BIDV Insurance Joint Stock Corporation

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BIDV Insurance Joint Stock Corporation

GENERAL INFORMATION

CORPORATION

BIDV Insurance Joint Stock Corporation was established on 1 October 2010 under the Business Licence No.11/GPDC7/KDBH dated 1 October 2010, issued by the Ministry of Finance.

BIDV Insurance Joint Stock Corporation ("the Corporation") was transformed from equitization of BIDV Insurance Company, which was established under Business License No 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Company successfully completed the Initial Public Offering.

The following summarizes some key information about the entity:

Registered Company name:	BIDV Insurance Joint Stock Corporation
Address:	16th Floor, A Tower, Vincom, 191 BaTrieu street, Hai Ba Trung District, Hanoi
Operating activities:	to provide general insurance products, reinsurance, loss survey, investing activities and other business operations that are in line with prevailing laws and regulations.

The Corporation has an investment in a joint venture contract with partners in Lao PRD following The Foreign Investment Certificate No. 146/BKH/DTRNN granted by the Ministry of Investment and Planning on 19 June 2008 to set up a joint venture company named Lao-Viet Insurance Joint Venture Company, of which the Corporation owned 51% of chartered capital equivalent to USD 1,530,000. This joint venture investment was made by the former BIDV Insurance Company and that was inherited by BIDV Insurance Joint Stock Corporation as a part of transformation.

Chartered Capital

The initial chartered capital of the company was 660 billions VND. As at 30 June 2012, it was 660 billions VND (31 December 2011: 660 billions VND).

Location and branch network

The Corporation has its Head office located at 16th floor, A Tower, Vincom City Towers, 191 Ba Trieu street, Hai Ba Trung district, Hanoi. As at 30 June 2012, the Corporation has twenty-one (21) branches nationwide.

Employee

Total employees of the Corporation as at 30 June 2012 was 560 persons (31 December 2011: 550 persons).

OPERATING RESULTS

The net profit for the six-month period ended 30 June 2012, after taxation, was VND 41,102,310,217 (for the six-month period ended 30 June 2011, net profit after tax was VND 34,802,969,743).

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of the Board of Directors during the period from 1 January 2012 to 30 June 2012 and at the date of this report are:

Name	*Position*	*Date of appointment*
Mr Pham Quang Tung	Chairman	1 October 2010
Mr Tran Xuan Hoang	Deputy Chairman	1 October 2010
Ms Nguyen Thi Thanh Van	Member	1 October 2010
Mr Trinh Minh Tam	Member	1 October 2010
Mr Dang Quang Vinh	Member	1 October 2010

BOARD OF SUPERVISION

Members of the Board of Supervision during the period from 1 January 2012 to 30 June 2012 and at the date of this report are:

Name	*Position*	*Date of appointment/ resignment*
Mr Cao Cu Tri	Head of Board of Supervisor	1 October 2010
Mr Nguyen Trung Kien	Member	1 October 2010
Mr Dao Manh Duong	Member	1 October 2010 and resigned since16 March 2012
Mr Nguyen Thanh Cong	Member	16 Mar 2012

BOARD OF MANAGEMENT

Members of the Board of Management during the period from 1 January 2012 to 30 June 2012 and at the date of this report are:

Name	*Position*	*Date of appointment/ resignment*
Mr. Ton Lam Tung	Acting General Director	28 April 2011 and resigned since 1 May 2012
Mr. Ton Lam Tung	General Director	1 May 2012
Ms. Nguyen Thi Thanh Van	Deputy General Director	1 October 2010
Mr. Tran Trung Tinh	Deputy General Director	1 October 2010
Mr. Mai Nguyen Dong	Deputy General Director	1 October 2010 and resigned since 1 April 2012
Mr. Dao Chi Cuong	Deputy General Director	1 October 2010 and resigned since 16 Mar 2012
Mr. Vu Minh Hai	Deputy General Director	16 April 2012
Ms. Doan Thi Thu Huyen	Deputy General Director	1 May 2012

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the period from 1 January 2012 to 30 June 2012 and at the date of this report is Mr. Ton Lam Tung – Title: General Director.

AUDITORS

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

BIDV Insurance Joint Stock Corporation

REPORT OF BOARD OF MANAGEMENT

The Management of BIDV Insurance Joint Stock Corporation ("the Corporation") presents its report and the Corporation's interim financial statements for the six-month period ended 30 June 2012.

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for the interim financial statements of financial period which give a true and fair view of the state of affairs of the Corporation and of its results and cash flows for the period. In preparing those interim financial statements, the management is required to:

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

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Corporation and to ensure that the accounting records comply with the registered accounting system. They are 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.

The Board of Management confirms to the Board of Directors that the Corporation has complied with the above requirements in preparing the interim financial statements for the period from 1 January 2012 to 30 June 2012.

STATEMENT BY BOARD OF MANAGEMENT

Board of Management does hereby state that, in its opinion, the accompanying interim financial statements give a true and fair view of the financial position of the Corporation as at 30 June 2011 and of the results of its operations and its cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System applicable to insurance companies, and comply with relevant statutory requirements.

For and on behalf of the Board of Management:

TỔNG CÔNG TY CỔ PHẦN BẢO HIỂM NGÂN HÀNG ĐẦU TƯ VÀ PHÁT TRIỂN VIỆT NAM

Mr. Ton Lam Tung
General Director

Hanoi, Vietnam

26 July 2012

ERNST & YOUNG

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REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: Shareholders
BIDV Insurance Joint Stock Corporation

We have reviewed the interim financial statements of BIDV Insurance Joint Stock Corporation ("the Company") as set out on pages 5 to 54 which comprise the interim balance sheet as at 30 June 2012, the interim income statement and the interim cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim financial statements are the responsibility of management. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing 910 – Engagements to review financial statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the interim financial position of the Company as at 30 June 2012, the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System applicable to insurance companies and comply with the relevant statutory requirements.

CHI NHÁNH CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM TẠI HÀ NỘI

Ernst & Young Vietnam Limited

Vo Tan Hoang Van
Deputy General Director
Certificate No. 0264/KTV

Tran Thi Minh Tien
Auditor
Certificate No. 1331/KTV

Hanoi, Vietnam

26 July 2012

INTERIM BALANCE SHEET
as at 30 June 2012

Currency: VND

Code	*ASSETS*	*Notes*	*30 June 2012*	*31 December 2011 (Restated)*
100	**A. CURRENT ASSETS**		**2,218,971,220,530**	**1,866,413,592,692**
110	***I. Cash***	***4***	***58,850,812,236***	***17,800,852,232***
111	1. Cash on hand		635,638,445	605,026,144
112	2. Cash at banks		57,114,418,943	17,056,226,088
113	3. Cash in transit		1,100,754,848	139,600,000
120	***II. Short-term investments***	***5***	***1,597,056,158,716***	***1,400,608,746,540***
121	1. Short-term investments in securities		129,950,018,226	143,889,012,493
128	2. Other short-term investments		1,483,023,722,222	1,279,073,200,000
129	3. Provision for impairment of short-term investment		(15,917,581,732)	(22,353,465,953)
130	***III. Account receivables***	***6***	***555,181,650,071***	***443,856,341,301***
131	1. Trade receivables		521,720,197,895	409,141,183,925
132	2. Advances to suppliers		786,524,342	678,042,882
133	3. Deductible VAT		8,767,335,969	7,994,634,946
138	4. Other receivables		32,610,734,513	32,375,581,984
139	5. Allowance for doubtful debts		(8,703,142,648)	(6,333,102,436)
150	***IV. Other short-term assets***		***7,882,599,507***	***4,147,652,619***
151	1. Advances		7,230,410,950	3,452,188,363
152	2. Prepaid		222,874,057	266,149,756
153	3. Other short-term assets		429,314,500	429,314,500

INTERIM BALANCE SHEET (continued)
as at 30 June 2012

Currency: VND

Code	*ASSETS*	*Notes*	*30 June 2012*	*31 December 2011 (Restated)*
200	**B. NON-CURRENT ASSETS**		**164,887,484,932**	**136,213,005,415**
210	***I. Fixed assets***		***15,477,031,145***	***8,576,494,889***
211	1. Tangible fixed assets	7	7,091,938,756	6,511,853,206
212	*Costs*		*29,695,918,540*	*28,361,387,359*
213	*Accumulated depreciation*		*(22,603,979,784)*	*(21,849,534,153)*
214	2. Finance leases	8	1,885,092,389	2,064,641,683
215	*Costs*		*2,152,579,273*	*2,152,579,273*
216	*Accumulated depreciation*		*(267,486,884)*	*(87,937,590)*
217	3. Intangible fixed assets	9	6,500,000,000	-
218	*Costs*		*6,556,057,850*	*56,057,850*
219	*Accumulated amortisation*		*(56,057,850)*	*(56,057,850)*
220	***II. Long-term investments***	***10***	***143,380,453,787***	***121,606,510,526***
221	1. Investment in securities	10.1	70,000,000,000	50,000,000,000
222	2. Investments in associates and joint-ventures	10.2	23,380,453,787	21,606,510,526
228	3. Other long-term investments	10.3	50,000,000,000	50,000,000,000
240	***III. Other long-term assets***		***6,030,000,000***	***6,030,000,000***
241	1. Compulsory deposit	11	6,000,000,000	6,000,000,000
242	2. Long-term deposits		30,000,000	30,000,000
270	**TOTAL ASSETS**		**2,383,858,705,462**	**2,002,626,598,107**

INTERIM BALANCE SHEET (continued)
as at 30 June 2012

Currency: VND

Code	*RESOURCES*	*Notes*	*30 June 2012*	*31 December 2011 (Restated)*
300	**A. LIABILITIES**		**1,668,370,234,655**	**1,252,728,142,373**
310	***I. Short-term liabilities***		***1,083,710,419,891***	***821,469,334,345***
313	1. Trade payables	12	257,749,795,997	240,347,597,966
314	2. Premium received in advance		5,351,046,292	8,315,273,924
315	3. Statutory obligations	13	13,400,296,251	16,527,238,981
316	4. Payable to employees		13,949,224,908	16,305,812,063
318	5. Accrued expenses	14	26,996,515,886	19,379,257,044
319	6. Other payables	15	756,472,184,970	519,253,362,416
323	7. Bonus and welfare funds		9,791,355,587	1,340,791,951
330	***II. Other long-term payables***		***484,593,302***	***542,138,757***
331	1. Long-term loan		484,593,302	542,138,757
340	***III. Reserves***		***584,175,221,462***	***430,716,669,271***
341	1. Unearned premium reserve	18.4.1	221,848,736,223	190,128,680,491
343	2. Claim reserve	18.4.2	309,958,549,383	199,947,985,990
344	3. Catastrophe reserve	18.4.3	52,367,935,856	40,640,002,790
400	**B. OWNERS' EQUITY**		**715,488,470,807**	**749,898,455,734**
410	***I. Owners' equity***	***16***	***715,488,470,807***	***749,898,455,734***
411	1. Chartered capital		660,000,000,000	660,000,000,000
412	2. Share premium		2,271,699,140	2,271,699,140
414	3. Treasury shares		(6,577,533,810)	(6,215,238,666)
415	4. Financial reserve fund		1,800,187,891	1,800,187,891
416	5. Statutory reserves		6,908,485,087	4,853,369,576
418	6. Retained earnings		51,085,632,499	87,188,437,793
430	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**2,383,858,705,462**	**2,002,626,598,107**

INTERIM BALANCE SHEET (continued)
as at 30 June 2012

OFF BALANCE SHEET ITEMS

ITEMS	*30 June 2012*	*31 December 2011*
1. Doubtful debts written off (VND)	2,293,099,309	2,293,099,309
2. Insurance policies signed but for which no obligations have arisen on the part of the Corporation (VND)	39,202,269,093	64,799,769.016
3. Foreign currencies		
- United States dollar (US$)	1,680,377.24	1,974,577.64
- Euro (EUR)	279.72	287.04

Ms. Lai Ngan Giang
Director of Financial and
Accounting Division

Mr. Ton Lam Tung
General Director

Hanoi, Vietnam

26 July 2012

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2012

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
01	**1. Gross written premiums**	**17.1**	**321,004,125,088**	**299,096,272,421**
02	**2. Reinsurance premiums assumed**	**17.2**	**54,448,850,109**	**39,619,290,255**
03	**3. Deductions**		**(140,894,313,884)**	**(129,180,789,547)**
04	Reinsurance premiums ceded	17.3	(138,715,608,311)	(123,352,992,431)
06	Premium returns		(2,178,705,573)	(5,827,797,116)
08	**4. Increase in unearned premium reserve**	**18.4**	**(31,720,055,732)**	**(33,338,675,796)**
09	**5. Commissions on reinsurance ceded**		**39,498,225,820**	**33,058,475,867**
10	**6. Other income from insurance activities**		**12,368,685,345**	**11,447,154,065**
13	Income from other activities		12,368,685,345	11,447,154,065
14	**7. Total operating revenues (14 = 01 + 02 + 03 + 08 + 09 + 10)**		**254,705,516,746**	**220,701,727,265**
15	**8. Claim expenses**	**18.1**	**(132,100,001,679)**	**(212,591,363,951)**
16	**9. Claim expenses on reinsurance assumed**	**18.2**	**(5,709,920,566)**	**(4,793,177,514)**
17	**10. Recoveries from reinsurance ceded**	**18.3**	**62,091,509,730**	**138,768,886,912**
21	**11. Net claim expenses on retained risks (21 = 15 + 16 + 17)**		**(75,718,412,515)**	**(78,615,654,553)**
23	**13. Increase on claim reserve**	**18.4**	**(15,122,937,895)**	**(6,029,727,185)**
24	**14. Provision for catastrophe reserve charged to the current period's expense**	**18.4**	**(11,727,933,066)**	**(6,227,158,291)**

INTERM INCOME STATEMENT (continued)
for the six-month period ended 30 June 2012

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
25	**15. Other operating expenses**		**(80,246,069,997)**	**(60,630,551,178)**
27	Commissions expense		(38,337,728,692)	*(23,432,612,124)*
39	Expenses of reinsurance ceded		(12,023,545,237)	*(32,614,459,893)*
40	Other underwriting expenses		(29,884,796,068)	(4,583,479,161)
41	**16. Total direct operating expenses (41 = 21 + 22 + 23 + 24 + 25)**		**(182,815,353,473)**	**(151,503,091,207)**
42	**17. Operating income (42 = 14 + 41)**		**71,890,163,273**	**69,198,636,058**
44	**18. Administrative expenses**	**19**	**(89,847,714,784)**	**(80,941,738,884)**
45	**19. Net operating loss (45 = 42 + 44)**		**(17,957,551,511)**	**(11,743,102,826)**
46	20. Financial income	20	89,182,164,612	114,794,390,825
47	21. Financial expense	21	(19,479,350,654)	(58,311,675,259)
51	**22. Financial profit (51 = 46 + 47)**		**69,702,813,958**	**56,482,715,566**
52	23. Other income	22	321,284,508	121,889,116
53	24. Other expenses	22	(135,656,819)	(611,249,250)
54	**25. Net other income/(loss) (54 = 52 + 53)**		**185,627,689**	**(489,360,134)**
55	**26. Share of the profit of the associate and joint venture**		**1,773,943,261**	**1,281,072,727**
56	**27. Profit before enterprise income tax (56 = 45 + 51 + 54+55)**		**53,704,833,397**	**45,531,325,333**
60	**28. Current enterprise income tax**	**23.2**	**(12,602,523,180)**	**(10,728,355,590)**
61	**29. Net profit for the year after enterprise income tax (61 = 56 + 60)**		**41,102,310,217**	**34,802,969,743**
62	**30. Earnings per share**	**27**	**624**	**527**

Ms. Lai Ngan Giang
Director of Financial and
Accounting Division

Mr. Ton Lam Tung
General Director

Hanoi, Vietnam

26 July 2012

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2012

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**53,704,833,397**	**45,531,325,333**
	Adjustments for:			
02	Depreciation and amortisation		1,941,801,895	2,735,429,118
03	Provisions		54,505,082,684	54,039,271,524
05	Profits from investing activities		(65,120,417,787)	(56,750,083,322)
07	Interest expense	19	719,525,493	3,126,884
08	**Operating income before changes in working capital**		**45,750,825,682**	**45,559,069,537**
09	(Increase)/Decrease in receivables		(13,993,831,376)	(35,198,163,484)
11	Increase/(Decrease) in payables		253,135,424,012	84,378,981,918
12	Increase in prepaid expense		(43,275,699)	(183,371,782)
13	Interest expense paid		(719,525,493)	(3,126,884)
15	Corporate income tax paid		(13,037,732,252)	(6,496,774,644)
	Decrease/(Increase) in receivables from other activities		(63,466,766,661)	10,053,982,135
20	**Net cash inflows from operating activities**		**207,625,118,213**	**98,110,596,796**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(8,949,081,181)	(559,372,091)
24	Disposal of fixed assets		54,606,944	28,307,812
25	Payments for investments		(257,854,878,440)	(161,236,223,003)
27	Receipt from withdrawal and maturity of investment		46,069,407,224	-
28	Interest received		65,065,810,843	56,721,775,510
30	**Net cash outflows from investing activities**		**(155,614,134,610)**	**(105,045,511,772)**

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2012

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
	Purchase treasury shares	16	(362,295,144)	-
	Payment for financial leases		(57,545,455)	-
	Payment for dividend		(10,541,183,000)	-
40	**Net cash flows from financing activities**		**(10,961,023,599)**	**-**
50	**Net cash flows**		**41,049,960,004**	**(6,934,914,976)**
60	**Cash and cash equivalents at the beginning of the period**		**17,800,852,232**	**21,421,465,480**
70	**Cash and cash equivalents at the end of the period**	**4**	**58,850,812,236**	**14,486,550,504**

Ms. Lai Ngan Giang
Director of Financial and
Accounting Division

Mr. Ton Lam Tung
General Director

Hanoi, Vietnam

26 July 2012

1. CORPORATION INFORMATION

BIDV Insurance Joint Stock Corporation was established on 1 October 2010 under the Business Licence No.11/GPDC7/KDBH dated 1 October 2010, issued by the Ministry of Finance.

BIDV Insurance Joint Stock Corporation ("the Corporation") was transformed from equitization of BIDV Insurance Company, which was established under Business License No 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Company successfully completed the Initial Public Offering.

The following summarizes some key information about the entity:

Registered Company name:	Bank for Investment and Development of Viet Nam Insurance Joint Stock Corporation
Transaction name:	BIDV Insurance Corporation
Abbreviation:	BIC
Address:	16th Floor, A Tower, Vincom, 191 BaTrieu street, Hai Ba Trung District, Hanoi.
Operating activities:	to provide general insurance products, reinsurance, loss survey, investing activities and other business operations that are in line with prevailing laws and regulations.

The Corporation has an investment in a joint venture contract with partners in Lao PRD following Foreign Investment Certificate No. 146/BKH/DTRNN granted by the Ministry of Investment and Planning on 19 June 2008 to set up a joint venture company named Lao-Viet Insurance Joint Venture Company, of which the Corporation owned 51% of chartered capital equivalent to USD 1,530,000. This joint venture investment was transferred from BIDV Insurance Company.

Chartered Capital

The initial chartered capital of the Corporation was 660 billions VND. As at 30 June 2011, it was 660 billions VND (31 December 2011: 660 billions VND).

Location and branch network

The Corporation has its Head office located at 16th floor, Tower A, Vincom City Towers, 191 Ba Trieu street, Hai Ba Trung district, Hanoi. As at 30 June 2012, the Corporation has twenty-one (21) branches nationwide.

Employee

Total employees of the Corporation as at 30 June 2012 was 560 persons (31 December 2011:550 persons).

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 *Accounting framework*

The interim financial statements of BIDV Insurance Joint Stock Corporation, which are expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System for insurance companies issued by the Ministry of Finance in Decision 1296 TC/QD/CDKT dated 31 December 1996 and Decision 150/2001/QD-BTC dated 31 December 2001 on amended accounting policies for insurance enterprises, the accounting framework applied for enterprises in Decision 15/2006/QĐ-BTC dated 20 Mar 2006 and, except for the accounting policy for recognition of land use rights as disclosed below, in accordance with Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

- 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 30 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).

The accompanying interim balance sheet, interim income statement, interim cash flow statement and related notes, 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Registered accounting documentation system*

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

2.3 *Fiscal year*

These interim financial statements have been prepared for the period from 1 January 2012 to 30 June 2012.

Generally, the Corporation's financial year starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The Corporation maintains its accounting records in VND.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Presentation and disclosures of financial instruments*

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 1 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 as shown in Note 30 are applicable for preparing the notes in accordance with Circular 210 only. The recognition and measurement of assets, liabilities and equities of the Corporation are still in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to insurance companies and comply with the relevant statutory requirements.

3.2 *Cash and cash equivalents*

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

3.3 *Receivables*

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

Provision for impairment of other receivables will be made base on their overdue ages. For undue receivables but those were owned by indebted economic organizations which fall bankrupt or are undergoing dissolution procedures, debtors are missing, have absconded, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased, these undue receivables should be estimated the irrecoverable loss for appropriating the provision. The increase or decrease to the provision balance is recorded as the administrative expense in the interim income statement.

The Corporation adopts the provision policy as promulgated by the Ministry of Finance in Circular 228/2009/TT-BTC dated 07 December 2009 ("Circular 228"). Details on the basis of provisioning are as follows:

Receivables overdue	*Allowance rate*
From 6 months to less than one year	30%
From one to two years	50%
From two to three years	70%
Over three years	100%

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When assets are sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the interim income statement.

3.5 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Corporation is the lessee

Assets held under finance leases are capitalised in the interim balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the interim income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful live of the asset and the lease term, if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term.

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

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

When assets are sold or retired, their cost and accumulated depreciation are removed from the interim balance sheet and any gain or loss resulting from their disposal is included in the interim income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Depreciation and amortisation*

Depreciation and amortisation of fixed assets and intangible assets is calculated on a straight-line basis over the estimated useful lives of these assets, which are as follows:

Office equipments	3 - 7 years
Motor vehicles	6 - 10 years
Other tangible fixed assets	5 years
Accounting software	3 - 5 years
Other intangible fixed assets	4 – 5 years

3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim 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.

3.10 *Investments*

3.10.1 *Investment in securities*

The Corporation's investments in securities include investments in equity securities and debt securities. Investments are categorised as short term and long term as follows:

- Short-term investments comprise quoted and unquoted shares, government bonds, and corporate bonds, which are maturing within 12 months or intended to be held for not more than one year.
- Long-term investments include government bonds and corporate bonds which are intended to be held for more than one year.

All investments in securities (debts securities and equity securities) are initially recognised at cost and subsequently are recognized at cost during the holding period.

Investments in securities are subject to review for impairment. Provision for impairment is recorded when carrying value of the securities is higher than its market value at reporting date. Any impairment losses are recognized in the Corporation's interim income statement.

3.10.2 *Other long-term investments*

Other long term investments represent the Corporation's capital investments in other enterprises where the Corporation either owns less than 20% of voting right and is foundation shareholder; or strategic partner; or impacts on the enterprise' foundation, determines financial and operating policies under agreements with the Board of Directors/ Board of Management.

The investments are initially recognized at cost and subsequently are recognized at cost during the holding period.

Other investments are subject to review for impairment. Any impairment losses are recognized in the Corporation's interim income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments* (continued)

3.10.3 Provision for diminution in value of investment

Provision for impairment of investment securities is made for individual stock when the market value is lower than original cost. Provision amount for marketable securities is the difference between the original cost and market value of those securities at the interim balance sheet date in accordance with Circular 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Any increase or decrease in balance of provision is recognised to operating expenses for the year.

The market prices of listed securities are determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) as at 30 June 2012.

The market values of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price of the trading market at the date of provision.

The market values of unlisted shares which have not been registered in the unlisted public companies market (UPCom) is the average of public price quotations of at least three (03) reputed and large securities companies in the market.

For other securities that have no market prices for purpose of making provision of impairment, the Corporation considers to use book value of securities.

Provision for impairment of other long-term investments is made when the investees are suffering from loss (except for the expected loss identified in the business plan before the investment). Accordingly, provision is the disparity between parties' actual investment into investees and actual owner's equity multiplied (x) by the ratio of the Corporation's investment compared with total investment by parties.

3.11 *Investment in joint ventures*

Investment in joint ventures are accounting under equity method. Under the equity method, the interim income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity. The Corporation's interest in the jointly controlled entity is carried in the balance sheet at cost plus post joint venture changes in the Corporation's share of net assets of the jointly controlled entity.

The financial statements of the jointly controlled entities are prepared for the same reporting period as the Corporation. Where necessary, adjustments are made to bring the accounting policies in line with those of the Corporation.

3.12 *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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Employee benefits

3.13.1 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 16% of employee basic salaries on a monthly basis. The Corporation has no further obligation concerning post employment benefits for its employees other than this.

3.13.2 Voluntary resignation and retrenchment benefits

Voluntary resignation benefits: the Corporation has the obligation, under Section 42 of the Vietnam Labor Code amended on 2 April 2002, to pay allowance arising from voluntarily resignation of employees, equal to one-half month's salary for each year of employment plus salary allowances (if any). The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date.

Retrenchment benefits: the Corporation has the obligation, under Section 17 of the Vietnam Labor Code, to pay allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such case, the Corporation shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one month's salary for each year of employment, but no less than two months' salary.

While the obligations under Sections 17 and 42 are compulsory, the implementation of these Sections is subject to detailed guidance issued by the Ministry of Finance in implementing circulars. In accordance with Circular 64/1999/TT-BTC dated 7 June 1999 and Circular 82/2003/TT-BTC dated 14 August 2003 by the Ministry of Finance which superseded Circular 64/1999/TT-BTC, The Corporation is required to calculate retrenchment allowance between 1% and 3% per annum on the basic salary of the employees; and the outstanding balance of employee termination reserve which was previously created at 5% from the profit after tax and after appropriation of supplementary capital reserve in accordance with the guidance of Circular 64/1999/TT-BTC should be transferred to retrenchment allowance as provided under Circular 82.

3.13.3 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 1 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Reserves*

The technical reserves include (i) unearned premium reserve, (ii) claims reserve and (iii) catastrophe reserve. The reserving methodologies are based on Circular 156/2007/TT-BTC dated 20 December 2007 and Circular 86/2009/TT-BTC dated 28 April 2009 modifying some clauses of Circular 156 issued by the Ministry of Finance. Details of such reserving methodologies are as follows:

(i) Unearned premium reserve:

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

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

(ii) Claims reserve

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

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year, after deducting the amount recoverable from reinsurers; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR).

Although Circular 156/2007/TT-BTC has formulated a formula to calculate IBNR on the annual financial statements, there is no guidance available for establishing IBNR when preparing the interim financial statements. As such for the purpose of interim reporting of the management has calculated IBNR by multiplying the IBNR amount as at 31 December 2011 with the premium revenue growth and claim expense growth for the period which Management believe would give a best estimate of the IBNR amount as at 30 June 2012.

(iii) Catastrophe reserve:

Catastrophe reserve is accrued annually until such reserve reaches 100% of the retained premiums of the current fiscal year and is made based on retained premiums.

On 28 December 2005, the Ministry of Finance issued Decision 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 46/2007/ND-CP issued by the Government of Vietnam on 27 March 2007 regarding financial regulations for insurance enterprises, the Corporation has elected to adopt the policy of providing for the catastrophe reserve at 5% of total retained premium.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Transactions in foreign currencies*

The Corporation follows the guidance under Vietnamese Accounting Standard No. 10 "The Effects of Changes in Exchange Rates" (the "VAS 10") in relation to foreign currency transactions as applied consistently in prior period(s).

Transactions in currencies other than the Corporation's reporting currency of (VND) are recorded at the exchange rates ruling at the date of the transaction. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the interim income statement.

3.16 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Corporation's own equity instruments.

3.17 *Appropriation of net profits*

Net profit after tax is available for appropriation to investors/shareholders after approval by the appropriate level of authority 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 the Corporation's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- **Statutory reserve fund**

  Statutory reserve 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 Circular 46/2007/ND-CP dated 22 March 2007 by MOF.

- **Bonus and welfare fund**

  This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.

3.18 *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:

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Revenue recognition* (continued)

(i) Gross written premium

Gross written premiums are recognized in accordance with Circular 156/2008/TT-BTC issued by the Ministry of Finance on 20 December 2008 ("Circular 156") and Circular 86/2009/TT-BTC modifying some clauses of Circular 156 on financial regime applicable to insurers and insurance brokers. Specifically, gross written premium is 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 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. Prepaid premium before due date is recorded as "Premium received in advance" in the interim balance sheet as at the interim balance sheet date.

(ii) Interest

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

(ii) Dividends

Income is recognised when the Corporation's entitlement as an investor to receive the dividend in cash is established. If Corporation is entitled to receive dividend in shares or bonus share, only the number of shares received will be reflected in the share portfolio of the Corporation.

3.19 *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 is considered as an outstanding claim and included in claim reserve.

(ii) Commission expense

Commission expense is recognized when incurred. Commission expense is calculated at percentage of gross written premium and recognize in the interim income statement. The percentage of commission over the gross written premium for specific line of insurance is stipulated in Circular 155/2007/TT-BTC dated 20 December 2007 and Circular 86/2009/TT-BTC dated 28 April 2009 issued by MOF.

(iii) Other general administrative expenses

Other general and administrative expense is recognized on accrual basis.

(iv) Leased assets

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Recognition of reinsurance activities*

(i) Reinsurance ceded

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

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

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

Reinsurance commission is recognized when there is a corresponding reinsurance premium ceded.

(ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

- Income and expenses relating to reinsurance assumed under treaty arrangements are recognized when the statement of account is received from the cedants. As at the reporting date, income and expenses relating to reinsurance assumed under treaty arrangements but for which the cedants have not sent their statement of accounts are estimated based on the historical experience and the Corporation's own estimate taking into account.

Reinsurance assumed under facultative arrangement:

- Reinsurance premium assumed is recognized when the facultative reinsurance agreement has been entered into by the Corporation and a statement of account (for each facultative reinsurance agreement) has been received from the cedants;
- Claim expenses for reinsurance assumed is recognized when there is evidence of liability of the Corporation and when a statement of account has been sent to the Corporation; and
- Reinsurance commission is recognized when the reinsurance premium is ceded and when a statement of account has been sent to the Corporation.

3.21 *Taxation*

Current tax

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

Current income tax is charged or credited to the interim 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 *Taxation* (continued)

Deferred tax

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Corporation to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Corporation intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 *Use of estimates*

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

3.23 *Off-balance sheet items*

In accordance with the Vietnamese Accounting System for insurance companies, insurance policies that have been signed but for which no obligations have arisen on the part of the insurers are not recorded in the balance sheet until the premium is collected or the policies become effective.

4. CASH AND CASH EQUIVALENTS

	30 June 2012 VND	*31 December 2011 VND*
Cash on hand	635,638,445	605,026,144
In which:		
VND	*635,638,445*	*605,026,144*
Cash at banks	57,114,418,943	17,056,226,088
In which:		
VND	*22,107,843,881*	*15,495,132,306*
Foreign currency	*35,006,575,062*	*1,561,093,782*
Cash in transit	1,100,754,848	139,600,000
	58,850,812,236	**17,800,852,232**

5. SHORT-TERM INVESTMENTS

	30 June 2012 *VND*	*31 December 2011* *VND*
Short-term securities investments	129,950,018,226	143,889,012,493
Listed shares	*32,288,083,569*	*36,340,585,857*
Unlisted shares	*37,661,934,657*	*37,758,426,636*
Corporate bonds	*60,000,000,000*	*69,790,000,000*
Other short-term investments	1,483,023,722,222	1,279,073,200,000
Term deposits in VND (*)	*1,483,023,722,222*	*1,239,500,000,000*
Term deposits in USD	-	*39,573,200,000*
Allowance for diminution of short-term investments value	(15,917,581,732)	(22,353,465,953)
Net value of short-term investments	**1,597,056,158,716**	**1,400,608,746,540**

(*) Term deposits in VND included the deposits of 197.5 billion VND at Habubank under two contracts as follows:

- The contract number 21/2011/HDTG with amount of 97.5 billion VND has validity period from 31 August 2011 to 29 February 2012 and interest rate of 14% p.a;
- The contract number 22/2011/HDTG with amount of 100 billion VND has validity period from 5 September 2011 to 5 March 2012 and interest rate of 14% p.a.

Although these amounts are due, the bank has not been able to settle the amount. The Management is confident that this amount can be recovered.

6. ACCOUNT RECEIVABLES

	30 June 2012 *VND*	*31 December 2011 (Restated)* *VND*
Trade receivables	**521,720,197,895**	**409,141,183,925**
Receivable from direct insurance activities	26,262,481,980	36,001,583,408
Receivable from inward reinsurance	72,447,391,869	34,781,663,514
Receivable from outward reinsurance	369,749,984,566	293,918,268,444
- *Recoverable from settled claims*	*81,166,862,482*	*113,069,955,594*
- *Recoverable from not settled claims (claim recoverable from reinsurers) (*)*	*227,502,770,379*	*132,615,144,881*
- *Commission receivables from reinsurance ceded*	*61,080,351,705*	*48,233,167,969*
Receivables from financial activities	49,597,982,878	40,188,052,474
Other receivables	3,662,356,602	4,251,616,085
Advances to suppliers	**786,524,342**	**678,042,882**
Deductible VAT	**8,767,335,969**	**7,994,634,946**
Other receivables	**32,610,734,513**	**32,375,581,984**
Total receivables	**563,884,792,719**	**450,189,443,737**
Allowance for doubtful debts	(8,703,142,648)	(6,333,102,436)
Net trade and other receivables	**555,181,650,071**	**443,856,341,301**

(*) Refer to Note 31

7. TANGIBLE FIXED ASSETS

	Buildings VND	*Office equipments VND*	*Vehicles VND*	*Other fixed assets VND*	*Total VND*
Costs:					
Balance at 1 January 2012	-	6,055,249,864	22,080,299,476	225,838,019	28,361,387,359
Additions	2,300,000,000	123,581,181	-	25,500,000	2,449,081,181
Newly purchased (*)	*2,300,000,000*	*123,581,181*	-	*25,500,000*	*2,449,081,181*
Other increase	-	-	-	-	-
Decrease	-	-	(1,114,550,000)	-	(1,114,550,000)
Other decrease	-	-	*(1,114,550,000)*	-	*(1,114,550,000)*
Balance at 30 June 2012	2,300,000,000	6,178,831,045	20,965,749,476	251,338,019	29,695,918,540
Accumulated depreciation:					
Balance at 1 January 2012	-	(5,156,101,238)	(16,568,556,343)	(124,876,572)	(21,849,534,153)
Depreciation for the year	(30,666,668)	(289,698,992)	(1,416,986,155)	(24,900,786)	(1,762,252,601)
Other increase	-	(1,836,248)	-	-	(1,836,248)
Other decrease	-	-	1,007,806,970	1,836,248	1,009,643,218
Balance at 30 June 2012	(30,666,668)	(5,447,636,478)	(16,977,735,528)	(147,941,110)	(22,603,979,784)
Net book value:					
Balance at 1 January 2012	-	899,148,626	5,511,743,133	100,961,447	6,511,853,206
Balance at 30 June 2012	2,269,333,332	731,194,567	3,988,013,948	103,396,909	7,091,938,756

8. FINANCE LEASES

	Vehicles VND	*Total VND*
Cost:		
Balance at 1 January 2012	2,152,579,273	2,152,579,273
Additional leases	-	-
Balance at 30 June 2012	2,152,579,273	2,152,579,273
Accumulated depreciation:		
Balance at 1 January 2012	(87,937,590)	(87,937,590)
Depreciation for the year	(179,549,294)	(179,549,294)
Balance at 30 June 2012	(267,486,884)	(267,486,884)
Net carrying amount:		
Balance at 1 January 2012	2,064,641,683	2,064,641,683
Balance at 30 June 2012	1,885,092,389	1,885,092,389

9. INTANGIBLE FIXED ASSETS

	Computer software VND	*Land use right VND*	*Total VND*
Costs:			
Balance at 1 January 2012	56,057,850	-	56,057,850
Additions (*)	-	6,500,000,000	6,500,000,000
Decrease	-	-	-
Balance at 30 June 2012	56,057,850	6,500,000,000	6,556,057,850
Accumulated amortisation:			
Balance at 1 January 2012	(56,057,850)	-	(56,057,850)
Increase for the year	-	-	-
Disposals	-	-	-
Balance at 30 June 2012	(56,057,850)	-	(56,057,850)
Net book value:			
As at 1 January 2012	-	-	-
As at 30 June 2012	-	6,500,000,000	6,500,000,000

(*) During this period, the Corporation purchased a land at No 04-05/23, 3th Ward, Tam Hoa, Bien Hoa, Dong Nai Province which was used as BIC Mien Dong's head office. Total value of this land was 8.8 billion VND, in which the value of indefinite land use right was 6.5 billion VND and of asset on land was 2.3 billion VND.

10. LONG-TERM INVESTMENTS

	Note	30 June 2012 VND	31 December 2011 VND
1. Long-term securities investments			
Bonds	10.1	70,000,000,000	50,000,000,000
2. Investment in associates, joint-ventures			
Investment in Lao-Viet Insurance Company	10.2	23,380,453,787	21,606,510,526
3. Other long-term investments			
Investment in Vinaconex – Viettel Finance JSC	10.3	50,000,000,000	50,000,000,000
Total long-term investments		**143,380,453,787**	**121,606,510,526**
Provision for long-term investments	10.4		-
Net value of financial long-term investments		**143,380,453,787**	**121,606,510,526**

10.1 *Bonds*

	Term	Annual rate	30 June 2012 VND
Construction and materials trading joint stock Company	2 years	18.00%	40,000,000,000
Tai Nguyen Company	3 years	18.50%	30,000,000,000
			70,000,000,000

10.2 *Investment in Lao-Viet Insurance Company (LVI)*

Following the Foreign Investment Certificate No. 146/BKH/ĐTRNN granted by the Ministry of Investment and Planning of Vietnam on 19 June 2008, the Corporation entered into a joint venture in Lao PDR to establish Lao - Viet Insurance Joint Venture Company ("the JV") of which the Corporation owns a 51% of the total chartered capital. The operating period for this JV is 50 years.

The Corporation accounted for the investment in the JV using equity method of accounting. For that purpose, the Corporation has recognized the share of profit/ (loss) of the JV on proportionate basis. Details of the movements of the investment in LVI during the period are as follows:

	30 June 2012 VND
As at 31 December 2011	21,606,510,526
Share of profit in associate and joint venture using equity method of accounting	1,773,943,261
As at 30 June 2012	**23,380,453,787**

10. LONG-TERM INVESTMENTS (continued)

10.3 *Investment in Vinaconex – Viettel Finance JSC*

	% owned	Number of shares	Unit cost	Amount VND
Vinaconex – Viettel Finance JSC	5%	5,000,000	10,000	50,000,000,000
		5,000,000		**50,000,000,000**

10.4 *Provision for long- term investments*

Provision for long-term investments comprises provision for equity investments in economic organizations which incurred losses in the year 2011 and was provided for in accordance with Circular 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance and with the Corporation's accounting policy set out in Note 3.10.

11. COMPULSORY DEPOSITS

Insurance deposit is deposit denominated in VND at Bank for Investment and Development of Vietnam. Under the prevailing regulation, the Corporation has to maintain statutory insurance deposit equivalent to 2% of its legal capital.

12. TRADE PAYABLES

	30 June 2012 VND	31 December 2011 VND
Payables relating to writing of direct insurance	15,959,867,332	10,778,090,352
Reinsurance assumed payables	23,296,157,040	18,777,857,875
Reinsurance ceded payables	215,821,521,337	206,992,815,276
Other payables	2,672,250,288	3,798,834,463
	257,749,795,997	**240,347,597,966**

13. STATUTORY OBLIGATIONS

	Balance as at 31 December 2011	Movement during the period		Balance as at 30 June 2012
		Payable of the period VND	Paid VND	VND
Value added tax	7,947,276,040	19,936,853,907	(22,219,279,158)	5,664,850,789
Enterprise income tax	5,565,800,406	12,602,523,180	(13,037,732,252)	5,130,591,334
Other taxes	3,014,162,535	6,173,859,592	(6,583,167,999)	2,604,854,128
	16,527,238,981	**38,713,236,679**	**(41,840,179,409)**	**13,400,296,251**

14. ACCRUED EXPENSE

	30 June 2012 VND	*31 December 2011 VND*
Premium payables under XOL contracts	8,987,690,853	3,570,023,340
Reinstated premium payables under XOL contracts	10,768,621,267	13,379,948,508
Compulsory fire and explosion and civil liabilities expense	1,414,151,660	864,151,660
Other accrued expense	5,826,052,106	1,565,133,536
	26,996,515,886	**19,379,257,044**

15. OTHER PAYABLES

	30 June 2012 VND	*31 December 2011 VND*
Payable for trusted investment		
Principal payable (*)	*667,500,000,000*	*480,000,000,000*
Interest payable	*25,340,349,998*	*21,001,194,444*
Payable for 2011 dividend	54,458,817,000	-
Others	9,173,017,972	18,252,167,972
	756,472,184,970	**519,253,362,416**

(*) These are payables on principal to Bank for Investment and Development of Cambodia (BIDC) – Hanoi and Ho Chi Minh Branch, Lao-Viet Bank (LVB) – Hanoi Branch and Joint Stock Commercial Bank for Investment and Development of Vietnam under the trusted investment contracts on term deposit with term not over 6 months and interest rates ranging from 10.6% to 15.2% per annum.

16. OWNERS' EQUITY

	Chartered capital VND	*Share premium VND*	*Treasury shares VND*	*Financial reserve VND*	*Statutory reserve VND*	*Retained earnings VND*	*Total VND*
Balance at 1 January 2011	660,000,000,000	2,271,699,140	-	-	-	18,001,878,910	680,273,578,050
Profit for the year						79,065,512,609	79,065,512,609
Appropriation to funds from profit for year 2010	-	-	-	1,800,187,891	900,093,946	(2,700,281,837)	-
Appropriation to funds from profit for year 2011	-	-	-	-	3,953,275,630	(3,953,275,630)	-
Purchase of treasury shares	-	-	(6,215,238,666)	-	-	-	(6,215,238,666)
Appropriation to Bonus and Welfare funds	-	-	-	-	-	(2,996,896,259)	(2,996,896,259)
Remuneration to Board of Directors	-	-	-	-	-	(228,500,000)	(228,500,000)
Balance at 31 December 2011	**660,000,000,000**	**2,271,699,140**	**(6,215,238,666)**	**1,800,187,891**	**4,853,369,576**	**87,188,437,793**	**749,898,455,734**
Balance at 1 January 2012	660,000,000,000	2,271,699,140	(6,215,238,666)	1,800,187,891	4,853,369,576	87,188,437,793	749,898,455,734
Profit for the period						41,102,310,217	41,102,310,217
Payment for year 2011 dividend	-	-	-	-	-	(65,000,000,000)	(65,000,000,000)
Appropriation to statutory reserve fund of profit this period	-	-	-	-	2,055,115,511	(2,055,115,511)	-
Purchase of treasury shares	-	-	(362,295,144)	-	-	-	(362,295,144)
Appropriation to Bonus and Welfare funds	-	-	-	-	-	(10,000,000,000)	(10,000,000,000)
Remuneration to Board of Directors	-	-	-	-	-	(150,000,000)	(150,000,000)
Balance at 30 June 2012	**660,000,000,000**	**2,271,699,140**	**(6,577,533,810)**	**1,800,187,891**	**6,908,485,087**	**51,085,632,499**	**715,488,470,807**

17. REVENUE FROM INSURANCE BUSINESS

17.1 *Gross written premiums*

Product	*For the six-month period ended 30 June 2012 VND*	*For the six-month period ended 30 June 2011 VND*
Health Insurance and Personal Accident Insurance	37,666,395,670	29,161,848,375
Property and Damages Insurance	71,512,997,671	86,175,759,377
Cargo Insurance	15,993,375,502	15,713,212,291
Automobile Insurance	109,633,222,632	93,495,876,266
Fire Insurance	37,030,883,735	30,628,891,221
Liability Insurance	1,767,820,758	2,555,373,491
Business Risk Insurance	379,590,082	945,633,161
Aviation Insurance	660,764,000	16,235,493,104
Hull and owner's liability Insurance	33,546,330,810	23,032,123,303
Financial and credit risk insurance	12,812,744,228	1,152,061,832
	321,004,125,088	**299,096,272,421**

17.2 *Reinsurance premiums assumed*

Product	*For the six-month period ended 30 June 2012 VND*	*For the six-month period ended 30 June 2011 VND*
Health Insurance and Personal Accident Insurance	473,258,282	518,051,941
Property and Damages Insurance	40,628,142,959	29,448,576,725
Cargo insurance	3,020,915,076	59,415,626
Automobile Insurance	1,864,268,075	2,822,217,314
Fire Insurance	2,574,844,493	1,156,889,902
Liability Insurance	324,841,539	1,116,838,533
Business Risk Insurance	524,670,495	2,307,451,977
Aviation Insurance	3,194,695,569	1,054,103,862
Hull and owner's liability Insurance	595,999,154	1,092,804,684
Financial and credit risk insurance	1,247,214,467	42,939,691
	54,448,850,109	**39,619,290,255**

17.3 *Reinsurance premiums ceded*

Product	*For the six-month period ended 30 June 2012 VND*	*For the six-month period ended 30 June 2011 VND*
Health Insurance and Personal Accident Insurance	485,799,294	195,286,027
Property and Damages Insurance	72,230,272,063	56,569,752,183
Cargo Insurance	12,059,670,473	9,827,990,881
Automobile Insurance	1,063,378,159	1,566,195,775
Fire Insurance	21,976,750,078	17,639,392,975
Liability Insurance	751,368,540	1,581,950,173
Business Risk Insurance	855,447,952	3,327,399,005
Aviation Insurance	980,391,504	15,596,289,828
Hull and owner's liability Insurance	24,867,445,083	16,710,730,440
Financial and credit risk insurance	3,445,085,165	338,005,144
	138,715,608,311	**123,352,992,431**

18. CLAIM EXPENSES

18.1 *Gross claim expenses*

Product	*For the six-month period ended 30 June 2012 VND*	*For the six-month period ended 30 June 2011 VND*
Health Insurance and Personal Accident Insurance	6,352,138,402	5,585,950,760
Property and Damages Insurance	25,071,166,775	58,501,260,246
Cargo Insurance	16,109,376,400	13,755,620,618
Automobile Insurance	48,108,905,257	41,578,529,382
Fire Insurance	26,402,180,307	25,444,300,137
Liability Insurance	238,431,198	2,437,303,265
Business risk insurance	2,486,216,480	5,164,744,990
Hull and ship owner's liability insurance	7,331,586,860	60,123,654,553
	132,100,001,679	**212,591,363,951**

18.2 *Claim expenses on reinsurance assumed*

Product	*For the six-month period ended 30 June 2012 VND*	*For the six-month period ended 30 June 2011 VND*
Health Insurance and Personal Accident Insurance	58,393,212	111,516,041
Property and Damages Insurance	3,381,577,956	3,989,900,702
Cargo Insurance	27,951,021	-
Automobile Insurance	447,279,178	355,533,394
Fire Insurance	1,723,801,291	336,227,377
Hull and ship owner's liability Insurance	70,917,908	-
	5,709,920,566	**4,793,177,514**

18.3 *Recoveries from reinsurance ceded*

Product	*For the six-month period ended 30 June 2012 VND*	*For the six-month period ended 30 June 2011 VND*
Health Insurance and Personal Accident Insurance	8,291,764	4,476,049
Property and Damages Insurance	14,138,613,324	50,367,698,512
Cargo Insurance	14,230,898,514	13,242,756,701
Automobile Insurance	329,281,384	1,501,332,031
Fire Insurance	25,257,583,088	12,369,949,332
Liability Insurance	161,618,135	150,263,910
Business risk insurance	2,263,529,040	4,933,109,294
Hull and ship owner's liability Insurance	5,701,694,481	56,199,301,083
	62,091,509,730	**138,768,886,912**

18. CLAIM EXPENSES (continued)

18.4 Technical Reserves

18.4.1 Unearned premium reserve

Product	*30 June 2012 VND*	*31 December 2011 VND*
Health Insurance and Personal Accident Insurance	32,967,221,857	19,611,065,254
Property and Damages Insurance	48,080,896,966	48,083,564,033
Cargo Insurance	1,449,944,162	863,618,110
Automobile Insurance	111,790,078,418	100,845,304,144
Fire Insurance	15,252,234,126	14,612,793,093
Liability Insurance	2,179,833,822	2,224,586,165
Business risk Insurance	51,765,769	59,364,902
Aviation Insurance	1,797,741,866	186,694,172
Hull and ship owner's liability Insurance	4,285,826,442	3,571,013,100
Financial and credit risk insurance	3,993,192,795	70,677,518
	221,848,736,223	**190,128,680,491**

The change in unearned premium reserve taken to expenses charged to the interim income statement for the period ended 30 June 2012 was VND 31,720,055,732.

18.4.2 Claim reserves

Product	*30 June 2012 VND*	*31 December 2011 VND*
Health Insurance and Personal Accident Insurance	5,001,277,803	3,408,864,983
Property and Damages Insurance	93,647,885,944	69,720,877,947
Cargo Insurance	11,973,706,351	25,041,590,064
Automobile Insurance	26,282,998,297	20,131,630,026
Fire Insurance	149,199,489,949	49,728,749,929
Liability Insurance	1,711,663,906	1,264,662,552
Business risk Insurance	4,002,554,734	4,366,905,262
Aviation Insurance	251,546,716	239,003,642
Hull and ship owner's liability Insurance	17,545,448,232	25,711,275,065
Financial and credit risk insurance	341,977,451	334,426,520
	309,958,549,383	**199,947,985,990**

Claim reserves include:

1. Outstanding claim reserves were calculated based on loss estimate for each individual large claim, for which the Corporation is liable, which is either notified to the Corporation or requested for payment but is still unresolved as at 30 June 2012. Such reserves amounted to VND 291,656,440,724 as at 30 June 2012, in which, the amount recoverable from reinsurers relating to these outstanding claims amounted to VND 227,502,770,379;

2. Reserves for claims incurred but not reported as at 30 June 2012, amounted to VND 18,302,108,660.

   The increase in claim reserve, of VND 15,122,937,895, was charged to the interim income statement on a net basis, i.e. after deducting the corresponding reinsurance recoveries.

18. CLAIM EXPENSES (continued)

18.4 Technical Reserves (continued)

18.4.3 Catastrophe reserve

Details of the catastrophe reserve provided as at 30 June 2012 are presented as follows:

Product	*30 June 2012 VND*	*31 December 2011 VND*
Health Insurance and Personal Accident Insurance	6,502,383,081	4,622,801,189
Property and Damages Insurance	11,773,635,427	9,811,665,898
Cargo Insurance	1,614,891,034	1,269,072,038
Automobile Insurance	25,240,293,921	19,755,625,277
Fire Insurance	4,069,894,997	3,213,505,817
Liability Insurance	452,068,256	385,003,568
Business Risk Insurance	49,143,818	46,703,187
Aviation Insurance	158,232,729	14,479,326
Hull and ship owner's liability Insurance	1,730,512,986	1,271,092,874
Financial and credit risk insurance	776,879,607	250,053,616
	52,367,935,856	**40,640,002,790**

The catastrophe reserve expense charged to the interim income statement for the period ended 30 June 2012 was VND 11,727,933,066.

19. ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2012 VND	*For the six-month period ended 30 June 2011 VND*
Employees expenses	52,883,415,660	48,367,783,946
Depreciation expenses	1,941,801,895	2,545,838,018
Expenses for external services	25,480,437,151	21,049,774,744
Other expenses	9,542,060,078	8,978,342,176
	89,847,714,784	**80,941,738,884**

20. FINANCIAL INCOME

	For the six-month period ended 30 June 2012 VND	*For the six-month period ended 30 June 2011 VND*
Interest income from deposits at banks	75,665,886,893	90,529,153,576
Interest income from bonds	7,814,244,291	14,329,482,050
Dividends income	1,976,850,380	1,839,691,585
Foreign exchange gains	2,037,899,477	8,094,575,111
Gain on securities trading	1,687,058,413	-
Other financial income	225,158	1,488,503
	89,182,164,612	**114,794,390,825**

21. FINANCIAL EXPENSES

	For the six-month period ended 30 June 2012 VND	*For the six-month period ended 30 June 2011 VND*
Interest expense of loan	719,525,493	3,126,884
Interest expense of long-term loan	-	8,130,914
Foreign exchange losses	1,450,625,717	9,189,424,007
Loss on securities trading	2,822,267,832	566,999,060
Interest expense of investment trusted	19,973,766,666	41,443,111,110
Others financial expense	949,049,167	38,068,408
Provision for investment impairment	(6,435,884,221)	7,062,814,876
	19,479,350,654	**58,311,675,259**

22. OTHER INCOME AND EXPENSES

	For the six-month period ended 30 June 2012 VND	*For the six-month period ended 30 June 2011 VND*
Other income	**321,284,508**	**121,889,116**
Proceeds on disposal of assets	99,800,000	28,309,058
Other income	221,484,508	93,580,058
Other expenses	**135,656,819**	**611,249,250**
Expenses on disposal of assets	45,193,056	1,246
Other expenses	90,463,763	611,248,004
Net other income	**185,627,689**	**(489,360,134)**

23. ENTERPRISE INCOME TAX

The Corporation is subject to paying Enterprise Income Tax ("EIT") at the rate of 25% of its taxable profits.

The Corporation's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations is susceptible to varying interpretations, amounts reported in the interim financial statements could be changed at a later date upon final determination by the tax authorities.

23.1 Enterprise Income Tax Expense

	For the six-month period ended 30 June 2012 VND	*For the six-month period ended 30 June 2011 VND*
Current Enterprise Income Tax	12,602,523,180	10,728,355,590
Deferred Enterprise Income Tax	-	-
Enterprise Income Tax Expense	**12,602,523,180**	**10,728,355,590**

23. ENTERPRISE INCOME TAX (continued)

23.2 *Current Enterprise Income Tax*

The current enterprise income tax payable is determined based on taxable income for the period. Taxable profit distinguishes from accounting profit reported on interim income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible for tax purpose. The Corporation's liability for current tax is calculated using tax rates that have been enacted by the interim balance sheet date.

The reconciliation between accounting profit and taxable profit is presented below:

	For the six-month period ended 30 June 2012 VND	*For the six-month period ended 30 June 2011 VND*
Accounting profit before tax	**53,704,833,397**	**45,531,325,333**
Adjustments to increase	**456,052,965**	**502,861,349**
Non-deductible expenses	456,052,965	502,861,349
Adjustments to decrease	**(3,750,793,641)**	**(3,120,764,312)**
Tax exempt dividend income	(1,976,850,380)	(1,839,691,585)
Share of profit in associates and joint-venture	(1,773,943,261)	(1,281,072,727)
Estimated current taxable profit	**50,410,092,720**	**42,913,422,370**
Estimated Current Enterprise Income Tax expense	12,602,523,180	10,728,355,590
Current Enterprise Income Tax	**12,602,523,180**	**10,728,355,590**
Enterprise Income Tax payable/(receivables) at beginning of the period	5,565,800,406	77,640,206
Enterprise Income Tax paid during the period	(13,037,732,252)	(6,496,774,644)
Enterprise Income Tax payable at the end of the period	**5,130,591,334**	**4,309,221,152**

24. TRANSACTIONS WITH RELATED PARTIES

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

Company	*Relationship*	*Transaction*	*Amount VND*
Joint Stock Commercial Bank for Investment and Development of Vietnam	Major Shareholder	Gross written premium	44,548,481,822
		Interest income from term deposit	55,418,997,310
		Trusted interest expense	8,496,638,889
		Office rental expense	4,374,211,278
		Interest expense of loan	652,166,665
		Claim expense	1,003,972,824
		Commission expense	4,513,386,737
BIDV Leasing Company I	Subsidiary of BIVD – Major shareholder	Gross written premium	749,623,767
		Interest expense of financial lease	59,671,328
BIDV Leasing Company II	Subsidiary of BIVD – Major shareholder	Gross written premium	665,107,194
		Claim expense	564,614,645
BIDV Securities Company	Subsidiary of BIVD – Major shareholder	Gross written premium	36,065,000
The Bank of Investment and Development of Cambodia	Subsidiary of BIVD – Major shareholder	Interest income from term deposit	1,141,244,327
		Trusted interest expense	10,930,933,333
		Gross written premium	175,964,660
Lao Viet Insurance company	Joint-venture	Assumed reinsurance premium	16,645,203,808
		Ceded premium	877,449,656
Lao Viet Bank	Subsidiary of BIVD – Major shareholder	Trusted interest expense	503,444,444

24. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related company	*Relationship*	*Description*	*Receivables VND*	*Payables VND*
Joint Stock Commercial Bank for Investment and Development of Vietnam	Major Shareholder	Current account	55,518,289,361	-
		Term deposit	1,123,000,000,000	-
		Interest from term deposit	27,090,027,778	-
		Premium receivables	672,052,529	-
		Trusted investment payables	-	197,500,000,000
		Trusted investment interest payables	-	15,359,388,888
		Compulsory deposit at BIDV	6,000,000,000	-
BIDV Leasing Company I	Subsidiary of BIVD – Major shareholder	Finance lease	-	545,167,464
		Gross written premium receivables	63,795,139	
BIDV Leasing Company II	Subsidiary of BIVD – Major shareholder	Gross written premium receivables	130,599,998	
The Bank of Investment and Development of Cambodia	Subsidiary of BIVD – Major shareholder	Term deposit	17,000,000,000	-
		Interest from term deposit	379,750,000	-
		Trusted investment payables		420,000,000,000
		Trusted investment interest payables		9,520,266,666
Lao Viet Bank	Subsidiary of BIVD – Major shareholder	Trusted investment payables		50,000,000,000
		Trusted investment interest payables		460,694,444
		Total	**1,229,854,514,805**	**693,385,517,462**

Remuneration to members of Board of Management

	For the six-month period ended 30 June 2012 VND	*For the six-month period ended 30 June 2011 VND*
Salaries and bonus	1,153,641,403	1,018,746,400
Other benefits	305,000,000	243,824,199
	1,458,641,403	**1,262,570,599**

Other directors' interests

Apart from salaries and bonus, the directors are not entitled to any other benefits.

25. INFORMATION ON SEGMENT REPORTING

According to VAS 28, the reportable segments 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 view of BIC, the member companies of Corporation provide same non-life insurance products, operate in the same economic, use the same processes and underwriting channels. Besides, the companies engaged in the same business risk, legal environment and have no other economic benefit with entities in other economic environment. Therefore, BIC does not have reportable segments which fit the definition of segmental disclosures as require by VAS 28.

26. CONTINGENT LIABILITIES

Capital and operating lease commitments

The Corporation leases office premises under an operating lease. Future rental amounts due under operating leases as at 30 June 2012 were as follows:

ITEMS	*30 June 2012 VNĐ*
Operating lease commitment	674,827,200
	674,827,200
In which:	
Within one year	674,827,200

Foreign contractor withholding tax

The Corporation has not provided for the potential foreign contractor withholding taxes from the offshore payments of reinsurance premiums ceded to overseas reinsurers from countries without Double Tax Treaty with Vietnam for the period from 1 Jan 2005 to 31 December 2008. The potential tax risks relating to these issues are VND1.6 billions for foreign contractor withholding tax.

For year 2009, the Corporation has sufficiently made provision for potential tax obligation relating to reinsurance premium ceded to overseas reinsurer. However, for year 2010 up to date, the Corporation only accounted for the FCT on reinsurance premiums ceded to overseas reinsurers from countries without Double Tax Treaty with Vietnam or from countries with Double Tax Treaty with Vietnam but the reinsurers have not submitted adequate supporting documents.

27. EARNINGS PER SHARE

Basic earnings per share ("EPS") amounts is calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Corporation by the weighted average number of ordinary share outstanding during the period.

The following reflects the income and share data used in the basic earnings per share computation.

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	41,102,310,217	34,802,969,743
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share (unit)	65,895,474	66,000,000
EPS (VND)	624	527

28. RISK MANAGEMENT FRAMEWORK

28.1 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 from the Board of Directors. 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.

28.2 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.

28. RISK MANAGEMENT FRAMEWORK (continued)

28.3 *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 arise 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 principal solvency requirements that apply to the Corporation is those set out in Circulars 156 issued by the Ministry of Finance.

The tables below summarise 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 shocks or natural disasters.

	Corporation Solvency Capital VND million	*Minimum Solvency Margin VND million*	*Solvency Margin Ratio*
30 June 2012	579,445	129,087	449%
31 December 2011	648,081	101,192	640%

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

28.4 *Underwriting strategy*

The Corporation's underwriting strategy seeks diversity 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.

28.5 *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 meeting the Corporation's credit rating standard, either assessed from public rating information or internally investigations, will be used.

29. 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.

29.1 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 regularly and are updated as and when new information arises. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments.

The key method in calculating the claim reserves is based on Circular No.156/2007/TT-BTC dated 20 December 2007 and Circular No.86/2009/TT-BTC dated 28 April 2009 modifying some clauses of Circular No.156 issued by the Ministry of Finance. Details of such reserving methodologies are as follows:

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 to the Circular No.156/2007/TT-BTC; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR).

Although Circular 156/2007/TT-BTC has formulated a formula to calculate IBNR on the annual financial statements, there is no guidance available for establishing IBNR when preparing the interim financial statements. As such for the purpose of interim reporting of the management has calculated IBNR by multiplying the IBNR amount as at 31 December 2011 with the premium revenue growth and claim expense growth for the period which Management believe would give a best estimate of the IBNR amount as at 30 June 2012.

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 risk of accumulation in view of 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.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.1 *Insurance risk* (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

For general insurance contracts the most significant risks arise from climate changes and natural disasters. Vietnam has suffered heavily from catastrophes loss 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 longer tail claims that take over a year to settle; there is also inflation risk. These risks do not vary significantly in relation to the location of the risk insured by the general insurance, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the general insurance. The general insurance further enforces a policy of activity managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Corporation has also limited its exposure by imposing maximum claim 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 these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the general insurance 's risk appetite as decided by management. The management may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

29.2 *Financial risk*

The Corporation's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Corporation's operations. The Corporation has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. 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.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 *Financial risk* (continued)

29.2.1 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 position as at 30 June 2012 and 31 December 2011.

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 statement of the balance sheet relates to available-for-sale debt instrument; the sensitivity of the relevant 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 2012 and 31 December 2011.

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 cash, short-term deposits and corporate bonds.

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.

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

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 current risk facing the Corporation 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.

Major of the Corporation financial assets are denominated in VND which mitigates the foreign currency risk. With assets denominated in foreign currency, most of them are in USD.

During the period, foreign exchange rate between VND and USD was fairly stable at 20,828 VND/USD.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 *Financial risk* (continued)

Foreign currency risk (continued)

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

Change in variance	*Impact on profit before tax VND*	*Impact on equity after tax VND*
31 June 2012		
+10%	8,112,510,030	6,084,382,522
-10%	(8,112,510,030)	(6,084,382,522)
31 December 2011		
+10%	3,448,220,578	2,586,165,434
-10%	(3,448,220,578)	(2,586,165,434)

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 26,629,468,000 (31 December 2011: VND 25,969,792,000). A decrease of 10% on the stock market index could have an impact of approximately VND (2,607,454,746) (31 December 2011: VND (2,176,101,200) on the Corporation's profit after tax, 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 after tax by VND 2,095,632,254 (31 December 2011: VND 2,176,101,200).

29.2.2 *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 come from original insurance and reinsurance activities and other receivable amounts 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 amount due, the Corporation has established certain business and financial guidelines for reinsurer approval, incorporating ratings by major agencies and considering currently available market information. The Corporation also periodically reviews the financial stability of reinsurers from public and other sources and the settlement trend of amounts due from reinsurers.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 Financial risk (continued)

29.2.2 Credit risk (continued)

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 to bank deposit is as low.

The Corporation's management evaluate all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties except for the following receivables which are past due and impaired as at 30 June 2012.

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 2012					
Receivables from original insurance activities	8,791	4,893	3,754	8,824	(7,803)
Receivables from financial activities	107,117	104,401	-	-	-
- *Term deposit at Habubank*	*100,000*	*97,500*			
- *Interest receivables from Habubank*	*7,117*	*6,901*			
Total	**115,908**	**109,294**	**3,754**	**8,824**	**(7,803)**
As at 31 December 2011					
Receivables from original insurance activities	21,145	5,627	2,117	7,113	(6,333)
Receivables from financial activities	-	3,016	-	-	-
Total	**21,145**	**8,643**	**2,117**	**7,113**	**(6,333)**

Provisions for impairment of the receivables were made under the Circular 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009.

29.2.3 Liquidity risk

The Corporation has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts and early surrender of policies for surrender value. There is therefore 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. Investment portfolios are also structured with regard to the liquidity requirement of each underlying fund, and early surrender penalties and market adjustment clauses are used to defray costs of unexpected cash requirements.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

29.2 *Financial risk* (continued)

29.2.3 Liquidity risk (continued)

Contractual maturity

The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments at the reporting date:

Unit: VND

30 June 2012	*On demand*	*Less than 1 year*	*From 1 to 5 years*	*Total*
Financial liabilities				
Loans and borrowings	-	60,574,162	484,593,302	545,167,464
Insurance payables	15,961,179,426	-	-	15,961,179,426
Reinsurance payables	7,919,801,114	231,197,877,263	-	239,117,678,377
Accrued expenses	26,996,515,886	-	-	26,996,515,886
Other payables	108,734,122,042	692,840,349,998	-	801,574,472,040
	159,611,618,468	**924,098,801,423**	**484,593,302**	**1,084,195,013,193**

31 December 2011	*On demand*	*Less than 1 year*	*From 1 to 5 years*	*Total*
Financial liabilities				
Loans and borrowings	-	90,861,243	542,138,757	633,000,000
Insurance payables	10,778,090,352	-	-	10,778,090,352
Reinsurance payables	11,665,289,698	214,105,383,452	-	225,770,673,150
Accrued expenses	19,379,257,044	-	-	19,379,257,044
Other payables	64,449,258,112	501,001,194,444	-	565,450,452,556
	106,271,895,206	**715,197,439,139**	**542,138,757**	**822,011,473,102**

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210

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 1 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 as shown in Note 27 are applicable for preparing 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.

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

Financial assets

Financial assets within the scope of Circular 210 include cash and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments.

According to Circular 210, for the purpose of disclosure in the 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:***

  Being classified as held for trading. 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).

- ***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.

- ***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.

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

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 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:***

  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).

- *Financial liabilities measured at amortised cost,* include financial liabilities that were not categorized as financial liabilities at fair value through profit or loss statements.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the 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.

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

	Carrying amount				Fair value	
	30 June 2012		31 December 2011			
	Cost VND	Provision VND	Cost VND	Provision VND	30 June 2012 VND	31 December 2011 VND
Financial assets						
Fair value through Profit and Loss	**32,288,083,569**	**(5,714,216,654)**	**36,340,585,857**	**(11,346,576,697)**	**26,573,866,915**	**24,994,009,160**
- *Listed shares*	32,288,083,569	(5,714,216,654)	36,340,585,857	(11,346,576,697)	26,573,866,915	24,994,009,160
Loan and receivables	**2,176,884,792,719**	**(8,703,142,648)**	**1,716,437,498,856**	**(6,333,102,436)**	**2,168,181,650,070**	**1,710,104,396,420**
- *Trade receivable*	*521,720,197,895*	*(7,803,142,648)*	*272,186,073,448*	*(6,333,102,436)*	*513,917,055,246*	*265,852,971,012*
- *Receivable from related parties*	*28,336,225,444*	-	*4,339,965,596*	-	*28,336,225,444*	*4,339,965,596*
- *Other receivable*	*13,828,369,380*	*(900,000,000)*	*41,048,259,812*	-	*12,928,369,380*	*41,048,259,812*
- *Unlisted bonds (*)*	*130,000,000,000*	-	*119,790,000,000*	-	*130,000,000,000*	*119,790,000,000*
- *Short term deposits*	*1,483,000,000,000*	-	*1,279,073,200,000*	-	*1,483,000,000,000*	*1,279,073,200,000*
Available for sale	**37,661,934,657**	**(10,203,365,080)**	**37,758,426,636**	**(11,006,889,256)**	**27,458,569,578**	**26,751,537,380**
- *Unlisted shares*	*6,742,028,021*	*(1,104,284,193)*	*8,486,663,000*	*(963,040,000)*	*5,637,743,829*	*7,523,623,000*
- *Investment in BIDV Finance Investment Corporation (*)*	*29,271,763,636*	*(9,099,080,887)*	*29,271,763,636*	*(10,043,849,256)*	*20,172,682,749*	*19,227,914,380*
- *Investment in Dai A Bank(*)*	*1,648,143,000*	-	-	-	*1,648,143,000*	-
Other long-term investment	**73,380,453,787**	-	**50,000,000,000**	-	**73,380,453,787**	**50,000,000,000**
- *Investment in Vinaconex-Viettel Finance Joint Stock Corporation*	*50,000,000,000*	-	*50,000,000,000*	-	*50,000,000,000*	*50,000,000,000*
- *Join-venture and associate investment in Lao-Viet Insurance Joint Venture Company*	*23,380,453,787*	-	-	-	*23,380,453,787*	-
Cash and cash equivalents	**58,850,812,236**	-	**17,800,852,231**	-	*58,850,812,236*	**17,800,852,232**
Total	**2,379,066,076,968**	**(24,620,724,382)**	**1,858,337,363,580**	**(28,686,568,389)**	**2,354,445,352,586**	**1,829,650,795,192**

30. SUPPLEMENT NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

	Carrying amount		*Fair value*	
	31 June 2012 VND	*31 December 2011 VND*	*31 June 2012 VND*	*31 December 2011 VND*
Financial liabilities				
Loans and borrowings	545,167,464	633,000,000	545,167,464	633,000,000
Trade payables	15,961,179,426	240,347,597,966	15,961,179,426	240,347,597,966
Payable to related parties	239,117,678,377	421,001,194,444	239,117,678,377	421,001,194,444
Accrued expense	26,996,515,886	19,379,257,044	26,996,515,886	19,379,257,044
Other payables	801,574,472,040	140,650,423,648	801,574,472,040	140,650,423,648
Total	**1,084,195,013,193**	**822,011,473,102**	**1,084,195,013,193**	**822,011,473,102**

(*) For these items, of which the active market information was not available to determine their fair value at the reporting date, their carrying amounts were used instead of

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

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

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of listed shares is determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) as at 30 June 2012.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price of the trading market as at 30 June 2012.
- Fair value of unlisted shares which have not been registered in the unlisted public companies market (UPCom) is the average of public price quotations of at least three (03) reputed and large securities companies in the market.

31. RESTATED OPENING BALANCE

During this period, the Corporation has recorded outstanding claim reserves (OSC) on the interim balance sheet on gross basis instead of net basis as last year. As result of that, the Corporation has adjusted and restated opening balances as follows:

Extract from balance sheet as at 31 December 2011

Impact on total assets

	31/12/2011 Audited VND	*Adjustment VND*	*31/12/2011 Restated VND*	*Note*
Trade receivables	276,526,039,044	132,615,144,881	409,141,183,925	(*)
Impact on total assets	**276,526,039,044**	**132,615,144,881**	**409,141,183,925**	

Impact on total assets

	31/12/2011 Audited VND	*Adjustment VND*	*31/12/2011 Restated VND*	*Note*
Claim reserves	67,332,841,109	132,615,144,881	199,947,985,990	(*)
Impact on total liabilities	**67,332,841,109**	**132,615,144,881**	**199,947,985,990**	

(*) The adjustment was for the claim recoverable from outward reinsurers as on the balance sheet as at 31 December 2011, the outstanding claim reserves was stated on net basis after netting off claim recoverable amount from reinsured companies.

32. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements other than those presented (if any) in the enclosed audited financial statements.

33. APPROVAL FOR ISSUANCE

The interim financial statements as at 30 June 2012 and for the six-month period then ended were authorised for issuance by the Corporation's General Director on 26 July 2012.

Ms. Lai Ngan Giang
Director of Financial and
Accounting Division

Mr. Ton Lam Tung
General Director

Hanoi, Vietnam

26 July 2012