BIDV Insurance Joint Stock Corporation

Interim separate financial statements

For the six-month period ended 30 June 2020



BIDV Insurance Joint Stock Corporation

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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 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:	Bank for Investment and Development of Vietnam Insurance Joint Stock Corporation
Head office's 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:	993 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, invesment 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") is pleased to present this report and the interim separate financial statements of the Corporation for the six-month period ended 30 June 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

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

- select suitable accounting policies and then 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 separate financial statements; and
- prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Corporation 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim separate financial statements.

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Corporation as at 30 June 2020 and of the interim separate results of its operations and its interim separate 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 separate financial statements.

The Corporation has a subsidiary as disclosed in the interim separate financial statements. The Corporation prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Corporation has also prepared the interim consolidated financial statements of the Corporation and its subsidiary for the six-month period ended 30 June 2020 ("the interim consolidated financial statements") dated 30 July 2020.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Corporation and its subsidiary.

For and on behalf of Management

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

30 July 2020

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REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders
BIDV Insurance Joint Stock Corporation

We have reviewed the accompanying interim separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 30 July 2020 and set out on pages 6 to 64, which comprise the interim separate balance sheet as at 30 June 2020, the interim separate income statement and the interim separate 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 interim separate 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 interim separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on these interim separate 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Corporation as at 30 June 2020, and of the interim separate results of its operations and its interim separate 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 separate financial statements.

Ernst & Young Vietnam Limited



Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2018-004-1

Hanoi, Vietnam

30 July 2020

A member firm of Ernst & Young Global Limited

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2020

Currency: VND

Code	*ASSETS*	*Notes*	*30 June 2020*	*31 December 2019*
100	**A. CURRENT ASSETS**		**4,286,285,381,468**	**3,980,183,086,814**
110	***I. Cash and cash equivalents***	***4***	***222,577,427,675***	***105,692,923,157***
111	1. Cash		202,577,427,675	105,692,923,157
112	2. Cash and cash equivelent		20,000,000,000	-
120	***II. Short-term investments***		***2,410,975,598,848***	***2,313,523,032,684***
121	1. Trading securities	5.1	249,954,648,692	172,747,025,346
122	2. Provision for trading securities	5.1	(7,979,049,844)	(2,223,992,662)
123	3. Held-to-maturity investments	5.2	2,169,000,000,000	2,143,000,000,000
130	***III. Current accounts receivables***	***6***	***511,706,958,847***	***447,498,739,683***
131	1. Short-term trade receivables		380,194,861,833	355,871,591,548
131.1	*1.1 Insurance receivables*		*380,194,861,833*	*355,871,591,548*
132	2. Short-term advances to suppliers		904,031,206	415,132,233
136	3. Other short-term receivables		178,449,613,269	143,386,197,633
137	4. Provision for doubtful short-term receivables		(47,841,547,461)	(52,174,181,731)
140	***IV. Inventories***		***2,432,000***	-
141	1. Inventories		2,432,000	-
150	***V. Other current assets***		**151,963,851,078**	***134,239,679,604***
151	1. Short-term prepaid expenses		*151,506,582,145*	134,086,542,097
151.1	*1.1 Unallocated commission expense*	*7*	*147,719,516,504*	*132,160,431,106*
151.2	*1.2 Other prepaid expenses*		*3,787,065,641*	*1,926,110,991*
152	2. Value-added tax deductible		457,268,933	153,137,507
190	***VI. Reinsurance assets***	***17.1***	***989,059,113,020***	***979,228,711,686***
191	1. Reinsurance assets from unearned premium reserve		269,944,525,177	296,423,877,119
192	2. Reinsurance assets from claim reserve		719,114,587,843	682,804,834,567

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

Currency: VND

Code	*ASSETS*	*Notes*	*30 June 2020*	*31 December 2019*
200	**B. NON-CURRENT ASSETS**		**1,283,454,482,294**	**1,254,383,553,837**
210	***I. Long-term receivables***		***12,550,923,890***	***12,732,232,493***
216	1. Other long-term receivables		12,550,923,890	12,732,232,493
216.1	*1.1. Statutory deposit*	*8*	*10,000,000,000*	*10,000,000,000*
216.2	*1.2. Other long-term receivables*		*2,550,923,890*	*2,732,232,493*
220	***II. Fixed assets***		***14,531,860,621***	***16,939,695,150***
221	1. Tangible fixed assets	9	8,031,860,621	10,433,594,228
222	Costs		61,736,226,489	61,736,226,489
223	Accumulated depreciation		(53,704,365,868)	(51,302,632,261)
227	2. Intangible assets	10	6,500,000,000	6,506,100,922
228	Costs		6,845,849,125	6,845,849,125
229	Accumulated amortisation		(345,849,125)	(339,748,203)
250	***III. Long-term investments***		***1,256,061,530,624***	***1,224,494,191,762***
251	1. Investment in subsidiaries	5.3	34,660,020,000	34,660,020,000
253	2. Investment in other entities	5.3	75,907,370,000	75,907,370,000
254	3. Provision for diminution in value of long-term investments	5.3	(48,260,222,945)	(48,472,440,591)
255	4. Held-to-maturity investments	5.2	1,193,754,363,569	1,162,399,242,353
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 tax assets		155,041,753	155,041,753
270	**TOTAL ASSETS**		**5,569,739,863,762**	**5,234,566,640,651**

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

Currency: VND

Code	*RESOURCES*	*Notes*	*30 June 2020*	*31 December 2019*
300	**A. LIABILITIES**		**3,345,199,295,625**	**3,036,226,224,358**
310	***I. Current liabilities***		***3,344,616,795,625***	***3,035,342,960,408***
311	1. Short-term trade payables	12	490,955,050,360	481,173,201,689
311.1	*1.1. Insurance payables*		*488,384,266,110*	*472,357,323,758*
311.2	*1.2. Other payables*		*2,570,784,250*	*8,815,877,931*
312	2. Short-term advance from customers		2,664,130,871	1,367,221,954
313	3. Statutory obligations	13	36,896,454,815	27,589,250,188
314	4. Payables to employees		63,972,393,265	74,427,362,162
315	5. Short-term accrued expenses	14	125,759,246,602	59,300,154,347
318	6. Short-term unearned revenues		10,787,669,039	6,733,081,597
318.1	7. Un-earned commission revenue	15	61,333,049,910	73,978,709,612
319	8. Other short-term payables	16	104,614,101,054	10,106,535,833
320	9. Short-term borrowings		-	10,000,000,000
322	10. Bonus and welfare funds		28,718,044,691	13,749,738,807
329	11. Technical reserves		2,418,916,655,018	2,276,917,704,219
329.1	*11.1. Gross un-earned premium reserve*	*17.1*	*1,292,357,926,907*	*1,240,970,454,937*
329.2	*11.2. Gross claim reserve*	*17.1*	*993,772,501,696*	*911,318,938,685*
329.3	*11.3. Catastrophe reserve*	*17.2*	*132,786,226,415*	*124,628,310,597*
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 SEPARATE BALANCE SHEET (continued)
as at 30 June 2020

Currency: VND

Code	*RESOURCES*	*Notes*	*30 June 2020*	*31 December 2019*
400	**B. OWNERS' EQUITY**		**2,224,540,568,137**	**2,198,340,416,293**
410	***I. Capital***	***18***	***2,224,540,568,137***	***2,198,340,416,293***
411	1. Contributed charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. 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
418	3. Investment and development fund		141,650,242,709	87,052,897,663
419	4. Statutory reserves		62,746,756,686	55,012,673,294
421	5. Undistributed earnings		191,809,585,380	227,940,861,974
421a	*5.1. Accumulated undistributed earnings by the end of prior period*		*44,862,000,928*	*41,241,520,317*
421b	*5.2. Undistributed earnings of current period*		*146,947,584,452*	*186,699,341,657*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**5,569,739,863,762**	**5,234,566,640,651**

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

INTERIM SEPARATE INCOME STATEMENT

PART 1: INTERIM SEPARATE 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	834,971,004,828	754,830,875,516
12	2. Finance income	142,506,381,429	121,280,161,753
13	3. Other income	73,171,282	192,569,106
20	4. Total direct operating expenses	(590,339,465,964)	(557,935,053,738)
22	5. Finance expenses	(11,273,624,673)	(3,288,377,518)
23	6. General and administrative expenses	(187,465,007,868)	(171,666,209,923)
24	7. Other expenses	(39,826,776)	(98,507,450)
50	**8. Accounting profit before tax (50=10+12+13+20+22+23+24)**	**188,432,632,258**	**143,315,457,746**
51	9. Current corporate income tax expense	(33,750,964,414)	(26,285,503,480)
60	**11. Net profit after tax (60=50+51)**	**154,681,667,844**	**117,029,954,266**

INTERIM SEPARATE INCOME STATEMENT (continued)

PART 2: INTERIM SEPARATE 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**	**1,074,578,040,869**	**987,422,916,579**
	In which:			
01.1	- Direct written premiums		1,047,340,225,430	936,142,539,897
01.2	- Reinsurance premium assumed		78,625,287,409	84,809,852,172
01.3	- Increase in un-earned premium reserve		(51,387,471,970)	(33,529,475,490)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(336,653,282,981)**	**(334,133,821,113)**
	In which:			
02.1	- Reinsurance premium ceded		(310,173,931,039)	(321,807,006,873)
02.2	- (Decrease)/increase in ceded premium reserve		(26,479,351,942)	(12,326,814,240)
03	**3. Net insurance premiums (03 = 01 + 02)**		**737,924,757,888**	**653,289,095,466**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**97,046,246,940**	**101,541,780,050**
	In which:			
04.1	- Commission on reinsurance ceded	21	72,216,929,855	75,532,818,785
04.2	- Other income from insurance activities	22	24,829,317,085	26,008,961,265
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**834,971,004,828**	**754,830,875,516**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(515,003,382,267)**	**(393,856,397,424)**
	In which:			
11.1	- Claim expenses		(516,099,913,204)	(392,213,484,814)
11.2	- Claim expense reductions		1,096,530,937	(1,642,912,610)
12	**7. Recoveries from reinsurance ceded**		**311,380,591,048**	**156,126,052,342**
13	**8. Increase in direct and assumed claim reserve**		**(82,453,563,011)**	**(122,441,296,847)**
14	**9. Increase in ceded claim reserve**		**36,309,753,276**	**88,234,990,560**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**23**	**(249,766,600,954)**	**(271,936,651,369)**
16	**11. Increase in catastrophe reserve**	**17.2**	**(8,157,915,818)**	**(6,991,453,852)**

INTERIM SEPARATE INCOME STATEMENT (continued)

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

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**	**(332,414,949,192)**	**(279,006,948,517)**
	In which:			
17.1	- Commission expense		(94,896,909,721)	(85,916,501,023)
17.2	- Other underwriting expenses		(237,518,039,471)	(193,090,447,494)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(590,339,465,964)**	**(557,935,053,738)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**244,631,538,864**	**196,895,821,778**
23	15. Finance income	25	142,506,381,429	121,280,161,753
24	16. Finance expenses	26	(11,273,624,673)	(3,288,377,518)
25	**17. Profit from financial activities (25 = 23 + 24)**		**131,232,756,756**	**117,991,784,235**
26	**18. General and administrative expenses**	**27**	**(187,465,007,868)**	**(171,666,209,923)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**188,399,287,752**	**143,221,396,090**
31	20. Other income	28	73,171,282	192,569,106
32	21. Other expenses	29	(39,826,776)	(98,507,450)
40	**22. Net other (loss)/profit (40 = 31 + 32)**		**33,344,506**	**94,061,656**
50	**23. Accounting profit before tax (50 = 30 + 40)**		**188,432,632,258**	**143,315,457,746**
51	24. Current corporate income tax expense	30.1	(33,750,964,414)	(26,285,503,480)
60	**25. Net profit for the period after corporate income tax (60 = 50 + 51)**		**154,681,667,844**	**117,029,954,266**

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

INTERIM SEPARATE 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**		**188,432,632,258**	**143,315,457,746**
	Adjustments for:			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets		2,407,834,529	2,978,739,923
03	Insurance reserves and provision for diminution in investment value and doubtful debts		133,378,754,731	87,594,955,550
04	Foreign exchange gains/(losses) arising from revaluation of monetary accounts denominated in foreign currency		(1,107,541,987)	3,731,120,470
05	Profits from investing activities		(130,334,886,866)	(121,727,146,539)
06	Interest expense		4,438,356	623,847,733
08	**Operating profit before changes in working capital**		**192,781,231,021**	**116,516,974,883**
09	Increase/(decrease) in receivables		(31,513,169,758)	23,578,303,547
10	Increase in inventories		(2,432,000)	-
11	Increase in payables		58,275,212,526	58,622,618,451
12	Increase in prepaid expense		(17,816,904,201)	(10,128,132,860)
13	Increase in held-for-trading securities		(77,207,623,346)	(21,906,286,173)
14	Interest paid		(4,438,356)	(623,847,733)
15	Corporate income tax paid	13	(24,054,177,445)	(26,906,148,017)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows from operating activities		(19,691,694,116)	(9,639,159,862)
20	**Net cash flow from operating activities**		**80,766,004,325**	**129,514,322,236**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		-	(1,242,600,000)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(2,011,721,490,672)	(3,137,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		1,954,366,369,456	2,909,500,000,000
27	Interest and dividends received		103,121,435,169	120,518,018,527
30	**Net cash flow from/(used) in investing activities**		**45,766,313,953**	**(108,224,581,473)**

INTERIM SEPARATE 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	Repayment of borrowings		(10,000,000,000)	-
40	**Net cash flow used in financing activities**		**(10,000,000,000)**	-
50	**Net increase in cash for the period**		**116,532,318,278**	**21,289,740,763**
60	**Cash and cash equivalents at the beginning of the period**		**105,692,923,157**	**58,406,605,294**
61	Impact of exchange rate fluctuation		352,186,240	536,694,661
70	**Cash and cash equivalents at the end of the period**	**4**	**222,577,427,675**	**80,233,040,718**

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

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's 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:	993 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:

Name	*Location*	*Principal activities*	*Percentage of ownership of the Company*	*Voting rights of the Company*
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%	65%

2. BASIS FOR PREPARATION

2.1 *Purpose of preparing the interim separate financial statements*

The Corporation has subsidiaries as disclosed in Note 1 and Note 5.3. The Corporation prepared these interim separate financial statements to meet the prevailing requirements for information disclosure as specifically stipulated by the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Corporation has also prepared the interim consolidated financial statements of the Corporation and its subsidiary for the the six-month period ended 30 June 2020 dated 30 July 2020.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Corporation and its subsidiary.

2.2 *Accounting standards and system*

The Corporation's interim separate 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 (Circular 232) dated 28 December 2012, 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 separate 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 interim financial position and interim results of operations and interim cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2. BASIS FOR PREPARATION (continued)

2.3 *Applied accounting documentation system*

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

2.4 *Fiscal year*

The Corporation's fiscal year starts on 1 January and ends on 31 December. These interim separate financial statements are prepared for the six-month period ended 30 June 2020.

2.5 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies*

The accounting policies adopted by the Corporation in preparation of the interim separate financial statement are consistent with those followed in the preparation of the separate financial statements for the year 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 not more than 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 are presented in the interim separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the interim 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 separate 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	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 added to the carrying amount of the assets and expenditure for maintenance and repairs is charged to the interim separate 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 separate 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 and equipment	3 - 7 years
Means of transportation	6 years
Office equipment	3 years
Other tangible fixed assets	4 years
Computer software	3 years
Land use rights with indefinite term	No amortization

3.6 Leased assets

Rentals under operating leases are charged to the interim separate 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 separate 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investments

Investments in subsidiaries

Investments in subsidiaries over which the Corporation has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

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 separate income statements and deducted against the value of such investments.

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 interim balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the interim separate 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 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Employee benefits (continued)

3.10.2 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.

3.11 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:

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

(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 period, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Technical reserves (continued)

(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 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 period (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 separate financial statements for the six-month period ended 30 June 2020.

b) Technical reserve of health insurance

(i) Mathematical reserve

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

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

(ii) Unearned premiums 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:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Technical reserves* (continued)

b) Technical reserves for health insurance (continued)

(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 period; 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 interim 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.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the interim 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 are taken to the interim separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 annual profit 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. In accordance with Circular No. 50, premium payment period shall not exceed 30 days from policy inception date. 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 period is recorded as "Short-term unearned revenue" in the interim separate 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Revenue recognition (continued)

(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 recognised 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 separate 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 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 period 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 separate 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 separate income statement on the accrual basis, corresponding to insurance contracts underwritten in the period but not exceeding 50% of insurance commission of insurance policies in the period.

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 separate income statement.

(v) Operating lease

Rentals paid under operating leases are charged to the interim separate 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 separate income statement.

3.16 Recognition of reinsurance activities

(i) Reinsurance ceded to reinsurance counterparties

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

(ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

- Revenue and expenses on assumed reinsurance 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 interim separate 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:

- Premium on assumed reinsurance 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 on 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
- Commission on assumed reinsurance is recognized when there is a corresponding premium. At the end of period, the part of reinsurance assumed commission which is not included in expense of current period corresponding to unearned reinsurance assumed premium shall be determined and allocated in the subsequent periods based on registered method for unearned premium reserve.

3.17 Taxation

Current income tax

Current income 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 separate balance sheet date.

Current income tax is charged or credited to the inteirm separate 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 liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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 tax assets are reviewed at each separate 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 tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each separate 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 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 separate balance sheet date.

Deferred tax is charged or credited to the separate 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.

3.18 Use of estimates

The preparation of the interim separate 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 decrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

3.19 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	587,312,973	491,332,378
Demand deposits at banks	201,946,860,752	105,151,342,452
Cash in transit	43,253,950	50,248,327
Cash and cash equivelents (*)	20,000,000,000	-
Total	**222,577,427,675**	**105,692,923,157**

(*) Cash and cash equivalents comprise of term deposits at financial instituitions having original terms of less than three (3) months and earned interest at rates of 4.25%

5. INVESTMENTS

	Notes	*30 June 2020 VND*	*31 December 2019 VND*
Held-for-trading securities	**5.1**		
Listed shares		225,161,264,317	171,220,398,836
Unlisted shares		24,793,384,375	1,526,626,510
Provision for diminution in value of held-for-trading securities		(7,979,049,844)	(2,223,992,662)
		241,975,598,848	**170,523,032,684**
Held-to-maturity investments	**5.2**		
Short-term		2,169,000,000,000	2,143,000,000,000
- Term deposits		*2,169,000,000,000*	*2,143,000,000,000*
Long-term		1,193,754,363,569	1,162,399,242,353
- Term deposits		*696,500,000,000*	*659,000,000,000*
- Bonds		*497,254,363,569*	*503,399,242,353*
		3,362,754,363,569	**3,305,399,242,353**
Other financial investments	**5.3**		
Investment in subsidiary		34,660,020,000	34,660,020,000
Investments in other entities		75,907,370,000	75,907,370,000
Provision for diminution in value of long-term investments		(48,260,222,945)	(48,472,440,591)
		62,307,167,055	**62,094,949,409**
Net value of investments		**3,667,037,129,472**	**3,538,017,224,446**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	30 June 2020				*31 December 2019*			
	Quantity Shares	*Cost VND*	*Fair value VND*	*Provision VND*	*Quantity Shares*	*Cost VND*	*Fair value VND*	*Provision VND*
Listed shares	**7,509,756**	**225,161,264,317**	**281,656,821,050**	**(7,865,238,511)**	**6,875,555**	**171,220,398,836**	**252,219,099,800**	**(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)
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)				
	7,968,756	**249,954,648,692**	**307,917,377,717**	**(7,979,049,844)**	**6,894,255**	**172,747,025,346**	**253,627,078,900**	**(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	6,0-8,3	2,169,000,000,000	2,169,000,000,000	0.4 – 1.5	4.8 – 8.2	2,143,000,000,000	2,143,000,000,000
			2,169,000,000,000	**2,169,000,000,000**			**2,143,000,000,000**	**2,143,000,000,000**
Long-term								
Term deposits	1,1-1,5	6,0-8,0	696,500,000,000	696,500,000,000	1.25 – 1.5	7.1 – 8.3	659,000,000,000	659,000,000,000
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
			1,193,754,363,569	**1,193,754,363,569**			**1,162,399,242,353**	**1,162,399,242,353**
Total			**3,362,754,363,569**	**3,362,754,363,569**			**3,305,399,242,353**	**3,305,399,242,353**

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	30 June 2020				31 December 2019			
	% owner -ship	Cost VND	Provision VND	Carrying value VND	% owner-ship	Cost VND	Provision VND	Carrying value VND
Investments in subsidiary								
- LaoViet Insurance Company	65%	34,660,020,000	-	34,660,020,000	65%	34,660,020,000	-	34,660,020,000
		34,660,020,000	**-**	**34,660,020,000**		**34,660,020,000**	**-**	**34,660,020,000**
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	4,57%	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**
		110,567,390,000	**(48,260,222,945)**	**62,307,167,055**		**110,567,390,000**	**(48,472,440,591)**	**62,094,949,409**

6. SHORT-TERM RECEIVABLES

	30 June 2020 VND	*31 December 2019 VND*
Insurance receivables		
Gross written premium receivables	44,619,638,619	65,128,524,344
Reinsurance assumed receivables	101,997,583,957	133,910,382,065
Reinsurance ceded receivables	223,314,836,278	148,065,177,850
Receivables from co-insurers	9,825,245,153	6,156,626,142
Other receivables from insurance activities	437,557,826	2,610,881,147
	380,194,861,833	**355,871,591,548**
Short-term advances to suppliers	**904,031,206**	**415,132,233**
Other receivables		
Dividend receivables	2,861,138,000	521,352,000
Bank deposit interest receivables	139,222,441,087	126,059,161,647
Bond coupon receivables	20,615,865,709	8,905,479,452
Advances	10,204,716,337	2,161,810,790
Office rental deposit	655,265,180	655,265,180
Short-term mortgages, deposits	251,266,000	264,943,000
Other receivables	4,638,920,956	4,818,185,564
	178,449,613,269	**143,386,197,633**
Total receivables	**559,548,506,308**	**499,672,921,414**
Provision for doubtful receivables	(47,841,547,461)	(52,174,181,731)
Net receivables	**511,706,958,847**	**447,498,739,683**

7. UNALLOCATED COMMISSION EXPENSES

	30 June 2020 VND	*31 December 2019 VND*
Opening balance	**132,160,431,106**	**120,320,074,128**
Commission paid during the period	110,455,995,119	209,951,074,379
Allocated to expenses during the period	(94,896,909,721)	(198,110,717,401)
Closing balance	**147,719,516,504**	**132,160,431,106**

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.

9. TANGIBLE FIXED ASSETS

	Buildings and structures VND	*Machinery and equipment VND*	*Means of transportation VND*	*Office equipment VND*	*Others VND*	*Total VND*
Costs:						
As at 1 January 2020	2,300,000,000	5,968,207,066	52,792,422,323	209,092,973	466,504,127	61,736,226,489
As at 30 June 2020	2,300,000,000	5,968,207,066	52,792,422,323	209,092,973	466,504,127	61,736,226,489
Accumulated depreciation:						
As at 1 January 2020	720,666,698	4,838,249,549	45,136,905,781	165,850,662	440,959,571	51,302,632,261
Depreciation for the period	45,838,809	275,831,099	2,065,849,005	5,438,360	8,776,334	2,401,733,607
As at 30 June 2020	766,505,507	5,114,080,648	47,202,754,786	171,289,022	449,735,905	53,704,365,868
Net carrying amount:						
As at 1 January 2020	1,579,333,302	1,129,957,517	7,655,516,542	43,242,311	25,544,556	10,433,594,228
As at 30 June 2020	1,533,494,493	854,126,418	5,589,667,537	37,803,951	16,768,222	8,031,860,621

10. INTANGIBLE ASSETS

Currency: VND

	Computer software VND	*Other intangible assets VND*	*Land use right VND*	*Total VND*
Costs:				
1 January 2020	275,849,125	70,000,000	6,500,000,000	6,845,849,125
30 June 2020	275,849,125	70,000,000	6,500,000,000	6,845,849,125
Accumulated amortisation:				
1 January 2020	269,748,203	70,000,000	-	339,748,203
Amortisation for the period	6,100,922	-	-	6,100,922
30 June 2020	275,849,125	70,000,000	-	345,849,125
Net carrying amount:				
1 January 2020	6,100,922	-	6,500,000,000	6,506,100,922
30 June 2020	-	-	6,500,000,000	6,500,000,000

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	**488,384,266,110**	**472,357,323,758**
Payables for ceded activities	345,083,232,665	399,327,511,034
Payables to co-insurers	7,637,858,792	10,428,572,868
Claim payables	103,088,417,126	45,730,516,648
Commission payables	32,402,684,214	16,697,202,455
Other insurance payables	172,073,313	173,520,753
Other trade payables	**2,570,784,250**	**8,815,877,931**
Other payables	2,570,784,250	8,815,877,931
	490,955,050,360	**481,173,201,689**

13. STATUTORY OBLIGATIONS

	31 December 2019	*Movement during the period*		*30 June 2020*
		Payables	*Paid*	
	VND	*VND*	*VND*	*VND*
Value added tax	7,795,428,393	52,462,912,913	(50,538,569,326)	9,719,771,980
Corporate income tax	14,101,706,003	33,750,964,414	(24,054,177,445)	23,798,492,972
Other taxes	5,692,115,792	13,984,570,635	(16,298,496,564)	3,378,189,863
Total	**27,589,250,188**	**100,198,447,962**	**(90,891,243,335)**	**36,896,454,815**

14. ACCRUED EXPENSES

	30 June 2020	*31 December 2019*
	VND	*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
Others	112,581,633,844	49,893,386,282
Total	**125,759,246,602**	**59,300,154,347**

15. UNEARNED COMMISSION REVENUE

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

	30 June 2020	*31 December 2019*
	VND	*VND*
Opening balance	**73,978,709,612**	**81,884,379,223**
Increased during the period	59,571,270,153	154,917,654,122
Allocated during the period	(72,216,929,855)	(162,823,323,733)
Closing balance	**61,333,049,910**	**73,978,709,612**

16. OTHER PAYABLES

	30 June 2020 VND	*31 December 2019 VND*
Short-term		
Employee expenses payable other than salaries	527,574,406	222,003,615
Short-term deposits	5,180,805,128	5,105,579,757
Charity funds	758,569,359	534,766,696
Dividend payables	94,159,491,000	337,975,000
Other payables	3,987,661,161	3,906,210,765
TOTAL	**104,614,101,054**	**10,106,535,833**
Long-term		
Mortgage, deposit received	582,500,000	883,263,950
TOTAL	**582,500,000**	**883,263,950**

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	**1,240,970,454,937**	**(296,423,877,119)**	**944,546,577,818**
Mathematical reserve for health care insurance	*331,403,762,773*	*(107,024,471)*	*331,296,738,302*
Unearned premium reserve for non - life insurance	*909,566,692,164*	*(296,316,852,648)*	*613,249,839,516*
Claim reserve	**911,318,938,685**	**(682,804,834,567)**	**228,514,104,118**
Outstanding claim reserve	*844,634,118,384*	*(662,936,388,251)*	*181,697,730,133*
Incurred but not reported reserve	*66,684,820,301*	*(19,868,446,316)*	*46,816,373,985*
Catastrophe reserve	**124,628,310,597**	**-**	**124,628,310,597**
Total	**2,276,917,704,219**	**(979,228,711,686)**	**1,297,688,992,533**
30 June 2020			
Unearned premium reserve	**1,292,357,926,907**	**(269,944,525,177)**	**1,022,413,401,730**
Mathematical reserve for health care insurance	*234,005,782,898*	*(186,078,564)*	*233,819,704,334*
Unearned premium reserve for non - life insurance	*1,058,352,144,009*	*(269,758,446,613)*	*788,593,697,396*
Claim reserve	**993,772,501,696**	**(719,114,587,843)**	**274,657,913,853**
Outstanding claim reserve	*927,087,681,395*	*(699,246,141,527)*	*227,841,539,868*
Incurred but not reported reserve	*66,684,820,301*	*(19,868,446,316)*	*46,816,373,985*
Catastrophe reserve	**132,786,226,415**	**-**	**132,786,226,415**
Total	**2,418,916,655,018**	**(989,059,113,020)**	**1,429,857,541,998**

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	461,941,655,063	394,116,557,280
Property and Damages	202,271,285,257	218,491,549,451
Cargo	13,222,353,010	11,706,285,575
Automobile	383,399,173,668	365,964,910,441
Fire	187,051,013,029	215,188,837,520
Liability	8,144,739,204	7,287,820,484
Business Risk	5,694,333,380	7,291,706,154
Aviation	339,072,958	346,906,187
Hull and P&I	29,198,946,015	19,624,176,339
Financial and credit risk	1,095,355,323	888,327,064
Agriculture	-	63,378,442
Total	**1,292,357,926,907**	**1,240,970,454,937**

Ceded unearned premium reserve (Reinsurance assets)

Product	*30 June 2020 VND*	*31 December 2019 VND*
Health and Personal Accident	19,522,645,879	22,336,851,151
Property and Damages	113,919,531,296	124,704,560,692
Cargo	6,659,646,081	7,637,729,004
Automobile	10,272,086,506	3,398,784,131
Fire	91,804,038,710	115,824,459,076
Liability	4,974,332,713	3,876,376,736
Business Risk	4,364,250,094	5,434,567,942
Aviation	325,566,338	323,777,409
Hull and P&I	17,173,344,063	12,092,855,252
Financial and credit risk	929,083,497	751,695,670
Agriculture	-	42,220,056
Total	**269,944,525,177**	**296,423,877,119**

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	63,220,825,342	58,220,673,603
Property and Damages	207,755,658,250	275,435,551,291
Cargo	23,189,818,935	22,354,748,508
Automobile	66,988,350,297	53,376,917,141
Fire	507,439,693,983	390,063,817,182
Liability	9,227,052,141	8,384,984,405
Business Risk	16,908,666,146	4,692,078,991
Aviation	3,924,736,280	3,923,473,483
Hull and P&I	56,436,891,115	56,749,786,730
Financial and credit risk	38,527,546,945	37,963,645,089
Agriculture	153,262,262	153,262,262
Total	**993,772,501,696**	**911,318,938,685**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*30 June 2020 VND*	*31 December 2019 VND*
Health and Personal Accident	29,816,714,967	26,759,570,522
Property and Damages	192,588,059,777	279,356,454,976
Cargo	19,708,273,273	17,587,402,704
Automobile	4,206,267,378	33,480,816
Fire	391,860,335,254	289,370,666,303
Liability	5,457,707,174	4,882,218,596
Business Risk	15,231,975,581	4,417,845,025
Aviation	3,608,613,247	3,607,556,898
Hull and P&I	42,140,198,104	42,870,069,069
Financial and credit risk	14,496,443,088	13,919,569,658
Total	**719,114,587,843**	**682,804,834,567**

17.2. Catastrophe reserve

	30 June 2020 VND	*31 December 2019 VND*
Opening balance	**124,628,310,597**	**109,393,961,083**
Increased during the period	8,157,915,818	15,234,349,514
Closing balance	**132,786,226,415**	**124,628,310,597**

18. OWNERS' EQUITY

18.1 Increase and decrease in owners' equity

	Contributed charter capital VND	*Share premium VND*	*Investment and development fund VND*	*Statutory Reserve VND*	*Undistributed Earnings VND*	*Total VND*
01 January 2019 (restated)	**1,172,768,950,000**	**655,565,033,362**	**50,158,477,335**	**44,798,029,835**	**177,850,883,080**	**2,101,141,373,612**
Net profit for the period	-	-	-	-	204,292,869,181	204,292,869,181
Appropriation to statutory reserves	-	-	-	10,214,643,459	(10,214,643,459)	-
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)*	-
Dividends declared	-	-	-	-	*(82,093,826,500)*	*(82,093,826,500)*
31 Decmber 2019	**1,172,768,950,000**	**655,565,033,362**	**87,052,897,663**	**55,012,673,294**	**227,940,861,974**	**2,198,340,416,293**
01 January 2020	**1,172,768,950,000**	**655,565,033,362**	**87,052,897,663**	**55,012,673,294**	**227,940,861,974**	**2,198,340,416,293**
Net profit for the period	-	-	-	-	154,681,667,844	154,681,667,844
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)	-
Dividends declared (*)	-	-	-	-	(93,821,516,000)	(93,821,516,000)
30 June 2020	**1,172,768,950,000**	**655,565,033,362**	**141,650,242,709**	**62,746,756,686**	**191,809,585,380**	**2,224,540,568,137**

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

18. OWNERS' EQUITY (continued)

18.2 *Contributed charter 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*
Contributed capital		
Beginning balance	1,172,768,950,000	1,172,768,950,000
Ending balance	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
Total	**117,276,895**	**117,276,895**

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

19. INSURANCE REVENUE

	For the six-month period ended 30 June 2020 VND	*For the six-month period ended 30 June 2019 VND*
Direct written premiums	1,048,079,326,095	936,556,341,856
Deductions from direct premiums	(739,100,665)	(413,801,959)
Total direct written premiums	**1,047,340,225,430**	**936,142,539,897**
Reinsurance premium assumed	78,625,287,409	84,809,852,172
Increase in un-earned premium reserve	(51,387,471,970)	(33,529,475,490)
Total	**1,074,578,040,869**	**987,422,916,579**

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	283,407,023,815	195,077,055,637
Property and Damages	121,628,116,901	121,719,487,139
Cargo	57,532,261,554	54,525,186,609
Automobile	335,959,223,007	314,841,314,840
Fire	193,187,780,982	198,628,167,868
Liability	7,840,698,614	7,550,653,215
Business Risk	6,099,009,370	6,024,287,126
Aviation	-	45,999,500
Hull and P&I	40,150,457,144	35,248,960,890
Financial and credit risk	1,535,654,043	1,247,769,896
Agriculture	-	1,233,657,177
Total	**1,047,340,225,430**	**936,142,539,897**

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	9,143,847,358	(33,139,561,491)
Property and Damages	40,048,102,672	73,592,263,962
Cargo	393,840,093	394,033,772
Automobile	18,852,244,020	30,481,490,600
Fire	6,908,616,526	11,310,934,758
Liability	548,872,202	242,936,814
Business Risk	1,711,881,298	504,560,897
Aviation	830,075,460	1,183,214,226
Hull and P&I	187,807,780	98,857,614
Financial and credit risk	-	141,121,020
Total	**78,625,287,409**	**84,809,852,172**

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	310,173,931,039	321,807,006,873
Change in ceded unearned premium reserve	26,479,351,942	12,326,814,240
Total	**336,653,282,981**	**334,133,821,113**

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	8,503,474,781	(9,790,298,696)
Property and Damages	121,765,890,177	135,118,945,833
Cargo	26,340,243,313	37,257,921,166
Automobile	4,670,514,324	5,364,455,990
Fire	110,527,817,700	116,642,382,395
Liability	5,398,253,395	4,908,072,006
Business Risk	6,560,389,026	5,674,085,965
Aviation	917,076,220	1,072,551,166
Hull and P&I	24,293,348,889	23,599,229,571
Financial and credit risk	1,196,923,214	905,018,400
Agriculture	-	1,054,643,077
Total	**310,173,931,039**	**321,807,006,873**

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	2,352,342,679	405,626,244
Property and Damages	24,162,931,461	29,918,505,435
Cargo	8,094,295,256	10,637,844,022
Automobile	568,900,545	671,816,376
Fire	31,674,215,663	28,368,611,954
Liability	554,882,007	504,882,527
Business Risk	1,419,606,962	1,136,230,530
Aviation	199,353,718	194,649,678
Hull and P&I	3,139,424,794	3,546,068,510
Financial and credit risk	50,976,770	71,450,877
Agriculture	-	77,132,632
Total	**72,216,929,855**	**75,532,818,785**

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 (*)	248,534,917	1,859,843,779
Total	**24,829,317,085**	**26,008,961,265**

(*) 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	516,099,913,204	392,213,484,814
- *Direct claim expenses*	*469,823,243,937*	*341,694,150,991*
- *Claim expense on reinsurance assumed*	*46,276,669,267*	*50,519,333,823*
Salvage and sub-rogation	(1,096,530,937)	1,642,912,610
Recovery from reinsurance ceded	(311,380,591,048)	(156,126,052,342)
Increase in gross claim reserve	82,453,563,011	122,441,296,847
Increase in ceded reinsurance claim reserve	(36,309,753,276)	(88,234,990,560)
Total	**249,766,600,954**	**271,936,651,369**

23. 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	46,670,301,674	42,570,363,394
Property and Damages	76,937,342,968	39,008,554,029
Cargo	15,686,860,589	10,850,250,339
Automobile	128,206,525,914	138,234,596,545
Fire	195,150,889,350	88,866,573,224
Liability	310,286,594	1,641,861,990
Business risk	7,373,403	-
Hull and P&I	6,853,663,445	20,521,951,470
Total	**469,823,243,937**	**341,694,150,991**

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	27,458,033,224	-
Property and Damages	9,389,149,066	33,745,360,999
Cargo	426,905,625	3,960,068
Automobile	7,450,107,942	7,304,997,241
Fire	1,552,473,410	41,239,645
Aviation	-	9,423,775,870
Total	**46,276,669,267**	**50,519,333,823**

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	19,650,084,537	5,097,874
Property and Damages	100,755,813,870	64,599,622,311
Cargo	11,985,658,079	9,013,166,267
Automobile	144,850,768	239,002,789
Fire	172,917,963,250	58,051,897,884
Liability	31,739,456	1,024,363,915
Business risk	6,505,972	-
Aviation	-	5,678,388,012
Hull and P&I	5,887,975,116	17,514,513,290
Total	**311,380,591,048**	**156,126,052,342**

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	94,896,909,721	85,916,501,023
Agent management activities	32,697,570,362	10,493,859,014
Loss prevention	655,162,830	1,639,246,122
Statutory contributions	4,976,143,510	4,564,534,592
Other expenses	199,189,162,769	176,392,807,766
Total	**332,414,949,192**	**279,006,948,517**

Other expenses include the expenses related to underwriting activities such as marketing expenses, entertainment meals, telephones, petrolium, 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	104,468,315,361	95,279,545,949
Gains from investments in treasury bill, bonds and bills	20,337,435,437	21,205,967,978
Profit distributed	228,072,036	-
Dividends earned	5,529,136,068	4,032,504,600
Foreign exchange gains	4,250,902,551	(874,573,500)
Gain from security trading	7,692,446,551	1,636,684,334
Others	73,425	32,392
Total	**142,506,381,429**	**121,280,161,753**

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	4,438,356	1,198,356
Bond premium allocated expenses	-	622,649,377
Loss on disposal/sale of investments	151,351,052	62,735,578
Loss on security trading	556,862,610	306,612,580
Foreign exchange losses	4,997,613,119	2,856,546,970
Reversal of provision for diminution in value of securities held for trading and investments impairment loss	5,542,839,536	(619,605,899)
Other financial expenses	20,520,000	58,240,556
Total	**11,273,624,673**	**3,288,377,518**

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	114,058,816,375	106,198,849,146
Material expenses	4,204,283,832	3,930,162,857
Tool and equipment expenses	1,006,392,365	1,193,608,567
Depreciation expenses	2,407,834,529	2,978,739,923
Tax, fee, and charge	5,247,635,962	4,079,086,118
Expenses for external services	63,112,224,478	50,935,120,509
Provision for doubtful debts	(4,332,634,270)	(158,112,639)
Other expenses	1,760,454,597	2,508,755,442
Total	**187,465,007,868**	**171,666,209,923**

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	66,589,918	186,569,106
Total	**73,171,282**	**192,569,106**

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	31,920,702	50,008,345
Other expenses	7,906,074	48,499,105
Total	**39,826,776**	**98,507,450**

30. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Corporation is 20% of taxable income.

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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

30. CORPORATE INCOME TAX (continued)

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	33,750,964,414	26,285,503,480
Total	**33,750,964,414**	**26,285,503,480**

Reconciliation between CIT expense 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	143,315,457,746
At CIT rate of 20% applicable to the Corporation	20%	20%
CIT	**37,686,526,452**	**28,663,091,549**
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)
CIT expense	**33,750,964,414**	**26,285,503,480**

30.2 Current tax

The current tax 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 separate income statement because it excludes items of income or expense that are taxable or deductible in other periods 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 separate 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* VND	*For the six-month period ended 30 June 2019* 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)
		Loan 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)
Lao Viet Insurance Company	Subsidiary	Assumed reinsurance premium	38,707,305,829	52,391,921,046
		Commission from reinsurance assumed	(9,978,752,450)	(13,488,132,574)
		Claim expense from reinsurance assumed	(7,671,198,390)	(14,667,761,815)

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 separate 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	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
Lao Viet Insurance Company	Subsidiary	Receivables for premium assumed	27,449,044,089	48,642,339,077
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)
Lao Viet Insurance Company	Subsidiary	Claim payables for reinsurance assumed	(4,469,690,523)	(4,396,092,703)
		Claim reserve for reinsurance assumed	(62,307,081,113)	(29,394,266,065)

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

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

According to Section 09, VAS 28, the reportable segments are defined as follows:

- A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments;
- A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

In the view of the Corporation, the member companies of Corporation provide same non-life insurance products, operate in the same economy, and use the same processes and underwriting channels that are standardized and designed by the Corporation.

Besides, these companies are engaged in the same business risk, legal environment and have no other economic benefit with entities in other economic environment and the geographical segment does not affect on the scope of providing insurance service of those companies. Therefore, the Corporation does not have segments which fit the definition of segmental disclosures as required by VAS 28.

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	1,712,326,721	2,631,985,200
- From 1 – 5 years	23,604,369,887	26,053,101,645
Total	**25,316,696,608**	**28,685,086,845**

Foreign contractor withholding tax (FCT)

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

Off-balance sheet items

ITEMS	*30 June 2020*	*31 December 2019*
Insurance policies signed but not yet effective (VND)	129,199,850,844	105,451,914,958
Foreign currency (USD)	2,997,743.69	2,607,887.84
Foreign currency (EUR)	216,756.50	218,261.47
Foreign currency (GBP)	68,696.07	68,700.32
Foreign currency (AUD)	12,312.23	12,320.29

34. RISK MANAGEMENT FRAMEWORK

34.1 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.

34. RISK MANAGEMENT FRAMEWORK (continued)

34.2 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.

34.3 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: million VND

	Corporation Solvency Margin	*Minimum Solvency Margin*	*Solvency Margin Ratio*
30 June 2020	1,846,456	474,112	389%
31 December 2019	1,858,647	420,562	442%

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.

34. RISK MANAGEMENT FRAMEWORK (continued)

34.4 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.

34.5 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.

35. 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.

35.1 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 issued by the Ministry of Finance. Details of such reserving methodologies are as follows:

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.1 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 period, 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.

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 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.

35.2.1 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 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.

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 Financial risk (continued)

35.2.1 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 separate 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%	3,169,850,076	2,535,880,061
-5%	(3,169,850,076)	(2,535,880,061)
31 December 2019		
+5%	3,544,212,835	2,835,370,268
-5%	(3,544,212,835)	(2,835,370,268)

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 307,917,377,717 (31 December 2019: VND 253,627,078,900). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 8,028,468,503 (31 December 2019: decrease by VND 4,158,745,158), 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 2,123,152,162).

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 Financial risk (continued)

35.2.2 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	815	61,391	5,554	52,307	40,789
Receivables from financial activities	-	-	-	3,000	3,000
Total	**815**	**61,391**	**5,554**	**55,307**	**43,789**
As at 31 December 2019					
Receivables from insurance activities	794	14,148	14,077	39,797	38,666
Receivables from financial activities	-	-	-	3,000	3,000
Total	**794**	**14,148**	**14,077**	**42,797**	**41,666**

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

35 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 Financial risk (continued)

35.2.3 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:

Currency: VND

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
30 June 2020				
Insurance payables	143,128,960,132	-	-	143,128,960,132
Reinsurance payables	-	345,083,232,665	-	345,083,232,665
Accrued expenses	-	104,614,101,054	-	104,614,101,054
Claim reserve (*)	993,772,501,696	-	-	993,772,501,696
Other payables	330,130,989,193	-	-	330,130,989,193
	1,467,032,451,021	**449,697,333,719**	**-**	**1,916,729,784,740**

(*) Excluding gross unearned premium reserve and catastrophe reserve

Currency: VND

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
31 December 2019				
Insurance payables	72,856,291,971	-	-	72,856,291,971
Reinsurance payables	-	399,327,511,034	-	399,327,511,034
Accrued expenses	-	10,106,535,833	-	10,106,535,833
Claim reserve	911,318,938,685	-	-	911,318,938,685
Other payables	267,145,518,667	-	-	267,145,518,667
	1,251,320,749,323	**409,434,046,867**	**-**	**1,660,754,796,190**

36. 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 interim Separate 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.

36. 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 interim Separate 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.

36. 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 separate 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 a nearest closing day having transactions to the time of making the annual financial investment .
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price within the last 30 transaction days before the time of making annual financial statement announced by the Stock exchange.
- Fair value of unlisted shares which have not been registered in the unlisted public company 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.

36. 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	**325,862,018,692**	-	**(4,196,910,123)**	**321,665,108,569**	**335,564,524,772**
Listed shares	*225,161,264,317*	-	*(7,865,238,511)*	*217,296,025,806*	*281,656,821,050*
Unlisted shares	*50,700,754,375*	-	*26,021,181,333*	*76,721,935,708*	*26,260,556,667*
BIDV Metlife	*50,000,000,000*	-	*(22,352,852,945)*	*27,647,147,055*	*27,647,147,055*
Loan and receivables	**3,774,111,455,765**	**159,838,306,796**	**(47,841,547,461)**	**3,886,108,215,100**	**3,886,108,215,100**
Bonds	*497,254,363,569*	*20,615,865,709*	*(3,000,000,000)*	*514,870,229,278*	*514,870,229,278*
Term deposits	*2,865,500,000,000*	*138,763,372,594*	-	*3,004,263,372,594*	*3,004,263,372,594*
Insurance receivables	*380,194,861,833*	-	*(43,520,308,429)*	*336,674,553,404*	*336,674,553,404*
Other receivables	*21,162,230,363*	-	*(1,321,239,032)*	*19,840,991,331*	*19,840,991,331*
Statutory deposit	*10,000,000,000*	*459,068,493*	-	*10,459,068,493*	*10,459,068,493*
Cash and cash equivalents	222,577,427,675	-	-	*222,577,427,675*	222,577,427,675
Total	**4,322,550,902,132**	**159,838,306,796**	**(52,038,457,584)**	**4,430,350,751,344**	**4,444,250,167,547**
Financial liabilities					
Trade payables	490,955,050,360	-	-	490,955,050,360	490,955,050,360
Accrued expenses	125,759,246,602	-	-	125,759,246,602	125,759,246,602
Other payables	105,196,601,054	-	-	105,196,601,054	105,196,601,054
Total	**721,910,898,016**	-	-	**721,910,898,016**	**721,910,898,016**

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

Currency: VND

31 December 2019	*Carrying amount*				*Fair value*
	Cost	*Accrued interest*	*Provision*	*Total*	
	VND	*VND*	*VND*	*VND*	*VND*
Financial assets					
Available for sale	248,654,395,346	-	(50,696,433,253)	197,957,962,093	281,062,008,309
Listed shares	*171,220,398,836*	-	*(2,105,345,252)*	*169,115,053,584*	*252,219,099,800*
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	3,682,424,622,928	134,964,641,099	(52,174,181,731)	3,765,215,082,296	3,765,215,082,296
Bonds	*503,399,242,353*	*8,905,479,452*	*(3,000,000,000)*	*509,304,721,805*	*509,304,721,805*
Term deposits	*2,802,000,000,000*	*125,954,120,551*		*2,927,954,120,551*	*2,927,954,120,551*
Insurance receivables	*355,871,591,548*		*(48,208,297,270)*	*307,663,294,278*	*307,663,294,278*
Other receivables	*11,153,789,027*		*(965,884,461)*	*10,187,904,566*	*10,187,904,566*
Statutory deposit	*10,000,000,000*	*105,041,096*	-	*10,105,041,096*	*10,105,041,096*
Cash and cash equivalents	105,692,923,157	-	-	*105,692,923,157*	105,692,923,157
Total	**4,036,771,941,431**	**134,964,641,099**	**(102,870,614,984)**	**4,068,865,967,546**	**4,151,970,013,762**
Financial liabilities					
Trade payables	481,173,201,689	-	-	481,173,201,689	481,173,201,689
Accrued expenses	59,300,154,347	-	-	59,300,154,347	59,300,154,347
Other payables	10,989,799,783	-	-	10,989,799,783	10,989,799,783
Total	**551,463,155,819**	**-**	**-**	**551,463,155,819**	**551,463,155,819**

37. EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim separate balance sheet date that requires adjustments or disclosures to be made in the interim separate financial statements of the Corporation.

38. APPROVAL FOR ISSUANCE

The interim separate financial statements as at 30 June 2020 and for the six-month period then ended were 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