

VIETNAM NATIONAL REINSURANCE CORPORATION

INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

VIETNAM NATIONAL REINSURANCE CORPORATION

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VIETNAM NATIONAL REINSURANCE CORPORATION

CORPORATE INFORMATION

Establishment and Operation Licence

No. 28/GP/KDBH dated 15 November 2004 issued by the Ministry of Finance for a period of 50 years from the date of the initial Establishment and Operation Licence. The Establishment and Operation Licence has been amended several times and the latest amendment No. 28/GPĐC4/KDBH was issued on 12 August 2014.

On the date of these interim separate financial statements:

Board of Directors	Mr. Nguyen Anh Tuan	Chairman (appointed on 11 June 2020)
	Mr. Le Song Lai	Chairman (resigned on 11 June 2020)
	Mr. Nguyen Xuan Viet	Deputy Chairman
	Mr. Pham Cong Tu	Member
	Mr. Dao Nam Hai	Member
	Mr. Pham Sy Danh	Member (resigned on 11 June 2020)
	Mr. Pham Phan Dung	Member (appointed on 11 June 2020)
	Mr. Jared Orchard	Member (appointed on 11 June 2020)
	Mr. Mai Xuan Dung	Member
	Mr. Nguyen Dinh An	Member
	Mr. Vu Anh Tuan	Member
Board of Supervision	Mr. Tran Trung Tinh	Chief Supervisor
	Mr. Tushar Chatterjee	Member
	Ms. Le Thi Thanh Hien	Member
	Mr. Vu Ngoc Vuong	Member
	Mr. Dao Manh Duong	Member
Board of Management	Mr. Pham Cong Tu	Chief Executive Officer
	Mr. Nguyen Manh Linh	Deputy Chief Executive Officer
	Mr. Mai Xuan Dung	Deputy Chief Executive Officer
Legal Representative	Mr. Pham Cong Tu	Chief Executive Officer
Registered Office	7th Floor, 141 Le Duan, Hoan Kiem District, Hanoi, Vietnam	
Auditor	Branch of PwC (Viet Nam) Limited in Hanoi	

VIETNAM NATIONAL REINSURANCE CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE CORPORATION IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The Board of Management of Vietnam National Reinsurance Corporation ("the Corporation") is responsible for preparing the interim separate financial statements which give a true and fair view of the financial position of the Corporation as at 30 June 2020 and the results of its operations and its cash flows for the six-month period then ended. In preparing these interim separate financial statements, the Board of Management is required to:

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

The Board of Management 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 which enable interim separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

We hereby, approve the accompanying interim separate financial statements as set out on pages 5 to 59 which give a true and fair view of the financial position of the Corporation as at 30 June 2020 and of the results of its operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements of insurance companies established and operating in compliance with the laws of Vietnam.

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiary for the six-month period ended 30 June 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Corporation and its subsidiary.

On behalf of the Board of Management



Mai Xuan Dung
Deputy Chief Executive Officer
Authorised by Legal Representative/
Board of Management
[In accordance with Authorisation Letter
No. 155/2020/VNR dated 12 August 2020]

Hanoi, SR Vietnam
14 August 2020

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL INFORMATION TO SHAREHOLDERS OF VIETNAM NATIONAL REINSURANCE CORPORATION

We have reviewed the accompanying interim separate financial statements of Vietnam National Reinsurance Corporation ("the Corporation") which were prepared on 30 June 2020 and approved by the Board of Management of the Corporation on 14 August 2020. The interim separate financial statements comprise the interim separate balance sheet as at 30 June 2020, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements including significant accounting policies, as set out on pages 5 to 59.

The Board of Management's Responsibility

The Board of Management of the Corporation is responsible for the preparation and the true and fair presentation of these interim separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements of insurance companies established and operating in compliance with the laws of Vietnam and for such internal control which the Board of Management determines necessary to enable the preparation and fair presentation of the interim separate financial statements that are free from material misstatement, whether due to fraud or errors.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*.

A review of the interim separate 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 separate financial statements do not present fairly, in all material respects, the financial position of the Corporation as at 30 June 2020, its separate financial performance and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements of insurance companies established and operating in compliance with the laws of Vietnam.

Other matters

The separate financial statements of the Corporation for the financial year ended 31 December 2019 were audited by another auditor whose audit report dated 5 March 2020 expressed an unqualified audit opinion. The interim separate financial statements of the Corporation for the six-month period ended 30 June 2019 were also reviewed by this auditor whose review report dated 13 August 2019 expressed an unqualified review conclusion.

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

For and on behalf of Branch of PwC (Vietnam) Limited in Hanoi



Nguyen Phi Lan
Deputy General Director
Audit Practising Licence No. 0573-2018-006-1
Authorised signatory

Report reference number: HAN 2566
Hanoi, 14 August 2020

INTERIM SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30/6/2020 VND	31/12/2019 VND (Reclassified)
100	CURRENT ASSETS		5,597,287,594,835	5,729,887,304,287
110	Cash and cash equivalents	3	54,519,292,868	101,616,124,112
111	Cash		54,519,292,868	101,616,124,112
120	Short-term investments	4(a)	2,344,335,690,365	2,779,246,231,902
123	Investments held-to-maturity		2,360,461,331,479	2,782,315,165,741
124	Provision for impairment of short-term financial investments		(16,125,641,114)	(3,068,933,839)
130	Short-term receivables		1,222,392,527,072	924,781,363,618
131	Short-term trade accounts receivable	5	1,209,811,303,939	916,184,821,195
131.1	- Insurance receivables		981,488,049,369	608,720,497,533
131.2	- Other trade accounts receivable		228,323,254,570	307,464,323,662
132	Short-term prepayments to suppliers		20,050,000	46,050,480
136	Other short-term receivables	6(a)	29,967,000,094	23,460,786,680
137	Provision for doubtful debts – short-term	7	(17,405,826,961)	(14,910,294,737)
140	Inventories		25,283,609	36,263,910
141	Inventories		25,283,609	36,263,910
150	Other current assets		591,572,477,573	413,364,664,958
151	Short-term prepaid expenses	8(a)	591,553,866,415	413,364,664,958
151.1	- Deferred commission expenses		585,931,068,636	406,888,443,007
151.2	- Other short-term prepaid expenses		5,622,797,779	6,476,221,951
152	Value Added Tax to be reclaimed	12(a)	18,611,158	-
190	Reinsurance assets		1,384,442,323,348	1,510,842,655,787
191	Unearned premium reserve for outward reinsurance	16(a)	521,681,126,591	508,147,652,582
192	Claim reserve for outward reinsurance	16(a)	862,761,196,757	1,002,695,003,205

The notes on pages 13 to 59 are an integral part of these interim separate financial statements.


INTERIM SEPARATE BALANCE SHEET (CONTINUED)

Code	ASSETS	Note	As at	
			30/6/2020 VND	31/12/2019 VND (Reclassified)
200	LONG-TERM ASSETS		1,557,147,092,434	1,042,674,821,219
210	Long-term receivables		33,786,839,686	28,169,373,933
211	Long-term trade receivables		5,617,465,753	-
218	Other long-term receivables		28,169,373,933	28,169,373,933
218.1	- Insurance deposits	2.10	22,000,000,000	22,000,000,000
218.2	- Other long-term receivables	6(b)	6,169,373,933	6,169,373,933
220	Fixed assets		4,645,000,272	4,684,443,147
221	Tangible fixed assets	9(a)	4,645,000,272	4,684,443,147
222	Historical cost		26,137,308,154	25,795,808,154
223	Accumulated depreciation		(21,492,307,882)	(21,111,365,007)
227	Intangible fixed assets	9(b)	-	-
228	Historical cost		32,392,480,734	32,392,480,734
229	Accumulated amortisation		(32,392,480,734)	(32,392,480,734)
230	Investment properties	10	8,781,160,479	9,408,782,725
231	Historical cost		34,055,061,893	34,055,061,893
232	Accumulated depreciation		(25,273,901,414)	(24,646,279,168)
240	Long-term assets in progress		4,065,353,945	3,106,263,645
242	Construction in progress		4,065,353,945	3,106,263,645
250	Long-term investments		1,501,597,569,743	994,461,808,606
251	Investments in subsidiaries	4(b)	60,000,000,000	60,000,000,000
252	Investments in associates	4(b)	125,000,000,000	125,000,000,000
253	Investments in other entities	4(b)	403,155,876,046	403,155,876,046
254	Provision for impairment of long-term financial investments	4(c)	(1,772,540,022)	(94,817,694)
255	Held-to-maturity investments	4(c)	915,214,233,719	406,400,750,254
260	Other long-term assets		4,271,168,309	2,844,149,163
261	Long-term prepaid expenses	8(b)	4,271,168,309	2,844,149,163
270	TOTAL ASSETS		<u>7,154,434,687,269</u>	<u>6,772,562,125,506</u>

The notes on pages 13 to 59 are an integral part of these interim separate financial statements.

INTERIM SEPARATE BALANCE SHEET (CONTINUED)

Code	RESOURCES	Note	As at	
			30/6/2020 VND	31/12/2019 VND
300	LIABILITIES		4,385,991,837,658	3,851,503,899,798
310	Short-term liabilities		4,383,062,889,253	3,848,707,362,243
311	Short-term trade accounts payable	11	1,072,633,244,864	825,996,707,924
311.1	- Insurance payables		993,270,089,419	613,498,599,822
311.2	- Other trade accounts payable		79,363,155,445	212,498,108,102
312	Short-term advances from customers		579,266,786	619,661,089
313	Tax and other payables to the State	12(b)	22,281,714,343	17,887,827,194
314	Payables to employees		15,580,051,576	21,508,923,286
315	Short-term accrued expenses		1,832,000,000	-
319	Other short-term payables	13(a)	276,162,067,216	14,227,829,987
319.1	Deferred commission income	13(a)	114,353,683,819	111,386,015,883
321	Provision for short-term liabilities	14	18,120,000,565	12,909,096,840
322	Bonus and welfare fund	15	23,779,197,404	18,969,801,148
329	Technical reserves	16	2,837,741,662,680	2,825,201,498,892
329.1	- Unearned premium reserves for inward reinsurance		1,245,105,804,894	1,077,521,983,191
329.2	- Claim reserves for inward reinsurance		1,426,122,619,558	1,590,506,312,001
329.3	- Catastrophe reserves		166,513,238,228	157,173,203,700
330	Long-term liabilities		2,928,948,405	2,796,537,555
337	Other long-term payables	13(b)	2,928,948,405	2,796,537,555
400	OWNERS' EQUITY		2,768,442,849,611	2,921,058,225,708
410	Capital and reserves		2,768,442,849,611	2,921,058,225,708
411	Owners' capital	17	1,310,759,370,000	1,310,759,370,000
411a	- Ordinary shares with voting rights		1,310,759,370,000	1,310,759,370,000
412	Share premium	17	566,368,537,309	566,368,537,309
418	Investment and development fund	18	211,311,595,298	211,311,595,298
419	Compulsory reserve	18	131,075,937,000	131,075,937,000
421	Undistributed earnings	18	548,927,410,004	701,542,786,101
421a	- Undistributed post-tax profits of previous years		437,390,912,101	440,887,305,670
421b	- Post-tax profit of current period/year		111,536,497,903	260,655,480,431
440	TOTAL RESOURCES		7,154,434,687,269	6,772,562,125,506


 Nguyen Thanh Cong
 Preparer


 Luu Thi Viet Hoa
 Chief Accountant




 Mai Xuan Dung
 Deputy Chief Executive Officer
 Authorised signatory
 14 August 2020

The notes on pages 13 to 59 are an integral part of these interim separate financial statements.

INTERIM SEPARATE BALANCE SHEET (CONTINUED)

Code	OFF BALANCE SHEET ITEMS	Currency unit	As at	
			30/6/2020	31/12/2019
1.	Foreign currencies			
	United States Dollar	USD	1,310,069.54	3,690,944.67
	Australian Dollar	AUD	345.15	345.15
	Japanese Yen	JPY	43,775.00	43,775.00
	Singapore Dollar	SGD	3,419.87	498.16
	Great Britain Pound	GBP	5,770.51	5,770.51
	Euro	EUR	211,751.76	127,138.70



 Nguyen Thanh Cong
 Preparer



 Luu Thi Viet Hoa
 Chief Accountant



 Mai Xuan Dung
 Deputy Chief Executive Officer
 Authorised signatory
 14 August 2020

INTERIM SEPARATE INCOME STATEMENT

PART I – COMPREHENSIVE INTERIM SEPARATE INCOME STATEMENT

Code	Note	For the six-month period ended	
		30/6/2020 VND	30/6/2019 VND (Reclassified)
10	Net income from insurance business	872,949,849,204	664,525,137,780
11	Investment income from investment properties	4,193,478,603	6,810,463,114
12	Financial income	24	141,430,542,942
13	Other income	257,085,454	544,466,363
20	Total insurance expenses	812,927,649,911	641,533,096,849
21	Cost of investment properties	731,660,283	941,610,594
22	Financial expenses	25	25,179,547,725
23	General and administrative expenses	26	38,971,513,044
24	Other expenses	268,382,550	515,385,452
27	Transfers of gains from the offshore fishing boat insurance	16(b)	(383,031,701)
50	Net accounting profit before tax	140,369,170,989	152,004,848,640
51	Business income tax ("BIT") - current	30	23,335,230,367
52	BIT- deferred	-	-
60	Net profit after tax	117,033,940,622	128,656,451,353



 Nguyen Thanh Cong
 Preparer



 Luu Thi Viet Hoa
 Chief Accountant



 Mai Xuan Dung
 Deputy Chief Executive Officer
 Authorised signatory
 14 August 2020

INTERIM SEPARATE INCOME STATEMENT (CONTINUED)

PART II – COMPREHENSIVE INTERIM SEPARATE INCOME STATEMENT BY ACTIVITIES

Code		Note	For the six-month period ended	
			30/6/2020 VND	30/6/2019 VND (Reclassified)
1	Insurance premium income	19	1,271,706,104,226	1,043,744,525,499
1.2	- Inward reinsurance premium		1,439,289,925,929	1,176,712,431,791
1.3	- Increase in unearned premium reserves for inward reinsurance		167,583,821,703	132,967,906,292
2	Outward reinsurance premium	20	526,980,840,820	515,675,163,445
2.1	- Outward reinsurance premium		540,514,314,829	520,660,528,307
2.2	- Increase in unearned premium reserves for outward reinsurance		13,533,474,009	4,985,364,862
3	Net insurance premium income		744,725,263,406	528,069,362,054
4	Commission income from outward reinsurance and other insurance income		128,224,585,798	136,455,775,726
4.1	- Commission income from outward reinsurance		115,871,309,498	115,550,228,555
4.2	- Other insurance income	21	12,353,276,300	20,905,547,171
10	Net income from insurance business		872,949,849,204	664,525,137,780
11	Claim expenses	22	593,882,782,922	496,987,534,882
11.1	- Gross claim expenses	22	593,882,782,922	496,987,534,882
12	Recoverables from outward reinsurance	22	377,608,999,786	335,490,062,243
13	(Decrease)/increase in inward claim reserves	22	(168,247,090,293)	64,760,718,404
14	(Decrease)/increase in outward claim reserves	22	(143,570,993,808)	1,229,604,407
15	Net claim expenses	22	191,597,686,651	225,028,586,636
16	Increase in catastrophe reserves		8,957,002,827	6,543,226,003
17	Other insurance expenses		612,372,960,433	409,961,284,210
17.1	- Commission expenses		594,275,229,859	393,464,462,710
17.2	- Other insurance expenses	23	18,097,730,574	16,496,821,500
18	Total insurance expenses		812,927,649,911	641,533,096,849
19	Gross insurance profit		60,022,199,293	22,992,040,931
20	Income from investment properties		4,193,478,603	6,810,463,114
21	Cost of investment properties		731,660,283	941,610,594
22	Profit from investment properties		3,461,818,320	5,868,852,520

The notes on pages 13 to 59 are an integral part of these interim separate financial statements.

INTERIM SEPARATE INCOME STATEMENT (CONTINUED)

PART II – COMPREHENSIVE INTERIM SEPARATE INCOME STATEMENT BY ACTIVITIES
(CONTINUED)

Code	Note	For the six-month period ended	
		30/6/2020 VND	30/6/2019 VND (Reclassified)
23 Financial income	24	141,430,542,942	166,659,092,549
24 Financial expenses	25	25,179,547,725	10,320,648,418
25 Profit from financial activities		116,250,995,217	156,338,444,131
26 General and administrative expenses	26	38,971,513,044	33,223,569,853
30 Operating profit		140,763,499,786	151,975,767,729
31 Other income		257,085,454	544,466,363
32 Other expenses		268,382,550	515,385,452
40 Net other (expense)/income		(11,297,096)	29,080,911
40.3 Transfers of gains from the offshore fishing boat insurance	16(b)	(383,031,701)	-
50 Net accounting profit before tax		140,369,170,989	152,004,848,640
51 Business income tax ("BIT") - current	30	23,335,230,367	23,348,397,287
52 BIT- deferred		-	-
60 Net profit after tax		117,033,940,622	128,656,451,353



 Nguyen Thanh Cong
 Preparer



 Luu Thi Viet Hoa
 Chief Accountant



 Mai Xuan Dung
 Deputy Chief Executive Officer
 Authorised signatory
 14 August 2020

INTERIM SEPARATE CASH FLOW STATEMENT
(DIRECT METHOD)

Code	Note	For the six-month period ended	
		30/6/2020 VND	30/6/2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Proceeds from inward and outward reinsurance activities	223,694,892,569	220,561,041,442
02	Cash paid for inward and outward reinsurance activities	(199,348,817,484)	(134,412,375,209)
03	Cash paid to employees	(23,387,435,871)	(22,143,291,432)
05	BIT paid	(18,806,240,598)	(27,463,133,613)
06	Cash received from other operating activities	662,085,900	923,398,047
07	Cash paid for other operating activities	(17,977,715,082)	(16,654,127,771)
20	Net cash (outflows)/ inflows from operating activities	(35,163,230,566)	20,811,511,464
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(1,246,910,300)	(964,134,545)
23	Purchases of debt instruments of other entities	(599,256,294,930)	(598,200,000,000)
24	Proceeds from sales of debt instruments of other entities	477,000,000,000	403,718,168,541
26	Proceeds from divestment in other entities	-	28,516,667,714
27	Dividends and interest received	111,802,801,350	136,186,730,358
30	Net cash outflows from investing activities	(11,700,403,880)	(30,742,567,932)
CASH FLOWS FROM FINANCING ACTIVITIES			
40	Net cash inflows/(outflows) from financing activities	-	-
50	Net decrease in cash and cash equivalents	(46,863,634,446)	(9,931,056,468)
60	Cash and cash equivalents at beginning of period	3 101,616,124,112	61,645,461,451
61	Effect of foreign exchange differences	(233,196,798)	196,929,491
70	Cash and cash equivalents at end of period	3 54,519,292,868	51,911,334,474



 Nguyen Thanh Cong
 Preparer



 Luu Thi Viet Hoa
 Chief Accountant



 Mai Xuan Dung
 Deputy Chief Executive Officer
 Authorised signatory
 14 August 2020

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

1 GENERAL INFORMATION

Vietnam National Reinsurance Corporation ("the Corporation") is a joint stock company established in SR Vietnam pursuant to the Establishment and Operation Licence No. 28/GP/KDBH dated 15 November 2004 issued by the Ministry of Finance. The Establishment and Operation Licence has been amended several times and the latest amendment No. 28/GPĐC4/KDBH was issued on 12 August 2014.

The principal activities of the Corporation are to provide inward/outward reinsurance services and to carry out financial investment activities.

The normal business cycle of the Corporation is 12 months.

As at 30 June 2020, the Corporation had one subsidiary and one associate as disclosed in Note 4(c) – Investments in other entities. The details are as follows:

	Principal activities	Place of incorporation and operation	% of ownership	% of voting rights
Subsidiary				
Vinare Investment Joint Stock Corporation	Investment	Hanoi, Vietnam	63.9%	60%
Associate				
Samsung Vina Insurance Corporation Limited	Insurance	Hanoi, Vietnam	25%	25%

As at 30 June 2020, the Corporation had 100 employees (as at 31 December 2019: 100 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the interim separate financial statements

The interim separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements of insurance companies established and operating in compliance with the laws of Vietnam. The interim separate financial statements have been prepared under the historical cost convention.

The accompanying interim separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The interim separate financial statements in the Vietnamese language are the official statutory financial statements of the Corporation. The interim separate financial statements in the English language have been translated from the Vietnamese version.

Separately, the Corporation has also prepared the interim consolidated financial statements of the Corporation and its subsidiary in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements of insurance companies established and operating in compliance with the laws of Vietnam. In the interim consolidated financial statements, subsidiary undertakings, which are those companies over which the Corporation has the power to govern the financial and operating policies, have been fully consolidated.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.1 Basis of preparation of the interim separate financial statements (continued)**

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiary for the six-month period ended 30 June 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Corporation and its subsidiary.

2.2 Fiscal year/reporting period

The Corporation's fiscal year is from 1 January to 31 December. The interim separate financial statements of the Corporation are prepared for the six-month period ended 30 June 2020.

2.3 Currency

The interim separate financial statements are measured and presented in the Vietnamese Dong ("VND"). The Corporation determines its accounting currency based on the currency which is mainly used in collection of inward reinsurance premiums, payment of outward reinsurance premiums, inward/outward reinsurance commissions transactions; which is normally used for inward/outward premiums price listing and receiving payments; which is mainly used in claims payments/receipts; which has a significant impact on cost of labor, cost of reinsurance commission, and other reinsurance expenses and normally used as payments of those costs.

In addition, the Corporation also uses this currency to raise financial resources from business operation and savings.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank(s) where the Corporation regularly trades. The Corporation ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially impact the financial position and result of operations during the fiscal year. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank(s). Foreign exchange differences arising from these translations are recognised in the interim separate income statement.

Monetary assets and liabilities denominated in foreign currencies at the interim separate balance sheet date are translated at the transfer rate at the balance sheet date of the commercial bank(s) where the Corporation regularly trades. The transfer rate is the buying rate or selling rate of the commercial bank(s). Foreign exchange differences arising from these translations are recognised in the interim separate income statement.

2.5 Form of records applied

The Corporation uses general journal to record its transactions.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.6 Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.7 Receivables

Receivables represent trade receivables from customers, other trade receivables and other receivables which are classified based on their nature as follows:

- Reinsurance receivables are trade receivables arising from reinsurance transactions including premiums receivable from insurers, claim recoveries from reinsurers, commission receivables from reinsurers at the period end;
- Other trade receivables are receivables arising from sales and providing services other than insurance transactions; and
- Other receivables are non-trade receivables and receivables not relating to providing services.

Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified.

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

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Corporation applies the perpetual system for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of operating expenses in the period.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.9 Investments****(a) Investments held-to-maturity**

Investments held to maturity are investments which the Board of Management of the Corporation has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits, certificates of deposit, bonds which the issuer is required to buy back in the future, investments in entrustment funds with a pre-determined settlement date agreed with fund management companies in accordance with the entrustment contract and other investments held-to-maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is wholly or partly restored to its original cost, but in any case the reversal not exceeds the corresponding provision previously made. For investments in entrustment funds, the Board of Management makes provision for impairment of an investment when the carrying amount of the investment exceeds the value of that investment stated in the net asset value report at the balance sheet date provided by the entrustment funds.

(b) Investments in subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity.

Investments in subsidiaries are initially recorded at costs of acquisition, including other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews the financial position and business performance in the audited financial statements of the current period or the latest annual period for all outstanding investments to determine the amount of provision to recognise at the period end.

(c) Investments in associates

Associates are investments that the Corporation has significant influence but not control over and would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are initially recorded at costs of acquisition, including other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews the financial position and business performance in the audited financial statements of the current period or the latest annual period for all outstanding investments to determine the amount of provision to recognise at the period end.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.9 Investments (continued)****(d) Investments in other entities**

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

(e) Provision for investments in subsidiaries, associates and other entities

Provision for investments in subsidiaries, associates and other entities is made when there is a diminution in value of the investments at the period end.

For investments in shares listed on stock exchanges, shares of the public companies registered for trading on the Unlisted Public Company Market ("UPCoM"), the Board of Management bases on the closing price of the trading session on the reporting date (or the preceding session if there is no transaction on the reporting date) to record provision at the period end.

For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Board of Management before the date of investment. The Board of Management reviews the financial position and business performance in the audited financial statements of the current period or the latest annual period for all outstanding investments to determine the amount of provision to recognise at the period end.

Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is wholly or partly restored to its original cost, but in any case the reversal not exceeds the corresponding provision previously made.

2.10 Insurance deposits

The Corporation is obliged to make a deposit equal to 2% of the legal capital, and the deposit shall bear interest in accordance with the agreement with the bank to which it is made and shall be refundable at the end of contract term. The Corporation may only use its insurance deposits to meet its commitment to insurance purchasers in case of liquidity deficit and upon written approval of the Ministry of Finance.

2.11 Fixed assets*Tangible and intangible fixed assets*

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.11 Fixed assets (continued)***Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The principal annual rates of each asset class are as follows:

Plant and buildings	4%/year
Motor vehicle	17%/year
Office equipment	25%/year
Others	20 - 25%/year
Reinsurance technical software	20%/year

Disposals

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

Construction in progress

Construction in progress represents the cost of assets in the course of construction for operation, rental or administrative purposes, or for purposes not yet determined are carried at cost, including necessary cost to newly build, repair, renovate, expand or re-engineering such as construction costs; costs of tools and equipments. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.12 Leased assets

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

2.13 Investment properties

The historical cost of an investment property represents the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties can be capitalised as an additional historical cost. Otherwise, they are charged to the interim separate income statement when incurred.

Depreciation

Investment properties are depreciated under the straight-line method to write off the historical cost of the assets over their estimated useful lives. The estimated useful lives of the investment property is 25 years.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Investment properties (continued)

Disposals

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

2.14 Business cooperation contract

A business cooperation contract ("BCC") is a cooperation contract between the Corporation and other parties to carry out specific business activities without establishing a new legal entity. These activities are jointly controlled by the parties under the BCC or controlled by one of the parties.

The BCC is based on jointly controlled assets or jointly controlled operations. The parties in a BCC may agree to share revenues, products or profits after tax.

2.15 Prepaid expenses

Prepaid expenses include deferred commission expenses, costs of tools, supplies issued for consumption and other expenses which are expected to provide future economic benefits to the Corporation. Prepaid expenses are recorded at cost.

Deferred commissions are determined by the Corporation at the balance sheet date using the proportional method corresponding to the unearned reinsurance premium reserve (Note 2.20) as follows:

Type of contract	Term of reinsurance contract	
	1 year or less	Over 1 year
Cargo insurance (road, sea, inland waterways, rail and air)	25%	55%
Others	50%	55%

For other prepaid expenses, the prepaid expenses are allocated on a straight-line basis over their estimated useful lives.

2.16 Payables

Classifications of payables are based in their natures as follows:

- Insurance payables are payables arising from reinsurance transactions;
- Other trade accounts payable are trade payables arising from purchase of goods and services other than insurance transactions; and
- Other payables are non-trade payables and not relating to purchase of goods and services.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.16 Payables (continued)**

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

2.17 Accrued expenses

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

2.18 Provision

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

Provisions are measured at the expenditures expected to be required to settle the obligations. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the accounting period are recorded as an increase or decrease in operating expenses.

2.19 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Corporation who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Corporation less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Corporation.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the balance sheet date. This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

The Corporation does not recognise the provision for severance allowances as the Corporation applies Circular No. 180/2012/TT-BTC of the Ministry of Finance dated 24 October 2012.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Technical reserves

Technical reserves are provided in accordance with the assumptions and methodologies, which are determined by the Corporation's appointed actuary, registered with and approved by the Ministry of Finance ("MoF") and other regulations and guidances in:

- Circular No. 50/2017/TT-BTC dated 15 May 2017 issued by the Ministry of Finance (to replace Circular No.125/2012/TT-BTC);
- Official letter No. 2713/BTC-QLBH dated 12 March 2018 issued by the Ministry of Finance. The letter is effective from fiscal year 2017; and
- Official letter No. 2134/BTC-QLBH dated 22 February 2019 issued by the Ministry of Finance. The letter is effective from fiscal year 2019.

The Corporation's technical reserves include:

(a) Unearned premium reserves

Non-life reinsurance

Provision for unearned premium reserves for inward and outward reinsurance is calculated on the total inward/outward reinsurance premium as follows:

Type of contract	Term of reinsurance contract	
	1 year or less	Over 1 year
Cargo insurance (road, sea, inland waterways, rail and air)	25%	55%
Others	50%	55%

Life reinsurance

- For reinsurance contract with a term of 1 year or less, the Corporation applies a prorated method equal to 50% of the total premium in the accounting period for each life reinsurance contract.
- For reinsurance contract with a term of more than 1 year with the payment term under 1 year, renewed annually and signed before the effective date of Circular 50/2017/TT-BTC, the Corporation applies the calculation method at the rate of 50% of the total premium in the accounting period for each life reinsurance contract.
- For reinsurance contract with a term of more than 1 year and signed after the effective date of Circular 50/2017/TT-BTC, the Corporation sets up the mathematical reserves in accordance with the applicable regulations.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.20 Technical reserves (continued)****(b) Claim reserves**

- Claims reserves for the losses which were notified but not yet settled at the end of the reporting period are provided for each insurance case based on the estimated claim payable which has been notified or submitted but has not been settled at the period end.
- Claims reserves for the losses incurred but not yet reported or not yet fully reported ("IBNR") are provided for at 5% of total/aggregated insurance premium for each insurance line in the reporting period.

(c) Catastrophe reserves

This reserve is made at a rate of 1% of the retained premium for each insurance line until it reaches 100% of the premium retained in the reporting period.

(d) Equalisation reserves

Equalisation reserves are made for each type of reinsurance as follow:

- Health-care reinsurance: The Corporation makes equalisation reserves annually at the rate of 1% of the retained premium for all transactions until it reaches 100% of retained premium of the Corporation in the period.
- Life reinsurance: The Corporation makes equalisation reserves annually at the rate of 1% of the profit before tax of the Corporation until it reaches 5% of the life inward premium received in the period.

On 28 December 2005, the Ministry of Finance issued Decision 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 – Insurance Contracts. Following the issuance of this Standard, provision for catastrophe reserves is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date".

However, since the MoF has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 1 July 2016 ("Decree 73") regarding financial regulations for insurance companies, the Corporation continues providing annually for catastrophe reserves with the applicable rate mentioned above.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Technical reserves (continued)

(e) Mathematical reserves

For health reinsurance contract with contract term of more than 1 years, the mathematical reserve is made as follows:

- For health reinsurance contract (except health reinsurance contract that cover only death, permanent total disability):
 - For reinsurance contract with contract term of more than 1 year: Apply the calculation method using the coefficient 1/8;
 - For reinsurance contract with a term of more than 1 year with the payment term under 1 year, renewed annually: Apply the calculation method at the rate of 50% of the total premium of the reporting period. In all cases, the Corporation must ensure that the result of the calculation is not lower than the 1/8 coefficient.
- For health reinsurance contracts that cover only death, permanent total disability, the Corporation applies the method of daily premium provision according to the general formula as follows:

$$\text{Unearned premiums reserves} = \frac{\text{Insurance premium} \times \text{Number of unexpired days of insurance policy or reinsurance agreement}}{\text{Total days of insurance policy or reinsurance agreement}}$$

2.21 Deferred commission income

Deferred commission income is determined by the Corporation at the balance sheet date using the prorated method corresponding with unearned premiums reserves (Note 2.20(a)) as follows:

Type of contract	Term of reinsurance contract	
	1 year or less	Over 1 year
Cargo insurance (road, sea, inland waterways, rail and air)	25%	55%
Others	50%	55%

2.22 Swap contract

Swap contract is agreement to settle in cash at a future date based on predetermined foreign exchange rates. As at inception date of agreement, the Corporation pays an original amount denominated in foreign currency to the counterparty and records this amount in account receivables. Simultaneously, the Corporation records an amount denominated in VND received from the counterparty in account payables. Gain/loss from swap contract is recognised in the interim separate income statement over the terms of the agreement.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.23 Capital and reserves**

Owners' capital is recorded according to the actual amounts contributed

Undistributed earnings record the Corporation's results (profit or loss) after business income tax at the reporting date

2.24 Appropriation of profit

Profit after business income tax can be distributed to shareholders upon approval at General Meeting of shareholders, and after appropriation to other funds in accordance with the Corporation's charter and Vietnamese regulations.

The Corporation's funds are as below:

(a) Compulsory reserve fund

In accordance with Article 77 of the Decree No.73/2016/ND-CP dated 1 July 2016, the Corporation is required to make an annual appropriation to the compulsory reserve fund at 5% of after-tax profit until the fund reaches 10% of the charter capital.

(b) Investment and development fund

The investment and development fund is appropriated from profit after tax of the Corporation and approved by shareholders in the General Meeting of shareholders. The fund is used to expand the scale of business or in-depth investment of the Corporation. Based on Resolution No. 07/NQ-DHĐCĐ/2006 dated 28 April 2006 and No. 08/NQ-DHĐCĐ/2008, the investment and development fund is appropriated at the rate of 2% of annual profit after tax and approved by shareholders at the Annual General Meeting of Shareholders.

(c) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Corporation's profit after tax and is subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the interim separate balance sheet.

2.25 Revenue recognition**(a) Inward reinsurance premium**

Reinsurance premiums are recognised as revenue at the point of time when all of the following two (2) conditions are met:

- The insurance contract has been entered into by the Corporation and the insurers; and
- Statement of accounts of reinsurance transactions is confirmed between the Corporation and the insurers.

This recognition is in line with Circular 50/2017/TT-BTC for reinsurance enterprises.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.25 Revenue recognition (continued)****(a) Inward reinsurance premium (continued)**

For excess of loss reinsurance contract, the Corporation recognises reinstatement premium. This is the amount the insurers have to pay to restore the coverage up to the contract's original limit. The basis for recognition of reinstatement premium is the confirmed statement of accounts between the Corporation and the insurers for the losses which have been compensated for. At the end of the reporting period, the Corporation accrues reinstatement premium for losses that have occurred but have not been compensated for.

(b) Commission income

Commission income represents commissions received or receivable from reinsurers. They are calculated on the basis of gross premiums ceded and are recorded in the same quarterly reporting period that the original insurance premium or corresponding reinsurance premium is recognised.

(c) Interest income

Interest income is recognised on an accruals basis.

(d) Dividends income

Income from dividends is recognised when the Corporation has established the receiving right from investees.

2.26 Outward reinsurance premium ceded

Outward reinsurance premium is recorded in the interim separate income statement as a reduction in gross premiums written. Outward reinsurance premiums ceded is recognised at the point of time when all of the following two (2) conditions are met:

- The insurance contract has been entered into by the Corporation and the re-insurers; and
- Statement of accounts of reinsurance transactions is confirmed between the Corporation and the re-insurers.

Outward reinsurance does not relieve the Corporation of its liabilities to its insured customers in the event that any reinsurer is unable to meet its obligations under reinsurance agreements.

For excess of loss reinsurance contract, the Corporation recognises reinstatement premium payables. This is the amount the Corporation has to pay to restore the coverage up to the contract's original limit. The basis for recognition of reinstatement premium is the confirmed statement of accounts between the Corporation and the re-insurers for the losses which have been compensated for. At the end of the reporting period, the Corporation accrues reinstatement premium for losses that have occurred but have not been compensated for.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.27 Commission expenses**

Commission expenses represent fee payments to ceding insurance companies of the Corporation. They are calculated on the basis of gross inward reinsurance premium.

2.28 Claim expenses

Claim settlement expenses for inward reinsurance are recorded as incurred following the statement of accounts the insurers send to the Corporation and the claim is accepted by the Corporation.

2.29 Claims to be recovered from reinsurers

Claims incurred are recovered from reinsurers according to the terms in the respective reinsurance agreements.

2.30 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activities; provision for diminution in value of investments in other entities; losses incurred on selling foreign currencies; losses from foreign exchange differences.

2.31 General administration expenses

General and administration expenses represent expenses for administrative purposes of the Corporation which mainly include salary expenses of administrative staff; information technology expenses; depreciation of fixed assets used for administration; and other expenses.

2.32 Current and deferred income tax

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

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

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

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

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.33 Related parties

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

In considering its related-party relationships, the Corporation considers the substance of the relationships, not merely the legal form.

2.34 Accounting estimates

The preparation of interim separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements of insurance companies established and are operating in compliance with the laws of Vietnam requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

The areas involving significant estimates and assumptions in the interim separate financial statements are as follows:

- Deferred commissions (Note 2.15);
- Technical reserves (Note 2.20);
- Unearned commission revenue (Note 2.21).

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

3 CASH AND CASH EQUIVALENTS

	30/6/2020 VND	31/12/2019 VND
Cash on hand	997,219,183	800,855,576
Cash in bank	53,522,073,685	100,815,268,536
	<u>54,519,292,868</u>	<u>101,616,124,112</u>

VIETNAM NATIONAL REINSURANCE CORPORATION

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

4 INVESTMENTS

(a) Short-term investments

	As at 30/6/2020			As at 31/12/2019		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Short-term deposits (i)	2,114,000,000,000	2,114,000,000,000	-	2,535,000,000,000	2,535,000,000,000	-
Short-term bonds (ii)	110,000,000,000	(*)	-	110,000,000,000	(*)	-
Entrusted investments (iii)	136,461,331,479	123,392,261,967	(16,125,641,114)	137,315,165,741	134,246,231,902	(3,068,933,839)
	<u>2,360,461,331,479</u>	<u>(*)</u>	<u>(16,125,641,114)</u>	<u>2,782,315,165,741</u>	<u>(*)</u>	<u>(3,068,933,839)</u>

- i. Deposits at local commercial banks with original terms of more than 3 months and remaining maturities within 12 months from 30 June 2020, interest rates are ranged from 6.3% to 7.7% per annum.
- ii. Bonds issued by the Ho Chi Minh City People's Committee with remaining maturities within 12 months from 30 June 2020. Coupon rates is ranged from 7.25% to 7.4% per annum.
- iii. Investments under entrustment contracts with Vietcombank Fund Management ("VCBF"), SSI Asset Management Limited Company ("SSIAM"), Bao Viet Fund Management Company ("BVF") with the pre-determined remaining maturities within 12 months from 30 June 2020. The Corporation bears all risks related to the entrusted investment. Details are as follows:

	Historical cost VND	Management fee for entrustment fund VND	Net book value at 30/6/2020 VND	Net asset value as at 30/6/2020 VND	Provision VND
VCBF	30,000,000,000	(1,730,732,554)	28,269,267,446	29,416,154,615	-
SSIAM	80,000,000,000	(1,113,984,721)	78,886,015,279	62,760,374,165	(16,125,641,114)
BVF	30,000,000,000	(693,951,246)	29,306,048,754	31,215,733,187	-
	<u>140,000,000,000</u>	<u>(3,538,668,521)</u>	<u>136,461,331,479</u>	<u>123,392,261,967</u>	<u>(16,125,641,114)</u>

VIETNAM NATIONAL REINSURANCE CORPORATION

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

4 INVESTMENTS (CONTINUED)

(b) Investments in other entities

	30/6/2020 VND	31/12/2019 VND
Investment in subsidiaries	60,000,000,000	60,000,000,000
Investments in associates	125,000,000,000	125,000,000,000
Investments in other entities (iv)	403,155,876,046	403,155,876,046
	<u>588,155,876,046</u>	<u>588,155,876,046</u>

iv. Investments in other entities include investments in other companies over which the Corporation does not have the right to control or have significant influence. Details of investments are as follows:

	As at 30/6/2020			As at 31/12/2019		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Petrolimex Joint Stock Insurance Corporation	76,046	138,400	-	76,046	156,000	-
Post and Telecommunication Joint Stock Insurance Corporation						
Sai Gon – Ha Long Hotel	38,416,000,000	72,902,592,000	-	38,416,000,000	69,346,368,000	-
Global Insurance Joint Stock Company	10,139,800,000	(*)	-	10,139,800,000	(*)	-
Agriculture Bank Insurance Joint Stock Company	17,600,000,000	(*)	-	17,600,000,000	(*)	-
Hung Vuong Insurance Joint Stock Company	32,000,000,000	90,560,000,000	-	32,000,000,000	100,800,000,000	-
Tien Phong Commercial Joint Stock Bank	30,000,000,000	(*)	-	30,000,000,000	(*)	-
	275,000,000,000	791,750,700,000	-	275,000,000,000	809,046,225,000	-
	<u>403,155,876,046</u>	<u>(*)</u>	<u>-</u>	<u>403,155,876,046</u>	<u>(*)</u>	<u>-</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

4 INVESTMENTS (CONTINUED)

(c) Held-to-maturity investments

	As at 30/6/2020			As at 31/12/2019 (As restated)		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Long-term deposits (v)	672.000.000.000	672.000.000.000	-	133.000.000.000	133.000.000.000	-
Long-term bonds (vi)	160.000.000.000	(*)	-	160.000.000.000	(*)	-
Entrusted investments (vii)	78.214.233.719	76.956.015.023	(1.772.540.022)	108.400.750.254	108.305.932.560	(94.817.694)
Other investments to Bao Viet Prospect Equity Fund	5.000.000.000	(*)	-	5.000.000.000	(*)	-
	915.214.233.719	(*)	(1.772.540.022)	406.400.750.254	(*)	(94.817.694)

- v. Deposits at local commercial banks with remaining maturities of more than 12 months from 30 June 2020 and interest rates is ranged from 7.05% to 8% per annum.
- vi. Bonds of local commercial banks in Vietnam with remaining maturities of 1 to 5 years from 30 June 2020 and interest rates is ranged from 8.38% to 9.4% per annum.
- vii. Investments under entrustment contracts with Vietcombank Fund Management ("VCBF"), with the pre-determined remaining maturities of more than 12 months from 30 June 2020. The Corporation bears all risks related to the entrusted investment. Details are as follows:

	Cost VND	Management fee for entrustment fund VND	Net book value at 30/6/2020 VND	Net asset value as at 30/6/2020 VND	Provision VND
VCBF	80.000.000.000	(1.785.766.281)	78.214.233.719	76.956.015.023	(1.772.540.022)

(*) As at 30 June 2020, fair values of these financial investments have not been determined as these investments are not listed in the Capital market.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

5 TRADE ACCOUNTS RECEIVABLE

	30/6/2020 VND	31/12/2019 VND
Receivable from insurance contracts	981,488,049,369	608,720,497,533
- <i>Receivable from inward reinsurance</i>	600,991,980,415	308,835,473,393
- <i>Receivable from outward reinsurance</i>	357,451,138,909	280,656,327,862
- <i>Reinstatement premium receivable</i>	18,944,558,652	15,092,609,931
- <i>Other receivables from reinsurance activities</i>	4,100,371,393	4,136,086,347
Other trade receivables	228,323,254,570	307,464,323,662
- <i>Accrued interest income from investments</i>	120,809,735,614	102,686,402,742
- <i>Receivable from currency swap contracts</i>	76,296,000,000	203,368,000,000
- <i>Receivable from entrustment activities from BVF (Note 33(b))</i>	28,804,517,959	-
- <i>Other receivables</i>	2,413,000,997	1,409,920,920
	<u>1,209,811,303,939</u>	<u>916,184,821,195</u>

6 OTHER RECEIVABLES

(a) Short-term

	30/6/2020 VND	31/12/2019 VND (Reclassified)
Premium withheld by insurance companies	15,733,245,250	15,002,723,514
Tincom Plaza project (*)	7,134,674,895	7,134,674,895
Dividend receivables	6,116,224,000	-
Others	982,855,949	1,323,388,271
	<u>29,967,000,094</u>	<u>23,460,786,680</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

6 OTHER RECEIVABLES (CONTINUED)

(a) Short-term (continued)

(*) *Tincom Plaza project*

The amount the deposit related to an agreement on investment cooperation and product sharing with Vinare Investment Joint Stock Company – a subsidiary of the Corporation ("Vinare Invest") for construction of apartment building under the Tincom Plaza Giai Phong project at No. 360 Giai Phong Street Hanoi. This project is managed and invested by Thang Long Trade and Investment Group Joint Stock Company ("Thang Long Company").

In accordance with Decision No. 14/2019/QĐST-KDTM dated 15 November 2019 by the Hanoi People's Court, Thang Long Company has agreed to repay the entire amount of the principal and interest, amounting to VND 126,376,061,750 to Vinare Invest in cash or by transferring apartments of the Tincom Plaza project to the Corporation.

In accordance with the assessment of the Board of Management, the amount that could be collected from the sale of the apartments that are agreed to be transferred to the Corporation is higher than the carrying amount of the investment. Therefore, no provision is provided for this receivable.

Details of the apartments that are agreed to be transferred to the Corporation are disclosed in the Corporation's interim consolidated financial statements for the six-month period ended 30 June 2020.

(b) Long-term

	30/6/2020 VND	31/12/2019 VND (Reclassified)
142 Dinh Cong project (*)	<u>6,169,373,933</u>	<u>6,169,373,933</u>

(*) The amount represents the investments for the construction of the residential, service and commercial building at No. 142 Dinh Cong Street between the Corporation, Vinare Invest and Vietnam Railway Signal - Telecommunication Joint Stock Company in accordance with the Business Cooperation Contract No. 25/201/HĐHTKD dated 25 July 2011 and the Investment Cooperation Agreement dated 28 October 2017. The project architecture plan has been approved by Hanoi People's Committee as proposed by the Department of Planning and Architecture in the Official Letter No.1369/VP-ĐT of Hanoi People's Committee dated 23 February 2018. At the signing date of these interim separate financial statements, the Corporation and Vinare Invest are still in the process of implementing the necessary procedures to prepare for the project construction.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

7 PROVISION FOR DOUBTFUL DEBTS

	As at 30/6/2020					
	Overdue trade accounts receivable VND	Trade accounts payable VND	Net overdue trade accounts receivable VND	Provision VND	Recoverable amount VND	Number of overdue days
Short-term trade receivables						
1) Vass Assurance Corporation	6,062,710,355	(364,518,269)	5,698,192,086	(4,781,055,297)	917,136,789	Above 6 months
2) Willis (Singapore) Pte Ltd	9,858,435,548	(2,044,541,914)	7,813,893,634	(7,263,466,287)	550,427,347	Above 2 years
3) Xuan Thanh Insurance Joint Stock Corporation	11,331,071,794	(9,385,094,929)	1,945,976,865	(638,998,373)	1,306,978,492	Above 6 months
4) Munich Re Syndicate Singapore Pte Ltd	3,751,840,565	(2,608,559,954)	1,143,280,611	(673,136,402)	470,144,209	Above 1 years
5) Others	7,953,003,785	(1,923,849,461)	6,029,154,324	(4,049,170,602)	1,979,983,722	Above 6 months
	<u>38,957,062,047</u>	<u>(16,326,564,527)</u>	<u>22,630,497,520</u>	<u>(17,405,826,961)</u>	<u>5,224,670,559</u>	
	As at 31/12/2019					
	Overdue trade accounts receivable VND	Trade accounts payable VND	Net overdue trade accounts receivable VND	Provision VND	Recoverable amount VND	Number of overdue days
Short-term trade receivables						
1) Vass Assurance Corporation	9,352,140,770	(3,775,663,913)	5,576,476,857	(4,885,481,091)	690,995,766	Above 6 months
2) Willis (Singapore) Pte Ltd	10,069,238,049	(4,829,229,413)	5,240,008,636	(4,686,142,842)	553,865,794	Above 1 years
3) Munich Re Syndicate Singapore Pte Ltd	3,750,498,489	(3,180,747,779)	569,750,710	(241,240,222)	328,510,488	Above 6 months
4) J.B.Boda & Co Ltd	2,981,179,049	(158,422,520)	2,822,756,529	(2,050,743,674)	772,012,855	Above 6 months
5) Others	8,059,595,983	(4,129,562,399)	3,930,033,584	(3,046,686,908)	883,346,676	Above 6 months
	<u>34,212,652,340</u>	<u>(16,073,626,024)</u>	<u>18,139,026,316</u>	<u>(14,910,294,737)</u>	<u>3,228,731,579</u>	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

8 PREPAID EXPENSES

(a) Short-term

	30/6/2020 VND	31/12/2019 VND
Deferred commission expenses	585,931,068,636	406,888,443,007
Others short-term prepaid expenses	5,622,797,779	6,476,221,951
	<u>591,553,866,415</u>	<u>413,364,664,958</u>

Movements of deferred commission expense during the period/year were as follows:

	30/6/2020 VND	31/12/2019 VND
Beginning of period/year	406,888,443,007	244,016,133,558
Increase during the period/year	773,317,855,488	831,842,931,205
Allocation during the period/year	(594,275,229,859)	(668,970,621,756)
End of period/year	<u>585,931,068,636</u>	<u>406,888,443,007</u>

(b) Long-term

	30/6/2020 VND	31/12/2019 VND
Others long-term prepaid expenses	<u>4.271.168.309</u>	<u>2.844.149.163</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

9 FIXED ASSETS

a) Tangible fixed assets

	Buildings and structures VND	Motor vehicle VND	Office equipment VND	Others VND	Total VND
Historical cost					
As at 1/1/2020	15,170,997,037	2,980,277,071	6,928,749,747	715,784,299	25,795,808,154
New purchases during the period	-	53,680,000	170,320,000	117,500,000	341,500,000
As at 30/6/2020	15,170,997,037	3,033,957,071	7,099,069,747	833,284,299	26,137,308,154
Accumulated depreciation					
As at 1/1/2020	(11,138,661,580) (268,980,962)	(2,980,277,071) (3,355,000)	(6,642,102,112) (48,698,625)	(350,324,244) (59,908,288)	(21,111,365,007) (380,942,875)
Charge for the period	(11,407,642,542)	(2,983,632,071)	(6,690,800,737)	(410,232,532)	(21,492,307,882)
As at 30/6/2020					
Net book value	4,032,335,457	-	286,647,635	365,460,055	4,684,443,147
	3,763,354,495	50,325,000	408,269,010	423,051,767	4,645,000,272

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2020 was VND 10,322,605,603 (as at 31 December 2019: VND 10,322,605,603).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

9 FIXED ASSETS (CONTINUED)

b) Intangible fixed assets

Reinsurance technical system
VND

Historical cost

As at 1/1/2020

32,392,480,734

As at 30/6/2020

32,392,480,734

Accumulated amortisation

As at 1/1/2020

(32,392,480,734)

As at 30/6/2020

(32,392,480,734)

Net book value

As at 1/1/2020

-

As at 30/6/2020

-

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2020 was VND 32,392,480,734 (as at 31 December 2019: VND 32,392,480,734).

10 INVESTMENT PROPERTIES

Investment properties
for leasing
VND

Historical cost

As at 1/1/2020

34,055,061,893

As at 30/6/2020

34,055,061,893

Accumulated depreciation

As at 1/1/2020

(24,646,279,168)

Charge for the period

(627,622,246)

As at 30/6/2020

(25,273,901,414)

Net book value

As at 1/1/2020

9,408,782,725

As at 30/6/2020

8,781,160,479

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

10 INVESTMENT PROPERTIES (CONTINUED)

Investment properties represent the value of building No. 141 Le Duan corresponding to the area for lease.

In accordance with Vietnamese Accounting Standard No. 05 - Investment properties, fair value of investment properties as at 30 June 2020 should be presented. However, the Corporation has not been able to determine the fair value for disclosure purpose in the interim separate financial statements.

11 TRADE ACCOUNTS PAYABLE

	30/6/2020 VND	31/12/2019 VND
Payables of insurance contracts	993,270,089,419	613,498,599,822
- Payable for inward reinsurance activities	569,504,196,694	282,969,056,308
- Payable for outward reinsurance activities	423,173,474,552	329,397,190,803
- Other payables for reinsurance activities	592,418,173	1,132,352,711
Other trade payables	79,363,155,445	212,498,108,102
- Other payables related to swap contracts	78,359,960,000	209,573,955,000
- Other payables	1,003,195,445	2,924,153,102
	<u>1,072,633,244,864</u>	<u>825,996,707,924</u>

12 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and other receivables from/payables to the State during the period were as follows:

	As at 1/1/2020 VND	Receivables/ payable during the period VND	Receipt/ payment during the period VND	As at 30/6/2020 VND
a) Tax and other receivables from the State				
Value added tax	-	20,038,311	(1,427,153)	18,611,158
b) Tax and other payables to the State				
Value added tax	158,911,177	478,072,606	(585,678,444)	51,305,339
Personal income tax	239,209,528	6,151,094,540	(6,109,846,910)	280,457,158
Business income tax	17,306,240,598	23,335,230,367	(18,806,240,598)	21,835,230,367
Other taxes	183,465,891	610,157,481	(678,901,893)	114,721,479
	<u>17,887,827,194</u>	<u>30,574,554,994</u>	<u>(26,180,667,845)</u>	<u>22,281,714,343</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

13 OTHER PAYABLES

	30/6/2020 VND	31/12/2019 VND
a) Short-term	390,515,751,035	125,613,845,870
Deferred commission income	114,353,683,819	111,386,015,883
Dividends payable (Note 18)	262,151,874,000	-
Deferred outward premiums	10,273,251,340	10,087,324,463
Others	3,736,941,876	4,140,505,524
b) Long-term	2,928,948,405	2,796,537,555
Long-term deposits	2,928,948,405	2,796,537,555
	<u>393,444,699,440</u>	<u>128,410,383,425</u>

14 PROVISION FOR SHORT-TERM LIABILITIES

	30/6/2020 VND	31/12/2019 VND
Provision for reinstatement premium payable	<u>18,120,000,565</u>	<u>12,909,096,840</u>

15 BONUS AND WELFARE FUND

	30/6/2020 VND	31/12/2019 VND
Beginning of period/year	18,969,801,148	19,210,267,385
Increase in period/year (Note 18)	7,497,442,719	8,410,048,643
Utilisation in period/year	<u>(2,688,046,463)</u>	<u>(8,650,514,880)</u>
End of period/year	<u>23,779,197,404</u>	<u>18,969,801,148</u>

16 TECHNICAL RESERVES

	30/6/2020 VND	31/12/2019 VND
Unearned inward reinsurance premium reserves	1,245,105,804,894	1,077,521,983,191
Inward reinsurance claim reserves	1,426,122,619,558	1,590,506,312,001
In which:		
- Reserves for losses incurred and reported ("OSLR")	1,298,626,915,911	1,479,443,897,290
- Reserves for losses incurred but not yet reported ("IBNR")	127,495,703,647	111,062,414,711
Catastrophe reserves	166,513,238,228	157,173,203,700
	<u>2,837,741,662,680</u>	<u>2,825,201,498,892</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

16 TECHNICAL RESERVES (CONTINUED)

(a) Claim reserves and unearned premium reserves

	Inward reinsurance claim reserves VND	Outward reinsurance claim reserves VND	Net inward reinsurance claim reserves VND
Inward reinsurance claim reserves	1,426,122,619,558	(862,761,196,757)	563,361,422,801
<i>In which:</i>			
- Reserves for losses incurred and reported ("OSLR")	1,298,626,915,911	(809,978,515,667)	488,648,400,244
- Reserves for losses incurred but not yet reported ("IBNR")	127,495,703,647	(52,782,681,090)	74,713,022,557
Unearned reinsurance premium reserves	1,245,105,804,894	(521,681,126,591)	723,424,678,303
	<u>2,671,228,424,452</u>	<u>(1,384,442,323,348)</u>	<u>1,286,786,101,104</u>

Details of movement of reserves are as follows:

Claim reserves	Inward reinsurance claim reserves VND	Outward reinsurance claim reserves VND	Net inward reinsurance claim reserves VND
Beginning of period	1,590,506,312,001	(1,002,695,003,205)	587,811,308,796
Decrease in period	(164,383,692,443)	139,933,806,448	(24,449,885,995)
End of period	<u>1,426,122,619,558</u>	<u>(862,761,196,757)</u>	<u>563,361,422,801</u>

VIETNAM NATIONAL REINSURANCE CORPORATION

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

16 TECHNICAL RESERVES (CONTINUED)

(a) Claim reserves and unearned premium reserves (continued)

Unearned premium reserves	Unearned inward reinsurance premium reserves VND	Unearned outward reinsurance premium reserves VND	Net unearned inward reinsurance premium reserves VND
Beginning of period	1,077,521,983,191	(508,147,652,582)	569,374,330,609
Increase in the period (Note 19 and 20)	167,583,821,703	(13,533,474,009)	154,050,347,694
End of period	1,245,105,804,894	(521,681,126,591)	723,424,678,303

(b) Catastrophe reserves

	2020 VND	2019 VND
I. Main activities		
Beginning of period	144,478,155,934	178,605,444,448
Increase in the period	8,957,002,827	11,872,711,486
Utilisation in the period	-	(46,000,000,000)
II. Pilot agricultural insurance activities		
Beginning of period	9,289,198,008	8,876,683,166
Increase in the period	-	412,514,842
III. Offshore fishing boat insurance activities		
Beginning of period	3,405,849,758	3,405,849,758
Increase in the period	383,031,701	-
End of period	166,513,238,228	157,173,203,700

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

17 OWNERS' CAPITAL

(a) Number of shares

	30/6/2020 Ordinary shares	31/12/2019 Ordinary shares
Number of shares registered	131,075,937	131,075,937
Number of shares issued	131,075,937	131,075,937
Number of outstanding shares	131,075,937	131,075,937

(b) Details of owners' shareholding

	30/6/2020		31/12/2019	
	Ordinary shares VND	%	Ordinary shares VND	%
Owners' contributed capital	1,310,759,370,000	100.00	1,310,759,370,000	100.00
<i>State Capital Investment Corporation ("SCIC")</i>	529,060,350,000	40.36	529,060,350,000	40.36
<i>Swiss Re Group</i>	327,689,890,000	25.00	327,689,890,000	25.00
<i>Baoviet Holdings</i>	120,268,200,000	9.18	120,268,200,000	9.18
<i>Bao Viet Value Investment Fund</i>	104,956,000,000	8.01	104,956,000,000	8.01
<i>Bao Minh Insurance Joint Stock Corporation</i>	84,275,100,000	6.43	84,275,100,000	6.43
<i>Other shareholders</i>	144,509,830,000	11.02	144,509,830,000	11.02
Share premium	566,368,537,309		566,368,537,309	
Total	1,877,127,907,309		1,877,127,907,309	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

18 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Compulsory reserve fund VND	Undistributed earnings VND	Total VND
As at 1/1/2019	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
Net profit for the year	-	-	-	-	274,561,743,847	274,561,743,847
Allocation to funds	-	-	5,496,214,773	-	(13,906,263,416)	(8,410,048,643)
Dividends distribution	-	-	-	-	(157,291,124,400)	(157,291,124,400)
As at 1/1/2020	1,310,759,370,000	566,368,537,309	211,311,595,298	131,075,937,000	701,542,786,101	2,921,058,225,708
Net profit for the period	-	-	-	-	117,033,940,622	117,033,940,622
Appropriation to Bonus and welfare fund (*) (Note 15)	-	-	-	-	(7,497,442,719)	(7,497,442,719)
Dividends distribution (**) (Note 13)	-	-	-	-	(262,151,874,000)	(262,151,874,000)
As at 30/6/2020	1,310,759,370,000	566,368,537,309	211,311,595,298	131,075,937,000	548,927,410,004	2,768,442,849,611

(*) In accordance with General Meeting of Shareholders' Resolution No. 06/2013/NQ-DHDCD dated 25 April 2013, the General Meeting of Shareholders has approved the amendments to profit appropriation policies, according to the welfare fund appropriation is equal to 1 month of actual salary and the bonus fund appropriation is equal to maximum of 1.5% of profit after tax but not exceeded 2 months of actual salary. The Corporation has temporarily appropriated an amount of VND 5,497,442,719 from the profit after tax for six-month period ended 30 June 2020 to the welfare and bonus fund. The final decision for profit distribution of 2020 will be concluded in the Annual General Meeting of Shareholders in 2021. In addition, in accordance with General Meeting of Shareholders' Resolution No. 10/2020/NQ-DHDCD dated 11 June 2020, the General Meeting of Shareholders has decided to distribute bonus of VND 2,000,000,000 to the Corporation's employees on the occasion of the 25 years anniversary of the Corporation.

(**) In accordance with General Meeting of Shareholders' Resolution No. 10/2020/NQ-DHDCD dated 11 June 2020, the General Meeting of Shareholders has agreed to declare dividend in cash to the shareholders for the year 2019 at the rate of 20%, which is equivalent to VND 262,151,874,000.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

19 REINSURANCE PREMIUM INCOME

	Six-month period ended	
	30/6/2020 VND	30/6/2019 VND
Inward reinsurance premium	1,455,616,795,135	1,193,792,531,516
<i>Miscellaneous insurance</i>	783,565,928,444	498,138,962,216
<i>Fire and property insurance</i>	362,619,647,062	331,568,100,462
<i>Engineering insurance</i>	117,505,358,870	104,432,829,172
<i>Hull and P&I Insurance</i>	106,935,897,816	136,888,407,951
<i>Cargo insurance</i>	61,786,739,521	81,641,785,103
<i>Fishing boat insurance</i>	7,109,538,011	12,895,945,850
<i>K-Care insurance</i>	6,367,799,590	6,891,363,913
<i>Aviation insurance</i>	3,624,299,515	3,564,193,640
<i>Agriculture insurance</i>	3,596,035,667	14,791,118,581
<i>Energy insurance</i>	1,675,919,528	1,671,063,419
<i>Life insurance</i>	829,631,111	1,308,761,209
Deductions in inward reinsurance premium	(16,326,869,206)	(17,080,099,725)
Increase in unearned inward reinsurance premium reserves (Note 16(a))	167,583,821,703	132,967,906,292
	<u>1,271,706,104,226</u>	<u>1,043,744,525,499</u>

20 OUTWARD REINSURANCE PREMIUM

	Six-month period ended	
	30/6/2020 VND	30/6/2019 VND
Total outward reinsurance premium	544,844,035,625	523,203,443,061
<i>Fire and property insurance</i>	213,828,749,994	222,146,392,102
<i>Miscellaneous insurance</i>	178,057,459,840	124,928,790,813
<i>Hull and P&I Insurance</i>	71,552,205,784	90,736,060,279
<i>Engineering insurance</i>	57,547,797,306	44,090,115,883
<i>Cargo insurance</i>	12,882,383,723	17,119,567,685
<i>Agriculture insurance</i>	2,864,203,467	13,650,452,276
<i>K-Care insurance</i>	2,388,012,500	2,588,603,250
<i>Aviation insurance</i>	2,206,288,640	2,715,050,587
<i>Fishing boat insurance</i>	1,844,595,216	3,862,370,450
<i>Energy insurance</i>	1,672,339,155	1,366,039,736
Deductions in outward reinsurance premium	(4,329,720,796)	(2,542,914,754)
Increase in unearned outward reinsurance premium reserves (Note 16(a))	13,533,474,009	4,985,364,862
	<u>526,980,840,820</u>	<u>515,675,163,445</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
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21 OTHER INCOME FROM INSURANCE ACTIVITIES

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Other receipts from inward reinsurance activities	1,822,745,038	2,498,456,487
Other receipts from outward reinsurance activities	10,530,531,262	18,407,090,684
<i>In which:</i>		
- <i>Brokerage income</i>	5,175,101,831	4,779,832,289
- <i>Profit commission</i>	4,845,230,260	5,455,971,110
- <i>Other income</i>	510,199,171	8,171,287,285
	<u>12,353,276,300</u>	<u>20,905,547,171</u>

22 TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Claim settlement expenses	593,882,782,922	496,987,534,882
<i>Miscellaneous insurance</i>	209,119,820,538	151,607,047,662
<i>Fire and property insurance</i>	158,877,393,278	147,603,606,269
<i>Hull and P&I Insurance</i>	102,029,105,505	55,671,340,945
<i>Engineering insurance</i>	59,308,920,664	50,234,254,543
<i>Cargo insurance</i>	25,294,557,840	18,234,790,566
<i>Agriculture insurance</i>	18,514,143,254	36,373,848,111
<i>Fishing boat insurance</i>	11,458,590,801	18,147,987,197
<i>Energy insurance</i>	7,382,956,269	3,893,842,325
<i>K-Care insurance</i>	1,485,250,000	1,222,000,000
<i>Aviation insurance</i>	309,880,003	13,167,359,744
<i>Life insurance</i>	102,164,770	831,457,520
Claim receipts from ceded policies	377,608,999,786	335,490,062,243
(Decrease)/increase in inward reinsurance claim reserves	(168,247,090,293)	64,760,718,404
(Decrease)/increase in outward reinsurance claim reserves	(143,570,993,808)	1,229,604,407
	<u>191,597,686,651</u>	<u>225,028,586,636</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

23 OTHER EXPENSES FROM INSURANCE ACTIVITIES

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Other payments for inward reinsurance activities	16,851,139,842	13,723,619,065
<i>In which:</i>		
- Bonus for no claims	8,533,751,482	4,947,711,219
- Brokerage fee	6,767,560,607	6,015,603,377
- Others	1,549,827,753	2,760,304,469
Other payments for outward reinsurance activities	1,246,590,732	2,773,202,435
	<u>18,097,730,574</u>	<u>16,496,821,500</u>

24 FINANCIAL INCOME

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Interest income from term deposits	100,921,287,667	87,853,082,217
Dividends and profits (*)	26,100,524,562	35,326,571,989
Interest income from bonds	11,049,678,083	8,664,693,150
Realised foreign exchange gains	3,319,692,935	11,557,426,157
Interest income on demand deposits	39,359,695	73,986,750
Profit from sales of investments	-	23,183,332,286
	<u>141,430,542,942</u>	<u>166,659,092,549</u>

(*) Details of dividends that the Corporation has receiving right during the period were as follows:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Samsung Vina Insurance Co., Ltd.	16,144,290,162	20,500,747,189
Agriculture Bank Insurance Joint Stock Company	6,400,000,000	3,840,000,000
Post and Telecommunication Joint Stock Insurance Corporation	3,556,224,000	2,844,979,200
Petrolimex Joint Stock Insurance Corporation	10,400	7,474,857,600
Sai Gon – Ha Long Hotel	-	665,988,000
	<u>26,100,524,562</u>	<u>35,326,571,989</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

25 FINANCIAL EXPENSES

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Additional/(reversal) of provision for impairment of investments	14,734,429,603	(6,888,315,286)
Realised foreign exchange losses	3,677,234,006	10,984,091,202
Foreign currency swap expenses	2,114,759,259	2,808,181,802
Other financial expenses	4,653,124,857	3,416,690,700
	<u>25,179,547,725</u>	<u>10,320,648,418</u>

26 GENERAL AND ADMINISTRATION EXPENSES

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Staff and expert expenses	23,915,962,131	25,076,338,053
Guest and advertisement expenses	2,597,424,963	2,697,928,540
Additional/(reversal) of provision for doubtful debts	2,495,532,224	(4,062,871,728)
Outside service expenses	2,092,857,852	2,918,137,568
Tax and fee expenses	1,460,040,769	401,186,421
Depreciation and amortisation expenses	380,942,875	413,313,917
Office supplies expenses	288,814,192	264,315,758
Others	5,739,938,038	5,515,221,324
	<u>38,971,513,044</u>	<u>33,223,569,853</u>

27 COST OF OPERATION BY FACTOR

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Insurance activities expenses	812,927,649,911	641,533,096,849
Staff expenses	23,915,962,131	25,076,338,053
Additional/(reversal) of provision for doubtful debts	2,495,532,224	(4,062,871,728)
Outside service expenses	2,092,857,852	2,918,137,568
Depreciation and amortisation expenses	380,942,875	413,313,917
Others	10,086,217,962	8,878,652,043
	<u>851,899,162,955</u>	<u>674,756,666,702</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

28 PILOT AGRICULTURAL INSURANCE ACTIVITIES

On 1 March 2011, the Prime Minister issued Decision No. 315/QD-TTg on the pilot provision of agricultural insurance during the 2011 - 2013 period 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/QD-TTg dated 1 March 2011 issued by the Prime Minister. Accordingly, the principle of the pilot implementation is that insurance enterprises and the Corporation shall provide pilot agricultural insurance 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 that insurance enterprises are implementing. The retained insurance premium for the year, after deducting valid expenses, is supplemented to the catastrophe reserves.

On 20 June 2012, the Ministry of Finance issued Circular No. 101/2012/TT-BTC stipulating a number of financial matters for insurance enterprises and reinsurance enterprises who provide pilot agricultural insurance under Decision No. 315/QD-TTg dated 1 March 2011 issued 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 statement. In case of losses incurred due to loss on pilot agricultural insurance activities, such losses will be carried forward to the following year as regulated by law. During the period, no pilot agricultural insurance activities were carried out (2019: profit on pilot agricultural insurance activities was VND 412,514,842 and was transferred to Catastrophe reserves).

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/QD-TTg, pilot agricultural insurance activities ended on 31 December 2013. The Corporation has been carrying out procedures to finalise these activities with the Ministry of Finance. The final results of the Corporation's pilot provision of agricultural insurance will be subject to the Ministry of Finance's approval.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

29 OFFSHORE FISHING BOAT INSURANCE ACTIVITIES

On 7 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 boat insurance"). The Corporation undertakes this type of insurance, along with the local insurance companies, for supporting market and implementing 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 a number of financial matters for insurance enterprises undertaking the insurance activities as stipulated in aforementioned Decree No. 67/2014/ND-CP. According to Circular No. 116/2014/TT-BTC, the business results of fishing boat insurance activities shall be included in the results of operations of the insurance enterprises. The insurance enterprises must separately monitor revenue, expenses and results of operations of this type of insurance. Gain from fishing boat insurance activities (if any) shall be transferred to the catastrophe reserves at the year end.

In 2020, the total gain from fishing boat insurance activities was VND 383,031,701 and was transferred to the catastrophe reserves (2019 half-year period: no gains/losses).

30 BUSINESS INCOME TAX

The tax on the Corporation's accounting profit before tax differs from theoretical amount that would arise using the applicable tax rate of 20% as follows:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Net accounting profit before tax	140,369,170,989	152,004,848,640
Tax calculated at a rate of 20%	28,073,834,198	30,400,969,728
Effect of:		
Income not subject to tax	(5,220,104,912)	(7,294,193,751)
Expenses not deductible for tax purposes	481,501,081	241,621,310
BIT charge (*)	23,335,230,367	23,348,397,287
Charged to the interim separate income statement:		
BIT– current	23,335,230,367	23,348,397,287
BIT– deferred	-	-
BIT expense (*)	23,335,230,367	23,348,397,287

(*) The BIT charge for the period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
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31 FINANCIAL RATIOS OF THE CORPORATION

	Unit	2020	2019
1. Asset and equity structure			
1.1 Asset structure			
- Long-term assets/Total assets	%	22.58	16.68
- Short-term assets/Total assets	%	77.42	83.32
1.2 Equity structure			
- Total liabilities/Total resources	%	59.93	55.57
- Owners' equity/Total resources	%	40.07	44.43
2. Liquidity			
2.1 Liquidity ratio	times	1.67	1.81
2.2 Current ratio	times	1.29	1.51
2.3 Quick ratio	times	0.55	0.75
3. Profitability			
3.1 Profit margins			
- Net profit before tax/Revenue	%	14.21	18.95
- Net profit after tax/Revenue	%	11.88	16.09
3.2 Return on assets			
- Net profit before tax/Total assets	%	1.93	2.16
- Net profit after tax/Total assets	%	1.62	1.82
3.3 Net profit after tax/Owners' equity	%	4.03	4.81

32 FINANCIAL RISK MANAGEMENT

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 equity and debt 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, basis of measurement and recognition of income and expenses) for each class of financial asset, financial liability and equity instruments are disclosed in Note 2.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

	Carrying value	
	30/6/2020 VND	31/12/2019 VND
Financial assets		
Cash and cash equivalents	54,519,292,868	101,616,124,112
Trade receivables	1,245,395,769,786	939,645,607,875
Short-term investments	2,360,461,331,479	2,782,315,165,741
Long-term investments	915,214,233,719	406,400,750,254
Total	4,575,590,627,852	4,229,977,647,982
Financial liabilities		
Trade and other payables	1,072,633,244,864	825,996,707,924
Long-term deposits received	2,928,948,405	2,796,537,555
Total	1,075,562,193,269	828,793,245,479

The Corporation has not assessed fair value of its financial assets and financial 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 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and financial liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it does 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 a 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. The risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation's operations.

The Corporation's activities may be exposed to risks include reinsurance risk, market risk, credit risk and liquidity risk. In general, the Corporation's risk management policies are intended to minimise the potential adverse effects of these risks on the Corporation's business performance.

(a) Reinsurance risk

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

- Assessing the reinsurance risk;
- Pricing, assessing reinsurance ability;
- Terms and conditions applied; and
- Monitoring the concentration of risk and disaster risk.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Reinsurance risk (continued)

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 the insurance risk management

The ultimate goal of the insurance risk management is to control insurance events that may affect the Corporation's financial position, equity and business 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 from the department level to the entity level in order to assure the effectiveness of risk management activities. The Risk Management Board plays an important role in the risk management process to ensure collaboration and connection among operational departments, the Board of Management and the Board of Directors of the Corporation.

The insurance risk management is supervised by the top managers through insurance and reinsurance guideline and insurance risk monitoring standards. The bottom-up reporting procedure is also established and performed 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 methods to detect risks including risk assessment, risk discussion in internal meetings, or experience from experts. Depending on the circumstances and characteristics of the risks 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).

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 Management 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 annual insurance and reinsurance schemes as approved by the Board of Directors.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
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32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with the fluctuation of market price. Market risk includes 3 types of risk: currency risk, interest rate risk and price risk.

(i) Currency risk

The Corporation's activities expose 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.

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 amount of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of period is as follows:

	Assets		Liabilities	
	30/6/2020 VND	31/12/2019 VND	30/6/2020 VND	31/12/2019 VND
United States Dollar (USD)	521,344,849,179	551,827,509,788	397,810,314,831	286,841,095,714
Euro (EUR)	5,424,677,311	3,281,595,648	892,501,845	890,972,815
Great Britain Pound (GBP)	161,709,368	174,432,303	-	-
Australian Dollar (AUD)	5,393,383	5,546,284	-	-
Singapore Dollar (SGD)	55,958,512	8,505,713	27,175,550	27,836,305
Japanese Yen (JPY)	314,493,038	313,162,468	108,651,354	107,605,768
Ringgit Malaysia (MYR)	-	-	1,479,608	1,536,413

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

5% is the sensitivity rate used by the Board of Management when analysing foreign currency risk and represents the Board of 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/year-end for a 5% change in foreign currency rates. For a 5% increase/decrease in the following foreign currencies against Vietnamese Dong, the profit before tax in the year would increase/decrease by the respective amounts as follows:

	2020 VND	2019 VND
United States Dollar (USD)	6,176,726,717	13,249,320,704
Euro (EUR)	226,608,773	119,531,142

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
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32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(ii) *Price risk*

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. The Corporation assesses the share price risk as insignificant.

The Corporation is also exposed to equity price risks arising from investments in subsidiaries and associates. The Corporation's Board of Management assesses and approves decisions on investments in subsidiary and associate such as operating industry, investees. Investments in the Corporation's subsidiaries and associates are held as long-term strategic investments rather than for 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 effectiveness.

(iii) *Interest rate risk*

The Corporation bears interest rate risk on deposits at banks. The Corporation's term deposits in VND have many different interest rates and will bear interest rate risk when reinvesting.

(c) 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 customer receivables. The Corporation has made a sufficient provision for such receivables.

(d) Liquidity risk

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 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
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32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

	Total carrying amount VND	Unspecified term VND	Original term less than 1 year VND	Original term from 1 to 5 years VND	Original term over 5 years VND
As at 30/6/2020					
Cash and cash equivalents	54,519,292,868	-	54,519,292,868	-	-
Trade receivables (*)	1,245,395,769,786	-	1,239,778,304,033	5,617,465,753	-
Short-term investments (*)	2,360,461,331,479	-	2,360,461,331,479	-	-
Long-term investments (*)	921,383,607,652	-	-	915,214,233,719	-
Total	4,575,590,627,852	-	3,654,758,928,380	920,831,699,472	-
Trade and other payables	(1,072,633,244,864)	-	(1,072,633,244,864)	-	-
Long-term deposits received	(2,928,948,405)	-	-	(2,928,948,405)	-
Total	(1,075,562,193,269)	-	(1,072,633,244,864)	(2,928,948,405)	-
Net liquidity gap	3,500,028,434,583	-	2,582,125,683,516	917,902,751,067	-
As at 31/12/2019					
Cash and cash equivalents	101,616,124,112	-	101,616,124,112	-	-
Trade receivables (*)	939,645,607,875	-	939,645,607,875	-	-
Short-term investments (*)	2,782,315,165,741	-	2,782,315,165,741	-	-
Long-term investments (*)	406,400,750,254	-	-	406,400,750,254	-
Total	4,229,977,647,982	-	3,823,576,897,728	406,400,750,254	-
Trade and other payables	(825,996,707,924)	-	(825,996,707,924)	-	-
Long-term deposits received	(2,796,537,555)	-	-	(2,796,537,555)	-
Total	(828,793,245,479)	-	(825,996,707,924)	(2,796,537,555)	-
Net liquidity gap	3,401,184,402,503	-	2,997,580,189,804	403,604,212,699	-

(*) Figures shown are before provision.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

33 RELATED PARTY DISCLOSURES

During period, the Corporation had transactions carried out with the following related parties:

Related parties	Relationship
State Capital Investment Corporation	Major shareholder
Swiss Re Group	Major shareholder
Baoviet Holdings	Major shareholder
Baoviet Value Investment Fund	Major shareholder
Bao Minh Insurance Joint Stock Corporation	Major shareholder
Vinare Investment Joint Stock Company	Subsidiary
Samsung Vina Insurance Company Limited	Associate

(a) Related party transactions

		Six-month period ended	
		30/6/2020	30/6/2019
		VND	VND
<i>i) Swiss Re Group</i>			
Outward reinsurance premium	125,578,500,541	119,706,594,489	
Outward reinsurance commission	36,266,481,718	33,719,627,135	
Receipt from outward reinsurance claims	57,370,243,270	49,327,376,997	
Dividends declared	65,537,978,000	39,322,786,800	
<i>ii) Samsung Vina Insurance Company Limited</i>			
Outward reinsurance premium	374,604,944	821,266,623	
Outward reinsurance commission	101,320,577	115,210,829	
Receipt from outward reinsurance claims	195,691,309	362,491,574	
Inward reinsurance premium	71,917,194,174	62,741,482,718	
Inward reinsurance commission	16,265,295,525	14,168,131,168	
Claim settlement of inward reinsurance	19,652,908,714	20,801,651,568	
Dividends received	16,144,290,162	20,500,747,189	
<i>iii) State Capital Investment Corporation</i>			
Dividends declared	105,812,070,000	63,487,242,000	
<i>iv) Baoviet Holdings</i>			
Outward reinsurance premium	32,152,159,212	57,896,192,658	
Outward reinsurance commission	6,534,852,996	11,705,195,628	
Receipt from outward reinsurance claims	37,161,545,307	69,265,815,112	
Inward reinsurance premium	122,500,860,358	153,647,284,122	
Inward reinsurance commission	28,901,303,760	35,536,325,549	
Claim settlement of inward reinsurance	87,608,934,493	111,597,834,711	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

33 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		Six-month period ended	
		30/6/2020	30/06/2019
		VND	VND
v)	<i>Bao Minh Insurance Joint Stock Corporation</i>		
	Outward reinsurance premium	40,778,360,981	32,285,976,301
	Outward reinsurance commission	9,081,290,151	8,535,179,423
	Receipt from outward reinsurance claims	31,021,722,762	26,172,814,347
	Claim payment on behalf	62,732,376,490	6,855,547,670
	Inward reinsurance premium	26,976,063,541	26,624,819,971
	Inward reinsurance commission	6,543,299,468	5,919,648,051
	Claim settlement of inward reinsurance	68,644,269,014	42,200,166,804
vi)	<i>Baoviet Value Investment Fund</i>		
	Liquidation of entrustment fund	28,804,517,959	-
vii)	<i>Compensation of key management</i>		
	Gross salaries and other benefits	2,563,808,768	2,603,361,979

(b) Period end balances with related parties

		30/6/2020	31/12/2019
		VND	VND
Swiss Re Group			
	Receivables from outward reinsurance	51,643,776,013	37,849,144,545
	Payables from outward reinsurance	86,002,184,588	71,249,053,212
	Dividend payables	65,537,978,000	-
Samsung Vina Insurance Company Limited			
	Receivables from inward reinsurance	6,990,456,608	5,188,655,304
	Payables from inward reinsurance	1,151,743,335	1,504,780,306
State Capital Investment Corporation			
	Dividend payables	105,812,070,000	-
Baoviet Holdings			
	Receivables from outward reinsurance	28,547,124,097	17,786,811,689
	Payables from outward reinsurance	32,019,544,029	23,801,659,438
	Receivables from inward reinsurance	65,828,517,040	22,812,290,256
	Payables from inward reinsurance	55,631,630,204	18,879,117,480

33 RELATED PARTY DISCLOSURES (CONTINUED)

	30/6/2020 VND	31/12/2019 VND
Bao Minh Insurance Joint Stock Corporation		
Receivables from outward reinsurance	69,725,227,893	48,004,232,646
Payables from outward reinsurance	57,384,502,420	34,964,324,397
Receivables from inward reinsurance	65,828,517,040	22,812,290,256
Payables from inward reinsurance	55,631,630,204	18,879,117,480
	<u> </u>	<u> </u>
Baoviet Value Investment Fund		
Entrustment fund contract	30,000,000,000	60,000,000,000
Fund certificate	5,000,000,000	5,000,000,000
Receivables from the liquidation of entrusted fund (Note 5)	28,804,517,959	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

34 SUMMARY OF CLAIMS

	Year of loss			Tổng số VND
	2018 VND	2019 VND	2020 VND	
i. Accumulated claim reserve				
Accumulated Claim reserves accumulated to the current year (1)	283,543,772,445	381,319,834,853	73,655,281,559	738,518,888,857
ii. Accumulated paid claim amount				
As at year end of loss year	41,951,581,376	-	-	41,951,581,376
After 1 year	128,124,455,298	82,503,031,532	-	210,627,486,830
After 2 years	27,461,776,085	121,687,318,594	5,632,281,247	154,781,375,926
Paid claims accumulated to the current year (2)	197,537,812,759	204,190,350,126	5,632,281,247	407,360,444,132
iii. Total outstanding claim reserves (3) = (1) - (2)	86,005,959,686	177,129,484,727	68,023,000,312	331,158,444,725
Outstanding claim reserves for previous years				157,489,955,519
Total outstanding claim reserves at the period end				488,648,400,244

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

35 SEGMENT REPORTING

The Corporation's principal activities are reinsurance business and investments funded from surplus capital resources. Investments in other business activities are not material. Therefore, the Board of Management assesses and believes that not presenting segment reporting is in line with the Corporation's current business operation.

36 EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 June 2020, the widespread of Covid-19 is a fluid and challenging situation facing all industries. The Corporation has performed a preliminary assessment of the overall impact of the situation on the Corporation's operations, including a recoverability assessment for the receivable balances and investments as at 30 June 2020 and initially concluded that the impact was insignificant in the foreseeable future. Up to the signing date of the interim separate financial statements, there have not been any significant losses incurred as a result of this event. The Corporation will continue monitoring the situation, take appropriate and timely actions to minimise the impact.

The interim separate financial statements were approved by the Board of Management on 14 August 2020.



Nguyen Thanh Cong
Preparer



Luu Thi Viet Hoa
Chief Accountant



TÔNG CÔNG TY
CỔ PHẦN
TÁI BẢO HIỂM
QUỐC GIA
VIỆT NAM
Q. HOÀN KIẾM - TP. HÀ NỘI

Mai Xuan Dung
Deputy Chief Executive Officer
Authorised signatory