BIDV Insurance Joint Stock Corporation

Interim Separate Financial Statements

30 June 2015

CONTENTS

	Pages
General information	1 - 2
Report of Board of Management	3
Auditors' report on review of interim separate financial statements	4
Interim separate balance sheet	5 - 8
Interim separate income statement	9 - 11
Interim separate cash flow statement	12 - 13
Notes to the interim separate financial statements	14 - 68

BIDV Insurance Joint Stock Corporation

GENERAL INFORMATION

CORPORATION

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 equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") and established under Business License No 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Company successfully completed the Initial Public Offering. Accordingly, percentage of share held by Bank for Investment and Development of Vietnam (BIDV) and other shareholders was respectively 82.3% and 17.7% of its charter capital. Under Employee Share Option Program (ESOP), the Corporation issued shares to its employees on 5 May 2014. As at reporting date, percentage of outstanding share held by BIDV and other shareholders was 78.83% and 21.62% respectively.

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 activities 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 30 June 2015, the charter capital was 762 billion VND (31 December 2014: 762 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 and twenty-five (25) branches nationwide.

Employee

Total employees of the Corporation as at 30 June 2015 was 722 persons (31 December 2014: 693 persons).

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of the Board of Directors for the six month period ended 30 June 2015 and at the date of this report are:

Name	*Position*	*Date of appointment/ reappointment/ resignation*
Mr. Pham Quang Tung	Chairman	Reappointed on 20 April 2015
Mr. Tran Hoai An	Member	Appointed on 20 April 2015
Ms. Dang Thi Hong Phuong	Member	Reappointed on 20 April 2015
Ms. Nguyen Thi Quynh Giao	Member	Appointed on 20 April 2015
Mr. Vo Hai Nam	Member	Appointed on 20 April 2015
Ms. Nguyen Thi Thanh Van	Member	Resigned on 20 April 2015
Mr. Ton Lam Tung	Member	Resigned on 20 April 2015
Mr. Le Ngoc Lam	Member	Resigned on 20 April 2015

BOARD OF SUPERVISION

Members of the Board of Supervision for the six month period ended 30 June 2015 and at the date of this report are:

Name	*Position*	*Date of reappointment*
Mr. Cao Cu Tri	Head of Board	Reappointed on 20 April 2015
Mr. Nguyen Trung Kien	Member	Reappointed on 20 April 2015
Mr. Nguyen Thanh Cong	Member	Reappointed on 20 April 2015

MANAGEMENT

Members of Management for the six month period ended 30 June 2015 and at the date of this report are:

Name	*Position*	*Date of appointment*
Mr. Tran Hoai An	General Director	Appointed on 31 October 2014
Mr. Tran Trung Tinh	Deputy General Director	Appointed on 1 October 2012
Mr. Vu Minh Hai	Deputy General Director	Appointed on 16 April 2012
Ms. Doan Thi Thu Huyen	Deputy General Director	Appointed on 1 May 2012
Mr. Pham Duc Hau	Deputy General Director	Appointed on 1 March 2015

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the period from 1 January 2015 to 30 June 2015 and at the date of this report is Mr. Tran Hoai An – Title: General Director.

AUDITORS

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

BIDV Insurance Joint Stock Corporation

REPORT OF MANAGEMENT

Management of BIDV Insurance Joint Stock Corporation ("the Corporation") presents its report and the interim separate financial statements of the Corporation for the six-month period ended 30 June 2015.

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

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

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

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

Management confirmed that it has complied with the above requirements in preparing the accompanying interim separate financial statements for the six-month period ended 30 June 2015.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the separate financial position of the Corporation as at 30 June 2015 and of the separate results of its operations and its separate cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance companies, and with the statutory requirements relevant to preparation and presentation of separate financial statements.

For and on behalf of Management:

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

20 July 2015

Ernst & Young Vietnam Limited
8th Floor, CornerStone Building
16 Phan Chu Trinh Street
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Reference: 60755012/17866688

AUDITORS' REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: Shareholders
BIDV Insurance Joint Stock Corporation

We have reviewed the interim separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 20 July 2015 and set out on pages 5 to 68, which comprise the interim separate balance sheet as at 30 June 2015, the interim separate income statement and interim separate cash flow statement for the six-month period then ended and the notes thereto.

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

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Corporation as at 30 June 2015, the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance companies and comply with the statutory requirements relevant to preparation and presentation of separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the interim separate financial statements. The Corporation prepared the interim consolidated financial statements of the Corporation and and its subsidiary for the six-month period ended 30 June 2015 in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance companies and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 20 July 2015 expressed an unqualified opinion. Our review opinion is not qualified in respect of this matter.

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

20 July 2015

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2015*	*31 December 2014 (restated)*
100	**A. CURRENT ASSETS**		**2,300,010,973,508**	**2,133,167,053,488**
110	***I. Cash and cash equivalents***	***4***	***117,282,276,394***	***145,220,016,867***
111	1. Cash		106,282,276,394	49,720,016,867
112	2. Cash equivalents		11,000,000,000	95,500,000,000
120	***II. Short-term investments***	***5***	***1,155,230,494,664***	***1,081,493,160,648***
121	1. Trading securities		53,432,134,057	72,626,052,716
122	2. Provision for trading securities		(2,701,639,393)	(3,132,892,068)
123	3. Held-to-maturity investments		1,104,500,000,000	1,012,000,000,000
130	***III. Short-term receivables***	***6***	***381,359,792,555***	***305,413,679,808***
131	1. Short-term trade receivables		330,894,277,869	265,301,208,588
131.1	*1.1. Insurance receivables*		*330,894,277,869*	*265,301,208,588*
132	2. Short-term advances to suppliers		3,412,677,774	1,854,102,733
136	3. Other receivables		65,593,981,283	58,017,250,788
137	4. Allowance for doubtful debts		(18,541,144,371)	(19,758,882,301)
140	***IV. Inventories***		***146,828,992***	***146,828,992***
141	1. Inventories		146,828,992	146,828,992
150	***V. Other short-term assets***		***56,121,837,522***	***43,270,546,243***
151	1. Prepaid expense		51,293,181,839	42,866,113,304
151.1	*1.1. Unallocated commission expense*	*7*	*48,331,602,369*	*42,446,555,541*
151.2	*1.2. Other prepaid expense*		*2,961,579,470*	*419,557,763*
152	2. Deductible VAT		4,828,655,683	404,432,939
190	***VI. Reinsurance assets***	***17.1***	***589,869,743,381***	***557,622,820,930***
191	1. Reinsurance assets from unearned premium reserve		248,135,381,494	214,249,195,339
192	2. Reinsurance assets from claim reserve		341,734,361,887	343,373,625,591

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2015*	*31 December 2014 (restated)*
200	**B. NON-CURRENT ASSETS**		**314,119,423,094**	**253,205,839,885**
210	***I. Long-term receivables***		***6,045,954,546***	***6,045,954,546***
216	1. Other long-term receivables		6,045,954,546	6,045,954,546
216.1	*1.1. Statutory deposit*	*8*	*6,000,000,000*	*6,000,000,000*
216.2	*1.2. Other long-term receivables*		*45,954,546*	*45,954,546*
220	***II. Fixed assets***		***20,371,765,828***	***20,748,306,681***
221	1. Tangible fixed assets	9	13,720,471,632	14,211,593,725
222	*Costs*		*41,474,020,133*	*40,280,132,768*
223	*Accumulated depreciation*		*(27,753,548,501)*	*(26,068,539,043)*
227	2. Intangible assets	10	6,651,294,196	6,536,712,956
228	*Costs*		*6,739,599,125*	*6,606,599,125*
229	*Accumulated amortisation*		*(88,304,929)*	*(69,886,169)*
250	***III. Long-term investments***	***5***	***285,146,401,698***	***224,192,172,163***
251	1. Investment in subsidiary		34,660,020,000	34,660,020,000
253	2. Other long-term investments		126,090,000,000	126,090,000,000
254	3. Provision for impairment of long-term investments		(16,603,618,302)	(16,557,847,837)
255	4. Held-to-maturity investments		141,000,000,000	80,000,000,000
260	***IV. Other long-term assets***		***2,555,301,022***	***2,219,406,495***
261	1. Long-term prepaid expenses	11	2,555,301,022	2,219,406,495
270	**TOTAL ASSETS (270=100+200)**		**2,614,130,396,602**	**2,386,372,893,373**

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2015*	*31 December 2014 (restated)*
300	**A. LIABILITIES**		**1,771,142,794,808**	**1,508,281,622,194**
310	***I. Current liabilities***		***1,767,972,859,513***	***1,505,655,346,477***
311	1. Trade payables	12	324,812,112,311	271,284,029,874
311.1	*1.1. Insurance payables*		*324,389,151,642*	*271,265,447,057*
311.2	*1.2. Other payables*		*422,960,669*	*18,582,817*
312	2. Short-term advance from customers		6,181,000,332	3,869,042,310
313	3. Tax and other statutory obligations	13	19,363,029,965	26,210,700,683
314	4. Payables to employees		20,832,090,825	29,938,955,213
315	5. Short-term accrued expenses	14	11,980,912,645	14,304,710,299
318	6. Short-term unearned revenue		4,320,025,833	4,768,983,859
318.1	7. Un-earned commission revenue	15	55,682,522,507	42,215,411,883
319	8. Other short-term payables	16	73,067,512,693	11,702,220,027
322	9. Bonus and welfare funds		1,475,140,422	3,931,236,644
329	10. Technical reserves	17	1,250,258,511,980	1,097,430,055,685
329.1	*10.1. Gross un-earned premium reserve*		*684,808,101,230*	*569,539,138,918*
329.2	*10.2. Gross claim reserve*		*487,409,763,924*	*454,441,140,575*
329.3	*10.3. Catastrophe reserve*		*78,040,646,826*	*73,449,776,192*
330	***II. Non-current liabilities***		***3,169,935,295***	***2,626,275,717***
337	1. Other long-term liabilities	16	3,098,414,192	2,554,754,614
341	2. Deferred tax liability		71,521,103	71,521,103

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2015*	*31 December 2014 (restated)*
400	**B. OWNERS' EQUITY**		**842,987,601,794**	**878,091,271,179**
410	***I. Owners' equity***	***18***	***842,987,601,794***	***878,091,271,179***
411	1. Charter capital		762,299,820,000	762,299,820,000
411a	*- Common shares with voting rights*		*762,299,820,000*	*762,299,820,000*
411b	*- Preference shares*		-	-
412	2. Share premium		4,875,765,330	4,875,765,330
418	3. Investment and development fund		1,800,187,891	1,800,187,891
419	4. Statutory reserve		19,701,834,293	17,652,521,022
421	5. Retained earnings		54,309,994,280	91,462,976,936
421a	*5.1. Accumulated undistributed profit of previous periods*		*15,373,042,134*	*22,654,990,804*
421b	*5.2. Undistributed profit of current period*		*38,936,952,146*	*68,807,986,132*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY (440=300+400)**		**2,614,130,396,602**	**2,386,372,893,373**

Mr. Nguyen Xuan Dong	Ms. Lai Ngan Giang	Mr. Tran Hoai An
Accountant	Chief Accountant	General Director
Finance - Accounting Division		

Hanoi, Vietnam

20 July 2015

INTERIM SEPARATE INCOME STATEMENT

PART 1: INTERIM SEPARATE COMPREHENSIVE INCOME STATEMENT
for six-month period ended 30 June 2015

Currency: VND

Code	*ITEMS*	*For the six-month period ended 30 June 2015*	*For the six-month period ended 30 June 2014*
10	1. Total operating income	450,479,104,566	305,743,329,324
12	2. Finance income	58,281,249,674	65,910,320,586
13	3. Other incomes	124,857,080	134,288,372
20	4. Total direct operating expenses	(351,130,612,307)	(214,204,507,570)
22	5. Finance expense	(6,387,700,700)	(7,374,888,389)
23	6. General and administrative expenses	(98,806,605,762)	(98,527,634,368)
24	7. Other expenses	(363,357,718)	(90,762,937)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**52,196,934,833**	**51,590,145,018**
51	9. Current corporate income tax expense	(11,210,669,417)	(11,263,331,563)
52	10. Deferred corporate income tax income	-	213,500,433
60	**11. Net profit for the year after corporate income tax (60=50+51+52)**	**40,986,265,416**	**40,540,313,888**

INTERIM SEPARATE INCOME STATEMENT (continued)

PART 2: INTERIM SEPARATE OPERATIONAL INCOME STATEMENT
for the six-month period ended 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2015*	*For the six-month period ended 30 June 2014*
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**612,625,470,905**	**446,654,205,012**
	In which:			
01.1	- Direct written premiums		628,130,571,139	476,931,125,901
01.2	- Reinsurance premium assumed		99,763,862,078	40,656,308,494
01.3	- Increase in un-earned premium reserve		(115,268,962,312)	(70,933,229,383)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(234,921,183,662)**	**(178,614,943,920)**
	In which:			
02.1	- Reinsurance premium ceded		(268,807,369,817)	(191,479,710,997)
02.2	- Increase in ceded premium reserve		33,886,186,155	12,864,767,077
03	**3. Net insurance premiums (03 = 01 + 02)**		**377,704,287,243**	**268,039,261,092**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**72,774,817,323**	**37,704,068,232**
	In which:			
04.1	- Commission on reinsurance ceded	21	56,727,889,881	22,872,071,071
04.2	- Other income from insurance activities		16,046,927,442	14,831,997,161
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**450,479,104,566**	**305,743,329,324**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(223,260,808,247)**	**(129,515,991,735)**
	In which:			
11.1	- Claim expenses		(226,026,101,309)	(129,754,182,629)
11.2	- Claim expense reductions		2,765,293,062	238,190,894
12	**7. Recoveries from reinsurance ceded**		**85,062,357,902**	**34,254,139,602**
13	**8. Increase in Direct and assumed claim reserve**		**(33,443,792,549)**	**(9,803,018,892)**
14	**9. Increase in ceded claim reserve**		**6,272,744,578**	**6,199,008,740**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**22**	**(165,369,498,316)**	**(98,865,862,285)**
16	**11. Increase in catastrophe reserve**		**(4,590,870,634)**	**(9,781,602,972)**

INTERIM SEPARATE INCOME STATEMENT (continued)

PART 2: INTERIM SEPARATE OPERATIONAL INCOME STATEMENT
for the six-month period ended 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2015*	*For the six-month period ended 30 June 2014*
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**23**	**(181,170,243,357)**	**(105,557,042,313)**
	In which:			
17.1	- Commission expense		(59,897,570,238)	(19,302,508,821)
17.2	- Other underwriting expenses		(121,272,673,119)	(86,254,533,492)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(351,130,612,307)**	**(214,204,507,570)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**99,348,492,259**	**91,538,821,754**
23	**15. Finance income**	**24**	**58,281,249,674**	**65,910,320,586**
24	**16. Finance expense**	**25**	**(6,387,700,700)**	**(7,374,888,389)**
25	**17. Profit from financial activities (25 = 23 + 24)**		**51,893,548,974**	**58,535,432,197**
26	**18. General and administrative expenses**	**26**	**(98,806,605,762)**	**(98,527,634,368)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**52,435,435,471**	**51,546,619,583**
31	**20. Other income**		**124,857,080**	**134,288,372**
32	**21. Other expenses**		**(363,357,718)**	**(90,762,937)**
40	**22. Net other profit (40 = 31 + 32)**		**(238,500,638)**	**43,525,435**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**52,196,934,833**	**51,590,145,018**
51	**24. Current corporate income tax expense**	**27**	**(11,210,669,417)**	**(11,263,331,563)**
52	**25. Deferred corporate income tax income**	**27**	**-**	**213,500,433**
60	**26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**40,986,265,416**	**40,540,313,888**

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

Mr. Nguyen Xuan Dong	Ms. Lai Ngan Giang	Mr. Tran Hoai An
Accountant	Chief Accountant	General Director
Finance - Accounting Division		

Hanoi, Vietnam

20 July 2015

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2015*	*For the six-month period ended 30 June 2014*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**52,196,934,833**	**51,590,145,018**
	Adjustments for:			
02	Depreciation and amortisation		1,703,428,218	1,388,225,460
03	Insurance reserves and provision for diminution in investment value		151,225,236,155	92,786,059,319
05	Profits from investing activities		2,415,122,926	(35,059,830,492)
06	Interest expense		6,075,764	-
08	**Operating income before changes in working capital**		**207,546,797,896**	**110,704,599,305**
09	Increase in receivables		(83,106,205,496)	(86,623,800,845)
10	Increase in inventory		-	(147,283,537)
11	Increase/(decrease) in payables		(31,248,732,071)	86,857,364,376
12	Increase in prepaid expense		(335,894,527)	(30,846,408,455)
14	Interest expense paid		(6,075,764)	-
15	Corporate income tax paid		(19,726,022,648)	(12,806,512,671)
16	Increase in receivables from other activities		5,037,572,802	-
17	Increase payables for other activities		(9,746,766,251)	(27,376,605,794)
20	**Net cash flow from operating activities**		**68,414,673,941**	**39,761,352,379**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(1,326,887,365)	(4,541,740,909)
23	Payments for investments in other entities		(848,144,418,370)	22,152,331,030
24	Proceeds from sale of investment		713,838,337,029	(28,000,000,000)
27	Interest received		55,606,422,292	40,896,605,092
30	**Net cash flow from/(used in) investing activities**		**(80,026,546,414)**	**30,507,195,213**

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2015

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2015*	*For the six-month period ended 30 June 2014*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares	18	-	33,000,000,000
36	Dividends paid		(16,325,868,000)	-
40	**Net cash flow from/(used in) financing activities**		**(16,325,868,000)**	**33,000,000,000**
50	**Net increase/(decrease) in cash and cash equivalent (50=20+30+40)**		**(27,937,740,473)**	**103,268,547,592**
60	**Cash and cash equivalents at beginning of the period**		**145,220,016,867**	**22,422,009,742**
70	**Cash and cash equivalents at end of the period (70=50+60)**	**4**	**117,282,276,394**	**125,690,557,334**

Mr. Nguyen Xuan Dong
Accountant
Finance - Accounting Division

Ms. Lai Ngan Giang
Chief Accountant

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

20 July 2015

1. CORPORATION

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. Accordingly, percentage of share held by Bank for Investment and Development of Vietnam (BIDV) and other shareholders was respectively 82.3% and 17.7% of its charter capital. Under Employee Share Option Program (ESOP), the Corporation issued shares to its employees on 5 May 2014. As at reporting date, percentage of outstanding share held by BIDV and other shareholders was 78.83% and 21.62% respectively.

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 activities 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 30 June 2015, the charter capital was 762 billion VND (31 December 2014: 762 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 and twenty-five (25) branches nationwide.

Employee

Total employees of the Corporation as at 30 June 2015 was 722 persons (31 December 2014: 693 persons).

2. BASIS FOR PREPARATION OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

2.1 *Accounting standard and system*

The Interim 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 non-life insurance companies issued by the Ministry of Finance in Circular 232/2012/TT-BTC (Circular 232) dated 28 December 2013 and the Circular 200/2014/TT-BTC dated 22 December 2014 provide guidance on enterprise accounting system, in accordance with Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

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

The interim separate financial statements reflect only the operations of the Corporation for the six-month period ended 30 June 2015. The interim consolidated financial statements which include the Corporation and its subsidiary are prepared separately and independently from the interim separate financial statements. Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Corporation as at 30 June 2015 and for the six-month period ended in order to obtain full information on the consolidated financial position, results of operations and cash flows of the Corporation and its subsidiary as a whole.

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The Corporation maintains its accounting records in VND which is also the Corporation's reporting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

Accounting policies that the Corporation applied are consistent with the accounting policies for the preparation of the financial statements for the year ended 31 December 2014, except for changes in accounting policies related to non-life insurance activities as follows:

Circular No. 200/2014/TT-BTC providing guidance on the corporate accounting regime applied for enterprises in all business lines and economic sectors.

On 22 December 2014, the Ministry of Finance promulgated the Circular No. 200/2014/TT-BTC providing guidance on the corporate accounting regime applied for enterprises in every business line and economic sector ("Circular 200"). The Circular takes effect from 1 January 2015 and supersedes the prevailing enterprise accounting system under Decision 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance.

Under the impact of changes in accordance with Circular 200 as compared to Decision 15, items of financial statements have been supplemented and amended; separated or aggregated or shown a change in their codes. As a result, comparative figures of financial statements for the current period have also been represented to conform to provisions of Circular 200.

Moreover, Circular 200 has introduced some changes associated with recording principles for some items of financial statements.

Circular 194/2014/TT-BTC amends and supplements a number of articles of Circular No. 124/2012/TT-BTC dated 30 July 2012 of the Ministry of Finance.

On 17 December 2014, the Ministry of Finance promulgated the Circular No. 194/2014/TT-BTC ("Circular 194), which amends and supplements a number of articles of the Circular No. 124/2012/TT-BTC dated 30 July 2012 and the Circular No. 125/2012/TT-BTC dated 30 July 2012 of the Ministry of Finance providing guidance on the financial regime applicable to insurers, reinsurance businesses, insurance brokers and branches of foreign non-life insurers.

In accordance with Circular 194, premium payment period shall not exceed 30 days since policy inception date. For instalment contracts, non-life insurers are required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalment only when the policy holder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after premium payment period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Presentation and disclosures of financial instruments*

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 provides the definitions of financial assets, including 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 definition of financial assets, financial liabilities and other relevant definitions are applicable to the preparation of the notes in accordance with Circular 210 only. The recognition and measurement of assets, liabilities and equities of the Corporation are still in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to insurance companies and comply with the relevant statutory requirements.

3.3 *Cash and cash equivalents*

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

3.4 *Receivables*

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

Provision for impairment of other receivables will be made based on their overdue ages. For undue receivables 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 general and 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"). Details on the basis of provision are as follows:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.6 *Intangible 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 separate balance sheet and any gain or loss resulting from their disposal is included in the separate income statement.

3.7 *Depreciation and amortisation*

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

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

3.8 *Prepaid expenses*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investments

3.9.1 Trading Securities

Trading securities held for trading purpose which also include securities with maturity more than 12 months bought and sold to margin gain:

- Shares, bonds listed on securities market;
- Securities and other financial instruments.

Trading securities are stated at their acquisition cost.

Periodically, trading securities are subject to review for impairment. Any impairment losses are recognized in the Corporation's interim separate income statement.

3.9.2 Held to maturity investments

Held to maturity investments include: term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to repurchase in a certain time in the future.

These investments are held for purposes of periodic interest income.

3.9.3 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 interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

3.9.4 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 founding shareholder; or strategic partner; or impacts on the enterprise' foundation, determines financial and operating policies under agreements with the Board of Directors/ Board of Management.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments* (continued)

3.9.4 Other long-term investments (continued)

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

3.9.5 Provision for diminution in value of investment

Provision for impairment of investment is made with reference to Circular 228/2009/TT-BTC dated 07 December 2009 and Circular 89/2013/TT-BTC dated 28 June 2013 which provides the amendments and supplements to Circular 228 issued by the Ministry of Finance ("MOF"). Details of the basis of determination of impairment of investment are as follows:

Listed shares

Investment in listed shares are carried at cost in accordance with Vietnamese Accounting Standards, if there is objective evidence about an impairment loss on a listed share that is carried at cost, the amount of the loss is measured as the difference between the asset's carrying amount and the closing market value as of the interim balance sheet date as per the formula given in the Circular No. 228/2009/TT-BTC dated 07 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 which provides the amendments and supplements to Circular 228 issued by the Ministry of Finance ("MOF"). Given below is the formula to calculate the impairment provision for quoted securities:

$$\text{Provision for impairment of individual stock} = \text{Quantity of security held at reporting date} \times \left(\text{Unit price of security in accounting book} - \text{Closing market price of a unit of security} \right)$$

Unlisted shares

For unlisted shares, the following methods were used in calculating the fair value in order to compare with the book value to determine the provision:

- For shares which have been registered for trading in the market specially tailored for shares of unlisted companies (UPCom), market value is the average trading price on the system on 30 June 2015.
- Market value of over-the-counter (OTC) shares is the average price announced by at least three independent securities companies operating in Vietnam.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investments (continued)

3.9.5 Provision for diminution in value of investment (continued)

Equity investments in other entities

For capital amounts invested by the enterprise in economic organizations and other long-term investments, a provision was set up if economic organizations in which the enterprise is investing suffer from loss (except where such losses are already planned in their business plans before investment).

The level of provision for each financial investment to be set up shall be at most equal to the capital amount already invested and calculated according to the following formula as given in the Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance and Circular No. 89/2013/TT-BTC dated 28 June 2013:

$$\text{Level of provision for loss of financial investments} = \left(\text{Parties' actual capital contribution to the economic organization} - \text{Actual owners' equity}\right) \times \frac{\text{Investment capital of the enterprise}}{\text{Parties' total actual capital contribution to the economic organization}}$$

The basis for setting up the provision is the positive difference between the parties' actual capital contributions and the actual owners' equity at the time of preparing the economic organization's financial statements.

3.10 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)

3.11 Employee benefits

3.11.1 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 18% of employee basic salaries on a monthly basis. The Corporation has no further obligation concerning post-employment benefits for its employees other than this.

In addition, in accordance with internal policy No. 100/QĐ-HĐQT dated 1 August 2014 regulating post-employment benefits to the Corporation's employees, the Corporation also providing post-employment benefits including convalescence, annual leave, sightseeing, post-employment allowance based on employees' position and employment term as well as other benefits based on performance achievement.

3.11.2 Unemployment benefits

According to Social Insurance Law and Decree No. 127/2008/ND-CP dated 12 December 2008 by the Government, the Unemployment insurance fund is implemented from 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.

3.12 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)

3.12 *Technical reserves* (continued)

(ii) Claims reserve (continued)

Although Circular 125/2012/TT-BTC has formulated a formula to calculate IBNR for a financial year, there is no guidance available for establishing IBNR when preparing the interim separate financial statements. As such for the purpose of interim reporting of the management has calculated IBNR by multiplying the IBNR amount as at 31 December 2014 with the premium revenue growth and claim expense growth for the period which Management believe would give a best estimate of the IBNR amount as at 30 June 2015.

(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 1% of total retained premiums for the year 2015.

3.13 *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 dated on 24 October 2012 issued by the Ministry of Finance in relation to foreign currency transactions ("Circular 179") and Circular 200/2014/TT-BTC dated on 22 December 2014.

All exchange rate translation differences should be recorded in finance income (if profit) or finance liabilities (if loss) when incurred.

At the end of accounting period, monetary assets and liabilities denominated in foreign currencies are translated exchange rate published by the bank with which the Corporation has frequent transactions ("BIDV"). All realised and unrealised foreign exchange differences are taken to the interim separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *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 deduct 5% of the Corporation's annual profit after tax until it equals to 10% of the Corporation's charter capital based on Degree 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.

3.15 *Revenue recognition*

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

(i) Gross written premiums

Gross written premiums are recognized 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 and Circular No. 194/2014/TT-BTC ("Circular 194), which amends and supplements a number of articles of the Circular No. 124/2012/TT-BTC dated 30 July 2012, and the Circular No. 125/2012/TT-BTC.

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 (3) there is agreement between the Corporation and the insured for delayed payment of insurance premium. If the Corporation and its customers mutually agree a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the period. In accordance with Circular 194, premium payment period shall not exceed 30 days from policy inception date. For instalment contracts, non-life insurers are required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalment only when the policy holder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after premium payment period.

Prepaid premium before due date is recorded as "Short-term Unearned revenue" in the separate balance sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition (continued)

(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 recognized when the Corporation's right to receive the cash dividend or the appropriated profit is established. Stock dividend and bonus shares received are not recognized as income of the Corporation and the respective increase in number of shares are only updated off balance sheet in accordance with Circular No. 200/2014/TT-BTC.

3.16 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 is calculated at percentage of direct premiums for specific line of insurance as stipulated in Circular 124/2012/TT-BTC dated 30 July 2012 issued by Ministry of Finance. Commission expense is allocated and recognized in separate income statement for direct premiums earned during the period.

(iii) General administrative expenses

General and administrative expenses are recognized on accrual basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Expense recognition (continued)

(iv) Operating lease

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

3.17 Recognition of reinsurance activities

(i) Reinsurance ceded

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

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

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

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

(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. At the end of accounting period, the part of reinsurance commission which is not included in expense of period corresponding to unearned premium of reinsurance assumed shall be determined and allocated in the subsequent periods based on registered method for unearned premium reserve.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Current tax

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

Deferred tax

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Deferred tax (continued)

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 separate balance sheet date.

Deferred tax is charged or credited to the interim 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.

3.19 Use of estimates

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

4. CASH AND CASH EQUIVALENTS

	30 June 2015 VND	*31 December 2014 VND*
Cash on hand	823,915,343	519,564,735
Cash at banks	68,637,772,881	41,699,708,393
Cash in transit	36,820,588,170	7,500,743,739
Cash equivalents (*)	11,000,000,000	95,500,000,000
Total	**117,282,276,394**	**145,220,016,867**

(*) Cash equivalents are bank deposits with original term of less than or equal to three (03) months at Bank of Investment and Development of Vietnam (BIDV) with interest rate from 5.2% to 5.3%.

5. INVESTMENTS

	Notes	*30 June 2015 VND*	*31 December 2014 (restated) VND*
Trading securities	**5.1**	**53,432,134,057**	**72,626,052,716**
Listed shares		50,993,991,057	67,187,909,716
Unlisted shares		2,438,143,000	5,438,143,000
Provision for trading securities		**(2,701,639,393)**	**(3,132,892,068)**
Held-to-maturity investments	**5.2**		
Short-term		1,104,500,000,000	1,012,000,000,000
- *Term deposit*		*1,054,500,000,000*	*962,000,000,000*
- *Bonds*		*50,000,000,000*	*50,000,000,000*
Long-term		141,000,000,000	80,000,000,000
- *Term deposit*		*61,000,000,000*	-
- *Bonds*		*80,000,000,000*	*80,000,000,000*
		1,245,500,000,000	**1,092,000,000,000**
Other financial investments	**5.3**		
Investment in subsidiary		34,660,020,000	34,660,020,000
Investments in other entities		126,090,000,000	126,090,000,000
Provision for impairment of investments		(16,603,618,302)	(16,557,847,837)
		144,146,401,698	**144,192,172,163**
Net value of investments		**1,440,376,896,362**	**1,305,685,332,811**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	30 June 2015				*31 December 2014*			
	Quanity	*Cost*	*Provision*	*Carrying value*	*Quantity*	*Cost*	*Provision*	*Carrying value*
Listed shares	**2,636,947**	**50,993,991,057**	**(2,539,639,393)**	**48,454,351,664**	**3,221,947**	**67,187,909,716**	**(2,970,892,068)**	**64,217,017,648**
HPG	214,250	7,633,013,333	(1,441,188,333)	6,191,825,000	-	-	-	-
HUT	212,800	2,965,441,500	(475,681,500)	2,489,760,000	-	-	-	-
PXS	10,000	235,352,501	(7,352,501)	228,000,000	-	-	-	-
VNR	1,080,010	13,792,409,095	-	13,792,409,095	1,267,110	16,181,794,140	-	16,181,794,140
HCM	251,697	9,507,668,437	(194,879,437)	9,312,789,000	251,697	9,507,668,437	(1,654,722,037)	7,852,946,400
FPT	23,460	1,026,353,569	-	1,026,353,569	156,300	7,863,352,668	(360,952,668)	7,502,400,000
REE	203,500	5,836,629,577	(362,479,577)	5,474,150,000	159,500	4,604,834,660	(106,934,652)	4,497,900,008
VCG	-	-	-	-	257,700	3,700,923,070	(479,673,070)	3,221,250,000
TCM	-	-	-	-	242,950	7,999,727,978	(225,327,978)	7,774,400,000
KBC	641,230	9,997,123,045	(58,058,045)	9,939,065,000	601,000	9,329,852,100	-	9,329,852,100
SSI	-	-	-	-	285,690	7,999,756,663	(143,281,663)	7,856,475,000
Unlisted shares	**271,849**	**2,438,143,000**	**(162,000,000)**	**2,276,143,000**	**371,849**	**5,438,143,000**	**(162,000,000)**	**5,276,143,000**
HDB	235,449	1,648,143,000	-	1,648,143,000	235,449	1,648,143,000	-	1,648,143,000
SABECO	-	-	-	-	100,000	3,000,000,000	-	3,000,000,000
VIDIFA	14,400	450,000,000	(162,000,000)	288,000,000	14,400	450,000,000	(162,000,000)	288,000,000
VTEC	22,000	340,000,000	-	340,000,000	22,000	340,000,000	-	340,000,000
	2,908,796	**53,432,134,057**	**(2,701,639,393)**	**50,730,494,664**	**3,593,796**	**72,626,052,716**	**(3,132,892,068)**	**69,493,160,648**

5. INVESTMENTS (continued)

5.2 *Held-to-maturity investments*

	30 June 2015		*31 December 2014*	
	Cost	*Carrying value*	*Cost*	*Carrying value*
Short-term				
Term deposits (*)	1,054,500,000,000	1,054,500,000,000	962,000,000,000	962,000,000,000
Bonds *(***)*	50,000,000,000	50,000,000,000	50,000,000,000	50,000,000,000
	1,104,500,000,000	**1,104,500,000,000**	**1,012,000,000,000**	**1,012,000,000,000**
Long-term				
Term deposits (**)	61,000,000,000	61,000,000,000	-	-
Bonds (***)	80,000,000,000	80,000,000,000	80,000,000,000	80,000,000,000
	141,000,000,000	**141,000,000,000**	**80,000,000,000**	**80,000,000,000**
	1,245,500,000,000	**1,245,500,000,000**	**1,092,000,000,000**	**1,092,000,000,000**

(*) Short-term deposits in VND with annual interest rate ranging from 5.2% to 8.4%, have original term of more than three (03) months and will mature in one year.

(**) Long-term deposits in VND with annual interest rate ranging from 6.2% to 8.2%, have original term of more than one (01) year.

(***) They are guaranteed corporate bond and bonds issued by bank which have annual interest rates and terms ranging from 8.5% to 10% and 3 to 5 years, respectively.

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	Notes	*30 June 2015*				*31 December 2014*			
		% owner -ship	*Cost*	*Provision*	*Fair value*	*% owner-ship*	*Cost*	*Provision*	*Fair value*
Investments in subsidiary									
- LaoViet Insurance Company		65%	34,660,020,000	-	34,660,020,000	65%	34,660,020,000	-	34,660,020,000
			34,660,020,000	**-**	**34,660,020,000**		**34,660,020,000**	**-**	**34,660,020,000**
Investments in other entities									
- Green Indochina Development Joint Stock Company		4.24%	26,090,000,000	(16,603,618,302)	9,486,381,698	4.24%	26,090,000,000	(16,557,847,837)	9,532,152,163
- BIDV Metlife Life Insurance Company		5%	50,000,000,000	-	50,000,000,000	5%	50,000,000,000	-	50,000,000,000
- Vinaconex – Viettel Financing Joint Stock Company		5%	50,000,000,000	-	50,000,000,000	5%	50,000,000,000	-	50,000,000,000
			126,090,000,000	**(16,603,618,302)**	**109,486,381,698**		**126,090,000,000**	**(16,557,847,837)**	**109,532,152,163**
			160,750,020,000	**(16,603,618,302)**	**144,146,401,698**		**160,750,020,000**	**(16,557,847,837)**	**144,192,172,163**

6. TRADE RECEIVABLES

	30 June 2015	*31 December 2014 (restated)*
	VND	*VND*
Receivables from insurance contracts		
Gross written premium receivables	74,190,567,409	76,415,891,438
Reinsurance assumed receivables	116,951,937,141	60,696,642,289
Reinsurance ceded receivables	134,346,580,989	121,540,133,143
Other receivables from insurance activities	633,045,438	136,987,365
Receivables from co-insurers	4,772,146,892	6,511,554,353
	330,894,277,869	**265,301,208,588**
Short-term advances to suppliers	**3,412,677,774**	**1,854,102,733**
Other receivables		
Dividend receivables	355,260,000	89,676,000
Bank deposit interest receivables	35,094,281,946	41,526,888,886
Bond coupon receivables	8,268,767,124	4,776,917,808
Advances (*)	9,810,025,279	4,318,902,281
Office rental deposit	675,800,000	580,800,000
Short-term mortgages, deposits	6,158,855,893	1,780,395,293
Other receivables	5,230,991,041	4,943,670,520
	65,593,981,283	**58,017,250,788**
Total receivables	**399,900,936,926**	**325,172,562,109**
Provision for doubtful debts	(18,541,144,371)	(19,758,882,301)
Net receivables	**381,359,792,555**	**305,413,679,808**

(*) Advances to employees of the Corporation for business trip, underwriting and other advances to support business operation.

7. UN-ALLOCATED COMMISSION EXPENSES

	30 June 2015 VND	*31 December 2014 VND*
Opening balance	**42,446,555,541**	**-**
Commission paid during the period	41,399,108,866	78,959,794,708
Allocated to expenses during the period	35,514,062,038	36,513,239,167
Closing balance	**48,331,602,369**	**42,446,555,541**

8. STATUTORY DEPOSIT

The Corporation has to maintain statutory deposit at 2% of its legal capital, equivalent to VND 6,000,000,000, as required in Point 1 - Article 4 of Decree No. 46/2007/ND-CP dated 22 March 2007.

9. TANGIBLE FIXED ASSETS

	Buildings VND	*Machinery VND*	*Motor vehicles VND*	*Office equipment VND*	*Other tangible fixed assets VND*	*Total VND*
Costs:						
Balance at 1 January 2015	2,300,000,000	2,799,098,436	34,897,997,205	52,727,273	230,309,854	40,280,132,768
Additions	-	191,648,819	618,423,091	63,180,000	320,635,455	1,193,887,365
Newly purchased	-	*191,648,819*	*618,423,091*	*63,180,000*	*48,000,000*	921,251,910
Other increase	-	-	-	-	*272,635,455*	272,635,455
Balance at 30 June 2015	2,300,000,000	2,990,747,255	35,516,420,296	115,907,273	550,945,309	41,474,020,133
Accumulated depreciation:						
Balance at 1 January 2015	(260,666,678)	(2,219,141,601)	(23,456,415,165)	(5,888,155)	(126,427,444)	(26,068,539,043)
Increase	(45,999,992)	(185,695,013)	(1,403,362,680)	(14,695,855)	(35,255,918)	(1,685,009,458)
Depreciation for the period	*(45,999,992)*	*(185,695,013)*	*(1,403,362,680)*	*(14,695,855)*	*(35,255,918)*	(1,685,009,458)
Balance at 30 June 2015	(306,666,670)	(2,404,836,614)	(24,859,777,845)	(20,584,010)	(161,683,362)	(27,753,548,501)
Net book value:						
Balance at 1 January 2015	2,039,333,322	579,956,835	11,441,582,040	46,839,118	103,882,410	14,211,593,725
Balance at 30 June 2015	1,993,333,330	585,910,641	10,656,642,451	95,323,263	389,261,947	13,720,471,632

10. INTANGIBLE ASSETS

	Computer software VND	*Other intangible assets*	*Land use right VND*	*Total VND*
Costs:				
Balance at 1 January 2015	106,599,125	-	6,500,000,000	6,606,599,125
Balance at 30 June 2015	169,599,125	70,000,000	6,500,000,000	6,739,599,125
Accumulated amortisation:				
Balance at 1 January 2015	(69,886,169)	-		(69,886,169)
Increase	(17,381,723)	(1,037,037)	-	(18,418,760)
Balance at 30 June 2015	(87,267,892)	(1,037,037)	-	(88,304,929)
Net book value:				
Balance at 1 January 2015	36,712,956	-	6,500,000,000	6,536,712,956
Balance at 30 June 2015	82,331,233	68,962,963	6,500,000,000	6,651,294,196

11. LONG-TERM PREPAID EXPENSES

Long-term prepaid expenses are assets reclassified as required in Circular 45/2013/TT-BTC, office maintenance expenses, tools and consumables which can be used in more than 1 year.

12. TRADE PAYABLES

	30 June 2015 VND	*31 December 2014 (restated) VND*
Insurance activities	**324,389,151,642**	**271,265,447,057**
Payables for ceded activities	268,419,928,713	225,087,504,180
Payables to co-insurers	4,816,094,137	5,985,184,480
Claim payables	29,792,862,923	10,073,891,721
Commission payables	13,669,667,134	13,439,801,383
XOL payables	7,674,555,288	16,663,426,845
Other insurance payables	16,043,447	15,638,448
Other trade payables	**422,960,669**	**18,582,817**
	324,812,112,311	**271,284,029,874**

13. TAXES AND OTHER STATUTORY OBLIGATIONS

	Balance as at 31 December 2014 VND	*Movement during the period*		*Balance as at 30 June 2015 VND*
		Payables VND	*Paid VND*	
Value added tax	8,007,995,291	39,956,894,179	34,854,280,124	13,110,609,346
Corporate income tax	11,604,309,763	11,070,622,218	19,726,022,648	2,948,909,333
Other taxes	6,598,395,629	4,379,899,965	7,674,784,308	3,303,511,286
Total	**26,210,700,683**	**55,407,416,362**	**62,255,087,080**	**19,363,029,965**

14. SHORT-TERM ACCRUED EXPENSES

	30 June 2015 VND	*31 December 2014 VND*
Compulsory civil liability fund	1,322,133,552	829,535,849
Policy holder protection fund	1,216,829,054	1,994,971,439
Compulsory fire and miscellaneous fund	1,204,129,946	466,421,912
Other accrued expenses	8,237,820,093	11,013,781,099
Total	**11,980,912,645**	**14,304,710,299**

15. UN-EARNED COMMISSION REVENUE

Unearned commission revenue was the deferred commission on reinsurance ceded in accordance with Circular 232/2012/TT-BTC issued by Ministry of Finance.

	30 June 2015 VND	*31 December 2014 VND*
Opening balance	**42,215,411,883**	-
Increased during the period	46,910,035,920	76,063,224,136
Revenue allocated during the period	(33,442,925,296)	(33,847,812,253)
Closing balance	**55,682,522,507**	**42,215,411,883**

16. OTHER PAYABLES

	30 June 2015 VND	*31 December 2014 VND*
Other short-term payables	**73,067,512,693**	**11,702,220,027**
Non salary payables	1,000,819,528	468,952,905
Short-term deposits	4,234,789,304	2,754,576,068
Charity funds	519,974,104	275,984,859
Dividend payable	59,911,114,000	-
Other payables	67,311,929,757	8,202,706,195
Other long-term payables	**3,098,414,192**	**2,554,754,614**
Total	**76,165,926,885**	**14,256,974,641**

17. TECHNICAL RESERVES

17.1. Unearned premium reserve and claim reserve

	Reserve for direct insurance and inward reinsurance	*Reserve for outward reinsurance*	*Net reserve for direct insurance and inward reinsurance*
1 January 2015			
Unearned premium reserve	569,539,138,918	(214,249,195,339)	355,289,943,579
Claim reserve	454,441,140,575	(343,373,625,591)	111,067,514,984
	1,023,980,279,493	**(557,622,820,930)**	**466,357,458,563**
30 June 2015			
Unearned premium reserve	684,808,101,230	(248,135,381,494)	436,672,719,736
Claim reserve	487,409,763,924	(341,734,361,887)	145,675,402,037
	1,172,217,865,154	**(589,869,743,381)**	**582,348,121,773**

17. TECHNICAL RESERVES (continued)

17.1 Unearned premium and claim reserve (continued)

17.1.1 Unearned premium reserve

Gross unearned premium reserve

Product	*30 June 2015 VND*	*31 December 2014 VND*
Health and Personal Accident	94,334,275,108	72,089,568,149
Property and Damages	250,545,439,612	220,282,151,730
Cargo	10,406,955,383	5,925,865,302
Automobile	226,063,092,814	188,182,532,276
Fire	68,355,471,271	59,891,962,275
Liability	4,929,284,006	5,242,212,597
Business Risk	2,973,410,298	3,468,036,883
Aviation	981,682,778	1,339,469,250
Hull and P&I	20,796,822,465	10,453,933,859
Financial and credit risk	4,984,162,853	2,303,016,020
Agriculture	437,504,642	360,390,577
Total	**684,808,101,230**	**569,539,138,918**

Ceded unearned premium reserve (Reinsurance assets)

Product	*30 June 2015 VND*	*31 December 2014 VND*
Health and Personal Accident	97,666,436	234,187,245
Property and Damages	176,650,976,641	159,447,206,502
Cargo	7,050,121,043	3,963,074,519
Automobile	693,400,269	441,770,819
Fire	37,309,464,281	33,655,651,390
Liability	3,393,240,513	3,682,681,018
Business Risk	2,733,800,190	3,257,773,694
Aviation	451,895,569	694,436,663
Hull and P&I	15,716,977,592	7,066,748,986
Financial and credit risk	3,651,688,213	1,463,293,455
Agriculture	386,150,747	342,371,048
Total	**248,135,381,494**	**214,249,195,339**

17. TECHNICAL RESERVES (continued)

17.1 Unearned premium and claim reserve (continued)

17.1.2 Claim reserve

Gross claim reserve

Product	*30 June 2015 VND*	*31 December 2014 VND*
Health and Personal Accident	5,239,434,827	3,872,939,544
Property and Damages	249,187,844,355	168,729,242,100
Cargo	33,820,637,867	28,732,030,489
Automobile	51,041,989,290	27,706,630,783
Fire	42,788,644,863	57,064,194,145
Liability	460,470,194	1,485,697,214
Business Risk	21,073,082	21,085,000
Aviation	13,274,454,794	13,272,763,519
Hull and P&I	57,454,772,232	119,419,650,661
Financial and credit risk	33,743,055,313	33,759,520,013
Agriculture	377,387,107	377,387,107
Total	**487,409,763,924**	**454,441,140,575**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*30 June 2015 VND*	*31 December 2014 VND*
Health and Personal Accident	233,488,763	-
Property and Damages	201,258,689,847	135,748,396,262
Cargo	26,205,274,397	21,463,566,414
Automobile	2,636,620,791	5,998,019
Fire	17,409,479,782	27,120,163,084
Liability	313,129,167	1,080,773,645
Business Risk	20,218,195	20,218,195
Aviation	12,370,666,029	12,347,572,195
Hull and P&I	48,516,204,705	112,816,347,566
Financial and credit risk	32,770,590,211	32,770,590,211
Total	**341,734,361,887**	**343,373,625,591**

Claim reserve includes:

1. Outstanding claim reserve was calculated based on loss estimate for each individual claim, for which the Corporation is liable, which is either notified to the Corporation or requested for payment but is still unresolved as at 30 June 2015. Such reserves amounted to VND 469,145,588,572 as at 30 June 2015, in which, the amount recoverable from reinsurers relating to these outstanding claims was VND 341,734,361,887.
2. Reserves for claims incurred but not reported as at 30 June 2015, amounted to VND 108,264,175,352. The increase in claim reserve of VND 8,120,077,890 was charged to the separate income statement.

17. TECHNICAL RESERVES (continued)

17.2. Catastrophe reserve

Product	*30 June 2015 VND*	*31 December 2014 VND*
Health and Personal Accident	10,174,057,761	9,382,149,055
Property and Damages	16,342,747,441	15,439,887,909
Cargo	2,504,664,351	2,352,066,261
Automobile	39,083,761,356	36,822,982,619
Fire	6,063,580,814	5,704,167,092
Liability	550,788,548	535,256,240
Business Risk	79,600,451	71,778,747
Aviation	563,871,893	552,942,544
Hull and P&I	2,031,115,374	1,965,697,521
Financial and credit risk	608,798,310	587,990,147
Agriculture	37,660,527	34,858,057
Total	**78,040,646,826**	**73,449,776,192**

18. OWNERS' EQUITY

	Charter capital VND	*Share premium VND*	*Investment and development fund VND*	*Statutory reserve VND*	*Retained earnings VND*	*Total VND*
Balance at 1 January 2014	**660,000,000,000**	**4,875,765,330**	**1,800,187,891**	**13,311,197,165**	**97,960,538,309**	**777,947,688,695**
Increase in capital	102,299,820,000	-	-	-	-	102,299,820,000
Profit for the year	-	-	-	-	86,826,477,136	86,826,477,136
Other increases	-	-	-	4,341,323,857	1,254,106,347	5,595,430,204
Other decreases					(94,578,144,856)	(94,578,144,856)
In which:						
- Appropriation to statutory reserves	-	-	-		*(4,341,323,857)*	*(4,341,323,857)*
- Appropriation to Bonus and Welfare funds	-	-	-	-	*(13,000,000,000)*	*(13,000,000,000)*
- Dividend payment	-	-	-	-	*(69,299,820,000)*	*(69,299,820,000)*
- Adjustments for under accrual of prior years' CIT and other taxes	-	-	-	-	*(793,7001,000)*	*(793,7001,000)*
Balance at 31 December 2014	**762,299,820,000**	**4,875,765,330**	**1,800,187,891**	**17,652,521,022**	**91,462,976,936**	**878,091,271,179**
Balance at 1 January 2015	**762,299,820,000**	**4,875,765,330**	**1,800,187,891**	**17,652,521,022**	**91,462,976,936**	**878,091,271,179**
Dividend distribution	-	-	-	-	(76,229,982,000)	(76,229,982,000)
Profit for the period	-	-	-	-	40,986,265,416	40,986,265,416
Other increase	-	-	-	-	140,047,199	140,047,199
Other decrease				2,049,313,271	(2,049,313,271)	-
- Appropriation to statutory reserves	-	-	-	*2,049,313,271*	*(2,049,313,271)*	-
Balance at 30 June 2015	**762,299,820,000**	**4,875,765,330**	**1,800,187,891**	**19,701,834,293**	**54,309,994,280**	**842,987,601,794**

18. OWNERS' EQUITY (continued)

18.1. *Contributed capital*

	30 Jun 2015 VND	*31 Dec 2014 VND*
Contributed by parent company	597,492,590,000	597,492,590,000
Contributed by other shareholders	164,807,230,000	164,807,230,000
Total	**762,299,820,000**	**762,299,820,000**

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

	30 Jun 2015 VND	*31 Dec 2014 VND*
Paid-in capital		
Contributed capital at begining of the period	762,299,820,000	660,000,000,000
Increase in contributed capital	-	102,299,820,000
Decrease in contributed capital	-	-
Contributed capital at the end of the period	**762,299,820,000**	**762,299,820,000**
Dividends	**(76,229,982,000)**	**(69,299,820,000)**

18.3. *Shares*

	30 Jun 2015 VND	*31 Dec 2014 VND*
Authorized of shares	**76,229,982**	**76,229,982**
Issued shares	**76,229,982**	**76,229,982**
Ordinary shares	76,229,982	76,229,982
Preferrence shares	-	-
Treasury shares	**-**	**-**
Ordinary shares	-	-
Preferrence shares	-	-
Outstanding shares	**76,229,982**	**76,229,982**
Ordinary shares	76,229,982	76,229,982
Preferrence shares	-	-
Total	**76,229,982**	**76,229,982**

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

19. INSURANCE REVENUE

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Direct written premiums	629,013,871,552	477,472,999,869
Deductions from direct premiums	(883,300,413)	(541,873,968)
Reinsurance premium assumed	99,763,862,078	40,656,308,494
Increase in un-earned premium reserve	(115,268,962,312)	(70,933,229,383)
Total	**612,625,470,905**	**446,654,205,012**

19.1 Direct written premiums

Product	*For the six-month period ended 30 June 2015 VND*	*For the six-month period ended 30 June 2014 VND*
Health and Personal Accident	79,014,327,017	59,581,074,595
Property and Damages	139,482,140,691	117,375,422,863
Cargo	55,451,053,639	36,285,875,205
Automobile	226,231,284,580	168,556,445,949
Fire	73,984,940,539	57,080,120,332
Liability	2,559,953,301	2,051,395,699
Business Risk	4,287,924,920	2,996,288,901
Aviation	-	4,854,068,704
Hull and P&I	35,576,506,510	26,814,384,796
Financial and credit risk	10,196,022,001	1,336,048,857
Agriculture	1,346,417,941	-
Total	**628,130,571,139**	**476,931,125,901**

19.2 Reinsurance premiums assumed

Product	*For the six-month period ended 30 June 2015 VND*	*For the six-month period ended 30 June 2014 VND*
Health and Personal Accident	340,776,019	328,240,128
Property and Damages	81,634,146,968	30,080,497,099
Cargo	2,278,281,957	1,990,073,631
Automobile	504,560,050	263,290,780
Fire	11,303,602,856	4,147,679,875
Liability	258,017,478	204,589,492
Business Risk	1,769,937,213	2,028,992,480
Aviation	2,274,373,042	1,025,007,290
Hull and P&I	(613,610,522)	236,442,615
Financial and credit risk	-	-
Agriculture	13,777,017	351,495,104
Total	**99,763,862,078**	**40,656,308,494**

20. REINSURANCE PREMIUM CEDED

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Reinsurance premium ceded	268,807,369,817	191,479,710,997
Increase in ceded unearned premium reserve	(33,886,186,155)	(12,864,767,077)
Total	**234,921,183,662**	**178,614,943,920**

20.1 Reinsurance premium ceded

Product	*For the six-month period ended 30 June 2015 VND*	*For the six-month period ended 30 June 2014 VND*
Health and Personal Accident	164,232,460	266,094,031
Property and Damages	130,830,334,431	96,194,470,193
Cargo	42,469,526,605	26,352,477,908
Automobile	657,970,898	962,292,278
Fire	49,347,171,238	35,779,792,590
Liability	1,264,739,946	1,078,995,392
Business Risk	5,275,691,781	4,713,723,562
Aviation	1,181,438,116	5,185,330,805
Hull and P&I	28,421,110,722	20,617,496,617
Financial and credit risk	8,115,205,674	329,037,621
Agriculture	1,079,947,946	-
Total	**268,807,369,817**	**191,479,710,997**

21. COMMISSION ON REINSURANCE CEDED

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Reinsurance ceded commission (Note 21.1)	56,966,797,699	23,004,548,285
Deductions on commission (Commission return/reduction)	(238,907,818)	(132,477,214)
Total	**56,727,889,881**	**22,872,071,071**

21. COMMISSION ON REINSURANCE CEDED (continued)

21.1 Commission on reinsurance ceded

Product	*For the six-month period ended 30 June 2015 VND*	*For the six-month period ended 30 June 2014 VND*
Health and Personal Accident	46,709,945	55,245,557
Property and Damages	30,387,727,522	8,871,094,467
Cargo	9,753,133,530	6,325,104,638
Automobile	226,286,258	112,687,462
Fire	12,731,183,480	4,486,117,200
Liability	268,805,832	170,156,295
Business Risk	136,704,332	715,571,500
Aviation	220,148,017	97,209,043
Hull and P&I	3,196,098,783	1,991,203,962
Financial and credit risk	-	180,158,161
Agriculture	-	-
Total	**56,966,797,699**	**23,004,548,285**

22. NET CLAIM EXPENSES

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Claim expenses	226,026,101,309	129,754,182,629
- Direct claim expenses	*211,154,783,862*	*120,205,817,046*
- Claim expense on reinsurance assumed	*14,871,317,447*	*9,548,365,583*
Salvage and sub-rogation	(2,765,293,062)	(238,190,894)
Recovery from reinsurance ceded	(85,062,357,902)	(34,254,139,602)
Increase in gross claim reserve	33,443,792,549	9,803,018,892
Increase in ceded reinsurance claim reserve	(6,272,744,578)	(6,199,008,740)
Total	**165,369,498,316**	**98,865,862,285**

22.1 Direct claim expenses

Product	*For the six-month period ended 30 June 2015 VND*	*For the six-month period ended 30 June 2014 VND*
Health and Personal Accident	24,670,591,991	13,012,844,521
Property and Damages	34,540,829,071	15,138,632,582
Cargo	23,906,170,375	15,436,469,514
Automobile	80,916,976,391	53,789,665,033
Fire	26,534,957,957	15,643,185,316
Liability	210,780,897	656,188,496
Business risk	5,419,830	63,494,531
Aviation	-	1,599,373,412
Hull and P&I	17,059,677,337	4,865,963,641
Financial and credit risk	3,309,380,013	-
Total	**211,154,783,862**	**120,205,817,046**

22.2 Claim expense on reinsurance assumed

Product	*For the six-month period ended 30 June 2015 VND*	*For the six-month period ended 30 June 2014 VND*
Health and Personal Accident	5,746,612	1,077,331
Property and Damages	13,566,494,315	7,944,430,827
Cargo	639,823,400	1,503,352,765
Automobile	80,968,617	67,175,497
Fire	462,792,870	4,100,111
Liability	(7,959,761)	-
Business risk	-	-
Aviation	-	-
Hull and P&I	6,856,158	-
Financial and credit risk	-	-
Agriculture	116,595,236	28,229,052
Total	**14,871,317,447**	**9,548,365,583**

22. CLAIM EXPENSES (continued)

22.3 *Recoveries from reinsurance ceded*

Product	*For the six-month period ended 30 June 2015 VND*	*For the six-month period ended 30 June 2014 VND*
Health and Personal Accident	27,134,784	74,007,256
Property and Damages	30,643,433,935	9,382,702,796
Cargo	21,087,085,644	11,152,990,486
Automobile	76,176,772	159,884,624
Fire	17,286,282,729	8,789,225,613
Liability	113,697,209	530,382,002
Business risk	5,197,263	-
Financial and credit risk	1,862,540,411	-
Aviation	-	1,576,374,109
Hull and P&I	13,960,809,155	2,588,572,716
Total	**85,062,357,902**	**34,254,139,602**

23. OTHER OPERATING EXPENSES

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Commission	59,897,570,238	19,302,508,821
Insurance risk assessment expenses	47,875,080	26,295,312
Agent management activities	27,763,727	1,201,669,924
Loss prevention	729,914,518	2,014,563,080
Statutory contributions	1,782,144,312	5,219,801,516
Other expenses (*)	118,684,975,482	77,792,203,660
Total	**181,170,243,357**	**105,557,042,313**

(*) Other expenses include the expenses related to underwriting activities such as salary paid for underwriting personnel, marketing expense, ect

24. FINANCE INCOME

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Interest income from deposits at banks	37,629,640,814	38,492,432,448
Interest income from bonds	6,010,599,316	10,443,578,285
Dividend income	3,735,193,700	14,315,258,129
Gain from exchange rate difference	4,001,828,132	2,455,658,950
Gain from security trading	6,895,571,706	-
Other financial incomes	8,416,006	203,392,774
Total	**58,281,249,674**	**65,910,320,586**

25. FINANCE EXPENSE

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Interest expense	6,075,764	1,000,000
Security trading expense	91,139,536	241,580,550
Loss on security trading	1,515,466,735	754,132,520
Loss on exchange rate difference	4,918,322,114	5,060,824,625
Provisions/(Reversal of provision) for diminution in value of investments	(385,482,210)	1,304,733,678
Other financial expenses	242,178,761	12,617,016
Total	**6,387,700,700**	**7,374,888,389**

26. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Employee expense	50,644,087,191	51,265,349,900
Material expense	3,982,042,909	2,875,754,545
Tool and equipment expense	2,127,942,020	3,492,025,882
Depreciation expense	1,703,428,218	1,388,225,460
Tax, fee, and charge	2,246,193,890	1,681,008,396
Expense for external services	37,941,414,184	36,493,507,518
Provision/(Reversal of provision) for doubtful debts	(1,217,737,930)	1,010,858,489
Other expenses	1,379,235,280	320,904,178
Total	**98,806,605,762**	**98,527,634,368**

27. CORPORATE INCOME TAX

The Corporation is subject to paying Corporate Income Tax ("CIT") at the rate of 22% of its taxable profits.

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

27. CORPORATE INCOME TAX (continued)

27.1 Corporate Income Tax Expense

	For the six-month period ended 30 June 2015 VNĐ	*For the six-month period ended 30 June 2014 VNĐ*
Current income tax expense		
CIT tax expenses on current period profit	11,210,669,417	11,263,331,563
Deferred income tax income		
Deferred tax on temporary taxable income	-	(213,500,433)
Corporate Income tax expense	**11,210,669,417**	**11,049,831,130**

27. CORPORATE INCOME TAX (continued)

27.2 *Current Corporate Income Tax*

The current corporate income tax payable is determined based on taxable income for the period. Taxable profit distinguishes from accounting profit reported on the interim 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 interim separate balance sheet date.

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

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Profit before Corporate income tax	**52,196,934,833**	**51,590,145,018**
Adjustments to increase	**2,326,018,037**	**1,781,335,530**
Non-deductible expenses	110,515,915	784,391,758
Penalty for late payment of tax	1,216,829,054	63,898,397
Accrual of policy holder protection fund	998,673,068	933,045,375
Adjustments to decrease	**(6,994,266,751)**	**(2,174,518,900)**
Tax exempt dividend income	(3,735,193,700)	(2,174,518,900)
Adjustment for profit paid in previous year	(3,259,073,051)	-
Estimated current taxable profit	**47,528,686,119**	**51,196,961,648**
Estimated Current Corporate Income Tax expense	10,456,310,946	11,263,331,563
Current Corporate Income Tax	**10,456,310,946**	**11,263,331,563**
Corporate Income Tax payables at beginning of the period	11,604,309,763	6,232,158,623
Adjustment under accrual of prior years' CIT	614,311,272	846,267,402
Corporate Income Tax paid during the period	(19,726,022,648)	(12,806,512,671)
Corporate Income Tax payable at the end of the period	**2,948,909,333**	**5,535,244,917**

28. TRANSACTIONS WITH RELATED PARTIES

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

Company	*Relationship*	*Transaction*	*Revenue VND*	*Expense VND*
Joint Stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Gross written premiums	54,359,142,171	-
		Claim expense	-	1,038,065,880
		Commission expense	-	3,515,798,426
		Interest income from term deposit	15,019,712,513	-
		Bond interest income	405,547,946	-
		Office rental expense	-	5,300,357,509
		Bank transfer expense	-	840,469,042
BIDV Leasing Company	Affiliate	Gross written premiums	206,007,537	-
BIDV Securities Company	Affiliate	Gross written premiums	25,779,938	-
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Gross written premiums	175,053,018	-
		Interest income from term deposit	2,685,231,914	-
BIDV Union Company	Affiliate	Gross written premiums	1,081,211,539	-
Lao Viet Insurance Company	Subsidiary	Assumed reinsurance premium	22,323,430,956	-
		Commission from reinsurance assumed	-	4,652,867,236
		Claim expense from reinsurance assumed	-	1,284,471,146

28. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related company	*Relationship*	*Description*	*Receivables VND*	*Payables VND*
Joint stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Current account	62,884,356,818	
		Term deposits	602,000,000,000	
		Interest from term deposits	13,093,955,556	
		Premium receivables	1,689,381,501	
		Commission payables	1,234,263,341	1,234,263,341
		Office rental payables		3,719,297,685
		Dividend payables		59,749,259,000
		Compulsory deposit at BIDV	6,000,000,000	
BIDV Leasing Company	Affiliate	Premium receivables	160,273,110	
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Term Deposits	109,000,000,000	
		Interest from term deposits	2,589,644,444	
BIDV Union Company	Affiliate	Premium receivables	196,752,200	
Lao Viet Insurance Company	Subsidiary	Assumed commission payables	8,790,562,560	
		Claim payables for reinsurance assumed		1,279,922,049
		Claim reserve for reinsurance assumed		878,894,721
		Total	**806,404,926,189**	**66,861,636,796**

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of Board of Directors

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Remuneration	231,000,000	231,000,000
Total	**231,000,000**	**231,000,000**

Remuneration to members of Board of Management

	For the six-month period ended 30 June 2015 VND	*For the six-month period ended 30 June 2014 VND*
Salaries and bonus	2,132,663,524	2,015,478,273
Other benefits	60,000,000	26,000,000
Total	**2,192,663,524**	**2,041,478,273**

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

29. INFORMATION ON SEGMENT REPORTING

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

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

In view of BIC, the member companies of Corporation provide same non-life insurance products, operate in the same economy, 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 effect on the scope of providing insurance service of those companies. Therefore, BIC does not have segments which fit the definition of segmental disclosures as require by VAS 28.

30. CONTINGENT LIABILITIES

Operating lease commitments

The Corporation leases office premises under an operating lease. Future rental amounts due under operating leases as at 30 June 2015 were as follows:

ITEMS	*30 June 2015 VND*
Operating lease commitments	
- Within one year	3,176,098,570
- Within 1 – 5 years	21,461,228,863
- More than 5 years	2,362,878,816
Total	**27,000,206,249**

Foreign contractor withholding tax

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

Other off-balance sheet items

ITEMS	*30 June 2015*	*31 December 2014*
Insurance policies signed but not yet effective (VND)	100,186,281,617	65,710,983,211
Bad debt written off (VND)	2,293,099,309	2,293,099,309
Foreign currency (USD)	288,683.72	711,650
Foreign currency (EUR)	252.97	262.62
Foreign currency (AUD)	12,384.85	-

31. RISK MANAGEMENT FRAMEWORK

31.1 Governance framework

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

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

31. RISK MANAGEMENT FRAMEWORK (continued)

31.2 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.

31.3 Capital management and regulatory framework

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

Regulatory capital requirements arising from the operations of the Corporation require the Corporation to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The solvency requirements that apply to the Corporation is those set out in Circular 125/2012/TT-BTC issued by the Ministry of Finance.

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

	Corporation Solvency Margin VND million	*Minimum Solvency Margin VND million*	*Solvency Margin Ratio*
30 June 2015	514,963	222,824	231%
31 December 2014	577,310	190,955	302%

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

31. RISK MANAGEMENT FRAMEWORK (continued)

31.4 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.

31.5 Reinsurance strategy

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

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

32. 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.

32.1 Insurance risk

Assumptions, changes in assumptions and sensitivity analysis

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

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

The claim reserve is calculated based on method regulated in Circular No 125/2012/TT-BTC dated 30 July 2012 issued by the Ministry of Finance. Details of such reserving methodologies are as follows:

32. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

32.1 Insurance risk (continued)

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

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year, accordance with the Circular No 125/2012/TT-BTC; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR).

Although Circular 125/2012/TT-BTC has formulated a formula to calculate IBNR for a financial year, there is no guidance available for establishing IBNR when preparing the interim Separate Financial Statements. As such for the purpose of interim reporting, the management has calculated IBNR by multiplying the IBNR amount as at 31 December 2014 with the premium revenue growth and claim expense growth for the period which Management believe would give a best estimate of the IBNR amount as at 30 June 2015.

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

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

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

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

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

32. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

32.2 Financial risk

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

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

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

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

32.2.1 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.

The sensitivity analyses in the following sections relate to the position as at 30 June 2015 and 31 December 2014.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to market risk for changes in interest rate relates primarily to the Corporation's term deposits and bonds.

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

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

32. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

32.2 Financial risk (continued)

32.2.1 Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Corporation conducts business may affect its financial condition and results of operations. The foreign 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.

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

Change in variance	*Impact on profit before tax VND*	*Impact on equity VND*
30 June 2015		
+5%	1,164,443,804	908,266,167
-5%	(1,164,443,804)	(908,266,167)
31 December 2014		
+5%	537,822,026	419,501,181
-5%	(537,822,026)	(419,501,181)

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 60,470,931,000 (31 December 2014: VND 79,052,044,400). A decrease of 10% on the stock market index could have an impact of approximately VND 3,371,918,869 (31 December 2014: decrease by VND 4,651,619,240 on the Corporation's profit before 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 before tax by VND 1,537,744,060 (31 December 2014: increase by VND 1,943,916,601).

32. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

32.2 *Financial risk* (continued)

32.2.2 Credit risk

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

Trade receivables

The trade receivables, which subject to credit risk, include trade receivables from insurance and reinsurance activities, and other receivables 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 using public information and other sources and the settlement trend of amounts due from reinsurers.

Bank deposits and other financial instruments

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

The Corporation's financial assets are neither past due nor impaired except for the following receivables which are past due and impaired as at 30 June 2015.

Currency: VND million

	Past due but not impaired		*Past due and impaired*		*Provision for impairment*
	< 90 days	*91–180 days*	*181–360 days*	*> 360 days*	
As at 30 June 2015					
Receivables from insurance activities	47,958	5,602	2,888	16,224	15,541
Receivables from financial activities	-	-	-	3,000	3,000
Total	**47,958**	**5,602**	**2,888**	**19,224**	**18,541**
As at 31 December 2014					
Receivables from insurance activities	21,234	4,599	6,465	13,557	13,696
Receivables from financial activities	-	-	-	3,000	3,000
Total	**21,234**	**4,599**	**6,465**	**16,557**	**16,696**

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.

32 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

32.2 *Financial risk* (continued)

32.2.3 Liquidity risk

The Corporation has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts. 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.

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 and 31 December 2014:

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
30 June 2015				
Financial liabilities				
Insurance payables	48,717,678,059	-	-	48,717,678,059
Reinsurance payables	-	276,094,434,252	-	276,094,434,252
Accrued expenses	-	11,980,912,645	-	11,980,912,645
Claim reserve	487,409,763,924	-	-	487,409,763,924
Other payables	184,091,257,872	-	-	184,091,257,872
	720,317,297,418	**288,075,346,897**	**-**	**1,008,294,046,752**

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2014				
Financial liabilities				
Insurance payables	29,533,098,849	-	-	29,533,098,849
Reinsurance payables	-	241,750,931,025	-	241,750,931,025
Accrued expenses	-	14,304,710,299	-	14,304,710,299
Claim reserve	454,441,140,574	-	-	454,441,140,574
Other payables	125,262,826,336	-	-	125,262,826,336
	609,237,065,759	**256,055,641,324**	**-**	**865,292,707,083**

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

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 provides the definitions of financial assets, financial liabilities and derivative financial instruments, equity instruments as well as presentation and disclosures of financial instruments.

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

Financial assets

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

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

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

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

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

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

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

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

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

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

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

  b/ Financial assets already categorized as available for sale;

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

33. 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:*
  - a) Being classified as held for trading, a financial liability will be classified as securities held for trading if:
    - (i) It is purchased or created mainly for the purpose of resale/redemption in a short term;
    - (ii) There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,
    - (iii) It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
  - b) Upon initial recognition, the entity categorizes the financial liability as such reflected at fair value through Profit and loss statement
- *Financial liabilities measured at amortised cost,* include financial liabilities that were not categorized as financial liabilities at fair value through profit or loss statements.

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.

33. 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 at 30 June 2015:

	Carrying amount				*Fair value*
30 June 2015	*Cost* VND	*Accrued interest* VND	*Provision* VND	*Total* VND	VND
Financial assets					
Available for sale					
Listed shares	*50,993,991,057*	-	*(2,539,639,393)*	*48,454,351,664*	*48,454,351,664*
Unlisted shares	*78,528,143,000*	-	*(16,765,618,302)*	*61,762,524,698*	*61,762,524,698*
BIDV Metlife	*50,000,000,000*	-	-	*50,000,000,000*	*50,000,000,000*
Loan and receivables					
Bonds	*130,000,000,000*	*8,268,767,124*	-	*138,268,767,124*	*138,268,767,124*
Term deposits	*1,115,500,000,000*	*34,670,137,502*	-	*1,150,170,137,502*	*1,150,170,137,502*
Insurance receivables	*330,894,277,869*	-	*(15,541,144,371)*	*315,353,133,498*	*315,353,133,498*
Other receivables	*12,420,906,934*	-	*(3,000,000,000)*	*9,420,906,934*	*9,420,906,934*
Statutory deposit	*6,000,000,000*	*336,000,000*	-	*6,336,000,000*	*6,336,000,000*
Other long-term assets	*45,954,546*	-	-	*45,954,546*	*45,954,546*
Cash and cash equivalents	**117,282,276,394**	**88,144,444**	-	**117,370,420,838**	**117,370,420,838**
Total	**1,891,665,549,800**	**43,363,049,070**	**(37,846,402,066)**	**1,897,182,196,804**	**1,897,182,196,804**
Financial liabilities					
Trade payables	324,812,112,311	-	-	324,812,112,311	324,812,112,311
Accrued expenses	11,980,912,645	-	-	11,980,912,645	11,980,912,645
Other payables	76,237,447,988	-	-	76,237,447,988	76,237,447,988
Total	**413,030,472,944**	-	-	**413,030,472,944**	**413,030,472,944**

33. 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 at 31 December 2014:

	Carrying amount				*Fair value*
31 December 2014	*Cost* VND	*Accrued interest* VND	*Provision* VND	*Total* VND	VND
Financial assets					
Available for sale					
Listed shares	*67,187,909,716*	-	*(2,970,892,068)*	*64,217,017,648*	*79,052,044,400*
Unlisted shares	*81,528,143,000*	-	*(16,719,847,837)*	*64,808,295,163*	*64,808,295,162*
BIDV Metlife	*50,000,000,000*	-	-	*50,000,000,000*	*50,000,000,000*
Loan and receivables					
Bonds	*130,000,000,000*	*4,776,917,808*	*(3,000,000,000)*	*131,776,917,808*	*132,975,144,304*
Term deposits	*962,000,000,000*	*41,033,334,722*	-	*1,003,033,334,722*	*1,014,622,890,504*
Insurance receivables	*265,301,208,588*	-	*(16,758,882,301)*	*248,542,326,287*	*248,542,326,287*
Other receivables	*5,033,346,520*	-	-	*5,033,346,520*	*5,033,346,520*
Other short-term assets	*2,361,195,293*	-	-	*2,361,195,293*	*2,361,195,293*
Statutory deposit	*6,000,000,000*	*124,833,333*	-	*6,124,833,333*	*6,124,833,333*
Other long-term assets	*45,954,546*	-	-	*45,954,546*	*45,954,546*
Cash and cash equivalents	**145,220,016,867**	**368,720,831**	-	**145,588,737,698**	**145,594,310,225**
Total	**1,714,677,774,530**	**46,303,806,694**	**(39,449,622,206)**	**1,721,531,959,018**	**1,749,160,340,574**
Financial liabilities					
Trade payables	271,284,029,874	-	-	271,284,029,874	271,284,029,874
Accrued expenses	14,304,710,299	-	-	14,304,710,299	14,304,710,299
Other payables	14,328,495,744	-	-	14,328,495,744	14,328,495,744
Total	**299,917,235,917**	-	-	**299,917,235,917**	**299,917,235,917**

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

Where the active market information was not available to determine fair value of financial assets, financial liabilities at the reporting date, their carrying amounts were used.

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

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

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of listed shares is determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) on 30 June 2015.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price of the trading market on 30 June 2015.
- 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) reputable and large security companies in the market.

34. EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

There has not been any 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.

35. APPROVAL FOR ISSUANCE

The interim separate financial statements as at and for the six-month period ended 30 June 2015 were authorised for issuance by General Director on 20 July 2015.

Mr. Nguyen Xuan Dong Accountant Finance - Accounting Division	Ms. Lai Ngan Giang Chief Accountant	Mr. Tran Hoai An General Director

Hanoi, Vietnam

20 July 2015