BIDV Insurance Joint Stock Corporation

Audited Separate Financial Statements

31 December 2013

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GENERAL INFORMATION

CORPORATION INFORMATION

BIDV Insurance Joint Stock Corporation ("the 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.

The Corporation was transformed to a share-holding entity from equitization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") and established under Business License No 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Company successfully completed the Initial Public Offering of 11,682,491 shares, equivalent to 17.7% of its charter capital.

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 one subsidiary as follow:

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

Charter Capital

As at 31 December 2013, the Corporation's charter capital was 660 billion VND (31 December 2012: 660 billion 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 31 December 2013, the Corporation has twenty-two (22) branches nationwide.

Employee

The total number of employees of the Corporation as at 31 December 2013 was 628 persons (31 December 2012: 589 persons).

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Name	*Position*	*Date of appointment/resignation*
Mr. Pham Quang Tung	Chairman	1 October 2010
Mr. Tran Xuan Hoang	Deputy Chairman	1 October 2010 and resigned since 4 November 2013
Ms. Nguyen Thi Thanh Van	Member	1 October 2010
Mr. Trinh Minh Tam	Member	1 October 2010 and resigned since 4 November 2013
Mr. Ton Lam Tung	Member	4 November 2013
Mr. Le Ngoc Lam	Member	4 November 2013
Ms. Dang Thi Hong Phuong	Member	4 November 2013
Mr. Dang Quang Vinh	Member	1 October 2010 and resigned since 4 November 2013

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Name	*Position*	*Date of appointment*
Mr. Cao Cu Tri	Head of Board	1 October 2010
Mr. Nguyen Trung Kien	Member	1 October 2010
Mr. Nguyen Thanh Cong	Member	16 March 2012

BOARD OF MANAGEMENT

Members of the Management during the year and at the date of this report are:

Name	*Position*	*Date of appointment/resignation*
Mr. Ton Lam Tung	General Director	1 May 2012
Mr. Tran Trung Tinh	Deputy General Director	1 October 2012
Ms. Nguyen Thi Thanh Van	Deputy General Director	1 October 2010 and resigned since 20 April 2013
Mr. Vu Minh Hai	Deputy General Director	16 April 2012
Ms. Doan Thi Thu Huyen	Deputy General Director	1 May 2012
Mr. Tran Hoai An	Deputy General Director	1 April 2013

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the year and at the date of this report is Mr. Ton Lam Tung – Title: General Director.

AUDITORS

The auditor of the Corporation is Ernst & Young Vietnam Limited.

REPORT OF BOARD OF MANAGEMENT

The Management of BIDV Insurance Joint Stock Corporation ("the Corporation") presents its report and the Corporation's separate financial statements for the year ended 31 December 2013.

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

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the state of affairs of the Corporation and of its separate results and separate cash flow for the year. In preparing these separate financial statements, the Management is required to:

- select suitable accounting policies and apply them consistently;
- make judgments 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 separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

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

Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements for the year ended 31 December 2013.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2013 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System applicable for insurance companies, and with the statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of Management:

Mr. Ton Lam Tung
General Director

Hanoi, Vietnam

28 February 2014

Building a better working world

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, the separate financial position of the Corporation as at 31 December 2013 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and the Vietnamese Accounting System applicable to insurance companies and with the statutory requirements relevant to preparation and presentation of financial statements.

Users of these separate financial statements should read them together with the consolidated financial statements of the Corporation and its subsidiary as at 31 December 2013 and for the financial year then ended in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Corporation as a whole.

Ernst & Young Vietnam Limited

Saman Bandara
Deputy General Director
Audit Practising Registration
Certificate No. 2036-2013-004-1

Le Duc Linh
Auditor
Audit Practising Registration
Certificate No. 1672-2013-004-1

Hanoi, Vietnam

28 February 2014

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

Tel : + 84 4 3831 5100
Fax: + 84 4 3831 5090
ey.com

Reference: 60755012/16447108

INDEPENDENT AUDITORS' REPORT

To: The shareholders of BIDV Insurance Joint Stock Corporation

We have audited the accompanying separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 28 February 2014 and set out on pages 6 to 52, which comprise the separate balance sheet as at 31 December 2013, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SEPARATE BALANCE SHEET
as at 31 December 2013

Currency: VND

Code	*ASSETS*	*Notes*	*Ending balance*	*Beginning balance*
100	**A. CURRENT ASSETS**		**1,307,181,843,022**	**1,129,206,701,858**
110	***I. Cash and cash equivalents***	***4***	***22,422,009,742***	***15,192,045,761***
111	1. Cash on hand		547,650,628	405,322,679
112	2. Cash at banks		21,874,359,114	14,786,723,082
120	***II. Short-term investments***	***5***	***1,000,717,425,500***	***900,089,914,036***
121	1. Short-term investments in securities		100,507,223,405	97,059,200,387
128	2. Other short-term investments		901,000,000,000	815,828,000,000
129	3. Provision for impairment of short-term investment		(789,797,905)	(12,797,286,351)
130	***III. Accounts receivable***	***6***	***277,531,126,769***	***207,983,259,672***
131	1. Trade receivables		247,812,937,447	204,563,928,648
132	2. Advances to suppliers		2,000,007,331	1,309,652,500
133	3. Deductible VAT		4,514,418,386	5,858,667,634
138	4. Other receivables		37,216,835,375	6,646,422,296
139	5. Allowance for doubtful debts		(14,013,071,770)	(10,395,411,406)
150	***IV. Other current assets***		***6,511,281,011***	***5,941,482,389***
151	1. Advances		5,449,144,121	5,153,579,387
152	2. Prepaid		547,126,890	422,588,502
153	3. Other current assets		515,010,000	365,314,500
200	**B. NON-CURRENT ASSETS**		**267,802,065,694**	**275,329,379,682**
210	***I. Fixed assets***		***16,522,663,400***	***14,222,134,222***
211	1. Tangible fixed assets	7	9,964,283,772	7,722,134,222
212	*Costs*		*32,979,460,493*	*32,374,997,225*
213	*Accumulated depreciation*		*(23,015,176,721)*	*(24,652,863,003)*
217	2. Intangible fixed assets	8	6,558,379,628	6,500,000,000
218	*Costs*		*6,606,599,125*	*6,556,057,850*
219	*Accumulated amortisation*		*(48,219,497)*	*(56,057,850)*
220	***II. Long-term investments***	***9***	***243,612,849,277***	***255,051,954,169***
221	1. Long-term securities investments	9.1	150,145,833,333	170,145,833,333
222	2. Investments in subsidiaries	9.2	34,660,020,000	-
223	3. Investments in associates and joint-ventures	9.2	-	25,756,020,000
228	4. Other long-term investments	9.3	76,090,000,000	76,090,000,000
229	5. Provision for impairment of long term investments	9.4	(17,283,004,056)	(16,939,899,164)
240	***III. Other long-term assets***		***7,666,553,017***	***6,055,291,291***
241	1. Compulsory deposit	10	6,000,000,000	6,000,000,000
242	2. Long-term deposits		15,954,546	30,954,546
243	3. Long-term prepaid expenses		1,231,828,056	24,336,745
244	4. Deferred tax assets		418,770,415	-
270	**TOTAL ASSETS**		**1,574,983,908,716**	**1,404,536,081,540**

SEPARATE BALANCE SHEET (continued)
as at 31 December 2013

Currency: VND

Code	*RESOURCES*	*Notes*	*Ending balance*	*Beginning balance*
300	**A. LIABILITIES**		**797,036,220,021**	**644,189,880,626**
310	***I. Short-term liabilities***		***356,254,708,324***	***275,157,115,644***
313	1. Trade payables	11	269,808,825,754	186,440,201,763
314	2. Premium received in advance		7,400,850,524	9,798,119,269
315	3. Statutory obligations	12	16,628,914,668	14,813,951,634
316	4. Payable to employees		31,799,561,513	27,758,733,599
318	5. Accrued expenses	13	14,536,202,928	22,072,958,365
319	6. Other payables	14	10,495,303,352	10,089,711,694
323	7. Bonus and welfare funds		5,585,049,585	4,183,439,320
340	***II. Reserves***		***440,781,511,697***	***369,032,764,982***
341	1. Unearned premium reserve	18.1	268,843,241,922	238,964,521,669
343	2. Claim reserve	18.2	105,647,632,910	74,944,817,505
344	3. Catastrophe reserve	18.3	66,290,636,865	55,123,425,808
400	**B. OWNERS' EQUITY**		**777,947,688,695**	**760,346,200,914**
410	***I. Owners' equity***	***15***	***777,947,688,695***	***760,346,200,914***
411	1. Charter capital		660,000,000,000	660,000,000,000
412	2. Share premium		4,875,765,330	2,271,699,140
414	3. Treasury shares		-	(6,577,533,810)
415	4. Financial reserve		1,800,187,891	1,800,187,891
416	5. Statutory reserves		13,311,197,165	9,062,277,776
418	6. Retained earnings		97,960,538,309	93,789,569,917
430	**TOTAL LIABILITIES AND OWNER'S EQUITY**		**1,574,983,908,716**	**1,404,536,081,540**

SEPARATE BALANCE SHEET (continued)
as at 31 December 2013

OFF BALANCE SHEET ITEMS

ITEMS	*Ending balance*	*Beginning balance*
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)	48,588,799,997	39,202,269,093
3. Foreign currencies		
- United States dollar (US$)	42,480.11	281,097.76
- Euro (EUR)	270.49	287.84

Ms. Phan Thi Minh Hue	Ms. Lai Ngan Giang	Mr. Ton Lam Tung
Accountant of Financial and Accounting Division	Director of Financial and Accounting Division	General Director

Hanoi, Vietnam

28 February 2014

SEPARATE INCOME STATEMENT
for the year ended 31 December 2013

Currency: VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
01	**1. Gross written premiums**	**16.1**	**792,263,387,574**	**670,376,718,737**
02	**2. Reinsurance premiums assumed**	**16.2**	**102,679,393,371**	**83,881,976,126**
03	**3. Deductions**		**(336,582,228,127)**	**(271,477,927,604)**
04	Reinsurance premiums ceded	16.3	(333,958,823,366)	(265,217,214,654)
06	Premium returns		(2,623,404,761)	(6,260,712,950)
08	**4. Increase in unearned premium reserve**	**18.1**	**(29,878,720,253)**	**(48,835,841,178)**
09	**5. Commissions on reinsurance ceded**		**88,507,963,297**	**77,395,256,583**
10	**6. Other income from insurance activities**		**34,069,658,259**	**18,451,048,467**
13	Income from other activities		34,069,658,259	18,451,048,467
14	**7. Total operating revenues (14 = 01 + 02 + 03 + 08 + 09 + 10)**		**651,059,454,121**	**529,791,231,131**
15	**8. Claim expenses**	**17.1**	**(256,300,228,559)**	**(254,393,282,386)**
16	**9. Claim expenses on reinsurance assumed**	**17.2**	**(34,992,702,221)**	**(16,774,306,370)**
17	**10. Recoveries from reinsurance ceded**	**17.3**	**112,037,262,017**	**113,550,744,894**
21	**11. Net claim expenses on retained risks (21 = 15 + 16 + 17)**		**(179,255,668,763)**	**(157,616,843,862)**
23	**12. Increase on claim reserve**	**18.2**	**(28,976,451,532)**	**(7,611,976,396)**
24	**13. Provision for catastrophe reserve charged to the current year's expense**	**18.3**	**(11,167,211,057)**	**(14,483,423,018)**
25	**14. Other operating expenses**		**(203,363,503,891)**	**(159,499,304,720)**
27	Commissions expense		(94,292,765,547)	(76,111,968,663)
39	Expenses of reinsurance ceded		(17,425,404,188)	(19,111,504,064)
40	Other underwriting expenses		(91,645,334,156)	(64,275,831,993)
41	**15. Total direct operating expenses (41 = 21 + 23 + 24 + 25)**		**(422,762,835,243)**	**(339,211,547,996)**
42	**16. Operating income (42 = 14 + 41)**		**228,296,618,878**	**190,579,683,135**
44	**17. Administrative expenses**	**19**	**(234,106,098,436)**	**(198,953,844,088)**

SEPARATE INCOME STATEMENT (continued)
for the year ended 31 December 2013

Currency: VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
45	**18. Net operating (loss) (45 = 42 + 44)**		**(5,809,479,558)**	**(8,374,160,953)**
46	19. Financial income	20	133,432,394,245	159,797,041,103
47	20. Financial expense	21	(14,856,654,199)	(43,333,646,557)
51	**21. Financial profit (51 = 46 + 47)**		**118,575,740,046**	**116,463,394,546**
52	22. Other income	22	1,371,705,329	821,425,115
53	23. Other expenses	22	(852,295,654)	(303,670,288)
54	**24. Net other income (54 = 52 + 53)**		**519,409,675**	**517,754,827**
56	**26. Profit before enterprise income tax (56 = 45 + 51 + 54)**		**113,285,670,163**	**108,606,988,420**
60	**27. Enterprise income tax**	**23.1**	**(28,307,282,382)**	**(26,659,457,570)**
61	**28. Net profit for the year after enterprise income tax (61 = 56 + 60)**		**84,978,387,781**	**81,947,530,850**

Ms. Phan Thi Minh Hue	Ms. Lai Ngan Giang	Mr. Ton Lam Tung
Accountant of Financial and Accounting Division	Director of Financial and Accounting Division	General Director

Hanoi, Vietnam

28 February 2014

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2013

Currency: VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**113,285,670,163**	**108,606,988,420**
	Adjustments for:			
02	Depreciation and amortisation		2,318,549,996	3,769,906,918
03	Provisions		63,702,023,525	111,819,928,239
04	Un-recognized foreign exchange difference expense		-	87,461,428
05	Profits from investing activities		(120,528,265,153)	(124,383,587,178)
07	Interest expense	21	991,208,516	766,946,046
08	**Operating income before changes in working capital**		**59,769,187,047**	**100,667,643,873**
09	(Increase)/ Decrease in receivables		(77,035,491,651)	76,337,380,911
11	Increase/ (Decrease) in payables		72,154,865,460	(72,846,154,846)
12	Increase in prepaid expense		(1,332,029,699)	(180,775,491)
13	Interest paid		(991,208,516)	(766,946,046)
14	Corporate income tax paid		(27,461,914,493)	(27,257,237,657)
15	Decrease/(Increase) in receivables from other activities		1,434,761,419	(11,435,387,880)
20	**Net cash inflows from operating activities**		**26,538,169,567**	**64,518,522,864**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(6,332,304,646)	(9,522,289,281)
22	Proceeds from disposals of fixed assets and other long-term assets		-	1,493,536
25	Payments for investments in other entities/ payment for acquisition of a subsidiary, net of cash acquired		(1,257,167,426,157)	(2,628,657,330,869)
26	Proceeds from sale of investments in other entities/disposal of a subsidiary		1,181,651,779,454	2,510,265,876,483
27	Interest and dividends received		120,528,265,153	126,612,726,801
30	**Net cash flows from investing activities**		**38,680,313,804**	**(1,299,523,330)**

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2013

Currency: VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
	Sale/ (Purchase) treasury shares	15	6,557,533,810	(362,295,144)
	Payment of finance lease liabilities		-	(542,138,757)
	Dividends paid		(64,546,053,200)	(64,923,388,000)
40	**Net cash flows from financing activities**		**(57,988,519,390)**	**(65,827,821,901)**
50	**Net cash flows**		**7,229,963,981**	**(2,608,822,367)**
60	**Cash and cash equivalents at the beginning of the year**		**15,192,045,761**	**17,800,852,232**
61	**Impact of exchange rate fluctuation**		**-**	**15,896**
70	**Cash and cash equivalents at the end of the year**	**4**	**22,422,009,742**	**15,192,045,761**

Ms. Phan Thi Minh Hue	Ms. Lai Ngan Giang	Mr. Ton Lam Tung
Accountant of Financial and Accounting Division	Director of Financial and Accounting Division	General Director

Hanoi, Vietnam

28 February 2014

1. CORPORATION INFORMATION

BIDV Insurance Joint Stock Corporation ("the 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.

The Corporation was transformed from equitization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") and established under Business License No 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Company successfully completed the Initial Public Offering of 11,682,491 shares, equivalent to 17.7% of its charter capital.

The following summarizes some key information about the entity:

Registered Company name:	BIDV Insurance Joint Stock 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 one subsidiary as follow:

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

Charter Capital

As at 31 December 2013, the Corporation's charter capital was 660 billions VND (31 December 2012: 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 31 December 2013, the Corporation has twenty-two (22) branches nationwide.

Employee

Total number of employees of the Corporation as at 31 December 2013 was 628 persons (31 December 2012: 589 persons).

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

The Corporation's fiscal year applicable for the preparation of its separate financial statements starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprises 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.

3.2 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 receivables will be made based 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 separate 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") and Circular 89/2013/TT-BTC dated 28 June 2013 ("Circular 89") which provides the amendments and supplements to 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%

3.3 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 separate 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 separate income statement.

3.4 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 separate 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 separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 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:

Buildings	8 - 25 years
Office equipments	3 - 7 years
Motor vehicles	6 - 10 years
Other tangible fixed assets	5 years
Accounting software	3 - 5 years
Land use right with indefinite term	No amortization

3.6 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.

3.7 Prepaid expenses

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

3.8 Investments

3.8.1 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 separate income statement.

3.8.2 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 has significant influence on the process of preparation and making decisions on enterprise's financial and operating policies under agreements with to have its personnel in the enterprise's 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 separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investments (continued)

3.8.3 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 balance sheet date in accordance with Circular 228 and Circular 89. 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 31 December 2013.

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.

3.9 Investment in subsidiaries

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

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

3.10 Repurchase agreements

Securities sold under agreements to repurchase at a specific date in the future are not derecognized from the separate financial statements. The corresponding cash received is recognized in the separate balance sheet as a liability. The difference between the sale price and repurchase price is amortized to the separate income statement over the term of the agreement using the interest rate stipulated in the contract.

3.11 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)

3.12 Employee benefits

3.12.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Corporation by the social insurance agency which belongs to the Ministry of Labour, Invalids and Social Affairs. The Corporation is required to contribute to these post-employment benefits by paying social insurance premiums to the social insurance agency at the rate of 17% of employee basic salaries on a monthly basis. The Corporation has no further obligation concerning post-employment benefits for its employees other than this.

3.12.2 Unemployment insurance fund

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.

3.13 Technical reserves

The technical reserves include (i) unearned premium reserve, (ii) claims reserve and (iii) catastrophe reserve. The reserving methodologies are based on Circular 125/2012/TT-BTC dated 30 July 2012 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) is established based on the formula in Circular 125/2012/TT-BTC issued by the Ministry of Finance on 30 July 2012.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Technical reserves (continued)

(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 according to Circular 125/2012/TT-BTC dated 30 July 2012 issued by the Ministry of Finance.

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 2% of total retained premium for each line of business.

3.14 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") and Circular 179/2012/TT-BTC providing guidance on recognition, measurement, treatment for foreign exchange differences issued by the Ministry of Finance on 24 October 2012 ("Circular 179") in relation to foreign currency transactions as applied consistently in prior year.

Transactions in currencies other than the Company's reporting currency of [VND/USD] are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at buying exchange rate announced by the commercial bank where the Company maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the income statement.

3.15 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/ (loss) upon purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3.16 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 is set in order to supplement the Corporation's charter capital and ensure its solvency. This fund shall be supplemented each year by deducting 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 Ministry of Finance.
- Bonus and welfare fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition

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

(i) Gross written premium

Gross written premiums are recognized in accordance with 125/2012/TT/BTC issued by the Ministry of Finance on 30 July 2012 ("Circular 125") on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches. 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 separate balance sheet as at the 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.

(iii) 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.

3.18 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 separate income statement. The percentage of commission over the gross written premium for specific line of insurance is stipulated in Circular 124/2012/TT-BTC dated 30 July 2012 issued by Ministry of Finance.

(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 separate income statement on a straight-line basis over the term of the lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 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.

3.20 Taxation

Current tax

Current tax assets and liabilities for the current and prior years 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 balance sheet date.

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation (continued)

Deferred tax

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Use of estimates

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

3.22 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 separate balance sheet until the premium is collected or the policies become effective.

4. CASH AND CASH EQUIVALENTS

	Ending balance VND	*Beginning balance VND*
Cash on hand	547,650,628	405,322,679
In which:		
VND	*547,650,628*	*405,322,679*
Cash at banks	21,874,359,114	14,786,723,082
In which:		
VND	*20,970,836,083*	*8,924,383,461*
Foreign currency	*903,523,031*	*5,862,339,621*
	22,422,009,742	**15,192,045,761**

5. SHORT-TERM INVESTMENTS

		Ending balance VND	*Beginning balance VND*
Short-term securities investments		100,507,223,405	97,059,200,387
- *Listed shares*		*50,169,080,405*	*35,349,293,751*
- *Unlisted shares*		*5,438,143,000*	*34,709,906,636*
- *Corporate bonds*	*[5.1]*	*44,900,000,000*	*27,000,000,000*
Other short-term investments		901,000,000,000	815,828,000,000
- *Term deposits in VND*		*901,000,000,000*	*795,000,000,000*
- *Term deposits in USD*		-	*20,828,000,000*
Allowance for diminution of short-term investments value		(789,797,905)	(12,797,286,351)
Net value of short-term investments		**1,000,717,425,500**	**900,089,914,036**

5. SHORT-TERM INVESTMENTS (continued)

5.1 *Corporate bonds*

Issuer	*Term*	*Coupon*	*31 December 2013 VND*
Vietnam Electricity Construction Joint Stock Corporation	2 years	14.0%	4,900,000,000
Construction and Materials Trading Joint Stock Company	2 years	11.9%	40,000,000,000
			44,900,000,000

6. ACCOUNTS RECEIVABLE

	Ending balance VND	*Beginning balance VND*
Trade receivables	247,812,937,447	204,563,928,648
Receivable from direct insurance activities	37,839,478,711	45,816,539,578
Receivable from inward reinsurance	41,914,641,689	32,705,945,259
Receivable from outward reinsurance	131,012,947,275	84,875,444,853
- *Recoverable from settled claims*	*61,734,514,063*	*41,709,311,055*
- *Commission receivables from reinsurance ceded*	*69,278,433,212*	*43,166,133,798*
Receivables from financial activities	32,289,989,321	37,440,146,577
Other trade receivables	4,755,880,451	3,725,852,381
Advances to suppliers	2,000,007,331	1,309,652,500
Deductible VAT	4,514,418,386	5,858,667,634
Other receivables (*)	37,216,835,375	6,646,422,296
Total receivables	**291,544,198,539**	**218,378,671,078**
Allowance for doubtful debts	(14,013,071,770)	(10,395,411,406)
Net trade and other receivables	**277,531,126,769**	**207,983,259,672**

(*) The amount as at 31 December 2013 included the overdue principal of one bond which matured on 15 December 2013 with total amount of VND 30,000,000,000.

7. TANGIBLE FIXED ASSETS

	Buildings VND	*Office equipments VND*	*Motor vehicles VND*	*Other tangible fixed assets VND*	*Total VND*
Costs					
Beginning balance	2,300,000,000	6,620,139,539	23,118,328,758	336,528,928	32,374,997,225
Additions	-	1,074,520,169	5,160,194,556	119,550,000	6,354,264,725
Newly purchased	-	*1,058,165,624*	*5,160,194,556*	*119,550,000*	*6,337,910,180*
Other increase	-	*16,354,545*	-	-	*16,354,545*
Decrease	-	(5,415,847,183)	(76,705,200)	(257,249,074)	(5,749,801,457)
Other decrease (*)	-	*(5,415,847,183)*	*(76,705,200)*	*(257,249,074)*	*(5,749,801,457)*
Ending balance	2,300,000,000	2,278,812,525	28,201,818,114	198,829,854	32,979,460,493
Accumulated depreciation					
Beginning balance	(78,728,030)	(5,688,301,759)	(18,710,324,375)	(175,508,839)	(24,652,863,003)
Increase	(89,938,644)	(158,747,639)	(2,062,658,788)	(16,939,098)	(2,328,284,169)
Depreciation for the year	*(89,938,644)*	*(142,393,094)*	*(2,062,658,788)*	*(16,939,098)*	*(2,311,929,624)*
Other increase		*(16,354,545)*	-	-	*(16,354,545)*
Decrease	-	3,837,102,205	28,414,413	100,453,833	3,965,970,451
Other decrease (*)	-	*3,837,102,205*	*28,414,413*	*100,453,833*	*3,965,970,451*
Ending balance	(168,666,674)	(2,009,947,193)	(20,744,568,750)	(91,994,104)	(23,015,176,721)
Net book value					
Beginning balance	2,221,271,970	931,837,780	4,408,004,383	161,020,089	7,722,134,222
Ending balance	2,131,333,326	268,865,332	7,457,249,364	106,835,750	9,964,283,772

(*) During the year, the Corporation has reclassified those assets that no longer satisfy recognition criteria of fixed assets as required by Circular 45/2013/TT-BTC to long-term prepaid expenses.

8. INTANGIBLE FIXED ASSETS

	Computer software VND	*Land use right VND*	*Total VND*
Costs			
Beginning balance	56,057,850	6,500,000,000	6,556,057,850
Additions	65,000,000	-	65,000,000
Decrease	(14,458,725)	-	(14,458,725)
Closing balance	106,599,125	6,500,000,000	6,606,599,125
Accumulated amortisation			
Beginning balance	(56,057,850)	-	(56,057,850)
Increase for the year	(6,620,372)	-	(6,620,372)
Decrease for the year	14,458,725	-	14,458,725
Closing balance	(48,219,497)	-	(48,219,497)
Net book value			
Beginning balance	-	6,500,000,000	6,500,000,000
Closing balance	58,379,628	6,500,000,000	6,558,379,628

9. LONG-TERM INVESTMENTS

		Ending balance VND	*Beginning balance VND*
1. Long-term securities investments	9.1	150,145,833,333	170,145,833,333
2. Investment in subsidiaries	9.2	34,660,020,000	-
3. Investment in associates and joint-ventures	9.2	-	25,756,020,000
4. Other long-term investments	9.3	76,090,000,000	76,090,000,000
Total long-term investments		**260,895,853,333**	**271,991,853,333**
Provision for impairment of long-term investments	9.4	(17,283,004,056)	(16,939,899,164)
Net value of financial long-term investments		**243,612,849,277**	**255,051,954,169**

9.1 Long-term securities investments

Long-term securities investments include investments in bonds with the details as follow:

Issuer	*Term*	*Annual rate*	*Ending balance VND*
Bank of Investment and Development of Vietnam	3 years	9.55%	30,145,833,333
Parent Company – Housing and Urban Development Corp	3 years	11.9%	50,000,000,000
Bank of Investment and Development of Vietnam	3 years	9.6%	20,000,000,000
Vietnam Prosperity Bank	3 years	10.0%	50,000,000,000
			150,145,833,333

9. LONG-TERM INVESTMENTS (continued)

9.2 *Investment in subsidiaries, joint-ventures and associates*

This is the investment in Lao – Viet Insurance Company. 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 invested USD 1,530,000 to enter into a joint venture in Lao PDR to establish Lao - Viet Insurance Joint Venture Company ("LVI") with the operating period of 50 years, of which the Corporation owns 51% of the total charter capital. In previous years, since the Corporation accounted for the investment in LVI using equity method, the Corporation has recognized the share of profit/ (loss) from LVI on proportionate basis.

On 2 August 2013, the Corporation increased its investment in LVI with additional amount of USD 420,000 under the revised Foreign Investment Certificate No.146/BKH/ĐTRNN-ĐC1 granted by the Ministry of Investment and Planning of Vietnam, leading to the increase of the Corporation's percentage direct ownership in LVI to 65% which gave the Corporation the controlling power of LVI, making LVI a subsidiary of the Corporation. For the purpose of preparing the separate financial statements, the Corporation accounted for this investment using cost method.

9.3 *Other long-term investments*

Other long-term investments include equity investments with details as follow:

Investees	*% owned*	*Number of shares*	*Unit cost*	*Amount VND*
Green Indochina Development JSC	4.24%	1,000,000	26,090	26,090,000,000
Vinaconex – Viettel Finance JSC	5%	5,000,000	10,000	50,000,000,000
		6,000,000		**76,090,000,000**

9.4 *Provision for long – term investment*

Provision for long-term investment is the provision for the holding of Green Indochina Development JSC' shares.

Investees	*Ending balance VND*	*Beginning balance VND*
Green Indochina Development JSC	(17,283,004,056)	(16,939,899,164)
	(17,283,004,056)	**(16,939,899,164)**

10. COMPULSORY DEPOSITS

Under the prevailing regulation, the Corporation has to maintain statutory insurance deposit equivalent to 2% of its legal capital.

11. TRADE PAYABLES

	Ending balance VND	*Beginning balance VND*
Payables relating to writing of direct insurance	15,682,805,233	12,791,747,413
Reinsurance assumed payables	16,898,050,762	12,907,267,659
Reinsurance ceded payables	233,973,541,086	159,502,884,398
Other payables	3,254,428,673	1,238,302,293
	269,808,825,754	**186,440,201,763**

12. STATUTORY OBLIGATIONS

	Beginning balance VND	*Movement during the year*		*Ending balance VND*
		Payable of the year VND	*Paid VND*	
Value added tax	6,684,584,933	49,759,682,546	(49,939,049,886)	6,505,217,593
Enterprise income tax	4,968,020,319	28,726,052,797	(27,461,914,493)	6,232,158,623
Other taxes	3,161,346,382	11,557,538,468	(10,827,346,398)	3,891,538,452
	14,813,951,634	**90,043,273,811**	**(88,228,310,777)**	**16,628,914,668**

13. ACCRUED EXPENSE

	Ending balance VND	*Beginning balance VND*
Premium payables under Excess of Loss ("XOL") contracts	5,362,910,416	4,500,000,000
Reinstated premium payables under XOL contracts	2,681,091,441	9,581,169,909
Compulsory fire and explosion and civil liabilities expense	2,051,468,477	1,222,000,000
Others (*)	4,440,732,594	6,769,788,456
	14,536,202,928	**22,072,958,365**

(*) Others mostly include the accrued expenses for advertising, training, rental activities and audit fee.

14. OTHER PAYABLES

	Ending balance VND	*Beginning balance VND*
Payables for salary allowance	36,984,142	708,004,734
Received deposit, mortgage	1,352,121,926	1,788,909,800
Others	9,106,197,284	7,592,797,160
	10,495,303,352	**10,089,711,694**

15. OWNERS' EQUITY

	Charter capital VND	*Share premium VND*	*Treasury shares VND*	*Financial reserve VND*	*Statutory reserves VND*	*Retained Earnings VND*	*Total VND*
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**
Payment for 2011 dividend	-	-	-	-	-	(65,000,000,000)	(65,000,000,000)
Profit for the year	-	-	-	-	-	84,178,164,009	84,178,164,009
Appropriation to statutory reserve fund of profit for 2012	-	-	-	-	4,208,908,200	(4,208,908,200)	-
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						(287,000,000)	(287,000,000)
Other increase	-	-	-	-	-	1,918,876,315	1,918,876,315
Balance at 31 December 2012	**660,000,000,000**	**2,271,699,140**	**(6,577,533,810)**	**1,800,187,891**	**9,062,277,776**	**93,789,569,917**	**760,346,200,914**
Balance at 1 January 2013	**660,000,000,000**	**2,271,699,140**	**(6,577,533,810)**	**1,800,187,891**	**9,062,277,776**	**93,789,569,917**	**760,346,200,914**
Payment of 2012 dividends	-	-	-	-	-	(65,000,000,000)	(65,000,000,000)
Profit for the year	-	-	-	-	-	84,978,387,781	84,978,387,781
Appropriation of profit to statutory reserves for 2013	-	-	-	-	4,248,919,389	(4,248,919,389)	-
Sale of treasury shares	-	2,604,066,190	6,577,533,810	-	-	-	9,181,600,000
Appropriation to Bonus and Welfare funds	-	-	-	-	-	(11,500,000,000)	(11,500,000,000)
Remuneration to Board of Directors	-	-	-	-	-	(58,500,000)	(58,500,000)
Balance at 31 December 2013	**660,000,000,000**	**4,875,765,330**	**-**	**1,800,187,891**	**13,311,197,165**	**97,960,538,309**	**777,947,688,695**

16. REVENUE FROM INSURANCE BUSINESS

16.1 Gross written premiums

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	82,150,162,771	65,830,887,659
Property and Damages	187,769,994,382	173,653,971,966
Cargo	53,292,562,675	33,466,369,392
Automobile	308,374,615,659	244,023,989,220
Fire	96,513,811,512	80,629,290,423
Liability	4,392,177,277	3,690,943,159
Business Risk	4,985,523,559	1,475,864,157
Aviation (*)	17,051,169,849	6,045,645,978
Hull and owner's liability	36,183,155,603	51,153,175,891
Financial and credit risk	1,550,214,287	10,406,580,892
Agriculture	-	-
	792,263,387,574	**670,376,718,737**

(*) It included gross written premiums of VND 13,684,064,304 under the policy No. 01120944 with the insured named Vietnam Airlines Corporation.

16.2 Reinsurance premiums assumed

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	110,749,480	573,050,865
Property and Damages	79,929,730,150	64,127,928,152
Cargo	3,307,608,129	3,903,840,963
Automobile	1,328,138,766	2,875,858,971
Fire	7,209,792,632	4,827,909,601
Liability	273,147,603	584,287,882
Business Risk	4,344,349,110	992,444,521
Aviation	3,511,080,996	4,846,787,627
Hull and owner's liability	1,756,165,800	836,204,637
Financial and credit risk	12,338,600	-
Agriculture	896,292,105	313,662,907
	102,679,393,371	**83,881,976,126**

16. REVENUE FROM INSURANCE BUSINESS (continued)

16.3 Reinsurance premiums ceded

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	1,199,531,662	726,634,202
Property and Damages	175,214,893,978	137,537,006,320
Cargo	36,454,794,345	23,251,954,020
Automobile	705,101,724	2,070,421,348
Fire	61,015,661,915	47,493,997,250
Liability	2,355,403,339	1,755,566,551
Business Risk	8,884,033,241	2,244,894,358
Aviation (*)	19,281,600,439	2,423,513,011
Hull and owner's liability	28,148,492,695	38,352,427,274
Financial and credit risk	699,310,028	9,360,800,320
Agriculture	-	-
	333,958,823,366	**265,217,214,654**

(*) It included reinsurance premium ceded of VND 13,491,670,159 under the policy No. 01120944 with the insured Vietnam Airlines Corporation.

17. CLAIM EXPENSES

17.1 Gross claim expenses

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	22,314,483,415	14,524,498,224
Property and Damages	32,717,924,294	45,412,515,357
Cargo	12,639,802,499	23,971,485,150
Automobile	109,556,827,124	102,909,404,834
Fire	67,658,270,599	44,577,160,972
Liability	770,450,487	520,079,331
Business risk	2,817,555,225	2,486,216,480
Aviation	660,326,512	320,863,102
Hull and ship owner's liability	7,164,588,404	19,646,375,890
Financial and credit risk	-	24,683,046
Agriculture	-	-
	256,300,228,559	**254,393,282,386**

17. CLAIM EXPENSES (continued)

17.2 Claim expenses on reinsurance assumed

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	287,881,472	352,223,791
Property and Damages	12,253,945,808	9,418,703,643
Cargo	492,629,530	118,797,242
Automobile	759,433,519	881,584,463
Fire	5,170,103,859	5,791,035,410
Liability	76,734,581	-
Business risk	58,116,862	-
Aviation	12,935,579,859	80,399,468
Hull and ship owner's liability	2,071,264,859	70,917,908
Financial and credit risk	-	-
Agriculture	887,011,872	60,644,445
	34,992,702,221	**16,774,306,370**

17.3 Recoveries from reinsurance ceded

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	101,992,530	14,032,521
Property and Damages	36,395,836,599	30,635,207,680
Cargo	9,379,105,027	21,470,353,729
Automobile	256,924,164	479,784,512
Fire	43,289,363,057	42,588,824,164
Liability	610,265,844	245,765,583
Business risk	2,604,049,609	2,263,529,040
Aviation	12,608,206,930	338,256,433
Hull and ship owner's liability	6,791,518,257	15,514,991,232
Financial and credit risk	-	-
Agriculture	-	-
	112,037,262,017	**113,550,744,894**

18. TECHNICAL RESERVES

18.1 *Unearned premium reserve*

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	44,816,079,919	32,993,599,336
Property and Damages	42,281,698,258	46,235,618,015
Cargo	1,496,925,058	1,011,086,828
Automobile	153,517,258,586	131,038,393,223
Fire	20,711,379,274	17,149,739,258
Liability	1,775,749,472	1,943,487,540
Business risk	135,260,346	57,946,562
Aviation	136,313,926	5,705,064,922
Hull and ship owner's liability	2,942,207,433	2,684,337,224
Financial and credit risk	1,030,369,650	145,248,761
Agriculture	-	-
	268,843,241,922	**238,964,521,669**

The change in unearned premium reserve taken to expenses charged to the separate income statement for the year ended 31 December 2013 was VND 29,878,720,253.

18.2 *Claim reserves*

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	17,450,776,156	10,933,436,049
Property and Damages	37,602,913,355	8,625,010,927
Cargo	7,665,586,434	1,707,376,190
Automobile	12,835,555,193	14,805,311,125
Fire	13,066,879,148	34,039,796,204
Liability	438,465,919	578,352,258
Business risk	240,932,425	300,474,078
Aviation	1,559,241,475	24,990,225
Hull and ship owner's liability	11,754,966,555	3,196,060,199
Financial and credit risk	1,361,666,250	734,010,250
Agriculture	1,670,650,000	-
	105,647,632,910	**74,944,817,505**

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 31 December 2013 after deducting the corresponding reinsurance recoveries. Such reserves amounted to VND 296,015,122,025 as at 31 December 2013, in which, the amount recoverable from reinsurers relating to these outstanding claims amounted to VND 210,274,677,646;

2. Reserves for claims incurred but not reported as at 31 December 2013, amounted to VND 19,907,188,531.

   The increase in claim reserve of VND 28,976,451,532 was charged to the separate income statement on a net basis, i.e. after deducting the corresponding reinsurance recoveries.

18. TECHNICAL RESERVES (continued)

18.3 Catastrophe reserve

Details of the catastrophe reserve provided as at 31 December 2013 are presented as follows:

Product	*Ending balance VND*	*Beginning balance VND*
Health and Personal Accident	8,204,011,424	6,590,154,920
Property and Damages	14,072,687,442	12,753,621,173
Cargo	2,084,516,708	1,683,681,578
Automobile	33,222,219,995	27,044,321,679
Fire	5,172,542,338	4,321,212,741
Liability	506,161,907	459,963,503
Business Risk	60,159,255	51,819,434
Aviation	529,734,225	268,546,944
Hull and ship owner's liability	1,842,937,708	1,660,309,225
Financial and credit risk	568,330,134	280,384,724
Agriculture	27,335,729	9,409,887
	66,290,636,865	**55,123,425,808**

The catastrophe reserve expense charged to the income statement for the period ended 31 December 2013 was VND 11,167,211,057.

19. ADMINISTRATIVE EXPENSES

	Current year VND	*Previous year VND*
Employees expenses	133,318,854,114	117,694,210,350
Depreciation expenses	2,318,549,996	3,769,906,918
Expenses for external services	73,743,985,301	58,427,462,242
Tool and equipment expense	13,904,681,884	9,554,633,488
Non-deductible value added tax	2,680,892,939	1,182,155,164
Provision for doubtful debt	3,017,660,364	2,562,308,970
Other expenses	5,121,473,838	5,763,166,956
	234,106,098,436	**198,953,844,088**

20. FINANCIAL INCOME

	Current year VND	*Previous year VND*
Interest income from deposits at banks	88,327,335,835	131,664,955,429
Interest income from bonds	24,981,602,928	20,215,132,683
Dividends income	6,154,159,100	2,513,434,880
Foreign exchange gains	9,894,677,336	3,560,585,716
Gain on securities trading	4,068,379,848	1,842,707,236
Other financial income	6,239,198	225,159
	133,432,394,245	**159,797,041,103**

21. FINANCIAL EXPENSES

	Current year VND	*Previous year VND*
Interest expense	991,208,516	766,946,046
Foreign exchange losses	10,142,489,430	3,328,619,205
Loss on securities trading	180,190,751	3,067,528,933
Interest expense of investments trusted (*)	-	27,213,850,001
Provision for investment impairment	2,632,380,812	7,383,719,562
Other financial expenses	910,384,690	1,572,982,810
	14,856,654,199	**43,333,646,557**

(*) In 2012, the Corporation had trusted investment contracts which mostly came BIDV. All these contracts were matured in 2012.

22. OTHER INCOME AND EXPENSES

	Current year VND	*Previous year VND*
Other income		
Proceeds on disposal of assets	6,463,636	113,596,295
Other income	1,365,241,693	707,828,820
	1,371,705,329	**821,425,115**
Other expenses		
Expenses on disposal of assets	-	(45,193,059)
Other expenses	(852,295,654)	(258,477,229)
	(852,295,654)	**(303,670,288)**
Net other income	**519,409,675**	**517,754,827**

23. ENTERPRISE INCOME TAX

The Corporation is subject to paying Corporate Income Tax ("CIT") 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 separate financial statements could be changed at a later date upon final determination by the tax authorities.

23.1 Enterprise Income Tax Expense

	Current year VND	*Previous year VND*
Current Enterprise Income Tax	28,726,052,797	26,659,457,570
Deferred Enterprise Income Tax	(418,770,415)	-
Enterprise Income Tax Expense	**28,307,282,382**	**26,659,457,570**

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 year. Taxable profit distinguishes from accounting profit reported on separate 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 balance sheet date.

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

	Current year VND	*Previous year VND*
Accounting profit before tax	**113,285,670,163**	**108,606,988,420**
Adjustments to increase	**4,857,516,459**	**544,276,741**
Non-deductible expenses	4,857,516,459	544,276,741
Adjustments to decrease	**(6,154,159,100)**	**(2,513,434,880)**
Tax exempt dividend income	(6,154,159,100)	(2,513,434,880)
Estimated current taxable profit	**111,989,027,522**	**106,637,830,281**
Estimated Current Enterprise Income Tax expense	27,997,256,881	26,659,457,570
Current Enterprise Income Tax	**27,997,256,881**	**26,659,457,570**
Enterprise Income Tax payable at beginning of the year	4,968,020,319	5,565,800,406
Adjustment of tax payables for prior year	728,795,916	-
Enterprise Income Tax paid during the year	(27,461,914,493)	(27,257,237,657)
Enterprise Income Tax payable at the end of the year	**6,232,158,623**	**4,968,020,319**

24. TRANSACTIONS WITH RELATED PARTIES

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

Company	*Relationship*	*Transaction*	*Amount VND*
Joint stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Gross written premium	64,526,814,617
		Interest income from term deposit	61,105,851,672
		Bond interest income	5,635,753,424
		Office rental expense	10,627,692,579
		Claim expense	2,756,006,304
		Commission expense	10,292,577,040
BIDV Leasing Company (BLC)	Affiliate	Gross written premium	1,051,464,583
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Interest income from term deposit	3,030,688,887
Lao Viet Insurance Company	Subsidiary	Assumed reinsurance premium	47,079,976,279
		Assumed reinsurance commission	8,531,387,869

24. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related company	*Relationship*	*Description*	*Receivables VND*	*Payables VND*
Joint Stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Current account	20,235,075,576	-
		Term deposit	540,000,000,000	-
		Interest from term deposit	12,573,734,724	-
		BIDV bonds	50,145,833,333	-
		BIDV bond interest receivables	1,988,493,150	-
		Compulsory deposit at BIDV	6,000,000,000	-
		Premium receivables	914,777,189	-
		Commission payables	-	2,188,499,998
		Office rental payables	-	53,120,704
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Term deposit	45,000,000,000	-
		Interest from term deposit	1,619,449,999	-
Lao Viet Insurance Company	Subsidiary	Ceded premium payable		281,565,634
		Ceded commission receivable	51,172,621	-
		Assumed premium receivable	8,706,814,343	-
		Assumed commission payable	-	1,840,056,285
		Assumed claim payable	-	4,572,393,220
		Recoveries from reinsurance ceded	176,321,346	-
		Total	**687,411,672,281**	**8,935,635,841**

Remuneration to members of Management

	Current year VND	*Previous year VND*
Salaries and bonus	3,564,036,141	2,916,029,570
Other benefits	556,111,000	455,000,000
	4,120,147,141	**3,371,029,570**

Other directors' interests

Apart from amounts as mentioned above, members of Management are not entitled to any other benefits.

25. INFORMATION ON SEGMENT REPORTING

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

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

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

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

26. CONTINGENT LIABILITIES

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 billion for foreign contractor withholding tax.

For the year 2009, the Corporation has sufficiently made provision for potential tax obligation relating to reinsurance premium ceded to overseas reinsurer. However, for years 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.

Capital and operating lease commitments

The Corporation leases office premises under an operating lease. Future rental amounts due under operating leases as at 31 December 2013 were as follows:

	31 December 2013 VND
Operating lease commitments	6,965,697,648
In which:	
Within one year	*167,804,727*
From 2 years to 5 years	*6,797,892,921*
More than 5 years	-
	6,965,697,648

27. RISK MANAGEMENT FRAMEWORK

27.1 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 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 Management charged with overseeing compliance with the policy throughout the Corporation.

27.2 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.

27.3 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 Circular 125 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*
31 December 2013	657,684	135,140	487%
31 December 2012	715,124	120,695	593%

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.

27. RISK MANAGEMENT FRAMEWORK (continued)

27.4 Underwriting strategy

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

27.5 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.

28. 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.

28.1 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.

28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

28.1 Insurance risk (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

The key method in calculating the claim reserves is based on Circular No 125/2012/TT-BTC dated 30 July 2012 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 fiscal year, in accordance to the Circular No 125/2012/TT-BTC; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR).

The Corporation is calculating the reserve for incurred but not reported claims based on the following formula:

$$\text{Reserve for payment of losses which have incurred but not yet reported for the current fiscal year} = \frac{\text{Total indemnity for claims incurred but not reported at the end of the last three years}}{\text{Total indemnity for losses arising in the last three years}} \times \text{Indemnity for losses arising in the current fiscal year} \times \frac{\text{Net operating revenue of current fiscal year}}{\text{Net operating revenue of the previous fiscal year}} \times \frac{\text{Average delay in making claims of current fiscal year}}{\text{Average delay in making claims of previous fiscal year}}$$

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.

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.

28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

28.1 Insurance risk (continued)

Assumptions, changes in assumptions and sensitivity analysis (continued)

The above risk exposure is mitigated by diversifying across a large portfolio of insurance products, distribution channels and selecting the low insurance products. 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.

28.2 Financial risk

The Corporation's principal financial liabilities comprise 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.

28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

28.2 Financial risk (continued)

28.2.1 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 31 December 2013 and 31 December 2012.

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 31 December 2013 and 31 December 2012.

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 year, foreign exchange rate between VND and USD fluctuated from 20,828 to 21,036 VND/USD.

28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

28.2 Financial risk (continued)

28.2.1 Market 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 separate income statement and statement of financial position of the Corporation:

Change in variables	*Impact on profit before tax VND*	*Impact on equity after tax VND*
31 December 2013		
+10%	(3,710,918,654)	(2,783,188,990)
-10%	3,710,918,654	2,783,188,990
31 December 2012		
+10%	(5,379,875,132)	(4,034,906,349)
-10%	5,379,875,132	4,034,906,349

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 58,481,618,000 (31 December 2012: VND 35,349,293,751). A decrease of 10% on the stock market index could have an impact of approximately VND (1,841,992,514) (31 December 2012: VND (2,994,964,679)) 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 227,686,884 (31 December 2012: VND 2,190,154,861).

28.2.2 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, advances to customers 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.

28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

28.2 Financial risk (continued)

28.2.2 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 31 December 2013.

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 31 December 2013					
Receivables from original insurance activities	17,483	1,469	4,265	13,609	11,913
Receivables from financial activities	-	-	-	3,000	2,100
Total	**17,483**	**1,469**	**4,265**	**16,609**	**14,013**
As at 31 December 2012					
Receivables from original insurance activities	29,949	2,772	3,404	8,921	8,895
Receivables from financial activities	-	-	-	3,000	1,500
Total	**29,949**	**2,772**	**3,404**	**11,921**	**10,395**

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 ("Circular 228") and Circular 89/2013/TT-BTC BTC issued by the Ministry of Finance on 28 June 2013 which provides the amendments and supplements to Circular 228.

28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

28.2 Financial risk (continued)

28.2.3 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.

Contractual maturity

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

Currency: VND

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
31 December 2013				
Financial liabilities				
Insurance payables	18,935,919,207	-	-	18,935,919,207
Reinsurance payables	7,680,952,768	243,190,639,080	-	250,871,591,848
Accrued expenses	14,536,202,928	-	-	14,536,202,928
Other payables	71,910,994,341	-	-	71,910,994,341
	113,064,069,244	**243,190,639,080**	**-**	**356,254,708,324**

Currency: VND

	On demand	*Less than 1 year*	*From 1 to 5 years*	*Total*
31 December 2012				
Financial liabilities				
Insurance payables	12,791,747,413	-	-	12,791,747,413
Reinsurance payables	5,280,607,716	167,129,544,341	-	172,410,152,057
Accrued expenses	22,072,958,365	-	-	22,072,958,365
Other payables	67,882,257,809	-	-	67,882,257,809
	108,027,571,303	**167,129,544,341**	**-**	**275,157,115,644**

29. 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.

As 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 29 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 for insurance companies and comply with the relevant statutory requirements.

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 separate financial statements, financial assets are classified as appropriate into one of the following categories:

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

  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.

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

Financial assets (continued)

- ***Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:***

  a/ The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair, value through profit or loss statements;

  b/ The amounts categorized by the entity as available for sale upon initial recognition; or,

  c/ The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

- ***Available-for-sale assets are non-derivative financial assets determined as available for sale or not classified as:***

  a/ Loans and receivables;

  b/ Held-to-maturity investments;

  c/ Financial assets recognized at fair value through profit or loss statements.

Financial liabilities

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

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

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

  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 separate balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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

This table below presents carrying amount and fair value of the Corporation's assets as at 31 December 2013 and as at 31 December 2012:

	Carrying amount				*Fair value*	
	31 December 2013		*31 December 2012*		*31 December 2013*	*31 December 2012*
	Cost	*Provision*	*Cost*	*Provision*		
	VND	*VND*	*VND*	*VND*	*VND*	*VND*
Financial assets						
Fair value through Profit and Loss	**50,169,080,405**	**(627,797,905)**	**35,349,293,754**	**(4,197,954,161)**	**49,541,282,500**	**31,151,339,593**
- Listed shares	50,169,080,405	(627,797,905)	35,349,293,754	(4,197,954,161)	49,541,282,500	31,151,339,593
Loan and receivables	**1,387,590,031,872**	**(14,013,071,770)**	**1,237,352,504,408**	**(10,395,411,406)**	**1,373,576,960,102**	**1,226,957,093,002**
- Trade receivable	247,812,937,447	(11,913,071,770)	167,579,145,524	(8,895,411,406)	235,899,865,677	158,683,734,118
- Receivable from related parties	-	-	36,984,783,124	-	-	36,984,783,124
- Other receivable	43,731,261,092	(2,100,000,000)	13,814,742,430	(1,500,000,000)	41,631,261,092	12,314,742,430
- Unlisted bonds (*)	195,045,833,333	-	197,145,833,330	-	195,045,833,333	197,145,833,330
- Short term deposits	901,000,000,000	-	821,828,000,000	-	901,000,000,000	821,828,000,000
Available for sale	**5,438,143,000**	**(162,000,000)**	**34,709,906,636**	**(8,599,332,190)**	**5,276,143,000**	**26,110,574,446**
- Unlisted shares	5,438,143,000	(162,000,000)	5,438,143,000	(161,999,999)	5,276,143,000	5,276,143,001
- Investment in BIDV Finance Investment Corporation (*)	-	-	29,271,763,636	(8,437,332,191)	-	20,834,431,445
Other long-term investment	**110,750,020,000**	**(17,283,004,056)**	**101,846,020,000**	**(16,939,899,164)**	**93,467,015,944**	**84,906,120,836**
- Investment in Vinaconex-Viettel Finance Joint Stock Corporation	50,000,000,000	-	50,000,000,000	-	50,000,000,000	50,000,000,000
- Investment in Lao Viet Insurance Company	34,660,020,000	-	25,756,020,000	-	34,660,020,000	25,756,020,000
- Investment in Green Indochina Development JSC (*)	26,090,000,000	(17,283,004,056)	26,090,000,000	(16,939,899,164)	8,806,995,944	9,150,100,836
Cash and cash equivalents	**22,422,009,742**	**-**	**15,192,045,761**	**-**	**22,422,009,742**	**15,192,045,761**
Total	**1,576,369,285,019**	**(32,085,873,731)**	**1,424,449,770,559**	**(40,132,596,921)**	**1,544,283,411,288**	**1,384,317,173,638**

(*) 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.

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

This table below presents carrying amount and fair value of the Corporation's financial liabilities as at 31 December 2013 and as at 31 December 2012:

	Carrying amount		*Fair value*	
	31 December 2013 VND	*31 December 2012 VND*	*31 December 2013 VND*	*31 December 2012 VND*
Financial liabilities				
Loans and borrowings	-	-	-	-
Trade payables	269,808,825,754	183,992,249,585	269,808,825,754	183,992,249,585
Payable to related parties	-	2,447,952,178	-	2,447,952,178
Accrued expense	14,536,202,928	22,072,958,365	14,536,202,928	22,072,958,365
Other payables	71,909,679,642	66,643,955,516	71,909,679,642	66,643,955,516
Total	**356,254,708,324**	**275,157,115,644**	**356,254,708,324**	**275,157,115,644**

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 31 December 2013.
- 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 31 December 2013.
- 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.

30. CORRESPONDING FIGURES

In previous year, the Corporation has classified the investment in Lao-Viet Insurance Company (LVI) as "Investment in joint-ventures and associates" and accounted for it using equity method and recognized its share of profit/ (loss) of LVI on the income statement..

In 2013, following the increase investment in LVI and since the Management assessed the Corporation have controls on this company, the Corporation therefore reclassified this investment as "Investment in subsidiaries" instead of "Investment in joint-ventures and associates". As a result of these changes, in addition to the consolidated financial statements, the Corporation, for the first time, has prepared the separate financial statements to present its separate financial position and the separate results of its operations the year then ended 31 December 2013 and accounted for this investment using cost method in the separate financial statement. The Corporation has adjusted the corresponding figure accordingly. Details of such adjustments are as follows:

Extracted from balance sheet as at 31 December 2012

	31 Dec 2012 (Previously presented) VND	*Adjustments VND*	*31 Dec 2012 (Presented on this separate financial statement) VND*
Long-term investments	253,133,077,854	1,918,876,315	255,051,954,169
Retained earnings	91,870,693,602	1,918,876,315	93,789,569,917

Extracted from Income statement for the year ended 31 December 2012

	For the period ended 31 Dec 2012 (Previously presented) VND	*Adjustments VND*	*For the period ended 31 Dec 2012 (Presented on this separate financial statement) VND*
Share of the profit of the associate and joint venture	2,230,633,159	(2,230,633,159)	-

31. EVENTS AFTER THE SEPARATE BALANCE SHEET DATE

There has not been any a matter or circumstance that has arisen since the balance date that has affected or may significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in subsequent periods.

32. APPROVAL FOR ISSUANCE

The separate financial statements as at 31 December 2013 and for the year then ended were authorised for issuance by the Corporation's General Director on 28 February 2014.

Ms. Phan Thi Minh Hue Accountant of Financial and Accounting Division	Ms. Lai Ngan Giang Director of Financial and Accounting Division	Mr. Ton Lam Tung General Director

Hanoi, Vietnam

28 February 2014