



**MSIG Insurance (Vietnam) Company
Limited**

Financial Statements for the year ended
31 December 2023



MSIG Insurance (Vietnam) Company Limited Corporate Information

Establishment and Operation Licence No.	54/GP/KDBH	18 September 2008
	54/GPDC1/KDBH	2 March 2009
	54/GPDC2/KDBH	1 March 2012
	54/GPDC3/KDBH	29 October 2012
	54/GPDC4/KDBH	22 October 2014
	54/GPDC5/KDBH	28 September 2018
	54/GPDC6/KDBH	5 November 2018
	54/GPDC7/KDBH	12 November 2020
	54/GPDC8/KDBH	18 October 2022

The Establishment and Operation Licence and its updates were issued by the Ministry of Finance and are valid for 50 years from the initial licence date.

Members' Council	Mr. Clemens Philippi	Chairman
	Mr. Tetsuya Adachi	Member
	Mr. Katsumi Kuzuno	Member
	Mr. Yuichi Takeuchi	Member
	Ms. Phạm Thị Kim Anh	Member

Inspectors	Ms. Nguyen Thi Bich	Chief Inspector
	Mr. Richard Da Silva	Inspector
	Mr. Hidenari Inamoto	Inspector

General Director Mr. Katsumi Kuzuno

Registered Office 10th Floor, CornerStone Building
16 Phan Chu Trinh
Hoan Kiem District
Hanoi, Vietnam

Auditor KPMG Limited
Vietnam

MSIG Insurance (Vietnam) Company Limited Statement of Management

Management of MSIG Insurance (Vietnam) Company Limited (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2023.

The Company’s Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 232/2012/TT-BTC dated 28 December 2012 issued by the Ministry of Finance on the promulgation of accounting guidance for non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies and the relevant statutory requirements applicable to financial reporting. In the opinion of The Company’s Management:

- (a) the financial statements set out on pages 5 to 57 give a true and fair view of the financial position of the Company as at 31 December 2023, and of its results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 232/2012/TT-BTC dated 28 December 2012 issued by the Ministry of Finance on the promulgation of accounting guidance for non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Company’s Management has, on the date of this statement, authorised the accompanying financial statements for issue.



Hanoi, 25 March 2024



KPMG Limited
46th Floor, Keangnam Landmark 72
E6 Pham Hung Street, Me Tri Ward
South Tu Liem District, Hanoi, Vietnam
+84 (24) 3946 1600 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

To the Investor MSIG Insurance (Vietnam) Company Limited

We have audited the accompanying financial statements of MSIG Insurance (Vietnam) Company Limited ("the Company"), which comprise the balance sheet as at 31 December 2023, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Management on 25 March 2024 as set out on pages 5 to 57.

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, the Vietnamese Accounting System for enterprises, Circular No. 232/2012/TT-BTC dated 28 December 2012 issued by the Ministry of Finance on the promulgation of accounting guidance for non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on 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 of 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 auditor's judgement, 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's 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.



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of MSIG Insurance (Vietnam) Company Limited as at 31 December 2023 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 232/2012/TT-BTC dated 28 December 2012 issued by the Ministry of Finance on the promulgation of accounting guidance for non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies and the relevant statutory requirements applicable to financial reporting.

KPMG Limited
Vietnam
Audit Report No. 23-02-00570-24-1



Dam Xuan Lam
Practicing Auditor Registration
Certificate No. 0861-2023-007-1
Deputy General Director

Hanoi, 28 March 2024

Le Nhat Vuong
Practicing Auditor Registration
Certificate No. 3849-2022-007-1

MSIG Insurance (Vietnam) Company Limited
Balance sheet as at 31 December 2023

Form B 01 – DNPNT
*(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)*

	Code	Note	31/12/2023 VND	31/12/2022 VND
ASSETS				
A. CURRENT ASSETS				
(100 = 110 + 120 + 130 + 150 + 190)	100		2,240,325,689,383	2,200,741,694,675
I. Cash and cash equivalents	110	5	30,631,705,369	43,898,498,177
1 Cash	111		30,631,705,369	43,898,498,177
II. Short-term financial investments	120	6(a)	1,518,392,396,460	1,450,663,575,191
1 Short-term financial investments	121		1,518,392,396,460	1,450,663,575,191
III. Accounts receivable – short-term	130		185,586,742,553	157,867,381,991
1 Accounts receivable from customers	131		114,599,941,364	109,618,335,298
1.1 <i>Accounts receivable – insurance</i>	131.1	7(a)	114,599,941,364	109,618,335,298
2 Prepayments to suppliers	132		625,320,849	1,163,345,236
3 Other short-term receivables	135	7(b)	70,379,334,743	47,103,555,860
4 Allowance for doubtful debts	139		(17,854,403)	(17,854,403)
V. Other current assets	150		71,262,999,573	63,673,498,379
1 Short-term prepaid expenses	151	8	70,142,500,949	63,023,907,762
1.1 <i>Deferred commission expenses</i>	151.1		62,430,870,931	57,756,986,853
1.2 <i>Other short-term prepaid expenses</i>	151.2		7,711,630,018	5,266,920,909
2 Deductible value added tax	152		777,692,624	391,972,617
5 Other current assets	158		342,806,000	257,618,000
VIII. Reinsurance assets	190	15(c)	434,451,845,428	484,638,740,937
1 Unearned outward reinsurance premium reserve	191		298,013,315,559	300,055,589,977
2 Outward reinsurance claims reserve	192		136,438,529,869	184,583,150,960

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Balance sheet as at 31 December 2023
(continued)

Form B 01 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)

	Code	Note	31/12/2023 VND	31/12/2022 VND
B. LONG-TERM ASSETS (200 = 210 + 220 + 250 + 260)	200		306,044,777,367	61,072,297,134
I. Accounts receivable – long-term	210		6,000,000,000	6,000,000,000
4 Other long-term receivables	218	7(c)	6,000,000,000	6,000,000,000
4.1 Statutory security deposit	218.1		6,000,000,000	6,000,000,000
II. Fixed assets	220		1,159,691,213	1,881,468,836
1 Tangible fixed assets	221	9	591,060,094	239,880,003
<i>Cost</i>	222		14,269,108,093	15,772,423,305
<i>Accumulated depreciation</i>	223		(13,678,047,999)	(15,532,543,302)
3 Intangible fixed assets	227	10	568,631,119	1,641,588,833
<i>Cost</i>	228		15,766,785,467	15,766,785,467
<i>Accumulated amortisation</i>	229		(15,198,154,348)	(14,125,196,634)
IV. Long-term financial investments	250	6(b)	285,697,011,654	45,955,708,219
3 Other long-term financial investments	258		285,697,011,654	45,955,708,219
V. Other long-term assets	260		13,188,074,500	7,235,120,079
1 Long-term prepaid expenses	261	11	7,136,238,449	2,414,261,318
2 Deferred tax assets	262	23	571,781,340	-
3 Other long-term assets	268		5,480,054,711	4,820,858,761
TOTAL ASSETS (270 = 100 + 200)	270		2,546,370,466,750	2,261,813,991,809

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Balance sheet as at 31 December 2023
(continued)

Form B 01 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)

	Code	Note	31/12/2023 VND	31/12/2022 VND
RESOURCES				
A. LIABILITIES (300 = 310 + 330)	300		1,446,556,879,320	1,335,561,976,229
I. Current liabilities	310		1,431,405,331,234	1,320,675,605,161
2 Accounts payable to suppliers	312	12	242,343,888,328	196,075,497,184
2.1 Accounts payable – insurance	312.1		239,803,283,871	193,780,864,916
2.2 Accounts payable – others	312.2		2,540,604,457	2,294,632,268
4 Taxes payable to State Treasury	314	13	10,274,918,923	9,067,894,937
5 Payables to employees	315		88,594,956	102,634,759
6 Accrued expenses	316		74,091,182,605	39,432,677,627
7 Unearned revenues	318		41,374,395,840	19,294,031,760
8 Other short-term payables	319	14	77,213,054,176	63,156,663,505
8.1 Unearned commission income	319.1		53,592,336,296	53,451,109,514
8.2 Other short-term payables	319.2		23,620,717,880	9,705,553,991
13 Technical reserves	329		986,019,296,406	993,546,205,389
13.1 Unearned premium reserve for direct insurance and inward reinsurance	329.1	15(a)	633,342,495,666	612,214,583,518
13.2 Claims reserve for direct insurance and inward reinsurance	329.2	15(a)	227,876,468,177	280,031,010,053
13.3 Catastrophe reserve	329.3	15(b)	124,800,332,563	101,300,611,818
II. Long-term liabilities	330		15,151,548,086	14,886,371,068
3 Other long-term payables	333		14,957,701,000	14,784,124,700
5 Deferred tax liabilities	335	23	193,847,086	102,246,368
B. EQUITY (400 = 410)	400		1,099,813,587,430	926,252,015,580
I. Owner's equity	410	16	1,099,813,587,430	926,252,015,580
1 Contributed capital	411		300,000,000,000	300,000,000,000
9 Statutory reserves	419		30,000,000,000	30,000,000,000
11 Retained profits	421		769,813,587,430	596,252,015,580
TOTAL RESOURCES (440 = 300 + 400)	440		2,546,370,466,750	2,261,813,991,809

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Balance sheet as at 31 December 2023
(continued)

Form B 01 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC dated 28 December 2012 of the Ministry of Finance)

OFF-BALANCE SHEET ITEMS

	Unit	31/12/2023 VND	31/12/2022 VND
4 Insurance policies not yet incurred insurance liabilities	VND	41,374,395,840	19,294,031,760
5 Foreign currencies (Original currency)			
- United States Dollar (USD)	USD	530,092,28	1,301,648,39
- Japanese Yen (JPY)	JPY	15,893,827,00	9,625,808,00

25 March 2024

Prepared by



Nguyen Thi Van Anh
Chief Accountant

Approved by



Katsumi Kuzuno
General Director

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Statement of income for the year ended
31 December 2023

Form B 02 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)

Part I – Summary statement of income

	Code	2023 VND	2022 VND
1 Net revenue from insurance activities	10	906,371,278,839	612,914,908,596
3 Financial income	12	140,590,467,858	87,740,582,372
4 Other income	13	142,987,884	118,829,949
5 Total expenses for insurance activities	20	546,734,143,749	427,419,231,209
7 Financial expenses	22	1,625,943,811	1,441,176,452
8 General and administration expenses	23	212,941,040,475	181,078,453,563
9 Other expenses	24	476,543,693	256,032,775
10 Accounting profit before tax (50 = 10 + 12 + 13 - 20 - 22 - 23 - 24)	50	285,327,062,853	90,579,426,918
11 Income tax expense – current	51	58,012,694,175	18,270,157,118
12 Income tax benefit – deferred	52	(480,180,622)	(1,366,800)
13 Net profit after tax (60 = 50 - 51 - 52)	60	227,794,549,300	72,310,636,600

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Statement of income for the year ended
31 December 2023 (continued)

Form B 02 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)

Part II – Statement of income by activities

	Code	Note	2023 VND	2022 VND
1 Premium revenue (01 = 01.1 + 01.2 - 01.3)	01	17	1,561,052,882,131	1,202,092,050,745
In which:				
- Gross written premiums from direct insurance	01.1		1,504,930,804,405	1,334,816,333,941
- Gross written premiums from inward reinsurance	01.2		77,249,989,874	46,408,287,103
- Increase in unearned premium reserve for direct insurance and inward reinsurance	01.3	15(a)(ii)	21,127,912,148	179,132,570,299
2 Outward reinsurance premiums (02 = 02.1 - 02.2)	02	18	800,899,043,863	712,033,279,129
In which:				
- Outward reinsurance premiums	02.1		798,856,769,445	739,178,461,322
- (Decrease)/increase in unearned premium reserve for outward reinsurance	02.2	15(a)(ii)	(2,042,274,418)	27,145,182,193
3 Net premium revenue (03 = 01 - 02)	03		760,153,838,268	490,058,771,616
4 Commission income from outward reinsurance and other income from insurance activities (04 = 04.1 + 04.2)	04		146,217,440,571	122,856,136,980
In which:				
- Commission income from outward reinsurance	04.1	14	139,305,098,089	115,632,114,855
- Other income from insurance activities	04.2		6,912,342,482	7,224,022,125
5 Net revenue from insurance activities (10 = 03 + 04)	10		906,371,278,839	612,914,908,596
6 Claims paid	11		257,559,699,174	294,697,396,301
7 Claims recovery from outward reinsurance	12		114,820,763,627	166,237,933,484
8 (Decrease)/increase in claims reserve for direct insurance and inward reinsurance	13	15(a)(i)	(52,154,541,876)	57,060,133,275
9 (Decrease)/increase in claims reserve for outward reinsurance	14	15(a)(i)	(48,144,621,091)	22,280,449,996
10 Net claims expense (15 = 11 - 12 + 13 - 14)	15	19	138,729,014,762	163,239,146,096

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Statement of income for the year ended
31 December 2023 (continued)

Form B 02 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)

Part II – Statement of income by activities (continued)

	Code	Note	2023 VND	2022 VND
11 Increase in catastrophe reserve	16	15(b)	23,499,720,745	19,261,384,792
12 Other operating expenses for insurance activities (17 = 17.1 +17.2)	17	20	384,505,408,242	244,918,700,321
In which:				
- Commission on insurance activities	17.1	7i)	147,845,351,612	87,832,083,547
- Other insurance costs	17.2		236,660,056,630	157,086,616,774
13 Total expenses for insurance activities (18 = 15 + 16 + 17)	18		546,734,143,749	427,419,231,209
14 Gross profit from insurance activities (19 = 10 - 18)	19		359,637,135,090	185,495,677,387
18 Financial income	23	21	140,590,467,858	87,740,582,372
19 Financial expenses	24		1,625,943,811	1,441,176,452
20 Profit from financial activities (25 = 23 - 24)	25		138,964,524,047	86,299,405,920
21 General and administration expenses	26	22	212,941,040,475	181,078,453,563
22 Net operating profit (30 = 19 + 25 - 26)	30		285,660,618,662	90,716,629,744
23 Other income	31		142,987,884	118,829,949
23 Other expenses	32		476,543,693	256,032,775
25 Results of other activities (40 = 31 - 32)	40		(333,555,809)	(137,202,826)
26 Accounting profit before tax (50 = 30 + 40)	50		285,327,062,853	90,579,426,918
27 Income tax expense – current	51	23	58,012,694,175	18,270,157,118
28 Income tax benefit – deferred	52	23	(480,180,622)	(1,366,800)
29 Net profit after tax (60 = 50 - 51 - 52)	60		227,794,549,300	72,310,636,600

25 March 2024

Prepared by



Nguyen Thi Van Anh
Chief Accountant

Approved by



Katsumi Kuzuno
General Director

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Statement of cash flows for the year ended
31 December 2023 (Indirect method)

Form B 03 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)

	Code	2023 VND	2022 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1 Profit before tax	01	285,327,062,853	90,579,426,918
2 Adjustments for			
Depreciation and amortisation	02	1,317,047,923	2,399,899,467
Allowances and provisions	03	38,127,329,230	185,484,876,144
Unrealised foreign exchange gains	04	(1,204,045,299)	(1,117,355,107)
Profits from investing activities	05	(137,885,805,899)	(85,115,536,662)
3 Operating profit before changes in working capital	08	185,681,588,808	192,231,310,760
Change in receivables and other assets	09	(5,890,011,505)	(18,343,147,149)
Change in payables and other liabilities	11	112,600,663,986	81,987,848,231
Change in prepayments	12	(7,166,686,241)	1,377,747,181
		285,225,555,048	257,253,759,023
Income tax paid	14	(52,324,373,587)	(25,965,402,380)
Net cash flows from operating activities	20	232,901,181,461	231,288,356,643
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1 Payments for additions to fixed assets	21	(595,270,300)	(184,084,545)
2 Proceeds from disposals of fixed assets	22	141,018,181	38,291,200
3 Payments for term deposits at banks	23	(1,952,401,037,716)	(1,222,972,832,370)
4 Receipts from term deposits at banks	24	1,644,930,913,013	1,070,121,256,045
7 Receipts of interest	27	114,785,334,704	80,597,755,304
Net cash flows from investing activities	30	(193,139,042,118)	(72,399,614,366)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
6 Profits distribution to the parent company	36	(54,232,977,450)	(152,690,652,075)
Net cash flows from financing activities	40	(54,232,977,450)	(152,690,652,075)

The accompanying notes are an integral part of these financial statements

MSIG Insurance (Vietnam) Company Limited
Statement of cash flows for the year ended
31 December 2023 (Indirect method – continued)

Form B 03 – DNPNT
(Issued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of
the Ministry of Finance)

	Code	2023 VND	2022 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50	(14,470,838,107)	6,198,090,202
Cash and cash equivalents at the beginning of the year	60	43,898,498,177	36,583,052,868
Effect of exchange rate fluctuations on cash and cash equivalents	61	1,204,045,299	1,117,355,107
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	30,631,705,369	43,898,498,177

25 March 2024

Prepared by



Nguyen Thi Van Anh
Chief Accountant

Approved by



Katsumi Kuzuno
General Director

The accompanying notes are an integral part of these financial statements

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

1. Reporting entity

(a) Ownership structure

MSIG Insurance (Vietnam) Co., Ltd (“the Company”) is a 100% foreign-owned company established in Vietnam under Establishment and Operation Licence No. 54/GP/KDBH issued by the Ministry of Finance (“MOF”) on 18 September 2008, which was subsequently amended by the latest Establishment and Operation Licence No. 54/GPDC7/KDBH issued by the MOF on 12 November 2020.

(b) Principal activities

The principal activities of the Company are to provide non-life insurance and health insurance services in Vietnam including direct insurance services, reinsurance services, claim settling agent services, and carry out investment activities and other related activities.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) The Company’s headcounts

As at 31 December 2023, the Company had 177 employees (31/12/2022: 170 employees).

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 232/2012/TT-BTC dated 28 December 2012 issued by the Ministry of Finance on the promulgation of accounting guidance for non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies and the relevant statutory requirements applicable to financial reporting.

These standards and relevant statutory requirements may differ in some material respects from generally accepted accounting principles and standards in other countries. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations and cash flows of the Company in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices for non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies.

(b) Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purpose.

3. Changes in the relevant statutory requirements

(a) Adoption of Circular No. 67/2023/TT-BTC dated 2 November 2023

On 2 November 2023, the Ministry of Finance issued Circular No. 67/2023/TT-BTC ("Circular 67") providing implementation guidance for certain articles of Law on Insurance Business No. 08/2022/QH15 dated 16 June 2022 passed by the National Assembly, Decree No. 46/2023/ND-CP dated 1 July 2023 (Decree 46") issued by the Government of Vietnam on the promulgation of implementation guidance for certain articles of Law on Insurance Business. Circular 67 takes effect from 2 November 2023 except for certain articles being effective from 1 January 2023. Circular 67 supersedes Circular No. 50/2017/TT-BTC dated 15 May 2017 ("Circular 50") issued by the Ministry of Finance providing implementation guidance for Decree No. 73/2016/ND-CP dated 1 July 2016 ("Decree 73") issued by the Government of Vietnam on the promulgation of implementation guidance for Law on Insurance Business and the Circulars amending and supplementing certain articles of Circular 50 except for certain articles of Circular 50 being effective until 31 December 2027.

Effective from 2 November 2023, the Company has prospectively adopted the applicable requirements of Circular 67. There are no significant differences in the requirements applicable to accounting and financial reporting of Circular 67 and the corresponding requirements of Circular 50.

4. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

Held-to-maturity investments

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments comprise term deposits at banks. These investments are stated at cost less allowance for doubtful debts.

(d) Accounts receivable

Insurance and other receivables are stated at cost less allowance for doubtful debts.

Allowance for doubtful debts based on the expected losses of overdue debts is determined by the Company's management after giving consideration to the recovery of these debts.

(e) Deferred commission expenses

Commission expenses on direct insurance and inward reinsurance are capitalised and amortised on the same basis as the allocation basis of unearned premium reserve as described in Note 4(1)(i). The balance of deferred commission expenses at the end of the accounting period represents the commission expenses corresponding to the unearned premium.

(f) Statutory security deposit

Prior to 1 July 2023

According to Decree 73, the Company is required to place a statutory security deposit of 2% legal capital at a commercial bank in Vietnam. This statutory security deposit is only used to meet any commitments made to the policyholders when the Company is unable to meet its financial obligations and the approval from the Ministry of Finance has been obtained. This statutory security deposit can only be fully withdrawn upon ceasing the business operations.

Effective from 1 July 2023

According to Decree 46, the Company is required to place a statutory security deposit of 2% minimum charter capital at a commercial bank in Vietnam. This statutory security deposit is only used to meet any commitments made to the policyholders when the Company is unable to meet its financial obligations and the approval from the Ministry of Finance has been obtained. This statutory security deposit can only be fully withdrawn upon ceasing the business operations.

The adoption of the requirement of Decree 46 applicable to statutory security deposit has no impact on the financial statements of the Company for the year ended 31 December 2023.

(g) Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ office equipment	3 years
▪ office furniture	3 years
▪ other tangible fixed assets	5 years

(h) Intangible fixed assets

Computer software

Cost of acquiring new computer software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Computer software cost is amortised on a straight-line basis over a period ranging from 3 to 10 years.

(i) Long-term prepaid expenses

(i) *Golf club memberships*

Golf club memberships are recorded at cost and amortised on a straight-line basis over the term of the memberships of 28 years.

(ii) *Office fitting expenses*

Office fitting expenses are recorded at cost and amortised on a straight-line basis over 5 years.

(iii) *Tools and instruments*

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under the prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from over 1 to 3 years.

(j) Insurance and other payables

Insurance and other payables are stated at their cost.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Technical reserves

Technical reserves are established in accordance with the requirements and guidance of Circular 50 (prior to 2 November 2023), Circular 67 (from 2 November 2023) and Official Letter No. 1101/BTC-QLBH dated 24 January 2018 (“OL 1101”) of the Ministry of Finance approving for the Company’s calculation methods of technical reserves.

Technical reserves of the Company include technical reserves for non-life insurance policies and technical reserves for health insurance:

(i) ***Technical reserves for non-life insurance policies***

Unearned premium reserve

Unearned premium reserve is the proportion of written premiums that are related to risk after the reporting date and is included as a liability at the end of the accounting period.

Unearned premium reserve is calculated based on a coefficient of the term of insurance policies. The unearned premium reserve is calculated using daily method as stipulated in the third dash (-) of sub-item b, item 3.1, clause 3, Article 17 of Circular 50 (prior to 2 November 2023) and sub-item c, clause 2, Article 35 of Circular 67 (from 2 November 2023). Accordingly, unearned premium reserve for all types of insurance policies or reinsurance policies is calculated based on the following formula:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premium} \times \text{Remaining insured days of the insurance or reinsurance policy}}{\text{Total insured days under the insurance or reinsurance policy}}$$

Unearned premium reserve is calculated and presented separately for the gross premiums from direct insurance, inward reinsurance premiums and outward reinsurance premiums.

Claims reserve

Claims reserve is established in accordance with the calculation methods as approved in OL 1101.

Claims reserve includes reserve for outstanding claims and reserve for claims incurred but not reported.

Reserve for outstanding claims is made for each insurance policy by estimating the indemnity to be paid for each claim case which was reported or claimed but not yet settled by the end of the annual accounting period.

Reserve for claims incurred but not yet reported or claimed (“IBNR”) is made at 5% of the retained premium for each type of insurance product stipulated in the second dash (-) of sub-item a, item 3.2, clause 3, Article 17 of Circular 50 (prior to 2 November 2023) and sub-item b, clause 1, Article 36 of Circular 67 (from 2 November 2023).

Claims reserve is calculated and presented separately for direct insurance and inward reinsurance and for outward reinsurance.

Catastrophe reserve

Catastrophe reserve is made annually at 3% of the retained premium for all insurance products under guidance of Decree 73, Circular 50 (prior to 2 November 2023) and Decree 46, Circular 67 (from 2 November 2023) and OL 1101. Catastrophe reserve is made until this reserve reaches 100% of the retained premium of the current annual accounting period.

(ii) *Technical reserves for health insurance*

Unearned premium reserve

Unearned premium reserve for health insurance policies with terms of less than one year is made based on the coefficient of insurance period of insurance. The Company adopts the calculation method of daily basis stipulated in the third dash (-) of sub-item b, item 3.1, clause 3, Article 17 of Circular 50 (prior to 2 November 2023) and sub-item c, clause 2, Article 35 of Circular 67 (from 2 November 2023) and OL 1101.

Claims reserve

Reserve for outstanding claims is established on a case by case basis based on the statistics of the sum insured to be paid for each claim case reported or claimed but not yet settled at the end of the annual accounting period.

Reserve for claims incurred but not yet reported or claimed is made at 5% of the retained premium for each type of insurance product in accordance with the instructions in Circular 50 (prior to 2 November 2023) and Circular 67 (from 2 November 2023).

Equalization reserve

Equalization reserve is made at 3% of the retained premium for each type of health insurance product and is recorded in catastrophe reserve in the balance sheet.

(m) *Contributed capital*

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(n) *Statutory reserve*

Statutory reserve is appropriated from 5% of profit after tax annually until this reserve reaches 10% of the Company's charter capital. This statutory reserve is non-distributable and is classified as part of equity.

(o) *Classification of financial instruments*

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit and loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by Management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as at fair value through profit or loss;
- those that the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company intends to sell immediately or in the near term, which are classified as held-for-trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Company on initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that is not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by Management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).

- Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(p) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Premium revenue

Premiums are recognised in accordance with the requirements of Circular 50 (prior to 2 November 2023) and Circular 67 (from 2 November 2023).

Accordingly, gross premium from direct insurance is recognised when insurance obligations arise with the insured, specifically as follows:

- the insurance policy has been entered into by the insurer and the insured and the premium has been paid; or
- there is evidence that the insurance policy has been entered into and the insured has paid the premium; or
- the insurance policy has been entered into by the insurer and the insured; if there is agreement between the insurer and the insured for delayed payment of insurance premium the insurer still has to recognise revenue for the delayed payment although the premium has not been paid by the insured.

If the Company and its customers mutually agree the term of payment of insurance premium on instalment basis, only the insurance premium which is due shall be recognised as premium revenue and the premium not yet due shall not be recognised as premium revenue for the period. Premium being paid before due date is recorded as “Unearned revenue” in the balance sheet at the end of the annual accounting period.

There are no significant differences in the requirements applicable to premium revenue recognition between Circular 67 and Circular 50.

(r) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and at the applicable interest rate.

(s) Reinsurance activities

(i) Inward reinsurance

Income and expenses other than commission expenses relating to inward reinsurance are recognised when the reinsurance confirmations and statements of accounts are received from the cedants.

Commission expenses on inward reinsurance are recognised in accordance with accounting policy as described in Note 4(e).

(ii) Outward reinsurance

Outward reinsurance premiums under treaty and facultative reinsurance agreements are recognised when gross written premiums within the scope of the treaty and facultative agreements are recognised.

Outward reinsurance recoveries are recognised when there is evidence of liability portion assumed by the reinsurers. Commission income from outward reinsurance are deferred in the statement of income on the same basis as the allocation basis of unearned premium reserve as described in Note 4(l)(i). The balance of unearned commission income at the end of the accounting period represents the commission income corresponding to the unearned premium.

(t) Claims expense

Claims and loss adjustment expenses are recognised in the statement of income when the insured events incur. The charges for claims, loss adjustment expenses incurred for an accounting period are based on the estimated ultimate costs of settling the claims and related loss adjustment expenses.

Changes in estimates of claim costs (claims and loss adjustment expenses) resulting from the continuous review process and differences between estimates and actual payments for claims are recognised in the statement of income of the year in which the estimates are changed or the payments are made.

Recoveries on claims, such as salvage or subrogation, are evaluated based on their actual realisable values and deducted from the claims expense during the year.

(u) Acquisition costs

All acquisition costs, other than commission expenses incurred on underwriting or renewal of insurance policies which are amortised in accordance with the accounting policy as described at Note 4(e), are recognised in the statement of income when incurred.

(v) Leases

(i) Leased assets

Assets held under lease contract of which the Company, as lessee, does not assume substantially all the risks and rewards of ownership are classified as operating leases and are not recognised in the Company's balance sheet.

(ii) Lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

(w) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related companies refer to the investor (the parent company), the ultimate parent company and their subsidiaries and associates.

(x) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company financial position, results of operation or cash flows for the prior year.

(y) Nil balances

Items or balances required by Circular No. 232/2012/TT-BTC dated 28 December 2012 issued by the Ministry of Finance on the promulgation of accounting guidance for non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies that are not shown in these financial statements indicate nil balances.

5. Cash and cash equivalents

	31/12/2023	31/12/2022
	VND	VND
Cash on hand	12,350,500	14,660,000
Cash in banks	30,619,354,869	43,883,838,177
	<hr/>	<hr/>
Cash and cash equivalents in the statement of cash flows	30,631,705,369	43,898,498,177
	<hr/> <hr/>	<hr/> <hr/>

6. Financial investments

(a) Short-term financial investments

As at 31 December 2023 and 31 December 2022, short-term financial investments represent term deposits at banks denominated in USD and VND with remaining terms to maturities of more than three months to one year from the end of the annual accounting period.

Annual interest rates of term deposits at reporting date were as follows:

	31/12/2023	31/12/2022
Term deposits in VND	5.20% - 10.50%	4.60% - 9.50%
Term deposits in USD	0.00%	0.00%
	<hr/>	<hr/>

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Short-term deposits at banks detailed by banks:

	31/12/2023	31/12/2022
	VND	VND
Vietnam Export Import Commercial Joint Stock Bank	241,846,226,626	221,343,377,150
Tien Phong Commercial Joint Stock Bank	108,468,569,863	220,639,441,685
Vietnam Prosperity Joint Stock Commercial Bank	213,272,139,726	213,775,706,392
Vietnam International Commercial Joint Stock Bank	85,352,454,932	208,093,037,973
Ho Chi Minh City Development Joint Stock Commercial Bank	211,445,064,634	194,260,301,436
Hong Leong Bank Vietnam Limited	94,100,952,329	191,920,757,965
Vietnam Technological and Commercial Joint Stock Bank	64,120,000,000	166,988,000,000
Orient Commercial Joint Stock Bank	246,564,007,460	31,284,369,863
First Commercial Bank, Ltd. – Hanoi Branch	2,422,980,890	2,358,582,727
Standard Chartered Bank (Vietnam) Ltd.	91,300,000,000	-
CIMB Bank (Vietnam) Ltd.	159,500,000,000	-
	<hr/>	
	1,518,392,396,460	1,450,663,575,191
	<hr/>	

(b) Long-term financial investments

As at 31 December 2023 and 31 December 2022, other long-term financial investments represent deposits at banks denominated in VND with remaining terms to maturities of more than one year from the end of the annual accounting period and have annual interest rates from 5.00% to 6.00% (31/12/2022: from 9.50% to 10.00%).

Long-term deposits at banks detailed by bank:

	31/12/2023	31/12/2022
	VND	VND
Southeast Asia Commercial Joint Stock Bank	149,100,000,000	-
Ho Chi Minh City Development Joint Stock Commercial Bank	43,097,011,654	-
Hong Leong Bank Vietnam Limited	40,000,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank	41,500,000,000	-
Vietnam Export Import Commercial Joint Stock Bank	12,000,000,000	-
Vietnam Technological and Commercial Joint Stock Bank	-	30,500,000,000
Vietnam International Commercial Joint Stock Bank	-	15,455,708,219
	<hr/>	
	285,697,011,654	45,955,708,219
	<hr/>	

7. Accounts receivable

(a) Accounts receivable – insurance

	31/12/2023	31/12/2022
	VND	VND
Premiums receivable from direct insurance	76,195,623,672	64,560,323,058
Premiums receivable from inward reinsurance	4,078,972,562	2,725,747,240
Claims recoverable from reinsurers	33,083,823,413	40,721,895,829
Claims recoverable from co-insurers	1,241,521,717	1,610,369,171
	<hr/>	<hr/>
	114,599,941,364	109,618,335,298
	<hr/>	<hr/>

Accounts receivable – insurance include the following amounts due from related companies:

	31/12/2023	31/12/2022
	VND	VND
Amounts due from the parent company		
▪ Insurance	9,600,701,239	9,630,598,834
Amounts due from other related companies		
▪ Insurance	7,383,598,849	10,342,833,818
	<hr/>	<hr/>

The insurance related amounts due from the parent company and other related companies were unsecured, interest free and are settled after confirmation of the statement of account by both parties.

(b) Other short-term receivables

	31/12/2023	31/12/2022
	VND	VND
Interest receivable from term deposits at banks	67,711,925,422	44,752,472,408
Other receivables from the parent company	1,534,537,046	1,737,095,791
Other receivables from other parties	1,132,872,275	613,987,661
	<hr/>	<hr/>
	70,379,334,743	47,103,555,860
	<hr/>	<hr/>

(c) Other long-term receivables

	31/12/2023	31/12/2022
	VND	VND
Statutory security deposit (i)	6,000,000,000	6,000,000,000

- (i) Statutory security deposit is equal to 2% legal capital stipulated in Decree 73 (prior to 1 July 2023) and 2% minimum charter capital stipulated in Law No. 08/2022/QH15 dated 16 June 2022 by National Assembly of Vietnam on insurance business and Decree 46 (from 1 July 2023). This statutory security deposit is only used to meet any commitments made to the policyholders when the Company is unable to meet its financial obligations and the approval from the Ministry of Finance has been obtained. This statutory security deposit can only be fully withdrawn upon ceasing the business operations. The Company is required to top up the additional statutory security deposit under requirement of Circular 46 before 1 January 2028.

As at 31 December 2023, the Company placed the statutory security deposit at Tien Phong Commercial Joint Stock Bank and earned annual interest rates of 9.00% (31/12/2022: 7.00%).

8. Short-term prepaid expenses

	31/12/2023	31/12/2022
	VND	VND
Deferred commission expenses (i)	62,430,870,931	57,756,986,853
Prepaid rental expense	4,219,557,353	2,390,568,996
Other prepaid expenses	3,492,072,665	2,876,351,913
	70,142,500,949	63,023,907,762

- (i) Movements of deferred commission expenses during the year were as follows:

	2023	2022
	VND	VND
Opening balance	57,756,986,853	30,617,294,511
Additions during the year	152,519,235,690	114,971,775,889
Amortisation during the year	(147,845,351,612)	(87,832,083,547)
Closing balance	62,430,870,931	57,756,986,853

9. Tangible fixed assets

2023	Office equipment VND	Office furniture VND	Other tangible fixed assets VND	Total VND
Cost				
Opening balance	13,261,928,025	1,437,120,541	1,073,374,739	15,772,423,305
Additions	595,270,300	-	-	595,270,300
Disposals	(2,059,923,696)	(38,661,816)	-	(2,098,585,512)
Closing balance	11,797,274,629	1,398,458,725	1,073,374,739	14,269,108,093
Accumulated depreciation				
Opening balance	13,052,730,944	1,437,120,541	1,042,691,817	15,532,543,302
Additions	213,407,287	-	30,682,922	244,090,209
Disposals	(2,059,923,696)	(38,661,816)	-	(2,098,585,512)
Closing balance	11,206,214,535	1,398,458,725	1,073,374,739	13,678,047,999
Net book value				
Opening balance	209,197,081	-	30,682,922	239,880,003
Closing balance	591,060,094	-	-	591,060,094

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2022	Office equipment VND	Office furniture VND	Other tangible fixed assets VND	Total VND
Cost				
Opening balance	13,279,443,480	1,437,120,541	1,073,374,739	15,789,938,760
Additions	184,084,545	-	-	184,084,545
Disposals	(201,600,000)	-	-	(201,600,000)
Closing balance	13,261,928,025	1,437,120,541	1,073,374,739	15,772,423,305
Accumulated depreciation				
Opening balance	12,359,878,414	1,437,120,541	910,478,496	14,707,477,451
Additions	894,452,530	-	132,213,321	1,026,665,851
Disposals	(201,600,000)	-	-	(201,600,000)
Closing balance	13,052,730,944	1,437,120,541	1,042,691,817	15,532,543,302
Net book value				
Opening balance	919,565,066	-	162,896,243	1,082,461,309
Closing balance	209,197,081	-	30,682,922	239,880,003

Included in tangible fixed assets were assets costing VND12,118 million which were fully depreciated as at 31 December 2023 (31/12/2022: VND13,595 million), but which are still in active use.

10. Intangible fixed assets

	Computer software	
	2023	2022
	VND	VND
Cost		
Opening and closing balance	15,766,785,467	15,766,785,467
Accumulated amortisation		
Opening balance	14,125,196,634	12,751,963,018
Charge for the year	1,072,957,714	1,373,233,616
Closing balance	15,198,154,348	14,125,196,634
Net book value		
Opening balance	1,641,588,833	3,014,822,449
Closing balance	568,631,119	1,641,588,833

Included in intangible fixed assets were assets costing VND10,381 million which were fully amortised as at 31 December 2023 (31/12/2022: VND9,456 million), but which are still in active use.

11. Long-term prepaid expenses

	31/12/2023	31/12/2022
	VND	VND
Office installation	4,865,597,008	-
Tools and instruments	1,235,582,749	1,303,925,630
Others	1,035,058,692	1,110,335,688
	7,136,238,449	2,414,261,318

12. Accounts payable to suppliers

	31/12/2023	31/12/2022
	VND	VND
Accounts payable – insurance		
▪ Premiums payable for outward reinsurance	213,546,760,938	174,192,798,551
▪ Premiums payable for co-insurance	12,497,528,127	6,765,982,974
▪ Commissions payable	13,758,994,806	12,822,083,391
	<hr/>	<hr/>
	239,803,283,871	193,780,864,916
	<hr/>	<hr/>
Other payables to suppliers	2,540,604,457	2,294,632,268
	<hr/>	<hr/>
	242,343,888,328	196,075,497,184
	<hr/>	<hr/>

Accounts payable – insurance include the following amounts due to related companies:

	31/12/2023	31/12/2022
	VND	VND
Amounts due to the parent company		
▪ Insurance	61,674,290,457	60,016,126,611
▪ Other payables	486,537,502	-
Amounts due to other related companies		
▪ Insurance	52,175,877,279	25,466,410,405
▪ Other payables	12,846,271,205	5,421,715,827
	<hr/>	<hr/>

The insurance related amounts due to the parent company and other related companies were unsecured, interest free and are payable on certification by both parties.

13. Taxes payable to State Treasury

	1/1/2023 VND	Incurred VND	Paid VND	31/12/2023 VND
Value added tax	7,965,564,584	64,219,017,138	(68,814,851,604)	3,369,730,118
Personal income tax	1,887,690,497	18,352,499,797	(18,302,493,209)	1,937,697,085
Withholding tax	466,887,590	4,913,301,839	(4,848,770,563)	531,418,866
Corporate income tax	(1,252,247,734)	58,012,694,175	(52,324,373,587)	4,436,072,854
	9,067,894,937	145,497,512,949	(144,290,488,963)	10,274,918,923
	1/1/2022 VND	Incurred VND	Paid VND	31/12/2022 VND
Value added tax	4,448,544,537	50,445,099,935	(46,928,079,888)	7,965,564,584
Personal income tax	1,842,314,078	15,982,783,993	(15,937,407,574)	1,887,690,497
Withholding tax	422,348,331	4,126,706,097	(4,082,166,838)	466,887,590
Corporate income tax	6,442,997,528	18,270,157,118	(25,965,402,380)	(1,252,247,734)
	13,156,204,474	88,824,747,143	(92,913,056,680)	9,067,894,937

14. Other short-term payables

	31/12/2023 VND	31/12/2022 VND
Unearned commission income (i)	53,592,336,296	53,451,109,514
Other short-term payables to the parent company	10,973,685,395	4,876,819,165
Other short-term payables to other parties	12,647,032,485	4,828,734,826
	77,213,054,176	63,156,663,505

(i) Movements of unearned commission income during the year were as follows:

	2023 VND	2022 VND
Opening balance	53,451,109,514	46,854,997,204
Additions during the year	139,446,324,871	122,228,227,165
Amortisation during the year	(139,305,098,089)	(115,632,114,855)
Closing balance	<u>53,592,336,296</u>	<u>53,451,109,514</u>

15. Technical reserves

(a) **Claims reserve and unearned premium reserve**

As at 31 December 2023	Reserves for direct insurance and inward reinsurance VND (1)	Reserves for outward reinsurance VND (2)	Net reserve VND (3) = (1) - (2)
Claims reserve (i)	227,876,468,177	136,438,529,869	91,437,938,308
▪ <i>Outstanding claims reserve</i>	148,767,428,462	96,495,691,396	52,271,737,066
▪ <i>Reserve for claims incurred but not reported</i>	79,109,039,715	39,942,838,473	39,166,201,242
Unearned premium reserve (ii)	633,342,495,666	298,013,315,559	335,329,180,107
	<u>861,218,963,843</u>	<u>434,451,845,428</u>	<u>426,767,118,415</u>
As at 31 December 2022	Reserves for direct insurance and inward reinsurance VND (1)	Reserves for outward reinsurance VND (2)	Net reserve VND (3) = (1) - (2)
Claims reserve (i)	280,031,010,053	184,583,150,960	95,447,859,093
▪ <i>Outstanding claims reserve</i>	210,969,779,000	147,624,227,894	63,345,551,106
▪ <i>Reserve for claims incurred but not reported</i>	69,061,231,053	36,958,923,066	32,102,307,987
Unearned premium reserve (ii)	612,214,583,518	300,055,589,977	312,158,993,541
	<u>892,245,593,571</u>	<u>484,638,740,937</u>	<u>407,606,852,634</u>

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(i) Movements of claims reserve during the year were as follows:

For the year ended 31 December 2023	Claims reserve for direct insurance and inward reinsurance VND (1)	Claims reserve for outward reinsurance VND (2)	Net claims reserve VND (3) = (1) - (2)
Opening balance	280,031,010,053	184,583,150,960	95,447,859,093
Increase in claims reserve during the year	(52,154,541,876)	(48,144,621,091)	(4,009,920,785)
Closing balance	227,876,468,177	136,438,529,869	91,437,938,308

For the year ended 31 December 2022	Claims reserve for direct insurance and inward reinsurance VND (1)	Claims reserve for outward reinsurance VND (2)	Net claims reserve VND (3) = (1) - (2)
Opening balance	222,970,876,778	162,302,700,964	60,668,175,814
Increase in claims reserve during the year	57,060,133,275	22,280,449,996	34,779,683,279
Closing balance	280,031,010,053	184,583,150,960	95,447,859,093

(ii) Movements of unearned premium reserve during the year were as follows:

For the year ended 31 December 2023	Unearned premium reserve for direct insurance and inward reinsurance VND (1)	Unearned premium reserve for outward reinsurance VND (2)	Net unearned premium reserve VND (3) = (1) - (2)
Opening balance	612,214,583,518	300,055,589,977	312,158,993,541
Increase in unearned premium reserve during the year	21,127,912,148	(2,042,274,418)	23,170,186,566
Closing balance	633,342,495,666	298,013,315,559	335,329,180,107

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For the year ended 31 December 2022	Unearned premium reserve for direct insurance and inward reinsurance VND (1)	Unearned premium reserve for outward reinsurance VND (2)	Net unearned premium reserve VND (3) = (1) - (2)
Opening balance	433,082,013,219	272,910,407,784	160,171,605,435
Increase in unearned premium reserve during the year	179,132,570,299	27,145,182,193	151,987,388,106
Closing balance	612,214,583,518	300,055,589,977	312,158,993,541

(b) Catastrophe reserve

	2023 VND	2022 VND
Opening balance	101,300,611,818	82,039,227,027
Increase of catastrophe reserve during the year	23,499,720,745	19,261,384,791
Closing balance	124,800,332,563	101,300,611,818

Included in catastrophe reserve as at 31 December 2023 was contingency reserve of health insurance amounting to VND17,165 million (31/12/2022: VND11,928 million).

(c) Reinsurance assets

	31/12/2023 VND	31/12/2022 VND
Unearned outward reinsurance premium reserve	298,013,315,559	300,055,589,977
Outward reinsurance claims reserve	136,438,529,869	184,583,150,960
	434,451,845,428	484,638,740,937

16. Owner's equity

(a) Statement of changes in owner's equity

	Contributed capital VND	Statutory reserve VND	Retained profits VND	Total VND
Balance at 1 January 2022	300,000,000,000	30,000,000,000	676,632,031,055	1,006,632,031,055
Net profit for the year	-	-	72,310,636,600	72,310,636,600
Profits distribution to the parent company	-	-	(152,690,652,075)	(152,690,652,075)
Balance at 31 December 2022	300,000,000,000	30,000,000,000	596,252,015,580	926,252,015,580
Net profit for the year			227,794,549,300	227,794,549,300
Profits distribution to the parent company (Note 15(c))			(54,232,977,450)	(54,232,977,450)
Balance at 31 December 2023	300,000,000,000	30,000,000,000	769,813,587,430	1,099,813,587,430

(b) Contributed capital

The Company's authorised and contributed charter capital are:

	As at 31/12/2023 and 31/12/2022	
	Authorised and contributed VND	%
Mitsui Sumitomo Insurance Co., Ltd. – the parent company	300,000,000,000	100

The parent company and the ultimate parent company, MS&AD Insurance Group, are incorporated in Japan.

(c) Profit distribution

On 23 May 2023, the Members' Council of the Company resolved to distribute 75% profit after tax of 2022 to the parent company amounting to VND54,232,977,450 (2022: VND152,690,652,075).

(d) Statutory reserve

The Company did not appropriate to statutory reserve for the year ended 31 December 2023 as the balance of statutory reserve reaches 10% of the Company's charter capital.

17. Premium revenue

	2023 VND	2022 VND
Gross written premiums from direct insurance		
Personal accident and health insurance	428,573,186,090	309,698,713,993
▪ <i>Personal accident insurance</i>	252,690,163,320	221,120,281,922
▪ <i>Health insurance</i>	175,883,022,770	88,578,432,071
Property and casualty insurance	222,540,590,953	190,324,244,694
Cargo insurance	117,132,541,342	143,995,811,154
Motor vehicle insurance	102,040,302,881	84,062,226,327
▪ <i>Compulsory</i>	3,732,603,331	3,533,560,400
▪ <i>Voluntary</i>	98,307,699,550	80,528,665,927
Fire and explosion insurance	485,090,245,504	458,165,567,946
▪ <i>Compulsory</i>	481,434,568,687	451,887,118,258
▪ <i>Voluntary</i>	3,655,676,817	6,278,449,688
Public liability insurance	97,787,003,445	94,701,541,065
Credit and financial risk insurance	18,608,018,240	18,215,515,918
Agriculture insurance	42,050,460	-
Business interruption insurance	33,116,865,490	35,652,712,844
	1,504,930,804,405	1,334,816,333,941
Gross written premiums from inward reinsurance		
Personal accident and health insurance	58,161,446	32,753,354
▪ <i>Personal accident insurance</i>	58,161,446	32,753,354
Property and casualty insurance	14,925,820,455	16,447,387,701
Cargo insurance	111,446,735	235,806,798
Fire and explosion insurance	30,137,952,411	16,881,472,269
▪ <i>Compulsory</i>	30,097,959,340	16,881,054,283
▪ <i>Voluntary</i>	39,993,071	417,986
Hull and protection and indemnity (“P&I”) insurance	27,749,101,274	9,370,557,839
Public liability insurance	1,356,245,940	1,421,071,817
Business interruption insurance	2,911,261,613	2,019,237,325
	77,249,989,874	46,408,287,103
Increase in unearned premium reserve for direct insurance and inward reinsurance (Note 15(a)(ii))	(21,127,912,148)	(179,132,570,299)
	1,561,052,882,131	1,202,092,050,745

18. Outward reinsurance premiums

	2023 VND	2022 VND
Total outward reinsurance premiums		
Personal accident and health insurance	3,351,200,192	2,551,389,029
▪ <i>Personal accident insurance</i>	2,025,532,722	1,482,323,665
▪ <i>Health insurance</i>	1,325,667,470	1,069,065,364
Property and casualty insurance	151,342,002,524	153,455,868,409
Cargo insurance	36,437,727,043	39,439,047,795
Motor vehicle insurance	43,895,411,986	36,695,990,711
▪ <i>Compulsory</i>	418,005,190	388,203,426
▪ <i>Voluntary</i>	43,477,406,796	36,307,787,285
Fire and explosion insurance	440,269,070,432	406,525,087,072
▪ <i>Compulsory</i>	439,233,620,507	405,085,988,387
▪ <i>Voluntary</i>	1,035,449,925	1,439,098,685
Hull and protection and indemnity (“P&I”) insurance	27,736,305,552	9,367,043,825
Public liability insurance	43,176,165,278	36,712,783,395
Credit and financial risk insurance	18,421,938,058	18,033,360,759
Agriculture insurance	31,537,845	-
Business interruption insurance	34,195,410,535	36,397,890,327
	798,856,769,445	739,178,461,322
Increase in unearned premium reserve for outward reinsurance (Note 15(a)(ii))	2,042,274,418	(27,145,182,193)
	800,899,043,863	712,033,279,129



19. Net claims expense

	2023 VND	2022 VND
Claims paid		
Personal accident and health insurance	60,559,259,821	46,940,129,370
▪ <i>Personal accident insurance</i>	<i>11,889,547,963</i>	<i>11,806,072,053</i>
▪ <i>Health insurance</i>	<i>48,669,711,858</i>	<i>35,134,057,317</i>
Property and casualty insurance	68,612,411,601	73,447,640,100
Cargo insurance	28,219,598,538	26,898,627,799
Motor vehicle insurance	37,753,039,983	41,022,376,848
▪ <i>Compulsory</i>	<i>883,064,024</i>	<i>905,429,317</i>
▪ <i>Voluntary</i>	<i>36,869,975,959</i>	<i>40,116,947,531</i>
Fire and explosion insurance	10,582,462,545	25,502,795,870
▪ <i>Compulsory</i>	<i>10,582,462,545</i>	<i>25,479,084,195</i>
▪ <i>Voluntary</i>	-	<i>23,711,675</i>
Hull and protection and indemnity (“P&I”) insurance	3,499,055,718	58,640,083
Public liability insurance	21,909,829,543	23,654,734,927
Business interruption insurance	26,424,041,425	8,726,706,251
Credit and financial risk insurance	-	48,445,745,053
	<hr/>	<hr/>
	257,559,699,174	294,697,396,301
Claims recovery from outward reinsurance	(114,820,763,627)	(166,237,933,484)
(Decrease)/increase in claims reserve for direct insurance and inward reinsurance (Note 15(a)(i))	(52,154,541,876)	57,060,133,275
Increase/(decrease) in claims reserve for outward reinsurance (Note 15(a)(i))	48,144,621,091	(22,280,449,996)
	<hr/>	<hr/>
	138,729,014,762	163,239,146,096

20. Other operating expenses for insurance activities

	2023 VND	2022 VND
Commission on insurance activities	147,845,351,612	87,832,083,547
<i>In which:</i>		
▪ <i>Commissions for direct insurance</i>	<i>138,841,653,959</i>	<i>106,645,069,861</i>
▪ <i>Deferred commission expenses</i>	<i>(4,673,884,079)</i>	<i>(27,139,692,342)</i>
▪ <i>Commissions for inward reinsurance</i>	<i>13,677,581,732</i>	<i>8,326,706,028</i>
Advertising and promotion expenses	14,963,695,333	44,854,630,866
Agent support expenses	68,519,929,132	49,957,540,838
Other expenses	153,176,432,165	62,274,445,070
	<hr/>	<hr/>
	384,505,408,242	244,918,700,321

21. Financial income

	2023 VND	2022 VND
Interest income from deposits at banks	137,744,787,718	85,077,245,462
Realised foreign exchange gains	1,479,691,337	1,561,871,339
Unrealised foreign exchange gains	1,365,988,803	1,101,465,571
	140,590,467,858	87,740,582,372

22. General and administration expenses

	2023 VND	2022 VND
Salaries and related expenses	118,533,563,209	106,078,084,222
Outside services expenses (*)	62,677,056,637	46,540,120,106
Office rental expenses	15,706,484,151	15,926,146,919
Depreciation and amortisation	1,317,047,923	2,399,899,468
Tax expenses	3,682,140,337	2,794,037,846
Stationery expenses	1,034,714,766	547,798,016
Others	9,990,033,452	6,792,366,986
	212,941,040,475	181,078,453,563

(*) This amount includes a professional fee amounting to VND285,000,000 for the audit of financial statements for the year ended 31 December 2023 (2022: VND270,000,000).

23. Income tax

(a) Recognised in the statement of income

	2023 VND	2022 VND
Current tax expense		
Current year	58,012,694,175	18,270,157,118
Deferred tax benefit		
Origination of temporary differences	(480,180,622)	(1,366,800)
	57,532,513,553	18,268,790,318

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(b) Reconciliation of effective tax rate

	2023 VND	2022 VND
Accounting profit before tax	285,327,062,853	90,579,426,918
Tax at the Company's tax rate	57,065,412,571	18,115,885,384
Adjustments to non-deductible expenses	467,100,982	152,904,934
	<u>57,532,513,553</u>	<u>18,268,790,318</u>

(c) Applicable tax rates

The Company has obligations to pay corporate income tax at 20% of taxable profits. The income tax computation is subject to the review and approval of the tax authorities.

(d) Deferred tax asset/liabilities

	31/12/2023 VND	31/12/2022 VND
<i>Recognised deferred tax asset:</i>		
Accrued expenses	(571,781,340)	-
<i>Recognised deferred tax liabilities:</i>		
Unrealised foreign exchange gains	193,847,086	102,246,368
	<u>(377,934,254)</u>	<u>102,246,368</u>

24. Financial instruments

(a) Financial risk management

Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. Management establishes policies to identify and analyse the risks faced by the Company, to set up appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Through training and management standards and procedures, management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable, cash in banks and cash equivalents, short-term financial investments, other long-term financial investments, statutory security deposit and other financial assets.

Exposure to credit risk

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the annual accounting period was as follows:

	Thuyết minh	31/12/2023 VND	31/12/2022 VND
Cash in banks and cash equivalents	(i)	30,619,354,869	43,883,838,177
Short-term financial investments	(i)	1,518,392,396,460	1,450,663,575,191
Insurance receivables - gross	(ii)	114,599,941,364	109,618,335,298
Other short-term receivables - gross	(ii)	70,379,334,743	47,103,555,860
Statutory security deposit	(i)	6,000,000,000	6,000,000,000
Other long-term financial investments	(i)	285,697,011,654	45,955,708,219
		2,025,688,039,090	1,703,225,012,745

(i) *Cash in banks and cash equivalents, short-term financial investments, other long-term financial investments and statutory security deposit*

Cash in banks and cash equivalents, short-term financial investments, other long-term financial investments and statutory security deposit of the Company are held with well-known credit institutions. Management does not foresee any significant credit risk from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(ii) *Insurance and other receivables*

The Company's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer.

The Company adopted regulations on the time limit for payment of insurance premium in accordance with Circular 50. For direct insurance business, receivables for the first premium payment are due within 30 days from the starting date of the insurance period under insurance policies.

No collateral is collected from the customers.

Insurance and other receivables that are neither past due nor impaired are mostly debtors with good collection track records with the Company. Management believes that those receivables are of high credit quality.

(iii) *Reinsurance Credit Risks*

The Company has Reinsurance Credit risk Framework to monitor and manage this exposure, based on risk limits, risk amounts and outstanding receivables.

Rating of reinsurers is one of the most important criteria to select reinsurers (regulated in Reinsurance Policy) and further monitoring.

The Company has low risk appetite for credit risks from reinsurance counterparties and implement suitable control to ensure the risk are within the risk appetite, except as approved.

The Company has the highest exposure to the MS&AD Insurance Group (A+) whilst the rest of the reinsurers are well spread out. Majority of the Company's reinsurers has credit rating of A - and above.

It allows the Company to recover reinsurance losses promptly.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

As at 31 December 2023	Carrying amount VND	Contractual cash flows VND	Up to 1 year VND	From 1 to 2 years VND
Accounts payable to suppliers	242,343,888,328	242,343,888,328	242,343,888,328	-
Accrued expenses	74,091,182,605	74,091,182,605	74,091,182,605	-
Other short-term payables	23,620,717,880	23,620,717,880	23,620,717,880	-
Other long-term payables	14,957,701,000	14,957,701,000	-	14,957,701,000
	355,013,489,813	355,013,489,813	340,055,788,813	14,957,701,000
As at 31 December 2022	Carrying amount VND	Contractual cash flows VND	Up to 1 year VND	From 1 to 2 years VND
Accounts payable to suppliers	196,075,497,184	196,075,497,184	196,075,497,184	-
Accrued expenses	39,432,677,627	39,432,677,627	39,432,677,627	-
Other short-term payables	9,705,553,991	9,705,553,991	9,705,553,991	-
Other long-term payables	14,784,124,700	14,784,124,700	-	14,784,124,700
	259,997,853,502	259,997,853,502	245,213,728,802	14,784,124,700

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is exposed to currency risk on transactions that are denominated in foreign currencies other than VND, the Company's accounting currency. The currencies giving rise to this risk are primarily USD, JPY, SGD, THB and GBP.

The Company underwrites insurance policies, does business and makes investments in Vietnam. The Company's principal activities give rise to receivables and payables denominated in the same currency, helping the company to reduce exchange rate risk for these activities, which enables the Company to minimize foreign exchange rate risk for these activities.

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At the end of the annual accounting period, the Company had the following net currency positions:

As at 31 December 2023	USD	JPY	Original currency		EUR	HKD	Equivalent VND
			SGD	GBP			
Cash and cash equivalents	429,470.15	15,893,827.00	-	-	-	-	13,012,598,839
Short-term financial investments	100,622.13	-	-	-	-	-	2,422,980,890
Accounts receivable from customers	95,127.16	-	-	-	-	-	2,290,662,013
Total exposed assets (1)	625,219.44	15,893,827.00	-	-	-	-	17,726,241,742
Accounts payable to suppliers	205,775.71	551,145.53	-	3,291.46	2,489.41	749.30	5,287,116,848
Other payables	-	41,117.00	639,260.25	-	-	-	12,015,033,285
Total exposed liabilities (2)	205,775.71	592,262.53	639,260.25	3,291.46	2,489.41	749.30	17,302,150,133
Net asset/(liability) position [(1) - (2)]	419,443.73	15,301,564.47	(639,260.25)	(3,291.46)	(2,489.41)	(749.30)	424,091,609

As at 31 December 2022	USD	JPY	Original currency		THB	GBP	Equivalent VND
			SGD	THB			
Cash and cash equivalents	1,201,026.26	9,625,808.00	-	-	-	-	29,835,224,321
Short-term financial investments	100,622.13	-	-	-	-	-	2,358,582,727
Accounts receivable from customers	62,657.85	616,919.60	-	-	-	4,112.90	1,691,114,717
Total exposed assets (1)	1,364,306.24	10,242,727.60	-	-	-	4,112.90	33,884,921,765
Accounts payable to suppliers	5,766.31	383,129.93	-	-	-	3,291.46	301,870,850
Other payables	-	-	223,440.70	2,027,266	-	-	5,423,714,710
Total exposed liabilities (2)	5,766.31	383,129.93	223,440.70	2,027,266	3,291.46	3,291.46	5,725,585,560
Net asset/(liability) position [(1) - (2)]	1,358,539.93	9,859,597.67	(223,440.70)	(2,027,266)	821.44	821.44	28,159,336,205



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The following are the significant exchange rates applied by the Company:

	Tỷ giá tại ngày	
	31/12/2023	31/12/2022
USD/VND	24,080	23,440
JPY/VND	168,05	174,86
SGD/VND	18,784	17,928
HKD/VND	3,141	3,066
GBP/VND	31,501	29,036
EUR/VND	27,386	25,663

Below is an analysis of the possible impact on the profit after tax of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at the end of the accounting period. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted premiums and claims:

As at 31 December 2023	Effect to profit after tax Increase/ (decrease) VND
USD (3% strengthening)	220,618,813
JPY (4% weakening)	(80,116,317)
SGD (5% strengthening)	(458,667,204)
GBP (8% strengthening)	(7,041,790)
HKD (2% strengthening)	(46,058)
EUR (7% strengthening)	(3,661,785)
<hr/>	
As at 31 December 2022	Effect to profit after tax Increase/ (decrease) VND
USD (3% strengthening)	876,909,347
JPY (10% weakening)	(141,943,066)
SGD (4% strengthening)	(137,388,525)
TBH (1% weakening)	(11,342,945)

The opposite movement of the currencies would have the equal but opposite effect to the profit after tax of the Company.

(ii) Interest rate risk

At the end of the annual accounting period, the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2023	31/12/2022
	VND	VND
<i>Fixed rate instruments</i>		
Cash in banks and cash equivalents	30,619,354,869	43,883,838,177
Short-term financial investments	1,518,392,396,460	1,450,663,575,191
Statutory security deposit	6,000,000,000	6,000,000,000
Other long-term financial investments	285,697,011,654	45,955,708,219

(e) **Fair values**

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31/12/2023		31/12/2022	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Categorised as loans and receivables:				
▪ Cash and cash equivalents	30,631,705,369	30,631,705,369	43,898,498,177	43,898,498,177
▪ Accounts receivable from customers	114,599,941,364	114,599,941,364	109,618,335,298	109,618,335,298
▪ Other short-term receivables	70,379,334,743	70,379,334,743	47,103,555,860	47,103,555,860
▪ Other financial assets – short-term	71,262,999,573	71,262,999,573	63,673,498,379	63,673,498,379
▪ Other financial assets – long-term	12,616,293,160	(*)	7,235,120,079	(*)
Categorised as held-to-maturity investments:				
▪ Short-term investments	1,518,392,396,460	1,518,392,396,460	1,450,663,575,191	1,450,663,575,191
▪ Long-term investments	285,697,011,654	(*)	45,955,708,219	(*)
Categorised as financial liabilities at amortised cost:				
▪ Accounts payable to suppliers	(242,343,888,328)	(242,343,888,328)	(196,075,497,184)	(196,075,497,184)
▪ Accrued expenses	(74,091,182,605)	(74,091,182,605)	(39,432,677,627)	(39,432,677,627)
▪ Other short-term payables	(23,620,717,880)	(23,620,717,880)	(9,705,553,991)	(9,705,553,991)
▪ Other financial liabilities – long-term	(14,957,701,000)	(*)	(14,784,124,700)	(*)

Basis for determining fair values

The fair values of cash and cash equivalents, accounts receivable from customers – short-term and other receivables and short-term non-derivative financial liabilities equal their carrying amounts due to short-term nature of these financial instruments. The fair value of the instruments is determined for disclosure purposes only.

- (*) The Company has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. Their fair values of these financial instruments may differ from their carrying amounts.

25. Insurance risks and policies to manage

The Company has low appetite for underwriting losses, on both gross and net of reinsurance bases, from individual classes of business, where: frequency of losses will be reduced through appropriate pricing and underwriting; and severity of losses will be reduced by excess of loss reinsurance.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. 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 and geography. For natural catastrophe risk, the Company will write carefully controlled and selected risks. Furthermore, 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 Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

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., hurricanes, earthquakes and flood damage).

The underwriting and claims manuals are reviewed and updated on an annual basis. Reinsurance scheme is reviewed and approved by the Members' Council annually.

(a) Sensitivity analysis

Estimates of claim liabilities and obligations related to insurance policies may be affected by future events, which cannot be predicted with certainty. The assumptions made may vary from actual experience so that the actual liability may vary considerably from the best estimates of loss.

An analysis of sensitivity around various scenarios provides an indication of the reasonableness of the Company's estimation for insurance policies. The table presented below demonstrates the sensitivity of insurance liability estimates under various scenarios as a result of movements in key assumptions used in the estimation process. Certain assumptions can be expected to impact the liabilities more than others, and consequently a greater degree of sensitivity to these variables may be expected.

The analysis below has been prepared for a change in one variable with all other variables remaining constant and ignores changes in values of the related assets. The Company recognised that some of the assumptions are interdependent, but it will be difficult to analyse such interdependencies.

The key driver considered in the sensitivity analysis is the Ultimate Loss Ratio (“ULR”) including claim reserve. This is the ratio of the total estimated pay-out (total claim payment plus estimated claim reserve) to the earned premium. The estimated claims reserve is calculated in accordance with the instructions in Articles 36 of Circular 67.

The sensitivity test is performed by changing the ULR including claim reserve for the latest year of indemnity by increasing or decreasing 10% with all other variables remaining constant. The impact on profit after tax and owner’s equity are shown before and after reinsurance:

	Before outward reinsurance		After outward reinsurance	
	Change of ULR by		Change of ULR by	
	+10,0%	-10,0%	+10,0%	-10,0%
	VND million	VND million	VND million	VND million
2023				
Change in profit after tax	(22,391)	22,391	(13,468)	13,468
Change in equity	(22,391)	22,391	(13,468)	13,468
	Before outward reinsurance		After outward reinsurance	
	Change of ULR by		Change of ULR by	
	+10,0%	-10,0%	+10,0%	-10,0%
	VND million	VND million	VND million	VND million
2022				
Change in profit after tax	(30,865)	30,865	(14,480)	14,480
Change in equity	(30,865)	30,865	(14,480)	14,480

The sensitivity analysis does not include any impact of catastrophe reserve. Under Circular 67, the Company is not required to establish claims handling expenses and risk margins as part of claims reserves. These expenses are excluded in the sensitivity analysis as well.

(b) Concentration risk

The Company has purchased Reinsurance Treaties to protect for the concentration of sum insureds and/or its liability across the country against catastrophic events.

The Company’s Property and Engineering Event XOL limit is sufficient to cover the estimated 1-in-200 catastrophe losses.

The event limits under the 2022 Property surplus and Engineering quota share treaties are sufficient to cover the estimated 1-in-200 catastrophe losses.

In the event of a 1-in-200 year catastrophe event, the Company may face liquidity strain. However, it is expected that the Company will receive prompt recoveries from Head Office and exercise cash call from the reinsurers in the event of a large loss.

(c) Claim data table

The below table of claims data, after outward reinsurance, are prepared to compare the actual claims payments with the previous estimates from 1 January 2019.

After outward reinsurance

Unit: VND million

Actual claims compared with previous estimates	Years of indemnity					Total
	2019	2020	2021	2022	2023	
Estimate of cumulative claims						
1	104,670	94,160	85,393	148,898	129,187	
2	109,979	97,206	92,305	153,296		
3	110,076	95,248	91,277			
4	106,122	94,284				
5	106,128					
Estimate of cumulative claims up to current year (1)	106,128	94,284	91,277	153,296	129,187	574,172
Cumulative claims payment						
1	62,076	65,399	62,270	94,857	93,612	
2	93,162	92,689	88,547	142,208		
3	96,300	93,960	89,743			
4	102,311	93,898				
5	102,578					
Cumulative claims payment up to current year (2)	102,578	93,898	89,743	142,208	93,612	522,040
Total claims reserve not yet settled (3) = (1) - (2)	3,550	386	1,534	11,088	35,574	52,132
Estimate of redundancy or deficiency of claims reserve (4)						39,166
Cumulative redundancy or deficiency as a percentage of estimated claim payments (5) = (4)/(1)*100%						6.8%

26. Significant transactions and balances with related parties

(a) Balances with related parties

	31/12/2023 VND	31/12/2022 VND
<i>The parent company</i>		
Mitsui Sumitomo Insurance Co., Ltd.		
Receivables		
<i>Claims recoverable on outward reinsurance</i>	9,600,701,239	9,630,598,834
<i>Other receivables</i>	1,534,537,046	1,737,095,791
Payables		
<i>Premiums payable for outward reinsurance</i>	(61,674,290,457)	(60,016,126,611)
<i>Other payables</i>	(486,537,502)	-
<i>Other related companies (subsidiaries of the parent company)</i>		
MS Amlin, Plc and its subsidiaries		
Receivables		
<i>Claims recoverable on outward reinsurance</i>	2,644,422,790	6,685,694
Payables		
<i>Premiums payable for outward reinsurance</i>	(7,963,291,173)	(2,995,942,603)
MSIG Holdings (Asia) Pte., Ltd.		
Other payables	(12,004,974,285)	(4,005,873,253)
MS First Capital Insurance Limited		
Receivables		
<i>Claims recoverable on outward reinsurance</i>	202,725,381	1,244,442,279
Payables		
<i>Premiums payable for outward reinsurance</i>	(7,835,293,673)	(8,788,511,948)
Aioi Nissay Dowa Insurance Co., Ltd.		
Receivables		
<i>Claims recoverable on outward reinsurance</i>	4,578,462,992	9,091,705,845
Payables		
<i>Premiums payable for outward reinsurance</i>	(22,751,927,839)	(8,747,718,156)
MSIG Insurance (Singapore) Pte. Ltd.		
Payables		
<i>Premiums payable for outward reinsurance</i>	(7,782,873,727)	(4,321,021,932)
<i>Claims payable for outward reinsurance</i>	(42,012,313)	(31,096,589)
InterRisk Asia (Thailand) Company Limited		
Other receivables	-	1,285,200
Other payables	(841,296,920)	(1,415,842,574)
MSIG Insurance Europe AG		
<i>Premiums payable for outward reinsurance</i>	(5,342,909,470)	(259,596,450)
MSI Guaranteed Weather, LLC		
<i>Premiums payable for outward reinsurance</i>	(31,537,845)	-
MSIG Insurance (China) Pte., Ltd.		
<i>Premiums payable for outward reinsurance</i>	(468,043,551)	(322,522,727)

MSIG Insurance (Vietnam) Company Limited
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(b) Transactions with related parties

	Income/(expense)	
	2023	2022
	VND	VND
<i>The parent company</i>		
Mitsui Sumitomo Insurance Co., Ltd.		
Outward reinsurance premiums	(153,093,322,681)	(203,784,669,243)
Commission income from outward reinsurance	26,071,133,615	33,346,710,159
Claims recovery from outward reinsurance	32,155,509,862	31,423,732,685
Commission income from claim settlement agency	4,332,928,412	4,951,236,160
Commission expenses for claim settlement agency	(74,734,485)	(103,199,355)
Other expenses	(4,934,665,473)	(2,138,028,127)
<i>Other related companies (subsidiaries of the parent company)</i>		
MSIG Holdings (Asia) Pte., Ltd.		
Services costs	(36,401,433,412)	(27,164,147,728)
MSIG Insurance (Hong Kong) Co., Ltd.		
Outward reinsurance premiums	(532,914,232)	(449,512,072)
Commission income from outward reinsurance	17,073,040	14,776,257
Commission income from claim settlement agency	45,657,574	26,380,995
Commission expenses for claim settlement agency	(8,244,776)	(7,739,801)
MSIG Insurance (Malaysia) Bhd.		
Commission income from claim settlement agency	443,425,594	426,788,521
Commission expenses for claim settlement agency	(4,478,797)	(9,646,409)
MSIG Insurance (Singapore) Pte., Ltd.		
Outward reinsurance premiums	(24,585,562,454)	(22,315,149,257)
Commission income from outward reinsurance	2,485,574,760	2,510,939,597
Claims recovery from outward reinsurance	-	47,887,342,013
Commission income from claim settlement agency	628,022,746	573,119,933
Commission expenses for claim settlement agency	(31,551,648)	-
MSIG Insurance (Thailand) Public Co., Ltd.		
Commission income from claim settlement agency	84,623,262	78,858,498
PT. Asuransi MSIG Indonesia		
Commission income from claim settlement agency	17,948,131	18,635,566
Commission expenses for claim settlement agency	(13,705,968)	(23,767,981)
MSIG Mingtai Insurance Co., Ltd.		
Commission income from claim settlement agency	25,133,028	18,463,459
Commission expenses for claim settlement agency	-	(3,651,894)



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	Income/(expense)	
	2023 VND	2022 VND
Aioi Nissay Dowa Insurance Co., Ltd.		
Outward reinsurance premiums	(89,673,206,365)	(77,890,795,888)
Claims recovery from outward reinsurance	44,606,692,255	24,336,401,755
Commission income from claim settlement agency	-	3,863,109
Commission income from outward reinsurance	25,127,565,902	22,094,224,040
InterRisk Asia (Thailand) Co., Ltd.		
Other expenses	(1,101,449,750)	(1,555,204,802)
Mitsui Sumitomo Insurance (China) Co., Ltd.		
Outward reinsurance premiums	(320,896,793)	(4,129,263,727)
Commission income from outward reinsurance	59,045,010	697,299,821
Commission income from claim settlement agency	105,969,407	81,966,653
MS Amlin, Plc. and its subsidiaries		
Outward reinsurance premiums	(27,818,892,883)	(9,498,447,436)
Commission income from outward reinsurance	5,114,237,528	1,732,050,941
Claims recovery from outward reinsurance	3,497,306,190	3,586,229,368
MS First Capital Insurance Limited		
Outward reinsurance premiums	(54,441,919,233)	(46,389,278,228)
Commission income from outward reinsurance	7,387,981,848	6,436,632,643
Claims recoverable on outward reinsurance	2,056,476,156	1,693,120,892
Other expenses	46,445,594	-
BPI/MS Insurance Corporation		
Commission income from claim settlement agency	3,492,364	-
Commission expenses for claim settlement agency	(14,842,604)	(21,879,316)
Mitsui Sumitomo Marine Management (U.S.A)		
Commission income from outward reinsurance	37,144,440	62,327,467
Commission expenses for claim settlement agency	(9,140,369)	(22,758,398)
MSIG Service and Adjusting (Thailand) Co., Ltd		
Commission expenses for claim settlement agency	(111,187,602)	(52,965,402)
MSIG Insurance Europe AG		
Outward reinsurance premiums	(6,349,925,564)	(5,285,470,829)
Commission income from outward reinsurance	1,108,079,887	819,247,978
Claims recovery from outward reinsurance	586,721,149	-
Commission income from claim settlement agency	-	3,876,956
MSI Guaranteed Weather, LLC		
Outward reinsurance premiums	(31,537,845)	-
Members' Council, Inspectors and Board of Directors		
Salaries and allowances	(14,245,327,384)	(13,146,499,332)

27. Key financial ratios

	Unit	31/12/2023	31/12/2022
Structure of assets and resources			
Structure of assets			
<i>Long-term assets/Total assets</i>	%	12.02%	2.70%
<i>Current assets/Total assets</i>	%	87.98%	97.30%
Structure of resources			
<i>Liabilities/Total resources</i>	%	56.81%	59.05%
<i>Owner's equity/Total resources</i>	%	43.19%	40.95%
Liquidity ratios			
Current ratio			
<i>Total assets/Total liabilities</i>	times	1.76	1.69
Current liabilities settlement ratio			
<i>Current assets/Current liabilities</i>	times	1.57	1.67
<i>Current assets (excluding reinsurance assets)/</i> <i>Current liabilities (excluding technical reserves)</i>	times	4.05	5.25
Quick ratio			
<i>Cash and cash equivalents/Current liabilities</i> <i>(excluding technical reserves)</i>	times	0.07	0.13
	Unit	2023	2022
Profitability ratios			
Profit before tax/Net revenue ratio	%	31.48%	14.78%
Profit after tax/Net revenue ratio	%	25.13%	11.80%
Profit before tax/Total assets ratio	%	11.21%	4.00%
Profit after tax/Total assets ratio	%	8.95%	3.20%
Profit after tax/Owner's equity ratio	%	20.71%	7.81%

28. Comparative information

The comparative information was derived from the balances and amounts reported in the Company financial statements as at and for the year ended 31 December 2022.

25 March 2024

Prepared by



Nguyen Thi Van Anh
Chief Accountant

Approved by



CÔNG TY
TRÁCH NHIỆM HỮU HẠN
BẢO HIỂM PHI NHÂN THỌ
MSIG
VIỆT NAM
Q. HOÀN KIẾM

Katsumi Kuzuno
General Director



T.T.H.H.
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