

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2020 S.G.A. /

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

CORPORATE INFORMATION

Establishment and Operation Licence	No. 52/GP-UBCK dated 24 October 2013 No. 13/GPDC-UBCK dated 17 June 2014 No. 26/GPDC-UBCK dated 21 September 2015 No. 03/GPDC-UBCK dated 4 April 2016 were issued by the State Securities Commission of Vietnam. The establishment and operation license and its subsequent amendments were issued by the State Securities Commission of Vietnam for a period of 50 years from the date of the initial establishment and operation license No. 52/GP-UBCK date 24 October 2013.	
The Executive Board	Mr. Lam Hai Tuan Mr. Bui Thanh Hiep Ms. Dang Thi Hong Loan	Chairman Vice Chairman of the Company Director
Legal Representative	Mr. Lam Hai Tuan	Chairman
Principal activities	The principal activities of Chubb Life Fund Management Company Limited are management of securities investment funds, securities investment portfolios and securities investment consultancy in Vietnam.	
Registered Office	Parcel K, 8th Floor, Sun Wah Tower 115 Nguyen Hue Street, District 1 Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

STATEMENT OF RESPONSIBILITY OF THE EXECUTIVE BOARD'S OF THE COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The Executive Board of Chubb Life Fund Management Company Limited ("the Company") is responsible for preparing financial statements which give a true and fair view of the financial position of the Company as at 31 December 2020 and the results of its operations, changes in equity and cash flows for the year then ended. In preparing these financial statements, the Executive Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Executive Board 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 which enable the financial statements to be prepared which comply with the basis of accounting set out from Note 2 to Note 4 of the financial statements. The Executive Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and errors.

APPROVAL OF THE FINANCIAL STATEMENTS

The Executive Board hereby approves the accompanying financial statements as set out on pages 5 to 27 which give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations, changes in equity and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to fund management companies operating in Vietnam.

On behalf of the Executive Board 




Lam Hai Tuan
Legal Representative

Ho Chi Minh City, Vietnam
29 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

We have audited the accompanying financial statements of Chubb Life Fund Management Company Limited ("the Company") which were prepared on 31 December 2020 and approved by the Executive Board of the Company on 29 March 2021. The financial statements comprise the balance sheet as at 31 December 2020, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 27.

The Executive Board's Responsibility

The Executive Board is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on the preparation and presentation of financial statements applicable to fund management companies operating in Vietnam and for such internal control which the Executive Board determines necessary to enable the preparation and fair presentation of financial statements as are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to 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 auditor's judgment, including an 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 true 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 Executive Board, 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2020, the results of its operations, its statement of changes in equity and cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on the preparation and presentation of financial statements applicable to fund management companies operating in Vietnam.

Other matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English version, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No.
0849-2018-006-1
Authorised signatory

Report reference number: HCM10374
Ho Chi Minh City, 29 March 2021



Tran Van Thang
Audit Practising Licence No.
3586-2021-006-1

STATEMENT OF FINANCIAL POSITION

Code	ASSETS	Note	As at 31 December	
			2020 VND	2019 VND
100	CURRENT ASSETS		51,441,490,470	42,086,885,877
110	Cash and cash equivalents	5.1	1,864,919,094	2,170,307,056
111	Cash		1,864,919,094	2,170,307,056
120	Short-term investments		47,573,400,000	37,700,000,000
123	Investments held-to-maturity	5.2	47,573,400,000	37,700,000,000
130	Short-term receivables		1,916,579,807	2,158,892,639
131	Short-term trade accounts receivable		-	8,562,400
134	Receivables from operating activities		82,514,120	79,093,561
135	Other short-term receivables	5.3(a)	1,834,065,687	2,071,236,678
150	Other current assets		86,591,569	57,686,182
151	Short-term prepaid expenses	5.4	86,591,569	57,686,182
200	LONG-TERM ASSETS		566,246,335	547,717,185
210	Long-term receivables		190,252,000	190,252,000
216	Other long-term receivables	5.3(b)	190,252,000	190,252,000
220	Fixed assets		131,476,334	177,879,746
221	Tangible fixed assets	5.5(a)	131,476,334	177,879,746
222	Historical cost		1,268,171,409	1,268,171,409
223	Accumulated depreciation		(1,136,695,075)	(1,090,291,663)
227	Intangible fixed assets	5.5(b)	-	-
228	Historical cost		345,384,000	345,384,000
229	Accumulated amortisation		(345,384,000)	(345,384,000)
260	Other long-term assets		244,518,001	179,585,439
262	Deferred income tax assets	5.13(b)	244,518,001	179,585,439
270	TOTAL ASSETS		52,007,736,805	42,634,603,062

The notes on pages 11 to 27 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(Continued)

Code	RESOURCES	Note	As at 31 December	
			2020 VND	2019 VND
300	LIABILITIES		2,194,228,509	1,660,632,407
310	Short-term liabilities		2,179,228,509	1,649,132,407
312	Short-term trade accounts payable		4,000,000	4,994,021
314	Tax and other payables to the State	5.6	669,560,067	517,783,442
315	Payables to employees	5.7	259,855,643	211,753,643
316	Short-term accrued expenses	5.8	1,222,589,999	897,927,187
319	Other short-term payables		23,222,800	16,674,114
330	Long-term liabilities		15,000,000	11,500,000
337	Other long-term payables		15,000,000	11,500,000
400	OWNER'S EQUITY		49,813,508,296	40,973,970,655
410	Capital and reserves		49,813,508,296	40,973,970,655
411	Owner's capital		26,000,000,000	26,000,000,000
418	Financial and operational risk reserve		1,190,675,413	748,698,531
419	Owner's other reserves		1,190,675,413	748,698,531
420	Undistributed earnings		21,432,157,470	13,476,573,593
420a	- Undistributed post-tax profits of previous years		13,476,573,593	8,218,036,703
420b	- Post-tax profit of current year		7,955,583,877	5,258,536,890
440	TOTAL RESOURCES		52,007,736,805	42,634,603,062


Do Thi Thu Nguyet
Preparer/Chief Accountant

Dang Thi Hong Loan
DirectorLam Hai Tuan
Legal Representative
29 March 2021

The notes on pages 11 to 27 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(Continued)

OFF BALANCE SHEET ITEMS

Code	ITEM	Note	As at	
			2020 VND	2019 VND
030	Cash of entrusted investors		2,252,557,622	2,365,222,439
031	Cash of domestic entrusted investors		17,119,438	25,071,358
032	Cash of foreign entrusted investors		2,235,438,184	2,340,151,081
040	Entrusted investors' portfolio		102,800,000,000	99,000,000,000
041	Domestic entrusted investors' portfolio		781,280,000	1,049,400,000
042	Foreign entrusted investors' portfolio		102,018,720,000	97,950,600,000
050	Entrusted investors' receivables		3,570,166,576	2,319,128,767
051	Entrusted investors' payables		239,726,620	262,852,783


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Dang Thi Hong Loan
DirectorLam Hai Tuan
Legal Representative
29 March 2021

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STATEMENT OF COMPREHENSIVE INCOME

Code	Note	Year ended 31 December	
		2020 VND	2019 VND
01	Revenue from rendering of services	15,471,433,895	12,673,966,744
02	Less deductions	-	-
10	Net revenue from rendering of services 5.9	15,471,433,895	12,673,966,744
11	Cost of services rendered 5.10	(3,030,297,477)	(3,163,750,064)
20	Gross profit from sales of goods and rendering of services	12,441,136,418	9,510,216,680
21	Financial income 5.11	3,116,058,617	2,549,787,321
26	General and administration expenses 5.12	(4,506,150,735)	(4,751,255,673)
30	Net operating profit	11,051,044,300	7,308,748,328
32	Other expenses	-	(4,316,616)
40	Net other expenses	-	(4,316,616)
50	Net accounting profit before tax	11,051,044,300	7,304,431,712
51	Business income tax ("BIT") - current 5.13(a)	(2,276,439,221)	(1,479,895,136)
52	BIT- deferred 5.13(a)	64,932,562	18,282,188
60	Net profit after tax	8,839,537,641	5,842,818,764



Do Thi Thu Nguyet
Preparer/Chief Accountant



Dang Thi Hong Loan
Director



Lam Hai Tuan
Legal Representative
29 March 2021

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STATEMENT OF CASH FLOWS
(Indirect method)

		Year ended 31 December	
Code	Note	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	11,051,044,300	7,304,431,712
	Adjustments for:		
02	Depreciation	46,403,412	92,999,794
05	Profits from investing activities	(3,116,058,617)	(2,549,787,321)
08	Operating profit before changes in working capital	7,981,389,095	4,847,644,185
09	Decrease/(increase) in receivables	6,641,853	(89,155,973)
11	Increase/(decrease) in payables	301,305,845	(298,492,077)
12	(Increase)/decrease in prepaid expenses	(28,905,387)	248,656,589
15	BIT paid	(2,044,148,964)	(1,395,072,150)
20	Net cash inflows from operating activities	6,216,282,442	3,313,580,574
CASH FLOWS FROM INVESTING ACTIVITIES			
23	Investments in term deposits	(19,873,400,000)	(7,300,000,000)
24	Collection of term deposits	10,000,000,000	2,000,000,000
27	Interest received	3,351,729,596	2,673,079,483
30	Net cash outflows from investing activities	(6,521,670,404)	(2,626,920,517)
CASH FLOWS FROM FINANCING ACTIVITIES			
40	Net cash inflows from financing activities	-	-
50	Net increase/(decrease) in cash and cash equivalents	(305,387,962)	686,660,057
60	Cash and cash equivalents at beginning of year	2,170,307,056	1,483,646,999
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	1,864,919,094	2,170,307,056


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Dang Thi Hong Loan
DirectorLam Hai Tuan
Legal Representative
29 March 2021

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CHUBB LIFE FUND MANAGEMENT COMPANY LIMITED

Form B05 – CTQ

STATEMENT OF CHANGES IN EQUITY

	Owner's capital VND	Financial and operational risk reserve VND	Owner's other reserves VND	Undistributed earnings VND	Total VND
As at 1 January 2019	26,000,000,000	456,557,594	456,557,594	8,218,036,703	35,131,151,891
Profit for the year	-	-	-	5,842,818,764	5,842,818,764
Appropriate to statutory reserves (Note 4.16)	-	292,140,937	292,140,937	(584,281,874)	-
As at 31 December 2019	26,000,000,000	748,698,531	748,698,531	13,476,573,593	40,973,970,655
Profit for the year	-	-	-	8,839,537,641	8,839,537,641
Appropriate to statutory reserves (Note 4.16)	-	441,976,882	441,976,882	(883,953,764)	-
As at 31 December 2020	26,000,000,000	1,190,675,413	1,190,675,413	21,432,157,470	49,813,508,296



Do Thi Thu Nguyet
Preparer/Chief Accountant



Dang Thi Hong Loan
Director




Lam Hai Tuan
Legal Representative
29 March 2021

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1 GENERAL INFORMATION**

Chubb Life Fund Management Company (formerly known as ACE Life Fund Management Limited) (“the Company”) was established in SR Vietnam pursuant to Investment and Operating License No. 52/GP-UBCK issued by the State Securities Commission of Vietnam (“the SSC”) dated 24 October 2013. The establishment and operation license was amended several times and the latest amendment was No.03/GPĐC-UBCK dated 4 April 2016.

On 17 June 2014, the amendment of the Investment and Operating License No. 13/GPDC-UBCK was issued by the SSC to approve for the change of the Company’s registered office.

On 21 September 2015, the amendment of the Investment and Operating License No. 26/GPDC-UBCK was issued by the SSC to increase the charter capital of the Company to VND26,000,000,000.

On 4 April 2016, the Company received the second amendment of the Investment and Operating License No. 03/GPDC-UBCK issued by the SSC to approve for the change of the Company’s name from ACE Life Fund Management Company Limited to Chubb Life Fund Management Company Limited.

The Company is a one-member limited company, wholly owned by the Chubb Life Insurance Vietnam Company Limited (formerly known as ACE Life Insurance Company Limited), a company incorporated in Vietnam.

The principal activities of the Company are management of securities investment funds, securities investment portfolios and securities investment consultancy in Vietnam.

As at 31 December 2020, the Company had 15 employees (as at 31 December 2019: 12 employees).

2 FISCAL YEAR AND REPORTING CURRENCY**2.1 Fiscal year**

The Company’s fiscal year is from 1 January to 31 December.

2.2 Reporting currency

The financial statements are measured and presented in Vietnamese Dong (“VND” or “dong”).

The Company determines its accounting currency based on the currency which is mainly used in rendering of services, which has a significant impact on selling prices of services, which is normally used for list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labor, other operating costs, and normally used as payments of those costs.

2 FISCAL YEAR AND REPORTING CURRENCY (continued)**2.2 Reporting currency (continued)**

Transactions arising in foreign currencies are translated at the approximate exchange rate that is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank where the Company regularly trades. The approximate exchange rate disparity must not exceed +/- 1% compared with the average transfer exchange rate. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank where the Company regularly trades. The transfer rate is the buying rate or selling rate or average transfer rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the income statement.

3 ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS**3.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on the preparation and presentation of financial statements applicable to fund management companies operating in Vietnam. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements are not intended to present the financial position, financial performance, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements in Vietnamese language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Vietnamese language financial statements.

3.2 Form of records applied

The Company uses general journal to record its transactions.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**4.1 Cash**

Cash comprises cash on hand, cash at bank and demand deposits.

4.2 Investments held-to-maturity

Investments held-to-maturity are investments which the Company's Executive Board has positive intention and ability to hold until maturity.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.2 Investments held-to-maturity (continued)**

Investments held-to-maturity include term deposits which are held-to-maturity for interest earning. Those investments are initially accounted for at cost. Subsequently, the Executive Board reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

4.3 Receivables from customers and operational activities

Receivables represent trade receivables from customers and receivables from operational activities, including receivables from the Funds managed by the Company on charges for operation management, securities portfolio management fees, bonuses, investment advisory fees, other operating revenues; non-trade receivables from others.

Receivables are classified into short-term and long-term on the balance sheet based on the remaining payment period from the balance sheet date to the maturity date.

4.4 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly prepaid office rental and tools and equipment which were put to use. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

4.5 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets assets bringing them to their suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, they are charged to the income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives used are:

Leasehold improvement	5 years
Office equipment	3 years
Computer software	3 years

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.5 Fixed assets (continued)***Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the income statement.

4.6 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

4.7 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables, and not relating to purchase of goods and services.

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

4.8 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the the year.

4.9 Provisions

Provisions is recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions is measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

4.10 Owner's capital

Owner's capital is recorded according to actual amount contributed.

Undistributed earnings recorded the Company's results (profit, loss) after business income tax at reporting date.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.11 Revenue recognition****(a) Revenue from services rendered**

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the rendering of services is only recognised when the four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Company manages Universal Life Fund, Policyholder Participating Fund, Policyholder Non-participating Fund of Chubb Life Insurance Vietnam Company Limited and Chubb Bond Plus Fund (the "Funds"). The Company earns a management fee from each of the Funds which is calculated on a monthly basis.

(b) Interest income

Interest income is recognised in the income statement on an accruals basis unless collectability is in doubt.

4.12 Operating expenses

Operating expenses are total cost of services provided incurred during the year, accounted for on an accrual basis and for prudent basis. Expenses are charged to the income statement except for those incurred on the acquisition of an investment which is included in the cost of that investment.

4.13 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

4.14 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries that the Socialist Republic of Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.14 Current and deferred income tax (continued)**

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit and the current tax rates. Current and deferred tax should be recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

4.15 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, the Company considers substance of the relationship not merely the legal form.

4.16 Appropriation of the profit after tax

The financial and operational risk reserve and the reserve to supplement charter capital are appropriated from the Company's profit after tax and after netting off with loss carried forward from previous years. According to Circular 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, the Company is required to make annual appropriation to each of the reserves at 5% of the profit after tax of the Company of the year until the accumulated balance of each reserve reaches 10% of the charter capital. The reserve to supplemental charter capital is recorded in the balance sheet item code 419 – "Owner's other reserves".

4.17 Nil balances

Items or balances required by Circular No. 125/2011/TT-BTC issued by the Ministry of Finance on 5 September 2011 on the promulgation of accounting systems for fund management companies that are not shown in these financial statements indicate nil balances.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.18 Accounting estimates**

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of financial statements applicable to fund management companies operating in Vietnam requires the Executive Board to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

The area involving significant estimates and assumptions is as follows:

- Estimated useful life of fixed assets (Note 5.5).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**5.1 CASH**

	2020 VND	2019 VND
Cash on hand	3,000,000	3,000,000
Cash at bank	1,861,919,094	2,167,307,056
	<u>1,864,919,094</u>	<u>2,170,307,056</u>

5.2 SHORT-TERM INVESTMENTS HELD-TO-MATURITY

As at 31 December 2020 and as at 31 December 2019, investments held-to-maturity are term deposits at commercial banks with an original maturity of more than three (3) months.

For those with maturities equal or less than twelve (12) months from the end of the year, they are represented as short-term investments.

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.2 SHORT-TERM INVESTMENTS HELD-TO-MATURITY (continued)**

	2020		2019	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits				
Asia Commercial Joint Stock Bank ("ACB")	26,000,000,000	26,000,000,000	13,000,000,000	13,000,000,000
Orient Commercial Joint Stock Bank ("OCB")	6,000,000,000	6,000,000,000	3,000,000,000	3,000,000,000
An Binh Commercial Joint Stock Bank ("AB Bank")	5,200,000,000	5,200,000,000	5,200,000,000	5,200,000,000
Vietnam Prosperity Commercial Joint Stock Bank ("VP Bank")	4,073,400,000	4,073,400,000	2,500,000,000	2,500,000,000
Saigon – Hanoi Commercial Joint Stock Bank ("SHB")	3,300,000,000	3,300,000,000	2,000,000,000	2,000,000,000
Vietnam Export Import Commercial Joint Stock Bank ("Eximbank")	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank ("HDB")	1,000,000,000	1,000,000,000	-	-
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank")	-	-	10,000,000,000	10,000,000,000
	<u>47,573,400,000</u>	<u>47,573,400,000</u>	<u>37,700,000,000</u>	<u>37,700,000,000</u>

5.3 OTHER RECEIVABLES**(a) Other short-term receivables**

	2020		2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Accrued interest income	1,833,704,637	-	2,069,375,616	-
Other receivables	361,050	-	1,861,062	-
	<u>1,834,065,687</u>	<u>-</u>	<u>2,071,236,678</u>	<u>-</u>

(b) Other long-term receivables

	2020		2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposit for office rental	<u>190,252,000</u>	<u>-</u>	<u>190,252,000</u>	<u>-</u>

As at 31 December 2020 and 31 December 2019, there was no balance of other short-term receivables and long-term receivables that was past due or not past due but doubtful.

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.4 SHORT TERM PREPAID EXPENSES**

	2020 VND	2019 VND
Others	86,591,569	57,686,182

Movements in prepaid expenses during the year were as follows:

	2020 VND	2019 VND
Beginning of year	57,686,182	306,342,771
Increase	1,704,106,060	1,658,816,425
Allocation	(1,675,200,673)	(1,907,473,014)
End of year	86,591,569	57,686,182

5.5 FIXED ASSETS**(a) Tangible fixed assets**

	Office equipment VND	Leasehold improvements VND	Total VND
Historical cost			
As at 1 January 2020 and 31 December 2020	699,919,385	568,252,024	1,268,171,409
Accumulated depreciation			
As at 1 January 2020	522,039,639	568,252,024	1,090,291,663
Charge for the year	46,403,412		46,403,412
As at 31 December 2020	568,443,051	568,252,024	1,136,695,075
Net book value			
As at 1 January 2020	177,879,746	-	177,879,746
As at 31 December 2020	131,476,334	-	131,476,334

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2020 was VND1,036,154,349 (as at 31 December 2019: VND1,036,154,349).

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)

5.5 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1 January 2020 and 31 December 2020	345,384,000
Accumulated amortisation	
As at 1 January 2020	345,384,000
Charge for the year	-
As at 31 December 2020	345,384,000
Net book value	
As at 1 January 2020	-
As at 31 December 2020	-

Historical cost of fully depreciated intangible fixed assets but still in use as at 31 December 2020 was VND345,384,000 (as at 31 December 2019: VND345,384,000).

5.6 TAX AND OTHER PAYABLES TO THE STATE

	2020 VND	2019 VND
BIT - current	636,155,164	403,864,907
Personal income tax	33,404,903	113,918,535
	<u>669,560,067</u>	<u>517,783,442</u>

Movements in tax and other payables to the State during the year were as follows:

	As at 1.1.2020 VND	Payable during the year VND	Payment during the year VND	As at 31.12.2020 VND
BIT - current	403,864,907	2,276,439,221	(2,044,148,964)	636,155,164
Personal income tax	113,918,535	730,406,670	(810,920,302)	33,404,903
	<u>517,783,442</u>	<u>3,006,845,891</u>	<u>(2,855,069,266)</u>	<u>669,560,067</u>

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.7 PAYABLES TO EMPLOYEES**

Payable to employees is the contribution of the Company and its employees to the Pension fund and will be paid out to employees when they resign from their position.

5.8 ACCRUED EXPENSES

	2020 VND	2019 VND
Bonuses and compensation to employees	1,078,190,000	702,913,333
Other accrued expenses	144,399,999	195,013,854
	<u>1,222,589,999</u>	<u>897,927,187</u>

5.9 REVENUE FROM RENDERING OF SERVICES

	2020 VND	2019 VND
Investment portfolio management services (Note 7(a))	14,515,117,720	11,869,652,854
Fund management services (Note 7(a))	954,270,712	603,056,068
Revenue from subscriptions, redemptions and commission fees of open-ended funds' certificates (Note 7(a))	2,045,463	201,257,822
	<u>15,471,433,895</u>	<u>12,673,966,744</u>

5.10 COST OF SERVICES RENDERED

Cost of services rendered incurred during the year are expenses for management of securities investment fund activities.

	2020 VND	2019 VND
Staff costs	2,291,809,515	2,390,638,251
Rental expenses	643,104,000	642,237,750
Depreciation expenses	-	34,538,400
Other expenses	95,383,962	96,335,663
	<u>3,030,297,477</u>	<u>3,163,750,064</u>

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.11 FINANCIAL INCOME**

Financial income earned during the year includes interest income.

	2020 VND	2019 VND
Interest income from deposits	3,116,058,617	2,549,787,321

5.12 GENERAL AND ADMINISTRATION EXPENSES

	2020 VND	2019 VND
Staff costs	3,024,177,852	3,069,050,562
Office rental and insurance expenses	738,487,963	739,806,512
Audit and consultant expenses	199,985,930	447,963,998
Depreciation and amortisation expenses	46,403,412	58,461,394
Tools and supplies	3,698,750	118,590,955
Other expenses	493,396,828	317,382,252
	<u>4,506,150,735</u>	<u>4,751,255,673</u>

5.13 TAXATION**(a) BIT**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2020 VND	2019 VND
Net accounting profit before tax	11,051,044,300	7,304,431,712
Tax calculated at a rate of 20%	2,210,208,860	1,460,886,342
Effect of:		
Expenses not deductible for tax purposes	1,297,799	726,606
Business income tax charge (*)	<u>2,211,506,659</u>	<u>1,461,612,948</u>
Charged to income statement:		
Business income tax – current	2,276,439,221	1,479,895,136
Business income tax – deferred (Note 5.13(b))	(64,932,562)	(18,282,188)
	<u>2,211,506,659</u>	<u>1,461,612,948</u>

5 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (continued)**5.13 TAXATION (continued)****(a) BIT (continued)**

The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authority.

(b) Deferred income tax assets

	2020 VND	2019 VND
Deferred tax assets to be recovered within 12 months	244,518,001	179,585,439

The movement in the deferred income tax assets is as follows:

	2020 VND	2019 VND
Beginning of year	179,585,439	161,303,250
Credited to income statement (Note 5.13(a))	64,932,562	18,282,189
End of year	244,518,001	179,585,439

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The deferred income tax assets arise from deductible temporary differences relating to accrued expenses.

6 FINANCIAL RISK MANAGEMENT

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

- Market risk;
- Credit risk; and
- Liquidity risk.

The Executive Board is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Executive Board establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the Executive Board. The information presented below is based on information received by the Executive Board.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and market prices will affect the Company's income or the value of its holdings of financial instruments.

(i) *Currency risk*

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company is not exposed to currency risk as the Company's assets and liabilities are denominated in Vietnamese Dong which is the Company's functional currency.

(ii) *Market price risk*

Market price risk is the risk that the value of the financial instruments will decrease as a result of change in equity indices and the values of individual securities.

During the year, the Company was under no securities price risk as it did not enter into any securities transactions. The Company is not significantly exposed to commodity price risk.

(iii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant interest rate risk as the Company does not have borrowings.

6 FINANCIAL RISK MANAGEMENT (continued)**(b) Credit risk**

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from cash in banks, and accounts receivables.

All call deposits and term deposits were placed with financial institutions where the Company does not expect any losses arising from the non-performance of these financial institutions.

Receivables include receivables from customers and operating activities. The Company's Executive Board believes no allowance for receivables was considered necessary as at 31 December 2020 and as at 31 December 2019.

The maximum exposure to credit risk faced by the Company is equal to the carrying amounts of cash in banks and receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. As at 31 December 2020, the Company had financial liabilities comprising current trade payables amounting to VND1,249,812,799 (as at 31 December 2019: VND919,595,322) which represented contractual undiscounted cash outflows payable in less than one year.

7 RELATED PARTY DISCLOSURE

The Company is controlled by Chubb Life Insurance Vietnam Company Limited, a company incorporated in Vietnam, which owns 100% of the Company's capital.

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

	2020 VND	2019 VND
<i>i) Sales of rendering services (Note 5.9)</i>		
Investment portfolio management services - Chubb Life Insurance Vietnam Company Limited - Parent company	14,515,117,720	11,869,652,854
Fund management services - Chubb Bond Plus Fund	954,270,712	603,056,068
Subscriptions, redemptions and commission fees of open-ended funds' certificates - Chubb Bond Plus Fund	2,045,463	201,257,822
	<u> </u>	<u> </u>
<i>ii) Compensation of key management</i>		
Gross salaries and other benefits	2,509,448,113	2,670,129,980
	<u> </u>	<u> </u>
<i>iii) Other transactions</i>		
Expenses paid on behalf of the Company		
Parent company - Chubb Life Insurance Vietnam Company Limited	111,552,496	104,193,565
	<u> </u>	<u> </u>
Expenses paid by the Company on behalf of		
Parent company - Chubb Life Insurance Vietnam Company Limited	-	3,757,925
	<u> </u>	<u> </u>

(b) Year-end balances with related parties

	2020 VND	2019 VND
Short-term receivables from operating activities		
Chubb Bond Plus Fund	82,514,120	79,093,561
	<u> </u>	<u> </u>
Other short-term payables		
Parent company - Chubb Life Insurance Vietnam Company Limited	4,808,800	8,968,114
	<u> </u>	<u> </u>

8 COMMITMENTS

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

	2020 VND	2019 VND
Within one year	194,628,000	1,171,800,000
Between one and five years	-	195,300,000
Total minimum payments	<u>194,628,000</u>	<u>1,367,100,000</u>

The financial statements were approved by the Executive Board on 29 March 2021.



Do Thi Thu Nguyet
Preparer/Chief Accountant



Dang Thi Hong Loan
Director



Lam Hai Tuan
Legal Representative