

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



**AUDITED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2015**



**PVI REINSURANCE JOINT-STOCK CORPORATION**

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

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## **PVI REINSURANCE JOINT-STOCK CORPORATION**

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

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### **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 2015.

#### **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. Pham Khac Dung	Chairman
Mr. Vu Van Thang	Member
Ms. Nguyen Ha Thu	Member
Mr. Bui Van Thanh	Member
Mr. Trinh Anh Tuan	Member

##### **Board of Management**

Mr. Vu Van Thang	General Director
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 & Investment Division
Mr. Ta Chien	Director of Operation Division

#### **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 and of its results and cash flows for the year 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.

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.

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**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

**BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY (Continued)**

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,



**Vu Van Thang**  
**General Director**

*Hanoi, 03 February 2016*

No.: 302 /VNIA-HN-BC

A JOURNEY TO EXCELLENCE

## 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 03 February 2016 as set out from page 4 to page 36, which comprise the balance sheet as at 31 December 2015, the statement of income, 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*

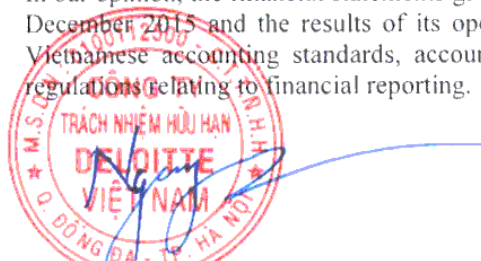
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 give a true and fair view of the financial position of the Corporation as at 31 December 2015 and the results of its operations 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.



**Vu Duc Nguyen**  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0764-2013-001-1

*For and on behalf of*  
**DELOITTE VIETNAM COMPANY LIMITED**

03 February 2016  
Hanoi, S.R. Vietnam



**Pham Ngoc Hai**  
Auditor  
Audit Practising Registration Certificate  
No. 2452-2013-001-1

**BALANCE SHEET**

*As at 31 December 2015*

**FORM B 01-DNPNT**  
*Unit: VND*

ASSETS	Codes	Notes	31/12/2015	31/12/2014
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>3,367,742,467,418</b>	<b>3,527,697,579,068</b>
(100=110+120+130+150+190)				
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>91,263,297,231</b>	<b>39,038,530,365</b>
1. Cash	111		91,263,297,231	29,038,530,365
2. Cash equivalents	112		-	10,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>1,126,840,000,000</b>	<b>1,285,835,000,000</b>
1. Short-term investments	121		1,126,840,000,000	1,285,835,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>567,628,188,178</b>	<b>380,736,147,679</b>
1. Trade accounts receivable	131	7	569,697,675,770	383,504,827,418
1.1. Receivables of insurance contracts	131.1		538,273,789,466	339,712,510,574
1.2. Other trade accounts receivable	131.2		31,423,886,304	43,792,316,844
2. Other short-term receivables	135	8	808,565,350	197,982,706
3. Provision for short-term doubtful debts	139		(2,878,052,942)	(2,966,662,445)
<b>IV. Other current assets</b>	<b>150</b>		<b>151,464,466,572</b>	<b>128,931,964,265</b>
1. Short-term prepaid expenses	151	10	151,441,922,686	128,801,719,256
1.1. Unallocated commission expenses	151.1		151,195,341,965	128,336,618,736
1.2. Other short-term prepaid expenses	151.2		246,580,721	465,100,520
2. Value added tax deductibles	152		22,543,886	115,925,023
3. Taxes and other receivables from the State budget	154	15	-	14,319,986
<b>V. Reinsurance assets</b>	<b>190</b>	<b>11</b>	<b>1,430,546,515,437</b>	<b>1,693,155,936,759</b>
1. Unearned premium reserve for outward reinsurance	191		566,816,567,372	564,102,596,628
2. Claim reserve for outward reinsurance	192		863,729,948,065	1,129,053,340,131
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>145,026,553,097</b>	<b>55,482,200,684</b>
(200=210+220+250+260)				
<b>I. Long-term receivables</b>	<b>210</b>		<b>8,000,000,000</b>	<b>8,000,000,000</b>
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
<b>II. Fixed assets</b>	<b>220</b>		<b>9,216,378,730</b>	<b>7,835,295,938</b>
1. Tangible fixed assets	221	12	2,622,102,202	3,315,518,041
<i>Cost</i>	222		7,096,108,153	6,610,623,153
<i>Accumulated depreciation</i>	223		(4,474,005,951)	(3,295,105,112)
2. Intangible assets	227	13	6,594,276,528	4,519,777,897
<i>Cost</i>	228		12,073,600,000	7,113,600,000
<i>Accumulated amortization</i>	229		(5,479,323,472)	(2,593,822,103)
<b>III. Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>107,000,000,000</b>	<b>20,000,000,000</b>
1. Other long-term investments	258		107,000,000,000	20,000,000,000
<b>IV. Other non-current assets</b>	<b>260</b>		<b>20,810,174,367</b>	<b>19,646,904,746</b>
1. Long-term prepaid expenses	261	10	20,810,174,367	19,646,904,746
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>3,512,769,020,515</b>	<b>3,583,179,779,752</b>

*The notes set out on pages 10 to 36 are an integral part of these financial statements*



**BALANCE SHEET (Continued)**


As at 31 December 2015

FORM B 01-DNPNT  
 Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014
<b>A. LIABILITIES (300=310)</b>	<b>300</b>		<b>2,768,047,119,572</b>	<b>2,849,016,419,059</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,768,047,119,572</b>	<b>2,849,016,419,059</b>
1. Trade accounts payable	312	14	640,840,794,601	571,927,370,993
1.1 Payables of insurance contracts	312.1		624,406,293,134	550,643,872,748
1.2. Other trade accounts payable	312.2		16,434,501,467	21,283,498,245
2. Taxes and amounts payable to the State budget	314	15	8,598,967,891	10,768,870,883
3. Payables to employees	315		5,499,049,026	7,723,031,177
4. Other current payables	319	16	127,429,261,195	107,778,027,292
4.1. Unearned commission income	319.1		120,955,817,488	104,356,168,423
5. Current provisions	320		290,110,700	-
6. Bonus and welfare funds	323		1,889,274,254	777,576,330
7. Under-writing reserves	329	17	1,983,499,661,905	2,150,041,542,384
7.1. Unearned premium reserves for inward reinsurance	329.1		790,295,426,249	759,583,518,855
7.2. Claim reserves for inward reinsurance	329.2		1,152,557,658,662	1,363,986,805,469
7.3. Catastrophe reserve	329.3		40,646,576,994	26,471,218,060
<b>B. EQUITY (400=410)</b>	<b>400</b>		<b>744,721,900,943</b>	<b>734,163,360,693</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>18</b>	<b>744,721,900,943</b>	<b>734,163,360,693</b>
1. Owners' contributed capital	411		668,000,000,000	668,000,000,000
2. Compulsory reserve fund	419		14,820,858,967	8,807,460,307
3. Retained earnings	421		61,901,041,976	57,355,900,386
<b>TOTAL RESOURCES (440 = 300+400)</b>	<b>440</b>		<b>3,512,769,020,515</b>	<b>3,583,179,779,752</b>

**OFF-BALANCE SHEET ITEMS**

ITEMS	Unit	31/12/2015	31/12/2014
1. Foreign currencies:			
United States Dollar	USD	2,821,010.61	1,138,855.46
Euro	EUR	917,258.02	43,294.36

  
 Phan Quynh Lam  
 Preparer

  
 Bui Thi Ha  
 Chief Accountant

  
 Vu Van Thang  
 General Director



Hanoi, 03 February 2016

The notes set out on pages 10 to 36 are an integral part of these financial statements

## **INCOME STATEMENT**

*For the year ended 31 December 2015*

### **PART I: GERNERAL INCOME STATEMENT**

**FORM B 02-DNPNT**

*Unit: VND*

<b>ITEMS</b>	<b>Codes</b>	<b>Year 2015</b>	<b>Year 2014</b>
1. Net revenue from insurance activities	10	670,749,706,804	497,224,143,385
2. Financial income	12	119,503,252,114	113,505,256,360
3. Other income	13	-	703,709,193
4. Total expenses for insurance activities	20	568,100,768,060	438,628,243,983
5. Financial expenses	22	42,598,619,262	28,925,513,090
6. Greneral and administration expenses	23	25,452,390,973	24,740,071,376
7. Other expenses	24	-	53,026,202
<b>8. Total accounting profit before tax (50 = 10+12+13-20-22-23-24)</b>	<b>50</b>	<b>154,101,180,623</b>	<b>119,086,254,287</b>
9. Income tax expense	51	30,399,969,606	26,140,615,502
<b>10. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>	<b>123,701,211,017</b>	<b>92,945,638,785</b>
<b>11. Basic earnings per share</b>	<b>70</b>	<b>1,796</b>	<b>1,342</b>

*The notes set out on pages 10 to 36 are an integral part of these financial statements*



**INCOME STATEMENT (Continued)**

*For the year ended 31 December 2015*

**PART II: INCOME STATEMENT BY ACTIVITY**

**FORM B 02-DNPNT**  
 Unit: VND

ITEMS	Codes	Notes	Year 2015	Year 2014
<b>1. Insurance premium (01 = 01.2-01.3)</b>	<b>01</b>	<b>19</b>	<b>1,578,555,021,235</b>	<b>1,542,806,278,001</b>
- Inward reinsurance premium	01.2		1,609,266,928,629	1,625,326,932,806
- Increase in unearned premium reserve for inward reinsurance	01.3		30,711,907,394	82,520,654,805
<b>2. Outward reinsurance premium (02 = 02.1-02.2)</b>	<b>02</b>	<b>20</b>	<b>1,134,040,993,404</b>	<b>1,189,991,242,521</b>
- Outward reinsurance premium	02.1		1,136,754,964,148	1,193,133,028,493
- Increase in unearned premium reserve for outward reinsurance	02.2		2,713,970,744	3,141,785,972
<b>3. Net insurance premium (03 = 01-02)</b>	<b>03</b>		<b>444,514,027,831</b>	<b>352,815,035,480</b>
<b>4. Commission income from outward reinsurance and other income from insurance activities</b>	<b>04</b>		<b>226,235,678,973</b>	<b>144,409,107,905</b>
- Commission income from outward reinsurance	04.1		211,469,647,497	120,850,088,533
- Other income from insurance activities	04.2		14,766,031,476	23,559,019,372
<b>5. Net revenue from insurance activities (10=03+04)</b>	<b>10</b>		<b>670,749,706,804</b>	<b>497,224,143,385</b>
<b>6. Claim settlement expenses (11=11.1)</b>	<b>11</b>		<b>783,620,508,012</b>	<b>429,699,787,634</b>
- Total claim settlement expenses	11.1		783,620,508,012	429,699,787,634
7. Claim receipts from ceded policies	12		596,070,390,648	315,113,011,560
8. (Decrease)/Increase in claim reserve for inward reinsurance	13		(211,429,146,807)	1,002,009,933,663
9. (Decrease)/Increase in claim reserve for outward reinsurance	14		(265,323,392,066)	900,735,681,857
<b>10. Total insurance claim settlement expenses (15=11-12+13-14)</b>	<b>15</b>	<b>21</b>	<b>241,444,362,623</b>	<b>215,861,027,880</b>
11. Increase in catastrophe reserve	16		14,175,358,934	12,965,817,129
<b>12. Other expenses for insurance activities (17=17.1+17.2)</b>	<b>17</b>	<b>22</b>	<b>312,481,046,503</b>	<b>209,801,398,974</b>
- Insurance commission expenses	17.1		277,301,230,064	164,570,431,943
- Other expenses for insurance activities	17.2		35,179,816,439	45,230,967,031
<b>13. Total expenses for insurance activities (18=15+16+17)</b>	<b>18</b>		<b>568,100,768,060</b>	<b>438,628,243,983</b>
<b>14. Gross profit from insurance activities (19=10-18)</b>	<b>19</b>		<b>102,648,938,744</b>	<b>58,595,899,402</b>
15. Financial income	23	23	119,503,252,114	113,505,256,360
16. Financial expenses	24	24	42,598,619,262	28,925,513,090

*The notes set out on pages 10 to 36 are an integral part of these financial statements*

**INCOME STATEMENT (Continued)**


For the year ended 31 December 2015

**PART II: INCOME STATEMENT BY ACTIVITY (Continued)**

FORM B 02-DNPNT

Unit: VND

ITEMS	Codes	Notes	Year 2015	Year 2014
17. Gross profit from financial activities (25=23-24)	25		76,904,632,852	84,579,743,270
18. General and administration expenses	26	25	25,452,390,973	24,740,071,376
19. Net profit from operating activities (30=19+25-26)	30		154,101,180,623	118,435,571,296
20. Other incomes	31		-	703,709,193
21. Other expenses	32		-	53,026,202
22. Other (loss)/profit (40=31-32)	40		-	650,682,991
23. Accounting profit before tax (50=30 + 40)	50		154,101,180,623	119,086,254,287
24. Current corporate income tax expense	51	27	30,399,969,606	26,140,615,502
25. Profit after corporate income tax (60=50-51)	60		123,701,211,017	92,945,638,785
26. Basic earnings per share	70	28	1,796	1,342

  
 Phan Quynh Lam  
 Preparer

  
 Bui Thi Ha  
 Chief Accountant

  
 Vu Van Thang  
 General Director



Hanoi, 03 February 2016


The notes set out on pages 10 to 36 are an integral part of these financial statements

**CASH FLOW STATEMENT**


For the year ended 31 December 2015

**FORM B 03-DNPNT**  
 Unit: VND

ITEMS	Codes	Year 2015	Year 2014
<b>I. Cash flows from operating activities</b>			
1. Receipt from insurance premium, commissions, claims and others	01	728,764,862,784	1,070,134,714,394
2. Receipt from deducted expenses	03	1,816,944,196	1,138,643,453
3. Receipt from other operating activities	04	9,246,057,976	4,448,996,994
4. Payment for claim settlements	05	(155,296,742,770)	(82,768,849,660)
5. Payment for commissions and other insurance activities	06	(500,126,760,909)	(599,435,161,465)
6. Payment to suppliers for goods and services	07	(21,866,008,390)	(38,652,622,352)
7. Payment to employees	08	(15,261,435,539)	(13,560,300,507)
8. Payment for taxes and obligations to the State budget	09	(38,546,036,382)	(28,825,932,010)
9. Payment for other payables	10	(3,096,659,394)	(1,324,501,481)
10. Advances to employees and suppliers	11	(8,171,754,176)	(1,545,725,113)
<b>Net cash (used in)/from operating activities</b>	<b>20</b>	<b>(2,537,532,604)</b>	<b>309,609,262,253</b>
<b>II. Cash flows from investing activities</b>			
1. Receipt from investments in other entities	21	1,517,235,000,000	1,011,980,000,000
2. Receipt from interest on investments	22	93,363,090,844	79,365,023,888
3. Gain from disposals of fixed assets	23	-	24,273,743
4. Investments in other entities	24	(1,445,240,000,000)	(1,665,320,000,000)
5. Acquisition of fixed assets	25	(3,252,085,000)	(2,249,806,222)
<b>Net cash from/(used in) investing activities</b>	<b>30</b>	<b>162,106,005,844</b>	<b>(576,200,508,591)</b>
<b>III. Cash flows from financing activities</b>			
1. Proceeds from borrowings	31	5,000,000,000	-
2. Repayment of borrowings	34	(5,000,000,000)	-
3. Dividends paid	36	(107,343,706,374)	(53,542,615,664)
<b>Net cash (used in) financing activities</b>	<b>40</b>	<b>(107,343,706,374)</b>	<b>(53,542,615,664)</b>
<b>Net increase/(decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>52,224,766,866</b>	<b>(320,133,862,002)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>39,038,530,365</b>	<b>359,172,392,367</b>
<b>Cash and cash equivalents at the end of the year (70=50+60)</b>	<b>70</b>	<b>91,263,297,231</b>	<b>39,038,530,365</b>

  
 Phan Quynh Lam  
 Preparer

  
 Bui Thi Ha  
 Chief Accountant

  
 Vu Van Thang  
 General Director



Hanoi, 03 February 2016

The notes set out on pages 10 to 36 are an integral part of these financial statements