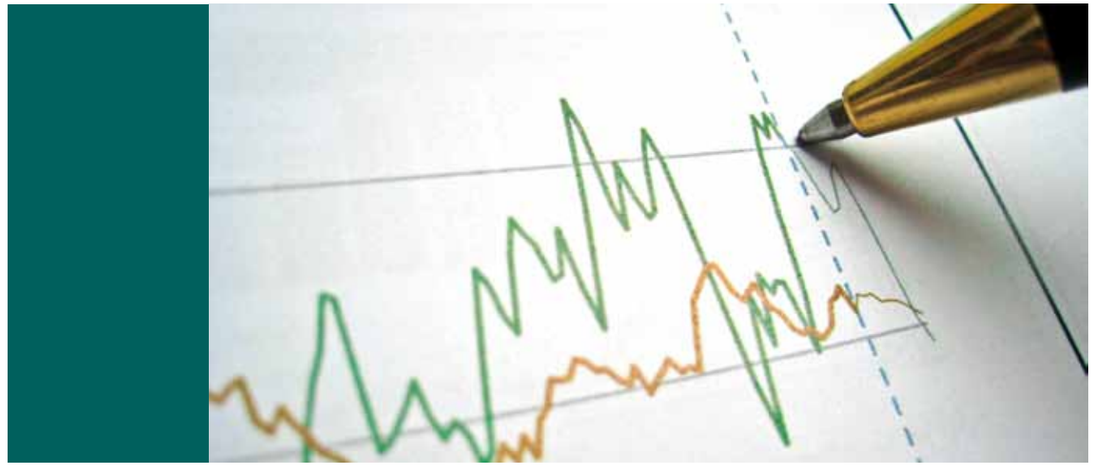
FINANCIAL STATEMENTS



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BIDV INSURANCE JOINT STOCK CORPORATION

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31st December 2012

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GENERAL INFORMATION

CORPORATION

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

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

The following summarizes some key information about the entity:

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

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

Chartered Capital

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

Location and branch network

The Corporation has its Head office located at 16th floor, Tower A, Vincom City Towers, 191 Ba Trieu street, Hai Ba Trung district, Hanoi. As at 31 December 2012, the Corporation has twenty-one (21) branches nationwide.

Employee

Total employees of the Corporation as at 31 December 2012 was 589 persons (31 December 2011: 550 persons).

Operating results

The net profit for the year ended 31 December 2012, after taxation was VND 84,178,164,009 (for the year ended 31 December 2011, net profit after tax was VND 79,065,512,609).

BOARD OF DIRECTORS

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

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

BOARD OF SUPERVISION

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

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

BOARD OF MANAGEMENT

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

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

Chartered Capital

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

Auditors

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

REPORT OF BOARD OF MANAGEMENT

The Management of BIDV Insurance Joint Stock Corporation ("the Corporation") presents its report and the Corporation's financial statements for the year ended 31 December 2012.

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

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

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

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements for the year ended 31 December 2012.

Statement by board of management

Board of Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2012 and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System applicable for insurance companies, and comply with relevant statutory requirements.

For and on behalf of the Board of Management:

Mr. **Ton Lam Tung**
GENERAL DIRECTOR
Hanoi, Vietnam - 13rd March 2013

INDEPENDENT AUDITORS' REPORT

As at 31st December 2012

Kính gửi: **Các cổ đông**
BIDV Insurance Joint Stock Corporation

Chúng tôi đã kiểm toán các báo cáo tài chính của Tổng Công ty Cổ phần Bảo hiểm Ngân hàng Đầu tư và Phát triển Việt Nam *("Tổng Công ty ")* được trình bày từ trang 5 đến trang 59 bao gồm bảng cân đối kế toán tại ngày 31 tháng 12 năm 2011, báo cáo kết quả hoạt động kinh doanh và báo cáo lưu chuyển tiền tệ cho năm tài chính kết thúc cùng ngày và các thuyết minh báo cáo tài chính kèm theo.

Việc lập và trình bày các báo cáo tài chính này thuộc trách nhiêm của Ban Tổng Giám đốc của Tổng Công ty. Trách nhiệm của chúng tôi là đưa ra ý kiến về các báo cáo tài chính này dựa trên kết quả kiểm toán của chúng tôi.

Cơ sở ý kiến Kiểm toán

Chúng tôi đã tiến hành kiểm toán theo các quy định của các Chuẩn mực Kiểm toán Việt Nam. Các chuẩn mực này yêu cầu chúng tôi phải lập kế hoạc và thực hiện kiểm tóoán để đạt được mức tin cậy hợp lý về việc liệu các báo cáo tài chính có còn các sai sót trọng yêu hay không việc kiểm toán bao gồm việc kiểm tra, theo phương pháp chọn mẫu, các bằng chứng về số liệu và các thuyết minh trên các báo cáo tài chính. Việc kiểm tóoán cũng bao gồm việc đánh giá các nguyên tắc kế toán đã được áp dụng và các ước tính quan trọng của Ban Tổng Giám đốc cũng như đánh giá việc trình bày tổng thể các báo cáo tài chính. Chúng tôi tin tưởng rằng công việc kiểm toán của chúng tôi cung cấp cơ sở hợp lý cho ý kiến kiểm toán.

Ý kiến kiểm toán

Theo ý kiến của chúng tôi, các báo cáo tài chính đã phản ánh trung thức hợp lý, xét trên các khía cạnh trọng yếu, tình hình tài chính của Tổng Công ty vào ngày 31 tháng 12 năm 2012, kết quả hoạt động kinh doanh và tình hình lưu chuyển tiền tệ cho năm tài chính kết thúc cùng ngày phù hợp với các Chuẩn mực Kế toán và Hệ thống Kế toán Việt Nam áp dụng cho các doanh nghiệp bảo hiểm và tuân thủ các quy định có liên quan.

ERNST & YOUNG VIETNAM COMPANY LIMITED
Hanoi, Vietnam - 13rd March 2013

Vo Tan Hoang Van
DEPUTY GENERAL MANAGER
Certificates Auditors No. 0264/KTV

Tran Thi Minh Tien
AUDITORS
Certificates Auditors No.1331/KTV

BALANCE SHEET

As at 31st December 2012

Currency: VND

Code	ASSETS	Notes	31 December 2012	31 December 2011
100	**A| CURRENT ASSETS**		**1.129.206.701.858**	**1.733.798.447.811**
110	I. Cash	4	**15.192.045.761**	**17.800.852.232**
111	1. Cash on hand		405.322.679	605.026.144
112	2. Cash at banks		14.786.723.082	17.056.226.088
113	3. Cash in transit		-	139.600.000
120	II. Short-term investments	5	**900.089.914.036**	**1.400.608.746.540**
121	1. Short-term investments in securities		97.059.200.387	143.889.012.493
128	2. Other short-term investments		815.828.000.000	1.279.073.200.000
129	3. Provision for impairment of short-term investment		(12.797.286.351)	(22.353.465.953)
130	III. Account receivables	6	**207.983.259.672**	**311.241.196.420**
131	1. Trade receivables		204.563.928.648	276.526.039.044
132	2. Advances to suppliers		1.309.652.500	678.042.882
133	3. Deductible VAT		5.858.667.634	7.994.634.946
138	4. Other receivables		6.646.422.296	32.375.581.984
139	5. Allowance for doubtful debts		(10.395.411.406)	(6.333.102.436)
150	IV. Other short-term assets		**5.941.482.389**	**4.147.652.619**
151	1. Advances		5.153.579.387	3.452.188.363
152	2. Prepaid		422.588.502	266.149.756
153	3. Other short-term assets		365.314.500	429.314.500
200	**B| NON-CURRENT ASSETS**		**273.410.503.367**	**136.213.005.415**
210	I. **Fixed assets**		**14.222.134.222**	**8.576.494.889**
211	1.Tangible fixed assets	7	7.722.134.222	6.511.853.206
212	Costs		32.374.997.225	28.361.387.359
213	Accumulated depreciation		(24.652.863.003)	(21.849.534.153)
214	2. Finance leases	8	-	2.064.641.683
215	Costs		-	2.152.579.273
216	Accumulated depreciation		-	(87.937.590)
217	3. Intangible fixed assets	9	6.500.000.000	
	Costs		6.556.057.850	56.057.850
	Accumulated depreciation		(56.057.850)	(56.057.850)
220	II. **Long-term investments**		**253.133.077.854**	**121.606.510.526**
221	1. Investment in securities	10.1	170.145.833.333	50.000.000.000
222	2. Investments in associates and joint-ventures	10.2	23.837.143.685	21.606.510.526
223	3. Other long-term investments	10.3	76.090.000.000	50.000.000.000
224	4. Provision for impairment of long term investments	10.4	(16.939.899.164)	
240	III. **Other long-term assets**		**6.055.291.291**	**6.030.000.000**
241	1. Compulsory deposit	11	6.000.000.000	6.000.000.000
242	2. Long-term deposits		30.954.546	30.000.000
244	3. Long-term prepaid expenses		24.336.745	
270	**TOTAL ASSETS**		**1.402.617.205.225**	**1.870.011.453.226**

Currency: VND

Code	RESOURCES	Notes	31 December 2012	31 December 2011
100	**A| LIABILITIES**		**644.189.880.626**	**1.120.112.997.492**
310	I. Short-term liabilities		**275.157.115.644**	**821.469.334.345**
313	1. Trade payables		186.440.201.763	240.347.597.966

314	2. Premium received in advance	12	9.798.119.269	8.315.273.924
315	3. Statutory obligations	13	14.813.951.634	16.527.238.981
316	4. Payable to employees	14	27.758.733.599	16.305.812.063
318	5. Accrued expenses	15	22.072.958.365	19.379.257.044
319	6. Other payables		10.089.711.694	519.253.362.416
323	7. Bonus and welfare funds		4.183.439.320	1.340.791.951
330	II. Other long-term payables		-	**542.138.757**
331	1. Long-term loan		-	542.138.757
340	III. Reserves	18.4.1	**369.032.764.982**	**298.101.524.390**
	1. Unearned premium reserve	18.4.2	238.964.521.669	190.128.680.491
	2. Claim reserve	18.4.3	74.944.817.505	67.332.841.109
	3. Catastrophe reserve		55.123.425.808	40.640.002.790
400	**B| OWNERS' EQUITY**		**758.427.324.599**	**749.898.455.734**
410	I. Owners' equity		**758.427.324.599**	**749.898.455.734**
411	1. Chartered capital	16	660.000.000.000	660.000.000.000
	2. Share premium		2.271.699.140	2.271.699.140
414	3. Treasury shares		(6.577.533.810)	(6.215.238.666)
	4. Financial reserve fund		1.800.187.891	1.800.187.891
416	5. Statutory reserves		9.062.277.776	4.853.369.576
418	6. Retained earnings		91.870.693.602	87.188.437.793
430	**TOTAL LIABILITIES AND OWNER'S EQUITY**		**1.402.617.205.225**	**1.870.011.453.226**

OFF BALANCE SHEET ITEMS

ITEMS		31 December 2012	31 December 2011
1	Doubtful debts written off (VND)		2.293.099.309
2	Insurance policies signed but for which no obligations have arisen on the part of the Corporation (VND		39.202.269.093
3	Foreign currencies United States dollar (US$) Euro (EUR)		281.097,76 287,84

INCOME STATEMENT

for the year ended 31 December 2012

Currency: VND

Code	ITEMS	Notes	For year ended 31 December 2012	For year ended 31 December 2011
01	**1. Gross written premiums**	**17.1**	**670.376.718.737**	623.821.018.508
02	**2. Reinsurance premiums assumed**	**17.2**	**83.881.976.126**	65.754.497.203
03	**3. Deductions**	17.3	**(271.477.927.604)**	**(284.806.075.314)**
04	Reinsurance premiums ceded		(265.217.214.654)	(273.632.415.806)
06	Premium returns		(6.260.712.950)	(11.173.659.508)
08	**4. Increase in unearned premium reserve**	**18.4**	**(48.835.841.178)**	**(30.827.495.640)**
09	5. Commissions on reinsurance ceded		77.395.256.58	69.310.834.174
10	6. Other income from insurance activities		18.451.048.467	18.883.405.268
13	Income from other activities		18.451.048.467	18.883.405.268
14	**7.Total operating revenues (14 = 01 + 02 + 03 + 08 + 09 + 10)**		**529.791.231.131**	**462.136.184.199**
15	**8. Claim expenses**	**18.1**	**(254.393.282.386)**	**(353.405.742.630)**
16	**9. Claim expenses on reinsurance assumed**	**18.2**	**(16.774.306.370)**	**(19.575.088.192)**
17	**10. Recoveries from reinsurance ceded**	**18.3**	**113.550.744.894**	**199.830.717.832**
21	**11. Net claim expenses on retained risks (21 = 15 + 16 + 17)**		**(157.616.843.862)**	**(173.150.112.990)**
23	**12. Increase on claim reserve**	**18.4**	**(7.611.976.396)**	**(2.783.468.469)**
24	**13. Provision for catastrophe reserve charged to the current year's expense**	**18.4**	**(14.483.423.018)**	**(12.106.589.819)**
25	**14. Other operating expenses**		**(159.499.304.720)**	**(141.969.890.458)**
27	Commissions expense		(76.111.968.663)	(62.907.172.611)
39	Expenses of reinsurance ceded		(19.111.504.064)	(30.911.884.915)
40	Other underwriting expenses		(64.275.831.993)	(48.150.832.932)

Currency: VND

Code	ITEMS	Notes	For year ended 31 December 2012	For year ended 31 December 2011
41	**15. Total direct operating expenses (41 = 21 + 23 + 24 + 25)**		**(339.211.547.996)**	**(330.010.061.736)**
42	**16. Operating income (42 = 14 + 41)**		**190.579.683.135**	**132.126.122.463**
44	**17. Administrative expenses**	19	**(198.953.844.088)**	**(184.146.111.594)**
45	**18. Net operating income/(loss) (45 = 42 + 44)**		**(8.374.160.953)**	**(52.019.989.131)**
46	19. Financial income	20	159.797.041.103	289.942.921.726
47	20. Financial expense	21	(43.333.646.557)	(139.864.418.193)
	21. Financial profit (51 = 46 + 47)		**116.463.394.546**	**150.078.503.533**
52	22. Other income	22	821.425.115	839.833.726
53	23. Other expenses	22	(303.670.288)	(942.368.569)
54	**24. Net other income/(loss) (54 = 52 + 53)**		**517.754.827**	**(102.534.843)**
55	**25. Share of the profit of the associate and joint venture**		**2.230.633.159**	**2.565.097.943**
56	**26. Profit before enterprise income tax (56 = 45 + 51 + 54 + 55)**		**110.837.621.579**	**100.521.077.502**
60	**27. Current enterprise income tax**	23.2	**(26.659.457.570)**	**(21.455.564.893)**
61	**28. Net profit for the year after enterprise income tax**		**84.178.164.009**	**79.065.512.609**
62	Earnings per share	27	**1.295**	**1.199**

Ms. **Nguyen Thi Hoa**	Ms. **Lai Ngan Giang**	Mr. **Ton Lam Tung**
Accountant of Financial and Accounting Division	*Director of Financial and Accounting Division*	*General Director*

Hanoi, Vietnam - 13rd March 2013

CASH FLOW STATEMENT

For the year ended 31 December 2012

Currency: VND

Code	ITEMS	Notes	For year ended 31 December 2012	For year ended 31 December 2011
	II| CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**110.837.621.579**	**100.521.077.502**
	Adjustments for:			
02	Depreciation and amortisation		3.769.906.918	4.481.835.330
03	Provisions		111.819.928.239	57.397.840.583
04	Un-recognized foreign exchange difference expense		87.461.428	-
05	Profits from investing activities		(126.614.220.337)	(162.142.137.435)
07	Interest expense	21	766.946.046	13.760.361
08	**Operating income before changes in working capital**		**100.667.643.873**	**272.376.341**
09	Decrease in receivables		76.337.380.911	487.830.431.702
11	(Increase) in payables		(72.846.154.846)	81.581.700.434
12	(Increase) in prepaid expense		(180.775.491)	5.691.027.526
13	Interest expense paid		(766.946.046)	(13.760.361)
14	Corporate income tax paid		(27.257.237.657)	(15.967.404.693)
15	Increase in receivables from other activities		(11.435.387.880)	(4.158.062.751)
20	**Net cash inflows from operating activities**		**64.518.522.864**	**555.236.308.198**
	II| CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(9.522.289.281)	(2.947.334.665)

Code	ITEMS	Notes	For year ended 31 December 2012	For year ended 31 December 2011
22	Receipt from disposal of fixed assets and other long term assets		1.493.536	-
25	Payments for investments in other entities			(806.814.166.901)
26	Proceeds from sale of investment		2.510.265.876.483	94.977.681.351
27	Interest received		-	-
28	Net cash outflows from investing activities		126.612.726.801	162.142.137.435
30	**Lưu chuyển tiền thuần từ hoạt động đầu tư**		**(1.299.523.330)**	**(552.641.682.780)**
	III| CASH FLOWS FROM FINANCING ACTIVITIES			
	Purchase treasury shares	16	(362.295.144)	(6.215.238.666)
	Rental fee payment		(542.138.757)	-
	Dividend payment		(64.923.388.000)	-
40	**Net cash flows from financing activities**		**(65.827.821.901)**	**(6.215.238.666)**
50	**Net cash flows**		**(2.608.822.367)**	**(3.620.613.248)**
60	**Cash and cash equivalents at the beginning of the period**		**17.800.852.232**	**21.421.465.480**
61	**Impact of exchange rate fluctuation**		**15.896**	**-**
70	**Cash and cash equivalents at the end of the year**	4	**15.192.045.761**	**17.800.852.232**

Ms. **Nguyen Thi Hoa**
Accountant of Financial and Accounting Division

Ms. **Lai Ngan Giang**
Director of Financial and Accounting Division

Mr . **Ton Lam Tung**
General Director

Hanoi, Vietnam - 13rd March 2013

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2012

1. CORPORATION INFORMATION

CORPORATION

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

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The following summarizes some key information about the entity:

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

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Employee

Total employees of the Corporation as at 31 December 2012 was 589 persons (31 December 2011: 550 persons).

Operating results

The net profit for the year ended 31 December 2012, after taxation was VND 84,178,164,009 (for the year ended 31 December 2011, net profit after tax was VND 79,065,512,609).

Chartered Capital

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

Auditors

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

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Accounting framework

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

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

The accompanying balance sheet, income statement, cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Registered accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

The Corporation maintains its accounting records in VND.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

3.1.1 Application of Circular 180/2012/TT-BTC dated 24 October 2012 issued by MoF providing guidance on retrenchment allowance

For the year ended 31 December 2012, the Corporation adopts Circular 180/2012/TT-BTC guiding the financial settlement of redundancy pay given to employee issued by the Ministry of Finance on 24 October 2012.

Following Circular 180, the provision set up in accordance with Circular 82/2003/TT-BTC dated 14 August 2013 as at 31 December 2011 (if any) can be used to pay severance allowance to employees. In case provision balance is not sufficient or the Corporation does not have provision to pay severance allowance to employees, the difference or the payment will be recognized in administrative expense and deductible when calculating enterprise income tax. Any unused provision by the year end 2012 (after using in 2012) is reversed to other income, the Corporation is not allowed to keep the provision for using in next year.

Therefore, the Company stops accruing severance allowance and reverses remaining balance to other income. At the same time, the Corporation has accrued retrenchment and severance allowances in accordance with Labor code.

3.1.2 Application of Circular 179/2012/TT-BTC dated 24 October 2012 issued by MoF providing guidance on recognition, measurement, treatment for foreign exchange differences

For the year ended 31 December 2012, the Corporation adopts Circular 179/2012/TT-BTC providing guidance on recognition, measurement, treatment for foreign exchange differences issued by the Ministry of Finance on 24 October 2012 ("Circular 179") in addition to Vietnamese Accounting Standard No. 10 - Effects of Changes in Foreign Exchange Rates (the "VAS 10") adopted in prior years. Following Circular 179, at the end of the year, monetary assets and liabilities denominated in foreign currencies are translated into VND using buying exchange rate announced by the commercial bank where the Corporation maintains bank accounts. In 2011, inter-bank exchange rates ruling at the balance sheet date was used for this translation. All unrealised foreign exchange differences are taken to the income statement on a net basis.

Therefore, the Corporation has recorded the unrealised foreign exchange difference relating to revaluation of monetary assets and liabilities dominated in foreign currencies into financial income or financial expense on net basis.

3.2 Presentation and disclosures of financial instruments

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

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

3.3 Cash and cash equivalents

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

3.4 Receivables

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

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

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

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

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.6 Leased assets

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

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

Where the Corporation is the lessee

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

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

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

3.7 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.8 Depreciation and amortisation

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

Nhà cửa, vật kiến trúc	**8 - 25 năm**
Thiết bị, dụng cụ quản lý	**3 - 7 năm**
Phương tiện vận tải	**6 - 10 năm**
Tài sản cố định hữu hình khác	**5 năm**
Phần mềm	**3 - 5 năm**
Quyền sử dụng đất vô thời hạn	**Không khấu hao**

3.9 Borrowing costs

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

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

3.10 Prepaid expenses

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

3.11 Investments

3.11.1 Investment in securities

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

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

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

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

3.11.2 Other long-term investments

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

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

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

3.11.2 Investment in joint ventures and associates

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

The market prices of listed securities are determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) as at 31 December 20112.

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

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

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

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

3.12 Investment in joint ventures and associates

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

The share of profit/ (loss) of the jointly controlled entity is presented on face of the income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from jointly controlled entities reduce the carrying amount of the investment.

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

3.13 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.

3.13 Employee benefits

3.14.1 Post employment benefits

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

3.14.2 Voluntary resignation and retrenchment benefits

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

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

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

During year 2012, the Corporation stopped accruing severance allowance and reverted remaining balance to other income according to Circular 180/2012/TT-BTC issued by the Ministry of Finance dated 24 October 2012. At the same time, the Company has accrued retrenchment and severance allowances in accordance with Labor code. Please refer to Note 3.1.1.

3.14.3 Unemployment benefits

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

3.15 Technical reserves

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

Unearned premium reserve:

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

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

Claims reserve

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

Catastrophe reserve:

Catastrophe reserve is accrued annually until such reserve reaches 100% of the retained premiums of the current fiscal year and is made based on retained premiums according to Circular 125/2012/TT-BTC dated 30 July 2012 issued by the Ministry of Finance.

On 28 December 2005, the Ministry of Finance issued Decision 100/2005/QD-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19-Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 46/2007/ND-CP issued by the Government of Vietnam on 27 March 2007 regarding financial regulations for insurance enterprises, the Corporation has elected to adopt the policy of providing for the catastrophe reserve at 3% of total retained premium.

3.16 Transactions in foreign currencies

The Corporation follows the guidance under Vietnamese Accounting Standard No. 10 "The Effects of Changes in Exchange Rates" (the "VAS 10") and Circular 179/2012/TT-BTC dated on 24 October 2012 issued by the Ministry of Finance in relation to foreign currency transactions.

The Corporation follows the guidance under Vietnamese Accounting Standard No. 10 "The Effects of Changes in Exchange Rates" (the "VAS 10") and Circular 179/2012/TT-BTC dated on 24 October 2012 issued by the Ministry of Finance in relation to foreign currency transactions.

Transactions in currencies other than the Corporation's reporting currency of (VND) are recorded at the exchange rates ruling at the date of the transaction. At the end of year, monetary assets and liabilities denominated in foreign currencies are translated at purchasing rate of the bank that the Corporation has the published account – BIDV ruling at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the income statement.

3.17 Treasury shares

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

3.18 Appropriation of net profits

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

The Corporation maintains the following reserve funds which are appropriated from the Corporation's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- Statutory reserve fund is set in order to supplement the Corporation's charter capital and ensure its solvency. This fund shall deduct 5% of the Corporation's annual profit after tax until it equals to 10% of the Corporation's charter capital based on Circular 46/2007/ND-CP dated 22 March 2007 by Ministry of Finance.
- Bonus and welfare fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.
  chung và nâng cao phúc lợi cho công nhân viên.

3.19 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:

Gross written premium

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

recognized as revenue at the point of time when the following conditions are met: (1) the insurance contract has been entered into by the insurer and the insured; and (2) the premium has been paid by the insured or there is agreement between the Corporation and the insured for delayed payment of insurance premium. If the Corporation and its customers mutually agree a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the period. Prepaid premium before due date is recorded as "Premium received in advance" in the balance sheet as at the balance sheet date.

Interest

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

Dividends

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

3.20 Expense recognition

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.

Commission expense

Commission expense is recognized when incurred. Commission expense is calculated at percentage of gross written premium and recognize in the income statement. The percentage of commission over the gross written premium for specific line of insurance is stipulated in Circular 124/2012/TT-BTC dated 30 July 2012 issued by Ministry of Finance.

Other general administrative expenses

Other general and administrative expense is recognized on accrual basis.

Leased assets

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

3.21 Recognition of reinsurance activities

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.

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

Reinsurance assumed under facultative arrangement:

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

3.22 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 balance sheet date.

Current income tax is charged or credited to the 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 balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.

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

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporarily differences associated with investments in subsidiaries and



associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

Deferred tax is charged or credited to the 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.

3.23 Use of estimates

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

3.24 Off-balance sheet items

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

4. CASH AND CASH EQUIVALENTS

Cash on hand	31 December 2012 VND	31 December 2011 VND
In which:	405.322.679	605.026.144
VND	405.322.679	605.026.144
Cash at banks	14.786.723.082	17.056.226.088
In which:	8.924.383.461	15.495.132.306
VND	5.862.339.621	1.561.093.782
Foreign currency	-	139.600.000
Cash in transit	**15.192.045.761**	**17.800.852.232**

5. SHORT-TERM INVESTMENTS

Short-term securities investments		31 December 2012 VND	31 December 2011 VND
Listed shares		97.059.200.387	143.889.012.493
Unlisted shares		35.349.293.751	36.340.585.857
Corporate bonds		34.709.906.636	37.758.426.636
Other short-term investments	5.1	27.000.000.000	69.790.000.000
Term deposits in VND		815.828.000.000	1.279.073.200.000
Term deposits in USD		795.000.000.000	1.239.500.000.000
Allowance for diminution of short-		20.828.000.000	39.573.200.000
Term investments value		(12.797.286.351)	(22.353.465.953)
Net value of short-term investments		**900.089.914.036**	**1.400.608.746.540**

5.1 CORPORATE BONDS

	Term	Annual rate	31 December 2012 VND
Vietnam Electricity Construction Joint Stock		**14%**	7.000.000.000
Corporation		**16%**	20.000.000.000
Long Hau Joint Stock Company			**27.000.000.000**

6. ACCOUNT RECEIVABLES

	31 December 2012 VND	31 December 2011 VND
Trade receivables	**204.563.928.648**	**276.526.039.044**
Receivable from direct insurance activities	45.816.539.578	36.001.583.408
Receivable from inward reinsurance	32.705.945.259	34.781.663.514
Receivable from outward reinsurance	84.875.444.853	161.303.123.563
Recoverable from settled claims	41.709.311.055	113.069.955.594
Commission receivables from reinsurance ceded	43.166.133.798	48.233.167.969
Receivables from financial activities	37.440.146.577	40.188.052.474
Other receivables	3.725.852.381	4.251.616.085
Advances to suppliers	1.309.652.500	678.042.882
Deductible VAT	5.858.667.634	7.994.634.946
Other receivables	6.646.422.296	32.375.581.984
Total receivables	**218.378.671.078**	**317.574.298.856**
Allowance for doubtful debts	(10.395.411.406)	(6.333.102.436)
Net trade and other receivables	**207.983.259.672**	**311.241.196.420**

7. TANGIBLE FIXED ASSETS

	Buildings VND	Office equipments VND	Motor vehicles VND	Other tangible fixed assets VND	Total VND
Costs:	-				
Balance at 1 January 2012	2.300.000.000	6.055.249.864	22.080.299.476	225.838.019	**28.361.387.359**
Additions	**2.300.000.000**	611.598.363	2.152.579.273	110.690.918	**5.174.868.554**
Newly purchased(*), (**)	2.300.000.000	611.598.363	2.152.579.273	110.690.918	**5.174.868.554**
Other increase	-	-	-	-	**-**
Decrease	-	(46.708.688)	(1.114.550.000)	-	**(1.161.258.688)**
Other decrease	2.300.000.000	(46.708.688)	(1.114.550.000)	-	**(1.161.258.688)**
Balance at 31 December 2012	2.300.000.000	6.620.139.539	23.118.328.749	336.528.937	**32.374.997.225**
Accumulated depreciation:					
Balance at 1 January 2012	-	(5.156.101.238)	(16.568.556.343)	(124.876.572)	**(21.849.534.153)**
Depreciation for the year	**(78.728.030)**	(583.642.470)	(2.715.889.734)	(52.468.517)	**(3.430.728.751)**
Other increase	-	-	(433.685.268)	-	**(433.685.268)**
Other decrease	-	51.441.949	1.007.806.970	1.836.250	**1.061.085.169**
Balance at 31 December 2012	**(78.728.030)**	(5.688.301.759)	(18.710.324.375)	(175.508.839)	**(24.652.863.003)**
Net book value:					
Balance at 1 January 2012	-	899.148.626	5.511.743.133	100.961.447	**6.511.853.206**
Balance at 31 December 2012	**2.221.271.970**	931.837.780	4.408.004.374	161.020.098	**7.722.134.222**

8. FINANCE LEASES

	Vehicles (VND)	Total (VND)
Cost		
Balance at 1 January 2012	2.152.579.273	**2.152.579.273**
Additions leases	-	**-**
Transferred to fixed assets (*)	(2.152.579.273)	**(2.152.579.273)**
Balance at 31 December 2012	-	**-**
Accumulated depreciation:		
Balance at 1 January 2012	(87.937.590)	**(87.937.590)**
Depreciation for the year	(339.178.167)	**(339.178.167)**
Decrease for the year	427.115.757	**427.115.757**
Balance at 31 December 2012	-	**-**
Net carrying amount:		
Balance at 1 January 2012	2.064.641.683	**2.064.641.683**
Balance at 31 December 2012	-	**-**

(*) During year, all finance leases have been repurchased by the Corporation and transferred to fixed assets.

9. TÀI SẢN CỐ ĐỊNH VÔ HÌNH

	Computer software (VND)	Land use right (VND)	Total (VND)
Cost			
Balance at 1 January 2012	56.057.850	-	**56.057.850**
Additions (**)	-	6.500.000.000	**6.500.000.000**
Decrease	-	-	**-**
Balance at 31 December 2012	56.057.850	6.500.000.000	**6.556.057.850**
Accumulated depreciation:			
Balance at 1 January 2012	(56.057.850)	-	**(56.057.850)**
Increase for the year	-	-	**-**
Disposals	-	-	**-**
Balance at 31 December 2012	(56.057.850)	-	**(56.057.850)**
Net carrying amount:			
As at 1 January 2012	-	-	**-**
As at 31 December 2012	-	6.500.000.000	**6.500.000.000**

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

10. LONG-TERM INVESTMENTS

	Note	31 December 2012 VND	31 December 2011 VND
1. Long-term security investments	10.1	170.145.833.333	**50.000.000.000**
2. Investment in joint-ventures and associates	10.2	23.837.143.685	**21.606.510.526**
3. Other long-term investments	10.3	76.090.000.000	**50.000.000.000**
Total long-term investments		**270.072.977.018**	**121.606.510.526**
Provision for long-term investments	10.4	(16.939.899.164)	**-**
Net value of financial long-term investments		**253.133.077.854**	**121.606.510.526**

10.1 Long-term security investments

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

	Term	Annual rate	31 December 2012 (VND)
Tai Nguyen Company	3 years	15,30%	**30,000,000,000**
Construction and Materials Trading JSC	2 years	18,00%	**40,000,000,000**
Parent Company – Housing and Urban Development Corp	3 years	14,50%	**50,000,000,000**
Bank of Investment and Development of Vietnam	3 years	12,50%	**50,145,833,333**
			170,145,833,333

10.2 Investment in joint-ventures and associates

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

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

	31 December 2012 (VND)
As at 31 December 2011	21.606.510.526
Share of profit in joint venture and associate using equity method of accounting	2.230.633.159
As at 31 December 2012	**23.837.143.685**

10.3 Other long-term investments

	% owne	Number of shares	Unit cost	Amount VND
Green Indochina Development JSC	4,28%	1.000.000	26.090	**26.090.000.000**
Vinaconex – Viettel Finance JSC	5%	5.000.000	10.000	**50.000.000.000**
		6.000.000		**76.090.000.000**

10.4 Provision for long – term investment

Provision for long – term investment is the provision for shares Green Indochina Development JSC.

	31 December 2012 (VND)	31 December 2011 (VND)
Green Indochina Development JSC	(16.939.899.164)	
	(16.939.899.164)	

11. COMPULSORY DEPOSITS

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

12. TRADE PAYABLES

	31 December 2012 (VND)	31 December 2012 (VND)
Payables relating to writing of direct insurance	12.791.747.413	10.778.090.352
Reinsurance assumed payables	12.907.267.659	18.777.857.875
Reinsurance ceded payables	159.502.884.398	206.992.815.276
Other payables	1.238.302.293	3.798.834.463
	186.440.201.763	**240.347.597.966**

13. STATUTORY OBLIGATIONS

		Phát sinh trong kỳ		
	Balance as at 31 December 2011 VND	Payable of the year	Paid VND	Balance as at 31 December 2011 VND
Value added tax	7.947.276.040	37.853.563.324	39.116.254.431	39.116.254.431
Enterprise income tax	5.565.800.406	26.659.457.570	27.257.237.657	27.257.237.657
Other taxes	3.014.162.535	10.944.274.654	10.797.090.807	10.797.090.807
	16.527.238.981	**75.457.295.548**	**77.170.582.895**	**77.170.582.895**

14. ACCRUED EXPENSE

	Ngày 31/12/2012 (VNĐ)	Ngày 31/12/2011 (VNĐ)
Premium payables under XOL contracts	4.500.000.000	3.570.023.340
Reinstated premium payables under XOL contracts	9.581.169.909	13.379.948.508
Compulsory fire and explosion and civil liabilities expense	1.222.000.000	864.151.660
Other accrued expense (*)	6.769.788.456	1.565.133.536
	22.072.958.365	**19.379.257.044**

(*) Chi phí phải trả khác chủ yếu bao gồm các khoản chi phí phải trả cho quảng cáo, đào tạo, thuê nhà và chi phí kiểm toán

15. OTHER PAYABLES

	31 December 2012 (VND)	31 December 2012 (VND)
Payable for trusted investment	-	501.001.194.444
Principal payable	-	480.000.000.000
Interest payable	-	21.001.194.444
Others	10.089.711.694	18.252.167.972
	10.089.711.694	**519.253.362.416**



16. OWNERS' EQUITY

	Chartered capital (VND)	Share premium (VND)	Treasury shares VND)	Financial reserve (VND)	Statutory reserve (VND)	Retained earnings (VND)	Total (VND)
Balance at 1 January 2011	**660.000.000.000**	**2.271.699.140**	-	-	**-**	**18.001.878.910**	**680.273.578.050**
Profit for the year	-	-	-	-	**-**	79.065.512.609	79.065.512.609
Appropriation to funds from profit for year 2010	-	-	-	1.800.187.891	900,093,946	(2.700.281.837)	-
Appropriation to funds from profit for year 2011	-	-	-	-	3,953,275,630	(3.953.275.630)	-
Purchase of treasury shares	-	-	(6.215.238.666)	-	-	-	(6.215.238.666)
Appropriation to Bonus and Welfare funds	-	-	-	-	-	(2.996.896.259)	(2.996.896.259)
Remuneration to Board of Directors	-	-	-	-	-	(228.500.000)	(228.500.000)
Balance at 31 December 2011	**660.000.000.000**	**2.271.699.140**	**(6.215.238.666)**	**1.800.187.891**	**4,853,369,576**	**87.188.437.793**	**749.898.455.734**
Balance at 1 January 2012	**660.000.000.000**	**2.271.699.140**	**(6.215.238.666)**	**1.800.187.891**	**4,853,369,576**	**87.188.437.793**	**749.898.455.734**
Profit for the year	-	-	-	-	_	**84.178.164.009**	84.178.164.009
Payment for 2011 dividend	-	-	-	-	_	(65.000.000.000)	(65.000.000.000)
Appropriation to statutory reserve fund of profit for 2012	-	-	-	-	4,208,908,200	(4.208.908.200)	-
Purchase of treasury shares	-	-	(362.295.144)	-	_	-	(362.295.144)
Appropriation to Bonus and Welfare funds	-	-	-	-	_	(10.000.000.000)	(10.000.000.000)
Remuneration to Board of Directors	**-**	-	-	-	_	(287.000.000)	(287.000.000)
Balance at 31 December 2012	**660.000.000.000**	**2.271.699.140**	**(6.577.533.810)**	**1.800.187.891**	**9,062,277,776**	**91.870.693.602**	**758.427.324.599**

17. REVENUE FROM INSURANCE BUSINESS

17.1 Gross written premiums

Product	For year ended 31 December 2012 VND	For year ended 31 December 2011 VND
Health Insurance and Personal Accident Insurance	65.830.887.659	35.234.630.824
Property and Damages Insurance	173.653.971.966	235.361.269.821
Cargo Insurance	33.466.369.392	31.283.138.802
Automobile Insurance	244.023.989.220	183.216.500.520
Fire Insurance	80.629.290.423	62.026.311.787
Liability Insurance	3.690.943.159	4.598.996.599
Business Risk Insurance	1.475.864.157	2.101.819.296
Aviation Insurance	6.045.645.978	21.407.806.093
Hull and owner's liability Insurance	51.153.175.891	48.384.206.256
Financial and credit risk insurance	10.406.580.892	206.338.510
Agriculture insurance	-	-
	670.376.718.737	**623.821.018.508**

17.2 Reinsurance premiums assumed

Product	For year ended 31 December 2012 VND	For year ended 31 December 2011 VND
Health Insurance and Personal Accident Insurance	573.050.865	604.607.716
Property and Damages Insurance	64.127.928.152	49.506.400.644
Cargo insurance	3.903.840.963	1.695.354.806
Automobile Insurance	2.875.858.971	3.585.412.384
Fire Insurance	4.827.909.601	2.954.868.510
Liability Insurance	584.287.882	1.504.368.505
Business Risk Insurance	992.444.521	2.499.492.174
Aviation Insurance	4.846.787.627	1.902.519.219
Hull and owner's liability Insurance	836.204.637	1.460.276.726
Financial and credit risk insurance	-	41.196.519
Agriculture insurance	313.662.907	-
	83.881.976.126	**65.754.497.203**

17.3 Reinsurance premiums ceded

Product	For year ended 31 December 2012 VND	For year ended 31 December 2011 VND
Health Insurance and Personal Accident Insurance	726.634.202	309.870.339
Property and Damages Insurance	137.537.006.320	152.407.740.381
Cargo Insurance	23.251.954.020	22.060.123.896
Automobile Insurance	2.070.421.348	2.434.622.043
Fire Insurance	47.493.997.250	35.539.729.739
Liability Insurance	1.755.566.551	2.338.509.128
Business Risk Insurance	2.244.894.358	2.000.000.000
Aviation Insurance	2.423.513.011	20.827.310.794
Hull and owner's liability Insurance	38.352.427.274	35.610.753.133
Financial and credit risk insurance	9.360.800.320	103.756.353
Agriculture insurance	-	-
	265.217.214.654	**273.632.415.806**

18. CLAIM EXPENSES

18.1 Gross claim expenses

Product	For year ended 31 December 2012 VND	For year ended 31 December 2012 VND
Health Insurance and Personal Accident Insurance	14.524.498.224	12.407.445.821
Property and Damages Insurance	45.412.515.357	69.424.717.404
Cargo Insurance	23.971.485.150	28.761.544.250
Automobile Insurance	102.909.404.834	103.373.380.269
Fire Insurance	44.577.160.972	49.248.032.829
Liability Insurance	520.079.331	340.067.693
Business risk insurance	2.486.216.480	16.579.080.256
Aviation insurance	320.863.102	-
Hull and ship owner's liability insurance	19.646.375.890	73.271.474.108
Financial and credit risk insurance	24.683.046	-
Agriculture insurance	-	-
	254.393.282.386	**353.405.742.630**

18.2 Claim expenses on reinsurance assumed

Product	For year ended 31 December 2012 VND	For year ended 31 December 2011 VND
Health Insurance and Personal Accident Insurance	352.223.791	20.768.969
Property and Damages Insurance	9.418.703.643	55.839.115.418
Cargo Insurance	118.797.242	26.317.142.034
Automobile Insurance	881.584.463	2.553.170.985
Fire Insurance	5.791.035.410	38.463.163.051
Liability Insurance	-	280.270.745
Business risk insurance	-	14.758.606.750
Aviation insurance	80.399.468	-
Hull and ship owner's liability Insurance	70.917.908	61.598.479.880
Financial and credit risk insurance	-	-
Agriculture insurance	60.644.445	-
	16.774.306.370	**199.830.717.832**

18.3 Recoveries from reinsurance ceded

Product	For year ended 31 December 2012 VND	For year ended 31 December 2011 VND
Health Insurance and Personal Accident Insurance	14.032.521	20.768.969
Property and Damages Insurance	30.635.207.680	55.839.115.418
Cargo Insurance	21.470.353.729	26.317.142.034
Automobile Insurance	479.784.512	2.553.170.985
Fire Insurance	42.588.824.164	38.463.163.051
Liability Insurance	245.765.583	280.270.745
Business risk insurance	2.263.529.040	14.758.606.750
Aviation insurance	338.256.433	-
Hull and ship owner's liability Insurance	15.514.991.232	61.598.479.880
Financial and credit risk insurance	-	-
Agriculture	-	-
	113.550.744.894	**199.830.717.832**

18.4 Technical Reserves

18.4.1 Unearned premium reserve

Product	31 December 2012 VND	31 December 2012 VND
Health Insurance and Personal Accident Insurance	32.993.599.336	19.611.065.254
Property and Damages Insurance	46.235.618.015	48.083.564.033
Cargo Insurance	1.011.086.828	863.618.110
Automobile Insurance	131.038.393.223	100.845.304.144
Fire Insurance	17.149.739.258	14.612.793.093
Liability Insurance	1.943.487.540	2.224.586.165
Business risk Insurance	57.946.562	59.364.902
Aviation Insurance	5.705.064.922	186.694.172
Hull and ship owner's liability Insurance	2.684.337.224	3.571.013.100
Financial and credit risk insurance	145.248.761	70.677.518
Agriculture insurance	-	-
	238.964.521.669	**190.128.680.491**

The change in unearned premium reserve taken to expenses charged to the income statement for the year ended 31 December 2012 was VND **48.835.841.178**.

18.4.2 Claim reserves

Product	31 December 2012 VND	31 December 2012 VND
Health Insurance and Personal Accident Insurance	10.933.364.048	9.832.641.896
Property and Damages Insurance	7.418.799.980	22.497.554.072
Cargo Insurance	1.801.404.895	663.329.477
Automobile Insurance	15.893.584.989	15.060.743.454
Fire Insurance	34.063.646.203	10.790.035.352
Liability Insurance	578.482.638	301.994.202
Business risk Insurance	300.474.078	558.096.939
Aviation Insurance	24.990.225	24.965.864
Hull and ship owner's liability Insurance	3.196.060.199	6.839.469.603
Financial and credit risk insurance	734.010.250	764.010.250

Product	31 December 2012 VND	31 December 2012 VND
Agriculture insurance	-	-
	74.944.817.505	**67.332.841.109**

Claim reserves include:

- Outstanding claim reserves were calculated based on loss estimate for each individual large claim, for which the Corporation is liable, which is either notified to the Corporation or requested for payment but is still unresolved as at 31 December 2012. Such reserves amounted to VND 215,707,887,638 as at 31 December 2012, in which, the amount recoverable from reinsurers relating to these outstanding claims amounted to VND 162,054,255,333;
- Reserves for claims incurred but not reported as at 31 December 2012, amounted to VND 21,291,185,200.

The increase in claim reserve, of VND **7,611,976,396**, was charged to the income statement on a net basis, i.e. after deducting the corresponding reinsurance recoveries

18.4.3 Catastrophe reserve

Details of the catastrophe reserve provided as at 31 December 2012 are presented as follows:

Product	31 December 2012 VND	31 December 2011 VND
Health Insurance and Personal Accident Insurance	6.590.154.920	4.622.801.189
Property and Damages Insurance	12.753.621.173	9.811.665.898
Cargo Insurance	1.683.681.578	1.269.072.038
Automobile Insurance	27.044.321.679	19.755.625.277
Fire Insurance	4.321.212.741	3.213.505.817
Liability Insurance	459.963.503	385.003.568
Business Risk Insurance	51.819.434	46.703.187
Aviation Insurance	268.546.944	14.479.326
Hull and ship owner's liability Insurance	1.660.309.225	1.271.092.874
Financial and credit risk insurance	280.384.724	250.053.616
Agriculture insurance	9.409.887	-
	55.123.425.808	**40.640.002.790**

The catastrophe reserve expense charged to the income statement for the period ended 31 December 2012 was VND 14,483,423,018 **14.483.423.018**.

19. ADMINISTRATIVE EXPENSES

ITEMS	For year ended 31 December 2012 (VND)	For year ended 31 December 2011 (VND)
Employees expenses	117.694.210.350	104.835.291.493
Depreciation expenses	3.769.906.918	4.292.244.231
Expenses for external services	58.427.462.242	55.962.726.387
Other expenses	19.062.264.578	19.055.849.483
	198.953.844.088	**184.146.111.594**

20. FINANCIAL INCOME

ITEMS	For year ended 31 December 2012 (VND)	For year ended 31 December 2011 (VND)
Interest income from deposits at banks	131,664,955,429	204,261,131,686
Interest income from bonds	20,215,132,683	24,529,089,003
Dividends income	2,513,434,880	14,117,739,189
Foreign exchange gains	3,560,585,716	29,447,519,819
Gain on securities trading	1,842,707,236	16,521,390,438
Other financial income	225,159	1,066,051,591
	159,797,041,103	**289,942,921,726**

21. FINANCIAL EXPENSES

ITEMS	For year ended 31 December 2012 (VND)	For year ended 31 December 2011 (VND)
Interest expense	766.946.046	13.760.361
Foreign exchange losses	3.328.619.205	23.728.294.707
Loss on securities trading	3.067.528.933	3.383.295.170
Interest expense of investment trusted	27.213.850.001	102.046.461.109
Others financial expense	1.572.982.810	164.938.203
Provision for investment impairment	7.383.719.562	10.527.668.643
	43.333.646.557	**139.864.418.193**

22. OTHER INCOME AND EXPENSES

	For year ended 31 December 2012 VND	For year ended 31 December 2011 VND
Other income		
Proceeds on disposal of assets	113.596.295	403.636
Other income	707.828.820	839.430.090
	821.425.115	**839.833.726**
Other expenses		
Expenses on disposal of assets	(45.193.059)	(1.246)
Other expenses	(258.477.229)	(942.367.323)
	(303.670.288)	**(942.368.569)**
Net other income	**517.754.827**	**(102.534.843)**

23. ENTERPRISE INCOME TAX

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

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

23.1 Enterprise Income Tax Expense

	Cho năm tài chính kết thúc ngày 31/12/2012 VNĐ	Cho năm tài chính kết thúc ngày 31/12/2011 VNĐ
Current Enterprise Income Tax	26.659.457.570	21.455.564.893
Deferred Enterprise Income Tax	-	-
Enterprise Income Tax Expense	**26.659.457.570**	**21.455.564.893**

23.2 Current Enterprise Income Tax

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

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

	For year ended 31 December 2012 VND	For year ended 31 December 2011 VND
Accounting profit before tax	**110.837.621.579**	**100.521.077.502**
Adjustments to increase	**544.276.741**	**1.276.072.417**
Non-deductible expenses	544.276.741	1.276.072.417
Adjustments to decrease	**(4.744.068.039)**	**(16.682.837.132)**
Tax exempt dividend income	(2.513.434.880)	(14.117.739.189)
Share of profit in associates and joint-venture	(2.230.633.159)	(2.565.097.943)
Estimated current taxable profit	**106.637.830.281**	**85.114.312.787**
Estimated Current Enterprise Income Tax expense	26.659.457.570	21.278.578.197
Adjustment of tax payables	-	176.986.696
Current Enterprise Income Tax	**26.659.457.570**	**21.455.564.893**
Enterprise Income Tax payable/(receivables) at beginning of the year	5.565.800.406	77.640.206
Enterprise Income Tax paid during the year	(27.257.237.657)	(15.967.404.693)
Enterprise Income Tax payable at the end of the year	**4.968.020.319**	**5.565.800.406**

24. TRANSACTIONS WITH RELATED PARTIES

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

Company	Relationship	Transaction	Amount VND
Joint stock Commercial Bank of Investment and Development of Vietnam (BIDV)	Parent	Gross written premium	68.683.701.079
		Interest income from term deposit	100.030.032.582
		Bond interest income	2.602.739.726
		Trusted interest expense	8.539.388.889
		Office rental expense	8.377.356.746
		Interest expense	652.785.986
		Claim expense	2.431.826.085
		Commission expense	9.854.054.884
BIDV Leasing Company	Affiliate	Gross written premium	102.081.763
		Finance Leases expense	95.998.985
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Interest income from term deposit	2.955.785.994
		Trusted interest expense	18.156.155.556
Lao Viet Insurance Company	Joint-venture	Assumed reinsurance premium Ceded premium	26.033.336.359

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

Related company	Relationship	Description	Receivables VND	Payables VND
Ngân hàng Đầu tư Phát triển Việt Nam (BIDV)	Parent	Doanh thu phí bảo hiểm gốc	68.683.701.079	
		Doanh thu từ hoạt động tiền gửi	100.030.032.582	

Related company	Relationship	Description	Receivables VND	Payables VND
		Current account	13,513,179,615	-
		Term deposit	627,828,000,000	-
		Interest from term deposit	21,837,636,112	-
		BIDV bonds	50,145,833,330	-
		BIDV bond interest receivables	2,602,739,726	-
		Compulsory deposit at BIDV	6,000,000,000	-
		Premium receivables	10,753,115,619	-
		Commission payables	-	2,258,110,146
		Claim payables	-	189,842,033
		Phải trả hoa hồng BH		
		Phải trả bồi thường BH	57,000,000,000	-
The Bank of Investment and Development of Cambodia (BIDC)	Affiliate	Term deposit		
		Interest from term deposit	1,791,291,667	-
		Total	**791,471,796,069**	**2,447,952,179**

Remuneration to members of Board of Management

	For the year ended 31 December 2012 VND	For the year ended 31 December 2012 VND
Salaries and bonus	2.916.029.570	2.362.692.600
Other benefits	455.000.000	587.411.827
	3.371.029.570	**2.950.104.427**

Other directors' interests

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

25. INFORMATION ON SEGMENT REPORTING

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

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

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

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

26. CONTINGENT LIABILITIES

Foreign contractor withholding tax

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

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

27. EARNINGS PER SHARE

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

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

	For year ended 31 December 2012	For year ended 31 December 2011
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	84.178.164.009	79.065.512.609
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share (unit)	65.002.312	65.919.999
EPS (VND)	1.295	1.199

28. RISK MANAGEMENT FRAMEWORK

28.1 Governance framework

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

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

28.2 Risk management objectives, policies and processes for management of insurance risk

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

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

28.3 Capital management and regulatory framework

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

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

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

	Corporation Solvency Capital VND million	Minimum Solvency Margin VND million	Solvency Margin Ratio
31 December 2012	696.054	120.695	577%
31 December 2011	648.081	101.192	640%

Tỷ lệ biên khả năng thanh toán của Tổng Công ty là một chỉ số về khả năng thanh toán chung đối với các hoạt động bảo hiểm có liên quan, được tính dựa trên những quy định tương ứng được ban hành bởi Bộ Tài chính Việt Nam.

28.4 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.

28.5 Reinsurance strategy

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

Ceded reinsurance contains credit risk, and to minimise such risk, only those reinsurers meeting the Corporation's credit rating standard, either assessed from public rating information or internally investigations, will be used.

29. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

29.1 Insurance risk

Assumptions, changes in assumptions and sensitivity analysis

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

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a separate case by case basis with due regard to the circumstances, information available from loss adjusters and historical evi-

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

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

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

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

$$\text{Dự phòng bồi thường cho các tổn thất đã phát sinh trách nhiệm bảo hiểm chưa khiếu nại cho năm tài chính hiện tại} = \frac{\text{Tổng số tiền bồi thường cho các tổn thất đã phát sinh trách nhiệm nhưng chưa khiếu nại của 3 năm tài chính trước liên tiếp}}{\text{Tổng số tiền bồi thường phát sinh của 3 năm tài chính trước liên tiếp}} \times \frac{\text{Số tiền bồi thường phát sinh của năm tài chính hiện tại}}{\text{Doanh thu thuần hoạt động kinh doanh của năm tài chính trước}} \times \frac{\text{Doanh thu thuần hoạt động kinh doanh của năm tài chính hiện tại}}{\text{Thời gian chậm yêu cầu đòi bồi thường của năm tài chính trước}} \times \frac{\text{Thời gian chậm yêu cầu đòi bồi thường của năm tài chính hiện tại}}{}$$

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

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

For general insurance contracts the most significant risks arise from climate changes and natural disasters. Vietnam has suffered heavily from catastrophes loss such as tropical typhoon, river flood, flash flood, heavy rain and landslide. It is expected that tropical typhoon will affect Vietnam regularly with the high severity and insured losses. In view of the exposures, the general insurance has arranged the reinsurance protection for the fire, engineering, motor, marine hull & cargo, fishing vessels portfolios against the catastrophe events to minimize the risks.
For longer tail claims that take over a year to settle; there is also inflation risk. These risks do not vary significantly in relation to the location of the risk insured by the general insurance, type of risk insured and by industry.

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

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

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

29.2 Financial risk

The Corporation's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Corporation's operations. The Corporation has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Corporation does not hold or issue derivative financial instruments.

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

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

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

29.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2012 and 31 December 2011.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the statement of the balance sheet relates to available-for-sale debt instrument; the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2012 and 31 December 2011.

Interest rate risk

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

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

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

Foreign curren cyrisk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Corporation conducts business may affect its financial condition and results of operations. The foreign current risk facing the Corporation mainly comes from movements in the USD/VND exchange rates. The Corporation seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

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

During the year, foreign exchange rate between VND and USD fluctuated from 20,800 to 21,031 VND/USD.

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

Change in variance	Impact on profit before tax VND	Impact on equity after tax VND
31 December 2012		
+10%	(5.379.875.132)	(4.034.906.349)
-10%	5.379.875.132	4.034.906.349
31 December 2011		
+10%	1.490.216.849	1.117.662.637
-10%	(1.490.216.849)	(1.117.662.637)

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 35,349,293,751 (31 *December 2011: VND 25,969,792,000)*. A decrease of 10% on the stock market index could have an impact of approximately VND (2,994,964,679) *(31 December 2011: VND (2,176,101,200)*) on the Corporation's profit after tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Corporation's profit after tax by VND 2,190,154,861 *(31 December 2011: VND 2,176,101,200)*.

29.2.2 Credit risk

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

Trade receivables

The trade receivables, which subject to credit risk, include trade receivables come from original insurance and reinsurance activities, advances to customers and other receivable amounts subject to credit risk. Customer credit risk is managed by the Corporation based on its established policy, procedures and control relating to customer credit risk management.

The most significant of reinsurance receivables are reinsurance recoveries. To mitigate the risk of the counterparties not paying the amount due, the Corporation has established certain business and financial guidelines for reinsurer approval, incorporating ratings by major agencies and considering currently available market information. The Corporation also periodically reviews the financial stability of reinsurers from public and other sources and the settlement trend of amounts due from reinsurers.

Bank deposits and other financial instruments

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

The Corporation's management evaluate all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties except for the following receivables which are past due and impaired as at 31 December 2012.

Currency: VND million

	Past due but not impaired		Past due and impaired		Provision for impairment
	< 90 ngày	91–180	181–360	> 360	
As at 31 December 2012		ngày	ngày	ngày	
Receivables from original insurance activities	29.949				8.895
Receivables from financial activities	-	2.772	3.404	8.921	1.500
	29.949	-	-	3.000	10.395
Total		**2.772**	**3.404**	**11.921**	
As at 31 December 2011	21.145				6.333
Receivables from original insurance activities	-	5.627	2.117	7.113	-
Receivables from financial activities	21.145	3.016	-	-	6.333
Total	**8.643**		**2.117**	**7.113**	

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

29.2.3 Liquidity risk

The Corporation has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts and early surrender of policies for surrender value. There is therefore a risk that cash will not be available to settle liabilities when due at a reasonable cost. The Corporation manages this risk by monitoring and setting an appropriate level of operating funds to settle these liabilities. Investment portfolios are also structured with regard to the liquidity requirement of each underlying fund, and early surrender penalties and market adjustment clauses are used to defray costs of unexpected cash requirements.

Contractual maturity

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

Currency: VND million

	On demand	Less than 1 year	From 1 to 5 years	Total
31 December 2012				
Financial liabilities				
Insurance payables	12.791.747.413	-	-	12.791.747.413
Reinsurance payables	5.280.607.716	167.129.544.341	-	172.410.152.057
Accrued expenses	22.072.958.365	-	-	22.072.958.365
Other payables	67.882.257.809	-	-	67.882.257.809
	108.027.571.303	**167.129.544.341**	**-**	**275.157.115.644**

Currency: VND million

	On demand	Less than 1 year	From 1 to 5 years	Total
31 December 2012				
Financial liabilities				
Loans and borrowings	-	90.861.243	542.138.757	633.000.000
Insurance payables	10.778.090.352	-	-	10.778.090.352
Reinsurance payables	11.665.289.698	214.105.383.452	-	225.770.673.150
Accrued expenses	19.379.257.044	-	-	19.379.257.044
Other payables	64.449.258.112	501.001.194.444	-	565.450.452.556
	106.271.895.206	**715.197.439.139**	**542.138.757**	**822.011.473.102**

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

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

Due to Circular 210 only requires the presentation and disclosure of financial instruments, the definitions of financial assets, financial liabilities and other relevant definitions as shown in Note 30 are applicable for preparing this note only. The assets, liabilities and equities of the Corporation still are recognized and accounting in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable for insurance companies and comply with the relevant statutory requirements.

Financial assets

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

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

- **Financial asset recognized at fair value through profit or loss statements that satisfies either of the following conditions:**
  Being classified as held for trading. A financial asset will be classified as securities held for trading if:
  - *It is purchased or created mainly for the purpose of resale/redemption in a short term;*
  - *There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,*
  - *It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).*

- **Held-to-maturity investments are non-derivative financial assets with fixed or identifiable payments and fixed maturity periods which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:**
  - *Financial assets that, upon initial recognition, were categorized as such recognized at fair value through profit or loss statements;*
  - *Financial assets already categorized as available for sale;*
  - *Financial assets that meet the definitions of loans and receivables.*

- **Loans and receivables are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:**
  - 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;
  - The amounts categorized by the entity as available for sale upon initial recognition; or,
  - 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:**
  - *Loans and receivables;*
  - *Held-to-maturity investments;*
  - *Financial assets recognized at fair value through profit or loss statements.*

Financial liabilities

Financial liabilities within the scope of Circular 210 include trade and other payables, loans and borrowings.
According to Circular 210, for the purpose of disclosure in the financial statements, financial liabilities are classified as appropriate into one of the following categories:

- **Financial liability recognized at fair value through profit or loss statements that satisfies either of the following conditions:**
  Being classified as held for trading. A financial liability will be classified as securities held for trading if:
  - It is purchased or created mainly for the purpose of resale/redemption in a short term;
  - There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or,
  - It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).

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

Offsetting of financial assets and financial liabilities

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

This table below presents carrying amount and fair value of the Corporation's financial liabilities as at 31 December 2012 and as at 31 December 2011:

	Carrying amount		Fair value	
	31 December 2012 VND	31 December 2011 VND	31 December 2012 VND	31 December 2011 VND
Financial liabilities				
Loans and borrowings	-	633.000.000	-	633.000.000
Trade payables	183.992.249.585	240.347.597.966	183.992.249.585	240.347.597.966
Payable to related parties	2.447.952.178	421.001.194.444	2.447.952.178	421.001.194.444
Accrued expense	22.072.958.365	19.379.257.044	22.072.958.365	19.379.257.044
Other payables	66.643.955.516	140.650.423.648	66.643.955.516	140.650.423.648
Total	**275.157.115.644**	**822.011.473.102**	**275.157.115.644**	**822.011.473.102**

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

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

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

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of listed shares is determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) as at 31 December 2012.
- Fair value of unlisted shares which have been registered in the unlisted public companies market (UPCom) is the average price of the trading market as at 31 December 2012.
- Fair value of unlisted shares which have not been registered in the unlisted public companies market (UPCom) is the average of public price quotations of at least three (03) reputed and large securities companies in the market.

This table below presents carrying amount and fair value of the Corporation's assets as at 31 December 2012 and as at 31 December 2011:

	Carrying amount				Fair value	
	31 December 2012		31 December 2011		31 December 2012	31 December 2011
	Cost VND	Provision VND	Cost VND	Provision VND	Cost VND	Provision VND
Financial assets						
Fair value through Profit and Loss	**35.349.293.754**	**(4,197,954,161)**	**36,340,585,857**	**(11,346,576,697)**	**31,151,339,593**	**24,994,009,160**
Listed shares	35.349.293.754	(4,197,954,161)	36,340,585,857	(11,346,576,697)	31,151,339,593	24,994,009,160
Loan and receivables	**1,237,352,504,408**	(10,395,411,406)	1,716,437,498,856	(6,333,102,436)	1,226,957,093,002	1,710,104,396,420
Trade receivable	167,579,145,524	(8,895,411,406)	272,186,073,448	(6,333,102,436)	158,683,734,118	265,852,971,012
Receivable from related parties	36,984,783,124	-	4,339,965,596	-	36,984,783,124	4,339,965,596
Other receivable	13,814,742,430	(1,500,000,000)	41,048,259,812	-	12,314,742,430	41,048,259,812
Unlisted bonds (*)	197,145,833,330	-	119,790,000,000	-	197,145,833,330	119,790,000,000
Short term deposits	821,828,000,000	-	1,279,073,200,000	-	821,828,000,000	1,279,073,200,000
Available for sale	34,709,906,636	**(8,599,332,190)**	**37,758,426,636**	**(11,006,889,256)**	**26,110,574,446**	**26,751,537,380**
Unlisted shares	5,438,143,000	(161,999,999)	8,486,663,000	(963,040,000)	5,276,143,001	7,523,623,000
Investment in BIDV Finance Investment Corporation (*)	29,271,763,636	(8,437,332,191)	29,271,763,636	(10,043,849,256)	20,834,431,445	19,227,914,380
Other long-term investment	99,927,143,685	**(16,939,899,164)**	**50,000,000,000**	**-**	**82,987,244,521**	**50,000,000,000**
Investment in Vinaconex-Viettel Finance Joint Stock Corporation	50,000,000,000	-	50,000,000,000	-	50,000,000,000	50,000,000,000
Joint-venture Investment in Lao Viet Insurance Company	23,837,143,685	-	-	-	23,837,143,685	-
Investment in Green Indochina Development JSC (*)	26,090,000,000	(16,939,899,164)	-	-	9,150,100,836	-
Cash and cash equivalents	15,192,045,761	-	**17,800,852,231**	-	**15,192,045,761**	**17,800,852,232**
Total	1,422,530,894,244	**(40,132,596,921)**	**1,858,337,363,580**	**(28,686,568,389)**	**1,382,398,297,323**	**1,829,650,795,192**

31. EVENTS AFTER THE BALANCE SHEET DATE

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

32. APPROVAL FOR ISSUANCE

The financial statements as at 31 December 2012 and for the year then ended were authorised for issuance by the Corporation's General Director on 13 March 2013.

Ms. **Nguyen Thi Hoa**	Ms. **Lai Ngan Giang**	Mr. **Ton Lam Tung**
Accountant of Financial and Accounting Division	*Director of Financial and Accounting Division*	*General Director*

Hanoi, Vietnam - 13 March 2013

NETWORK

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