

NOTES TO THE FINANCIAL STATEMENTS

Quarter II/2014

I. General information

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

II. Financial year and accounting currency

1. **Financial year:** Begins on 01 January 2014 and ends on 31 December 2014.
2. **Accounting currency:** Vietnam Dong

III. Accounting standards and system

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

Accounting estimates

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

Capital contribution in joint ventures

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

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

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

Cash and cash equivalents

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

Provision for doubtful debts

Before 2013, owing to the nature of reinsurance business, payment between cedants and reinsurers of treaties are normally settled late by 1-3 months from the date of issuing statement of accounts. To make it suitable with the payment practice in reinsurance, the Corporation apply the following practice for making provision for doubtful debts:

No provision is made for accounts receivable over due for less than 9 months. For accounts receivable over due from 09 to less than 15 months, the provision is made at the rate of 30%. For accounts receivable over due from

15 to less than 27 months, the provision is made at the rate of 50%. For accounts receivable over due from 27 to less than 39 months, provision is made at the rate of 70%. For accounts receivable over due for 39 months or more, the provision is made at the rate of 100%.

Since 2014, Corporation makes provision for doubtful debts based on the term of debt as regulated in Circular No 228/2009/TT-BTC dated 7 December 2009 of Ministry of Finance as follows:

No provision is made for accounts receivable over due for less than 6 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 1 to less than 2 years, the provision is made at the rate of 50%. For accounts receivable over due from 2 to less than 3 years, provision is made at the rate of 70%. For accounts receivable over due for 3 years or more, the provision is made at the rate of 100%.

Tangible fixed assets and depreciation

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

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

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

Investments in securities

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

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

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

Revenue recognition

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

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

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

Income from office leasing is recognised when incurred.

Recognition of equity capital

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

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

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

Foreign currencies

The Corporation applies an accounting exchange rate of USD/VND 21,000.

On 24 October 2012 the Ministry of Finance issued Circular 179/2012/TT-BTC to replace Circular 201/2009/TT-BTC dated 15 October 2012 providing guidance on recognition, assessment and handling of foreign exchange difference with effect from 10 December 2012 and applicable for financial year 2012. Accordingly, recognition of foreign exchange difference is conducted in the following manner:

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

Payables and receivables relating to revenues and costs accounting for the quarter; sums, payables and receivables denominated in USD not relating to revenues and costs accounting at the end of the accounting period are translated using the buying rate of Vietcombank as at 30/06/2014 of USD/VND 21,300. Foreign currencies other than USD are translated into VND using the buying rate of Vietcombank as at 30/06/2014. The differences resulting from such translations are recorded in the income statement.

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

Technical reserves

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

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

Claim reserves:

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

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

Taxation

Calculation of tax duties is based on current taxation regulation.

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

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

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

5. Cash and cash equivalents	6/30/2014	1/1/2014
	VND	VND
Cash on hand	713,793,423	359,128,050
Bank deposits	58,278,077,404	40,464,380,039
Cash equivalents	609,854,000,000	721,393,806,420
	668,845,870,827	762,217,314,509

6. Short-term financial investments	6/30/2014	1/1/2014
	VND	VND
Bank deposits under one year	1,407,000,000,000	1,116,285,570,363
Short-term bonds	50,000,000,000	30,000,000,000
Stocks (short-term)	8,953,531,826	11,949,531,826
Provision for diminution in value of short-term investment:	(4,659,708,026)	(7,396,869,626)
	1,461,293,823,800	1,150,838,232,563

7. Long-term financial investments	6/30/2014	1/1/2014
	VND	VND
Investments in subsidiaries (a)	60,000,000,000	60,000,000,000
Interests in joint ventures (b)	125,000,000,000	250,046,999,999
Other long-term investments	647,448,492,792	703,406,381,741
+ Equity investment (c)	469,000,270,000	469,000,270,000
+ Long-term bonds	90,000,000,000	140,000,000,000
+ Long-term deposits	70,000,000,000	123,000,000,000
+ Investment co-operation contract (d)	13,304,048,828	7,134,674,895
+ Entrusted investment (e)	85,000,000,000	55,000,000,000
+ Other long-term investments (f)	821,206,063	821,206,063
+ Provision for diminution in value of long-term investment:	(80,677,032,099)	(91,549,769,217)
	832,448,492,792	1,013,453,381,740

a) Investments in subsidiaries: is the equity investment in VinareInvest with the original value of VND60,000,000,000 representing a stake of 60% in the subsidiaries.

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

(c) Equity investment	ownership	6/30/2014	6/30/2014	12/31/2013
		Shares	VND	VND
Petrolimex Joint Stock Insurance	8.76%	6,590,384	59,289,270,000	59,289,270,000
PTI Insurance Company	7.06%	3,556,224	38,416,000,000	38,416,000,000
Saigon - Halong Hotel	6.00%	600,000	6,000,000,000	6,000,000,000
Global Insurance Company	4.40%	1,760,000	17,600,000,000	17,600,000,000
Phu Hung Insurance Company	2.67%	800,000	8,000,000,000	8,000,000,000
Agriculture Bank Insurance Join	8.42%	3,200,000	32,000,000,000	32,000,000,000
Dai Nam Securities Joint Stock C	3.59%	269,500	2,695,000,000	2,695,000,000
Hung Vuong Insurance Compan	10.00%	3,000,000	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint St	5.41%	30,000,000	275,000,000,000	275,000,000,000
			469,000,270,000	469,000,270,000

Information of bonus shares as at 30/06/2014

NO	Stock name	Stock code	Number of shares
1	Petrolimex Joint Stock Insurance Company	PGI	353,056
2	Post-Telecommunication Joint Stock Insurance Comp	PTI	381,024
3	Tien Phong Commercial Joint Stock Bank		2,500,000
4	Joint Stock Commercial Bank for Foreign Trade of Vi	VCB	11,806

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

(e) **Entrusted investment:** are funds entrusted to Vietcombank Fund Management Company

(f) **Other long-term investments:** are the funds entrusted to fund management companies and the investment using the welfare fund of the Company.

(g) **Provisions for impairment of long-term investments:** are the provisions for the impairment in equity investments in Tien Phong Bank and Dai Nam Securities

8. Technical reserve

a) Premium reserve, claim reserve for inward reinsurance

Criteria	Beginning of quarter	Increase	Decrease	End of quarter
Normal reinsurance activities	2,263,320,602,157	38,086,694,003	45,087,982,057	2,256,319,314,103
+ Inward unearned premium reserve	657,852,676,954	30,404,071,284		688,256,748,238
+ Inward claim reserve	1,474,748,410,833		45,087,982,057	1,429,660,428,776
+ Catastrophe reserve	130,719,514,370	7,682,622,719		138,402,137,089
Pilot Agriculture insurance activities	220,448,156,085	572,724,881	29,642,807,615	191,378,073,351
+ Inward unearned premium reserve	62,191,115,956		15,367,768,791	46,823,347,165
+ Inward claim reserve	156,251,855,123		14,275,038,824	141,976,816,299
+ Catastrophe reserve	2,005,185,006	572,724,881		2,577,909,887
TOTAL	2,483,768,758,242	38,659,418,884	74,730,789,672	2,447,697,387,454

b/ Premium reserve, claim reserve for outward business

Criteria	Beginning of quarter	Increase	Decrease	End of quarter
Normal reinsurance activities	1,595,214,353,102	26,729,925,436	74,771,996,743	1,547,172,281,795
+ Retroceded premium reserve	445,525,504,393	26,729,925,436		472,255,429,829
+ Outward claim reserve	1,149,688,848,709		74,771,996,743	1,074,916,851,966
Pilot Agriculture insurance activities	199,262,127,947	-	25,737,268,956	173,524,858,991
+ Retroceded premium reserve	56,326,281,242		13,614,309,523	42,711,971,719
+ Outward claim reserve	142,935,846,705		12,122,959,433	130,812,887,272
TOTAL	1,794,476,481,049	26,729,925,436	100,509,265,699	1,720,697,140,786

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

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

8. Additional information

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

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

On 20 June 2012, the Ministry of Finance issued Circular 101/2012/TT-BTC stipulating several financial issues for insurance and reinsurance enterprises underwriting agricultural insurance according to Decision 315/QD-TTg dated 1 March 2011 by the Prime Minister. Accordingly, insurance and reinsurance enterprises have the responsibility to separately record the annual losses from pilot agriculture insurance. The loss from pilot agriculture insurance shall be accounted for in their income statements for the financial period. In case the enterprises suffer from an overall loss due to the loss from pilot agriculture insurance, such loss will be carried forward to the following year as regulated by the law. VINARE began to undertake pilot agriculture reinsurance in 2012. As at 31 December 2013, the accumulated loss of pilot agriculture reinsurance was VND42,015,277,691.

Currently, Corporation is coordinating with relating parties to finalize accounting for the pilot time from 2011 to 2013. In Quarter 2 of 2014, Net profit from Pilot agriculture insurance was: VND1,868,625,647. Accumulated net profit of Pilot agriculture insurance from 01/01/2014 to 30/06/2014 of VND336,933,263 (has deducted corporate income tax payable) has been accounted in the Catastrophe reserve fund according to regulations.

- Following Resolution No 09/2014/NQ-DHDCD dated 24 April 2014 of the Annual General Meeting of Shareholders, in Quarter II 2014, Corporation has issued bonus shares to increase charter capital, new Charter capital is VND1,310,759,550,000. According to regulations, Corporation will only recognized the change in Charter capital after receiving license on revision of Charter capital from the Ministry of Finance.

9. Equity

	Operating capital	Share premium	Foreign exchange reserve	Investment and development fund	Financial reserve fund	Compulsory reserve fund	Retained earnings	Total
As at 01/01/2013	1,008,276,580,000	768,023,850,642		23,923,337,154	119,616,685,767	59,808,342,885	249,036,378,347	2,228,685,174,795
Profit for the period							310,216,859,111	310,216,859,111
Profit distribution to funds				6,119,566,239	30,597,831,193	15,298,915,596	(59,632,603,097)	(7,616,290,069)
Dividends declared							(181,489,784,400)	(181,489,784,400)
Other increase/(decrease)								-
As at 31/12/2013	1,008,276,580,000	768,023,850,642	-	30,042,903,393	150,214,516,960	75,107,258,481	318,130,849,961	2,349,795,959,437
Profit for the period							186,804,285,239	186,804,285,239
Profit distribution to funds				3,716,991,656	-	9,292,479,141	(17,735,242,268)	(4,725,771,471)
Dividends declared (*)							(100,827,658,000)	(100,827,658,000)
Other increase/(decrease)								-
As at 30/06/2014	1,008,276,580,000	768,023,850,642	-	33,759,895,049	150,214,516,960	84,399,737,622	386,372,234,932	2,431,046,815,205

(*) According to Decision 09/2014/NQ-DHDCD dated 24th April 2014 of VINARE, the Board of Management declared the second dividend payment at the rate of 10%.

10. Income and business results:

a/ Income statements (including pilot agricultura insurance)

NO	Criteria	Quarter 2/2014 (VND)	Quarter 2/2013 (VND)
1	Premium from reinsurance inward	221,450,942,741	194,622,158,680
2	Income from real estate investments		0
3	Net income from financial activities	65,124,394,267	62,252,769,725
4	Other incomes	3,986,694,967	3,826,568,677
5	Total expenses for insurance activities	206,225,798,250	138,402,278,167
6	Capital value of real estate investments		0
7	Expenses for financial activities	1,995,369,900	(1,621,105,064)
8	Administration expenses	8,720,320,796	14,048,523,382
9	Other expenses	2,994,975,017	982,485,443
10	Profit (Loss) from pilot agriculture insurance activities	1,868,625,647	(17,444,159,206)
11	Accounting profit before tax (11=1+2+3+4-5-6-7-8-9+10)	72,494,193,659	91,445,155,948
12	Corporate income tax payable	12,298,969,740	21,402,809,297
13	Deferred corporate income tax	10,778,010	
14	Net profit after corporate income tax(14=11-12-13)	60,184,445,909	70,042,346,651

b/ Income statements (excluding pilot agriculture insurance)

NO	Criteria	Quarter 2/2014 (VND)	Quarter 2/2013 (VND)
1	Income from reinsurance business	221,450,942,741	194,622,158,680
2	Income from real estate investments		0
3	Net income from financial activities	65,124,394,267	62,252,769,725
4	Other incomes	3,986,694,967	3,826,568,677
5	Total expenses for insurance activities	206,225,798,250	138,402,278,167
6	Capital value of real estate investments		0
7	Expenses for financial activities	1,995,369,900	(1,621,105,064)
8	Administration expenses	8,720,320,796	14,048,523,382
9	Other expenses	2,994,975,017	982,485,443
10	Accounting profit before tax (10=1+2+3+4-5-6-7-8-9)	70,625,568,012	108,889,315,154

c/ Results of pilot agriculture insurance

Criteria	Quarter 2/2014 (VND)	Quarter 2/2013 (VND)
Income from pilot agriculture insurance	(252,150)	109,531,537,925
Deductions	0	74,656,165,452
Net income from pilot agriculture insurance activities (3=1-2)	(252,150)	34,875,372,473
Direct expenses for pilot agriculture insurance	(1,868,868,972)	49,428,869,177
Gross profit from pilot agriculture insurance (5= 3-4)	1,868,616,822	(14,553,496,704)
Administration expenses	(8,825)	2,890,662,502
Net profit from pilot agriculture insurance (7=5-6)	1,868,625,647	(17,444,159,206)

11. Comparative figures: Conforming with provisions of Circular No 232/2012/TT-BTC providing accounting guidance applicable to non-life insurers, reinsurers and branches of foreign non-life insurers, Corporation adjusted and restated some criteria in the Income statement of the same period of last year and Balance sheet as at 31 December 2013 of Parent company to suit with the figures comparison for this year, as follows:

a/ Income statement

Criteria	Reported amount (30/06/2013)	Adjustment/reclassific ation	After adjustment/reclassificat ion
1. Gross written premium	396,842,242,372	(3,642,343,426)	393,199,898,946
2. Increase(decrease) in unearned premium reserve	7,222,331,864		-
- For inward reinsurance		(4,823,669,786)	(4,823,669,786)
- For outward reinsurance		2,398,662,078	2,398,662,078
3. Increase (decrease) in claim reserve	(10,027,068,998)		
- For inward reinsurance		(47,164,642,210)	(47,164,642,210)
- For outward reinsurance		(37,137,573,212)	(37,137,573,212)

b/ Balance sheet

Criteria	Reported amount (31/12/2013)	Adjustment/reclassific ation	After adjustment/reclassificat ion
1. Reinsurance assets			
- Unearned premium reserve for outward reinsurance		501,851,785,635	501,851,785,635
- Claim reserve for outward reinsurance		1,292,624,695,414	1,292,624,695,414
2. Underwriting reserves			
- Unearned premium reserve for inward reinsurance	218,192,007,275	501,851,785,635	720,043,792,910
- Claim reserve for inward reinsurance	338,375,570,542	1,292,624,695,414	1,631,000,265,956

Preparer

Chief Accountant

August 8th 2014
Chief Executive Officer

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

BH - BALANCE SHEET- Q.2/2014

As at 30 June 2014

Unite: VND

Items	Codes	Notes	As at 30/6/2014	As at 01/01/2014 (Restated)
ASSETS				
A- CURRENT ASSETS (100=110+120+130+140+150+190)	100		5,304,245,109,171	5,169,329,279,094
I. Cash and cash equivalents	110	III.5	668,845,870,827	762,217,314,509
1. Cash on hand	111		58,991,870,827	40,823,508,089
2. Cash equivalents	112		609,854,000,000	721,393,806,420
II. Short-term financial investments	120	III.6	1,461,293,823,800	1,150,838,232,563
1. Short-term investments	121		1,465,953,531,826	1,158,235,102,189
2. Provisions for impairment of short-term investments	129		(4,659,708,026)	(7,396,869,626)
III. Short-term receivables	130		1,380,163,118,219	1,461,407,153,112
1. Trade accounts receivable	131		1,417,154,849,794	1,502,964,176,953
1.1. Receivables from insurance contracts	131.1		1,327,038,017,434	1,409,389,659,094
1.2. Other receivables	131.2		90,116,832,360	93,574,517,859
2. Advancement to suppliers	132		-	123,200,000
5. Provision for doubtful debts	139		(36,991,731,575)	(41,680,223,841)
IV. Inventories	140		82,296,408	54,311,517
1. Inventories	141		82,296,408	54,311,517
V. Other short-term assets	150		73,162,859,131	335,786,344
1. Advances	151		72,644,290,737	-
1.1. Deferred commission costs	151.1		72,644,290,737	
2. VAT deductibles	152		90,425,323	55,875,269
5. Other short-term assets	158		428,143,071	279,911,075
VI. Reinsurance assets	190	III.8b	1,720,697,140,786	1,794,476,481,049
1. Retroceded premium reserve	191		514,967,401,548	501,851,785,635
2. Outward claim reserve	192		1,205,729,739,238	1,292,624,695,414
(200=210+220+240+250+260)	200		893,618,022,633	1,079,103,222,694
I. Long-term receivables	210		6,000,000,000	6,000,000,000
4. Other long-term receivables	218		6,000,000,000	6,000,000,000
4.1. Insurance deposit	218.1		6,000,000,000	6,000,000,000
II. Fixed assets	220		35,064,218,421	36,701,081,030
1. Tangible fixed assets	221		11,868,881,056	11,779,382,009
- Cost	222		25,904,953,826	24,737,860,826
- Accumulated depreciation	223		(14,036,072,770)	(12,958,478,817)
3. Intangible fixed assets	227		18,868,612,317	21,097,411,428
- Cost	228		24,601,202,609	24,373,602,609
- Accumulated amortisation	229		(5,732,590,292)	(3,276,191,181)
4. Construction in progress	230		4,326,725,048	3,824,287,593
III. Investment real estates	240		15,943,629,622	16,652,235,383
- Cost	241		34,055,061,893	34,055,061,893
- Accumulated depreciation	242		(18,111,432,271)	(17,402,826,510)
IV. Long-term financial investments	250	III.7	832,448,492,792	1,013,453,381,740
1. Investment in subsidiaries	251		60,000,000,000	60,000,000,000
2. Investment in joint ventures	252		125,000,000,000	250,046,999,999
3. Other long-term investments	258		728,125,524,891	794,956,150,958
investments	259		(80,677,032,099)	(91,549,769,217)
V. Other long-term assets	260		4,161,681,798	6,296,524,541
1. Long-term prepayments	261		3,929,466,083	6,022,177,067
2. Deferred tax assets	262		232,215,715	274,347,474
TOTAL ASSETS (270=100+200)	270		6,197,863,131,804	6,248,432,501,788

			As at 30/6/2014	As at 01/01/2014 (Restated)
RESOURCES				
A. LIABILITIES (300=310+330)	300		3,766,816,316,599	3,898,636,542,351
I. Current liabilities	310		3,760,532,766,212	3,893,986,965,812
2. Trade accounts payable	312		1,110,687,398,066	1,259,495,964,550
2.1. Payables to insurance contracts	312.1		1,062,351,978,876	1,226,428,057,169
2.2. Other payables	312.2		48,335,419,190	33,067,907,381
3. Advances from customers	313		285,640,375	206,429,422
4. Taxes and amounts payable to the State budget	314		8,956,430,220	12,281,315,224
5. Payables to employees	315		13,790,680,264	14,121,963,845

6. Other payables	316		12,615,830,204	12,615,830,204
8. Current payables	319		106,975,010,998	102,628,399,222
9. Unearned commissions	319.1		49,239,747,740	
11. Bonus and welfare funds	323		10,284,640,891	8,868,305,103
13. Underwriting reserves	329	III.8a	2,447,697,387,454	2,483,768,758,242
13.1. Premium reserve	329.1		735,080,095,403	720,043,792,910
13.2. Claim reserve	329.2		1,571,637,245,075	1,631,000,265,956
13.3. Catastrophe reserve	329.3		140,980,046,976	132,724,699,376
II. Long-term liabilities	330		6,283,550,387	4,649,576,539
3. Other long-term liabilities	333		5,228,024,411	3,552,186,642
6. Provision for severance allowance	336		1,055,525,976	1,097,389,897
B.EQUITY (400=400)	400	III.9	2,431,046,815,205	2,349,795,959,437
Equity	410		2,431,046,815,205	2,349,795,959,437
1. Operating capital	411		1,008,276,580,000	1,008,276,580,000
2. Share premium	412		768,023,850,642	768,023,850,642
7. Investment and development funds	417		33,759,895,049	30,042,903,393
8. Financial reserve fund	418		150,214,516,960	150,214,516,960
9. Compulsory reserve fund	419		84,399,737,622	75,107,258,481
11. Retained earnings	421		386,372,234,932	318,130,849,961
TOTAL RESOURCES (440=300+400)	440		6,197,863,131,804	6,248,432,501,788

PREPARER

CHIEF ACCOUNTANT

Hanoi, 8th August 2014
CHIEF EXECUTIVE OFFICER

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

VIETNAM NATIONAL REINSURANCE CORPORATION

Address: 141 Le Duan, Hoan Kiem, Ha Noi

Tel: 0439422354 Fax: 0439422351

INCOME STATEMENT

Quarter 2/2014

BH - INCOME STATEMENT - Q.2/2014

Unit: VND

Items	Codes	Notes	Quarter 2		From 01/01 to the end of the period	
			2014	2013 (Restated)	2014	2013 (Restated)
1.Premium revenue (01=01.1+01.2-01.3)	01		389,099,780,373	381,275,627,675	737,003,799,416	779,299,196,407
In which:						
- Gross written premium	01.2		429,717,716,844	364,687,631,923	767,407,870,700	757,887,530,869
- Increase (decrease) in inward unearned premium reserve	01.3		40,617,936,471	(16,587,995,752)	30,404,071,284	(21,411,665,538)
2. Retroceded premium (02=02.1-02.2)	02		267,221,937,436	237,617,199,258	484,590,521,306	476,290,975,350
In which:						
- Gross retroceded premium	02.1		306,764,261,223	236,713,365,231	511,320,446,742	477,785,803,401
- Increase (decrease) in retroceded premium reserve	02.2		39,542,323,787	(903,834,027)	26,729,925,436	1,494,828,051
3. Net premium income (03=01-02)	03		121,877,842,937	143,658,428,417	252,413,278,110	303,008,221,057
4. Commission and other income from reinsurance activities (04=04.1+04.2)	04		112,638,530,571	50,963,730,263	248,135,898,574	111,737,792,253
In which:						
- Commission from reinsurance outward	04.1		30,701,650,558	47,002,721,305	51,965,779,107	95,851,917,663
- Other receipts from insurance business	04.2		81,936,880,013	3,961,008,958	196,170,119,467	15,885,874,590
5. Net income from insurance business (10=03+04)	10		234,516,373,508	194,622,158,680	500,549,176,684	414,746,013,310
6. Payment for inward reinsurance claims (11=11.1-11.2)	11		488,131,997,440	281,195,066,984	662,286,259,789	458,933,183,492
In which:						
- Total claims paid	11.1		488,131,997,440	281,195,066,984	662,286,259,789	458,933,183,492
7. Recoverables from outward reinsurance	12		439,555,905,537	208,532,136,621	533,934,033,776	316,356,904,757
8. Increase (decrease) in inward claim reserve	13		64,392,149,723	5,041,810,596	(45,087,982,057)	(42,122,831,614)
9.Increase (decrease) in outward claim reserve	14		27,102,264,895	(14,195,561,530)	(74,771,996,743)	(14,195,561,530)
10. Total claims payment (15=11-12+13-14)	15		85,865,976,731	54,762,729,277	158,036,240,699	114,649,008,651
11. Increase (decrease) in catastrophe reserve	16		3,688,603,668	3,839,512,102	7,682,622,719	8,403,051,826
12. Other expenses for insurance business (17=17.1+17.2)	17		129,736,648,618	79,800,036,788	277,933,281,736	187,348,014,677
In which:						

- Commission	17.1		45,984,862,271	76,335,235,769	84,698,611,687	171,366,504,348
- Other expenses for insurance business	17.2		83,751,786,347	3,464,801,019	193,234,670,049	15,981,510,329
13. Total costs for insurance business (18=15+16+17)	18		219,291,229,017	138,402,278,167	443,652,145,154	310,400,075,154
14. Gross profit from insurance business (19=10-18)	19		15,225,144,491	56,219,880,513	56,897,031,530	104,345,938,156
18. Revenue from financial activities	23		65,124,394,267	62,252,769,725	201,867,104,013	128,868,122,061
19. Expenses for financial activities	24		1,995,369,900	(1,621,105,064)	(4,578,903,862)	3,713,548,342
20. Gross profit from financial activities (25=23-24)	25		63,129,024,367	63,873,874,789	206,446,007,875	125,154,573,719
21. Management expenses	26		8,720,320,796	14,048,523,382	31,851,882,549	34,158,007,025
22. Net profit from insurance business (30=19+22+25-26)	30		69,633,848,062	106,045,231,920	231,491,156,856	195,342,504,850
23. Income from other activities	31		3,986,694,967	3,826,568,677	7,872,170,479	6,971,105,053
24. Expenses for other activities	32		2,994,975,017	982,485,443	4,210,862,384	2,354,884,906
25. Profit from other activities (40=31-32)	40		991,719,950	2,844,083,234	3,661,308,095	4,616,220,147
(Loss) from pilot agricultural insurance	40.1		1,868,625,647	(17,444,159,206)	431,965,722	(17,444,159,206)
26. Accounting profit (50=30+40+40.1)	50		72,494,193,659	91,445,155,948	235,584,430,673	182,514,565,791
27. Corporate income tax payable	51		12,298,969,740	21,402,809,297	48,401,080,412	42,214,966,556
28. Deferred corporate income tax	52		10,778,010	-	42,131,759	(5,304,469)
29. Profit after tax (60=50-51-52)	60		60,184,445,909	70,042,346,651	187,141,218,502	140,304,903,704

Hanoi, 8th August 2014

PREPARER

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

CASHFLOW STATEMENT - Q2/2014

(Direct method)

ITEMS	Codes		
		Quarter 2/2014	Quarter 2/2013 (Restated)
I. CASH FLOW FROM OPERATING ACTIVITIES			
1. Receipts from insurance premium and commission	01	348,253,553,561	251,086,274,469
2. Payments for commission and other liabilities of insurance activities	02	(346,098,831,308)	(195,206,121,705)
3. Payments for employees	03	(22,489,161,105)	(21,147,905,805)
5. Payments for taxes and payables to the State Budget	05	(56,946,175,394)	(35,924,209,466)
6. Receipts from other activities	06	2,875,750,763	2,258,685,559
7. Payments for other liabilities	07	(2,748,536,586)	(814,083,436)
Net cash (used in)/from operating activities	20	(77,153,400,069)	252,639,616
II. CASH FLOWS FROM INVESTING ACTIVITIES			-
1. Acquisitions of fixed assets & other long-term assets	21	(1,248,094,190)	(4,532,986,523)
5. Payments for investment in other entities	25	(2,282,059,960,137)	(2,912,241,489,544)
6. Receipts from investment in other entities	26	2,161,396,677,060	3,049,510,460,640
7. Receipts from investment interests	27	206,428,643,340	69,026,836,887
Net cash from/(used in) investing activities	30	84,517,266,073	201,762,821,460
III. CASH FLOWS FROM FINANCING ACTIVITIES		-	-
6. Dividends paid to investors	36	(100,694,450,577)	(181,072,839,920)
Net cash (used in) financing activities	40	(100,694,450,577)	(181,072,839,920)
Net increase/(decrease) in cash (50 = 20+30+40)	50	(93,330,584,573)	20,942,621,156
1. Cash and cash equivalents at the beginning of the quarter	60	762,217,314,509	686,183,942,542
2. Effect of changes in foreign exchange rates	61	(40,859,109)	53,343,515
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	668,845,870,827	707,179,907,213

PREPARER

CHIEF ACCOUNTANT

August 8th 2014
CHIEF EXECUTIVE OFFICER

Nguyen Nang Khoan

Lu Thi Viet Hoa

Pham Cong Tu