

**Deloitte.**

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

**PVIRe**

**AUDITED FINANCIAL STATEMENTS**

**For the year ended 31 December 2017**

**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

---

**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3
BALANCE SHEET	4 - 5
INCOME STATEMENT	6 - 8
CASH FLOW STATEMENT	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 33

## **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 2017.

### **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
Mr. Duong Thanh Danh Francois	Member
Ms. Nguyen Ha Thu	Member
Mr. Vu Bao Lam	Member (resigned on 26 April 2017)
Mr. Do Tien Thanh	Member (appointed on 26 April 2017)
Mr. Lam Nhat Son	Member

#### **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 & Investment Division
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 2017, 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**

25<sup>th</sup> 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, 09 February 2018*

No.: 488 /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 09 February 2018 as set out from page 04 to page 33, which comprise the balance sheet as at 31 December 2017, 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 2017 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. 0042-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

09 February 2018  
Hanoi, S.R. Vietnam

**Pham Ngoc Hai**  
Auditor  
Audit Practising Registration Certificate  
No. 2452-2018-001-1

**BALANCE SHEET**

*As at 31 December 2017*

*Unit: VND*

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>3,142,103,310,324</b>	<b>3,202,505,175,123</b>
<b>(100=110+120+130+150+190)</b>				
<b>I. Cash and Cash equivalents</b>	<b>110</b>	<b>5</b>	<b>178,894,660,070</b>	<b>101,988,206,290</b>
1. Cash	111		163,894,660,070	101,988,206,290
2. Cash equivalents	112		15,000,000,000	-
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>908,723,500,000</b>	<b>1,058,859,000,000</b>
1. Short-term investments	121		908,723,500,000	1,058,859,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>427,903,975,960</b>	<b>455,181,944,276</b>
1. Trade accounts receivable	131	7	432,649,875,819	457,563,250,959
1.1. Receivables of insurance contracts	131.1		408,307,311,132	424,055,697,832
1.2. Other trade accounts receivable	131.2		24,342,564,687	33,507,553,127
2. Other short-term receivables	135	8	1,712,544,194	405,638,913
3. Provision for short-term doubtful debts	139	9	(6,458,444,053)	(2,786,945,596)
<b>IV. Other current assets</b>	<b>150</b>		<b>132,598,666,690</b>	<b>127,205,972,379</b>
1. Short-term prepaid expenses	151	10	132,598,666,690	127,205,972,379
1.1. Unallocated commission expenses	151.1		132,343,234,334	126,841,637,204
1.2. Other short-term prepaid expenses	151.2		255,432,356	364,335,175
<b>V. Reinsurance assets</b>	<b>190</b>	<b>11</b>	<b>1,493,982,507,604</b>	<b>1,459,270,052,178</b>
1. Unearned premium reserve for outward reinsurance	191		434,392,122,118	479,852,159,376
2. Claim reserve for outward reinsurance	192		1,059,590,385,486	979,417,892,802
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>374,615,332,868</b>	<b>241,993,663,774</b>
<b>(200=210+220+250+260)</b>				
<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>38,400,516,664</b>	<b>8,755,565,775</b>
1. Tangible fixed assets	221	12	31,887,896,007	1,832,049,612
Cost	222		38,028,663,385	7,552,087,021
Accumulated depreciation	223		(6,140,767,378)	(5,720,037,409)
2. Intangible assets	227	13	6,512,620,657	6,923,516,163
Cost	228		20,257,892,000	16,263,600,000
Accumulated amortization	229		(13,745,271,343)	(9,340,083,837)
<b>III. Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>308,545,450,000</b>	<b>204,545,450,000</b>
1. Other long-term investments	258		308,545,450,000	204,545,450,000
<b>IV. Other non-current assets</b>	<b>260</b>		<b>19,669,366,204</b>	<b>20,692,647,999</b>
1. Long-term prepaid expenses	261	10	19,669,366,204	20,692,647,999
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>3,516,718,643,192</b>	<b>3,444,498,838,897</b>

*The accompanying notes are an integral part of these financial statements*



**BALANCE SHEET (Continued)**

As at 31 December 2017

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>A. LIABILITIES (300=310+340)</b>	<b>300</b>		<b>2,750,155,830,179</b>	<b>2,671,016,143,176</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,749,630,674,861</b>	<b>2,671,016,143,176</b>
1. Trade accounts payable	312	14	487,943,791,472	515,456,469,384
1.1 Payables of insurance contracts	312.1		467,718,656,224	508,334,151,956
1.2. Other trade accounts payable	312.2		20,225,135,248	7,122,317,428
2. Taxes and amounts payable to the State budget	314	15	9,592,265,829	2,949,732,631
3. Payables to employees	315		1,748,071,973	5,943,361,078
4. Other current payables	319	16	168,423,313,349	115,275,885,547
4.1. Unearned commission income	319.1		100,860,364,105	105,826,939,408
5. Current provisions	320		50,400,000	223,500,000
6. Bonus and welfare funds	323		5,154,409,962	3,456,425,571
7. Under-writing reserves	329	17	2,076,718,422,276	2,027,710,768,965
7.1. Unearned premium reserves for inward reinsurance	329.1		615,839,909,449	650,721,868,783
7.2. Claim reserves for inward reinsurance	329.2		1,398,037,069,719	1,325,647,780,204
7.3. Catastrophe reserve	329.3		62,841,443,108	51,341,119,978
<b>II. Long-term liabilities</b>	<b>340</b>		<b>525,155,318</b>	-
1. Unearned revenue	341		525,155,318	-
<b>B. EQUITY (400=410)</b>	<b>400</b>		<b>766,562,813,013</b>	<b>773,482,695,721</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>18</b>	<b>766,562,813,013</b>	<b>773,482,695,721</b>
1. Owners' contributed capital	411		668,000,000,000	668,000,000,000
2. Compulsory reserve fund	419		26,105,622,801	20,347,399,558
3. Retained earnings	421		72,457,190,212	85,135,296,163
<b>TOTAL RESOURCES (440 = 300+400)</b>	<b>440</b>		<b>3,516,718,643,192</b>	<b>3,444,498,838,897</b>

**OFF-BALANCE SHEET ITEMS**

ITEMS	Unit	Closing balance	Opening balance
1. Foreign currencies:			
United States Dollar	USD	3,876,154	3,119,548
Euro	EUR	1,017,713	717,779

**Nguyen Thi Thanh Huyen**  
Preparer

**Bui Thi Ha**  
Chief Accountant



**Trinh Anh Tuan**  
Chief Executive Officer

Hanoi, 09 February 2018

The accompanying notes are an integral part of these financial statements

**INCOME STATEMENT***For the year ended 31 December 2017***PART I: GENERAL INCOME STATEMENT***Unit: VND*

<b>ITEMS</b>	<b>Codes</b>	<b>Current year</b>	<b>Prior year</b>
1. Net revenue from insurance activities	10	601,434,228,581	673,568,440,092
2. Financial income	12	102,566,729,240	89,998,086,783
3. Other income	13	33,636,714	270,000
4. Total expenses for insurance activities	20	493,558,471,146	565,450,566,793
5. Financial expenses	22	27,461,410,823	28,913,608,812
6. General and administration expenses	23	31,277,160,674	31,319,425,699
7. Other expenses	24	713,159,288	-
<b>8. Total accounting profit before tax (50 = 10+12+13-20-22-23-24)</b>	<b>50</b>	<b>151,024,392,604</b>	<b>137,883,195,571</b>
9. Current corporate income tax expense	51	34,025,339,745	24,995,462,117
<b>10. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>	<b>116,999,052,859</b>	<b>112,887,733,454</b>
<b>11. Basic earnings per share</b>	<b>70</b>	<b>1,696</b>	<b>1,635</b>

*The accompanying notes are an integral part of these financial statements*



**INCOME STATEMENT (Continued)***For the year ended 31 December 2017***PART II: INCOME STATEMENT BY ACTIVITY***Unit: VND*

ITEMS	Codes	Notes	Current year	Prior year
<b>1. Insurance premium (01 = 01.2-01.3)</b>	<b>01</b>	<b>19</b>	<b>1,312,992,014,448</b>	<b>1,493,054,288,915</b>
- Inward reinsurance premium	01.2		1,278,110,055,114	1,353,480,731,449
- (Decrease) in unearned premium reserve for inward reinsurance	01.3		(34,881,959,334)	(139,573,557,466)
<b>2. Outward reinsurance premium (02 = 02.1-02.2)</b>	<b>02</b>	<b>20</b>	<b>940,225,988,028</b>	<b>1,083,960,373,312</b>
- Outward reinsurance premium	02.1		894,765,950,770	996,995,965,316
- (Decrease) in unearned premium reserve for outward reinsurance	02.2		(45,460,037,258)	(86,964,407,996)
<b>3. Net insurance premium (03 = 01-02)</b>	<b>03</b>		<b>372,766,026,420</b>	<b>409,093,915,603</b>
<b>4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)</b>	<b>04</b>		<b>228,668,202,161</b>	<b>264,474,524,489</b>
- Commission income from outward reinsurance	04.1		211,599,428,361	234,059,904,130
- Other income from insurance activities	04.2		17,068,773,800	30,414,620,359
<b>5. Net revenue from insurance activities (10=03+04)</b>	<b>10</b>		<b>601,434,228,581</b>	<b>673,568,440,092</b>
<b>6. Claim settlement expenses (11=11.1)</b>	<b>11</b>		<b>627,610,511,221</b>	<b>460,965,615,414</b>
- Total claim settlement expenses	11.1		627,610,511,221	460,965,615,414
7. Claim receipts from ceded policies	12		449,973,124,383	305,399,495,483
8. Increase in claim reserve for inward reinsurance	13		72,389,289,515	173,090,121,542
9. Increase in claim reserve for outward reinsurance	14		80,172,492,684	115,687,944,737
<b>10. Total insurance claim settlement expenses (15=11-12+13-14)</b>	<b>15</b>	<b>21</b>	<b>169,854,183,669</b>	<b>212,968,296,736</b>
11. Increase in catastrophe reserve	16		11,500,323,130	10,694,542,984
<b>12. Other expenses for insurance activities (17=17.1+17.2)</b>	<b>17</b>	<b>22</b>	<b>312,203,964,347</b>	<b>341,787,727,073</b>
- Insurance commission expenses	17.1		269,754,843,730	289,418,153,817
- Other expenses for insurance activities	17.2		42,449,120,617	52,369,573,256
<b>13. Total expenses for insurance activities (18=15+16+17)</b>	<b>18</b>		<b>493,558,471,146</b>	<b>565,450,566,793</b>
<b>14. Gross profit from insurance activities (19=10-18)</b>	<b>19</b>		<b>107,875,757,435</b>	<b>108,117,873,299</b>

*The accompanying notes are an integral part of these financial statements*

**INCOME STATEMENT (Continued)***For the year ended 31 December 2017***PART II: INCOME STATEMENT BY ACTIVITY (Continued)**

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
15. Financial income	23	23	102,566,729,240	89,998,086,783
16. Financial expenses	24	24	27,461,410,823	28,913,608,812
<b>17. Gross profit from financial activities (25=23-24)</b>	<b>25</b>		<b>75,105,318,417</b>	<b>61,084,477,971</b>
18. General and administration expenses	26	25	31,277,160,674	31,319,425,699
<b>19. Net profit from operating activities (30=19+25-26)</b>	<b>30</b>		<b>151,703,915,178</b>	<b>137,882,925,571</b>
20. Other income	31		33,636,714	270,000
21. Other expenses	32		713,159,288	-
<b>22. Other (loss)/profit (40=31-32)</b>	<b>40</b>		<b>(679,522,574)</b>	<b>270,000</b>
<b>23. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>151,024,392,604</b>	<b>137,883,195,571</b>
24. Current corporate income tax expense	51	27	34,025,339,745	24,995,462,117
<b>25. Profit after corporate income tax (60=50-51)</b>	<b>60</b>		<b>116,999,052,859</b>	<b>112,887,733,454</b>
26. Basic earnings per share	70	28	1,696	1,635



**Nguyen Thi Thanh Huyen**  
Preparer



**Bui Thi Ha**  
Chief Accountant



**Trinh Anh Tuan**  
Chief Executive Officer

Hanoi, 09 February 2018