

# NOTES TO THE FINANCIAL STATEMENTS

## Quarter I/2015

### I. General information

1. **Structure of ownership:** State Capital Investment Corporation – SCIC: 40.36%, Swiss Re Group: 25%, other shareholders: 34.64%
2. **Operating industry:** Insurance
3. **Lines of business:** Inward and outward reinsurance and financial investment.

### II. Financial year and accounting currency

1. **Financial year:** Begins on 01 January 2015 and ends on 31 December 2015.
2. **Accounting currency:** Vietnam Dong

### III. Accounting standards and system

1. **Accounting system:** Vietnamese accounting system applicable to insurance enterprises.
2. **Statement on compliance with accounting standards and accounting system:**  
The Board of Directors ensures that the company's Financial Statements comply with Vietnamese accounting standards and the Vietnamese accounting system applicable to insurance enterprises and other current accounting regulation in Vietnam.
3. **Accounting method:** Receipts recorded to books.
4. **Accounting policies**  
The Board of Directors ensures that the interim Financial Statements and the latest Yearly Financial Statements apply the same accounting policies.

### Accounting estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance enterprises and prevailing relevant regulations in Vietnam requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues expenses during the quarter. Actual results could differ from those estimates.

### Capital contribution in joint ventures

A joint venture is a contractual agreement whereby the Corporation and other parties undertake an economic activity that is subject to a joint control. Joint control is understood as the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Investment in joint venture is an investment through which Corporation has significant impact in decision making process of finance and operation area of the party receiving investment but does not control these policies.

The capital contribution is recognized at the net amount of the cost and presented on the balance sheet as an investment in joint venture.

### Cash and cash equivalents

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

### Accounts receivable and provision for doubtful debts

For accounts receivable of each client, the provision is made according to regulations in Circular No 228/2009/TT-BTC dated 7<sup>th</sup> December 2009 of the Ministry of Finance as follows:

- No provision is made for accounts receivable (the balance after offsetting) overdue for less than 6 months;
- For accounts receivable (the balance after offsetting) over due from 06 to less than 12 months, the provision is made at the rate of 30%;

- For accounts receivable (the balance after offsetting) over due from 12 to less than 24 months, the provision is made at the rate of 50%;
- For accounts receivable (the balance after offsetting) over due from 24 to less than 36 months, the provision is made at the rate of 70%;
- For accounts receivable (the balance after offsetting) over due from 36 months, the provision is made at the rate of 100%.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

	<u>Years</u>
Building, structures	25
Motor vehicles	6
Office equipment	4
Other fixed assets	4 – 5

### **Intangible fixed assets and depreciation**

Intangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased intangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Intangible fixed asset of the Corporation is computer software, and is depreciated using the straight-line method over the estimated useful lives. Duration of depreciation is: 5 years.

### **Investments in securities**

Investments in securities are recognised on the date of purchase and are initially measured at cost, including directly attributable transaction costs.

At the subsequent reporting dates, investments in securities are measured at cost, less the amount of diminution in value of investments in securities.

Provision for diminution in value of investments in securities is made in accordance with prevailing accounting regulations. Accordingly, the Company is allowed to make provision for investment in freely traded securities with book value higher than market value at the balance sheet date.

### **Revenue recognition**

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

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

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

Income from office leasing is recognised when incurred.

### **Recognition of equity capital**

Owners' equity: is the paid-up capital of the shareholders

Capital surplus is the amount of money received from the share issuance in 2007 which is larger than the value of shares issued plus the costs of the issuance.

Retained profit: is the profit retained after allocating to various funds and dividend payment.

## Foreign currencies

The Corporation applies an accounting exchange rate of USD/VND 21,400.

On 24 October 2012 the Ministry of Finance issued Circular 179/2012/TT-BTC providing guidance on recognition, assessment and handling of foreign exchange difference, recognition of foreign exchange difference and relating regulations as follows:

Transactions initially denominated in foreign currencies are translated into USD using the accounting exchange rate and later on translated using the actual exchange rate of Vietcombank on the payment date. The differences resulting from such translations are recorded in the income statement.

Payables and receivables relating to revenues and costs accounting for the quarter; sums, payables and receivables denominated in USD not relating to revenues and costs accounting at the end of the accounting period are translated using the buying rate of Vietcombank as at 31/03/2015 of USD/VND 21,530. Foreign currencies other than USD are translated into VND using the buying rate of Vietcombank as at 31/03/2015. The differences resulting from such translations are recorded in the income statement.

Exchange differences from revaluation of balances of monetary assets, liabilities, receivables denominated in foreign currencies that are not related to accounting for revenue and costs as at the balance sheet date are not used for dividend payment.

## Technical reserves

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

**Premium reserve:** This reserve is provided for at 25% of the premium retained for the quarter over all types of cargo insurance (by land, seaway, waterway, railway and airway) and at 50% for other types.

### **Claim reserves:**

- The Corporation applies a claim estimation method based on the nature of each case when claim reserve is insured for losses reported or claimed but remained unsettled at fiscal quarter-end.
- For losses that have incurred but have not been reported (IBNR), the Corporation applies 5% of the premium retained over all types of insurance.

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

Corporation is not allowed to compensate reserves for inward reinsurance activities and outward reinsurance activities. These reserves need to be presented separately on the balance sheet. Accordingly, unearned premium reserve and claim reserve for inward reinsurance, catastrophe reserve are presented as liabilities; unearned premium reserve and claim reserve for outward reinsurance are presented as reinsurance assets.

## Taxation

Calculation of tax duties is based on current taxation regulation.

According to Circular 134/2008/TT-BTC dated 31/12/2008 of the Ministry of Finance providing guidance of tax duties of overseas organisations and individuals having business operation in Vietnam or revenue from Vietnam, overseas retroceded premiums are subject to contractors' tax (corporate income tax) at the rate of 2%. Insurance enterprises have been discussing with the Ministry of Finance and the General Authority of Taxation in order to clarify some problems in complying with Circular 134/2008/TT-BTC and other tax agreements. According to Letter 8667/BTC-TCT dated 06/07/2010 of the Ministry of Finance providing guidance on contractors' tax levied on reinsurance business retroceded overseas, reinsurance contracts signed with overseas reinsurers who are residents of nations or territories which have signed Double Taxation Avoidance Agreements with Vietnam will be exempted from contractors' tax liabilities for the years 2005 – 2008 and within the period of such agreements on the basis of completing all the procedures provided for in the Letter. In January 2011, the Company sent a set of document for tax exemption as required in Letter 8667/BTC-TCT.

Based on the conclusion of the Ministry of Finance Inspection on contractors' tax duties of VINARE in the period 2009-2011 and the first six months of 2012, in September 2012 the Company completed the contractors' tax declaration and paid contractors' tax for the overseas reinsurers who are not residents in countries and territories which have signed Double Taxation Avoidance Agreements with Vietnam with the amount of VND104,417,170. For contractor's tax in 2012, the Company makes declaration and payment according to Circular 28/2011/TT-BTC dated 28 February 2011 and Circular 60/2012/TT-BTC dated 12 April 2012 of the Ministry of Finance.

Other types of tax are subject to current taxation regulation in Vietnam.

<b>5. Cash and cash equivalents</b>	<b>3/31/2015</b>	<b>1/1/2015</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	825,131,025	748,920,599
Bank deposits	30,847,450,053	144,860,260,894
Cash equivalents	730,753,500,000	756,660,000,000
	<b>762,426,081,078</b>	<b>902,269,181,493</b>
<b>6. Short-term financial investments</b>	<b>3/31/2015</b>	<b>1/1/2015</b>
	<b>VND</b>	<b>VND</b>
Bank deposits under one year	1,157,500,000,000	1,044,000,000,000
Short-term bonds	-	50,000,000,000
Stocks (short-term)	34,713,498,263	27,596,680,275
Provision for diminution in value of short-term investment:	(1,612,489,094)	(670,677,075)
	<b>1,190,601,009,169</b>	<b>1,120,926,003,200</b>
<b>7. Long-term financial investments</b>	<b>3/31/2015</b>	<b>1/1/2015</b>
	<b>VND</b>	<b>VND</b>
<b>Investments in subsidiaries (a)</b>	<b>60,000,000,000</b>	<b>60,000,000,000</b>
<b>Interests in joint-ventures ( b )</b>	<b>125,000,000,000</b>	<b>125,000,000,000</b>
<b>Other long-term investments</b>	<b>929,617,283,235</b>	<b>813,214,829,106</b>
+ Equity investment ( c )	469,000,270,000	469,000,270,000
+ Long-term bonds	90,000,000,000	90,000,000,000
+ Long-term deposits	278,000,000,000	168,000,000,000
+ Investment co-operation contract ( d )	13,304,048,828	13,304,048,828
+ Entrusted investment (e)	117,344,576,792	117,908,792,658
+ Other long-term investments (f)	5,821,206,063	5,821,206,063
+ Provision for diminution in value of long-term investment:	(43,852,818,448)	(50,819,488,443)
	<b>1,114,617,283,235</b>	<b>998,214,829,106</b>

**a) Investments in subsidiaries:** is the equity investment in VinareInvest with the original value of VND60,000,000,000 representing a stake of 63.88% in the subsidiaries.

**(b) Investment in joint venture:** is the equity investment in Samsung Vina Insurance Company (SVI) with the original amount of VND250,046,999,999 representing a stake of 50% in SVI. VINARE's BOM had a resolution on the sale of 25% out of 50% stake of VINARE in SVI for SFMI. On 17 January 2014, the Ministry of Finance issued revised business license No 70/GF/KDBH to SVI, current equity ownership of Corporation in SVI is 25%. Finalizing the transaction is being completed by the two parties. VINARE's capital contribution in the joint venture as at March 31<sup>st</sup> 2015 is VND125,000,000,000, accounting for 25% stake in the joint venture.

(c) Equity investment	Ownership	3/31/2015	3/31/2015	1/1/2015
		Shares	VND	VND
Petrolimex Joint Stock Insurance	8.76%	6,237,328	59,289,270,000	59,289,270,000
PTI Insurance Company	7.06%	3,556,224	38,416,000,000	38,416,000,000
Saigon - Halong Hotel	6.00%	600,000	6,000,000,000	6,000,000,000
Global Insurance Company	4.40%	1,760,000	17,600,000,000	17,600,000,000
Phu Hung Insurance Company	2.65%	800,000	8,000,000,000	8,000,000,000
Agriculture Bank Insurance Join	8.42%	3,200,000	32,000,000,000	32,000,000,000
Dai Nam Securities Joint Stock C	1.68%	269,500	2,695,000,000	2,695,000,000
Hung Vuong Insurance Compan	10.00%	3,000,000	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint St	5.41%	30,000,000	275,000,000,000	275,000,000,000
			<b>469,000,270,000</b>	<b>469,000,270,000</b>

**Information of bonus shares as at 31/03/2015**

NO	Stock name	Stock code	Number of shares
1	Petrolimex Joint Stock Insurance Company	PGI	353,056
2	Post-Telecommunication Joint Stock Insurance Comp	PTI	381,024
3	Tien Phong Commercial Joint Stock Bank		2,500,000
4	BIDV Insurance Corporation	BIC	12,905

(d) **Investment cooperation:** represent contributions in the business cooperation and production sharing contract signed with the project investment owner. Vinare and Vinare-Invest are parties to the business cooperation project.

(e) **Entrusted investment:** are funds entrusted to Vietcombank Fund Management Company, Bao Viet Fund Management Company and MB Fund Management Joint Stock Company.

(f) **Other long-term investments:** are the investment to purchase certificates of Bao Viet Equity Dynamic Open Ended Fund and investment from the welfare fund of Corporation.

(g) **Provisions for impairment of long-term investments:** are the provisions for the impairment in equity investments in VinareInvest, Phu Hung Insurance Company and Dai Nam Securities.

**8. Technical reserve**

**a/ Premium reserve, claim reserve for inward reinsurance**

Criteria	Beginning of quarter	Increase	Decrease	End of quarter
<b>Normal reinsurance activities</b>	<b>2,403,193,172,497</b>	<b>282,041,800,927</b>	<b>-</b>	<b>2,685,234,973,424</b>
+ Inward unearned premium reserve	696,637,813,563	3,765,670,568		700,403,484,131
+ Inward claim reserve	1,559,082,730,624	273,493,960,085		1,832,576,690,709
+ Catastrophe reserve	147,472,628,310	4,782,170,274		152,254,798,584
<b>Pilot Agriculture insurance activities</b>	<b>69,919,348,790</b>	<b>868,443,567</b>	<b>26,003,183,926</b>	<b>44,784,608,431</b>
+ Inward unearned premium reserve	40,151,286,920		10,036,266,683	30,115,020,237
+ Inward claim reserve	23,307,892,916		15,966,917,243	7,340,975,673
+ Catastrophe reserve	6,460,168,954	868,443,567		7,328,612,521
<b>TOTAL</b>	<b>2,473,112,521,287</b>	<b>282,910,244,494</b>	<b>26,003,183,926</b>	<b>2,730,019,581,855</b>

**b/ Premium reserve, claim reserve for outward business**

Criteria	Beginning of quarter	Increase	Decrease	End of quarter
<b>Normal reinsurance activities</b>	<b>1,637,483,775,404</b>	<b>239,044,713,112</b>	<b>4,724,076,060</b>	<b>1,871,804,412,456</b>
+ Retroceded premium reserve	463,960,919,034		4,724,076,060	459,236,842,974
+ Outward claim reserve	1,173,522,856,370	239,044,713,112		1,412,567,569,482
<b>Pilot Agriculture insurance activities</b>	<b>58,334,257,433</b>	<b>-</b>	<b>23,889,166,149</b>	<b>34,445,091,284</b>
+ Retroceded premium reserve	36,994,655,632		9,247,332,788	27,747,322,844
+ Outward claim reserve	21,339,601,801		14,641,833,361	6,697,768,440
<b>TOTAL</b>	<b>1,695,818,032,837</b>	<b>239,044,713,112</b>	<b>28,613,242,209</b>	<b>1,906,249,503,740</b>

Making underwriting reserve is in accordance with methods of making reserve registered and approved by the Ministry of Finance in official document no 5297/BTC-QLBH dated 19 April 2012. Following the Circular No 232/2012 regulating on accounting regime for insurance enterprises effective since 1 January 2014, the allocation of technical reserve is re-presented as follows:

- **Inward unearned premium reserve, retroceded premium reserve:** these reserves are provided for at 25% of cargo insurance and 50% for other lines of business.
- **Claim reserve:** re-presented according to Circular 232/2012 for inward and outward claims criteria based on the nature of each case.

## 9. Additional information

- On 1 March 2011, the Prime Minister issued Decision 315/QDD-TTg on the deployment of a pilot agriculture insurance scheme during 2011-2013 with the objective to help agricultural producers remedy and recover from financial losses caused by natural disasters or epidemics, contributing to ensuring social welfare in rural areas and promoting agricultural production. According to this Decision, Vietnam National Reinsurance Corporation has the responsibility to undertake agricultural reinsurance under the guidance of the Ministry of Finance.

On 17 August 2011, the Ministry of Finance issued Circular 121/2011/TT-BTC stipulating several financial issues for insurance and reinsurance enterprises who provide agriculture insurance under the pilot scheme following Decision 315/QD-TTg dated 1 March 2011 by the Prime Minister. The principle is that Vietnam National Reinsurance Corporation underwrite agriculture insurance not for profit. Insurance enterprises shall account separately record revenues and costs arising from pilot agriculture insurance from other types of insurance, including agriculture insurance (if any) which they are writing.

On 20 June 2012, the Ministry of Finance issued Circular 101/2012/TT-BTC stipulating several financial issues for insurance and reinsurance enterprises underwriting agricultural insurance according to Decision 315/QD-TTg dated 1 March 2011 by the Prime Minister. Accordingly, insurance and reinsurance enterprises have the responsibility to separately record the annual losses from pilot agriculture insurance. The loss from pilot agriculture insurance shall be accounted for in their income statements for the financial period. In case the enterprises suffer from an overall loss due to the loss from pilot agriculture insurance, such loss will be carried forward to the following year as regulated by the law. VINARE began to undertake pilot agriculture reinsurance in 2012. As at 31 December 2014, the accumulated loss of pilot agriculture reinsurance was VND42,015,277,691.

Currently, Corporation is coordinating with relating parties to finalize accounting for the pilot time from 2011 to 2013.

In Quarter I 2015, net profit from Pilot agriculture insurance was: VND868,398,782, Corporation has accumulated the amount to the Catastrophe reserve fund according to regulation.

## 9. Equity

	Operating capital	Share premium	Investment and development fund	Financial reserve fund	Compulsory reserve fund	Retained earnings	Total
<b>As at 01/01/2014</b>	<b>1,008,276,580,000</b>	<b>768,023,850,642</b>	<b>30,042,903,393</b>	<b>150,214,516,960</b>	<b>75,107,258,481</b>	<b>318,130,849,961</b>	<b>2,349,795,959,437</b>
Profit for the period						364,814,718,240	<b>364,814,718,240</b>
Profit distribution to funds			7,259,420,053		18,148,550,133	(34,207,836,407)	<b>(8,799,866,221)</b>
Dividends declared						(100,827,658,000)	<b>(100,827,658,000)</b>
Increase in Charter capital	302,482,790,000	(201,655,313,333)				(100,827,476,667)	-
<b>As at 01/01/2015</b>	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>37,302,323,446</b>	<b>150,214,516,960</b>	<b>93,255,808,614</b>	<b>447,082,597,127</b>	<b>2,604,983,153,456</b>
Profit for the period						48,035,228,713	48,035,228,713
Profit distribution to funds			923,369,945		2,308,424,862	(4,744,736,734)	(1,512,941,927)
Other increase/(decrease)			150,214,516,960	(150,214,516,960)			-
<b>As at 31/03/2015</b>	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>188,440,210,351</b>	<b>-</b>	<b>95,564,233,476</b>	<b>490,373,089,106</b>	<b>2,651,505,440,242</b>

(\*) Transfer balance of Financial reserve fund to Business development fund (eliminate the Financial reserve account) according to guidance in Circular No 200/2014/TT-BTC dated 22 December 2014 on guidance on accounting regime for enterprises of the Ministry of Finance.

**10. Income and business results:**

**a/ Income statements ( including pilot agriculture insurance)**

NO	Criteria	Quarter 1/2015 (VND)	Quarter 1/2014 (VND)
1	Premium from reinsurance inward	289,111,012,369	266,032,803,176
2	Income from real estate investments		0
3	Net income from financial activities	48,061,994,089	136,742,709,746
4	Other incomes	3,055,371,348	3,885,475,512
5	Total incomes for insurance activities	280,679,496,609	224,360,916,137
6	Capital value of real estate investments		0
7	Expenses for financial activities	(4,930,312,818)	(6,574,273,762)
8	Administration expenses	4,046,433,979	23,131,561,753
9	Other expenses	1,118,522,803	1,215,887,367
10	Profit (Loss) from pilot agriculture insurance activities		(1,436,659,925)
11	Accounting profit before tax (11=1+2+3+4-5-6-7-8-9+10)	59,314,237,233	163,090,237,014
12	Corporate income tax payable	11,275,293,551	36,102,110,672
14	Deferred corporate income tax	3,714,969	31,353,749
15	Net profit after corporate income tax (15=11-12-13-14)	48,035,228,713	126,956,772,593

**b/ Income statements (excluding pilot agriculture insurance)**

1	Income from reinsurance business	289,111,012,369	266,032,803,176
2	Income from real estate investments		0
3	Net income from financial activities	48,061,994,089	136,742,709,746
4	Other incomes	3,055,371,348	3,885,475,512
5	Total expenses for insurance activities	280,679,496,609	224,360,916,137
6	Capital value of real estate investments		0
7	Expenses for financial activities	(4,930,312,818)	(6,574,273,762)
8	Administration expenses	4,046,433,979	23,131,561,753
9	Other expenses	1,118,522,803	1,215,887,367
10	Accounting profit before tax(10=1+2+3+4-5-6-7-8-9)	59,314,237,233	164,526,896,939
11	Corporate income tax payable		20,812,157,259

**c/ Results of pilot agriculture insurance**

NO	Criteria	Quarter 1/2015 (VND)	Quarter 1/2014 (VND)
1	Income from reinsurance business	3,158,207	40,505,276,754
2	Deductions	2,662,239	29,097,662,196
3	Net income from pilot agriculture insurance activities ( 3=1-2)	495,968	11,407,614,558
4	Direct expenses for pilot agriculture insurance	387,115	11,743,320,415
5	Gross profit from pilot agriculture insurance ( 5= 3-4)	108,853	(335,705,857)
6	Administration expenses	108,853	1,100,954,068
7	Net profit from pilot agriculture insurance(7=5-6)	0	(1,436,659,925)

**11. Re-presentation of balance as at the beginning of period according to guidance in circular 200/2014 dated December 22<sup>nd</sup> 2014 of the Ministry of Finance on accounting guidance for enterprises**



**As at 31/12/2014**

	<b>Before adjustment</b>	<b>Adjustment</b>	<b>After adjustment</b>
<b>1. Short-term investment</b>	1,121,596,680,275	(1,121,596,680,275)	-
- Short-term stocks		27,596,680,275	27,596,680,275
- Investment helded until maturity date		1,094,000,000,000	1,094,000,000,000
<b>2. Fixed assets</b>	34,537,017,642	(11,185,878)	34,525,831,764
- Long-term assets in progress	-	11,185,878	11,185,878
<b>3. Other long-term investments</b>	864,034,317,549	(864,034,317,549)	-
- Equity investment in other companies	-	469,000,270,000	469,000,270,000
- Investment helded until maturity date		395,034,047,549	395,034,047,549
<b>4. Investment and development fund</b>	37,302,323,446	150,214,516,960	187,516,840,406
- Financial reserve fund	150,214,516,960	(150,214,516,960)	-

**Preparer**

**Chief Accountant**

*May 12<sup>th</sup> 2015*  
**Chief Executive Officer**

**Nguyen Thanh Cong**

**Luu Thi Viet Hoa**

**Pham Cong Tu**

## VIETNAM NATIONAL REINSURANCE CORPORATION

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## BALANCE SHEET

Quarter 1/2015

( FORM B01-DNPNT)

## BH - BALANCE SHEET

As at 31/03/2015

Unit: VND

Items	Codes	Notes	As at 31/03/2015	As at 01/01/2015
<b>ASSETS</b>				
<b>A- CURRENT ASSETS (100=110+120+130+140+150+190)</b>	<b>100</b>		<b>5,110,636,555,871</b>	<b>4,887,413,108,519</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>III.5</b>	<b>762,426,081,078</b>	<b>902,269,181,493</b>
1. Cash on hand	111		31,672,581,078	145,609,181,493
2. Cash equivalents	112		730,753,500,000	756,660,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>III.6</b>	<b>1,190,601,009,169</b>	<b>1,120,926,003,200</b>
1. Investment in Securities	121		34,713,498,263	27,596,680,275
2. Provisions for impairment of securities	122		(1,612,489,094)	(670,677,075)
3. Investments held until maturity date	123		1,157,500,000,000	1,094,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,103,113,160,964</b>	<b>1,023,189,938,683</b>
1. Trade accounts receivable	131		1,135,776,596,999	1,068,000,112,806
1.1. Receivables from insurance contracts	131.1		1,049,070,345,368	970,662,445,328
1.2. Other receivables	131.2		86,706,251,631	97,337,667,478
5. Provision for doubtful debts	137		(32,663,436,035)	(44,810,174,123)
<b>IV. Inventories</b>	<b>140</b>		<b>156,148,190</b>	<b>135,670,390</b>
1. Inventories	141		156,148,190	135,670,390
<b>V. Other short-term assets</b>	<b>150</b>		<b>148,090,652,730</b>	<b>145,074,281,916</b>
1. Short-term advances	151		147,583,824,719	144,750,901,483
1.1. Deferred commission costs	151.1		147,583,824,719	144,750,901,483
2. VAT deductibles	152		52,732,186	33,716,416
5. Other short-term assets	155		454,095,825	289,664,017
<b>VI. Reinsurance assets</b>	<b>190</b>	<b>III.8b</b>	<b>1,906,249,503,740</b>	<b>1,695,818,032,837</b>
1. Retroceded premium reserve	191		486,984,165,818	500,955,574,666
2. Outward claim reserve	192		1,419,265,337,922	1,194,862,458,171
<b>B. FIXED ASSETS (200=210+220+240+250+260)</b>	<b>200</b>		<b>1,185,595,995,468</b>	<b>1,072,054,596,684</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>22,000,000,000</b>	<b>22,000,000,000</b>
6. Other long-term receivables	216		22,000,000,000	22,000,000,000
6.1. Insurance deposit	216.1		22,000,000,000	22,000,000,000
<b>II. Fixed assets</b>	<b>220</b>		<b>32,178,973,621</b>	<b>34,525,831,764</b>
1. Tangible fixed assets	221		10,140,587,006	10,701,654,498
- Cost	222		24,940,283,036	24,940,283,036
- Accumulated depreciation	223		(14,799,696,030)	(14,238,628,538)
3. Intangible fixed assets	227		22,038,386,615	23,824,177,266
- Cost	228		32,392,480,734	32,392,480,734
- Accumulated amortisation	229		(10,354,094,119)	(8,568,303,468)
<b>III. Investment in real estates</b>	<b>230</b>		<b>14,880,720,981</b>	<b>15,235,023,861</b>
- Cost	231		34,055,061,893	34,055,061,893
- Accumulated depreciation	232		(19,174,340,912)	(18,820,038,032)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>11,185,878</b>	<b>11,185,878</b>
2. Construction in progress	242		11,185,878	11,185,878
<b>IV. Long-term financial investments</b>	<b>250</b>	<b>III.7</b>	<b>1,114,617,283,235</b>	<b>998,214,829,106</b>
1. Investment in subsidiaries	251		60,000,000,000	60,000,000,000
2. Investment in joint ventures	252		125,000,000,000	125,000,000,000
3. Other long-term investments	253		469,000,270,000	469,000,270,000
4. Provision for diminution in value of long-term financial investments	254		(43,852,818,448)	(50,819,488,443)
5. Investment held until maturity date	255		504,469,831,683	395,034,047,549
<b>V. Other long-term assets</b>	<b>260</b>		<b>1,907,831,753</b>	<b>2,067,726,075</b>
1. Long-term prepayments	261		1,680,575,748	1,836,755,101
2. Deferred tax assets	262		227,256,005	230,970,974
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>6,296,232,551,339</b>	<b>5,959,467,705,203</b>

RESOURCES			As at 31/03/2015	As at 01/01/2015
<b>A. LIABILITIES (300=310+330)</b>	<b>300</b>		<b>3,644,727,111,097</b>	<b>3,354,484,551,747</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,640,085,873,873</b>	<b>3,351,139,115,736</b>
2. Trade accounts payable	311		781,834,391,342	735,751,584,171
2.1. Payables to insurance contracts	311.1		780,659,982,847	723,221,578,477
2.2. Other trade accounts payable	311.2		1,174,408,495	12,530,005,694
3. Advances from customers	312		268,604,026	980,218,989
4. Taxes and amounts payable to the State budget	313		6,884,110,480	7,725,804,910
5. Payables to employees	314		7,107,899,035	14,462,515,287
9. Other current payables	319		4,796,693,050	8,550,849,948
Unearned commissions	319.1		98,056,972,613	97,838,561,942
11. Provision for current payables	321			
12. Bonus and welfare funds	322		11,117,621,472	12,717,059,202
13. Underwriting reserves	329	<b>III.8a</b>	2,730,019,581,855	2,473,112,521,287
13.1. Premium reserve	329.1		730,518,504,368	736,789,100,483
13.2. Claim reserve	329.2		1,839,917,666,382	1,582,390,623,540
13.3. Catastrophe reserve	329.3		159,583,411,105	153,932,797,264
<b>II. Long-term liabilities</b>	<b>330</b>		<b>4,641,237,224</b>	<b>3,345,436,011</b>
7. Other long-term liabilities	337		3,608,255,384	2,295,567,947
12. Provision for long-term liabilities	342		1,032,981,840	1,049,868,064
<b>B.EQUITY (400=400)</b>	<b>400</b>	<b>III.9</b>	<b>2,651,505,440,242</b>	<b>2,604,983,153,456</b>
<b>Equity</b>	<b>410</b>		<b>2,651,505,440,242</b>	<b>2,604,983,153,456</b>
1. Operating capital	411		1,310,759,370,000	1,310,759,370,000
2. Share premium	412		566,368,537,309	566,368,537,309
8. Investment and development funds	417		188,440,210,351	187,516,840,406
9. Compulsory reserve fund	419		95,564,233,476	93,255,808,614
11. Retained earnings	421		490,373,089,106	447,082,597,127
- Retained earnings accumulated to the previous period	421a		447,082,597,127	116,475,715,294
- Retained earnings of this period	421b		43,290,491,979	330,606,881,833
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>6,296,232,551,339</b>	<b>5,959,467,705,203</b>

Note: Form B01- DNPNT was amended and supplemented in compliance with regulations in Circular 200/2014/TT-BTC dated 22 December 2014 of Ministry of Finance on guiding Corporate Accounting Scheme.

**PREPARER**

**CHIEF ACCOUNTANT**

Hanoi, 11 May 2015  
**CHIEF EXECUTIVE OFFICER**

**Nguyen Thanh Cong**

**Luu Thi Viet Hoa**

**Pham Cong Tu**

## CASHFLOW STATEMENT

Quarter 1/2015

### CASHFLOW STATEMENT

(Direct method)

From 01/01/2015 to 31/03/2015

Unit: VND

ITEMS	Codes		
		Quarter 1/2015	Quarter 1/2014 (restated)
<b>I. CASHFLOW FROM OPERATING ACTIVITIES</b>			
1. Receipts from insurance premium and commission	01	99,270,695,527	82,096,701,891
2. Payments for commission and other liabilities of insurance activities	02	(82,603,722,215)	(130,348,155,433)
3. Payments for employees	03	(17,965,140,196)	(17,108,980,097)
4. Payments for taxes and payables to the State Budget	05	(17,835,375,271)	(19,436,229,652)
5. Receipts from other activities	06	138,294,000	918,157,822
6. Payment for other liabilities	07	(70,418,329)	(149,940,000)
<i>Net cash (used in)/from operating activities</i>	<b>20</b>	<b>(19,065,666,484)</b>	<b>(84,028,445,469)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisitions of fixed assets & other long-term assets	21	-	(909,316,100)
5. Payments for investment in other entities	25	(770,465,092,988)	(1,123,729,750,257)
6. Receipts from investment in other entities	26	591,371,400,000	1,141,715,012,730
7. Receipts from investment interests	27	58,384,435,203	147,492,250,559
<i>Net cash from/(used in) investing activities</i>	<b>30</b>	<b>(120,709,257,785)</b>	<b>164,568,196,932</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			-
6. Dividends paid to investors	36	(31,080,000)	(100,618,873,650)
<i>Net cash (used in) financing activities</i>	<b>40</b>	<b>(31,080,000)</b>	<b>(100,618,873,650)</b>
<b>Net increase/(decrease) in cash (50 = 20+30+40)</b>	<b>50</b>	<b>(139,806,004,269)</b>	<b>(20,079,122,187)</b>
1. Cash and cash equivalents at the beginning of the quarter	60	902,269,181,493	391,829,186,665
2. Effect of changes in foreign exchange rates	61	(37,096,146)	(63,623,356)
<b>Cash and cash equivalents at the end of the year (70 = 50+60+61)</b>	<b>70</b>	<b>762,426,081,078</b>	<b>371,686,441,122</b>

May 11th 2015

PREPARER

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER

Nguyen Nang Khoan

Luu Thi Viet Hoa

Pham Cong Tu

**VIETNAM NATIONAL REINSURANCE CORPORATION**

Address: 141 Le Duan, Hoan Kiem, Ha Noi

Tel: 0439422354 Fax: 0439422351

**INCOME STATEMENT**

Quarter 1/2015

**BH - INCOME STATEMENT**

From 01/01/2015 to 31/03/2015

Unit: Vietnamese Dong

ITEMS	Code s	Notes	Quarter 1		From 01/01 to the end of the period	
			2015	2014	2015	2014
<b>1.Premium revenue (01=01.1+01.2-01.3)</b>	<b>01</b>		<b>383,847,873,933</b>	<b>347,904,019,043</b>	<b>383,847,873,933</b>	<b>347,904,019,043</b>
In which:						
- Gross written premium	01.2		387,613,544,501	337,690,153,856	387,613,544,501	337,690,153,856
- Increase (decrease) in inward unearned premium reserve	01.3		3,765,670,568	(10,213,865,187)	3,765,670,568	(10,213,865,187)
<b>2. Retroceded premium (02=02.1-02.2)</b>	<b>02</b>		<b>232,931,944,711</b>	<b>217,368,583,870</b>	<b>232,931,944,711</b>	<b>217,368,583,870</b>
In which:						
- Gross retroceded premium	02.1		228,207,868,651	204,556,185,519	228,207,868,651	204,556,185,519
- Increase (decrease) in retroceded premium reserve	02.2		(4,724,076,060)	(12,812,398,351)	(4,724,076,060)	(12,812,398,351)
<b>3. Net premium income (03=01-02)</b>	<b>03</b>		<b>150,915,929,222</b>	<b>130,535,435,173</b>	<b>150,915,929,222</b>	<b>130,535,435,173</b>
<b>4. Commission and other income from reinsurance activities (04=04.1+04.2)</b>	<b>04</b>		<b>138,195,083,147</b>	<b>135,497,368,003</b>	<b>138,195,083,147</b>	<b>135,497,368,003</b>
In which:						
- Commission from reinsurance outward	04.1		50,366,705,477	21,264,128,549	50,366,705,477	21,264,128,549
- Other receipts from insurance business	04.2		87,828,377,670	114,233,239,454	87,828,377,670	114,233,239,454
<b>5. Net income from insurance business (10=03+04)</b>	<b>10</b>		<b>289,111,012,369</b>	<b>266,032,803,176</b>	<b>289,111,012,369</b>	<b>266,032,803,176</b>
<b>6. Payment for inward reinsurance claims (11=11.1-11.2)</b>	<b>11</b>		<b>192,875,520,319</b>	<b>174,154,262,349</b>	<b>192,875,520,319</b>	<b>174,154,262,349</b>
In which:						
- Total claims paid	11.1		192,875,520,319	174,154,262,349	192,875,520,319	174,154,262,349
- Deductions	11.2					
<b>7. Recoverables from outward reinsurance</b>	<b>12</b>		<b>123,882,931,034</b>	<b>94,378,128,239</b>	<b>123,882,931,034</b>	<b>94,378,128,239</b>
<b>8. Increase (decrease) in inward claim reserve</b>	<b>13</b>		<b>273,493,960,085</b>	<b>(109,480,131,780)</b>	<b>273,493,960,085</b>	<b>(109,480,131,780)</b>
<b>9. Increase (decrease) in outward claim reserve</b>	<b>14</b>		<b>239,044,713,112</b>	<b>(101,874,261,638)</b>	<b>239,044,713,112</b>	<b>(101,874,261,638)</b>
<b>10. Total claims incurred (15=11-12+13-14)</b>	<b>15</b>		<b>103,441,836,258</b>	<b>72,170,263,968</b>	<b>103,441,836,258</b>	<b>72,170,263,968</b>
<b>11. Increase (decrease) in catastrophe reserve</b>	<b>16</b>		<b>4,782,170,274</b>	<b>3,994,019,051</b>	<b>4,782,170,274</b>	<b>3,994,019,051</b>
<b>12. Other expenses for insurance business (17=17.1+17.2)</b>	<b>17</b>		<b>172,455,490,077</b>	<b>148,196,633,118</b>	<b>172,455,490,077</b>	<b>148,196,633,118</b>
In which:						

- Commission	17.1		83,155,042,355	38,713,749,416	83,155,042,355	38,713,749,416
- Other expenses for insurance business	17.2		89,300,447,722	109,482,883,702	89,300,447,722	109,482,883,702
<b>13. Total costs for insurance business (18=15+16+17)</b>	<b>18</b>		<b>280,679,496,609</b>	<b>224,360,916,137</b>	<b>280,679,496,609</b>	<b>224,360,916,137</b>
<b>14. Gross profit from insurance business ( 19=10-18)</b>	<b>19</b>		<b>8,431,515,760</b>	<b>41,671,887,039</b>	<b>8,431,515,760</b>	<b>41,671,887,039</b>
<b>18. Revenue from financial activities</b>	<b>23</b>		<b>48,061,994,089</b>	<b>136,742,709,746</b>	<b>48,061,994,089</b>	<b>136,742,709,746</b>
<b>19. Expenses for financial activities</b>	<b>24</b>		<b>(4,930,312,818)</b>	<b>(6,574,273,762)</b>	<b>(4,930,312,818)</b>	<b>(6,574,273,762)</b>
<b>20. Gross profit from financial activities (25=23-24)</b>	<b>25</b>		<b>52,992,306,907</b>	<b>143,316,983,508</b>	<b>52,992,306,907</b>	<b>143,316,983,508</b>
<b>21. Management expenses</b>	<b>26</b>		<b>4,046,433,979</b>	<b>23,131,561,753</b>	<b>4,046,433,979</b>	<b>23,131,561,753</b>
<b>22. Net profit from insurance business (30=19+22+25-26)</b>	<b>30</b>		<b>57,377,388,688</b>	<b>161,857,308,794</b>	<b>57,377,388,688</b>	<b>161,857,308,794</b>
23. Income from other activities	31		3,055,371,348	3,885,475,512	3,055,371,348	3,885,475,512
24. Expenses for other activities	32		1,118,522,803	1,215,887,367	1,118,522,803	1,215,887,367
<b>25. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>1,936,848,545</b>	<b>2,669,588,145</b>	<b>1,936,848,545</b>	<b>2,669,588,145</b>
<b>(Loss) from pilot agricultural insurance</b>	<b>40.1</b>		<b>(0)</b>	<b>(1,436,659,925)</b>	<b>(0)</b>	<b>(1,436,659,925)</b>
<b>26. Accounting profit (50=30+40+40.1)</b>	<b>50</b>		<b>59,314,237,233</b>	<b>163,090,237,014</b>	<b>59,314,237,233</b>	<b>163,090,237,014</b>
27. Corporate income tax payable	51		11,275,293,551	36,102,110,672	11,275,293,551	36,102,110,672
28. Deferred corporate income tax	52		3,714,969	31,353,749	3,714,969	31,353,749
<b>29. Profit after tax (60=50-51-52)</b>	<b>60</b>		<b>48,035,228,713</b>	<b>126,956,772,593</b>	<b>48,035,228,713</b>	<b>126,956,772,593</b>

Hanoi, 11 May 2015

**PREPARER**

**CHIEF ACCOUNTANT**

**CHIEF EXECUTIVE OFFICER**

**Nguyen Thanh Cong**

**Luu Thi Viet Hoa**

**Pham Cong Tu**