

## BH - CONSOLIDATED BALANCE SHEET

As at 31/03/2018

Unit: VND

Items	Codes	Notes	As at 31/03/2018	As at 01/01/2018
<b>ASSETS</b>				
<b>A- CURRENT ASSETS (100=110+120+130+140+150+190)</b>	<b>100</b>		<b>5,196,168,304,888</b>	<b>5,235,413,769,624</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>IV.3.1</b>	<b>70,357,715,159</b>	<b>169,817,165,145</b>
1. Cash on hand	111		70,357,715,159	66,817,165,145
2. Cash equivalents	112		-	103,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>IV.3.2</b>	<b>2,204,285,866,326</b>	<b>2,218,226,936,835</b>
1. Investment in Securities	121		173,907,022	255,297,398
2. Provisions for impairment of securities	122		(173,907,022)	(176,172,398)
3. Investments hold until due date	123		2,204,285,866,326	2,218,147,811,835
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,197,011,814,851</b>	<b>1,067,450,453,050</b>
1. Trade accounts receivable	131		1,223,477,558,932	1,094,654,677,717
1.1. Receivables from insurance contracts	131.1		914,133,763,003	770,606,426,398
1.2. Other receivables	131.2		309,343,795,929	324,048,251,319
3. Other short-term receivables	136		11,085,125,676	11,117,753,311
4. Provision for doubtful debts	137		(37,783,263,642)	(38,321,977,978)
<b>IV. Inventories</b>	<b>140</b>		<b>59,021,267</b>	<b>59,021,267</b>
1. Inventories	141		59,021,267	59,021,267
<b>V. Other short-term assets</b>	<b>150</b>		<b>181,932,169,247</b>	<b>188,776,477,336</b>
<b>1. Short-term prepaid expenses</b>	<b>151</b>		<b>181,045,026,371</b>	<b>187,931,351,792</b>
1.1. Unallocated commission expenses	151.1		177,716,708,037	185,674,353,313
1.2. Other short-term prepaid expenses	151.2		3,328,318,334	2,256,998,479
2. VAT deductibles	152		887,142,876	845,125,544
<b>VI. Reinsurance assets</b>	<b>190</b>	<b>IV.4</b>	<b>1,542,521,718,038</b>	<b>1,591,083,715,991</b>
1. Retroceded premium reserve	191		518,510,120,774	526,110,829,307
2. Outward claim reserve	192		1,024,011,597,264	1,064,972,886,684
<b>B. FIXED ASSETS (200=210+220+240+250+260)</b>	<b>200</b>		<b>1,233,380,143,804</b>	<b>1,213,231,242,437</b>
<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>5,623,393,073</b>	<b>7,605,175,886</b>
1. Tangible fixed assets	221		4,916,163,997	5,165,764,208
- Cost	222		25,150,907,036	25,150,907,036
- Accumulated depreciation	223		(20,234,743,039)	(19,985,142,828)
2. Intangible fixed assets	227		707,229,076	2,439,411,678
- Cost	228		32,480,195,934	32,480,195,934
- Accumulated amortisation	229		(31,772,966,858)	(30,040,784,256)
<b>III. Investment in real estates</b>	<b>230</b>		<b>10,669,578,172</b>	<b>10,983,389,295</b>
- Cost	231		34,055,061,893	34,055,061,893
- Accumulated depreciation	232		(23,385,483,721)	(23,071,672,598)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>14,214,197,466</b>	<b>13,558,937,466</b>
1. Construction in progress	242		14,214,197,466	13,558,937,466
<b>V. Long-term financial investments</b>	<b>250</b>	<b>IV.3.3</b>	<b>1,113,112,821,079</b>	<b>1,091,238,504,138</b>
1. Investment in joint ventures	252		239,180,406,406	227,722,596,956
2. Other long-term investments	253		470,445,070,000	470,445,070,000
3. Provision for diminution in value of long-term financial invest	254		(2,870,435,443)	(2,737,031,437)
4. Investment hold until due date	255		406,357,780,116	395,807,868,619
<b>VI. Other long-term assets</b>	<b>260</b>		<b>67,760,154,014</b>	<b>67,845,235,652</b>
1. Long-term prepayments	261		1,083,744,976	1,168,826,614
2. Deferred tax assets	262		421,202,827	421,202,827
3. Other long-term assets	268		66,255,206,211	66,255,206,211
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>6,429,548,448,692</b>	<b>6,448,645,012,061</b>

RESOURCES	Codes	Notes	As at 31/03/2018	As at 01/01/2018
<b>A. LIABILITIES (300=310+330)</b>	<b>300</b>		<b>3,645,910,619,498</b>	<b>3,729,770,339,881</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,641,087,467,583</b>	<b>3,725,336,443,762</b>
1. Trade accounts payable	311		1,009,723,418,828	936,307,148,265
1.1. Payables to insurance contracts	311.1		808,841,672,105	693,969,225,780
1.2. Other trade accounts payable	311.2		200,881,746,723	242,337,922,485
2. Advances from customers	312		396,146,371	1,386,887,302
3. Taxes and amounts payable to the State budget	313		11,388,836,050	5,418,007,023
4. Payables to employees	314		10,580,046,786	17,387,973,271
5. Other current payables	319		6,534,061,851	135,905,155,749
6. Unearned commissions	319.1		108,441,712,289	110,592,257,769
8. Bonus and welfare funds	322		15,972,510,738	17,416,202,598
9. Underwriting reserves	329		2,478,050,734,670	2,500,922,811,785
9.1. Premium reserve	329.1		785,692,889,513	794,916,072,658
9.2. Claim reserve	329.2		1,491,373,135,950	1,512,161,661,581
9.3. Catastrophe reserve	329.3		200,984,709,207	193,845,077,546
<b>II. Long-term liabilities</b>	<b>330</b>		<b>4,823,151,915</b>	<b>4,433,896,119</b>
1. Other long-term liabilities	337		2,717,137,780	2,327,881,984
2. Provision for long-term liabilities	342		2,106,014,135	2,106,014,135
<b>B.EQUITY (400=400)</b>	<b>400</b>	<b>V.4</b>	<b>2,783,637,829,194</b>	<b>2,718,874,672,180</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>2,783,637,829,194</b>	<b>2,718,874,672,180</b>
1. Owners' contributed capital	411		1,310,759,370,000	1,310,759,370,000
Ordinary shares carrying voting rights	411a		1,310,759,370,000	1,310,759,370,000
2.Share premium	412		566,368,537,309	566,368,537,309
3. Investment and development funds	418		202,028,190,210	200,956,093,477
4. Compulsory reserve fund	419		128,878,581,239	126,198,339,406
5. Retained earnings	421		544,854,046,187	483,692,105,013
- Retained earnings accumulated to the previous period	421a		483,692,105,013	379,807,088,562
- Retained earnings of this period	421b		61,161,941,174	103,885,016,451
6. Non-controlling interests	429		30,749,104,249	30,900,226,975
<b>TOTAL RESOURCES (440=300+400+429)</b>	<b>440</b>		<b>6,429,548,448,692</b>	<b>6,448,645,012,061</b>

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

Hanoi, 18th April 2018

**PREPARER**

**CHIEF ACCOUNTANT**

**CHIEF EXECUTIVE OFFICER**

**Nguyen Thanh Cong**

**Luu Thi Viet Hoa**

**Pham Cong Tu**

## BH - CONSOLIDATED INCOME STATEMENT

From 01/01/2018 to 31/03/2018

Unit: VND

Items	Codes	Quarter 1		From 01/01/2018 to 31/03/2018	
		2018	2017	2018	2017
<b>1. Premium revenue (01=01.1+01.2-01.3)</b>	<b>01</b>	<b>400,675,822,446</b>	<b>431,219,585,723</b>	<b>400,675,822,446</b>	<b>431,219,585,723</b>
In which:					
- Gross written premium	01.2	391,452,600,779	451,576,591,243	391,452,600,779	451,576,591,243
- Increase (decrease) in inward unearned premium reserve	01.3	(9,223,221,667)	20,357,005,520	(9,223,221,667)	20,357,005,520
<b>2. Retroceded premium (02=02.1-02.2)</b>	<b>02</b>	<b>257,406,281,556</b>	<b>287,433,762,186</b>	<b>257,406,281,556</b>	<b>287,433,762,186</b>
In which:					
- Gross retroceded premium	02.1	249,805,573,023	301,865,656,429	249,805,573,023	301,865,656,429
reserve	02.2	(7,600,708,533)	14,431,894,243	(7,600,708,533)	14,431,894,243
<b>3. Net premium income (03=01-02)</b>	<b>03</b>	<b>143,269,540,890</b>	<b>143,785,823,537</b>	<b>143,269,540,890</b>	<b>143,785,823,537</b>
<b>4. Commission and other income from reinsurance activities (04=04.1+04.2)</b>	<b>04</b>	<b>134,065,466,747</b>	<b>151,638,502,012</b>	<b>134,065,466,747</b>	<b>151,638,502,012</b>
In which:					
- Commission from reinsurance outward	04.1	53,552,844,856	62,153,219,358	53,552,844,856	62,153,219,358
- Other receipts from insurance business	04.2	80,512,621,891	89,485,282,654	80,512,621,891	89,485,282,654
<b>5. Net income from insurance business (10=03+04)</b>	<b>10</b>	<b>277,335,007,637</b>	<b>295,424,325,549</b>	<b>277,335,007,637</b>	<b>295,424,325,549</b>
<b>11.2)</b>	<b>11</b>	<b>198,153,965,345</b>	<b>214,667,805,536</b>	<b>198,153,965,345</b>	<b>214,667,805,536</b>
In which:					
- Total claims paid	11.1	198,153,965,345	214,667,805,536	198,153,965,345	214,667,805,536
<b>7. Recoverables from outward reinsurance</b>	<b>12</b>	<b>159,998,322,577</b>	<b>152,133,189,800</b>	<b>159,998,322,577</b>	<b>152,133,189,800</b>
<b>8. Increase (decrease) in inward claim reserve</b>	<b>13</b>	<b>(24,928,940,977)</b>	<b>113,081,389,575</b>	<b>(24,928,940,977)</b>	<b>113,081,389,575</b>
<b>9. Increase (decrease) in outward claim reserve</b>	<b>14</b>	<b>(44,705,407,869)</b>	<b>93,001,831,436</b>	<b>(44,705,407,869)</b>	<b>93,001,831,436</b>
<b>10. Total claims incurred (15=11-12+13-14)</b>	<b>15</b>	<b>57,932,109,660</b>	<b>82,614,173,875</b>	<b>57,932,109,660</b>	<b>82,614,173,875</b>
<b>11. Increase (decrease) in catastrophe reserve</b>	<b>16</b>	<b>2,853,871,286</b>	<b>4,491,328,044</b>	<b>2,853,871,286</b>	<b>4,491,328,044</b>
<b>12. Other expenses for insurance business (17=17.1+17.2)</b>	<b>17</b>	<b>177,414,154,028</b>	<b>186,918,799,063</b>	<b>177,414,154,028</b>	<b>186,918,799,063</b>
In which:					
- Commission	17.1	88,060,859,127	92,056,804,579	88,060,859,127	92,056,804,579
- Other expenses for insurance business	17.2	89,353,294,901	94,861,994,484	89,353,294,901	94,861,994,484
<b>13. Total costs for insurance business (18=15+16+17)</b>	<b>18</b>	<b>238,200,134,974</b>	<b>274,024,300,982</b>	<b>238,200,134,974</b>	<b>274,024,300,982</b>
<b>14. Gross profit from insurance business ( 19=10-18)</b>	<b>19</b>	<b>39,134,872,663</b>	<b>21,400,024,567</b>	<b>39,134,872,663</b>	<b>21,400,024,567</b>
<b>18. Revenue from financial activities</b>	<b>23</b>	<b>61,707,004,654</b>	<b>57,087,531,133</b>	<b>61,707,004,654</b>	<b>57,087,531,133</b>
<b>19. Expenses for financial activities</b>	<b>24</b>	<b>14,366,185,266</b>	<b>9,685,728,312</b>	<b>14,366,185,266</b>	<b>9,685,728,312</b>
<b>20. Gross profit from financial activities (25=23-24)</b>	<b>25</b>	<b>47,340,819,388</b>	<b>47,401,802,821</b>	<b>47,340,819,388</b>	<b>47,401,802,821</b>
<b>21. Management expenses</b>	<b>26</b>	<b>18,272,996,139</b>	<b>10,297,834,450</b>	<b>18,272,996,139</b>	<b>10,297,834,450</b>
<b>22. Net profit from insurance business (30=19+22+25-26)</b>	<b>30</b>	<b>68,202,695,912</b>	<b>58,503,992,938</b>	<b>68,202,695,912</b>	<b>58,503,992,938</b>
23. Income from other activities	31	2,837,593,291	3,654,821,926	2,837,593,291	3,654,821,926
24. Expenses for other activities	32	587,867,679	623,633,193	587,867,679	623,633,193
<b>25. Profit from other activities (40=31-32)</b>	<b>40</b>	<b>2,249,725,612</b>	<b>3,031,188,733</b>	<b>2,249,725,612</b>	<b>3,031,188,733</b>

<b>26. Share of net profits of associate</b>	<b>40.1</b>	<b>11,457,809,450</b>	<b>9,380,868,393</b>	<b>11,457,809,450</b>	<b>9,380,868,393</b>
<b>27. (Loss) from pilot agriculture insurance</b>	<b>40.2</b>	<b>(396,268,776)</b>	<b>-</b>	<b>(396,268,776)</b>	<b>-</b>
<b>28. Profit from Offshore fishing boat insurance (*)</b>	<b>41</b>	<b>4,285,752,671</b>		<b>4,285,752,671</b>	
<b>29. Accounting profit (50=30+40+40.1+40.2)</b>	<b>50</b>	<b>77,228,209,527</b>	<b>70,916,050,064</b>	<b>77,228,209,527</b>	<b>70,916,050,064</b>
30. Corporate income tax payable	51	10,749,715,702	10,425,040,863	10,749,715,702	10,425,040,863
31. Deferred corporate income tax	52	-	(5,250,516)	-	(5,250,516)
<b>32. Profit after tax (60=50-51-52)</b>	<b>60</b>	<b>66,478,493,825</b>	<b>60,496,259,717</b>	<b>66,478,493,825</b>	<b>60,496,259,717</b>
Minority interests	61	66,629,616,551	60,687,249,073	66,629,616,551	60,687,249,073
Equity holders of the Corporation	62	(151,122,726)	(190,989,356)	(151,122,726)	(190,989,356)
<b>33. Basic earnings per share</b>	<b>70</b>	<b>495</b>	<b>451</b>	<b>495</b>	<b>451</b>

*Ha Noi, 18 April 2018*

**PREPARER**

**CHIEF ACCOUNTA**

**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:02439422354 Fax: 02439422351

## FINANCIAL STATEMENTS

Quarter 1/2018

## CONSOLIDATED CASHFLOW STATEMENT

(Direct method)

From 01/1/2018 to 31/03/2018

Unit: VND

Items	Codes	Notes		
			Quarter I/2018	Quarter I/2017
<b>I. Cash flows from operating activities</b>				
1. Receipts from inward and outward reinsurance activities	01		129,980,652,724	99,337,312,590
2. Payments for inward and outward reinsurance activities	02		(74,253,193,775)	(73,707,635,589)
3. Payments to employees	03		(14,247,681,956)	(13,651,252,879)
4. Payments for corporate income tax	05		(4,625,274,679)	(8,481,661,351)
5. Receipts from other activities	06		169,950,861	2,758,046,898
6. Payments for other activities	07		(9,401,957,285)	(14,507,551,448)
<b>Net cash generated by operating activities</b>	<b>20</b>		<b>27,622,495,890</b>	<b>(8,252,741,779)</b>
<b>II. Cash flows from investing activities</b>				
1.Acquisition and construction of fixed assets and other long-term assets	21		(655,260,000)	-
2.Cash outflow for lending, buying debt instruments of other entities	23		(86,494,600,000)	(167,084,000,000)
3.Cash received from lending, selling debt instrument of other entities	24		54,692,000,000	153,074,116,250
5. Interest earned, dividends and profits received	27		35,808,963,839	34,926,903,090
<b>Net cash (used in) investing activities</b>	<b>30</b>		<b>3,351,103,839</b>	<b>20,917,019,340</b>
<b>III. Cash flows from financing activities</b>				
6. Dividends and profits paid	36		(131,075,937,000)	-
<b>Net cash (used in) financing activities</b>	<b>40</b>		<b>(131,075,937,000)</b>	<b>-</b>
<b>Net (decrease) in cash (50 = 20+30+40)</b>	<b>50</b>		<b>(100,102,337,271)</b>	<b>12,664,277,561</b>
<b>Cash and cash equivalents at the beginning of the quarter</b>	<b>60</b>		<b>169,817,165,145</b>	<b>75,029,558,127</b>
Effects of changes in foreign exchange rates	61		642,887,285	5,389,815
<b>Cash and cash equivalents at the end of the quarter (70 = 50+60+61)</b>	<b>70</b>		<b>70,357,715,159</b>	<b>87,699,225,503</b>

18th April 2018

PREPARER

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER

Nguyen Thanh Công

Luu Thi Viet Hoa

Pham Cong Tu

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### Quarter I/2018

#### **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.

**4. Total number of subsidiaries: 01**

Total number of consolidated subsidiaries: 01

+ Company name: VINARE Invest Joint Stock Company

+ Address: 6<sup>th</sup> Floor, VINARE building, 141 Le Duan - Hoan Kiem - Ha Noi.

+ Parent company's equity ownership: 63.88%

+ Voting rights of parent company: 60%

**5. Joint venture is reflected in consolidated financial statements according to method of owner's equity**

Total number of joint ventures: 01

+ Company name: Samsung Vina Joint-Venture Insurance Company

+ Head office address: 45<sup>th</sup> Floor, Bitexco Financial Tower, No 2 Hai Trieu Street, District 1, Ho Chi Minh City

+ Equity ownership: 25%

+ Voting rights: 25%

#### **II. Accounting period and accounting currency**

##### **1. Accounting period:**

Parent company: Begins on 01 January 2018 and ends on 31 December 2018

Subsidiary: Begins on 01 January 2018 and ends on 31 December 2018

Joint venture: Begins on 01 January 2018 and ends on 31 December 2018

##### **2. Accounting currency:** Vietnam Dong

#### **III. Accounting standards and system**

**1. Accounting system:** Circular No. 232/2012/TT-BTC dated 28<sup>th</sup> December 2012 of the Ministry of Finance guided the accounting system applied for insurance enterprises. Circular No. 200/2014/QD-BTC dated 22<sup>nd</sup> December 2014 of the Ministry of Finance provided guidance on accounting system for enterprises and Circular No. 202/2014/TT-BTC dated 22 December 2014 provided guidance on preparing and presentation of consolidated financial statements.

##### **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 prevailing accounting regulation in Vietnam.

##### **3. Accounting form:** Receipts recorded to books.

#### IV. Accounting policies

The Board of Management ensures that the company's half-yearly financial statements and the latest yearly financial statements apply the same accounting policies.

Consolidated financial statements are prepared based on accounting policies applied uniformly for similar transactions and events in similar circumstances between parent company and subsidiary.

##### *1. 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.
- **Foreign currencies:**
  - The Corporation applies an accounting exchange rate of 22,700 VND/USD in the year (for the year ended 31 December 2017: 22,500 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 the actual rate applicable on the payment date. Such exchange differences are recorded in the income statement.
  - Liabilities and receivables relating to recognition of revenues 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 22,750 VND/USD (as at 31 March 2018: 22,750 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 22,820 VND/USD (as at 31 March 2018: 22,820 VND/USD)
  - Liabilities and receivables relating to recognition of revenues and expenses 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 22,750 VND/USD (as at 31 March 2018: 22,750 VND/USD), balances of payables are translated using the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)'s selling exchange rate of 22,820 VND/USD (as at 31 March 2018: 22,820 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 income statement. Exchange differences from revaluation of balances of monetary assets, liabilities, receivables denominated in foreign currencies as at the balance sheet date are not used for dividend payment.

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

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

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

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

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

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

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

### **3. Balance of cash and financial investment:**

<b>3.1 Cash and cash equivalents</b>	<u><b>3/31/2018</b></u>	<u><b>1/1/2018</b></u>
Cash on hand	1,009,572,345	996,614,032
Bank deposits	69,348,142,814	65,820,551,113
Cash equivalents	-	103,000,000,000
<b>Total</b>	<u><b>70,357,715,159</b></u>	<u><b>169,817,165,145</b></u>

<b>3.2 Short-term financial investments</b>	<u><b>31/03/2018</b></u>	<u><b>1/1/2018</b></u>
Bank deposits under one year	1,979,300,000,000	1,992,300,000,000
Short-term bonds	50,000,000,000	50,000,000,000
Stocks (short-term)	173,907,022	255,297,398
Short-term entrusted investments (c )	174,985,866,326	175,847,811,835
Provision for diminution in value of short-term in	(173,907,022)	(176,172,398)
<b>Total</b>	<u><b>2,204,285,866,326</b></u>	<u><b>2,218,226,936,835</b></u>



### 3.3 Long-term financial investments

	31/03/2018	1/1/2018
	VND	VND
<b>Investment in subsidiaries ( a )</b>	<b>239,180,406,406</b>	<b>227,722,596,956</b>
<b>Other long-term investments</b>	<b>873,932,414,673</b>	<b>863,515,907,182</b>
+ Equity investments ( b )	470,445,070,000	470,445,070,000
+ Long-term bonds	220,000,000,000	220,000,000,000
+ Long-term deposits	91,000,000,000	80,000,000,000
+ Long-term entrusted investment ( c )	89,036,574,053	89,486,662,556
+ Other long-term investments ( d )	6,321,206,063	6,321,206,063
+ Provision for diminution in value of long-term investn	(2,870,435,443)	(2,737,031,437)
<b>Total</b>	<b>1,113,112,821,079</b>	<b>1,091,238,504,138</b>

(a) *Investment in joint venture:* is the equity investment in Samsung Vina Insurance Company (SVI) with the amount of VND125,000,000,000 as at 31<sup>st</sup> March 2018 representing a stake of 25% in the joint venture.

<u>SVI's equity</u>	<u>3/31/2018</u>	<u>1/1/2018</u>
Charter capital	500,000,000,000	500,000,000,000
Funds	50,000,000,000	50,000,000,000
Retained earnings	406,721,625,625	360,890,387,825
<b>Total</b>	<b>956,721,625,625</b>	<b>910,890,387,825</b>

#### VINARE's ownership in joint venture

- Ratio of 25%	239,180,406,406	227,722,596,957
<b>Total</b>	<b>239,180,406,406</b>	<b>227,722,596,957</b>

(b) Equity investment	wnership	31/03/2018	31/03/2018	1/1/2018
		Shares	VND	VND
Petrolimex Joint Stock Insurance	7.03%	6,237,328	59,289,270,000	59,289,270,000
PTI Insurance Company	4.42%	3,556,224	38,416,000,000	38,416,000,000
Saigon - Halong Hotel	6.05%	1,109,980	10,139,800,000	10,139,800,000
Global Insurance Company	5.50%	1,760,000	17,600,000,000	17,600,000,000
Phu Hung Insurance Company	1.98%	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
Hung Vuong Insurance Compan	10.00%	3,000,000	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint St	5.14%	30,000,000	275,000,000,000	275,000,000,000
			<b>470,445,070,000</b>	<b>470,445,070,000</b>

Additional information of bonus shares as at 31/03/2018 were as follows:

NO	Stock name	Stock code	Number of shares
1	Petrolimex Joint Stock Insurance Company	PGI	353,056
2	Post-Telecommunication Joint Stock Insurance Company	PTI	381,024
3	Tien Phong Commercial Joint Stock Bank		2,542,857
4	Sai Gon - Ha Long Hotel Tourist Joint Stock Company		96,000

*c) Entrusted investment:* are funds entrusted to Vietcombank Fund Management Company, Bao Viet Fund Management Company and SSI Fund Management Company.

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

*e) Provision for diminution in value of long-term investments:* are the provisions for the impairment in equity investments in Phu Hung Insurance Company.

#### **4. Principles and methods of making under-writing reserves:**

##### **Under-writing reserves**

On 12 March 2018, the Ministry of Finance issued Official Letter No. 2713/BTC-QLBH on the approval of registration of the method to make reserves for insurance transactions of the Corporation since 2017. Accordingly, under-writing reserves of the Corporation in the year are made as follows:

##### ***Premium reserve:***

Provision for premium inward and outward reserves with reinsurance contracts which last for over one year 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.

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

##### ***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 the losses that have been incurred and reported.
- For claim reserve for inward reinsurance and outward reinsurance for losses that have been incurred but not yet reported (IBNR), the Corporation applies the rate of 5% of the inward reinsurance premium and outward reinsurance premium over all types of insurance.

***Catastrophe reserve:*** This reserve is made annually at a rate of 2% of the retained premium rate of all transactions until it reaches 100% of the premium retained in the year.

##### ***Balance assurance reserve:***

*Life insurance reserve:* is made annually at the rate of 1% on profit before tax of Corporation until it reaches 5% of life inward premium in the financial year.

*Health-care reinsurance reserve:* is made annually at the rate of 2% retained premium rate for all transactions until it reaches 100% retained premium in the year.

In the year, the Corporation has made the provision for balance assurance reserve with the total amount of VND34,884,551 and recognized on Catastrophe Reserve item with a separate line.

On 28 September 2005, the Ministry of Finance issued Vietnamese Accounting Standard No. 19 – “Insurance contract” and Decision No. 100/2005/QĐ-BTC, effective from 2006. Accordingly, at the reporting date, insurance enterprises are not allowed to make reserves, including catastrophe reserve, for future claim compensation if claims are not incurred on the balance sheet date, which included Catastrophe reserve. Currently, in accordance with guidance under Decree No. 73/2016/ND-CP issued by the Government dated 1 July 2016, insurance enterprises are required to provide for catastrophe reserve. Since the Ministry of Finance has not yet issued any Circular guiding the implementation of the aforesaid accounting standard, the fact that the Corporation still made catastrophe reserve for the year ended 31 March 2018 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.

**\* Underwriting reserve situation:**

- *Situation of premium reserve, claim reserve for inward reinsurance, catastrophe reserve*

Criteria	Opening balance	Increase	Decrease	Closing balance
<b>I. Normal activities</b>	<b>2,483,168,242,885</b>	<b>7,203,282,083</b>	<b>34,215,820,770</b>	<b>2,456,155,704,198</b>
<b>1. Non-life insurance</b>	<b>2,473,924,313,424</b>	<b>7,104,739,406</b>	<b>33,112,678,512</b>	<b>2,447,916,374,318</b>
- Unearned inward premium reserve	789,245,204,611	-	8,154,350,165	781,090,854,446
- Inward claim reserve	1,501,636,488,562	-	24,958,328,347	1,476,678,160,215
- Catastrophe reserve	183,042,620,251	7,104,739,406		190,147,359,657
<b>2. Life insurance</b>	<b>3,743,000,004</b>	<b>34,884,551</b>	<b>114,723,515</b>	<b>3,663,161,040</b>
- Unearned inward premium reserve	1,717,193,076	-	80,452,759	1,636,740,317
- Inward claim reserve	197,944,788	-	34,270,756	163,674,032
- Balance assurance reserve	1,827,862,140	34,884,551		1,862,746,691
<b>3. Health-care insurance</b>	<b>5,500,929,457</b>	<b>63,658,126</b>	<b>988,418,743</b>	<b>4,576,168,840</b>
- Unearned inward premium reserve	3,953,674,971	-	988,418,743	2,965,256,228
- Inward claim reserve	1,449,342,497	63,658,126	-	1,513,000,623
- Balance assurance reserve	97,911,989	-		97,911,989
<b>II. Pilot agricultural insurance activities</b>	<b>17,754,568,900</b>	<b>4,140,461,572</b>	<b>-</b>	<b>21,895,030,472</b>
- Unearned inward premium reserve	-	38,522	-	38,522
- Inward claim reserve	8,877,885,734	4,140,415,346	-	13,018,301,080
- Catastrophe reserve	8,876,683,166	7,704		8,876,690,870
<b>Total</b>	<b>2,500,922,811,785</b>	<b>11,343,743,655</b>	<b>34,215,820,770</b>	<b>2,478,050,734,670</b>

- *Situation of premium reserve, claim reserve for outward reinsurance*

Criteria	Opening balance	Increase	Decrease	Closing balance
<b>I. Normal activities</b>	<b>1,583,055,020,463</b>	<b>62,353,119</b>	<b>52,368,469,521</b>	<b>1,530,748,904,061</b>
<b>1. Non-life insurance</b>	<b>1,580,749,957,686</b>	<b>-</b>	<b>51,992,000,708</b>	<b>1,528,757,956,978</b>
- Retroceded premium reserve	524,604,954,055	-	7,224,239,720	517,380,714,335
<b>2. Life insurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Retroceded premium reserve	-			-
- Outward claim reserve	-			-
<b>3. Health-care insurance</b>	<b>2,305,062,777</b>	<b>62,353,119</b>	<b>376,468,813</b>	<b>1,990,947,083</b>
- Retroceded premium reserve	1,505,875,252	-	376,468,813	1,129,406,439
- Outward claim reserve	799,187,525	62,353,119	-	861,540,644
<b>II. Pilot agriculture insurance activities</b>	<b>8,028,695,528</b>	<b>3,744,118,449</b>	<b>-</b>	<b>11,772,813,977</b>
- Retroceded premium reserve	-	-	-	-
- Outward claim reserve	8,028,695,528	3,744,118,449	-	11,772,813,977
<b>Total</b>	<b>1,591,083,715,991</b>	<b>3,806,471,568</b>	<b>52,368,469,521</b>	<b>1,542,521,718,038</b>

**b. Provision for diminution in value of securities investment:**

According to Circular No 228/2009/TT-BTC of Ministry of Finance issued on 7 December 2009, Corporation is allowed to make provision for investments in freely traded securities with book value higher than market value at the end of accounting period.

**c. Accounts receivable and 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.

The calculation of provision for doubtful debts is as follows:

With regard to customers with total reinsurance-related receivables balance less than total reinsurance-related payables balance, no provision should be made. In 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 of the Ministry of Finance, will be subject to provision for doubtful debts on the following basis:

- No provision is made for accounts receivable (the balance after offsetting) overdue for less than 6 months;
- For accounts receivable (the balance after offsetting) over due from 06 to less than 12 months, the provision is made at the rate of 30%;
- For accounts receivable (the balance after offsetting) over due from 12 to less than 24 months, the provision is made at the rate of 50%;
- For accounts receivable (the balance after offsetting) over due from 24 to less than 36 months, the provision is made at the rate of 70%;
- For accounts receivable (the balance after offsetting) over due from 36 months, the provision is made at the rate of 100%.

#### **d. Provision for severance allowance**

This provision is made according to regulations in Article 48 of the Labour Code No. 10/2012/QH13 dated 18 June 2012 and internal regulations of the Corporation.

### **5. Recognition of equity capital:**

#### **a. Parent company**

Owners' equity: is the paid-up capital of the shareholders, which is monitored by each shareholder;

Share premium: 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;

	<b>Paid-in capital</b>		
	<b>As at 31/03/2018</b>	<b>Stake</b>	<b>As at 01/01/2018</b>
	<b>VND</b>		<b>VND</b>
<b>Owner's equity</b>	<b>1,310,759,370,000</b>		<b>1,310,759,370,000</b>
State Capital Investment Corporation	529,060,350,000	40,36%	529,060,350,000
Swiss Re	327,689,890,000	25,00%	327,689,890,000
Other shareholders	454,009,130,000	34,64%	454,009,130,000
<b>Share premium</b>	<b>566,368,537,309</b>		<b>566,368,537,309</b>
	<b>1,877,127,907,309</b>		<b>1,877,127,907,309</b>

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

#### **b. Subsidiary**

Owners' equity: is the paid-up capital of shareholders. Charter capital as at 31/03/2018 of Vinare Invest was: VND93,919,000,000. The number of shares that shareholders have registered to purchase but have not implemented the capital contribution will be handled according to decisions of the BOD.

***c. Joint-venture company***

Owners' equity: is the paid-up capital of joint-venture parties. Charter capital as at 31st March 2018 of Samsung-Vina Insurance Company was VND500,000,000,000.

***6. 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.

***7. 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 profit before tax as reported in the income statement because it excludes items of income that are not taxable or expense that are deductible in calculation of taxable income.

Deferred corporate income tax is recognized for all temporary differences and deferred corporate income tax asset is only recognized when it is certain that there is sufficient profit for calculation of tax in the future to deduct the temporary differences

Calculation of tax duties of Corporation is based on current taxation regulations. However, these regulations change over period of time and the final calculation of corporate income tax depends on the test result of relevant tax authorities.

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

***V. Other information***

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

2. In July 7th 2014, the Government issued Decree No. 67/2014/ND-CP on some fisheries development policies, including regulations on insurance policy for offshore fishing boats. The Corporation undertakes this type of insurance, along with the local insurance companies, to support the market and implement the targets, policies of Government.

On August 20th 2014, the Ministry of Finance has 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 provisions under Circular No. 116/2014/TT-BTC, business results of offshore fishing boat insurance shall be included in the insurer's results. The insurance enterprise shall hold responsibility to separately monitor revenues,

expenses, business results of this insurance type. Profit from insurance activities (if any) shall be recorded to catastrophe reserves at the financial year end.

3. As mentioned in the part “Recognition of equity capital”: As 31 March 2018, the paid-up capital was VND93,919,000,000. The number of shares that shareholders have registered to purchase but have not implemented the capital contribution will be handled according to decisions of the BOM. Interests of shareholders will be calculated based on the ratio of capital contribution as at 31 March 2018 (In which: Interest of parent company is 63.88%, interest of minority shareholders is: 36.12%).

#### 4. Equity

	Operating capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
As at 01/01/2017	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>191,870,712,711</b>	<b>103,484,887,493</b>	<b>450,515,403,971</b>	<b>2,622,998,911,484</b>
Profit for the period					258,776,595,581	258,776,595,581
Profit distribution to funds			4,708,237,473	11,770,593,681	(23,815,642,130)	(7,336,810,976)
Dividends declared					(288,367,061,400)	(288,367,061,400)
As at 01/01/2018	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>200,956,093,477</b>	<b>126,198,339,406</b>	<b>483,692,105,013</b>	<b>2,687,974,445,205</b>
Profit for the period					66,629,616,551	66,629,616,551
Profit distribution to funds			1,072,096,733	2,680,241,833	(5,467,675,377)	(1,715,336,811)
As at 31/03/2018	<b>1,310,759,370,000</b>	<b>566,368,537,309</b>	<b>202,028,190,210</b>	<b>128,878,581,239</b>	<b>544,854,046,187</b>	<b>2,752,888,724,945</b>



## 5. Income and business results:

### a/ Consolidated income statements (including pilot agriculture insurance)

NO	Criteria	Quarter I/2018 (VND)	Quarter I/2017 (VND)
1	Premium from reinsurance inward	277,335,007,637	295,424,325,549
2	Income from real estate investments	0	0
3	Net income from financial activities	61,707,004,654	57,087,531,133
4	Other incomes	2,837,593,291	3,654,821,926
5	Total incomes for insurance activities	238,200,134,974	274,024,300,982
6	Capital value of real estate investments	0	0
7	Expenses for financial activities	14,366,185,266	9,685,728,312
8	Administration expenses	18,272,996,139	10,297,834,450
9	Other expenses	587,867,679	623,633,193
10	Profit (Loss) from pilot agriculture insurance activities	(396,268,776)	0
11	Results of offshore fishing boat insurance	4,285,752,671	
12	Share of net profits of joint ventures	11,457,809,450	9,380,868,393
13	Accounting profit before tax (13=1+2+3+4-5-6-7-8-9+10+11-12)	77,228,209,527	70,916,050,064
14	Corporate income tax payable	10,749,715,702	10,425,040,863
15	Deferred corporate income tax	-	(5,250,516)
16	Net profit after corporate income tax (16=13-14-15)	66,478,493,825	60,496,259,717

### b/ Consolidated income statements (excluding pilot agriculture insurance)

NO	Criteria	Quarter I/2018 (VND)	Quarter I/2017 (VND)
1	Income from reinsurance business	277,335,007,637	295,424,325,549
2	Income from real estate investments	0	0
3	Net income from financial activities	61,707,004,654	57,087,531,133
4	Other incomes	2,837,593,291	3,654,821,926
5	Total expenses for insurance activities	238,200,134,974	274,024,300,982
6	Capital value of real estate investments	0	0
7	Expenses for financial activities	14,366,185,266	9,685,728,312
8	Administration expenses	18,272,996,139	10,297,834,450
9	Other expenses	587,867,679	623,633,193
10	Results of offshore fishing boat insurance	4,285,752,671	
11	Share of net profits of joint ventures	11,457,809,450	9,380,868,393
12	Accounting profit before tax (12=1+2+3+4-5-6-7-8-9-10+11)	77,624,478,303	70,916,050,064

### c/ Results of pilot agriculture insurance

NO	Criteria	Quarter I/2018 (VND)	Quarter I/2017 (VND)
1	Income from pilot agriculture insurance	77,044	0
2	Deductions		
3	Net income from pilot agriculture insurance activities ( 3=1-2)	77,044	0
4	Direct expenses for pilot agriculture insurance	396,343,123	
5	Gross profit from pilot agriculture insurance ( 5= 3-4)	(396,266,079)	0
6	Administration expenses	2,697	
7	Net profit from pilot agriculture insurance (7=5-6)*	(396,268,776)	0

(\*) To handle according to guidance in Circular No 101/2012/TT-BTC dated June 20<sup>th</sup> 2012 of the Ministry of Finance.

18<sup>th</sup> April, 2018

Preparer  
Nguyen Thanh Cong

Chief Accountant  
Luu Thi Viet Hoa

Chief Executive Officer  
Pham Cong Tu