

**VIETNAM NATIONAL REINSURANCE JOINT STOCK
CORPORATION**

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED CONSOLIDATED
FINANCIAL STATEMENTS**

For the period from 01 January 2015 to 30 June 2015

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the period from 01 January 2015 to 30 June 2015.

THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS

The members of the Boards of Management and General Directors of the Corporation who held office during the period and to the date of this report are as follows:

Board of Management

Mr. Le Song Lai	Chairman (appointed on 22 April 2015)
	Member (resigned on 22 April 2015)
Mr. Trinh Quang Tuyen	Chairman (resigned on 22 April 2015)
Mr. Martyn Parker	Vice Chairman
Mr. Pham Cong Tu	Member
Mr. Tran Vinh Duc	Member
Mr. Dao Nam Hai	Member
Mr. Hoang Viet Ha	Member
Mr. Phan Kim Bang	Member (appointed on 22 April 2015)
Mr. Pham Sy Danh	Member (appointed on 22 April 2015)
Mr. Beat Schnegg	Member (appointed on 22 April 2015)
Mr. Mai Xuan Dung	Member (appointed on 22 April 2015)

Board of General Directors

Mr. Pham Cong Tu	General Director
Mr. Dang The Vinh	Deputy General Director
Mr. Thomas Kessler	Deputy General Director
Mr. Mai Xuan Dung	Deputy General Director

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Corporation and of its consolidated results and cash flows for the period in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of General Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- prepare the consolidated financial statements on the going-concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)

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

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

For and on behalf of the Board of General Directors,



Pham Cong Tu
General Director

Hanoi, 26 August 2015

No.: 0148 /VNIA-HN-BC

REVIEW REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**To: The shareholders,
The Boards of Management and General Directors of
Vietnam National Reinsurance Joint Stock Corporation**

We have reviewed the accompanying consolidated balance sheet as at 30 June 2015, the related consolidated statements of income and cash flows for the period from 01 January 2015 to 30 June 2015, and the notes thereto (collectively referred to as the "consolidated financial statements") of Vietnam National Reinsurance Joint Stock Corporation (the "Corporation"), prepared on 26 August 2015 as set out from page 4 to page 43. The preparation of these consolidated financial statements is the responsibility of the Corporation's management. Our responsibility is to issue a review report on these consolidated financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No.910 - Engagements to review financial statements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of the Corporation's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of, in all material respects, the financial position of the Corporation as at 30 June 2015 and the results of its operations and its cash flows for the period from 01 January 2015 to 30 June 2015 in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting.



Dang Chi Dung
Deputy General Director
Audit Practising Registration Certificate
No. 0030-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

26 August 2015
Hanoi, S.R. Vietnam


Tran Quang Huy
Auditor
Audit Practising Registration Certificate
No. 1675-2013-001-1

CONSOLIDATED BALANCE SHEET

As at 30 June 2015

FORM B 01a-DNPNT
Unit: VND

ASSETS	Codes	Notes	30/6/2015	31/12/2014
A. CURRENT ASSETS (100=110+120+130+140+150+190)	100		5,478,183,241,138	4,907,419,601,474
I. Cash and cash equivalents	110	5	135,724,683,586	297,587,919,060
1. Cash	111		53,054,683,586	147,927,919,060
2. Cash equivalents	112		82,670,000,000	149,660,000,000
II. Short-term financial investments	120	6	2,049,040,871,689	1,742,095,935,326
1. Trading securities	121		35,224,503,520	30,474,683,685
2. Provision for impairment of trading securities	122		(4,533,631,831)	(2,928,748,359)
3. Held-to-maturity investments	123		2,018,350,000,000	1,714,550,000,000
III. Short-term receivables	130		1,080,747,752,167	1,026,371,186,846
1. Short-term trade receivables	131	7	1,122,355,895,467	1,078,308,021,619
1.1. Receivables of insurance contracts	131.1		1,033,643,439,643	970,662,445,328
1.2. Other trade accounts receivable	131.2		88,712,455,824	107,645,576,291
2. Other short-term receivables	136		448,771,903	409,756,017
3. Provision for short-term doubtful debts	137		(42,056,915,203)	(52,346,590,790)
IV. Inventories	140		156,148,190	135,670,390
1. Inventories	141		156,148,190	135,670,390
V. Other current assets	150		155,063,794,030	145,410,857,015
1. Short-term prepaid expenses	151	8	154,327,964,042	144,750,901,483
1.1. Unallocated commission expenses	151.1		154,327,964,042	144,750,901,483
2. Value added tax deductibles	152		735,829,988	659,955,532
VI. Reinsurance assets	190		2,057,449,991,476	1,695,818,032,837
1. Unearned premium reserve for outward reinsurance	191		498,065,548,022	500,955,574,666
2. Claim reserve for outward reinsurance	192		1,559,384,443,454	1,194,862,458,171

These notes set out on pages 12 to 43 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2015

FORM B 01a-DNPNT
Unit: VND

ASSETS	Codes	Notes	30/6/2015	31/12/2014
B. NON-CURRENT ASSETS (200=210+220+230+240+250+260)	200		1,182,295,080,423	1,127,090,437,485
I. Long-term receivables	210		22,000,000,000	22,000,000,000
1. Other long-term receivables	216		22,000,000,000	22,000,000,000
1.1. Insurance deposit	216.1		22,000,000,000	22,000,000,000
II. Fixed assets	220		30,007,477,600	34,532,784,284
1. Tangible fixed assets	221	10	9,753,143,517	10,701,654,498
- Cost	222		25,113,907,036	24,940,283,036
- Accumulated depreciation	223		(15,360,763,519)	(14,238,628,538)
2. Intangible assets	227	11	20,254,334,083	23,831,129,786
- Cost	228		32,434,195,934	32,434,195,934
- Accumulated amortisation	229		(12,179,861,851)	(8,603,066,148)
III. Investment property	230	12	14,526,418,100	15,235,023,861
- Cost	231		34,055,061,893	34,055,061,893
- Accumulated depreciation	232		(19,528,643,793)	(18,820,038,032)
IV. Long-term assets in progress	240		13,323,363,983	13,323,363,983
1. Construction in progress	242		13,323,363,983	13,323,363,983
V. Long-term financial investments	250	6	1,042,300,918,730	981,534,666,404
1. Investments in associates	252		171,837,235,402	167,306,051,992
2. Equity investments in other entities	253		472,000,270,000	472,000,270,000
3. Provision for impairment of long-term financial investments	254		(32,055,524,900)	(47,359,987,642)
4. Held-to-maturity investments	255		430,518,938,228	389,588,332,054
VI. Other non-current assets	260		60,136,902,010	60,464,598,953
1. Long-term prepaid expenses	261	8	1,524,396,395	1,836,755,101
2. Deferred tax assets	262		215,632,737	230,970,974
3. Other long-term assets	268	9	58,396,872,878	58,396,872,878
TOTAL ASSETS (270=100+200)	270		6,660,478,321,561	6,034,510,038,959

These notes set out on pages 12 to 43 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2015

FORM B 01a-DNPNT
Unit: VND

RESOURCES	Codes	Notes	30/6/2015	31/12/2014
A. LIABILITIES (300=310+330)	300		4,069,680,808,002	3,355,473,837,652
I. Current liabilities	310		4,065,968,060,484	3,352,128,401,641
1. Short-term trade payables	311	13	837,074,975,156	735,751,584,171
1.1 Payables of insurance contracts	311.1		825,210,035,829	723,221,578,477
1.2. Other trade accounts payable	311.2		11,864,939,327	12,530,005,694
2. Short-term advances from customers	312		1,562,551,137	980,218,989
3. Taxes and amounts payable to the State budget	313	14	7,815,412,251	7,744,878,106
4. Payables to employees	314		12,948,377,091	14,593,455,287
5. Other current payables	319	15	202,548,680,837	9,389,622,657
6. Unearned commission income	319.1	15	103,903,478,187	97,838,561,942
7. Bonus and welfare funds	322		11,182,848,849	12,717,559,202
8. Under-writing reserves	329	16	2,888,931,736,976	2,473,112,521,287
8.1. Unearned premium reserves for inward reinsurance	329.1		746,373,745,423	736,789,100,483
8.2. Claim reserves for inward reinsurance	329.2		1,978,258,212,271	1,582,390,623,540
8.3. Catastrophe reserve	329.3		164,299,779,282	153,932,797,264
II. Long-term liabilities	330		3,712,747,518	3,345,436,011
1. Other long-term payables	337	15	2,732,598,715	2,295,567,947
2. Long-term provisions	342		980,148,803	1,049,868,064
B. EQUITY (400=410)	400		2,590,797,513,559	2,679,036,201,307
I. Owners' equity	410		2,590,797,513,559	2,679,036,201,307
1. Owners' contributed capital	411	17	1,310,759,370,000	1,310,759,370,000
- Ordinary share carrying voting rights	411b		1,310,759,370,000	1,310,759,370,000
- Preference shares	411b		-	-
2. Share premium	412	17	566,368,537,309	566,368,537,309
3. Investment and development fund	418	17	189,916,799,431	187,779,081,159
4. Compulsory reserve fund	419	17	98,600,104,295	93,255,808,614
5. Retained earnings	421	17	393,741,323,192	489,126,408,365
- Retained earnings accumulated to the prior year end	421a		294,219,533,933	188,525,352,585
- Retain earnings of the current period	421b		99,521,789,258	300,601,055,780
6. Non-controlling interest	429		31,411,379,332	31,746,995,860
TOTAL RESOURCES (440=300+400)	440		6,660,478,321,561	6,034,510,038,959

These notes set out on pages 12 to 43 are an integral part of these consolidated financial statements

OFF-BALANCE SHEET ITEMS

FORM B 01a-DNPNT

OFF-BALANCE SHEET ITEMS	Currency	30/6/2015	31/12/2014
1. Foreign currencies			
United States Dollar	USD	1,509,222.97	10,449,604.08
Australian Dollar	AUD	409.39	418.15
Japanese Yen	JPY	34,541.00	35,267.00
Singapore Dollar	SGD	511.33	522.37
Great Britain Pound	GBP	197.71	201.01
Euro	EUR	227,890.38	268,706.16



Nguyen Thanh Cong
Preparer

Hanoi, 26 August 2015



Luu Thi Viet Hoa
Chief Accountant



Pham Cong Tu
General Director

CONSOLIDATED INCOME STATEMENT

For the period from 01 January 2015 to 30 June 2015

PART I - GERNERAL INCOME STATEMENT

FORM B 02a-DNPNT
Unit: VND

ITEMS	Codes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
1. Net revenue from insurance activities	10	508,228,486,474	446,601,902,766
2. Financial income	12	96,862,241,595	202,547,684,739
3. Other income	13	6,644,250,079	7,872,170,479
4. Total expenses for insurance activities	20	476,402,964,216	389,704,871,236
5. Financial expenses	22	(9,882,768,483)	(3,417,914,022)
6. General and administration expenses	23	23,547,321,561	31,851,882,549
7. Other expenses	24	5,253,952,343	4,210,862,384
8. Net profit from associate	25	16,544,414,553	13,748,428,006
9. Profit from pilot agricultural insurance	26	-	431,965,722
10. Total accounting profit before tax (50 = 10+12+13-20-22-23-24+25+26)	50	132,957,923,064	248,852,449,565
11. Corporate income tax expense	51	22,854,867,456	48,401,080,412
12. Deferred corporate tax expense	52	15,338,237	42,131,759
13. Net profit after corporate income tax (60=50-51-52)	60	110,087,717,371	200,409,237,394

These notes set out on pages 12 to 43 are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT (Continued)

For the period from 01 January 2015 to 30 June 2015

PART II: INCOME STATEMENT BY ACTIVITY

FORM B 02a-DNPNT
Unit: VND

ITEMS	Codes	Notes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
1. Insurance premium (01 = 01.2-01.3)	01	18	789,650,860,155	737,003,799,416
- Inward reinsurance premium	01.2		819,309,593,508	767,407,870,700
- Increase in unearned premium reserve for inward reinsurance	01.3		29,658,733,353	30,404,071,284
2. Outward reinsurance premium (02 = 02.1-02.2)	02	19	491,202,745,759	484,590,521,306
- Outward reinsurance premium	02.1		506,808,715,811	511,320,446,742
- Increase in unearned premium reserve for outward reinsurance	02.2		15,605,970,052	26,729,925,436
3. Net insurance premium (03 = 01-02)	03		298,448,114,396	252,413,278,110
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		209,780,372,078	194,188,624,656
- Commission income from outward reinsurance	04.1		106,448,298,486	51,965,779,107
- Other income from insurance activities	04.2	20	103,332,073,592	142,222,845,549
5. Net revenue from insurance activities (10=03+04)	10		508,228,486,474	446,601,902,766
6. Claim settlement expenses (11=11.1)	11		486,904,823,485	662,286,259,789
- Total claim settlement expenses	11.1		486,904,823,485	662,286,259,789
7. Claim receipts from ceded policies	12		327,463,999,126	533,934,033,776
8. Increase/(decrease) in claim reserve for inward reinsurance	13		405,059,210,703	(45,087,982,057)
9. Increase/(decrease) in claim reserve for outward reinsurance	14		373,054,176,432	(74,771,996,743)
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	21	191,445,858,630	158,036,240,699
11. Increase in catastrophe reserve	16		9,375,026,329	7,682,622,719
12. Other expenses for insurance activities (17=17.1+17.2)	17		275,582,079,257	223,986,007,818
- Insurance commission expenses	17.1		170,593,608,564	84,698,611,687
- Other expenses for insurance activities	17.2	22	104,988,470,693	139,287,396,131
13. Total expenses for insurance activities (18=15+16+17)	18		476,402,964,216	389,704,871,236
14. Gross profit from insurance activities (19=10-18)	19		31,825,522,258	56,897,031,530

These notes set out on pages 12 to 43 are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT (Continued)

For the period from 01 January 2015 to 30 June 2015

PART II: INCOME STATEMENT BY ACTIVITY (Continued)

FORM B 02a-DNPNT

Unit: VND

ITEMS	Codes	Notes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
15. Financial income	23	23	96,862,241,595	202,547,684,739
16. Financial expenses	24	24	(9,882,768,483)	(3,417,914,022)
17. Gross profit from financial activities (25=23-24)	25		106,745,010,078	205,965,598,761
18. General and administration expenses	26	25	23,547,321,561	31,851,882,549
19. Net profit from operating activities (30=19+25-26)	30		115,023,210,775	231,010,747,742
20. Other incomes	31		6,644,250,079	7,872,170,479
21. Other expenses	32		5,253,952,343	4,210,862,384
22. Other profit (40=31-32)	40		1,390,297,736	3,661,308,095
23. Share of net profits of associate	40.1		16,544,414,553	13,748,428,006
23. Profit from pilot agricultural insurance	40.2	27	-	431,965,722
24. Accounting profit before tax (50=30+40+40.1+40.2)	50		132,957,923,064	248,852,449,565
25. Current corporate income tax expense	51	28	22,854,867,456	48,401,080,412
26. Deferred corporate tax expense	52		15,338,237	42,131,759
27. Profit after corporate income tax (60=50-51-52)	60		110,087,717,371	200,409,237,394
Attributable to:				
Shareholders of the Corporation	61		110,423,333,899	200,889,646,508
Non-controlling interests	62		(335,616,528)	(480,409,114)
28. Basic earnings per share	70	29	816	1,497

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Nguyen Thanh Cong
Preparer

Hanoi, 26 August 2015

Luu Thi Viet Hoa
Chief Accountant



Pham Cong Tu
General Director

CONSOLIDATED CASH FLOW STATEMENT
(Direct method)

For the period from 01 January 2015 to 30 June 2015

FORM B 03a-DNPNT
Unit: VND

ITEMS	Codes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
I. Cash flows from operating activities			
1. Receipts from inward and outward insurance activities	01	284,369,959,860	348,253,553,561
2. Payments for inward and outward insurance activities	02	(169,183,540,242)	(346,098,831,308)
3. Payments for employees	03	(20,248,426,904)	(23,382,304,363)
4. Payments for corporate income tax	05	(23,100,000,000)	(56,946,175,394)
5. Receipts from other activities	06	734,226,392	5,133,596,363
6. Payments for other activities	07	(16,353,457,444)	(3,881,819,496)
Net cash from/(used in) operating activities	20	56,218,761,662	(76,921,980,637)
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(173,624,000)	(1,248,094,190)
2. Investments in other entities	25	(1,121,257,219,835)	(1,041,886,042,760)
3. Cash recovered from investments in other entities	26	774,972,866,000	925,249,580,612
4. Interest earned, dividends and profits received	27	128,575,091,246	206,976,611,066
Net cash from/(used in) investing activities	30	(217,882,886,589)	89,092,054,728
III. Cash flows from financing activities			
1. Dividends and profits paid	36	(31,080,000)	(100,694,450,577)
Net cash (used in) financing activities	40	(31,080,000)	(100,694,450,577)
Net decrease in cash (50 = 20+30+40)	50	(161,695,204,927)	(88,524,376,486)
Cash and cash equivalents at the beginning of the period	60	297,587,919,060	282,393,970,344
Effect of changes in foreign exchange rates	61	(168,030,547)	(40,859,109)
Cash and cash equivalents at the end of the period (70 = 50+60+61)	70	135,724,683,586	193,828,734,749



Nguyen Thanh Cong
Preparer



Luu Thi Viet Hoa
Chief Accountant



Pham Cong Tu
General Director



Hanoi, 26 August 2015

These notes set out on pages 12 to 43 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09a-DNPNT

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

1. GENERAL INFORMATION

Structure of ownership

Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") is incorporated under Establishment and Operation License No. 28/GP/KDBH dated 15 November 2004 issued by the Ministry of Finance and Amended License No. 28/GPDC4/KDBH dated 12 August 2014.

The number of employees as at 30 June 2015 was 94 (31 December 2014: 94).

Operating industry and principal activities

The operating industry and principal activities of the Corporation are to provide reinsurance services, to make financial investments and other activities permitted by law.

Business Cycle

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

Corporation's structure

As at 30 June 2015, the Corporation has a subsidiary which is Vinare Investment Joint Stock Company with the proportions of ownership interest and voting power held of 63.9% and 60%, respectively.

As at 30 June 2015, the Corporation has an associate which is Samsung Vina Insurance Company Limited with the proportions of ownership interest and voting power held of equally 25%.

Disclosure of information comparability in financial statements

As stated in Note 03, since 01 January 2015, the Corporation has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 202") guiding the preparation and presentation of consolidated financial statements. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standards No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". However, the adoption of those circulars does not have significant impact on the comparability of the figures in the Corporation's consolidated financial statements.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December. These consolidated financial statements are prepared for the period from 01 January 2015 to 30 June 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the application of accounting regime for enterprises and Circular No. 202/2014/TT-BTC (Circular 202) guiding the preparation and presentation of consolidated financial statements. These circulars are effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 Marchs 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries".

The Board of General Directors has adopted the Circular in the preparation and presentation of its consolidated financial statements for the period from 01 January 2015 to 30 June 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) prepared for period from 01 January 2015 to 30 June 2015. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent's ownership interests in them. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transactions with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Financial instruments

Initial recognition

Financial assets

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

Financial assets of the Corporation comprise cash, cash equivalents, short-term trade receivables, claim reserve for outward insurance and short-term and long-term investments.

Financial liabilities

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

Financial liabilities of the Corporation comprise short-term trade payables, other payables, claim reserve for inward reinsurance and long-term deposits received.

Subsequent measurement after initial recognition

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09a-DNPNT**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables represents the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Provision for doubtful debts is estimated as follows:

With regard to customers with total insurance-related receivables balance less than total insurance-related payables balance, no provision should be made. In the contrary case, the Corporation will offset the insurance-related payables balance with the insurance-related receivables balance based on the principle of offsetting the ones that have been overdue for the longest time to the shortest time. The outstanding balance after offset, according to Circular No. 228/2009/TT-BTC dated 07 December 2009, will be subject to provision for doubtful debts on the following basis:

- No provision is made for accounts receivable (offset amount) overdue for less than 06 months;
- For accounts receivable (after offset) over due from 06 to less than 12 months, the provision is made at the rate of 30%;
- For accounts receivable (after offset) over due from 12 to less than 24 months, the provision is made at the rate of 50%;
- For accounts receivable (after offset) over due from 24 to less than 36 months, the provision is made at the rate of 70%;
- For accounts receivable (after offset) overdue for 36 months or more, the provision is made at the rate of 100%.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

	From 01 January 2015 to 30 June 2015
	Years
Buildings, structures	25
Motor vehicles	6
Office equipment	4
Other fixed assets	4 - 5

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation.

Intangible assets represent reinsurance software, is amortized using the straight-line method over the estimated useful life of 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial investments

a. Trading securities

Trading securities are securities held by the Corporation for trading purposes. Trading securities are initially recognized from the date the Corporation obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In the subsequent reporting periods, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in securities is made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, impairment losses of financial investments, bad debts and warranty for products, goods and construction works at enterprises, Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

b. Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent and ability to hold to maturity. Held-to-maturity investments include term bank deposits and other held-to-maturity investments.

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

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

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

c. Equity investments in other entities

Equity investments in other entities represent the Corporation's equity investments in ordinary shares of the entities over which that the Corporation has no control, joint control or significant influence.

Equity investments in other entities are stated at cost less provision for impairment of the investments. Provision for impairment of the equity investments in other entities is made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, impairment losses of financial investments, bad debts and warranty for products, goods and construction works at enterprises, Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment property

Investment properties, which are composed of office buildings held by the Corporation to earn rentals, are stated at cost less accumulated depreciation. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties are depreciated using the straight-line method over their estimated useful lives of 25 years.

Prepayments

Prepayments comprise costs of tools, supplies and spare parts issued for consumption, which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method for the year over which the expected future economic benefits flow to the Corporation.

Insurance deposits

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

Revenue recognition

Inward reinsurance premium is recognised following the statement of accounts agreed by the Corporation and the re-insurers. Outward reinsurance premium is recognised when the Corporation receives an acceptance statement of the re-insurer following the respective reinsurance notices issued by the Corporation. Such recognition is in conformity with regulations of financial regime applicable to insurance enterprises.

Commission income and other incomes from reinsurance activities are recorded on accrual basis. In the period, the entire outward reinsurance premium under outward reinsurance contracts signed in accordance with regulations of the applicable financial regime is presented in the item "Commission income from outward reinsurance".

At the end of the accounting period, the Corporation should determine unearned commission income from outward reinsurance corresponding to outward reinsurance premium not yet recognized in this period so as to allocate such commission income to the subsequent accounting periods under 25% rate method for cargo insurance and 50% rate method for other kinds of insurance.

Income from stock investments is recognised upon a notification of profit-sharing released by the investee.

Interest income from deposits, public bonds, bank debentures, Government bonds, and loans is recognised when incurred.

Income from office leasing is recognised when incurred.

Expenditures

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

Claim settlement expenses for inward reinsurance are recorded as incurred following the statement of accounts the reinsurers sent to the Corporation and the claim is accepted by the Corporation. Claim receipts from ceded policies are recognized based on the receivable amount incurred corresponding with the claim settlement expenses recorded in the period and the ceded ratios.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures (Continued)

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

At the end of the accounting period, the Corporation should determine commission expenses for inward reinsurance which have not been recognized as expenses for the period yet corresponding to unearned inward reinsurance premium so as to allocate such commission expenses to the subsequent accounting periods under 25% rate method for cargo insurance and 50% rate method for other kinds of insurance.

Other income and expenses relating to insurance activities

With respect to deposits arising from reinsurance contracts, other income from insurance activities is recognized when the Corporation receives the deposits and other expenses for insurance activities is recognized when the deposits are returned.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting year for all employees having worked at the Corporation for more than 12 months up to 31 December 2008 with the allowance made for each year of service up to 31 December 2008 equaling a half of an average monthly salary level for basis of social insurance. From 01 January 2009, the average monthly salary used for calculation of severance allowance shall be adjusted to be the average salary level for basis of social insurance of the 6 consecutive months nearest to the date of the consolidated financial statements at the end of each reporting year. The increase or decrease in the accrued amount shall be recorded in the consolidated income statement.

Foreign currencies

- The Corporation applies an accounting exchange rate of 21,400 VND to USD in the period (for the period from 01 January 2015 to 30 June 2015: 21,000 VND to USD) to transactions arising in foreign currencies during the year. Such transactions are initially translated into VND using the accounting exchange rate and then using actual rate applicable on the payment date. Such exchange differences are recorded in the income statement.
- Liabilities and receivables relating to recognition of revenue and expense from reinsurance for the period denominated in USD at the balance sheet date are translated using the Vietcombank's buying exchange rate of 21,780 VND to USD (at 31 December 2014: 21,380 VND to USD).
- Liabilities and receivables relating to recognition of revenue and expense from reinsurance for the year denominated in currencies other than USD at the balance sheet are translated into USD at the accounting exchange rate and then using the Vietcombank's buying exchange rate of 21,780 VND to USD (at 31 December 2014: 21,380 VND to USD).
- With regard to monetary assets, receivables and liabilities denominated in foreign currencies that are not related to recognition of revenue and expense for the period, the Corporation applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates" issued by the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchanges differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

Enterprise funds

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

All profits are used to pay dividends for shareholders, allocate to compulsory reserve fund, investment and development fund and bonus and welfare funds. The allocation ratio shall be decided by the shareholders at the General meeting as per the request of the Board of Management. However, according to the Corporation's Charter, the Board of Management may pay mid-year dividends if they are certain about the profit of the Corporation.

Under-writing reserves

On 19 April 2012, the Ministry of Finance issued Official Letter No. 5297/BTC-QLBH on the registration of the method to make reserves for insurance transactions of the Corporation since 2012. Accordingly, under-writing reserves of the Corporation in the period are made as follows:

Premium reserve: This reserve is provided for at 25% of the inward reinsurance premium and outward reinsurance premium for the period for all types of cargo insurance (by land, seaway, waterway, railway and airway) and at 50% of the inward reinsurance premium and outward reinsurance premium for other types.

Claim reserves:

- For losses that have been incurred and reported, the Corporation makes compensation reserves for inward reinsurance and outward reinsurance by the method of each case based on the level of responsibility to losses that have been incurred and reported.
- For claim reserve for inward reinsurance and outward reinsurance for losses that have been incurred but have not yet been reported (IBNR), the Corporation applies the rate at 5% of the inward reinsurance premium and outward reinsurance premium over all types of insurance.

Catastrophe reserve: This reserve is made annually under statistical method (at a rate of 3% of the retained premium rate of all transactions) until it reaches 100% of the premium retained in the period in accordance with Decree No. 46/2007/ND-CP dated 27 March 2007 issued by the Government.

On 28 September 2005, the Ministry of Finance issued Vietnamese Accounting Standard VAS 19 "Insurance Contract" and Decision No. 100/2005/QD-BTC (effective from 2006) attached thereto. Accordingly, at the reporting date, insurance enterprises are not allowed to make reserves, including catastrophe reserve, for future claim compensation if claims are not incurred on the balance sheet date. Currently, under Decree No. 46/2007/ND-CP dated 27 March 2007 issued by the Government, insurance enterprises are required to provide for catastrophe reserve. Since the Ministry of Finance has not yet issued any circular guiding the implementation of the aforesaid accounting standard, the fact that the Corporation still made catastrophe reserve for the period from 01 January 2015 to 30 June 2015 should be more prudent than what is regulated in VAS 19.

Reserves for the Corporation's outward/inward reinsurance should be presented under separate items in the balance sheet. Accordingly, unearned premium reserve and claim reserve for inward reinsurance and catastrophe reserve are recognized as payables while unearned premium reserve for outward reinsurance and claim reserve for outward reinsurance are recognized as reinsurance assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

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

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

5. CASH AND CASH EQUIVALENTS

	30/6/2015	31/12/2014
	VND	VND
Cash on hand	2,954,835,071	2,343,232,568
Cash in bank	50,099,848,515	145,584,686,492
Cash equivalents	82,670,000,000	149,660,000,000
	135,724,683,586	297,587,919,060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. FINANCIAL INVESTMENTS

	30/6/2015			31/12/2014		
	Historical cost	Fair value	Provision	Historical cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
a) Trading securities						
- Total value of stocks	35,224,503,520	32,716,777,800	(4,533,631,831)	30,474,683,685	27,984,705,726	(2,928,748,359)
+ BIC	35,224,503,520	32,716,777,800	(4,533,631,831)	30,474,683,685	27,984,705,726	(2,928,748,359)
+ MBB	1,458,310,200	2,384,911,200	-	1,458,310,200	1,902,250,600	-
+ SDT	4,016,217,193	4,534,983,000	-	10,033,617,193	9,829,323,000	(204,294,193)
+ DCM	10,004,752,882	8,740,950,000	(1,263,802,882)	10,004,752,882	9,507,700,000	(466,382,882)
+ FPT	6,100,000,000	6,500,000,000	-	6,100,000,000	6,125,500,000	-
+ PET	724,025,250	696,000,000	(28,025,250)	-	-	-
+ REE	7,264,733,889	6,059,152,000	(1,205,581,889)	-	-	-
+ Others	2,778,460,696	2,959,000,000	-	-	-	-
	2,878,003,410	841,781,600	(2,036,221,810)	2,878,003,410	619,932,126	(2,258,071,284)
b) Held-to-maturity investments	2,448,868,938,228		-	2,104,138,332,054		-
b1) Short-term	2,018,350,000,000		-	1,714,550,000,000		-
- Short-term deposits (i)	2,008,300,000,000		-	1,664,500,000,000		-
- Bonds	10,050,000,000		-	50,050,000,000		-
b2) Long-term	430,518,938,228		-	389,588,332,054		-
- Long-term deposit (ii)	220,000,000,000		-	168,000,000,000		-
- Bonds (iii)	80,000,000,000		-	90,000,000,000		-
- Entrustment investments (iv)	116,839,398,832		-	117,908,792,658		-
- Other long-term investments	13,679,539,396		-	13,679,539,396		-
c) Equity investments in other entities	643,837,505,402		(32,055,524,900)	639,306,321,992		(47,359,987,642)
- Investments in associates	171,837,235,402		-	167,306,051,992		-
- Investments in other entities (v)	472,000,270,000		(32,055,524,900)	472,000,270,000		(47,359,987,642)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

6. FINANCIAL INVESTMENTS (Continued)

- (i) Short-term deposits represent term deposits at commercial banks which will fall due from over 3 months to less than 12 months with interest rates of 5.8% to 8.5% per annum.
- (ii) Long-term deposits represent term deposits at commercial banks which will fall due from over 12 months with interest rates of 6.3% to 7.2% per annum.
- (iii) Bonds represent corporate bonds, with maturity less than one year and coupon rates of 8.75% to 10.325% per annum.
- (iv) Entrustment investments represent investments under trust contracts signed with Vietcombank Fund Management, MB Capital Management JSC and Bao Viet Fund Management Co., Ltd., under which, the Corporation shall bear all risk related to the escrow account.
- (v) Investments in other entities including any investments in other companies which the Corporation does not have the right to control or significant influence. Details of share capital contributions as follows:

	Proportion of ownership interest	30/6/2015	31/12/2014
Equity investments in:		VND	VND
Petrolimex Joint Stock Insurance Company	8.76%	59,289,270,000	59,289,270,000
Post- Telecommunication Joint Stock Insurance Company	7.06%	38,416,000,000	38,416,000,000
Sai Gon - Ha Long Hotel	6.00%	6,000,000,000	6,000,000,000
Global Insurance Joint Stock Company	4.40%	17,600,000,000	17,600,000,000
Phu Hung Insurance Joint Stock Company	2.41%	8,000,000,000	8,000,000,000
Agriculture Bank Insurance Joint Stock Corporation	8.42%	32,000,000,000	32,000,000,000
Dai Nam Securities Joint Stock Company	1.68%	2,695,000,000	2,695,000,000
Hung Vuong Insurance Joint Stock Company	10.00%	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint Stock Bank	5.47%	278,000,000,000	278,000,000,000
		472,000,270,000	472,000,270,000

At the date of these consolidated financial statements, the Corporation has assessed, calculated and made provision for impairment of equity investments as at 30 June 2015 based on the investees' latest audited/reviewed financial statements. With regard to the investments in those entities of which the financial statements for the first 6 months of 2015 have neither been audited/reviewed nor prepared, the Corporation assessed the provision (if any) provided for based on the financial statements for the nearest period and obtained updates on the financial position of those entities. The Board of General Directors believes that the use of information available to be gathered at the reporting date to determine provision for impairment of the investments as mentioned above has no significant influence on its consolidated financial statements.

Information on bonus shares received as of 30 June 2015 of these companies are as follows:

	Par value	Number of shares
Petrolimex Joint Stock Insurance Company	10,000	353,056
Tien Phong Commercial Joint Stock Bank	10,000	2,542,857
Post- Telecommunication Joint Stock Insurance Company	10,000	381,024
BIDV Insurance Corporation	10,000	12,905

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09a-DNPNT**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

6. FINANCIAL INVESTMENTS (Continued)

Details of associates of the Corporation as at 30 June 2015 as follows:

Associate	Location	Proportion of ownership interest %	Proportion of voting owner held %	Principal activity
Samsung Vina Insurance Co. Ltd.	Ho Chi Minh City	25%	25%	Non-life Insurance

Summary of financial information about Samsung Vina Insurance Co. Ltd. is presented as follows:

	30/6/2015	31/12/2014
	VND	VND
Total assets	2,239,056,151,490	1,737,704,629,274
Total liabilities	1,551,707,209,884	1,068,480,421,306
Net assets	687,348,941,606	669,224,207,968
The Corporation's share of the associate's net assets	171,837,235,402	169,013,083,061
	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Revenue	173,772,327,173	183,145,550,164
Net profit	66,177,658,212	54,993,712,024
The Corporation's share of the associate's net profit	16,544,414,553	13,748,428,006

- Summary of operations of subsidiary, associated company in the period: its subsidiaries, associates in the period from 01 January 2015 to 30 June 2015 have stable operation under registered sectors.
- The significant transactions between the Corporation and its subsidiary and associated company in the period, are as follows:
 - + The Corporation and its subsidiary do not have any significant transactions.
 - + The Corporations and Samsung Vina Insurance Co., Ltd. has transactions of inward and outward reinsurance fees, commissions.

The fair value of these investments is determined as follows:

- The fair value of trading securities actively traded on financial markets is determined according to the published rates at the reporting date. With the trading securities having no active market, the fair value is determined using the appropriate valuation methodology including: the comparison with similar trading securities having market price and net asset value method.
- At the reporting date, fair value of other investments of which information for fair value determination is inadequate shall not be determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09a-DNPNT**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

7. TRADE ACCOUNTS RECEIVABLE

	<u>30/6/2015</u>	<u>31/12/2014</u>
	VND	VND
Receivables from insurance contracts	1,033,643,439,643	970,662,445,328
- Receivables from inward reinsurance	570,986,361,078	452,936,394,776
- Receivables from outward reinsurance	398,777,404,808	454,836,247,074
- Other receivables from reinsurance activities	63,879,673,757	62,889,803,478
Other trade accounts receivable	88,712,455,824	107,645,576,291
- Accrued gains on investments and loans	78,027,153,809	97,066,595,670
- Other receivables	10,685,302,015	10,578,980,621
	<u>1,122,355,895,467</u>	<u>1,078,308,021,619</u>

8. PREPAID EXPENSES

	<u>30/6/2015</u>	<u>31/12/2014</u>
	VND	VND
a) Short-term	154,327,964,042	144,750,901,483
Unallocated commission expenses	154,327,964,042	144,750,901,483
- Opening balance	144,750,901,483	-
- Unallocated commission expenses incurred in the period/year	180,170,671,123	319,115,387,051
- Commission expenses allocated in the period/year	170,593,608,564	174,364,485,568
- Closing balance	154,327,964,042	144,750,901,483
b) Long-term	1,524,396,395	1,836,755,101
Golf card expenses	1,240,541,171	1,269,044,651
Other long-term prepaid expenses	283,855,224	567,710,450
	<u>155,852,360,437</u>	<u>146,587,656,584</u>

9. OTHER LONG-TERM ASSETS

	<u>30/6/2015</u>	<u>31/12/2014</u>
	VND	VND
Paragon Tower Project	20,620,952,000	20,620,952,000
Tincom Plaza (360 Giai Phong road) Project	37,775,920,878	37,775,920,878
	<u>58,396,872,878</u>	<u>58,396,872,878</u>

Other long-term assets represent long-term deposits for contracts to purchase properties. The Board of General Directors has evaluated and believed the projects are being implemented according to schedule and there is no significant decline in value of the deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09a-DNPNT**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

10. TANGIBLE FIXED ASSETS

	Buildings, structures	Motor vehicles	Office equipment	Other fixed assets	Total
COST	VND	VND	VND	VND	VND
As at 01/01/2015	15,170,997,037	2,980,277,071	6,503,468,474	285,540,454	24,940,283,036
Additions	-	-	173,624,000	-	173,624,000
As at 30/6/2015	<u>15,170,997,037</u>	<u>2,980,277,071</u>	<u>6,677,092,474</u>	<u>285,540,454</u>	<u>25,113,907,036</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2015	8,641,701,097	2,062,679,009	3,301,039,853	233,208,579	14,238,628,538
Additions	303,688,183	210,097,750	599,862,798	8,486,250	1,122,134,981
As at 30/6/2015	<u>8,945,389,280</u>	<u>2,272,776,759</u>	<u>3,900,902,651</u>	<u>241,694,829</u>	<u>15,360,763,519</u>
NET BOOK VALUE					
As at 30/6/2015	<u>6,225,607,757</u>	<u>707,500,312</u>	<u>2,776,189,823</u>	<u>43,845,625</u>	<u>9,753,143,517</u>
As at 31/12/2014	<u>6,529,295,940</u>	<u>917,598,062</u>	<u>3,202,428,621</u>	<u>52,331,875</u>	<u>10,701,654,498</u>

As at 30 June 2015, the total cost of tangible fixed assets includes VND 1,800,092,259 (as at 31 December 2014: VND 1,800,092,259) of assets that have been fully depreciated but are still in use.

11. INTANGIBLE ASSETS

The balance of intangible assets as at 30 June 2015 represents their cost and accumulated amortisation of reinsurance software.

12. INVESTMENT PROPERTY

Items	31/12/2014 VND	Increase VND	Decrease VND	30/6/2015 VND
a) Investment properties held for rentals				
Cost	34,055,061,893	-	-	34,055,061,893
- Building (i)	34,055,061,893	-	-	34,055,061,893
Accumulated depreciation	18,820,038,032	708,605,761	-	19,528,643,793
- Building (i)	18,820,038,032	708,605,761	-	19,528,643,793
Net book value	15,235,023,861	-	-	14,526,418,100
- Building	15,235,023,861	-	-	14,526,418,100

(i) Represent the value of the building No. 141 Le Duan Road corresponding to the lease area.

According to VAS No. 05 - *Investment Properties*, fair value of investment property as at 30 June 2015 is required to be disclosed. As assessed by the Management, the Corporation purchased investment property at the market price so the cost of investment property recorded in the accounting records has represented its fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09a-DNPNT**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

13. SHORT-TERM TRADE PAYABLE

	30/6/2015	31/12/2014
	VND	VND
Payables of insurance contracts	825,210,035,829	723,221,578,477
Payables for inward reinsurance	313,640,451,211	224,643,886,044
Payables for outward reinsurance	454,053,738,226	471,785,842,323
- Other payables for reinsurance	57,515,846,392	26,791,850,110
Other trade accounts payable	11,864,939,327	12,530,005,694
Temporary Withholding Tax collection (2% of foreign re-insurance fee)	10,159,550,306	10,037,227,032
Other payables	1,705,389,021	2,492,778,662
	837,074,975,156	735,751,584,171

14. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Movement during the period			
	31/12/2014	Payables	Paid	30/6/2015
	VND	VND	VND	VND
Value added tax on domestic sales	447,764,259	728,098,502	704,698,416	471,164,345
Corporate income tax	7,100,282,651	22,854,867,456	23,100,000,000	6,855,150,107
Personal income tax	78,753,196	5,328,668,966	5,119,369,416	288,052,746
Business license tax	-	4,000,000	4,000,000	-
Other taxes and charges payable	118,078,000	574,584,208	491,617,155	201,045,053
Total	7,744,878,106	29,490,219,132	29,419,684,987	7,815,412,251

15. OTHER PAYABLES

	30/6/2015	31/12/2014
	VND	VND
a) Short-term	306,452,159,024	107,228,184,599
Unearned commission income	103,903,478,187	97,838,561,942
- Opening balance	97,838,561,942	-
- Unearned commission income incurred in the period/year	112,513,214,731	201,111,942,163
- Commission income allocated in the period/year	106,448,298,486	103,273,380,221
- Closing balance	103,903,478,187	97,838,561,942
Other current payables	202,548,680,837	9,389,622,657
Dividends payable	196,662,000,500	79,175,000
Other payables	5,886,680,337	9,310,447,657
b) Long-term	2,732,598,715	2,295,567,947
Long-term deposits	2,732,598,715	2,295,567,947
	309,184,757,739	109,523,752,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

16. UNDER-WRITING RESERVES

	30/6/2015		
Claim reserve and Unearned premium reserve	Inward reinsurance reserve	Outward reinsurance reserve	Net inward reinsurance reserve
	VND	VND	VND
I. Normal activities			
1. Claim reserve	1,964,141,941,327	1,546,577,032,802	417,564,908,525
Reserve for losses incurred and reported	1,923,176,461,651	1,521,236,597,013	401,939,864,638
Reserve for losses incurred yet not reported	40,965,479,676	25,340,435,789	15,625,043,887
2. Unearned premium reserve	726,296,546,916	479,566,889,086	246,729,657,830
II. Pilot agricultural insurance activities			
1. Claim reserve	14,116,270,944	12,807,410,652	1,308,860,292
Reserve for losses incurred and reported	14,116,115,439	12,807,277,540	1,308,837,899
Reserve for losses incurred yet not reported	155,505	133,112	22,393
2. Unearned premium reserve	20,077,198,507	18,498,658,936	1,578,539,571
	2,724,631,957,694	2,057,449,991,476	667,181,966,218

In which:

	From 01/01/2015 to 30/6/2015		
Claim reserve	Inward reinsurance claim reserve	Outward reinsurance claim reserve	Net inward reinsurance claim reserve
	VND	VND	VND
I. Normal activities			
Opening balance	1,559,082,730,624	1,173,522,856,370	385,559,874,254
Increase in the period	405,059,210,703	373,054,176,432	32,005,034,271
II. Pilot agricultural insurance activities			
Opening balance	23,307,892,916	21,339,601,801	1,968,291,115
(Reversal) in the period	(9,191,621,972)	(8,532,191,149)	(659,430,823)
Closing balance	1,978,258,212,271	1,559,384,443,454	418,873,768,817

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

16. UNDER-WRITING RESERVES (Continued)

Unearned premium reserve	From 01/01/2015 to 30/6/2015		
	Unearned inward reinsurance premium reserve	Unearned outward reinsurance premium reserve	Net unearned inward premium reinsurance reserve
	VND	VND	VND
I. Normal activities			
Opening balance	696,637,813,563	463,960,919,034	232,676,894,529
Increase in the period	29,658,733,353	15,605,970,052	14,052,763,301
II. Pilot agricultural insurance activities			
Opening balance	40,151,286,920	36,994,655,632	3,156,631,288
(Reversal) in the period	(20,074,088,413)	(18,495,996,696)	(1,578,091,717)
Closing balance	746,373,745,423	498,065,548,022	248,308,197,401

Catastrophe reserve	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
I. Normal activities		
Opening balance	147,472,628,310	130,719,514,370
Increase in the period/year	9,375,026,329	16,753,113,940
II. Pilot agricultural insurance activities		
Opening balance	6,460,168,954	2,005,185,006
Increase in the period/year	991,955,689	4,454,983,948
Closing balance	164,299,779,282	153,932,797,264

VIETNAM NATIONAL REINSURANCE JOINT STOCK CORPORATION

No. 141, Le Duan Street, Hanoi, S.R. Vietnam

Consolidated financial statements
For the period from 01 January 2015 to 30 June 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

17. EQUITY

	Owners' contributed capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
As at 01/01/2014	1,008,276,580,000	768,023,850,642	180,519,661,106	75,107,258,481	399,204,939,342	2,431,132,289,571
Profit for the year	-	-	-	-	334,808,892,187	334,808,892,187
Capital contribution	302,482,790,000	(201,655,313,333)	-	-	(100,827,476,667)	-
Decrease due to reduced ownership interest at associates	-	-	-	-	(9,024,452,090)	(9,024,452,090)
Profit distribution to funds	-	-	7,259,420,053	18,148,550,133	(34,207,836,407)	(8,799,866,221)
Dividends declared	-	-	-	-	(100,827,658,000)	(100,827,658,000)
As at 01/01/2015	1,310,759,370,000	566,368,537,309	187,779,081,159	93,255,808,614	489,126,408,365	2,647,289,205,447
Profit for the period	-	-	-	-	110,423,333,899	110,423,333,899
Profit distribution to funds (i)	-	-	2,137,718,272	5,344,295,681	(10,901,544,641)	(3,419,530,688)
Dividends declared (i)	-	-	-	-	(196,613,905,500)	(196,613,905,500)
Other decreases	-	-	-	-	1,707,031,069	1,707,031,069
As at 30/6/2015	1,310,759,370,000	566,368,537,309	189,916,799,431	98,600,104,295	393,741,323,192	2,559,386,134,227

(i) According to Resolution No. 05/2015/NQ-DHDCD dated 22 April 2015 by the Annual Shareholders' General Meeting of Vietnam National Reinsurance Joint Stock Corporation, the Board of Management declared the dividend payment to the shareholders for the year 2014 at the rate of 15% from the retained earnings, which is equivalent to VND 196,613,905,500 and, simultaneously, made temporary distribution of VND 10,901,544,641 to the funds from the profit for the period from 01 January 2015 to 30 June 2015. The final decision on 2015 profit distribution shall be made in the forth-coming Annual General Shareholders' Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

17. EQUITY (Continued)

Owners' contributed capital

As at 30 June 2015, the total capital actually contributed by shareholders and share premium are as follows:

	Contributed capital as at			
	30/6/2015	Proportion	31/12/2014	Proportion
	VND		VND	
Owners' contributed capital	1,310,759,370,000	100%	1,310,759,370,000	100%
State Capital Investment Corporation	529,060,350,000	40.36%	529,060,350,000	40.36%
Swiss Re	327,689,890,000	25.00%	327,689,890,000	25.00%
Other shareholders	454,009,130,000	34.64%	454,009,130,000	34.64%
Share premium	566,368,537,309		566,368,537,309	
	<u>1,877,127,907,309</u>		<u>1,877,127,907,309</u>	

Shares

	30/6/2015	31/12/2014
Number of shares registered to issue	131,075,937	131,075,937
Number of outstanding shares in circulation	131,075,937	131,075,937
Common shares	131,075,937	131,075,937

A common share has par value of VND 10,000.

18. REINSURANCE PREMIUM

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Inward reinsurance premium	839,402,830,352	777,362,247,377
Energy insurance	9,651,211,872	13,879,428,496
Hull and P&I insurance	119,077,005,516	122,567,518,946
Cargo insurance	125,730,810,426	98,018,726,736
Engineering insurance	145,424,003,344	113,327,660,593
Fire & property insurance	287,716,730,908	236,934,042,107
Aviation insurance	24,278,411,459	28,540,075,071
Other insurance	127,524,656,827	164,094,795,428
Deductions of inward reinsurance premium	(20,093,236,844)	(9,954,376,677)
Increase in unearned premium reserve for inward reinsurance	29,658,733,353	30,404,071,284
	<u>789,650,860,155</u>	<u>737,003,799,416</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

19. OUTWARD REINSURANCE PREMIUM

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Total outward reinsurance premium	515,001,245,434	517,599,915,783
Energy insurance	7,228,340,071	10,136,678,205
Hull and P&I insurance	75,056,585,088	78,691,813,636
Cargo insurance	22,899,307,321	24,989,666,226
Engineering insurance	68,675,600,365	54,734,978,843
Fire & property insurance	223,998,722,765	202,446,501,117
Aviation insurance	23,589,334,499	27,025,590,594
Other insurance	93,553,355,325	119,574,687,162
Deductions of outward reinsurance premium	(8,192,529,623)	(6,279,469,041)
Increase in unearned premium reserve for outward reinsurance	15,605,970,052	26,729,925,436
	491,202,745,759	484,590,521,306

20. OTHER INCOME FROM INSURANCE ACTIVITIES

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Other receipts from inward insurance activities	50,797,823,764	69,342,804,540
Deposits for clean cut contracts	13,831,178,903	13,065,430,767
Claim reserved released	36,035,739,602	47,522,363,741
Surplus of income over expenses on behalf regarding P&I contracts	-	7,219,343,342
Other receives	930,905,259	1,535,666,690
Other receipts from outward insurance activities	52,534,249,828	72,880,041,009
Claim reserved retained	49,869,621,634	59,691,035,510
Other receives	2,664,628,194	13,189,005,499
	103,332,073,592	142,222,845,549

21. TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Claim settlement expenses	486,904,823,485	662,286,259,789
Energy insurance	6,396,760,603	1,803,279,486
Hull and P&I insurance	92,493,834,535	90,822,799,704
Cargo insurance	57,172,267,822	22,977,235,902
Engineering insurance	99,058,592,562	254,162,131,227
Fire & property insurance	158,013,798,362	234,736,608,213
Aviation insurance	1,935,277,907	2,944,816,396
Other insurance	71,834,291,694	54,839,388,861
Claim receipts from ceded policies	327,463,999,126	533,934,033,776
Increase/(Decrease) in inward reinsurance claim reserve	405,059,210,703	(45,087,982,057)
Increase/(Decrease) in outward reinsurance claim reserve	373,054,176,432	(74,771,996,743)
	191,445,858,630	158,036,240,699

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

22. OTHER EXPENSES FOR INSURANCE ACTIVITIES

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Other payments for inward insurance activities	58,280,408,520	94,038,099,169
Deposits for clean cut contracts	13,831,178,903	13,065,430,767
Claim reserve retained	41,663,860,369	59,776,541,619
Other payables	2,785,369,248	21,196,126,783
Other payments for outward insurance activities	46,708,062,173	45,249,296,962
Claim reserve released	45,947,214,068	44,175,898,043
Other payables	760,848,105	1,073,398,919
	104,988,470,693	139,287,396,131

23. FINANCIAL INCOME

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Interest on time deposits	70,853,448,925	82,004,056,792
Dividends and profits received	13,166,778,200	13,468,023,900
Interest on bonds, commercial bills	5,987,979,453	8,500,609,589
Interest on entrusted investments	-	6,512,978,301
Interest on exchange differences	5,983,228,515	954,702,420
Interest on securities trading	734,600,000	-
Profit from investment transfer	-	90,817,958,089
Interest on demand deposits	136,206,502	289,355,648
	96,862,241,595	202,547,684,739

24. FINANCIAL EXPENSES

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
(Reversal) of provision for impairment of investment	(13,408,490,751)	(7,061,736,421)
Others	3,525,722,268	3,643,822,399
	(9,882,768,483)	(3,417,914,022)

25. ADMINISTRATIVE EXPENSES

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Administrative labour expenses	23,172,205,630	24,546,186,525
Office expenses	281,430,668	601,119,632
Depreciation and amortisation	4,693,716,282	3,533,993,064
Taxes, fees and charges	222,911,748	3,018,935,917
Provision (reverted)	(10,483,050,587)	(4,688,492,266)
Out-sourced services	1,963,616,498	2,223,417,544
Expenses for business transactions, conferences, advertising	3,012,934,906	2,271,243,739
Other administration expenses	683,556,416	345,478,394
	23,547,321,561	31,851,882,549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09a-DNPNT**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

26. PRODUCT COST BY NATURE

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Cost of insurance activities	476,402,964,216	389,704,871,236
Labour	23,172,205,630	24,546,186,525
Depreciation and amortisation	4,693,716,282	3,533,993,064
Out-sourced services	1,963,616,498	2,223,417,544
Reversal of provisions	(10,483,050,587)	(4,688,492,266)
Other monetary expenses	4,200,833,738	6,236,777,682
	499,950,285,777	421,556,753,785

27. PILOT PROVISION OF AGRICULTURAL INSURANCE

On 01 March 2011, the Prime Minister issued Decision No. 315/QD-TTg on the pilot provision of agricultural insurance during 2011 - 2013 with objectives to help agricultural producers take initiatives in remedying and recovering from financial losses caused by natural disasters or epidemics, contributing to securing social welfare in rural areas and promoting agricultural production. According to the Decision, the Corporation has responsibilities to undertake agricultural inward reinsurance under the guidance of the Ministry of Finance.

On 17 August 2011, the Ministry of Finance issued Circular No. 121/2011/TT-BTC providing guidance on several clauses of Decision No. 315/QD-TTg dated 01 March 2011 by the Prime Minister. Accordingly, insurance enterprises and the Corporation shall provide pilot agricultural insurance activities for non-profit purposes. Insurance enterprises have responsibilities to account for revenue and costs incurred from pilot agricultural insurance activities separately from other activities and any existing agricultural insurance activities. The retained insurance premium for the year, after deducting valid expenses, is supplemented to catastrophe reserve.

On 20 June 2012, the Ministry of Finance continued to issue Circular No. 101/2012/TT-BTC stipulating several financial issues for insurance enterprises and reinsurance enterprises who provide pilot agricultural insurance activities under Decision No. 315/QD-TTg dated 01 March 2011 by the Prime Minister. Accordingly, insurance enterprises and reinsurance enterprises have responsibilities to separately record the annual losses from pilot provision of their agricultural insurance activities. Insurance enterprises and reinsurance enterprises shall account for losses from pilot agricultural insurance activities for the financial year in their income statements. In the case of losses from pilot agricultural insurance activities, such losses will be carried forward to the following year as regulated by law.

From 2012, the Corporation started undertaking pilot agricultural insurance activities. Accumulated loss as at 31 December 2013 of the pilot agricultural insurance activities is VND 42,015,277,691. The retained insurance premium of the period from 01 January 2015 to June 2015 of VND 991,910,904, after deducting valid expenses of the pilot agricultural insurance activities, is transferred to catastrophe reserve. The Board of General Directors believes that such presentation and recognition is in line with the provisions of the above decisions and circulars.

According to Decision No. 315/QD-TTg, pilot provision of agricultural insurance ended on 31 December 2013. The Corporation has been conducting procedures to finalize this activity with the Ministry of Finance. The final decision on the results of the Corporation's pilot provision of agricultural insurance will be made by the Ministry of Finance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

28. CORPORATE INCOME TAX

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Profit before tax	132,957,923,064	248,852,449,565
Adjustments for taxable income		
Less: Non-taxable income	(30,424,460,689)	(30,079,970,926)
Add: Non-deductible expenses	1,016,682,259	752,023,211
Add: Loss of subsidiary	335,616,528	480,409,114
Assessable income	103,885,761,162	220,004,910,964
Normal tax rate	22%	22%
Corporate current income tax payable	22,854,867,456	48,401,080,412
Deferred tax expense	15,338,237	42,131,759

29. BASIC EARNINGS PER SHARE

The calculation of basic interest earnings per share attributed to the shareholders holding common shares of the Corporation is made on the basis of the following data:

	Unit	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
Profit after corporate income tax	VND	110,087,717,371	200,409,237,394
Less estimated amount accrued for bonus and welfare fund	VND	3,419,530,688	4,725,771,471
Less (loss) after corporate income tax distributable to minority shareholders	VND	(335,616,528)	(480,409,114)
Profit used to calculate basic earning per share	VND	107,003,803,211	196,163,875,037
Average number of outstanding ordinary shares in circulation (*)	Shares	131,075,937	131,075,937
Basic earnings per share	VND	816	1,497

(*) Average number of outstanding ordinary shares in circulation for the period from 01 January 2014 to 30 June 2014 is adjusted due to the effect of the additional stock issuance from share premium and dividend payment in 2014.

For the period from 01 January 2015 to 30 June 2015, the Corporation applied Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises, which leads to retroactive adjustment of profit to calculate earnings per share for the period from 01 January 2015 to 30 June 2015 due to the impact of the elimination of bonus and welfare fund deducted from after-tax profits in calculating basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09a-DNPNT

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

30. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2015, interest on the Corporation's capital contributed to Tincom Plaza and Paragon Tower projects, which the Corporation may receive from capital partners, is VND 74,712,640,491. According to the assessment of the Board of General Directors, whether or not the Corporation may receive such interest depends on the payment schedule of the partners in the future. Therefore, the Corporation has not decided to recognize such interest as income in the year.

In addition, as at 30 June 2015, the Corporation had contingent interest payable to the co-partners in Tincom Plaza and Paragon Tower projects amounting to VND 26,302,995,260. Due to the uncertainty of interest collectable from the capital partners, the Corporation is not sure about the interest payable to the partners.

31. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Corporation only consists of equity attributable to shareholders (comprising capital, reserves and retained earnings).

Significant accounting policies

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

Categories of financial instruments

	Carrying amounts	
	30/6/2015	31/12/2014
	VND	VND
Financial assets		
Cash and cash equivalents	135,724,683,586	297,587,919,060
Trade receivables	1,080,298,980,264	1,025,961,430,829
Claim reserve for outward reinsurance	1,559,384,443,454	1,194,862,458,171
Short-term investments	2,049,040,871,689	1,742,095,935,326
Long-term investments	870,463,683,328	814,228,614,412
Total	5,694,912,662,321	5,074,736,357,798
Financial liabilities		
Trade and other payables	1,023,577,425,350	725,793,532,139
Claim reserve for inward reinsurance	1,978,258,212,271	1,582,390,623,540
Long-term deposits received	2,732,598,715	2,295,567,947
Total	3,004,568,236,336	2,310,479,723,626

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives

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

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

Reinsurance risk

Risk incurred under any reinsurance contract arises from the possibility of inaccurate valuation of risk level of the insured and the insurer shall be responsible for the loss incurred. The determination of reinsurance risk and loss which is under reinsurer's responsibility is limited by the quality, timeliness and adequacy of information reached by surveys and provided by customers, outward reinsurance partners and others in reinsurance business. The Corporation manages this risk exposure by providing insurance strategy, setting up a reasonable retaining fee for each insurance products, arranging appropriate reinsurance ratio and being proactive in claim resettlement.

Market risk

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

Foreign currency risk management

To manage foreign currencies for reinsurance settlement, the Corporation undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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

	Assets		Liabilities	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
	VND	VND	VND	VND
United States Dollar (USD)	570,265,558,137	964,677,103,947	436,698,097,990	687,782,030,089
Euro (EUR)	5,764,708,236	3,988,303,226	901,650,913	2,818,227,135
Great Britain Pound (GBP)	6,751,178	31,964,113,592	14,546,225	17,336,051
Singapore Dollar (SGD)	12,385,822	42,750,781	25,104,734	-
Australian Dollar (AUD)	6,833,657	8,463,273	-	-
Japanese Yen (JPY)	553,752,295	663,711,757	88,412,857	94,002,091

Foreign currency sensitivity analysis

The Corporation is mainly exposed to United States Dollar and Euro.

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a 10% change in foreign currency rates. For a 10% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the period would increase/decrease by the respective amounts as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09a-DNPNT
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

31. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
United States Dollar (USD)	13,356,736,562	27,689,507,386
Euro (EUR)	486,305,732	117,007,609

Share price risk management

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

The Corporation is also exposed to equity price risks arising from investments in subsidiaries and associates. The Corporation's Board of Management assesses and approves decisions on investments in subsidiaries and associates such as operating industry, investees, etc. Investments in associates are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments in the foreseeable future.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Corporation's business operation is reinsurance, accordingly, the Corporation's credit risk mainly focuses on clients operating in direct insurance. As at the balance sheet date, there is credit risk arising on the amounts due from customer receivables. The Corporation has made sufficient provision for such receivables.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any year is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that period. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

31. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

	Less than 1 year VND	From 1 - 5 years VND	Over 5 years VND	Total VND
30/6/2015				
Cash and cash equivalents	135,724,683,586	-	-	135,724,683,586
Trade receivables	1,080,298,980,264	-	-	1,080,298,980,264
Claim reserve for outward reinsurance	1,559,384,443,454	-	-	1,559,384,443,454
Short-term investments	2,049,040,871,689	-	-	2,049,040,871,689
Long-term investments	-	402,660,604,895	467,803,078,433	870,463,683,328
Total	4,824,448,978,993	402,660,604,895	467,803,078,433	5,694,912,662,321
30/6/2015				
Trade and other payables	1,023,577,425,350	-	-	1,023,577,425,350
Claim reserve for inward reinsurance	1,978,258,212,271	-	-	1,978,258,212,271
Long-term deposits received	-	2,732,598,715	-	2,732,598,715
Total	3,001,835,637,621	2,732,598,715	-	3,004,568,236,336
Net liquidity gap	1,822,613,341,372	399,928,006,180	467,803,078,433	2,690,344,425,985
	Less than 1 year VND	From 1 - 5 years VND	Over 5 years VND	Total VND
31/12/2014				
Cash and cash equivalents	297,587,919,060	-	-	297,587,919,060
Trade receivables	1,025,961,430,829	-	-	1,025,961,430,829
Claim reserve for outward reinsurance	1,194,862,458,171	-	-	1,194,862,458,171
Short-term investments	1,742,095,935,326	-	-	1,742,095,935,326
Long-term investments	-	361,729,998,721	452,498,615,691	814,228,614,412
Total	4,260,507,743,386	361,729,998,721	452,498,615,691	5,074,736,357,798
31/12/2014				
Trade and other payables	725,793,532,139	-	-	725,793,532,139
Claim reserve for inward reinsurance	1,582,390,623,540	-	-	1,582,390,623,540
Long-term deposits received	-	2,295,567,947	-	2,295,567,947
Total	2,308,184,155,679	2,295,567,947	-	2,310,479,723,626
Net liquidity gap	1,952,323,587,707	359,434,430,774	452,498,615,691	2,764,256,634,172

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

List of related parties:

Related parties	Relationship
State Capital Investment Corporation	Major shareholder
Swiss Re Group	Major shareholder
Samsung Vina Insurance Co., Ltd.	Associate
Bao Minh Insurance Joint Stock Corporation	Investee

During the period, the Corporation entered into the following significant transactions with related parties:

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
<u>Swiss Re Group</u>		
Outward reinsurance premium	100,328,830,556	76,715,545,548
Outward reinsurance commission	30,358,427,793	23,637,537,795
Receipt from outward reinsurance claim	63,242,006,199	54,411,980,279
Dividends paid	-	25,206,915,000
<u>Bao Minh Insurance Joint-Stock Corporation</u>		
Outward reinsurance premium	45,537,380,001	64,797,245,667
Outward reinsurance commission	11,155,715,777	13,927,172,633
Receipt from outward reinsurance claim	28,865,714,612	52,553,886,236
Inward reinsurance premium	63,720,103,484	68,303,864,323
Inward reinsurance commission	(15,094,208,048)	15,995,584,663
Claim settlements of inward reinsurance	(54,805,027,527)	85,239,724,262
<u>Samsung Vina Insurance</u>		
Outward reinsurance premium	198,002,898	4,766,910,700
Outward reinsurance commission	52,819,874	662,436,288
Receipt from outward reinsurance claim	2,059,208,756	4,514,877,373
Inward reinsurance premium	118,558,907,263	190,965,759,713
Inward reinsurance commission	26,493,042,369	54,501,390,278
Claim settlements of inward reinsurance	95,240,856,423	211,838,069,712
<u>State Capital Investment Corporation</u>		
Dividends paid	-	40,696,950,000
<u>The Board of General Directors</u>		
Remuneration for the period	2,281,289,125	3,629,890,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09a-DNPNT**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Related party balances at the balance sheet date were as follows:

	30/6/2015	31/12/2014
	VND	VND
<u>Swiss Re Group</u>		
Receivables from outward reinsurance activities	25,289,269,437	30,599,749,265
Payables for outward reinsurance activities	52,188,932,381	69,488,291,729
Dividends payable	49,153,483,500	-
<u>Bao Minh Insurance Joint-Stock Corporation</u>		
Receivables from inward reinsurance activities	44,119,554,267	38,307,186,557
Receivables from outward reinsurance activities	27,687,801,903	21,496,109,395
Payables for inward reinsurance activities	47,724,663,055	46,198,207,626
Payables for outward reinsurance activities	30,521,537,584	12,858,087,145
<u>Samsung Vina Insurance Co., Ltd.</u>		
Receivables from inward reinsurance activities	26,816,564,009	9,423,131,897
Receivables from outward reinsurance activities	1,977,927,256	1,722,370,206
Payables for inward reinsurance activities	4,795,212,507	36,792,620,207
Payables for outward reinsurance activities	86,997,450	346,011,852
<u>State Capital Investment Corporation</u>		
Dividends paid	79,359,052,500	-

33. FINANCIAL RATIOS

Items	Unit	30/6/2015	31/12/2014
1. Assets and resources structure arrangement			
1.1. Assets structure arrangement			
- Non-current assets/Total assets	%	17.75	18.68
- Current assets/Total assets	%	82.25	81.32
1.2. Capital structure arrangement			
- Liabilities/Total resources	%	61.10	55.60
- Owner's equity/Total resources	%	38.90	44.40
2. Liquidity			
2.1. Current liquidity	times	1.64	1.80
2.2. Short-term liability liquidity	times	1.35	1.46
2.3. Quick liquidity	times	0.54	0.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

33. FINANCIAL RATIOS (Continued)

Items	Unit	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
3. Profit ratio			
3.1. Profit/Revenue ratio			
- Profit before tax/Revenue ratio	%	21.73	37.88
- Profit after tax/Revenue ratio	%	18.00	30.50
3.2. Profit/Total assets ratio			
- Profit before tax/Total assets ratio	%	2.00	3.94
- Profit after tax/Total assets ratio	%	1.65	3.17
3.3. Profit after tax/Owner's equity ratio	%	4.30	7.95

34. BUSINESS SEGMENT REPORT

The Corporation's principal activities are reinsurance business and investments funded from idle capital resources, which is a part of reinsurance business cycle. Investments in other business activities are insignificant. Therefore, the Board of General Directors made an assessment and believes that the fact that no report on segment information is made is in line with the Corporation's current business operation.

35. COMPARATIVE FIGURES

Comparatives figures in the Consolidated Balance sheet and Notes thereto are those in the audited financial statements for the financial year ended at 31 December 2014. Comparatives figures in the consolidated Income statement and consolidated Cash flow and the notes thereto are those in the reviewed financial statements for the period from 01 January 2014 to 30 June 2014. Certain reclassifications have been made to the prior period's figures to enhance their comparability with the current period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)*(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)***FORM B 09a-DNPNT****35. COMPARATIVE FIGURES (Continued)**

Items in the consolidated balance sheet:

Unit: VND

According to Decision No. 15/2006/QĐ-BTC			According to Circular No. 200/2014/TT-BTC			Change
Items	Code	31/12/2014	Items	Code	31/12/2014	
I. Assets						
1. Cash equivalents	112	756,660,000,000	1. Cash equivalents	112	149,660,000,000	Reclassify
2. Short-term investments	121	1,138,024,683,685	2. Trading securities	121	30,474,683,685	Reclassify and change name
3. Provision for impairment of short-term investments	129	(2,928,748,359)	3. Provision for impairment of trading securities	122	(2,928,748,359)	Reclassify and change name
4. Trade accounts receivable	131	1,078,308,021,619	4. Held-to-maturity investments	123	1,714,550,000,000	Reclassify and change name
5. Other receivables	135	-	5. Short-term trade receivables	131	1,078,308,021,619	Change name
7. Other short-term assets	158	409,756,017	6. Other short-term receivables	136	409,756,017	Reclassify and change name
8. Other long-term investments	258	861,588,602,054	8. Other short-term assets	155	-	Reclassify
			9. Investments in other entities	253	472,000,270,000	Reclassify and change name
			10. Held-to-maturity investments	255	389,588,332,054	Reclassify
II. Resources						
1. Trade accounts payable	312	735,751,584,171	1. Short-term trade payables	311	735,751,584,171	Change name
2. Advances from customers	313	980,218,989	2. Short-term advances from customers	312	980,218,989	Change name
3. Other short-term payables	319	9,389,622,657	3. Other short-term payables	319	9,389,622,657	Change name
4. Several allowance	336	1,049,868,064	4. Provision for long-term payables	342	1,049,868,064	Change name
5. MI interest	429	31,746,995,860	5. Non-controlling interest	429	31,746,995,860	Change name

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

35. COMPARATIVE FIGURES (Continued)

Items in the consolidated income statement:

Items	Code	From 01/01/2014 to 30/6/2014		
		Previously reported amount	Reclassification	Reclassified amount
		VND	VND	VND
1. Other income from insurance activities	04.2	196,170,119,467	(53,947,273,918)	142,222,845,549
2. Other expenses for insurance activities	17.2	193,234,670,049	(53,947,273,918)	139,287,396,131

Items in the consolidated cash-flow statement:

Items	Code	From 01/01/2014 to 30/6/2014		
		Previously reported amount	Reclassification	Reclassified amount
		VND	VND	VND
1. Investments in other entities	25	(2,283,726,161,430)	1,241,840,118,670	(1,041,886,042,760)
2. Cash recovered from investments in other entities	26	2,167,089,699,282	(1,241,840,118,670)	925,249,580,612
3. Cash and cash equivalents at the beginning of the period	60	773,393,970,344	(491,000,000,000)	282,393,970,344
4. Cash and cash equivalents at the end of the period	70	904,587,919,060	(710,759,184,311)	193,828,734,749


Nguyen Thanh Cong
Preparer


Luu Thi Viet Hoa
Chief Accountant


Pham Cong Tu
General Director



Hanoi, 26 August 2015