BIDV Insurance Joint Stock Corporation

Audited Consolidated Financial Statements
31 December 2015

BIDV Insurance Joint Stock Corporation

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BIDV Insurance Joint Stock Corporation

GENERAL INFORMATION

CORPORATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 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%. Under Employee Share Option Program (ESOP), the Corporation issued shares to its employees on 5 May 2014, percentage of share held by BIDV and other shareholders was respectively 78.83% and 21.62%. In 2015, the Corporation issued shares to Strategic Investor (Fairfax Asia Limited) in accordance with Decision No 11836/BTC-QLBH and Amended Business License No 11/GPDDC14/KDBH dated 25 December 2015 issued by Ministry of Finance. Accordingly, percentage of share held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% 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 31 December 2015, the charter capital was VND 1,172,768,950,000 (31 December 2014: VND 762,299,820,000).

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 and its subsidiary as at 31 December 2015 was 830 persons (31 December 2014: 753 persons).

BIDV Insurance Joint Stock Corporation

REPORT OF MANAGEMENT

BOARD OF DIRECTORS

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

Name	*Position*	*Date of appointment/ 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 during the year 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 during the year 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
Mr. Huynh Quoc Viet	Deputy General Director	Appointed on 1 November 2015

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the year 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 consolidated financial statements of the Corporation for the year ended 31 December 2015.

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

Management is responsible for the consolidated financial statements of financial year 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 year. In preparing those consolidated 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 consolidated financial statements; and
- prepare the consolidated 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 consolidated financial statements for the year ended 31 December 2015.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2015 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and accounting guidance applicable to insurance companies, and with the statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of Management

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

29 February 2016

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

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

Reference: 60755012/17866688-HN

INDEPENDENT AUDITORS' REPORT

To: The shareholders of BIDV Insurance Joint Stock Corporation

We have audited the accompanying consolidated financial statements of BIDV Insurance Joint Stock Corporation and its subsidiary (collectively referred to as "the Corporation") as prepared on 29 February 2016 and set out on pages 6 to 75, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Building a better working world

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Corporation as at 31 December 2015 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited

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

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

29 February 2016

CONSOLIDATED BALANCE SHEET
as at 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Ending Balance*	*Beginning Balance (restated)*
100	**A. CURRENT ASSETS**		**3,692,463,409,312**	**2,697,758,118,116**
110	***I. Cash and cash equivalents***	***4***	***253,572,611,354***	***154,229,365,232***
111	1. Cash		77,572,611,354	58,729,365,232
112	2. Cash equivalents		176,000,000,000	95,500,000,000
120	***II. Short-term investments***	***5***	***1,963,877,613,022***	***1,113,843,940,648***
121	1. Trading securities		76,929,280,499	72,626,052,716
122	2. Provision for trading securities		(5,197,652,878)	(3,132,892,068)
123	3. Held-to-maturity investments		1,892,145,985,401	1,044,350,780,000
130	***III. Short-term receivables***	***6***	***381,436,691,124***	***408,583,970,798***
131	1. Shor-term trade receivables		327,997,053,231	365,416,745,338
131.1	*1.1. Insurance receivables*		*322,086,269,998*	*364,128,325,660*
131.2	*1.2. Other trade receivables*		*5,910,783,233*	*1,288,419,678*
132	2. Short-term advances to suppliers		1,551,758,776	1,854,102,733
136	3. Other receivables		71,210,725,039	67,870,622,354
137	4. Allowance for doubtful debts		(19,322,845,922)	(26,557,499,627)
140	***IV. Inventories***		***529,247,157***	***583,061,744***
141	1. Inventories		529,247,157	583,061,744
150	***V. Other short-term assets***		***64,430,741,917***	***53,262,608,755***
151	1. Prepaid expenses		63,523,595,575	52,397,729,174
151.1	*1.1. Unallocated commission expense*	*7*	*61,648,202,424*	*51,465,154,806*
151.2	*1.2. Other prepaid expenses*		*1,875,393,151*	*932,574,368*
152	2. Deductible VAT		907,146,342	864,879,581
190	***VI. Reinsurance assets***	***17.1***	***1,028,616,504,738***	***967,255,170,939***
191	1. Reinsurance assets from unearned premium reserve		347,927,493,039	272,365,386,336
192	2. Reinsurance assets from claim reserve		680,689,011,699	694,889,784,603

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Ending Balance*	*Beginning Balance (restated)*
200	**B. NON-CURRENT ASSETS**		**651,785,996,538**	**370,974,271,787**
210	***I. Long-term receivables***		***14,113,514,378***	***12,201,089,546***
216	1. Other long-term receivables		14,113,514,378	12,201,089,546
216.1	*1.1. Statutory deposit*	*8*	*6,000,000,000*	*6,000,000,000*
216.2	*1.2. Other long-term receivables*		*8,113,514,378*	*6,201,089,546*
220	***II. Fixed assets***		***33,765,016,382***	***24,693,259,879***
221	1. Tangible fixed assets	9	27,146,722,186	18,156,546,923
222	*Costs*		*65,352,315,643*	*50,631,521,299*
223	*Accumulated depreciation*		*(38,205,593,457)*	*(32,474,974,376)*
227	2. Intangible assets	10	6,618,294,196	6,536,712,956
228	*Costs*		*6,739,599,125*	*6,606,599,125*
229	*Accumulated amortisation*		*(121,304,929)*	*(69,886,169)*
240	***II. Construction in progress***		***97,317,909***	***-***
242	1. Construction in progress		97,317,909	-
250	***III. Long-term investments***	***5***	***603,163,655,300***	***331,860,515,867***
253	2. Other long-term investments		125,946,505,000	126,542,783,704
254	3. Provision for impairment of long-term investments		(16,755,601,931)	(16,557,847,837)
255	4. Held-to-maturity investments		493,972,752,231	221,875,580,000
260	***IV. Other long-term assets***		***646,492,569***	***2,219,406,495***
261	1. Long-term prepaid expenses	11	646,492,569	2,219,406,495
270	**TOTAL ASSETS (270=100+200)**		**4,344,249,405,850**	**3,068,732,389,903**

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Ending Balance*	*Beginning Balance (restated)*
300	**A. LIABILITIES**		**2,312,701,365,388**	**2,129,203,579,013**
310	***I. Current liabilities***		***2,304,496,043,661***	***2,126,577,303,296***
311	1. Trade payables	12	307,550,330,357	394,648,158,408
311.1	*1.1. Insurance payables*		*307,343,606,294*	*394,629,575,591*
311.2	*1.2. Other payables*		*206,724,063*	*18,582,817*
312	2. Short-term advance from customers		6,209,193,205	6,711,317,151
313	3. Tax and other statutory obligations	13	31,817,313,865	52,448,181,931
314	4. Payables to employees		38,783,686,576	33,844,232,187
315	5. Short-term accrued expenses	14	14,924,414,434	14,304,710,299
318	6. Short-term deferred revenue		6,940,508,479	4,768,983,859
318.1	7. Un-earned commission revenue	15	73,971,584,762	47,552,650,052
319	8. Other short-term payables	16	29,552,696,758	15,487,106,419
322	9. Bonus and welfare funds		5,389,533,649	3,931,236,644
329	10. Technical reserves	17	1,789,356,781,576	1,552,880,726,346
329.1	*10.1. Gross un-earned premium reserve*		*873,565,330,247*	*657,906,891,657*
329.2	*10.2. Gross claim reserve*		*837,332,406,448*	*816,413,815,739*
329.3	*10.3. Catastrophe reserve*		*78,459,044,881*	*78,560,018,950*
330	***II. Non-current liabilities***		***8,205,321,727***	***2,626,275,717***
337	1. Other long-term liabilities	16	2,730,570,343	2,554,754,614
341	2. Deferred tax liability		5,474,751,384	71,521,103

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Ending Balance*	*Beginning Balance (restated)*
400	**B. OWNERS' EQUITY**		**2,031,548,040,462**	**939,528,810,890**
410	***I. Owners' equity***	***18***	***2,031,548,040,462***	***939,528,810,890***
411	1. Charter capital		1,172,768,950,000	762,299,820,000
411a	*- Common shares with voting rights*		*1,172,768,950,000*	*762,299,820,000*
412	2. Share premium		655,565,033,362	4,875,765,330
417	3. Foreign exchange differences		2,771,814,246	7,052,332,500
418	4. Investment and development fund		1,800,187,891	1,800,187,891
419	5. Statutory reserve		22,310,289,169	17,652,521,022
421	6. Retained earnings		132,536,576,307	112,479,320,566
421a	*6.1. Accumulated undistributed profit of previous years*		*37,165,273,389*	*20,736,114,489*
421b	*6.2. Undistributed profit of current year*		*95,371,302,918*	*91,743,206,077*
429	7. Non-controlling interest		43,795,189,487	33,368,863,581
440	**TOTAL LIABILITIES AND OWNERS' EQUITY (440=300+400)**		**4,344,249,405,850**	**3,068,732,389,903**

Mr. Nguyen Xuan Dong
Accountant
Finance - Accounting Division

Ms. Lai Ngan Giang
Chief Accountant

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

29 February 2016

CONSOLIDATED INCOME STATEMENT

PART 1: CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	*ITEMS*	*Current Year*	*Previous Year (restated)*
10	1. Total operating income	1,065,501,641,629	798,989,923,350
12	2. Finance income	157,976,700,528	148,880,793,220
13	3. Other income	3,913,745,341	2,446,863,715
20	4. Total direct operating expenses	(809,719,134,528)	(549,290,011,513)
22	5. Finance expense	(18,019,065,685)	(25,801,906,269)
23	6. General and administrative expenses	(241,431,233,229)	(232,079,587,304)
24	7. Other expenses	(1,362,208,481)	(4,154,994,773)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**156,860,445,575**	**138,991,080,426**
51	9. Current corporate income tax expense	(27,161,786,404)	(30,419,702,058)
52	10. Deferred corporate income tax income	(5,403,230,281)	(490,291,518)
60	**11. Net profit for the year after corporate income tax (60=50+51+52)**	**124,295,428,890**	**108,081,086,850**
61	**12. Net profit after tax attributable to non-controlling interests**	**10,899,023,083**	7,173,831,082
62	**13. Net profit after tax attributable to equity owners of the parent**	**113,396,405,807**	100,907,255,768
70	**14. Basic earnings per share**	**1,481**	**1,422**

CONSOLIDATED INCOME STATEMENT (continued)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year (restated)*
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**1,449,906,517,803**	**1,144,209,415,744**
	In which:			
01.1	- Direct written premiums		1,550,942,831,613	1,220,424,538,401
01.2	- Reinsurance premium assumed		136,007,191,009	89,012,650,525
01.3	- Increase in un-earned premium reserve		(237,043,504,819)	(165,227,773,182)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(544,378,528,036)**	**(440,469,103,339)**
	In which:			
02.1	- Reinsurance premium ceded		(642,854,921,380)	(513,937,725,343)
02.2	- Increase in ceded premium reserve		98,476,393,344	73,468,622,004
03	**3. Net insurance premiums (03 = 01 + 02)**		**905,527,989,767**	**703,740,312,405**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**159,973,651,862**	**95,249,610,945**
	In which:			
04.1	- Commission on reinsurance ceded	21	122,800,606,808	67,180,789,680
04.2	- Other income from insurance activities		37,173,045,054	28,068,821,265
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**1,065,501,641,629**	**798,989,923,350**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(528,623,499,978)**	**(405,982,001,038)**
	In which:			
11.1	- Claim expenses		(533,357,181,515)	(406,804,962,581)
11.2	- Claim expense reductions		4,733,681,537	822,961,543
12	**7. Recoveries from reinsurance ceded**		**198,164,773,382**	**153,731,840,585**
13	**8. Increase in Direct and assumed claim reserve**		**(31,152,095,087)**	**(85,412,989,354)**
14	**9. Increase in ceded claim reserve**		**3,951,606,630**	**82,929,964,589**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**22**	**(357,659,215,053)**	**(254,733,185,218)**
16	**11. Increase in catastrophe reserve**		**(10,488,033,531)**	**(7,956,048,431)**

CONSOLIDATED INCOME STATEMENT (continued)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year (restated)*
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**23**	**(441,571,885,944)**	**(286,600,777,864)**
	In which:			
17.1	- Commission expense		(145,728,132,981)	(73,916,136,260)
17.2	- Other underwriting expenses		(295,843,752,963)	(212,684,641,604)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(809,719,134,528)**	**(549,290,011,513)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**255,782,507,101**	**249,699,911,837**
23	**15. Finance income**	**24**	**157,976,700,528**	**148,880,793,220**
24	**16. Finance expense**	**25**	**(18,019,065,685)**	**(25,801,906,269)**
25	**17. Profit from financial activities (25 = 23 + 24)**		**139,957,634,843**	**123,078,886,951**
26	**18. General and administrative expenses**	**26**	**(241,431,233,229)**	**(232,079,587,304)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**154,308,908,715**	**140,699,211,484**
31	**20. Other income**	**27**	**3,913,745,341**	**2,446,863,715**
32	**21. Other expenses**	**28**	**(1,362,208,481)**	**(4,154,994,773)**
40	**22. Net other profit (40 = 31 + 32)**		**2,551,536,860**	**(1,708,131,058)**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**156,860,445,575**	**138,991,080,426**

CONSOLIDATED INCOME STATEMENT (continued)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year (restated)*
51	**24. Current corporate income tax income**	**29**	**(27,161,786,404)**	**(30,419,702,058)**
52	**25. Deferred corporate/income tax income**	**29**	**(5,403,230,281)**	**(490,291,518)**
60	**26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**124,295,428,890**	**108,081,086,850**
61	**27. Net profit after tax attributable to non-controlling interests**		**10,899,023,083**	**7,173,831,082**
62	**28. Net profit after tax attributable to equity owners of the parent**		**113,396,405,807**	**100,907,255,768**
70	**29. Basic earnings per share**		**1,481**	**1,422**

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

Hanoi, Vietnam

29 February 2016

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year (restated)*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**156,860,445,575**	**138,991,080,426**
	Adjustments for:			
02	Depreciation and amortisation		5,106,304,721	3,935,461,326
03	Insurance reserves and provision for diminution in investment value		160,133,533,804	281,618,505,575
04	Losses from revaluation of foreign currencies		7,164,156,488	-
05	Profits from investing activities		(128,543,937,828)	(129,980,056,117)
06	Interest expense		125,341,702	-
08	**Operating income before changes in working capital**		**200,845,844,462**	**294,564,991,210**
09	(Increase)/decrease in receivables		29,679,000,773	(133,018,797,168)
10	Increase in inventory		(260,793,974)	(472,839,213)
11	Increase/(decrease) in payables		(55,248,588,772)	58,598,119,654
12	Increase in prepaid expense		(12,500,286,365)	(56,331,307,488)
13	Increase in trading securities		(3,803,607,142)	-
14	Interest expense paid		(119,295,338)	-
15	Corporate income tax paid		(37,976,760,722)	(27,191,191,974)
16	Decrease in receivables from other activities		451,299,780	4,594,413,836
17	Increase in payables for other activities		(21,951,384,752)	(28,001,008,640)
20	**Net cash flow from operating activities**		**99,115,427,950**	**112,742,380,217**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(13,671,846,382)	(9,156,745,176)
22	Disposal of fixed assets and other long-term assets		22,970,908	-
23	Payments for investments in other entities		(2,264,987,485,942)	(998,011,897,500)
24	Proceeds from sale of investment		1,150,860,908,354	891,645,833,333
25	Payments for investments in other entities		-	(200,895,364,022)
26	Proceeds from sale of investment		55,000,000	178,776,534,711
27	Borrowing, dividends and contribution from other entities		123,175,735,634	116,191,852,484
30	**Net cash flow used in investing activities**		**(1,004,544,717,428)**	**(21,449,786,170)**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2015

Currency: VND

Code	*ITEMS*	*Notes*	*Current Year*	*Previous Year (restated)*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and insurance of shares	18	1,080,500,000,000	33,000,000,000
36	Dividends paid		(75,727,464,400)	(23,943,000)
40	**Net cash flow from financing activities**		**1,004,772,535,600**	**32,976,057,000**
50	**Net increase in cash and cash equivalent (50 = 20 + 30 + 40)**		**99,343,246,122**	**124,268,651,047**
60	**Cash and cash equivalents at beginning of the year**		**154,229,365,232**	**29,960,714,185**
70	**Cash and cash equivalents at end of the year (70 = 50 + 60)**	**4**	**253,572,611,354**	**154,229,365,232**

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

29 February 2016

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 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%. Under Employee Share Option Program (ESOP), the Corporation issued shares to its employees on 5 May 2014, percentage of share held by BIDV and other shareholders was respectively 78.83% and 21.62%. In 2015, the Corporation issued shares to Strategic Investor (Fairfax Asia Limited) in accordance with Decision No 11836/BTC-QLBH and Amended Business License No 11/GPDDC14/KDBH dated 25 December 2015 issued by Ministry of Finance. Accordingly, percentage of share held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% 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 31 December 2015, the charter capital was VND 1,172,768,950,000 (31 December 2014: VND 762,299,820,000).

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 31 December 2015 was 830 persons (31 December 2014: 753 persons).

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 *Accounting standard and system*

The Consolidated 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, the Circular 200/2014/TT-BTC dated 22 December 2014 providing guidance on enterprise accounting system and Circular 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements, 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 consolidated balance sheet, consolidated income statement, consolidated cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

The Corporation's fiscal year applicable for the preparation of its consolidated financial statements 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.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Corporation (the parent company) and its subsidiary which is Lao Viet Insurance Company as at 31 December 2015 and for the year then ended (collectively referred to as the "Corporation").

The subsidiary is fully consolidated from 2 August 2013, being the date on which the parent company obtains control, and continues to be consolidated until the date that such control ceases. Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

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

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

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

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 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 and Circular 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements.

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.

On 22 December 2014, the Ministry of Finance issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

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 payments period shall not exceed 30 days from 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 policy holder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after contractual premium payment date.

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, 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 Enterprise Accounting System and accounting guidance 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consolidated 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%

3.5 *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 consolidated income statement.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3.9 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Corporation's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments

3.10.1 Trading Securities

Trading securities are securities held for trading purpose which also include securities with maturity of 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 consolidated income statement.

3.10.2 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.

3.10.3 Other long-term investments

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments (continued)

3.10.4 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 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:

Provision for impairment of individual stock	=	Quantity of security held at reporting date	x	(Unit price of security in accounting book	-	Market price of security at reporting date)	

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 31 December 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)

3.10 Investments (continued)

3.10.4 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.

3.11 Payables and accruals

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Employee benefits

3.12.1 Post-employment benefits

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

3.12.2 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.

3.13 Technical reserves

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

(i) Unearned premium reserve

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

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

(ii) Claims reserve

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

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year after deducting the amount recoverable from reinsurers; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established based on the formula in Circular 125/2012/TT-BTC issued by the Ministry of Finance on 30 July 2012.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Technical reserves* (continued)

(ii) Claims reserve (continued)

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

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

(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.

3.14 *Transactions in foreign currencies*

The Corporation follows the guidance under Vietnamese Accounting Standard No. 10 "The Effects of Changes in Exchange Rates" (the "VAS 10") and Circular 179/2012/TT-BTC 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 expense (if loss) when incurred.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *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.

3.16 *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 contractual premium payment date.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *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.

3.17 *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 consolidated income statement for direct premiums earned during the period.

(iii) General administrative expenses

General and administrative expenses are recognized on accrual basis.

(iv) Operating lease

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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 of 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)

3.19 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 consolidated balance sheet date.

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

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

Deferred tax

Deferred tax is provided using the consolidated balance sheet liability method on temporary differences at the consolidated 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 consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 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 consolidated balance sheet date.

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

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

3.20 Use of estimates

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

4. CASH AND CASH EQUIVALENTS

	Ending Balance VND	*Beginning Balance VND*
Cash on hand	1,039,786,514	882,909,574
Cash at banks	56,331,047,227	50,345,711,919
Cash in transit	20,201,777,613	7,500,743,739
Cash equivalents (*)	176,000,000,000	95,500,000,000
Total	**253,572,611,354**	**154,229,365,232**

(*) Cash equivalents are bank deposits with original term of less than or equal to three (03) months with interest rate from 4% to 5.1%.

5. INVESTMENTS

	Notes	*Ending Balance VND*	*Beginning Balance VND*
Trading securities	**5.1**		
Listed shares		74,464,137,499	67,187,909,716
Unlisted shares		2,465,143,000	5,438,143,000
		76,929,280,499	**72,626,052,716**
Provision for trading securities		**(5,197,652,878)**	**(3,132,892,068)**
Held-to-maturity investments	**5.2**		
Short-term		1,892,145,985,401	1,044,350,780,000
- *Term deposits*		*1,892,145,985,401*	*994,350,780,000*
- *Bonds*		-	*50,000,000,000*
Long-term		493,972,752,231	221,875,580,000
- *Term deposits*		*260,533,252,231*	*141,875,580,000*
- *Bonds*		*233,439,500,000*	*80,000,000,000*
		2,386,118,737,632	**1,266,226,360,000**
Other financial investments	**5.3**		
Investments in other entities		125,946,505,000	126,542,783,704
Provision for impairment of investment		(16,755,601,931)	(16,557,847,837)
		109,190,903,069	**109,984,935,867**
Net value of investments		**2,567,041,268,322**	**1,445,704,456,515**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	Ending Balance				*Beginning Balance*			
	Quantity	*Cost*	*Provision*	*Carrying value*	*Quantity*	*Cost*	*Provision*	*Carrying value*
Listed shares	**3,123,580**	**74,464,137,499**	**(5,035,652,878)**	**69,428,484,621**	**3,221,947**	**67,187,909,716**	**(2,970,892,068)**	**64,217,017,648**
VNR	1,080,010	13,792,403,293	-	13,792,403,293	1,267,110	16,181,794,140	-	16,181,794,140
HCM	-	-	-	-	251,697	9,507,668,437	(1,654,722,037)	7,852,946,400
FPT	526,380	23,727,530,990	-	23,727,530,990	156,300	7,863,352,668	(360,952,668)	7,502,400,000
REE	203,500	5,836,629,577	(708,429,577)	5,128,200,000	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	433,660	15,620,388,497	(2,263,660,497)	13,356,728,000	242,950	7,999,727,978	(225,327,978)	7,774,400,000
KBC	641,230	9,997,123,045	(1,597,010,045)	8,400,113,000	601,000	9,329,852,100	-	9,329,852,100
SSI	206,800	4,990,441,456	(399,481,456)	4,590,960,000	285,690	7,999,756,663	(143,281,663)	7,856,475,000
BCEL	32,000	499,620,641	(67,071,303)	432,549,338	-	-	-	-
Unlisted shares	**275,449**	**2,465,143,000**	**(162,000,000)**	**2,303,143,000**	**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	18,000	477,000,000	(162,000,000)	315,000,000	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
	3,399,029	**76,929,280,499**	**(5,197,652,878)**	**71,731,627,621**	**3,593,796**	**72,626,052,716**	**(3,132,892,068)**	**69,493,160,648**

5. INVESTMENTS (continued)

5.2 *Held-to-maturity investments*

	Ending Balance		*Beginning Balance*	
	Cost	*Carrying value*	*Cost*	*Carrying value*
Short-term				
Term deposits (*)	1,892,145,985,401	1,892,145,985,401	994,350,780,000	994,350,780,000
Bonds (***)	-	-	50,000,000,000	50,000,000,000
	1,892,145,985,401	**1,892,145,985,401**	**1,044,350,780,000**	**1,044,350,780,000**
Long-term				
Term deposits (**)	260,533,252,231	260,533,252,231	141,875,580,000	141,875,580,000
Bonds (***)	233,439,500,000	233,439,500,000	80,000,000,000	80,000,000,000
	493,972,752,231	**493,972,752,231**	**221,875,580,000**	**221,875,580,000**
	2,386,118,737,632	**2,386,118,737,632**	**1,266,226,360,000**	**1,266,226,360,000**

(*) Short-term deposits with annual interest rate ranging from 4.8% to 7% have original term of more than three (03) months and will mature in less than one (01) year.

(**) Long-term deposits with annual interest rate ranging from 5.25% to 12.25% will mature in after one (01) year.

(***) Guaranteed corporate bond and bonds issued by bank have which have annual interest rates ranging from 8.3% to 11% and terms of 2 to 5 years.

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	Ending Balance				*Beginning Balance*			
	% owner -ship	*Cost*	*Provision*	*Fair value*	*% owner-ship*	*Cost*	*Provision*	*Fair value*
Investments in other entities								
- Green Indochina Development Joint Stock Company	4.22%	25,946,505,000	(16,755,601,931)	9,190,903,069	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
- Banque Pour Le Commerce Exterieur Lao	-	-	-	-	0.023%	452,783,704	-	452,783,704
		125,946,505,000	**(16,755,601,931)**	**109,190,903,069**		**126,542,783,704**	**(16,557,847,837)**	**109,984,935,867**

6. SHORT-TERM RECEIVABLES

	Ending Balance VND	*Beginning Balance VND*
Insurance receivables		
Gross written premium receivables	126,904,734,641	119,611,459,438
Reinsurance assumed receivables	75,999,933,267	41,423,400,537
Reinsurance ceded receivables	112,639,692,348	195,246,927,866
Other receivables from insurance activities	294,651,718	6,416,442,190
Receivables from co-insurers	6,247,258,024	1,430,095,629
Of which:		
- Petrolimex Insurance Corporation	*2,394,142,043*	-
- Military Insurance Corporation	*799,891,326*	-
- Xuan Thanh Insurance Joint Stock Corporation	*623,733,940*	-
	322,086,269,998	**364,128,325,660**
Other Trade Receivables	**5,910,783,233**	**1,288,419,678**
Short-term advances to suppliers	**1,551,758,776**	**1,854,102,733**
Other receivables		
Dividend receivables	-	119,468,000
Bank deposit interest receivables	51,868,993,102	37,422,215,136
Bond coupon receivables	8,857,153,729	16,409,669,178
Advances	4,890,363,531	6,440,287,370
Office rental deposit	706,608,327	580,800,000
Short-term mortgages, deposits	1,749,072,083	1,780,395,293
Other receivables	3,138,534,267	5,117,787,377
	71,210,725,039	**67,870,622,354**
Total receivables	**400,759,537,046**	**435,141,470,425**
Provision for doubtful debts	(19,322,845,922)	(26,557,499,627)
Net receivables	**381,436,691,124**	**408,583,970,798**

7. UN-ALLOCATED COMMISSION EXPENSES

	Ending Balance VND	*Beginning Balance VND*
Opening balance	**51,465,154,806**	-
Commission paid during the year	108,277,162,844	94,783,156,786
Allocated to expenses during the year	(98,094,115,226)	(43,318,001,980)
Closing balance	**61,648,202,424**	**51,465,154,806**

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:						
Beginning Balance	2,300,000,000	5,495,346,645	40,960,245,845	52,727,273	1,823,201,536	50,631,521,299
Additions	-	1,100,872,839	13,265,493,229	71,680,000	282,748,276	14,720,794,344
Newly purchased	-	*821,967,025*	*12,638,400,966*	*71,680,000*	*165,694,273*	*13,697,742,264*
Other increase	-	*278,905,814*	*627,092,263*	-	*117,054,003*	*1,023,052,080*
Ending Balance	2,300,000,000	6,596,219,484	54,225,739,074	124,407,273	2,105,949,812	65,352,315,643
Accumulated depreciation:						
Beginning Balance	(260,666,678)	(4,227,639,657)	(26,698,887,887)	(5,888,155)	(1,281,891,999)	(32,474,974,376)
Increase	(92,000,004)	(752,902,559)	(4,539,905,113)	(30,220,574)	(315,590,831)	(5,730,619,081)
Depreciation for the year	*(92,000,004)*	*(542,470,831)*	*(4,195,159,677)*	*(30,220,574)*	*(195,034,875)*	*(5,054,885,961)*
Other increase	-	*(210,431,728)*	*(344,745,436)*	-	*(120,555,956)*	*(675,733,120)*
Ending Balance	(352,666,682)	(4,980,542,216)	(31,238,793,000)	僅36,108,729)	(1,597,482,830)	(38,205,593,457)
Net book value:						
Beginning Balance	2,039,333,322	1,267,706,988	14,261,357,958	46,839,118	541,309,537	18,156,546,923
Ending Balance	1,947,333,318	1,615,677,268	22,986,946,074	88,298,544	508,466,982	27,146,722,186

10. INTANGIBLE ASSETS

	Computer software VND	*Other intangible assets*	*Land use right VND*	*Total VND*
Costs:				
Beginning Balance	106,599,125	-	6,500,000,000	6,606,599,125
Increase	63,000,000	70,000,000	-	133,000,000
Ending Balance	169,599,125	70,000,000	6,500,000,000	6,739,599,125
Accumulated amortisation:				
Beginning Balance	(69,886,169)	-	-	(69,886,169)
Increase	(38,715,059)	(12,703,701)	-	(51,418,760)
Ending Balance	(108,601,228)	(12,703,701)	-	(121,304,929)
Net book value:				
Beginning Balance	36,712,956	-	6,500,000,000	6,536,712,956
Ending Balance	60,997,897	57,296,299	6,500,000,000	6,618,294,196

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

	Ending Balance VND	*Beginning Balance VND*
Insurance activities	**307,343,606,294**	**394,629,575,591**
Payables for ceded activities	252,921,343,119	275,898,413,025
Payables to co-insurers	4,119,786,443	5,784,551,572
Of which:		
- PVI Insurance Corporation	*626,033,948*	-
- Vietinbank Insurance	*795,974,479*	-
- Military Insurance Corporation	*661,159,526*	-
- Post and Telecommunication Joint Stock Insurance Corporation	*515,441,903*	-
Claim payables	18,802,261,551	72,396,014,210
Commission payables	16,135,580,578	25,337,034,061
XOL payables	15,304,634,603	15,098,240,047
Other insurance payables	60,000,000	115,322,676
Other trade payables	**206,724,063**	**18,582,817**
Other trade payables	206,724,063	18,582,817
	307,550,330,357	**394,648,158,408**

13. TAXES AND OTHER STATUTORY OBLIGATIONS

	Beginning Balance VND	*Movement during the year*		*Ending Balance VND*
		Payables VND	*Paid VND*	
Value added tax	25,299,356,586	88,910,285,533	(95,476,568,418)	18,733,073,700
Corporate income tax	20,032,941,685	27,021,739,205	(37,976,760,722)	9,077,920,168
Other taxes	7,115,883,660	12,619,423,901	(15,728,987,565)	4,006,319,997
Total	**52,448,181,931**	**128,551,448,639**	**(149,182,316,705)**	**31,817,313,865**

14. SHORT-TERM ACCRUED EXPENSES

	Ending Balance VND	*Beginning Balance VND*
Compulsory civil liability fund	967,853,068	829,535,849
Policy holder protection fund	2,593,523,252	1,994,971,439
Compulsory fire and miscellaneous fund	907,032,135	466,421,912
Other accrued expenses	10,456,005,979	11,013,781,099
Total	**14,924,414,434**	**14,304,710,299**

15. UN-EARNED COMMISSION REVENUE

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

	Ending Balance VND	*Beginning Balance VND*
Opening balance	**47,552,650,052**	-
Increased during the year	136,390,000,918	86,784,013,896
Allocated during the year	(109,971,066,208)	(39,231,363,844)
Closing balance	**73,971,584,762**	**47,552,650,052**

16. OTHER PAYABLES

	Ending Balance VND	*Beginning Balance VND*
Other short-term payables	**29,552,696,758**	**15,487,106,419**
Salary unrelated payables	260,465,657	497,551,407
Short-term deposits	22,588,171,437	2,754,576,068
Charity funds	54,822,292	275,984,859
Other payables	6,649,237,372	11,958,994,085
Other long-term payables	**2,730,570,343**	**2,554,754,614**
Mortgage, deposit received	2,730,570,343	2,554,754,614
Total	**32,283,267,101**	**18,041,861,033**

17. TECHNICAL RESERVES

17.1. *Unearned premium reserve and claim reserve*

	Reserve for direct insurance and inward reinsurance	*Reserve for outward reinsurance*	*Net reserve*
31 December 2014			
Unearned premium reserve	657,906,891,657	(272,365,386,336)	385,541,505,321
Claim reserve	816,413,815,739	(694,889,784,603)	121,524,031,136
	1,474,320,707,396	**(967,255,170,939)**	**507,065,536,457**
31 December 2015			
Unearned premium reserve	873,565,330,247	(347,927,493,039)	525,637,837,208
Claim reserve	837,332,406,448	(680,689,011,699)	156,643,394,749
	1,710,897,736,695	**(1,028,616,504,738)**	**682,281,231,957**

17.1.1 *Unearned premium reserve*

Gross unearned premium reserve

Product	*Ending Balance VND*	*Beginning Balance VND*
Health and Personal Accident	105,840,163,766	71,737,063,368
Property and Damages	335,766,366,456	261,118,517,746
Cargo	16,943,181,731	5,901,011,571
Automobile	277,861,062,658	204,319,684,006
Fire	74,460,052,672	59,265,730,805
Liability	7,167,919,816	7,191,880,800
Business Risk	2,359,576,904	4,308,970,662
Aviation	27,163,490,191	28,291,012,824
Hull and P&I	18,271,396,183	10,178,977,870
Financial and credit risk	3,214,491,115	5,233,651,428
Agriculture	4,517,628,755	360,390,577
Total	**873,565,330,247**	**657,906,891,657**

Ceded unearned premium reserve (Reinsurance assets)

Product	*Ending Balance VND*	*Beginning Balance VND*
Health and Personal Accident	886,946,189	420,260,577
Property and Damages	250,850,859,799	193,405,022,344
Cargo	12,957,589,355	3,807,100,315
Automobile	2,298,351,343	700,379,684
Fire	37,706,225,528	32,057,303,779
Liability	4,504,366,384	5,229,092,927
Business Risk	2,158,417,205	3,957,025,805
Aviation	18,867,957,737	22,450,472,528
Hull and P&I	12,683,076,470	6,570,281,123
Financial and credit risk	1,436,779,107	3,426,076,206
Agriculture	3,576,923,922	342,371,048
Total	**347,927,493,039**	**272,365,386,336**

17. TECHNICAL RESERVES (continued)

17.1 Unearned premium and claim reserve (continued)

17.1.2 Claim reserve

Gross claim reserve

Product	*Ending Balance VND*	*Beginning Balance VND*
Health and Personal Accident	11,111,676,624	3,664,006,682
Property and Damages	226,895,044,013	172,000,497,496
Cargo	20,208,992,117	28,732,030,490
Automobile	44,855,987,349	32,488,406,826
Fire	87,936,823,724	52,245,323,485
Liability	2,724,371,752	4,891,620,505
Business Risk	-	21,085,000
Aviation	363,117,271,930	368,874,108,938
Hull and P&I	40,215,525,301	119,359,829,197
Financial and credit risk	40,083,044,479	33,759,520,013
Agriculture	183,669,159	377,387,107
Total	**837,332,406,448**	**816,413,815,739**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*Ending Balance VND*	*Beginning Balance VND*
Health and Personal Accident	1,453,937	-
Property and Damages	175,989,287,850	135,276,583,940
Cargo	14,349,734,483	21,463,566,415
Automobile	169,084,586	588,223,451
Fire	68,219,089,884	23,596,786,917
Liability	418,634,670	1,080,773,645
Business Risk	-	20,218,195
Aviation	358,386,597,686	367,276,694,263
Hull and P&I	29,910,882,603	112,816,347,566
Financial and credit risk	33,244,246,000	32,770,590,211
Total	**680,689,011,699**	**694,889,784,603**

Claim reserve includes:

1. Outstanding claim reserve was calculated based on loss estimate for each individual claim, for which the Corporation was liable, which was either notified to the Corporation or requested for payment but was still unresolved as at 31 December 2015. Such reserve amounted to VND 811,505,500,403 as at 31 December 2015, in which, the amount recoverable from reinsurers relating to these outstanding claims amount was VND 680,689,011,699.
2. Reserves for claims incurred but not reported as at 31 December 2015, amounted to VND 25,826,906,045. The increase in claim reserve of VND 15,615,454,606 was charged to the consolidated income statement.

17. TECHNICAL RESERVES (continued)

17.2. Catastrophe reserve

	Ending Balance VND	*Beginning Balance VND*
Opening balance	**78,560,018,950**	**70,603,970,519**
Increased during the year	10,488,033,531	7,956,048,431
Used during the year	(11,112,024,949)	-
Difference from revaluation foreign currencies	523,017,349	-
Closing balance	**78,459,044,881**	**78,560,018,950**

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 Financial risk (continued)

35.2.1 Market risk (continued)

Foreign currency risk

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

Change in variance	*Impact on profit before tax VND*	*Impact on equity VND*
31 December 2015		
+5%	18,146,866,379	14,154,555,775
-5%	(18,146,866,379)	(14,154,555,775)
31 December 2014		
+5%	(1,190,474,285)	(894,004,016)
-5%	1,190,474,285	894,004,016

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 80.228,916,338 (31 December 2014: VND 79,640,044,400). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 4,036,642,967 (31 December 2014: decrease by VND 4,651,619,240), depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Corporation's profit before tax by VND 3,131,240,485 (31 December 2014: increase by VND 1,943,916,601).

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 *Financial risk* (continued)

35.2.2 Credit risk

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

Trade receivables

The trade receivables, which subject to credit risk, include trade receivables from insurance and reinsurance activities, and other receivables 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 due amount, 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 31 December 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 31 December 2015					
Receivables from insurance activities	16,780	17,465	4,970	20,538	16,323
Receivables from financial activities	-	-	-	3,000	3,000
Total	**16,780**	**17,465**	**4,970**	**23,538**	**19,323**
As at 31 December 2014					
Receivables from insurance activities	33,797	14,451	23,238	15,886	20,495
Receivables from financial activities	-	-	-	3,000	3,000
Total	**33,797**	**14,451**	**23,238**	**18,886**	**23,495**

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.

35 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 Financial risk (continued)

35.2.3 Liquidity risk

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

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2015				
Financial liabilities				
Insurance payables	39,117,628,572	-	-	39,117,628,572
Reinsurance payables	-	268,225,977,722	-	268,225,977,722
Accrued expenses	-	14,924,414,434	-	14,924,414,434
Claim reserves	837,332,406,448	-	-	837,332,406,448
Other payables	201,076,563,084	-	-	201,076,563,084
	1,077,526,598,104	**283,150,392,156**	**-**	**1,360,676,990,260**

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2014				
Financial liabilities				
Insurance payables	103,764,561,860	-	-	103,764,561,860
Reinsurance payables	□	290,149,062,177	-	290,149,062,177
Accrued expenses	-	14,304,710,299	-	14,304,710,299
Claim reserve	816,630,245,242	-	-	816,630,245,242
Other payables	166,973,148,811	-	-	166,973,148,811
	1,087,367,955,913	**304,453,772,476**	**-**	**1,391,821,728,389**

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of Board of Directors

	Current year VND	*Previous year VND*
Remuneration	538,000,000	532,000,000
Total	**538,000,000**	**532,000,000**

Remuneration to members of Board of Management

	Current year VND	*Previous year VND*
Salaries and bonus	5,063,506,464	4,463,361,855
Other benefits	120,000,000	68,800,000
Total	**5,183,506,464**	**4,532,161,855**

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

31. INFORMATION ON SEGMENT REPORTING

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

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

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

The following table presents operating result of the Corporation's operating segments for the period ended 31 December 2015:

31. INFORMATION ON SEGMENT REPORTING (continued)

Currency: VND million

	Domestic market	*Foreign market*	*Adjustments and eliminations*	*Total*
Insurance revenue	1,288,692	243,130	(81,915)	1,449,907
Reinsurance ceded premium	(467,018)	(150,115)	72,754	(544,379)
Net insurance premiums	**821,674**	**93,015**	**(9,161)**	**905,528**
Commission on reinsurance ceded and other insurance incomes	139,781	28,275	(8,082)	159,974
Total operating revenues	**961,455**	**121,290**	**(17,243)**	**1,065,502**
Claim expenses	(463,432)	(71,892)	6,701	(528,623)
Recoveries from reinsurance ceded	153,884	50,148	(5,867)	198,165
Increase in Direct and assumed claim reserve	(70,636)	48,786	(9,302)	(31,152)
Increase in ceded claim reserve	35,604	(44,399)	12,747	3,952
Net claim expenses	**(344,580)**	**(17,357)**	**4,279**	**(357,658)**
Increase in catastrophe reserve	(9,484)	(1,004)	-	(10,488)
Other operating expenses	(392,305)	(57,928)	8,661	(441,572)
Total direct operating expenses	**(746,369)**	**(76,289)**	**12,940**	**(809,718)**
Gross insurance operating profit	**215,086**	**45,001**	**(4,303)**	**255,784**
Finance income	133,913	19,320	4,744	157,977
Finance expenses	(16,049)	(1,529)	(441)	(18,019)
Profit from financial activities	**117,864**	**17,791**	**4,303**	**139,958**
General and administrative expenses	(219,476)	(21,955)	-	(241,431)
Net operating income	**113,474**	**40,837**	**-**	**154,311**
Other income	3,301	613	-	3,914
Other expenses	(888)	(474)	-	(1,362)
Net other profit	**2,413**	**139**	**-**	**2,552**
Profit before Corporate income tax	**115,887**	**40,976**	**-**	**156,863**

32. CONTINGENT LIABILITIES (continued)

Other off-balance sheet items

ITEMS	*Current year*	*Previous year*
1. Insurance policies signed but for which no obligations have arisen on the part of the Corporation (VND)	110,228,502,585	108,990,008,989
2. Doubtful debts written off (VND)	-	-
3. Foreign currency		
United States dollar (USD)	245,538	718,433.51
Euro (EUR)	253	262.62
Australian Dollar (AUD)	12,385	-
Laos Kip (LAK)	4,868,391,997	1,430,096,173
Thai Bath (THB)	2,200,965	42,393.42

33. EARNINGS PER SHARE

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

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

	Current year	*Previous year (restated)*
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	113,396,405,807	100,907,255,768
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share (unit)	76,567,354	70,979,829
EPS (VND)	1,481	1,422

34. RISK MANAGEMENT FRAMEWORK

34.1 Governance framework

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

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

34. RISK MANAGEMENT FRAMEWORK (continued)

34.2 *Risk management objectives, policies and processes for management of insurance risk*

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

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

34.3 *Capital management and regulatory framework*

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

Regulatory capital requirements arising from the operations of the Corporation require the Corporation to hold assets sufficient to cover liabilities and satisfy the solvency margin requirements in Vietnam. The solvency requirements that apply to the Corporation is those set out in Circular 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*
31 December 2015	1,655,193	289,282	572%
31 December 2014	580,318	206,579	281%

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

34. RISK MANAGEMENT FRAMEWORK (continued)

34.4 Underwriting strategy

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

34.5 Reinsurance strategy

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

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

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

35.1 Insurance risk

Assumptions, changes in assumptions and sensitivity analysis

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

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

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

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.1 *Insurance risk* (continued)

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).

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

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

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

The Corporation is exposed to 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 of the insured, type of risk insured and by 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).

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.2 Financial risk

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

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

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

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

35.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

The sensitivity analyses in the following sections relate to the position as at 31 December 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.

36. 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 2015:

31 December 2015	Carrying amount				Fair value
	Cost VND	*Accrued interest* VND	*Provision* VND	*Total* VND	VND
Financial assets					
Available for sale	202,875,785,499	-	(21,953,254,809)	180,922,530,690	191,655,891,104
Listed shares	*74,464,137,499*	-	*(4,968,581,575)*	*69,495,555,924*	*80,228,916,338*
Unlisted shares	*78,411,648,000*	-	*(16,984,673,234)*	*61,426,974,766*	*61,426,974,766*
BIDV Metlife	*50,000,000,000*	-	-	*50,000,000,000*	*50,000,000,000*
Loan and receivables	2,738,713,883,448	59,945,091,277	(19,322,845,922)	2,779,336,128,803	2,779,336,128,803
Bonds	*233,439,500,000*	*8,857,153,729*	*(3,000,000,000)*	*239,296,653,729*	*239,296,653,729*
Term deposits	*2,152,679,237,632*	*51,008,370,881*	-	*2,203,687,608,513*	*2,203,687,608,513*
Insurance receivables	*322,086,269,998*	-	*(16,322,845,922)*	*305,763,424,076*	*305,763,424,076*
Other Trade Receivables	*5,910,783,233*	-	-	*5,910,783,233*	*5,910,783,233*
Other receivables	*18,598,092,585*	-	-	*18,598,092,585*	*18,598,092,585*
Statutory deposit	*6,000,000,000*	*79,566,667*	-	*6,079,566,667*	*6,079,566,667*
Cash and cash equivalents	**253,572,611,354**	**781,055,555**	-	**254,353,666,909**	**254,353,666,909**
Total	**3,195,162,280,301**	**60,726,146,832**	**(41,276,100,731)**	**3,214,612,326,402**	**3,225,345,686,816**
Financial liabilities					
Trade payables	307,550,330,357	-	-	307,550,330,357	307,550,330,357
Accrued expenses	14,924,414,434	-	-	14,924,414,434	14,924,414,434
Other payables	32,283,267,101	-	-	32,283,267,101	32,283,267,101
Total	**354,758,011,892**	-	-	**354,758,011,892**	**354,758,011,892**

36. 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	199,168,836,420	-	(19,690,739,905)	179,478,096,515	194,448,339,562
Listed shares	*67,640,693,420*	-	*(2,970,892,068)*	*64,669,801,352*	*79,640,044,400*
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	1,649,978,782,477	53,463,163,483	(26,557,499,627)	1,676,884,446,333	1,678,082,672,829
Bonds	*130,000,000,000*	*4,776,917,808*	*(3,000,000,000)*	*131,776,917,808*	*132,975,144,304*
Term deposits	*1,136,226,360,000*	*48,561,412,342*	-	*1,184,787,772,342*	*1,184,787,772,342*
Insurance receivables	*362,664,462,583*	-	*(23,557,499,627)*	*339,106,962,956*	*339,106,962,956*
Other Trade Receivables	*1,288,419,678*	-	-	*1,288,419,678*	*1,288,419,678*
Other receivables	*5,237,255,377*	-	-	*5,237,255,377*	*5,237,255,377*
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	*6,201,089,546*	-	-	*6,201,089,546*	*6,201,089,546*
Cash and cash equivalents	**154,229,365,232**	**368,720,831**		**154,598,086,063**	**154,598,086,063**
Total	**2,003,376,984,129**	**53,831,884,314**	**(46,248,239,532)**	**2,010,960,628,911**	**2,027,129,098,454**
Financial liabilities					
Trade payables	393,913,624,037	-	-	393,913,624,037	393,913,624,037
Accrued expenses	14,304,710,299	-	-	14,304,710,299	14,304,710,299
Other payables	18,113,382,136	-	-	18,113,382,136	18,113,382,136
Total	**426,331,716,472**	**-**	**-**	**426,331,716,472**	**426,331,716,472**

36. 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 31 December 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 31 December 2015.
- Fair value of unlisted shares which have not been registered in the unlisted public companies market (OTC) is the average of public price quotations of at least three (03) reputable and large security companies in the market.

37. RESTATEMENT OF OPENING BALANCE

In 2015, due to requirements to present financial statements of general insurance companies in accordance with Circular 200/2014/TT-BTC issued by Ministry of Finance and requirements of State Audit, the Corporation has made adjustments to restate some figures of opening balance. Details of adjustments were presented as follows:

Extracted from consolidated balance sheet

Currency: VND

ASSETS	*31 December 2014 (previously stated)*	*Adjustments in accordance with Circular 200 and State Audit*	*31 December 2014 (restated)*
A - CURRENT ASSETS		**51,972,256,717**	**2,697,758,118,116**
II. Short-term investments	**1,063,843,940,648**	**50,000,000,000**	**1,113,843,940,648**
1. Short-term investments	1,066,976,832,716	(1,066,976,832,716)	-
2. Provision for diminution in value of short-term investment	(3,132,892,068)	3,132,892,068	-
1. Trading securities	-	72,626,052,716	72,626,052,716
2. Provision for trading securities	-	(3,132,892,068)	(3,132,892,068)
3. Held-to-maturity investments	-	1,044,350,780,000	1,044,350,780,000
III. Short-term receivables	**398,318,625,058**	**10,265,345,740**	**408,583,970,798**
1. *Trade receivables*	**363,952,882,261**	**1,463,863,077**	**365,416,745,338**
1.1. Insurance receivables	362,664,462,583	1,463,863,077	364,128,325,660
4. Other receivables	59,069,139,691	(59,069,139,691)	-
5. Other short-term receivables	-	67,870,622,354	67,870,622,354
IV. Inventories	**257,051,523**	**326,010,221**	**583,061,744**
1. Inventories	257,051,523	326,010,221	583,061,744
V. Other short-term assets	**61,944,714,792**	**(8,682,106,037)**	**53,262,608,755**
1. Prepaid expenses	**52,278,352,548**	**119,376,626**	**52,397,729,174**
1.1. Unallocated commission expense	51,345,778,180	119,376,626	51,465,154,806
5. Other short-term assets	8,801,482,663	(8,801,482,663)	-
VI. Reinsurance assets	**967,192,164,146**	**63,006,793**	**967,255,170,939**
1. Reinsurance assets from unearned premium reserve	272,302,379,543	63,006,793	272,365,386,336

37. RESTATEMENT OF OPENING BALANCE (continued)

Extracted from consolidated balance sheet (continued)

Currency: VND

ASSETS	*31 December 2014 (previously stated)*	*Adjustments in accordance with Circular 200 and State Audit*	*31 December 2014 (restated)*
B. NON-CURRENT ASSETS	**420,974,271,787**	**(50,000,000,000)**	**370,974,271,787**
I. Long-term receivables	**6,000,000,000**	**6,201,089,546**	**12,201,089,546**
4.2. Other long-term receivables	-	6,201,089,546	6,201,089,546
IV. Long-term investments	**381,860,515,867**	**(50,000,000,000)**	**331,860,515,867**
3. Other long-term investments	398,418,363,704	(398,418,363,704)	-
4. Provision for diminution in value of long-term investment	(16,557,847,837)	16,557,847,837	-
3. Other long-term investments	-	126,542,783,704	126,542,783,704
4. Provision for impairment of long-term investments	-	(16,557,847,837)	(16,557,847,837)
5. Held-to-maturity investments	-	221,875,580,000	221,875,580,000
V. Other long-term assets	**8,420,496,041**	**(6,201,089,546)**	**2,219,406,495**
4. Other long-term assets	6,201,089,546	(6,201,089,546)	-
TOTAL ASSETS	**3,066,760,133,186**	**1,972,256,717**	**3,068,732,389,903**

37. RESTATEMENT OF OPENING BALANCE (continued)

Extracted from consolidated balance sheet (continued)

Currency: VND

RESOURCES	*31 December 2014 (previously stated)*	*Adjustments in accordance with Circular 200 and State Audit*	*31 December 2014 (restated)*
A. LIABILITIES	**2,127,989,271,776**	**1,214,307,237**	**2,129,203,579,013**
I. Current liabilities	**2,120,594,012,200**	**5,983,291,096**	**2,126,577,303,296**
1. Trade payables	393,913,624,037	734,534,371	394,648,158,408
1.1. Insurance payables	*393,895,041,220*	*734,534,371*	*394,629,575,591*
3. Tax and other statutory obligations	52,037,024,104	411,157,827	52,448,181,931
8. Short-term unearned revenue	-	4,768,983,859	4,768,983,859
8. Un-earned commission revenue	47,566,972,730	(14,322,678)	47,552,650,052
15. Technical reserves	**1,552,797,788,629**	**82,937,717**	**1,552,880,726,346**
15.1. Gross un-earned premium reserve	*657,613,843,658*	*293,047,999*	*657,906,891,657*
15.2. Gross claim reserve	*816,630,245,242*	*(216,429,503)*	*816,413,815,739*
15.3. Catastrophe reserve	*78,553,699,729*	*6,319,221*	*78,560,018,950*
II. Non-current liabilities	**7,395,259,576**	**(4,768,983,859)**	**2,626,275,717**
8. Unearned revenue	4,768,983,859	(4,768,983,859)	-
B. OWNERS' EQUITY	**938,770,861,410**	**757,949,480**	**939,528,810,890**
I. Owners' equity	**938,770,861,410**	**757,949,480**	**939,528,810,890**
11. Retained earnings	111,721,371,086	757,949,480	112,479,320,566
TOTAL LIABILITIES AND OWNERS' EQUITY	**3,066,760,133,186**	**1,972,256,717**	**3,068,732,389,903**

37. RESTATEMENT OF OPENING BALANCE (continued)

Extracted from consolidated income statement

Currency: VND

ITEMS	*For the year ended 31 December 2014 (previously stated)*	*Adjustments in accordance with State Audit*	*For the year ended 31 December 2014 (restated)*
1. Insurance revenue	**1,142,820,896,827**	**1,388,518,917**	**1,144,209,415,744**
- Direct written premiums	1,219,542,615,314	881,923,087	1,220,424,538,401
- Reinsurance premium assumed	88,213,006,696	799,643,829	89,012,650,525
- Increase in un-earned premium reserve	(164,934,725,183)	(293,047,999)	(165,227,773,182)
2. Reinsurance premium ceded	**(439,377,085,814)**	**(1,092,017,525)**	**(440,469,103,339)**
- Reinsurance premium ceded	(512,782,701,025)	(1,155,024,318)	(513,937,725,343)
- Increase in ceded premium reserve	73,405,615,211	63,006,793	73,468,622,004
3. Net insurance premiums	**703,443,811,013**	**296,501,392**	**703,740,312,405**
4. Commission on reinsurance ceded and other insurance incomes	**94,927,854,844**	**321,756,101**	**95,249,610,945**
- Commission on reinsurance ceded	66,859,033,579	321,756,101	67,180,789,680
5. Total net revenue from insurance business	**798,371,665,857**	**618,257,493**	**798,989,923,350**
8. Increase in Direct and assumed claim reserve	**(85,629,418,857)**	**216,429,503**	**(85,412,989,354)**
10. Net claim expenses	**(254,949,614,721)**	**216,429,503**	**(254,733,185,218)**
11. Increase in catastrophe reserve	(7,949,729,210)	(6,319,221)	(7,956,048,431)
12. Other operating expenses	**(286,418,129,971)**	**(182,647,893)**	**(286,600,777,864)**
- Commission expense	(73,733,488,367)	(182,647,893)	(73,916,136,260)
13. Total direct operating expenses	**(549,317,473,902)**	**27,462,389**	**(549,290,011,513)**
14. Gross insurance operating profit	**249,054,191,955**	**645,719,882**	**249,699,911,837**
21. General and administrative expenses	(232,405,597,525)	326,010,221	(232,079,587,304)
22. Net operating income	**139,727,481,381**	**971,730,103**	**140,699,211,484**
26. Profit before corporate income tax	**138,019,350,323**	**971,730,103**	**138,991,080,426**
27. Current corporate income tax	(30,205,921,435)	(213,780,623)	(30,419,702,058)
29. Net profit for the year after corporate income tax	**107,323,137,370**	**757,949,480**	**108,081,086,850**

38. EVENTS AFTER THE CONSOLIDATED 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.

39. APPROVAL FOR ISSUANCE

The consolidated financial statements as at and for the year ended 31 December 2015 were authorised for issuance by General Director on 29 February 2016.

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

Hanoi, Vietnam

29 February 2016

18. OWNERS' EQUITY

	Charter capital VND	*Share premium* VND	*Investment and development fund* VND	*Statutory reserve* VND	*Retained earnings* VND	*Foreign exchange differences* VND	*Non-controlling interest* VND	*Total* VND
Balance at 1 January 2014	**660,000,000,000**	**4,875,765,330**	**1,800,187,891**	**13,311,197,165**	**104,896,103,307**	**7,052,332,500**	**26,195,032,499**	**818,130,618,692**
Increase in capital	102,299,820,000	-	-	-	-	-	-	102,299,820,000
Profit for the year	-	-	-	-	100,907,255,768	-	7,173,831,082	108,081,086,850
Other increases	-	-	-	-	1,254,106,347	-	-	1,254,106,347
Other decreases	-	-	-	4,341,323,857	(94,578,144,856)	-	-	(90,236,820,999)
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	-	-	-	-	*(7,937,000,999)*	-	-	*(7,937,000,999)*
Balance at 31 December 2014	**762,299,820,000**	**4,875,765,330**	**1,800,187,891**	**17,652,521,022**	**112,479,320,566**	**7,052,332,500**	**33,368,863,581**	**939,528,810,890**
Balance at 1 January 2015	**762,299,820,000**	**4,875,765,330**	**1,800,187,891**	**17,652,521,022**	**112,479,320,566**	**7,052,332,500**	**33,368,863,581**	**939,528,810,890**
Increase in capital	410,469,130,000	650,689,268,032	-	-	-	-	-	1,061,158,398,032
Profit for the year	-	-	-	-	113,396,405,807	-	10,899,023,083	124,295,428,890
Other increases	-	-	-	-	958,255,472	-	-	958,255,472
Other decreases	-	-	-	4,657,768,147	(93,887,750,147)	-	-	(89,229,982,000)
In which:								
- Appropriation to statutory reserves	-	-	-	*4,657,768,147*	*(4,657,768,147)*	-	-	-
- Appropriation to Bonus and Welfare funds	-	-	-	-	*(13,000,000,000)*	-	-	*(13,000,000,000)*
- Dividend payment	-	-	-	-	*(76,229,982,000)*	-	-	*(76,229,982,000)*
Difference due to FX translation	-	-	-	-	(409,655,391)	(4,280,518,254)	(472,697,177)	(5,162,870,822)
Balance at 31 December 2015	**1,172,768,950,000**	**655,565,033,362**	**1,800,187,891**	**22,310,289,169**	**132,536,576,307**	**2,771,814,246**	**43,795,189,487**	**2,031,548,040,462**

18. OWNERS' EQUITY (continued)

18.1. Contributed capital

	Ending Balance VND	*Beginning Balance VND*
Contributed by parent company	597,492,590,000	597,492,590,000
Contributed by Strategic investor (Fairfax)	410,469,130,000	-
Contributions by other shareholders	164,807,230,000	164,807,230,000
Total	**1,172,768,950,000**	**762,299,820,000**

18.2. Capital transactions with owners and distributions of dividends

	Ending Balance VND	*Beginning Balance VND*
Paid-in capital		
Contributed capital at begining of the year	762,299,820,000	660,000,000,000
Increase in contributed capital	410,469,130,000	102,299,820,000
Contributed capital at end of the year	**1,172,768,950,000**	**762,299,820,000**
Dividends	**(76,229,982,000)**	**(69,299,820,000)**

18.3. Shares

	Ending Balance VND	*Beginning Balance VND*
Authorized shares	**117,276,895**	**76,229,982**
Issued shares	**117,276,895**	**76,229,982**
Ordinary shares	117,276,895	76,229,982
Preferrence shares	-	-
Treasury shares	-	-
Ordinary shares	-	-
Preferrence shares	-	-
Outstanding shares	**117,276,895**	**76,229,982**
Ordinary shares	117,276,895	76,229,982
Preferrence shares	-	-
Total	**117,276,895**	**76,229,982**
Par value of outstanding shares (VND/share):	10,000	

19. INSURANCE REVENUE

	Current year VND	*Previous year VND*
Direct written premiums	1,552,036,556,603	1,224,681,990,357
Deductions from direct premiums	(1,093,724,990)	(4,257,451,956)
Reinsurance premiums assumed	136,007,191,009	89,012,650,525
Increase in un-earned premium reserve	(237,043,504,819)	(165,227,773,182)
Total	**1,449,906,517,803**	**1,144,209,415,744**

19.1 Direct written premiums

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	161,228,259,626	122,688,402,506
Property and Damages	340,082,746,111	310,628,336,584
Cargo	124,206,595,118	77,431,882,520
Automobile	551,351,373,890	412,884,211,639
Fire	159,223,230,091	125,914,823,294
Liability	10,197,957,729	9,443,183,201
Business Risk	8,164,230,100	8,723,589,615
Aviation	105,116,646,972	96,025,474,141
Hull and P&I	70,006,838,773	42,169,059,794
Financial and credit risk	13,724,249,064	14,091,559,787
Agriculture	7,640,704,139	424,015,320
Total	**1,550,942,831,613**	**1,220,424,538,401**

19.2 Reinsurance premiums assumed

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	22,534,918,229	575,699,012
Property and Damages	90,630,355,201	68,265,872,472
Cargo	4,801,908,448	3,192,893,674
Automobile	1,037,645,468	580,451,182
Fire	12,243,061,505	7,775,541,643
Liability	343,919,726	487,663,028
Business Risk	1,595,939,537	4,094,334,196
Aviation	2,897,374,285	2,978,232,410
Hull and P&I	(87,388,583)	330,930,881
Agriculture	9,457,193	731,032,027
Total	**136,007,191,009**	**89,012,650,525**

20. REINSURANCE PREMIUM CEDED

	Current year VND	*Previous year VND*
Reinsurance premium ceded	642,854,921,380	513,937,725,343
Increase in ceded unearned premium reserve	(98,476,393,344)	(73,468,622,004)
Total	**544,378,528,036**	**440,469,103,339**

20.1 Reinsurance premium ceded

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	2,125,958,523	760,044,406
Property and Damages	297,646,106,431	239,762,821,579
Cargo	94,373,875,945	53,699,903,079
Automobile	4,718,387,315	1,895,711,330
Fire	100,226,267,121	79,988,376,616
Liability	4,863,426,743	6,379,323,304
Business Risk	9,018,781,097	11,645,194,835
Aviation	60,840,802,261	77,404,069,652
Hull and P&I	53,579,631,814	31,687,600,004
Financial and credit risk	9,378,859,821	10,311,865,984
Agriculture	6,082,824,309	402,814,554
Total	**642,854,921,380**	**513,937,725,343**

21. COMMISSION ON REINSURANCE CEDED

	Current year VND	*Previous year VND*
Reinsurance ceded commission	123,039,514,626	67,340,881,495
Deductions on commission (Commission return/reduction)	(238,907,818)	(160,091,815)
Total	**122,800,606,808**	**67,180,789,680**

21.1 Commission on reinsurance ceded

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	497,193,844	156,179,532
Property and Damages	51,321,181,402	29,018,268,090
Cargo	22,659,308,209	12,404,517,715
Automobile	1,072,012,026	373,853,402
Fire	29,373,624,819	12,119,247,738
Liability	1,035,195,216	613,540,536
Business Risk	2,193,215,312	1,965,376,092
Aviation	6,599,621,695	5,753,636,701
Hull and P&I	6,738,998,000	3,706,463,154
Financial and credit risk	1,144,953,544	1,063,048,965
Agriculture	165,302,741	6,657,755
Total	**122,800,606,808**	**67,180,789,680**

22. NET CLAIM EXPENSES

	Current year VND	*Previous year VND*
Claim expenses	533,357,181,515	406,804,962,581
- Direct claim expenses	*515,695,240,210*	*375,577,801,687*
- Used from catastrophe reserve	*(11,112,024,949)*	-
- Claim expense on reinsurance assumed	*28,773,966,254*	*31,227,160,894*
Salvage and sub-rogation	(4,733,681,537)	(822,961,543)
Recovery from reinsurance ceded	(198,164,773,382)	(153,731,840,585)
Increase in gross claim reserve	31,152,095,087	85,412,989,354
Increase in ceded reinsurance claim reserve	(3,951,606,630)	(82,929,964,589)
Total	**357,659,215,053**	**254,733,185,218**

22.1 Direct claim expenses

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	59,339,669,614	32,608,506,631
Property and Damages	68,150,171,272	49,918,496,296
Cargo	54,282,499,318	24,727,656,248
Automobile	212,287,733,146	154,122,800,880
Fire	40,019,597,522	37,969,050,269
Liability	388,569,107	1,247,011,445
Business risk	5,419,830	63,494,531
Aviation	44,976,502,964	50,215,192,164
Hull and P&I	32,935,697,424	24,705,593,223
Financial and credit risk	3,309,380,013	-
Total	**515,695,240,210**	**375,577,801,687**

22.2 Claim expense on reinsurance assumed

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	7,857,173	10,852,294
Property and Damages	25,800,705,152	25,159,994,858
Cargo	1,615,084,604	1,967,945,784
Automobile	173,347,036	913,420,221
Fire	888,440,967	52,869,239
Liability	(6,455,828)	13,794,074
Aviation	132,309,921	823,336,799
Hull and P&I	5,560,742	781,312
Agriculture	157,116,487	2,284,166,313
Total	**28,773,966,254**	**31,227,160,894**

22. CLAIM EXPENSES (continued)

22.3 *Recoveries from reinsurance ceded*

Product	*Current year VND*	*Previous year VND*
Health and Personal Accident	303,401,244	151,522,586
Property and Damages	64,423,384,750	45,314,940,389
Cargo	44,262,663,235	18,612,940,012
Automobile	335,833,628	1,079,980,461
Fire	23,016,987,943	20,724,270,058
Liability	144,567,281	991,956,714
Business risk	5,197,263	-
Aviation	39,740,724,752	50,325,586,437
Hull and P&I	24,069,472,875	16,530,643,928
Financial and credit risk	1,862,540,411	-
Total	**198,164,773,382**	**153,731,840,585**

23. OTHER OPERATING EXPENSES

	Current year VND	*Previous year VND*
Commission	145,728,132,981	73,916,136,260
Insurance risk assessment expenses	114,557,375	686,940,135
Agent management activities	17,009,627,348	16,674,560,013
Loss prevention	2,018,340,841	1,830,707,682
Statutory contributions	4,567,689,449	2,783,276,228
Other expenses (*)	272,133,537,950	190,709,157,546
Total	**441,571,885,944**	**286,600,777,864**

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

24. FINANCE INCOME

	Current year VND	*Previous year VND*
Interest income from deposits at banks	104,059,322,214	90,912,867,700
Interest income from bonds	16,173,985,921	16,409,056,557
Dividend income	6,350,770,934	4,857,861,862
Gain from exchange rate difference	16,245,333,328	14,293,268,307
Gain from security trading	15,147,288,131	22,343,383,568
Other financial incomes	-	64,355,226
Total	**157,976,700,528**	**148,880,793,220**

25. FINANCE EXPENSES

	Current year VND	*Previous year VND*
Interest expense	125,341,702	607,809
Security trading expense	182,141,880	352,606,115
Loss on security trading	3,584,404,859	5,396,060,506
Loss on exchange rate difference	11,641,855,916	17,498,716,474
Provisions for diminution in value of investments	2,195,443,601	2,517,937,944
Other financial expenses	289,877,727	35,977,421
Total	**18,019,065,685**	**25,801,906,269**

26. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year VND	*Previous year VND*
Employee expense	129,266,557,516	116,203,567,022
Material expense	10,916,121,787	7,849,617,003
Tool and equipment expense	5,916,937,896	8,822,994,804
Depreciation expense	5,106,304,721	3,935,461,325
Tax, fee, and charge	4,437,548,446	4,085,595,597
Expense for external services	87,252,782,960	79,483,565,543
Provision/(Reversal of provision) for doubtful debts	(7,913,779,567)	8,393,535,863
Other expenses	6,448,759,470	3,305,250,147
Total	**241,431,233,229**	**232,079,587,304**

27. OTHER INCOME

	Current year VND	*Previous year VND*
Income from disposal tools and equipment	22,970,908	13,332,273
Income from expired obligation	2,480,856,794	-
Other income	1,409,917,639	2,433,531,442
Total	**3,913,745,341**	**2,446,863,715**

28. OTHER EXPENSES

	Current year VND	*Previous year VND*
Administrative penalty	269,923,172	2,251,220,410
Other expenses	1,092,285,309	1,903,774,363
Total	**1,362,208,481**	**4,154,994,773**

29. CORPORATE INCOME TAX

Corporate income tax ("CIT") applicable to the Corporation and to the subsidiary is 22% and 24% of taxable profit respectively.

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 consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

29.1 Corporate Income Tax Expense

	Current year VND	*Previous year VND*
Current income tax expense	**27,161,786,404**	**30,419,702,058**
CIT tax expenses on current year profit	27,161,786,404	30,419,702,058
Deferred income tax income	**5,403,230,281**	**490,291,518**
Deferred tax on temporary taxable income	5,403,230,281	490,291,518
Corporate Income tax expense	**32,565,016,685**	**30,909,993,576**

29. CORPORATE INCOME TAX (continued)

29.2 *Current Corporate Income Tax*

The current corporate income tax payable is determined based on taxable income for the year. Taxable profit distinguishes from accounting profit reported on the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are 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 consolidated balance sheet date.

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

	Current year VND	*Previous year VND*
Profit before Corporate income tax	**156,860,445,575**	**138,991,080,426**
Adjustments to increase	**10,114,444,084**	**10,754,477,501**
Non-deductible expenses	7,250,997,660	6,452,047,901
Penalty for late payment of tax	269,923,172	2,307,458,161
Accrual of policy holder protection fund	2,593,523,252	1,994,971,439
Adjustments to decrease	**(51,518,997,907)**	**(14,012,511,471)**
Tax exempt dividend income	(6,317,616,700)	(5,503,277,862)
Policy holder protection fund of previous year	(1,994,971,439)	(1,675,081,658)
Credit rating expenses of 2013	-	(882,683,333)
Tax paid profit	(15,826,867,403)	-
Assumed reinsurance estimation	(27,373,756,921)	(5,951,468,618)
Other decreases	(5,785,444)	-
Estimated current taxable profit	**115,455,891,752**	**135,733,046,456**
Estimated Current Corporate Income Tax expense	26,219,771,606	30,419,702,058
Adjustment of prior years' CIT	942,014,798	-
Current Corporate Income Tax	**27,161,786,404**	**30,419,702,058**
Corporate Income Tax payables at beginning of the year	20,032,941,685	8,872,798,378
Adjustment under accrual of prior years' CIT payables	(140,047,199)	7,931,633,223
Corporate Income Tax paid during the year	(37,976,760,722)	(27,191,191,974)
Corporate Income Tax payable at the end of the year	**9,077,920,168**	**20,032,941,685**

30. TRANSACTIONS WITH RELATED PARTIES

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

Company	*Relationship*	*Transaction*	*Current year*	*Previous year*
			VND	*VND*
Joint Stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Gross written premiums	123,320,428,431	75,825,693,839
		Claim expense	(2,919,738,369)	(3,651,439,615)
		Commission expense	(7,806,451,506)	(8,457,146,532)
		Interest income from term deposit	50,467,443,824	39,824,208,383
		Office rental expense	(12,766,852,558)	(11,501,352,949)
		Bank transfer expense	(2,072,932,649)	(1,332,938,858)
BIDV Leasing Company	Affiliate	Gross written premiums	271,514,729	596,414,549
		Claim expense	(92,706,135)	– 137,864,027)
BIDV Securities Company	Affiliate	Gross written premiums	71,520,450	30,467,051
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Gross written premiums	334,488,069	211,695,461
		Interest income from term deposit	5,674,106,914	3,506,550,000
		Claim expense	(28,645,905)	(234,658,600)
BIDV Union Company	Affiliate	Gross written premiums	1,099,122,539	1,817,440,776
		Claim expense	(722,313,500)	(568,676,600)

30. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related company	*Relationship*	*Description*	*Ending Balance*	*Beginning Balance*
			VND	*VND*
Joint stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Current account	21,032,264,481	40,027,824,600
		Term deposits	1,705,500,000,000	440,500,000,000
		Interest from term deposits	31,668,129,159	14,747,526,386
		Premium receivables	532,590,969	1,266,020,456
		Commission payables	(1,404,208,351)	(1,606,985,878)
		Compulsory deposit at BIDV	6,000,000,000	6,000,000,000
		Deposits in blocked account	1,377,890,271	1,281,225,185
BIDV Leasing Company	Affiliate	Premium receivables	132,336,739	118,937,927
		Commission payables	(12,417,605)	(60,398,942)
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Term Deposits	76,000,000,000	36,000,000,000
		Interest from term deposits	4,046,194,444	1,584,722,222
		Commission payables	(1,780,250)	(15,266,650)