

NOTES TO THE FINANCIAL STATEMENTS

Quarter III/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 2009 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 30/09/2014 of USD/VND 21,195. Foreign currencies other than USD are translated into VND using the buying rate of Vietcombank as at 30/09/2014. 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	9/30/2014	1/1/2014
	VND	VND
Cash on hand	684,723,341	359,128,050
Bank deposits	75,199,956,222	40,464,380,039
Cash equivalents	312,792,500,000	721,393,806,420
	388,677,179,563	762,217,314,509

6. Short-term financial investments	9/30/2014	1/1/2014
	VND	VND
Bank deposits under one year	1,446,000,000,000	1,116,285,570,363
Short-term bonds	50,000,000,000	30,000,000,000
Stocks (short-term)	16,104,254,068	11,949,531,826
Provision for diminution in value of short-term investment	(4,187,699,126)	(7,396,869,626)
	1,507,916,554,942	1,150,838,232,563

7. Long-term financial investments	9/30/2014	1/1/2014
	VND	VND
Investment 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	876,718,849,328	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	305,000,000,000	123,000,000,000
+ Investment co-operation contract (d)	13,304,048,828	7,134,674,895
+ Entrusted investment (e)	60,000,000,000	55,000,000,000
+ Other long-term investments (f)	5,821,206,063	821,206,063
+ Provision for diminution in value of long-term investment	(66,406,675,563)	(91,549,769,217)
	1,061,718,849,328	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. The two parties have finalized the transaction. VINARE's capital contribution in joint venture as at 30 September 2014 is VND125,000,000,000, accounting for 25% stake in joint venture.

(c) Equity investment	Ownership	9/30/2014	9/30/2014	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 30/09/2014

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	28,335

(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	392,901,934,648	-	2,656,222,536,805
+ Inward unearned premium reserve	657,852,676,954	46,194,143,335		704,046,820,289
+ Inward claim reserve	1,474,748,410,833	333,590,750,483		1,808,339,161,316
+ Catastrophe reserve	130,719,514,370	13,117,040,830		143,836,555,200
Pilot Agriculture insurance activities	220,448,156,085	2,468,535,536	104,193,485,571	118,723,206,050
+ Inward unearned premium reserve	62,191,115,956		7,780,723,587	54,410,392,369
+ Inward claim reserve	156,251,855,123		96,412,761,984	59,839,093,139
+ Catastrophe reserve	2,005,185,006	2,468,535,536		4,473,720,542
TOTAL	2,483,768,758,242	395,370,470,184	104,193,485,571	2,774,945,742,855

b/ Premium reserve, claim reserve for outward business

Normal reinsurance activities	1,595,214,353,102	301,776,827,241	-	1,896,991,180,343
+ Retroceded premium reserve	445,525,504,393	25,043,432,003		470,568,936,396
+ Outward claim reserve	1,149,688,848,709	276,733,395,238		1,426,422,243,947
Pilot Agriculture insurance activities	199,262,127,947	-	94,273,227,287	104,988,900,660
+ Retroceded premium reserve	56,326,281,242		6,445,700,997	49,880,580,245
+ Outward claim reserve	142,935,846,705		87,827,526,290	55,108,320,415
TOTAL	1,794,476,481,049	301,776,827,241	94,273,227,287	2,001,980,081,003

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 3 of 2014, Net profit from Pilot agriculture insurance was: VND1,947,284,082. Accumulated net profit of Pilot agriculture insurance from 01/01/2014 to 30/09/2014 of VND2,379,249,804 (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 III 2014, Corporation has issued bonus shares to increase charter capital, new Charter capital is VND1,310,759,550,000. Corporation has recognized the change in Charter capital after receiving Revised License no 28/GPDC4/KDBH dated August 12th 2014 from the Ministry of Finance.

	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							314,273,035,904	314,273,035,904
Profit distribution to funds				6,285,460,718	-	15,713,651,795	(30,020,933,777)	(8,021,821,264)
Dividends declared (*)							(100,827,658,000)	(100,827,658,000)
Increase in Charter capital (**)	302,482,790,000	(201,655,313,333)					(100,827,476,667)	-
Other decrease							(9,935,750)	(9,935,750)
As at 30/09/2014	1,310,759,370,000	566,368,537,309	-	36,328,364,111	150,214,516,960	90,820,910,276	400,717,881,671	2,555,209,580,327

(*) According to Resolution No 09/2014/NQ-DHDCD dated 24th April 2014 of VINARE, the Board of Management declared the second dividend payment at the rate of 10%.

(**) Increase Charter capital according to Resolution No 09/2014/NQ-DHDCD dated 24th April 2014 of AGM and Revised license No 28/GPĐC4/KDBH dated August 12th 2014 of the Ministry of Finance.

10. Income and business results:

a/ Income statements (including pilot agriculture insurance)

NO	Criteria	Quarter 3/2014 (VND)	Quarter 3/2013 (VND)
1	Premium from reinsurance inward	329,790,365,231	176,620,735,607
2	Income from real estate investments		0
3	Net income from financial activities	109,865,449,242	50,376,310,455
4	Other incomes	4,163,035,760	3,886,761,717
5	Total expenses for insurance activities	294,729,007,590	141,341,060,255
6	Capital value of real estate investments		0
7	Expenses for financial activities	(9,909,801,434)	(1,812,990,054)
8	Administration expenses	11,023,913,805	17,728,577,464
9	Other expenses	1,586,783,961	1,462,028,065
10	Profit (Loss) from pilot agriculture insurance activities	1,947,284,082	(5,020,946,592)
11	Accounting profit before tax (11=1+2+3+4-5-6-7-8-9+10)	148,336,230,393	67,144,185,457
12	Corporate income tax payable	19,347,401,789	15,403,812,899
13	Deferred corporate income tax	1,196,355	(18,246,059)
14	Net profit after corporate income tax(14=11-12-13)	128,987,632,249	51,758,618,617

b/ Income statements (excluding pilot agriculture insurance)

NO	Criteria	Quarter 3/2014 (VND)	Quarter 3/2013 (VND)
1	Income from reinsurance business	329,790,365,231	176,620,735,607
2	Income from real estate investments		0
3	Net income from financial activities	109,865,449,242	50,376,310,455
4	Other incomes	4,163,035,760	3,886,761,717
5	Total expenses for insurance activities	294,729,007,590	141,341,060,255
6	Capital value of real estate investments		0
7	Expenses for financial activities	(9,909,801,434)	(1,812,990,054)
8	Administration expenses	11,023,913,805	17,728,577,464
9	Other expenses	1,586,783,961	1,462,028,065
10	Accounting profit before tax (10=1+2+3+4-5-6-7-8-9)	146,388,946,311	72,165,132,049

c/ Results of Pilot agriculture insurance

1	Income from pilot agriculture insurance	59,311,898,938	22,822,280,783
2	Deductions	42,500,357,673	15,544,903,326
3	Net income from pilot agriculture insurance activities (3=1-2)	16,811,541,265	7,277,377,457
4	Direct expenses for pilot agriculture insurance	13,244,819,489	11,695,835,820
5	Gross profit from pilot agriculture insurance (5= 3-4)	3,566,721,776	(4,418,458,363)
6	Administration expenses	1,619,437,694	602,488,229
7	Net profit from pilot agriculture insurance (7=5-6)	1,947,284,082	(5,020,946,592)

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 (30/09/2013)	Adjustment/reclassific ation	After adjustment/reclassificat ion
1. Gross written premium	1,127,564,029,143	(16,874,424,947)	1,110,689,604,196
2. Increase(decrease) in unearned premium reserve	(50,852,858,180)		-
- For inward reinsurance		(42,133,858,910)	(42,133,858,910)
- For outward reinsurance		8,718,999,270	8,718,999,270
3. Increase (decrease) in claim reserve	(43,798,660,319)		
- For inward reinsurance		(171,286,330,740)	(171,286,330,740)
- For outward reinsurance		(127,487,670,421)	(127,487,670,421)

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**

November 12th 2014
Chief Executive Officer

Nguyen Thanh Cong**Luu Thi Viet Hoa****Pham Cong Tu**

BH - BALANCE SHEET- Q.3/2014

As at 30 September 2014

Unit: VND

Items	Codes	Notes	30/9/2014	01/01/2014 (Restated)
ASSETS				
A- CURRENT ASSETS (100=110+120+130+140+150+190)	100		5,335,049,171,644	5,169,329,279,094
I. Cash and cash equivalents	110	III.5	388,677,179,563	762,217,314,509
1. Cash	111		75,884,679,563	40,823,508,089
2. Cash equivalents	112		312,792,500,000	721,393,806,420
II. Short-term financial investments	120	III.6	1,507,916,554,942	1,150,838,232,563
1. Short-term investments	121		1,512,104,254,068	1,158,235,102,189
2. Provision for impairment of short-term investments	129		(4,187,699,126)	(7,396,869,626)
III. Short-term receivables	130		1,325,085,974,219	1,461,283,953,112
1. Trade accounts receivable	131		1,358,168,506,873	1,502,964,176,953
1.1. Receivables of insurance contracts	131.1		1,268,063,053,139	1,409,889,659,094
1.2. Other trade accounts receivables	131.2		90,105,453,734	93,074,517,859
5. Provision for short-term doubtful debts	139		(33,082,532,654)	(41,680,223,841)
IV. Inventories	140		82,296,408	54,311,517
1. Inventories	141		82,296,408	54,311,517
V. Other current assets	150		111,307,085,509	458,986,344
1. Advances	151		110,504,440,470	123,200,000
1.1. Unallocated commission expenses	151.1		110,495,620,470	
1.2. Other short-term prepaid expenses	151.2		8,820,000	123,200,000
2. Value added tax deductibles	152		465,938,364	55,875,269
5. Other short-term assets	158		336,706,675	279,911,075
VI. Reinsurance assets	190	III.8b	2,001,980,081,003	1,794,476,481,049
1. Unearned premium reserve for outward reinsurance	191		520,449,516,641	501,851,785,635
2. Claim reserve for outward reinsurance	192		1,481,530,564,362	1,292,624,695,414
B. NON-CURRENT ASSETS (200=210+220+240+250+260)	200		1,136,618,433,554	1,079,103,222,694
I. Long-term receivables	210		22,000,000,000	6,000,000,000
4. Other long-term receivables	218		22,000,000,000	6,000,000,000
4.1. Insurance deposit	218.1		22,000,000,000	6,000,000,000
II. Fixed assets	220		34,196,127,532	36,701,081,030
1. Tangible fixed assets	221		11,301,037,548	11,779,382,009
- Cost	222		25,904,953,826	24,737,860,826
- Accumulated depreciation	223		(14,603,916,278)	(12,958,478,817)
3. Intangible assets	227		17,634,722,760	21,097,411,428
- Cost	228		24,601,202,609	24,373,602,609
- Accumulated amortisation	229		(6,966,479,849)	(3,276,191,181)
4. Construction in progress	230		5,260,367,224	3,824,287,593
III. Investment property	240		15,589,326,742	16,652,235,383
- Cost	241		34,055,061,893	34,055,061,893
- Accumulated depreciation	242		(18,465,735,151)	(17,402,826,510)
IV. Long-term financial investments	250	III.7	1,061,718,849,328	1,013,453,381,740
1. Long-term investments in associates	251		60,000,000,000	60,000,000,000
2. Long-term investments in joint venture	252		125,000,000,000	250,046,999,999
3. Other long-term investments	258		943,125,524,891	794,956,150,958
4. Provision for impairment of long-term investments	259		(66,406,675,563)	(91,549,769,217)
V. Other non-current assets	260		3,114,129,952	6,296,524,541
1. Long-term prepaid expenses	261		2,883,110,592	6,022,177,067
2. Deferred tax assets	262		231,019,360	274,347,474
TOTAL ASSETS (270=100+200)	270		6,471,667,605,198	6,248,432,501,788

RESOURCES			Số cuối quý	Số đầu năm (Trình bày lại)
A. LIABILITIES (300=310+330)	300		3,916,458,024,871	3,898,636,542,351
I. Current liabilities	310		3,912,009,195,921	3,893,986,965,812
2. Trade accounts payable	312		1,007,543,228,712	1,259,495,964,550
2.1. Payables of insurance contracts	312.1		942,700,379,160	1,226,428,057,169

2.2. Other trade accounts payable	312.2		64,842,849,552	33,067,907,381
3. Advances from customers	313		51,563,285	206,429,422
4. Taxes and amounts payable to the State budget	314		13,184,797,805	12,281,315,224
5. Payables to employees	315		10,831,097,443	14,121,963,845
6. Accrual expenses	316		12,615,830,204	12,615,830,204
8. Other current payables	319		8,022,737,775	102,628,399,222
9. Unearned commission income	319.1		72,982,824,769	
11. Bonus and welfare funds	323		11,831,373,073	8,868,305,103
13. Underwriting reserves	329	III.8a	2,774,945,742,855	2,483,768,758,242
13.1. Unearned premium reserves for inward reinsurance	329.1		758,457,212,658	720,043,792,910
13.2. Claim reserves for inward reinsurance	329.2		1,868,178,254,455	1,631,000,265,956
13.3. Catastrophe reserve	329.3		148,310,275,742	132,724,699,376
II. Long-term liabilities	330		4,448,828,950	4,649,576,539
3. Other long-term payables	333		3,398,740,950	3,552,186,642
6. Provision for severance allowance	336		1,050,088,000	1,097,389,897
B.EQUITY (400=400)	400	III.9	2,555,209,580,327	2,349,795,959,437
Owners' equity	410		2,555,209,580,327	2,349,795,959,437
1. Owners' contributed capital	411		1,310,759,370,000	1,008,276,580,000
2. Share premium	412		566,368,537,309	768,023,850,642
7. Investment and development fund	417		36,328,364,111	30,042,903,393
8. Financial reserve fund	418		150,214,516,960	150,214,516,960
9. Compulsory reserve fund	419		90,820,910,276	75,107,258,481
11. Retained earnings	421		400,717,881,671	318,130,849,961
TOTAL RESOURCES (440=300+400)	440		6,471,667,605,198	6,248,432,501,788

Hanoi, 12 November 2014

PREPARER

CHIEF ACCOUNTANT

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 3/2014

BH - INCOME STATEMENT

Unit: VND

Item	Codes	Notes	Quarter 3		From the beginning of the year to the end of this period	
			2014	2013 (Restated)	2014	2013 (Restated)
1. Insurance premium (01=01.1+01.2-01.3)	01		392,224,804,226	373,524,266,699	1,129,228,603,642	1,152,823,463,106
In which:						
- Inward reinsurance premium	01.2		408,014,876,277	352,802,073,327	1,175,422,746,977	1,110,689,604,196
- Increase/ (decrease) in unearned premium reserve for inward reinsurance	01.3		15,790,072,051	(20,722,193,372)	46,194,143,335	(42,133,858,910)
2. Outward reinsurance premium (02=02.1-02.2)	02		228,554,099,313	244,892,555,368	713,144,620,619	721,183,530,718
In which:						
- Outward reinsurance premium	02.1		226,867,605,880	252,116,726,587	738,188,052,622	729,902,529,988
- Increase/ (decrease) in unearned premium reserve for outward reinsurance	02.2		(1,686,493,433)	7,224,171,219	25,043,432,003	8,718,999,270
3. Net insurance premium (03=01-02)	03		163,670,704,913	128,631,711,331	416,083,983,023	431,639,932,388
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		166,119,660,318	47,989,024,276	414,255,558,892	159,726,816,529
In which:						
- Commission income from outward reinsurance	04.1		25,300,458,513	43,883,647,215	77,266,237,620	139,735,564,878
- Other income from insurance activities	04.2		140,819,201,805	4,105,377,061	336,989,321,272	19,991,251,651
5. Net revenue from insurance activities (10=03+04)	10		329,790,365,231	176,620,735,607	830,339,541,915	591,366,748,917
6. Claim settlement expenses (11=11.1-11.2)	11		205,451,507,084	406,020,559,713	867,737,766,873	864,953,743,205
- Total claim settlement expenses	11.1		205,451,507,084	406,020,559,713	867,737,766,873	864,953,743,205
7. Claim receipts from ceded policies	12		135,167,632,784	320,327,174,491	669,101,666,560	636,684,079,248
8. Increase/ (decrease) in claim reserve for primary insurance and inward reinsurance	13		378,678,732,540	(129,163,499,126)	333,590,750,483	(171,286,330,740)

9. Increase/ (decrease) in claim reserve for outward reinsurance	14		351,505,391,981	(127,487,670,421)	276,733,395,238	(127,487,670,421)
10. Total insurance claim settlement expenses (15=11-12+13-14)	15		97,457,214,859	69,821,994,987	255,493,455,558	184,471,003,638
11. Increase/ (decrease) in catastrophe reserve	16		5,434,418,111	3,020,560,400	13,117,040,830	11,423,612,226
12. Other expenses for insurance activities (17=17.1+17.2)	17		191,837,374,620	68,498,504,868	469,770,656,356	255,846,519,545
Inwhich:						
- Insurance commission expenses	17.1		49,718,478,411	63,545,967,394	134,417,090,098	234,912,471,742
- Other expenses for insurance activities	17.2		142,118,896,209	4,952,537,474	335,353,566,258	20,934,047,803
13. Total expenses for insurance activities (18=15+16+17)	18		294,729,007,590	141,341,060,255	738,381,152,744	451,741,135,409
14. Gross profit from insurance activities (19=10-18)	19		35,061,357,641	35,279,675,352	91,958,389,171	139,625,613,508
18. Financial income	23		109,865,449,242	50,376,310,455	311,732,553,255	179,244,432,516
19. Financial expenses	24		(9,909,801,434)	(1,812,990,054)	(14,488,705,296)	1,900,558,288
20. Gross profit from financial activities (25=23-24)	25		119,775,250,676	52,189,300,509	326,221,258,551	177,343,874,228
21. General and Administration expenses	26		11,023,913,805	17,728,577,464	42,875,796,354	51,886,584,489
22. Net profit from operating activities (30=19+22+25-26)	30		143,812,694,512	69,740,398,397	375,303,851,368	265,082,903,247
23. Other incomes	31		4,163,035,760	3,886,761,717	12,035,206,239	10,857,866,770
24. Other expenses	32		1,586,783,961	1,462,028,065	5,797,646,345	3,816,912,971
25. Other profits (40=31-32)	40		2,576,251,799	2,424,733,652	6,237,559,894	7,040,953,799
Profit/ (Loss) from pilot agriculture insurance	40.1		1,947,284,082	(5,020,946,592)	2,379,249,804	(22,465,105,798)
26. Accounting profit before tax (50=30+40+40.1)	50		148,336,230,393	67,144,185,457	383,920,661,066	249,658,751,248
27. Current corporate income tax expense	51		19,347,401,789	15,403,812,899	67,748,482,201	57,618,779,455
28. Deferred corporate tax expense/ (income)	52		1,196,355	(18,246,059)	43,328,114	(23,550,528)
29. Profit after corporate income tax (60=50-51-52)	60		128,987,632,249	51,758,618,617	316,128,850,751	192,063,522,321
30. Basic earnings per share	70					

Hanoi, 12 November 2014

PREPARER

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

CASHFLOW STATEMENT - Q3/2014
(Direct method)

ITEMS	Code s	Notes	From 01/01/2014 to 30/09/2014	From 01/01/2013 to 30/09/2013 (Restated)
I. CASH FLOW FROM OPERATING ACTIVITIES				
1. Receipts from insurance premium and commission	01		496,293,622,505	454,368,195,691
2. Payments for commission and other liabilities of insurance activities	02		(478,107,974,799)	(416,735,184,775)
3. Payments for employees	03		(33,917,223,642)	(25,629,585,457)
5. Payments for taxes and payables to the State Budget	05		(73,121,912,675)	(58,822,367,440)
6. Receipts from other activities	06		402,513,661	9,059,503,721
7. Payments for other liabilities	07		(505,619,491)	(6,749,220,925)
<i>Net cash (used in)/from operating activities</i>	20		(88,956,594,441)	(44,508,659,185)
II. CASH FLOWS FROM INVESTING ACTIVITIES				-
1. Acquisitions of fixed assets & other long-term assets	21		(2,136,538,040)	(7,043,702,189)
5. Payments for investment in other entities	25		(3,189,784,084,649)	(7,528,577,885,922)
6. Receipts from investment in other entities	26		2,631,696,696,834	7,483,595,068,048
7. Receipts from investment interests	27		477,443,875,696	147,531,566,076
<i>Net cash from/(used in) investing activities</i>	30		(82,780,050,159)	95,505,046,013
III. CASH FLOWS FROM FINANCING ACTIVITIES			-	-
6. Dividends paid to investors	36		(201,278,408,800)	(181,072,839,920)
<i>Net cash (used in) financing activities</i>	40		(201,278,408,800)	(181,072,839,920)
Net increase/(decrease) in cash (50 = 20+30+40)	50		(373,015,053,400)	(130,076,453,092)
1. Cash and cash equivalents at the beginning of the quarter	60		762,217,314,509	764,104,782,233
2. Effect of changes in foreign exchange rates	61		(525,081,546)	333,962,931
(70 = 50+60+61)	70		388,677,179,563	634,362,292,072

November 12th 2014

PREPARER

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER

Nguyen Nang Khoan

Luu Thi Viet Hoa

Pham Cong Tu