expenses (11= 11.1 - 11.2)	11		3,920,622,440,397	4,031,837,579,168
- Total claim settlement expenses	11.1		3,951,411,725,697	4,080,414,327,917
- Deductions (Receipt of claim from third party, receipt of 100% claim for goods)	11.2		30,789,285,300	48,576,748,749
7. Claims receipts from ceded policies	12		2,096,480,288,597	2,356,902,645,801
8. (Decrease)/Increase in claim reserves for direct insurance and inward reinsurance	13		(47,364,563,009)	688,808,283,476
9. (Decrease)/Increase in claim reserve for outward reinsurance	14		(73,318,667,517)	555,794,401,352
10. Total insurance claim settlement expenses (15 = 11 - 12 + 13 - 14)	15	22	1,850,096,256,308	1,807,948,815,491
11. Increase in catastrophe reserve	16		26,116,817,692	24,189,102,299
<i>Including: Claim settlement from catastrophe reserve</i>			<i>21,500,000,000</i>	<i>18,500,000,000</i>
12. Other expenses for insurance activities (17 = 17.1 + 17.2)	17	23	2,824,644,983,900	2,595,629,289,584
- Insurance commission expense	17.1		699,800,483,627	637,336,717,845
- Other expenses for insurance activities	17.2		2,124,844,500,273	1,958,292,571,739
13. Total expenses for insurance activities (18 = 15 + 16 + 17)	18		4,700,858,057,900	4,427,767,207,374
14. Gross profit from insurance activities (19 = 10 - 18)	19		830,021,230,387	719,316,621,318

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT (Continued)

For the year ended 31 December 2023

Unit: VND

PART II: INCOME STATEMENT BY ACTIVITY (Continued)

ITEMS	Codes	Notes	Current year	Prior year
15. Financial income	23	24	810,948,198,495	600,415,378,877
16. Financial expenses	24	25	319,046,874,640	172,537,548,382
17. Gross profit from financial activities (25 = 23-24)	25		491,901,323,855	427,877,830,495
18. General and administration expenses	26	26	528,229,353,544	474,682,684,221
19. Net profit from operating activities (30 = 19 + 25 - 26)	30		793,693,200,698	672,511,767,592
20. Other incomes	31	27	90,747,151,082	43,635,217,982
21. Other expenses	32	28	89,449,310,444	36,174,388,770
22. Other profit (40 = 31 - 32)	40		1,297,840,638	7,460,829,212
23. Accounting profit before tax (50 = 30 + 40)	50		794,991,041,336	679,972,596,804
24. Current corporate income tax expense	51	30	161,292,845,436	132,638,640,082
25. Deferred corporate tax (income)/expense	52		(2,284,556,542)	1,094,418,081
26. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		635,982,752,442	546,239,538,641

Hoang Le Thuy Hang
Preparer

Nguyen Vuong Huynh
Chief Accountant



Pham Anh Duc
Chief Executive Officer

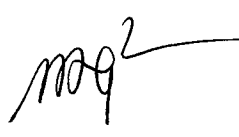
Hanoi, 16 February 2024

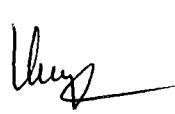
CASH FLOW STATEMENT

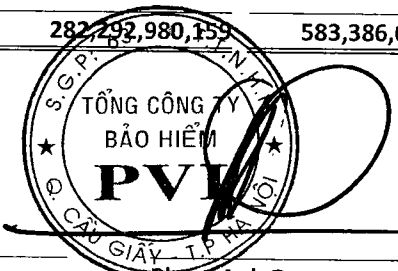
For the year ended 31 December 2023

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Receipt from insurance premium and commissions	01	13,118,664,763,011	11,820,615,466,487
2. Receipt from deducted expenses	03	105,067,874,657	67,034,510,386
3. Receipt from other operating activities	04	1,998,222,445,172	1,033,471,056,817
4. Payment for claim settlements	05	(2,808,836,413,271)	(3,444,242,277,105)
5. Payment for commissions and other insurance activities	06	(5,791,256,992,201)	(4,769,667,392,427)
6. Payment to suppliers of goods and services	07	(1,362,737,727,389)	(1,285,144,279,403)
7. Payment to employees	08	(885,545,232,296)	(883,321,567,119)
8. Loan interest paid	09	(23,241,345,109)	(13,280,662,726)
9. Payment for taxes and obligations to the State budget	10	(922,936,529,975)	(846,075,008,477)
10. Payment for other payables	11	(2,101,399,868,863)	(1,104,144,023,268)
11. Advances to employees and suppliers	12	(374,958,278,134)	(312,546,938,557)
Net cash generated by operating activities	20	951,042,695,602	262,698,884,608
II. Cash flows from investing activities			
1. Acquisition of fixed assets	21	(15,719,772,147)	(5,288,378,945)
2. Cash inflow for sale, disposal of fixed assets and other long-term assets	22	227,500,000	860,352,495
3. Cash outflow for lending, buying debt instruments of other entities	23	(6,393,793,247,629)	(5,715,029,100,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	5,096,480,846,562	5,892,125,274,000
5. Equity investments in other entities	25	-	(300,000,000,000)
6. Cash recovered from investments in other entities	26	-	455,880,460
7. Interest earned, dividends and profits received	27	589,272,866,781	662,426,061,540
Net cash (used in)/generated by investing activities	30	(723,531,806,433)	535,550,089,550
III. Cash flows from financing activities			
1. Receipt from the owner's contribution	21	-	200,000,000,000
2. Proceeds from borrowings	33	696,083,802,426	923,391,197,059
3. Repayment of borrowings	34	(725,081,802,426)	(1,121,884,036,750)
4. Profit paid to owner	36	(501,439,597,315)	(487,172,381,755)
Net cash used in financing activities	40	(530,437,597,315)	(485,665,221,446)
Net (decrease)/increase in cash (50=20+30+40)	50	(302,926,708,146)	312,583,752,712
Cash and cash equivalents at the beginning of the year	60	583,386,027,801	270,306,279,092
Effects of changes in foreign exchange rates	61	1,833,660,504	495,995,997
Cash at the end of the year (70=50+60+61)	70	282,292,980,159	583,386,027,801


Hoang Le Thuy Hang
Preparer


Nguyen Vuong Huynh
Chief Accountant


Pham Anh Duc
Chief Executive Officer

Hanoi, 16 February 2024

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION**Structure of ownership**

PVI Insurance Corporation (the "Corporation") was incorporated and has operated following the model of a limited liability company under Business License No. 63 GP/KDBH dated 28 June 2011 issued by the Ministry of Finance, latest amended Business License No. 63/GPDC22/KDBH dated 30 December 2022.

The Corporation's owner (the parent company) is PVI Holdings, which was formerly known as Petro Vietnam Insurance Joint Stock Corporation. PVI Holdings owns 100% of the charter capital of the Corporation.

The Corporation has officially come into operation from 01 August 2011 and continuously inherited all rewards and obligations relevant to insurance business that occurred before 01 August 2011 of PVI Holdings.

The number of employees of the Corporation as at 31 December 2023 was 2,316 (as at 31 December 2022: 2,446).

Business sector

Business sector of the Corporation includes insurance and financial services.

Principal activities

The Corporation's main principal activities include:

- Direct insurance business;
- Re-insurance business;
- Claim loss survey;
- Auxiliary insurance services and
- Fund management, capital investment and other activities under law.

Normal operating cycle

The Corporation's normal operating cycle is carried out for a time period of 12 months or less.

The Corporation's structure

The Corporation has the main office located on Floor 24, PVI Tower, No. 01 Pham Van Bach, Cau Giay District, Hanoi and 43 members directly under the Corporation.

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 December 2022.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting.

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

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December.

3. NEWLY ISSUED LEGAL REGULATIONS EFFECTIVE IN THE YEAR

On 16 June 2022, the National Assembly promulgated the Law on Insurance Business No. 08/2022/QH15 ("Law on Insurance Business 2022") regulating the organization and operation of insurance business; rights and obligations of organizations and individuals participating in insurance; State management of insurance business activities. On 01 July 2023, the Government promulgated Decree No. 46/2023/ND-CP ("Decree 46") detailing the implementation of a number of articles of the Law on Insurance Business 2022. On 02 November 2023, the Ministry of Finance issued Circular No. 67/2023/TT-BTC ("Circular 67") detailing the implementation of a number of articles of the Law on Insurance Business 2022 and guiding a number of articles in Decree 46.

Law on Insurance Business 2022 takes effect from 01 January 2023, replacing Law on Insurance Business No. 24/2000/QH10 dated 09 December 2000, amending and supplementing a number of articles of the Insurance Business Law No. 61/2010/QH12 dated 24 November 2010 and amending and supplementing a number of articles of the Insurance Business and Intellectual Property Law No.42/2019/QH14 dated 14 June 2019 ("Law on Insurance Business 2000").

Decree 46 takes effect from 01 July 2023, replacing Decree No. 73/2016/ND-CP dated 01 July 2016 ("Decree 73") detailing the implementation of a number of articles of the Law on Insurance Business 2000. Some regulations in Decree 46 take effect from 01 January 2023, including regulations on finance, accounting and financial reporting.

Circular 67 takes effect from 02 November 2023, replacing Circular No. 50/2017/TT-BTC dated 15 May 2017 ("Circular 50") guiding the implementation of Decree 73. Some regulations in Circular 67 take effect from 01 January 2023, including regulations on the duties of actuaries, reinsurance activities, insurance agent and broker commissions and the maximum limits on bonuses, agent support and other benefits as agreed in the agent contract.

The Board of Management has fully complied with the regulations in the Law on Insurance Business 2022, Decree 46 and Circular 67 and assessed that the application of these regulations does not have a material impact on the financial statements of the Company for the year ended 31 December 2023.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash, short-term and long-term investments, trade receivables and other receivables.

The fair value of cash are defined as the book value. The fair value of the receivables is measured at cost less provision for doubtful debts.

- The fair value of long-term equity investments is determined via the method of the net asset value based on the latest financial information of the investees after adjusting according to the Corporation's accounting policies (if any) and relevant information obtained by the Corporation as at the reporting date.
- The fair value of deposits at domestic commercial joint stock banks is determined by book value due to short maturities and/or unavailability of information in the market to determine the fair value at the reporting date.
- The fair value of bond investments is determined by book value as their interest rate is subject to changes of market interest rates.
- Fair value of investment trusts including bond investments are determined by book value as the interest rate is subject to changes of market interest rates.

Financial liabilities

At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Corporation comprise trade payables, other short-term and long-term payables and accruals.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank demand deposits, cash in transit and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

a) Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including bank term deposits, investment in bonds and trust investments.

Held-to-maturity investments are recognized on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognized in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

b) Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence. Equity investments in other entities are carried at cost less provision for impairment of investments. Provision for impairment of equity investments in other entities is made when there is sufficient evidence that there is a decline in value of these investments at the balance sheet date.

As at 31 December 2023, the Corporation's long-term investments in PVI Opportunity Investment Fund (POF) and PVI Infrastructure Investment Fund (PIF) accounted for 43.41% and 47.07% respectively of total capital contributed to POF and PIF. However, the control over the policies and decisions of POF and PIF is of PVI Holdings, who is a capital contributor to POF and PIF and also the Corporation's parent company, hence, the Corporation's ability to influence these policies and decisions of POF and PIF is insignificant. The financial report data of the two Funds are consolidated in the consolidated financial statements of

PVI Holdings. The Corporation, therefore, presented its long-term investments in POF and PIF in the "Other long-term investments" item.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts. Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	25
Motor vehicles	6
Office equipment	3 - 10

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Intangible assets and amortization

Intangible assets are stated at cost less accumulated amortization.

Intangible assets represent accounting software, software copyright licenses/certificates, management software (collectively referred to as "computer software") and land use rights. Computer software is amortized using the straight-line method over the estimated useful life of 3 years. Land use rights are amortized using the straight-line method over the time period of using the land lots. Pursuant to prevailing regulations an indefinite-term land use right is not amortized.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including prepayments for office, warehouse rentals, insurance commission, agency support expense, tools issued for consumption, e-commerce service expense and other prepayments.

Office and warehouse rentals represent rentals that have been paid in advance. Prepaid office and warehouse rentals are charged to the income statement using the straight-line method over the lease term.

Other prepayments comprise costs of tools, supplies issued for consumption, other prepaid service fees which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method in accordance with the prevailing accounting regulations.

The accounting policy for prepayment on commission expenses for insurance is presented in the accounting policy section for some specific operations of insurance business activities, the "Expenditures" section.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Corporation usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognized in the income statement.

Other payable provisions

Other payable provisions are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Payable provisions are measured at the Board of Management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

Underwriting reserves

Underwriting reserves are made in accordance with Circular No. 67/2023/TT-BTC issued by the Ministry of Finance dated 02 November 2023 ("Circular 67") and the approved letter No. 3654/BTC-QLBH dated 30 March 2018, No. 4370/BTC-QLBH dated 10 April 2020 and No. 14484/BTC-QLBH dated 21 December 2021 from the Department of the Insurance Supervisory Authority – Ministry of Finance. Details are as follows:

a) Non-life insurance lines

Unearned premium reserve:

Unearned premium reserves are made by a factor of period of direct policies, in which:

- For energy insurance: Unearned premium reserves are made in line with the method of making unearned premium reserve on a daily basis.
- For cargo insurance, motor vehicle insurance, credit and financial risk insurance, business interruption insurance, agriculture insurance and aviation insurance: The reserves are made in line with the method of making unearned premium reserve on a daily basis (except for inward insurance).
- For other types of insurance: The reserves are made in line with 1/24 method.

Claim reserve: For losses incurred and reported, the Corporation provides for claim reserves for direct insurance and inward reinsurance and outward reinsurance using the statistic of retention liabilities for each estimated loss incurred and reported.

For losses incurred but not reported ("IBNR"), claim reserves are made based on statistic rate on claim in 3 consecutive years. The Board of Management believes IBNR reserve has been prudently evaluated and fully recorded.

Catastrophe reserve: Under Vietnamese Accounting Standard No. 19 "Insurance Contract", provision for the possible claims under contracts that are not incurred or do not exist at the reporting date (including catastrophe reserve) are not necessary. However, the Corporation follows the reserve policy in accordance with Circular 67, accordingly catastrophe reserve for all types of insurance services were consistently made at 1% of total retained premium in the year.

b) Health insurance lines

Mathematical reserve

For health insurance and reinsurance contracts (insurance contracts) with a term of more than 01 year, mathematical reserves are made by a factor of period of direct policies, which is in line with the method of making reserve on a daily basis according to the gross premium valuation.

Unearned premium reserve

For health insurance and reinsurance contracts (insurance contracts) with a term of less than 01 year, the reserves are made in line with the method of making unearned premium reserve on a daily basis.

Claim reserve: For losses incurred and reported, the Corporation provides for claim reserves for direct insurance and inward reinsurance and outward reinsurance using the statistic of retention liabilities for each estimated loss incurred and reported.

For losses incurred but not reported ("IBNR"), claim reserves are made based on statistic rate on claim in 3 consecutive years. The Board of Management believes IBNR reserve has been prudently evaluated and fully recorded.

Equalization reserve: The Corporation's equalization reserve was consistently provided at 1% of the premium retained in the year and recorded in Catastrophe reserve in the balance sheet.

Reserves for the Corporation's direct insurance and inward reinsurance are not offset with reserve for outward reinsurance. Such reserves should be presented under separate items in the balance sheet. Accordingly, unearned premium reserve and claim reserve for direct insurance and inward reinsurance and catastrophe reserve are recognized as payables while unearned premium reserve for outward reinsurance and claim reserve for outward reinsurance are recognized as reinsurance assets.

Insurance deposits

The Corporation is obliged to pay a deposit equal to 2% of the legal capital, the deposit shall receive interest in accordance with the agreement reached with the bank into which it is paid and the Corporation may withdraw the whole amount of their deposit upon termination of its operation. The Corporation may only use its insurance deposit to meet undertakings to purchasers of insurance when its solvency is inadequate and upon written approval of the Ministry of Finance.

Enterprise funds

The compulsory reserve fund is made up at the rate of 5% of the Corporation's profit after tax until it is equal to 10% of the Corporation's charter capital.

Bonus and welfare funds

Bonus and welfare funds can be allocated from the Corporation's profit after tax under PVI Holdings' approval or allocated from PVI Holdings, used for social security activities and activities that are indirectly related to business.

Unearned revenue

Unearned revenue is the amounts received in advance relating to results of operations of for multiple accounting periods for commission income from outward reinsurance and interest income that have been yet earned. The Company recognizes unearned revenue in proportion to its obligations that the Company will have to perform in the future. When the revenue recognition conditions are satisfied, unearned revenue will be recognized in the income statement for the year corresponding to the portion that meets the revenue recognition conditions.

Revenue recognition

Direct insurance premium

Direct insurance premium revenue is recognized when the Corporation has the ability to receive economic benefits that can be reliably determined. The following specific recognition conditions must also be met before premium is recognized. Accordingly, direct insurance premium revenue is recognized when the following conditions are met:

- The insurance policy has been signed between the insurance corporation and the insurance buyer and the buyer has fully paid the insurance premium;
- There is evidence that the insurance contract has been conducted and the insurance buyer has fully paid insurance premium;
- When the insurance policy is signed, the non-life insurance enterprise or foreign branch has an agreement with the insurance buyer on the insurance premium payment term (including the extension period);
- When the insurance policy has been conducted and there is an agreement for the policyholder to pay the premium in installments under the insurance policy, the insurer or foreign branch of non-life insurer shall 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.

The insurance premium payment term must be specified in the insurance contract in which the premium payment period does not exceed 30 days from the start date of the insurance period. In case of paying insurance premiums in installments, the Corporation accounts insurance premium revenue corresponding to the period or periods in which insurance premiums have incurred. In case the insurance buyer does not pay the insurance premium in full by the premium payment due date, the insurance policy will automatically terminate at the end of the premium payment due date.

Insurance premiums received in advance before the policy effective date at the end of the year are recorded as "Advanced from customer" on the Balance sheet.

Deduction in direct insurance premiums are tracked and recorded separately for each insurance policy and transferred to Direct insurance premium revenue to calculate net revenue at the end of the year.

Reinsurance premium

Inward reinsurance premium is recorded when the liability is incurred, at the amount stated on the reinsurers' statement sent to the Corporation and confirmed by the Corporation.

Outward reinsurance premium is recorded at the premium amount to be ceded to reinsurers, corresponding to the direct insurance premium earned in the year.

Commission income from outward reinsurance is recognized corresponding to outward reinsurance premium incurred in the year. In the year, the entire outward reinsurance commission under outward reinsurance contracts signed in accordance with regulations of the financial regime is presented in the "Commission income from outward reinsurance" item.

At the year end, the Corporation should determine unearned commission income from outward reinsurance corresponding to outward reinsurance premium not yet recognized in this year so as to allocate to the subsequent financial years in accordance with the above-mentioned method.

Other income from reinsurance activities is recognized when incurred.

Other revenues

Interest income from deposits and bonds is accrued on accrual basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Expenditure recognition

Claim settlement expenses for direct insurance are recorded as incurred, that is, when the Corporation accepts to settle the insured's claims following respective settlement notice.

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

Claim receipts from ceded policies are recognized based on the receivable amount incurred corresponding to the claim settlement expenses recorded in the year and the ceded ratios.

Commission expenses for direct insurance and inward reinsurance are recognized corresponding to direct premium and inward reinsurance premium incurred in the year. In the year, the entire commission expenses for direct insurance and inward reinsurance under inward reinsurance contracts signed in accordance with regulations of the financial regime are presented in the items "Commission expenses for direct insurance" and "Commission expenses for inward reinsurance".

At the year end, the Corporation should determine unearned commission expenses for direct insurance and inward reinsurance which have not been recognized as expenses for the year corresponding to unearned direct premium and inward reinsurance premium so as to allocate such commission expenses to the subsequent financial years in accordance with the above-mentioned method.

Sales support expenses are recognized in proportion to direct premium and allocated during the year in proportion to premium income. The unallocated sales support expenses will be recognized as a prepaid expense and be allocated to insurance business expenses for the following years.

Other expenses are recognized when incurred.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs".

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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 tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

5. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	1,835,682,949	1,769,757,879
Bank demand deposits	272,756,312,367	525,430,554,747
Cash in transit	7,700,984,843	8,945,715,175
Cash equivalents	-	47,240,000,000
	<u>282,292,980,159</u>	<u>583,386,027,801</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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6. FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
a) Held-to-maturity investments	6,607,298,749,536	6,439,326,120,629	(167,972,628,907)	5,178,842,512,469	5,010,869,883,562	(167,972,628,907)
Current investments	4,462,425,609,049	4,294,452,980,142	(167,972,628,907)	4,948,842,512,469	4,780,869,883,562	(167,972,628,907)
- Term deposits (i)	4,186,417,916,142	4,186,417,916,142	-	4,297,220,783,562	4,297,220,783,562	-
- Bonds (ii)	167,972,628,907	-	(167,972,628,907)	297,972,628,907	130,000,000,000	(167,972,628,907)
- Investment entrustment (iii)	108,035,064,000	108,035,064,000	-	353,649,100,000	353,649,100,000	-
Non-current investments	2,144,873,140,487	2,144,873,140,487	-	230,000,000,000	230,000,000,000	-
- Term deposits (iv)	1,844,729,304,487	1,844,729,304,487	-	230,000,000,000	230,000,000,000	-
- Bonds (v)	200,000,000,000	200,000,000,000	-	-	-	-
- Investment entrustment (vi)	100,143,836,000	100,143,836,000	-	-	-	-
b) Investments in other entities	1,595,221,294,000	1,631,031,769,216	(2,298,701,545)	1,595,221,294,000	1,640,331,098,544	(2,298,701,545)
- Investments in other entities (vii)	1,574,181,820,000	1,608,428,892,198	-	1,574,181,820,000	1,616,109,439,674	-
+ PVI Opportunity Investment Fund (POF)	868,181,820,000	887,337,996,842	-	868,181,820,000	899,410,637,232	-
+ PVI Infrastructure Investment Fund (PIF)	706,000,000,000	721,090,895,356	-	706,000,000,000	716,698,802,442	-
- Investments in other entities via investment entrustment contract (viii)	21,039,474,000	22,602,877,018	(2,298,701,545)	21,039,474,000	24,221,658,870	(2,298,701,545)

(i) Represent deposits at domestic joint stock commercial banks with original term of more than 3 months and remaining term of 12 months or less from the reporting date, with interest rate ranging 4.3 – 11.5% per annum.

(ii) Represent:

- Investment in corporate bonds of Song Da Thang Long with the amount of VND 167,972,628,907. Investment in Song Da Thang Long's bond matured in February 2013. As at 31 December 2023, the Corporation has provided for total principal of this bond and interest receivable with the amount of VND 167,972,628,907 and VND 12,794,444,444 correspondingly.

(iii) Represents investments under the Trust Contract for PVI Asset Management JSC to manage and implement investments with the remaining term of 12 months or less from the reporting date.

- (iv) Represent deposits at domestic joint stock commercial banks with the remaining term of more than 12 months from the reporting date, with interest rate ranging 5.7 – 11.9% per annum.
- (v) Represent the investment in bank bonds with remaining period of more than 12 months from the reporting date.
- (vi) Represents investments under the Trust Contract for PVI Asset Management JSC to manage and implement investments with the remaining term of more than 12 months from the reporting date.
- (vii) Represent capital contributions to other companies with the holding period of more than 01 year from the reporting date.
- (viii) Represents the Corporation's investment under the investment entrusted contract with PVI Fund Management Joint Stock Company.

7. RECEIVABLES OF INSURANCE CONTRACTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Receivables regarding direct insurance premium	661,053,766,544	647,997,597,881
<i>Including:</i>		
- <i>Receivable from policy holders</i>	661,053,766,544	647,997,597,881
Receivables regarding inward reinsurance	124,500,237,759	244,969,414,588
Receivables regarding outward reinsurance	432,525,823,276	786,767,979,311
Receivable regarding claims from co-insurers	71,867,890,049	72,493,854,570
Other receivables	173,973,378,232	185,437,965,674
	<u>1,463,921,095,860</u>	<u>1,937,666,812,024</u>

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8. OTHER RECEIVABLES

	Closing balance		Opening balance	
	Amount	Provision	Amount	Provision
	VND	VND	VND	VND
Receivables from employees	7,995,942,710	-	17,136,536,041	-
Short-term deposits	556,523,163	-	695,108,935	-
Others	67,231,121,467	7,504,018,394	189,168,783,164	8,028,032,569
	75,783,587,340	7,504,018,394	207,000,428,140	8,028,032,569

9. PROVISIONS FOR SHORT-TERM DOUBTFUL DEBTS

	Closing balance		Opening balance	
	Historical cost	Recoverable amount	Historical cost	Recoverable amount
	VND	VND	VND	VND
- The total value of the receivables, loans past due or not past due but impaired	242,796,531,407	182,847,649,166	280,463,304,182	228,681,292,764
+ Receivables regarding direct insurance	70,373,293,829	43,411,114,230	98,673,261,600	73,082,312,150
+ Receivables regarding reinsurance	134,339,787,997	121,751,548,193	156,487,445,364	151,218,860,409
+ Compensation advanced	100,000,000	-	100,000,000	-
+ Advances to employees	812,284,963	812,284,963	2,877,504,000	2,877,504,000
+ Receivables regarding investment activities	12,794,444,444	-	12,794,444,444	-
+ Other receivables	24,376,720,174	16,872,701,780	9,530,648,774	1,502,616,205

Recoverable amount is measured at cost less provision for doubtful debts.

10. PREPAID EXPENSES

	Closing balance VND	Opening balance VND
a) Current		
Unallocated commission expenses	302,365,422,127	324,918,431,167
Cost of tools and supplies issued for consumption	13,170,610,972	13,767,005,357
Agent supporting expenses	61,489,536,976	66,962,541,949
E-commerce services expenses	96,830,612,777	53,590,742,806
Other short-term prepaid expenses	27,809,764,349	31,811,037,542
	501,665,947,201	491,049,758,821
b) Non-current		
Office rental at PVI Tower	119,473,717,421	123,543,955,527
Warehouse rental at PVI Tower	4,371,900,000	4,520,100,000
Other long-term prepaid expenses	41,751,847,118	59,170,320,675
	165,597,464,539	187,234,376,202

11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Motor vehicles VND	Office equipment VND	Total VND
COST				
Opening balance	51,021,521,052	60,429,056,456	71,227,458,957	182,678,036,465
Additional	-	14,068,614,092	850,408,055	14,919,022,147
Disposals	(432,727,273)	(953,675,000)	(1,100,320,638)	(2,486,722,911)
Closing balance	50,588,793,779	73,543,995,548	70,977,546,374	195,110,335,701
ACCUMULATED DEPRECIATION				
Opening balance	14,303,916,377	46,212,263,905	66,783,873,161	127,300,053,443
Charge for the year	2,030,578,466	4,663,536,465	3,280,935,518	9,975,050,449
Disposals	(432,727,273)	(953,674,994)	(1,100,320,235)	(2,486,722,502)
Closing balance	15,901,767,570	49,922,125,376	68,964,488,444	134,788,381,390
NET BOOK VALUE				
Opening balance	36,717,604,675	14,216,792,551	4,443,585,796	55,377,983,022
Closing balance	34,687,026,209	23,621,870,172	2,013,057,930	60,321,954,311

The cost of the Corporation's tangible fixed assets includes VND 106,495,959,522 of assets which have been fully depreciated but are still in use as at 31 December 2023 (as at 31 December 2022: VND 90,683,535,849).

12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Computer software	Land use rights	Total
	VND	VND	VND
COST			
Opening balance	135,342,476,600	43,040,564,893	178,383,041,493
Additional	800,750,000	-	800,750,000
Closing balance	136,143,226,600	43,040,564,893	179,183,791,493
ACCUMULATED AMORTISATION			
Opening balance	93,690,877,352	1,759,945,145	95,450,822,497
Charge for the year	16,813,881,270	159,889,130	16,973,770,400
Closing balance	110,504,758,622	1,919,834,275	112,424,592,897
NET BOOK VALUE			
Opening balance	41,651,599,248	41,280,619,748	82,932,218,996
Closing balance	25,638,467,978	41,120,730,618	66,759,198,596

The cost of the Corporation's intangible assets includes VND 84,981,712,213 of intangible assets which have been fully amortised but are still in use as at 31 December 2023 (as at 31 December 2022: VND 84,038,251,578).

13. PAYABLES OF INSURANCE CONTRACTS

	Closing balance	Opening balance
	VND	VND
Payables regarding outward reinsurance premium	1,966,196,575,480	1,637,084,150,475
Payables to co-insurers	190,280,417,798	167,620,139,946
Payables regarding claim compensation	288,542,736,198	525,910,543,747
Commission payables	88,254,969,643	82,752,807,016
Other payables for insurance activities	228,218,426,429	207,483,143,765
	2,761,493,125,548	2,620,850,784,949

14. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid/Offset during the year	Closing balance
	VND	VND	VND	VND
Value added taxes on goods and services sold domestically	95,789,772,354	678,344,451,388	671,886,291,775	102,247,931,967
Corporate income tax	45,448,015,285	161,292,845,436	154,520,693,079	52,220,167,642
Personal income tax	10,013,435,781	87,662,785,290	87,720,335,994	9,955,885,077
Other taxes and charges payable	762,896,655	10,250,935,974	8,809,209,127	2,204,623,502
	152,014,120,075	937,551,018,088	922,936,529,975	166,628,608,188

15. OTHER PAYABLES

	Current year VND	Prior year VND
a) Unearned commission income from outward reinsurance		
Opening balance	445,407,919,737	419,435,166,637
Unearned commission income incurred in the year	972,107,227,582	1,058,340,738,118
Commission income allocated in the year	(989,749,000,137)	(1,032,367,985,018)
Closing balance	427,766,147,182	445,407,919,737
	Closing balance VND	Opening balance VND
b) Other current payables		
Trade union fee	4,072,360,109	4,229,876,341
Social, health, unemployment insurance	2,060,291,372	1,590,816,107
Payables for profits transferred to PVI Holdings	179,000,000,000	157,512,035,606
Others	56,456,421,902	61,029,604,926
	241,589,073,383	224,362,332,980
c) Short-term unearned revenue		
Interest income from deposit contracts received in advance	21,448,602,740	-
	21,448,602,740	-
d) Long-term unearned revenue		
Interest income from deposit contracts received in advance	22,047,369,863	-
	22,047,369,863	-

PVI INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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16. UNDERWRITING RESERVES

Claim reserve and unearned premium reserve:

	Closing balance			Opening balance		
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net reserve
	VND	VND	VND	VND	VND	VND
Claim reserve and unearned premium reserve						
1. Unearned premium reserve	5,157,245,216,524	3,045,182,747,065	2,112,062,469,459	4,423,343,371,125	2,580,021,803,419	1,843,321,567,706
2. Claim reserve	7,572,987,994,571	6,784,375,373,971	788,612,620,600	7,620,352,557,580	6,857,694,041,488	762,658,516,092
- Reserve for claims not yet settled	7,145,560,830,948	6,427,898,895,732	717,661,935,216	7,319,240,294,915	6,605,247,451,165	713,992,843,750
- Reserve for loss incurred but not reported (IBNR)	427,427,163,623	356,476,478,239	70,950,685,384	301,112,262,665	252,446,590,323	48,665,672,342
Total	12,730,233,211,095	9,829,558,121,036	2,900,675,090,059	12,043,695,928,705	9,437,715,844,907	2,605,980,083,798

In details:

	Current year			Prior year		
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net unearned premium reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net unearned premium reserve
	VND	VND	VND	VND	VND	VND
1. Unearned premium reserve						
Opening balance	4,423,343,371,125	2,580,021,803,419	1,843,321,567,706	3,836,547,625,503	2,165,435,533,118	1,671,112,092,385
Provided in the year	733,901,845,399	465,160,943,646	268,740,901,753	586,795,745,622	414,586,270,301	172,209,475,321
Closing balance	5,157,245,216,524	3,045,182,747,065	2,112,062,469,459	4,423,343,371,125	2,580,021,803,419	1,843,321,567,706

PVI INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	Current year		Prior year		
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net claim reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve
	VND	VND	VND	VND	VND
2. Claim reserve					
Opening balance	7,620,352,557,580	6,857,694,041,488	762,658,516,092	6,931,544,274,104	6,301,899,640,136
(Reversed)/provided in the year	(47,364,563,009)	(73,318,667,517)	25,954,104,508	688,808,283,476	555,794,401,352
Closing balance	7,572,987,994,571	6,784,375,373,971	788,612,620,600	7,620,352,557,580	6,857,694,041,488

Catastrophe reserve

	Current year	Prior year
	VND	VND
Opening balance	206,979,595,208	182,790,492,909
Provided for in the year	47,616,817,692	42,689,102,299
Used in the year (*)	(21,500,000,000)	(18,500,000,000)
Closing balance	233,096,412,900	206,979,595,208

(*) The catastrophe reserve used in the year is to compensate for some kinds of insurance of which losses under retention are higher than the retained premium less (-) unearned premium reserve and unsettled claim reserve.

17. OWNER'S EQUITY

	Owner's contributed capital	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND
For the year ended 31 December 2022				
Prior year's opening balance	3,100,000,000,000	242,208,599,242	-	3,342,208,599,242
Capital contributions	200,000,000,000	-	-	200,000,000,000
Profit for the year	-	-	546,239,538,641	546,239,538,641
Allocated to compulsory reserve fund	-	27,311,976,932	(27,311,976,932)	-
Profit transferred to PVI Holdings	-	-	(492,000,000,000)	(492,000,000,000)
Prior year's closing balance	3,300,000,000,000	269,520,576,174	26,927,561,709	3,596,448,137,883
For the year ended 31 December 2023				
Current year's opening balance	3,300,000,000,000	269,520,576,174	26,927,561,709	3,596,448,137,883
Profit for the year	-	-	635,982,752,442	635,982,752,442
Allocated to compulsory reserve fund (i)	-	31,799,137,621	(31,799,137,621)	-
Profit transferred to PVI Holdings (ii)	-	-	(522,927,561,709)	(522,927,561,709)
Current year's closing balance	3,300,000,000,000	301,319,713,795	108,183,614,821	3,709,503,328,616

- (i) Compulsory reserve fund is allocated from profit after tax at the rate of 5% until its balance is equal to 10% of the charter capital as stipulated in Article 54, Decree No. 46/2023/ND-CP dated 01 July 2023 of the Government.
- (ii) As at the year end, profit after tax has been transferred to PVI Holdings in accordance with the Corporation's financial policies and approved business plan. Total amount of current year profit after tax payable to PVI Holdings according to Decision No. 187/QĐ-PVI dated 23 December 2022 and Resolution No. 41/NQ-PVIBH dated 05 May 2023 is VND 496 billion and the retained profit exceeding the plan in 2022.

Details of owner's contributed capital are as follows:

100% of owner's capital as at 31 December 2023 belongs to PVI Holdings.

18. OFF BALANCE SHEET ITEMS

	Unit	Closing balance	Opening balance (Restated)
Direct insurance contract of which liabilities has not yet incurred	VND	2,715,097,450,673	2,361,603,179,806
Claims receivable from third parties	VND	95,475,458,103	71,706,177,717
Bad debts written off	VND	54,184,004,013	51,756,437,161
Foreign currencies			
United States Dollar	USD	4,613,190.32	1,771,491.66
Euro	EUR	212,968.65	53,919.15
Russian Ruble	RUB	1,265,840.32	2,288,627.59

19. INSURANCE PREMIUM

	Current year VND	Prior year VND
Direct insurance premium	11,168,420,636,680	10,150,175,005,622
Property insurance and casualty insurance	4,017,919,867,331	3,801,404,614,853
Hull and P&I insurance	1,025,823,771,421	931,395,590,529
Cargo insurance	318,750,613,240	355,869,000,934
Health and personal accident insurance	1,957,518,005,326	1,789,182,326,503
Motor vehicle insurance	1,412,602,879,906	1,634,329,589,317
Fire insurance	1,613,650,275,843	952,096,307,709
Aviation insurance	479,297,887,479	404,759,930,716
General liability insurance	259,180,834,111	205,890,925,956
Credit and financial risk insurance	58,118,328,996	53,468,193,558
Agriculture insurance	25,558,173,027	21,778,525,547
Deductions from direct premium	(166,343,563,444)	(118,081,268,666)
Inward reinsurance premium	1,644,728,519,070	1,057,977,902,501
Property insurance and casualty insurance	998,749,129,518	516,062,353,724
Hull and P&I insurance	53,469,193,177	30,396,621,425
Cargo insurance	32,923,252,671	14,316,106,178
Health and personal accident insurance	150,456,274,254	15,951,356,119
Motor vehicle insurance	86,925,205,910	278,199,331,670
Fire insurance	8,396,726,372	11,247,735,788
Aviation insurance	301,232,316,746	171,683,745,687
General liability insurance	11,860,133,035	6,965,779,281
Credit and financial risk insurance	661,655,400	13,124,383,401
Agriculture insurance	54,631,987	30,489,228
Deductions from inward reinsurance premium	(33,895,126,124)	(19,654,304,309)
(Increase) in unearned premium reserves for direct and inward reinsurance	(733,901,845,399)	(586,795,745,622)
	11,879,008,620,783	10,483,621,589,526

20. OUTWARD REINSURANCE PREMIUM

	Current year VND	Prior year VND
Total outward reinsurance premium	7,851,228,696,971	6,801,507,105,220
Property insurance and casualty insurance	3,989,995,155,718	3,446,802,490,153
Hull and P&I insurance	837,849,639,361	775,140,752,359
Cargo insurance	189,558,384,287	230,074,406,728
Health and personal accident insurance	549,875,209,079	404,766,390,075
Motor vehicle insurance	27,810,596,805	524,012,200,675
Fire insurance	1,333,970,976,851	702,062,206,615
Aviation insurance	690,218,937,324	536,235,870,293
General liability insurance	151,800,420,233	113,303,129,634
Credit and financial risk insurance	55,621,486,367	47,758,186,087
Agriculture insurance	24,527,890,946	21,351,472,601
(Increase) in unearned premium reserves for outward reinsurance	(465,160,943,646)	(414,586,270,301)
	7,386,067,753,325	6,386,920,834,919

21. COMMISSION INCOME FROM OUTWARD REINSURANCE

	Current year	Prior year
	VND	VND
Commission from outward reinsurance	1,058,819,928,649	1,107,397,992,701
Commission deductibles	(69,070,928,512)	(75,030,007,683)
	989,749,000,137	1,032,367,985,018

22. TOTAL CLAIM SETTLEMENT EXPENSES

	Current year	Prior year
	VND	VND
Total claim settlement expenses	3,951,411,725,697	4,080,414,327,917
Property insurance and casualty insurance	1,169,765,941,328	1,626,003,662,407
Hull and P&I insurance	349,455,739,375	400,553,430,647
Cargo insurance	120,927,162,036	54,629,741,067
Health and personal accident insurance	1,149,680,355,065	979,727,992,220
Motor vehicle insurance	956,074,325,846	889,339,127,665
Fire insurance	93,046,994,839	36,559,368,180
Aviation insurance	93,553,984,478	33,823,455,764
General liability insurance	15,042,047,394	47,465,101,522
Credit and financial risk insurance	3,842,409,658	12,296,613,023
Business interruption insurance	9,685,350	908,500
Agriculture insurance	13,080,328	14,926,922
Deductions from claim settlement expenses	(30,789,285,300)	(48,576,748,749)
Claims receipts from ceded policies	(2,096,480,288,597)	(2,356,902,645,801)
(Decrease)/Increase in claim reserves for direct insurance and inward reinsurance	(47,364,563,009)	688,808,283,476
Decrease/(Increase) in claim reserve for outward reinsurance	73,318,667,517	(555,794,401,352)
	1,850,096,256,308	1,807,948,815,491

23. OTHER EXPENSES FOR INSURANCE ACTIVITIES

	Current year	Prior year
	VND	VND
Commission expense	699,800,483,627	637,336,717,845
Expense for insured risk assessment	4,469,042,041	2,886,250,347
Agents management expense	132,871,672,357	93,899,592,649
Expense for risk limitation	5,458,212,004	3,509,840,963
Others	1,982,045,573,871	1,857,996,887,780
	2,824,644,983,900	2,595,629,289,584

24. FINANCIAL INCOME

	Current year VND	Prior year VND
Deposit, loan interest	549,266,216,423	305,916,571,088
Dividend, profit received	144,127,633,800	160,917,423,886
Gain from bond investment	35,320,336,201	49,608,257,708
Foreign exchange gain	82,233,972,027	83,972,921,478
Other financial incomes	40,044	204,717
	810,948,198,495	600,415,378,877

25. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	23,241,345,109	13,113,227,712
Foreign exchange loss	90,838,118,544	107,916,811,164
Reversal of provision for investment devaluation	-	(5,695,762,455)
Other financial expense	204,967,410,987	57,203,271,961
	319,046,874,640	172,537,548,382

26. GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Labor	285,218,435,635	272,853,183,564
Office equipment expense	16,587,190,827	17,750,956,212
Depreciation and amortization	16,198,409,100	2,882,849,382
Taxes, fees and charges	32,764,084,396	35,228,044,381
Provided/(reversed) provision costs	9,683,829,825	(2,168,174,716)
Out-sourced services	115,390,618,113	102,744,457,644
Conference, advertising and training expenses	27,270,008,639	12,989,216,062
Other monetary expenses	25,116,777,009	32,402,151,692
	528,229,353,544	474,682,684,221

27. OTHER INCOMES

	Current year VND	Prior year VND
Income from collection of social insurance and health insurance on behalf	88,999,745,375	38,373,217,805
Other income	1,747,405,707	5,262,000,177
	90,747,151,082	43,635,217,982

28. OTHER EXPENSES

	Current year	Prior year
	VND	VND
Expenses for collection of social insurance and health insurance on behalf	87,933,865,767	35,586,538,663
Other expense	1,515,444,677	587,850,107
	89,449,310,444	36,174,388,770

29. OPERATION COSTS BY NATURE

	Current year	Prior year
	VND	VND
Cost of insurance activities	2,735,441,098,156	2,583,182,687,937
Labor costs	958,491,080,733	860,917,076,966
Office expenses	94,186,984,008	86,568,223,657
Depreciation and amortization	25,267,433,049	19,147,997,563
Taxes, fees and charges	32,764,084,396	35,228,044,381
Provisions/(Reversal) expenses	9,683,829,825	(2,168,174,716)
Out-sourced services	1,347,781,702,716	1,286,479,106,283
Other monetary expenses	25,471,198,561	33,094,929,524
	5,229,087,411,444	4,902,449,891,595

30. CORPORATE INCOME TAX

	Current year	Prior year
	VND	VND
Profit before tax	794,991,041,336	679,972,596,804
Adjustments for taxable profit	(55,397,064,316)	(22,162,458,206)
- Adjustment of expenditures in previous years for which additional CIT is calculated	(32,324,116,235)	-
- Foreign exchange (gain) arising from revaluation of cash and receivables	(9,082,977,375)	(1,727,466,349)
- Dividends and profits received	(13,989,970,706)	(20,434,991,857)
Add back: non-deductible expenses	32,616,146,543	4,652,152,727
- Remuneration of Controllers	540,000,000	124,363,637
- Accrued expenses	17,255,282,708	(416,437,243)
- Provision (reversed) for investments	-	(5,055,653,160)
- Other non-deductible expenses	14,820,863,835	9,999,879,493
Taxable profit	772,210,123,563	662,462,291,325
Normal tax rate	20%	20%
Corporate income tax expense based on taxable profit in the current year	154,442,024,713	132,492,458,265
Adjustments of prior year's corporate income tax expense to the current year's corporate income tax expense	6,850,820,723	146,181,817
Total current corporate income tax expense	161,292,845,436	132,638,640,082

31. LIQUIDATION MARGIN

	Closing balance	Opening balance
	VND	VND
I. Credit-worthiness (I=(1)-(2)-(3)-(4))	2,355,162,781,388	2,141,118,889,414
1. Difference between assets and liabilities	3,709,503,328,616	3,596,448,137,883
2. Less illiquidity of fully liquid assets	-	-
3. Less illiquidity of fully illiquid assets	687,552,515,418	703,023,941,264
4. Less illiquidity of partly illiquid assets	666,788,031,810	752,305,307,205
II. Minimum of credit-worthiness [Maximum value of (a) and (b)]	1,576,613,808,273	1,383,802,166,894
(a) 25% of total retained premium	1,190,420,442,303	1,067,227,557,482
(b) 12.5% of total direct premium and inward reinsurance premium	1,576,613,808,273	1,383,802,166,894
III. Comparison between (I) and (II)		
In absolute amount	778,548,973,115	757,316,722,520
In percentage	149.38%	154.73%

32. FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximizing the return to the owner through the optimization of the debt and equity balance.

The capital structure of the Corporation consists of owner's equity (comprising contributed capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Corporation as at the balance sheet date was as follows:

	Closing balance	Opening balance
	VND	VND
Borrowings	-	28,998,000,000
Less: Cash and cash equivalents	282,292,980,159	583,386,027,801
Net debt	-	-
Equity	3,709,503,328,616	3,596,448,137,883
Net debt to equity ratio	0.0%	0.0%

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 4.

Categories of financial instruments

	Closing balance		Opening balance	
	Carrying amounts	Fair value	Carrying amounts	Fair value
	VND	VND	VND	VND
Financial assets				
Cash and cash equivalents	282,292,980,159	282,292,980,159	583,386,027,801	583,386,027,801
Trade and other receivables	1,856,433,339,887	1,856,433,339,887	2,276,112,580,621	2,276,112,580,621
Short-term investments	4,294,452,980,142	4,294,452,980,142	4,780,869,883,562	4,780,869,883,562
Long-term investments	3,737,795,732,942	3,775,904,909,703	1,822,922,592,455	1,870,331,098,544
	10,170,975,033,130	10,209,084,209,891	9,463,291,084,439	9,510,699,590,528
Financial liabilities				
Short-term loans	-	-	28,998,000,000	28,998,000,000
Trade and other payables	3,004,002,335,573	3,004,002,335,573	2,927,379,926,214	2,927,379,926,214
Accrued expenses	71,379,078,183	71,379,078,183	52,942,750,174	52,942,750,174
	3,075,381,413,756	3,075,381,413,756	3,009,320,676,388	3,009,320,676,388

The fair value of financial assets and financial liabilities is stated at the value of convertible financial instruments in a current transaction between the parties, except where required to sell or liquidation. The Corporation uses the following methods and assumptions to estimate the fair value:

- The fair value of investments is determined as presented in Note 6.
- The fair value of short-term items including cash, cash equivalents, trade receivables, other receivables, loans, trade payables, accrued expenses, and other short-term amounts is equivalent to the book value of these items due to their short or undetermined terms.
- For financial assets and financial liabilities with insufficient information in the market to determine the fair value at the reporting date, the book value of these items is shown instead of the fair value.

Financial risk management objectives

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

Financial risks include market risk (including foreign currency risk and price risk), credit risk, liquidity risk and insurance risk.

Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and prices. The Corporation does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

Foreign currency risk management

The Corporation undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
United States Dollar (USD)	536,125,693,443	839,332,990,895	1,283,827,491,934	1,372,591,971,454
Euro (EUR)	25,713,183,069	38,867,249,270	20,434,477,642	38,401,389,982
South Korean Won (KRW)	9,938,584,106	3,511,589,517	16,660,736,521	12,398,186,926
Russian Ruble (RUB)	894,783,604	10,041,161,801	1,113,722,065	10,834,566,783
Others	11,179,231,244	4,352,713,889	9,206,366,155	7,499,378,853
	583,851,475,466	896,105,705,372	1,331,242,794,317	1,441,725,493,998

Foreign currency sensitivity analysis

The Corporation is mainly exposed to United States Dollar.

For a 5% increase/decrease in the United States Dollar against Vietnam Dong, the profit before tax in the year of the Corporation would decrease/increase by about VND 37.385 billion. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Board of Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 5% change in the foreign currency rate.

Share price risk management

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits. The Corporation's Members' Council also assesses and approves decisions on share investments such as operating industry, investees, etc. The Corporation assesses the share price risk to be immaterial.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Corporation does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities

over maturing assets in any year is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that year. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash and adequate committed funding from its owner to meet its liquidity requirements in the short and longer terms.

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

	Less than 1 year VND	More than 1 year VND	Total VND
Closing balance			
Cash	282,292,980,159	-	282,292,980,159
Trade and other receivables	1,844,192,669,549	12,240,670,338	1,856,433,339,887
Short-term financial investments	4,294,452,980,142	-	4,294,452,980,142
Long-term financial investments	-	3,737,795,732,942	3,737,795,732,942
	6,420,938,629,850	3,750,036,403,280	10,170,975,033,130
Closing balance			
Trade and other payables	3,004,002,335,573	-	3,004,002,335,573
Accrued expenses	71,379,078,183	-	71,379,078,183
	3,075,381,413,756	-	3,075,381,413,756
Net liquidity gap	3,345,557,216,094	3,750,036,403,280	7,095,593,619,374
	Less than 1 year VND	More than 1 year VND	Total VND
Opening balance			
Cash and cash equivalents	583,386,027,801	-	583,386,027,801
Trade and other receivables	2,265,240,942,003	10,871,638,618	2,276,112,580,621
Short-term financial investments	4,780,869,883,562	-	4,780,869,883,562
Long-term financial investments	-	1,822,922,592,455	1,822,922,592,455
	7,629,496,853,366	1,833,794,231,073	9,463,291,084,439
Opening balance			
Borrowings	28,998,000,000	-	28,998,000,000
Trade and other payables	2,927,379,926,214	-	2,927,379,926,214
Accrued expenses	52,942,750,174	-	52,942,750,174
	3,009,320,676,388	-	3,009,320,676,388
Net liquidity gap	4,620,176,176,978	1,833,794,231,073	6,453,970,408,051

The Board of Management assessed the liquidity risk at low level. The Board of Management believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

Insurance risk

A risk arising from any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the claims payments. As the nature of an insurance contract, this risk is random and therefore unpredictable.

To achieve the goal of managing insurance risk, the Corporation has established and applied a full range of risk assessment processes before accepting insurance, insurance risk transfer processes (reinsurance), damage assessment processes and claim settlement processes.

For premium operations, the Corporation has diversified the types of insurance services, insurance products as well as geographical areas to minimize concentrations of insurance risk. Besides, the Corporation has also applied different criteria in risk selection, implemented various measures in risk assessment to build an appropriate premium level. The Corporation does not accept insurance risks that highly likely occur or are subject to self-interested profit-maximizing behaviours.

For insurance risks accepted for the year ended 31 December 2023, the Corporation redefined the premium rates applicable to each risk group based on historical loss statistics and forecast the trend of risks, inflation, level of industry competition and related regulations.

- With regard to the risk groups having increasing rates of losses and premiums, the Corporation will only accept insurance risk if the insured accepts to increase the premium correspondingly or limit the insurance coverage and increase deductibles;
- With regard to the risk groups having loss rate increasing but still at an acceptable level and ensuring insurance profit, the Corporation has adopted a policy on increasing the proportion of acceptable insurance risk to have its market share risen, and also takes advantage of cash inflows from insurance premiums for the purpose of investments.

The Corporation has also conducted thorough and strict measures to transfer insurance risks to other insurance companies in order to minimize the risks which may occur but still ensure the effectiveness of insurance businesses through building a reasonable level of retained premium for each type of insurance products, reinsurance arrangements and co-insurances.

The Corporation has been undertaking the policy on the acceleration of the damage assessment and settlement of compensation to minimize the risks which may arise during the compensation assessment process, such as exchange rate risk, inflation risk, increased loss risk, ethical risk, etc. The damage assessment and compensation settlement are conducted by the Corporation at two different levels depending on the complexity and nature of damage:

- For large and complicated cases, the damage assessment and compensation settlement will be conducted at the Corporation's office;
- For small cases where the Corporation's member companies have practical experience and sufficient resources to implement, the work will be handled by the Corporation's members.

33. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

<u>Related parties</u>	<u>Relationship</u>
PVI Holdings	Parent company
Hanoi Reinsurance Joint Stock Corporation (Hanoi RE)	Fellow subsidiary of PVI Holdings
PVI Asset Management Joint Stock Company	Fellow subsidiary of PVI Holdings
PVI Opportunity Investment Fund (POF)	Fellow subsidiary of PVI Holdings
PVI Infrastructure Investment Fund (PIF)	Fellow subsidiary of PVI Holdings
Vietnam Oil and Gas Group (PVN)	PVI Holdings' major shareholder
HDI Global SE	PVI Holdings' major shareholder
Members of Vietnam Oil and Gas Group	Fellow subsidiaries of PVN
Talanx Group	Owner of HDI Global SE
Hannover Rück Se	Subsidiary of Talanx Group
HDI Global Network AG	Subsidiary of Talanx Group
HDI Global Insurance Limited Liability Company	Subsidiary of Talanx Group

In the year, the Corporation entered into the significant transactions with its related parties as follows:

	Current year VND	Prior year VND
PVI Holdings		
Profit to be transferred	522,927,561,709	492,000,000,000
Profit paid	501,439,597,315	487,172,381,755
Bonus and welfare funds received	25,542,219,000	30,205,442,116
Investment received	-	527,848,183,562
Office lease expense	10,155,056,049	7,953,865,938
Services expenses	97,392,290,932	74,684,810,232
Hanoi Reinsurance Joint Stock Corporation		
Transfer of outward reinsurance premium	1,251,612,901,136	1,435,463,871,242
Commission income from outward reinsurance	306,332,259,583	428,128,511,225
Other income from outward reinsurance	561,380,189	(781,706,825)
Inward reinsurance premium	252,678,293,550	178,339,997,175
Returned inward reinsurance premium	4,874,473,699	2,838,105,175
Commission expenses for inward reinsurance	63,947,557,273	56,665,066,197
Claim settlements for inward reinsurance	66,227,386,925	66,644,572,367
Other expenses for inward reinsurance	1,129,810,854	1,120,222,453
Other expenses for ceded reinsurance	672,306,814	3,131,576,807
Inward reinsurance brokerage fees	1,289,135,432	648,004,399
Claim receipts from ceded policies	365,356,991,933	593,274,280,761
PVI Asset Management Joint Stock Company		
Expense of investment portfolio management and advisory contract	1,425,628,615	1,346,265,000
PVI Opportunity Investment Fund (POF)		
Dividends, profits received	78,136,363,800	98,201,363,886
Investment received	119,037,916,142	-
Investment	-	300,000,000,000
PVI Opportunity Investment Fund (POF)		
Dividends, profits received	63,540,000,000	60,080,600,000
Investment received	40,487,962,021	-
Hannover Rück Se		
Transfer of outward reinsurance premium	247,627,608,373	38,071,087,330
Commission income from outward reinsurance	75,349,812,921	7,169,100,447
Claim receipt from ceded policies	46,084,206,598	3,315,319,151
HDI Global SE		
Transfer of outward reinsurance premium	17,121,261,478	18,180,551,776
Commission income from outward reinsurance	2,534,022,886	1,010,339,678
Other income from outward reinsurance	-	280,461,104
Other expenses for inward reinsurance	(18,132,607)	(14,036,893)
Claim receipt from ceded policies	626,490	4,887,781,115
HDI Global Network AG		
Transfer of outward reinsurance premium	127,935,026,750	203,611,008,627
Commission income from outward reinsurance	10,065,913,948	22,830,816,838
Other income from outward reinsurance	1,827,770,228	1,558,102,834
Inward reinsurance brokerage fees	3,681,980,224	(3,320,658,113)
Outward reinsurance brokerage fees	(65,715,092)	65,715,092
Claim receipt from ceded policies	4,489,001,173	19,570,924,696
HDI Global Insurance Limited Liability Company		
Inward reinsurance premium	36,359,622,309	118,548,878,388
Claim settlements for inward reinsurance	4,224,563,129	6,626,609,328
Commission expenses for inward reinsurance	2,220,188,363	12,334,980,554
Outward reinsurance brokerage fees	3,682,716,769	3,321,095,382
Other members in Vietnam Oil and Gas Group		
Direct insurance premium	1,587,399,403,585	1,613,102,362,643
Claim settlements for direct policies	166,336,433,768	969,878,511,218

Significant related parties' balances at the balance sheet date were as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
PVI Opportunity Investment Fund		
Capital contribution	868,181,820,000	868,181,820,000
PVI Infrastructure Investment Fund		
Capital contribution	706,000,000,000	706,000,000,000
Hanoi Reinsurance Joint Stock Corporation		
Receivables	112,320,384,384	180,526,535,969
Payables	111,972,982,324	126,446,574,493
PVI Holdings		
Receivables	-	140,369,192,925
Payables	196,097,311,561	223,591,960,264
Long-term prepaid expenses	123,845,617,421	129,656,858,331
Hannover Rück Se		
Receivables	30,897,345,865	2,849,250,426
Payables	102,823,783,434	13,885,393,484
HDI Global SE		
Receivables	253,539,529	3,423,475,828
Payables	1,739,286,531	1,824,059,999
HDI Global Network AG		
Receivables	1,956,361,408	1,778,653,497
Payables	31,671,775,943	14,687,081,913
Members in Vietnam Oil and Gas Group		
Receivables	394,750,923,255	459,325,126,910
Payables	80,936,376,818	257,494,376,084

Remuneration of the Board of Management

Remuneration paid to the Board of Management during the year was VND 17,649,673,898 (the year ended 31 December 2022: VND 25,142,938,520).

PVI INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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34. SUMMARY OF CLAIM SITUATION

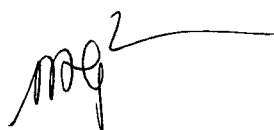
Year of losses	2019	2020	2021	2022	2023	Accumulated claim reserve/ paid claim amount accumulated to the current year
	VND	VND	VND	VND	VND	VND
Accumulated claim reserve amount						
At the end of year of losses	5,264,687,418,610	3,521,573,734,448	5,391,010,222,930	5,408,342,389,513	3,398,946,339,574	3,398,946,339,574
After 1 year	5,750,939,750,441	3,299,505,898,762	5,314,806,526,572	6,010,516,783,073	-	6,010,516,783,073
After 2 years	5,565,766,679,252	3,271,470,696,853	5,131,198,220,246	-	-	5,131,198,220,246
After 3 years	5,182,741,927,057	3,279,422,256,614	-	-	-	3,279,422,256,614
After 4 years	5,182,087,881,619	-	-	-	-	5,182,087,881,619
Claim reserve amount accumulated to the current year (1)	5,182,087,881,619	3,279,422,256,614	5,131,198,220,246	6,010,516,783,073	3,398,946,339,574	23,002,171,481,126
Accumulated paid claim amount						
At the end of year of losses	2,006,931,722,789	1,525,992,784,966	1,267,796,931,796	1,901,269,664,176	2,245,848,524,450	2,245,848,524,450
After 1 year	3,940,610,061,565	2,901,232,069,060	2,569,342,340,391	3,296,284,366,719	-	3,296,284,366,719
After 2 years	4,469,893,012,828	3,077,451,225,037	2,652,223,456,463	-	-	2,652,223,456,463
After 3 years	4,648,697,459,260	3,151,820,057,065	-	-	-	3,151,820,057,065
After 4 years	4,728,830,690,008	-	-	-	-	4,728,830,690,008
Paid claim amount accumulated to the current year (2)	4,728,830,690,008	3,151,820,057,065	2,652,223,456,463	3,296,284,366,719	2,245,848,524,450	16,075,007,094,705
Total outstanding claim reserve (3)=(1)-(2)	453,257,191,611	127,602,199,549	2,478,974,763,783	2,714,232,416,354	1,153,097,815,124	6,927,164,386,421
Outstanding claim reserve for losses incurred in 2018 and before and outstanding inspection fees						218,396,444,527
Total outstanding claim reserve at the year-end						7,145,560,830,948

35. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosure

During the year, the Corporation did not make any additional capital contribution to other entities (year ended 31 December 2022: additional capital contribution of VND 300 billion to POF, of which VND 250 billion was in cash and VND 50 billion by transferring of 01 deposit contract with original term not exceeding 3 months).

Cash outflow for lending, buying debt instruments of other entities during the year do not include VND 140,000,000,000 representing the amount paid under the corporate bond trading contract arising in 2022 but the transfer procedures have not yet been completed. The transfer procedures have been completed in current year.



Hoang Le Thuy Hang
Preparer



Nguyen Vuong Huynh
Chief Accountant



Phạm Anh Đức
Chief Executive Officer

Hanoi, 16 February 2024

