BIDV Insurance Joint Stock Corporation

Interim consolidated financial statements

For the six-month period ended 30 June 2020



CONTENTS

	Pages
General information	1 - 2
Report of Management	3
Report on review of interim consolidated financial statements	4 - 5
Interim consolidated balance sheet	6 - 9
Interim consolidated income statement	10 - 12
Interim consolidated cash flow statement	13 - 14
Notes to the interim consolidated financial statements	15 - 67

BIDV Insurance Joint Stock Corporation

GENERAL INFORMATION

CORPORATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 01 October 2010 under Business Licence No.11/GPDC7/KDBH dated 01 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), and established under Business License No. 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 05 August 2010, the Corporation successfully completed the Initial Public Offering. Accordingly, the percentage of shares held by BIDV and other shareholders was 82.3% and 17.7%. On 05 May 2014, the Corporation issued shares to its employees under Employee Share Option Program (ESOP) which changed the percentage of shares held by BIDV and other shareholders to 78.38% and 21.62% respectively. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of shares held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	Bank for Investment and Development of Vietnam Insurance Joint Stock Corporation
Head office address:	16th Floor, A Tower, Vincom, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Twenty-six (26) branches nationwide
Employee:	1,077 persons at 30 June 2020
Charter Capital:	VND 1,172,768,950,000 as at 30 June 2020

As at 30 June 2020, the Corporation has one (01) subsidiary as follow:

Subsidiary	*Address*	*Principal activities*	*% directly owned*
Lao Viet Insurance Company	3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR	General insurance products, reinsurance services, investment activities and other business activities that are in line with prevailing laws and regulations in Lao PDR	65%

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of the Corporation's Board of Directors during the period and at the date of this report are:

Mr. Tran Xuan Hoang	Chairman	Appointed on 19 April 2019
Mr. Ramaswamy Athappan	Vice Chairman	Appointed on 29 January 2016
Mr. Gobinath Arvind Athappan	Member	Appointed on 29 January 2016
Mr. Tran Hoai An	Member	Appointed on 20 April 2015
Ms. Pham Thi Van Khanh	Member	Appointed on 29 January 2016
Mr. Nguyen Huy Tua	Independent Member	Appointed on 19 April 2019
Mr. Dang The Vinh	Independent Member	Appointed on 19 April 2019
Ms. Nguyen Thi Ngoc Tu	Member	Appointed on 24 June 2020
Mr. Vo Hai Nam	Member	Resigned on 24 June 2020

BOARD OF SUPERVISORS

Members of the Corporation's Board of Supervisors during the period and at the date of this report are:

Ms. Lai Ngan Giang	Head of Board	Appointed on 10 April 2018
Mr. Osith Ramanathan	Member	Appointed on 29 January 2016
Mr. Wichneswaran Ravishankar	Member	Appointed on 24 June 2020
Mr. Do Viet Dung	Member	Appointed on 24 June 2020
Ms. Nguyen Thi Thu Thuy	Member	Appointed on 24 June 2020
Mr. Zainul Abidin Rasheed	Member	Resigned on 24 June 2020
Mr. Nguyen Trung Kien	Member	Resigned on 24 June 2020
Mr. Nguyen Thanh Cong	Member	Resigned on 24 June 2020

MANAGEMENT

Members of the Corporation's Management during the period and at the date of this report are:

Mr. Tran Hoai An	General Director	Reappointed on 01 November 2017
Mr. Tran Trung Tinh	Deputy General Director	Reappointed on 01 October 2018
Mr. Vu Minh Hai	Deputy General Director	Reappointed on 16 April 2017
Ms. Doan Thi Thu Huyen	Deputy General Director	Reappointed on 01 May 2018
Mr. Huynh Quoc Viet	Deputy General Director	Reappointed on 01 November 2018

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the period and at the date of this report is Mr. Tran Hoai An – Title: General Director.

AUDITORS

The auditors of the Corporation are Ernst & Young Vietnam Limited.

BIDV Insurance Joint Stock Corporation

REPORT OF MANAGEMENT

Management of BIDV Insurance Joint Stock Corporation ("the Corporation") presents its report and the interim consolidated financial statements of the Corporation and its subsidiary for the six-month period ended 30 June 2020.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Corporation and its subsidiary and of their interim consolidated results of operations and their interim consolidated cash flows for the period. In preparing those interim consolidated financial statements, management is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- Prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation and subsidiary will continue their business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Corporation and its subsidiary and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Corporation and its subsidiary and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Corporation and its subsidiary as at 30 June 2020 and of the interim consolidated results of their operations and their interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of Management

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

30 July 2020

Ernst & Young Vietnam Limited
8th Floor, CornerStone Building
16 Phan Chu Trinh Street
Hoan Kiem District
Hanoi, S.R. of Vietnam

Tel: +84 24 3831 5100
Fax: +84 24 3831 5090
ey.com

Reference: 60755012/22068478-HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders
BIDV Insurance Joint Stock Corporation

We have reviewed the accompanying consolidated financial statements of BIDV Insurance Joint Stock Corporation and its subsidiary (collectively referred to as "the Corporation") as prepared on 30 July 2020 and set out on pages 6 to 67, which comprise the interim consolidated balance sheet as at 30 June 2020, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

Management of the Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A member firm of Ernst & Young Global Limited

Building a better working world

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Corporation as at 30 June 2020, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of the interim consolidated financial statements.

Ernst & Young Vietnam Limited

Dang Phuong Ha
Partner
Audit Practising Registration
Certificate No.: 2400-2018-004-1

Hanoi, Vietnam

30 July 2020

A member firm of Ernst & Young Global Limited

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

Currency: VND

Code	ITEMS	Notes	30 June 2020	31 December 2019
100	**A. CURRENT ASSETS**		**4,456,719,647,355**	**4,222,605,120,708**
110	***I. Cash and cash equivalents***	***4***	***233,640,479,711***	***119,341,101,387***
111	1. Cash		213,640,479,711	119,341,101,387
112	2. Cash equivalents		20,000,000,000	-
120	***II. Short-term investments***		***2,420,550,649,489***	***2,397,542,766,222***
121	1. Trading securities	5.1	250,450,913,934	173,269,998,094
122	2. Provision for trading securities	5.1	(7,979,049,844)	(2,223,992,662)
123	3. Held-to-maturity investments	5.2	2,178,078,785,399	2,226,496,760,790
130	***III. Short-term receivables***	***6***	***533,700,979,678***	***421,236,925,076***
131	1. Short-term trade receivables		378,568,232,482	299,092,883,762
131.1	*1.1 Insurance receivables*		*378,420,057,211*	*297,664,577,140*
131.2	*1.2 Other trade receivables*		*148,175,271*	*1,428,306,622*
132	2. Short-term advances to suppliers		904,031,206	415,132,233
136	3. Other receivables		201,793,505,199	170,607,133,739
137	4. Allowance for doubtful debts		(47,564,789,209)	(48,878,224,658)
140	***IV. Inventories***		***148,722,191***	***178,967,915***
141	1. Inventories		148,722,191	178,967,915
150	***V. Other short-term assets***		***157,086,013,019***	***137,694,069,865***
151	1. Prepaid expenses		156,415,798,451	137,457,830,510
151.1	*1.1 Unallocated commission expense*	*7*	*150,907,812,933*	*134,772,159,808*
151.2	*1.2 Other prepaid expenses*		*5,507,985,518*	*2,685,670,702*
152	2. Deductible VAT		670,214,568	236,239,355
190	***VI. Reinsurance assets***	***17.1***	***1,111,592,803,267***	***1,146,611,290,243***
191	1. Reinsurance assets from unearned premium reserve		339,321,279,497	379,082,993,551
192	2. Reinsurance assets from claim reserve		772,271,523,770	767,528,296,692

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2020*	*31 December 2019*
200	**B. NON-CURRENT ASSETS**		**1,345,893,251,877**	**1,273,034,453,023**
210	***I. Long-term receivables***		***33,974,403,706***	***35,308,659,703***
216	1. Other long-term receivables		33,974,403,706	35,308,659,703
216.1	*1.1. Statutory deposit*	*8*	*31,423,479,816*	*32,576,427,210*
216.2	*1.2. Other long-term receivables*		*2,550,923,890*	*2,732,232,493*
220	***II. Fixed assets***		***15,376,116,003***	***18,187,604,518***
221	1. Tangible fixed assets	9	8,863,341,222	11,642,730,518
222	Costs		74,532,597,402	75,221,259,683
223	Accumulated depreciation		(65,669,256,180)	(63,578,529,165)
227	2. Intangible assets	10	6,512,774,781	6,544,874,000
228	Costs		6,882,642,115	6,884,622,203
229	Accumulated amortisation		(369,867,334)	(339,748,203)
250	***III. Long-term investments***	***5***	***1,296,232,565,009***	***1,219,320,754,370***
253	1. Other long-term investments	5.3	75,907,370,000	75,907,370,000
254	2. Provision for impairment of long-term investments	5.3	(48,260,222,945)	(48,472,440,591)
255	3. Held-to-maturity investments	5.2	1,268,585,417,954	1,191,885,824,961
260	***IV. Other long-term assets***		***310,167,159***	***217,434,432***
261	1. Long-term prepaid expenses	11	155,125,406	62,392,679
262	2. Deferred income tax assets		155,041,753	155,041,753
270	**TOTAL ASSETS**		**5,802,612,899,232**	**5,495,639,573,731**

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2020*	*31 December 2019*
300	**A. LIABILITIES**		**3,525,834,735,062**	**3,254,354,777,149**
310	***I. Current liabilities***		***3,525,252,235,062***	***3,253,471,513,199***
311	1. Trade payables	12	496,582,397,182	464,518,308,280
311.1	*1.1. Insurance payables*		*494,010,216,768*	*455,702,430,349*
311.2	*1.2. Other payables*		*2,572,180,414*	*8,815,877,931*
312	2. Short-term advance from customers		5,145,378,175	14,545,875,377
313	3. Tax and other statutory obligations	13	43,081,575,755	27,499,120,387
314	4. Payables to employees		64,226,636,461	75,050,325,375
315	5. Short-term accrued expenses	14	127,573,417,899	60,923,155,598
318	6. Short-term deferred revenue		10,787,669,039	6,733,081,597
318.1	7. Un-earned commission revenue	15	65,598,872,292	78,423,568,876
319	8. Other short-term payables	16	104,631,797,885	10,121,546,712
320	9. Short-term borrowings		-	17,910,873,317
322	10. Bonus and welfare funds		28,718,044,691	13,749,738,807
329	11. Technical reserves		2,578,906,445,683	2,483,995,918,873
329.1	*11.1. Gross un-earned premium reserve*	*17.1*	*1,390,347,479,950*	*1,350,290,922,859*
329.2	*11.2. Gross claim reserve*	*17.1*	*1,047,628,779,929*	*1,000,855,219,216*
329.3	*11.3. Catastrophe reserve*	*17.2*	*140,930,185,804*	*132,849,776,798*
330	***II. Non-current liabilities***		***582,500,000***	***883,263,950***
337	1. Other long-term liabilities	16	582,500,000	883,263,950

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2020*	*31 December 2019*
400	**B. OWNERS' EQUITY**		**2,276,778,164,170**	**2,241,284,796,582**
410	***I. Owners' equity***	***18***	***2,276,778,164,170***	***2,241,284,796,582***
411	1. Charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. Common shares with voting rights*		*1,172,768,950,000*	*1,172,768,950,000*
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Foreign exchange differences		12,021,110,670	5,445,075,699
418	4. Investment and development fund		141,650,242,709	87,052,897,663
419	5. Statutory reserves		69,835,879,805	62,101,796,413
421	6. Undistributed earnings		199,059,302,033	233,270,939,417
421a	*6.1. Accumulated undistributed earnings of previous periods*		*50,635,322,474*	*40,271,489,223*
421b	*6.2. Undistributed earnings of current period*		*148,423,979,559*	*192,999,450,194*
429	7. Non-controlling interest		25,877,645,591	25,080,104,028
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**5,802,612,899,232**	**5,495,639,573,731**

Ms. Kieu Thi Hong Nhung
Accountant
Accounting Division

Ms. Nguyen Thanh Mai
Deputy Director in - charge
Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

30 July 2020

INTERIM CONSOLIDATED INCOME STATEMENT

PART 1: INTERIM CONSOLIDATED SUMMARY INCOME STATEMENT
for the six-month period ended 30 June 2020

Currency: VND

Code	*ITEMS*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
10	1. Total operating income	873,302,874,130	787,791,792,529
12	2. Finance income	149,572,121,084	132,906,437,735
13	3. Other income	212,082,735	209,311,584
20	4. Total direct operating expenses	(615,722,287,353)	(578,936,188,818)
22	5. Finance expenses	(13,709,930,052)	(8,332,747,858)
23	6. General and administrative expenses	(200,398,454,818)	(184,786,617,990)
24	7. Other expenses	(61,714,274)	(109,354,535)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**193,194,691,452**	**148,742,632,647**
51	9. Current corporate income tax expense	(34,934,927,848)	(26,500,710,556)
60	**10. Net profit for this period after corporate income tax (60=50+51+52)**	**158,259,763,604**	**122,241,922,091**
61	**11. Net profit after tax attributable to non-controlling interests**	**1,658,456,550**	**238,521,176**
62	**12. Net profit after tax attributable to equity owners of the parent**	**156,601,307,054**	**122,003,400,915**
70	**13. Basic earnings per share**	**1,040**	**827**

INTERIM CONSOLIDATED INCOME STATEMENT (continued)

PART 2: INTERIM CONSOLIDATED OPERATIONAL INCOME STATEMENT
for the six-month period ended 30 June 2020

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**1,207,473,328,560**	**1,106,014,051,584**
	In which:			
01.1	- Direct written premiums		1,192,181,086,791	1,110,904,214,161
01.2	- Reinsurance premium assumed		39,917,981,580	30,836,876,944
01.3	- Increase in un-earned premium reserve		(24,625,739,811)	(35,727,039,521)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(443,108,071,457)**	**(426,759,754,790)**
	In which:			
02.1	- Reinsurance premium ceded		(390,447,697,774)	(418,488,249,415)
02.2	- (Decrease)/increase in ceded premium reserve		(52,660,373,683)	(8,271,505,375)
03	**3. Net insurance premiums (03 = 01 + 02)**		**764,365,257,103**	**679,254,296,794**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**108,937,617,027**	**108,537,495,735**
	In which:			
04.1	- Commission on reinsurance ceded	21	83,535,262,530	82,392,401,806
04.2	- Other income from insurance activities	22	25,402,354,497	26,145,093,929
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**873,302,874,130**	**787,791,792,529**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(541,238,303,461)**	**(398,315,535,435)**
	In which:			
11.1	- Claim expenses		(542,334,834,398)	(396,672,622,825)
11.2	- Claim expense reductions		1,096,530,937	(1,642,912,610)
12	**7. Recoveries from reinsurance ceded**		**329,376,367,579**	**158,944,350,552**
13	**8. Increase in direct and assumed claim reserve**		**(53,675,562,542)**	**(128,694,080,228)**
14	**9. Increase in ceded claim reserve**		**7,050,790,493**	**87,701,852,558**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**23**	**(258,486,707,931)**	**(280,363,412,553)**
16	**11. Increase in catastrophe reserve**	**17.2**	**(8,420,020,725)**	**(7,232,528,416)**

INTERIM CONSOLIDATED INCOME STATEMENT (continued)

PART 2: INTERIM CONSOLIDATED OPERATIONAL INCOME STATEMENT (continued)
for the six-month period ended 30 June 2020

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**24**	**(348,815,558,697)**	**(291,340,247,849)**
	In which:			
17.1	- Commission expense		(104,407,531,124)	(88,517,017,334)
17.2	- Other underwriting expenses		(244,408,027,573)	(202,823,230,515)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(615,722,287,353)**	**(578,936,188,818)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**257,580,586,777**	**208,855,603,711**
23	15. Finance income	25	149,572,121,084	132,906,437,735
24	16. Finance expenses	26	(13,709,930,052)	(8,332,747,858)
25	**17. Profit from financial activities (25 = 23 + 24)**		**135,862,191,032**	**124,573,689,877**
26	**18. General and administrative expenses**	**27**	**(200,398,454,818)**	**(184,786,617,990)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**193,044,322,991**	**148,642,675,598**
31	20. Other income	28	212,082,735	209,311,584
32	21. Other expenses	29	(61,714,274)	(109,354,535)
40	**22. Net other profit (40 = 31 + 32)**		**150,368,461**	**99,957,049**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**193,194,691,452**	**148,742,632,647**
51	24. Current corporate income tax expense	30.1	(34,934,927,848)	(26,500,710,556)
60	**25. Net profit for the period after corporate income tax (60 = 50 + 51 + 52)**		**158,259,763,604**	**122,241,922,091**
61	**26. Net profit after tax attributable to non-controlling interests**		**1,658,456,550**	**238,521,176**
62	**27. Net profit after tax attributable to equity owners of the parent**		**156,601,307,054**	**122,003,400,915**
70	**28. Basic earnings per share**		**1,040**	**827**

Ms. Kieu Thi Hong Nhung
Accountant
Accounting Division

Ms. Nguyen Thanh Mai
Deputy Director in - charge
Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

30 July 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2020

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**193,194,691,452**	**148,742,632,647**
	Adjustments for:			
02	Depreciation and amortisation		2,751,110,871	3,545,851,702
03	Insurance reserves and provision for diminution in investment value and doubtful debts		134,158,417,873	101,708,783,551
04	Losses/(profit) from revaluation of foreign currencies		10,980,476,183	1,868,854,194
05	Profits from investing activities		(134,896,005,251)	(127,307,647,311)
06	Interest expense		53,170,735	629,531,711
08	**Operating profit before changes in working capital**		**206,241,861,863**	**129,188,006,494**
09	Increase in receivables		(82,747,978,392)	(13,736,767,216)
10	Decrease in inventory		30,245,724	103,594,088
11	Increase in payables		73,715,967,811	63,377,564,405
12	Increase in prepaid expense		(19,484,675,881)	(13,781,622,642)
13	Increase in trading securities		(77,180,915,840)	(21,901,209,231)
14	Interest paid		(53,170,735)	(629,531,711)
15	Corporate income tax paid	13	(24,067,192,493)	(29,004,737,840)
17	Other cash outflows from operating activities		(19,691,694,116)	(7,926,002,240)
20	**Net cash flow from operating activities**		**56,762,447,941**	**105,689,294,107**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		-	(1,228,820,716)
23	Payments for investments in other entities		(2,115,899,179,040)	(3,239,924,379,383)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		2,081,847,655,947	2,994,539,618,216
27	Interest and dividend received		109,111,521,305	125,159,124,164
30	**Net cash flow from/(used) in investing activities**		**75,059,998,212**	**(121,454,457,719)**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2020

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
34	Drawdown of borrowings		(17,910,873,317)	-
40	**Net cash flow used in financing activities**		**(17,910,873,317)**	**-**
50	**Net change in cash and cash equivalents**		**113,911,572,836**	**(15,765,163,612)**
60	**Cash and cash equivalents at the beginning of the period**		**119,341,101,387**	**99,928,524,532**
61	Impact of exchange rate fluctuation		387,805,488	536,694,661
70	**Cash and cash equivalents at the end of the period**	**4**	**233,640,479,711**	**84,700,055,581**

Ms. Kieu Thi Hong Nhung	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Accountant	Deputy Director in - charge	General Director
Accounting Division	Accounting Division	

Hanoi, Vietnam

30 July 2020

1. CORPORATION INFORMATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 01 October 2010 under Business Licence No.11/GPDC7/KDBH dated 01 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), and established under Business License No. 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 05 August 2010, the Corporation successfully completed the Initial Public Offering. Accordingly, the percentage of shares held by BIDV and other shareholders was respectively 82.3% and 17.7%. On 05 May 2014, the Corporation issued shares to its employees under Employee Share Option Program (ESOP) which changed the percentage of shares held by BIDV and other shareholders to 78.38% and 21.62% respectively. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of shares held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	BIDV Insurance Joint Stock Corporation
Head office address:	16th Floor, A Tower, Vincom, 191 BaTrieu Street, Hai Ba Trung District, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Twenty-six (26) branches nationwide
Employee:	1,077 persons at 30 June 2020
Charter Capital:	VND1,172,768,950,000 as at 30 June 2020

As at 30 June 2020, the Corporation has one (01) subsidiary as follow:

Subsidiary	*Address*	*Principal activities*	*% directly owned*
Lao Viet Insurance Company	3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR	General insurance products, reinsurance services, investment activities and other business activities that are in line with prevailing laws and regulations in Lao PDR	65%

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 *Accounting standards and system*

The Corporation's interim consolidated financial statements expressed in Vietnamese Dong ("VND") are prepared in accordance with the Vietnamese Accounting System for non-life insurance companies issued by the Ministry of Finance in Circular No. 232/2012/TT-BTC dated 28 December 2012 providing guidance on the accounting applicable to non-life insurance companies, reinsurance companies and branches of foreign non-life insurance companies, Vietnamese Enterprise Accounting System, and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 31 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the accompanying interim consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and their results of operations and their cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Corporation's applied accounting documentation system is the Journal Ledger system.

2.3 *Fiscal year*

The Corporation's fiscal year applied to prepare the consolidated financial statements on 01 January and ends on 31 December.

2.4 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Corporation's accounting currency.

2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the financial statements of the Corporation and its subsidiary for the period ended 30 June 2020.

The interim financial statements of the subsidiary are prepared for the same reporting period as the Corporation, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains or losses arising from intra-group transactions, are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Corporation and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies

The accounting policies adopted by the Corporation in preparation of the interim consolidated financial statement are consistent with those followed in the preparation of the interim consolidated financial statements for the six-month period ended 31 December 2019.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than or equal to three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Receivables

Receivables comprise of trade receivables and other receivables that are initially recognized at cost and subsequently are recognized at cost.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement.

For overdue receivables, the Corporation adopts the provision policy as promulgated by the Ministry of Finance in Circular No. 48/2019/TT-BTC dated 08 August 2019 (Circular 48) as follows:

Overdue receivables	*Allowance rate*
Over six (06) months to less than one (01) year	30%
From one (01) to less than two (02) years	50%
From two (02) to less than three (03) years	70%
From three (03) years and above	100%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation/amortisation.

The cost of a fixed asset comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs is charged to the interim consolidated income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim consolidated income statement.

3.5 *Depreciation and amortisation*

Depreciation and amortisation of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 25 years
Machinery	3 - 7 years
Motor vehicles	6 years
Office equipment	3 years
Other tangible fixed assets	4 years
Software	3 years
Land use right with indefinite term	No amortization

3.6 *Leased assets*

Rentals under operating leases are charged to the interim consolidated income statement on a straight-line basis over the lease term.

3.7 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3.8 *Investments*

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the interim consolidated income statements and deducted against the value of such investments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investments* (continued)

Provision for diminution in value investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

3.9 *Payables and accruals*

Payables and accruals are recognised for the amount to be paid in the future for goods and services received, whether or not billed to the Corporation.

3.10 *Employee benefits*

3.10.1 Benefits for employees of the Corporation working in Vietnam

3.10.1.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Corporation by the social insurance agency which belongs to the Ministry of Labour, Invalids and Social Affairs. The Corporation is required to contribute to these post-employment benefits by paying social insurance premiums to the social insurance agency at the rate of 17.5% of employee basic salaries on a monthly basis.

On 1 August 2014, the Corporation issued Decision No. 100/QD-HDQT regulating post-employment benefits to the Corporation's employees. Accordingly, the Corporation also provides post-employment benefits including convalescence, annual leave, sightseeing, post-employment allowance based on employees' position and employment term as well as other benefits based on performance achievement of the employees.

3.10.1.2 Unemployment benefits

According to Social Insurance Law and Decree No. 127/2008/ND-CP dated 12 December 2008 by the Government, the Unemployment insurance fund is implemented from 01 January 2009, to which, employees contribute 1% of their salary, employers contribute 1% of salary of their employees participating in the unemployment insurance, and the Government contributes 1% of salary of all those participating in the unemployment insurance from the State budget.

3.10.2 Benefits for employees working at the Corporation's subsidiary in foreign country

The policy applicable to foreign employees working at the Corporation's overseas subsidiary is in compliance with the prevailing regulations of the home country.

Vietnamese employees working at subsidiary of the Corporation in a foreign country follow the same policy with the one applicable to employees of the Corporation working in Vietnam.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Technical reserves

The technical reserves include technical reserves for non-life insurance and technical reserve of health insurance.

The technical reserves made by the Corporation are based on reserving methodologies as given in Circular No. 50/2017/TT-BTC dated 01 July 2017 ("Circular 50") issued by the Ministry of Finance as follows:

a) Technical reserves for non-life insurance

(i) Unearned premium reserve

The Corporation applies the "daily basis" to calculate unearned premium reserve for all types of insurance and reinsurance businesses, following the formula:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premiums} * \text{Remaining day of insurance policy}}{\text{Number of coverage days}}$$

(ii) Claims reserve

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year, in accordance with the Circular 50; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of premium for each insurance operation.

(iii) Catastrophe reserve

Catastrophe reserve of the Corporation is accrued annually for significant fluctuations in losses. The catastrophe reserve rate adopted by the Corporation for the period 2020 is 1% of total retained premiums of each type of insurance. The catastrophe reserve maximum of the Corporation is equal to 100% of the retained premiums of the current fiscal year (except for health insurance).

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 – Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 01 July 2016 on the details of the implementation of the Law on Insurance Business and amendments to certain articles of the Law on Insurance Business, the Corporation has elected to adopt the policy of providing for the catastrophe reserve in the interim consolidated financial statements for the six-month period ended 30 June 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Technical reserves* (continued)

b) Technical reserves of health insurance

(i) Mathematical reserve

Mathematical reserve applies to health insurance policies with a term of more than 1 year to cover liability upon occurrence of insured event as follows:

$$\text{Mathematical reserve} = \frac{\text{Insurance premiums} * \text{Remaining day of insurance policy}}{\text{Number of coverage days}}$$

(ii) Unearned premium reserve

Unearned premium reserve applies to health insurance policies with a term of less than or equal to 1 year. The Corporation applies the unearned premium reserve methodology according to coefficients of the insurance policy period – daily method as follows:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premiums} * \text{Remaining day of insurance policy}}{\text{Number of coverage days}}$$

(iii) Claim reserve

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of premium for each health insurance operation.

(iv) Equalization reserve

Equalization reserve for health insurance is established at 1% of net premium and recognised in catastrophe reserve account on balance sheet.

3.12 *Transactions in foreign currencies*

Transactions in currencies other than the Corporation's reporting currency are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Transactions in foreign currencies* (continued)

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Corporation conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Corporation conduct transactions regularly.

All foreign exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currencies at period-end are taken to the interim consolidated income statement.

3.13 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds and remuneration to Board of Directors in accordance with the Corporation's Charter and Vietnam's regulatory requirements.

The Corporation maintains the following reserve funds which are appropriated from its net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- Statutory reserve fund is set in order to supplement the Corporation's charter capital and ensure its solvency. This fund shall deduct 5% of the Corporation's profit for this period after tax until it equals to 10% of the Corporation's charter capital based on Decree 73/2016/ND-CP dated 01 July 2016 by the Ministry of Finance.
- Bonus and welfare fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.
- Investment and Development fund is set up from profit after tax and used for expansion investment of business and production scale, or for intensive investment of enterprises.

3.14 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Gross written premiums

Gross written premiums are recognized as revenue at the point of time when the following conditions are met: (1) the insurance contract has been entered into by the insurer and the insured; and (2) the premium has been paid by the insured or (3) there is agreement between the Corporation and the insured for delayed payment of insurance premium. If the Corporation and its customers mutually agree a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the period. Gross written premiums of insurance policies underwritten by the Corporation in Vietnam and in compliance with Vietnam's prevailing regulations relating to insurance activities are recognized as revenue under the provisions of Circular 50. Hence, premium payment period shall not exceed 30 days from policy inception date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Revenue recognition* (continued)

(i) Gross written premiums (continued)

For instalment contracts, non-life insurers are required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalment only when the policy holder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after contractual premium payment date.

Prepaid premium before due date as at the end of the period is recorded as "Short-term unearned revenue" in the interim consolidated balance sheet.

The refund/reduction of gross written premiums are considered as revenue deduction and must be booked separately. At period end, these amounts are net-off to gross written premium to calculate net written premium.

(ii) Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

(iii) Dividends

Income is recognized when the Corporation's entitlement as an investor to receive the dividend is established.

(iv) Other income

Other income is recognised on an accrual basis in the interim consolidated income statement.

3.15 *Expense recognition*

(i) Claim expense

Claim expense is recognized at the point of time when the claim documents are completed and approved by authorized persons. In case that the final claim amount has not been finalized but the Corporation is certain that the loss is within its insured liabilities and has been paid an advance to the customer as per their request, such advance would also be recognized as claim expense. Any claim that is not yet approved by authorized persons at the end of the fiscal year is considered as an outstanding claim and included in claim reserve.

(ii) Commission expense

Commission is calculated at percentage of direct premiums for specific line of insurance as stipulated in Circular 50. Commission expense is allocated and recognized in the interim consolidated income statement for direct premiums earned during the period.

(iii) Agent commendation and support expenses

Agent commendation and support expenses are recognized in the interim consolidated income statement on the accrual basis, corresponding to insurance contracts underwritten in the fiscal year but not exceeding 50% of insurance commission of insurance policies in the fiscal year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Expense recognition* (continued)

(iv) General administrative expenses

General and administrative expenses are recognized on an accrual basis in the interim consolidated income statement.

(v) Operating lease

Rentals paid under operating leases are charged to the interim consolidated income statement on a straight-line basis over the term of the lease.

(vi) Other expenses

Other expenses are recognized on an accrual basis in the interim consolidated income statement.

3.16 *Recognition of reinsurance activities*

(i) Reinsurance ceded

Reinsurance premium ceded under treaty reinsurance agreements are recognized when gross written premiums within the scope of the treaty agreements are recognized.

Reinsurance premium ceded under facultative reinsurance agreements is recognized when the facultative reinsurance agreement has been entered into by the Corporation and when gross written premiums within the scope of the facultative agreements are recognized.

Reinsurance recovery is recognized when there is evidence of liability on the part of the reinsurer.

Reinsurance commission is recognized when there is a corresponding reinsurance premium ceded. At the end of fiscal year, the part of reinsurance commission which is not included in income of current year corresponding to unearned premium of reinsurance ceded shall be determined and allocated in the subsequent fiscal years based on the registered method of unearned premium reserve.

(ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

- Revenue and expenses relating to reinsurance assumed under treaty arrangements are recognized when the statement of account is received from the cedants. As at the reporting date, income and expenses relating to reinsurance assumed under treaty arrangements but for which the cedants have not sent their statement of accounts are estimated to recognize in the consolidated income statement based on the historical data and estimation of the Corporation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Recognition of reinsurance activities* (continued)

(ii) Reinsurance assumed (continued)

Reinsurance assumed under facultative arrangement:

- Reinsurance premium assumed is recognized when the facultative reinsurance agreement has been entered into by the Corporation and a statement of account (for each facultative reinsurance agreement) has been received from the cedants;
- Claim expenses for reinsurance assumed is recognized when there is evidence of liability of the Corporation and when a statement of account has been sent to the Corporation; and
- Reinsurance commission is recognized when the reinsurance premium is ceded and when a statement of account has been sent to the Corporation. At the end of fiscal year, the part of reinsurance commission which is not included in expense of current year corresponding to unearned premium of reinsurance assumed shall be determined and allocated in the subsequent fiscal years based on the registered method for unearned premium reserve.

3.17 *Taxation*

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the interim consolidated balance sheet date.

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Corporation to set off current tax assets against current tax liabilities and when the Corporation intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the interim consolidated balance sheet liability method on temporary differences at the interim consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for interim financial reporting purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Taxation* (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each interim consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each interim consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised, or the liability is settled based on tax rates and tax laws that have been enacted at the interim consolidated balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Corporation to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- either the same taxable entity; or
- when the Corporation intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Use of estimates

The preparation of the interim consolidated financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income and expenses and the resultant provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

3.19 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Corporation (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

3.20 Related parties

Parties are considered to be related parties of the Corporation if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Corporation and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENTS

	30 June 2020 VND	*31 December 2019 VND*
Cash on hand	681,229,701	618,824,695
Demand deposits at banks	212,915,996,060	118,672,028,366
Cash in transit	43,253,950	50,248,326
Cash equivalents	20,000,000,000	-
Total	**233,640,479,711**	**119,341,101,387**

5. INVESTMENTS

	Notes	*30 June 2020 VND*	*31 December 2019 VND*
Trading securities	**5.1**		
Listed shares		225,657,529,559	171,743,371,584
Unlisted shares		24,793,384,375	1,526,626,510
Provision for trading securities		(7,979,049,844)	(2,223,992,662)
		242,471,864,090	**171,046,005,432**
Held-to-maturity investments	**5.2**		
Short-term		2,178,078,785,399	2,226,496,760,790
- *Term deposits*		*2,178,078,785,399*	*2,226,496,760,790*
Long-term		1,268,585,417,954	1,191,885,824,961
- *Term deposits*		*771,331,054,385*	*688,486,582,608*
- *Bonds*		*497,254,363,569*	*503,399,242,353*
		3,446,664,203,353	**3,418,382,585,751**
Other financial investments	**5.3**		
Investments in other entities		75,907,370,000	75,907,370,000
Provision for impairment of other investments		(48,260,222,945)	(48,472,440,591)
		27,647,147,055	**27,434,929,409**
Net value of investments		**3,716,783,214,498**	**3,616,863,520,592**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	30 June 2020				*31 December 2019*			
	Quantity Shares	*Cost VND*	*Provision VND*	*Carrying value VND*	*Quantity Shares*	*Cost VND*	*Provision VND*	*Carrying value VND*
Listed shares	**7,544,956**	**225,657,529,559**	**282,153,086,292**	**(7,865,238,511)**	**6,910,755**	**171,743,371,584**	**252,744,736,740**	**(2,105,345,252)**
ACB	499,450	11,108,565,720	11,387,460,000	-	341,250	8,585,338,000	7,780,500,000	(804,838,000)
VNR	1,080,010	13,792,407,750	20,088,186,000	-	1,080,010	13,792,407,750	23,760,220,000	-
FPT	1,809,609	51,018,933,642	82,608,650,850	-	1,352,858	39,801,369,187	78,871,621,400	-
VNM	467,412	40,629,311,882	52,677,332,400	-	360,432	29,746,032,205	41,990,328,000	-
VCB	529,000	29,463,124,451	42,478,700,000	-	201,150	6,464,790,700	18,143,730,000	-
MBB	1,892,183	30,588,366,111	31,410,237,800	-	2,041,763	33,006,423,884	42,468,670,400	-
HPG	200,000	5,049,062,250	5,360,000,000	-	865,000	19,646,999,858	20,327,500,000	-
PLX	518,000	28,523,326,913	23,051,000,000	(5,472,326,913)	69,000	4,152,319,154	3,864,000,000	(288,319,154)
PVS	-	-	-	-	50,000	1,036,552,500	875,000,000	(161,552,500)
NLG	514,092	14,988,165,598	12,595,254,000	(2,392,911,598)	514,092	14,988,165,598	14,137,530,000	(850,635,598)
BCEL	35,200	496,265,242	496,265,242	-	35,200	522,972,748	525,636,940	-
Unlisted shares	**459,000**	**24,793,384,375**	**26,260,556,667**	**(113,811,333)**	**18,700**	**1,526,626,510**	**1,407,979,100**	**(118,647,410)**
ACV	379,000	22,337,706,375	23,918,690,000	-	18,700	1,526,626,510	1,407,979,100	(118,647,410)
VGI	80,000	2,455,678,000	2,341,866,667	(113,811,333)	-	-	-	-
	8,003,956	**250,450,913,934**	**308,413,642,959**	**(7,979,049,844)**	**6,929,455**	**173,269,998,094**	**254,152,715,840**	**(2,223,992,662)**

5. INVESTMENTS (continued)

5.2 *Held-to-maturity investments*

	30 June 2020				*31 December 2019*			
	Term Year	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*	*Term Year*	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*
Short-term								
Term deposits	0.5 – 1.5	4.0 – 8.3	2,178,078,785,399	2,178,078,785,399	0.4 – 1.5	4.8 – 8.2	2,226,496,760,790	2,226,496,760,790
			2,178,078,785,399	**2,178,078,785,399**			**2,226,496,760,790**	**2,226,496,760,790**
Long-term								
Term deposits	1.1 – 1.5	4.0 – 8.0	771,331,054,385	771,331,054,385	1.25 – 1.5	7.1 – 8.3	688,486,582,608	688,486,582,608
Bonds	5 - 10	7.5 – 8.9	497,254,363,569	497,254,363,569	5 - 10	7.5 – 8.9	503,399,242,353	503,399,242,353
			1,268,585,417,954	**1,268,585,417,954**			**1,191,885,824,961**	**1,191,885,824,961**
Total			**3,446,664,203,353**	**3,446,664,203,353**			**3,418,382,585,751**	**3,418,382,585,751**

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	30 June 2020				*31 December 2019*			
	% ownership	*Cost VND*	*Provision VND*	*Carrying value VND*	*% ownership*	*Cost VND*	*Provision VND*	*Carrying value VND*
Investments in other entities								
Green Indochina Development Joint Stock Company	4,21%	25,907,370,000	(25,907,370,000)	-	4,21%	25,907,370,000	(25,907,370,000)	-
BIDV Metlife Life Insurance Company	5%	50,000,000,000	(22,352,852,945)	27,647,147,055	4,57%	50,000,000,000	(22,565,070,591)	27,434,929,409
		75,907,370,000	**(48,260,222,945)**	**27,647,147,055**		**75,907,370,000**	**(48,472,440,591)**	**27,434,929,409**

6. SHORT-TERM RECEIVABLES

	30 June 2020 VND	*31 December 2019 VND*
Insurance receivables		
Gross written premium receivables	71,036,715,365	67,943,626,016
Reinsurance assumed receivables	74,727,496,025	74,479,758,413
Reinsurance ceded receivables	222,395,662,074	146,467,951,072
Receivables from co-insurers	9,825,245,152	6,156,626,141
Other receivables from insurance activities	434,938,595	2,616,615,498
	378,420,057,211	**297,664,577,140**
Other Trade Receivables	**148,175,271**	**1,428,306,622**
Short-term advances to suppliers	**904,031,206**	**415,132,233**
Other receivables		
Dividend receivables	2,861,138,001	521,352,000
Bank deposit interest receivables	149,117,145,184	137,382,833,495
Bond coupon receivables	20,615,865,709	8,905,479,452
Advances	10,418,273,028	2,372,132,026
Office rental deposit	699,545,111	701,116,190
Short-term mortgages, deposits	12,872,004,568	15,166,522,701
Other receivables	5,209,533,598	5,557,697,875
	201,793,505,199	**170,607,133,739**
Total receivables	**581,265,768,887**	**470,115,149,734**
Allowance for doubtful debts	(47,564,789,209)	(48,878,224,658)
Net receivables	**533,700,979,678**	**421,236,925,076**

7. UNALLOCATED COMMISSION EXPENSES

	30 June 2020 *VND*	31 December 2019 *VND*
Opening balance	**134,772,159,808**	**123,535,343,310**
Commission paid during the period	120,543,184,249	212,381,072,938
Allocated to expenses during the period	(104,407,531,124)	(201,144,256,440)
Closing balance	**150,907,812,933**	**134,772,159,808**

8. STATUTORY DEPOSIT

The Corporation maintains a statutory deposit at 2% of its legal capital, equivalent to VND 8,000,000,000, as required in Point 2 - Article 16 of Decree No. 73/2016/ND-CP dated 01 July 2016.

The Corporation's subsidiary has to maintain a statutory deposit at one third of its chartered capital, equivalent to LAK 8,731,000,000 (VND 21,423,479,816) according to Article 24, chapter 1, part IV of Laos Insurance Law (amended) No.06/NA dated 21 December 2011.

9. TANGIBLE FIXED ASSETS

	Buildings VND	*Machinery VND*	*Motor vehicles VND*	*Office equipment VND*	*Other tangible fixed assets VND*	*Total VND*
Costs:						
As at 1 January 2020	2,300,000,000	9,608,517,258	60,544,155,095	209,092,973	2,559,494,357	75,221,259,683
Difference from revaluation foreign currencies	-	(185,905,685)	(395,870,437)	-	(106,886,159)	(688,662,281)
As at 30 June 2020	2,300,000,000	9,422,611,573	60,148,284,658	209,092,973	2,452,608,198	74,532,597,402
Accumulated depreciation:						
As at 1 January 2020	720,666,698	8,248,697,558	52,053,014,590	165,850,662	2,390,299,657	63,578,529,165
Depreciation for the period	45,838,809	375,303,704	2,290,365,375	5,438,360	20,636,621	2,737,582,869
Difference from revaluation foreign currencies	-	(175,138,080)	(355,388,198)	-	(116,329,576)	(646,855,854)
As at 30 June 2020	766,505,507	8,448,863,182	53,987,991,767	171,289,022	2,294,606,702	65,669,256,180
Net book value:						
As at 1 January 2020	1,579,333,302	1,359,819,700	8,491,140,505	43,242,311	169,194,700	11,642,730,518
As at 30 June 2020	1,533,494,493	973,748,391	6,160,292,891	37,803,951	158,001,496	8,863,341,222

10. INTANGIBLE ASSETS

	Computer software VND	*Other intangible assets VND*	*Land use right VND*	*Total VND*
Costs:				
1 January 2020	275,849,125	108,773,078	6,500,000,000	6,884,622,203
Difference from revaluation foreign currencies	-	(1,980,088)	-	(1,980,088)
30 June 2020	275,849,125	106,792,990	6,500,000,000	6,882,642,115
Accumulated amortisation:				
1 January 2020	269,748,203	70,000,000	-	339,748,203
Difference from revaluation foreign currencies	6,100,922	7,427,080	-	13,528,002
Amortization during the period	-	16,591,129	-	16,591,129
30 June 2020	275,849,125	94,018,209	-	369,867,334
Net book value:				
1 January 2020	6,100,922	38,773,078	6,500,000,000	6,544,874,000
30 June 2020	-	12,774,781	6,500,000,000	6,512,774,781

11. LONG-TERM PREPAID EXPENSES

Long-term prepaid expenses are office maintenance expenses, tools and consumables which can be used in more than one year.

12. TRADE PAYABLES

	30 June 2020 VND	*31 December 2019* VND
Insurance activities	**494,010,216,768**	**455,702,430,349**
Payables for ceded activities	351,023,892,518	395,021,339,779
Payables to co-insurers	7,637,858,792	10,428,572,868
Claim payables	99,064,968,232	29,314,989,042
Commission payables	36,111,423,912	20,764,007,906
Other insurance payables	172,073,314	173,520,754
Other trade payables	**2,572,180,414**	**8,815,877,931**
Other payables	2,572,180,414	8,815,877,931
	496,582,397,182	**464,518,308,280**

13. TAXES AND OTHER STATUTORY OBLIGATIONS

	31 December 2019 VND	*Movement during the period*		*30 June 2020 VND*
		Payables VND	*Paid VND*	
Value added tax	6,980,954,643	67,317,634,188	(60,675,824,777)	13,622,764,054
Corporate income tax	14,582,249,950	34,934,927,848	(24,067,192,493)	25,449,985,305
Other taxes	5,935,915,794	15,621,116,720	(17,548,206,118)	4,008,826,396
Total	**27,499,120,387**	**117,873,678,756**	**(102,291,223,388)**	**43,081,575,755**

14. SHORT-TERM ACCRUED EXPENSES

	30 June 2020 VND	*31 December 2019 VND*
Compulsory civil liability fund	1,012,664,200	134,241,249
Policy holder protection fund	6,781,419,341	5,284,763,065
Compulsory fire and miscellaneous fund	5,067,871,015	3,385,178,553
Fund contribution to enhance management and supervision over insurance market	315,658,202	602,585,198
Other accrued expenses	114,395,805,141	51,516,387,533
Total	**127,573,417,899**	**60,923,155,598**

15. UNEARNED COMMISSION REVENUE

Unearned commission revenue is the deferred commission on reinsurance ceded which is not included in income of current year corresponding to unearned premium of reinsurance ceded and shall be allocated in subsequent period in accordance with Circular No. 232/2012/TT-BTC of the Ministry of Finance.

	30 June 2020 VND	*31 December 2019 VND*
Opening balance	**78,423,568,876**	**89,195,186,661**
Increased during the period	70,710,565,946	163,448,221,224
Allocated during the period	(83,535,262,530)	(174,219,839,009)
Closing balance	**65,598,872,292**	**78,423,568,876**

16. OTHER PAYABLES

	30 June 2020 VND	*31 December 2019 VND*
Other short-term payables	**104,631,797,885**	**10,121,546,712**
Employee expenses payable other than salaries	545,271,240	237,014,497
Short-term deposits	5,180,805,128	5,105,579,757
Charity funds	758,569,358	534,766,695
Dividend payables	94,159,491,000	337,975,000
Other payables	3,987,661,159	3,906,210,763
Other long-term payables	**582,500,000**	**883,263,950**
Mortgage, deposit received	582,500,000	883,263,950
Total	**105,214,297,885**	**11,004,810,662**

17. TECHNICAL RESERVES

17.1. Unearned premium reserve and claim reserve

	Reserve for direct insurance and inward reinsurance VND	*Reserve for outward reinsurance (reinsurance assets) VND*	*Net reserve VND*
31 December 2019			
Unearned premium reserve	**1,350,290,922,859**	**(379,082,993,551)**	**971,207,929,308**
Mathematical reserve for health care insurance	*340,736,516,417*	*(266,339,923)*	*340,470,176,494*
Unearned premium reserve for non - life insurance	*1,009,554,406,442*	*(378,816,653,628)*	*630,737,752,814*
Claim reserve	**1,000,855,219,216**	**(767,528,296,692)**	**233,326,922,524**
Outstanding claim reserve	*886,026,049,291*	*(706,538,548,489)*	*179,487,500,802*
Incurred but not reported reserve	*114,829,169,925*	*(60,989,748,203)*	*53,839,421,722*
Catastrophe reserve	**132,849,776,798**	**-**	**132,849,776,798**
	2,483,995,918,873	**(1,146,611,290,243)**	**1,337,384,628,630**
30 June 2020			
Unearned premium reserve	**1,390,347,479,950**	**(339,321,279,497)**	**1,051,026,200,453**
Mathematical reserve for health care insurance	*235,523,772,798*	*(498,163,174)*	*235,025,609,624*
Unearned premium reserve for non - life insurance	*1,154,823,707,152*	*(338,823,116,323)*	*816,000,590,829*
Claim reserve	**1,047,628,779,929**	**(772,271,523,770)**	**275,357,256,159**
Outstanding claim reserve	*935,261,610,869*	*(713,381,784,457)*	*221,879,826,412*
Incurred but not reported reserve	*112,367,169,060*	*(58,889,739,313)*	*53,477,429,747*
Catastrophe reserve	**140,930,185,804**	**-**	**140,930,185,804**
Total	**2,578,906,445,683**	**(1,111,592,803,267)**	**1,467,313,642,416**

17. TECHNICAL RESERVES (continued)

17.1 *Unearned premium and claim reserve* (continued)

17.1.1 *Unearned premium reserve*

Gross unearned premium reserve

Product	*30 June 2020 VND*	*31 December 2019 VND*
Health and Personal Accident	454,006,226,775	383,525,721,440
Property and Damages	262,372,460,677	292,717,884,451
Cargo	13,947,569,335	13,549,562,607
Automobile	395,826,811,752	378,581,426,136
Fire	181,948,006,741	207,795,863,432
Liability	7,392,542,895	12,938,940,999
Business Risk	20,150,684,555	23,161,875,252
Aviation	24,868,165,234	17,573,366,915
Hull and P&I	28,292,479,540	19,016,636,434
Financial and credit risk	1,059,918,262	852,720,312
Agriculture	482,614,184	576,924,881
Total	**1,390,347,479,950**	**1,350,290,922,859**

Ceded unearned premium reserve (Reinsurance assets)

Product	*30 June 2020 VND*	*31 December 2019 VND*
Health and Personal Accident	17,802,262,923	19,888,925,506
Property and Damages	155,069,606,249	175,883,988,802
Cargo	6,881,577,319	8,699,288,105
Automobile	20,475,255,663	19,318,434,154
Fire	81,294,514,873	101,573,723,513
Liability	3,922,056,696	8,624,835,718
Business Risk	16,215,032,633	18,400,695,099
Aviation	21,305,476,253	14,895,477,066
Hull and P&I	15,138,201,463	10,685,643,438
Financial and credit risk	817,141,093	654,330,513
Agriculture	400,154,332	457,651,637
Total	**339,321,279,497**	**379,082,993,551**

17. TECHNICAL RESERVES (continued)

17.1 Unearned premium and claim reserve (continued)

17.1.2 Claim reserve

Gross claim reserve

Product	*30 June 2020 VND*	*31 December 2019 VND*
Health and Personal Accident	60,408,644,737	56,129,242,766
Property and Damages	288,451,075,710	382,847,195,484
Cargo	21,903,646,001	21,147,134,607
Automobile	67,062,883,225	53,636,498,377
Fire	491,550,043,172	373,893,131,791
Liability	8,666,963,736	7,933,306,034
Business Risk	15,872,715,592	4,653,692,787
Aviation	4,389,823,475	10,876,657,716
Hull and P&I	52,996,976,688	53,680,176,834
Financial and credit risk	36,179,231,884	35,910,179,683
Agriculture	146,775,709	148,003,137
Total	**1,047,628,779,929**	**1,000,855,219,216**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*30 June 2020 VND*	*31 December 2019 VND*
Health and Personal Accident	27,194,468,732	23,148,706,029
Property and Damages	266,406,548,069	377,679,926,278
Cargo	18,481,888,343	16,536,640,296
Automobile	5,785,550,884	1,965,728,801
Fire	379,305,917,968	276,523,575,153
Liability	5,086,699,298	4,590,529,604
Business Risk	14,188,751,534	4,360,981,061
Aviation	3,035,143,379	9,325,477,503
Hull and P&I	39,275,561,930	40,308,789,399
Financial and credit risk	13,510,993,633	13,087,942,568
Total	**772,271,523,770**	**767,528,296,692**

17.2. Catastrophe reserve

	30 June 2020 VND	*31 December 2019 VND*
Opening balance	**132,849,776,798**	**117,388,386,775**
Increased during the period	8,420,020,725	15,644,275,230
Difference from revaluation foreign currencies	(339,611,719)	(182,885,207)
Closing balance	**140,930,185,804**	**132,849,776,798**

18. OWNERS' EQUITY

18.1 *Increase and decrease in owners' equity*

	Charter capital VND	*Share premium VND*	*Investment and development fund VND*	*Statutory Reserve VND*	*Undistributed Earnings VND*	*Foreign exchange differences VND*	*Non-controlling interest VND*	*Total VND*
01 January 2019 (restated)	**1,172,768,950,000**	**655,565,033,362**	**50,158,477,335**	**51,483,198,536**	**177,253,828,398**	**6,177,910,716**	**28,907,711,233**	**2,142,315,109,580**
Profit for the period	-	-	-	-	211,087,596,834	-	229,255,152	211,316,851,986
Appropriation to statutory reserves	-	-	-	10,618,597,877	(10,618,597,877)	-	-	-
Appropriation to Bonus and Welfare funds	-	-	-	-	(25,000,000,000)	-	-	(25,000,000,000)
Appropriation to Investment and Development funds	-	-	36,894,420,328	-	(36,894,420,328)	-	-	-
Dividend payment	-	-	-	-	(82,093,826,500)	-	(2,246,876,149)	(84,340,702,649)
Laos income tax on dividend paid to the subsidiary's shareholders	-	-	-	-	(463,641,110)	-	(249,652,905)	(713,294,015)
Difference due to FX translation	-	-	-	-	-	(732,835,017)	(1,560,333,303)	(2,293,168,320)
31 Decmber 2019	**1,172,768,950,000**	**655,565,033,362**	**87,052,897,663**	**62,101,796,413**	**233,270,939,417**	**5,445,075,699**	**25,080,104,028**	**2,241,284,796,582**
01 January 2020	**1,172,768,950,000**	**655,565,033,362**	**87,052,897,663**	**62,101,796,413**	**233,270,939,417**	**5,445,075,699**	**25,080,104,028**	**2,241,284,796,582**
Profit for the period	-	-	-	-	156,601,307,054	-	1,658,456,550	158,259,763,604
Appropriation to statutory reserves(*)	-	-	-	7,734,083,392	(7,734,083,392)	-		-
Appropriation to Bonus and Welfare funds (*)	-	-	-	-	(34,660,000,000)	-	-	(34,660,000,000)
Appropriation to Investment and Development funds(*)	-	-	54,597,345,046	-	(54,597,345,046)	-	-	-
Dividend payment(*)	-	-	-	-	(93,821,516,000)	-	-	(93,821,516,000)
Difference due to FX translation	-	-	-	-		6,576,034,971	(860,914,987)	5,715,119,984
30 June 2020	**1,172,768,950,000**	**655,565,033,362**	**141,650,242,709**	**69,835,879,805**	**199,059,302,033**	**12,021,110,670**	**25,877,645,591**	**2,276,778,164,170**

(*) In accordance with Resolution No. 02/2020/NQ-DHDCD dated 24 June 2020 approved by Annual General Meeting of Shareholders.

18. OWNERS' EQUITY (continued)

18.2. *Contributed capital*

	30 June 2020 VND	*31 December 2019 VND*
Contributed by parent company (BIDV)	597,492,590,000	597,492,590,000
Contributed by Strategic investor (Fairfax)	410,469,130,000	410,469,130,000
Contributed by other shareholders	164,807,230,000	164,807,230,000
Total	**1,172,768,950,000**	**1,172,768,950,000**

18.3. *Capital transactions with owners and distributions of dividends*

	30 June 2020 VND	*31 December 2019 VND*
Paid-in capital		
Contributed capital at the begining of the period	1,172,768,950,000	1,172,768,950,000
Contributed capital at the end of the period	**1,172,768,950,000**	**1,172,768,950,000**
Dividends	**(93,821,516,000)**	**(82,093,826,500)**

18.4. *Shares*

	30 June 2020	*31 December 2019*
Authorized shares	**117,276,895**	**117,276,895**
Issued shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895
Outstanding shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895

Par value of outstanding shares (VND/share): 10,000

19. INSURANCE REVENUE

Currency: VND

	For the six-month period ended 30 June 2020	*For the six-month period ended 30 June 2019*
Direct written premiums	1,192,922,114,032	1,111,318,016,120
Deductions from direct premiums	(741,027,241)	(413,801,959)
Total direct written premiums	**1,192,181,086,791**	**1,110,904,214,161**
Reinsurance premium assumed	39,917,981,580	30,836,876,944
Increase in un-earned premium reserve	(24,625,739,811)	(35,727,039,521)
Total	**1,207,473,328,560**	**1,106,014,051,584**

19.1 Direct written premiums

Product	*For the six-month period ended 30 June 2020 VND*	*For the six-month period ended 30 June 2019 VND*
Health and Personal Accident	292,793,282,606	204,115,340,213
Property and Damages	173,609,235,193	194,148,164,282
Cargo	57,924,792,188	54,859,290,768
Automobile	366,791,997,999	356,847,609,001
Fire	194,851,426,396	199,954,730,423
Liability	8,678,030,889	8,202,932,082
Business Risk	13,520,599,425	19,575,912,575
Aviation	42,325,610,908	35,092,362,484
Hull and P&I	40,150,457,144	35,332,185,098
Financial and credit risk	1,535,654,043	1,247,769,896
Agriculture	-	1,527,917,339
Total	**1,192,181,086,791**	**1,110,904,214,161**

19.2 Reinsurance premiums assumed

Product	*For the six-month period ended 30 June 2020 VND*	*For the six-month period ended 30 June 2019 VND*
Health and Personal Accident	4,642,322,368	(12,864,241,450)
Property and Damages	20,332,382,589	27,266,470,773
Cargo	199,952,230	145,992,388
Automobile	9,571,265,865	11,293,614,679
Fire	3,507,497,859	4,190,783,859
Liability	278,661,881	90,009,862
Business Risk	869,120,462	186,943,494
Aviation	421,428,500	438,389,504
Hull and P&I	95,349,826	36,627,467
Financial and credit risk	-	52,286,368
Total	**39,917,981,580**	**30,836,876,944**

20. REINSURANCE PREMIUM CEDED

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Reinsurance premium ceded	390,447,697,774	418,488,249,415
Change in ceded unearned premium reserve	52,660,373,683	8,271,505,375
Total	**443,108,071,457**	**426,759,754,790**

Reinsurance premium ceded includes:

Product	*For the six-month period ended 30 June 2020 VND*	*For the six-month period ended 30 June 2019 VND*
Health and Personal Accident	8,787,992,670	(7,698,517,189)
Property and Damages	156,084,225,729	182,612,726,650
Cargo	24,335,134,474	33,355,928,395
Automobile	18,812,671,225	30,880,134,681
Fire	102,029,466,902	104,566,213,988
Liability	5,665,520,498	4,948,810,846
Business Risk	12,727,826,757	17,085,000,132
Aviation	38,799,334,606	29,858,415,357
Hull and P&I	22,115,884,467	21,047,453,357
Financial and credit risk	1,089,640,446	804,322,606
Agriculture	-	1,027,760,592
Total	**390,447,697,774**	**418,488,249,415**

21. COMMISSION ON REINSURANCE CEDED

Product	*For the six-month period ended 30 June 2020 VND*	*For the six-month period ended 30 June 2019 VND*
Health and Personal Accident	2,344,449,150	633,751,086
Property and Damages	28,865,130,926	35,526,826,567
Cargo	7,538,433,174	8,260,910,392
Automobile	5,859,109,373	7,235,818,355
Fire	29,524,263,913	21,812,322,187
Liability	989,924,994	1,015,008,570
Business Risk	1,485,422,365	1,251,574,723
Aviation	3,983,936,241	3,779,266,061
Hull and P&I	2,897,409,709	2,713,079,856
Financial and credit risk	46,909,724	54,125,461
Agriculture	272,961	109,718,548
Total	**83,535,262,530**	**82,392,401,806**

22. OTHER INCOME FROM INSURANCE ACTIVITIES

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Policy management fee	24,580,782,168	24,149,117,486
Other income (*)	821,572,329	1,995,976,443
Total	**25,402,354,497**	**26,145,093,929**

(*) Other income includes leading fee from coinsurance and other income from reinsurance activities.

23. NET CLAIM EXPENSES

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Claim expenses	542,334,834,398	396,672,622,825
- *Direct claim expenses*	*503,729,363,521*	*360,821,050,817*
- *Claim expense on reinsurance assumed*	*38,605,470,877*	*35,851,572,008*
Salvage and sub-rogation	(1,096,530,937)	1,642,912,610
Recovery from reinsurance ceded	(329,376,367,579)	(158,944,350,552)
Increase in gross claim reserve	53,675,562,542	128,694,080,228
Increase in ceded reinsurance claim reserve	(7,050,790,493)	(87,701,852,558)
Total	**258,486,707,931**	**280,363,412,553**

23. NET CLAIM EXPENSES (continued)

23.1 *Direct claim expenses*

Product	*For the six-month period ended 30 June 2020 VND*	*For the six-month period ended 30 June 2019 VND*
Health and Personal Accident	48,565,268,716	46,449,302,337
Property and Damages	94,197,846,170	42,950,849,556
Cargo	15,686,860,589	10,898,470,351
Automobile	139,663,100,858	145,414,707,440
Fire	195,150,889,350	89,000,836,357
Liability	310,286,594	1,647,935,557
Business risk	218,231,251	146,289,545
Aviation	3,083,216,549	3,677,464,891
Hull and P&I	6,853,663,444	20,521,951,470
Agriculture	-	113,243,313
Total	**503,729,363,521**	**360,821,050,817**

23.2 *Claim expense on reinsurance assumed*

Product	*For the six-month period ended 30 June 2020 VND*	*For the six-month period ended 30 June 2019 VND*
Health and Personal Accident	22,906,365,535	-
Property and Damages	7,832,727,086	29,439,294,660
Cargo	356,138,264	3,454,745
Automobile	6,215,117,245	6,372,845,330
Fire	1,295,122,747	35,977,273
Total	**38,605,470,877**	**35,851,572,008**

23. CLAIM EXPENSES (continued)

23.3 *Recoveries from reinsurance ceded*

Product	*For the six-month period ended 30 June 2020 VND*	*For the six-month period ended 30 June 2019 VND*
Health and Personal Accident	17,711,078,425	37,096,747
Property and Damages	114,906,473,376	61,806,552,908
Cargo	11,682,897,761	8,862,245,094
Automobile	7,540,641,379	10,909,237,631
Fire	168,550,018,060	57,079,846,525
Liability	30,937,710	1,007,211,430
Business risk	211,688,166	-
Aviation	3,003,389,112	2,020,919,103
Hull and P&I	5,739,243,590	17,221,241,114
Total	**329,376,367,579**	**158,944,350,552**

24. OTHER OPERATING EXPENSES

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Commission	104,407,531,124	88,517,017,334
Agent management activities	33,155,576,869	11,095,489,553
Loss prevention	655,162,830	1,639,246,122
Statutory contributions	4,976,143,510	4,564,534,592
Other expenses	205,621,144,364	185,523,960,248
Total	**348,815,558,697**	**291,340,247,849**

Other expenses include the expenses related to underwriting activities such as marketing expenses, entertainment meals, telephones, petro, per-diem, postage expense...

25. FINANCE INCOME

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Interest income from deposits at banks	109,029,433,746	99,920,651,586
Interest income from bonds	20,337,435,437	21,205,967,978
Other income from bonds	228,072,036	-
Dividend income	5,529,136,068	4,032,504,600
Gain from exchange rate difference	6,755,523,819	6,026,379,138
Gain from security trading	7,692,446,551	1,720,902,041
Other financial incomes	73,427	32,392
Total	**149,572,121,084**	**132,906,437,735**

26. FINANCE EXPENSES

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Interest expenses	53,170,735	6,882,334
Bond premium allocated expenses	-	622,649,377
Security trading expenses	151,351,052	62,735,578
Loss on security trading	556,862,610	306,612,580
Loss on exchange rate difference	7,385,186,119	7,895,233,332
Provision/(Reversal) of provision for diminution in value of investments	5,542,839,536	(619,605,899)
Other financial expenses	20,520,000	58,240,556
Total	**13,709,930,052**	**8,332,747,858**

27. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Employee expenses	120,846,285,580	113,076,508,743
Material expenses	4,472,842,473	4,196,726,320
Tool and equipment expenses	1,076,685,412	1,300,591,806
Depreciation expenses	2,751,110,871	3,545,851,702
Tax, fee, and charge	5,333,654,242	4,165,830,064
Expenses for external services	65,301,810,454	53,039,764,179
(Reversal)/Provision for doubtful debts	(1,306,612,815)	2,901,199,189
Other expenses	1,922,678,601	2,560,145,987
Total	**200,398,454,818**	**184,786,617,990**

28. OTHER INCOME

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Income from disposal of assets	6,581,364	6,000,000
Other income	205,501,371	203,311,584
Total	**212,082,735**	**209,311,584**

29. OTHER EXPENSES

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Administrative penalty	31,920,700	50,008,345
Other expenses	29,793,574	59,346,190
Total	**61,714,274**	**109,354,535**

30. CORPORATE INCOME TAX

The Corporation is subject to paying Corporate Income Tax ("CIT") at the rate of 20% of its taxable profits from 2020.

The tax returns filed by the Corporation are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

30.1 CIT Expense

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Current tax expense	34,934,927,848	26,500,710,556
Total	**34,934,927,848**	**26,500,710,556**

30. CORPORATE INCOME TAX (continued)

30.1 *CIT Expense* (continued)

Reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Accounting profit before tax	**188,432,632,258**	**148,742,632,647**
Corporate Income Tax	**38,870,489,886**	**28,878,298,625**
Adjustments to increase:	**640,690,037**	**770,208,165**
Non-deductible expenses	640,690,037	708,266,552
Penalty for late payment of tax	*6,383,462*	*10,001,669*
Accrual of policy holder protection fund	483,005,619	*413,501,325*
Other non-deductible expenses	151,300,956	*284,763,558*
Adjustment for under accrual of tax from prior periods	-	61,941,613
Adjustments to decrease:	**(4,576,252,075)**	**(3,147,796,234)**
Tax exempted income from business activities	(1,105,827,214)	(806,500,920)
Adjustment for over accrual of tax from prior periods	(3,470,424,861)	(2,341,295,314)
Current CIT expense	**34,934,927,848**	**26,500,710,556**

30.2 *Current tax*

The current CIT payable is based on taxable income for the current period. The taxable income of the Corporation for the period differs from the profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted by the interim consolidated balance sheet date.

31. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related companies during the period were as follows:

Company	*Relationship*	*Transaction*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
			VND	*VND*
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Gross written premiums	64,872,691,252	85,184,483,261
		Claim expense	(992,633,229)	(1,335,175,973)
		Commission expense	(59,906,373,655)	(24,640,627,677)
		Interest income from term deposit	90,470,012,185	83,355,380,725
		Office rental expense	(7,277,701,143)	(4,195,554,132)
		Bank transfer expense	(1,134,680,450)	(1,124,741,626)
		Bank overdraft interest	4,438,356	-
BIDV-SuMI TRUST Leasing Company	Affiliate	Gross written premiums	285,481,695	427,869,739
		Claim expense	(272,704,292)	(103,705,491)
		Commission expense	-	(12,688,478)
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Gross written premiums	151,720,752	345,016,308
		Interest income from term deposit	3,162,256,162	2,403,794,521
		Claim expense	(15,740,000)	(8,820,000)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related companies at the interim consolidated balance sheet date are as follows:

Related company	*Relationship*	*Description*	*30 June 2020* VND	*31 December 2019* VND
Trade receivables				
Joint stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Current account	187,041,626,789	103,978,860,655
		Term deposits	2,491,500,000,000	2,485,500,000,000
		Interest from term deposits receivables	111,990,104,101	111,134,135,618
		Premium receivables	305,701,542	422,050,779
		Compulsory deposit at BIDV	10,000,000,000	10,000,000,000
		Deposits in blocked account	1,312,024,590	1,520,633,193
BIDV-SuMI TRUST Leasing Company	Affiliate	Premium receivables	433,611,248	450,221,927
Bank for Investment and Development of Cambodia (BIDC)	Affiliate	Term Deposits	111,500,000,000	49,500,000,000
		Interest from term deposits	5,285,984,929	2,123,728,767
Trade payables				
Joint stock Commercial Bank for Investment and Development of Vietnam (BIDV)	Parent	Commission payables	(13,761,719,633)	(6,299,323,944)
		Office rent payables	(886,431,457)	(1,916,125,528)
		Dividend payables	(47,848,973,160)	-
BIDV-SuMI TRUST Leasing Company	Affiliate	Commission payables	-	(22,948,622)

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of Board of Directors:

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Remuneration	246,000,000	166,666,667
Total	**246,000,000**	**166,666,667**

Remuneration to members of Board of Management:

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Salaries and bonus	6,227,106,933	5,960,291,034
Other benefits	252,000,000	257,783,334
Total	**6,479,106,933**	**6,218,074,368**

Apart from salaries and bonus, the Board of Management is not entitled to any other benefits.

32. INFORMATION ON SEGMENT REPORTING

The primary segment reporting format is determined to be business segments as the Corporation risks and rates of return are affected predominantly by differences on geographical where the products and services are rendered.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in preparation of the interim consolidated financial statements.

The Corporation's geographical segments are based on the location of the Corporation's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

32. INFORMATION ON SEGMENT REPORTING (continued)

The following table presents operating result of the Corporation's operating segments for the period ended 30 June 2020:

Currency: million VND

	Domestic market	*Foreign market*	*Adjustments and eliminations*	*Total*
Insurance revenue	1,074,578	157,723	(24,828)	1,207,473
Reinsurance ceded premium	(336,653)	(135,107)	28,652	(443,108)
Net insurance premiums	**737,925**	**22,616**	**3,824**	**764,365**
Commission on reinsurance ceded and other insurance incomes	97,046	19,142	(7,250)	108,938
Total operating revenues	**834,971**	**41,758**	**(3,426)**	**873,303**
Claim expenses	(515,003)	(35,289)	9,054	(541,238)
Recoveries from reinsurance ceded	311,381	28,021	(10,026)	329,376
Increase in direct and assumed claim reserve	(82,454)	17,432	11,346	(53,676)
Increase in ceded claim reserve	36,309	(19,219)	(10,039)	7,051
Net claim expenses	**(249,767)**	**(9,055)**	**335**	**(258,487)**
Increase in catastrophe reserve	(8,158)	-	(262)	(8,420)
Other operating expenses	(332,415)	(22,440)	6,039	(348,816)
Total direct operating expenses	**(590,340)**	**(31,495)**	**6,112**	**(615,723)**
Gross insurance operating profit	**244,631**	**10,263**	**2,686**	**257,580**
Finance income	142,506	7,066	-	149,572
Finance expenses	(11,274)	(1,512)	(923)	(13,709)
Profit from financial activities	**131,232**	**5,554**	**(923)**	**135,863**
General and administrative expenses	(187,465)	(10,013)	(2,920)	(200,398)
Net operating income	**188,399**	**5,804**	**(1,157)**	**193,045**
Other income	73	139	-	212
Other expenses	(39)	(22)	-	(61)
Net other profit/(loss)	**34**	**117**	**-**	**151**
Profit before Corporate income tax	**188,433**	**5,921**	**(1,157)**	**193,196**

32. INFORMATION ON SEGMENT REPORTING (continued)

Information on the assets and liabilities of segments in geographical segments of Corporation at 30 June 2020 as follow:

Currency: million VND

	Domestic market	*Foreign market*	*Adjustments and eliminations*	*Total*
CURRENT ASSETS	**4,286,285**	**324,755**	**(154,322)**	**4,456,718**
Cash and cash equivalents	222,577	11,063	-	233,640
Short-term investments	2,410,976	9,575	-	2,420,551
Short-term receivables	511,707	61,335	(39,341)	533,701
Inventories	2	146	-	148
Other short-term assets	151,964	16,554	(11,433)	157,085
Reinsurance assets	989,059	226,082	(103,548)	1,111,593
NON-CURRENT ASSETS	**1,283,457**	**97,098**	**(34,660)**	**1,345,895**
Long-term receivables	12,552	21,423	-	33,975
Fixed assets	14,532	844	-	15,376
Long-term investments	1,256,062	74,831	(34,660)	1,296,233
Other long-term assets	311	-	-	311
TOTAL ASSETS	**5,569,742**	**421,853**	**(188,982)**	**5,802,613**
LIABILITIES	**3,345,201**	**347,918**	**(167,284)**	**3,525,835**
Current liabilities	3,344,617	347,918	(167,284)	3,525,251
Non-current liabilities	584	-	-	584
OWNERS' EQUITY	**2,224,541**	**73,935**	**(21,698)**	**2,276,778**
TOTAL LIABILITIES AND OWNERS' EQUITY	**5,569,742**	**421,853**	**(188,982)**	**5,802,613**

33. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Corporation leases office premises under an operating lease. Future rental amounts due under operating leases as at the period-end were as follows:

	30 June 2020 VND	*31 December 2019 VND*
Operating lease commitments due:		
- Less than 1 year	4,683,630,715	2,782,579,344
- From 1 – 5 years	26,838,870,172	30,404,047,823
Total	**31,522,500,887**	**33,186,627,167**

Foreign contractor withholding tax

The Corporation accounted for the FCT on reinsurance premiums ceded to overseas reinsurers from countries without Double Tax Treaty with Vietnam or from countries with Double Tax Treaty with Vietnam but the reinsurers have not submitted adequate supporting documents.

33. COMMITMENTS AND CONTINGENCIES (continued)

Off-balance sheet items

ITEMS	*30 June 2020*	*31 December 2019*
Insurance policies signed but not yet effective (VND)	105,460,003,515	105,454,924,617
Foreign currency (USD)	2,678,290	5,064,572
Foreign currency (EUR)	218,261	218,261
Foreign currency (GPB)	68,700	68,700
Foreign currency (AUD)	12,320	12,320
Foreign currency (LAK)	3,762,560,777	2,715,915,488
Foreign currency (THB)	223,947	7,612,073

34. EARNINGS PER SHARE

The following reflects the income and share data used in the basic earnings per share computations:

	For the six-month period ended 30 June 2020	*For the six-month period ended 30 June 2019*
Net profit after tax attributable to ordinary shareholders (VND)	156,601,307,054	122,003,400,915
Distribution to bonus and welfare fund (VND)	34,660,000,000	25,000,000,000
Net profit after tax attributable to ordinary shareholders for basic earnings (VND)	121,941,307,054	97,003,400,915
Weighted average number of ordinary shares for basic earnings per share (unit)	117,276,895	117,276,895
Earnings per share (VND)	1,040	827

35. RISK MANAGEMENT FRAMEWORK

35.1 Governance framework

The primary objective of the Corporation's risk and financial management framework is to protect the Corporation's shareholders from events that hinder the sustainable achievement of financial performance objectives. The Board of Directors and Management recognise the importance of having efficient and effective risk management systems in place.

The Corporation has established a risk management function which agreed clear terms of reference by the Board of Directors and committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board of Directors to the Board of Management and other senior management. A policy framework has been developed and implemented which sets out the risk profiles for the Corporation, risk management; control and business conduct standards for the Corporation's operations. Each policy has a member of the Board of Management charged with overseeing compliance with the policy throughout the Corporation.

35. RISK MANAGEMENT FRAMEWORK (continued)

35.2 Risk management objectives, policies and processes for management of insurance risk

The primary insurance activity carried out by the Corporation is the assumption of risk of loss from persons or organisations that are directly subject to the risk. Such risks may relate to property, liability, accident, health, financial or other perils that may arise from an insurable event. As such the Corporation is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Corporation also has exposure to market risk through its insurance and investment activities.

The Corporation manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or those exceed set limits, risk diversification, pricing guidelines, reinsurance and monitoring of emerging issues.

35.3 Capital management and regulatory framework

The primary capital management objective of the Corporation is to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements at all times. The Corporation recognises the impact on shareholders returns of the level of equity capital employed and seek to maintain a prudent balance.

Regulatory capital requirements arising from the operations of the Corporation require the Corporation to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The solvency requirements that apply to the Corporation is those set out in Circular 50.

The table below summarises the minimum regulatory solvency margin for the Corporation and the solvency capital held against each of them. Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the insurance subsidiaries are satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Corporation maintain appropriate solvency position to meet unforeseen liabilities arising from economic turmoil or natural disasters.

Currency: VND

	Corporation Solvency Margin	*Minimum Solvency Margin*	*Solvency Margin Ratio*
30 June 2020	1,726,967	485,765	356%
31 December 2019	1,765,934	432,791	408%

The solvency ratio of the Corporation is calculated based on the relevant regulations promulgated by the Ministry of Finance in Vietnam, which is an indicator of the overall solvency position of the relevant insurance operations.

35.4 Underwriting strategy

The Corporation's underwriting strategy seeks the diversity for products, distribution channel and focus on the most profitable products to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

35. RISK MANAGEMENT FRAMEWORK (continued)

35.5 Reinsurance strategy

The Corporation reinsures a portion of the insurance risks it underwrites in order to control its exposures to losses and protect its capital, through treaty and facultative reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured. The amount of each risk retained depends on the Corporation's evaluation of the specific risk, subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Corporation remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

Ceded reinsurance contains credit risk, and to minimise such risk, only those reinsurers whose credit rating either assessed by credit rating agencies or internally assessed by the Corporation are satisfied to have business with the Corporation.

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Corporation issues contracts that transfer insurance risk or financial risk or both. The following gives details of the Corporation's main products and the ways in which it manages the associated risks.

36.1 Insurance risk

Assumptions, changes in assumptions and sensitivity analysis

The process used to determine the assumptions is intended to result in estimates of the most likely outcome. The sources of data used as inputs for the assumptions are internal, based on detailed studies that are carried out regularly. The assumptions are checked to ensure that they are consistent with other observable information. There is more emphasis on current trends, and where there is insufficient historical information, prudent assumptions are used.

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a separate case by case basis with due regard to the circumstances, information available from loss adjusters and historical evidence of similar claims. Case estimates are reviewed and updated regularly when there is updated information. The provision is estimated based on information currently available.

The claim reserve is calculated based on method regulated in Circular 50. Details of such reserving methodologies are as follows:

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.1 Insurance risk (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified or requested for payment but is still unresolved at the end of the fiscal year, accordance with the Circular 50; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) calculated at the rate of 3% of premium for each insurance operation.

The Corporation issues general insurance contracts such as cargo, hull, aviation, engineering, fire, health and personal accident, general indemnity and automobile. Risks under general insurance contracts usually cover twelve-month duration.

The Corporation is exposed to cumulative risks from the economic development across the country and flow of foreign investment in manufacturing and real estates, especially in the major economic hubs such as Ho Chi Minh City, Hanoi, Hai Phong, Da Nang and Dong Nai.

For general insurance contracts, most of significant risks arise from climate changes and natural disasters. Vietnam has suffered heavily from catastrophes such as tropical typhoon, river flood, flash flood, heavy rain and landslide. It is expected that tropical typhoon will affect Vietnam regularly with the high severity and insured losses. In view of the exposures, the general insurance has arranged the reinsurance protection for the fire, engineering, motor, marine hull & cargo, fishing vessels portfolios against the catastrophe events to minimize the risks.

For late notified claims that take more than a year to settle, there is also inflation risk. These risks do not vary significantly in relation to the location, type of risk insured and industry.

The Corporation has also limited its exposure by imposing maximum insured amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. typhoon and flood damages).

The purpose of the reinsurance and reinsurance strategy is to reduce the risk associated with the Group's catastrophic risk exposure as determined by the Board of Directors. The Board of Directors may decide to increase or decrease the maximum tolerance based on market conditions and other factors.

Concentration level of insurance risk

Insurance risks of the Corporation include most types of non-life insurance risks as cargo, marine, aviation, oil and gas, property, personal and accident, engineering risk, etc. Aside from accumulative risk in the same category, the Corporation also faces concentration of risks e.g. vessel and cargo insurance, asset and human insurance, etc. the Corporation has internal policies on the management of concentration of risks and reinsurance protection contracts to limit liability when accumulative risk events or disasters occur.

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 Financial risk

The Corporation's financial liabilities comprise trade and other payables. The Corporation has trade receivables, other receivables, cash and short-term deposits and other financial investments. The Corporation does not hold or issue derivative financial instruments.

The Corporation is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Corporation. The Corporation has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Corporation's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized below.

36.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the Corporation's interim financial position as at 30 June 2020 and 31 December 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that:

- the sensitivity of the balance sheet relates to available-for-sale debt instrument;
- the sensitivity of the relevant interim consolidated income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2020 and 31 December 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to market risk for changes in interest rate relates primarily to the Corporation's term deposits and bonds. These investments are mainly short term in nature and they are not held for speculative purposes.

The Corporation manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favourable for its purposes within its risk management limits.

An interest rate risk sensitivity analysis is not performed as the Corporation's exposure to interest-rate risk is minimal at reporting date.

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 Financial risk (continued)

36.2.1 Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Corporation conducts business may affect its financial condition and results of operations. The foreign currency risk that the Corporation is facing mainly comes from movements in the USD/VND exchange rates. The Corporation seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

As the majority of the Corporation's financial assets are denominated in VND, the foreign currency risk is mitigated. Most of other assets denominated in foreign currency are in USD.

The table below indicates the effect of a reasonably possible movement of the foreign currency exchange rate against the VND, with all other variables held constant, on the consolidated income statement and statement of financial position of the Corporation:

Currency: VND

Change in variance	*Impact on profit before tax*	*Impact on equity*
30 June 2020		
+5%	3,764,897,968	3,011,918,375
-5%	(3,764,897,968)	(3,011,918,375)
31 December 2019		
+5%	3,875,263,279	3,100,210,624
-5%	(3,875,263,279)	(3,100,210,624)

Equity price risk

The Corporation's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Corporation manages equity price risk by placing a limit on equity investments and prediction analysis of market. The Corporation's Board of Management reviews and approves significant equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was VND 308,413,642,959 (31 December 2019: VND 254,152,715,840). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 8,053,281,765 (31 December 2019: decrease by VND 4,208,644,660), depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Corporation's profit before tax by VND 3,678,436,733 (31 December 2019: increase by VND 2,213,152,162).

36. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 Financial risk (continued)

36.2.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily for trade receivables from original insurance and reinsurance activities) and from its financing activities, including deposits at banks and other financial instruments.

Trade receivables

The trade receivables, which subject to credit risk, include trade receivables from insurance and reinsurance activities, and other receivables subject to credit risk. Customer credit risk is managed by the Corporation based on its established policy, procedures and control relating to customer credit risk management.

The most significant of reinsurance receivables are reinsurance recoveries. To mitigate the risk of the counterparties not paying the due amount, the Corporation has established certain business and financial guidelines for accepting business with each reinsurer, using ratings by major agencies and considering currently available market information. The Corporation also periodically reviews the financial stability of reinsurers using public information and other sources and the settlement trend of amounts due from reinsurers.

Bank deposits and other financial instruments

The Corporation's bank balances are mainly maintained with well-known banks in Vietnam. The Corporation evaluates the concentration of credit risk in respect of bank deposit at low level.

The Corporation's financial assets are neither past due nor impaired except for the following receivables which are past due and impaired as at 30 June 2020.

Currency: VND million

	Past due but not impaired		*Past due and impaired*		*Provision for impairment*
	< 90 days	*91-180 days*	*181-360 days*	*> 360 days*	
As at 30 June 2020					
Receivables from insurance activities	5,162	78,917	5,887	55,226	40,653
Receivables from financial activities	-	-	-	3,000	3,000
Total	**5,162**	**78,917**	**5,887**	**58,226**	**43,653**
As at 31 December 2019					
Receivables from insurance activities	2,262	11,699	14,150	39,668	35,536
Receivables from financial activities	-	-	-	3,000	3,000
Total	**2,262**	**11,699**	**14,150**	**42,668**	**38,536**

Provisions for impairment of the receivables were made under the Circular No. 48.

36 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

36.2 Financial risk (continued)

36.2.3 Liquidity risk

The Corporation has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts. Therefore, there is a risk that cash will not be available to settle liabilities when due at a reasonable cost. The Corporation manages this risk by monitoring and setting an appropriate level of operating funds to settle these liabilities.

Contractual maturity

The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments as at 30 June 2020 and 31 December 2019:

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
30 June 2020				
Insurance payables	142,814,250,936	-	-	142,814,250,936
Reinsurance payables	-	351,023,892,518	-	351,023,892,518
Accrued expenses	-	104,631,797,885	-	104,631,797,885
Claim reserve (*)	1,047,628,779,929	-	-	1,047,628,779,929
Other payables	345,131,594,312	-	-	345,131,594,312
	1,535,574,625,177	**455,655,690,403**	**-**	**1,991,230,315,580**

(*) Excluding gross unearned premium reserve and catastrophe reserve

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2019				
Insurance payables	60,507,569,816	-	-	60,507,569,816
Reinsurance payables	-	395,021,339,779	-	395,021,339,779
Accrued expenses	-	10,121,546,712	-	10,121,546,712
Claim reserve	1,000,855,219,216	-	-	1,000,855,219,216
Other payables	294,835,739,334	-	-	294,835,739,334
	1,356,198,528,366	**405,142,886,491**	**-**	**1,761,341,414,857**

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 01 January 2011. Circular 210 provides the definitions of financial assets, financial liabilities and derivative financial instruments, equity instruments as well as presentation and disclosures of financial instruments.

Due to Circular 210 only requires the presentation and disclosure of financial instruments, the definitions of financial assets, financial liabilities and other relevant definitions are applicable to prepare this note only. The assets, liabilities and equities of the Corporation still are recognized and accounting in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to insurance companies and comply with the relevant statutory requirements.

Financial assets

Financial assets within the scope of Circular 210 include cash and bank deposits, trade and other receivables, listed and unlisted financial instruments.

According to Circular 210, for the purpose of disclosure in the Consolidated Financial Statements, financial assets are classified as appropriate into one of the following categories:

- ***Financial asset recognized at fair value through profit or loss statements that satisfies either of the following conditions:***

  a) Financial asset that satisfies either of the following conditions:

     A financial asset will be classified as securities held for trading if:

     (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;

     (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or

     (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).

  b) Upon initial recognition, the entity categorizes the financial asset as such reflected at fair value through Profit and loss statement.

- ***Held-to-maturity investments are non-derivative financial assets with fixed or identifiable payments and fixed maturity periods which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:***

  a) Financial assets that, upon initial recognition, were categorized as such recognized at fair value through profit or loss statements;

  b) Financial assets already categorized as available for sale;

  c) Financial assets that meet the definitions of loans and receivables.

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets (continued)

- ***Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:***
  a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair, value through profit or loss statements;
  b) The amounts categorized by the entity as available for sale upon initial recognition; or;
  c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.
- ***Available-for-sale assets are non-derivative financial assets determined as available for sale or not classified as:***
  a) Loans and receivables;
  b) Held-to-maturity investments;
  c) Financial assets recognized at fair value through profit or loss statements.

Financial liabilities

Financial liabilities within the scope of Circular 210 include trade and other payables, loans and borrowings.

According to Circular 210, for the purpose of disclosure in the Consolidated Financial Statements, financial liabilities are classified as appropriate into one of the following categories:

- ***Financial liability recognized at fair value through profit or loss statements that satisfies either of the following conditions:***
  a) Being classified as held for trading, a financial liability will be classified as securities held for trading if:
     (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;
     (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,
     (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
  b) Upon initial recognition, the entity categorizes the financial liability as such reflected at fair value through Profit and loss statement
- ***Financial liabilities measured at amortised cost,*** include financial liabilities that were not categorized as financial liabilities at fair value through profit or loss statements.

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the interim consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption are used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of listed shares is determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) on 30 June 2020.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price of the trading market on 30 June 2020.
- Fair value of unlisted shares which have not been registered in the unlisted public companies market (OTC) is the average of public price quotations of at least three (03) reputable and large security companies in the market.
- Where the active market information was not available to determine fair value of financial assets, financial liabilities at the reporting date, impairment information was consider or their carrying amounts were used.

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 30 June 2020:

	Carrying amount				*Fair value*
30 June 2020	*Cost*	*Accrued interest*	*Provision*	*Total*	
	VND	*VND*	*VND*	*VND*	*VND*
Financial assets					
Available for sale	326,358,283,934	-	(56,239,272,789)	270,119,011,145	334,479,806,389
Listed shares	*225,657,529,559*	-	*(7,865,238,511)*	*217,792,291,048*	*282,153,086,292*
Unlisted shares	*50,700,754,375*	-	*(26,021,181,333)*	*24,679,573,042*	*24,679,573,042*
BIDV Metlife	*50,000,000,000*	-	*(22,352,852,945)*	*27,647,147,055*	*27,647,147,055*
Loan and receivables	3,876,748,436,595	169,733,010,893	(47,564,789,209)	3,998,916,658,279	3,998,916,658,279
Bonds	*497,254,363,569*	*20,615,865,709*	*(3,000,000,000)*	*514,870,229,278*	*514,870,229,278*
Term deposits	*2,949,409,839,784*	*146,650,161,045*	-	*3,096,060,000,829*	*3,096,060,000,829*
Insurance receivables	*378,420,057,211*	-	*(43,243,550,177)*	*335,176,507,034*	*335,176,507,034*
Other receivables	*20,240,696,215*	-	*(1,321,239,032)*	*18,919,457,183*	*18,919,457,183*
Statutory deposit	*31,423,479,816*	*2,466,984,139*	-	*33,890,463,955*	*33,890,463,955*
Cash and cash equivalents	**233,640,479,711**	-	-	**233,640,479,711**	**233,640,479,711**
Total	**4,436,747,200,240**	**169,733,010,893**	**(103,804,061,998)**	**4,502,676,149,135**	**4,567,036,944,379**
Financial liabilities					
Trade payables	496,582,397,182	-	-	496,582,397,182	496,582,397,182
Accrued expenses	127,573,417,899	-	-	127,573,417,899	127,573,417,899
Other payables	105,214,297,885	-	-	105,214,297,885	105,214,297,885
Total	**729,370,112,966**	-	-	**729,370,112,966**	**729,370,112,966**

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 31 December 2019:

	Carrying amount				*Fair value*
31 December 2019	*Cost*	*Accrued interest*	*Provision*	*Total*	
	VND	*VND*	*VND*	*VND*	*VND*
Financial assets					
Available for sale	249,177,368,094	-	(50,696,433,253)	198,480,934,841	281,587,639,016
Listed shares	*171,743,371,584*	-	*(2,105,345,252)*	*169,638,026,332*	*252,744,730,507*
Unlisted shares	*27,433,996,510*	-	*(26,026,017,410)*	*1,407,979,100*	*1,407,979,100*
BIDV Metlife	*50,000,000,000*	-	*(22,565,070,591)*	*27,434,929,409*	*27,434,929,409*
Loan and receivables	3,759,619,327,047	146,288,312,947	(48,878,224,658)	3,857,029,415,336	3,857,029,415,336
Bonds	*503,399,242,353*	*8,905,479,452*	*(3,000,000,000)*	*509,304,721,805*	*509,304,721,805*
Term deposits	*2,914,983,343,398*	*135,949,357,795*	-	*3,050,932,701,193*	*3,050,932,701,193*
Insurance receivables	*297,664,577,140*	-	*(44,912,340,197)*	*252,752,236,943*	*252,752,236,943*
Other receivables	*10,995,736,946*	-	*(965,884,461)*	*10,029,852,485*	*10,029,852,485*
Statutory deposit	*32,576,427,210*	*1,433,475,700*	-	*34,009,902,910*	*34,009,902,910*
Cash and cash equivalents	119,341,101,387	-	-	119,341,101,387	119,341,101,387
Total	**4,128,137,796,528**	**146,288,312,947**	**(99,574,657,911)**	**4,174,851,451,564**	**4,257,958,155,739**
Financial liabilities					
Trade payables	464,518,308,280	-	-	464,518,308,280	464,518,308,280
Accrued expenses	60,923,155,598	-	-	60,923,155,598	60,923,155,598
Other payables	11,004,810,662	-	-	11,004,810,662	11,004,810,662
Total	**536,446,274,540**	**-**	**-**	**536,446,274,540**	**536,446,274,540**

38. EVENTS AFTER THE INTERIM CONSOLIDATED BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Corporation and its subsidiary.

39. APPROVAL FOR ISSUANCE

The interim consolidated financial statements as at 30 June 2020 and for the six-month period then endedwere authorised for issuance by the General Director on 30 July 2020.

Ms. Kieu Thi Hong Nhung Accountant Accounting Division	Ms. Nguyen Thanh Mai Deputy Director in - charge Accounting Division	Mr. Tran Hoai An General Director

Hanoi, Vietnam

30 July 2020