

PVI REINSURANCE JOINT-STOCK CORPORATION

(Incorporated in the Socialist Republic of Vietnam)



REVIEWED INTERIM FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2020



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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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

The Board of Management of PVI Reinsurance Joint-Stock Corporation (the "Corporation") presents this report together with the Corporation's interim financial statements for the 6-month period ended 30 June 2020.

THE BOARDS OF DIRECTORS AND MANAGEMENT

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

Board of Directors

Mr. Nguyen Anh Tuan	Chairman
Mr. Duong Thanh Danh Francois	Vice chairman - Member (Resigned on 27 March 2020)
Mr. Lam Nhat Son	Member
Ms. Pham Thi Thanh Nga	Member (Resigned on 27 March 2020)
Mr. Truong Minh Duc	Member
Mr. Trinh Anh Tuan	Member
Mr. Alexander Nicolai Neumann	Member (Appointed on 27 March 2020)
Mr. Nguyen Anh Vu	Member (Appointed on 27 March 2020)

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

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Corporation as at 30 June 2020 and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim financial reporting. In preparing these interim 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 interim financial statements;
- Prepare the interim 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 interim 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 interim financial statements comply with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim 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 interim financial statements.

For and on behalf of the Board of Management,



Trinh Anh Tuan
Chief Executive Officer

Hanoi, 29 July 2020

No.: *0162* /VN1A-HN-BC

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim financial statements of PVI Reinsurance Joint-Stock Corporation (the "Corporation"), prepared on 29 July 2020 as set out from page 05 to page 35, which comprise the interim balance sheet as at 30 June 2020, the interim income statement, the interim cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Interim Financial Statements

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

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Corporation as at 30 June 2020, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim financial reporting.


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

DELOITTE VIETNAM COMPANY LIMITED

31 July 2020
Hanoi, S.R. Vietnam

INTERIM BALANCE SHEET

As at 30 June 2020

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		3,757,748,015,917	3,584,440,925,388
(100=110+120+130+150+190)				
I. Cash and cash equivalents	110	4	32,132,283,617	85,314,786,197
1. Cash	111		32,132,283,617	45,314,786,197
2. Cash equivalents	112		-	40,000,000,000
II. Short-term financial investments	120	5	956,959,000,000	628,591,800,000
1. Short-term investments	121		956,959,000,000	628,591,800,000
III. Short-term receivables	130		589,448,664,543	589,356,922,010
1. Trade accounts receivable	131	6	593,678,979,929	593,211,761,902
1.1. Receivables of insurance contracts	131.1		532,183,415,021	558,436,630,845
1.2. Other trade accounts receivable	131.2		61,495,564,908	34,775,131,057
2. Other short-term receivables	135		1,527,051,694	2,915,171,207
3. Provision for short-term doubtful debts	139	7	(5,757,367,080)	(6,770,011,099)
IV. Other current assets	150		181,917,952,463	190,865,285,078
1. Short-term prepaid expenses	151	8	181,917,952,463	190,865,285,078
1.1. Unallocated commission expenses	151.1		180,725,843,001	190,389,421,394
1.2. Other short-term prepaid expenses	151.2		1,192,109,462	475,863,684
V. Reinsurance assets	190	15	1,997,290,115,294	2,090,312,132,103
1. Unearned premium reserve for outward reinsurance	191		438,641,731,607	440,249,447,078
2. Claim reserve for outward reinsurance	192		1,558,648,383,687	1,650,062,685,025
B. NON-CURRENT ASSETS	200		741,192,634,149	905,247,077,790
(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		2,186,889,046	3,517,966,280
1. Tangible fixed assets	221	9	889,188,207	1,181,386,048
Cost	222		8,398,451,385	8,398,451,385
Accumulated depreciation	223		(7,509,263,178)	(7,217,065,337)
2. Intangible assets	227	10	1,297,700,839	2,336,580,232
Cost	228		23,375,313,000	23,375,313,000
Accumulated amortization	229		(22,077,612,161)	(21,038,732,768)
III. Long-term financial investments	250	5	708,548,450,000	870,915,650,000
1. Other long-term investments	258		708,548,450,000	870,915,650,000
IV. Other non-current assets	260		22,457,295,103	22,813,461,510
1. Long-term prepaid expenses	261	8	22,457,295,103	22,813,461,510
TOTAL ASSETS (270=100+200)	270		4,498,940,650,066	4,489,688,003,178

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

INTERIM BALANCE SHEET (Continued)

As at 30 June 2020

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
A. LIABILITIES (300=310)	300		3,629,304,713,391	3,629,431,282,492
I. Current liabilities	310		3,629,304,713,391	3,629,431,282,492
1. Trade accounts payable	312	11	661,208,734,158	595,216,052,044
1.1 Payables of insurance contracts	312.1		611,814,506,580	540,886,842,175
1.2. Other trade accounts payable	312.2		49,394,227,578	54,329,209,869
2. Taxes and amounts payable to the State budget	314	12	9,694,985,621	7,089,826,031
3. Payables to employees	315		5,087,773,202	1,059,293,080
4. Other current payables	319	13	113,636,140,337	117,928,126,700
4.1. Unearned commission income	319.1		109,942,688,592	116,351,340,192
4.2 Other payables	319.2		3,693,451,745	1,576,786,508
5. Deferred tax liabilities	341	14	1,849,600,000	-
6. Bonus and welfare funds	323		7,692,870,086	5,621,337,080
7. Under-writing reserves	329	15	2,830,134,609,987	2,902,516,647,557
7.1. Unearned premium reserves for inward	329.1		708,246,391,181	734,435,883,240
7.2. Claim reserves for inward reinsurance	329.2		2,024,093,483,128	2,077,690,153,098
7.3. Catastrophe reserve	329.3		97,794,735,678	90,390,611,219
B. EQUITY (400=410)	400		869,635,936,675	860,256,720,686
I. Owners' equity	410	16	869,635,936,675	860,256,720,686
1. Owners' contributed capital	411		728,000,000,000	728,000,000,000
2. Compulsory reserve fund	419		43,467,345,367	39,608,038,263
3. Retained earnings	421		98,168,591,308	92,648,681,923
TOTAL RESOURCES (440 = 300+400)	440		4,498,940,650,066	4,489,688,003,178

OFF-INTERIM BALANCE SHEET ITEMS

ITEMS	Unit	Closing balance	Opening balance
1. Foreign currencies:			
United States Dollar	USD	936,416	1,205,750
Pounds	GBP	8,479	22,587
Euro	EUR	28,104	15,595


 Vi Ngoc Son
Preparer


 Ngo Thanh Hai
Chief Accountant


 Trinh Anh Tuan
Chief Executive Officer

Hanoi, 29 July 2020

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

INTERIM INCOME STATEMENT*For the 6-month period ended 30 June 2020***PART I: GENERAL INTERIM INCOME STATEMENT***Unit: VND*

ITEMS	Codes	Current period	Prior period
1. Net revenue from insurance activities	10	424,255,586,848	370,727,679,373
2. Financial income	12	58,117,400,800	76,626,731,486
3. Other income	13	-	45,912,000
4. Total expenses for insurance activities	20	366,442,105,512	315,268,527,363
5. Financial expenses	22	11,051,868,557	6,301,673,974
6. General and administration expenses	23	12,541,654,222	13,987,558,884
7. Total accounting profit before tax (50 = 10+12+13-20-22-23)	50	92,337,359,357	111,842,562,638
8. Current corporate income tax expense	51	16,846,644,605	19,374,040,215
9. Deffered corporate tax expenses	52	1,849,600,000	-
10. Net profit after corporate income tax (60=50-51-52)	60	73,641,114,752	92,468,522,423
11. Basic earnings per share	70	931	1,270

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

INTERIM INCOME STATEMENT (Continued)

For the 6-month period ended 30 June 2020

PART II: INTERIM INCOME STATEMENT BY ACTIVITY

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Insurance premium (01 = 01.2-01.3)	01	17	825,551,858,731	724,821,036,294
- Inward reinsurance premium	01.2		799,362,366,672	900,474,341,587
- (Decrease)/Increase in unearned premium reserve for inward	01.3		(26,189,492,059)	175,653,305,293
2. Outward reinsurance premium (02 = 02.1-02.2)	02	18	554,165,933,523	481,114,975,116
- Outward reinsurance premium	02.1		552,558,218,052	579,716,378,974
- (Decrease)/Increase in unearned premium reserve for outward reinsurance	02.2		(1,607,715,471)	98,601,403,858
3. Net insurance premium (03 = 01-02)	03		271,385,925,208	243,706,061,178
4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)	04		152,869,661,640	127,021,618,195
- Commission income from outward reinsurance	04.1		142,958,573,586	120,375,733,976
- Other income from insurance activities	04.2		9,911,088,054	6,645,884,219
5. Net revenue from insurance activities (10=03+04)	10		424,255,586,848	370,727,679,373
6. Claim settlement expenses	11		306,714,306,600	332,409,642,631
7. Claim receipts from ceded policies	12		217,848,722,131	231,796,590,761
8. (Decrease)/Increase in claim reserve for inward reinsurance	13		(53,596,669,970)	267,504,538,209
9. (Decrease)/Increase in claim reserve for outward reinsurance	14		(91,414,301,338)	255,629,035,679
10. Total insurance claim settlement expenses (15=11-12+13-14)	15	19	126,683,215,837	112,488,554,400
11. Increase in catastrophe reserve	16		7,404,124,459	9,622,738,879
12. Other expenses for insurance activities (17=17.1+17.2)	17	20	232,354,765,216	193,157,234,084
- Insurance commission expenses	17.1		205,265,894,425	171,673,931,451
- Other expenses for insurance activities	17.2		27,088,870,791	21,483,302,633
13. Total expenses for insurance activities (18=15+16+17)	18		366,442,105,512	315,268,527,363

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

INTERIM INCOME STATEMENT (Continued)*For the 6-month period ended 30 June 2020***PART II: INTERIM INCOME STATEMENT BY ACTIVITY (Continued)**

Unit: VND

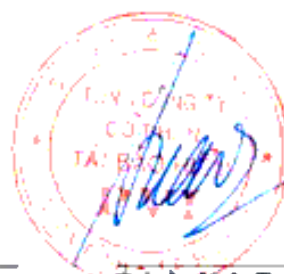
ITEMS	Codes	Notes	Current period	Prior period
14. Gross profit from insurance activities (19=10-18)	19		57,813,481,336	55,459,152,010
15. Financial income	23	21	58,117,400,800	76,626,731,486
16. Financial expenses	24	22	11,051,868,557	6,301,673,974
17. Gross profit from financial activities (25=23-24)	25		47,065,532,243	70,325,057,512
18. General and administration expenses	26	23	12,541,654,222	13,987,558,884
19. Net profit from operating activities (30=19+25-26)	30		92,337,359,357	111,796,650,638
20. Other income	31		-	45,912,000
21. Other profit (40=31)	40		-	45,912,000
22. Accounting profit before tax (50=30 + 40)	50		92,337,359,357	111,842,562,638
23. Current corporate income tax expense	51	25.1	16,846,644,605	19,374,040,215
24. Deferred corporate tax expenses	52	25.2	1,849,600,000	-
25. Profit after corporate income tax (60=50-51-52)	60		73,641,114,752	92,468,522,423
26. Basic earnings per share	70	26	931	1,270



Vi Ngoc Son
Preparer



Ngo Thanh Hai
Chief Accountant



Trinh Anh Tuan
Chief Executive Officer

Hanoi, 29 July 2020

INTERIM CASH FLOW STATEMENT

For the 6-month period ended 30 June 2020

Unit: VND

ITEMS	Codes	Current period	Prior period
I. Cash flows from operating activities			
1. Receipt from insurance premium, commissions and claims	01	403,442,602,777	266,538,028,807
2. Receipt from deducted expenses	03	5,285,038,922	5,479,386,101
3. Payment for claim settlements	05	(27,115,148,952)	(31,169,194,965)
4. Payment for insurance premium, commissions and other insurance activities	06	(187,217,690,525)	(172,140,147,654)
5. Payment to suppliers for goods and services	07	(14,239,835,350)	(21,269,018,896)
6. Payment to employees	08	(13,667,690,331)	(11,028,210,785)
7. Payment for taxes and obligations to the State budget	09	(19,237,175,713)	(20,070,610,512)
8. Payment for other payables	10	(1,506,114,862)	(1,156,495,946)
9. Advances to employees and suppliers	11	(6,589,821,972)	(6,450,189,796)
Net cash generated by operating activities	20	139,154,163,994	8,733,546,354
II. Cash flows from investing activities			
1. Receipt from investments in other entities	21	234,000,000,000	235,600,000,000
2. Receipt from interest on investments	22	23,752,263,930	24,135,000,413
3. Investments in other entities	24	(400,000,000,000)	(254,000,000,000)
4. Acquisition of fixed assets	25	-	(636,900,000)
Net cash (used in)/generated by investing activities	30	(142,247,736,070)	5,098,100,413
III. Cash flows from financing activities			
1. Dividends paid	36	(50,309,318,220)	(50,303,192,220)
Net cash (used in) financing activities	40	(50,309,318,220)	(50,303,192,220)
Net increase in cash (50=20+30+40)	50	(53,402,890,296)	(36,471,545,453)
Cash and cash equivalent at the beginning of the period	60	85,314,786,197	76,903,236,252
Effects of changes in foreign exchange rates	61	220,387,716	120,257,893
Cash and cash equivalent at the end of the period (70=50+60+61)	70	32,132,283,617	40,551,948,692



Vi Ngoc Son
Preparer



Ngo Thanh Hai
Chief Accountant



Trinh Anh Tuan
Chief Executive Officer

Hanoi, 29 July 2020

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

PVI REINSURANCE JOINT-STOCK CORPORATION

25th floor, PVI Tower, No. 1 Pham Van Bach Street
Cau Giay District, Hanoi, S.R. Vietnam

FORM B 09a-DNPNT

Issued under Circular No. 232/2012/TT-BTC dated
28 December 2012 of the Ministry of Finance

NOTES TO THE INTERIM FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statements

1. GENERAL INFORMATION**Structure of Ownership**

PVI Reinsurance Joint-Stock Corporation (the "Corporation") was transformed from PVI Reinsurance Company, which was established and operated under Licence No. 66GP/KDBH dated 20 July 2011 issued by the Ministry of Finance.

Under the Establishment and Operation Certificate No. 86GP/KDBH issued by the Ministry of Finance on 01 October 2013, PVI Reinsurance Company has officially operated as a joint stock company under the name PVI Reinsurance Joint-stock Corporation since 01 October 2013. Under the amended License No. 86/GPDC1/KDBH issued by the Ministry of Finance on 21 September 2018, the Corporation had its charter capital increased to VND 728,000,000,000.

The Corporation's major shareholder is PVI Holdings, which was formerly known as PetroVietnam Insurance Joint Stock Corporation. PVI Holdings owns 73.11% of the Corporation's charter capital.

The amount of capital actually contributed by the shareholders of the Corporation as at 30 June 2020 was as follows:

	Actual contribution as at the current period-end		Actual contribution as at the beginning of the period	
	VND	Ratio	VND	Ratio
PVI Holdings	532,268,250,000	73.11%	532,268,250,000	73.11%
Other shareholders	195,731,750,000	26.89%	195,731,750,000	26.89%
	728,000,000,000	100%	728,000,000,000	100%

The total number of the Corporation's employees as at 30 June 2020 was 42 (31 December 2019: 41).

Operating industry and principal activities

The Corporation's operating industry and principal activities include:

- Reinsurance business;
- Financial investment business.

Disclosure of information comparability in the interim financial statements

The comparative figures of the interim balance sheet and the notes thereto are the figures of the Company's audited financial statements for the year ended 31 December 2019. The comparative figures of the interim income statement, interim cash flow statement and the notes thereto are the figures of the reviewed interim financial statements for the 6-month period ended 30 June 2019.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying interim financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim financial reporting.

The accompanying interim financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December. These interim financial statements are prepared for the 6-month period ended 30 June 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these interim financial statements, are as follows:

Estimates

The preparation of interim financial statements in conformity with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to interim financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenses during the accounting period. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash, cash equivalent, trade receivables, other receivables and short-term and long-term financial investments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Corporation comprise trade payables, other payables and other financial liabilities.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash

Cash comprises cash on hand, demand deposits in banks.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits at banks and bond investments.

Interest income from term deposits at banks and bond interest is recognised in the interim income statement on an accrual basis.

Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried in the interim balance sheet at cost less provision for impairment of long-term investments (if any).

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts. Provision for doubtful debts is made under current prevailing regulations.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Motor vehicles	6
Office equipment	3 - 5

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation.

Intangible assets represent accounting software, management software, and copyrights of other software (collectively referred to as "computer software"). Computer software is amortized using the straight-line method over the estimated useful lives.

Prepaid expenses

Prepaid expenses include short-term and long-term prepaid expenses on the interim balance sheet. These are actual costs related to the operating results of several accounting periods and allocated in the prepaid period or throughout the period which corresponding economic benefits are generated from these expenses.

Insurance deposits

The Corporation is obliged to pay a deposit equal to 2% of the legal capital, the deposit shall bear interest in accordance with the agreement reached with the bank into which it is paid and the Corporation may withdraw the whole amount of their deposit upon termination of its operation. The Corporation may only use its insurance deposit to meet undertakings to purchasers of insurance when its solvency is inadequate and upon written approval of the Ministry of Finance.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the interim balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the interim income statement.

Provisions (excluding underwriting reserves)

Provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the Board of Management's best estimate of the expenditure required to settle the obligation at the interim balance sheet date.

Underwriting reserves

The Corporation has applied the method of making unearned premium reserve and the method of making claim reserve for incurred but not reported (IBNR) losses under approval of the Ministry of Finance in Official Letter No. 14427/BTC-QLBH dated 20 November 2018. Accordingly:

Underwriting reserves for non-life insurance

Unearned premium reserve:

- Reinsurance agreements with terms of less than or equal to 01 year

With regard to insurance for cargo transport by road, sea, river, rail or air: Unearned premium reserve for inward reinsurance is made at 25% of the inward reinsurance premium, unearned premium reserve for outward reinsurance is made at 25% of the outward reinsurance premium.

With regard to other insurances: Unearned premium reserve for inward reinsurance is made at 50% of the inward reinsurance premium, unearned premium reserve for outward reinsurance is made at 50% of the outward reinsurance premium.

- Reinsurance agreements with terms of more than 01 year

Unearned premium reserves are made by a factor of period of direct policies: 1/8 method.

Claim reserve:

For losses incurred and reported, the Corporation provides for claim reserves for inward reinsurance and outward reinsurance using the statistic of retention liabilities for each estimated loss incurred and reported.

For incurred but not reported (IBNR) losses, the Corporation makes claim reserve for inward reinsurance at the rate of 5% of the inward reinsurance premium for each insurance transaction, claim reserve for outward reinsurance at the rate of 5% of the outward reinsurance premium for each insurance transaction.

Catastrophe reserve:

In accordance with Vietnamese Accounting Standard No. 19 "Insurance Contract", reserve to cover the losses in the future of which the claims did not appear at the balance sheet date (including catastrophe reserve) is deemed unnecessary. However, following regulations of the Ministry of Finance, the Corporation's catastrophe reserve for all types of insurance services were consistently provided at 3% of the premium retained in the year. The Catastrophe reserve is made until this reserve is equal to 100% of the premium retained in the year of the Corporation.

Underwriting reserves for health insurance

Mathematical reserve

Mathematical reserve applied to reinsurance agreement with a term of more than 01 year is calculated as follow:

- Regarding health reinsurances agreement which only cover death or total permanent disability. Mathematical reserve is made on daily basic based on gross premium.
- For other health reinsurances: The reserves are made in line with 1/8 method based on gross premium.

Unearned premium reserve

Regarding health_reinsurance agreements with terms of less than or equal to 01 year, unearned premium reserve is made at 50% of the gross premium.

Claim reserve:

For losses incurred and reported, the Corporation provides for claim reserves for inward reinsurance and outward reinsurance using the statistic of retention liabilities for each estimated loss incurred and reported.

For incurred but not reported (IBNR) losses, the Corporation makes claim reserve for inward reinsurance at the rate of 5% of the inward reinsurance premium for each insurance transaction, claim reserve for outward reinsurance at the rate of 5% of the outward reinsurance premium for each insurance transaction.

Equalization reserve:

This reserve is made at a rate of 3% of the premium retained in the year and is recorded in balance sheet under catastrophe reserve item.

Reserves for outward reinsurance is not offset with reserve for inward reinsurance. Such reserves should be presented under separate items in the balance sheet. Accordingly, unearned premium reserve and claim reserve for inward reinsurance and catastrophe reserves are recognized as payables while unearned premium reserve for outward reinsurance and claim reserve for outward reinsurance are recognized as reinsurance assets.

Enterprise funds

The compulsory reserve fund is made at the rate of 5% of the Corporation's profit after tax until it is equal to 10% of the Corporation's charter capital.

Revenue recognition

Reinsurance premium

Inward reinsurance premium is recorded when liability is incurred at the amount stated on the reinsurers' statement sent to the Corporation and confirmed by the Corporation.

Outward reinsurance premium is recorded at the premium amount to be ceded to the reinsurers, corresponding to the inward reinsurance premium earned in the period.

Commission income and other incomes from reinsurance activities are recorded on accrual basis. In the period, the entire commission income from outward reinsurance premium under outward reinsurance contracts signed in accordance with regulations of the financial regime is presented in the "Commission income from outward reinsurance" item.

At the period end, the Corporation should determine unearned commission income from outward reinsurance corresponding to outward reinsurance premium not yet recognized in this period so as to allocate such commission income to the subsequent accounting periods according to the above unearned premium reserve calculation method.

Other revenues

Revenues from interest on bank deposits are recognised when incurred.

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Expenditures recognition

Claim settlement expenses for direct insurance are recorded as incurred, that is, when the Corporation accepts to settle the insured's claims following respective settlement notice.

Claim settlement expenses for inward reinsurance are recorded as incurred following the statement of accounts the reinsurers sent to the Corporation and the claim is accepted by the Corporation.

Claim receipts from ceded policies are recognized based on the receivable amount incurred corresponding with the claim settlement expenses recorded in the period and the ceded ratios.

Commission expenses for inward reinsurance are recognized corresponding to inward reinsurance premium incurred in the period. In the period, the entire commission expenses for inward reinsurance under Inward reinsurance contracts signed in accordance with regulations of the financial regime are presented in the "Commission expenses for inward reinsurance" item.

At the period end, the Corporation should determine commission expenses for inward reinsurance which have not been recognized as expenses for the period yet corresponding to unearned inward reinsurance premium so as to allocate such commission expenses to the subsequent accounting periods according to the above unearned premium reserve calculation method.

Other expenses are recognized when incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the interim income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the interim financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH

	Closing balance	Opening balance
	VND	VND
Cash on hand	8,617,108	211,108,595
Bank demand deposits	32,123,666,509	45,103,677,602
Cash equivalents	-	40,000,000,000
	32,132,283,617	85,314,786,197

5. FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Cost	Fair value (*)	Provision	Cost	Fair value (*)	Provision
	VND	VND	VND	VND	VND	VND
Held-to-maturity investments	1,356,962,000,000	1,356,962,000,000	-	1,190,962,000,000	1,190,962,000,000	-
Short-term	956,959,000,000	956,959,000,000	-	628,591,800,000	628,591,800,000	-
- Short-term deposits (i)	956,959,000,000	956,959,000,000	-	628,591,800,000	628,591,800,000	-
Long-term	400,003,000,000	400,003,000,000	-	562,370,200,000	562,370,200,000	-
- Bonds (ii)	100,003,000,000	100,003,000,000	-	100,003,000,000	100,003,000,000	-
- Long-term deposits (iii)	300,000,000,000	300,000,000,000	-	462,367,200,000	462,367,200,000	-
Investments in other entities	308,545,450,000	348,336,423,917	-	308,545,450,000	318,566,860,693	-
- PVI Opportunity Investment Fund (iv)	204,545,450,000	235,918,401,158	-	204,545,450,000	214,397,214,308	-
- PVI Infrastructure Fund (v)	104,000,000,000	112,418,022,759	-	104,000,000,000	104,169,646,385	-

(i) Represent term deposits at domestic commercial joint-stock banks with the original term of more than 3 months and remaining term of 12 months or less from the reporting date.

(ii) Represent an investment of in Military Joint Stock Commercial Bank's bonds with term of 05 year and 01 day and maturity date on 18 October 2023.

(iii) Represent term deposits at domestic commercial joint-stock banks with the remaining term of more than 12 months from the reporting date.

(iv) Represent the capital investment in PVI Opportunity Investment Fund ("POF") accounting for 20.45% of total charter capital of POF.

(v) Represent the capital investment in PVI Infrastructure Investment Fund ("PIF") accounting for 20.00% of total charter capital of PIF.

(*) The fair value is determined as follows:

+ The fair value of long-term bond investment is determined by book value as the interest rate is subject to changes of market interest rates.

+ The fair value of the capital investment in POF and PIF is measured under net asset method based on the POF's financial statements and PIF's financial statements as at 30 June 2020.

+ The fair value of term deposits at domestic commercial joint-stock banks is determined by book value due to: (i) short maturities and (ii) unavailability of information in the market to determine the fair value as at reporting date.

6. TRADE ACCOUNTS RECEIVABLE

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Receivables of insurance contracts	532,183,415,021	558,436,630,845
- Receivables regarding inward reinsurance	288,114,704,647	331,775,218,292
- Receivables regarding outward reinsurance	244,068,710,374	226,661,412,553
Accrued interest from financial investment	61,495,564,908	34,775,131,057
	<u>593,678,979,929</u>	<u>593,211,761,902</u>

Including:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
PVI Insurance Corporation	190,790,441,090	263,113,522,818
Petrolimex Insurance Joint-Stock Company	63,072,405,275	29,800,289,970
Vietnam National Reinsurance Corporation	29,945,307,352	21,070,991,437
Bao Long Insurance Corporation	22,883,934,045	11,727,365,009
Willis Re Labuan Limited (LL05552)	22,356,323,939	13,696,092,375
Military Insurance Joint Stock Corporation	21,542,361,797	23,242,770,882
Bao Minh Joint Stock Corporation	20,003,816,650	18,226,521,895
Guy Carpenter	17,293,686,375	16,554,653,905
Bao Viet Insurance Corporation	12,393,207,327	18,625,703,544
Aon Benfield Corporate Risk - Aon Risk Solution	6,491,958,916	16,768,401,956
Others	186,905,537,163	160,385,448,111
	<u>593,678,979,929</u>	<u>593,211,761,902</u>

Receivables from related parties:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
PVI Insurance Corporation	190,790,441,090	263,113,522,818
Hannover Re - Malaysia Branch	27,970,761	2,120,964,802
	<u>190,818,411,851</u>	<u>265,234,487,620</u>

7. PROVISION FOR SHORT-TERM DOUBTFUL DEBTS

	Closing balance			Opening balance		
	Cost	Recoverable value	Provision	Cost	Recoverable value	Provision
	VND	VND	VND	VND	VND	VND
Total value of receivables, loans overdue or not overdue but unlikely to be recovered:	13,056,991,504	7,299,624,424	5,757,367,080	12,190,296,472	5,420,285,373	6,770,011,099
- Military Insurance Joint Stock Corporation	9,477,212,794	5,363,622,409	4,113,590,385	8,111,552,382	3,457,137,115	4,654,415,267
- United Insurance Company of Vietnam	968,169,548	795,597,708	172,571,840	-	-	-
- Xuan Thanh Insurance Joint Stock Company	792,050,579	374,452,026	417,598,553	774,374,024	334,751,971	439,622,053
- VASS Assurance Corporation	560,750,469	168,540,984	392,209,485	413,854,054	49,790,930	364,063,124
- Aon Re Asia Pte Ltd	206,962,113	23,498,174	183,463,939	267,938,656	22,182,423	245,756,233
- BIDV Insurance Corporation	-	-	-	2,088,682,910	1,256,375,155	832,307,755
- Others	1,051,846,001	573,913,123	477,932,878	533,894,446	300,047,779	233,846,667

Recoverable value is measured at cost less provision for doubtful debts.

8. PREPAID EXPENSES

	Closing balance	Opening balance
	VND	VND
a) Short-term	181,917,952,463	190,865,285,078
- Unallocated commission expenses	180,725,843,001	190,389,421,394
Opening balance	190,389,421,394	138,275,799,144
Unallocated commission expenses incurred in the period/year	195,602,316,032	390,137,981,957
Commission expenses allocated in the period/year	(205,265,894,425)	(338,024,359,707)
Closing balance	180,725,843,001	190,389,421,394
- Cost of tools and supplies issued for consumption	110,700,000	137,530,632
- Other short-term prepaid expenses	1,081,409,462	338,333,052
b) Long-term	22,457,295,103	22,813,461,510
- Office rental and service charge at PVI Tower	21,133,096,654	21,452,364,631
- Other long-term prepaid expenses	1,324,198,449	1,361,096,879
	204,375,247,566	213,678,746,588

9. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Motor vehicles	Office equipment	Total
	VND	VND	VND
COST			
Opening balance	2,452,320,000	5,946,131,385	8,398,451,385
Closing balance	2,452,320,000	5,946,131,385	8,398,451,385
ACCUMULATED DEPRECIATION			
Opening balance	2,452,320,000	4,764,745,337	7,217,065,337
Charge for the period	-	292,197,841	292,197,841
Closing balance	2,452,320,000	5,056,943,178	7,509,263,178
NET BOOK VALUE			
Opening balance	-	1,181,386,048	1,181,386,048
Closing balance	-	889,188,207	889,188,207

The cost of the Corporation's tangible fixed assets includes VND 6,534,556,915 of assets which have been fully depreciated but are still in use as at 30 June 2020 (31 December 2019: VND 6,475,936,915).

10. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Computer software
	VND
COST	
Opening balance	23,375,313,000
Closing balance	23,375,313,000
ACCUMULATED AMORTISATION	
Opening balance	21,038,732,768
Charge for the period	1,038,879,393
Closing balance	22,077,612,161
NET BOOK VALUE	
Opening balance	2,336,580,232
Closing balance	1,297,700,839

The cost of the Corporation's intangible assets includes VND 18,256,575,000 of assets which have been fully amortised but are still in use as at 30 June 2020 (31 December 2019: VND 16,263,600,000).

11. TRADE ACCOUNTS PAYABLE

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Payables of insurance contracts	611,814,506,580	540,886,842,175
- Payables regarding outward	354,744,837,107	275,774,285,409
- Payables regarding claim compensation	223,753,892,239	230,448,994,411
- Other payables	33,315,777,234	34,663,562,355
Other trade accounts payable	49,394,227,578	54,329,209,869
	<u>661,208,734,158</u>	<u>595,216,052,044</u>

Including:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
PVI Insurance Corporation	144,969,047,289	210,837,454,466
Willis Re Labuan Limited (LL05552)	42,193,449,845	28,920,295,899
Petrolimex Insurance Joint-Stock Company	42,080,142,260	18,717,096,149
Bao Minh Joint Stock Corporation	31,160,445,292	27,240,222,060
Vietnam National Reinsurance Corporation	30,864,826,905	25,503,736,932
Asiacapital Reinsurance Group Pte.Ltd (ACR)	22,690,316,413	16,775,602,364
Guy Carpenter	17,262,104,850	17,683,776,443
BIDV Insurance Corporation	16,674,751,867	2,169,632,848
Marsh Ltd Re Guy Carpenter	14,479,301,591	26,525,910,522
Others	298,834,347,846	220,842,324,361
	<u>661,208,734,158</u>	<u>595,216,052,044</u>

Payables to related parties:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
PVI Insurance Corporation	144,969,047,289	210,837,454,466
Hannover Re - Malaysia Branch	9,425,793,080	2,403,453,867
HDI Global SE Singapore	9,999,957	68,351,089
	<u>154,404,840,326</u>	<u>213,309,259,422</u>

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance	In the period		Closing balance
		Payable	Paid	
	VND	VND	VND	VND
Value added tax on goods and services	20,157,569	321,373,660	278,126,407	63,404,822
Corporate income tax	5,158,780,352	16,846,644,605	12,983,388,031	9,022,036,926
- Year 2019	5,158,780,352	-	5,158,780,352	-
- The first 6 months of 2020	-	16,846,644,605	7,824,607,679	9,022,036,926
Personal income tax	1,792,753,259	4,084,992,859	5,429,158,421	448,587,697
Withholding tax	118,134,851	586,324,179	543,502,854	160,956,176
Business license tax	-	3,000,000	3,000,000	-
	7,089,826,031	21,842,335,303	19,237,175,713	9,694,985,621

13. OTHER CURRENT PAYABLES

	Closing balance	Opening balance
	VND	VND
	113,636,140,337	117,928,126,700
Unearned commission income	109,942,688,592	116,351,340,192
- Opening balance	116,351,340,192	112,170,162,802
- Unearned commission income incurred in the period/year	136,549,921,986	246,895,259,647
- Commission income allocated in the period/year	(142,958,573,586)	(242,714,082,257)
- Closing balance	109,942,688,592	116,351,340,192
Other current payables	3,693,451,745	1,576,786,508
- Trade union fee, Social insurance, Health insurance, Unemployment insurance	843,815,225	419,959,220
- Other payables	2,849,636,520	1,156,827,288
	113,636,140,337	117,928,126,700

Other payables to related parties:

	Closing balance	Opening balance
	VND	VND
PVI Holdings	909,382,822	210,071,944
PVI Asset Management Joint Stock Company	63,636,362	63,636,363
	973,019,184	273,708,307

14. DEFERRED TAX LIABILITIES

	Closing balance	Opening balance
	VND	VND
Corporate income tax rates used for determination of value of deferred tax liabilities	20%	20%
Claim reserve differences	9,248,000,000	-
Deferred tax liabilities arising from taxable temporary differences (note 25.2)	1,849,600,000	-
Deferred tax liabilities	1,849,600,000	-

15. UNDERWRITING RESERVES

Claim reserve and unearned premium reserve	Closing balance		
	Inward reinsurance reserve	Outward reinsurance reserve	Net inward reinsurance reserve
	VND	VND	VND
1. Claim reserve	2,024,093,483,128	1,558,648,383,687	465,445,099,441
<i>Reserve for unsettled claims</i>	<i>1,953,505,960,261</i>	<i>1,512,716,839,933</i>	<i>440,789,120,328</i>
<i>Reserve for losses incurred but not reported</i>	<i>70,587,522,867</i>	<i>45,931,543,754</i>	<i>24,655,979,113</i>
2. Unearned premium reserve	708,246,391,181	438,641,731,607	269,604,659,574
	2,732,339,874,309	1,997,290,115,294	735,049,759,015

Details:

Claim reserve	Closing balance		
	Inward reinsurance claim reserve	Outward reinsurance claim reserve	Net inward reinsurance claim reserve
	VND	VND	VND
Opening balance	2,077,690,153,098	1,650,062,685,025	427,627,468,073
Increase/(Reversal) in the period	(53,596,669,970)	(91,414,301,338)	37,817,631,368
Closing balance	2,024,093,483,128	1,558,648,383,687	465,445,099,441

Unearned premium reserve	Closing balance		
	Unearned inward reinsurance premium reserve	Unearned outward reinsurance premium reserve	Net unearned inward reinsurance premium reserve
	VND	VND	VND
Opening balance	734,435,883,240	440,249,447,078	294,186,436,162
(Reversal) in the period	(26,189,492,059)	(1,607,715,471)	(24,581,776,588)
Closing balance	708,246,391,181	438,641,731,607	269,604,659,574

Catastrophe reserve	Current period	Prior year
	VND	VND
Opening balance	90,390,611,219	73,378,409,331
Increase in the period/year	7,404,124,459	17,012,201,888
Closing balance	97,794,735,678	90,390,611,219

16. OWNERS' EQUITY

	Owners' contributed capital	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND
<i>For the 6-month period ended 30 June 2019</i>				
Prior period's opening balance	728,000,000,000	32,505,154,002	81,548,992,206	842,054,146,208
Profit for the period	-	-	92,468,522,423	92,468,522,423
Allocated to compulsory reserve fund	-	4,627,655,244	(4,627,655,244)	-
Dividends declared	-	-	(50,960,000,000)	(50,960,000,000)
Allocated to other funds	-	-	(5,963,881,005)	(5,963,881,005)
Prior period's closing balance	728,000,000,000	37,132,809,246	112,465,978,379	877,598,787,625
<i>For the 6-month period ended 30 June 2020</i>				
Current period's opening balance	728,000,000,000	39,608,038,763	92,648,681,923	860,256,720,686
Profit for the period	-	-	73,641,114,752	73,641,114,752
Allocated to compulsory reserve fund (i)	-	3,859,306,604	(3,859,306,604)	-
Dividends declared (ii)	-	-	(50,960,000,000)	(50,960,000,000)
Allocated to other funds (iii)	-	-	(13,301,898,763)	(13,301,898,763)
Current period's closing balance	728,000,000,000	43,467,345,367	98,168,591,308	869,635,936,675

- (i) Compulsory reserve fund is allocated from profit after tax at the rate of 5% until its balance is equal to 10% of the charter capital as stipulated in Article 77, Decree No. 73/2016/ND-CP dated 01 July 2016 issued by the Government.
- (ii) 2nd dividend payment of 2019 is made according to Resolution No.24/NQ-PVIRE dated 19 December 2019 and 3th dividend payment of 2019 is made according to Resolution No.03/NQ-PVIRE dated 21 April 2020 of the Board of Director with the amount of VND 50,960,000,000, equivalent to 7% of charter capital.
- (iii) The Corporation makes allocation to the bonus fund and welfare funds and the bonus for the Executive Board in accordance with Resolution No. 01/2020/NQ-DHDCD dated 27 March 2020.



Details of owners' investment capital are as follows:

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
	Share	Share
Numbers of shares registered to issue	72,800,000	72,800,000
Common shares	72,800,000	72,800,000
Numbers of shares issued to the public	72,800,000	72,800,000
Common shares	72,800,000	72,800,000
Numbers of outstanding shares	72,800,000	72,800,000
Common shares	72,800,000	72,800,000

A common share has par value of VND 10,000.

17. INSURANCE PREMIUM

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Inward reinsurance premium	799,362,366,672	900,474,341,587
<i>Property insurance</i>	291,310,730,813	338,938,132,665
<i>Engineering insurance</i>	131,053,954,811	186,617,046,866
<i>Hull and P&I insurance</i>	78,037,290,695	96,138,845,509
<i>Fire insurance</i>	76,819,456,830	91,453,019,117
<i>Cargo insurance</i>	64,495,101,630	76,038,884,189
<i>Motor vehicle insurance</i>	63,748,254,101	5,280,393,667
<i>Energy insurance</i>	36,455,552,900	24,617,859,491
<i>Aviation insurance</i>	2,437,234,669	3,996,877,010
<i>Health and personal accident insurance</i>	929,945,697	1,522,793,953
<i>Other insurance</i>	54,074,844,526	75,870,489,120
Decrease/(Increase) in unearned premium reserve for inward reinsurance	26,189,492,059	(175,653,305,293)
	<u>825,551,858,731</u>	<u>724,821,036,294</u>

18. OUTWARD REINSURANCE PREMIUM

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Total outward reinsurance premium	552,558,218,052	579,716,378,974
<i>Property insurance</i>	244,127,201,610	228,525,492,574
<i>Engineering insurance</i>	95,505,559,069	112,409,932,935
<i>Fire insurance</i>	71,858,713,181	84,943,918,825
<i>Hull and P&I insurance</i>	53,305,596,401	42,465,740,816
<i>Cargo insurance</i>	32,210,686,363	43,705,552,590
<i>Energy insurance</i>	22,440,003,697	21,801,826,704
<i>Motor vehicle insurance</i>	1,340,171,490	1,062,695,267
<i>Health and personal accident insurance</i>	561,864,790	1,022,016,554
<i>Aviation insurance</i>	134,929,053	503,125,357
<i>Other insurance</i>	31,073,492,398	43,276,077,352
Decrease/(Increase) in unearned premium reserve for outward reinsurance	1,607,715,471	(98,601,403,858)
	<u>554,165,933,523</u>	<u>481,114,975,116</u>

19. TOTAL INSURANCE CLAIM SETTLEMENT EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Claim settlement expenses	306,714,306,600	332,409,642,631
<i>Fire insurance</i>	89,248,190,250	34,337,455,126
<i>Hull and P&I insurance</i>	52,784,908,320	52,119,272,367
<i>Property insurance</i>	44,228,038,180	50,556,660,751
<i>Energy insurance</i>	33,615,753,281	26,495,767,693
<i>Engineering insurance</i>	26,949,118,939	43,138,288,228
<i>Motor vehicle insurance</i>	22,738,420,421	813,686,615
<i>Cargo insurance</i>	11,450,392,630	63,086,148,015
<i>Aviation insurance</i>	2,501,500,230	14,996,990,754
<i>Health and personal accident insurance</i>	30,288,623	31,973,034
<i>Other insurance</i>	23,167,695,726	46,833,400,048
Claim receipts from ceded policies	(217,848,722,131)	(231,796,590,761)
Increase in inward reinsurance claim reserve	(53,596,669,970)	267,504,538,209
Decrease/(Increase) in outward reinsurance claim reserve	91,414,301,338	(255,629,035,679)
	<u>126,683,215,837</u>	<u>112,488,554,400</u>

20. OTHER EXPENSES FOR INSURANCE ACTIVITIES

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Commission expenses	205,265,894,425	171,673,931,451
Inward reinsurance broker expenses	3,005,556,110	2,564,452,789
Other Inward reinsurance expenses	7,191,294,197	3,417,976,400
Other Outward reinsurance expenses	-	105,646,116
Other reinsurance expenses	16,892,020,484	15,395,227,328
Including		
<i>Labour expenses</i>	5,732,810,641	5,053,483,768
<i>Tools & equipment expenses</i>	16,944,750	11,421,327
<i>Outsourcing expenses</i>	1,222,829,083	1,286,257,891
<i>Other monetary expenses</i>	9,919,436,010	9,044,064,342
	<u>232,354,765,216</u>	<u>193,157,234,084</u>

21. FINANCIAL INCOME

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Interest income	46,309,136,137	35,384,862,137
Bond interest	4,163,561,644	4,066,423,358
Interest from Swap activities	-	1,692,047,507
Foreign exchange gain	7,644,703,019	4,039,762,484
Dividends and profits received	-	31,443,636,000
	<u>58,117,400,800</u>	<u>76,626,731,486</u>

22. FINANCIAL EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Foreign exchange losses	8,540,469,379	3,509,090,407
Loss from Swap activities	-	224,081,967
Financial costs for investment consulting services	318,181,818	325,201,746
Cost of financial investment management	2,193,217,360	2,243,299,854
	<u>11,051,868,557</u>	<u>6,301,673,974</u>

23. GENERAL AND ADMINISTRATION EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Labour	6,252,991,267	5,449,534,086
Office equipment expenses	593,020,053	752,045,862
Depredation and amortisation	1,179,001,620	1,840,346,984
Taxes, fees and charges	1,569,345,696	1,552,206,734
Provision (reversed)/ provided	(911,379,617)	1,770,367,425
Out-sourced services	2,841,665,361	2,029,309,492
Other monetary expenses	1,017,009,842	593,748,301
	<u>12,541,654,222</u>	<u>13,987,558,884</u>

24. OPERATION COST BY NATURE

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Claim expenses	126,683,215,837	112,488,554,400
Increase in catastrophe reserve	7,404,124,459	9,622,738,879
Insurance commission expenses	205,265,894,425	171,673,931,451
Inward reinsurance brokerage expenses	3,005,556,110	2,564,452,789
Other inward reinsurance expenses	7,191,294,197	3,417,976,400
Other outward reinsurance expenses	-	105,646,116
Labour	11,985,801,908	10,503,017,854
Depreciation and amortisation	1,179,001,620	1,840,346,984
Out-sourced services	4,064,494,444	3,315,567,383
Provision (reversed)/ provided	(911,379,617)	1,770,367,425
Other monetary expenses	13,115,756,351	11,953,486,566
	<u>378,983,759,734</u>	<u>329,256,086,247</u>

25. CORPORATE INCOME TAX

25.1. Current corporate income tax expense

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Accounting profit before tax	92,337,359,357	111,842,562,638
Adjustments for taxable profit		
Add:		
- Remuneration of the Board of Directors and the Board of Control	1,143,863,668	306,136,807
- Other non deductible expenses	111,190,909	124,478,261
- Unrealized exchange rate differences	218,324,500	181,658,546
Less:		
- Non-taxable profit (Dividend received from PVI Opportunity Investment Fund and PVI Infrastructure Investment Fund on which Corporate income tax has already been paid)	814,348,259	-
- Differences between tax regulation and accounting regime (note 14)	9,248,000,000	(15,278,498,371)
Taxable profit	84,233,223,025	96,870,201,074
Normal tax rate	20%	20%
Corporate income tax expense based on taxable profit in the current period	16,846,644,605	19,374,040,215
Total current corporate income tax expense	16,846,644,605	19,374,040,215

25.2. Deffered tax expenses

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Deffered corporate income tax expenses		
Deffered corporate income tax expenses	1,849,600,000	-
Total deffered corporate income tax expenses	1,849,600,000	-

The corporate income tax expense for the 6-month period ended 30 June 2020 is an estimated amount. The Corporation will determine the final corporate income tax when preparing the financial statements for the year ending 31 December 2020.

26. BASIC EARNINGS PER SHARE

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Earnings for the purpose of calculating basic earnings per share	67,749,825,572	92,468,522,423
Average number of outstanding ordinary shares	72,800,000	72,800,000
Basic earnings per share	931	1,270

27. FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Corporation consists of equity of the Corporation (comprising contributed capital, reserves and retained earnings).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of financial instruments

	Closing balance		Opening balance	
	Book value	Fair value	Book value	Fair value
	VND	VND	VND	VND
Financial assets				
Cash and cash equivalent	32,132,283,617	32,132,283,617	85,314,786,197	85,314,786,197
Trade and other receivables	589,423,819,831	589,423,819,831	589,029,404,116	589,029,404,116
Short-term and long-term financial investments	1,665,507,450,000	1,705,298,423,917	1,499,507,450,000	1,509,528,860,693
Total	2,287,063,553,448	2,326,854,527,365	2,173,851,640,313	2,183,873,051,006
Financial liabilities				
Trade and other payables	664,058,370,678	664,058,370,678	596,372,879,332	596,372,879,332
Total	665,907,970,678	665,907,970,678	596,372,879,332	596,372,879,332

The Board of Management of the Corporation has evaluated that the fair value of financial assets and financial liabilities at the period end is equal to their book value, except for the fair value of the investments in PVI Opportunity Investment Fund and PVI Infrastructure Investment Fund as presented in Note 5.

Financial risk management objectives

The Corporation has set up risk management system to identify and assess the risks exposed by the Corporation and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation's operations.

Financial risks include reinsurance risk, market risk (including foreign currency risk), credit risk and liquidity risk.

Reinsurance risk

A risk arising from any reinsurance contract is the possibility of failure to make an accurate assessment on risk levels of insurance subjects and on loss levels under reinsurance liability. The risk assessment on reinsurance acceptance and losses under the reinsurers' obligations is restricted by quality, timeliness and completeness of information investigated and provided by clients, cedants, and other partners in reinsurance activities. The Corporation manages such risks by applying the inward reinsurance strategy, setting up an appropriate rate of retained premium for each inward reinsurance type, arranging outward reinsurance activities reasonably, and actively providing compensations.

Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Corporation does not hedge these risk exposures due to limited liquidity of the market to purchase such financial instruments.

Foreign currency risk management

The Corporation undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the period are as follows:

	Assets (VND equivalent)		Liabilities (VND equivalent)	
	Closing balance	Opening balance	Closing balance	Opening balance
United States Dollar (USD)	241,086,945,264	233,297,711,082	321,112,392,958	194,231,889,497
South Korean Won (KRW)	21,740,088,334	8,221,324,570	32,055,786,851	15,778,485,840
Euro (EUR)	24,665,076,231	23,185,996,440	30,804,345,275	20,168,848,639
Indian Rupee (INR)	285,369,600	443,846,296	1,638,066,486	1,812,371,057
Others	15,128,984,644	9,076,379,556	11,913,671,284	9,246,180,745

Foreign currency sensitivity analysis

The Corporation is mainly exposed to United States Dollar, South Korean Won and Euro.

The following table details the Corporation's sensitivity to a 2% increase and decrease in Vietnam Dong against the relevant foreign currencies. 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. For a 2% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the period would decrease/increase by respective amounts as follows:

Currencies	Current period	Prior period
	VND	VND
United States Dollar (USD)	(1,600,508,954)	781,316,432
South Korean Won (KRW)	(206,313,970)	(151,143,225)
Euro (EUR)	(122,785,381)	60,342,956

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Corporation business operation is reinsurance, accordingly, the Corporation is mainly exposed to credit risks from clients operating in direct insurance business.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to

the amount of funds that the Corporation believes can generate within that period. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following tables detail the Corporation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	<u>Less than one year</u>	<u>From 1 - 5 years</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>
Closing balance			
Cash	32,132,283,617	-	32,132,283,617
Trade and other receivables	589,423,819,831	-	589,423,819,831
Short-term and long-term financial investments	956,959,000,000	708,548,450,000	1,665,507,450,000
Total	1,578,515,103,448	708,548,450,000	2,287,063,553,448
Trade and other payables	664,058,370,678	-	664,058,370,678
Total	665,907,970,678	-	665,907,970,678
Net liquidity gap	912,607,132,770	708,548,450,000	1,621,155,582,770
	<u>Less than one year</u>	<u>From 1 - 5 years</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>
Opening balance			
Cash and cash equivalents	85,314,786,197	-	85,314,786,197
Trade and other receivables	589,029,404,116	-	589,029,404,116
Short-term and long-term financial investments	628,591,800,000	870,915,650,000	1,499,507,450,000
Total	1,302,935,990,313	870,915,650,000	2,173,851,640,313
Trade and other payables	596,372,879,332	-	596,372,879,332
Total	596,372,879,332	-	596,372,879,332
Net liquidity gap	706,563,110,981	870,915,650,000	1,577,478,760,981

The Board of Management assessed the liquidity risk at low level and believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

28. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant balances and transactions for the period:

<u>Related parties</u>	<u>Relationship</u>
PVI Holdings	Parent company
PVI Insurance Corporation	Fellow subsidiary
PVI Asset Management Joint Stock Company	Fellow subsidiary
PVI Opportunity Investment Fund	Fellow subsidiary
PVI Infrastructure Investment Fund	Fellow subsidiary
Hannover Rück SE	In the same Corporation with shareholder of Holding Company
Hannover Re - Malaysia Branch	In the same Corporation with shareholder of Holding Company
HDI Global SE Singapore	In the same Corporation with shareholder of Holding Company

The Corporation's significant related party transactions in the period are as follows:

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
PVI Insurance Corporation		
Inward reinsurance premium	523,981,477,675	643,592,170,777
Commission, brokerage expenses and other expenses for inward reinsurance	113,148,357,444	154,089,712,368
Other expenses for inward reinsurance	7,034,710,083	2,352,352,473
Other income from inward reinsurance	-	108,236,781
Transfer of outward reinsurance premium	91,509,435,215	88,792,925,339
Refunded outward reinsurance premium	2,137,933,058	2,713,235,581
Commission income from outward reinsurance	34,877,995,844	35,901,069,417
Claim receipt from ceded policies	35,050,760,976	30,582,217,937
Claim settlement expenses for inward reinsurance	193,024,029,998	229,932,675,637
Other income from outward reinsurance	859,180,406	698,438,245
Dividends paid	-	2,166,562,300
Dividends payable	-	2,166,562,300
PVI Holdings		
Dividend payable	37,258,777,500	35,092,215,200
Dividend paid	37,258,777,500	35,092,215,200
Fixed assets purchased	-	636,900,000
PVI Infrastructure Investment Fund		
Dividend received	-	15,080,000,000
PVI Opportunity Investment Fund		
Dividend received	-	16,363,636,000
PVI Asset Management Joint Stock Company		
Investment consultant fees	636,363,636	636,363,636

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Hannover Rück SE		
Outward reinsurance premium	-	915,082,915
Hannover Re - Malaysia Branch		
Outward reinsurance premium	3,913,563,027	2,882,623,156
Claim settlement expenses for inward reinsurance	2,880,121,826	-
Claim receipts from ceded policies	18,997,227	2,411,828,967
Commission income from outward reinsurance	1,118,481,063	755,200,785
Income from inward reinsurance	8,429,596,195	5,400,158,119
HDI Global SE Singapore		
Outward reinsurance premium	-	626,787,709
Commission income from outward reinsurance	-	62,678,912

Related party balances as at the interim balance sheet date are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
PVI Holdings		
Other receivables	1,110,127,650	1,110,127,650
Other payables	909,382,822	210,071,944
PVI Insurance Corporation		
Receivables	190,790,441,090	263,113,522,818
Payables	144,969,047,289	210,837,454,466
PVI Opportunity Investment Fund		
Capital investment	204,545,450,000	204,545,450,000
PVI Infrastructure Investment Fund		
Capital investment	104,000,000,000	104,000,000,000
PVI Asset Management Joint Stock Company		
Other payables	63,636,362	63,636,363
Hannover Re - Malaysia Branch		
Receivables	27,970,761	2,120,964,802
Payables	9,425,793,080	2,403,453,867
HDI Global SE Singapore		
Payables	9,999,957	68,351,089

Remuneration of the Boards of Directors and Management

Remuneration paid to the Chairman of the Board of Directors and the Board of Management during the period was VND 8,354,705,000 (the period from 01 January 2019 to 30 June 2019 was VND 4,952,219,096).

29. IMPORTANT EVENT IN OPERATING PERIOD

The spread of the disease caused by the new strain of Corona virus ("Covid-19") has been affecting the world and domestic economy. The Corporation's business is also indirectly affected by the uncertainty of the Covid-19 pandemic in Vietnam. The Board of Management has assessed Covid-19's impact on the financial position and production and business activities of the Corporation, and monitored the Government's support policies to take all appropriate measures to mitigate negative impacts of the disease on the Corporation's operations in the operating period. The Board of Management also believes that Covid-19 does not affect the Corporation's ability to continue as a going concern.



Vi Ngoc Son
Preparer



Ngo Thanh Hai
Chief Accountant



Trinh Anh Tuan
General Director

Hanoi, 29 July 2020