Deloitte.

PVI REINSURANCE COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the period from 01 August 2011 (the incorporation date) to 31 December 2011

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PVI RE-INSURANCE COMPANY
154 Nguyen Thai Hoc, Ba Dinh District
Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of PVI Reinsurance Company ("the Company") presents this report together with the Company's financial statements for the period from 01 August 2011 (the incorporation date) to 31 December 2011.

THE COUNCIL'S MEMBERS AND BOARD OF GENERAL DIRECTORS

The members of the Council's Members and Board of General Directors of the Company who held office during the period and at the date of this report are as follows:

Council's Members

Mr. Vu Van Thang	Chairman
Mr. Trinh Anh Tuan	Member
Ms. Nguyen Hoang Oanh	Member

Board of General Directors

Mr. Le Hoai Nam	General Director
Mr. Trinh Anh Tuan	Deputy General Director
Ms. Le Thi Thuy	Deputy General Director
Mr. Nguyen Hong Long	Deputy General Director

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the financial statements for the period from 01 August 2011 (the incorporation date) to 31 December 2011, which gives a true and fair view of the financial position of the Company and of its results and cash flows for the period. In preparing these financial statements, the Board of General Directors 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 Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of General Directors of the Company is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance enterprises and prevailing relevant regulations in Vietnam. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of General Directors,

S.G.P: 66 - C.T.T.N.H.H
CÔNG TY
TÁI BẢO HIỂM
PVI
Q. BA ĐÌNH - TP. HÀ NỘI

Le Hoai Nam
General Director

Hanoi, 17 February 2012

Deloitte.

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No.: 928 /Deloitte-AUDHN-RE

AUDITORS' REPORT

To: The Council's Members and Board of General Directors
PVI Reinsurance Company

We have audited the accompanying balance sheet of PVI Reinsurance Company ("the Company") as at 31 December 2011, the related statements of income and cash flows for the period from 01 August 2011 (the incorporation date) to 31 December 2011, and the notes thereto (collectively referred to as "the financial statements"), as set out from page 4 to page 19. The accompanying 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.

Respective Responsibilities of the Board of General Directors and Auditors

As stated in the Statement of the Board of Genneral Directors on page 2, these financial statements are the responsibility of the Company's Board of General Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion

We have conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2011 and the results of its operations and its cash flows for the period from 01 August 2011 (the incorporation date) to 31 December 2011 in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance enterprises and prevailing relevant regulations in Vietnam.

M.S.D.N: 0100112500 - C.T.T.N.H.H
CÔNG TY TRÁCH NHIỆM HỮU HẠN DELOITTE VIỆT NAM
Q. ĐỐNG ĐA - TP. HÀ NỘI

Truong Anh Hung
Deputy General Director
CPA Certificate No. D.0029/KTV

Tran Duy Cuong
Auditor
CPA Certificate No. 0797/KTV

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

17 February 2012
Hanoi, S.R Vietnam

BALANCE SHEET

As at 31 December 2011

FORM B 01-DNBH
Unit: VND

ASSETS	Codes	Notes	31/12/2011
A. CURRENT ASSETS AND SHORT-TERM INVESTMENTS (100=110+120+130+150)	**100**		**533,988,664,500**
I. Cash and cash equivalents	**110**		**115,255,454,886**
1. Cash on hand	111		205,833,670
2. Cash in bank	112		11,049,621,216
3. Cash equivalents	114		104,000,000,000
II. Short-term financial investments	**120**	6	**343,000,000,000**
1. Other short-term investments	128		343,000,000,000
III. Short-term receivables	**130**		**75,576,845,674**
1. Trade accounts receivable	131	7	61,649,870,437
2. Value Added Tax deductibles	133		41,907,708
3. Other receivables	138		13,885,067,529
IV. Other current assets	**150**		**156,363,940**
1. Advances	151		102,090,940
2. Prepaid expenses	152		54,273,000
B. FIXED ASSETS AND LONG-TERM INVESTMENTS (200=210+240)	**200**		**10,291,457,409**
I. Fixed assets	**210**		**4,291,457,409**
1. Tangible fixed assets	211	8	3,645,019,053
Cost	*212*		*5,029,446,579*
Accumulated depreciation	*213*		*(1,384,427,526)*
2. Intangible fixed assets	217	9	646,438,356
Cost	*218*		*650,000,000*
Accumulated amortization	*219*		*(3,561,644)*
II. Long-term mortgages, collaterals, deposits	**240**		**6,000,000,000**
1. Insurance deposits	241		6,000,000,000
TOTAL ASSETS (250=100+200)	**250**		**544,280,121,909**

BALANCE SHEET (Continued)
As at 31 December 2011

FORM B 01-DNBH
Unit: VND

RESOURCES	Codes	Notes	31/12/2011
A. LIABILITIES (300=310+330)	**300**		**83,869,158,909**
I. Current liabilities	**310**		**66,170,632,551**
1. Trade accounts payable	313	10	53,498,978,520
2. Taxes and amounts payable to the State budget	315		1,795,627,547
3. Payables to employees	316		138,162,243
4. Other current payables	318		10,041,418,241
5. Bonus and welfare funds	431		696,446,000
II. Under-writing reserves	**330**	**11**	**17,698,526,358**
1. Unearned premium reserve	331		11,718,685,024
2. Claim reserve	333		5,540,646,417
3. Catastrophe reserve	334		439,194,917
B. EQUITY (400=410)	**400**		**460,410,963,000**
I. Capital sources and reserves	**410**		**460,410,963,000**
1. Charter capital	411	12	460,000,000,000
2. Foreign exchange reserve	413		(15,665,867)
3. Compulsory reserve fund	416		426,628,867
4. Retained earnings	418	12	-
TOTAL RESOURCES (430 = 300+ 400)	**430**		**544,280,121,909**

OFF-BALANCE SHEET ITEMS

ITEMS	Unit	31/12/2011
1. Foreign currencies		
United States Dollar	USD	338,475.04
European Currency Unit	EUR	245.45

CÔNG TY TÁI BẢO HIỂM PVI

Le Hoai Nam
General Director

Hanoi, 17 February 2012

Bui Thi Ha
Chief Accountant

The notes set out on pages 9 to 19 are an integral part of these financial statements

INCOME STATEMENT

For the period from 01 August 2011 to 31 December 2011

FORM B 02A-DNBH
Unit: VND

PART I: PROFIT AND LOSS

ITEMS	Codes	Notes	Period from 01/08/2011 to 31/12/2011
1. Premium from reinsurance inward	02		79,056,698,552
2. Deductions	03		(64,417,732,777)
- Reinsurance outward premium	*04*		*(64,384,343,388)*
- Returned premium	*06*		*(32,524,581)*
- Other deductions	*07*		*(864,808)*
3. (Increase) in unearned premium reserve	08		(11,718,685,024)
4. Commission from reinsurance outward	09		10,259,819,056
5. Other income from insurance activities	10		110,471,563
6. Net revenue of insurance activities	**14**		**13,290,571,370**
7. (Increase) in claim reserve	23		(5,540,646,417)
8. Increase in catastrophe reserve	24		(439,194,917)
9. Other expenses for insurance activities	25		(10,708,712,283)
- Other expenses for reinsurance inward	34		(10,708,712,283)
+ Commission	*35*		*(10,509,780,181)*
+ Others	*38*		*(198,932,102)*
10. Total expenses of insurance activities	**41**		**(16,688,553,617)**
11. Gross profit from insurance activities	**42**		**(3,397,982,247)**
12. Selling expenses	43		(2,860,394,304)
13. Administration expenses	44		(7,159,305,404)
14. Net profit from insurance activities	**45**		**(13,417,681,955)**
15. Financial income	46	13	24,499,858,509
16. Financial expenses	47		306,259,925
17. Profit from financial activities	**51**		**24,806,118,434**
18. Accounting profit before tax	**55**		**11,388,436,479**
19. Corporate income tax	60	14	(2,855,859,120)
20. Net profit after corporate income tax	**61**		**8,532,577,359**

INCOME STATEMENT (Continued)

For the period from 01 August 2011 to 31 December 2011

FORM B 02A-DNBH
Unit: VND

PART II: PERFORMANCE OF OBLIGATIONS TO THE STATE BUDGET

	Amount payable as at 01/08/2011	Tax liability for the period		Amount payable as at 31/12/2011
		Payable in the period	Paid in the period	
Corporate Income Tax	-	2,855,859,120	1,678,659,817	1,177,199,303
Other taxes and charges payable	-	759,723,112	141,294,868	618,428,244
	-	**3,615,582,232**	**1,819,954,685**	**1,795,627,547**

S.G.P: 66 - C.T.T.N.H.H
CÔNG TY TÁI BẢO HIỂM PVI
Q. BA ĐÌNH - TP. HÀ NỘI

Le Hoai Nam
General Director

Hanoi, 17 February 2012

Bui Thi Ha
Chief Accountant

CASH FLOW STATEMENT

For the period from 01 August 2011 to 31 December 2011

FORM B 03-DNBH
Unit: VND

ITEMS	Codes	Period from 01/08/2011 to 31/12/2011
I. Cash flows from operating activities		
1. Receipt from insurance premium and commissions	01	20,581,597,863
2. Payment for commissions and other insurance activities	06	(7,154,002,155)
3. Payment to suppliers for goods and services	07	(3,659,031,833)
4. Payment to employees	08	(3,418,377,120)
5. Payment for taxes and obligations to the State budget	09	(1,980,102,382)
6. Payment for other payables	10	(284,801,251)
7. Payment in advances for employees and suppliers	11	(2,158,564,616)
Net cash from operating activities	**20**	**1,926,718,506**
II. Cash flows from investing activities		
1. Receipt from investments in other entities	21	136,000,000,000
2. Receipt from interest of other investments	22	277,924,509
3. Investments in other entities	24	(479,000,000,000)
4. Acquisition of fixed assets	25	(3,651,807,179)
Net cash (used in) investing activities	**30**	**(346,373,882,670)**
III. Cash flows from financing activities		
1. Receipt from the owners' capital contribution	32	459,702,619,050
Net cash from financing activities	**40**	**459,702,619,050**
Net increase in cash	**50**	**115,255,454,886**
Cash and cash equivalents at the beginning of the period	**60**	**-**
Cash and cash equivalents at the end of the period	**70**	**115,255,454,886**

Supplemental non-cash disclosures

Receipt from the owners' capital contribution excludes an amount of VND 297,380,950 representing the amount contributed by assets.

S.G.P: 66 - CÔNG TY TÁI BẢO HIỂM PVI - Q. BA ĐÌNH - TP. HÀ NỘI

Le Hoai Nam
General Director

Bui Thi Ha
Chief Accountant

Hanoi, 17 February 2012

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09-DNBH

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

1. GENERAL INFORMATION

Structure of ownership

PVI Reinsurance Company ("the Company") was established and operating under License No. 66 GP/KDBH dated 20 July 2011 issued by the Ministry of Finance.

The Company's owner (the parent company) is PVI Holdings, which was formerly known as PetroVietnam Insurance Joint Stock Corporation. PVI Holdings owns 100% charter capital of the Company.

The Company has officially come into operation since 01 August 2011 with the total charter capital of VND 460 billion.

Principal activities

The Company's principal activities include:
- Reinsurance business;
- Risks consultancy and management;
- Research and development;
- Consultancy services and professional training services.

The number of employees of the Company as at 31 December 2011 was 32.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance enterprises and prevailing relevant regulations in Vietnam.

Accounting period

The Company's financial year begins on 01 January and ends on 31 December.

These financial statements are prepared for the first period from 01 August 2011 (the date of official operation) to 31 December 2011.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 06 November 2009, the Ministry of Finance issued Circular No.210/2009/TT-BTC ("Circular 210") guiding the application of International Financial Reporting Standards on presentation of financial statements and disclosures of financial instruments. The adoption of Circular 210 requires disclosures of certain financial instruments as well as the effect thereof on the financial statements. This Circular is effective for the financial year ending on or after 31 December 2011. The Company has adopted Circular 210 and additional notes on this application to the financial statements for the period from 01 August 2011 (the incorporation date) to 31 December 2011 as set out in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to insurance enterprises and prevailing relevant regulations in Vietnam requires 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial instruments

Initial recognition

Financial assets

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

Financial assets of the Company comprise cash and short-term deposits, trade receivables and other receivables.

Financial liabilities

At the date of initial recognition financial liabilities are recognized at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade payables and other payables debts and borrowings.

Re-measurement after initial recognition

Currently there are no requirements for the re-measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost 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:

	2011
Motor vehicles	6
Office equipment	3 - 5

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation.

Intangible fixed assets represent land use rights, accounting software, management software, and copyrights of other softwares (collectively referred to as "computer softwares"). Computer softwares are amortized using the straight-line method over their estimated useful lives. Indefinite land use right is not amortized in line with prevailing regulations.

Insurance deposits

The Company 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 Company may withdraw the whole amount of their deposit upon termination of its operation. The Company 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

The Company applies the method of recording foreign exchange differences in accordance with Circular No.201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date and are accounted for as follows:

- Foreign exchange differences arising from revaluation of monetary items, short-term receivables and payables denominated in foreign currencies at the balance sheet date are recorded in the balance sheet under the account "foreign exchange reserve" in the "Capital sources and reserves".
- Foreign exchange differences arising from revaluation of long-term receivables and payables are recorded in the income statement for the period.

The recognition of foreign exchange differences in accordance with Circular No.201/2009/TT-BTC differs from that as regulated in Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". According to VAS 10, all foreign exchange differences arising from revaluation of balances denominated in foreign currencies at the balance sheet date are recognized in the income statement. The Board of General Directors has decided to recognise foreign exchange differences as guided in Circular No. 201/2009/TT-BTC and believes that such application and disclosure of differences at the same time, in the case where the Company would apply VAS10, may provide more information to users of financial statements. Accordingly, the adoption of Circular No. 201/2009/TT-BTC in recording foreign exchange differences will make the Company's profit before tax for the period from 01 August 2011 (the incorporation date) to 31 December 2011 increase by VND 15,665,867 and the "Foreign exchange reserve" account under the capital sources and reserves section in the balance sheet as at 31 December 2011 decrease by VND 15,665,867, compared with applying VAS 10.

Taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FORM B 09-DNBH

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized. As there was no significant temporary difference during the period, the Company did not recognise any deferred tax in these audited financial statements.

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 taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the current tax expense 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' examination.

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

Provisions

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

Underwriting reserves

The Company makes underwriting reserves as regulated in Article No. 96 of the Law on Insurance Business, Decree No. 46/2007/ND-CP dated 27 March 2007, Circular No. 156/2007/TT-BTC issued by the Ministry of Finance on 20 December 2007 (amended and supplemented by Circular No. 86/2009/TT-BTC dated 28 April 2009), accordingly:

Unearned premium reserve: Unearned premium reserve is provided for in line with 1/24 method.

Claim reserve: The Company provides reserve against losses that incurred and reported, using the statistics of retention liabilities for each estimated loss for both of direct policies and reinsurance policies.

The Company has come into operation, accordingly, there are no historical data to calculate the reserves for incurred but not reported (IBNR) losses as stipulated in Circular No. 156/2007/TT-BTC issued by Ministry of Finance dated 27 March 2007. Therefore, reserse for IBNR are equal to 3% of the premium retained in 2011, 2012 and 2013. From 2014 onwards, the Company will follow Circular No. 156/2007/TT-BTC. The Board of Directors believes that IBNR has been prudently evaluated and fully recorded as at 31 December 2011.

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 not necessary. However, following regulations of the Ministry of Finance, the Company's catastrophe reserve for all types of insurance services were consistently provided at 3% of the premium retained in the period.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise funds

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

Bonus and welfare funds can be allocated from the Company's profit after tax under PVI Holdings approval or allocated from PVI Holdings, used for social activities and non- business related activities.

Revenue recognition

Reinsurance premium

Premium from Reinsurance activities is recorded at the amount stated on the reinsures' statement sent to the Company and confirmed by the Company.

Premium of reinsurance outward is recorded at the amount that has incurred for transferring to the reinsurers, corresponding to the revenue of direct premium recorded in the period.

Commissions and other incomes from reinsurance activities are recognized when incurred.

Other revenues

Other revenues of the Company such as house rentals, interest from bank deposits, securities, bonds and loans are recognized when incurred.

Expenditures

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

Claim settlements of reinsurance inward activities are recorded as incurred following the statement of accounts the reinsurers sent to the Company and the claim is accepted by the Company.

Claim recoverable of reinsurance outward activites from the reinsurers is recognized based on the receivable amount incurred corresponding with the claim settlement expenses recorded in the period and the ceded ratios.

Commission other expenses are recognized when incurred.

5. CASH AND CASH EQUIVALENTS

	31/12/2011 VND
Cash on hand	205,833,670
Cash in bank	11,049,621,216
Cash equivalents	104,000,000,000
	115,255,454,886

Cash equivalents represent term deposits at domestic commercial banks which will fall due within three months.

6. SHORT-TERM FINANCIAL INVESTMENTS

	31/12/2011 VND
Term deposits at credit institutions	343,000,000,000
	343,000,000,000

Term deposits at credit institutions represent term deposits at domestic commercial banks which will fall due from 3 months to 12 months.

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

7. TRADE ACCOUNTS RECEIVABLE

	31/12/2011 VND
Receivables from reinsurance - inward	48,770,234,110
Receivables from reinsurance - outward	82,936,329
Receivables from financial investments	12,796,699,998
	61,649,870,437

8. TANGIBLE FIXED ASSETS

Unit: VND

	Motor vehicles	Office equipment	Total
COST			
As at 01/08/2011	-	-	-
Additions	3,250,233,636	1,779,212,943	5,029,446,579
- New purchase	*2,468,320,000*	*1,172,081,172*	*3,640,401,172*
- Transferred from PVI Holdings	*781,913,636*	*607,131,771*	*1,389,045,407*
As at 31/12/2011	**3,250,233,636**	**1,779,212,943**	**5,029,446,579**
ACCUMULATED DEPRECIATION			
As at 01/08/2011	-	-	-
Charge for the period	67,883,580	144,834,828	212,718,408
Transferred from PVI Holdings	781,913,636	389,795,482	1,171,709,118
As at 31/12/2011	**849,797,216**	**534,630,310**	**1,384,427,526**
NET BOOK VALUE			
As at 31/12/2011	**2,400,436,420**	**1,244,582,633**	**3,645,019,053**
As at 01/08/2010	-	-	-

9. INTANGIBLE FIXED ASSETS

Unit: VND

	Computer software
COST	
As at 01/08/2011	-
Additions	650,000,000
As at 31/12/2011	**650,000,000**
ACCUMULATED AMORTISATION	
As at 01/08/2011	-
Charge for the period	3,561,644
As at 31/12/2011	**3,561,644**
NET BOOK VALUE	
As at 31/12/2011	**646,438,356**
As at 01/08/2011	-

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

10. TRADE ACCOUNTS PAYABLE

	31/12/2011
	VND
Payables for reinsurance premium - inward	14,089,276
Payables for reinsurance premium - outward	52,831,506,124
Other trade accounts payable	653,383,120
	53,498,978,520

11. UNDERWRITING RESERVES

Unit: VND

	01/08/2011	Provided in the period	Used in the period	31/12/2011
Unearned premium reserve	-	11,718,685,024	-	11,718,685,024
Claim reserve	-	5,540,646,417	-	5,540,646,417
Catastrophe reserve	-	439,194,917	-	439,194,917
	-	**17,698,526,358**	-	**17,698,526,358**

12. EQUITY

Unit: VND

	Share capital	Retained earnings
As at 01/08/2011	-	-
Capital contributions	460,000,000,000	-
Profit for the period	-	8,532,577,359
Allocated to Compulsory Reserve Fund (*)	-	(426,628,867)
Transfer profit to PVI Holdings (**)		(8,105,948,492)
As at 31/12/2011	**460,000,000,000**	-

(*) 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 30, Decree No. 46/2007/ND-CP dated 27 March 2007.

(**) Profit transfer to PVI Holdings was implemented under the Company's financial policies.

Details of charter capital are as follows:

	Capital contribution as at 31/12/2011	
	VND	Ratio
PVI Holdings	460,000,000,000	100%
	460,000,000,000	**100%**

13. FINANCIAL INCOME

	Period from 01/08/2011 to 31/12/2011
	VND
Bank and loan interest	24,489,701,219
Foreign exchange gain	10,157,290
	24,499,858,509

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

14. CORPORATE INCOME TAX

	Period from 01/08/2011 to 31/12/2011
	VND
Net profit before tax	**11,388,436,479**
Adjustments for taxable income	
Add back: non-deductible expenses	35,000,000
- Remuneration to Council's Members	*35,000,000*
Assessable income	**11,423,436,479**
Normal tax rate	25%
Corporate income tax	**2,855,859,120**

15. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Company entered into the following transactions with related parties:

	Period from 01/08/2011 to 31/12/2011
	VND
Purchase of intangible fixed assets	
PVI Holdings	650,000,000
Capital received	
PVI Holdings	460,000,000,000
Premium from reinsurance inward	
PVI Insurance Corporation	68,380,936,312
Commission and other business expenditure for reinsurance inward	
PVI Insurance Corporation	8,031,429,420
Transfer of reinsurance outward premium	
PVI Insurance Corporation	5,508,544,858
Commission from reinsurance outward	
PVI Insurance Corporation	1,499,802,456
Other income from reinsurance outward	
PVI Insurance Corporation	2,106,909
Other expense for reinsurance inward	
PVI Insurance Corporation	68,201,923
Profit transfer	
PVI Insurance Corporation	8,105,948,493
Office leasing expense	
PVI Holdings	409,064,727

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Related party balances as at 31 December 2011 are as follows:

	31/12/2011 VND
Receivables	
PVI Insurance Corporation	42,861,302,062
PVI Holdings	2,400,000,000
Payables	
PVI Insurance Corporation	4,016,365,228
PVI Holdings	9,205,919,691

Remuneration of the Board of General Directors

Remuneration paid to the Board of General Directors during the period was VND 1,650,344,062.

16. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Company consists of net debt and equity attributable to equity holders of the parent (comprising 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 4.

Categories of financial instruments

	Carrying amounts 31/12/2011 VND
Financial assets	
Cash and cash equivalents	115,255,454,886
Trade and other receivable	75,534,937,966
Other short-term investments	343,000,000,000
Total	**533,790,392,852**
Financial Liabilities	
Trade and other payable	63,540,396,761
Under-writing reserves	5,540,646,417
Total	**69,081,043,178**

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

16. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments (Continued)

The Company has not assessed fair value of its financial assets and liabilities as at the balance date since there are no comprehensive guidance under Circular 210 and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of IFRS on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company does not hedge this risk due to the lack of any market to purchase such instruments.

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

	Liabilities	Assets
	31/12/2011	31/12/2011
	VND Equivalent	VND Equivalent
United States Dollar (USD)	45,332,783,919	39,361,250,940
Malaysian Ringgit (MYR)	1,030,893,482	1,160,851,607

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company business operation is reinsurance, accordingly, the Company's risk mainly exposed to its 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 Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FORM B 09-DNBH**

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

16. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

31/12/2011	**Less than one year**
	VND
Trade and other payable	63,540,396,761
Under-writing reserves	5,540,646,417

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

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31/12/2011	**Less than one year**
	VND
Cash and cash equivalents	115,255,454,886
Trade and other receivable	75,534,937,966
Other short-term investments	343,000,000,000

17. COMPARATIVE FIGURES

The financial statements for the period from 01 August 2011 to 31 December 2011 is the first operational period of the Company and should not have comparative figures.

CÔNG TY TÁI BẢO HIỂM PVI

Le Hoai Nam
General Director

Hanoi, 17 February 2012

Bui Thi Ha
Chief Accountant