

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



AUDITED FINANCIAL STATEMENTS
For the year ended 31 December 2019



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PVI REINSURANCE JOINT-STOCK CORPORATION

25th floor, PVI Tower, No.01 Pham Van Bach
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 2019.

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 and approved by the Ministry of Finance on 01 March 2019)
Mr. Duong Thanh Danh Francois	Vice Chairman (appointed on 01 March 2019)
Mr. Lam Nhat Son	Member
Ms. Pham Thi Thanh Nga	Member
Mr. Truong Minh Duc	Member (appointed on 07 January 2019)
Mr. Trinh Anh Tuan	Member (appointed on 07 January 2019)

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
Mr. Phan Trinh Quoc Kien	Chief Operation Officer
Mr. Ngo Thanh Hai	Chief Accountant (appointed on 15 March 2019)

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 2019, 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
Cau Gay 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, 10 February 2020

1.12.2020

No.: 0505 /VNIA-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 10 February 2020 as set out from page 04 to page 33, which comprise the balance sheet as at 31 December 2019, 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 2019 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

10 February 2020
Hanoi, S.R. Vietnam

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

BALANCE SHEET

As at 31 December 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS (100=110+120+130+150+190)	100		3,584,440,925,388	3,354,447,397,877
I. Cash and cash equivalents	110	4	85,314,786,197	76,903,236,252
1. Cash	111		45,314,786,197	76,903,236,252
2. Cash equivalents	112		40,000,000,000	-
II. Short-term financial investments	120	5	628,591,800,000	1,020,269,000,000
1. Short-term investments	121		628,591,800,000	1,020,269,000,000
III. Short-term receivables	130		589,356,922,010	441,530,305,412
1. Trade accounts receivable	131	6	593,211,761,902	445,935,445,573
1.1. Receivables of insurance contracts	131.1		558,436,630,845	424,257,794,053
1.2. Other trade accounts receivable	131.2		34,775,131,057	21,677,651,520
2. Other short-term receivables	135		2,915,171,207	1,605,653,650
3. Provision for short-term doubtful debts	139	7	(6,770,011,099)	(6,010,793,811)
IV. Other current assets	150		190,865,285,078	138,588,228,719
1. Short-term prepaid expenses	151	8	190,865,285,078	138,588,228,719
1.1. Unallocated commission expenses	151.1		190,389,421,394	138,275,799,144
1.2. Other short-term prepaid expenses	151.2		475,863,684	312,429,575
V. Reinsurance assets	190	9	2,090,312,132,103	1,677,156,627,494
1. Unearned premium reserve for outward reinsurance	191		440,249,447,078	443,706,014,556
2. Claim reserve for outward reinsurance	192		1,650,062,685,025	1,233,450,612,938
B. NON-CURRENT ASSETS (200=210+220+250+260)	200		905,247,077,790	441,913,825,466
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		3,517,966,280	6,460,946,230
1. Tangible fixed assets	221	10	1,181,386,048	897,185,865
Cost	222		8,398,451,385	7,484,591,385
Accumulated depreciation	223		(7,217,065,337)	(6,587,405,520)
2. Intangible assets	227	11	2,336,580,232	5,563,760,365
Cost	228		23,375,313,000	23,375,313,000
Accumulated amortization	229		(21,038,732,768)	(17,811,552,635)
III. Long-term financial investments	250	5	870,915,650,000	408,548,450,000
1. Other long-term investments	258		870,915,650,000	408,548,450,000
IV. Other non-current assets	260		22,813,461,510	18,904,429,236
1. Long-term prepaid expenses	261	8	22,813,461,510	18,904,429,236
TOTAL ASSETS (270=100+200)	270		4,489,688,003,178	3,796,361,223,343

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2019

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
A. LIABILITIES (300=310)	300		3,629,431,282,492	2,954,307,077,135
I. Current liabilities	310		3,629,431,282,492	2,954,307,077,135
1. Trade accounts payable	312	12	595,216,052,044	542,177,960,346
1.1 Payables of insurance contracts	312.1		540,886,842,175	469,620,530,558
1.2. Other trade accounts payable	312.2		54,329,209,869	72,557,429,788
2. Taxes and amounts payable to the State budget	314	13	7,089,826,031	9,647,508,217
3. Payables to employees	315		1,059,293,080	1,765,460,987
4. Other current payables	319	14	117,928,126,700	114,489,963,311
4.1. Unearned commission income	319.1		116,351,340,192	112,170,162,802
5. Current provisions	320		-	260,000,000
6. Bonus and welfare funds	323		5,621,337,080	5,336,178,518
7. Under-writing reserves	329	15	2,902,516,647,557	2,280,630,005,756
7.1. Unearned premium reserves for inward reinsurance	329.1		734,435,883,240	603,483,597,880
7.2. Claim reserves for inward reinsurance	329.2		2,077,690,153,098	1,603,767,998,545
7.3. Catastrophe reserve	329.3		90,390,611,219	73,378,409,331
B. EQUITY (400=410)	400		860,256,720,686	842,054,146,208
I. Owners' equity	410	16	860,256,720,686	842,054,146,208
1. Owners' contributed capital	411		728,000,000,000	728,000,000,000
2. Compulsory reserve fund	419		39,608,038,763	32,505,154,002
3. Retained earnings	421		92,648,681,923	81,548,992,206
TOTAL RESOURCES (440 = 300+400)	440		4,489,688,003,178	3,796,361,223,343

OFF-BALANCE SHEET ITEMS

ITEMS	Unit	Closing balance	Opening balance
1. Foreign currencies:			
United States Dollar	USD	1,205,750	2,123,798
British	GBP	22,587	7,637
Euro	EUR	15,595	118,373



Vi Ngoc Son
Preparer



Ngo Thanh Hai
Accounting manager




Trinh Anh Tuan
Chief Executive Officer

Hanoi, 10 February 2020

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT*For the year ended 31 December 2019***PART I: GERNERAL INCOME STATEMENT***Unit: VND*

ITEMS	Codes	Current year	Prior year
1. Net revenue from insurance activities	10	687,268,093,046	587,953,626,855
2. Financial income	12	135,108,542,063	118,817,307,925
3. Other income	13	45,912,000	1,582,192
4. Total expenses for insurance activities	20	613,207,223,035	502,480,586,772
5. Financial expenses	22	12,418,480,948	20,145,300,660
6. General and administration expenses	23	26,314,818,743	29,297,894,525
7. Other expenses	24	-	-
8. Total accounting profit before tax (50 = 10+12+13-20-22-23-24)	50	170,482,024,383	154,848,735,015
9. Current corporate income tax expense	51	29,835,568,899	28,768,196,659
10. Net profit after corporate income tax (60=50-51)	60	140,646,455,484	126,080,538,356
11. Basic earnings per share	70	1,850	1,842

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT (Continued)

For the year ended 31 December 2019

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	1,381,910,146,902	1,228,730,594,067
- Inward reinsurance premium	01.2		1,512,862,432,262	1,216,374,282,498
- Increase/(Decrease) in unearned premium reserve	01.3		130,952,285,360	(12,356,311,569)
2. Outward reinsurance premium (02 = 02.1-02.2)	02	18	949,245,603,490	855,828,182,623
- Outward reinsurance premium	02.1		945,789,036,012	865,142,075,061
- Increase/(Decrease) in unearned premium reserve for outward reinsurance	02.2		(3,456,567,478)	9,313,892,438
3. Net insurance premium (03 = 01-02)	03		432,664,543,412	372,902,411,444
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		254,603,549,634	215,051,215,411
- Commission income from outward reinsurance	04.1		242,714,082,257	205,705,483,234
- Other income from insurance activities	04.2		11,889,467,377	9,345,732,177
5. Net revenue from insurance activities (10=03+04)	10		687,268,093,046	587,953,626,855
6. Claim settlement expenses (11=11.1)	11		577,129,756,932	552,366,411,734
7. Claim receipts from ceded policies	12		422,593,166,601	405,187,530,554
8. Increase in claim reserve for inward reinsurance	13		473,922,154,553	205,730,928,826
9. Increase in claim reserve for outward reinsurance	14		416,612,072,087	173,860,227,452
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	19	211,846,672,797	179,049,582,554
11. Increase in catastrophe reserve	16		17,012,201,888	10,536,966,223
12. Other expenses for insurance activities (17=17.1+17.2)	17	20	384,348,348,350	312,894,037,995
- Insurance commission expenses	17.1		338,024,359,707	274,001,287,732
- Other expenses for insurance activities	17.2		46,323,988,643	38,892,750,263
13. Total expenses for insurance activities (18=15+16+17)	18		613,207,223,035	502,480,586,772
14. Gross profit from insurance activities (19=10-18)	19		74,060,870,011	85,473,040,083

The accompanying notes are an integral part of these financial statements


INCOME STATEMENT (Continued)


For the year ended 31 December 2019


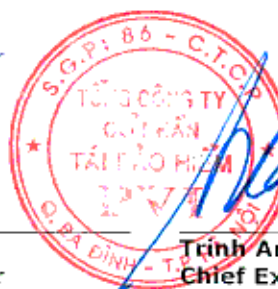
PART II: INCOME STATEMENT BY ACTIVITY (Continued)

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
15. Financial income	23	21	135,108,542,063	118,817,307,925
16. Financial expenses	24	22	12,418,480,948	20,145,300,660
17. Gross profit from financial activities (25=23-24)	25		122,690,061,115	98,672,007,265
18. General and administration expenses	26	23	26,314,818,743	29,297,894,525
19. Net profit from operating activities (30=19+25-26)	30		170,436,112,383	154,847,152,823
20. Other income	31		45,912,000	1,582,192
21. Other profit (40=31)	40		45,912,000	1,582,192
22. Accounting profit before tax (50=30+40)	50		170,482,024,383	154,848,735,015
23. Current corporate income tax expense	51	25	29,835,568,899	28,768,196,659
24. Profit after corporate income tax (60=50-51)	60		140,646,455,484	126,080,538,356
25. Basic earnings per share	70	26	1,850	1,842


 Vi Ngoc Son
Preparer


 Ngo Thanh Hai
Accounting Manager


 Trinh Anh Tuan
Chief Executive Officer


Hanoi, 10 February 2020