

**VIETNAM NATIONAL REINSURANCE
JOINT STOCK CORPORATION**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2018

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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 separate financial statements for the year ended 31 December 2018.

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 year and to the date of this report are as follows:

Board of Management

Mr. Le Song Lai	Chairman
Mr. Phan Kim Bang	Vice Chairman
Mr. Martyn Parker	Vice Chairman (resigned on 30 June 2018)
Mr. Pham Cong Tu	Member
Mr. Tran Vinh Duc	Member (retired on 03 January 2019)
Mr. Dao Nam Hai	Member
Mr. Pham Sy Danh	Member
Mr. Beat Schnegg	Member (resigned on 30 June 2018)
Mr. Mai Xuan Dung	Member
Mr. Nguyen Dinh An	Member

Board of General Directors

Mr. Pham Cong Tu	General Director
Mr. Nguyen Manh Linh	Deputy General Director
Mr. Mai Xuan Dung	Deputy General Director
Mr. Yves-Danil Conchand	Deputy General Director (resigned on 31 July 2018)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Corporation is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Corporation as at 31 December 2018 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting. In preparing these separate 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 separate financial statements;
- Prepare the separate 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 separate 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 separate 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 separate financial statements.

For and on behalf of the Board of General Directors,



Phạm Công Tu
General Director

Hanoi, 04 March 2019



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") prepared on 04 March 2019 as set out from page 04 to page 43, which comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting and for such internal control as the Board of General Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting.



Khúc Thị Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2018-001-1

Pham Tuan Linh
Auditor
Audit Practising Registration Certificate
No. 3001-2019-001-1

DELOITTE VIETNAM COMPANY LIMITED

04 March 2019
Hanoi, S.R. Vietnam

BALANCE SHEET

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS (100=110+120+130+140+150+190)	100		5,255,047,012,975	5,215,024,626,541
I. Cash and cash equivalents	110	4	61,645,461,451	168,003,369,951
1. Cash	111		45,645,461,451	65,003,369,951
2. Cash equivalents	112		16,000,000,000	103,000,000,000
II. Short-term financial investments	120	5	2,418,055,685,385	2,200,847,811,835
1. Held-to-maturity investments	123		2,422,830,762,313	2,200,847,811,835
2. Provision for impairment of short-term financial investments	124		(4,775,076,928)	-
III. Short-term receivables	130		864,421,780,526	1,067,099,355,705
1. Short-term trade receivables	131	6	890,833,527,743	1,094,732,977,717
1.1. Receivables of insurance contracts	131.1		566,851,827,024	770,606,426,398
1.2. Other trade accounts receivable	131.2		323,981,700,719	324,126,551,319
2. Other short-term receivables	136		3,336,034,671	610,814,299
3. Provision for short-term doubtful debts	137		(29,747,781,888)	(28,244,436,311)
IV. Inventories	140		107,292,867	59,021,267
1. Inventories	141		107,292,867	59,021,267
V. Other current assets	150		249,259,411,914	187,931,351,792
1. Short-term prepaid expenses	151	7	249,259,411,914	187,931,351,792
1.1. Unallocated commission expenses	151.1		244,016,133,558	185,674,353,313
1.2. Other short-term prepaid expenses	151.2		5,243,278,356	2,256,998,479
VI. Reinsurance assets	190	14	1,661,557,380,832	1,591,083,715,991
1. Unearned premium reserve for outward reinsurance	191		503,493,352,619	526,110,829,307
2. Claim reserve for outward reinsurance	192		1,158,064,028,213	1,064,972,886,684

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

BALANCE SHEET (Continued)

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS (200=210+220+230+240+250+260)	200		1,200,963,754,095	1,098,753,379,812
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		5,321,763,664	7,605,175,886
1. Tangible fixed assets	221	8	5,261,886,567	5,165,764,208
- Cost	222		25,817,950,881	25,150,907,036
- Accumulated depreciation	223		(20,556,064,314)	(19,985,142,828)
2. Intangible assets	227	9	59,877,097	2,439,411,678
- Cost	228		32,392,480,734	32,438,480,734
- Accumulated amortisation	229		(32,332,603,637)	(29,999,069,056)
III. Investment property	230	10	10,664,027,216	10,983,389,295
- Cost	231		34,055,061,893	34,055,061,893
- Accumulated depreciation	232		(23,391,034,677)	(23,071,672,598)
IV. Long-term assets in progress	240		754,195,878	98,935,878
1. Construction in progress	242		754,195,878	98,935,878
V. Long-term financial investments	250	5	1,159,245,527,793	1,056,475,849,312
1. Investment in subsidiary	251		60,000,000,000	60,000,000,000
2. Investment in associate	252		125,000,000,000	125,000,000,000
3. Equity investments in other entities	253		462,366,363,997	470,445,070,000
4. Provision for impairment of long-term financial investments	254		(4,458,755,507)	(8,081,138,135)
5. Held-to-maturity investments	255		516,337,919,303	409,111,917,447
VI. Other non-current assets	260		2,978,239,544	1,590,029,441
1. Long-term prepaid expenses	261	7	2,978,239,544	1,168,826,614
2. Deferred tax assets	262		-	421,202,827
TOTAL ASSETS (270=100+200)	270		6,456,010,767,070	6,313,778,006,353

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

BALANCE SHEET (Continued)

As at 31 December 2018


Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES (300=310+330)	300		3,643,813,112,166	3,728,530,296,596
I. Current liabilities	310		3,641,113,375,401	3,724,096,400,477
1. Short-term trade payables	311	11	740,898,046,995	936,307,148,265
1.1 Payables of insurance contracts	311.1		505,215,065,621	693,969,225,780
1.2. Other trade accounts payable	311.2		235,682,981,374	242,337,922,485
2. Short-term advances from customers	312		724,298,709	1,386,887,302
3. Taxes and amounts payable to the State budget	313	12	14,694,476,571	5,406,853,938
4. Payables to employees	314		18,216,985,325	17,266,133,271
5. Other current payables	319	13	6,410,546,596	134,798,605,549
6. Unearned commission income	319.1	13	107,386,456,892	110,592,257,769
7. Bonus and welfare funds	322		19,210,267,385	17,415,702,598
8. Under-writing reserves	329	14	2,733,572,296,928	2,500,922,811,785
8.1. Unearned premium reserves for inward reinsurance	329.1		874,337,219,111	794,916,072,658
8.2. Claim reserves for inward reinsurance	329.2		1,668,347,100,445	1,512,161,661,581
8.3. Catastrophe reserve	329.3		190,887,977,372	193,845,077,546
II. Long-term liabilities	330		2,699,736,765	4,433,896,119
1. Other long-term payables	337	13	2,699,736,765	2,327,881,984
2. Long-term provisions	342		-	2,106,014,135
D. EQUITY (400=410)	400	15	2,812,197,654,904	2,585,247,709,757
I. Owners' equity	410		2,812,197,654,904	2,585,247,709,757
1. Owners' contributed capital	411		1,310,759,370,000	1,310,759,370,000
- Ordinary shares carrying voting rights	411a		1,310,759,370,000	1,310,759,370,000
2. Share premium	412		566,368,537,309	566,368,537,309
3. Investment and development fund	418		205,815,380,525	200,693,852,724
4. Compulsory reserve fund	419		131,075,937,000	126,198,339,406
5. Retained earnings	421		598,178,430,070	381,227,610,318
- Retained earnings accumulated to the prior year end	421a		354,591,220,091	302,266,542,258
- Retained earnings of the current year	421b		243,587,209,979	78,961,068,060
TOTAL RESOURCES (440=300+400)	440		6,456,010,767,070	6,313,778,006,353

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

OFF-BALANCE SHEET ITEMS

OFF-BALANCE SHEET ITEMS	Currency	Closing balance	Opening balance
1. Foreign currencies			
United States Dollar	USD	1,479,421.71	1,364,729.41
Australian Dollar	AUD	348.07	365.59
Japanese Yen	JPY	44,017.00	30,911.00
Singapore Dollar	SGD	434.05	456.13
Great Britain Pound	GBP	5,771.61	181.21
Euro	EUR	112,577.69	102,450.29


Nguyen Thanh Cong
Preparer


Luu Thi Viet Hoa
Chief Accountant


Pham Cong Tu
General Director

Hanoi, 04 March 2019

INCOME STATEMENT

For the year ended 31 December 2018

PART I – GENERAL INCOME STATEMENT

Unit: VND

ITEMS	Codes	Current year	Prior year (Restated)
1. Net revenue from insurance activities	10	946,349,238,102	818,767,482,804
2. Financial income	12	331,791,592,201	289,476,728,670
3. Other income	13	23,468,964,721	14,231,231,798
4. Total expenses for insurance activities	20	811,260,069,740	697,159,535,695
5. Financial expenses	22	92,899,706,664	68,102,434,428
6. General and administration expenses	23	79,308,545,263	65,772,157,874
7. Other expenses	24	2,111,413,225	2,562,981,893
8. (Loss) on pilot agricultural insurance activities	25	(350,253,371)	(182,695,993)
9. Profit from offshore fishing vessel insurance	26	-	3,405,849,758
10. Total accounting profit before tax (50 = 10+12+13-20-22-23-24+25-26)	50	315,679,806,761	285,289,787,631
11. Current corporate income tax expense	51	54,225,725,648	51,444,421,276
12. Deferred corporate tax (income)	52	-	(7,280,835)
13. Net profit after corporate income tax (60=50-51-52)	60	261,454,081,113	233,852,647,190

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

INCOME STATEMENT (Continued)

For the year ended 31 December 2018

PART II - INCOME STATEMENT BY ACTIVITY

Unit: VND

ITEMS	Codes Notes		Current year	Prior year (Restated)
1. Insurance premium (01 = 01.2-01.3)	01	16	1,723,297,086,003	1,646,020,498,992
- Inward reinsurance premium	01.2		1,802,718,232,456	1,651,471,980,448
- Increase in unearned premium reserve for inward reinsurance	01.3		79,421,146,453	5,451,481,456
2. Outward reinsurance premium (02 = 02.1-02.2)	02	17	1,040,594,562,581	1,076,496,869,623
- Outward reinsurance premium	02.1		1,017,977,085,893	1,064,578,766,199
- (Decrease) in unearned premium reserve for outward reinsurance	02.2		(22,617,476,688)	(11,918,103,424)
3. Net insurance premium (03 = 01-02)	03		682,702,523,422	569,523,629,369
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		263,646,714,680	249,243,853,435
- Commission income from outward reinsurance	04.1		220,412,677,767	225,549,747,164
- Other income from insurance activities	04.2	18	43,234,036,913	23,694,106,271
5. Net revenue from insurance activities (10 = 03+04)	10		946,349,238,102	818,767,482,804
6. Claim settlement expenses (11=11.1)	11		789,549,153,632	912,490,342,387
- Total claim settlement expenses	11.1		789,549,153,632	912,490,342,387
7. Claim receipts from ceded policies	12		525,294,744,748	661,401,116,713
8. Increase/(Decrease) in claim reserve for inward reinsurance	13		152,045,023,518	(66,364,159,211)
9. Increase/(Decrease) in claim reserve for outward reinsurance	14		89,347,023,080	(117,251,096,612)
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	19	326,952,409,322	301,976,163,075
11. Increase in catastrophe reserve	16		(2,957,100,174)	(1,159,104,130)
12. Other expenses for insurance activities (17=17.1+17.2)	17		487,264,760,592	396,342,476,750
- Insurance commission expenses	17.1		444,199,301,119	364,407,391,143
- Other expenses for insurance activities	17.2	20	43,065,459,473	31,935,085,607
13. Total expenses for insurance activities (18=15+16+17)	18		811,260,069,740	697,159,535,695
14. Gross profit from insurance activities (19=10-18)	19		135,089,168,362	121,607,947,109

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

INCOME STATEMENT (Continued)

For the year ended 31 December 2018

PART II - INCOME STATEMENT BY ACTIVITY (Continued)

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year (Restated)
15. Financial income	23	21	331,791,592,201	289,476,728,670
16. Financial expenses	24	22	92,899,706,664	68,102,434,428
17. Gross profit from financial activities (25=23-24)	25		238,891,885,537	221,374,294,242
18. General and administration expenses	26	23	79,308,545,263	65,772,157,874
19. Net profit from operating activities (30=19+25-26)	30		294,672,508,636	277,210,083,477
20. Other incomes	31		23,468,964,721	14,231,231,798
21. Other expenses	32		2,111,413,225	2,562,981,893
22. Profit from other activities (40=31-32)	40		21,357,551,496	11,668,249,905
23. (Loss) on pilot agricultural insurance activities	40.1	25	(350,253,371)	(182,695,993)
24. Profit from offshore fishing vessel insurance	40.2	26	-	3,405,849,758
25. Accounting profit before tax (50=30+40+40.1-40.2)	50		315,679,806,761	285,289,787,631
26. Current corporate income tax expense	51	27	54,225,725,648	51,444,421,276
27. Deferred corporate tax (income)	52	27	-	(7,280,835)
28. Profit after corporate income tax (60=50-51-52)	60		261,454,081,113	233,852,647,190


Nguyen Thanh Cong
Preparer


Luu Thi Viet Hoa
Chief Accountant


Pham Cong Tu
General Director

Hanoi, 04 March 2019

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

CASH FLOW STATEMENT
(Direct method)

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Receipts from inward and outward reinsurance activities	01	606,828,759,790	533,204,857,219
2. Payments for inward and outward reinsurance activities	02	(391,179,614,446)	(407,474,865,993)
3. Payments to employees	03	(41,778,372,313)	(39,826,676,770)
4. Payments for corporate income tax	05	(44,451,616,560)	(55,333,972,740)
5. Receipts from other activities	06	4,838,952,418	4,623,071,378
6. Payments for other activities	07	(23,570,706,122)	(24,243,810,785)
Net cash generated by operating activities	20	110,687,402,767	10,948,602,309
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(892,060,000)	(46,000,000)
2. Cash outflow for lending, buying debt instruments of other entities	23	(1,993,291,799,345)	(893,255,815,350)
3. Cash recovered from lending, selling debt instrument of other entities	24	1,674,993,209,137	932,450,175,535
4. Cash recovered from investments in other entities	26	8,069,200,447	2,695,000,000
5. Interest earned, dividends and profits received	27	250,930,664,447	206,551,126,338
Net cash generated by investing activities	30	(60,190,785,314)	248,394,486,523
III. Cash flows from financing activities			
1. Dividends and profits paid	36	(157,494,540,400)	(157,291,124,400)
Net cash (used in) financing activities	40	(157,494,540,400)	(157,291,124,400)
Net (decrease)/ increase in cash (50 = 20+30+40)	50	(106,997,922,947)	102,051,964,432
Cash and cash equivalents at the beginning of the year	60	168,003,369,951	65,768,521,779
Effects of changes in foreign exchange rates	61	640,014,447	182,883,740
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	61,645,461,451	168,003,369,951


Nguyen Thanh Cong
Preparer


Luu Thi Viet Hoa
Chief Accountant


Pham Cong Tu
General Director

Hanoi, 04 March 2019

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") was 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 31 December 2018 was 101 (31 December 2017: 101).

Operating industry and principal activities

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

Normal operating cycle

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

The Corporation's structure

As at 31 December 2018, the Corporation has a subsidiary namely Vinare Investment Joint Stock Company with the Corporation's proportions of ownership interest and voting power held of 63.9% each.

As at 31 December 2018, the Corporation has an associate namely Samsung Vina Insurance Company Limited with the Corporation's proportion of ownership interest and voting power held of 25% each.

Disclosure of information comparability in the separate financial statements

The comparative figures are the figures of the Corporation's audited separate financial statements for the year ended 31 December 2017. Some prior year's figures are restated for the comparative purpose as disclosed in Note 33.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate 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 separate 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting requires the Board of General Directors 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 separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of General Directors' best knowledge, actual results could differ from those estimates.

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 and cash equivalents, trade receivables, and short-term and long-term financial investments excluding investments in subsidiary and associate.

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 trade payables, other payables and long-term deposits.

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.

Receivables

Receivables represent 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.

The calculation of provision for doubtful debts is as follows:

With regard to customers with total reinsurance-related receivables balance less than total reinsurance-related payables balance, no provision should be made. In the contrary case, the Corporation will offset the reinsurance-related payables balance with the reinsurance-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 by client after offsetting, 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 overdue for less than 06 months;
- For accounts receivable overdue from 06 to less than 12 months, the provision is made at the rate of 30%;
- For accounts receivable overdue from 12 to less than 24 months, the provision is made at the rate of 50%;
- For accounts receivable overdue from 24 to less than 36 months, the provision is made at the rate of 70%;
- For accounts receivable overdue for 36 months or more, the provision is made at the rate of 100%.

Swap contracts

Swap contracts are agreements to settle in cash at a future date based on predetermined foreign exchange rate. As at inception date of agreements, the Corporation pays an original amount denominated in foreign currency to the counterparty and records this amount in account receivable. Simultaneously, the Corporation records an amount denominated in VND from the counterparty in accounts payable. Gain/loss from swap contracts are recognized in the income statement over the terms of agreements.

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:

	(Years)
Buildings, structures	25
Motor vehicles	6
Office equipment	4
Other fixed assets	4 - 5

Intangible assets and amortization

Intangible assets are stated at cost less accumulated amortization.

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

Financial investments

a. 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 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 of such investments at the acquisition date.

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

b. Investments in subsidiary and associate

Investment in subsidiary

A subsidiary is an entity controlled by the Corporation. Control is achieved when the Corporation has the power to govern the financial and operating policies of the investee to take benefits from its activities.

Investment in associate

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.

Interests in subsidiaries and associates are initially recognised at cost. The Corporation's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiary and associate are presented in the balance sheet at cost less amount of impairment of the investments (if any).

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.

d. Provision for impairment financial investments

Provision for impairment of financial investments are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 of the Ministry of Finance on "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 other purposes, are carried at cost. Cost includes costs that are necessary to form the assets 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.

Investment properties

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 are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise costs of tools, supplies issued for consumption, unallocated commission expenses and other expenses which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalized as prepayments, and are allocated to the income statement using the straight-line method for the period over which the expected future economic benefits flow to the Corporation.

Payable provisions

Payable provisions are recognized 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 Board of General Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Insurance deposits

The Corporation is obliged to pay a deposit equal to 2% of the legal capital, and the deposit shall bear interest in accordance with the agreement reached with the bank to 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 recognized at the establishment of contractual agreement and following the statement of accounts agreed by the Corporation and the re-insurers. Outward reinsurance premium is recognized 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 the regulations of financial regime applicable to insurance enterprises.

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

At the year end, the Corporation should determine unearned commission income from outward reinsurance corresponding to outward reinsurance premium not yet recognized in this year so as to allocate such commission income to the subsequent years. For outward reinsurance contracts with terms of 01 year or less, 25% rate method is applied for cargo insurance and 50% rate method for other kinds of insurance. For those with terms of more than 01 year, 55% rate method is applied for all kinds of insurance.

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

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

Income from office leasing is recognized when incurred.

Expenditures

Claim settlement expenses for direct insurance are recorded as incurred, 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 send 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 year and the ceded ratios.

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

At the year end, the Corporation should determine commission expenses for inward reinsurance which have not been recognized as expenses for the year yet corresponding to unearned inward reinsurance premium so as to allocate such commission expenses to the subsequent years. For inward reinsurance contracts with terms of 01 year or less, 25% rate method is applied for cargo insurance and 50% rate method for other kinds of insurance. For those with terms of more than one year, 55% rate method is applied for all kinds of insurance.

Foreign currencies

- The Corporation applies an accounting exchange rate of 22,700 VND/USD in the year (for the year ended 31 December 2017: 22,500 VND/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. Exchange differences arising from such transactions are recorded in the income statement.
- Liabilities and receivables relating to recognition of revenue and expenses from reinsurance for the year denominated in USD: At the balance sheet date, balances of receivables are translated into VND using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s buying exchange rate of 23,145 VND/USD (as at 31 December 2017: 22,655 VND/USD), balances of payables are translated into VND using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 23,245 VND/USD (as at 31 December 2017: 22,735 VND/USD). Exchange differences arising from such transactions are recorded in the income statement.
- Liabilities and receivables relating to recognition of revenue and expenses from reinsurance for the year denominated in currencies other than USD at the balance sheet date are translated into USD at the accounting exchange rate. At the balance sheet date, balances of receivables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s buying exchange rate of 23,145 VND/USD (as at 31 December 2017: 22,655 VND/USD), balances of payables are translated into VND using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 23,245 VND/USD (as at 31 December 2017: 22,735 VND/USD). Exchange differences arising from such transactions are recorded in the income statement.
- With regard to monetary assets, receivables and liabilities denominated in foreign currencies that are not related to recognition of revenue and expenses for the year, 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 recognized in the income statement.

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.

Investment and development fund is appropriated from profit after tax and used for business extension or in-depth investment.

All profits are used to pay dividends to shareholders, and 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 Shareholders' meeting at the request of the Board of Management. However, according to the Corporation's Charter, the Board of Management may pay dividends if they are certain about the profit of the Corporation.

Under-writing reserves

On 12 March 2018, the Ministry of Finance issued Official Letter No. 2713/BTC-QLBH on the approval of registration of the method to make reserves for insurance transactions of the Corporation since 2017. Accordingly, under-writing reserves of the Corporation in the year are made as follows:

Premium reserve:

Provision for premium inward and outward reserves with reinsurance contracts which last for one year or less is provided for at 25% of the inward reinsurance premium and outward reinsurance premium for the year 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.

Provision for premium inward and outward reserves with reinsurance contracts which last for over one year is provided for at 55% of the inward reinsurance premiums of these contracts.

Claim reserves:

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

Catastrophe reserve: This reserve is made annually under statistical method, at a rate of 2% of the retained premium rate of all transactions until it reaches 100% of the premium retained in the year.

Balance assurance reserve:

Life reinsurance reserve: is made annually at the rate of 1% on profit before tax of Corporation until it reaches 5% of life inward premium in the year.

Health-care reinsurance reserve: is made annually at the rate of 2% of retained premium for all transactions until it reaches 100% of retained premium in the year according to Circular No. 50/2017/TT-BTC of Ministry of Finance dated 15 May 2017, which was effective from 01 July 2017.

For the year ended 31 December 2018, the Corporation has made the provision for balance assurance reserve with total amount of VND 68,660,503 and recognised on Catastrophe Reserve item with a separate line.

On 28 September 2005, the Ministry of Finance issued Vietnamese Accounting Standard No. 19 - "Insurance Contract" and Decision No. 100/2005/QĐ-BTC, effective from 2006. 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, which included Catastrophe reserve. Currently, in accordance with guidance under Decree No. 73/2016/ND-CP issued by the Government dated 01 July 2016, 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 year ended 31 December 2018 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.

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 year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. 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.

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	673,932,265	429,301,330
Bank demand deposits	44,971,529,186	64,574,068,621
Cash equivalents	16,000,000,000	103,000,000,000
	61,645,461,451	168,003,369,951



5. FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Historical cost VND	Fair value VND	Provision VND	Historical cost VND	Fair value VND	Provision VND
a) Held-to-maturity investments	2,939,168,681,616		(9,233,832,435)	2,609,959,729,282		-
a1) Short-term	2,422,830,762,313		(4,775,076,928)	2,200,847,811,835		-
- Short-term deposits (i)	2,296,000,000,000		-	1,975,000,000,000		-
- Bonds (iii)	-		-	50,000,000,000		-
- Other investments	126,830,762,313		(4,775,076,928)	175,847,811,835		-
+ Entrustment investment	126,830,762,313		(4,775,076,928)	175,847,811,835		-
a2) Long-term	516,337,919,303		(4,458,755,507)	409,111,917,447		-
- Long-term deposits (ii)	129,000,000,000		-	80,000,000,000		-
- Bonds (iii)	220,000,000,000		-	220,000,000,000		-
- Investments under business cooperation agreements (iv)	13,304,048,828		-	13,304,048,828		-
- Entrustment investments (v)	148,212,664,412		(4,458,755,507)	89,486,662,556		-
- Other long-term investments	5,821,206,063		-	6,321,206,063		-
b) Investments in other entities	647,366,363,997		-	655,445,070,000		(8,081,138,135)
- Investment in subsidiary	60,000,000,000		-	60,000,000,000		(5,344,106,698)
+ Vinare Investment Joint Stock Company	60,000,000,000		-	60,000,000,000		(5,344,106,698)
- Investment in associate	125,000,000,000		-	125,000,000,000		-
- Investments in other entities (vi)	462,366,363,997		-	470,445,070,000		(2,737,031,437)

- (i) Short-term deposits represent deposits with original terms of over 3 months and remaining maturities as at 31 December 2018 of under 12 months at domestic commercial banks, with interest rates from 6.5 % to 7.6% per annum.
- (ii) Long-term deposits represent term deposits with remaining maturities of more than 12 months at domestic commercial banks, with interest rates from 7.4% to 7.8% per annum.
- (iii) Bonds include corporate bonds and Government bonds with the maturities of 01 year to 05 years and interest rates from 7.250% to 9.5% per annum.
- (iv) Investments under business cooperation agreements represent capital contributions for business cooperation and product sharing with Vinare Investment Joint Stock Company ("Vinare Invest") to implement Tincom Plaza project and No.142 Dinh Cong project.
- (v) Entrustment investments represent investments under trust contracts signed with Vietcombank Fund Management, Bao Viet Fund Management Company, and Saigon Securities Incorporation under which the Corporation shall bear all risks related to the escrow account.
- (vi) Investments in other entities include any investments in other companies over which the Corporation does not have the right to control or have significant influence. Details of share capital contributions are as follows:

	Proportion of ownership interest as at	Closing balance	Opening balance
	31/12/2018	VND	VND
Equity investments in:			
Petrolimex Insurance Joint Stock Insurance Corporation	7.02%	59,210,563,997	59,289,270,000
Post and Telecommunication Joint Stock Insurance Corporation	4.42%	38,416,000,000	38,416,000,000
Sai Gon - Ha Long Hotel	6.05%	10,139,800,000	10,139,800,000
Global Insurance Joint Stock Company	5.50%	17,600,000,000	17,600,000,000
Phu Hung Insurance Joint Stock Company	0.00%	-	8,000,000,000
Agriculture Bank Insurance Joint Stock Corporation	8.42%	32,000,000,000	32,000,000,000
Hung Vuong Insurance Joint Stock Company	10.00%	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint Stock Bank	4.49%	275,000,000,000	275,000,000,000
		462,366,363,997	470,445,070,000

At the date of these separate financial statements, the Corporation has assessed and made provision for impairment of equity investments as at 31 December 2018 based on the investees' financial statements for the year ended 31 December 2018. For investees whose financial statements for the year ended 31 December 2018 have not been available yet, the Corporation used the latest financial statements collected for assessment. Information on bonus shares received as at 31 December 2018 of these investees are as follows:

	Par value	Number of shares
Petrolimex Insurance Joint Stock Corporation	10,000	353,056
Tien Phong Commercial Joint Stock Bank	10,000	10,934,500
Post and Telecommunication Joint Stock Insurance Corporation	10,000	381,024
Sai Gon - Ha Long Hotel	10,000	96,000

Details of the Corporation's subsidiary as at 31 December 2018 are as follows:

Subsidiary	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting rights held	Principal activity
Vinare Investment Joint Stock Company	Hanoi, Vietnam	63.9%	63.9%	Real estate investment and construction

Details of the Corporation's associate as at 31 December 2018 are as follows:

Associate	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting rights held	Principal activity
Samsung Vina Insurance Company Limited	Ho Chi Minh City, Viet Nam	25.0%	25.0%	Non-life insurance

- Summary of the performance of subsidiary and associate in the year: the Corporation's subsidiary and associate had stable operation under registered operating sectors for the year ended 31 December 2018.
- Significant transactions of the Corporation with its subsidiary and associate in the year are as follows:
 - + Between the Corporation and its subsidiary: there were no significant transactions arising during the year.
 - + Between the Corporation and Samsung Vina Insurance Company Limited: there were transactions of outward/inward reinsurance premium, outward/inward reinsurance commission, and outward/inward reinsurance claim and dividend payment.

The fair value of these investments:

- At the reporting date, the Corporation did not determine the fair value of other investments due to lack of market information for fair value determination.

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Receivables from insurance contracts	566,851,827,024	770,606,426,398
- Receivables from inward reinsurance	320,685,835,997	406,638,207,558
- Receivables from outward reinsurance	239,238,644,441	352,996,526,545
- Other receivables from reinsurance activities	6,927,346,586	10,971,692,295
Other trade receivables	323,981,700,719	324,126,551,319
- Interest receivables on investments	92,349,846,574	97,504,409,209
- Other receivables related to swap contracts	231,450,000,000	226,550,000,000
- Other receivables	181,854,145	72,142,110
	<u>890,833,527,743</u>	<u>1,094,732,977,717</u>

7. PREPAID EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a) Short-term	249,259,411,914	187,931,351,792
Unallocated commission expenses	244,016,133,558	185,674,353,313
- Opening balance	185,674,353,313	162,868,724,418
- Unallocated commission expenses incurred in the year	502,541,081,364	387,213,020,038
- Commission expenses allocated in the year	444,199,301,119	364,407,391,143
- Closing balance	244,016,133,558	185,674,353,313
Other prepaid expenses	5,243,278,356	2,256,998,479
b) Long-term	2,978,239,544	1,168,826,614
Golf card expenses	1,040,980,964	1,097,999,722
Other long-term prepaid expenses	1,937,258,580	70,826,892
	<u>252,237,651,458</u>	<u>189,100,178,406</u>

8. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures	Motor vehicles	Office equipment	Other fixed assets	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	15,170,997,037	2,980,277,071	6,714,092,474	285,540,454	25,150,907,036
New purchases	-	-	236,800,000	476,687,026	713,487,026
Other decreases	-	-	-	(46,443,181)	(46,443,181)
Closing balance	15,170,997,037	2,980,277,071	6,950,892,474	715,784,299	25,817,950,881
ACCUMULATED DEPRECIATION					
Opening balance	10,463,830,196	2,894,518,009	6,342,668,544	284,126,079	19,985,142,828
Depreciation for the year	537,961,925	85,759,062	377,432,205	17,303,941	1,018,457,133
Other decreases	(401,092,466)	-	-	(46,443,181)	(447,535,647)
Closing balance	10,600,699,655	2,980,277,071	6,720,100,749	254,986,839	20,556,064,314
NET BOOK VALUE					
Opening balance	4,707,166,841	85,759,062	371,423,930	1,414,375	5,165,764,208
Closing balance	4,570,297,382	-	230,791,725	460,797,460	5,261,886,567

As at 31 December 2018, the historical cost of tangible fixed assets includes VND 9,410,002,330 of fixed assets which have been fully depreciated but are still in use (as at 31 December 2017: VND 7,361,530,620).

9. INCREASE, DECREASE IN INTANGIBLE ASSETS

The balance of intangible assets as at 31 December 2018 mainly represents cost and accumulated amortization of reinsurance software. As at 31 December 2018, the historical cost of intangible assets includes VND 32,164,880,734 of intangible assets which have been fully amortized but are still in use.

10. INCREASE, DECREASE IN INVESTMENT PROPERTY

Items	Opening balance	Increase	Closing balance
	VND	VND	VND
Investment properties held to earn rentals			
Cost	34,055,061,893	-	34,055,061,893
- Building (i)	34,055,061,893	-	34,055,061,893
Accumulated depreciation	23,071,672,598	319,362,079	23,391,034,677
- Building (i)	23,071,672,598	319,362,079	23,391,034,677
Net book value	10,983,389,295	-	10,664,027,216
- Building	10,983,389,295	-	10,664,027,216

(i) Represent the cost and accumulated depreciation of the building at No. 141 Le Duan Street corresponding to the lease area.

According to Vietnamese Accounting Standard No.05 - *Investment Properties*, fair value of investment property as at 31 December 2018 is required to be disclosed.

11. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
Payables of insurance contracts	505,215,065,621	693,969,225,780
- Payables to inward reinsurance activities	191,437,179,471	226,225,807,240
- Payables to outward reinsurance activities	306,084,713,736	462,323,685,555
- Other payables to reinsurance activities	7,693,172,414	5,419,732,985
Other trade payables	235,682,981,374	242,337,922,485
- Temporary Withholding Tax collection (2% of overseas reinsurance fee)	-	7,348,701,506
- Other payables related to swap contracts	233,378,186,000	232,719,405,000
- Other payables	2,304,795,374	2,269,815,979
	740,898,046,995	936,307,148,265

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
Value added tax on domestic sales	315,112,708	1,318,846,673	1,433,476,669	200,482,712
Corporate income tax	4,592,109,887	54,225,725,648	44,451,616,560	14,366,218,975
Personal income tax	401,188,661	6,169,504,225	6,551,052,805	19,640,081
Business license tax	-	4,000,000	4,000,000	-
Other taxes and charges payable	98,442,682	866,459,356	856,767,235	108,134,803
Total	5,406,853,938	62,584,535,902	53,296,913,269	14,694,476,571

13. OTHER PAYABLES

	Closing balance	Opening balance
	VND	VND
a) Short-term	113,797,003,488	245,390,863,318
Unearned commission income	107,386,456,892	110,592,257,769
- Opening balance	110,592,257,769	112,089,806,982
- Unearned commission income incurred in the year	217,206,876,890	224,052,197,951
- Commission income allocated in the	220,412,677,767	225,549,747,164
- Closing balance	107,386,456,892	110,592,257,769
Other current payables	6,410,546,596	134,798,605,549
Dividends payable	-	131,075,937,000
Other payables	6,410,546,596	3,722,668,549
b) Long-term	2,699,736,765	2,327,881,984
Long-term deposits	2,699,736,765	2,327,881,984
	116,496,740,253	247,718,745,302

14. UNDER-WRITING RESERVES

Claim reserve and Unearned premium reserve	Closing balance		
	Inward reinsurance reserve	Outward reinsurance reserve	Net inward reinsurance reserve
	VND	VND	VND
I. Normal activities			
1. Claim reserve	1,655,328,799,365	1,146,291,214,236	509,037,585,129
<i>Reserve for losses incurred and reported</i>	<i>1,565,192,887,741</i>	<i>1,095,392,359,939</i>	<i>469,800,527,802</i>
<i>Reserve for losses incurred not yet reported</i>	<i>90,135,911,624</i>	<i>50,898,854,297</i>	<i>39,237,057,327</i>
2. Unearned premium reserve	874,337,219,111	503,493,352,619	370,843,866,492
II. Pilot agricultural insurance activities			
1. Claim reserve	13,018,301,080	11,772,813,977	1,245,487,103
<i>Reserve for losses incurred and reported</i>	<i>13,018,301,080</i>	<i>11,772,813,977</i>	<i>1,245,487,103</i>
2. Unearned premium reserve	-	-	-
	2,542,684,319,556	1,661,557,380,832	881,126,938,724

In which:

Claim reserve	Current year		
	Inward reinsurance claim reserve	Outward reinsurance claim reserve	Net inward reinsurance claim reserve
	VND	VND	VND
I. Normal activities			
Opening balance	1,503,283,775,847	1,056,944,191,156	446,339,584,691
Increase in the year	152,045,023,518	89,347,023,080	62,698,000,438
II. Pilot agricultural insurance activities			
Opening balance	8,877,885,734	8,028,695,528	849,190,206
Increase in the year	4,140,415,346	3,744,118,449	396,296,897
Closing balance	1,668,347,100,445	1,158,064,028,213	510,283,072,232

Unearned premium reserve	Current year		
	Unearned inward reinsurance premium reserve	Unearned outward reinsurance premium reserve	Net unearned inward premium reinsurance
	VND	VND	VND
I. Normal activities			
Opening balance	794,916,072,658	526,110,829,307	268,805,243,351
Increase/(decrease) in the year	79,421,146,453	(22,617,476,688)	102,038,623,141
II. Pilot agricultural insurance activities			
Opening balance	-	-	-
(Reversal) in the year	-	-	-
Closing balance	874,337,219,111	503,493,352,619	370,843,866,492

Catastrophe reserve	Current year VND	Prior year VND
I. Normal activities		
Opening balance	181,562,544,622	182,721,648,752
Increase in the year	14,042,899,826	11,840,895,870
Use in the year	(17,000,000,000)	(13,000,000,000)
II. Pilot agricultural insurance activities		
Opening balance	8,876,683,166	8,876,683,166
Increase in the year	-	-
III. Offshore fishing vessel insurance activities		
Opening balance	3,405,849,758	-
Increase in the year	-	3,405,849,758
Closing balance	190,887,977,372	193,845,077,546

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15. OWNERS' EQUITY

	Owners' contributed capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
For the year ended 31 December 2017						
Opening balance	1,310,759,370,000	566,368,537,309	195,985,615,251	114,427,745,725	459,557,666,658	2,647,098,934,943
Profit for the year	-	-	-	-	233,852,647,190	233,852,647,190
Profit distribution to funds	-	-	4,708,237,473	11,770,593,681	(23,815,642,130)	(7,336,810,976)
Dividends declared	-	-	-	-	(288,367,061,400)	(288,367,061,400)
Closing balance	1,310,759,370,000	566,368,537,309	200,693,852,724	126,198,339,406	381,227,610,318	2,585,247,709,757
For the year ended 31 December 2018						
Opening balance	1,310,759,370,000	566,368,537,309	200,693,852,724	126,198,339,406	381,227,610,318	2,585,247,709,757
Profit for the year	-	-	-	-	261,454,081,113	261,454,081,113
Profit distribution to funds (i)	-	-	5,121,527,801	4,877,597,594	(17,866,871,134)	(7,867,745,739)
Dividends declared (i)	-	-	-	-	(26,215,187,400)	(26,215,187,400)
Other decrease	-	-	-	-	(421,202,827)	(421,202,827)
Closing balance	1,310,759,370,000	566,368,537,309	205,815,380,525	131,075,937,000	598,178,430,070	2,812,197,654,904

(i) According to Resolution No. 04/2018/NQ-DHDCD dated 19 April 2018 by the Annual Shareholders' General Meeting of Vietnam National Reinsurance Joint Stock Corporation, the Board of Management declared the dividend payment for the year 2017 to the shareholders at the rate of 12% of owner's contributed capital from the retained earnings, which is equivalent to VND 157,291,124,400, 10% of which equivalent to VND 131,075,937,000, was declared during 2017 and, simultaneously, made temporary distribution of VND 17,866,871,134 to the funds from the profit. The final decision on profit distribution for the year 2018 shall be made in the 2019 Annual General Shareholders' Meeting.

Owners' contributed capital

As at 31 December 2018, the total capital actually contributed by the shareholders and share premium are as follows:

	Contributed capital			
	Closing balance	Proportion	Opening balance	Proportion
	VND		VND	
Owners' contributed capital	1,310,759,370,000	100.00%	1,310,759,370,000	100.00%
State Capital Investment Corporation	529,060,350,000	40.36%	529,060,350,000	40.36%
Swiss Re Group	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	
	1,877,127,907,309		1,877,127,907,309	

Shares

	Closing balance	Opening balance
Number of shares registered to issue	131,075,937	131,075,937
Number of outstanding shares in circulation	131,075,937	131,075,937
<i>Common shares</i>	<i>131,075,937</i>	<i>131,075,937</i>

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

16. INSURANCE PREMIUM

	Current year	Prior year
	VND	VND
Inward reinsurance premium	1,832,610,622,014	1,690,815,992,595
<i>Energy insurance</i>	<i>3,132,763,224</i>	<i>6,806,614,772</i>
<i>Hull and P&I insurance</i>	<i>293,397,192,253</i>	<i>277,388,735,520</i>
<i>Cargo insurance</i>	<i>136,254,411,170</i>	<i>133,465,477,927</i>
<i>Engineering insurance</i>	<i>206,194,254,041</i>	<i>226,764,842,477</i>
<i>Fire and property insurance</i>	<i>517,606,173,561</i>	<i>480,456,349,361</i>
<i>Aviation insurance</i>	<i>29,317,973,712</i>	<i>38,517,756,317</i>
<i>Other insurance</i>	<i>646,707,854,053</i>	<i>527,416,216,221</i>
Deductions of inward reinsurance premium	(29,892,389,558)	(39,344,012,147)
Increase in unearned premium reserve for inward reinsurance	79,421,146,453	5,451,481,456
	1,723,297,086,003	1,646,020,498,992

17. OUTWARD REINSURANCE PREMIUM

	Current year	Prior year
	VND	VND
Total outward reinsurance premium	1,034,662,196,274	1,089,370,035,530
<i>Energy insurance</i>	2,792,256,827	4,821,544,817
<i>Hull and P&I insurance</i>	208,895,373,640	198,567,268,013
<i>Cargo insurance</i>	30,439,909,973	30,352,354,227
<i>Engineering insurance</i>	84,779,560,499	87,609,431,526
<i>Fire and property insurance</i>	369,468,154,840	351,618,883,867
<i>Aviation insurance</i>	27,416,546,193	36,797,267,547
<i>Other insurance</i>	310,870,394,302	379,603,285,533
Deductions of outward reinsurance premium	(16,685,110,381)	(24,791,269,331)
(Decrease) in unearned premium reserve for outward reinsurance	(22,617,476,688)	(11,918,103,424)
	1,040,594,562,581	1,076,496,869,623

18. OTHER INCOME FROM INSURANCE ACTIVITIES

	Current year	Prior year (Restated)
	VND	VND
Other receipts from inward reinsurance activities	10,049,211,106	5,203,365,847
Other receipts from outward reinsurance activities	33,184,825,807	18,490,740,424
	43,234,036,913	23,694,106,271

19. TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES

	Current year	Prior year (Restated)
	VND	VND
Claim settlement expenses	789,549,153,632	912,490,342,387
<i>Energy insurance</i>	3,299,453,975	6,768,176,833
<i>Hull and P&I insurance</i>	122,748,970,362	101,994,299,381
<i>Cargo insurance</i>	41,862,934,223	24,452,817,681
<i>Engineering insurance</i>	105,337,971,247	148,762,545,303
<i>Fire and property insurance</i>	254,813,855,786	317,005,741,064
<i>Aviation insurance</i>	7,094,888,240	7,081,523,250
<i>Other insurance</i>	254,391,079,799	306,425,238,875
Claim receipts from ceded policies	525,294,744,748	661,401,116,713
Increase/(Decrease) in inward reinsurance claim reserve	152,045,023,518	(66,364,159,211)
Increase/(Decrease) in outward reinsurance claim reserve	89,347,023,080	(117,251,096,612)
	326,952,409,322	301,976,163,075

20. OTHER EXPENSES FROM INSURANCE ACTIVITIES

	Current year	Prior year (Restated)
	VND	VND
Other payments for inward reinsurance activities	33,570,217,720	27,073,648,450
Other payments for outward reinsurance activities	9,495,241,753	4,861,437,157
	43,065,459,473	31,935,085,607

21. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Interest on time deposits	158,072,012,536	158,907,673,609
Dividends and profits received	31,189,762,307	28,083,591,872
Interest on bonds, commercial bills	20,917,712,327	14,655,154,796
Income on entrustment investments	47,706,199,302	33,191,104,956
Gain on exchange differences	73,584,109,317	48,683,794,944
Profit from securities trading	73,157,997	5,684,537,395
Interest on demand deposits	248,638,415	256,532,648
Other financial income	-	14,338,450
	331,791,592,201	289,476,728,670

22. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Loss on exchange differences	77,527,836,534	48,423,299,800
Loss on securities trading	531,525	92,819,438
Provision for/(Reversal of) impairment of investments	1,152,694,300	(1,989,255,524)
Other financial expenses	14,218,644,305	21,575,570,714
	92,899,706,664	68,102,434,428

23. GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
Administrative staff expenses	53,127,253,711	52,268,700,760
Office expenses	472,613,263	558,494,564
Depreciation and amortisation	2,956,010,359	8,474,188,345
Taxes, fees and charges	755,798,781	1,137,282,003
Provision made/(reversed)	1,535,762,210	(18,226,169,611)
Out-sourced services	11,112,771,904	11,994,250,331
Expenses for business transactions, conferences, advertising	4,749,486,851	4,631,127,048
Other administration expenses	4,598,848,184	4,934,284,434
	79,308,545,263	65,772,157,874

24. PRODUCTION COST BY NATURE

	Current year	Prior year
	VND	(Restated)
	VND	VND
Cost of insurance activities	811,260,069,740	697,159,535,695
Employee expenses	53,127,253,711	52,268,700,760
Depreciation and amortisation	2,956,010,359	8,474,188,345
Out-sourced services	11,112,771,904	11,994,250,331
Provision made/(reversed)	1,535,762,210	(18,226,169,611)
Other monetary expenses	10,576,747,079	11,261,188,049
	890,568,615,003	762,931,693,569

25. PILOT AGRICULTURAL INSURANCE ACTIVITIES

On 01 March 2011, the Prime Minister issued Decision No. 315/QĐ-TTg on the pilot provision of agricultural insurance during 2011 - 2013 with objectives to help agricultural producers take the initiative in remedying and recovering from financial losses caused by natural disasters or epidemics, contributing to assuring social welfare in rural areas and promoting agricultural production. According to the Decision, the Corporation has responsibilities to undertake agricultural 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 certain clauses of Decision No. 315/QĐ-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/QĐ-TTg dated 01 March 2011 by the Prime Minister. Accordingly, insurance enterprises and reinsurance enterprises have responsibilities to separately record the annual losses on their pilot 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 incurred from pilot agricultural insurance activities, such losses will be carried forward to the following year as regulated by law. In this year, loss on pilot agricultural insurance activities was VND 350,253,371.

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.

According to Decision No. 315/QĐ-TTg, pilot agricultural insurance activities 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.

26. OPERATIONS OF OFFSHORE FISHING VESSEL INSURANCE

On 07 July 2014, the Government issued Decree No. 67/2014/ND-CP on some fisheries development policies, including regulations on insurance policy for the offshore fishing fleet ("fishing vessel insurance"). The Corporation undertakes this type of insurance, along with the local insurance companies, for supporting market and performing the policies as per the Government's objectives.

On 20 August 2014, the Ministry of Finance issued Circular No. 116/2014/TT-BTC providing guidance on several financial issues to insurance activities as stipulated in Decree No. 67/2014/ND-CP on fisheries development policies. According to the provisions under Circular No. 116/2014/TT-BTC, the business results of fishing vessel insurance activities shall be included in the insurer's results. The insurance enterprise shall hold responsibility to separately monitor revenue, expenses and results of operations regarding this type of insurance. Profit from fishing vessel insurance activities (if any) shall be recorded to catastrophe reserves at the year end.

In 2018, the total loss result from fishing vessel insurance activities of VND 3,736,030,986 is recognised in the income statement.

27. CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Profit before tax	315,679,806,761	285,289,787,631
Adjustments for taxable profit		
Less: Non-taxable income	(47,487,272,961)	(32,692,568,825)
Add: Non-deductible expenses	2,770,270,478	4,624,887,574
Taxable profit	270,962,804,278	257,222,106,380
Normal tax rate	20%	20%
Current CIT tax payable	54,192,560,856	51,444,421,276
Current CIT payable according to tax finalization	33,164,792	-
Total current CIT payable	54,225,725,648	51,444,421,276
Deferred corporate tax (income)	-	(7,280,835)

28. 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 maximizing the return to shareholders through the optimization 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 instruments are disclosed in Note 3.

Categories of financial instruments

	Carrying amounts	
	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	61,645,461,451	168,003,369,951
Trade receivables	864,352,992,094	1,066,999,744,858
Short-term investments	2,418,055,685,385	2,200,847,811,835
Long-term investments	974,245,527,793	876,819,956,010
Total	4,318,299,666,723	4,312,670,882,654
Financial liabilities		
Trade and other payables	740,898,046,995	1,060,034,383,759
Long-term deposits received	2,699,736,765	2,327,881,984
Total	743,597,783,760	1,062,362,265,743

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance sheet 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.

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

The risks from insurance activities are risks arising from the portfolio that the Corporation reinsures. The level of risk depends on the underwriting processes:

- i) Assessing the reinsurance risk;
- ii) Pricing, assessing reinsurance ability;
- iii) Terms and conditions applied; and
- iv) Monitoring the concentration of risk and disaster risk.

The objective of the insurance risk management is to improve the quality of the risk portfolio insured by implementing the above processes sufficiently and appropriately. The risk arising from insurance activities may include:

- + Assessment on reinsurance risk is conducted inadequately, together with inappropriate terms and conditions;
- + Pricing is not reasonable with the risk insured;
- + Retrocession policies are inappropriate;
- + Claims are not properly handled;
- + Reserves are made inadequately;
- + Receivables from retrocession activities are unable to be collected.

Objectives, policies and processes of Insurance risk management

The ultimate goal of insurance risk management is to control insurance events that may affect the Corporation's financial position, equity and financial performance.

The Corporation's risk management policies are set up through establishing risk tolerances and detailing insurance/reinsurance guidelines such as guideline on treaty insurance/reinsurance, facultative insurance/reinsurance, and guideline on claim handling.

The Corporation sets up a system of insurance risk management at different levels in order to assure the effectiveness of risk management activities. The system of risk management of the Corporation is built from departmental to corporation-wide levels. The Board of Risk Management plays an important role to ensure collaboration and connection among operational departments, the Board of Management and Board of General Directors of the Corporation.

The insurance risk management is supervised from top down through insurance and reinsurance guideline and insurance risk monitoring standards. The bottom-up reporting procedure is also established and performed periodically on a weekly, monthly, and quarterly basis to ensure the effectiveness of the monitoring activities. Insurance risk management procedures are carried out systematically in order to identify, measure, control and handle risks to ensure that risk measurement criteria are kept within the allowed limits.

The Corporation applies various measures to detect risks including risk assessment, risk discussion in internal meetings, or experience from experts. Depending on the circumstances and characteristics of the risk which need to be measured, different quantitative and qualitative measurement methods can be applied. The qualitative method includes risk assessment by underwriting experts for individual transaction or risk portfolios. The quantitative measures include pricing and analysing the risk portfolio using historical statistical figures (premium, type of risk, loss, etc.).

The reinsurance and retrocession schemes play an important role in maintaining the level of risk exposed by the Corporation within the risk tolerance. The Board of General Directors thus holds responsibility to set up the risk tolerance level appropriate with business performance of the Corporation at certain period as well as perform the insurance and reinsurance schemes on annual basis as approved by the Board of Management.

Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and prices.

In the year, the Corporation has entered into currencies swap transactions with banks to mitigate foreign exchange risk.

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 year are as follows:

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
United States Dollar (USD)	534,825,809,803	698,533,585,995	272,245,206,388	489,139,093,769
Euro (EUR)	2,961,472,645	2,523,751,486	910,312,066	827,539,173
Great Britain Pound (GBP)	194,716,149	6,037,224	-	14,242,474
Australian Dollar (AUD)	5,795,741	5,958,591	-	2,307,521
Singapore Dollar (SGD)	7,074,709	7,277,201	20,242,466	149,519,289
Japanese Yen (JPY)	288,399,237	279,819,268	96,447,038	94,363,993

Foreign currency sensitivity analysis

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

5% 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 year-end for a 5% change in foreign currency rates. For a 5% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would increase/decrease by the respective amounts as follows:

	Current year	Prior year
	VND	VND
United States Dollar (USD)	13,129,030,171	10,469,724,611
Euro (EUR)	102,558,029	84,810,616

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 subsidiary and associate. The Corporation's Board of Management assesses and approves decisions on investments in subsidiary and associate such as operating industry, investees, etc. Investments in the Corporation's subsidiary and associate 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.

The Corporation reviews and assesses these investments on an annual basis to provide concrete policies in order to ensure legal compliance and investment efficiency.

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 a 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 year. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, and adequate committed funding from its shareholders 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 assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of 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.

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	Less than 1 year	From 1 - 5 years	Over 5 years	Total
	VND	VND	VND	VND
Closing balance				
Cash and cash equivalents	61,645,461,451	-	-	61,645,461,451
Trade receivables	864,352,992,094	-	-	864,352,992,094
Short-term investments	2,418,055,685,385	-	-	2,418,055,685,385
Long-term investments	-	511,879,163,796	462,366,363,997	974,245,527,793
Total	3,344,054,138,930	511,879,163,796	462,366,363,997	4,318,299,666,723
Closing balance				
Trade and other payables	740,898,046,995	-	-	740,898,046,995
Long-term deposits received	-	2,699,736,765	-	2,699,736,765
Total	740,898,046,995	2,699,736,765	-	743,597,783,760
Net liquidity gap	2,603,156,091,935	509,179,427,031	462,366,363,997	3,574,701,882,963
Opening balance				
Cash and cash equivalents	168,003,369,951	-	-	168,003,369,951
Trade receivables	1,066,999,744,858	-	-	1,066,999,744,858
Short-term investments	2,200,847,811,835	-	-	2,200,847,811,835
Long-term investments	-	409,111,917,447	467,708,038,563	876,819,956,010
Total	3,435,850,926,644	409,111,917,447	467,708,038,563	4,312,670,882,654
Opening balance				
Trade and other payables	1,060,034,383,759	-	-	1,060,034,383,759
Long-term deposits received	-	2,327,881,984	-	2,327,881,984
Total	1,060,034,383,759	2,327,881,984	-	1,062,362,265,743
Net liquidity gap	2,375,816,542,885	406,784,035,463	467,708,038,563	3,250,308,616,911

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.

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions and balances with related parties are presented in the consolidated financial statements for the year ended 31 December 2018.

30. FINANCIAL RATIOS

Items	Unit	Current year	Prior year
1. Assets and resources structure arrangement			
1.1. Assets structure arrangement			
- Non-current assets/Total assets	%	18.60	17.40
- Current assets/Total assets	%	81.40	82.60
1.2. Resources structure arrangement			
- Liabilities/Total resources	%	56.44	59.05
- Owners' equity/Total resources	%	43.56	40.95
2. Liquidity			
2.1. Short-term liability liquidity	times	1.44	1.40
2.2. Quick liquidity	times	0.68	0.64
Items	Unit	Current period	Prior period (Restated)
3. Profit ratio			
3.1. Profit/Revenue ratio			
- Profit before tax/Revenue ratio	%	24.25	25.42
- Profit after tax/Revenue ratio	%	20.09	20.83
3.2. Profit/Total assets ratio			
- Profit before tax/Total assets ratio	%	4.89	4.52
- Profit after tax/Total assets ratio	%	4.05	3.70
3.3. Profit after tax/Owners' equity ratio	%	9.30	9.05

31. 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.

32. SUMMARY OF CLAIMS

	Payment year	Accident year		Total
		2016 VND	2017 VND	2018 VND
I. Accumulated claim reserve amount				
Claim reserve amount accumulated to the current year (1)		200,330,400,956	296,354,291,303	173,219,293,835
II. Accumulated paid claim amount				669,903,986,094
As at year end of accident year		28,329,675,781	33,641,004,564	41,951,581,376
After 1 year		100,190,516,120	117,696,539,265	-
After 2 years		26,411,007,261	-	-
Paid claim amount accumulated to the current year (2)		154,931,199,162	151,337,543,829	41,951,581,376
III. Total outstanding claim reserve (3)=(1)-(2)		45,399,201,794	145,016,747,474	131,267,712,459
Outstanding claim reserve for previous years' losses				148,116,866,075
Total outstanding claim reserve at the year-end				469,800,527,802

33. COMPARATIVE FIGURES

Some prior year's figures were restated in order to assure appropriateness of comparative figures since the Corporation reclassified deposits related to claim receipts and claim settlement of some reinsurance contracts, details are as follows:

VIETNAM NATIONAL REINSURANCE JOINT STOCK CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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ITEMS	Codes	Previously reported amount	Reclassification	Amount after reclassification
		VND	VND	VND
INCOME STATEMENT				
PART I - GENERAL INCOME STATEMENT				
1. Net revenue from insurance activities	10	981,229,357,935	(162,461,875,131)	818,767,482,804
4. Total expenses for insurance activities	20	859,621,410,826	(162,461,875,131)	697,159,535,695
PART II - INCOME STATEMENT BY ACTIVITY				
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04	411,705,728,566	(162,461,875,131)	249,243,853,435
- Other income from insurance activities	04.2	186,155,981,402	(162,461,875,131)	23,694,106,271
5. Net revenue from insurance activities (10 = 03+04)	10	981,229,357,935	(162,461,875,131)	818,767,482,804
6. Claim settlement expenses (11=11.1)	11	915,027,572,983	(2,537,230,596)	912,490,342,387
- Total claim settlement expenses	11.1	915,027,572,983	(2,537,230,596)	912,490,342,387
7. Claim receipts from ceded policies	12	667,456,345,229	(6,055,228,516)	661,401,116,713
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	298,458,165,155	3,517,997,920	301,976,163,075
12. Other expenses for insurance activities (17=17.1+17.2)	17	562,322,349,801	(165,979,873,051)	396,342,476,750
- Other expenses for insurance activities	17.2	197,914,958,658	(165,979,873,051)	31,935,085,607
13. Total expenses for insurance activities (18=15+16+17)	18	859,621,410,826	(162,461,875,131)	697,159,535,695

34. SUBSEQUENT EVENTS

There is no subsequent event arising after 31 December 2018 to the reporting date needs to be adjusted or presented in the separate financial statements.

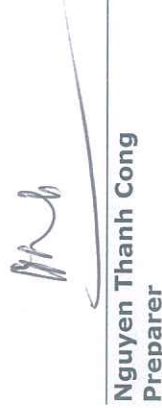


Luu Thi Viet Hoa
Chief Accountant



Phạm Công Tu
General Director

Hanoi, 04 March 2019


Nguyen Thanh Cong
Preparer