

NOTES TO THE FINANCIAL STATEMENT

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.

4. Total number of subsidiaries: 01

Total number of consolidated subsidiaries: 01

- + Company name: VINARE Invest Joint Stock Company

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

- + Parent company's equity ownership: 63.88%

- + Voting rights of parent company: 63.88%

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

Samsung Vina Joint-Venture Insurance Company

- + Head office address: 9th Floor, Diamond Plaza, 34 Le Duan, District 1, Ho Chi Minh City

- + Equity ownership: 25%

- + Voting rights: 25%

II. Accounting period and accounting currency

1. Accounting period:

Parent company: Begins on 01 January 2014 and ends on 31 December 2014

Subsidiary: Begins on 01 January 2014 and ends on 31 December 2014

2. Accounting currency: Vietnam Dong

III. Accounting standards and system

1. Accounting system: Decision No 232/2012/TT-BTC dated 28th December 2012 of Ministry of Finance guided the accounting system applied for insurance enterprises. Decision No 15/2006/QD-BTC dated 20th March 2006 of Ministry of Finance was on the issuance of enterprise accounting system.

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 form: Receipts recorded to books.

IV. Accounting policies

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

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

1. Cash and cash equivalents:

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

Conversion of other currencies to accounting currency: Corporation applies an exchange rate of USD/VND 21,000. On 24 October 2012 the Ministry of Finance issued Circular 179/2012/TT-BTC to replace Circular 201/2009/TT-BTC dated 15 October 2012 providing guidance on recognition, assessment and handling of foreign

exchange difference with effect from 10 December 2012 and applicable for financial year 2012. Accordingly, recognition of foreign exchange difference is conducted in the following manner:

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

Payables and receivables relating to revenues and costs accounting for the quarter; sums, payables and receivables denominated in USD not relating to revenues and costs accounting at the end of the accounting period are translated using the buying rate of Vietcombank as at 30 September 2014 of USD/VND 21,915. Foreign currencies other than USD are translated into VND using the buying rate of Vietcombank as at 30/9/2014. 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.

2. Tangible fixed assets and depreciation

Tangible fixed assets:

Tangible fixed assets are stated at cost less accumulated depreciation.

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

3. Balance of cash and financial investments:

3.1 Cash and cash equivalents

	<u>9/30/2014</u>	<u>12/31/2013</u>
Cash on hand	2,313,790,324	2,101,653,161
Bank deposits	82,008,985,036	40,798,510,763
Cash equivalents	320,892,500,000	730,493,806,420
	<u>405,215,275,360</u>	<u>773,393,970,344</u>

3.2 Short-term financial investments

	<u>9/30/2014</u>	<u>12/31/2013</u>
	<u>VND</u>	<u>VND</u>
Bank deposits under one year	1,446,000,000,000	1,116,285,570,363
Short-term bonds	50,050,000,000	30,050,000,000
Stocks (short-term)	18,982,257,478	15,736,094,646
Provision for diminution in value of short-term investments	(6,304,258,810)	(10,037,007,246)
	<u>1,508,727,998,668</u>	<u>1,152,034,657,763</u>

3.3 Long-term financial investments	9/30/2014	12/31/2013
	VND	VND
Investments in subsidiaries (a)	150,933,411,493	331,383,330,134
Other long-term investments	870,071,641,185	701,774,363,492
+ Equity investments (b)	472,000,270,000	472,000,270,000
+ Long-term bonds	90,000,000,000	140,000,000,000
+ Long-term deposits	305,000,000,000	123,000,000,000
+ Entrusted investment (c)	60,000,000,000	55,000,000,000
+ Other long-term investments (d)	5,821,206,063	821,206,063
+ Provision for diminution in value of long-term investments (e)	(62,749,834,878)	(89,047,112,571)
	1,021,005,052,678	1,033,157,693,626

(a) **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.

In September 2014, SVI has allocated profit for joint venture parties for the retained earnings as at 31/12/2013 (after deducting the accumulated foreign exchange gain) according to 50/50 ratio. VINARE received the amount: VND63,240,425,957.

SVI's equity	9/30/2014	12/31/2013
Charter capital	500,000,000,000	500,000,000,000
Funds	28,414,203,939	24,767,182,216
Retained earnings	75,319,442,033	137,999,478,051
Total	603,733,645,972	662,766,660,267
VINARE's stake	25%	50%
VINARE's ownership according to its stake	150,933,411,493	331,383,330,134

	Ownership	9/30/2014	9/30/2014	12/31/2013
(b) Equity investment		Shares	VND	VND
Petrolimex Joint Stock Insurance	8.76%	6,237,328	59,289,270,000	59,289,270,000
PTI Insurance Company	7.06%	3,175,200	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	5.47%	30,000,000	278,000,000,000	278,000,000,000
			472,000,270,000	472,000,270,000

Additional information of bonus shares as at 30/09/2014 were as follows:

NO	Stock name	Stock code	Number of shares
1	Petrolimex Joint Stock Insurance Company	PGI	353,056
2	Post-Telecommunication Joint Stock Insurance Company	PTI	381,024
3	Tien Phong Commercial Joint Stock Bank		2,542,857
4	Joint Stock Commercial Bank for Foreign Trade of Vietnam	VCB	28,335

c) *Entrusted investment:* are funds of parent company entrusted to Vietcombank Fund Management Company.

d) *Other long-term investments:* are the investments to buy fund certificate from Baoviet Equity Dynamic Open Ended Fund and from welfare funds of the parent company.

e) *Provision for diminution in value of long-term investments:*

- Parent Company: is the provision for the impairment in equity investment in Tien Phong Bank, Phu Hung Insurance Company and Dai Nam Securities Company
- Vinare Invest: is the provision for the investment in Tien Phong Bank

4. *Principles and methods of making technical reserves:*

a. *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 reserve:***

- 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.

*** *Underwriting reserve situation:***

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

	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

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

	Beginning of quarter	Increase	Decrease	End of quarter
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.

b. Provision for diminution in value of securities investment:

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

c. 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%.

d. Provision for severance allowance

This provision is made according to Resolution No 44/2003/ND-CP of Government issued on 9 May 2003 and internal regulations of Corporation.

5. Recognition of equity capital:

a. Parent company

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

Share premium: the amount of money received from the share issuance in 2007 which is larger than the value of shares issued plus the costs of the issuance;

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

b. Subsidiary

Owners' equity: is the paid-up capital of shareholders. Charter capital as at 30/06/2014 of Vinare Invest was: VND93,919,000,000. The number of shares that shareholders have registered to purchase but have not implemented the capital contribution will be handled according to decisions of the BOM.

c. Joint-venture company

Owners' equity: is the paid-up capital of joint-venture parties. Charter capital as at 30 June 2014 of Samsung-Vina Insurance Company was VND500,000,000,000.

6. Revenue recognition:

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

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

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

Income from office leasing is recognised when incurred.

7. Taxation:

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.

V. Other information

1. According to regulations in Circular 203/2009/TT-BTC issued on 20 October 2009 effective from 1 January 2010, in replacement of Decision No 206/2003/QĐ-BTC dated 12 December 2003 of the Minister of Ministry of Finance on the issuance of Regulations for management, use and depreciation of fixed assets: “When 100% state-owned enterprises do valuation of Enterprise to equitise according to discounted cashflow method, the difference of state capital between actual value and book value is not recognized as intangible fixed assets and is allocated to business expenses in the period but not exceeding 10 years. The starting time for allocation to business expenses is the time the enterprise officially becomes a joint-stock company”. Before 2009, the difference was monitored and depreciated as intangible fixed assets, duration for allocation was 20 years; currently the Corporation has done allocation for 5 years. Pursuant to the above regulations, the remaining value of this difference amount (VND 14,640,221,973) is monitored as an expense waiting to be allocated on the Balance Sheet, Corporation allocate this amount to business expense for 5 years since 2010.

2. Following Decision 315/QĐ-TTg dated 1st March 2011 of the Prime Minister on the implementation of pilot agriculture insurance in the period of 2011-2013 with the principle that the insurance enterprises and VINARE underwrite agriculture insurance not for profit, the Corporation started to deploy pilot agriculture insurance in Quarter 3 of 2012. Corporation’s financial regime, accounting method for pilot agriculture insurance follow guidance from Circular No 121/2011/TT-BTC dated 17 August 2011 and Circular No 101/2012/TT-BTC dated 20 June 2012 of the Ministry of Finance.

2. As mentioned in the part “Recognition of equity capital”: As at 30 June 2014, the paid-up capital was VND93,919,000,000. The number of shares that shareholders have registered to purchase but have not implemented the capital contribution will be handled according to decisions of the BOM. Interests of shareholders will be calculated based on the ratio of capital contribution as at 30 June 2014 (In which: Interest of parent company is 63.88%, interest of minority shareholders is: 36.12%).

4. Equity

	Operating capital	Share premium	Foreign exchange reserve	Investment and development fund	Financial reserve fund	Compulsory reserve fund	Retained earnings	Total
As at 01/01/2013	1,008,276,580,000	768,023,850,642	-	23,923,337,154	119,878,926,520	59,808,342,885	339,791,679,892	2,319,702,717,093
Profit for the period							300,535,646,947	300,535,646,947
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	150,476,757,713	75,107,258,481	399,204,939,342	2,431,132,289,571
Profit for the period							269,750,384,200	269,750,384,200
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 increase/(decrease)(***)							(10,890,202,687)	(10,890,202,687)
As at 30/09/2014	1,310,759,370,000	566,368,537,309	-	36,328,364,111	150,476,757,713	90,820,910,276	426,389,052,411	2,581,142,991,820

(*) According to Decision 09/2014/NQ-DHĐCĐ 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-ĐHĐCĐ of the Annual General Meeting of Shareholders dated 24th April 2014 and revised license No 25/GPĐC4/KDBH dated 12 August 2014 of the Ministry of Finance.

(***) Decrease in retained earnings at the beginning of the period after SVI transaction, VNR's current capital contribution in SVI is 25%. Allocate profit from pilot agriculture insurance to catastrophe reserve according to regulations.

5. Income and business results:

a/ Consolidated income statements (including pilot agriculture insurance)

Criteria	Quarter 3/2014 (VND)	Quarter 3/2013 (VND)
Premium from reinsurance inward	329,790,365,231	176,620,735,607
Income from real estate investments		0
Net income from financial activities	47,043,942,660	50,556,482,281
Other incomes	4,163,035,760	3,886,761,717
Total expenses for insurance activities	294,729,007,590	141,341,060,255
Capital value of real estate investments	0	0
Expenses for financial activities	(9,507,492,972)	(1,346,407,153)
Administration expenses	11,023,913,805	17,728,577,464
Other expenses	1,586,783,961	1,462,028,065
Profit (Loss) from pilot agriculture insurance activities	1,947,284,082	(5,020,946,592)
Share of net profits from joint ventures	3,113,531,399	11,817,183,910
Accounting profit before tax (12=1+2+3+4-5-6-7-8-9+10+11)	88,225,946,748	78,674,958,292
Corporate income tax payable	19,347,401,789	15,403,812,899
Deferred corporate income tax	1,196,355	(18,246,059)
Net profit after corporate income tax (15=12-13-14)	68,877,348,604	63,289,391,452

b/ Consolidated 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	0
3	Net income from financial activities	47,043,942,660	50,556,482,281
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	0
7	Expenses for financial activities	(9,507,492,972)	(1,346,407,153)
8	Administration expenses	11,023,913,805	17,728,577,464
9	Other expenses	1,586,783,961	1,462,028,065
10	Share of net profits of joint ventures	3,113,531,399	11,817,183,910
11	Accounting profit before tax (11=1+2+3+4-5-6-7-8-9+10)	86,278,662,666	83,695,904,884

c/ Results of pilot agriculture insurance

NO	Criteria	Quarter 3/2014 (VND)	Quarter 3/2013 (VND)
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)

6. 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/reclassification n	After adjustment/reclassification
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/reclassification n	After adjustment/reclassification
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 reinsuranc	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 13th 2014
Chief Executive Officer

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

VIETNAM NATIONAL REINSURANCE CORPORATION

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BALANCE SHEET

Quarter 3/2014

CONSOLIDATED BALANCE SHEET- Q.3/2014

As at 30 September 2014

Unit: VND

Items	Codes	Notes	As at 30/09/2014	As at 01/01/2014 (Restated)
ASSETS				
A- CURRENT ASSETS (100=110+120+130+140+150+190)	100		5,357,477,253,485	5,187,257,895,404
I. Cash and cash equivalents	110	IV.3.1	405,215,275,360	773,393,970,344
1. Cash on hand	111		84,322,775,360	42,900,163,924
2. Cash equivalents	112		320,892,500,000	730,493,806,420
II. Short-term financial investments	120	IV.3.2	1,508,727,998,668	1,152,034,657,763
1. Short-term investments	121		1,515,032,257,478	1,162,071,665,009
2. Provision for impairment of short-term investments	129		(6,304,258,810)	(10,037,007,246)
III. Short-term receivables	130		1,329,496,844,522	1,466,240,527,947
1. Trade accounts receivable	131		1,368,454,293,843	1,513,173,280,955
1.1. Receivables from insurance contracts	131.1		1,268,063,053,139	1,409,889,659,094
1.2. Other receivables	131.2		100,391,240,704	103,283,621,861
2. Advancement to suppliers	132		-	-
5. Provision for doubtful debts	139		(38,957,449,321)	(46,932,753,008)
IV. Inventories	140		82,296,408	54,311,517
1. Inventories	141		82,296,408	54,311,517
V. Other short-term assets	150		111,974,757,524	1,057,946,784
1. Advances	151		110,504,440,470	123,200,000
1.1. Deferred commission costs	151.1		110,495,620,470	-
1.2. Other advanced payments	151.2		8,820,000	123,200,000
2. VAT deductibles	152		1,071,818,379	601,043,709
5. Other short-term assets	158		398,498,675	333,703,075
VI. Reinsurance assets	190	IV.4	2,001,980,081,003	1,794,476,481,049
1. Retroceded premium reserve	191		520,449,516,641	501,851,785,635
2. Outward claim reserve	192		1,481,530,564,362	1,292,624,695,414
B. NON-CURRENT ASSETS (200=210+220+240+250+260)	200		1,172,491,322,075	1,175,401,172,287
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		52,385,939,825	54,897,845,859
1. Tangible fixed assets	221		11,301,037,548	11,779,382,009
- Cost	222		25,904,953,826	24,737,860,826
- Accumulated amortisation	223		(14,603,916,278)	(12,958,478,817)
3. Intangible fixed assets	227		17,645,151,548	21,114,792,752
- Cost	228		24,642,917,809	24,415,317,809
- Accumulated amortisation	229		(6,997,766,261)	(3,300,525,057)
4. Construction in progress	230		23,439,750,729	22,003,671,098
III. Investment real estates	240		15,589,326,742	16,652,235,383
- Cost	241		34,055,061,893	34,055,061,893
- Accumulated amortisation	242		(18,465,735,151)	(17,402,826,510)
IV. Long-term financial investments	250	IV.3.3	1,021,005,052,678	1,033,157,693,626
2. Investment in joint ventures	252		150,933,411,493	331,383,330,134
3. Other long-term investments	258		932,821,476,063	790,821,476,063
4. Provision for diminution in value of long-term financial invest	259		(62,749,834,878)	(89,047,112,571)
V. Other long-term assets	260		61,511,002,830	64,693,397,419
1. Long-term prepayments	261		2,883,110,592	6,022,177,067
2. Deferred tax assets	262		231,019,360	274,347,474
3. Other long-term assets	268		58,396,872,878	58,396,872,878
TOTAL ASSETS (270=100+200)	270		6,529,968,575,560	6,362,659,067,691

	Codes	Notes	As at 30/09/2014	As at 01/01/2014 (Restated)
RESOURCES				

A. LIABILITIES(300=310+330)	300		3,917,283,551,533	3,899,520,947,711
I. Current liabilities	310		3,912,834,722,583	3,894,871,371,172
2. Trade accounts payable	312		1,007,543,228,712	1,259,495,964,550
2.1. Payables to insurance contracts	312.1		942,700,379,160	1,226,428,057,169
2.2. Other payables	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		13,191,371,001	12,325,352,658
5. Payables to employees	315		10,831,097,443	14,255,803,845
6. Other payables	316		12,615,830,204	12,615,830,204
8. Current payables	319		8,841,191,241	103,334,427,148
9. Unearned commission	319.1		72,982,824,769	-
11. Bonus and welfare funds	323		11,831,873,073	8,868,805,103
13. Underwriting reserves	329	IV.4	2,774,945,742,855	2,483,768,758,242
13.1. Premium reserve	329.1		758,457,212,658	720,043,792,910
13.2. Claim reserve	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 liabilities	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	V.4	2,581,142,991,820	2,431,132,289,571
Equity	410		2,581,142,991,820	2,431,132,289,571
1. Operating 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 funds	417		36,328,364,111	30,042,903,393
8. Financial reserve fund	418		150,476,757,713	150,476,757,713
9. Compulsory reserve fund	419		90,820,910,276	75,107,258,481
11. Retained earnings	421		426,389,052,411	399,204,939,342
C. Minority interests	429		31,542,032,207	32,005,830,409
TOTAL RESOURCES (440=300+400+429)	440		6,529,968,575,560	6,362,659,067,691

November 13th 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

FINANCIAL STATEMENT

Quarter 3/2014

BH - CONSOLIDATED INCOME STATEMENT

Unit: Vietnamese Dong

ITEMS	Codes	Notes	Quarter 3		From 01/01 to the end of the period	
			2014	2014 (Restated)	2014	2014 (Restated)
1. Premium from reinsurance inward (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:						
- Reinsurance inward premium	01.2		408,014,876,277	352,802,073,327	1,175,422,746,977	1,110,689,604,196
- Increase (decrease) in inward unearned premium reserve	01.3		15,790,072,051	(20,722,193,372)	46,194,143,335	(42,133,858,910)
2. Retroceded 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:						
- Reinsurance outward premium	02.1		226,867,605,880	252,116,726,587	738,188,052,622	729,902,529,988
- Increase (decrease) in retroceded premium reserve	02.2		(1,686,493,433)	7,224,171,219	25,043,432,003	8,718,999,270
3. Net premium income (03=01-02)	03		163,670,704,913	128,631,711,331	416,083,983,023	431,639,932,388
4. Commission and other income from reinsurance 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 from reinsurance outward	04.1		25,300,458,513	43,883,647,215	77,266,237,620	139,735,564,878
- Other receipts from insurance business	04.2		140,819,201,805	4,105,377,061	336,989,321,272	19,991,251,651
5. Net income from insurance business (10=03+04)	10		329,790,365,231	176,620,735,607	830,339,541,915	591,366,748,917
6. Payment for inward reinsurance claims (11=11.1-11.2)	11		205,451,507,084	406,020,559,713	867,737,766,873	864,953,743,205
In which:						
- Total claims paid	11.1		205,451,507,084	406,020,559,713	867,737,766,873	864,953,743,205
7. Recoverables from outward reinsurance	12		135,167,632,784	320,327,174,491	669,101,666,560	636,684,079,248
8. Increase (decrease) in inward claim reserve	13		378,678,732,540	(129,163,499,126)	333,590,750,483	(171,286,330,740)
9. Increase (decrease) in outward claim reserve	14		351,505,391,981	(113,292,108,891)	276,733,395,238	(127,487,670,421)

10. Total claims payment (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 business (17=17.1+17.2)	17		191,837,374,620	68,498,504,868	469,770,656,356	255,846,519,545
In which:						
- Commission	17.1		49,718,478,411	63,545,967,394	134,417,090,098	234,912,471,742
- Other expenses for insurance business	17.2		142,118,896,209	4,952,537,474	335,353,566,258	20,934,047,803
13. Total costs for insurance business (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 business (19=10-18)	19		35,061,357,641	35,279,675,352	91,958,389,171	139,625,613,508
18. Revenue from financial activities	23		47,043,942,660	50,556,482,281	249,591,627,399	180,187,013,880
19. Expenses for financial activities	24		(9,507,492,972)	(1,346,407,153)	(12,925,406,994)	4,045,307,551
20. Gross profit from financial activities (25=23-24)	25		56,551,435,632	51,902,889,434	262,517,034,393	176,141,706,329
21. Administration expenses	26		11,023,913,805	17,728,577,464	42,875,796,354	51,886,584,489
22. Net profit from insurance business (30=19+22+25-26)	30		80,588,879,468	69,453,987,322	311,599,627,210	263,880,735,348
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. Profit from other activities (40=31-32)	40		2,576,251,799	2,424,733,652	6,237,559,894	7,040,953,799
Share of net profits of joint venture	40.1		3,113,531,399	11,817,183,910	16,861,959,405	59,098,716,458
Profit (Loss) from Agriculture insurance	40.2		1,947,284,082	(5,020,946,592)	2,379,249,804	(22,465,105,798)
26. Accounting profit (50=30+40+40.1+40.2)	50		88,225,946,748	78,674,958,292	337,078,396,313	307,555,299,807
27. Corporate income tax payable	51		19,347,401,789	15,403,812,899	67,748,482,201	57,618,779,455
28. Deferred corporate income tax payable	52		1,196,355	(18,246,059)	43,328,114	(23,550,528)
29. Net profit after corporate income tax (60=50-51-52)	60		68,877,348,604	63,289,391,452	269,286,585,998	249,960,070,880
Minority interests			16,610,912	(286,411,075)	(463,798,202)	(691,283,206)
Equity holders of the Corporation			68,860,737,692	63,575,802,527	269,750,384,200	250,651,354,086
30. Earnings per share	70		683	631	2,675	2,486

Hanoi, November 13th 2014

PREPARER

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER

Nguyen Thanh Cong

Luu Thi Viet Hoa

Pham Cong Tu

VIETNAM NATIONAL REINSURANCE CORPORATION

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Tel:0439422354 Fax: 0439422351

FINANCIAL STATEMENT

Quarter 3/2014

CONSOLIDATED CASHFLOW STATEMENT - Q3/2014

(Direct method)

ITEMS	Code s	Notes		
			Quarter 3/2014	Quarter 3/2013 (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		(35,131,318,204)	(26,806,648,853)
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		10,298,575,698	9,212,253,721
7. Payments for other liabilities	07		(2,650,481,101)	(8,357,869,762)
<i>Net cash (used in)/from operating activities</i>	20		(82,419,488,576)	(47,141,621,418)
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		(3,201,119,659,875)	(7,542,277,885,922)
6. Receipts from investment in other entities	26		2,640,889,719,056	7,503,795,068,048
7. Receipts from investment interests	27		478,410,762,797	148,152,558,829
<i>Net cash from/(used in) investing activities</i>	30		(83,955,716,062)	102,626,038,766
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		(367,653,613,438)	(125,588,422,572)
Cash and cash equivalents at the beginning of the quarter	60		773,393,970,344	771,395,912,978
Effect of changes in foreign exchange rates	61		(525,081,546)	333,962,931
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70		405,215,275,360	646,141,453,337

PREPARER

CHIEF ACCOUNTANT

 November 13th 2014
 CHIEF EXECUTIVE OFFICER

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Pham Cong Tu