

**Mirae Asset Prévoir Life Insurance
Company Limited**

Financial statements

For the year ended 31 December 2023



Mirae Asset Prévoir Life Insurance Company Limited

CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Independent auditors' report	3 - 4
Balance sheet	5 - 7
Income statement	8 - 10
Cash flow statement	11
Notes to the financial statements	12 - 49

Mirae Asset Prévoir Life Insurance Company Limited

GENERAL INFORMATION

THE COMPANY

Mirae Asset Prévoir Life Insurance Company Limited ("the Company") is a life insurance company wholly owned by foreign investors for a duration of 50 years in accordance with the Establishment and Operation License No. 31/GP/KDBH granted by the Ministry of Finance on 17 March 2005 and the latest Amended License No. 31/GPDC10/KDBH dated 8 May 2018.

The Company's principal activities are to provide life insurance products, reinsurance activities, investment activities and other business operations in line with prevailing laws and regulations.

The Company's head office is located at 6A and 8th Floor, Sai Gon Giai Phong Building, 436 - 438 Nguyen Thi Minh Khai Street, Ward 5, District 3, Ho Chi Minh City and it has one branch located at 9th Floor, Sun Red River Building, 23 Phan Chu Trinh, Hanoi.

BOARD OF DIRECTORS

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

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Ko Young Wan	Chairman	Appointed on 6 February 2020
Ms. Patricia Lacoste	Member	Appointed on 11 May 2018
Mr. Khamsaya Soukhavong	Member	Appointed on 11 May 2018
Mr. Seol Kyung Suk	Member	Appointed on 11 May 2018
Mr. Alferieff Ballhausen Miguel Angel	Member	Appointed on 20 November 2020
Mr. Kim Jae Sik	Member	Appointed on 15 February 2022

MANAGEMENT

The Company's management during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/ resignation</i>
Mr. Ko Young Wan	Chief Executive Officer	Appointed on 14 May 2021
Ms. Truong Thi Dieu Thanh	Operation Director	Appointed on 1 June 2018
Ms. Vo Pham Tu Cam	Human Resource Director	Appointed on 1 January 2019
Mr. Khamsaya Soukhavong	Chief Financial Officer	Appointed on 14 May 2021
Mr. Nguyen Quang Huy	Appointed Actuary	Appointed on 12 May 2022
Mr. Bui Ngoc Long	Chief Distribution Officer	Resigned on 31 January 2023

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Ko Young Wan, the Chief Executive Officer.

AUDITOR

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

Mirae Asset Prévoir Life Insurance Company Limited

REPORT OF MANAGEMENT

Management of Mirae Asset Prévoir Life Insurance Company Limited ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2023.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to the preparation and presentation of the financial statements.



Mr. Ko Young Wan
Chief Executive Officer

Ho Chi Minh City, Vietnam

19 March 2024

Reference: 60848286/66983232

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of Mirae Asset Prévoir Life Insurance Company Limited

We have audited the accompanying financial statements of Mirae Asset Prévoir Life Insurance Company Limited ("the Company") as prepared on 19 March 2024 and set out on pages 5 to 49, which comprise the balance sheet as at 31 December 2023, and the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2023 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



Samudhaya Bandara
Deputy General Director
Audit Practising Registration
Certificate No. 2036-2023-004-1



Huynh Nhat Hung
Auditor
Audit Practising Registration
Certificate No. 5040-2024-004-1

Ho Chi Minh City, Vietnam

19 March 2024

Mirae Asset Prévoir Life Insurance Company Limited

BALANCE SHEET
as at 31 December 2023

B01-DNNT

Code	ASSETS	Notes	Ending balance VND	Beginning balance VND
100	A. CURRENT ASSETS		1,979,674,957,929	2,005,169,336,488
110	I. Cash and cash equivalents	4	322,302,546,972	465,084,290,819
111	1. Cash		137,302,546,972	255,084,290,819
112	2. Cash equivalents		185,000,000,000	210,000,000,000
120	II. Short-term investments	5	1,373,446,859,211	1,217,456,638,069
121	1. Short-term investments		1,373,446,859,211	1,217,456,638,069
130	III. Current accounts receivable	6	182,308,564,449	180,495,431,501
131	1. Trade receivables		24,765,872,353	52,289,300,137
131.1	1.1 Insurance receivables		24,156,200,253	52,289,300,137
131.2	1.2 Other receivables		609,672,100	-
132	2. Advances to suppliers		4,300,246,000	4,455,115,370
135	3. Other short-term receivables		153,242,446,096	123,751,015,994
150	IV. Other short-term assets		101,616,987,297	142,132,976,099
151	1. Short-term prepaid expenses	7	101,616,987,297	142,132,976,099
200	B. NON-CURRENT ASSETS		1,634,606,894,072	1,658,863,360,151
210	I. Long-term receivables		47,266,970,643	17,175,250,097
218	1. Other long-term receivables		47,266,970,643	17,175,250,097
218.1	1.1 Statutory deposit	8	15,000,000,000	12,000,000,000
218.2	1.2 Other long-term receivables	9	32,266,970,643	5,175,250,097
220	II. Fixed assets		54,280,456,189	38,351,545,406
221	1. Tangible fixed assets	10	5,814,650,958	9,430,002,179
222	Cost		23,479,925,224	23,636,054,710
223	Accumulated depreciation		(17,665,274,266)	(14,206,052,531)
227	2. Intangible fixed assets	11	39,093,171,838	26,389,907,149
228	Cost		164,930,608,110	147,924,509,357
229	Accumulated amortization		(125,837,436,272)	(121,534,602,208)
230	3. Construction in progress	12	9,372,633,393	2,531,636,078
250	III. Long-term investments	13	1,426,752,484,077	1,286,742,356,094
258	1. Other long-term investments		1,426,752,484,077	1,286,742,356,094
260	IV. Other long-term assets		106,306,983,163	316,594,208,554
261	1. Long-term prepaid expenses	14	106,306,983,163	316,594,208,554
270	TOTAL ASSETS		3,614,281,852,001	3,664,032,696,639

Mirae Asset Prévoir Life Insurance Company Limited

BALANCE SHEET (continued)
as at 31 December 2023

B01-DNNT

Code	RESOURCES	Notes	Ending balance VND	Beginning balance VND
300	A. LIABILITIES		1,174,600,673,245	1,465,528,339,374
310	I. Short-term liabilities		267,912,012,243	203,855,837,796
312	1. Trade payables	15	58,552,693,695	62,334,810,306
312.1	1.1 Insurance payables		58,552,693,695	62,334,810,306
314	2. Statutory obligations	16	61,462,494,846	14,435,905,278
316	3. Accrued expenses	17	16,783,444,339	16,640,049,731
319	4. Other short-term payables	18.1	35,494,453,076	27,548,410,691
319.1	5. Short-term unearned revenue	18.2	91,066,879,137	78,258,580,693
320	6. Provision for short-term payables	19	4,552,047,150	4,638,081,097
330	II. Long-term liabilities		906,688,661,002	1,261,672,501,578
338	1. Long-term unearned revenue		61,477,821,504	191,287,105,300
344	2. Technical reserves	20	845,210,839,498	1,070,385,396,278
344.1	2.1 Mathematical reserve		721,904,028,157	957,627,970,341
344.2	2.2 Unearned premium reserve		110,313,205,348	102,528,193,678
344.3	2.3 Claim reserve		5,391,729,751	5,560,593,602
344.5	2.4 Balancing reserve		6,271,079,127	3,207,976,167
344.7	2.5 Resilience reserve		1,330,797,115	1,460,662,490
400	B. OWNERS' EQUITY	21	2,439,681,178,756	2,198,504,357,265
410	I. Capital		2,439,681,178,756	2,198,504,357,265
411	1. Contributed charter capital		2,158,000,000,000	2,158,000,000,000
413	2. Other owners' capital		21,000,000,000	21,000,000,000
419	3. Statutory reserve		26,268,505,084	14,160,755,005
421	4. Accumulated gain/(loss)		234,412,673,672	5,343,602,260
421a	4.1 Accumulated loss by the end of prior year		5,343,602,260	(74,816,029,394)
421b	4.2 Profit of the current year		229,069,071,412	80,159,631,654
440	TOTAL LIABILITIES AND OWNERS' EQUITIES		3,614,281,852,001	3,664,032,696,639


Mirae Asset Prévoir Life Insurance Company Limited

BALANCE SHEET (continued)
as at 31 December 2023

B01-DNNT

OFF-BALANCE SHEET ITEMS

ITEMS	Notes	Ending balance	Beginning balance
1. Operating lease commitments (VND)	32	25,578,990,625	35,422,932,925
2. Foreign currency			
- United States dollar (USD)		437.30	3,414.82
- Euro (EUR)		418.81	429.73


Ms. Nguyen Thanh Ha
Chief Accountant


Mr. Khamhsaya Soukhavong
Chief Financial Officer


Mr. Ko Young Wan
Chief Executive Officer



Ho Chi Minh City, Vietnam

19 March 2024

Mirae Asset Prévoir Life Insurance Company Limited

INCOME STATEMENT

B02-DNNT

PART I: COMPREHENSIVE INCOME STATEMENT
for the year ended 31 December 2023

Code	ITEMS	Current year VND	Previous year VND
10	Total operating revenue	546,813,108,526	666,346,247,733
12	Finance income	206,348,559,439	205,150,344,119
13	Other income	52,779,477,308	34,291,405
20	Total insurance operating expenses	(128,563,859,471)	(438,066,497,571)
22	Finance expenses	(260,503,945)	(370,821,222)
23	Selling expenses	(229,789,387,526)	(227,046,153,002)
24	General and administrative expenses	(143,735,087,729)	(107,701,417,281)
25	Other expenses	(345,113,586)	(704,907,104)
50	Accounting profit before tax	303,247,193,016	97,641,087,077
51	Corporate income tax expense	(62,070,371,525)	(13,237,044,620)
60	Profit after tax	241,176,821,491	84,404,042,457



Ms. Nguyen Thanh Ha
Chief Accountant



Mr. Khamsaya Soukhavong
Chief Financial Officer



Mr. Ko Young Wan
Chief Executive Officer

Ho Chi Minh City, Vietnam

19 March 2024

Mirae Asset Prévoir Life Insurance Company Limited

INCOME STATEMENT (continued)

B02-DNNT

PART II: OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2023

Code	ITEMS	Notes	Current year VND	Previous year VND
01	1. Insurance revenue		548,359,778,568	668,945,386,510
	<i>In which:</i>			
01.1	- Gross written premium	22	556,144,790,238	633,384,206,429
01.3	- (Increase)/Decrease in unearned premium reserve	22	(7,785,011,670)	35,561,180,081
02	2. Reinsurance premium ceded	22.3	(1,688,572,386)	(2,715,984,451)
03	3. Net insurance premium	22	546,671,206,182	666,229,402,059
04	4. Commission on premiums ceded and other insurance income		141,902,344	116,845,674
	<i>In which:</i>			
04.1	- Commission on reinsurance premium ceded		141,902,344	116,845,674
10	5. Total operating revenue		546,813,108,526	666,346,247,733
11	6. Claims and maturity payment expenses	23	(230,226,524,006)	(280,802,712,199)
12	7. Claim recovery	23	1,361,130,440	2,453,364,148
13	8. Decrease in technical reserves	23	232,959,568,450	1,650,291,848
15	9. Total claims and insurance payment expenses	23	4,094,174,884	(276,699,056,203)
16	10. Other expenses for insurance operation	24	(132,658,034,355)	(161,367,441,368)
	<i>In which:</i>			
16.1	- Commission expenses		(132,592,097,632)	(160,921,836,882)
16.2	- Other expenses for insurance operation		(65,936,723)	(445,604,486)
17	11. Total insurance operating expenses		(128,563,859,471)	(438,066,497,571)
18	12. Gross insurance operating profit		418,249,249,055	228,279,750,162
22	13. Finance income	27	206,348,559,439	205,150,344,119
23	14. Finance expenses	28	(260,503,945)	(370,821,222)
24	15. Profit from financial activities		206,088,055,494	204,779,522,897

Mirae Asset Prévoir Life Insurance Company Limited

INCOME STATEMENT (continued)

B02-DNNT

PART II: OPERATIONAL INCOME STATEMENT (continued)
for the year ended 31 December 2023

Code	ITEMS	Notes	Current year VND	Previous year VND
25	16. Selling expenses	25	(229,789,387,526)	(227,046,153,002)
26	17. General and administrative expenses	26	(143,735,087,729)	(107,701,417,281)
30	18. Net operating profit		250,812,829,294	98,311,702,776
31	19. Other income	29	52,779,477,308	34,291,405
32	20. Other expenses	29	(345,113,586)	(704,907,104)
40	21. Other gain/(loss)	29	52,434,363,722	(670,615,699)
50	22. Accounting profit before tax		303,247,193,016	97,641,087,077
51	23. Corporate income tax expense	30.1	(62,070,371,525)	(13,237,044,620)
60	24. Profit after tax		241,176,821,491	84,404,042,457



Ms. Nguyen Thanh Ha
Chief Accountant



Mr. Khamsaya Soukhavong
Chief Financial Officer



Mr. Ko Young Wan
Chief Executive Officer

Ho Chi Minh City, Vietnam

19 March 2024

Mirae Asset Prévoir Life Insurance Company Limited

CASH FLOW STATEMENT (Direct method)
for the year ended 31 December 2023

B03-DNNT

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Receipt from sale of goods and rendering of services		460,039,541,795	727,838,627,310
02	2. Payments to suppliers of goods and services		(64,134,501,581)	(53,475,118,407)
03	3. Payment to employees		(76,213,615,294)	(74,674,903,110)
05	4. Payment of corporate income tax	16	(15,739,538,036)	(2,408,460,417)
06	5. Receipts from other operating activities		151,418,064,451	3,547,870,499
07	6. Payment of other operating activities		(442,117,426,045)	(804,895,855,686)
20	Net cash flows used in operating activities		13,252,525,290	(204,067,839,811)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Payment to purchase and construction of fixed assets and other long-term assets		(24,602,640,068)	(13,091,391,719)
22	2. Proceeds from disposal of fixed assets		62,590,000	-
23	3. Loans to other entities and payments for purchase of debt instruments of other entities		(1,756,200,000,000)	(1,741,400,000,000)
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities		1,457,390,200,000	2,095,600,000,000
27	5. Interest received		167,314,528,705	210,009,940,871
30	Net cash flows (used in)/from investing activities		(156,035,321,363)	551,118,549,152
50	Net cash flows during the year		(142,782,796,073)	347,050,709,341
60	Cash and cash equivalents at the beginning of the year	4	465,084,290,819	118,031,166,708
61	Impact of exchange rate revaluation		1,052,226	2,414,770
70	Cash and cash equivalents at the end of the year	4	322,302,546,972	465,084,290,819

Ms. Nguyen Thanh Ha
Chief Accountant

Mr. Khamiaya Soukhavong
Chief Financial Officer

Mr. Hoàng Wan
Chief Executive Officer

Ho Chi Minh City, Vietnam

19 March 2024

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2023 and for the year then ended

B09-DNNT

1. COMPANY INFORMATION

Mirae Asset Prévoir Life Insurance Company Limited ("the Company") is a life insurance company wholly owned by foreign investors for a duration of 50 years in accordance with the Establishment and Operation License No. 31/GP/KDBH granted by the Ministry of Finance on 17 March 2005 and the latest Amended License No. 31/GPDC10/KDBH dated 8 May 2018 granted by the Ministry of Finance.

The Company's principal activities are to provide life insurance products, reinsurance activities, investment activities and other business operations in line with prevailing laws and regulations.

The Company's head office is located at 6A and 8th Floor, Sai Gon Giai Phong Building, 436 - 438 Nguyen Thi Minh Khai Street, Ward 5, District 3, Ho Chi Minh City and it has one branch located at 9th Floor, Sun Red River Building, 23 Phan Chu Trinh, Hanoi.

The number of the Company's employees as at 31 December 2023 was 137 (31 December 2022: 147).

2. BASIS OF PREPARATION

2.1 *Accounting Standards and system*

The financial statements of Mirae Asset Prévoir Life Insurance Company Limited ("the Company") expressed in Vietnam dong ("VND"), are prepared in accordance with Circular No.199/2014/TT-BTC ("Circular 199") dated 19 December 2014 providing guidance on accounting applications for life insurance and reinsurance companies, Circular No.200/2014/TT-BTC ("Circular 200") dated 22 December 2014 providing guidance on enterprise accounting and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Company in preparation of the separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 31 December 2022.

Additionally, in 2023, several new regulations issued in the insurance business sector have started to take effect, specifically as follows:

Law on Insurance Business No. 08/2022/QH15 dated 16 June 2022

On 16 June 2022, the National Assembly approved the Insurance Business Law No. 08/2022/QH15 ("Insurance Business Law 2022"). The 2022 Insurance Business Law, effective from 1 January 2023, replacing the Insurance Business Law No. 24/2000/QH10 dated the 9 December 2000, the Law amending and supplementing a number of articles of the Law Insurance Business Law No. 61/2010/QH12 dated 24 November 2010, and the Law modifying and supplementing a number of articles of the Insurance Business Law and Intellectual Property Law No. 42/2019/QH14 dated 14 June 2019 ("Insurance Business Law 2000").

Decree No. 46/2023/ND-CP detailing the implementation of a number of articles of the Law on Insurance Business 2022 ("Decree 46") issued by the Government on 1 July 2023 and Circular No. 67/2023/TT-BTC on guidelines for the Law on Insurance Business 2022 and Decree 46 ("Circular 67") issued by the Ministry of Finance on 2 November 2023.

Decree 46, effective from 1 July 2023, replaces Decree No. 73/2016/ND-CP dated 1 July 2016 ("Decree 73"), on details of implementation of the 2000 Insurance Business Law. Circular 67, effective from 2 November 2023, replaces a number of articles of Circular No. 50/2017/TT-BTC dated 15 May 2017, on guidelines for Decree No. 73/2016/ND-CP. Accordingly, a number of regulations set forth in Decree 46 and Circular 67, which include financial and financial reporting provisions, will take effect from the year 2023.

In 2023, the Company complies with the regulations in the Law on Insurance Business 2022, Decree 46 and Circular 67. These regulations do not impact the accounting policies that the Company is currently applying as presented in the accompanying Notes.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, and short-term, highly liquid investments with an original maturity of less than or equal to three (3) months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Receivables

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

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

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Receivables* (continued)

For doubtful debts which are overdue, the Company adopts the provision policy as.

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

3.4 *Tangible fixed assets and intangible fixed assets*

Tangible fixed assets and intangible assets (collectively referred to as "fixed assets") are stated at cost less accumulated depreciation/amortisation.

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

Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs is charged to the income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

3.5 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Computer and other equipment	4 - 5 years
Furniture and fixture	5 years
Office equipment	3 - 4 years
Computer software	2 - 11 years
Development cost	4 years

3.6 *Prepaid expenses*

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

3.7 *Investments*

3.7.1 *Held-to-maturity investments*

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

3.7.2 *Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Payables and accruals

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

3.9 Foreign currency transactions

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

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

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

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

All foreign exchange differences incurred are taken to the income statement.

3.10 Employee benefits

3.10.1 Post-employment benefits, the sickness and maternity

Post-employment benefits are paid to retired, sickness and maternity employees of the Company by the social insurance agency of the Ministry of Labour, Invalids and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premiums to the social insurance agency at the rate as regulated. Before 1 June 2017, the applicable contribution rate is reduced from 17.5% to 17% of the basic monthly salary, salary allowances, and other additional payments for employees, and it should not exceed 20 times the base salary. The period of applying this rate is 12 months, from July 1, 2021 to June 30, 2022. Since 1 June 2017, according to Decision No 595/QĐ-BHXH issued by social insurance agency dated 14 April 2017, the rate applied has been 17.5% (from 1 July 2021 to 30 June 2022, this rate is 17% according to Resolution 68/NQ-CP in 2021) of employees' monthly gross salaries stated in labour contract at the cap of 20 times general minimum wage. The Company has no further obligation concerning post-employment benefits for its employees other than this.

3.10.2 Unemployment benefits

According to the Social Insurance Law No. 71/2006/QH11 issued on 29 June 2006, and Decree No. 127/2008/ND-CP issued on 12 December 2008, the Unemployment Insurance Fund is implemented from 1 January 2009, to which, employees contribute 1% of their salaries, employers contribute 1% of the salaries of the employees participating in the unemployment insurance scheme, and the Government contributes 1% of salaries of all those participating in the unemployment insurance scheme from the State budget (from 1 October 2021 to 30 September 2022, this rate is 0% according to Resolution 116/NQ-CP in 2021) and deduct 1% of the salary and salary paid for unemployment insurance of each employee to contribute at the same time to the Unemployment Insurance Fund).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Employee benefits* (continued)

3.10.3 *Accrual for severance allowance*

The severance allowance paid to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the income statement.

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

3.11 *Technical reserves*

The technical reserves for traditional products include mathematical reserve, unearned premiums reserve, claim reserve, dividend reserve and balancing reserve. The calculation methodologies are based on Decree No. 46 ("Decree 46") issued by Government dated on 1 July, 2023 and Legal documents on guidelines for Government's Decree No. 46/2023/ND-CP: Circular No. 67/2023/TT-BTC issued by Ministry of Finance dated 02 November 2023 ("Circular 67") as follows:

- ▶ *Mathematical reserve* is the difference between the present value of total insurance payables in the future and the present value of the net insurance premiums could be adjusted by Zillmer method for insurance premiums receivables in the future. Mathematical reserve is calculated for insurance policies that have valid period of more than one (1) year with specific actuarial formulae and factors for each type of products as registered and approved by the Ministry of Finance.
- ▶ *Unearned premium reserve* is the provision for unearned revenue as at the balance sheet date and is calculated for all in-forced policies having valid period of less than or equal to one year at the financial reporting date.
- ▶ *Claim reserve* includes the reserve for outstanding claims and for claims incurred but not reported.
 - Outstanding claim reserve ("OSC") is the provision for claims requests that have been submitted but still in the course of settlement as at the balance sheet date: The reserve is calculated for each individual outstanding claim requests and based on the sum insured payables for each case.
 - Reserve for incurred but not reported claims ("IBNR") for which the insurer is liable is applicable for only policies having valid period of less than or equal to one (1) year.
- ▶ *Dividend reserve* is the provision for accumulated unpaid dividends for participating policies, which is established on the variances between the actual rate of return announced for participating policies and the respective nominal interest rate.
- ▶ *Balancing reserve* is set at one percent (1%) of profit before tax and is provided for annually until it is equal to five percent (5%) of the Company's premium collected in the fiscal year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Technical reserves (continued)

According to Circular No. 67/2023/TT-BTC ("Circular 67") issued by Ministry of Finance dated 02 November 2023, the Company made technical reserve for the universal life part as follows:

- ▶ Reserve for the universal life part is the policy account value of universal life insurance contract. The surrender value of universal life insurance contract must guarantee the liabilities committed in the insurance contract.
- ▶ Reserve for insurance risk is the higher of the reserve amount calculated by the unearned premium method and by the cash flow method to cover all expenses in the future during the term of contract. In which, the unearned premium reserve equals to 100% of insurance premium earned in the term of universal life insurance.
- ▶ Claim reserve is appropriated by the method of specific provision calculated on the basis of statistics of amount of insurance to be paid for each dossier of compensation requirement from the insurer but unsettled by the end of financial year.
- ▶ The resilience reserve is used to guarantee the insurer's commitment to the customers as agreed in the insurance contract upon major change in investment market.
- ▶ *Balancing reserve* is set at one percent (1%) of profit before tax and is provided for annually until it is equal to five percent (5%) of the Company's premium collected in the fiscal year.

According to Decree No.46/2023/NĐ-CP ("Decree 46") issued by Government dated in 1 July 2023 and Circular 67 issued by Ministry of Finance dated 02 November 2023, the Company made technical reserve for the Health care products as follows:

- ▶ *Mathematical reserve* is the difference between the present value of total insurance payables in the future and the present value of the net insurance premiums for insurance premiums receivables in the future. Mathematical reserve is calculated for insurance policies that have valid period of more than one (1) year with specific actuarial formulae and factors for each type of products as registered and approved by the Ministry of Finance.

In any case, the insurer/foreign branch must ensure that the reserve to be set aside is not lower than that of the 1/8th method prescribed in the first dash, sub-point a, Clause 2 of Article 25 Circular 67 hereof according to the gross premium valuation.

- ▶ *Unearned premium reserve* is the provision for unearned revenue as at the balance sheet date and is calculated for all in-forced policies having valid period of less than or equal to one year at the financial reporting date. This reserve is calculated according to methods prescribed in Clause 2 Article 35 of Circular 67.
- ▶ *Claim reserve* includes the reserve for outstanding claims and for claims incurred but not reported.
 - Outstanding claim reserve ("OSC") is the provision for claims requests that have been submitted but still in the course of settlement as at the balance sheet date: The reserve is calculated for each individual outstanding claim requests and based on the sum insured payables for each case.
 - Reserve for incurred but not reported claims ("IBNR"): is calculated according to methods prescribed in sub-point b, Point 1, Article 36 of Circular 67.
- ▶ *Balancing reserve* is set at one percent (1%) of profit before tax and is provided for annually until it is equal to five percent (5%) of the Company's premium collected in the fiscal year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as an asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Restructuring provision

Restructuring provision occurs as a result of a constructive obligation to restructure when the Company has a detailed and formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Restructuring provision is recorded in "Provision for short-term payables".

3.13 Statutory reserve

The statutory reserve is established in order to supplement the Company's charter capital and ensure its solvency. Appropriations to the statutory reserve are made annually at five percent (5%) of after-tax profit until it reaches ten percent (10%) of charter capital in compliance with Degree No. 46/2023/ND-CP dated 1 July 2023 issued by the Government.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized::

Gross written premiums

Gross written premiums are recognized in accordance with Circular 67 providing guidelines on financial regime applicable to insurers and insurance brokers. Specifically, gross written premiums are recognized when the insurance policy has been concluded between the life insurer and the policyholder has paid the full premium. When the insurance policy has been concluded and there is an agreement for the policyholder to pay the premium in instalments under the insurance policy, the life insurer shall record revenues from the premium corresponding to the period or periods of premium that have incurred. For single premium business, revenue is recognized on the date from which the policy is effective. Premiums due after the reporting period but received before the end of the fiscal year are shown as "Unearned revenue" in the separate balance sheet..

Interest

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless recovery is in doubt.

Interest revenue also includes the amount of amortization of any discount, premium or other difference between the initial carrying amount of a bond and its amount at maturity and allocated using straight-line method. When unpaid coupon has accrued before the acquisition of a bond, the subsequent receipt of coupon is allocated between pre-acquisition and post-acquisition period. Only post-acquisition coupon interest is recognized as revenue. Pre-acquisition coupon interest is deducted from the cost of the bond.

3.15 Expense recognition

Claims, maturity and surrender payments

Claim, maturity and surrender payment expenses are recognized when the liability to the policyholder under the policy has been determined.

Commission

Commission expenses are calculated as the percentages of premium revenue and are recognized in the separate income statement. Commission is calculated for all products with specific percentages for each type of products, and in accordance with Circular 67/2023/TT-BTC.

General and administrative expenses

General and administrative expenses are recognized on accrual basis.

Selling expenses

Selling expenses include actual incurring expenses during the course of underwriting life insurance products.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Recognition of outward reinsurance activities

Outward reinsurance premiums under treaty reinsurance agreements are recognized when gross written premiums within the scope of the treaty agreements are recognized.

Outward reinsurance commission is recognized when there is a corresponding outward reinsurance premium.

Claim recovery is recognized when there is evidence of liability on the part of the reinsurers.

3.17 Taxation

Current income tax

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

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

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

Deferred income tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at time of the related transaction, it affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at time of the related transaction, it affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation (continued)

Deferred income tax (continued)

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

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

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

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

3.18 Use of estimates

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

3.19 Related parties

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

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Cash at banks	137,302,546,972	255,084,290,819
<i>In which:</i>		
VND	137,280,972,705	254,993,727,619
Foreign currencies	21,574,267	90,563,200
Cash equivalents (*)	185,000,000,000	210,000,000,000
	322,302,546,972	465,084,290,819

(*) Cash equivalents include term deposits at banks with original terms of less than or equal to three (3) months bear interest rates from 2.3% per annum to 3.75% per annum.

5. SHORT-TERM INVESTMENTS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Term deposits at banks (*)	1,217,265,481,090	1,137,662,549,326
Corporate bonds (**)	100,000,000,000	20,000,000,000
Government bonds (***)	56,181,378,121	59,794,088,743
	1,373,446,859,211	1,217,456,638,069

(*) Short-term deposits are maintained at banks in VND with original terms of more than three (3) months and remaining terms of less than or equal to one (1) year at the balance sheet date, which bear interest rates ranging from 4.3% per annum to 9.8% per annum.

(**) Corporate bonds in VND, with original term from twelve (12) months to eighteen (18) months and the remaining term of less than or equal to one (1) year at the balance sheet date, which bear annual coupon rate at 9.2% per annum.

(***) Government bonds in VND, with original terms of ten (10) years, remaining term of less than or equal to one (1) year and bear interest rates ranging from 8.7% per annum to 8.8% per annum.

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

6. CURRENT ACCOUNTS RECEIVABLE

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Trade receivables	24,765,872,353	52,289,300,137
<i>Receivables from direct insurance activities</i>	24,033,975,508	51,492,866,279
<i>Receivables from reinsurers (Note 31)</i>	122,224,745	796,433,858
<i>Other receivables</i>	609,672,100	-
Advances to suppliers	4,300,246,000	4,455,115,370
Other receivables	153,242,446,096	123,751,015,994
<i>Accrued interest income from bonds and term deposits</i>	73,136,261,663	62,061,540,566
<i>Advances to staff</i>	1,264,500,000	578,036,520
<i>Receivables from partners</i>	76,096,272,472	58,331,555,509
<i>Other receivables</i>	2,745,411,961	2,779,883,399
	182,308,564,449	180,495,431,501

7. SHORT-TERM PREPAID EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Prepaid for partners	17,221,482,707	80,066,746,353
Prepaid for insurance operating activities	78,236,300,000	57,902,170,000
Prepaid for IT services	5,624,853,779	3,653,908,468
Others	534,350,811	510,151,278
	101,616,987,297	142,132,976,099

8. STATUTORY DEPOSIT

This represents the deposit equivalent to 2% equivalent to the minimum legal capital as required by the Insurance Business Law No. 08/2022/QH15 Decree No. 46/2023/ND-CP.

9. OTHER LONG-TERM RECEIVABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Mortgage and collaterals	2,274,915,850	2,304,915,850
Accrued interest from bond and deposit	29,992,054,793	2,870,334,247
	32,266,970,643	5,175,250,097

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

10. TANGIBLE FIXED ASSETS

	<i>Computers and other equipment VND</i>	<i>Furniture and fixtures VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
Cost				
Beginning balance	18,676,876,346	3,938,154,673	1,021,023,691	23,636,054,710
New purchases	587,928,000	-	-	587,928,000
Disposal	(696,951,189)	-	(47,106,297)	(744,057,486)
Ending balance	<u>18,567,853,157</u>	<u>3,938,154,673</u>	<u>973,917,394</u>	<u>23,479,925,224</u>
<i>In which:</i>				
Fully depreciated	5,595,268,533	-	473,483,000	6,068,751,533
Accumulated depreciation				
Beginning balance	(12,917,873,548)	(734,232,227)	(553,946,756)	(14,206,052,531)
Depreciation for the year	(3,262,812,397)	(800,980,612)	(139,486,212)	(4,203,279,221)
Disposal	696,951,189	-	47,106,297	744,057,486
Ending balance	<u>(15,483,734,756)</u>	<u>(1,535,212,839)</u>	<u>(646,326,671)</u>	<u>(17,665,274,266)</u>
Net carrying amount				
Beginning balance	<u>5,759,002,798</u>	<u>3,203,922,446</u>	<u>467,076,935</u>	<u>9,430,002,179</u>
Ending balance	<u>3,084,118,401</u>	<u>2,402,941,834</u>	<u>327,590,723</u>	<u>5,814,650,958</u>

11. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>	<i>Development cost VND</i>	<i>Total VND</i>
Cost			
Beginning balance	146,410,150,928	1,514,358,429	147,924,509,357
New purchase	-	3,793,361,111	3,793,361,111
Transfer from construction in progress	-	13,212,737,642	13,212,737,642
Ending balance	<u>146,410,150,928</u>	<u>18,520,457,182</u>	<u>164,930,608,110</u>
<i>In which:</i>			
Fully amortized	117,841,343,265	1,514,358,429	119,355,701,694
Accumulated amortization			
Beginning balance	(120,020,243,779)	(1,514,358,429)	(121,534,602,208)
Amortization for the year	(3,377,895,506)	(924,938,558)	(4,302,834,064)
Ending balance	<u>(123,398,139,285)</u>	<u>(2,439,296,987)</u>	<u>(125,837,436,272)</u>
Net carrying amount			
Beginning balance	<u>26,389,907,149</u>	<u>-</u>	<u>26,389,907,149</u>
Ending balance	<u>23,012,011,643</u>	<u>16,081,160,195</u>	<u>39,093,171,838</u>

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

12. CONSTRUCTION IN PROGRESS ("CIP")

	Ending balance VND	Beginning balance VND
Beginning balance	2,531,636,078	21,460,958,173
Increase in period	20,053,734,957	13,263,269,569
Transfer to fixed asset (Note 11)	(13,212,737,642)	(30,962,834,969)
Transfer to prepaid expense	-	(1,229,756,695)
Ending balance	9,372,633,393	2,531,636,078

13. LONG-TERM INVESTMENTS

	Ending balance VND	Beginning balance VND
Corporate bonds (i)	740,000,000,000	790,000,000,000
Government bonds (ii)	96,752,484,077	152,742,356,094
Fund certificate (iii)	200,000,000,000	200,000,000,000
Mirae Asset Vietnam Growth Equity Fund	30,000,000,000	30,000,000,000
Mirae Asset Vietnam Flexible Fixed Income Fund	170,000,000,000	170,000,000,000
Term deposits at banks (iv)	390,000,000,000	144,000,000,000
	1,426,752,484,077	1,286,742,356,094

- (i) Corporate bonds are invested with original terms from five (5) years to fifteen (15) years, and bear interest rates ranging from 6.35% per annum to 8.7% per annum, with the revaluation period of interest rate are quarterly, semi-annually, annually or remain the fixed interest rate during the term.
- (ii) Government bonds are invested with original terms from nine (9) years to fifteen (15) years, remaining term of more than one (1) year and bear interest rates ranging from 7.0% per annum to 7.6% per annum.
- (iii) Mirae Asset Vietnam Growth Equity Fund is a public open-ended mutual fund which invests in Vietnam 100% in Vietnam shares and is managed by Mirae Asset (Vietnam) Fund Management Co., Ltd. The Fund's Initial Public Offering ("IPO") license was issued on 20 May 2019 by the State Securities Commission.
- Mirae Asset Vietnam Flexible Fixed Income Fund is a public open-ended mutual fund which which invests in Vietnam bonds and money market instruments and is managed by Mirae Asset (Vietnam) Fund Management Co., Ltd. The Fund's Initial Public Offering ("IPO") license was issued on 20 September 2021 by the State Securities Commission.
- (iv) Long-term deposits are maintained at banks in VND remaining terms of more than one (1) year at the balance sheet date, which bear interest rates ranging from 7.05% per annum to 10.0% per annum.

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

14. LONG-TERM PREPAID EXPENSES

	<i>Current year VND</i>	<i>Previous year VND</i>
Beginning balance	316,594,208,554	210,561,928,233
Additions during the year	37,401,040,391	334,199,555,441
Amortisation for the year	(247,688,265,782)	(228,167,275,120)
Ending balance	106,306,983,163	316,594,208,554

15. TRADE PAYABLES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Insurance payables	57,895,038,072	60,576,123,314
<i>Maturity and other insurance benefit payables</i>	49,733,686,269	48,941,987,067
<i>Commission payables</i>	4,760,939,892	8,824,261,545
<i>Other insurance payables</i>	3,400,411,911	2,809,874,702
Payables related to reinsurance activities	657,655,623	1,758,686,992
<i>Outward reinsurance payables</i>	657,655,623	1,758,686,992
	58,552,693,695	62,334,810,306

16. STATUTORY OBLIGATIONS

	<i>Beginning balance VND</i>	<i>Movement during the year</i>		<i>Ending balance VND</i>
		<i>Payables for the year VND</i>	<i>Payment made in the year VND</i>	
Personal income tax	1,868,157,278	15,448,966,753	(15,262,492,114)	2,054,631,917
Value added tax	12,250,404	73,566,883	(83,826,943)	1,990,344
Current income tax	12,533,315,186	62,070,371,525	(15,739,538,036)	58,864,148,675
Other taxes	22,182,410	1,903,087,106	(1,383,545,606)	541,723,910
	14,435,905,278	79,495,992,267	(32,469,402,699)	61,462,494,846

17. ACCRUED EXPENSES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Distribution channels development program	16,783,444,339	7,387,725,304
Support fees	-	4,414,606,531
Promotion expense	-	251,872,033
Reinsurance	-	88,135,042
Other accrued expenses	-	4,497,710,821
	16,783,444,339	16,640,049,731

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

18. OTHER SHORT-TERM PAYABLES AND SHORT-TERM UNEARNED REVENUE

18.1 Other short-term payables

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Payables for insurance business expenses	13,381,730,537	12,458,216,659
Payable for performance salary	11,791,963,718	11,552,791,187
Payable for severance allowance	3,715,604,710	-
Payable for consultant fee	3,058,545,000	10,000,000
Other operating payables	3,546,609,111	3,527,402,845
	35,494,453,076	27,548,410,691

18.2 Short-term unearned revenue

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Premium received in advance	62,508,702,049	77,222,369,770
Premium of policies waiting for approvals	28,558,177,088	1,036,210,923
	91,066,879,137	78,258,580,693

19. PROVISION FOR SHORT-TERM PAYABLES

This item is the restructuring provision which also includes retrenchment allowance relating principally to the plan to relocate the Company's head office to Ho Chi Minh city. The reserve of provision was used for restructuring in 2021, it will continue to be used for corporate restructuring purposes in 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

20. TECHNICAL RESERVES

	Unearned premium reserve VND	Mathematical reserve VND	Claim reserve VND	Resilience reserve VND	Balancing reserve VND	Total VND
Beginning balance	102,528,193,678	957,627,970,341	5,560,593,602	1,460,662,490	3,207,976,167	1,070,385,396,278
Movement during the year	7,785,011,670	(235,723,942,184)	(168,863,851)	(129,865,375)	3,063,102,960	(225,174,556,780)
Ending balance	110,313,205,348	721,904,028,157	5,391,729,751	1,330,797,115	6,271,079,127	845,210,839,498

21. OWNERS' EQUITY

21.1 Movements in owners' equity during the year

	Contributed charter capital VND	Other owners' capital VND	Statutory reserve VND	Accumulated gain/(loss) VND	Total VND
Previous year					
Beginning balance	2,158,000,000,000	21,000,000,000	9,916,344,202	(74,816,029,394)	2,114,100,314,808
Profit for the year	-	-	-	84,404,042,457	84,404,042,457
Appropriation to statutory reserves	-	-	4,244,410,803	(4,244,410,803)	-
Ending balance	2,158,000,000,000	21,000,000,000	14,160,755,005	5,343,602,260	2,198,504,357,265
Current year					
Beginning balance	2,158,000,000,000	21,000,000,000	14,160,755,005	5,343,602,260	2,198,504,357,265
Profit for the year	-	-	-	241,176,821,491	241,176,821,491
Appropriation to statutory reserves	-	-	12,107,750,079	(12,107,750,079)	-
Ending balance	2,158,000,000,000	21,000,000,000	26,268,505,084	234,412,673,672	2,439,681,178,756

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

21. OWNERS' EQUITY (continued)

21.1 Movements in owners' equity during the year (continued)

Detail of owners' equity contribution as at the balance sheet date is as follows:

	Ending balance		Beginning balance	
	Contributed capital VND	Ownership %	Contributed capital VND	Ownership %
Mirae Asset Life Insurance Company Limited	1,079,000,000,000	50.000	1,079,000,000,000	50.000
Prévoir-Vie Groupe	987,813,710,000	45.775	987,813,710,000	45.775
Scor Global Vie	91,186,290,000	4.225	91,186,290,000	4.225
	2,158,000,000,000	100.00	2,158,000,000,000	100.00

21.2 Capital transactions with owners

	Ending balance VND	Beginning balance VND
Contributed capital		
Beginning balance	2,158,000,000,000	2,158,000,000,000
Ending balance	2,158,000,000,000	2,158,000,000,000

22. NET INSURANCE PREMIUM

	Current year VND	Previous year VND
Direct written premium	556,144,790,238	633,384,206,429
Gross written premium (Note 22.1)	558,259,475,238	646,098,959,429
Premium returns (Note 22.2)	(2,114,685,000)	(12,714,753,000)
(Increase)/decrease in unearned premium reserve	(7,785,011,670)	35,561,180,081
Reinsurance premium ceded (Note 22.3)	(1,688,572,386)	(2,715,984,451)
	546,671,206,182	666,229,402,059

22.1 Gross written premium

	Current year VND	Previous year VND
Term life	498,861,905,507	402,339,923,444
Universal life	49,676,523,515	229,593,123,355
Riders	4,335,845,270	8,251,181,150
Endowment	5,104,424,946	5,630,099,480
Healthcare	280,776,000	284,632,000
	558,259,475,238	646,098,959,429

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

22. NET INSURANCE PREMIUM (continued)

22.2 Premium returns

	Current year VND	Previous year VND
Universal life	1,986,879,000	12,356,529,000
Riders	127,806,000	350,180,000
Healthcare	-	8,044,000
	2,114,685,000	12,714,753,000

22.3 Reinsurance premium ceded

	Current year VND	Previous year VND
Universal life	421,818,334	792,684,938
Term life	284,809,873	382,373,949
Endowment	365,170	1,657,062
Riders	926,492,506	1,539,268,502
Health Insurance	55,086,503	-
	1,688,572,386	2,715,984,451

23. CLAIMS AND INSURANCE PAYMENT EXPENSES

	Current year VND	Previous year VND
Claim, maturity and surrender payments	230,226,524,006	280,802,712,199
Maturity	137,225,061,259	176,062,787,653
Full surrender	68,416,697,494	71,261,076,478
Partial surrender	5,146,304,573	8,377,130,630
Claim payment	18,894,255,876	24,699,017,438
Loyalty bonus	544,204,804	402,700,000
Claim recovery	(1,361,130,440)	(2,453,364,148)
Decrease in technical reserves	(232,959,568,450)	(1,650,291,848)
Decrease in mathematical reserve	(235,723,942,184)	(3,637,100,865)
(Decrease)/Increase in claim reserve	(168,863,851)	1,417,984,741
Increase in balancing reserve	3,063,102,960	986,273,607
Decrease in resilience reserve	(129,865,375)	(417,449,331)
	(4,094,174,884)	276,699,056,203

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

24. OTHER EXPENSES FOR INSURANCE OPERATION

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Commission expenses	132,592,097,632	160,921,836,882
Policyholders' protection fund	-	268,915,177
Cash handling fee	8,762,023	10,693,892
Other insurance expenses	57,174,700	165,995,417
	132,658,034,355	161,367,441,368

25. SELLING EXPENSES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Promotion, marketing activities and market development cost	121,676,215,243	114,857,651,993
Training costs for distribution channels	55,224,641,863	67,814,036,168
Staff costs	20,594,909,095	23,381,076,314
Distribution channels expansion expenses	2,951,207,461	10,555,520,166
Instrument and tool expenses	2,018,569,270	2,781,560,065
Support fees	17,075,986,917	2,480,314,578
Marketing tools and gifts	4,084,013,111	2,188,493,416
Communication	1,169,522,197	1,215,436,514
Site visits and organisation of customer events	3,813,001,524	874,426,454
Depreciation & amortization expenses	646,789,864	827,637,334
Others	534,530,981	70,000,000
	229,789,387,526	227,046,153,002

26. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Staff costs	77,157,490,894	72,745,217,039
Office rentals	10,529,322,907	11,792,294,515
IT maintenance	13,171,033,362	9,140,608,593
Depreciation & amortization expenses	7,859,323,421	5,296,742,523
IT external services	1,612,593,604	2,208,537,035
Instrument and tool expenses	1,206,049,166	2,044,514,738
Travelling and transportation	1,895,734,122	1,720,344,303
Communication	1,508,101,086	1,087,753,219
Office utilities	2,129,172,473	892,005,382
Consultancy fee	15,476,957,155	550,143,509
Others	11,189,309,539	223,256,425
	143,735,087,729	107,701,417,281

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

27. FINANCE INCOME

	<i>Current year VND</i>	<i>Previous year VND</i>
Interest income from term deposits	127,883,341,066	81,855,775,423
Interest income from bonds	78,187,136,901	98,938,327,719
Gain on selling fund certificates	-	24,154,200,000
Amortisation of bonds' discount	214,672,808	197,008,646
Foreign exchange gains	40,685,401	5,032,331
Interest income from advance on surrender value	22,723,263	-
	206,348,559,439	205,150,344,119

28. FINANCE EXPENSES

	<i>Current year VND</i>	<i>Previous year VND</i>
Security custody fees	198,443,066	255,581,939
Amortisation of bonds' premium	27,055,447	70,940,592
Foreign exchange losses	35,005,432	44,298,691
	260,503,945	370,821,222

29. OTHER GAIN/(LOSS)

	<i>Current year VND</i>	<i>Previous year VND</i>
Other income	52,779,477,308	34,291,405
<i>Gain from instrument and tool disposal</i>	62,590,000	1,700,000
<i>Other income (*)</i>	52,716,887,308	32,591,405
Other expenses	(345,113,586)	(704,907,104)
Other gain/(loss)	52,434,363,722	(670,615,699)

(*) In which, VND52,566,984,145 is the compensation received from the agreement to terminate the exclusive bancassurance agreement with NCB bank according to contract number 001/EDA/PVN-NCB/2016.

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

30. CORPORATE INCOME TAX

30.1 Corporate income tax expenses

The statutory CIT rate applicable to the Company is 20% of taxable income (2022: 20%).

The tax returns filed by Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

	<i>Current year</i> VND	<i>Previous year</i> VND
Current corporate income tax (Note 30.2)	61,092,191,427	12,533,315,186
Adjustment for under accrual of tax from prior years	978,180,098	703,729,434
CIT expense	62,070,371,525	13,237,044,620

30.2 Current corporate income tax expenses

The reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	<i>Current year</i> VND	<i>Previous year</i> VND
Accounting profit before tax	303,247,193,016	97,641,087,077
At CIT rate of 20% (2022: 20%)	60,649,438,603	19,528,217,415
<i>Adjustments to increase:</i>		
Change in accrued expenses	28,678,922	-
Non-deductible expenses	414,284,347	658,529,904
<i>Adjustments to decrease:</i>		
Change in accrued expenses	-	(7,652,949,179)
Gain/(loss) on revaluation of foreign currencies	(210,445)	(482,954)
Current tax expense	61,092,191,427	12,533,315,186

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

31. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Current year VND</i>	<i>Previous year VND</i>
Scor Global Vie	Owner	Outward reinsurance premium	82,455,074	263,838,584
		Reinsurance claim recovery	-	(1,000,364,148)
Prévoir-Vie Groupe	Owner	Technical support fee	-	1,710,589,760

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Receivable/ (Payable) Ending balance VND</i>	<i>Receivable/ (Payable) Beginning balance VND</i>
Scor Global Vie	Owner	Outward reinsurance premium	122,224,745	796,433,858

Remuneration to members of the Board of Directors and management:

	<i>Current year VND</i>	<i>Previous year VND</i>
Salaries and bonus	17,532,153,253	19,646,228,093

32. OPERATING LEASE COMMITMENTS

The Company leases its office premises under operating lease arrangements. The minimum lease commitments as at the balance sheet dates under the operating lease agreements are as follows:

	<i>Current year VND</i>	<i>Previous year VND</i>
Within one (1) year	9,843,942,300	15,459,430,300
From one (1) to five (5) years	15,735,048,325	19,963,502,625
	25,578,990,625	35,422,932,925

33 RISK MANAGEMENT FRAMEWORK

33.1 Governance framework

The primary objective of the Company's risk and financial management framework is to achieve its sustainable financial performance objectives. The Board of Directors and Management recognise the importance of having efficient and effective risk management systems in place.

The Company has established a risk management function which agreed clear terms of reference from the Management. This is supplemented with a clear organisational structure by documented delegated authorities and responsibilities from the Board of Directors to the Management and other senior management.

The Company actively manages its assets using an approach that considers the strategy, asset/credit quality, diversification, asset/liability matching, liquidity and duration management to achieve target investment return. The goal of the investment process is to achieve the target level of investment return with minimum volatility. Periodically, the Company reviews and approves target portfolios on a periodic basis, establishes investment guidelines and limits, and provides oversight of the asset/liability management process.

The Company establishes target asset portfolios for each major product category for its business. The investment strategy and asset allocation consider yield, duration, sensitivity, market risk, volatility, liquidity, asset concentration, foreign exchange and credit quality. The estimates and assumptions used in determining the approximate amounts and timing of payments to or on behalf of policyholders for insurance liabilities are regularly re-evaluated. Many of these estimates and assumptions are inherently subjective and could impact the Company's ability to achieve its asset management goals and objectives.

33.2 Capital management and regulatory framework

Regulatory capital requirements arise from the operations of the Company and require the Company to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The principal solvency requirements that apply to the Company are those issued by the MoF.

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

	<i>Company Solvency Capital VND million</i>	<i>Minimum Solvency Margin VND million</i>	<i>Solvency Margin Ratio %</i>
31 December 2023	2,126,071	86,786	2,450%
31 December 2022	1,643,761	143,658	1,144%

The solvency ratio of the Company is calculated based on the relevant regulators promulgated by the Ministry of Finance in Vietnam, which is an indicator of the overall solvency position of the insurance operations.

33. RISK MANAGEMENT FRAMEWORK (continued)

33.3 Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect its capital, through treaty reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured. Under the surplus treaty agreement, the retention of each policy holder is VND 1 billion for Credit Life and Term Life product; and VND 2 billion for Universal Life product.

Under the terms of the reinsurance agreement, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Company remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

Ceded reinsurance contains credit rating risk, and to minimise such risk, reinsurance from only those reinsurers who meet the Company's credit rating standard, either assessed by public rating agencies or internally assessed, will be used.

34. INSURANCE RISK MANAGEMENT

The insurance activity carried out by the Company is to establish assumptions of risk of loss from individuals or organisations that are directly subject to the risk. Such risks may relate to life, accident, financial or other perils that may arise from an insurable event. Therefore, the Company is exposed to the uncertainty of timing and amount of insurance claims under the contracts. Risk management is critical in controlling such insurance risks and maximizing Company's profits simultaneously.

The Company manages its insurance risk through underwriting limits, approval procedures for transactions related to new contracts or transactions exceed the limits, diversifying risk portfolios, pricing guidelines, providing valuation principles, principles of reinsurance and monitoring of other affairs.

For traditional life products, the insurance reserves are generally calculated on modified net premium basis, a modified net premium basis with Zillmer adjustment or a modified gross premium basis. The net premium is the level of premium payable over the premium payment period whose discounted value at the effective date of the policy would be sufficient to cover the discounted value of the guaranteed benefits at maturity or at loss events. The policy reserve is then calculated by subtracting the present value of future modified net premiums from the present value of the benefits guaranteed at maturity or loss events (such as death, injuries) up to the statement of financial position date. Negative provisions would not be allowed and recorded as zero in that case. The modified net premium basis makes no allowance for voluntary cancellation of insurance policies by policyholders as this would generally reduce the amount of policy reserves.

Under the modified gross premium method, the official premium will be used in the calculation of reserves. No allowance made for voluntary policy cancellation by policyholders so as to comply with the Vietnamese insurance regulation.

For universal life products, the policy reserve is determined as the policy account value of all in-force policies with an additional provision for the unexpired insurance risk, reserve under discounted cash flow method and reserve for loyalty bonus.

Unearned premium reserve is calculated for insurance contracts with the duration of equal to or less than one (1) year.

34. INSURANCE RISK MANAGEMENT (continued)

Life insurance contracts - traditional products

The basic feature of traditional insurance business is to provide guaranteed death benefit determined at the time of policy issuance.

Life insurance contracts – universal life products

The Company writes universal life insurance policies, which provide policyholders with life protection and investment in the universal life fund. The Company is selling two group of universal life products: single premium universal life product, and periodic premium universal life product.

These products offer guarantee on death, surrender and maturity where the crediting rate on the accounts will not be less than minimum interest rate 3.5% (for universal life products designed in a previous stage) or 2% (for universal life products designed in a recent period). In case the policy holder is dead, the policy is matured, the policyholder will receive investment interest according to the investment rate of the previous year of the insured event occurs year; or maturity year or will not receive investment interest arising from the first day of the policy termination year as specified in the Terms of Policy for each universal life product. In case the policyholder is terminated before its maturity date or other insurance events, the policyholders receive investment interest equal minimum interest rate or will not receive any interest from the first date of termination year as specified in Terms of Policy for each universal life product.

Premiums received are deposited into the Company's universal life fund after the deduction of premium allocation charges. Other fees and charges including the cost of insurance, administration and fund management fee are deducted from the funds accumulated.

Assumptions, changes in assumptions and sensitivity analysis

Assumption making process

The purpose of assumption making is to provide stable and prudent estimates of future outcome. This is achieved by adopting relatively conservative assumptions which can withstand a reasonable range of fluctuation of actual experience. Annual review of the relevant experience is performed to ensure margin exists between the assumptions adopted and the most likely estimates of future outcome. The assumptions that are considered include the probability of claims and investment returns.

Assumptions

The principal assumptions underlying the calculation of the long-term business provision are:

(i) Mortality

The mortality tables used in reserving is based on the filed actuarial basis which is consistent with the local statutory requirement. The mortality table CSO 1980 is used.

(ii) Morbidity

The morbidity incidences rates used in reserving is based on the filed actuarial basis. The morbidity incidence rates, which mainly cover major illness and disability, are generally derived from total paid benefit payment and average annualized premium.

(iii) Valuation interest rate

The Company used the valuation rate: 2.0 - 2.5%.

35. FINANCIAL RISK MANAGEMENT

Financial instruments of the Company are exposed to 3 main risks: market risk, credit risk, and liquidity risk.

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

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

35.1 *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and receivables and available-for-sale.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analysis, Management assumed that the statement of the balance sheet relates to available-for-sale debt instruments and the sensitivity of the relevant income statement items are impacted by the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2023 and 31 December 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to market risk for changes in interest rate is concentrated in its investment portfolio. The fixed maturity investments account for the whole investment portfolio which is principally managed to match expected liability payments. The Company monitors this exposure through periodic reviews of its assets and liabilities positions. Estimates of cash flows, as well as the impact of interest rate fluctuation relating to the investment portfolio and insurance reserves, are modelled and reviewed regularly. The overall objective of the investment strategy is to limit the net changes in the value of assets and liabilities arising from interest rate movements.

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

35. FINANCIAL RISK MANAGEMENT (continued)

35.1 Market risk (continued)

Foreign currency risk

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

The following table demonstrates the sensitivity to a reasonably possible change in the USD/VND exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) and equity. The Company's exposure to foreign currency changes for all other currencies is not material.

<i>Change in variance</i>	<i>Impact on profit before tax VND</i>
31 December 2023	
+5%	1,078,710
-5%	(1,078,710)
31 December 2022	
+5%	4,528,160
-5%	(4,528,160)

35.2 Credit risk

The Company's portfolio of fixed maturity investments (deposits at commercial banks, Government and corporate bonds) is subject to credit risk. This risk is defined as the potential loss in market value resulting from adverse changes in borrowers or counterparties' ability to repay the debts. The Company's objective is to earn competitive relative returns by investing in a diversified portfolio of investments. Management has a credit policy in place. Limits are established to manage credit quality and concentration risk.

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

Prévoir Vietnam Life Insurance Company Limited

B09-DNNT

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

35. FINANCIAL RISK MANAGEMENT (continued)

35.2 Credit risk (continued)

Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2023 are as follows:

31 December 2023

	Not yet due and not impaired VND	Past-due but not individually impaired VND	Individually impaired VND	Total VND
Held to maturity				
Government bonds	2,800,199,343,288	-	-	2,800,199,343,288
Corporation bonds	152,933,862,198	-	-	152,933,862,198
Term deposits	840,000,000,000	-	-	840,000,000,000
Fund certificates	1,607,265,481,090	-	-	1,607,265,481,090
	200,000,000,000	-	-	200,000,000,000
Loans and receivables	225,275,289,092	-	-	225,275,289,092
Statutory deposits	15,000,000,000	-	-	15,000,000,000
Other long-term deposits	2,274,915,850	-	-	2,274,915,850
Insurance receivables	24,765,872,353	-	-	24,765,872,353
Accrued interest	103,128,316,456	-	-	103,128,316,456
Other short-term assets	80,106,184,433	-	-	80,106,184,433
Cash and cash equivalents	322,302,546,972	-	-	322,302,546,972
	3,347,777,179,352	-	-	3,347,777,179,352

Prévoir Vietnam Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

35. FINANCIAL RISK MANAGEMENT (continued)

35.2 Credit risk (continued)

Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2022 are as follows:

31 December 2022

	Not yet due and not impaired VND	Past-due but not individually impaired VND	Individually impaired VND	Total VND
Held to maturity				
Government bonds	2,504,198,994,163	-	-	2,504,198,994,163
Corporation bonds	212,536,444,837	-	-	212,536,444,837
Term deposits	810,000,000,000	-	-	810,000,000,000
Fund certificates	1,281,662,549,326	-	-	1,281,662,549,326
	200,000,000,000	-	-	200,000,000,000
Loans and receivables	193,215,566,228	-	-	193,215,566,228
Statutory deposits	12,000,000,000	-	-	12,000,000,000
Other long-term deposits	2,304,915,850	-	-	2,304,915,850
Insurance receivables	52,289,300,137	-	-	52,289,300,137
Accrued interest	64,931,874,813	-	-	64,931,874,813
Other short-term assets	61,689,475,428	-	-	61,689,475,428
Cash and cash equivalents	465,084,290,819	-	-	465,084,290,819
	3,162,498,851,210	-	-	3,162,498,851,210

Provision for bad debt is made under Circular 48/2019/TT-BTC dated 8 August 2019 by Ministry of Finance, in which:

Not yet due and not impaired: financial assets or the loans with interest or principal payments not yet past due and there is no evidence of impairment.

Past due but not individually impaired: financial assets with past due interest and principal payments but the Company believes that these assets are not impaired as they are secured by collaterals and have confidence in the customer's credit worthiness and other credit enhancements.

Individually impaired: debt instruments and loans to customers for which the Company considers that interests and principals are not able to be recovered under the terms of the contracts.

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

35. FINANCIAL RISK MANAGEMENT (continued)

35.3 Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Company has to meet daily calls on its cash resources notably from claims, maturity, and surrenders of policy with surrender value. Therefore, there exists a risk that cash will not be available to settle liabilities when they are due at a reasonable cost. The Company manages this risk by monitoring and setting an appropriate level of operating funds and concurrently sets up a periodic payment plan to settle these liabilities

The following tables summarise the contractual maturity profile of the Company's financial assets based on contractual undiscounted payment, and financial liabilities on a discounted basis and estimated timing of cash flows arising from liabilities under insurance contracts, at 31 December 2023:

	Overdue (VND million)	No maturity date (VND million)	Up to one year (VND million)	1-3 years (VND million)	3-5 years (VND million)	5-15 years (VND million)	Over 15 years (VND million)	Total (VND million)
31 December 2023								
Financial assets - gross								
Held to maturity	-	-	1,373,446	590,000	190,000	646,752	-	2,800,198
Government bonds	-	-	56,181	-	-	96,752	-	152,933
Corporation bonds	-	-	100,000	-	190,000	550,000	-	840,000
Term deposits	-	-	1,217,265	390,000	-	-	-	1,607,265
Fund certificates	-	-	-	200,000	-	-	-	200,000
Loans and receivables	-	-	195,283	29,992	-	-	-	225,275
Statutory deposits	-	-	15,000	-	-	-	-	15,000
Other long-term deposits	-	-	2,275	-	-	-	-	2,275
Insurance receivables	-	-	24,766	-	-	-	-	24,766
Accrued interest	-	-	73,136	29,992	-	-	-	103,128
Other short-term assets	-	-	80,106	-	-	-	-	80,106
Cash and cash equivalents	-	137,303	185,000	-	-	-	-	322,303
	-	137,303	1,753,729	619,992	190,000	646,752	-	3,347,776
Financial liabilities								
Technical reserves	-	-	171,351	61,272	38,157	222,445	351,986	845,211
Insurance payables	-	-	57,895	-	-	-	-	57,895
Reinsurance payables	-	-	658	-	-	-	-	658
Other payables	-	-	145,775	-	-	-	-	145,775
Total	-	-	375,679	61,272	38,157	222,445	351,986	1,049,539
Net liquidity gap	-	137,303	1,378,050	558,720	151,843	424,307	(351,986)	2,298,237

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

35. FINANCIAL RISK MANAGEMENT (continued)

35.3 Liquidity risk (continued)

The following tables summarise the contractual maturity profile of the Company's financial assets based on contractual undiscounted payment, and financial liabilities on a discounted basis and estimated timing of cash flows arising from liabilities under insurance contracts, at 31 December 2022:

	Overdue (VND million)	No maturity date (VND million)	Up to one year (VND million)	1-3 years (VND million)	3-5 years (VND million)	5-15 years (VND million)	Over 15 years (VND million)	Total (VND million)
31 December 2022								
Financial assets – gross (*)								
Held to maturity	-	-	1,217,457	300,203	220,000	766,539	-	2,504,199
Government bonds	-	-	59,794	56,203	-	96,539	-	212,536
Corporation bonds	-	-	20,000	100,000	20,000	670,000	-	810,000
Term deposits	-	-	1,137,663	144,000	-	-	-	1,281,663
Fund certificates	-	-	-	-	200,000	-	-	200,000
Loans and receivables	-	-	190,345	2,870	-	-	-	193,215
Statutory deposits	-	-	12,000	-	-	-	-	12,000
Other long-term deposits	-	-	2,305	-	-	-	-	2,305
Insurance receivables	-	-	52,289	-	-	-	-	52,289
Accrued interest	-	-	62,062	2,870	-	-	-	64,932
Other short-term assets	-	-	61,689	-	-	-	-	61,689
Cash and cash equivalents	-	255,084	210,000	-	-	-	-	465,084
	-	255,084	1,617,802	303,073	220,000	766,539	-	3,162,498
Financial liabilities								
Technical reserves	-	-	184,716	78,306	46,558	237,278	523,527	1,070,385
Insurance payables	-	-	60,576	-	-	-	-	60,576
Reinsurance payables	-	-	1,759	-	-	-	-	1,759
Other payables	-	-	124,339	-	-	-	-	124,339
Total	-	-	371,390	78,306	46,558	237,278	523,527	1,257,059
Net liquidity gap	-	255,084	1,246,412	224,767	173,442	529,261	(523,527)	1,905,439

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

36. FINANCIAL INSTRUMENTS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC ("Circular 210") providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 provides the definitions of financial assets, financial liabilities and derivative financial instruments, equity instruments as well as presentation and disclosures of financial instruments.

Due to Circular 210 only requires the presentation and disclosure of financial instruments, the definitions of financial assets, financial liabilities and other relevant definitions are applicable to prepare this note only. The assets, liabilities and equities of the Company still are recognized and accounting in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to insurance companies and comply with the relevant statutory requirements.

Financial assets

Financial assets within the scope of Circular 210 include cash and cash equivalents, fixed maturity instruments, quoted and unquoted financial instruments, loan and receivables, and other receivables.

According to Circular 210, for the purpose of disclosure in the financial statements, financial assets are classified as appropriate into one of the following categories:

► *Financial assets recognised at fair value through Profit and loss statements*

Is a financial asset satisfies either of the following conditions:

- a) Being classified as held for trading. A financial asset will be classified as securities held for trading if:
 - (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;
 - (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
 - (iii) It is a derivative financial instrument (except for derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
- b) Upon initial recognition, the entity categorizes the financial asset as such reflected at fair value through profit and loss statement.

► *Held-to-maturity investments:*

Held-to-maturity investments are non-derivative financial assets with fixed or identifiable payments and fixed maturity periods which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:

- a) Financial assets that, upon initial recognition, were categorized as such recognised at fair value through profit or loss statements;
- b) Financial assets already categorized as available for sale;
- c) Financial assets that meet the definitions of loans and receivables.

36. FINANCIAL INSTRUMENTS AND FINANCIAL LIABILITIES (continued)

Financial assets (continued)

► *Loans and receivables:*

Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:

- a) The amounts the entity has the intention to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognised at fair value through profit or loss statements;
- b) The amounts categorized by the entity as available for sale upon initial recognition; or
- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

► *Available-for-sale assets:*

Available-for-sale assets are non-derivative financial assets determined as available for sale or not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets recognised at fair value through profit and loss statements.

Financial liabilities

Financial liabilities within the scope of Circular 210 include trade and other payables, loans and borrowings, and other financial liabilities.

According to Circular 210, for the purpose of disclosure in the financial statements, financial liabilities are classified as appropriate into one of the following categories

► *Financial liabilities recognised at fair value through profit or loss statements*

Is a financial liability satisfies either of the following conditions:

- a) Being classified as held for trading. A financial liability will be classified as securities held for trading if:
 - (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;
 - (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
 - (iii) It is a derivative financial instrument (except for derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
- b) Upon initial recognition, the entity categorizes the financial liabilities as such reflected at fair value through profit or loss statement.

► *Financial liabilities measured at amortised cost:*

Financial liabilities measured at amortised cost include financial liabilities that were not categorized as financial liabilities at fair value through profit or loss statements.

36. FINANCIAL INSTRUMENTS AND FINANCIAL LIABILITIES (continued)

Offsetting of financial assets and financial liabilities

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

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair values:

- ▶ The fair value of cash and cash equivalents, trade receivables, trade payables and other short-term liabilities are measured at carrying value since they have short-term maturity.
- ▶ Where there is no observable market to determine fair value at reporting date, carrying value of financial assets and financial liabilities are shown.

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

36. FINANCIAL INSTRUMENTS AND FINANCIAL LIABILITIES (continued)

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

	Carrying amount VND	Provision for impairment VND	Net carrying amount VND	Fair value VND
31 December 2023				
Financial assets				
Held to maturity				
Government bonds	2,800,199,343,288	-	2,800,199,343,288	2,837,363,791,215
Corporation bonds	152,933,862,198	-	152,933,862,198	152,933,862,198
Term deposits	840,000,000,000	-	840,000,000,000	840,000,000,000
Fund certificates	1,607,265,481,090	-	1,607,265,481,090	1,607,265,481,090
Loans and receivables	200,000,000,000	-	200,000,000,000	237,164,447,927
Statutory deposits	225,275,289,092	-	225,275,289,092	225,275,289,092
Other long-term deposits	15,000,000,000	-	15,000,000,000	15,000,000,000
Insurance receivables	2,274,915,850	-	2,274,915,850	2,274,915,850
Accrued interest	24,765,872,353	-	24,765,872,353	24,765,872,353
Other short-term assets	103,128,316,456	-	103,128,316,456	103,128,316,456
Cash and cash equivalents	80,106,184,433	-	80,106,184,433	80,106,184,433
	322,302,546,972	-	322,302,546,972	322,302,546,972
	3,347,777,179,352	-	3,347,777,179,352	3,384,941,627,279
Financial liabilities				
Technical reserves	845,210,839,498	-	845,210,839,498	845,210,839,498
Insurance payables	57,895,038,072	-	57,895,038,072	57,895,038,072
Reinsurance payables	657,655,623	-	657,655,623	657,655,623
Other payables	145,775,330,494	-	145,775,330,494	145,775,330,494
	1,049,538,863,687	-	1,049,538,863,687	1,049,538,863,687

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

36. FINANCIAL INSTRUMENTS AND FINANCIAL LIABILITIES (continued)

The table below summarizes the carrying amount and fair value of financial assets in the Company's financial statements as at 31 December 2022:

	Carrying amount VND	Provision for impairment VND	Net carrying amount VND	Fair value VND
31 December 2022				
Financial assets				
Held to maturity				
Government bonds	2,504,055,082,423	-	2,504,055,082,423	2,519,186,361,907
Corporation bonds	212,392,533,097	-	212,392,533,097	212,392,533,097
Term deposits	810,000,000,000	-	810,000,000,000	810,000,000,000
Fund certificate	1,281,662,549,326	-	1,281,662,549,326	1,281,662,549,326
Loans and receivables	200,000,000,000	-	200,000,000,000	215,131,279,484
Statutory deposits	193,215,566,228	-	193,215,566,228	193,215,566,228
Other long-term deposits	12,000,000,000	-	12,000,000,000	12,000,000,000
Insurance receivables	2,304,915,850	-	2,304,915,850	2,304,915,850
Accrued interest	52,289,300,137	-	52,289,300,137	52,289,300,137
Other short-term assets	64,931,874,813	-	64,931,874,813	64,931,874,813
	61,689,475,428	-	61,689,475,428	61,689,475,428
Cash and cash equivalents	465,084,290,819	-	465,084,290,819	465,084,290,819
	3,162,354,939,470	-	3,162,354,939,470	3,177,486,218,954
Financial liabilities				
Technical reserves	1,070,385,396,278	-	1,070,385,396,278	1,070,385,396,278
Insurance payables	60,576,123,314	-	60,576,123,314	60,576,123,314
Reinsurance payables	1,758,686,992	-	1,758,686,992	1,758,686,992
Other payables	124,338,824,392	-	124,338,824,392	124,338,824,392
	1,257,059,030,976	-	1,257,059,030,976	1,257,059,030,976

Mirae Asset Prévoir Life Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B09-DNNT

37. EVENTS AFTER THE BALANCE SHEET DATE

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

Ms. Nguyen Thanh Ha
Chief Accountant

Mr. Kham Sanya Souknavong
Chief Financial Officer

Mr. Ka Young Wan
Chief Executive Officer

Ho Chi Minh City, Vietnam

19 March 2024

