



**Shinhan Life Insurance Vietnam  
Limited Liability Company**

**Financial Statements  
for the year ended 31 December 2023**



## **Shinhan Life Insurance Vietnam Limited Liability Company Corporate Information**

**Establishment and  
Operation License No.**      85/GP/KDBH      8 February 2021

The Establishment and Operation License No. 85/GP/KDBH was issued by the Ministry of Finance on 8 February 2021. The Establishment and Operation License is valid for 50 years from the date of the Establishment and Operation License.

**Members' Council**

Mr. Bae Seung Jun	Chairman (from 8 August 2023)
Mr. Lee Euichul	Chairman (until 7 August 2023)
Ms. Kim Minji	Member
Mr. Kim Soongi	Member (from 23 March 2023)
Mr. Bae Seung Jun	Member (until 7 August 2023)
Mr. Lee Young Ho	Member (until 22 March 2023)

**Legal Representative**

Mr. Bae Seung Jun	General Director (from 8 August 2023)
Mr. Lee Euichul	General Director (until 7 August 2023)

**Registered Office**

20<sup>th</sup> Floor, Friendship Tower  
31 Le Duan Street, Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**Auditor**

KPMG Limited  
Vietnam

## **Shinhan Life Insurance Vietnam Limited Liability Company Statement of the General Director**

The General Director of Shinhan Life Insurance Vietnam Limited Liability Company (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2023.

The General Director is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 199/2014/TT-BTC dated 19 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for life insurance companies and reinsurance companies and the relevant statutory requirements applicable to financial reporting. In the opinion of the General Director:

- (a) the financial statements set out on pages 5 to 52 give a true and fair view of the financial position of the Company as at 31 December 2023, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 199/2014/TT-BTC dated 19 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for life insurance companies and reinsurance companies and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The General Director has, on the date of this statement, authorised the accompanying financial statements for issue.



*Bae Seung Jun*  
General Director

Ho Chi Minh City, 26 March 2024



KPMG Limited Branch  
10th Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## INDEPENDENT AUDITOR'S REPORT

### To the Investor

### **Shinhan Life Insurance Vietnam Limited Liability Company**

We have audited the accompanying financial statements of Shinhan Life Insurance Vietnam Limited Liability Company ("the Company"), which comprise the balance sheet as at 31 December 2023, the related statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's General Director on 26 March 2024, as set out on pages 5 to 52.

### **Management's Responsibility**

The Company's General Director is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 199/2014/TT-BTC dated 19 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for life insurance companies and reinsurance companies and the relevant statutory requirements applicable to financial reporting, and for such internal control as the General Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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



## Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Shinhan Life Insurance Vietnam Limited Liability Company as at 31 December 2023 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 199/2014/TT-BTC dated 19 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for life insurance companies and reinsurance companies and the relevant statutory requirements applicable to financial reporting.

## Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another firm of auditors whose report dated 29 March 2023 expressed an unqualified opinion on those statements.

## KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 23-01-00473-24-1



Nelson Rodriguez Casihan  
Practicing Auditor Registration  
Certificate No. 2225-2023-007-1  
*Deputy General Director*

Trương Vinh Phúc  
Practicing Auditor Registration  
Certificate No. 1901-2023-007-1

Ho Chi Minh City, 26 March 2024



**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Balance sheet as at 31 December 2023**

**Form B 01 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC*  
*dated 19 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2023 VND	31/12/2022 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 150)	<b>100</b>		<b>1,523,338,345,198</b>	<b>1,801,276,874,153</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>85,499,013,699</b>	<b>109,503,197,749</b>
Cash	111		7,999,013,699	6,503,197,749
Cash equivalents	112		77,500,000,000	103,000,000,000
<b>Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>1,332,296,400,000</b>	<b>1,591,655,000,000</b>
Short-term investments	121		1,332,296,400,000	1,591,655,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>91,754,115,718</b>	<b>88,665,761,867</b>
Accounts receivable	131	6	20,805,638,600	17,836,284,400
<i>Accounts receivable – insurance</i>	<i>131.1</i>		<i>20,805,638,600</i>	<i>17,836,284,400</i>
Prepayments to suppliers	132		1,992,404,200	4,327,880,745
Other short-term receivables	135	7(a)	68,989,784,983	66,501,596,722
Allowance for doubtful debts	139	7(a)	(33,712,065)	-
<b>Other current assets</b>	<b>150</b>		<b>13,788,815,781</b>	<b>11,452,914,537</b>
Short-term prepaid expenses	151	12(a)	12,492,941,424	10,160,572,449
Taxes receivable from State Treasury	154	15(b)	1,295,874,357	1,292,342,088

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Balance sheet as at 31 December 2023 (continued)**

**Form B 01 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC  
dated 19 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2023 VND	31/12/2022 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 230 + 250 + 260)</b>	<b>200</b>		<b>856,601,938,214</b>	<b>578,767,094,369</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>58,582,010,190</b>	<b>27,058,224,357</b>
Other long-term receivables	218	7(b)	58,582,010,190	27,058,224,357
Statutory security deposit	218.1		15,000,000,000	12,000,000,000
Other receivables	218.2		43,582,010,190	15,058,224,357
<b>Fixed assets</b>	<b>220</b>		<b>143,271,813,697</b>	<b>140,613,444,530</b>
Tangible fixed assets	221	8	28,518,014,504	38,352,666,627
Cost	222		54,378,079,089	47,754,894,550
Accumulated depreciation	223		(25,860,064,585)	(9,402,227,923)
Intangible fixed assets	227	9	114,753,799,193	102,260,777,903
Cost	228		152,582,436,072	117,141,097,603
Accumulated amortisation	229		(37,828,636,879)	(14,880,319,700)
<b>Construction in progress</b>	<b>230</b>	<b>10</b>	<b>18,264,775,053</b>	<b>3,232,213,125</b>
<b>Long-term financial investments</b>	<b>250</b>	<b>11</b>	<b>624,600,000,000</b>	<b>400,000,000,000</b>
Other long-term investments	258		624,600,000,000	400,000,000,000
<b>Other long-term assets</b>	<b>260</b>		<b>11,883,339,274</b>	<b>7,863,212,357</b>
Long-term prepaid expenses	261	12(b)	10,929,342,354	7,863,212,357
Deferred tax assets	262	13	953,996,920	-
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>2,379,940,283,412</b>	<b>2,380,043,968,522</b>

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Balance sheet as at 31 December 2023 (continued)**

**Form B 01 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC*  
*dated 19 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2023 VND	31/12/2022 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>136,877,769,626</b>	<b>87,222,317,418</b>
<b>Current liabilities</b>	<b>310</b>		<b>42,867,387,287</b>	<b>58,394,000,545</b>
Accounts payable to suppliers	312	14	19,391,035,850	29,058,000,551
<i>Accounts payable – insurance</i>	<i>312.1</i>		<i>10,857,095,150</i>	<i>18,805,415,255</i>
<i>Other trade payables</i>	<i>312.2</i>		<i>8,533,940,700</i>	<i>10,252,585,296</i>
Taxes payable to State Treasury	314	15(a)	1,866,141,296	3,472,117,865
Payables to employees	315		269,783,542	497,917,408
Accrued expenses	316	16	20,477,141,797	24,310,476,652
Other short-term payables	319		392,238,665	717,495,923
Temporarily received premiums, short-term unearned revenue	319.1		471,046,137	337,992,146
<b>Long-term liabilities</b>	<b>330</b>		<b>94,010,382,339</b>	<b>28,828,316,873</b>
Deferred tax liabilities	335	13	-	372,910,519
Technical reserves	344	17	94,010,382,339	28,455,406,354
<i>Mathematical reserve</i>	<i>344.1</i>		<i>85,579,102,867</i>	<i>23,478,318,009</i>
<i>Unearned premiums reserve</i>	<i>344.2</i>		<i>7,300,124,527</i>	<i>4,650,033,138</i>
<i>Claims reserve</i>	<i>344.3</i>		<i>1,131,154,945</i>	<i>327,055,207</i>
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>2,243,062,513,786</b>	<b>2,292,821,651,104</b>
<b>Owner's equity</b>	<b>410</b>	<b>18</b>	<b>2,243,062,513,786</b>	<b>2,292,821,651,104</b>
Contributed capital	411		2,320,000,000,000	2,320,000,000,000
Statutory reserve	419		355,003,758	355,003,758
Accumulated losses	421		(77,292,489,972)	(27,533,352,654)
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>2,379,940,283,412</b>	<b>2,380,043,968,522</b>

*The accompanying notes are an integral part of these financial statements*

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**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Balance sheet as at 31 December 2023 (continued)**

**Form B 01 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC dated 19 December 2014 of the Ministry of Finance)*

**OFF-BALANCE SHEET ITEMS**

	Note	31/12/2023 VND	31/12/2022 VND
Operating lease commitments (VND)	29	64,461,421,503	65,753,510,228

26 March 2024

Prepared by:



Le Thi Minh Thuy  
*Chief Accountant*

Approved by: 



CÔNG TY  
 TNHH  
 BẢO HIỂM  
 SHINHAN LIFE  
 VIỆT NAM  
 Bae Seung Jun  
*General Director*

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Statement of income for the year ended 31 December 2023**

**Form B 02 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC  
dated 19 December 2014 of the Ministry of Finance)*

**PART I – SUMMARY STATEMENT OF INCOME**

	Code	2023 VND	2022 VND
Net revenue from insurance activities	10	214,287,030,311	104,049,547,162
Financial income	12	176,975,390,172	122,400,496,010
Other income	13	9,700	195,884
Total expenses for insurance activities	20	97,311,229,990	41,792,334,571
Financial expenses	22	22,719,555	410,583,576
Selling expenses	23	192,006,689,220	88,278,300,542
General and administration expenses	24	153,006,094,613	128,704,903,913
Other expenses	25	1,741,562	308,315,803
<b>Accounting loss before tax</b> <b>(50 = 10 + 12 + 13 – 20 – 22 – 23 – 24 – 25)</b>	<b>50</b>	<b>(51,086,044,757)</b>	<b>(33,044,199,349)</b>
Income tax expense – current	51	-	861,314,178
Income tax (benefit)/expense – deferred	52	(1,326,907,439)	372,910,519
<b>Net loss after tax</b> <b>(60 = 50 – 51 – 52)</b>	<b>60</b>	<b>(49,759,137,318)</b>	<b>(34,278,424,046)</b>

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Statement of income for the year ended 31 December 2023 (continued)**

**Form B 02 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC  
dated 19 December 2014 of the Ministry of Finance)*

**PART II – STATEMENT OF INCOME BY ACTIVITIES**

	Code	Note	2023 VND	2022 VND
Premium revenue (01 = 01.1 – 01.3)	01		214,287,030,311	104,049,547,162
In which:				
- Gross written premiums from direct insurance	01.1	19	216,937,121,700	108,699,580,300
- Increase in unearned premiums reserve for direct insurance	01.3	17	2,650,091,389	4,650,033,138
<b>Net premium revenue (03 = 01)</b>	<b>03</b>		<b>214,287,030,311</b>	<b>104,049,547,162</b>
<b>Net revenue from insurance activities (10 = 03)</b>	<b>10</b>		<b>214,287,030,311</b>	<b>104,049,547,162</b>
Claims expense and other insurance benefits	11		1,529,152,157	2,070,000
Increase in technical reserves for direct insurance	13	17	62,904,884,596	23,805,373,216
<b>Total claims expense and other insurance benefits (15 = 11 + 13)</b>	<b>15</b>	<b>20</b>	<b>64,434,036,753</b>	<b>23,807,443,216</b>
Other operating expenses for insurance activities (16 = 16.1 + 16.2)	16		32,877,193,237	17,984,891,355
In which:				
- Commission expenses on insurance activities	16.1		32,828,406,255	17,883,274,355
- Other insurance costs	16.2	21	48,786,982	101,617,000
<b>Total expenses for insurance activities (17 = 15 + 16)</b>	<b>17</b>		<b>97,311,229,990</b>	<b>41,792,334,571</b>
<b>Gross profit from insurance activities (18 = 10 – 17)</b>	<b>18</b>		<b>116,975,800,321</b>	<b>62,257,212,591</b>

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Statement of income for the year ended 31 December 2023 (continued)**

**Form B 02 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC dated 19 December 2014 of the Ministry of Finance)*

**PART II – STATEMENT OF INCOME BY ACTIVITIES (CONTINUED)**

	Code	Note	2023 VND	2022 VND
Financial income	22	22	176,975,390,172	122,400,496,010
Financial expenses	23		22,719,555	410,583,576
<b>Profit from financial activities (24 = 22 – 23)</b>	<b>24</b>		<b>176,952,670,617</b>	<b>121,989,912,434</b>
Selling expenses	25	23	192,006,689,220	88,278,300,542
General and administration expenses	26	24	153,006,094,613	128,704,903,913
<b>Net operating loss (30 = 18 + 24 – 25 – 26)</b>	<b>30</b>		<b>(51,084,312,895)</b>	<b>(32,736,079,430)</b>
Other income	31		9,700	195,884
Other expenses	32		1,741,562	308,315,803
<b>Results of other activities (40 = 31 – 32)</b>	<b>40</b>		<b>(1,731,862)</b>	<b>(308,119,919)</b>
<b>Accounting loss before tax (50 = 30 + 40)</b>	<b>50</b>		<b>(51,086,044,757)</b>	<b>(33,044,199,349)</b>
Income tax expense – current	51	25	-	861,314,178
Income tax (benefit)/expense – deferred	52	25	(1,326,907,439)	372,910,519
<b>Net loss after tax (60 = 50 – 51 – 52)</b>	<b>60</b>		<b>(49,759,137,318)</b>	<b>(34,278,424,046)</b>

26 March 2024

Prepared by:



Le Thi Minh Thuy  
Chief Accountant

Approved by:



Bae Seung Jun  
General Director

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Statement of cash flows for the year ended 31 December 2023 (Indirect method)**

**Form B 03 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC  
dated 19 December 2014 of the Ministry of Finance)*

	Code	2023 VND	2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>	<b>01</b>	<b>(51,086,044,757)</b>	<b>(33,044,199,349)</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	39,406,153,841	23,254,108,866
Allowances, reserves and provisions	03	65,588,688,050	28,455,406,354
Profits from investing activities	05	(176,975,390,172)	(122,400,496,010)
<b>Operating loss before changes in working capital</b>	<b>08</b>	<b>(123,066,593,038)</b>	<b>(103,735,180,139)</b>
Change in receivables and other assets	09	(9,384,528,987)	(24,758,164,777)
Change in payables	11	(19,523,757,558)	25,571,287,758
Change in prepaid expenses	12	(5,398,498,972)	(15,515,788,256)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(157,373,378,555)</b>	<b>(118,437,845,414)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(53,099,940,636)	(77,924,552,433)
Payments for term deposits at banks, purchase of debt instruments	23	(1,856,896,400,000)	(1,787,155,000,000)
Receipts from term deposits at banks, sales of debt instruments	24	1,891,655,000,000	1,800,000,000,000
Receipts of interest	27	151,710,535,141	114,504,040,533
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>133,369,194,505</b>	<b>49,424,488,100</b>

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Statement of cash flows for the year ended 31 December 2023**  
**(Indirect method - continued)**

**Form B 03 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC dated 19 December 2014 of the Ministry of Finance)*

		2023 VND	2022 VND
Net cash flows during the year (50 = 20 + 30)	50	(24,004,184,050)	(69,013,357,314)
Cash and cash equivalents at the beginning of the year	60	109,503,197,749	178,516,555,063
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	85,499,013,699	109,503,197,749

26 March 2024

Prepared by:



Le Thi Minh Thuy  
Chief Accountant

Approved by:



Bae Seung Jun  
General Director

*The accompanying notes are an integral part of these financial statements*

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2023**

**Form B 09 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC  
dated 19 December 2014 of the Ministry of Finance)*

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

**1. Reporting entity**

**(a) Ownership structure**

Shinhan Life Insurance Vietnam Limited Liability Company (“the Company”) is incorporated as a limited liability company in Vietnam under Law on The Establishment and Operation License No. 85/GP/KDBH was issued by the Ministry of Finance on 8 February 2021. The Establishment and Operation License is valid for 50 years from the date of the Establishment and Operation License.

**(b) Principal activities**

The principal activities of the Company are to provide life insurance services, health insurance services, reinsurance activities and investment activities.

**(c) Normal operating cycle**

The normal operating cycle of the Company is assumed to be 12 months.

**(d) Location and operation network**

The Company’s Head Office is located at 20<sup>th</sup> Floor, Friendship Tower, 31 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. As at 31 December 2023, the Company has four (4) Sale Offices (31/12/2022: three (3) Sale Offices).

As at 31 December 2023, the Company had 110 employees (31/12/2022: 65 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 199/2014/TT-BTC dated 19 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for life insurance companies and reinsurance companies and the relevant statutory requirements applicable to financial reporting. These standards and the relevant statutory requirements may differ in some material respects from generally accepted accounting principles and standards in other countries. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and cash flows of the Company in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices for life insurance companies and reinsurance companies.

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2023 (continued)**

**Form B 09 – DNNT**  
*(Issued under Circular No. 199/2014/TT-BTC  
dated 19 December 2014 of the Ministry of Finance)*

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

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

**(e) Form of accounting records**

The Company uses accounting software to record its transactions and the accounting documentation is general ledger.

**(f) Changes in accounting policies resulting from changes in the relevant statutory requirements**

**(i) Adoption of Decree No. 46/2023/ND-CP dated 1 July 2023**

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

Effective from 1 July 2023, the Company has prospectively adopted the applicable requirements of Decree 46. The changes to the Company's accounting policies resulting from the prospective adoption of the applicable requirements of Decree 46 and the effects on the Company's financial statements, if any, are disclosed in Note 3(e) to the financial statements.



**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2023 (continued)**

**Form B 09 – DNNT**

*(Issued under Circular No. 199/2014/TT-BTC  
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**(ii) Adoption of Circular No. 67/2023/TT-BTC dated 2 November 2023**

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

Effective from 2 November 2023, the Company has prospectively adopted the applicable requirements of Circular 67. The changes to the Company’s accounting policies resulting from the prospective adoption of the applicable requirements of Circular 67 and the effects on the Company’s financial statements, if any, are disclosed in Note 3(l) and Note 3(p) to the financial statements.

**3. Summary of significant accounting policies**

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

Except for the changes in accounting policies as described in Note 2(f), the significant accounting policies have been applied consistently to all periods presented in these financial statements.

**(a) Foreign currency transactions**

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

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

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

**(b) Cash and cash equivalents**

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



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**(c) Investments**

***Held-to-maturity investments***

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

**(d) Accounts receivable**

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

Accounts receivable comprise insurance receivables, other trade receivables and other receivables which are classified based on their nature as follows:

- Insurance receivables are trade receivables arising from rendering insurance services;
- Other trade receivables are receivables arising from providing services other than insurance services; and
- Other receivables are receivables not arising from providing services.

Insurance receivables, other trade receivables and other receivables are stated at cost less allowance for doubtful debts. Allowance for doubtful debts is made based on the overdue status of receivables or expected losses on undue receivables which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased.

For overdue receivables, the Company makes allowance for doubtful debts by reference to the overdue status as follows:

<b><i>Overdue status</i></b>	<b><i>Allowance rate</i></b>
Over 6 months to less than 1 year	30%
From 1 to less than 2 years	50%
From 2 to less than 3 years	70%
From 3 years and above	100%

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

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**(e) Statutory security deposit**

***Prior to 1 July 2023***

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

***Effective from 1 July 2023***

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

The adoption of the requirements of Decree 46 applicable to statutory security deposit has resulted in an increase of VND3,000 million in statutory security deposit as at and for the year ended 31 December 2023.

**(f) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

- office equipment            3 – 5 years

**(g) Intangible fixed assets**

**(i) Software**

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis ranging from 5 to 8 years.

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**(ii) License fees**

Licence fees are stated at cost and amortised on a straight-line basis over a period ranging from 5 to 11 years.

**(h) Construction in progress**

Construction in progress represents the cost of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

**(i) Prepaid expenses**

Prepaid expenses are recognised at cost in either of short-term or long-term prepaid expenses on the balance sheet and then amortised over the period for which the amounts are paid or the period in which the economic benefits are generated in relation to these expenses.

**(i) Tools and instruments**

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

**(ii) Software maintenance and support fees**

Software maintenance and support fees are stated at cost and amortised on a straight-line basis over a period ranging from 1 to 3 years.

**(j) Accounts payable**

Accounts payable comprise insurance payables, other trade payables and other payables which are classified based on their nature as follows:

- Insurance payables are trade payables arising from rendering insurance services;
- Other trade payables are payables arising from purchases of goods and services other than insurance transactions; and
- Other payables are payables not arising from purchases of goods and services.

**(k) Provisions**

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

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**(l) Technical reserves**

***Prior to 2 November 2023***

Technical reserves had been established in accordance with the requirements and guidance of Circular 50, Circular No. 01/2019/TT-BTC dated 2 January 2019 (“Circular 01”) issued by the Ministry of Finance amending and supplementing certain articles of Circular 50 and Circular No. 89/2020/TT-BTC dated 11 November 2020 issued by the Ministry of Finance amending and supplementing certain articles of Circular 50.

***Effective from 2 November 2023***

Technical reserves have been established in accordance with the requirements and guidance of Circular 67.

The Company’s technical reserves comprise:

**(i) Mathematical reserve**

Mathematical reserve is made for insurance policies with a term of more than one (01) year, calculated based on the assumptions and methodologies approved by the Ministry of Finance as follows:

***Mortality rates***

Mortality rates apply specified rates of 1980 commissioners Standard Ordinary table (“CSO 1980”).

***Valuation interest rates***

Valuation interest rates are set at 2.12% per annum at 31 December 2023 and 31 December 2022.

***Reserving methods***

- Endowment insurance products
  - Insurance policies with a term of over 5 years being applied net premium method adjusted by Zillmer 3% of sum assured. The adjusted net premium used for reserve calculation is capped at 100% of gross premium.
- Term life insurance products
  - Insurance policies with a term from 1 to 5 years being applied net premium method.
  - Insurance policies with a term of over 5 years being applied net premium method adjusted by 12-month full preliminary term (“FPT”).
- Health insurance products: greater of net premium method and method 1/8 unearned premium reserve.



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**(ii) Unearned premiums reserve**

Unearned premiums reserve is only applicable for policies with a term of less than or equal to one year and is calculated based on the gross premium basis as followed:

Unearned premium reserve = Gross premium x Unearned premium reserve ratio.

**(iii) Claims reserve**

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

- Outstanding claims reserve is the reserve for claims notified to the Company but not yet settlement at the end of the annual accounting period. This reserve is calculated on a case by case basis.
- Incurred but not reported (“IBNR”) claims reserve is the reserve made for the claim cases incurred but not yet notified to the Company at the end of the annual accounting period.
  - Term life products: established at 3% of total premium revenue recorded in the last 12 months for insurance policies with a term of 1 year or less of the product; and
  - Health insurance products: established at 3% of the total insurance premium recorded in the last 12 months of the product.

**(iv) Equalisation reserve**

Equalisation reserve is established annually at 1% of profit before tax until the reserve balance reaches 5% of total premiums collected during the annual accounting period.

The adoption of the requirements of Circular 67 applicable to technical reserves has no material impact on the financial statements of the Company for the year ended 31 December 2023.

**(m) Contributed capital**

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

**(n) Statutory reserve**

In accordance with Decree 73 (prior to 1 July 2023) and Decree 46 (from 1 July 2023), the Company is required to make appropriation of 5% of profit after tax annually to establish the statutory reserve until this reserve reaches 10% of the Company’s charter capital. This statutory reserve is non-distributable and is classified as part of equity.



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**(o) Taxation**

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

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

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

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

**(p) Premium revenue**

Premium revenue from direct insurance is recognised in accordance with the requirements and guidance of Circular 50 (prior to 2 November 2023) and Circular 67 (from 2 November 2023).

Premium revenue from direct insurance is recognised in the statement of income based on the enforcement of insurance policies (when risks are assumed), specified as follows:

- when the insurance policy has been entered into by the Company and the insured and the insured has fully paid the premium;
- there is evidence that the insurance policy has been entered into and the insured has fully paid the premium; and
- when insurance policy has been entered into by the Company and there is agreement between the Company and the insured for insurance premium being paid on instalment basis, the Company recognises the due premiums and does not recognise undue premiums as specified in the insurance policy.

When a risk is cancelled and a refund of premium is necessary, written premiums are adjusted by deducting the amount of the arising refunded premium, as appropriate.

The adoption of the requirements of Circular 67 applicable to premium revenue recognition from direct insurance has no material impact on the financial statements of the Company for the year ended 31 December 2023.

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**(q) Claims expense and other insurance benefits**

Claims expense and other insurance benefits include maturities, periodical cash benefits, surrenders, insurance events and death claims. Maturity claims are recognised as expenses on the maturity date of policy. Periodical cash benefits are recognised in the statement of income when each periodical instalment becomes due for payment. Surrenders are charged to the statement of income when paid and insurance events and death claims are recognised when being approved.

**(r) Commission expenses**

Commission expenses are calculated as the percentages of gross written premiums and are recognised in the statement of income as incurred.

**(s) Revenue from financial activities**

***Interest income***

Interest income from term deposits at banks and certificates of deposits are recognised on a time proportion basis with reference to the principal outstanding and applicable interest rate.

**(t) Leases**

**(i) *Leased assets***

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

**(ii) *Lease payments***

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

**(u) Related parties**

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

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



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**(v) Nil balances**

Items or balances required by Circular No. 199/2014/TT-BTC dated 19 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for life insurance companies and reinsurance companies that are not shown in these financial statements indicate nil balances.

**(w) Comparative information**

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

**4. Cash and cash equivalents**

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Cash at banks	7,999,013,699	6,503,197,749
Cash equivalents	77,500,000,000	103,000,000,000
	85,499,013,699	109,503,197,749

Cash equivalents represent term deposits at banks with original term to maturity of not more than three months and earn annual interest rates ranging from 3.50% to 4.55% as at 31 December 2023 (31/12/2022: from 2.10% to 6.00%).

**5. Short-term financial investments**

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Short-term investments		
▪ Term deposits at banks	902,296,400,000	1,326,655,000,000
▪ Certificates of deposit	430,000,000,000	265,000,000,000
	1,332,296,400,000	1,591,655,000,000

These term deposits at banks and certificates of deposit have original term to maturity of more than three months to 12 months and remaining term to maturity of not more than 12 months at the reporting date, and earn annual interest rates ranging from 4.90% to 9.70% as at 31 December 2023 (31/12/2022: from 4.50% to 13.00%).



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**6. Accounts receivable**

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Accounts receivable – insurance		
▪ <i>Premiums receivable from policyholders</i>	20,805,638,600	17,836,284,400
<hr/>		
Premiums receivable from policyholders		
▪ <i>Third parties</i>	7,730,218,000	415,112,100
▪ <i>Related companies - collections on behalf of the Company</i>	13,075,420,600	17,421,172,300
<hr/>		
	20,805,638,600	17,836,284,400
<hr/>		

**7. Other receivables**

**(a) Other short-term receivables**

	<b>31/12/2023</b>		<b>31/12/2022</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Accrued interest receivables from short-term deposits at banks	48,587,896,224	-	62,618,092,329	-
Accrued interest receivables from short-term certificates of deposit	17,709,917,809	-	2,616,027,397	-
Short-term security deposits	561,754,130	(33,712,065)	519,195,000	-
Others	2,130,216,820	-	748,281,996	-
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	68,989,784,983	(33,712,065)	66,501,596,722	-
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**(b) Other long-term receivables**

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Statutory security deposit (i)	15,000,000,000	12,000,000,000
Accrued interest receivables from long-term deposits at banks	9,259,749,042	2,219,177
Accrued interest receivables from long-term certificates of deposit	24,607,770,676	9,672,328,767
Office rental deposits	6,684,583,413	4,488,676,413
Others	3,029,907,059	895,000,000
	58,582,010,190	27,058,224,357

- (i) The Company has placed term deposits at Shinhan Bank Vietnam Limited, a related party, as statutory security deposit. These term deposits earn annual interest rates ranging from 5.6% to 8.4% at 31 December 2023 (31/12/2022: 4.6%).

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**8. Tangible fixed assets**

	Office equipment VND	Others VND	Total VND
<b>Cost</b>			
Opening balance	47,158,924,230	595,970,320	47,754,894,550
Additions	6,623,184,539	-	6,623,184,539
Closing balance	53,782,108,769	595,970,320	54,378,079,089
<b>Accumulated depreciation</b>			
Opening balance	9,272,438,832	129,789,091	9,402,227,923
Charge for the year	16,338,642,598	119,194,064	16,457,836,662
Closing balance	25,611,081,430	248,983,155	25,860,064,585
<b>Net book value</b>			
Opening balance	37,886,485,398	466,181,229	38,352,666,627
Closing balance	28,171,027,339	346,987,165	28,518,014,504



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**9. Intangible fixed assets**

	<b>Software VND</b>	<b>License fees VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	96,221,581,685	20,919,515,918	117,141,097,603
Additions	27,708,763,469	-	27,708,763,469
Transfer from construction in progress	4,169,575,000	3,563,000,000	7,732,575,000
Closing balance	128,099,920,154	24,482,515,918	152,582,436,072
<b>Accumulated amortisation</b>			
Opening balance	11,388,222,050	3,492,097,650	14,880,319,700
Charge for the year	20,548,652,201	2,399,664,978	22,948,317,179
Closing balance	31,936,874,251	5,891,762,628	37,828,636,879
<b>Net book value</b>			
Opening balance	84,833,359,635	17,427,418,268	102,260,777,903
Closing balance	96,163,045,903	18,590,753,290	114,753,799,193

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**10. Construction in progress**

	<b>2023</b> <b>VND</b>
Opening balance	3,232,213,125
Additions	22,765,136,928
Transfer to intangible fixed assets (Note 9)	(7,732,575,000)
	18,264,775,053
Closing balance	18,264,775,053

Major items of construction in progress:

	<b>31/12/2023</b> <b>VND</b>	<b>31/12/2022</b> <b>VND</b>
Information Technology Systems	18,264,775,053	3,232,213,125
	18,264,775,053	3,232,213,125

**11. Long-term financial investments**

	<b>31/12/2023</b> <b>Cost</b> <b>VND</b>	<b>31/12/2022</b> <b>Cost</b> <b>VND</b>
▪ Long-term investments		
• Term deposits at banks (i)	302,300,000,000	-
• Certificates of deposit (ii)	322,300,000,000	400,000,000,000
	624,600,000,000	400,000,000,000

(i) These term deposits at banks have remaining term to maturity of more than one (1) year at the reporting date and earn annual interest rates ranging from 5.7 to 9.2% at 31 December 2023.

(ii) These certificates of deposit have remaining term to maturity of more than one (1) year and earn annual interest rates ranging from 8.10% to 8.80% at 31 December 2023 (31/12/2022: 6.00% to 8.25%).

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**12. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Maintenance and support fees	11,096,762,805	7,044,039,448
Tuition fees	968,652,055	1,525,552,511
Rental fees	149,000,000	1,039,893,500
Others	278,526,564	551,086,990
	12,492,941,424	10,160,572,449

**(b) Long-term prepaid expenses**

	<b>IT devices</b>	<b>Software</b>	<b>Tool and</b>	<b>Others</b>	<b>Total</b>
	<b>VND</b>	<b>maintenance</b>	<b>instruments</b>	<b>VND</b>	<b>VND</b>
		<b>and support</b>			
		<b>fees</b>			
		<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Opening balance	4,217,269,464	2,692,675,618	899,758,636	53,508,639	7,863,212,357
Additions	3,328,900,340	2,035,988,600	3,483,426,979	423,863,353	9,272,179,272
Amortisation for the year	(2,663,295,239)	(1,917,972,745)	(1,542,935,329)	(81,845,962)	(6,206,049,275)
Closing balance	4,882,874,565	2,810,691,473	2,840,250,286	395,526,030	10,929,342,354

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**Shinhan Life Insurance Vietnam Limited Liability Company**  
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**13. Deferred tax assets/(liabilities), net**

	31/12/2023 VND	31/12/2022 VND
<i>Recognised deferred tax assets</i>		
▪ Accrued expenses	900,040,212	-
▪ Provision for severance allowance	53,956,708	-
	953,996,920	-
<i>Recognised deferred liabilities</i>		
▪ Taxable temporary differences	-	(372,910,519)
Deferred tax assets/(liabilities), net	953,996,920	(372,910,519)

**14. Accounts payable to suppliers**

	31/12/2023 VND	31/12/2022 VND
Accounts payable – insurance	10,857,095,150	18,805,415,255
▪ <i>Claims and insurance benefits payable to policyholders</i>	75,306,470	63,662,625
▪ <i>Compensations payable to agents</i>	1,287,692,415	4,399,866,725
▪ <i>Compensations payable to other distribution channels (i)</i>	9,494,096,265	14,341,885,905
Other trade payables	8,533,940,700	10,252,585,296
▪ <i>Payables to suppliers</i>	8,533,940,700	10,252,585,296
	19,391,035,850	29,058,000,551

(i) Details compensations payable to other distribution channels:

	31/12/2023 VND	31/12/2022 VND
Shinhan Bank Vietnam Limited (Note 26 (b))	314,713,350	2,761,901,810
Shinhan Vietnam Finance Company Limited (Note 26 (b))	8,684,519,190	11,558,761,995
Third parties	494,863,725	21,222,100
	9,494,096,265	14,341,885,905



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**15. Taxes (payable to)/receivable from State Treasury**

<b>(a) Taxes payable to State Treasury</b>	<b>1/1/2023 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>Transfer to taxes receivable VND</b>	<b>31/12/2023 VND</b>
Value added tax	107,378,524	107,790,752	(182,123,282)	-	33,045,994
Personal income tax	3,271,086,229	11,345,246,284	(12,922,846,361)	-	1,693,486,152
Other taxes	93,653,112	1,742,917,544	(1,693,429,237)	(3,532,269)	139,609,150
	3,472,117,865	13,195,954,580	(14,798,398,880)	(3,532,269)	1,866,141,296
<hr/>					
<b>(b) Taxes receivable from State Treasury</b>	<b>1/1/2023 VND</b>			<b>Transfer from taxes payable VND</b>	<b>31/12/2023 VND</b>
Corporate income tax overpaid	1,292,342,088			-	1,292,342,088
Other taxes	-			3,532,269	3,532,269
	1,292,342,088			3,532,269	1,295,874,357
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**16. Accrued expenses**

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Consulting fees	6,646,819,681	12,874,453,222
Agents and other distribution channels' bonus	4,400,201,056	4,877,872,670
Employees' bonus	5,414,144,832	3,744,850,000
Others	4,015,976,228	2,813,300,760
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	20,477,141,797	24,310,476,652
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**17. Technical reserves**

	Mathematical reserve VND (ii)	Unearned premiums reserve VND	Claims reserve VND (i)	Total VND
<b>Balance at 1 January 2022</b>	-	-	-	-
Reserve made during the year	23,478,318,009	4,650,033,138	327,055,207	28,455,406,354
<b>Balance at 31 December 2022</b>	23,478,318,009	4,650,033,138	327,055,207	28,455,406,354
Reserve made during the year	62,100,784,858	2,650,091,389	804,099,738	65,554,975,985
<b>Balance at 31 December 2023</b>	85,579,102,867	7,300,124,527	1,131,154,945	94,010,382,339
(i) Details of claims reserve are as follows:				
	<b>31/12/2023</b>	<b>31/12/2022</b>		
	VND	VND		
IBNR claims reserve	511,672,971	213,480,207		
Outstanding claims reserve	619,481,974	113,575,000		
	1,131,154,945	327,055,207		

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	1/1/2023 VND	Movements during the year VND	31/12/2023 VND
(ii) Movements of mathematical reserve during the year were as follows:			
<b>Year ended 31 December 2023</b>			
Mathematical reserve for traditional life insurance policies	23,478,318,009	62,100,784,858	85,579,102,867
<b>Year ended 31 December 2022</b>			
Mathematical reserve for traditional life insurance policies	-	23,478,318,009	23,478,318,009

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**18. Owner's equity**  
**(a) Statement of changes in equity**

	Contributed capital VND	Statutory reserve VND	Retained profits/ (accumulated losses) VND	Total VND
<b>Balance at 1 January 2022</b>	2,320,000,000,000	355,003,758	6,745,071,392	2,327,100,075,150
Loss for the year	-	-	(34,278,424,046)	(34,278,424,046)
<b>Balance at 31 December 2022</b>	2,320,000,000,000	355,003,758	(27,533,352,654)	2,292,821,651,104
Loss for the year	-	-	(49,759,137,318)	(49,759,137,318)
<b>Balance at 31 December 2023</b>	2,320,000,000,000	355,003,758	(77,292,489,972)	2,243,062,513,786

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**(b) Contributed capital**

The Company's authorised and contributed charter capitals are as follows:

	<b>As at 31/12/2023 and 31/12/2022</b>	
	<b>VND</b>	<b>%</b>
Shinhan Life Insurance Corporation	2,320,000,000,000	100

The parent company, Shinhan Life Insurance Corporation, and the ultimate parent company, Shinhan Financial Group is incorporated in Republic of Korea.

**19. Gross written premiums from direct insurance**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Term life insurance products	191,518,680,700	96,478,995,300
Endowment insurance products	20,160,838,000	11,306,963,000
Health insurance products	5,257,603,000	913,622,000
	216,937,121,700	108,699,580,300

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**20. Total claims expense and other insurance benefits**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Claims expense and other insurance benefits	1,529,152,157	2,070,000
In which		
▪ <i>Health insurance</i>	442,899,000	-
▪ <i>Term life insurance</i>	922,643,887	-
▪ <i>Endowment insurance</i>	163,609,270	2,070,000
Increase in technical reserves for direct insurance (Note 17)	62,904,884,596	23,805,373,216
▪ <i>Mathematical reserve</i>	62,100,784,858	23,478,318,009
▪ <i>Claims reserve</i>	804,099,738	327,055,207
	64,434,036,753	23,807,443,216

**21. Other insurance costs**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Claims assessment costs	48,079,000	101,617,000
Others	707,982	-
	48,786,982	101,617,000

**22. Financial income**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Interest income		
• Demand deposits at banks	36,383,633	10,832,512
• Term deposits at banks	99,769,567,458	110,101,307,335
• Certificates of deposit	77,161,250,131	12,288,356,163
Foreign exchange gains	8,188,950	-
	176,975,390,172	122,400,496,010

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**23. Selling expenses**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Bonus expense for agents and other distribution channels	136,879,560,428	62,115,879,920
Salary and related expenses	25,564,709,990	224,357,924
Outside services expenses	16,416,857,662	10,917,915,544
Tools, equipment and stationery expenses	535,627,673	545,685,916
Other expenses for agents and other distribution channels	625,629,369	488,499,783
Other expenses	11,984,304,098	13,985,961,455
	<hr/>	<hr/>
	192,006,689,220	88,278,300,542
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**24. General and administration expenses**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Salary and related expenses	53,646,895,023	54,186,768,910
Outside services expenses	44,124,836,292	41,293,660,933
Depreciation expense	39,406,153,841	23,254,108,866
Tools, equipment and stationery expenses	11,570,681,918	3,822,087,608
Taxes and duties	6,000,000	3,000,000
Allowance for doubtful debts	33,712,065	-
Other expenses	4,217,815,474	6,145,277,596
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	153,006,094,613	128,704,903,913
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**Shinhan Life Insurance Vietnam Limited Liability Company**  
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**25. Income tax**

**(a) Recognised in the statement of income**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Under provision in prior year	-	861,314,178
<b>Deferred tax (benefit)/expense</b>		
Origination and reversal of temporary differences	(1,326,907,439)	372,910,519
	<u>(1,326,907,439)</u>	<u>1,234,224,697</u>

**(b) Reconciliation of effective tax rate**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Accounting loss before tax	(51,086,044,757)	(33,044,199,349)
Tax at the Company's tax rate	(10,217,208,951)	(6,608,839,870)
Non-deductible expenses	175,157,499	36,810,780
Deferred tax assets not recognised	8,715,144,013	6,944,939,609
Under provision in prior year	-	861,314,178
	<u>(1,326,907,439)</u>	<u>1,234,224,697</u>

**(c) Applicable tax rates**

The Company's income tax rate is 20%. The income tax computation is subject to the review and approval of the tax authorities.



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**(d) Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items:

	<b>31/12/2023</b>		<b>31/12/2022</b>	
	<b>Temporary difference VND</b>	<b>Tax value VND</b>	<b>Temporary difference VND</b>	<b>Tax value VND</b>
Tax losses (i)	62,323,477,369	12,464,695,474	28,368,275,776	5,673,655,155
Deductible temporary differences	15,976,940,741	3,195,388,148	6,356,422,269	1,271,284,454
	<b>78,300,418,110</b>	<b>15,660,083,622</b>	<b>34,724,698,045</b>	<b>6,944,939,609</b>

**(i) The tax losses expire in the following years:**

<b>Year of expiry</b>	<b>Status of tax review</b>	<b>Tax losses available VND</b>
2027	Outstanding	28,368,275,776
2028	Outstanding	33,955,201,593
		<b>62,323,477,369</b>

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilise the benefits therefrom.

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**26. Significant transactions with related parties**

**(a) Transactions with related parties**

The Company had the following significant transactions with related parties during the year:

	Transaction value	
	2023 VND	2022 VND
<i>Parent company</i>		
<b>Shinhan Life Insurance Corporation</b>		
Purchase of services	7,217,625,769	12,820,453,222
<i>Other related companies</i>		
<b>Shinhan DS Vietnam Company Limited</b>		
Purchase of services	6,586,842,940	51,032,043,624
<b>Shinhan Bank Vietnam Limited</b>		
Interest income	19,190,980,115	9,336,500,455
Commission, bonus and other allowances payables for agency services	8,143,301,121	8,412,832,681
Bank charge	33,624,981	10,989,871
<b>Shinhan Vietnam Finance Company Limited</b>		
Insurance premium arising from agency services	182,169,454,700	94,918,835,300
Commission, bonus and other allowances payable for agency services	138,569,522,671	62,493,242,945
Claim expenses arising from agency services	459,289,087	-
Interest income	58,282,465,747	7,651,095,889
<b>Key management personnel</b>		
Salary and bonus	11,465,148,162	6,642,013,712
Other benefits	3,921,118,184	2,540,691,760

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**(b) Balances with related parties**

	<b>Balance outstanding as at</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
<i>Other related companies</i>		
<b>Shinhan DS Vietnam Company Limited</b>		
Prepayment to supplier	428,065,000	-
<b>Shinhan Bank Vietnam Limited</b>		
Cash at bank	7,878,333,261	6,374,936,183
Cash equivalents	-	103,000,000,000
Short-term deposits	249,196,400,000	6,655,000,000
Long-term deposits	4,500,000,000	-
Statutory security deposit	15,000,000,000	12,000,000,000
Trade payables	314,713,350	2,761,901,810
<b>Shinhan Vietnam Finance Company Limited</b>		
Short-term certificates of deposit	200,000,000,000	265,000,000,000
Long-term certificates of deposit	200,000,000,000	200,000,000,000
Trade receivables	13,075,420,600	17,429,773,400
Trade payables	8,684,519,190	11,558,761,995

**27. Risk management framework**

**a) Governance framework**

The Company implements risk management based on establishing a comprehensive risk management framework and deploying components that comply with related law/regulation and business strategies at each stage. The risk management principles and risk appetite issued by the Members' Council are built based on assessing the material risks and its acceptance level. At the Senior Management level, risk management is implemented into processes, regulations, and limits to ensure that all activities at business units and operating activities follow the issued risk principles and appetite.

Through the internal control system based on the three-line of defense model and the risk management process with full steps (identifying, measuring, monitoring, and managing risks), risk management activities are implemented across the Company to manage, prevent, detect, and promptly handle risks and achieve the targets set by the Members' Council. The implementation, monitoring, and assessment of risk management activities and updating of internal regulations are carried out periodically or when there are changes in the business environment, regulatory requirements, or Company's business strategy.

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**b) Insurance risk and policy to manage**

**i) Risk acceptance on insurance policy**

To assure the appropriate of insurance risk accepted by the Company:

- Regularly update with the reinsurance company to ensure that new/latest underwriting guidelines and tools are used, and proactively work with the reinsurance company in the underwriting process of special cases.

**ii) Risk assessment and management method**

Conduct research on experience studies related to insurance risk factors. These internal studies together with market data are used to identify new trends that can be used to provide information for product design, pricing, underwriting, claim management, and reinsurance needs.

Continuously monitor the transactions through using the various indicators.

**iii) Risk restriction and transferring method**

The company has worked with reinsurance companies about the reinsurance activities.

**iv) Commitment on mobilizing or capital contribution to payment obligation**

To ensure the fulfilment of insurance commitments, the Company:

- Maintains cash assets above the minimum regulatory requirement; and
- Maintains a good solvency margin, at least 10% higher than the minimum regulatory requirement.

**v) Changes in methods and assumptions used**

**Assumptions development process**

The process of developing assumptions aims to provide prudent and stable estimates of future outcomes. This is achieved by applying best-measured assumptions which can withstand a reasonable fluctuation in actual experience. The regular review of the relevant experience is performed to ensure the reasonableness of the assumptions applied and the most feasible estimates against future outcomes. The assumptions considered include the probability of loss occurrence and investment returns.

The reserving methods for each type of products are described in Note 3(1).



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**Assumptions**

**Mortality:** mortality tables used in reserve are based on approved calculation basis and comply with regulatory requirements. The Company ensures that the mortality rate applied in reserve is not lower than the rate used to calculate insurance premiums.

**Morbidity:** morbidity rates used in reserve are based on approved calculation basis. Morbidity rates mainly include critical illnesses and disability and are generally provided by reinsurers with experience from similar markets.

**Valuation interest rate (VIR):** the Company uses valuation interest rates for products approved by the MoF. These interest rates may be adjusted in case of fluctuations in Government bond yields, but only after approval from the MoF.

**28. Financial instruments**

Transactions in financial instruments may result in the Company assuming financial risks. These include market risk, credit risk and liquidity risk. Each of these financial risks is described below, together with a summary of the ways in which the Company manages these risks.

**(a) Market risk**

Market risk is the risk that fluctuations in market prices, such as exchange rates, interest rates, and stock prices, will affect the Company's business results or the value of the financial instruments held by the Company. The purpose of market risk management is to manage and control market risks within acceptable limits, while still maximizing profits.

**(i) Currency exchange risk**

Currency exchange risk is the risk that the value of financial instruments fluctuates due to changes in exchange rates against VND, the Company's accounting currency.

Most of the Company's transactions are conducted in VND and currency exchange risk primarily arises for the US dollar. Almost Company's financial assets were recorded in the same currency as the financial liabilities from insurance policies and investments, which were mainly VND. Therefore, the Company does not have material currency exchange risk.

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**(ii) Interest rate risk**

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

The following policies, procedures are applied to mitigate the interest rate risk:

- The Company has established and implemented investment principles and strives to achieve investment criteria and ensures that market asset fluctuations are monitored continuously and promptly.
- The Company also establishes clear strategic investment limits, which will be reviewed regularly by the Investment Committee.

At the reporting date, Company's interest bearing financial instruments were:

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>Carrying</b>	<b>Carrying</b>
	<b>amount</b>	<b>amount</b>
	<b>VND</b>	<b>VND</b>
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
<i>Cash and cash equivalents</i>		
▪ Cash at banks	7,999,013,699	6,503,197,749
▪ Cash equivalents	77,500,000,000	103,000,000,000
<i>Short-term financial investments</i>		
▪ Term deposits at banks	902,296,400,000	1,326,655,000,000
▪ Certificates of deposit	430,000,000,000	265,000,000,000
<i>Long-term financial investments</i>		
▪ Term deposits at banks	302,300,000,000	-
▪ Certificates of deposit	322,300,000,000	400,000,000,000
<hr/>		
<b>Variable rate instruments</b>		
<i>Financial assets</i>		
Statutory security deposit	15,000,000,000	12,000,000,000
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**(iii) Equity price risk**

The Company did not hold any equity securities at the reporting date. Therefore, the Company is not exposed to equity price risk.

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**(b) Credit risk**

Credit risk is the risk of financial loss that may arise for the Company if a customer or counterparty involved in a financial instrument fails to meet their contractual obligations, and arises mainly from cash at banks, cash equivalents, accounts receivable, short-term investments and long-term investments. The Company adopts the policy of dealing with customers/counterparties of appropriate credit history to mitigate credit risk.

<b>At 31 December 2023</b>	<b>Neither past due nor impaired VND</b>	<b>Past due but not impaired VND</b>	<b>Past due and impaired VND</b>	<b>Total VND</b>
Cash and cash equivalents	85,499,013,699	-	-	85,499,013,699
Short-term financial investments	1,332,296,400,000	-	-	1,332,296,400,000
Accounts receivable – insurance	20,805,638,600	-	-	20,805,638,600
Other short-term receivables	68,842,360,853	80,000,000	67,424,130	68,989,784,983
Other long-term investments	624,600,000,000	-	-	624,600,000,000
Statutory security deposit	15,000,000,000	-	-	15,000,000,000
Other long-term receivables	43,582,010,190	-	-	43,582,010,190
	<b>2,190,625,423,342</b>	<b>80,000,000</b>	<b>67,424,130</b>	<b>2,190,772,847,472</b>



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<b>At 31 December 2022</b>	<b>Neither past due nor impaired VND</b>	<b>Past due but not impaired VND</b>	<b>Past due and impaired VND</b>	<b>Total VND</b>
Cash and cash equivalents	109,503,197,749	-	-	109,503,197,749
Short-term financial investments	1,591,655,000,000	-	-	1,591,655,000,000
Accounts receivable – insurance	17,836,284,400	-	-	17,836,284,400
Other short-term receivables	66,501,596,722	-	-	66,501,596,722
Other long-term investments	400,000,000,000	-	-	400,000,000,000
Statutory security deposit	12,000,000,000	-	-	12,000,000,000
Other long-term receivables	15,058,224,357	-	-	15,058,224,357
	<b>2,212,554,303,228</b>	<b>-</b>	<b>-</b>	<b>2,212,554,303,228</b>



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Allowance for doubtful debts:

	31/12/2023		31/12/2022	
	Cost VND	Allowance VND	Recoverable amount VND	Cost VND
Short-term security deposits	561,754,130	33,712,065	528,042,065	519,195,000
				-
				519,195,000

Movements of allowance for doubtful debts during the year were as follows:

	2023 VND	2022 VND
Opening balance	-	-
Allowance made during the year	33,712,065	-
Closing balance	33,712,065	-

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**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. The Company’s liquidity management approach is to ensure, to the highest extent possible, that the Company always has sufficient liquidity to meet its payables when due, both under normal and stressed financial conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

***Contractual maturity***

The following policies, procedures are applied to mitigate the liquidity risk:

- The Company has established a mechanism for regularly monitoring liquidity indicators to measure and monitor the Company’s liquidity, thereby promptly identifying and detecting any abnormalities and implementing appropriate plans/solutions.
- Asset allocation principles and asset class limits have been issued to ensure that the company has sufficient available financial resources to meet its payment obligations. The company invests mostly in high liquid assets, including term deposits and certificates of deposit.
- Financial contingency plans shall be established as needed to meet financial obligations in emergencies as well as when events occur.

The table below categorises the Company’s non-derivative financial liabilities into relevant maturity groupings based on the remaining period from balance sheet date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows.

<b>At 31 December 2023</b>	<b>Carrying amount VND</b>	<b>Contractual cash flows VND</b>	<b>Within 1 year VND</b>
Accounts payable to suppliers	19,391,035,850	19,391,035,850	19,391,035,850
Accrued expenses	20,477,141,797	20,477,141,797	20,477,141,797
Other short-term payables	392,238,665	392,238,665	392,238,665
	40,260,416,312	40,260,416,312	40,260,416,312
<b>At 31 December 2022</b>	<b>Carrying amount VND</b>	<b>Contractual cash flows VND</b>	<b>Within 1 year VND</b>
Accounts payable to suppliers	29,058,000,551	29,058,000,551	29,058,000,551
Accrued expenses	24,310,476,652	24,310,476,652	24,310,476,652
Other short-term payables	717,495,923	717,495,923	717,495,923
	54,085,973,126	54,085,973,126	54,085,973,126

**Shinhan Life Insurance Vietnam Limited Liability Company**  
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*dated 19 December 2014 of the Ministry of Finance)*

**(d) Capital management**

The primary capital management objectives of the Company are to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements.

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 margin requirements being applicable to the Company are those set out in relevant regulations of MoF.

The table below summarises the minimum regulatory solvency margin for the Company and the solvency capital held against each of them. Insurance Supervisory Authority (“ISA”) are primarily interested in protecting the rights of policyholders and monitor closely to ensure that the insurance subsidiaries are satisfactorily managing affairs for their benefit. In the meantime, ISA is also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen insurance obligations arising from economic shocks or natural disasters.

	<b>The Company’s Solvency capital VND million</b>	<b>Minimum Solvency Margin VND million</b>	<b>Solvency Margin Ratio %</b>
At 31 December 2023	2,155,954	20,110	10,721
At 31 December 2022	2,222,379	7,500	29,631

The solvency ratio of the Company is calculated based on the relevant regulations promulgated by the MoF, which is an indicator of the overall solvency position of the insurance operations.

**Shinhan Life Insurance Vietnam Limited Liability Company**  
**Notes to the financial statements for the year ended 31 December 2023 (continued)**

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**29. Operating lease commitments**

The future minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2023 VND	31/12/2022 VND
Within one year	25,766,265,654	19,141,212,725
From two to five years	38,695,155,849	46,612,297,503
	64,461,421,503	65,753,510,228

**30. Capital commitments**

At the reporting date, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2023 VND	31/12/2022 VND
Approved and contracted	21,780,482,267	9,084,961,199

**31. Non-cash investing and financing activities**

	2023 VND	2022 VND
Cost of fixed assets acquired but not yet paid	3,997,144,300	552,310,000

26 March 2024

Prepared by:



Le Thi Minh Thuy  
Chief Accountant

Approved by:



Baek Seung Jun  
General Director



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