BIDV Insurance Joint Stock Corporation

Interim Separate Financial Statements

30 June 2018

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 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 Corporation successfully completed the Initial Public Offering. Accordingly, the 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, the percentage of share held by BIDV and other shareholders was respectively 78.38% and 21.62%. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of share held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	BIDV Insurance Joint Stock Corporation
Head office's address:	16th Floor, A Tower, Vincom, 191 BaTrieu Street, Hai Ba Trung District, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Twenty-six (26) branches nationwide
Employee:	947 persons at 30 June 2018
Charter Capital:	VND 1,172,768,950,000 at 30 June 2018

The Corporation has a 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%

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of the Board of Directors for the six month period ended 30 June 2018 and at the date of this report are:

Name	Position	Date of appointment/ reappointment
Mr. Tran Luc Lang	Chairman	Appointed on 15 July 2016
Mr. Ramaswamy Athappan	Vice Chairman	Appointed on 29 January 2016
Mr. Gobinath Arvind Athappan	Member	Appointed on 29 January 2016
Mr. Tran Hoai An	Member	Appointed on 20 April 2015
Mrs. Pham Thi Van Khanh	Member	Appointed on 29 January 2016
Mrs. Dang Thi Hong Phuong	Member	Reappointed on 20 April 2015
Mr. Vo Hai Nam	Member	Appointed on 20 April 2015

BOARD OF SUPERVISION

Members of the Board of Supervision for the six month period ended 30 June 2018 and at the date of this report are:

Name	Position	Date of appointment/ reappointment/resignment
Ms. Lai Ngan Giang	Head of Board	Appointed on 10 April 2018
Mr. Cao Cu Tri	Head of Board	Resigned on 10 April 2018
Mr. Zainul Abidin Rasheed	Member	Appointed on 29 January 2016
Mr. Osith Ramanathan	Member	Appointed on 29 January 2016
Mr. Nguyen Trung Kien	Member	Reappointed on 20 April 2015
Mr. Nguyen Thanh Cong	Member	Reappointed on 20 April 2015

MANAGEMENT

Members of Management for the six month period ended 30 June 2018 and at the date of this report are:

Name	Position	Date of appointment/ reappointment
Mr. Tran Hoai An	General Director	Appointed on 31 October 2014
Mr. Tran Trung Tinh	Deputy General Director	Reappointed on 29 October 2015
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 period from 1 January 2018 to 30 June 2018 and at the date of this report is Mr. Tran Hoai An – Title: General Director.

AUDITORS

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

BIDV Insurance Joint Stock Corporation

REPORT OF MANAGEMENT

Management of BIDV Insurance Joint Stock Corporation ("the Corporation") is pleased to present its report and the interim separate financial statements of the Corporation for the six-month period ended 30 June 2018.

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

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

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

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

Management confirmed that it has complied with the above requirements in preparing the accompanying interim separate financial statements for the six-month period ended 30 June 2018.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Corporation as at 30 June 2018 and of the interim separate results of its operations and its interim separate cash flows for the period 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 interim separate financial statements.

For and on behalf of Management

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

26 July 2018

Ernst & Young Vietnam Limited
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REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders
BIDV Insurance Joint Stock Corporation

We have reviewed the accompanying interim separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 26 July 2018 and set out on pages 6 to 67, which comprise the interim separate balance sheet as at 30 June 2018, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these interim separate 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 interim separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view of, in all material respects, the interim separate financial position of the Corporation as at 30 June 2018, and of its interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and statutory requirements relevant to preparation and presentation of interim separate financial statements.

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Emphasis of matter

We draw attention to Note 2.1 to the interim separate financial statements. The Corporation prepared the interim consolidated financial statements of the Corporation and its subsidiary for the six-month period ended 30 June 2018 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to insurance companies and statutory requirements relevant to preparation and presentation of interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 26 July 2018 has expressed an unqualified conclusion. Our review conclusion on the interim separate financial information is not qualified in respect of this matter.

Ernst & Young Vietnam Limited



Saman Bandara
Deputy General Director
Audit Practicing Registration
Certificate No.: 2036-2018-004-1

Hanoi, Vietnam

26 July 2018

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2018

Currency: VND

Code	ITEMS	Notes	30 June 2018	31 December 2017
100	**A. CURRENT ASSETS**		**4,395,930,098,095**	**3,936,027,494,706**
110	***I. Cash and cash equivalents***	***4***	***114,513,920,962***	***37,485,664,636***
111	1. Cash		114,513,920,962	37,485,664,636
120	***II. Short-term investments***	***5***	***2,728,207,073,254***	***2,453,184,137,857***
121	1. Trading securities	5.1	146,609,235,523	193,770,493,743
122	2. Provision for trading securities	5.1	(16,177,917,269)	(14,142,957,356)
123	3. Held-to-maturity investments	5.2	2,597,775,755,000	2,273,556,601,470
130	***III. Short-term receivables***	***6***	***565,439,514,131***	***460,482,188,966***
131	1. Short-term trade receivables		457,716,973,495	332,583,511,896
131.1	*1.1 Insurance receivables*		*457,700,935,116*	*332,564,057,909*
131.2	*1.2 Other trade receivables*		*16,038,379*	*19,453,987*
132	2. Short-term advances to suppliers		2,849,295,708	2,415,675,531
136	3. Other receivables		120,802,003,707	141,924,500,840
137	4. Allowance for doubtful debts		(15,928,758,779)	(16,441,499,301)
140	***IV. Inventories***		***146,828,992***	***155,168,992***
141	1. Inventories		146,828,992	155,168,992
150	***V. Other short-term assets***		***112,436,092,619***	***91,552,675,848***
151	1. Prepaid expenses		111,597,144,559	91,552,675,848
151.1	*1.1 Unallocated commission expense*	*7*	*110,674,375,100*	*90,001,335,617*
151.2	*1.2 Other prepaid expenses*		*922,769,459*	*1,551,340,231*
152	2. Deductible VAT		838,948,060	-
190	***VI. Reinsurance assets***	***17.1***	***875,186,668,137***	***893,167,658,407***
191	1. Reinsurance assets from unearned premium reserve		307,534,266,395	274,705,055,287
192	2. Reinsurance assets from claim reserve		567,652,401,742	618,462,603,120

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2018

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2018*	*31 December 2017*
200	**B. NON-CURRENT ASSETS**		**457,955,539,623**	**565,447,147,184**
210	***I. Long-term receivables***		***10,662,003,593***	***10,620,893,593***
218	1. Other long-term receivables		10,662,003,593	10,620,893,593
218.1	*1.1. Statutory deposit*	*8*	*8,000,000,000*	*8,000,000,000*
218.2	*1.2. Other long-term receivables*		*2,662,003,593*	*2,620,893,593*
220	***II. Fixed assets***		***24,614,756,758***	***27,846,835,536***
221	1. Tangible fixed assets	9	18,057,762,501	21,257,551,689
222	*- Costs*		*60,441,678,539*	*60,441,678,539*
223	*- Accumulated depreciation*		*(42,383,916,038)*	*(39,184,126,650)*
227	2. Intangible assets	10	6,556,994,257	6,589,283,847
228	*- Costs*		*6,845,849,125*	*6,845,849,125*
229	*- Accumulated amortisation*		*(288,854,868)*	*(256,565,278)*
250	***IV. Long-term investments***	***5***	***419,258,397,127***	***524,291,166,444***
251	1. Investment in subsidiary	5.3	34,660,020,000	34,660,020,000
253	2. Other long-term investments	5.3	75,907,370,000	75,907,370,000
254	3. Provision for impairment of long-term investments	5.3	(40,697,186,273)	(40,776,223,556)
255	4. Held-to-maturity investments	5.2	349,388,193,400	454,500,000,000
260	***V. Other long-term assets***		***3,420,382,145***	***2,688,251,611***
261	1. Long-term prepaid expenses	11	872,885,593	140,755,059
262	2. Deferred tax assets	30.2	2,547,496,552	2,547,496,552
270	**TOTAL ASSETS (270 = 100 + 200)**		**4,853,885,637,718**	**4,501,474,641,890**

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2018

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2018*	*31 December 2017*
300	**C. LIABILITIES**		**2,818,105,383,811**	**2,456,913,634,001**
310	***I. Current liabilities***		***2,817,355,048,261***	***2,454,892,810,767***
312	1. Trade payables	12	470,709,636,162	293,018,572,533
312.1	*1.1. Insurance payables*		*470,321,629,323*	*292,688,867,162*
312.2	*1.2. Other payables*		*388,006,839*	*329,705,371*
313	3. Short-term advance from customers		2,287,628,338	1,715,633,269
314	4. Tax and other statutory obligations	13	19,660,850,399	30,081,365,354
315	5. Payables to employees		46,998,094,901	58,180,891,694
316	6. Short-term accrued expenses	14	63,345,114,274	36,173,564,436
318.1	7. Short-term deferred revenue		6,376,585,602	6,277,177,934
318.2	8. Un-earned commission revenue	15	73,953,151,937	68,584,002,459
319	9. Other short-term payables	16	104,797,388,163	40,486,965,141
320	10. Provision for short-term payable		500,000,000	3,072,343,309
323	11. Bonus and welfare funds		20,746,249,584	11,165,571,869
329	12. Technical reserves	17	2,007,980,348,901	1,906,136,722,769
329.1	*11.1. Gross un-earned premium reserve*	*17.1*	*1,101,315,052,810*	*978,302,133,675*
329.2	*11.2. Gross claim reserve*	*17.1*	*804,343,378,357*	*832,338,681,946*
329.3	*11.3. Catastrophe reserve*	*17.2*	*102,321,917,734*	*95,495,907,148*
330	***II. Non-current liabilities***		***750,335,550***	***2,020,823,234***
333	1. Other long-term liabilities	16	750,335,550	2,020,823,234

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2018

Currency: VND

Code	*ITEMS*	*Notes*	*30 June 2018*	*31 December 2017*
400	**D. OWNERS' EQUITY**		**2,035,780,253,907**	**2,044,561,007,889**
410	***I. Owners' equity***	***18***	***2,035,780,253,907***	***2,044,561,007,889***
411	1. Charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. Common shares with voting rights*		*1,172,768,950,000*	*1,172,768,950,000*
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Investment and development fund		50,158,477,335	6,457,956,038
419	4. Statutory reserve		41,529,973,850	36,714,320,247
421	5. Retained earnings		115,757,819,360	173,054,748,242
421a	*5.1. Accumulated undistributed profit of previous periods*		*24,260,400,445*	*6,992,767,290*
421b	*5.2. Undistributed profit of current period*		*91,497,418,915*	*166,061,980,952*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300 + 400)**		**4,853,885,637,718**	**4,501,474,641,890**

Ms. Kieu Thi Hong Nhung
Accountant
Finance - Accounting Division

Ms. Nguyen Thanh Mai
Deputy Director in - charge
Finance - Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam

26 July 2018

INTERIM SEPARATE INCOME STATEMENT

PART 1: INTERIM SEPARATE COMPREHENSIVE INCOME STATEMENT
for six-month period ended 30 June 2018

Currency: VND

Code	*ITEMS*	*For the six-month period ended 30 June 2018*	*For the six-month period ended 30 June 2017*
10	1. Total operating income	677,458,721,187	660,583,717,637
12	2. Finance income	132,192,708,008	97,120,097,791
13	3. Other income	205,388,513	156,235,407
20	4. Total direct operating expenses	(515,464,969,888)	(509,775,326,561)
22	5. Finance expenses	(6,549,999,115)	(13,923,644,675)
23	6. General and administrative expenses	(167,601,698,338)	(149,723,068,024)
24	7. Other expenses	(55,898,344)	(27,602,608)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**120,184,252,023**	**84,410,408,967**
51	9. Current corporate income tax expense	(23,871,179,505)	(16,737,763,152)
60	**10. Net profit for the period after corporate income tax (60=50+51+52)**	**96,313,072,518**	**67,672,645,815**

INTERIM SEPARATE INCOME STATEMENT (continued)

PART 2: INTERIM SEPARATE OPERATIONAL INCOME STATEMENT
for six-month period ended 30 June 2018

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2018*	*For the six-month period ended 30 June 2017*
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**866,012,785,216**	**842,300,963,483**
	In which:			
01.1	- Direct written premiums		839,152,337,895	772,346,739,952
01.2	- Reinsurance premium assumed		149,873,366,456	81,572,559,174
01.3	- Increase in un-earned premium reserve		(123,012,919,135)	(11,618,335,643)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(273,595,434,620)**	**(269,591,709,768)**
	In which:			
02.1	- Reinsurance premium ceded		(306,424,645,728)	(245,519,224,090)
02.2	- Increase/(Decrease) in ceded premium reserve		32,829,211,108	(24,072,485,678)
03	**3. Net insurance premiums (03 = 01 + 02)**		**592,417,350,596**	**572,709,253,715**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**85,041,370,591**	**87,874,463,922**
	In which:			
04.1	- Commission on reinsurance ceded	21	62,254,187,814	62,493,088,514
04.2	- Other income from insurance activities	22	22,787,182,777	25,381,375,408
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**677,458,721,187**	**660,583,717,637**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(431,717,089,534)**	**(264,433,923,673)**
	In which:			
11.1	- Claim expenses		(435,807,486,363)	(266,400,167,955)
11.2	- Claim expense reductions		4,090,396,829	1,966,244,282
12	**7. Recoveries from reinsurance ceded**		**184,831,375,608**	**68,330,074,788**
13	**8. Decrease/(Increase) in direct and assumed claim reserve**		**27,995,303,589**	**(377,002,149,119)**
14	**9. (Decrease)/Increase in ceded claim reserve**		**(50,810,201,378)**	**301,888,220,488**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**23**	**(269,700,611,715)**	**(271,217,777,516)**
16	**11. (Increase) in catastrophe reserve**	**17.2**	**(6,826,010,586)**	**(6,084,000,750)**

INTERIM SEPARATE INCOME STATEMENT (continued)

PART 2: INTERIM SEPARATE OPERATIONAL INCOME STATEMENT
for six-month period ended 30 June 2018 (continued)

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2018*	*For the six-month period ended 30 June 2017*
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**24**	**(238,938,347,587)**	**(232,473,548,295)**
	In which:			
17.1	- Commission expense		(74,589,806,008)	(73,589,143,468)
17.2	- Other underwriting expenses		(164,348,541,579)	(158,884,404,827)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(515,464,969,888)**	**(509,775,326,561)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**161,993,751,299**	**150,808,391,076**
23	15. Finance income	25	132,192,708,008	97,120,097,791
24	16. Finance expenses	26	(6,549,999,115)	(13,923,644,675)
25	**17. Profit from financial activities (25 = 23 + 24)**		**125,642,708,893**	**83,196,453,116**
26	**18. General and administrative expenses**	**27**	**(167,601,698,338)**	**(149,723,068,024)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**120,034,761,854**	**84,281,776,168**
31	20. Other income	28	205,388,513	156,235,407
32	21. Other expenses	29	(55,898,344)	(27,602,608)
40	**22. Net other profit (40 = 31 + 32)**		**149,490,169**	**128,632,799**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**120,184,252,023**	**84,410,408,967**
51	24. Current corporate income tax expense	30.1	(23,871,179,505)	(16,737,763,152)
60	**25. Net profit for the period after corporate income tax (60 = 50 + 51 + 52)**		**96,313,072,518**	**67,672,645,815**

Ms. Kieu Thi Hong Nhung
Accountant
Finance - Accounting Division

Ms. Nguyen Thanh Mai
Deputy Director in - charge
Finance - Accounting Division

Mr. Trap Hoai An
General Director

Hanoi, Vietnam

26 July 2018

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2018

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2018*	*For the six-month period ended 30 June 2017*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**120,184,252,023**	**84,410,408,967**
	Adjustments for:			
02	Depreciation and amortisation		3,232,078,778	3,328,553,021
03	Insurance reserves and provision for diminution in investment value		128,989,856,518	122,654,593,997
04	(Profits)/Losses from revaluation of foreign currencies		1,815,296,145	2,494,973,284
05	Profits/(Losses) from investing activities		(129,413,927,668)	(90,030,624,608)
06	Interest expense		-	2,400,718
08	**Operating cash flow before changes in working capital**		**124,807,555,796**	**122,860,305,379**
09	Increase in receivables		(105,324,642,703)	(8,668,220,736)
10	Decrease/(Increase) in inventories		8,340,000	-
11	Increase in payables		281,350,678,871	18,160,568,113
12	Decrease/(Increase) in prepaid expense		(21,656,657,305)	(2,630,681,501)
13	(Increase)/decrease in trading securities		47,161,258,220	8,514,799,832
14	Interest expense paid		-	(2,400,718)
15	Corporate income tax paid	13	(35,072,336,687)	(13,583,018,226)
16	Other cash inflows from operating activities		12,539,264,225	3,345,129,388
17	Other cash outflows from operating activities		(13,419,322,285)	(16,686,088,256)
20	**Net cash flow from operating activities**		**290,394,138,132**	**111,310,393,275**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		-	(209,205,000)
22	Disposal of fixed assets and other long-term assets		25,438,638	-
23	Payments for investments in other entities		(2,639,819,684,743)	(1,297,863,034,313)
24	Proceeds from disposal or maturity of debt investment		2,340,780,846,470	1,004,256,722,245
27	Interest received		85,647,517,829	85,081,349,750
30	**Net cash flow used in investing activities**		**(213,365,881,806)**	**(208,734,167,318)**

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2018

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2018*	*For the six-month period ended 30 June 2017*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Loan received		-	2,023,787,651
34	Loan repayment		-	(2,023,787,651)
36	Dividends paid		-	(11,496,400,200)
40	**Net cash flow used in financing activities**		**-**	**(11,496,400,200)**
50	**Net increase/(decrease) in cash and cash equivalent (50 = 20 + 30 + 40)**		**77,028,256,326**	**(108,920,174,243)**
60	**Cash and cash equivalents at beginning of the period**		**37,485,664,636**	**152,977,915,505**
70	**Cash and cash equivalents at end of the period (70 = 50 + 60)**	**4**	**114,513,920,962**	**44,057,741,262**

Ms. Kieu Thi Hong Nhung	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Accountant	Deputy Director in - charge	General Director
Finance - Accounting Division	Finance - Accounting Division	

Hanoi, Vietnam

26 July 2018

1. CORPORATION

BIDV Insurance Joint Stock Corporation ("the Corporation") was established on 1 October 2010 under 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 Corporation successfully completed the Initial Public Offering. Accordingly, the 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, the percentage of share held by BIDV and other0020shareholders was respectively 78.38% and 21.62%. In 2015, the Corporation issued shares to the Strategic Investor (Fairfax Asia Limited) in accordance with Decision No. 11836/BTC-QLBH and Amended Business License No. 11/GPDC14/KDBH dated 25 December 2015 issued by the Ministry of Finance. Accordingly, the percentage of share held by BIDV, Fairfax Asia Limited and other shareholders was 51%, 35% and 14%, respectively.

The following summarizes some key information about the Corporation:

Registered Company name:	BIDV Insurance Joint Stock Corporation
Head office's address:	16th Floor, A Tower, Vincom, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi
Operating activities:	Provide general insurance products, reinsurance, loss survey, investing activities and other activities that are in line with prevailing laws and regulations.
Location and branch network:	Twenty-six (26) branches nationwide
Employee:	947 persons at 30 June 2018
Charter Capital:	VND 1,172,768,950,000 at 30 June 2018

The Corporation has a 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%

2. BASIS FOR PREPARATION OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

2.1 *Purpose of preparing the interim separate financial statements*

The Corporation prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Corporation has also prepared the interim consolidated financial statements of the Corporation and its subsidiary for the period ended 30 June 2018 dated on 26 July 2018.

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

2.2 *Accounting standard and system*

The Corporation's interim separate financial statements are prepared in accordance with the Vietnamese Accounting System for non-life insurance companies issued by the Ministry of Finance in Circular No. 232/2012/TT-BTC (Circular 232) dated 28 December 2012 and Circular No. 200/2014/TT-BTC dated 22 December 2014 providing guidance on enterprise accounting system, and with Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying interim separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

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

2.3 Applied accounting documentation system

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

2.4 Fiscal year

The Corporation's fiscal year starts on 1 January and ends on 31 December. These interim separate financial statements are prepared for the six-month period ended 30 June 2018.

2.5 Accounting currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies

The accounting policies that the Corporation applied in preparing interim separate financial statement are in consistent with the accounting policies applied for the preparation of the separate financial statements for the previous period.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than 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.

3.3 Receivables

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

Provision for impairment of receivables is 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, the unrecoverable loss for these receivables should be estimated for making provision. The increase or decrease to the provision balance is recorded as the general and administrative expense in the interim separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Receivables* (continued)

For overdue receivables, the Corporation adopts the provision policy as promulgated by the Ministry of Finance in Circular No. 228/2009/TT-BTC dated 07 December 2009 ("Circular No. 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 and above	100%

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim separate income statement.

3.5 *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 interim separate income statement.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim separate income statement.

3.6 *Depreciation and amortisation*

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

Buildings and structures	5 - 25 years
Machinery	3 - 7 years
Motor vehicles	6 years
Office equipment	3 years
Other tangible fixed assets	4 years
Software	3 years
Land use rights with indefinite term	No amortization

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Prepaid expenses

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

3.8 Investments

3.8.1 Trading securities

Trading securities held for trading purpose including securities with maturity more than 12 months are bought and sold to gain profit as follows:

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

Trading securities are stated at their acquisition cost.

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

3.8.2 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, and the loan which are held for earning periodic interest income.

3.8.3 Investment in subsidiaries

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

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

3.8.4 Other long-term investments

Other long term investments represent the Corporation's capital investments in other enterprises where the Corporation either owns less than 20% of voting rights and is the founding shareholder; or strategic partner; or impacts on establishment and making financial and operating policies of the investees under agreements to delegate its representative in 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 long-term investments are subject to a periodic review for impairment. Any impairment losses are recognized in financial expenses in the Corporation's interim separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investments (continued)

3.8.5 Provision for diminution in value of investments

Provision for impairment of investments is made in accordance with 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 No. 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 based on the formula defined in Circular 228 and Circular 89. Below is the formula to calculate the impairment provision for quoted securities:

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

Unlisted shares

For unlisted shares, the following methods are 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 for public companies (UPCoM), market value is the closing price on the system at the balance sheet date.
- Market value of over-the-counter (OTC) shares is the average price quoted 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)

3.8 *Investments* (continued)

3.8.5 Provision for diminution in value of investments (continued)

Equity investments in other entities

For capital amounts invested by the enterprise in economic organizations and other long-term investments, a provision is set up if the investee incurs net loss (except where such losses are already planned in the investee's business plans before investment is made).

The level of provision for each financial investment is equal to the capital amount already invested and calculated according to the following formula as given in Circular 228 and Circular 89.

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

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.

3.9 *Payables and accruals*

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

3.10 *Employee benefits*

3.10.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Corporation by the social insurance agency which belongs to the Ministry of Labour, Invalids and Social Affairs. The Corporation is required to contribute to these post-employment benefits by paying social insurance premiums to the social insurance agency at the rate of 17.5% of employee basic salaries on a monthly basis.

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

3.10.2 Unemployment benefits

According to Social Insurance Law and Decree No. 127/2008/ND-CP dated 12 December 2008 by the Government, the Unemployment insurance fund is implemented from 1 January 2009, to which, employees contribute 1% of their salary, employers contribute 1% of salary of their employees participating in the unemployment insurance, and the Government contributes 1% of salary of all those participating in the unemployment insurance from the State budget.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Technical reserves

The technical reserves are recorded as the Official Letter No. 355/BTC-QLBH dated 10 January 2018 effective for separate financial statements 2017 include (i) unearned premium reserve, (ii) claims reserve and (iii) catastrophe reserve. The reserving methodologies are based on Circular No. 50/2017/TT-BTC dated 1 July 2017 issued by the Ministry of Finance as follows:

a) Technical reserve of general insurance

(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:

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

(ii) Claims reserve

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

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of premium for each insurance operation.
- Although Circular No. 50/2017/TT-BTC has formulated a formula to calculate IBNR for a financial year, there is no guidance available for establishing IBNR when preparing the interim separate financial statements. As such for the purpose of interim reporting of the management has calculated IBNR base on the Corporation's planning amount for 2018.

(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 No. 50/2017/TT-BTC dated 1 July 2017 issued by the Ministry of Finance.

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 – Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 1 July 2016 on the details of the implementation of the Law on Insurance Business and amendments to certain articles of the Law on Insurance Business, the Corporation has elected to adopt the policy of providing for the catastrophe reserve at 1% of total retained premiums for the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Transactions in foreign currencies

Transactions in currencies other than the Corporation's reporting currency of are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Corporation conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Corporation conduct transactions regularly.

All foreign exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at the end of the period are taken to the interim separate income statement.

3.13 Appropriation of net profits

Net profit after tax is available for appropriation to investors/shareholders after approval in the annual general meeting, and after making appropriation to reserve funds and remuneration to Board of Directors in accordance with the Corporation's Charter and Vietnam's regulatory requirements.

The Corporation maintains the following reserve funds which are appropriated from its' net profit after tax 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 73/2016/ND-CP dated 1 July 2016 by the Ministry of Finance.
- Bonus and welfare fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.
- Investment and Development fund is set up from profit after tax and used for expansion investment of business and production scale, or for intensive investment of enterprises.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Revenue recognition

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

(i) Gross written premiums

Gross written premiums are recognized in accordance with Circular No. 50/2017/TT-BTC issued by the Ministry of Finance on 1 July 2017 ("Circular No. 50") on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches.

Specifically, gross written premium is recognized as revenue at the point of time when the following conditions are met: (1) the insurance contract has been entered into by the insurer and the insured; and (2) the premium has been paid by the insured or (3) there is agreement between the Corporation and the insured for delayed payment of insurance premium. If the Corporation and its customers mutually agree a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the period. In accordance with Circular No. 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 separate balance sheet.

Premium return and premium reduction are considered as revenue deduction and must be booked separately. At period end, these amounts are net-off to gross written premium to calculate net written premium.

(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.

(iv) Other income

The occasional revenues other than the revenues related to insurance activities, interest, dividends such as income from the liquidation or sale of fixed assets, fines from customers for contract breaches, and the bad debts which were written off in previous periods and collected during the period...

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Expense recognition

(i) Claim expense

Claim expense is recognized at the point of time when the claim documents are completed and approved by authorized persons. In case that the final claim amount has not been finalized but the Corporation is certain that the loss is within its insured liabilities and has paid an advance to the customer as per their request, such advance would also be recognized as claim expense. Any claim that is not yet approved by authorized persons 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 No. 50/2017/TT-BTC dated 1 July 2017 issued by the Ministry of Finance. Commission expense is allocated and recognized in the separate income statement for direct premiums earned during the period.

(iii) Agent support expense

Agent support expense is recorded for corresponding insurance contracts underwritten in the financial year and does not exceed 50% of commission rate per insurance business line.

(iv) General administrative expenses

General and administrative expenses are recognized on an accrual basis.

(v) Operating lease

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

(vi) Other expenses

Other expenses incurred as a result of events or transactions which are separate from ordinary activities of the enterprise, include: costs of liquidation, sale of fixed assets and uncollectable receivables, fines payables for violating economic contracts, penalties...

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 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:

- Revenue 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 recognized 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)

3.17 Taxation

Current tax

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

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

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

Deferred tax

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation (continued)

Deferred tax (continued)

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

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

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

3.18 Use of estimates

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

4. CASH AND CASH EQUIVALENTS

	30 June 2018 VND	31 December 2017 VND
Cash on hand	573,193,587	377,890,841
Cash at banks	109,583,531,317	37,107,773,795
- In VND	*65,804,253,082*	*16,588,213,283*
- In foreign currencies	*43,779,278,235*	*20,519,560,512*
Cash in transit	4,357,196,058	-
Total	**114,513,920,962**	**37,485,664,636**

5. INVESTMENTS

	Notes	30 June 2018 VND	31 December 2017 VND
Trading securities	5.1		
Listed shares		146,609,235,523	192,122,350,743
Unlisted shares		-	1,648,143,000
		146,609,235,523	**193,770,493,743**
Provision for trading securities		**(16,177,917,269)**	**(14,142,957,356)**
Held-to-maturity investments	5.2		
Short-term		2,597,775,755,000	2,273,556,601,470
- Term deposits		*2,397,500,000,000*	*2,073,280,846,470*
- Bonds		*200,275,755,000*	*200,275,755,000*
Long-term		349,388,193,400	454,500,000,000
- Term deposits		*16,000,000,000*	*224,500,000,000*
- Bonds		*333,388,193,400*	*230,000,000,000*
		2,947,163,948,400	**2,728,056,601,470**
Other financial investments	5.3		
Investment in subsidiary		34,660,020,000	34,660,020,000
Investments in other entities		75,907,370,000	75,907,370,000
Provision for impairment of investments		(40,697,186,273)	(40,776,223,556)
		69,870,203,727	**69,791,166,444**
Net value of investments		**3,147,465,470,381**	**2,977,475,304,301**

5. INVESTMENTS (continued)

5.1 *Trading securities*

	30 June 2018				31 December 2017			
	Quantity	*Cost*	*Provision*	*Carrying value*	*Quantity*	*Cost*	*Provision*	*Carrying value*
	VND	*VND*	*VND*	*VND*	*VND*	*VND*	*VND*	*VND*
Listed shares	**4,654,450**	**146,609,235,523**	**(16,177,917,269)**	**130,431,318,254**	**9,458,075**	**192,122,350,743**	**(14,142,957,356)**	**177,979,393,387**
ACB	200,000	7,689,517,000	(569,527,015)	7,120,072,985	1,080,010	13,792,403,293	-	13,792,403,293
VNR	1,080,010	13,792,403,293	-	13,792,403,293	879,750	29,998,160,847	-	29,998,160,847
FPT	1,011,712	29,998,160,847	-	29,998,160,847	-	-	-	-
HDB (*)	9	65,140	-	57,798	300,360	29,746,032,200	-	29,746,032,200
LHG	7,230	157,366,180	(25,058,698)	132,309,482	267,610	8,600,748,646	-	8,600,748,646
VNM	300,360	29,746,032,200	-	29,746,032,200	346,566	19,032,817,467	(4,130,479,467)	14,902,338,000
VCB	201,150	6,464,790,707	-	6,464,783,043	-	-	-	-
VSC	346,566	19,032,817,467	(6,954,992,367)	12,077,825,100	84,330	4,973,889,661	-	4,973,889,661
DHG	84,330	4,973,889,661	-	4,973,889,661	-	-	-	-
SKG	321,804	15,000,058,389	(8,628,339,189)	6,371,719,200	268,170	15,000,058,389	(6,512,477,889)	8,487,580,500
MBB	1,101,279	19,754,134,639	-	19,754,064,645	1,181,279	19,926,665,240	-	19,926,665,240
VCG	-	-	-	-	50,000	1,051,575,000	-	1,051,575,000
SHB	-	-	-	-	5,000,000	50,000,000,000	(3,500,000,000)	46,500,000,000
Unlisted shares	-	-	-	-	**256,639**	**1,648,143,000**	-	**1,648,143,000**
HDB (*)	-	-	-	-	256,639	1,648,143,000	-	1,648,143,000
	4,654,450	**146,609,235,523**	**(16,177,917,269)**	**130,431,318,254**	**9,714,714**	**193,770,493,743**	**(14,142,957,356)**	**179,627,536,387**

(*) The Ho Chi Minh Development Joint Stock Commercial Bank (HDB) shares were officially listed on the Ho Chi Minh Stock Exchange (HOSE) on 5 January 2018.

5. INVESTMENTS (continued)

5.2 *Held-to-maturity investments*

	30 June 2018				31 December 2017			
	Term Year	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*	*Term Year*	*Interest rate % per annum*	*Cost VND*	*Carrying value VND*
Short-term								
Term deposits	1 - 2	6.30 - 7.80	2,397,500,000,000	2,397,500,000,000	1 - 2	4.50 - 7.40	2,073,280,846,470	2,073,280,846,470
Bonds	3	9.23	200,275,755,000	200,275,755,000	3	9.23	200,275,755,000	200,275,755,000
			2,597,775,755,000	**2,597,775,755,000**			**2,273,556,601,470**	**2,273,556,601,470**
Long-term								
Term deposits	2	7.50	16,000,000,000	16,000,000,000	2	6.30 - 7.50	224,500,000,000	224,500,000,000
Bonds	2 - 10	8.20 - 10.50	333,388,193,400	333,388,193,400	3 - 5	8.20 - 8.75	230,000,000,000	230,000,000,000
			349,388,193,400	**349,388,193,400**			**454,500,000,000**	**454,500,000,000**
Total			**2,947,163,948,400**	**2,947,163,948,400**			**2,728,056,601,470**	**2,728,056,601,470**

5. INVESTMENTS (continued)

5.3 *Long-term investments*

	30 June 2018				31 December 2017			
	% ownership	Cost VND	Provision VND	Carrying value VND	% ownership	Cost VND	Provision VND	Carrying value VND
Investments in subsidiary								
- Lao Viet Insurance Company	65%	34,660,020,000	-	34,660,020,000	65%	34,660,020,000	-	34,660,020,000
		34,660,020,000	**-**	**34,660,020,000**		**34,660,020,000**	**-**	**34,660,020,000**
Investments in other entities								
- Green Indochina Development Joint Stock Company	4.21%	25,907,370,000	(21,515,331,000)	4,392,039,000	4.21%	25,907,370,000	(21,515,331,000)	4,392,039,000
- BIDV Metlife Life Insurance Company	5%	50,000,000,000	(19,181,855,273)	30,818,144,727	5%	50,000,000,000	(19,260,892,556)	30,739,107,444
		75,907,370,000	**(40,697,186,273)**	**35,210,183,727**		**75,907,370,000**	**(40,776,223,556)**	**35,131,146,444**
		110,567,390,000	**(40,697,186,273)**	**69,870,203,727**		**110,567,390,000**	**(40,776,223,556)**	**69,791,166,444**

6. SHORT-TERM RECEIVABLES

	30 June 2018 VND	*31 December 2017 VND*
Insurance receivables	**457,700,935,116**	**332,564,057,909**
Gross written premium receivables	39,612,533,930	49,983,093,448
Reinsurance assumed receivables	202,870,198,497	140,109,805,417
Reinsurance ceded receivables	187,925,518,555	135,884,426,152
Receivables from co-insurers	27,049,782,833	6,240,070,014
Other receivables from insurance activities	242,901,301	346,662,878
Other trade receivables	**16,038,379**	**19,453,987**
Short-term advances to suppliers	**2,849,295,708**	**2,415,675,531**
Other receivables		
Dividend receivables	618,268,700	28,436,110,469
Bank deposit interest receivables	74,762,970,462	90,379,638,895
Bond coupon receivables	26,188,424,655	14,859,589,042
Advances	13,404,525,297	3,734,008,078
Office rental deposit	508,800,000	508,800,000
Short-term mortgages, deposits	340,950,000	507,110,000
Other receivables	4,978,064,593	3,499,244,356
	120,802,003,707	**141,924,500,840**
Total receivables	**581,368,272,910**	**476,923,688,267**
Allowance for doubtful debts	(15,928,758,779)	(16,441,499,301)
Net receivables	**565,439,514,131**	**460,482,188,966**

7. DEFERRED COMMISSION EXPENSES

	30 June 2018 VND	*31 December 2017 VND*
Opening balance	**90,001,335,617**	**75,760,525,457**
Commission paid during the period	95,262,845,491	157,515,081,339
Allocated to expenses during the period	(74,589,806,008)	(143,274,271,179)
Closing balance	**110,674,375,100**	**90,001,335,617**

8. STATUTORY DEPOSIT

The Corporation is required to maintain a statutory deposit at 2% of its legal capital, equivalent to VND 8,000,000,000, as required in Point 2 - Article 16 of Decree No. 73/2016/ND-CP dated 1 July 2016.

9. TANGIBLE FIXED ASSETS

	Buildings VND	*Machinery VND*	*Motor vehicles VND*	*Office equipment VND*	*Other tangible fixed assets VND*	*Total VND*
Costs:						
Balance at 1 January 2018	**2,300,000,000**	**4,728,077,816**	**52,792,422,323**	**154,674,273**	**466,504,127**	**60,441,678,539**
Newly purchased	-	-	-	-	-	-
Balance at 30 June 2018	**2,300,000,000**	**4,728,077,816**	**52,792,422,323**	**154,674,273**	**466,504,127**	**60,441,678,539**
Accumulated depreciation:						
Balance at 1 January 2018	**(536,666,690)**	**(3,626,724,429)**	**(34,540,189,275)**	**(117,785,283)**	**(362,761,173)**	**(39,184,126,850)**
Depreciation for the period	(46,000,002)	(339,954,523)	(2,767,740,233)	(18,136,740)	(27,957,690)	(3,199,789,188)
Balance at 30 June 2018	**(582,666,692)**	**(3,966,678,952)**	**(37,307,929,508)**	**(135,922,023)**	**(390,718,863)**	**(42,383,916,038)**
Net book value:						
Balance at 1 January 2018	**1,763,333,310**	**1,101,353,387**	**18,252,233,048**	**36,888,990**	**103,742,954**	**21,257,551,689**
Balance at 30 June 2018	**1,717,333,308**	**761,398,864**	**15,484,492,815**	**18,752,250**	**75,785,264**	**18,057,762,501**

10. INTANGIBLE ASSETS

	Computer software VND	*Other intangible assets VND*	*Land use right VND*	*Total VND*
Costs:				
Balance at 1 January 2018	**275,849,125**	**70,000,000**	**6,500,000,000**	**6,845,849,125**
Newly purchased	-	-	-	-
Balance at 30 June 2018	**275,849,125**	**70,000,000**	**6,500,000,000**	**6,845,849,125**
Accumulated amortisation:				
Balance at 1 January 2018	**(197,194,921)**	**(59,370,357)**	**-**	**(256,565,278)**
Amortization during the period	(21,659,947)	(10,629,643)	-	(32,289,590)
Balance at 30 June 2018	**(218,854,868)**	**(70,000,000)**	**-**	**(288,854,868)**
Net book value:				
Balance at 1 January 2018	**78,654,204**	**10,629,643**	**6,500,000,000**	**6,589,283,847**
Balance at 30 June 2018	**56,994,257**	**-**	**6,500,000,000**	**6,556,994,257**

11. LONG-TERM PREPAID EXPENSES

Long-term prepaid expenses are office maintenance expenses, tools and consumables which can be used in more than one year.

12. TRADE PAYABLES

	30 June 2018 VND	*31 December 2017 VND*
Insurance activities	**470,321,629,323**	**292,688,867,162**
Payables for ceded activities	290,953,060,097	170,613,912,668
Payables to co-insurers	4,735,752,518	4,810,758,095
Claim payables	113,061,740,603	61,126,787,517
Commission payables	16,043,560,527	11,958,207,066
XOL payables	45,494,459,952	44,145,426,190
Other insurance payables	33,055,626	33,775,626
Other trade payables	**388,006,839**	**329,705,371**
Other payables	388,006,839	329,705,371
	470,709,636,162	**293,018,572,533**

13. TAXES AND OTHER STATUTORY OBLIGATIONS

	Balance as at 31 December 2017 VND	*Movement during the period*		*Balance as at 30 June 2018 VND*
		Payables VND	*Paid VND*	
Value added tax	7,623,549,005	45,465,476,913	(44,028,189,905)	9,060,836,013
Corporate income tax	18,906,520,723	23,871,179,505	(35,072,336,687)	7,705,363,541
Other taxes	3,551,295,626	10,196,320,749	(10,852,965,530)	2,894,650,845
Total	**30,081,365,354**	**79,532,977,167**	**(89,953,492,122)**	**19,660,850,399**

14. SHORT-TERM ACCRUED EXPENSES

	30 June 2018 VND	*31 December 2017 VND*
Compulsory civil liability fund	756,215,875	91,770,129
Policy holder protection fund	4,123,396,790	3,482,247,368
Compulsory fire and miscellaneous fund	3,273,649,007	1,785,993,680
Fund contribution to enhance supervisory management on insurance market	13,100,940	256,840,905
Other accrued expenses	55,178,751,662	30,556,712,354
Total	**63,345,114,274**	**36,173,564,436**

15. UNEARNED COMMISSION REVENUE

Unearned commission revenue is the deferred commission on reinsurance ceded in accordance with Circular No. 232/2012/TT-BTC issued by Ministry of Finance.

	30 June 2018 VND	*31 December 2017 VND*
Opening balance	**68,584,002,459**	**75,625,954,806**
Increased during the period	67,623,337,292	118,961,960,951
Allocated during the period	(62,254,187,814)	(126,003,913,298)
Closing balance	**73,953,151,937**	**68,584,002,459**

16. OTHER PAYABLES

	30 June 2018 VND	*31 December 2017 VND*
Other short-term payables	**104,797,388,163**	**40,486,965,141**
Salary unrelated payables	993,921,372	423,049,876
Short-term deposits	8,027,070,526	26,034,159,929
Charity funds	1,011,172,335	539,544,647
Dividend payables	82,387,506,300	310,429,900
Other payables	12,377,717,630	13,179,780,789
Other long-term payables	**750,335,550**	**2,020,823,234**
Mortgage, deposit received	750,335,550	2,020,823,234
Total	**105,547,723,713**	**42,507,788,375**

17. TECHNICAL RESERVES

	Reserve for direct insurance and inward reinsurance VND	*Reserve for outward reinsurance VND*	*Net reserve VND*
Opening balance			
Unearned premium reserve	**978,302,133,675**	**(274,705,055,287)**	**703,597,078,388**
Mathematical reserve for health care insurance	*194,619,071,406*	*(304,645,163)*	*194,314,426,243*
Unearned premium reserve for non - life insurance	*783,683,062,269*	*(274,400,410,124)*	*509,282,652,145*
Claim reserve	**832,338,681,946**	**(618,462,603,120)**	**213,876,078,826**
Outstanding claim reserve	*793,401,315,431*	*(617,012,296,508)*	*176,389,018,923*
Incurred but not reported reserve	*38,937,366,515*	*(1,450,306,612)*	*37,487,059,903*
Catastrophe reserve	**95,495,907,148**	**-**	**95,495,907,148**
	1,906,136,722,769	**(893,167,658,407)**	**1,012,969,064,362**
Closing balance			
Unearned premium reserve	**1,101,315,052,810**	**(307,534,266,395)**	**793,780,786,415**
Mathematical reserve for health care insurance	*240,288,944,157*	*(12,006,310,276)*	*228,282,633,881*
Unearned premium reserve for non - life insurance	*861,026,108,653*	*(295,527,956,119)*	*565,498,152,534*
Claim reserve	**804,343,378,357**	**(567,652,401,742)**	**236,690,976,615**
Outstanding claim reserve	*762,406,011,842*	*(566,202,095,130)*	*196,203,916,712*
Incurred but not reported reserve	*41,937,366,515*	*(1,450,306,612)*	*40,487,059,903*
Catastrophe reserve	**102,321,917,734**	**-**	**102,321,917,734**
Total	**2,007,980,348,901**	**(875,186,668,137)**	**1,132,793,680,764**

17. TECHNICAL RESERVES (continued)

17.1 Unearned premium and claim reserve (continued)

17.1.1 Unearned premium reserve

Gross unearned premium reserve

Product	*30 June 2018 VND*	*31 December 2017 VND*
Health and Personal Accident	240,288,944,157	194,619,071,406
Property and Damages	334,127,076,945	309,031,781,351
Cargo	11,157,144,758	9,716,936,513
Automobile	341,304,791,882	315,836,653,883
Fire	135,849,340,515	114,434,985,491
Liability	6,883,790,085	7,089,397,759
Business Risk	5,247,108,216	3,223,387,523
Aviation	601,417,725	830,303,285
Hull and P&I	24,027,276,895	20,876,226,745
Financial and credit risk	1,099,413,791	1,230,332,056
Agriculture	728,747,841	1,413,057,663
Total	**1,101,315,052,810**	**978,302,133,675**

Ceded unearned premium reserve (Reinsurance assets)

Product	*30 June 2018 VND*	*31 December 2017 VND*
Health and Personal Accident	12,006,310,276	304,645,163
Property and Damages	188,673,430,984	184,356,970,220
Cargo	7,197,482,210	5,989,437,428
Automobile	5,945,692,189	6,350,480,397
Fire	66,953,883,738	54,581,759,423
Liability	4,363,818,316	4,071,614,322
Business Risk	4,803,356,641	2,915,262,839
Aviation	548,586,780	707,026,635
Hull and P&I	15,643,550,291	13,665,345,644
Financial and credit risk	809,746,641	881,767,655
Agriculture	588,408,329	880,745,561
Total	**307,534,266,395**	**274,705,055,287**

17. TECHNICAL RESERVES (continued)

17.1 *Unearned premium and claim reserve* (continued)

17.1.2 Claim reserve

Gross claim reserve

Product	*30 June 2018 VND*	*31 December 2017 VND*
Health and Personal Accident	32,531,291,794	24,172,425,544
Property and Damages	233,445,384,516	400,565,178,536
Cargo	24,821,512,880	22,529,077,925
Automobile	92,890,162,342	60,439,717,314
Fire	324,765,335,636	233,642,666,427
Liability	3,309,348,204	3,932,886,269
Business Risk	6,370,639,776	2,648,918,443
Aviation	14,637,621,618	14,516,700,257
Hull and P&I	31,695,404,835	29,359,434,474
Financial and credit risk	39,523,414,495	40,378,414,495
Agriculture	353,262,261	153,262,262
Total	**804,343,378,357**	**832,338,681,946**

Ceded reinsurance claim reserve (Reinsurance assets)

Product	*30 June 2018 VND*	*31 December 2017 VND*
Health and Personal Accident	12,766,340,721	4,474,816
Property and Damages	194,864,858,265	354,086,834,408
Cargo	17,212,974,270	15,076,465,922
Automobile	631,807,496	999,072,460
Fire	285,799,339,852	190,979,515,099
Liability	1,863,504,735	2,216,239,468
Business Risk	5,322,111,219	1,945,481,979
Aviation	12,480,469,011	12,380,601,420
Hull and P&I	20,066,097,635	23,506,769,010
Financial and credit risk	16,454,898,538	17,267,148,538
	190,000,000	-
Total	**567,652,401,742**	**618,462,603,120**

17. TECHNICAL RESERVES (continued)

17.1 Unearned premium and claim reserve (continued)

17.1.2 Claim reserve (continued)

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 30 June 2018. Such reserves amounted to VND 762,406,079,047 as at 30 June 2018, in which, the amount recoverable from reinsurers relating to these outstanding claims was VND 566,360,873,680.
2. Reserves for claims incurred but not reported as at 30 June 2018, amounted to VND 41,937,366,515.

17.2. Catastrophe reserve

	30 June 2018 VND	*31 December 2017 VND*
Opening balance	**95,495,907,148**	**83,000,220,514**
Increased during the period	6,826,010,586	12,495,686,634
Closing balance	**102,321,917,734**	**95,495,907,148**

18. OWNERS' EQUITY

	Charter capital VND	*Share premium VND*	*Investment and development fund VND*	*Statutory reserve VND*	*Retained earnings VND*	*Total VND*
Balance at 1 January 2017	**1,172,768,950,000**	**655,565,033,362**	**6,457,956,038**	**27,976,733,665**	**109,084,076,136**	**1,971,852,749,201**
Profit for the year	-	-	-	-	174,802,085,188	174,802,085,188
Other decrease	-	-	-	8,737,586,582	(110,831,413,082)	(102,093,826,500)
- Appropriation to statutory reserves	-	-	-	*8,737,586,582*	*(8,737,586,582)*	-
- Appropriation to Bonus and Welfare funds	-	-	-	-	*(20,000,000,000)*	*(20,000,000,000)*
- Dividend payment	-	-	-	-	*(82,093,826,500)*	*(82,093,826,500)*
Balance at 31 December 2017	**1,172,768,950,000**	**655,565,033,362**	**6,457,956,038**	**36,714,320,247**	**173,054,748,242**	**2,044,561,007,889**
Balance at 1 January 2018	**1,172,768,950,000**	**655,565,033,362**	**6,457,956,038**	**36,714,320,247**	**173,054,748,242**	**2,044,561,007,889**
Profit for the period	-	-	-	-	96,313,072,518	96,313,072,518
Other decrease	-	-	43,700,521,297	4,815,653,603	(153,610,001,400)	(105,093,826,500)
- Appropriation to statutory reserves	-	-	-	*4,815,653,603*	*(4,815,653,603)*	-
- Appropriation to Bonus and Welfare funds (*)	-	-	-	-	*(23,000,000,000)*	*(23,000,000,000)*
- Appropriation to investment and development funds (*)	-	-	*43,700,521,297*	-	*(43,700,521,297)*	-
- Dividend payment (*)	-	-	-	-	*(82,093,826,500)*	*(82,093,826,500)*
Balance at 30 June 2018	**1,172,768,950,000**	**655,565,033,362**	**50,158,477,335**	**41,529,973,850**	**115,757,819,360**	**2,035,780,253,907**

(*) In accordance with Resolution No. 01/2018/NQ-DHDCD dated 10 April 2018 by Annual General Meeting of Shareholders.

18. OWNERS' EQUITY (continued)

18.1. *Contributed capital*

	30 June 2018 VND	*31 December 2017 VND*
Contributed by parent company (BIDV)	597,492,590,000	597,492,590,000
Contributed by Strategic investor (Fairfax)	410,469,130,000	410,469,130,000
Contributed by other shareholders	164,807,230,000	164,807,230,000
Total	**1,172,768,950,000**	**1,172,768,950,000**

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

	30 June 2018 VND	*31 December 2017 VND*
Paid-in capital		
Contributed capital at begining of the period	1,172,768,950,000	1,172,768,950,000
Increase in contributed capital	-	-
Contributed capital at the end of the period	**1,172,768,950,000**	**1,172,768,950,000**
Dividends	**(82,093,826,500)**	**(82,093,826,500)**

18.3. *Shares*

	30 June 2018	*31 December 2017*
Authorized shares	**117,276,895**	**117,276,895**
Issued shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895
Preferrence shares	-	-
Treasury shares	**-**	**-**
Ordinary shares	-	-
Preferrence shares	-	-
Outstanding shares	**117,276,895**	**117,276,895**
Ordinary shares	117,276,895	117,276,895
Preferrence shares	-	-

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

19. INSURANCE REVENUE

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Direct written premiums	839,207,620,650	773,046,548,190
Deductions from direct premiums	(55,282,755)	(699,808,238)
Total direct written premiums	**839,152,337,895**	**772,346,739,952**
Reinsurance premium assumed	149,873,366,456	81,572,559,174
Increase in un-earned premium reserve	(123,012,919,135)	(11,618,335,643)
Total	**866,012,785,216**	**842,300,963,483**

19.1 Direct written premiums

Product	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Health and Personal Accident	145,192,894,347	114,530,291,857
Property and Damages	140,425,835,868	138,429,061,572
Cargo	58,094,680,921	61,954,474,931
Automobile	300,128,830,166	287,681,795,064
Fire	145,141,864,986	116,329,451,341
Liability	6,514,029,332	6,123,191,678
Business Risk	4,602,703,065	2,209,052,206
Aviation	90,510,750	102,915,000
Hull and P&I	35,934,476,231	40,557,127,120
Financial and credit risk	1,981,324,544	2,860,994,881
Agriculture	1,045,187,685	1,568,384,302
Total	**839,152,337,895**	**772,346,739,952**

19.2 Reinsurance premiums assumed

Product	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Health and Personal Accident	36,449,528,580	6,504,987,480
Property and Damages	77,493,993,826	47,153,723,802
Cargo	614,132,861	1,051,479,821
Automobile	19,160,867,686	17,864,694,495
Fire	12,635,810,976	6,531,146,636
Liability	136,046,328	162,681,026
Business Risk	2,153,107,920	617,128,103
Aviation	1,114,238,305	1,391,627,503
Hull and P&I	87,815,473	132,426,955
Financial and credit risk	27,824,501	162,663,353
Total	**149,873,366,456**	**81,572,559,174**

20. REINSURANCE PREMIUM CEDED

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Reinsurance premium ceded	306,424,645,728	245,519,224,090
(Increase)/decrease in ceded unearned premium reserve	(32,829,211,108)	24,072,485,678
Total	**273,595,434,620**	**269,591,709,768**

Reinsurance premium ceded includes:

Product	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Health and Personal Accident	35,509,647,551	285,397,603
Property and Damages	112,064,316,152	98,269,072,614
Cargo	39,374,556,651	42,445,790,870
Automobile	2,176,433,910	1,397,628,966
Fire	80,709,086,077	65,342,060,566
Liability	4,458,829,933	3,930,035,184
Business Risk	6,106,118,704	2,230,866,227
Aviation	1,067,118,580	1,292,902,051
Hull and P&I	23,188,858,641	27,762,793,792
Financial and credit risk	950,085,450	1,240,750,696
Agriculture	819,594,079	1,321,925,521
Total	**306,424,645,728**	**245,519,224,090**

21. COMMISSION ON REINSURANCE CEDED

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Reinsurance ceded commission	62,254,187,814	62,493,088,514
Total	**62,254,187,814**	**62,493,088,514**

21. COMMISSION ON REINSURANCE CEDED (continued)

Commission on reinsurance ceded includes:

Product	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Health and Personal Accident	4,718,967,784	96,681,157
Property and Damages	19,929,653,017	28,776,231,637
Cargo	11,445,697,550	11,424,476,658
Automobile	459,258,360	512,385,871
Fire	20,346,904,327	16,210,476,612
Liability	608,747,427	593,990,677
Business Risk	963,381,941	559,686,729
Aviation	212,880,281	259,678,398
Hull and P&I	3,462,443,812	3,893,762,157
Financial and credit risk	52,607,273	81,428,935
Agriculture	53,646,042	84,289,683
Total	**62,254,187,814**	**62,493,088,514**

22. OTHER INCOME FROM INSURANCE ACTIVITIES

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Policy management fee	22,787,182,777	25,381,375,408
Total	**22,787,182,777**	**25,381,375,408**

(*) Other income includes leading fee from coinsurance, claim recovery from third parties and other income from reinsurance activities.

23. NET CLAIM EXPENSES

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Claim expenses	435,807,486,363	266,400,167,955
- *Direct claim expenses*	*387,014,161,746*	*231,655,653,061*
- *Claim expense on reinsurance assumed*	*48,793,324,617*	*34,744,514,894*
Salvage and sub-rogation	(4,090,396,829)	(1,966,244,282)
Recovery from reinsurance ceded	(184,831,375,608)	(68,330,074,788)
Increase in gross claim reserve	(27,995,303,589)	377,002,149,119
(Increase)/decrease in ceded reinsurance claim reserve	50,810,201,378	(301,888,220,488)
Total	**269,700,611,715**	**271,217,777,516**

23. NET CLAIM EXPENSES (continued)

23.1 *Direct claim expenses*

Product	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Health and Personal Accident	33,692,752,534	28,342,889,966
Property and Damages	69,895,344,575	20,887,631,630
Cargo	14,837,685,269	16,202,374,988
Automobile	132,930,521,005	112,503,938,295
Fire	126,607,776,323	48,863,774,679
Liability	91,637,869	924,018,378
Business risk	31,478,527	-
Hull and P&I	8,926,965,644	3,931,025,125
Total	**387,014,161,746**	**231,655,653,061**

23.2 *Claim expense on reinsurance assumed*

Product	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Health and Personal Accident	1,999,965,279	297,165,905
Property and Damages	36,573,146,871	27,136,126,729
Cargo	859,428,589	633,465,965
Automobile	9,355,604,683	5,595,752,660
Fire	-	5,362,134
Aviation	-	444,522,392
Hull and P&I	5,179,195	632,119,109
Total	**48,793,324,617**	**34,744,514,894**

23. CLAIM EXPENSES (continued)

23.3 *Recoveries from reinsurance ceded*

Product	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Health and Personal Accident	1,264,280,996	360,971,755
Property and Damages	63,714,200,104	25,485,963,649
Cargo	7,629,426,948	10,110,331,826
Automobile	157,973,137	239,222,799
Fire	105,502,084,509	29,731,387,220
Liability	74,853,660	344,767,426
Business risk	26,436,729	-
Aviation	126,714,206	1,284,156
Hull and P&I	6,335,405,319	2,056,145,957
Total	**184,831,375,608**	**68,330,074,788**

24. OTHER OPERATING EXPENSES

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Commission	74,589,806,008	73,589,143,468
Insurance risk assessment expenses	80,385,999	1,388,180
Agent management activities	9,318,900,150	9,081,655,760
Loss prevention	408,730,542	1,357,321,853
Statutory contributions	3,917,551,869	3,891,892,981
Other expenses	150,622,973,019	144,552,146,053
Total	**238,938,347,587**	**232,473,548,295**

Other expenses include the expenses related to underwriting activities such as marketing expenses, entertainment meals, telephones, petro, perdiem, postage expense...

25. FINANCE INCOME

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Interest income from deposits at banks	84,038,982,765	79,705,025,161
Interest income from bonds	20,528,835,613	11,862,033,833
Dividend income	4,221,771,976	3,621,620,000
Gain from exchange rate difference	2,447,909,454	1,924,674,592
Gain from security trading	20,955,208,200	3,120,000
Other financial incomes	-	3,624,205
Total	**132,192,708,008**	**97,120,097,791**

26. FINANCE EXPENSES

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Interest expenses	-	2,400,718
Security trading expenses	208,706,698	85,658,128
Loss on security trading	45,134,320	4,995,347,155
Loss on exchange rate difference	4,263,205,599	4,419,647,876
Provisions for diminution in value of investments	1,955,922,630	4,339,198,208
Other financial expenses	77,029,868	81,392,590
Total	**6,549,999,115**	**13,923,644,675**

27. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Employee expenses	101,606,134,615	77,940,747,119
Material expenses	3,690,336,989	4,022,758,549
Tool and equipment expenses	2,155,165,486	1,533,573,888
Depreciation expenses	3,232,078,778	3,327,088,382
Tax, fees, and charges	4,232,468,152	2,622,002,473
Expense for external services	50,546,027,045	56,184,846,446
(Reversal)/Provision for doubtful debts	(512,740,522)	1,426,645,087
Other expenses	2,652,227,795	2,665,406,080
Total	**167,601,698,338**	**149,723,068,024**

28. OTHER INCOME

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Income from disposal tools and equipment	25,438,638	24,507,055
Other income	179,949,875	131,728,352
Total	**205,388,513**	**156,235,407**

29. OTHER EXPENSES

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Administrative penalty	35,042,052	12,453,968
Other expenses	20,856,292	15,148,640
Total	**55,898,344**	**27,602,608**

30. CORPORATE INCOME TAX

The Corporation is subject to paying Corporate Income Tax ("CIT") at the rate of 20% of its taxable profits from 2018 (2017: 20%).

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

30.1 Corporate Income Tax Expense

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Current CIT expense	23,871,179,505	16,737,763,152
Total	**23,871,179,505**	**16,737,763,152**

30. CORPORATE INCOME TAX (continued)

30.1 *Corporate Income Tax Expense* (continued)

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

Reconciliation between CIT expense and the accounting profit/(loss) multiplied by CIT rate is presented below:

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Accounting profit before tax	**120,184,252,023**	**84,410,408,967**
CIT rate	20%	20%
Corporate Income Tax	24,036,850,405	16,882,081,793
Adjustments to increase:	678,681,155	580,005,359
Non-deductible expenses	*214,885,622*	*190,079,729*
Penalty for late payment of tax	*7,008,410*	*345,147*
Accrual of policy holder protection fund	*353,090,159*	*341,363,954*
Under accrual of tax from prior years	*103,696,964*	*48,216,529*
Adjustments to decrease:	(844,352,055)	(724,324,000)
Tax exempted dividend income	*(844,352,055)*	*(724,324,000)*
Current CIT expense	**23,871,179,505**	**16,737,763,152**

31. TRANSACTIONS WITH RELATED PARTIES

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

Company	*Relationship*	*Transactions*	*For the six-month period ended 30 June 2018 VND*	*For the six-month period ended 30 June 2017 VND*
Joint Stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Gross written premiums	84,131,320,088	81,652,823,866
		Claim expenses	(1,680,156,550)	(682,168,699)
		Commission expenses	(15,905,323,573)	(9,117,584,572)
		Interest income from term deposit	70,974,533,594	68,727,695,652
		Office rental expenses	(6,221,903,472)	(5,860,171,987)
		Bank transfer expenses	(1,037,700,636)	(911,031,893)
		Bank overdraft interest	-	(2,400,718)
BIDV Leasing Company	Affiliate	Gross written premiums	131,637,771	110,186,906
		Claim expenses	(2,800,000)	(5,200,000)
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Gross written premiums	322,985,475	251,978,705
		Interest income from term deposit	2,668,061,624	1,721,513,888
		Claim expenses	(59,270,980)	(3,450,000)
Lao Viet Insurance Company	Subsidiary	Assumed reinsurance premium	50,044,853,724	26,517,235,506
		Commission from reinsurance assumed	(13,082,231,323)	(7,100,404,839)
		Claim expense from reinsurance assumed	(5,844,633,727)	(6,241,092,233)

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

Related company	*Relationship*	*Description*	*Receivables VND*	*Payables VND*
Joint stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Current account	104,106,366,061	
		Term deposits	2,030,000,000,000	
		Interest from term deposits	61,277,572,554	
		Premium receivables	101,411,704	
		Commission payables		3,752,489,879
		Office rent payables		4,415,344,079
		Dividend payables		41,824,481,300
		Compulsory deposit at BIDV	8,000,000,000	
		Deposits in blocked account	1,563,404,293	
BIDV Leasing Company I	Affiliate	Premium receivables	325,726,418	
		Commission payables		154,500
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Term Deposits	75,500,000,000	
		Interest from term deposits	3,029,632,457	
		Commission payables		-
Lao Viet Insurance Company	Subsidiary	Receivables for premium assumed	51,687,187,197	
		Claim payables for reinsurance assumed		12,183,116,523
		Claim reserve for reinsurance assumed		14,795,120,642

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of Board of Directors:

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Remuneration	147,970,000	134,000,000
Total	**147,970,000**	**134,000,000**

Remuneration to members of Board of Management:

	For the six-month period ended 30 June 2018 VND	*For the six-month period ended 30 June 2017 VND*
Salaries and bonus	7,482,109,523	5,792,537,475
Other benefits	248,816,670	114,000,000
Total	**7,730,926,193**	**5,906,537,475**

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

32. INFORMATION ON SEGMENT REPORTING

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

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

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

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

33. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Corporation leases office premises under an operating lease. Future rental amounts due under operating leases as at the year-end were as follows:

	30 June 2018 VND	*31 December 2017 VND*
Operating lease commitments due:		
- Less than 1 year	6,064,863,017	8,227,573,091
- From 1 – 5 years	20,435,557,613	20,197,843,012
- More than 5 years	2,512,724,376	1,135,678,693
Total	**29,013,145,006**	**29,561,094,796**

Foreign contractor withholding tax

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

Other off-balance sheet items

ITEMS	*30 June 2018*	*31 December 2017*
Insurance policies signed but not yet effective		
(VND)	178,798,543,559	103,416,464,824
Foreign currency (USD)	1,649,970.91	60,895
Foreign currency (EUR)	192,240.83	248,407
Foreign currency (GBP)	21,048.25	28,777
Foreign currency (AUD)	12,335.98	12,350

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 No. 50/2017/TT-BTC dated 1 July 2017 issued by the Ministry of Finance.

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

	Corporation Solvency Margin VND million	*Minimum Solvency Margin VND million*	*Solvency Margin Ratio*
30 June 2018	1,705,065	351,843	485%
31 December 2017	1,756,678	303,939	578%

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.

34.4 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. RISK MANAGEMENT FRAMEWORK (continued)

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. 50/2017/TT-BTC dated 1 July 2017 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 period, accordance with the Circular No. 50/2017/TT-BTC; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR).
- Although Circular No. 50/2017/TT-BTC has formulated a formula to calculate IBNR for a financial year, there is no guidance available for establishing IBNR when preparing the interim separate financial statements. As such for the purpose of interim reporting of the management has calculated IBNR base on the Corporation's planning amount for 2018.

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

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

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

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

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

35. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

35.1 *Insurance risk* (continued)

Concentration level of insurance risk

Insurance risks of the Corporation include most types of non-life insurance risks as cargo, marine, aviation, oil and gas, property, personal and accident, engineering risk, etc. Aside from accumulative risk in the same category, the Corporation also faces concentration of risks e.g. vessel and cargo insurance, asset and human insurance, etc. the Corporation has regulations on the management of concentration of risks and reinsurance protection contracts to limit liability when accumulative risk events or disasters occur.

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 30 June 2018 and 31 December 2017.

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.

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

Change in variance	*Impact on profit before tax VND*	*Impact on equity VND*
30 June 2018		
+5%	3,591,137,547	2,872,910,038
-5%	(3,591,137,547)	(2,872,910,038)
31 December 2017		
+5%	3,345,386,857	2,676,309,486
-5%	(3,345,386,857)	(2,676,309,486)

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 195,411,551,450 (31 December 2017: VND 262,726,627,100). A decrease of 10% on the stock market index would decrease Corporation's profit before tax by VND 2,570,258,797 (31 December 2017: decrease by VND 7,059,566,850), 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 2,427,711,863 (31 December 2017: increase by VND 5,838,991,850).

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 30 June 2018.

Currency: VND million

	Past due but not impaired		*Past due and impaired*		*Provision for impairment*
	< 90 days	*91-180 days*	*181-360 days*	*> 360 days*	
As at 30 June 2018					
Receivables from insurance activities	2,082	2,925	1,466	14,160	12,929
Receivables from financial activities	-	-	-	3,000	3,000
Total	**2,082**	**2925**	**1466**	**17,160**	**15,929**
As at 31 December 2017					
Receivables from insurance activities	2,147	449	30	13,449	13,441
Receivables from financial activities	-	-	-	3,000	3,000
Total	**2,147**	**449**	**30**	**16,449**	**16,441**

Provisions for impairment of the receivables were made under the Circular No. 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 balance sheet date and 31 December 2017:

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
30 June 2018				
Financial liabilities				
Insurance payables	133,841,053,648	-	-	133,841,053,648
Reinsurance payables	-	336,447,520,049	-	336,447,520,049
Accrued expenses	-	63,345,114,274	-	63,345,114,274
Claim reserve	804,343,378,357	-	-	804,343,378,357
Other payables	196,128,553,774	-	-	196,128,553,774
	1,134,312,985,779	**399,792,634,323**	**-**	**1,534,105,620,102**

	On demand VND	*Less than 1 year VND*	*From 1 to 5 years VND*	*Total VND*
31 December 2017				
Financial liabilities				
Insurance payables	77,895,752,678	-	-	77,895,752,678
Reinsurance payables	-	214,759,338,858	-	214,759,338,858
Accrued expenses	-	36,173,564,436	-	36,173,564,436
Claim reserve	832,338,681,946	-	-	832,338,681,946
Other payables	147,053,299,241	-	-	147,053,299,241
	1,057,287,733,865	**250,932,903,294**	**-**	**1,308,220,637,159**

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

Due to Circular No. 210 only requires the presentation and disclosure of financial instruments, the definitions of financial assets, financial liabilities and other relevant definitions are applicable to prepare this note only. The assets, liabilities and equities of the Corporation still are recognized and accounting in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to insurance companies and comply with the relevant statutory requirements.

Financial assets

Financial assets within the scope of Circular No. 210 include cash and bank deposits, trade and other receivables, listed and unlisted financial instruments.

According to Circular No. 210, for the purpose of disclosure in the Separate Financial Statements, financial assets are classified as appropriate into one of the following categories:

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

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

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

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

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

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

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

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

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

  b) Financial assets already categorized as available for sale;

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

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets (continued)

- ***Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:***
  a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair value through profit or loss statements;
  b) The amounts categorized by the entity as available for sale upon initial recognition; or;
  c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.
- ***Available-for-sale assets are non-derivative financial assets determined as available for sale or not classified as:***
  a) Loans and receivables;
  b) Held-to-maturity investments;
  c) Financial assets recognized at fair value through profit or loss statements.

Financial liabilities

Financial liabilities within the scope of Circular No. 210/2009/TT-BTC include trade and other payables, loans and borrowings.

According to Circular No. 210/2009/TT-BTC, for the purpose of disclosure in the Separate Financial Statements, financial liabilities are classified as appropriate into one of the following categories:

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

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial liabilities (continued)

Offsetting of financial assets and financial liabilities

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

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 closing prices on 30 June 2018.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCoM) is the closing price of the trading market on 30 Jun 2018.
- 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.
- 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.

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 30 June 2018:

	Carrying amount				*Fair value*
30 June 2018	*Cost* VND	*Accrued interest* VND	*Provision* VND	*Total* VND	VND
Financial assets					
Available for sale	222,516,605,523	-	(56,875,103,542)	165,641,501,981	222,516,605,523
Listed shares	*146,609,235,523*	-	*(16,177,917,269)*	*130,431,318,254*	*146,609,235,523*
Unlisted shares	*25,907,370,000*	-	*(21,515,331,000)*	*4,392,039,000*	*25,907,370,000*
BIDV Metlife	*50,000,000,000*	-	*(19,181,855,273)*	*30,818,144,727*	*50,000,000,000*
Loan and receivables	3,435,409,572,457	100,951,395,117	(15,928,758,779)	3,520,432,208,795	3,435,409,572,457
Bonds	*533,663,948,400*	*26,188,424,655*	*(3,000,000,000)*	*556,852,373,055*	*533,663,948,400*
Term deposits	*2,413,500,000,000*	*74,369,903,795*	-	*2,487,869,903,795*	*2,413,500,000,000*
Insurance receivables	*457,716,973,495*	-	*(8,799,764,071)*	*448,917,209,424*	*457,716,973,495*
Other receivables	*22,528,650,562*	-	*(4,128,994,708)*	*18,399,655,854*	*22,528,650,562*
Statutory deposit	*8,000,000,000*	*393,066,667*	-	*8,393,066,667*	*8,000,000,000*
Cash and cash equivalents	114,513,920,962	-	-	*114,513,920,962*	114,513,920,962
Total	**3,772,440,098,942**	**100,951,395,117**	**(72,803,862,321)**	**3,800,587,631,738**	**3,772,440,098,942**
Financial liabilities					
Trade payables	470,709,636,162	-	-	470,709,636,162	470,709,636,162
Accrued expenses	63,345,114,274	-	-	63,345,114,274	63,345,114,274
Other payables	104,797,388,163	-	-	104,797,388,163	104,797,388,163
Total	**638,852,138,599**	-	-	**638,852,138,599**	**638,852,138,599**

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

This table below presents carrying amount and fair value of the Corporation's assets at 31 December 2017.

	Carrying amount				*Fair value*
31 December 2017	*Cost* VND	*Accrued interest* VND	*Provision* VND	*Total* VND	VND
Financial assets					
Available for sale	269,677,863,743	-	(54,919,180,912)	214,758,682,831	299,505,916,544
Listed shares	*192,122,350,743*	-	*(14,142,957,356)*	*177,979,393,387*	*262,726,627,100*
Unlisted shares	*27,555,513,000*	-	*(21,515,331,001)*	*6,040,181,999*	*6,040,181,999*
BIDV Metlife	*50,000,000,000*	-	*(19,260,892,555)*	*30,739,107,445*	*30,739,107,445*
Loan and receivables	3,107,946,279,862	105,239,227,937	(16,441,499,301)	3,196,744,008,498	3,196,744,008,498
Bonds	*430,275,755,000*	*14,859,589,042*	*(3,000,000,000)*	*442,135,344,042*	*442,135,344,042*
Term deposits	*2,297,780,846,470*	*90,252,038,895*	-	*2,388,032,885,365*	*2,388,032,885,365*
Insurance receivables	*332,564,057,909*	-	*(9,312,504,593)*	*323,251,553,316*	*323,251,553,316*
Other receivables	*39,325,620,483*	-	*(4,128,994,708)*	*35,196,625,775*	*35,196,625,775*
Statutory deposit	*8,000,000,000*	*127,600,000*	-	*8,127,600,000*	*8,127,600,000*
Cash and cash equivalents	37,485,664,636	-	-	37,485,664,636	37,485,664,636
Total	**3,415,109,808,241**	**105,239,227,937**	**(71,360,680,213)**	**3,448,988,355,965**	**3,533,735,589,678**
Financial liabilities					
Trade payables	293,018,572,533	-	-	293,018,572,533	293,018,572,533
Accrued expenses	36,173,564,436	-	-	36,173,564,436	36,173,564,436
Other payables	40,486,965,141	-	-	40,486,965,141	40,486,965,141
Total	**369,679,102,110**	-	-	**369,679,102,110**	**369,679,102,110**

37. EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

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

38. APPROVAL FOR ISSUANCE

The interim separate financial statements as at and for the six-month period ended 30 June 2018 were authorised for issuance by General Director on 26 July 2018.

Ms. Kieu Thi Hong Nhung	Ms. Nguyen Thanh Mai	Mr. Tran Hoai An
Accountant	Deputy Director in - charge	General Director
Finance - Accounting Division	Finance - Accounting Division	

Hanoi, Vietnam

26 July 2018