

PVI REINSURANCE JOINT-STOCK CORPORATION
(Incorporated in the Socialist Republic of Vietnam)



AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

PVI REINSURANCE JOINT-STOCK CORPORATION

25th floor, PVI Tower, No.01 Pham Van Bach Street
Cau Giay District, Hanoi, S.R. Vietnam

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Cau Giay District, Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PVI Reinsurance Joint-Stock Corporation (the "Corporation") presents this report together with the Corporation's financial statements for the year ended 31 December 2018.

THE BOARDS OF DIRECTORS AND MANAGEMENT

The members of the Boards of Directors and Management of the Corporation who held office during the year and to the date of this report are as follows:

Board of Directors

Mr. Nguyen Anh Tuan	Chairman (appointed on 29 November 2018, waiting approval from Ministry of Finance)
Mr. Pham Khac Dung	Chairman (appointed on 15 May 2018, resigned on 01 October 2018)
Mr. Ton Thien Viet	Chairman (resigned on 15 May 2018)
Mr. Nguyen Anh Tuan	Vice chairman (appointed on 16 August 2018)
Mr. Duong Thanh Danh Francois	Member
Mr. Lam Nhat Son	Member
Ms. Pham Thi Thanh Nga	Member (appointed on 15 May 2018)
Mr. Truong Minh Duc	Member (appointed on 07 January 2019)
Mr. Trinh Anh Tuan	Member (appointed on 07 January 2019)
Mr. Do Tien Thanh	Member (resigned on 15 May 2018)
Ms. Nguyen Ha Thu	Member (resigned on 15 May 2018)

Board of Management

Mr. Trinh Anh Tuan	Chief Executive Officer
Ms. Le Thi Thuy	Director of Business Division 1
Mr. Nguyen Hong Long	Director of Business Division 2
Ms. Bui Thi Ha	Chief Accountant cum Person in charge of Finance & Accounting Division (resigned on 31 July 2018)
Mr. Phan Trinh Quoc Kien	Chief Operation Officer

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Corporation as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

PVI REINSURANCE JOINT-STOCK CORPORATION

25th floor, PVI Tower, No.01 Pham Van Bach Street
Cau Giay District, Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the financial statements comply with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Management,



Trình Anh Tuan
Chief Executive Officer

Hanoi, 30 January 2019

No.: 451 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

**To: The shareholders
The Boards of Directors and Management
PVI Reinsurance Joint-Stock Corporation**

We have audited the accompanying financial statements of PVI Reinsurance Joint-Stock Corporation (the "Corporation"), prepared on 31 January 2019 as set out from page 04 to page 31, which comprise the balance sheet as at 31 December 2018, the statement of income, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2018 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting.


Khúc Thị Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

30 January 2019
Hanoi, S.R. Vietnam


Đỗ Hồng Dương
Auditor
Audit Practising Registration Certificate
No. 2393-2015-001-1

PVI REINSURANCE JOINT-STOCK CORPORATION**FORM B 01-DNPNT**25th floor, PVI Tower, No. 1 Pham Van Bach Street
Cau Giay District, Hanoi, S.R. VietnamIssued under Circular No. 232/2012/TT-BTC
dated 28 December 2012 of the Ministry of Finance**BALANCE SHEET**

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS (100=110+120+130+150+190)	100		3,354,447,397,877	3,142,103,310,324
I. Cash and cash equivalents	110	4	76,903,236,252	178,894,660,070
1. Cash	111		76,903,236,252	163,894,660,070
2. Cash equivalents	112		-	15,000,000,000
II. Short-term financial investments	120	5	1,020,269,000,000	908,723,500,000
1. Short-term investments	121		1,020,269,000,000	908,723,500,000
III. Short-term receivables	130		441,530,305,412	427,903,975,960
1. Trade accounts receivable	131	6	445,935,445,573	432,649,875,819
1.1. Receivables of insurance contracts	131.1		424,257,794,053	408,307,311,132
1.2. Other trade accounts receivable	131.2		21,677,651,520	24,342,564,687
2. Other short-term receivables	135		1,605,653,650	1,712,544,194
3. Provision for short-term doubtful debts	139	7	(6,010,793,811)	(6,458,444,053)
IV. Other current assets	150		138,588,228,719	132,598,666,690
1. Short-term prepaid expenses	151	8	138,588,228,719	132,598,666,690
1.1. Unallocated commission expenses	151.1		138,275,799,144	132,343,234,334
1.2. Other short-term prepaid expenses	151.2		312,429,575	255,432,356
V. Reinsurance assets	190	9	1,677,156,627,494	1,493,982,507,604
1. Unearned premium reserve for outward reinsurance	191		443,706,014,556	434,392,122,118
2. Claim reserve for outward reinsurance	192		1,233,450,612,938	1,059,590,385,486
B. NON-CURRENT ASSETS (200=210+220+250+260)	200		441,913,825,466	374,615,332,868
I. Long-term receivables	210		8,000,000,000	8,000,000,000
1. Other long-term receivables	218		8,000,000,000	8,000,000,000
1.1. Insurance deposits	218.1		8,000,000,000	8,000,000,000
II. Fixed assets	220		6,460,946,230	38,400,516,664
1. Tangible fixed assets	221	10	897,185,865	31,887,896,007
Cost	222		7,484,591,385	38,028,663,385
Accumulated depreciation	223		(6,587,405,520)	(6,140,767,378)
2. Intangible assets	227	11	5,563,760,365	6,512,620,657
Cost	228		23,375,313,000	20,257,892,000
Accumulated amortization	229		(17,811,552,635)	(13,745,271,343)
III. Long-term financial investments	250	5	408,548,450,000	308,545,450,000
1. Other long-term investments	258		408,548,450,000	308,545,450,000
IV. Other non-current assets	260		18,904,429,236	19,669,366,204
1. Long-term prepaid expenses	261	8	18,904,429,236	19,669,366,204
TOTAL ASSETS (270=100+200)	270		3,796,361,223,343	3,516,718,643,192

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
A. LIABILITIES (300=310+340)	300		2,954,307,077,135	2,750,155,830,179
I. Current liabilities	310		2,954,307,077,135	2,749,589,605,690
1. Trade accounts payable	312	12	542,177,960,346	487,943,791,472
1.1 Payables of insurance contracts	312.1		469,620,530,558	467,718,656,224
1.2. Other trade accounts payable	312.2		72,557,429,788	20,225,135,248
2. Taxes and amounts payable to the State budget	314	13	9,647,508,217	9,592,265,829
3. Payables to employees	315		1,765,460,987	1,748,071,973
4. Other current payables	319	14	114,489,963,311	168,382,244,178
4.1. Unearned commission income	319.1		112,170,162,802	100,819,294,934
5. Current provisions	320		260,000,000	50,400,000
6. Bonus and welfare funds	323		5,336,178,518	5,154,409,962
7. Under-writing reserves	329	15	2,280,630,005,756	2,076,718,422,276
7.1. Unearned premium reserves for inward reinsurance	329.1		603,483,597,880	615,839,909,449
7.2. Claim reserves for inward reinsurance	329.2		1,603,767,998,545	1,398,037,069,719
7.3. Catastrophe reserve	329.3		73,378,409,331	62,841,443,108
II. Long-term liabilities	340		-	566,224,489
1. Unearned revenue	341		-	566,224,489
B. EQUITY (400=410)	400		842,054,146,208	766,562,813,013
I. Owners' equity	410	16	842,054,146,208	766,562,813,013
1. Owners' contributed capital	411		728,000,000,000	668,000,000,000
2. Compulsory reserve fund	419		32,505,154,002	26,105,622,801
3. Retained earnings	421		81,548,992,206	72,457,190,212
TOTAL RESOURCES (440 = 300+400)	440		3,796,361,223,343	3,516,718,643,192

OFF-BALANCE SHEET ITEMS

ITEMS	Unit	Closing balance	Opening balance
1. Foreign currencies:			
United States Dollar	USD	2,123,798	3,876,154
Pounds	GBP	7,637	-
Euro	EUR	118,373	1,017,713


 Nguyen Thi Thanh Huyen
Preparer


 Ngo Thanh Hai
Accounting manager


 Trinh Anh Tuan
Chief Executive Officer

Hanoi, 30 January 2019

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT

For the year ended 31 December 2018

PART I: GERNERAL INCOME STATEMENT

Unit: VND

ITEMS	Codes	Current year	Prior year
1. Net revenue from insurance activities	10	587,953,626,855	601,434,228,581
2. Financial income	12	118,817,307,925	102,566,729,240
3. Other income	13	1,582,192	33,636,714
4. Total expenses for insurance activities	20	502,480,586,772	493,558,471,146
5. Financial expenses	22	20,145,300,660	27,461,410,823
6. General and administration expenses	23	29,297,894,525	31,277,160,674
7. Other expenses	24	-	713,159,288
8. Total accounting profit before tax (50 = 10+12+13-20-22-23-24)	50	154,848,735,015	151,024,392,604
9. Current corporate income tax expense	51	28,768,196,659	34,025,339,745
10. Net profit after corporate income tax (60=50-51)	60	126,080,538,356	116,999,052,859
11. Basic earnings per share	70	1,842	1,696

The accompanying notes are an integral part of these financial statements

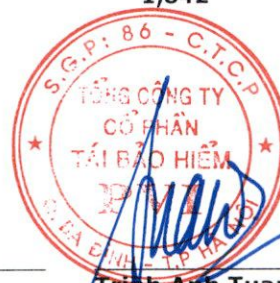
INCOME STATEMENT (Continued)*For the year ended 31 December 2018***PART II: INCOME STATEMENT BY ACTIVITY***Unit: VND*

ITEMS	Codes	Notes	Current year	Prior year
1. Insurance premium (01 = 01.2-01.3)	01	17	1,228,730,594,067	1,312,992,014,448
- Inward reinsurance premium	01.2		1,216,374,282,498	1,278,110,055,114
- (Decrease) in unearned premium reserve for inward reinsurance	01.3		(12,356,311,569)	(34,881,959,334)
2. Outward reinsurance premium (02 = 02.1-02.2)	02	18	855,828,182,623	940,225,988,028
- Outward reinsurance premium	02.1		865,142,075,061	894,765,950,770
- Increase/(Decrease) in unearned premium reserve for outward reinsurance	02.2		9,313,892,438	(45,460,037,258)
3. Net insurance premium (03 = 01-02)	03		372,902,411,444	372,766,026,420
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		215,051,215,411	228,668,202,161
- Commission income from outward reinsurance	04.1		205,705,483,234	211,599,428,361
- Other income from insurance activities	04.2		9,345,732,177	17,068,773,800
5. Net revenue from insurance activities (10=03+04)	10		587,953,626,855	601,434,228,581
6. Claim settlement expenses (11=11.1)	11		552,366,411,734	627,610,511,221
- Total claim settlement expenses	11.1		552,366,411,734	627,610,511,221
7. Claim receipts from ceded policies	12		405,187,530,554	449,973,124,383
8. Increase in claim reserve for inward reinsurance	13		205,730,928,826	72,389,289,515
9. Increase in claim reserve for outward reinsurance	14		173,860,227,452	80,172,492,684
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	19	179,049,582,554	169,854,183,669
11. Increase in catastrophe reserve	16		10,536,966,223	11,500,323,130
12. Other expenses for insurance activities (17=17.1+17.2)	17	20	312,894,037,995	312,203,964,347
- Insurance commission expenses	17.1		274,001,287,732	269,754,843,730
- Other expenses for insurance activities	17.2		38,892,750,263	42,449,120,617
13. Total expenses for insurance activities (18=15+16+17)	18		502,480,586,772	493,558,471,146
14. Gross profit from insurance activities (19=10-18)	19		85,473,040,083	107,875,757,435

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT (Continued)*For the year ended 31 December 2018***PART II: INCOME STATEMENT BY ACTIVITY (Continued)***Unit: VND*

ITEMS	Codes	Notes	Current year	Prior year
15. Financial income	23	21	118,817,307,925	102,566,729,240
16. Financial expenses	24	22	20,145,300,660	27,461,410,823
17. Gross profit from financial activities (25=23-24)	25		98,672,007,265	75,105,318,417
18. General and administration expenses	26	23	29,297,894,525	31,277,160,674
19. Net profit from operating activities (30=19+25-26)	30		154,847,152,823	151,703,915,178
20. Other income	31		1,582,192	33,636,714
21. Other expenses	32		-	713,159,288
22. Other profit/(expense) (40=31-32)	40		1,582,192	(679,522,574)
23. Accounting profit before tax (50=30+40)	50		154,848,735,015	151,024,392,604
24. Current corporate income tax expense	51	25	28,768,196,659	34,025,339,745
25. Profit after corporate income tax (60=50-51)	60		126,080,538,356	116,999,052,859
26. Basic earnings per share	70	26	1,842	1,696

Nguyen Thi Thanh Huyen
PreparerNgo Thanh Hai
Accounting ManagerTrinh Anh Tuan
Chief Executive Officer*Hanoi, 30 January 2019*