



**VIETNAM NATIONAL REINSURANCE  
JOINT STOCK CORPORATION**  
*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**



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## STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2015.

### THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS

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

#### Board of Management

Mr. Le Song Lai	Chairman (appointed on 22 April 2015)
	Member (resigned on 22 April 2015)
Mr. Trinh Quang Tuyen	Chairman (resigned on 22 April 2015)
Mr. Phan Kim Bang	Member (appointed on 22 April 2015)
	Vice Chairman (appointed on 18 November 2015)
Mr. Martyn Parker	Vice Chairman
Mr. Pham Cong Tu	Member
Mr. Tran Vinh Duc	Member
Mr. Dao Nam Hai	Member
Mr. Hoang Viet Ha	Member (resigned on 22 April 2015)
Mr. Pham Sy Danh	Member (appointed on 22 April 2015)
Mr. Beat Schnegg	Member (appointed on 22 April 2015)
Mr. Mai Xuan Dung	Member (appointed on 22 April 2015)

#### Board of General Directors

Mr. Pham Cong Tu	General Director
Mr. Dang The Vinh	Deputy General Director
Mr. Thomas Kessler	Deputy General Director (resigned on 18 November 2015)
Mr. Mai Xuan Dung	Deputy General Director
Mr. Yves-Danil Conchand	Deputy General Director (appointed on 18 November 2015)

### BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

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

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

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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)**

**BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)**

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

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

For and on behalf of the Board of General Directors,



Phạm Công Tu  
General Director

Hanoi, 10 March 2016

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Vietnam National Reinsurance Joint Stock Corporation and its subsidiary (the "Corporation") prepared on 10 March 2016 as set out from page 4 to page 44, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *The Board of General Directors' Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting.



Nguyen Tuan Anh  
Audit Director  
Audit Practising Registration Certificate  
No. 1291-2013-001-1

For and on behalf of

DELOITTE VIETNAM COMPANY LIMITED

10 March 2016

Hanoi, S.R. Vietnam



Pham Ngoc Hai  
Auditor  
Audit Practising Registration Certificate  
No. 2452-2013-001-1

## CONSOLIDATED BALANCE SHEET

As at 31 December 2015

FORM B 01-DNPNT

Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014
<b>A. CURRENT ASSETS</b> (100=110+120+130+140+150+190)	<b>100</b>		<b>5,278,551,452,636</b>	<b>4,907,419,601,474</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>215,489,620,218</b>	<b>297,587,919,060</b>
1. Cash	111		200,489,620,218	147,927,919,060
2. Cash equivalents	112		15,000,000,000	149,660,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>1,974,741,015,580</b>	<b>1,742,095,935,326</b>
1. Trading securities	121		31,067,564,861	30,474,683,685
2. Provision for impairment of trading securities	122		(6,726,549,281)	(2,928,748,359)
3. Held-to-maturity investments	123		1,950,400,000,000	1,714,550,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>988,251,433,312</b>	<b>1,026,371,186,846</b>
1. Short-term trade receivables	131	<b>7</b>	1,035,509,379,741	1,078,308,021,619
1.1. Receivables of insurance contracts	131.1		702,403,057,743	970,662,445,328
1.2. Other trade accounts receivable	131.2		333,106,321,998	107,645,576,291
2. Advances to suppliers	132		56,500,000	-
3. Other short-term receivables	136		338,755,051	409,756,017
4. Provision for short-term doubtful debts	137		(47,653,201,480)	(52,346,590,790)
<b>IV. Inventories</b>	<b>140</b>		<b>206,866,990</b>	<b>135,670,390</b>
1. Inventories	141		206,866,990	135,670,390
<b>V. Other current assets</b>	<b>150</b>		<b>159,203,478,279</b>	<b>145,410,857,015</b>
1. Short-term prepaid expenses	151	<b>8</b>	158,476,806,806	144,750,901,483
1.1. Unallocated commission expenses	151.1		158,476,806,806	144,750,901,483
2. Value added tax deductibles	152		726,671,473	659,955,532
<b>VI. Reinsurance assets</b>	<b>190</b>		<b>1,940,659,038,257</b>	<b>1,695,818,032,837</b>
1. Unearned premium reserve for outward reinsurance	191		490,575,015,171	500,955,574,666
2. Claim reserve for outward reinsurance	192		1,450,084,023,086	1,194,862,458,171

These notes set out on pages 12 to 44 are an integral part of these consolidated financial statements



**CONSOLIDATED BALANCE SHEET (Continued)**

*As at 31 December 2015*

**FORM B 01-DNPNT**

*Unit: VND*

ASSETS	Codes	Notes	31/12/2015	31/12/2014
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>1,186,755,428,812</b>	<b>1,127,090,437,485</b>
(200=210+220+230+240+250+260)				
<b>I. Long-term receivables</b>	<b>210</b>		<b>22,000,000,000</b>	<b>22,000,000,000</b>
1. Other long-term receivables	216		22,000,000,000	22,000,000,000
1.1. Insurance deposit	216.1		22,000,000,000	22,000,000,000
<b>II. Fixed assets</b>	<b>220</b>		<b>25,264,330,092</b>	<b>34,532,784,284</b>
1. Tangible fixed assets	221	10	8,583,315,430	10,701,654,498
- Cost	222		25,113,907,036	24,940,283,036
- Accumulated depreciation	223		(16,530,591,606)	(14,238,628,538)
2. Intangible assets	227	11	16,681,014,662	23,831,129,786
- Cost	228		32,434,195,934	32,434,195,934
- Accumulated amortisation	229		(15,753,181,272)	(8,603,066,148)
<b>III. Investment property</b>	<b>230</b>	<b>12</b>	<b>13,817,812,339</b>	<b>15,235,023,861</b>
- Cost	231		34,055,061,893	34,055,061,893
- Accumulated depreciation	232		(20,237,249,554)	(18,820,038,032)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>13,391,695,266</b>	<b>13,323,363,983</b>
1. Construction in progress	242		13,391,695,266	13,323,363,983
<b>V. Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>1,050,936,263,290</b>	<b>981,534,666,404</b>
1. Investments in associates	252		186,566,776,135	167,306,051,992
2. Equity investments in other entities	253		472,000,270,000	472,000,270,000
3. Provision for impairment of long-term financial	254		(17,236,940,220)	(47,359,987,642)
4. Held-to-maturity investments	255		409,606,157,375	389,588,332,054
<b>VI. Other non-current assets</b>	<b>260</b>		<b>61,345,327,825</b>	<b>60,464,598,953</b>
1. Long-term prepaid expenses	261	8	2,737,416,738	1,836,755,101
2. Deferred tax assets	262		211,038,209	230,970,974
3. Other long-term assets	268	9	58,396,872,878	58,396,872,878
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>6,465,306,881,448</b>	<b>6,034,510,038,959</b>

*These notes set out on pages 12 to 44 are an integral part of these consolidated financial statements*

**CONSOLIDATED BALANCE SHEET (Continued)**

*As at 31 December 2015*

FORM B 01-DNPNT

Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014
<b>A. LIABILITIES (300=310+330)</b>	<b>300</b>		<b>3,812,072,305,307</b>	<b>3,355,473,837,652</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,808,248,264,821</b>	<b>3,352,128,401,641</b>
1. Short-term trade payables	311	13	836,534,241,830	735,751,584,171
1.1 Payables of insurance contracts	311.1		598,460,877,116	723,221,578,477
1.2. Other trade accounts payable	311.2		238,073,364,714	12,530,005,694
2. Short-term advances from customers	312		1,562,551,137	980,218,989
3. Taxes and amounts payable to the State budget	313	14	7,883,683,343	7,744,878,106
4. Payables to employees	314		14,028,770,977	14,593,455,287
5. Other current payables	319	15	70,799,143,985	9,389,622,657
6. Unearned commission income	319.1	15	104,434,105,144	97,838,561,942
7. Bonus and welfare funds	322		13,921,185,579	12,717,559,202
8. Under-writing reserves	329	16	2,759,084,582,826	2,473,112,521,287
8.1. Unearned premium reserves for inward reinsurance	329.1		750,087,992,887	736,789,100,483
8.2. Claim reserves for inward reinsurance	329.2		1,834,243,959,691	1,582,390,623,540
8.3. Catastrophe reserve	329.3		174,752,630,248	153,932,797,264
<b>II. Long-term liabilities</b>	<b>330</b>		<b>3,824,040,486</b>	<b>3,345,436,011</b>
1. Other long-term payables	337	15	2,864,775,901	2,295,567,947
2. Long-term provisions	342		959,264,585	1,049,868,064
<b>B. EQUITY (400=410)</b>	<b>400</b>		<b>2,653,234,576,141</b>	<b>2,679,036,201,307</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>2,653,234,576,141</b>	<b>2,679,036,201,307</b>
1. Owners' contributed capital	411	17	1,310,759,370,000	1,310,759,370,000
- Ordinary share carrying voting rights	411a		1,310,759,370,000	1,310,759,370,000
- Preference shares	411b		-	-
2. Share premium	412	17	566,368,537,309	566,368,537,309
3. Investment and development fund	418	17	191,870,712,711	187,779,081,159
4. Compulsory reserve fund	419	17	103,484,887,493	93,255,808,614
5. Retained earnings	421	17	450,515,403,971	489,126,408,365
- Retained earnings accumulated to the prior year end	421a		294,219,533,934	188,525,352,585
- Retained earnings of the current year	421b		156,295,870,037	300,601,055,780
6. Non-controlling interest	429		30,235,664,657	31,746,995,860
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>6,465,306,881,448</b>	<b>6,034,510,038,959</b>


*These notes set out on pages 12 to 44 are an integral part of these consolidated financial statements*



OFF-CONSOLIDATED BALANCE SHEET ITEMS

FORM B 01-DNPNT

OFF- CONSOLIDATED BALANCE SHEET ITEMS	Currency	31/12/2015	31/12/2014
<b>1. Foreign currencies</b>			
United States Dollar	USD	8,381,359.93	10,449,604.08
Australian Dollar	AUD	400.63	418.15
Japanese Yen	JPY	33,815.00	35,267.00
Singapore Dollar	SGD	500.29	522.37
Great Britain Pound	GBP	194.41	201.01
Euro	EUR	180,029.78	268,706.16

  
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Nguyen Thanh Cong  
Preparer

Hanoi, 10 March 2016

  
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Luu Thi Viet Hoa  
Chief Accountant

  
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Pham Cong Tu  
General Director

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

### PART I - GERNERAL INCOME STATEMENT

FORM B 02-DNPNT

Unit: VND

ITEMS	Codes	2015	2014
1. Net revenue from insurance activities	10	991,766,780,590	901,784,123,765
2. Financial income	12	214,820,980,122	300,699,029,599
3. Other income	13	15,483,600,730	28,093,716,323
4. Total expenses for insurance activities	20	893,251,421,348	774,711,704,620
5. Financial expenses	22	(3,126,134,030)	(13,723,227,330)
6. General and administration expenses	23	65,404,937,283	75,521,992,650
7. Other expenses	24	7,031,547,302	11,213,957,626
8. Net profit from associate	25	31,273,955,286	33,234,599,904
9. Total accounting profit before tax (50 = 10+12+13-20-22-23-24+25)	50	290,783,544,825	416,087,042,025
10. Current corporate income tax expense	51	49,687,681,626	81,493,607,887
11. Deferred corporate tax expense	52	19,932,765	43,376,500
12. Net profit after corporate income tax (60=50-51-52)	60	241,075,930,434	334,550,057,638

These notes set out on pages 12 to 44 are an integral part of these consolidated financial statements

**CONSOLIDATED INCOME STATEMENT (Continued)**

*For the year ended 31 December 2015*

**PART II: INCOME STATEMENT BY ACTIVITY**

**FORM B 02-DNPNT**  
*Unit: VND*

ITEMS	Codes	Notes	2015	2014
<b>1. Insurance premium (01 = 01.2-01.3)</b>	<b>01</b>	<b>18</b>	<b>1,564,341,904,156</b>	<b>1,473,671,063,509</b>
- Inward reinsurance premium	01.2		1,617,142,212,907	1,512,456,200,118
- Increase in unearned premium reserve for inward reinsurance	01.3		52,800,308,751	38,785,136,609
<b>2. Outward reinsurance premium (02 = 02.1-02.2)</b>	<b>02</b>	<b>19</b>	<b>977,476,921,403</b>	<b>935,774,298,078</b>
- Outward reinsurance premium	02.1		1,003,698,253,815	954,209,712,719
- Increase in unearned premium reserve for outward reinsurance	02.2		26,221,332,412	18,435,414,641
<b>3. Net insurance premium (03 = 01-02)</b>	<b>03</b>		<b>586,864,982,753</b>	<b>537,896,765,431</b>
<b>4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)</b>	<b>04</b>		<b>404,901,797,837</b>	<b>363,887,358,334</b>
- Commission income from outward reinsurance	04.1		206,685,148,032	103,273,380,221
- Other income from insurance activities	04.2	20	198,216,649,805	260,613,978,113
<b>5. Net revenue from insurance activities (10=03+04)</b>	<b>10</b>		<b>991,766,780,590</b>	<b>901,784,123,765</b>
<b>6. Claim settlement expenses (11=11.1)</b>	<b>11</b>		<b>1,074,032,964,965</b>	<b>1,054,419,773,432</b>
- Total claim settlement expenses	11.1		1,074,032,964,965	1,054,419,773,432
7. Claim receipts from ceded policies	12		742,339,034,035	793,735,449,206
8. Increase in claim reserve for inward reinsurance	13		265,115,068,515	84,334,319,791
9. Increase in claim reserve for outward reinsurance	14		267,470,688,657	23,834,007,661
<b>10. Total insurance claim settlement expenses (15=11-12+13-14)</b>	<b>15</b>	<b>21</b>	<b>329,338,310,788</b>	<b>321,184,636,356</b>
11. Increase in catastrophe reserve	16		18,403,318,772	16,753,113,940
<b>12. Other expenses for insurance activities</b>	<b>17</b>		<b>545,509,791,788</b>	<b>436,773,954,324</b>
- Insurance commission expenses	17.1		332,946,516,626	174,364,485,568
- Other expenses for insurance activities	17.2	22	212,563,275,162	262,409,468,756
<b>13. Total expenses for insurance activities</b>	<b>18</b>		<b>893,251,421,348</b>	<b>774,711,704,620</b>
<b>14. Gross profit from insurance activities</b>	<b>19</b>		<b>98,515,359,242</b>	<b>127,072,419,145</b>

*These notes set out on pages 12 to 44 are an integral part of these consolidated financial statements*



**CONSOLIDATED INCOME STATEMENT (Continued)**


*For the year ended 31 December 2015*

**PART II: INCOME STATEMENT BY ACTIVITY (Continued)**

**FORM B 02-DNPNT**

Unit: VND

ITEMS	Codes	Notes	2015	2014
15. Financial income	23	23	214,820,980,122	300,699,029,599
16. Financial expenses	24	24	(3,126,134,030)	(13,723,227,330)
<b>17. Gross profit from financial activities (25=23-24)</b>	<b>25</b>		<b>217,947,114,152</b>	<b>314,422,256,929</b>
18. General and administration expenses	26	25	65,404,937,283	75,521,992,650
<b>19. Net profit from operating activities (30=19+25-26)</b>	<b>30</b>		<b>251,057,536,111</b>	<b>365,972,683,424</b>
20. Other incomes	31		15,483,600,730	28,093,716,323
21. Other expenses	32		7,031,547,302	11,213,957,626
<b>22. Other profit (40=31-32)</b>	<b>40</b>		<b>8,452,053,428</b>	<b>16,879,758,697</b>
23. Share of net profits of associate	40.1		31,273,955,286	33,234,599,904
<b>24. Accounting profit before tax (50=30+40+40.1)</b>	<b>50</b>		<b>290,783,544,825</b>	<b>416,087,042,025</b>
25. Current corporate income tax expense	51	29	49,687,681,626	81,493,607,887
26. Deferred corporate tax expense	52		19,932,765	43,376,500
<b>27. Profit after corporate income tax (60=50-51-52)</b>	<b>60</b>		<b>241,075,930,434</b>	<b>334,550,057,638</b>
Attributable to:				
Shareholders of the Corporation	61		242,587,261,637	334,808,892,187
Non-controlling interests	62		(1,511,331,203)	(258,834,549)
<b>28. Basic earnings per share</b>	<b>70</b>	<b>30</b>	<b>1,801</b>	<b>2,487</b>

  
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**Nguyen Thanh Cong**  
Preparer

*Hanoi, 10 March 2016*

  
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**Luu Thi Viet Hoa**  
Chief Accountant

  
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**Pham Cong Tu**  
General Director

*These notes set out on pages 12 to 44 are an integral part of these consolidated financial statements*

**CONSOLIDATED CASH FLOW STATEMENT**  
(Direct method)

For the year ended 31 December 2015

FORM B 03-DNPNT  
Unit: VND

ITEMS	Codes	2015	2014
<b>I. Cash flows from operating activities</b>			
1. Receipts from inward and outward insurance activities	01	711,375,841,572	705,571,713,794
2. Payments for inward and outward insurance activities	02	(451,663,312,615)	(671,386,118,949)
3. Payments for employees	03	(34,061,092,970)	(34,719,826,811)
4. Payments for corporate income tax	05	(49,100,000,000)	(86,125,962,670)
5. Receipts from other activities	06	6,023,317,227	16,370,746,310
6. Payments for other activities	07	(25,253,155,676)	(17,676,047,740)
<i>Net cash from/(used in) operating activities</i>	<b>20</b>	<b>157,321,597,538</b>	<b>(87,965,496,066)</b>
<b>II. Cash flows from investing activities</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(1,280,955,283)	(2,167,816,660)
2. Investments in other entities	25	(1,617,364,844,860)	(1,540,768,048,299)
3. Cash recovered from investments in other entities	26	1,360,031,966,696	1,637,014,836,576
4. Interest earned, dividends and profits received	27	206,681,863,718	324,903,707,516
<i>Net cash from/(used in) investing activities</i>	<b>30</b>	<b>(51,931,969,729)</b>	<b>418,982,679,133</b>
<b>III. Cash flows from financing activities</b>			
1. Dividends and profits paid	36	(196,271,082,000)	(200,197,958,800)
<i>Net cash (used in) financing activities</i>	<b>40</b>	<b>(196,271,082,000)</b>	<b>(200,197,958,800)</b>
<b>Net (decrease)/increase in cash (50 = 20+30+40)</b>	<b>50</b>	<b>(90,881,454,191)</b>	<b>130,819,224,267</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>297,587,919,060</b>	<b>166,393,970,344</b>
Effect of changes in foreign exchange rates	61	8,783,155,349	374,724,449
<b>Cash and cash equivalents at the end of the year (70 = 50+60+61)</b>	<b>70</b>	<b>215,489,620,218</b>	<b>297,587,919,060</b>

Nguyen Thanh Cong  
Preparer

Hanoi, 10 March 2016

Luu Thi Viet Hoa  
Chief Accountant



Pham Cong Tu  
General Director

These notes set out on pages 12 to 44 are an integral part of these consolidated financial statements



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FORM B 09-DNPNT**

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

**1. GENERAL INFORMATION**

**Structure of ownership**

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

The number of employees as at 31 December 2015 was 96 (31 December 2014: 94).

**Operating industry and principal activities**

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

**Business cycle**

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

**Corporation's structure**

As at 31 December 2015, the Corporation has a subsidiary namely Vinare Investment Joint Stock Company with the Corporation proportions of ownership interest and voting power held of 63.9% and 60%, respectively.

As at 31 December 2015, the Corporation has an associate namely Samsung Vina Insurance Ltd with the Corporation's proportion of ownership interest and voting power held of 25%.

**Disclosure of information comparability in financial statements**

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

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

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

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

**Financial year**

The Corporation's financial year begins on 01 January and ends on 31 December.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DNPNT**

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

**3. ADOPTION OF NEW ACCOUNTING GUIDANCE**

*New guidance on accounting regime for enterprises*

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates**

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

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Corporation and enterprise controlled by the Corporation (its subsidiary) prepared for the year ended 31 December 2015. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation. Intragroup transactions and balances are eliminated in full on consolidation.

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

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments in associate**

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

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

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

**Financial instruments**

***Initial recognition***

***Financial assets***

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

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

***Financial liabilities***

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

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

***Subsequent measurement after initial recognition***

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

**Cash and cash equivalents**

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



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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Receivables**

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

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

Provision for doubtful debts is estimated as follows:

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

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

**Swap contracts**

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

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

	<b>2015</b>
	<b>(Years)</b>
Buildings, structures	25
Motor vehicles	6
Office equipment	4
Other fixed assets	4 - 5



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DNPNT**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Intangible assets and amortisation**

Intangible assets are stated at cost less accumulated amortisation.

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

**Financial investments**

***a. Trading securities***

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

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

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

***b. Held-to-maturity investments***

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

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

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

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

***c. Equity investments in other entities***

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DNPNT**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Construction in progress**

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

**Investment properties**

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

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

**Prepayments**

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

**Insurance deposits**

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

**Revenue recognition**

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

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

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

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

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

Income from office leasing is recognised when incurred.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DNPNT**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Expenditures**

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

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

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

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

**Other incomes and expenses relating to insurance activities**

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

**Severance allowance payable**

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Corporation for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each financial year. The increase or decrease in the accrued amount shall be recorded in the income statement.

**Foreign currencies**

- The Corporation applies an accounting exchange rate of 21,400 VND/USD in the year (for the year ended 31 December 2014: 21,000 VND/USD) to transactions arising in foreign currencies during the year. Such transactions are initially translated into VND using the accounting exchange rate and then using actual rate applicable on the payment date. Such exchange differences are recorded in the income statement.
- Liabilities and receivables relating to recognition of revenue and expenses from reinsurance for the year denominated in USD: At the balance sheet date, balances of receivables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s buying exchange rate of 22,450 VND to USD (as at 31 December 2014: 21,380 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 22,540 VND/USD (as at 31 December 2014: 21,380 VND/USD).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

- Liabilities and receivables relating to recognition of revenue and expense from reinsurance for the year denominated in currencies other than USD at the balance sheet date are translated into USD at the accounting exchange rate as follow: At the balance sheet date, balances of receivables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s buying exchange rate of 22,450 VND/USD (as at 31 December 2014: 21,380 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 22,540 VND/USD (as at 31 December 2014: 21,380 VND/USD).
- With regard to monetary assets, receivables and liabilities denominated in foreign currencies that are not related to recognition of revenue and expense for the year, the Corporation applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates" issued by the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchanges differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

Payable provisions

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

Enterprise funds

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

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

Under-writing reserves

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under-writing reserves (Continued)

*Claim reserves:*

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

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

On 28 September 2005, the Ministry of Finance issued Vietnamese Accounting Standard VAS 19 "Insurance Contract" and Decision No. 100/2005/QD-BTC (effective from 2006) attached thereto. Accordingly, at the reporting date, insurance enterprises are not allowed to make reserves, including catastrophe reserve, for future claim compensation if claims are not incurred on the balance sheet date. Currently, under Decree No. 46/2007/ND-CP dated 27 March 2007 issued by the Government, insurance enterprises are required to provide for catastrophe reserve. Since the Ministry of Finance has not yet issued any circular guiding the implementation of the aforesaid accounting standard, the fact that the Corporation still made catastrophe reserve for the year ended 31 December 2015 should be more prudent than what is regulated in VAS 19.

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

**Taxation**

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

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

5. CASH AND CASH EQUIVALENTS

	31/12/2015	31/12/2014
	VND	VND
Cash on hand	2,201,818,272	2,343,232,568
Demand deposits	198,287,801,946	145,584,686,492
Cash equivalents	15,000,000,000	149,660,000,000
	<u>215,489,620,218</u>	<u>297,587,919,060</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

6. FINANCIAL INVESTMENTS

	31/12/2015			31/12/2014		
	Historical cost	Fair value	Provision	Historical cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
<b>a) Trading securities</b>						
- Total value of stocks	31,067,564,861	25,877,908,800	(6,726,549,281)	30,474,683,685	28,019,958,100	(2,928,748,359)
+ BIDV Insurance Corporation (BIC)	31,067,564,861	25,877,908,800	(6,726,549,281)	30,474,683,685	28,019,958,100	(2,928,748,359)
+ Military Commercial Joint Stock Bank (MCBB)	1,458,310,200	2,626,241,500	-	1,458,310,200	1,902,250,600	-
+ Song Da 10 Joint Stock Company (SDT)	114,205	131,400	-	10,033,617,193	9,829,323,000	(204,294,193)
+ PetroVietnam Camau Fertilizer Joint Stock Company (DCM)	10,004,752,882	7,115,440,000	(2,889,312,882)	10,004,752,882	9,538,370,000	(466,382,882)
+ FPT Joint Stock Company (FPT)	9,291,055,275	9,660,000,000	-	6,100,000,000	6,100,000,000	-
+ Petrovietnam General Services Joint Stock Company (PET)	7,435,328,889	5,676,240,500	(1,759,088,389)	-	-	-
+ Others	2,878,003,410	799,855,400	(2,078,148,010)	2,878,003,410	650,014,500	(2,258,071,284)
<b>b) Held-to-maturity investments</b>						
<b>b1) Short-term</b>						
- Short-term deposits (i)	2,360,006,157,375	-	-	2,104,138,332,054	-	-
- Bonds (iii)	1,950,400,000,000	-	-	1,714,550,000,000	-	-
<b>b2) Long-term</b>						
- Long-term deposit (ii)	1,920,400,000,000	-	-	1,664,500,000,000	-	-
- Bonds (iii)	30,000,000,000	-	-	50,050,000,000	-	-
- Long-term deposit (ii)	409,606,157,375	-	-	389,588,332,054	-	-
- Bonds (iii)	68,000,000,000	-	-	168,000,000,000	-	-
- Entrustment investments (iv)	180,000,000,000	-	-	90,000,000,000	-	-
- Other long-term investments	147,926,617,979	-	-	117,908,792,658	-	-
<b>c) Equity investments in other entities</b>						
- Investments in associates	13,679,539,396	-	-	13,679,539,396	-	-
- Investments in other entities (v)	658,567,046,135	(17,236,940,220)	(17,236,940,220)	639,306,321,992	(47,359,987,642)	(47,359,987,642)
	186,566,776,135	-	-	167,306,051,992	-	-
	472,000,270,000	(17,236,940,220)	(17,236,940,220)	472,000,270,000	(47,359,987,642)	(47,359,987,642)

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

**6. FINANCIAL INVESTMENTS (Continued)**

- (i) Short-term deposits represent term deposits at local commercial banks with terms of 3 months to less than 12 months with interest rates of 4.5% to 7.9% per annum.
- (ii) Long-term deposits represent term deposits at commercial banks with terms of over 12 months with interest rates of 6.4% per annum.
- (iii) Bonds include corporate bonds and Government bonds with maturities of less than 01 year and from 01 year to 06 years with interest rates from 8.75% to 10.325% per annum.
- (iv) Entrustment investments represent investments under trust contracts signed with Vietcombank Fund Management, MB Capital Management JSC and Bao Viet Fund Management Co., Ltd., and Saigon Securities Incorporation under which, the Corporation shall bear all risk related to the escrow account.
- (v) Investments in other entities including any investments in other companies over which the Corporation does not have the right to control or significant influence. Details of share capital contributions are as follows:

	Proportion of ownership interest	31/12/2015	31/12/2014
<b>Equity investments in:</b>		<b>VND</b>	<b>VND</b>
Petrolimex Joint Stock Insurance Company	8.76%	59,289,270,000	59,289,270,000
Post Telecommunication Joint Stock Insurance Company	4.42%	38,416,000,000	38,416,000,000
Sai Gon - Ha Long Hotel	6.00%	6,000,000,000	6,000,000,000
Global Insurance Joint Stock Company	4.40%	17,600,000,000	17,600,000,000
Phu Hung Insurance Joint Stock Company	2.38%	8,000,000,000	8,000,000,000
Agriculture Bank Insurance Joint Stock Corporation	8.42%	32,000,000,000	32,000,000,000
Dai Nam Securities Joint Stock Company	1.68%	2,695,000,000	2,695,000,000
Hung Vuong Insurance Joint Stock Company	10.00%	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint Stock Bank	5.41%	278,000,000,000	278,000,000,000
		<b>472,000,270,000</b>	<b>472,000,270,000</b>

At the date of these consolidated financial statements, the Corporation has assessed, calculated and made provision for impairment of equity investments as at 31 December 2015 based on the investees' financial statements for the year ended 31 December 2015. Information on bonus shares received as of 31 December 2015 of these investees are as follows:

	Par value	Number of shares
Petrolimex Joint Stock Insurance Company	10,000	353,056
Tien Phong Commercial Joint Stock Bank	10,000	2,542,857
Post Telecommunication Joint Stock Insurance Company	10,000	381,024
BIDV Insurance Corporation	10,000	12,905
Petrovietnam General Services Joint Stock Company	10,000	66,545
FPT Joint Stock Company	10,000	2,250



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

**6. FINANCIAL INVESTMENTS (Continued)**

Details of associate of the Corporation as at 31 December 2015 are as follows:

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

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

	31/12/2015	31/12/2014
	VND	VND
Total assets	1,930,758,954,110	1,737,704,629,274
Total liabilities	1,184,491,849,571	1,068,480,421,306
Net assets	746,267,104,539	669,224,207,968
<b>The Corporation's share of the associate's net assets</b>	<b>186,566,776,135</b>	<b>167,306,051,992</b>
	2015	2014
	VND	VND
Revenue	342,528,350,254	341,004,043,402
Net profit	125,095,821,144	132,938,399,615
<b>The Corporation's share of the associate's net profit</b>	<b>31,273,955,286</b>	<b>33,234,599,904</b>

- Summary of operations of associate in the year: the associate in the year ended 31 December 2015 has stable operation under registered sectors.
- The significant transactions between the Corporation and its associate in the year, are as follows:
  - + The Corporation and Samsung Vina Insurance Co., Ltd. jointly enter into transactions of inward/outward reinsurance premium, inward/outward reinsurance commissions and outward/inward reinsurance claim.

**The fair value of these investments is determined as follows:**

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



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

**7. TRADE ACCOUNTS RECEIVABLE**

	31/12/2015	31/12/2014
	VND	VND
Receivables from insurance contracts	702,403,057,743	970,662,445,328
- Receivables from inward reinsurance	245,413,218,686	452,936,394,776
- Receivables from outward reinsurance	416,571,252,771	454,836,247,074
- Other receivables from reinsurance activities	40,418,586,286	62,889,803,478
Other trade accounts receivable	333,106,321,998	107,645,576,291
- Accrued gains on investments and loans	96,504,533,675	97,066,595,670
- Other receivables related to swap contracts	224,500,000,000	-
- Other receivables	12,101,788,323	10,578,980,621
	<b>1,035,509,379,741</b>	<b>1,078,308,021,619</b>

**8. PREPAID EXPENSES**

	31/12/2015	31/12/2014
	VND	VND
<b>a) Short-term</b>	<b>158,476,806,806</b>	<b>144,750,901,483</b>
Unallocated commission expenses	158,476,806,806	144,750,901,483
- Opening balance	144,750,901,483	-
- Unallocated commission expenses incurred in the year	346,672,421,949	319,115,387,051
- Commission expenses allocated in the year	332,946,516,626	174,364,485,568
- Closing balance	158,476,806,806	144,750,901,483
<b>b) Long-term</b>	<b>2,737,416,738</b>	<b>1,836,755,101</b>
Golf card expenses	1,212,037,690	1,269,044,651
Other long-term prepaid expenses	1,525,379,048	567,710,450
	<b>161,214,223,544</b>	<b>146,587,656,584</b>

**9. OTHER LONG-TERM ASSETS**

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

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

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

**10. TANGIBLE FIXED ASSETS**

	Buildings, structures	Motor vehicles	Office equipment	Other fixed assets	Total
COST	VND	VND	VND	VND	VND
As at 01/01/2015	15,170,997,037	2,980,277,071	6,503,468,474	285,540,454	24,940,283,036
Additions	-	-	173,624,000	-	173,624,000
As at 31/12/2015	<u>15,170,997,037</u>	<u>2,980,277,071</u>	<u>6,677,092,474</u>	<u>285,540,454</u>	<u>25,113,907,036</u>
<b>ACCUMULATED DEPRECIATION</b>					
As at 01/01/2015	8,641,701,097	2,062,679,009	3,301,039,853	233,208,579	14,238,628,538
Additions	607,376,366	420,195,500	1,247,418,702	16,972,500	2,291,963,068
As at 31/12/2015	<u>9,249,077,463</u>	<u>2,482,874,509</u>	<u>4,548,458,555</u>	<u>250,181,079</u>	<u>16,530,591,606</u>
<b>NET BOOK VALUE</b>					
As at 31/12/2015	<u>5,921,919,574</u>	<u>497,402,562</u>	<u>2,128,633,919</u>	<u>35,359,375</u>	<u>8,583,315,430</u>
As at 31/12/2014	<u>6,529,295,940</u>	<u>917,598,062</u>	<u>3,202,428,621</u>	<u>52,331,875</u>	<u>10,701,654,498</u>

As at 31 December 2015, the total cost of tangible fixed assets includes VND 3,087,526,830 (as at 31 December 2014: VND 1,800,092,259) of assets which have been fully depreciated but are still in use.

**11. INTANGIBLE ASSETS**

The balance of intangible assets as at 31 December 2015 mainly represents their cost and accumulated amortisation of reinsurance software.

**12. INVESTMENT PROPERTY**

Items	31/12/2014 VND	Increase VND	Decrease VND	31/12/2015 VND
<b>a) Investment properties held for rentals</b>				
Cost	34,055,061,893	-	-	34,055,061,893
- Building (i)	34,055,061,893	-	-	34,055,061,893
Accumulated depreciation	18,820,038,032	1,417,211,522	-	20,237,249,554
- Building (i)	18,820,038,032	1,417,211,522	-	20,237,249,554
Net book value	15,235,023,861	-	-	13,817,812,339
- Building	15,235,023,861	-	-	13,817,812,339

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

According to VAS No. 05 - *Investment Properties*, fair value of investment property as at 31 December 2015 is required to be disclosed. As assessed by the management, the cost of investment property recorded in the accounting records has represented its fair value.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

13. SHORT-TERM TRADE PAYABLES

	31/12/2015	31/12/2014
	VND	VND
Payables of insurance contracts	598,807,995,047	723,221,578,477
- Payables for inward reinsurance	193,579,100,580	224,643,886,044
- Payables for outward reinsurance	365,873,692,786	471,785,842,323
- Other payables for reinsurance activities	39,355,201,681	26,791,850,110
Other trade accounts payable	237,726,246,783	12,530,005,694
- Temporary Withholding Tax collection (2% of overseas reinsurance fee)	10,159,550,306	10,037,227,032
- Other payables related to swap contracts	224,559,970,000	-
- Other payables	3,006,726,477	2,492,778,662
	<b>836,534,241,830</b>	<b>735,751,584,171</b>

14. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Movement during the year			
	31/12/2014	Payables	Paid	31/12/2015
	VND	VND	VND	VND
Value added tax on domestic sales	447,764,259	1,487,243,646	1,852,199,384	82,808,521
Corporate income tax	7,100,282,651	49,687,681,626	49,100,000,000	7,687,964,277
Personal income tax	78,753,196	6,337,392,083	6,395,265,624	20,879,655
Business license tax	-	4,000,000	4,000,000	-
Other taxes and charges payable	118,078,000	948,513,744	974,560,854	92,030,890
<b>Total</b>	<b>7,744,878,106</b>	<b>58,464,831,099</b>	<b>58,326,025,862</b>	<b>7,883,683,343</b>

15. OTHER PAYABLES

	31/12/2015	31/12/2014
	VND	VND
<b>a) Short-term</b>	<b>175,233,249,129</b>	<b>107,228,184,599</b>
Unearned commission income	104,434,105,144	97,838,561,942
- Opening balance	97,838,561,942	-
- Unearned commission income incurred in the year	213,280,691,234	201,111,942,163
- Commission income allocated in the year	206,685,148,032	103,273,380,221
- Closing balance	104,434,105,144	97,838,561,942
Other current payables	70,799,143,985	9,389,622,657
Dividends payable	65,646,669,500	79,175,000
Other payables	5,152,474,485	9,310,447,657
<b>b) Long-term</b>	<b>2,864,775,901</b>	<b>2,295,567,947</b>
Long-term deposits	2,864,775,901	2,295,567,947
	<b>178,098,025,030</b>	<b>109,523,752,546</b>



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

**16. UNDER-WRITING RESERVES**

	31/12/2015		
Claim reserve and Unearned premium reserve	Inward reinsurance reserve	Outward reinsurance reserve	Net inward reinsurance reserve
	VND	VND	VND
<b>I. Normal activities</b>			
1. Claim reserve	1,824,197,799,139	1,440,993,545,027	383,204,254,112
Reserve for losses incurred and reported	1,743,340,688,493	1,390,808,632,337	352,532,056,156
Reserve for losses incurred not yet reported	80,857,110,646	50,184,912,690	30,672,197,956
2. Unearned premium reserve	749,438,122,314	490,182,251,446	259,255,870,868
<b>II. Pilot agricultural insurance activities</b>			
1. Claim reserve	10,046,160,552	9,090,478,059	955,682,493
Reserve for losses incurred and reported	9,981,173,495	9,051,201,686	929,971,809
Reserve for losses incurred not yet reported	64,987,057	39,276,373	25,710,684
2. Unearned premium reserve	649,870,573	392,763,725	257,106,848
	<b>2,584,331,952,578</b>	<b>1,940,659,038,257</b>	<b>643,672,914,321</b>

In which:

	2015		
Claim reserve	Inward reinsurance claim reserve	Outward reinsurance claim reserve	Net inward reinsurance claim reserve
	VND	VND	VND
<b>I. Normal activities</b>			
Opening balance	1,559,082,730,624	1,173,522,856,370	385,559,874,254
Increase in the year	265,115,068,515	267,470,688,657	(2,355,620,142)
<b>II. Pilot agricultural insurance activities</b>			
Opening balance	23,307,892,916	21,339,601,801	1,968,291,115
(Reversal) in the year	(13,261,732,364)	(12,249,123,742)	(1,012,608,622)
Closing balance	<b>1,834,243,959,691</b>	<b>1,450,084,023,086</b>	<b>384,159,936,605</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

16. UNDER-WRITING RESERVES (Continued)

	2015		
	Unearned inward reinsurance premium reserve	Unearned outward reinsurance premium reserve	Net unearned inward premium reinsurance reserve
	VND	VND	VND
<b>Unearned premium reserve</b>			
<b>I. Normal activities</b>			
Opening balance	696,637,813,563	463,960,919,034	232,676,894,529
Increase in the year	52,800,308,751	26,221,332,412	26,578,976,339
<b>II. Pilot agricultural insurance activities</b>			
Opening balance	40,151,286,920	36,994,655,632	3,156,631,288
(Reversal) in the year	(39,501,416,347)	(36,601,891,907)	(2,899,524,440)
<b>Closing balance</b>	<b>750,087,992,887</b>	<b>490,575,015,171</b>	<b>259,512,977,716</b>
<b>Catastrophe reserve</b>		<b>2015</b>	<b>2014</b>
		<b>VND</b>	<b>VND</b>
<b>I. Normal activities</b>			
Opening balance		147,472,628,310	130,719,514,370
Increase in the year		18,403,318,772	16,753,113,940
<b>II. Pilot agricultural insurance activities</b>			
Opening balance		6,460,168,954	2,005,185,006
Increase in the year		2,416,514,212	4,454,983,948
<b>Closing balance</b>		<b>174,752,630,248</b>	<b>153,932,797,264</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

17. OWNERS' EQUITY

	Owners' contributed capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
As at 01/01/2014	1,008,276,580,000	768,023,850,642	180,519,661,106	75,107,258,481	399,204,939,342	2,431,132,289,571
Profit for the year	-	-	-	-	334,808,892,187	334,808,892,187
Capital contribution	302,482,790,000	(201,655,313,333)	-	-	(100,827,476,667)	-
Decrease due to decline in ownership interest at associate	-	-	-	-	(9,024,452,090)	(9,024,452,090)
Profit distribution to funds	-	-	7,259,420,053	18,148,550,133	(34,207,836,407)	(8,799,866,221)
Dividends declared	-	-	-	-	(100,827,658,000)	(100,827,658,000)
As at 01/01/2015	1,310,759,370,000	566,368,537,309	187,779,081,159	93,255,808,614	489,126,408,365	2,647,289,205,447
Profit for the year	-	-	-	-	242,587,261,637	242,587,261,637
Profit distribution to funds (i)	-	-	4,091,631,552	10,229,078,879	(20,753,423,100)	(6,432,712,669)
Dividends declared (i)	-	-	-	-	(262,151,874,000)	(262,151,874,000)
Other decreases	-	-	-	-	1,707,031,069	1,707,031,069
As at 31/12/2015	1,310,759,370,000	566,368,537,309	191,870,712,711	103,484,887,493	450,515,403,971	2,622,998,911,484

(i) According to Resolution No. 05/2015/NQ-DHDCD dated 22 April 2015 by the Annual General Shareholders' General Meeting of Vietnam National Reinsurance Joint Stock Corporation and Resolution No. 12/2015/QD-HDQT dated 21 August 2015 by the Board of Management, the Board of Management declared the dividend payment for 2014 and interim dividend payment for the year 2015 to the shareholders at the rate of 15% and 5% respectively from the retained earnings, which is equivalent to VND 262,151,874,000 and, simultaneously, made temporary distribution of VND 20,753,423,100 to the funds from the profit for the year ended 31 December 2015. The final decision on 2015 profit distribution shall be made in the forth-coming Annual General Shareholders' Meeting.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DNPNT

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

17. OWNERS' EQUITY (Continued)

Owners' contributed capital

As at 31 December 2015, the total capital actually contributed by shareholders and share premium are as follows:

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

Shares

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

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

18. REINSURANCE PREMIUM

	2015	2014
	VND	VND
Inward reinsurance premium	1,649,647,980,742	1,537,367,694,005
Energy insurance	17,240,850,443	28,521,117,521
Hull and P&I insurance	262,340,042,615	254,128,271,474
Cargo insurance	238,056,735,359	240,000,769,062
Engineering insurance	283,699,986,619	248,397,836,050
Fire and property insurance	531,554,892,307	483,141,587,288
Aviation insurance	30,971,749,144	38,442,839,871
Other insurance	285,783,724,255	244,735,272,739
Deductions in inward reinsurance premium	(32,505,767,835)	(24,911,493,887)
Increase in unearned premium reserve for inward reinsurance	52,800,308,751	38,785,136,609
	<u>1,564,341,904,156</u>	<u>1,473,671,063,509</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DNPNT**

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

**19. OUTWARD REINSURANCE PREMIUM**

	2015	2014
	VND	VND
Total outward reinsurance premium	1,018,776,094,545	965,242,353,514
<i>Energy insurance</i>	11,425,647,435	21,424,912,409
<i>Hull and P&amp;I insurance</i>	176,010,206,911	173,164,794,162
<i>Cargo insurance</i>	47,303,332,044	52,973,838,911
<i>Engineering insurance</i>	142,052,432,428	134,543,636,958
<i>Fire and property insurance</i>	404,841,512,021	378,294,171,810
<i>Aviation insurance</i>	29,163,419,742	36,054,154,488
<i>Other insurance</i>	207,979,543,964	168,786,844,776
Deductions in outward reinsurance premium	(15,077,840,730)	(11,032,640,795)
Increase in unearned premium reserve for outward reinsurance	26,221,332,412	18,435,414,641
	<u>977,476,921,403</u>	<u>935,774,298,078</u>

**20. OTHER INCOME FROM INSURANCE ACTIVITIES**

	2015	2014
	VND	VND
Other receipts from inward reinsurance activities	106,579,970,343	130,175,608,347
Deposits for clean cut contracts	13,831,178,903	13,065,430,767
Claim reserve released	90,956,450,434	108,291,462,344
Surplus of income over expenses on-behalf regarding P&I contracts	-	8,701,229,792
Other receipts	1,792,341,006	117,485,444
Other receipts from outward reinsurance activities	91,636,679,462	130,438,369,766
Claim reserved retained	86,875,754,388	125,717,405,993
Other receipts	4,760,925,074	4,720,963,773
	<u>198,216,649,805</u>	<u>260,613,978,113</u>

**21. TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES**

	2015	2014
	VND	VND
Claim settlement expenses	1,074,032,964,965	1,054,419,773,432
<i>Energy insurance</i>	17,186,851,530	18,844,476,671
<i>Hull and P&amp;I insurance</i>	157,504,972,745	255,768,003,701
<i>Cargo insurance</i>	146,750,697,408	64,419,781,128
<i>Engineering insurance</i>	146,527,858,847	281,431,183,869
<i>Fire and property insurance</i>	460,905,592,252	319,464,165,686
<i>Aviation insurance</i>	4,365,396,986	3,966,168,956
<i>Other insurance</i>	140,791,595,197	110,525,993,421
Claim receipts from ceded policies	742,339,034,035	793,735,449,206
Increase in inward reinsurance claim reserve	265,115,068,515	84,334,319,791
Increase in outward reinsurance claim reserve	267,470,688,657	23,834,007,661
	<u>329,338,310,788</u>	<u>321,184,636,356</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DNPNT**

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

**22. OTHER EXPENSES FOR INSURANCE ACTIVITIES**

	2015	2014
	VND	VND
Other payments for inward reinsurance activities	116,865,746,659	158,382,162,283
Deposits for clean cut contracts	13,831,178,903	13,065,430,767
Claim reserve retained	101,093,310,391	135,807,204,960
Other expenses	1,941,257,365	9,509,526,556
Other payments for outward reinsurance activities	95,697,528,503	104,027,306,473
Claim reserve released	93,339,796,831	100,942,185,923
Other expenses	2,357,731,672	3,085,120,550
	<u>212,563,275,162</u>	<u>262,409,468,756</u>

**23. FINANCIAL INCOME**

	2015	2014
	VND	VND
Interest on time deposits	139,177,621,215	161,728,185,899
Dividends and profits received	20,057,437,220	16,442,124,006
Interest on bonds, commercial bills	12,704,089,041	15,740,883,561
Interest on entrusted investments	20,138,446,897	10,297,023,078
Interest on exchange differences	20,451,990,986	1,843,715,573
Interest on securities trading	1,877,541,316	461,282,417
Profit from investment transfer	-	90,817,958,089
Interest on demand deposits	413,853,447	509,523,643
Other financial incomes	-	2,858,333,333
	<u>214,820,980,122</u>	<u>300,699,029,599</u>

**24. FINANCIAL EXPENSES**

	2015	2014
	VND	VND
Loss on exchange differences	10,187,486,860	19,585,795,590
Loss on securities trading	102,081,484	5,339,629,662
(Reversal) of provision for impairment of investments	(26,325,246,500)	(48,795,383,816)
Others	12,909,544,126	10,146,731,234
	<u>(3,126,134,030)</u>	<u>(13,723,227,330)</u>

**25. GENERAL AND ADMINISTRATION EXPENSES**

	2015	2014
	VND	VND
Administrative labour expenses	48,695,160,438	46,670,552,449
Office expenses	738,849,145	1,286,548,214
Depreciation and amortisation	9,435,125,672	7,504,699,212
Taxes, fees and charges	518,337,584	3,729,467,332
(Reverted)/provision charged	(7,306,315,289)	3,091,467,449
Out-sourced services	4,009,393,278	4,025,008,332
Expenses for business transactions, conferences, advertising	5,531,260,707	5,265,725,779
Other administration expenses	3,783,125,748	3,948,523,883
	<u>65,404,937,283</u>	<u>75,521,992,650</u>



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

26. PRODUCTION COST BY NATURE

	2015	2014
	VND	VND
Cost of insurance activities	893,251,421,348	774,711,704,620
Labour	48,695,160,438	46,670,552,449
Depreciation and amortisation	9,435,125,672	7,504,699,212
Out-sourced services	4,009,393,278	4,025,008,332
(Reverted)/provision charged	(7,306,315,289)	3,091,467,449
Other monetary expenses	10,571,573,184	14,230,265,208
	<b>958,656,358,631</b>	<b>850,233,697,270</b>

27. PILOT AGRICULTURAL INSURANCE ACTIVITIES

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

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

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

From 2012, the Corporation started undertaking pilot agricultural insurance activities. Accumulated loss as at 31 December 2013 of the pilot agricultural insurance activities is VND 42,015,277,691. The retained insurance premium of the year ended 31 December 2015 of VND 2,365,092,842 after deducting valid expenses of the pilot agricultural insurance activities is transferred to catastrophe reserve. The Board of General Directors believes that such presentation and recognition is in line with the provisions of the above decisions and circulars.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

28. OPERATIONS OF OFFSHORE FISHING VESSEL INSURANCE

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

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

In 2015, the total negative operating result from fishing vessel insurance activities of VND 843,745,439 is allocated to profit and loss during the year.

29. CORPORATE INCOME TAX EXPENSE

	2015	2014
	VND	VND
Profit before tax	290,783,544,825	416,087,042,025
Adjustments for taxable income		
Less: Non-taxable income	(71,709,258,192)	(70,308,477,040)
Add: Non-deductible expenses	5,267,480,465	5,149,262,952
Add: Loss of subsidiary attribute to non-controlling interests	1,511,331,203	258,834,549
Assessable income	225,853,098,301	351,186,662,486
Normal tax rate	22%	22%
Corporate current income tax payable	49,687,681,626	77,261,065,747
Corporate current income tax payable according to tax audit minutes	-	4,232,542,140
Deferred corporate tax expense	19,932,765	43,376,500

30. BASIC EARNINGS PER SHARE

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

	Unit	2015	2014
Profit after corporate income tax	VND	241,075,930,434	334,550,057,638
Less: estimated amount accrued for bonus and welfare fund	VND	6,470,597,354	8,799,866,221
Less: (loss) after corporate income tax distributable to non-controlling interests	VND	(1,511,331,203)	(258,834,549)
Profit used to calculate basic earning per share	VND	236,116,664,283	326,009,025,966
Average number of outstanding ordinary shares in circulation (*)	Shares	131,075,937	131,075,937
Basic earnings per share	VND	1,801	2,487

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

In the year 2015, the Corporation applied Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises, which leads to retroactive adjustment of profit to calculate basic earnings per share for the year ended 31 December 2014 due to the impact of the elimination of bonus and welfare fund deducted from after-tax profits in calculating basic earnings per share.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**31. FINANCIAL INSTRUMENTS**

**Capital risk management**

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

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

**Significant accounting policies**

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

**Categories of financial instruments**

	Carrying amounts	
	31/12/2015	31/12/2014
	VND	VND
<b>Financial assets</b>		
Cash and cash equivalents	215,489,620,218	297,587,919,060
Trade receivables	987,856,178,261	1,025,961,430,829
Claim reserve for outward reinsurance	1,450,084,023,086	1,194,862,458,171
Short-term investments	1,974,741,015,580	1,742,095,935,326
Long-term investments	864,369,487,155	814,228,614,412
<b>Total</b>	<b>5,492,540,324,300</b>	<b>5,074,736,357,798</b>
<b>Financial liabilities</b>		
Trade and other payables	892,021,361,024	725,793,532,139
Claim reserve for inward reinsurance	1,834,243,959,691	1,582,390,623,540
Long-term deposits received	2,864,775,901	2,295,567,947
<b>Total</b>	<b>2,729,130,096,616</b>	<b>2,310,479,723,626</b>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

31. FINANCIAL INSTRUMENTS (Continued)

**Financial risk management objectives**

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

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

**Reinsurance risk**

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

**Market risk**

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and prices. In the year, the Corporation has entered into currencies swap transactions with banks to mitigate foreign exchange risk.

**Foreign currency risk management**

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

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

	Assets		Liabilities	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	VND	VND	VND	VND
United States Dollar (USD)	816,113,763,292	964,677,103,947	434,852,975,951	687,782,030,089
Euro (EUR)	4,647,250,416	3,988,303,226	937,341,728	2,818,227,135
Great Britain Pound (GBP)	6,450,673	31,964,113,592	14,279,909	17,336,051
Singapore Dollar (SGD)	42,367,262	42,750,781	24,978,749	-
Australian Dollar (AUD)	6,548,874	8,463,273	2,329,852	-
Japanese Yen (JPY)	579,946,344	663,711,757	95,909,458	94,002,091

**Foreign currency sensitivity analysis**

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

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

31. FINANCIAL INSTRUMENTS (Continued)

*Market risk (Continued)*

For a 5% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the period would increase/decrease by the respective amounts as follows:

	2015	2014
	VND	VND
United States Dollar (USD)	19,063,039,367	13,844,753,693
Euro (EUR)	185,495,434	58,503,805

*Share price risk management*

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

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

*Credit risk*

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

*Liquidity risk management*

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

31. FINANCIAL INSTRUMENTS (Continued)

*Liquidity risk management (Continued)*

	Less than 1 year	From 1 - 5 years	Over 5 years	Total
	VND	VND	VND	VND
<b>31/12/2015</b>				
Cash and cash equivalents	215,489,620,218	-	-	215,489,620,218
Trade receivables	987,856,178,261	-	-	987,856,178,261
Claim reserve for outward reinsurance	1,450,084,023,086	-	-	1,450,084,023,086
Short-term investments	1,974,741,015,580	-	-	1,974,741,015,580
Long-term investments	-	395,051,872,870	469,317,614,285	864,369,487,155
<b>Total</b>	<b>4,628,170,837,145</b>	<b>395,051,872,870</b>	<b>469,317,614,285</b>	<b>5,492,540,324,300</b>
<b>31/12/2015</b>				
Trade and other payables	892,021,361,024	-	-	892,021,361,024
Claim reserve for inward reinsurance	1,834,243,959,691	-	-	1,834,243,959,691
Long-term deposits received	-	2,864,775,901	-	2,864,775,901
<b>Total</b>	<b>2,726,265,320,715</b>	<b>2,864,775,901</b>	<b>-</b>	<b>2,729,130,096,616</b>
<b>Net liquidity gap</b>	<b>1,901,905,516,430</b>	<b>392,187,096,969</b>	<b>469,317,614,285</b>	<b>2,763,410,227,684</b>
	Less than 1 year	From 1 - 5 years	Over 5 years	Total
	VND	VND	VND	VND
<b>31/12/2014</b>				
Cash and cash equivalents	297,587,919,060	-	-	297,587,919,060
Trade receivables	1,025,961,430,829	-	-	1,025,961,430,829
Claim reserve for outward reinsurance	1,194,862,458,171	-	-	1,194,862,458,171
Short-term investments	1,742,095,935,326	-	-	1,742,095,935,326
Long-term investments	-	361,729,998,721	452,498,615,691	814,228,614,412
<b>Total</b>	<b>4,260,507,743,386</b>	<b>361,729,998,721</b>	<b>452,498,615,691</b>	<b>5,074,736,357,798</b>
<b>31/12/2014</b>				
Trade and other payables	725,793,532,139	-	-	725,793,532,139
Claim reserve for inward reinsurance	1,582,390,623,540	-	-	1,582,390,623,540
Long-term deposits received	-	2,295,567,947	-	2,295,567,947
<b>Total</b>	<b>2,308,184,155,679</b>	<b>2,295,567,947</b>	<b>-</b>	<b>2,310,479,723,626</b>
<b>Net liquidity gap</b>	<b>1,952,323,587,707</b>	<b>359,434,430,774</b>	<b>452,498,615,691</b>	<b>2,764,256,634,172</b>

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



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

**32. RELATED PARTIES TRANSACTIONS AND BALANCES**

*List of related parties:*

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

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

	2015 VND	2014 VND
<b><u>Swiss Re Group</u></b>		
Outward reinsurance premium	191,853,859,822	169,128,157,859
Outward reinsurance commission	56,501,301,450	51,740,268,248
Receipt from outward reinsurance claim	120,241,563,905	79,299,373,171
Dividends paid	49,153,483,500	50,413,830,000
<b><u>Bao Minh Insurance Joint Stock Corporation</u></b>		
Outward reinsurance premium	79,519,166,483	108,275,753,028
Outward reinsurance commission	18,353,002,139	24,284,163,417
Receipt from outward reinsurance claim	69,304,253,152	90,514,915,026
Inward reinsurance premium	120,587,460,210	153,258,997,156
Inward reinsurance commission	27,806,624,774	36,222,147,875
Claim settlements of inward reinsurance	89,788,633,477	218,181,264,085
<b><u>Samsung Vina Insurance Co., Ltd</u></b>		
Outward reinsurance premium	353,123,706	6,579,468,972
Outward reinsurance commission	99,333,049	936,429,459
Receipt from outward reinsurance claim	5,086,606,057	6,207,698,235
Inward reinsurance premium	182,467,387,074	283,470,614,194
Inward reinsurance commission	38,525,260,011	93,870,438,334
Claim settlements of inward reinsurance	285,294,876,880	259,794,332,878
<b><u>State Capital Investment Corporation</u></b>		
Dividends paid	79,359,052,500	81,393,900,000
<b><u>The Board of General Directors</u></b>		
Remuneration for the year	4,874,870,614	4,399,079,788

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

32. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

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

	31/12/2015	31/12/2014
	VND	VND
<b>Swiss Re Group</b>		
Receivables from outward reinsurance activities	30,572,635,960	30,599,749,265
Payables for outward reinsurance activities	28,433,346,197	69,488,291,729
Dividends payable	16,384,494,500	-
<b>Bao Minh Insurance Joint Stock Corporation</b>		
Receivables from inward reinsurance activities	32,018,153,005	38,307,186,557
Receivables from outward reinsurance activities	48,876,894,169	21,496,109,395
Payables for inward reinsurance activities	16,963,039,529	46,198,207,626
Payables for outward reinsurance activities	27,500,472,045	12,858,087,145
<b>Samsung Vina Insurance Co., Ltd.</b>		
Receivables from inward reinsurance activities	6,260,987,951	9,423,131,897
Receivables from outward reinsurance activities	1,513,383,080	1,722,370,206
Payables for inward reinsurance activities	55,704,609,915	36,792,620,207
Payables for outward reinsurance activities	33,717,332	346,011,852
<b>State Capital Investment Corporation</b>		
Dividends paid	26,453,017,500	-

33. FINANCIAL RATIOS

Items	Unit	31/12/2015	31/12/2014
<b>1. Assets and resources structure arrangement</b>			
1.1. Assets structure arrangement			
- Non-current assets/Total assets	%	18.36	18.68
- Current assets/Total assets	%	81.64	81.32
1.2. Capital structure arrangement			
- Liabilities/Total resources	%	58.96	55.60
- Owners' equity/Total resources	%	41.04	44.40
<b>2. Liquidity</b>			
2.1. Short-term liability liquidity	times	1.39	1.46
2.2. Quick liquidity	times	0.58	0.61



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**33. FINANCIAL RATIOS (Continued)**

Items	Unit	2015	2014
<b>3. Profit ratio</b>			
3.1. Profit/Revenue ratio			
- Profit before tax/Revenue ratio	%	23.79	33.81
- Profit after tax/Revenue ratio	%	19.73	27.19
3.2. Profit/Total assets ratio			
- Profit before tax/Total assets ratio	%	4.50	6.90
- Profit after tax/Total assets ratio	%	3.73	5.54
3.3. Profit after tax/Owners' equity ratio	%	9.19	12.64

**34. BUSINESS SEGMENT REPORT**

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

**35. COMPARATIVE FIGURES**

Comparative figures are figures of the audited financial statements for the year ended 31 December 2014. Certain reclassifications have been made to prior year's figures to enhance the comparability with the current year's figures, details are as follows:

VIETNAM NATIONAL REINSURANCE JOINT STOCK CORPORATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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## 35. COMPARATIVE FIGURES (Continued)

Items in the consolidated balance sheet:

Unit: VND

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

35. COMPARATIVE FIGURES (Continued)

Items in the consolidated income statement:

Items	Code	2014		
		Previously reported amount	Reclassification	Reclassified amount
		VND	VND	VND
1. Other income from insurance activities	04.2	412,067,999,363	(151,454,021,250)	260,613,978,113
2. Other expenses for insurance activities	17.2	413,863,490,006	(151,454,021,250)	262,409,468,756

Items in the consolidated cash flow statement:

Items	Code	2014		
		Previously reported amount	Reclassification	Reclassified amount
		VND	VND	VND
1. Receipts from inward and outward reinsurance activities	01	702,479,278,419	3,092,435,375	705,571,713,794
2. Payments for inward and outward reinsurance activities	02	(669,377,001,202)	(2,009,117,747)	(671,386,118,949)
3. Payments for employees	03	(41,588,100,066)	6,868,273,255	(34,719,826,811)
4. Payments for corporate income tax	05	(93,582,479,534)	7,456,516,864	(86,125,962,670)
5. Receipts from other activities	06	6,456,622,036	9,914,124,274	16,370,746,310
6. Payments for other activities	07	(6,453,846,874)	(8,746,304,240)	(15,200,151,114)
7. Investments in other entities	25	(2,389,691,937,033)	837,347,992,108	(1,552,343,944,925)
8. Cash recovered from investments in other entities	26	2,485,938,725,310	(839,823,888,734)	1,646,114,836,576
9. Interest earned, dividends and profits received	27	339,003,738,671	(14,100,031,155)	324,903,707,516
10. Cash and cash equivalents at the beginning of the year	60	773,393,970,344	(607,000,000,000)	166,393,970,344
11. Cash and cash equivalents at the end of the year	70	904,587,919,060	(607,000,000,000)	297,587,919,060

Nguyen Thanh Cong  
Preparer

Hanoi, 10 March 2016

Luu Thi Viet Hoa  
Chief Accountant



Pham Cong Tu  
General Director