



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



**AUDITED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2014**



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**PVI REINSURANCE JOINT STOCK CORPORATION**

25<sup>th</sup> floor, PVI Tower, 168 Tran Thai Tong

Cau Giay District, Hanoi, S.R. Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of PVI Reinsurance Joint stock Corporation (the "Corporation") presents this report together with the Corporation's financial statements for the year ended 31 December 2014.

**THE BOARDS OF GENGERAL DIRECTORS AND MANAGEMENT**

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

**Board of Directors**

Mr. Pham Khac Dung	Chairman (appointed on 22 July 2014) Vice chairman (resigned on 22 July 2014)
Mr. Le Hoai Nam	Chairman (resigned on 01 July 2014)
Mr. Vu Van Thang	Member
Ms. Nguyen Ha Thu	Member
Mr. Bui Van Thanh	Member
Mr. Trinh Anh Tuan	Member (appointed on 22 July 2014)

**Board of Management**

Mr. Vu Van Thang	General Director
Mr. Ta Chien	Business Support Director
Ms. Le Thi Thuy	Investment Management Director
Mr. Nguyen Hong Long	Business Director

**BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Corporation is responsible for preparing the financial statements for year ended 31 December 2014, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

**PVI REINSURANCE JOINT STOCK CORPORATION**

25<sup>th</sup> floor, PVI Tower, 168 Tran Thai Tong

Cau Giay District, Hanoi, S.R. Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

The Board of Management of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the financial statements comply with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Management,



**Vu Văn Thang**  
**General Director**

*Hanoi, 30 January 2015*

No.: 506 /VNIA-HN-BC

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of PVI Reinsurance Joint stock Corporation (the "Corporation"), prepared on 30 January 2015 as set out from page 04 to page 30, which comprise the balance sheet as at 31 December 2014, the statement of income, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

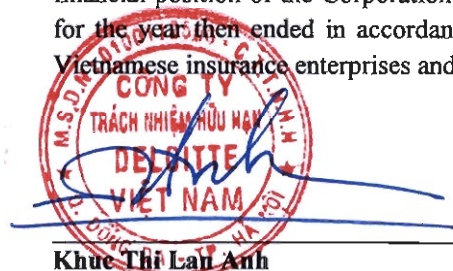
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Corporation as at 31 December 2014 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to Vietnamese insurance enterprises and legal regulations relating to financial reporting.



**Khúc Thị Lan Anh**  
**Deputy General Director**  
Audit Practising Registration  
Certificate No. 0036-2013-001-1

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

30 January 2015  
Hanoi, S.R. Vietnam



**Tran Huy Cong**  
**Auditor**  
Audit Practising Registration  
Certificate No. 0891-2013-001-1

# BALANCE SHEET

As at 31 December 2014

FORM B 01a-DNPNT  
Unit: VND

ASSETS	Codes	Notes	31/12/2014	31/12/2013
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>3,527,697,579,068</b>	<b>1,538,789,197,824</b>
(100=110+120+130+150+190)				
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>6</b>	<b>356,418,530,365</b>	<b>359,172,392,367</b>
1. Cash	111		29,038,530,365	132,172,392,367
2. Cash equivalents	112		327,380,000,000	227,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>7</b>	<b>968,455,000,000</b>	<b>660,000,000,000</b>
1. Short-term investments	121		968,455,000,000	660,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>380,652,729,779</b>	<b>518,563,224,860</b>
1. Trade accounts receivable	131		383,504,827,418	522,558,697,657
1.1. Receivables of insurance contracts	131.1	<b>8</b>	339,712,510,574	485,063,217,991
1.2. Other trade accounts receivable	131.2		43,792,316,844	37,495,479,666
2. Other receivables	135		114,564,806	140,313,234
3. Provision for short-term doubtful debts	139		(2,966,662,445)	(4,135,786,031)
<b>IV. Other current assets</b>	<b>150</b>		<b>129,015,382,165</b>	<b>1,053,580,597</b>
1. Short-term prepaid expenses	151	<b>9</b>	128,801,719,256	438,169,012
1.1. Unallocated commission expenses	151.1		128,336,618,736	-
1.2. Other short-term prepaid expenses	151.2		465,100,520	438,169,012
2. Value added tax deductibles	152		115,925,023	490,693,268
3. Taxes and other receivables from the State budget	154	<b>15</b>	14,319,986	-
4. Other short-term assets	158		83,417,900	124,718,317
<b>V. Reinsurance assets</b>	<b>190</b>	<b>10</b>	<b>1,693,155,936,759</b>	<b>-</b>
1. Unearned premium reserve for outward reinsurance	191		564,102,596,628	-
2. Claim reserve for outward reinsurance	192		1,129,053,340,131	-
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>55,482,200,684</b>	<b>10,812,940,765</b>
(200=210+220+250+260)				
<b>I. Long-term receivables</b>	<b>210</b>		<b>8,000,000,000</b>	<b>6,000,000,000</b>
1. Other long-term receivables	218		8,000,000,000	6,000,000,000
1.1. Insurance deposit	218.1		8,000,000,000	6,000,000,000
<b>II. Fixed assets</b>	<b>220</b>		<b>7,835,295,938</b>	<b>4,258,540,765</b>
1. Tangible fixed assets	221	<b>11</b>	3,315,518,041	2,468,440,310
Cost	222		6,610,623,153	4,997,126,112
Accumulated depreciation	223		(3,295,105,112)	(2,528,685,802)
2. Intangible assets	224	<b>12</b>	4,519,777,897	1,790,100,455
Cost	225		7,113,600,000	2,830,000,000
Accumulated amortization	226		(2,593,822,103)	(1,039,899,545)
<b>III. Long-term financial investments</b>	<b>250</b>		<b>20,000,000,000</b>	<b>-</b>
1. Other long-term investments	258	<b>13</b>	20,000,000,000	-
<b>IV. Other non-current assets</b>	<b>260</b>		<b>19,646,904,746</b>	<b>554,400,000</b>
1. Long-term prepaid expenses	261		19,646,904,746	554,400,000
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>3,583,179,779,752</b>	<b>1,549,602,138,589</b>

The notes set out on pages 10 to 30 are an integral part of these financial statements



**BALANCE SHEET (Continued)**

As at 31 December 2014

FORM B 01a-DNPNT  
Unit: VND

RESOURCES	Codes	Notes	31/12/2014	31/12/2013
<b>A. LIABILITIES (300=310)</b>	<b>300</b>		<b>2,849,016,419,059</b>	<b>849,220,610,492</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,849,016,419,059</b>	<b>849,220,610,492</b>
1. Trade accounts payable	312		571,927,370,993	570,654,266,034
1.1 Payables of insurance contracts	312.1	14	550,643,872,748	541,046,061,467
1.2. Other trade accounts payable	312.2		21,283,498,245	29,608,204,567
2. Taxes and amounts payable to the State budget	314	15	10,768,870,883	10,045,961,991
3. Payables to employees	315		7,723,031,177	2,607,672,166
4. Other current payables	319	16	107,778,027,292	2,329,257,352
4.1. Unearned commission income	319.1		104,356,168,423	-
5. Current provisions	320		-	299,000,000
6. Bonus and welfare funds	323		777,576,330	17,785,092
7. Under-writing reserves	329	17	2,150,041,542,384	263,266,667,857
7.1. Unearned premium reserve for inward reinsurance	329.1		759,583,518,855	116,102,053,394
7.2. Claim reserve for inward reinsurance	329.2		1,363,986,805,469	133,659,213,532
7.3. Catastrophe reserve	329.3		26,471,218,060	13,505,400,931
<b>B. EQUITY (400=410)</b>	<b>400</b>		<b>734,163,360,693</b>	<b>700,381,528,097</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>18</b>	<b>734,163,360,693</b>	<b>700,381,528,097</b>
1. Owners' contributed capital	411		668,000,000,000	668,000,000,000
2. Compulsory reserve fund	419		8,807,460,307	4,360,595,909
3. Retained earnings	421		57,355,900,386	28,020,932,188
<b>TOTAL RESOURCES (440 = 300+400)</b>	<b>440</b>		<b>3,583,179,779,752</b>	<b>1,549,602,138,589</b>

**OFF-BALANCE SHEET ITEMS**

ITEMS	Unit	31/12/2014	31/12/2013
1. Foreign currencies:			
United States Dollar	USD	1,138,855.46	6,041,021.93
Euro	EUR	43,294.36	55,651.57



Bui Thi Ha  
Chief Accountant



Vu Van Thang  
General Director

Hanoi, 30 January 2015

The notes set out on pages 10 to 30 are an integral part of these financial statements

**INCOME STATEMENT**

*For the year ended 31 December 2014*

**PART I - GERNERAL INCOME STATEMENT**

**FORM B 02a-DNPNT**

*Unit: VND*

ITEMS	Codes	2014	2013
1. Net revenue from insurance activities	10	497,224,143,385	465,977,945,037
2. Financial income	12	113,505,256,360	74,841,069,292
3. Other income	13	703,709,193	-
4. Total expenses for insurance activities	20	438,628,243,983	417,328,199,798
5. Financial expenses	22	28,925,513,090	13,677,668,979
6. General and administration expenses	23	24,740,071,376	30,831,042,152
7. Other expenses	24	53,026,202	-
<b>8. Total accounting profit before tax</b> <b>(50 = 10+12+13-20-22-23-24)</b>	<b>50</b>	<b>119,086,254,287</b>	<b>78,982,103,400</b>
9. Income tax expense	51	26,140,615,502	19,176,098,232
<b>10. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>	<b>92,945,638,785</b>	<b>59,806,005,168</b>
<b>11. Basic earnings per share</b>	<b>70</b>	<b>1,391</b>	<b>-</b>

*The notes set out on pages 10 to 30 are an integral part of these financial statements*



**INCOME STATEMENT (Continued)**

*For the year ended 31 December 2014*

**PART II - INCOME STATEMENT BY ACTIVITY**

**FORM B 02a-DNPNT**  
Unit: VND

ITEMS	Codes	Notes	2014	2013
<b>1. Insurance premium (01 = 01.2-01.3)</b>	<b>01</b>	<b>19</b>	<b>1,542,806,278,001</b>	<b>1,332,315,731,410</b>
- Inward reinsurance premium	01.2		1,625,326,932,806	1,333,544,128,686
- Increase in unearned premium reserve for inward reinsurance	01.3		82,520,654,805	1,228,397,276
<b>2. Outward reinsurance premium (02 = 02.1-02.2)</b>	<b>02</b>	<b>20</b>	<b>1,189,991,242,521</b>	<b>1,088,895,189,765</b>
- Outward reinsurance premium	02.1		1,193,133,028,493	1,088,895,189,765
- Increase in unearned premium reserve for outward reinsurance	02.2		3,141,785,972	-
<b>3. Net insurance premium (03 = 01-02)</b>	<b>03</b>		<b>352,815,035,480</b>	<b>243,420,541,645</b>
<b>4. Commission income from outward reinsurance and other income from insurance activities (04=04.1+04.2)</b>	<b>04</b>		<b>144,409,107,905</b>	<b>222,557,403,392</b>
- Commission income from outward reinsurance	04.1		120,850,088,533	201,484,653,548
- Other income from insurance activities	04.2		23,559,019,372	21,072,749,844
<b>5. Net revenue from insurance activities (10=03+04)</b>	<b>10</b>		<b>497,224,143,385</b>	<b>465,977,945,037</b>
<b>6. Claim settlement expenses (11=11.1)</b>	<b>11</b>		<b>429,699,787,634</b>	<b>330,363,763,987</b>
- Total claim settlement expenses	11.1		429,699,787,634	330,363,763,987
<b>7. Claim receipts from ceded policies</b>	<b>12</b>		<b>315,113,011,560</b>	<b>279,680,273,883</b>
<b>8. Increase in claim reserve for inward reinsurance</b>	<b>13</b>		<b>1,002,009,933,663</b>	<b>84,287,380,209</b>
<b>9. Increase in claim reserve for outward reinsurance</b>	<b>14</b>		<b>900,735,681,857</b>	<b>-</b>
<b>10. Total insurance claim settlement expenses</b>	<b>15</b>	<b>21</b>	<b>215,861,027,880</b>	<b>134,970,870,313</b>
<b>11. Increase in catastrophe reserve</b>	<b>16</b>		<b>12,965,817,129</b>	<b>7,339,468,168</b>
<b>12. Other expenses for insurance activities (17=17.1+17.2)</b>	<b>17</b>	<b>22</b>	<b>209,801,398,974</b>	<b>275,017,861,317</b>
- Insurance commission expenses	17.1		164,570,431,943	232,080,746,377
- Other expenses for insurance activities	17.2		45,230,967,031	42,937,114,940
<b>13. Total expenses for insurance activities (18=15+16+17)</b>	<b>18</b>		<b>438,628,243,983</b>	<b>417,328,199,798</b>
<b>14. Gross profit from insurance activities (19=10-18)</b>	<b>19</b>		<b>58,595,899,402</b>	<b>48,649,745,239</b>
<b>15. Financial income</b>	<b>23</b>	<b>23</b>	<b>113,505,256,360</b>	<b>74,841,069,292</b>
<b>16. Financial expenses</b>	<b>24</b>	<b>24</b>	<b>28,925,513,090</b>	<b>13,677,668,979</b>

*The notes set out on pages 10 to 30 are an integral part of these financial statements*

**INCOME STATEMENT (Continued)**

*For the year ended 31 December 2014*

**PART II - INCOME STATEMENT BY ACTIVITY (Continued)**

**FORM B 02a-DNPNT**  
*Unit: VND*

ITEMS	Codes	Notes	2014	2013
17. Gross profit from financial activities (25=23-24)	25		84,579,743,270	61,163,400,313
18. General and administration expenses	26	25	24,740,071,376	30,831,042,152
19. Net profit from operating activities (30=19+25-26)	30		118,435,571,296	78,982,103,400
20. Other incomes	31		703,709,193	-
21. Other expenses	32		53,026,202	-
22. Other profit (40=31-32)	40		650,682,991	-
23. Accounting profit before tax (50=30 + 40)	50		119,086,254,287	78,982,103,400
24. Current corporate income tax expense	51	27	26,140,615,502	19,176,098,232
25. Profit after corporate income tax (60=50-51)	60		92,945,638,785	59,806,005,168
26. Basic earnings per share	70	28	1,391	-



**Bui Thi Ha**  
 Chief Accountant

*Hanoi, 30 January 2015*



**Vu Van Thang**  
 General Director

*The notes set out on pages 10 to 30 are an integral part of these financial statements*

**CASH FLOW STATEMENT**

*For the year ended 31 December 2014*

**FORM B 03a-DNPNT**  
*Unit: VND*

ITEMS	Codes	2014	2013
<b>I. Cash flows from operating activities</b>			
1. Receipt from insurance premium and commissions	01	1,070,134,714,394	795,527,270,254
2. Receipt from deducted expenses	03	1,138,643,453	702,264,214
3. Receipt from other operating activities	04	4,448,996,994	4,663,996,914
4. Payment for claim settlements	05	(82,768,849,660)	(94,295,889,283)
5. Payment for commissions and other insurance activities	06	(599,435,161,465)	(433,148,842,146)
6. Payment to suppliers for goods and services	07	(38,652,622,352)	(21,640,782,791)
7. Payment to employees	08	(85,220,300,507)	(15,082,951,090)
8. Payment for taxes and obligations to the State budget	09	(28,825,932,010)	(12,528,589,408)
9. Payment for other payables	10	(1,324,501,481)	(1,904,702,486)
10. Advances to employees and suppliers	11	(1,545,725,113)	(3,728,779,350)
<b>Net cash from operating activities</b>	<b>20</b>	<b>237,949,262,253</b>	<b>218,562,994,828</b>
<b>II. Cash flows from investing activities</b>			
1. Receipt from investments in other entities	21	1,329,360,000,000	687,034,444,500
2. Receipt from interest on investments	22	79,365,023,888	42,192,209,469
3. Gain from disposals of fixed assets	23	24,273,743	-
4. Investments in other entities	24	(1,593,660,000,000)	(995,000,000,000)
5. Acquisition of fixed assets	25	(2,249,806,222)	(1,280,000,000)
<b>Net cash (used in) investing activities</b>	<b>30</b>	<b>(187,160,508,591)</b>	<b>(267,053,346,031)</b>
<b>III. Cash flows from financing activities</b>			
1. Receipt from the owners' capital contribution	32	-	208,000,000,000
2. Dividends paid	36	(53,542,615,664)	(24,092,975,528)
<b>Net cash (used in) financing activities</b>	<b>40</b>	<b>(53,542,615,664)</b>	<b>183,907,024,472</b>
<b>Net decrease in cash (50=20+30+40)</b>	<b>50</b>	<b>(2,753,862,002)</b>	<b>135,416,673,269</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>359,172,392,367</b>	<b>223,755,719,098</b>
<b>Cash and cash equivalents at the end of the year (70=50+60)</b>	<b>70</b>	<b>356,418,530,365</b>	<b>359,172,392,367</b>



**Bui Thi Ha**  
Chief Accountant



**Vu Van Thang**  
General Director

*Hanoi, 30 January 2015*

*The notes set out on pages 10 to 30 are an integral part of these financial statements*