

Deloitte.

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

PVIRe

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



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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 2016.

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. Ton Thien Viet	Chairman (Appointed on 21 September 2016)
Mr. Pham Khac Dung	Chairman (Resigned on 21 September 2016)
Mr. Duong Thanh Danh Francois	Member (Appointed on 24 May 2016)
Mr. Vu Van Thang	Member (Resigned on 24 May 2016)
Ms. Nguyen Ha Thu	Member
Mr. Bui Van Thanh	Member (Resigned on 15 November 2016)
Mr. Trinh Anh Tuan	Member (Resigned on 15 November 2016)
Mr. Vu Bao Lam	Member (Appointed on 15 November 2016)
Mr. Lam Nhat Son	Member (Appointed on 15 November 2016)

Board of Management

Mr. Trinh Anh Tuan	Chief Executive Officer (Appointed on 02 August 2016)
Mr. Vu Van Thang	Chief Executive Officer (Resigned on 02 August 2016)
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. Phan Trinh Quoc Kien	Chief Operation Officer (Appointed on 01 August 2016)
Mr. Ta Chien	Chief Operation Officer (Resigned on 01 August 2016)

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 2016, 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,



Trinh Anh Tuan
Chief Executive Officer

Hanoi, 14 February 2017

No.: ~~400~~ /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 14 February 2017 as set out from page 04 to page 32, which comprise the balance sheet as at 31 December 2016, 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 2016 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.



Pham Hoai Nam
Deputy General Director
Audit Practising Registration Certificate
No. 0042-2013-001-1

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

14 February 2017
Hanoi, S.R. Vietnam


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

BALANCE SHEET

As at 31 December 2016

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		3,202,505,175,123	3,367,742,467,418
(100=110+120+130+150+190)				
I. Cash and cash equivalents	110	5	101,988,206,290	91,263,297,231
1. Cash	111		101,988,206,290	91,263,297,231
II. Short-term financial investments	120	6	1,058,859,000,000	1,126,840,000,000
1. Short-term investments	121		1,058,859,000,000	1,126,840,000,000
III. Short-term receivables	130		455,181,944,276	567,628,188,178
1. Trade accounts receivable	131	7	457,563,250,959	569,697,675,770
1.1. Receivables of insurance contracts	131.1		424,055,697,832	538,273,789,466
1.2. Other trade accounts receivable	131.2		33,507,553,127	31,423,886,304
2. Other short-term receivables	135	8	405,638,913	808,565,350
3. Provision for short-term doubtful debts	139	9	(2,786,945,596)	(2,878,052,942)
IV. Other current assets	150		127,205,972,379	151,464,466,572
1. Short-term prepaid expenses	151	10	127,205,972,379	151,441,922,686
1.1. Unallocated commission expenses	151.1		126,841,637,204	151,195,341,965
1.2. Other short-term prepaid expenses	151.2		364,335,175	246,580,721
2. Value added tax deductibles	152		-	22,543,886
V. Reinsurance assets	190	11	1,459,270,052,178	1,430,546,515,437
1. Unearned premium reserve for outward reinsurance	191		479,852,159,376	566,816,567,372
2. Claim reserve for outward reinsurance	192		979,417,892,802	863,729,948,065
B. NON-CURRENT ASSETS	200		241,993,663,774	145,026,553,097
(200=210+220+250+260)				
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		8,755,565,775	9,216,378,730
1. Tangible fixed assets	221	12	1,832,049,612	2,622,102,202
Cost	222		7,552,087,021	7,096,108,153
Accumulated depreciation	223		(5,720,037,409)	(4,474,005,951)
2. Intangible assets	227	13	6,923,516,163	6,594,276,528
Cost	228		16,263,600,000	12,073,600,000
Accumulated amortization	229		(9,340,083,837)	(5,479,323,472)
III. Long-term financial investments	250	6	204,545,450,000	107,000,000,000
1. Other long-term investments	258		204,545,450,000	107,000,000,000
IV. Other non-current assets	260		20,692,647,999	20,810,174,367
1. Long-term prepaid expenses	261	10	20,692,647,999	20,810,174,367
TOTAL ASSETS (270=100+200)	270		3,444,498,838,897	3,512,769,020,515

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2016

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
A. LIABILITIES (300=310)	300		2,671,016,143,176	2,768,047,119,572
I. Current liabilities	310		2,671,016,143,176	2,768,047,119,572
1. Trade accounts payable	312	14	515,456,469,384	640,840,794,601
1.1 Payables of insurance contracts	312.1		508,334,151,956	624,406,293,134
1.2. Other trade accounts payable	312.2		7,122,317,428	16,434,501,467
2. Taxes and amounts payable to the State budget	314	15	2,949,732,631	8,598,967,891
3. Payables to employees	315		5,943,361,078	5,499,049,026
4. Other current payables	319	16	115,275,885,547	127,429,261,195
4.1. Unearned commission income	319.1		105,826,939,408	120,955,817,488
5. Current provisions	320		223,500,000	290,110,700
6. Bonus and welfare funds	323		3,456,425,571	1,889,274,254
7. Under-writing reserves	329	17	2,027,710,768,965	1,983,499,661,905
7.1. Unearned premium reserves for inward reinsurance	329.1		650,721,868,783	790,295,426,249
7.2. Claim reserves for inward reinsurance	329.2		1,325,647,780,204	1,152,557,658,662
7.3. Catastrophe reserve	329.3		51,341,119,978	40,646,576,994
B. EQUITY (400=410)	400		773,482,695,721	744,721,900,943
I. Owners' equity	410	18	773,482,695,721	744,721,900,943
1. Owners' contributed capital	411		668,000,000,000	668,000,000,000
2. Compulsory reserve fund	419		20,347,399,558	14,820,858,967
3. Retained earnings	421		85,135,296,163	61,901,041,976
TOTAL RESOURCES (440 = 300+400)	440		3,444,498,838,897	3,512,769,020,515

OFF-BALANCE SHEET ITEMS

ITEMS	Unit	Closing balance	Opening balance
1. Foreign currencies:			
United States Dollar	USD	3,119,548.33	2,821,010.61
Euro	EUR	717,778.92	917,258.02


Phan Quynh Lam
Preparer


Bui Thi Ha
Chief Accountant


Trinh Anh Tuan
Chief Executive Officer

Hanoi, 14 February 2017

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT*For the year ended 31 December 2016***PART I: GERNERAL INCOME STATEMENT***Unit: VND*

ITEMS	Codes	Current year	Prior year
1. Net revenue from insurance activities	10	673,568,440,092	670,749,706,804
2. Financial income	12	89,998,086,783	119,503,252,114
3. Other income	13	270,000	-
4. Total expenses for insurance activities	20	565,450,566,793	568,100,768,060
5. Financial expenses	22	28,913,608,812	42,598,619,262
6. General and administration expenses	23	31,319,425,699	25,452,390,973
7. Other expenses	24	-	-
8. Total accounting profit before tax (50 = 10+12+13-20-22-23-24)	50	137,883,195,571	154,101,180,623
9. Current corporate income tax expense	51	24,995,462,117	30,399,969,606
10. Net profit after corporate income tax (60=50-51)	60	112,887,733,454	123,701,211,017
11. Basic earnings per share	70	1,635	1,796

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT (Continued)

For the year ended 31 December 2016

PART II: INCOME STATEMENT BY ACTIVITY


Unit: VND


ITEMS	Codes	Notes	Current year	Prior year
1. Insurance premium (01 = 01.2-01.3)	01	19	1,493,054,288,915	1,578,555,021,235
- Inward reinsurance premium	01.2		1,353,480,731,449	1,609,266,928,629
- (Decrease)/Increase in unearned premium reserve for inward reinsurance	01.3		(139,573,557,466)	30,711,907,394
2. Outward reinsurance premium (02 = 02.1-02.2)	02	20	1,083,960,373,312	1,134,040,993,404
- Outward reinsurance premium	02.1		996,995,965,316	1,136,754,964,148
- (Decrease)/Increase in unearned premium reserve for outward reinsurance	02.2		(86,964,407,996)	2,713,970,744
3. Net insurance premium (03 = 01-02)	03		409,093,915,603	444,514,027,831
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		264,474,524,489	226,235,678,973
- Commission income from outward reinsurance	04.1		234,059,904,130	211,469,647,497
- Other income from insurance activities	04.2		30,414,620,359	14,766,031,476
5. Net revenue from insurance activities (10=03+04)	10		673,568,440,092	670,749,706,804
6. Claim settlement expenses (11=11.1)	11		460,965,615,414	783,620,508,012
- Total claim settlement expenses	11.1		460,965,615,414	783,620,508,012
7. Claim receipts from ceded policies	12		305,399,495,483	596,070,390,648
8. Increase/(Decrease) in claim reserve for inward reinsurance	13		173,090,121,542	(211,429,146,807)
9. Increase/(Decrease) in claim reserve for outward reinsurance	14		115,687,944,737	(265,323,392,066)
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	21	212,968,296,736	241,444,362,623
11. Increase in catastrophe reserve	16		10,694,542,984	14,175,358,934
12. Other expenses for insurance activities (17=17.1+17.2)	17	22	341,787,727,073	312,481,046,503
- Insurance commission expenses	17.1		289,418,153,817	277,301,230,064
- Other expenses for insurance activities	17.2		52,369,573,256	35,179,816,439
13. Total expenses for insurance activities (18=15+16+17)	18		565,450,566,793	568,100,768,060
14. Gross profit from insurance activities (19=10-18)	19		108,117,873,299	102,648,938,744
15. Financial income	23	23	89,998,086,783	119,503,252,114
16. Financial expenses	24	24	28,913,608,812	42,598,619,262

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT (Continued)*For the year ended 31 December 2016***PART II: INCOME STATEMENT BY ACTIVITY (Continued)***Unit: VND*

ITEMS	Codes	Notes	Current year	Prior year
17. Gross profit from financial activities (25=23-24)	25		61,084,477,971	76,904,632,852
18. General and administration expenses	26	25	31,319,425,699	25,452,390,973
19. Net profit from operating activities (30=19+25-26)	30		137,882,925,571	154,101,180,623
20. Other income	31		270,000	-
21. Other expenses	32		-	-
22. Other profit (40=31-32)	40		270,000	-
23. Accounting profit before tax (50=30 + 40)	50		137,883,195,571	154,101,180,623
24. Current corporate income tax expense	51	27	24,995,462,117	30,399,969,606
25. Profit after corporate income tax (60=50-51)	60		112,887,733,454	123,701,211,017
26. Basic earnings per share	70	28	1,635	1,796


Phan Quynh Lam
Preparer


Bui Thi Ha
Chief Accountant


Trinh Anh Tuan
Chief Executive Officer

Hanoi, 14 February 2017

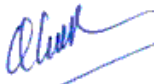
The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 December 2016

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Receipt from insurance premium, commissions and claims	01	785,603,609,140	728,764,862,784
2. Receipt from deducted expenses	03	5,924,501,588	1,816,944,196
3. Receipt from other operating activities	04	4,761,594,159	9,246,057,976
4. Payment for claim settlements	05	(173,670,574,361)	(155,296,742,770)
5. Payment for commissions and other insurance activities	06	(468,310,261,107)	(500,126,760,909)
6. Payment to suppliers for goods and services	07	(22,503,172,848)	(21,866,008,390)
7. Payment to employees	08	(15,590,193,443)	(15,261,435,539)
8. Payment for taxes and obligations to the State budget	09	(35,606,202,757)	(38,546,036,382)
9. Payment for other payables	10	(13,572,037,720)	(3,096,659,394)
10. Advances to employees and suppliers	11	(10,499,054,740)	(8,171,754,176)
Net cash generated by/(used in) operating activities	20	56,538,207,911	(2,537,532,604)
II. Cash flows from investing activities			
1. Receipt from investments in other entities	21	1,326,585,000,000	1,517,235,000,000
2. Receipt from interest on investments	22	71,147,177,085	93,363,090,844
3. Investments in other entities	24	(1,356,149,450,000)	(1,445,240,000,000)
4. Acquisition of fixed assets	25	(8,309,875,937)	(3,252,085,000)
Net cash generated by investing activities	30	33,272,851,148	162,106,005,844
III. Cash flows from financing activities			
1. Proceeds from borrowings	31	5,000,000,000	5,000,000,000
2. Repayment of borrowings	34	(5,000,000,000)	(5,000,000,000)
3. Dividends paid	36	(79,086,150,000)	(107,343,706,374)
Net cash (used in) financing activities	40	(79,086,150,000)	(107,343,706,374)
Net increase in cash (50=20+30+40)	50	10,724,909,059	52,224,766,866
Cash and cash equivalents at the beginning of the year	60	91,263,297,231	39,038,530,365
Cash and cash equivalents at the end of the year (70=50+60)	70	101,988,206,290	91,263,297,231


 Phan Quynh Lam
Preparer


 Bui Thi Ha
Chief Accountant


 Trinh Anh Tuan
Chief Executive Officer


Hanoi, 14 February 2017

The accompanying notes are an integral part of these financial statements