

**VIETNAM NATIONAL REINSURANCE JOINT
STOCK CORPORATION**

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

For the 6-month period ended 30 June 2019

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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 interim consolidated financial statements for the 6-month period ended 30 June 2019.

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
Mr. Phan Kim Bang	Vice Chairman
Mr. Nguyen Xuan Viet	Vice Chairman (appointed on 16 July 2019)
	Member (appointed on 10 April 2019)
Mr. Pham Cong Tu	Member
Mr. Dao Nam Hai	Member
Mr. Pham Sy Danh	Member
Mr. Mai Xuan Dung	Member
Mr. Nguyen Dinh An	Member
Mr. Vu Anh Tuan	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

BOARD OF GENERAL DIRECTORS' RESPONSIBILITY

The Board of General Directors of the Corporation is responsible for preparing the interim consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 30 June 2019 and its consolidated financial performance and its consolidated cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim consolidated financial reporting. In preparing these interim 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 interim consolidated financial statements;
- Prepare the interim 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 interim 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 consolidated financial position of the Corporation and that the interim consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim consolidated 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 interim consolidated financial statements.

For and on behalf of the Board of General Directors,



Pham Cong Tu
General Director

Hanoi, 13 August 2019

No.: /VN1A-HN-BC

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of Vietnam National Reinsurance Joint Stock Corporation (the "Corporation"), prepared on 13 August 2019 as set out from page 04 to page 42, which comprise the interim consolidated balance sheet as at 30 June 2019, the interim consolidated income statement and interim consolidated cash flow statement for the 6-month period 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 interim consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim consolidated financial reporting and for such internal control as the Board of General Directors determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

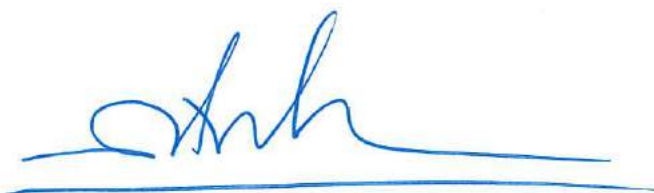
Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim consolidated financial reporting.



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

DELOITTE VIETNAM COMPANY LIMITED

13 August 2019
Hanoi, S.R. Vietnam

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (Restated)
A. CURRENT ASSETS (100=110+120+130+140+150+190)	100		5,724,714,901,928	5,323,245,284,131
I. Cash and cash equivalents	110	4	53,255,134,936	63,803,229,276
1. Cash	111		47,255,134,936	46,803,229,276
2. Cash equivalents	112		6,000,000,000	17,000,000,000
II. Short-term financial investments	120	5	2,415,777,027,694	2,433,155,685,385
1. Trading securities	121		173,907,022	173,907,022
2. Provision for impairment of trading securities	122		(173,907,022)	(173,907,022)
3. Held-to-maturity investments	123		2,416,404,440,705	2,437,930,762,313
4. Provision for short-term financial investments	124		(627,413,011)	(4,775,076,928)
III. Short-term receivables	130		1,147,914,824,564	869,495,694,856
1. Short-term trade receivables	131	7	1,157,832,568,335	890,833,527,743
1.1. Receivables of insurance contracts	131.1		804,796,093,597	566,851,827,024
1.2. Other trade accounts receivable	131.2		353,036,474,738	323,981,700,719
2. Advances to suppliers	132		240,480,966	-
3. Other short-term receivables	136		26,610,442,264	18,487,490,668
4. Provision for short-term doubtful debts	137		(36,768,667,001)	(39,825,323,555)
IV. Inventories	140		40,508,616,693	40,571,643,367
1. Inventories	141	6	45,055,740,831	45,118,767,505
2. Provision for devaluation of inventories	149		(4,547,124,138)	(4,547,124,138)
V. Other current assets	150		399,450,042,589	254,661,650,415
1. Short-term prepaid expenses	151	8	393,970,854,635	249,259,411,914
1.1. Unallocated commission expenses	151.1		383,546,348,511	244,016,133,558
1.2. Other short-term prepaid expenses	151.2		10,424,506,124	5,243,278,356
2. Value added tax deductibles	152		5,479,187,954	5,402,238,501
VI. Reinsurance assets	190	16	1,667,809,255,452	1,661,557,380,832
1. Unearned premium reserve for outward reinsurance	191		508,478,717,481	503,493,352,619
2. Claim reserve for outward reinsurance	192		1,159,330,537,971	1,158,064,028,213

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (Restated)
B. NON-CURRENT ASSETS (200=210+220+230+240+250+260)	200		1,537,080,102,293	1,343,546,303,429
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		4,908,449,747	5,321,763,664
1. Tangible fixed assets	221	10	4,859,952,650	5,261,886,567
- Cost	222		25,817,950,881	25,817,950,881
- Accumulated depreciation	223		(20,957,998,231)	(20,556,064,314)
2. Intangible assets	227	11	48,497,097	59,877,097
- Cost	228		32,434,195,934	32,434,195,934
- Accumulated amortisation	229		(32,385,698,837)	(32,374,318,837)
III. Investment property	230	12	10,036,404,970	10,664,027,216
- Cost	231		34,055,061,893	34,055,061,893
- Accumulated depreciation	232		(24,018,656,923)	(23,391,034,677)
IV. Long-term assets in progress	240		15,754,454,102	14,790,319,557
1. Construction in progress	242		15,754,454,102	14,790,319,557
V. Long-term financial investments	250	5	1,412,148,364,591	1,219,784,370,115
1. Investments in associates	252		264,017,662,251	258,842,891,150
2. Equity investments in other entities	253		433,849,696,283	462,366,363,997
3. Provision for long-term financial investments	254		(1,718,104,138)	(4,458,755,507)
4. Held-to-maturity investments	255		715,999,110,195	503,033,870,475
VI. Other non-current assets	260		72,232,428,883	70,985,822,877
1. Long-term prepaid expenses	261	8	4,224,845,550	2,978,239,544
2. Other long-term assets	268	9	68,007,583,333	68,007,583,333
TOTAL ASSETS (270=100+200)	270		7,261,795,004,221	6,666,791,587,560

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2019

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance (Restated)
C. LIABILITIES (300=310+330)	300		4,304,866,208,118	3,680,372,099,924
I. Current liabilities	310		4,301,994,624,963	3,677,672,363,159
1. Short-term trade payables	311	13	1,001,928,425,057	740,898,046,995
1.1 Payables of insurance contracts	311.1		758,085,099,646	505,215,065,621
1.2. Other trade accounts payable	311.2		243,843,325,411	235,682,981,374
2. Short-term advances from customers	312		1,265,999,730	724,298,709
3. Taxes and amounts payable to the State budget	313	14	10,714,490,298	16,849,114,278
4. Payables to employees	314		14,842,478,785	18,338,825,325
5. Other current payables	319	15	200,817,136,965	40,692,556,647
6. Unearned commission income	319.1	15	113,658,315,749	107,386,456,892
7. Provision for short-term payables	320		1,617,450,000	-
8. Bonus and welfare funds	322		20,019,391,401	19,210,767,385
9. Under-writing reserves	329	16	2,937,130,936,978	2,733,572,296,928
9.1. Unearned premium reserves for inward reinsurance	329.1		1,007,305,125,403	874,337,219,111
9.2. Claim reserves for inward reinsurance	329.2		1,732,154,410,697	1,668,347,100,445
9.3. Catastrophe reserve	329.3		197,671,400,878	190,887,977,372
II. Long-term liabilities	330		2,871,583,155	2,699,736,765
1. Other long-term payables	337	15	2,871,583,155	2,699,736,765
D. EQUITY (400=410)	400		2,956,928,796,103	2,986,419,487,636
I. Owners' equity	410		2,956,928,796,103	2,986,419,487,636
1. Owners' contributed capital	411	17	1,310,759,370,000	1,310,759,370,000
- Ordinary share carrying voting rights	411a		1,310,759,370,000	1,310,759,370,000
2. Share premium	412	17	566,368,537,309	566,368,537,309
3. Investment and development fund	418	17	208,627,862,370	206,077,621,278
4. Compulsory reserve fund	419	17	131,075,937,000	131,075,937,000
5. Retained earnings	421	17	704,621,129,444	735,886,003,612
- Retained earnings accumulated to the prior year end	421a		578,594,879,212	457,055,714,786
- Retained earnings of the current period	421b		126,026,250,232	278,830,288,826
6. Non-controlling interests	429		35,475,959,980	36,252,018,437
TOTAL RESOURCES (440=300+400)	440		7,261,795,004,221	6,666,791,587,560

The accompanying notes are an integral part of these interim consolidated financial statements

OFF-BALANCE SHEET ITEMS

OFF-BALANCE SHEET ITEMS	Currency	Closing balance	Opening balance
1. Foreign currencies			
United States Dollar	USD	1,631,169.62	1,479,421.71
Australian Dollar	AUD	345.15	348.07
Japanese Yen	JPY	43,775.00	44,017.00
Singapore Dollar	SGD	498.16	434.05
Great Britain Pound	GBP	5,770.51	5,771.61
Euro	EUR	132,283.17	112,577.69



Nguyen Thanh Cong
Preparer



Luu Thi Viet Hoa
Chief Accountant



Pham Cong Tu
General Director

Hanoi, 13 August 2019

INTERIM CONSOLIDATED INCOME STATEMENT

For the 6-month period ended 30 June 2019

PART I - GENERAL INTERIM CONSOLIDATED INCOME STATEMENT

Unit: VND

ITEMS	Codes	Current period	Prior period
1. Net revenue from insurance activities	10	664,525,137,780	429,206,926,466
2. Financial income	12	146,515,580,325	149,805,570,304
3. Other income	13	7,171,938,204	6,323,714,809
4. Total expenses for insurance activities	20	641,533,096,849	359,961,523,463
5. Financial expenses	22	12,643,735,949	37,856,451,446
6. General and administration expenses	23	33,223,569,853	42,876,579,118
7. Other expenses	24	1,456,996,046	1,143,626,803
8. Net profit from associate	25	25,675,518,290	23,733,302,899
9. (Loss) on pilot agricultural insurance activities	26	-	(377,422,391)
10. Profit from offshore fishing vessel insurance	27	-	5,340,205,520
11. Total accounting profit before tax (50 = 10+12+13-20-22-23-24+25+26-27)	50	155,030,775,902	161,513,705,737
12. Current corporate income tax expense	51	23,348,397,287	23,738,228,888
13. Net profit after corporate income tax (60=50-51)	60	131,682,378,615	137,775,476,849

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED INCOME STATEMENT (Continued)

For the 6-month period ended 30 June 2019

PART II - INTERIM CONSOLIDATED INCOME STATEMENT BY ACTIVITY

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Insurance premium (01 = 01.2-01.3)	01	18	1,043,744,525,499	855,576,663,450
- Inward reinsurance premium	01.2		1,176,712,431,791	891,849,757,936
- Increase in unearned premium reserve for inward reinsurance	01.3		132,967,906,292	36,273,094,486
2. Outward reinsurance premium (02 = 02.1-02.2)	02	19	515,675,163,445	552,095,461,677
- Outward reinsurance premium	02.1		520,660,528,307	573,771,955,757
- Increase in unearned premium reserve for outward reinsurance	02.2		4,985,364,862	21,676,494,080
3. Net insurance premium (03 = 01-02)	03		528,069,362,054	303,481,201,773
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		136,455,775,726	125,725,724,693
- Commission income from outward reinsurance	04.1		115,550,228,555	114,697,470,780
- Other income from insurance activities	04.2	20	20,905,547,171	11,028,253,913
5. Net revenue from insurance activities (10=03+04)	10		664,525,137,780	429,206,926,466
6. Claim settlement expenses (11=11.1)	11		496,987,534,882	400,456,994,843
- Total claim settlement expenses	11.1		496,987,534,882	400,456,994,843
7. Claim receipts from ceded policies	12		335,490,062,243	298,430,998,009
8. Increase in claim reserve for inward reinsurance	13		64,760,718,404	105,919,454,396
9. Increase in claim reserve for outward reinsurance	14		1,229,604,407	68,877,664,264
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	21	225,028,586,636	139,067,786,966
11. Increase in catastrophe reserve	16		6,543,226,003	6,416,645,385
12. Other expenses for insurance activities (17=17.1+17.2)	17		409,961,284,210	214,477,091,112
- Insurance commission expenses	17.1		393,464,462,710	195,974,489,445
- Other expenses for insurance activities	17.2	22	16,496,821,500	18,502,601,667
13. Total expenses for insurance activities (18=15+16+17)	18		641,533,096,849	359,961,523,463
14. Gross profit from insurance activities (19=10-18)	19		22,992,040,931	69,245,403,003

The accompanying notes are an integral part of these interim consolidated financial statements


INTERIM CONSOLIDATED INCOME STATEMENT (Continued)

For the 6-month period ended 30 June 2019

PART II - INTERIM CONSOLIDATED INCOME STATEMENT BY ACTIVITY (Continued)

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
15. Financial income	23	23	146,515,580,325	149,805,570,304
16. Financial expenses	24	24	12,643,735,949	37,856,451,446
17. Gross profit from financial activities (25=23-24)	25		133,871,844,376	111,949,118,858
18. General and administration expenses	26	25	33,223,569,853	42,876,579,118
19. Net profit from operating activities (30=19+25-26)	30		123,640,315,454	138,317,942,743
20. Other income	31		7,171,938,204	6,323,714,809
21. Other expenses	32		1,456,996,046	1,143,626,803
22. Profit from other activities (40=31-32)	40		5,714,942,158	5,180,088,006
23. Share of net profits of associate	40.1		25,675,518,290	23,733,302,899
24. (Loss) on pilot agricultural insurance activities	40.2	27	-	(377,422,391)
25. Profit from offshore fishing vessel insurance	40.3	28	-	5,340,205,520
26. Accounting profit before tax (50=30+40+40.1+40.2-40.3)	50		155,030,775,902	161,513,705,737
27. Current corporate income tax expense	51	29	23,348,397,287	23,738,228,888
28. Profit after corporate income tax (60=50-51)	60		131,682,378,615	137,775,476,849
<i>Attributable to:</i>				
Shareholders of the Corporation	61		132,458,437,072	138,076,620,574
Non-controlling interests	62		(776,058,457)	(301,143,725)
29. Basic earnings per share	70	30	981	1,024


Nguyen Thanh Cong
Preparer


Luu Thi Viet Hoa
Chief Accountant


Pham Cong Tu
General Director

Hanoi, 13 August 2019

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Direct method)

For 6-month period ended 30 June 2019

Unit: VND

ITEMS	Codes	Current period	Prior period
I. Cash flows from operating activities			
1. Receipts from inward and outward insurance activities	01	220,561,041,442	227,501,973,882
2. Payments for inward and outward insurance activities	02	(134,412,375,209)	(167,500,932,645)
3. Payments for employees	03	(22,911,872,938)	(22,573,910,155)
4. Payments for corporate income tax	05	(29,609,101,771)	(15,374,990,381)
5. Receipts from other activities	06	1,813,556,774	1,563,355,177
6. Payments for other activities	07	(17,359,775,327)	(20,207,433,919)
Net cash generated by operating activities	20	18,081,472,971	3,408,061,959
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(964,134,545)	(922,060,000)
2. Cash outflow for lending, buying debt instruments of other entities	23	(598,200,000,000)	(659,153,945,000)
3. Cash received from lending, selling debt instruments of other entities	24	405,218,168,541	590,000,000,000
4. Cash recovered from investments in other entities	26	28,516,667,714	-
5. Interest earned, dividends and profits received	27	136,602,801,488	130,775,239,698
Net cash (used in)/generated by investing activities	30	(28,826,496,802)	60,699,234,698
III. Cash flows from financing activities			
1. Dividends and profits paid	36	-	(156,976,649,600)
Net cash (used in) financing activities	40	-	(156,976,649,600)
Net (decrease) in cash (50 = 20+30+40)	50	(10,745,023,831)	(92,869,352,943)
Cash and cash equivalents at the beginning of the period	60	63,803,229,276	169,817,165,145
Effects of changes in foreign exchange rates	61	196,929,491	777,935,616
Cash and cash equivalents at the end of the period (70 = 50+60+61)	70	53,255,134,936	77,725,747,818



Nguyen Thanh Cong
Preparer



Luu Thi Viet Hoa
Chief Accountant



Pham Cong Tu
General Director

Hanoi, 13 August 2019

The accompanying notes are an integral part of these interim consolidated financial statements

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(These notes are an integral part of and should be read in conjunction with the accompanying interim consolidated 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 Licenses. The latest Amended License No. 28/GPDC4/KDBH dated 12 August 2014.

The number of employees of the Corporation as at 30 June 2019 was 100 (31 December 2018: 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 production and business cycle

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

The Corporation's structure

As at 30 June 2019, the Corporation has a subsidiary named Vinare Investment Joint Stock Company with the Corporation's proportions of ownership interest and voting power held of 63.9% and 60%, respectively.

As at 30 June 2019, the Corporation has an associate named 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 interim consolidated financial statements

The comparative figures of the interim consolidated balance sheet and corresponding notes are the figures of the Corporation's audited consolidated financial statements for the year ended 31 December 2018. The comparative figures of the interim consolidated income statement, interim consolidated cash flow statement and corresponding notes are the figures of the reviewed interim consolidated financial statements for the 6-month period ended 30 June 2018. Certain adjustments have been made to the interim consolidated balance sheet for the opening balance to enhance their comparability with the closing balance's presentation, details are as follows:

ITEMS	Codes	Previously reported amount	Adjustment	Restated amount
		VND	VND	VND
INTERIM CONSOLIDATED BALANCE SHEET				
Other long-term assets	268	75,142,258,228	(7,134,674,895)	68,007,583,333
Other current payables	319	47,827,231,542	(7,134,674,895)	40,692,556,647

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying interim 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 interim consolidated financial reporting.

The accompanying interim consolidated financial statements are not intended to present the consolidated financial position, consolidated results of operations and consolidated 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. The accompanying interim consolidated financial statements have been prepared for the 6-month period ended 30 June 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The interim consolidated financial statements incorporate the financial statements of the Corporation and an enterprise controlled by the Corporation (its subsidiary) prepared for the 6-month period ended 30 June 2019. 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 interim 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 subsidiary to bring the accounting policies used in line with those used by the Corporation. Intragroup transactions and balances are eliminated in full on interim consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination 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.

Investments 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.

The results and assets and liabilities of associate are incorporated in these interim consolidated financial statements using the equity method of accounting. Interests in associate are carried in the interim consolidated 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 transacts 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, trade receivables, short-term and long-term financial 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 trade payables, other payables 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.

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.

Provision for doubtful debts is estimated 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 contrast, the Corporation will offset the reinsurance-related payables balance against 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 customer after offsetting, according to Circular No. 228/2009/TT-BTC dated 07 December 2009 of Ministry of Finance, 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 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 interim consolidated 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:

	Current period (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, which is amortized using the straight-line method over the estimated useful life of 5 years.

Financial investments

a. Trading securities

Trading securities are those the Corporation holds for trading purposes. Trading securities are 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 accounting periods, investments in trading securities are measured at cost less provision for impairment of such investments.

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 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 interim consolidated 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.

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 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 of financial investments

Provision for impairment of financial investments is 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, 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 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 and 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 capitalised as prepayments, and are allocated to the interim consolidated 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 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 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, 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 recognised at the establishment of contractual agreement and 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 commission income from outward reinsurance 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 period end, 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. 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 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, 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 period and the ceded ratios.

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" item.

At the period end, 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. 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 23,000 VND/USD (for the 6-month period ended 30 June 2018: 22,700 VND/USD) to transactions arising in foreign currencies during the period. 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 interim consolidated income statement.
- Liabilities and receivables relating to recognition of revenue and expenses from reinsurance for the period denominated in USD: 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 23,230 VND/USD (as at 31 December 2018: 23,145 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 23,350 VND/USD (as at 31 December 2018: 23,245 VND/USD). Exchange differences arising from such transactions are recorded in the interim consolidated income statement.

- Liabilities and receivables relating to recognition of revenue and expense from reinsurance for the period 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 23,230 VND/USD (as at 31 December 2018: 23,145 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 23,350 VND/USD (as at 31 December 2018: 23,245 VND/USD). Exchange differences arising from such transactions are recorded in the interim consolidated income statement.
- 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 exchange 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 interim consolidated income statement.

Enterprise funds

The compulsory reserve fund is made 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 made from the profit after tax and used for the Corporation's business expansion or capital deepening.

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 interim 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 period are made as follows:

Premium reserve:

Provision for premium inward and outward reserves with regard to 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 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.

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

Claim reserves:

- For losses that have been incurred and reported but not settled at the period end, the Corporation makes claim 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 period over all types of insurance.

Catastrophe reserve: This reserve is made periodically under statistical method, at a rate of 1% of the retained premium rate of all transactions until it reaches 100% of the premium retained in the period.

For 6-month period ended 30 June 2018, the Corporation made catastrophe reserve at a rate of 2% of the retained premium rate of all transactions. Accordingly, the increase in catastrophe reserve item on the interim consolidated income statement for the 6-month period ended 30 June 2019 decreases about VND 6.5 billion from this change of accounting estimate.

Equalization reserve:

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

Health-care reinsurance reserve: is made annually at the rate of 1% of retained premium for all transactions until it reaches 100% of retained premium in the accounting period according to Circular No. 50/2017/TT-BTC of the Ministry of Finance dated 15 May 2017, which was effective from 01 July 2017.

In the period, the Corporation has reversed the provision for equalization reserve with total amount of VND 4,205,420 and recognised in 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. Currently, in accordance with guidance under Decree No. 73/2016/NĐ-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 6-month period ended 30 June 2019 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 interim consolidated 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 period. Taxable profit differs from profit before tax as reported in the interim consolidated 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 interim 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 period 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 Corporation's income 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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	1,760,424,465	1,163,164,124
Bank demand deposits	45,494,710,471	45,640,065,152
Cash equivalents	6,000,000,000	17,000,000,000
	<u>53,255,134,936</u>	<u>63,803,229,276</u>

	2019	2018
Opening balance	100	100
Closing balance	100	100

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- (i) Short-term deposits represent deposits with original terms of over 3 months and remaining maturities as at 30 June 2019 of under 12 months at domestic commercial banks, with interest rates from 5.9% to 7.8% 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 7.5% to 7.7% per annum.
- (iii) Bonds include corporate bonds and Government bonds with the maturities from 01 year to 06 years and interest rates from 7.25% to 9.23% per annum.
- (iv) Entrustment investments represent investments under trust contracts signed with Vietcombank Fund Management, and Saigon Securities Incorporation under which, the Corporation shall bear all risks related to the escrow account.
- (v) Investments in other entities include any investments in other companies over which the Corporation does not have the right to control or significant influence. Details of share capital contributions are as follows:

Equity investments in:	Proportion of ownership interest as at 30/6/2019	Closing balance	Opening balance
		VND	VND
Petrolimex Joint Stock Insurance Company	3.64%	30,693,896,283	59,210,563,997
Post and Telecommunication Joint Stock Insurance Company	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
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	4.47%	275,000,000,000	275,000,000,000
		433,849,696,283	462,366,363,997

At the date of these interim consolidated financial statements, the Corporation has assessed and made provision for impairment of equity investments as at 30 June 2019 based on the investees' financial statements for the 6-month period ended 30 June 2019. For investees whose financial statements for 6-month period ended 30 June 2019 have not been available, the Corporation used the latest financial statements collected for assessment. Information on bonus shares received as at 30 June 2019 of these investees 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	10,934,500
Post and Telecommunication Joint Stock Insurance Company	10,000	381,024
Sai Gon - Ha Long Hotel	10,000	96,000

Details of the associate of the Corporation as at 30 June 2019 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%	25%	Non-life insurance

Summary of financial information about Samsung Vina Insurance Company Limited is presented as follows:

	Closing balance	Opening balance
	VND	VND
Total assets	1,781,735,466,253	1,949,035,135,835
Total liabilities	725,664,817,248	913,663,571,234
Net assets	1,056,070,649,005	1,035,371,564,601
The Corporation's share of the associate's net assets	264,017,662,251	258,842,891,150
	Current period	Prior period
	VND	VND
Revenue	197,048,484,063	174,721,677,342
Net profit	102,702,073,160	94,933,211,594
The Corporation's share of the associate's net profit	25,675,518,290	23,733,302,899
	Current period	Prior period
	VND	VND
Opening balance	258,842,891,150	227,722,596,956
The Corporation's share of the associate's net profit after tax	25,675,518,290	45,996,806,101
Dividends received	(20,500,747,189)	(14,876,511,907)
Closing balance	264,017,662,251	258,842,891,150

- Summary of the performance of the associate in the period: the Corporation's associate had stable operation under registered operation sectors in the 6-month period ended 30 June 2019.
- The significant transactions between the Corporation and its associate in the period, include: transaction of: inward/ outward reinsurance premium, inward/outward reinsurance commissions and outward/inward reinsurance claim and dividend payment.

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 closing price of the reporting date.
- At the reporting date, fair value of other investments of which information for fair value determination is inadequate shall not be determined.

6. INVENTORIES

Inventories represent the values of apartments which are used for offsetting debts of Corporation's subsidiary (Vinare Invest JSC - Vinare Invest) to VT Construction & Trade JSC. Of which, nine (9) apartments with total values of VND 36,895,972,638 are owned by Vinare Invest at Hanoi Paragon Project - Dich Vong Hau Urban Area, Cau Giay District, Hanoi. The Corporation has provided for devaluation of inventories in accordance with Certificate of Valuation No.070119/CT-TLVC-VNRI dated 07 January 2019 of Thang Long Valuation and Consulting Joint Stock Company. Two (2) apartments with values of VND 8,115,502,000 are owned by investors of Hanoi Paragon Project - Dich Vong Hau Urban Area, Cau Giay District, Hanoi City.

7. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Receivables from insurance contracts	804,796,093,597	566,851,827,024
- Receivables from inward reinsurance	483,097,506,209	320,685,835,997
- Receivables from outward reinsurance	316,917,754,469	239,238,644,441
- Other receivables from reinsurance activities	4,780,832,919	6,927,346,586
Other trade receivables	353,036,474,738	323,981,700,719
- Interest receivables on investments	112,968,350,678	92,349,846,574
- Other receivables related to swap contracts	236,946,000,000	231,450,000,000
- Other receivables	3,122,124,060	181,854,145
	1,157,832,568,335	890,833,527,743

8. PREPAID EXPENSES

	Closing balance	Opening balance
	VND	VND
a) Short-term	393,970,854,635	249,259,411,914
Unallocated commission expenses	383,546,348,511	244,016,133,558
- Opening balance	244,016,133,558	185,674,353,313
- Unallocated commission expenses incurred in the period/year	532,994,677,663	502,541,081,364
- Commission expenses allocated in the period/year	393,464,462,710	444,199,301,119
- Closing balance	383,546,348,511	244,016,133,558
Other prepaid expenses	10,424,506,124	5,243,278,356
b) Long-term	4,224,845,550	2,978,239,544
Golf card expenses	1,012,471,472	1,040,980,964
Other long-term prepaid expenses	3,212,374,078	1,937,258,580
	398,195,700,185	252,237,651,458

9. OTHER LONG-TERM ASSETS

	Closing balance	Opening balance
	VND	VND
Tincom Plaza (360 Giai Phong Road) Project	68,007,583,333	68,007,583,333
	68,007,583,333	68,007,583,333

Other long-term assets represent long-term deposits for contracts on properties purchase. The Board of General Directors has evaluated and believes there is no significant impairment of the deposits.

10. INCREASES, DECREASES 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	6,950,892,474	715,784,299	25,817,950,881
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	10,600,699,655	2,980,277,071	6,720,100,749	254,986,839	20,556,064,314
Depreciation for the period	268,980,962	-	85,284,250	47,668,705	401,933,917
Closing balance	10,869,680,617	2,980,277,071	6,805,384,999	302,655,544	20,957,998,231
NET BOOK VALUE					
Opening balance	4,570,297,382	-	230,791,725	460,797,460	5,261,886,567
Closing balance	4,301,316,420	-	145,507,475	413,128,755	4,859,952,650

As at 30 June 2019, the total historical cost of tangible fixed assets includes VND 9,896,466,818 of fixed assets which have been fully depreciated but are still in use (as at 31 December 2018: VND 9,410,002,330).

11. INCREASES, DECREASES IN INTANGIBLE FIXED ASSETS

The balance of intangible assets as at 30 June 2019 represents cost and accumulated amortisation of reinsurance software and accounting software. As at 30 June 2019, the historical cost of intangible fixed assets include VND 32,206,595,934 of fixed assets which had been fully amortized but are still in use (as at 31 December 2018: VND 32,206,595,934).

12. INCREASES, DECREASES 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	23,391,034,677	627,622,246	24,018,656,923
- Building (i)	23,391,034,677	627,622,246	24,018,656,923
Net book value	10,664,027,216	-	10,036,404,970
- Building	10,664,027,216	-	10,036,404,970

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

According to Vietnamese Accounting Standard No. 05 - *Investment Properties*, fair value of investment property as at 30 June 2019 is required to be disclosed. As assessed by the management, the value of the Corporation's investment property in accounting records has represented its fair value.

13. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
Payables of insurance contracts	758,085,099,646	505,215,065,621
- Payables for inward reinsurance activities	359,205,598,096	191,437,179,471
- Payables for outward reinsurance activities	396,867,464,647	306,084,713,736
- Other payables for reinsurance activities	2,012,036,903	7,693,172,414
Other trade accounts payable	243,843,325,411	235,682,981,374
- Other payables related to swap contracts	242,888,555,000	233,378,186,000
- Other payables	954,770,411	2,304,795,374
	1,001,928,425,057	740,898,046,995

14. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance	Payable during the period	Paid during the period	Closing balance
	VND	VND	VND	VND
Value added tax on domestic sales	200,482,712	827,470,794	789,381,960	238,571,546
Corporate income tax	16,512,187,133	23,348,397,287	29,609,101,771	10,251,482,649
Personal income tax	28,309,630	5,756,536,669	5,668,775,875	116,070,424
Business license tax	-	3,000,000	3,000,000	-
Other taxes and charges payable	108,134,803	709,187,978	708,957,102	108,365,679
Total	16,849,114,278	30,644,592,728	36,779,216,708	10,714,490,298

15. OTHER PAYABLES

	Closing balance	Opening balance
	VND	VND
a) Short-term	314,475,452,714	148,079,013,539
Unearned commission income	113,658,315,749	107,386,456,892
- Opening balance	107,386,456,892	110,592,257,769
- Unearned commission income incurred in the period/year	121,822,087,412	217,206,876,890
- Commission income allocated in the period/year	115,550,228,555	220,412,677,767
- Closing balance	113,658,315,749	107,386,456,892
Other current payables	200,817,136,965	40,692,556,647
Dividends payable (i)	157,291,124,400	-
Other payables	43,526,012,565	40,692,556,647
b) Long-term	2,871,583,155	2,699,736,765
Long-term deposits	2,871,583,155	2,699,736,765
	317,347,035,869	150,778,750,304

(i) 2018 unpaid dividend as at 30 June 2019 equal to 12% of owners' contributed capital according to Resolution No. 09/2019/NQ-DHDCD dated 24 April 2019 by the Annual Shareholders' General Meeting of Vietnam National Reinsurance Joint Stock Corporation.

16. UNDER-WRITING RESERVES

	Closing balance		
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	1,721,645,635,769	1,149,827,052,643	571,818,583,126
Reserve for losses incurred and reported	1,617,742,058,365	1,098,344,599,076	519,397,459,289
Reserve for losses incurred but not reported	103,903,577,404	51,482,453,567	52,421,123,837
2. Unearned premium reserve	1,007,305,125,403	508,478,717,481	498,826,407,922
II. Pilot agricultural insurance activities			
1. Claim reserve	10,508,774,928	9,503,485,328	1,005,289,600
Reserve for losses incurred and reported	10,508,774,928	9,503,485,328	1,005,289,600
2. Unearned premium reserve	-	-	-
	2,739,459,536,100	1,667,809,255,452	1,071,650,280,648

In which:

Claim reserve	Current period		
	Inward reinsurance claim reserve VND	Outward reinsurance claim reserve VND	Net inward reinsurance claim reserve VND
I. Normal activities			
Opening balance	1,655,328,799,365	1,146,291,214,236	509,037,585,129
Increase in the period	66,316,836,404	3,535,838,407	62,780,997,997
II. Pilot agricultural insurance activities			
Opening balance	13,018,301,080	11,772,813,977	1,245,487,103
(Reversal) in the period	(2,509,526,152)	(2,269,328,649)	(240,197,503)
Closing balance	1,732,154,410,697	1,159,330,537,971	572,823,872,726

Unearned premium reserve	Current period		
	Unearned inward reinsurance premium reserve VND	Unearned outward reinsurance premium reserve VND	Net unearned inward reinsurance premium reserve VND
I. Normal activities			
Opening balance	874,337,219,111	503,493,352,619	370,843,866,492
Increase in the period	132,967,906,292	4,985,364,862	127,982,541,430
II. Pilot agricultural insurance activities			
Opening balance	-	-	-
Increase in the period	-	-	-
Closing balance	1,007,305,125,403	508,478,717,481	498,826,407,922

Catastrophe reserve	Current period	Prior year
	VND	VND
I. Normal activities		
Opening balance	178,605,444,448	181,562,544,622
Increase in the period/year	6,543,226,003	14,042,899,826
Use in the period/year	-	(17,000,000,000)
II. Pilot agricultural insurance activities		
Opening balance	8,876,683,166	8,876,683,166
Increase in the period/year	240,197,503	-
III. Offshore fishing vessel insurance activities		
Opening balance	3,405,849,758	3,405,849,758
Increase in the period/year	-	-
Closing balance	197,671,400,878	190,887,977,372

17. OWNERS' EQUITY

	Owners' contributed capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
<i>For the 6-month period ended 30 June 2018</i>						
Opening balance	1,310,759,370,000	566,368,537,309	200,956,093,477	126,198,339,406	483,692,105,013	2,687,974,445,205
Profit for the period	-	-	-	-	138,076,620,574	138,076,620,574
Profit distribution to funds	-	-	2,519,779,448	4,877,597,594	(11,315,133,964)	(3,917,756,922)
Dividends declared	-	-	-	-	(26,215,187,400)	(26,215,187,400)
Closing balance	1,310,759,370,000	566,368,537,309	203,475,872,925	131,075,937,000	584,238,404,223	2,795,918,121,457
<i>For the 6-month period ended 30 June 2019</i>						
Opening balance	1,310,759,370,000	566,368,537,309	206,077,621,278	131,075,937,000	735,886,003,612	2,950,167,469,199
Profit for the period	-	-	-	-	132,458,437,072	132,458,437,072
Profit distribution to funds (i)	-	-	2,550,241,092	-	(6,432,186,840)	(3,881,945,748)
Dividends declared (i)	-	-	-	-	(157,291,124,400)	(157,291,124,400)
Closing balance	1,310,759,370,000	566,368,537,309	208,627,862,370	131,075,937,000	704,621,129,444	2,921,452,836,123

(i) According to Resolution No. 09/2019/NQ-DHDCD dated 24 April 2019 by the Annual Shareholders' General Meeting of Vietnam National Reinsurance Joint Stock Corporation, the Board of Management declared the dividend payment for the year 2018 to the shareholders at the rate of 12% of owners' contributed capital from the retained earnings, which is equivalent to VND 157,291,124,400; and also made temporary distribution of VND 6,432,186,840 to the funds from the profit for the 6-month period ended 30 June 2019. The final decision on profit distribution for the year 2019 shall be made in the 2020 Annual General Shareholders' Meeting.

Owners' contributed capital

As at 30 June 2019, the total capital actually contributed by shareholders and share premium are as follows:

	Contributed capital			
	Closing balance		Opening balance	
	VND	Proportion	VND	Proportion
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.

18. REINSURANCE PREMIUM

	Current period	Prior period
	VND	VND
Inward reinsurance premium	1,193,792,531,516	909,588,866,270
<i>Energy insurance</i>	<i>1,671,063,419</i>	<i>1,365,856,260</i>
<i>Hull and P&I insurance</i>	<i>136,888,407,951</i>	<i>145,376,280,935</i>
<i>Cargo insurance</i>	<i>81,641,785,103</i>	<i>62,042,381,216</i>
<i>Engineering insurance</i>	<i>104,432,829,172</i>	<i>103,629,709,581</i>
<i>Fire and property insurance</i>	<i>331,568,100,462</i>	<i>258,738,172,362</i>
<i>Aviation insurance</i>	<i>3,564,193,640</i>	<i>18,648,238,509</i>
<i>Other insurance</i>	<i>534,026,151,769</i>	<i>319,788,227,407</i>
Deductions in inward reinsurance premium	(17,080,099,725)	(17,739,108,334)
Increase in unearned premium reserve for inward reinsurance	132,967,906,292	36,273,094,486
	1,043,744,525,499	855,576,663,450

19. OUTWARD REINSURANCE PREMIUM

	Current period	Prior period
	VND	VND
Total outward reinsurance premium	523,203,443,061	582,589,957,901
<i>Energy insurance</i>	1,366,039,736	1,250,797,065
<i>Hull and P&I insurance</i>	90,736,060,279	98,806,839,619
<i>Cargo insurance</i>	17,119,567,685	11,836,641,285
<i>Engineering insurance</i>	44,090,115,883	43,156,433,285
<i>Fire and property insurance</i>	222,146,392,102	180,606,032,633
<i>Aviation insurance</i>	2,715,050,587	17,458,226,843
<i>Other insurance</i>	145,030,216,789	229,474,987,171
Deductions in outward reinsurance premium	(2,542,914,754)	(8,818,002,144)
Increase in unearned premium reserve for outward reinsurance	4,985,364,862	21,676,494,080
	515,675,163,445	552,095,461,677

20. OTHER INCOME FROM INSURANCE ACTIVITIES

	Current period	Prior period
	VND	VND
Other receipts from inward reinsurance activities	2,498,456,487	791,864,303
Other receipts from outward reinsurance activities	18,407,090,684	10,236,389,610
	20,905,547,171	11,028,253,913

21. TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES

	Current period	Prior period
	VND	VND
Claim settlement expenses	496,987,534,882	400,456,994,843
<i>Energy insurance</i>	3,893,842,325	279,328,306
<i>Hull and P&I insurance</i>	55,671,340,945	66,382,196,501
<i>Cargo insurance</i>	18,234,790,566	17,219,500,315
<i>Engineering insurance</i>	50,234,254,543	53,542,405,959
<i>Fire and property insurance</i>	147,603,606,269	121,951,240,117
<i>Aviation insurance</i>	13,167,359,744	1,524,880,680
<i>Other insurance</i>	208,182,340,490	139,557,442,965
Claim receipts from ceded policies	335,490,062,243	298,430,998,009
Increase in inward reinsurance claim reserve	64,760,718,404	105,919,454,396
Increase in outward reinsurance claim reserve	1,229,604,407	68,877,664,264
	225,028,586,636	139,067,786,966

22. OTHER EXPENSES FOR INSURANCE ACTIVITIES

	Current period	Prior period
	VND	VND
Other payments for inward reinsurance activities	13,723,619,065	17,966,751,000
Other payments for outward reinsurance activities	2,773,202,435	535,850,667
	16,496,821,500	18,502,601,667

23. FINANCIAL INCOME

	Current period	Prior period
	VND	VND
Interest on time deposits	88,209,480,827	76,458,339,216
Dividends and profits received	14,825,824,800	16,313,250,400
Interest on bonds, commercial bills	8,664,693,150	10,922,234,247
Interest on entrusted investments	-	21,976,783,547
Gain on exchange differences	11,557,426,157	23,740,138,841
Profit from securities trading	23,183,332,286	-
Interest on demand deposits	74,823,105	120,546,429
Other financial income	-	274,277,624
	146,515,580,325	149,805,570,304

24. FINANCIAL EXPENSES

	Current period	Prior period
	VND	VND
Loss on exchange differences	10,984,091,202	27,644,590,987
Expenses of securities trading activities	180,950,000	-
Provision (reversed of)/made for impairment of investments	(6,888,315,286)	788,390,377
Other financial expenses	8,367,010,033	9,423,470,082
	12,643,735,949	37,856,451,446

25. GENERAL AND ADMINISTRATION EXPENSES

	Current period	Prior period
	VND	VND
Administrative staff expenses	25,076,338,053	27,300,323,737
Office expenses	264,315,758	200,974,892
Depreciation and amortisation	413,313,917	2,806,210,945
Taxes, fees and charges	401,186,421	372,616,834
Provision (reversed)/ made	(4,062,871,728)	2,820,381,470
Out-sourced services	2,918,137,568	2,441,249,621
Expenses for business transactions, conferences,	2,697,928,540	3,307,138,172
Other administration expenses	5,515,221,324	3,627,683,447
	33,223,569,853	42,876,579,118

26. COST BY NATURE

	Current period	Prior period
	VND	VND
Cost of insurance activities	641,533,096,849	359,961,523,463
Employee expenses	25,076,338,053	27,300,323,737
Depreciation and amortisation	413,313,917	2,806,210,945
Out-sourced services	2,918,137,568	2,441,249,621
Provision (reversed)/ made	(4,062,871,728)	2,820,381,470
Other monetary expenses	8,878,652,043	7,508,413,345
	674,756,666,702	402,838,102,581

27. 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 of 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 period, 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 of the Prime Minister. Accordingly, insurance enterprises and reinsurance enterprises have responsibilities to separately record the annual losses from 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 case of losses incurred 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 inward reinsurance for 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.

28. 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 for insurance enterprises undertaking 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 insurance activities (if any) shall be recorded to catastrophe reserves at the financial year end.

In the current period, the total positive operating result from fishing vessel insurance activities of VND 0 (prior period: VND: 5,340,205,520) is allocated to catastrophe reserve.

29. CORPORATE INCOME TAX EXPENSE

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Profit before tax	155,030,775,902	161,513,705,737
Adjustments for taxable profit		
Less: Non-taxable income	(41,645,739,855)	(47,478,638,264)
Add: Non-deductible expenses	1,208,106,548	4,354,933,244
Add: Loss of subsidiary in the period	2,148,843,839	301,143,725
Taxable profit	116,741,986,434	118,691,144,442
Normal tax rate	20%	20%
Current corporate income tax payable	23,348,397,287	23,738,228,888
Corporate current income tax payable according to tax finalization	-	33,164,792

30. BASIC EARNINGS PER SHARE

The calculation of basic earning per share attributable to ordinary shareholders of the Corporation is based on following data:

	<u>Unit</u>	<u>Current period</u>	<u>Prior period</u>
Profit after corporate income tax	VND	131,682,378,615	137,775,476,849
Less: estimated amount accrued for bonus and welfare funds	VND	3,881,945,748	3,917,756,922
Less: loss of subsidiary distributable to non-controlling interests	VND	(776,058,457)	(301,143,725)
Profit used to calculate basic earnings per share	VND	128,576,491,324	134,158,863,652
Average number of outstanding ordinary shares in circulation	Shares	131,075,937	131,075,937
Basic earnings per share	VND	981	1,024

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 contributed 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 3.

Categories of financial instruments

	Carrying amounts	
	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	53,255,134,936	63,803,229,276
Trade receivables	1,147,471,918,035	869,426,906,424
Short-term investments	2,416,404,440,705	2,433,155,685,385
Long-term investments	1,148,130,702,340	960,941,478,965
Total	4,765,262,196,016	4,327,327,300,050
Financial liabilities		
Trade and other payables	1,159,219,549,457	740,898,046,995
Long-term deposits received	2,871,583,155	2,699,736,765
Total	1,162,091,132,612	743,597,783,760

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 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 risks and disaster risks.

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 Corporation's 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 entity-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 directly implement reinsurance and retrocession within the annual reinsurance scheme 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 period, 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 the period are as follows:

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
United States Dollar (USD)	660,547,702,884	534,825,809,803	357,027,157,472	272,245,206,388
Euro (EUR)	3,488,142,743	2,961,472,645	910,205,901	910,312,066
Great Britain Pound (GBP)	197,130,805	194,716,149	14,552,570	-
Australian Dollar (AUD)	5,768,226	5,795,741	-	-
Singapore Dollar (SGD)	8,149,477	7,074,709	1,458,628	20,242,466
Japanese Yen (JPY)	289,411,536	288,399,237	20,229,404	96,447,038
Ringgit Malaysia (MYR)	-	-	1,458,628	-

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 period-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 period would increase/decrease by the respective amounts as follows:

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
United States Dollar (USD)	15,176,027,271	14,115,959,349
Euro (EUR)	128,896,842	102,441,737

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

	Less than 1 year	From 1 - 5 years	Over 5 years	Total
	VND	VND	VND	VND
Closing balance				
Cash and cash equivalents	53,255,134,936	-	-	53,255,134,936
Trade receivables	1,147,471,918,035	-	-	1,147,471,918,035
Short-term investments	2,416,404,440,705	-	-	2,416,404,440,705
Long-term investments	-	714,281,006,057	433,849,696,283	1,148,130,702,340
Total	3,617,131,493,676	714,281,006,057	433,849,696,283	4,765,262,196,016
Closing balance				
Trade and other payables	1,159,219,549,457	-	-	1,159,219,549,457
Long-term deposits received	-	2,871,583,155	-	2,871,583,155
Total	1,159,219,549,457	2,871,583,155	-	1,162,091,132,612
Net liquidity gap	2,457,911,944,219	711,409,422,902	433,849,696,283	3,603,171,063,404
Opening balance				
Cash and cash equivalents	63,803,229,276	-	-	63,803,229,276
Trade receivables	869,426,906,424	-	-	869,426,906,424
Short-term investments	2,433,155,685,385	-	-	2,433,155,685,385
Long-term investments	-	498,575,114,968	462,366,363,997	960,941,478,965
Total	3,366,385,821,085	498,575,114,968	462,366,363,997	4,327,327,300,050
Opening 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	2,625,487,774,090	495,875,378,203	462,366,363,997	3,583,729,516,290

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.

32. TRANSACTIONS AND BALANCES WITH RELATED PARTY

List of related parties with significant transactions and balances for the period:

Related parties	Relationship
State Capital Investment Corporation	Major shareholder
Swiss Re Group	Major shareholder
Bao Minh Insurance Joint Stock Corporation	Same owner
Samsung Vina Insurance Company Limited	Associate

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

	Current period	Prior period
	VND	VND
<u>Swiss Re Group</u>		
Outward reinsurance premium	119,706,594,489	87,725,271,669
Outward reinsurance commission	33,719,627,135	26,208,736,852
Receipt from outward reinsurance claim	49,327,376,997	50,848,559,604
Dividends paid	-	39,322,786,800
<u>Bao Minh Insurance Joint Stock Corporation</u>		
Outward reinsurance premium	32,285,976,301	37,438,454,243
Outward reinsurance commission	8,535,179,423	8,289,962,663
Receipt from outward reinsurance claim	26,172,814,347	22,853,307,600
Inward reinsurance premium	26,624,819,971	49,876,418,653
Inward reinsurance commission	5,919,648,051	11,394,143,875
Claim settlements of inward reinsurance	42,200,166,804	27,140,347,178
<u>Samsung Vina Insurance Company Limited</u>		
Outward reinsurance premium	821,266,623	(359,252,017)
Outward reinsurance commission	115,210,829	(29,996,221)
Receipt from outward reinsurance claim	362,491,574	273,001,346
Inward reinsurance premium	62,741,482,718	73,152,601,910
Inward reinsurance commission	14,168,131,168	16,708,077,182
Claim settlements of inward reinsurance	20,801,651,568	7,127,020,398
Dividends received	20,500,747,189	14,876,511,907
<u>State Capital Investment Corporation</u>		
Dividends paid	-	63,487,242,000
<u>The Board of General Directors</u>		
Remuneration for the period	2,603,361,979	3,298,699,648

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

	Closing balance	Opening balance
	VND	VND
<u>Swiss Re Group</u>		
Receivables from outward reinsurance activities	25,221,190,534	19,294,865,505
Payables for outward reinsurance activities	75,885,480,612	28,405,512,637
<u>Bao Minh Insurance Joint Stock Corporation</u>		
Receivables from inward reinsurance activities	7,831,529,215	12,383,249,083
Receivables from outward reinsurance activities	28,366,285,987	26,581,552,603
Payables for inward reinsurance activities	47,677,384,859	29,805,459,189
Payables for outward reinsurance activities	13,988,701,615	19,889,057,011
<u>Samsung Vina Insurance Company Limited</u>		
Receivables from inward reinsurance activities	2,068,157,058	6,051,509,620
Receivables from outward reinsurance activities	(56,099,830)	312,594,608
Payables for inward reinsurance activities	983,067,382	5,783,172,204
Payables for outward reinsurance activities	14,637,357	5,038,177

35. SUMMARY OF CLAIMS

	Accident year		Total
	2017	2018	
Payment year	VND	VND	VND
I. Accumulated claim reserve amount			
Claim reserve amount accumulated to the current year (1)	315,274,455,461	258,538,923,685	665,815,837,748
II. Accumulated paid claim amount			
As at year end of accident year	33,641,004,564	41,951,581,376	78,421,652,040
After 1 year	117,696,539,265	72,728,934,005	190,425,473,270
After 2 years	32,624,838,968	-	32,624,838,968
Paid claim amount accumulated to the current year (2)	183,962,382,797	114,680,515,381	301,471,964,278
III. Total outstanding claim reserve (3) = (1) - (2)	131,312,072,664	143,858,408,304	364,343,873,470
Outstanding claim reserve for previous years' losses			155,053,585,819
Total outstanding claim reserve at the period-end			519,397,459,289

36. SUBSEQUENT EVENT

There is no subsequent event occurring after 30 June 2019 to the reporting date needs to be adjusted or presented in the interim consolidated financial statement.



(Signature)

Nguyen Thanh Cong
Preparer

Luu Thi Viet Hoa
Chief Accountant

Pham Cong Tu
General Director

Hanoi, 13 August 2019