

**VIETNAM NATIONAL REINSURANCE JOINT STOCK
CORPORATION**

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED CONSOLIDATED
FINANCIAL STATEMENTS**

**For the period from 01 January 2013
to 30 June 2013**



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGES</u>
STATEMENT OF THE BOARD OF GENERAL DIRECTORS	2
REVIEW REPORT ON CONSOLIDATED FINANCIAL STATEMENT	3
CONSOLIDATED BALANCE SHEET	4 - 6
CONSOLIDATED INCOME STATEMENT	7
CONSOLIDATED CASH FLOW STATEMENT	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9 - 30

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the period from 01 January 2013 to 30 June 2013.

THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS

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

Board of Management

Mr. Trinh Quang Tuyen	Chairman
Mr. Tran Trong Phuc	Vice Chairman
Mr. Martyn Parker	Vice Chairman
Mr. Pham Cong Tu	Member
Mr. Le Song Lai	Member
Mr. Tran Vinh Duc	Member
Mr. Nguyen Anh Dung	Member (resigned on 25 April 2013)
Mr. Dao Nam Hai	Member (appointed on 25 April 2013)

Board of General Directors

Mr. Pham Cong Tu	General Director
Mr. Dang The Vinh	Deputy General Director
Mr. Thomas Kessler	Deputy General Director
Mr. Mai Xuan Dung	Deputy General Director (appointed on 27 March 2013)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Corporation is responsible for preparing the consolidated financial statements for the period from 01 January 2013 to 30 June 2013 which give a true and fair view of the consolidated financial position of the Corporation and of its consolidated results and consolidated cash flows for the period in accordance with accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of General Directors is required to:

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

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

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

For and on behalf of the Board of General Directors,


Pham Cong Tu
General Director

Hanoi, 14 August 2013

No.: 312 /VN1A-HN-BC

REVIEW REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders, the Boards of Management and General Directors of
Vietnam National Reinsurance Joint Stock Corporation

We have reviewed the accompanying consolidated balance sheet as at 30 June 2013, the related consolidated statements of income and cash flows for the period from 01 January 2013 to 30 June 2013 and the notes thereto (collectively referred to as the "consolidated financial statements") of Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") prepared on 14 August 2013 as set out from page 4 to page 30. The preparation of these consolidated financial statements is the responsibility of the Corporation's management. Our responsibility is to issue a review report on these consolidated financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 - Engagements to review financial statements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of the Corporation's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of, in all material respects, the financial position of the Corporation as at 30 June 2013, the results of its operations and its cash flows for the period from 01 January 2013 to 30 June 2013 in accordance with accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting.



Khúc Thị Lan Anh
Deputy General Director
Audit Practising Certificate No. 0036-2013-001-1

Hoang Van Kien
Auditor
Audit Practising Certificate No. 1130-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

14 August 2013
Hanoi, S.R. Vietnam

CONSOLIDATED BALANCE SHEET

As at 30 June 2013

FORM B 01-DNBH
Unit: VND

ASSETS	Codes	Notes	30/6/2013	31/12/2012
A. CURRENT ASSETS AND SHORT-TERM INVESTMENTS (100=110+120+130+140+150)	100		3,619,750,721,185	3,154,609,032,597
I. Cash and cash equivalents	110		713,346,521,822	771,395,912,978
1. Cash on hand	111		3,049,737,790	2,716,582,394
2. Cash in bank	112		41,666,935,305	21,628,642,166
3. Cash equivalents	114		668,629,848,727	747,050,688,418
II. Short-term financial investments	120	6	1,325,989,938,011	1,335,989,182,165
1. Short-term investments in securities	121		98,477,809,755	58,478,809,755
2. Other short-term investments	128		1,240,235,895,027	1,290,429,621,081
3. Provision for impairment of short-term investments	129		(12,723,766,771)	(12,919,248,671)
III. Short-term receivables	130		1,573,692,075,490	1,040,343,666,132
1. Trade accounts receivable	131	7	1,598,046,338,038	1,059,221,348,207
2. VAT deductibles	133		591,816,506	509,156,016
3. Provision for doubtful debts	139		(24,946,079,054)	(19,386,838,091)
IV. Inventories	140		123,347,910	62,956,710
1. Materials	142		123,347,910	62,956,710
V. Other short-term assets	150		6,598,837,952	6,817,314,612
1. Advances	151		398,837,952	317,314,612
2. Short-term prepayments	152		6,200,000,000	6,500,000,000
B. FIXED ASSETS, LONG-TERM INVESTMENTS (200=210+220+230+240)	200		1,054,730,617,462	1,057,581,058,079
I. Fixed assets	210		53,113,707,435	32,870,400,311
1. Tangible fixed assets	211	8	29,529,962,520	32,842,590,183
- Cost	212		58,434,859,800	61,217,178,606
- Accumulated depreciation	213		(28,904,897,280)	(28,374,588,423)
2. Intangible fixed assets	217	9	23,583,744,915	27,810,128
- Cost	218		24,415,317,809	41,715,200
- Accumulated amortisation	219		(831,572,894)	(13,905,072)
II. Long-term financial investments	220	10	987,947,970,861	990,352,072,183
1. Long-term investments in securities	221		552,000,270,000	602,000,270,000
2. Interest in joint ventures	222		362,835,190,152	315,553,657,604
3. Other long-term investments	228		164,610,715,568	164,610,715,568
4. Provision for impairment of long-term financial investments	229		(91,498,204,859)	(91,812,570,989)
III. Construction in progress	230		1,600,432,214	20,883,102,220
IV. Long-term collaterals and deposits	240		12,068,506,952	13,475,483,365
1. Insurance deposits	241		6,000,000,000	6,000,000,000
2. Long-term prepayments	242	11	5,826,866,479	7,239,147,361
3. Deferred tax assets	243		241,640,473	236,336,004
TOTAL ASSETS (250=100+200)	250		4,674,481,338,647	4,212,190,090,676

These notes set out on pages 9 to 30 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2013

FORM B 01-DNBH
Unit: VND

RESOURCES	Codes	Notes	30/6/2013	31/12/2012
A. LIABILITIES (300=310+320+330+340)	300		2,218,361,163,580	1,858,279,561,951
I. Current liabilities	310		1,440,033,548,738	1,041,446,633,209
1. Trade accounts payable	313	12	1,358,257,656,181	869,134,283,758
2. Advances from customers	314		875,819,297	659,532,743
3. Taxes and amounts payable to the State budget	315	13	22,235,937,419	12,229,464,472
4. Payables to employees	316		12,207,757,583	12,535,744,167
5. Other current payables	318	14	39,462,465,205	140,406,063,104
6. Bonus and welfare funds	319		6,993,913,053	6,481,544,965
II. Long-term liabilities	320		966,561,890	945,344,014
1. Provision for severance allowance			966,561,890	945,344,014
III. Under-writing reserves	330	15	761,103,658,246	801,019,523,858
1. Premium reserve	331		263,737,379,587	284,757,322,454
2. Claim reserve	333		371,621,167,296	399,713,561,043
3. Catastrophe reserve	334		125,745,111,363	116,548,640,361
IV. Other liabilities	340		16,257,394,706	14,868,060,870
1. Accrued expenses (Provision for withholding tax payable)	341	23	12,615,830,204	12,615,830,204
2. Long-term deposits received	343		3,641,564,502	2,252,230,666
B. EQUITY (400=410)	400	16	2,422,317,235,566	2,319,702,717,093
I. Resources and funds	410		2,422,317,235,566	2,319,702,717,093
1. Operating capital	411		1,008,276,580,000	1,008,276,580,000
2. Share premium			768,023,850,642	768,023,850,642
3. Investment and development fund	414		26,729,435,228	23,923,337,154
4. Financial reserve fund	415		133,909,416,890	119,878,926,520
5. Compulsory reserve fund	416		66,823,588,070	59,808,342,885
6. Retained earnings	418		418,554,364,736	339,791,679,892
<i>In which: Gain from foreign exchange difference revaluation at the period-end</i>			<i>38,199,212,173</i>	<i>41,407,267,279</i>
C. MINORITY INTERESTS	420		33,802,939,501	34,207,811,632
TOTAL RESOURCES (430=300+400+420)	430		4,674,481,338,647	4,212,190,090,676

These notes set out on pages 9 to 30 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2013

FORM B 01-DNBH

OFF-BALANCE SHEET ITEMS	Codes	Currency	30/6/2013	31/12/2012
1. Foreign currencies	08			
United States Dollar		USD	747,783.54	291,936.86
Australian Dollar		AUD	444.43	452.96
Japanese Yen		JPY	37,445.00	38,171.00
Singapore Dollar		SGD	1,873.73	1,884.77
Great Britain Pound		GBP	2,498,516.17	2,201,692.32
Euro		EUR	901,683.75	4,877,597.09
2. Existing depreciation fund	10	VND	36,463,891,861	35,115,915,182

Nguyen Thanh Cong
Preparer

Luu Thi Viet Hoa
Chief Accountant

Pham Cong Tu
General Director

Hanoi, 14 August 2013



CONSOLIDATED INCOME STATEMENT

For the period from 01 January 2013 to 30 June 2013

FORM B 02-DNBH

Unit: VND

ITEMS	Codes	Notes	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
1. Premium from reinsurance inward	02		767,071,322,774	806,842,626,162
2. Deductions (03=04+06)	03		486,969,595,306	498,348,583,050
Reinsurance outward premium	04		477,785,803,401	488,775,334,524
Returned premium	06		9,183,791,905	9,573,248,526
3. Increase/(Decrease) in unearned premium reserve	08	15	22,906,493,589	(25,382,893,878)
4. Commission from reinsurance outward	09		95,851,917,663	81,190,714,983
5. Other income from insurance activities (10=11+12)	10		15,885,874,590	26,749,348,225
Income from inward reinsurance	11		3,486,431,543	8,468,233,433
Income from outward reinsurance	12		12,399,443,047	18,281,114,792
6. Net revenue from insurance business (14=02-03+08+09+10)	14		414,746,013,310	391,051,212,442
7. Claims payment for inward reinsurance	16		458,933,183,492	454,988,185,433
8. Deductions (17=18)	17		316,356,904,757	314,062,973,986
Claims recovered from outward reinsurance	18		316,356,904,757	314,062,973,986
9. Net claim paid (21=16-17)	21		142,576,278,735	140,925,211,447
10. (Decrease)/Increase in claim reserve	23	15	(27,927,270,084)	22,714,600,165
11. Allocation to catastrophe reserve	24	15	8,403,051,826	9,254,821,293
12. Other expenses for insurance business (25=34+39)	25		187,348,014,677	184,247,140,066
- Other expenses for inward reinsurance (34=35+38)	34		187,880,695,304	181,256,253,906
+ Commission	35		171,366,504,348	163,348,625,787
+ Others	38		16,514,190,956	17,907,628,119
- Other expenses for outward reinsurance	39		(532,680,627)	2,990,886,160
13. Total direct expenses for insurance activities (41=21+23+24+25)	41		310,400,075,154	357,141,772,971
14. Gross profit from insurance activities (42=14-41)	42		104,345,938,156	33,909,439,471
15. Administration expenses	44		34,158,007,025	26,556,154,645
16. Net profit from insurance activities (45=42-44)	45		70,187,931,131	7,353,284,826
17. Revenue from financial activities	46	17	129,630,531,599	153,968,653,047
18. Expenses for financial activities	47		5,391,714,704	650,131,146
19. Profit from financial activities (51=46-47)	51		124,238,816,895	153,318,521,901
20. Other income	52		6,971,105,053	5,914,830,070
21. Other expenses	53		2,354,884,906	2,161,404,039
22. Profit from other activities (54=52-53)	54		4,616,220,147	3,753,426,031
23. (Loss) from pilot agricultural insurance	54.1	18	(17,444,159,206)	-
24. Share of net profits of joint ventures	54.2		47,281,532,548	25,965,949,875
25. Accounting profit before tax (55=45+51+54+54.1+54.2)	55		228,880,341,515	190,391,182,633
26. Adjustments to taxable profit	56		(60,020,475,292)	(44,903,582,769)
In which: + Non-taxable profit			(63,967,829,924)	(44,444,411,875)
+ Tax losses carried forward last year of Vinare Invest			-	(1,246,457,423)
+ Non-deductible expenses			3,947,354,632	787,286,529
27. Taxable profit (59=55+56)	59		168,859,866,223	145,487,599,864
28. Corporate income tax payable	60	19	42,214,966,556	36,371,899,966
29. Deferred corporate income tax	60.1		(5,304,469)	(13,578,936)
30. Net profit after corporate income tax (61=55-60-60.1)	61		186,670,679,428	154,005,703,731
Attributable to:				
Equity holders of the Corporation			187,075,551,559	153,555,543,600
Minority interests			(404,872,131)	450,160,131

Nguyen Thanh Cong
Preparer

Luu Thi Viet Hoa
Chief Accountant

Pham Cong Tu
General Director

Hanoi, 14 August 2013

These notes set out on pages 9 to 30 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT
(Direct method)

For the period from 01 January 2013 to 30 June 2013

FORM B 03-DNBH
Unit: VND

ITEMS	Codes	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
I. CASH FLOW FROM OPERATING ACTIVITIES			
1. Receipts from insurance premium and commission	01	157,222,051,943	147,089,634,794
2. Receipts from reduced cost of revenue	03	93,614,895,133	23,262,681,142
3. Receipts from other activities	04	5,010,926,557	5,138,791,697
4. Claims payments for insurance activities	05	(122,664,013,869)	(41,940,482,689)
5. Payments for commissions and other liabilities of insurance activities	06	(65,131,156,230)	(80,332,195,156)
6. Payments for suppliers	07	(6,909,918,747)	(3,176,467,236)
7. Payments for employees	08	(21,089,132,237)	(16,185,456,071)
8. Payments for taxes and payables to the State Budget	09	(36,998,717,090)	(37,665,222,688)
9. Payments for other liabilities	10	(2,774,906,400)	(7,637,158,960)
10. Advances for employees and suppliers	11	(609,177,179)	(659,082,737)
<i>Net cash (used in) operating activities</i>	20	<i>(329,148,119)</i>	<i>(12,104,957,904)</i>
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Receipts from investments on other entities	21	3,069,104,119,433	3,850,847,367,570
2. Receipts from investment interests	22	62,863,337,664	137,067,950,930
3. Payments for investment in other entities	25	(3,004,135,217,206)	(4,312,104,211,928)
4. Acquisitions of fixed assets and other long-term assets	26	(4,532,986,523)	(3,352,308,716)
<i>Net cash (used in)/from investing activities</i>	30	<i>123,299,253,368</i>	<i>(327,541,202,144)</i>
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Dividends paid to investors	36	(181,072,839,920)	(50,703,456,500)
<i>Net cash (used in) financing activities</i>	40	<i>(181,072,839,920)</i>	<i>(50,703,456,500)</i>
Net decrease in cash	50	(58,102,734,671)	(390,349,616,548)
Cash and cash equivalents at the beginning of the period	60	771,395,912,978	1,477,184,661,700
Effect of changes in foreign exchange rates	61	53,343,515	(203,292,077)
Cash and cash equivalents at the end of the period	70	713,346,521,822	1,086,631,753,075

Nguyen Thanh Cong
Preparer

Hanoi, 14 August 2013

Luu Thi Viet Hoa
Chief Accountant

Pham Cong Tu
General Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B09-DNBH

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

1. GENERAL INFORMATION

Structure of ownership

Vietnam National Reinsurance Joint Stock Corporation (the "Corporation") is incorporated under Establishment and Operation License No. 28/GP/KDBH dated 15 November 2004 issued by the Ministry of Finance and Amended License No. 28/GPDC3/KDBH dated 11 August 2011.

The number of employees as at 30 June 2013 was 89 (31 December 2012: 90).

Up to 30 June 2013, the Corporation owns one subsidiary, which is Vinare Investment Joint Stock Company and one joint-venture, which is Samsung-Vina Insurance Co., Ltd. The voting right of the Corporation at the subsidiary in line with its capital contribution ratio as stipulated in the subsidiary's Business Registration Certificate is 60%. The voting right of the Corporation at the joint-venture in line with its the contribution capital ratio as stipulated in the joint-venture's Business Registration Certificate is 50%.

Operating industry and principal activities

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

Financial period

The financial year of Corporation and its subsidiary begins on 01 January and ends on 31 December. These interim consolidated financial statements are prepared for the period from 01 January 2013 to 30 June 2013.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on management, usage and depreciation of fixed assets

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC ("Circular 45") guiding the regime of management, usage and depreciation of fixed assets. This Circular supersedes Circular No. 203/2009/TT-BTC ("Circular 203") dated 20 October 2009 of the Ministry of Finance guiding the regime of management, usage and depreciation of fixed assets. Circular 45 is effective from 10 June 2013 and is applied from financial year 2013 onwards. According to the Board of General Directors' assessment, Circular 45 does not have material effect on the Corporation's consolidated financial statements for the 6-month period ended 30 June 2013.

New guidance on provision for impairment of long-term investments into other entities

On 28 June 2013, the Ministry of Finance issued Circular No. 89/2013/TT-BTC ("Circular 89") amending and supplementing Circular No. 228/2009/TT-BTC ("Circular 228") dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, losses of financial investments, bad debts and warranty for products, goods and construction and installation works at enterprises. Circular 89 shall be effective starting from 26 July 2013. The Board of General Directors of the Corporation is considering the extent of impact of adopting Circular 89 on the Corporation's consolidated financial statements for future accounting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

4. NEW ACCOUNTING GUIDANCE IN ISSUE NOT YET ADOPTED

On 28 December 2012, the Ministry of Finance issued Circular No. 232/2012/TT-BTC ("Circular 232") providing accounting guidance applicable to non-life insurers, reinsurers and branches of foreign non-life insurers. Circular 232 regulates some compulsory accounts, accounting method, form of financial statements applicable to non-life insurers, health insurers, reinsurers and branches of foreign non-life insurers. Circular 232 is effective from 01 January 2014 and applied from the fiscal year 2014. The Board of General Directors is considering the extent of impact of the adoption on the Corporation's consolidated financial statements for future accounting periods.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) for the period from 01 January 2013 to 30 June 2013. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

All inter-company transactions and balances between the Corporation and its subsidiaries are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Corporation's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Corporation except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The interest of minority shareholders is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in joint ventures

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

Where a group entity undertakes its activities under joint venture arrangements directly, the Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Corporation's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Corporation reports its interests in Samsung-Vina Insurance Co., Ltd using the equity method of accounting.

Any goodwill arising on the acquisition of the Corporation's interest in a jointly controlled entity is accounted for in accordance with the Corporation's accounting policy for goodwill arising on the acquisition of a subsidiary.

Financial instruments

Initial recognition

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

Financial assets of the Corporation comprise cash, cash equivalents, trade receivables, and investments.

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

Financial liabilities of the Corporation comprise trade payables, other payables, deposits received and claim reserve.

Subsequent measurement after initial recognition

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

Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are over due for 09 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.

Owing to the nature of reinsurance business, liabilities are often settled on a quarterly or half-year basis. Therefore, the Corporation makes provision for doubtful debts on the basis different from regulations in Circular No. 228/2009/TT-BTC dated 07 December 2009 by the Ministry of Finance guiding the appropriation and use of provisions for the devaluation of inventories, impairment losses of financial investments, bad debts and warranty for products, goods, construction works at enterprises, as follows:

- No provision is made for accounts receivable over due for less than 09 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, the 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%.

The Corporation believes that aforesaid provision-making is in line with its business nature.

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>
Buildings, structures	25
Motor vehicles	6
Office equipment	4
Other fixed assets	4 - 5

Investments in securities

Investments in securities are recognised on a trade date basis 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 Circular No. 228/2009/TT-BTC dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, impairment losses of financial investments, bad debts and warranty for products, goods and construction works at enterprises and prevailing accounting regulations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction in progress

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

Long-term prepayments

Under Circular No. 203/2009/TT-BTC dated 20 October 2009, Circular No. 45/2013/TT-BTC dated 25 April 2013 and Circular No. 138/2012/TT-BTC dated 20 August 2012 issued by the Ministry of Finance guiding regime on management, use and calculation of depreciation of fixed assets for enterprises incorporated and operate in Vietnam, accordingly, if a wholly State - owned enterprise undergoes valuation by discounted cash flow method for equitization purposes, an increase in the actual value of the State capital portion compared to the book value, shall not be recognized as an intangible fixed asset and gradually allocated to business expenses during a period not exceeding 10 years. The time commencing allocation to expenses shall be the time when the enterprise officially converts to a shareholding company (as per its business registration certificate). Circular No. 203/2009/TT-BTC effective from 01 January 2010 was applied by the Corporation to allocate the remaining difference of VND 14,640,221,973 as at 31 December 2009, representing the increase due to re-valuation at the time of equitization, to long-term prepayments and allocated it evenly to expenses using the straight-line method over the duration of 5 years from 2010.

Other types of long-term prepayments comprise costs of tools, supplies and spare parts issued for consumption, which are expected to provide future economic benefits to the Corporation for one year or more. These expenditures have been capitalised as long-term prepayments, and are allocated to the consolidated income statement using the straight-line method for the period over which the expected future economic benefits flow to the Corporation.

Insurance deposits

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

Revenue recognition

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Corporation for more than 12 months as of 31 December 2008 with the allowance made for each year of service up to 31 December 2008 equaling to a half of an average monthly salary level for basis of social insurance. From 01 January 2009, the average monthly salary used for calculation of severance allowance shall be adjusted to be the average salary level for basis of social insurance of the 6 consecutive months nearest to the date of the consolidated financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the consolidated income statement.

Foreign currencies

- The Corporation applies an accounting exchange rate of VND to USD 20,800 in the period (in 2012 VND to USD 20,800) to transactions arising in foreign currencies during the period. Such transactions are initially translated into VND using the accounting exchange rate and then using actual rate applicable on the transaction date. Such exchange differences are recorded in the income statement.
- Liabilities and receivables relating to accounting for revenues and costs for the period denominated in USD at the balance sheet date are translated using the Vietcombank's buying exchange rate of VND to USD 21,130 (in previous years, using the State Bank's interbank average exchange rate).
- Liabilities and receivables relating to accounting for revenue and costs for the period denominated in currencies other than USD at the balance sheet are translated into USD at the accounting exchange rate and then using the Vietcombank's buying exchange rate of VND to USD 21,130. (in previous years, using the State Bank's interbank average exchange rate).
- With regard to monetary assets, receivables and liabilities denominated in foreign currencies that are not related to accounting for revenue and costs for the period, 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" and Circular No. 179/2012/TT-BTC dated 24 October 2012 providing guidance on recognition, measurement and treatment of foreign exchanges differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

Provisions

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

Enterprise funds

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

All profit are used to pay dividends for shareholders, allocate to compulsory reserve fund, investment and development fund, financial reserve fund, bonus and welfare funds and bonus fund for the management. The allocation ratio shall be decided by the Shareholders' at the general meeting as per the request of the Board of Management. However, according to the Corporation's Charter, the Board of Management may pay mid-year dividends if they are certain about the profit of the Corporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under-writing reserves

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

Premium reserve: This reserve is provided for at 25% of the premium retained for the period 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 period-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 period in accordance with Decree No. 46/2007/ND-CP dated 27 March 2007 issued by the Government.

On 28 September 2005, the Ministry of Finance issued Vietnamese Accounting Standard (VAS) No. 19 "Insurance Contract" and Decision No. 100/2005/QĐ-BTC (effective from 2006) attached thereto. Accordingly, at the reporting date, insurance enterprises are not allowed to make reserves provisions, including catastrophe reserve, for future claim compensation if claims do not incur on the balance sheet date. Currently, under Decree No. 46/2007/ND-CP dated 27 March 2007 issued by the Government, insurance enterprises are required to provide for catastrophe reserve. Since the Ministry of Finance has not yet issued any circular guiding the implementation of the aforesaid accounting standard, the fact that the Corporation still made provision for catastrophe reserve in the period should be more prudent than what is regulated in VAS 19. The effect of the standard on the Corporation's consolidated financial statements will be subject to the Ministry of Finance's subsequent guiding documents.

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 period. Taxable profit differs from net profit reported in the income statement because it excludes items of income or expense that are taxable or deductible in other period and it further excludes items that are never taxable or deductible.

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

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

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

The determination of the corporate income tax is based on the prevailing regulation on tax. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

6. SHORT-TERM FINANCIAL INVESTMENTS

	30/6/2013	31/12/2012
	VND	VND
Bank deposits under one year (*)	1,233,635,895,027	1,283,829,621,081
Short-term bonds (**)	79,692,914,384	39,692,914,384
Stocks (short-term)	18,784,895,371	18,785,895,371
Provision for impairment of short-term investments	(12,723,766,771)	(12,919,248,671)
Other short-term investments	6,600,000,000	6,600,000,000
	<u>1,325,989,938,011</u>	<u>1,335,989,182,165</u>

(*) Represent term deposits at domestic commercial banks which will fall due from over 3 months to 12 months with interest rate of 7% to 12% per annum for local currency and of 0.25% to 4.7% for foreign currency.

(**) Represent corporate bonds, with maturity less than one year and coupon rates in range from 9.2% to 15% per annum.

7. TRADE ACCOUNTS RECEIVABLE

	30/6/2013	31/12/2012
	VND	VND
Receivables from inward reinsurance	634,843,631,373	434,496,560,326
Receivables from outward reinsurance	744,715,013,763	471,830,292,388
Other receivables from reinsurance activities	88,453,117,610	85,903,343,537
Dividends and profits receivable	6,617,846,400	-
Accrued gains on investments and loans	119,531,434,883	63,670,453,958
Other receivables	3,885,294,009	3,320,697,998
	<u>1,598,046,338,038</u>	<u>1,059,221,348,207</u>

8. TANGIBLE FIXED ASSETS

	Buildings, structures	Motor vehicles	Office equipment	Other fixed assets	Total
	VND	VND	VND	VND	VND
COST					
As at 01/01/2013	49,226,058,930	3,977,377,071	7,749,385,353	264,357,252	61,217,178,606
Additions	-	-	34,078,000	-	34,078,000
Reclassify to tools	-	-	2,615,026,160	201,370,646	2,816,396,806
As at 30/6/2013	<u>49,226,058,930</u>	<u>3,977,377,071</u>	<u>5,168,437,193</u>	<u>62,986,606</u>	<u>58,434,859,800</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2013	23,713,403,104	1,995,748,050	2,401,080,017	264,357,252	28,374,588,423
Additions	1,012,293,944	210,097,750	633,111,170	-	1,855,502,864
Reclassify to tools	-	-	1,123,823,361	201,370,646	1,325,194,007
As at 30/6/2013	<u>24,725,697,048</u>	<u>2,205,845,800</u>	<u>1,910,367,826</u>	<u>62,986,606</u>	<u>28,904,897,280</u>
NET BOOK VALUE					
As at 30/6/2013	<u>24,500,361,882</u>	<u>1,771,531,271</u>	<u>3,258,069,367</u>	<u>-</u>	<u>29,529,962,520</u>
As at 31/12/2012	<u>25,512,655,826</u>	<u>1,981,629,021</u>	<u>5,348,305,336</u>	<u>-</u>	<u>32,842,590,183</u>

As at 30 June 2013, the total cost of tangible fixed assets includes VND 2,287,319,201 (31/12/2012: VND 3,106,169,462) of assets that have been fully depreciated but are still in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

9. INTANGIBLE ASSETS

The balance as at 30 June 2013 represents estimate cost and accumulated amortisation from 01 May to 2013 (the date that it was put into use) to 30 June 2013 of reinsurance software system.

10. LONG-TERM FINANCIAL INVESTMENTS

	30/6/2013	31/12/2012
	VND	VND
<i>Interests in joint ventures (a)</i>	362,835,190,152	315,553,657,604
<i>Long-term investments in securities</i>	552,000,270,000	602,000,270,000
Equity investments (b)	472,000,270,000	472,000,270,000
Bonds (c)	80,000,000,000	130,000,000,000
<i>Bank debentures issued by Vietnam Development Bank</i>	30,000,000,000	30,000,000,000
<i>Bonds issued by Song Da Group</i>	50,000,000,000	50,000,000,000
<i>Bonds issued by Electricity of Vietnam</i>	-	50,000,000,000
<i>Other long-term investments</i>	164,610,715,568	164,610,715,568
Investment from Welfare fund	821,206,063	821,206,063
Contrexim Complex Project	7,500,000,000	7,500,000,000
Paragon Tower Project	27,960,876,000	27,960,876,000
Tincom Plaza (360 Giai Phong road) Project	60,149,250,000	60,149,250,000
142 Dinh Cong Street Project	13,179,383,505	13,179,383,505
No.1 Groceries Company Project	5,000,000,000	5,000,000,000
Entrusted investment - Vietcombank Fund Management Company	50,000,000,000	50,000,000,000
<i>Provision for impairment of long-term investments (d)</i>	(91,498,204,859)	(91,812,570,989)
	<u>987,947,970,861</u>	<u>990,352,072,183</u>

(a) Interests in joint ventures

The Corporation contributes 50% of the joint venture's value and enjoys a part of profit from Samsung Vina Insurance Co., Ltd.

Details of Samsung Vina Insurance Co., Ltd. are as follows:

	30/6/2013	31/12/2012
	VND	VND
Total assets	1,282,295,982,889	1,054,500,174,216
Total liabilities	556,625,602,586	423,392,859,008
Net assets	725,670,380,303	631,107,315,208
The Corporation's share of the joint-venture's net assets	<u>362,835,190,152</u>	<u>315,553,657,604</u>
	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
	VND	VND
Revenue	567,825,014,200	467,210,081,093
Net profit	94,563,065,095	51,931,899,750
The Corporation's share of the joint-venture's net profit	<u>47,281,532,548</u>	<u>25,965,949,875</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

10. LONG-TERM FINANCIAL INVESTMENTS (Continued)

(b) Equity investments

	Portion of ownership interest	30/6/2013	31/12/2012
Equity investments in:		VND	VND
Petrolimex Joint Stock Insurance Company	8.76%	59,289,270,000	59,289,270,000
Post-Telecommunication Joint Stock Insurance Company	7.06%	38,416,000,000	38,416,000,000
Sai Gon - Ha Long Hotel	6.00%	6,000,000,000	6,000,000,000
Global Insurance Joint Stock Company	4.40%	17,600,000,000	17,600,000,000
Bao Tin Insurance Joint Stock Company	2.67%	8,000,000,000	8,000,000,000
Agriculture Bank Insurance Joint-Stock Corporation	8.42%	32,000,000,000	32,000,000,000
Dai Nam Securities Joint Stock Company	3.59%	2,695,000,000	2,695,000,000
Hung Vuong Insurance Company	10.00%	30,000,000,000	30,000,000,000
Tien Phong Commercial Joint Stock Bank	5.47%	278,000,000,000	278,000,000,000
		472,000,270,000	472,000,270,000

At the date of the consolidated financial statements, the Corporation evaluated the fair value of equity investments as at 30 June 2013 and made a provision for impairment of such investments using the latest financial statements of the investees. For those whose financial statements for the period from 01 January 2013 to 30 June 2013 have not been reviewed or finalized yet, the Corporation used financial statements for the latest reporting period and obtained more updated financial information of such entities so as to estimate impairment value (if any) to make provision. With obtainable information at the date of the consolidated financial statements, the Board of General Directors believes that using such information to determine the provision for impairment of the investments has no material effects on the Corporation's consolidated financial statements.

During the period, the Corporation received profit-sharing notifications from its investees, as follows:

	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
	VND	VND
Interest on investment in Petrolimex Joint Stock Insurance Company	7,484,793,600	8,108,526,400
Interest on investment in Post-Telecommunication Joint Stock Insurance Company	3,911,846,400	4,127,760,000
Interest on investment in Sai Gon - Ha Long Hotel	750,000,000	720,000,000
Interest on investment in Global Insurance Company	1,056,000,000	1,699,200,000
Interest on investment in Agriculture Bank Insurance Joint-Stock Corporation	3,200,000,000	3,200,000,000
Interest on investment in Hung Vuong Insurance Company	900,000,000	-
Interest on investment in BIDV Insurance Corporation	129,054,000	-
	17,431,694,000	17,855,486,400

Bonus shares received from such investees as at 30 June 2013 were as follows:

	Par value	Number of shares
Petrolimex Joint Stock Insurance Company	10,000	353,056
Tien Phong Commercial Joint Stock Bank	10,000	2,542,857
Post-Telecommunication Joint Stock Insurance Company	10,000	381,024
Joint Stock Commercial Bank for Foreign Trade of Vietnam	10,000	11,806
Ha Do Group Joint Stock Company	10,000	45,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

10. LONG-TERM FINANCIAL INVESTMENTS (Continued)

(c) Other bonds

Represent corporate bonds with above one to ten years to maturity and coupon rates in range from 9.2% to 16.63% per annum.

(d) Provision for impairment of long-term investments in securities:

Include an amount of VND 90,520,412,086, representing provision for diminution in value of investment in Tien Phong Commercial Joint Stock Bank in accordance with the guidance on provision making stipulated in Circular No. 228/2009/TT-BTC dated 07 December 2009 by the Ministry of Finance and on the basis of reviewed financial statements for the period from 01 January 2013 to 31 March 2013 of Tien Phong Commercial Joint Stock Bank.

11. LONG-TERM PREPAYMENTS

	30/6/2013	31/12/2012
	VND	VND
Added value after equitisation	4,392,066,590	5,856,088,788
Other long-term prepaid expenses	1,434,799,889	1,383,058,573
	<u>5,826,866,479</u>	<u>7,239,147,361</u>

12. TRADE ACCOUNTS PAYABLE

	30/6/2013	31/12/2012
	VND	VND
Payables to inward reinsurance activities	577,128,888,834	280,563,317,396
Payables to outward reinsurance activities	729,437,297,691	551,395,233,769
Payable due to payment not yet confirmed	36,530,614,406	19,190,004,569
Temporary Withholding Tax collection (2% of Overseas-insurance fee)	10,057,752,630	10,666,822,553
Other payable	5,103,102,620	7,318,905,471
	<u>1,358,257,656,181</u>	<u>869,134,283,758</u>

13. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	30/6/2013	31/12/2012
	VND	VND
VAT on domestic sales	332,302,964	230,864,066
Corporate income tax	21,402,809,297	9,959,923,205
Personal income tax	500,825,158	2,038,677,201
	<u>22,235,937,419</u>	<u>12,229,464,472</u>

14. OTHER CURRENT PAYABLES

	30/6/2013	31/12/2012
	VND	VND
Trade union	1,517,250,740	1,410,112,839
Social insurance	467,270,004	511,188,854
Health insurance	4,168,410	11,549,246
Unemployment insurance	(15,416,321)	7,181,793
Dividends payable	-	100,864,338,000
Other payables	37,489,192,372	37,601,692,372
- Nicotex Investment and Business Property JSC. (capital contribution to Paragon Tower Project)	4,677,324,000	4,677,324,000
- Mr. Pham Thanh Binh (capital contribution to Paragon Tower Project)	2,662,600,000	2,662,600,000
- Anh Cuong Co., Ltd. (capital contribution to 360 road Giai Phong Project)	23,584,062,645	23,584,062,645
- Global Insurance JSC. (capital contribution to 360 Giai Phong road Project)	6,242,842,920	6,242,842,920
- Other payables	322,362,807	434,862,807
	<u>39,462,465,205</u>	<u>140,406,063,104</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

15. UNDER-WRITING RESERVES

	31/12/2012	Increase	Reversed reserves	30/6/2013
	VND	VND	VND	VND
I. Normal activities				
Premium reserve	280,596,232,141	-	22,906,493,589	257,689,738,552
Claim reserve	381,420,468,403	-	27,927,270,084	353,493,198,319
Catastrophe reserve	115,716,422,298	8,403,051,826	-	124,119,474,124
II. Pilot agricultural insurance activities				
Premium reserve	4,161,090,313	1,886,550,722	-	6,047,641,035
Claim reserve	18,293,092,640	-	165,123,663	18,127,968,977
Catastrophe reserve	832,218,063	793,419,176	-	1,625,637,239
	801,019,523,858	11,083,021,724	50,998,887,336	761,103,658,246

Reserves are reversed when the reserve amount required in the period is less than the balance provided in accordance with prevailing regulations.

16. EQUITY

Operating capital

As at 30 June 2013, the total actual capital contributed by shareholders and share premium were as follows:

	Contributed capital as at			
	30/6/2013	Portion	31/12/2012	Portion
	VND		VND	
Operating capital	1,008,276,580,000	100%	1,008,276,580,000	100%
State Capital Investment Corporation	406,969,500,000	40.36%	406,969,500,000	40.36%
Swiss Re	252,069,150,000	25.00%	252,069,150,000	25.00%
Other shareholders	349,237,930,000	34.64%	349,237,930,000	34.64%
Share premium	768,023,850,642		768,023,850,642	
	1,776,300,430,642		1,776,300,430,642	

Shares

	30/6/2013	31/12/2012
Number of shares registered to issue	100,827,658	100,827,658
Number of shares issued to public	100,827,658	100,827,658
Common shares	100,827,658	100,827,658
Number of outstanding shares in circulation	100,827,658	100,827,658
Common shares	100,827,658	100,827,658

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

VIETNAM NATIONAL REINSURANCE JOINT STOCK CORPORATION

No. 141, Le Duan, Hanoi, S.R. Vietnam

Consolidated financial statements
For the period from 01 January 2013 to 30 June 2013

FORM B09-DNBH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

16. EQUITY (Continued)

	Operating capital	Share premium	Foreign exchange reserve	Investment and development fund	Financial reserve fund	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
As at 01/01/2012	1,008,276,580,000	768,023,850,642	32,370,699,318	19,232,357,227	96,424,026,884	48,080,893,067	280,376,835,781	2,252,785,242,919
Profit for the year	-	-	-	-	-	-	255,775,621,379	255,775,621,379
Profit distribution to funds	-	-	-	4,690,979,927	23,454,899,636	11,727,449,818	(45,119,290,268)	(5,245,960,887)
Dividends declared	-	-	-	-	-	-	(151,241,487,000)	(151,241,487,000)
Other increase/(decrease)	-	-	(32,370,699,318)	-	-	-	-	(32,370,699,318)
As at 01/01/2013	1,008,276,580,000	768,023,850,642	-	23,923,337,154	119,878,926,520	59,808,342,885	339,791,679,892	2,319,702,717,093
Profit for the period	-	-	-	-	-	-	187,075,551,559	187,075,551,559
Profit distribution to funds (*)	-	-	-	2,806,098,074	14,030,490,370	7,015,245,185	(27,650,740,315)	(3,798,906,686)
Dividends declared (*)	-	-	-	-	-	-	(80,662,126,400)	(80,662,126,400)
As at 31/12/2013	1,008,276,580,000	768,023,850,642	-	26,729,435,228	133,909,416,890	66,823,588,070	418,554,364,736	2,422,317,235,566

(*) According to Resolution No. 06/2013/NQ-DHDCD dated 25 April 2013 passed at the Shareholders' Annual General Meeting of Vietnam National Reinsurance Joint Stock Corporation, the Board of Management declared the second dividend payment for 2012 at 8% of the retained earnings, which is equivalent to VND 80,662,126,400 and made interim profit distribution for the first 6 months profit of 2013 to the funds with the amount of VND 27,650,740,315. The final decision on the 2013 profit distribution will be passed at the forth-coming general meeting of shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

17. REVENUE FROM FINANCIAL ACTIVITIES

	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
	VND	VND
Interest on time deposits	99,509,635,579	110,509,295,950
Dividends and profits received	17,670,297,563	18,572,988,100
Interest on foreign exchange differences	2,836,715,977	6,541,636,013
Interest on bonds, commercial bills	8,073,641,216	14,813,302,740
Interest on entrusted investments	1,012,768,301	-
Interest on securities trading	-	2,156,487,125
Interest on demand deposits	234,432,963	79,038,785
Other financial income	293,040,000	1,295,904,334
	129,630,531,599	153,968,653,047

18. PILOT PROVISION OF AGRICULTURAL INSURANCE

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

On 17 August 2011, the Ministry of Finance issued Circular No. 121/2011/TT-BTC providing guidance on several clauses of Decision No. 315/QĐ-TTg dated 01 March 2011 by the Prime Minister. Accordingly, insurance enterprises and the Corporation shall provide agricultural insurance activities in pilot for non-profit purposes. Insurance enterprises have responsibilities to account for revenue and costs incurred from pilot agricultural insurance activities separately from other activities and any existing agricultural insurance activities. Until 31 December 2013, if the Corporation makes a loss from pilot agricultural insurance which exceeds 10% of equity from pilot agricultural insurance activities, the Ministry of Finance will issue guidance scheme under the authority or report to the Prime Minister for consideration and supports.

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

From 2012, the Corporation started undertaking pilot agricultural insurance activities. The Corporation's income statement for the period from 01 January 2013 to 30 June 2013 only presented net loss of VND 17,444,159,206 in 2012 from the pilot agricultural insurance activities. Accumulated loss as at 30 June 2013 of the pilot agricultural insurance activities is VND 37,144,77,633. The Board of General Directors believes that such presentation is in line with the provisions of the above decisions and circulars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

19. CORPORATE INCOME TAX

	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
	VND	VND
Profit before tax	228,880,341,515	190,391,182,633
Adjustments for taxable income		
Less: Non-taxable income	(64,883,586,748)	(44,444,411,875)
Add: Non-deductible expenses	3,947,354,632	787,286,529
Add: Loss of Vinare Invest	915,756,824	(1,246,457,423)
Assessable income	168,859,866,223	145,487,599,864
Normal tax rate	25%	25%
Income tax payable for the current period	42,214,966,556	36,371,899,966
Deferred tax	(5,304,469)	13,578,936

20. BASIC EARNINGS PER SHARE

	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
Accounting profit after corporate income tax (VND)	186,670,679,428	154,005,703,731
Less (loss)/profit after corporate income tax distributable to minority shareholders (VND)	(404,872,131)	450,160,131
Earnings after corporate income tax distributable to ordinary shareholders (VND)	187,075,551,559	153,555,543,600
Weighted average number of ordinary shares in circulation in the period (share)	100,827,658	100,827,658
Basic earnings per share (VND)	1,855	1,523

21. FINANCIAL INSTRUMENTS

Capital risk management

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

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

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B09-DNBH**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

21. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments

	Carrying amounts	
	30/6/2013	31/12/2012
	VND	VND
Financial assets		
Cash and cash equivalents	713,346,521,822	771,395,912,978
Trade receivables	1,573,100,258,984	1,039,834,510,116
Short-term investments	1,325,989,938,011	1,335,989,182,165
Long-term investments	625,112,780,709	674,798,414,579
Total	4,237,549,499,526	3,822,018,019,838
Financial liabilities		
Trade and other payables	1,385,689,095,923	996,933,491,577
Claim reserve	371,621,167,296	399,713,561,043
Long-term deposits received	3,641,564,502	2,252,230,666
Total	1,760,951,827,721	1,398,899,283,286

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

Financial risk management objectives

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

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

Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and prices. The Corporation does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

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

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

	Assets		Liabilities	
	30/6/2013	31/12/2012	30/6/2013	31/12/2012
	VND	VND	VND	VND
United States Dollar (USD)	768,985,416,119	517,660,748,145	735,981,930,726	504,600,368,278
Euro (EUR)	24,697,388,418	133,504,709,950	-	-
Great Britain Pound (GBP)	80,128,762,771	73,688,440,258	-	-
Singapore Dollar (SGD)	31,103,656	31,845,074	-	-
Australian Dollar (AUD)	8,633,444	9,747,600	-	-
Japanese Yen (JPY)	7,961,181	9,199,211	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

21. FINANCIAL INSTRUMENTS (Continued)

Foreign currency sensitivity analysis

The Corporation is mainly exposed to United States Dollar, Euro and Great Britain Pound.

The following table details the Corporation's sensitivity to a 10% increase and decrease in Vietnam Dong against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. For a 10% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the period would increase/decrease by the respective amounts as follows:

	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
	VND	VND
United States Dollar (USD)	3,300,348,539	1,306,037,987
Euro (EUR)	2,469,738,842	13,350,470,995
Great Britain Pound (GBP)	8,012,876,277	7,368,844,026

Share price risk management

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

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Corporation business operation is reinsurance; accordingly, the Corporation's credit risk mainly focuses on clients operating in direct insurance. The Corporation does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers operating in insurance industry, spread across geographical areas.

Liquidity risk management

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

21. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

	Less than 1 year	From 1 - 5 years	Over 5 years	Total
	VND	VND	VND	VND
30/6/2013				
Cash and cash equivalents	713,346,521,822	-	-	713,346,521,822
Trade receivables	1,573,100,258,984	-	-	1,573,100,258,984
Short-term investments	1,325,989,938,011	-	-	1,325,989,938,011
Long-term investments	-	130,821,206,063	494,291,574,646	625,112,780,709
Total	3,612,436,718,817	130,821,206,063	494,291,574,646	4,237,549,499,526
30/6/2013				
Trade and other payables	1,385,689,095,923	-	-	1,385,689,095,923
Claim reserve	371,621,167,296	-	-	371,621,167,296
Long-term deposits received	-	3,641,564,502	-	3,641,564,502
Total	1,757,310,263,219	3,641,564,502	-	1,760,951,827,721
Net liquidity gap	1,855,126,455,598	127,179,641,561	494,291,574,646	2,476,597,671,805
	Less than 1 year	From 1 - 5 years	Over 5 years	Total
	VND	VND	VND	VND
31/12/2012				
Cash and cash equivalents	771,395,912,978	-	-	771,395,912,978
Trade receivables	1,039,834,510,116	-	-	1,039,834,510,116
Short-term investments	1,335,989,182,165	-	-	1,335,989,182,165
Long-term investments	-	180,821,206,063	493,977,208,516	674,798,414,579
Total	3,147,219,605,259	180,821,206,063	493,977,208,516	3,822,018,019,838
31/12/2012				
Trade and other payables	996,933,491,577	-	-	996,933,491,577
Claim reserve	399,713,561,043	-	-	399,713,561,043
Long-term deposits received	-	2,252,230,666	-	2,252,230,666
Total	1,396,647,052,620	2,252,230,666	-	1,398,899,283,286
Net liquidity gap	1,750,572,552,639	178,568,975,397	493,977,208,516	2,423,118,736,552

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

22. RELATED PARTY TRANSACTIONS AND BALANCES

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

	From 01/01/2013 to 30/6/2013 VND	From 01/01/2012 to 30/6/2012 VND
<u>Swiss Re Group</u>		
Reinsurance outward premium	83,355,521,376	43,379,802,181
Reinsurance outward commission	23,911,236,612	8,777,872,894
Receipt from reinsurance outward claim	20,652,944,501	39,370,733,013
Dividends paid	45,372,447,000	12,603,457,500
<u>Bao Minh Insurance Joint-Stock Corporation</u>		
Reinsurance outward premium	38,571,123,613	29,428,514,195
Reinsurance outward commission	8,601,387,453	4,490,222,995
Receipt from reinsurance outward claim	25,107,279,275	17,143,723,325
Reinsurance inward premium	52,500,971,136	41,194,206,939
Reinsurance inward commission	11,554,359,370	2,354,323,615
Claim settlements of reinsurance inward	43,026,806,407	58,246,180,984
<u>Samsung-Vina Insurance Co., Ltd</u>		
Reinsurance outward premium	7,085,277,606	12,728,428,968
Reinsurance outward commission	1,618,178,583	3,548,240,549
Receipt from reinsurance outward claim	6,839,769,546	12,679,075,765
Reinsurance inward premium	178,099,885,107	143,661,500,466
Reinsurance inward commission	48,614,845,862	33,526,716,218
Claim settlements of reinsurance inward	61,946,710,834	34,224,500,676
<u>State Capital Investment Corporation</u>		
Dividends paid	73,254,510,000	20,348,475,000
<u>The Board of General Directors</u>		
Directors for the period	2,672,122,666	1,544,806,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B09-DNBH
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

22. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

	30/6/2013	31/12/2012
	VND	VND
<u>Swiss Re Group</u>		
Receivables from reinsurance outward activities	164,829,667,271	26,700,452,856
Payables for reinsurance outward activities	112,305,861,420	59,526,567,010
Dividends payable for 2012	-	10,174,237,702
<u>Bao Minh Insurance Joint-Stock Corporation</u>		
Receivables from reinsurance inward activities	41,510,015,016	20,407,817,273
Receivables from reinsurance outward activities	34,575,885,712	20,687,434,782
Payables for reinsurance inward activities	57,955,862,755	20,944,221,934
Payables for reinsurance outward activities	33,885,918,962	20,321,135,896
<u>Samsung-Vina Insurance Co., Ltd</u>		
Receivables from reinsurance inward activities	76,154,368,388	49,998,162,345
Receivables from reinsurance outward activities	11,686,263,574	7,573,424,726
Payables for reinsurance inward activities	42,930,509,764	26,756,344,395
Payables for reinsurance outward activities	5,599,296,658	6,810,246,857
<u>State Capital Investment Corporation</u>		
Dividends paid	-	40,696,950,000

23. CONTINGENT LIABILITIES

According to Official Letter No. 15861/BTC-TCT dated 26 December 2008 of the Ministry of Finance and General Department of Taxation regarding tax policies on overseas outward reinsurance premium, where insurance enterprises in Vietnam make overseas outward reinsurance transactions relating to insurance services for organizations and individuals in Vietnam, reinsurers overseas are subject to withholding tax (corporate income tax) at a rate of 2% out of overseas outward reinsurance premium as stipulated in Circular No. 05/2005/TT-BTC dated 01 November 2005 issued by the Ministry of Finance.

However, under Official Letter No. 8667/BTC-TCT dated 06 July 2010, reinsurance contracts signed with foreign resident or territory who signed agreement on avoidance of double taxation with Vietnam insurers will be exempted from withholding tax incurred during the years from 2005 to 2008 and during validity period of the Agreement.

Currently, the Corporation has completed the application for withholding tax exemption under the Guidance of Official Letter No. 8667/BTC-TCT as mentioned above. Withholding tax of VND 365,643,862 payable for period 2005-2008 was recognised in business expenses in 2010. The determination of tax payable in 2008 and before of the Corporation (if any) will be based on the final decision of the Ministry of Finance and the General Department of Taxation.

On 20 September 2012, the inspectors of the Ministry of Finance examined declaration and payment relating to withholding tax at the Corporation for the period from 2009 to 2011 and made conclusion of withholding tax arising on reinsurers resided in countries or territories who signed a double taxation avoidance agreement with Vietnam at VND 24,442,754,232. However, due to problems in the declaration, exemption from withholding tax from 2009 to 2011, the inspectors have not given specific instructions for these taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B09-DNBH**
(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements)

23. CONTINGENT LIABILITIES (Continued)

To withholding tax on costs incurred from retrocession fee in 2009 and 2010, the Corporation has just recorded a temporary provision of the tax payable by foreign contractors of VND 12,615,830,204. To withholding tax on costs incurred from retrocession fee in 2011, the Corporation withheld the withholding tax on remittance of retrocession fee. The withheld amount is presented as part of "Trade accounts payable" as most of foreign contractors have permanent residence with income incurred in countries that have signed agreements on avoidance of double taxation with Vietnam. These contractors are preparing procedures to be exempted from withholding tax under the provisions of Circular No. 60/2007/TT-BTC dated 14 June 2007 of the Ministry of Finance guiding the implementation of some articles of Law on Tax Administration and guide the implementation of Decree No. 85/2007/ND-CP dated 25 May 2007 of the Government detailing the implementation of some articles of Law on Tax Administration.

From 2012 on wards, withholding tax applicable to overseas outward reinsurance activities has been amended in Circular No. 60/2012/TT-BTC dated 12 April 2012 issued by the Ministry of Finance, which stipulates that withholding tax is at a rate of 0.1% out of overseas outward reinsurance premium. The Corporation declared and paid the 2012 withholding tax in the period.

The determination of withholding tax payable (if any) will be based on the final decision of the Ministry of Finance and the General Department of Taxation.

24. FINANCIAL RATIOS

Items	Unit	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
1. Assets and resources structure arrangement			
1.1. Assets structure arrangement			
- Fixed assets and long-term investments/Total assets	%	22.56	26.05
- Current assets and short-term investments/Total assets	%	77.44	73.95
1.2. Resources structure arrangement			
- Liabilities/Total resources	%	47.46	47.37
- Owner's equity/Total resources	%	52.54	52.63
2. Liquidity			
2.1. Current liquidity	times	2.11	2.11
2.2. Short-term liability liquidity	times	2.51	2.43
2.3. Quick liquidity	times	1.42	1.37
3. Profit ratio			
3.1. Profit/Revenue ratio			
- Profit before tax/Revenue ratio	%	41.51	34.56
- Profit after tax/Revenue ratio	%	33.86	27.95
3.2. Profit/Total assets ratio			
- Profit before tax/Total assets ratio	%	4.90	4.21
- Profit after tax/Total assets ratio	%	3.99	3.41
3.3. Profit after tax/Owner's equity ratio	%	7.71	6.75

25. BUSINESS SEGMENT REPORT

The Company's principal activities are reinsurance business and investments funded from reinsurance capital resources. Such investing activities are which is a part of reinsurance business cycle. Investments in other business activities are insignificant. Therefore, the Board of General Directors made an assessment and believes that failure to prepare business segment report is in line with the Company's current business operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B09-DNBH

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

26. COMPARATIVE FIGURES

Comparative figures in the consolidated balance sheet and the note thereto are figures of the audited consolidated financial statements for the year ended 31 December 2012. Comparative figures presented in the consolidated income statement, consolidated cash flow statement and the notes thereto are figures of the reviewed consolidated financial statements for the period from 01 January 2012 to 30 June 2012.

Nguyen Thanh Cong
Preparer

Hanoi, 14 August 2013

Luu Thi Viet Hoa
Chief Accountant



Pham Cong Tu
General Director