



**ANNUAL REPORT**

**2019**



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A world map in a light orange color, overlaid with a network of thin orange lines and dots, suggesting global connectivity. The map is centered on the Atlantic Ocean. The background is a light beige color with a subtle pattern of network lines and dots.

## DEVELOPMENT STRATEGY

## VISION & MISSION

To establish PVI as an international brand of financial insurance institution built upon a foundation of intellectual and technology, adherence to the principles of transparency, efficiency, and sustainability, combined with the benefits and interests of shareholders, customers, and employees.



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## MESSAGE FROM THE PVI'S CHAIRMAN



**Nguyen Xuan Hoa**  
*The Chairman of PVI Holdings*

### *Ladies and Gentlemen,*

In 2019, the global economy continued to slowly grow. Due to the US-China Trade War and the unpredictable fluctuations of the international financial and monetary market, business operation and international trade have been significantly affected. However, with suitable solutions, the Vietnamese macroeconomic environment in 2019 has achieved positive results. Gross Domestic Product (GDP) has gone up by 7.02%, exceeding the goals of the National Assembly. The average increase of the Consumer Price Index (CPI) was only 2.79%, the lowest in the last 3 years. The financial market was relatively stable, interest rates for 12-month term deposits ranging from 6.6 to 7.5% per year. The total revenue from the insurance market in the year 2019 was VND 160.2 trillion, an increase of 20.3% compared with that of 2018. Moreover, the revenue of a life insurance premium rose to VND 107.8 trillion, an equivalent to a 25% increase while non-life insurance segment reached VND 52.4 trillion, an approximate 12% increase...

Although there were numerous challenges including the change of shareholder structure and governance, a drop in the revenue of the oil and gas industry, unhealthy competition, and the profiteering in non-life insurance market, PVI still met the designated goals the General Meeting of Shareholders... At the end of 2019, the total consolidated revenue of PVI reached VND 11,089 billion, achieving 102% of the placed goals while profit before tax reached VND 874 billion, achieving 113%. Furthermore, the dividend payout ratio in the year 2019 was expected to be 22.5% higher than the committed percentage to the General Meeting of Shareholders.

PVI Insurance took the lead in business efficiency and maintained its position as the No.1 industrial insurance on the market.

Reinsurance of PVI has succeeded in the domestic market, with step-by-step expansion to the global market following suit. PVI Asset Management (PVI AM) and Vietnam Asset Development (VAD) remarkably contributed to the overall business performance of the whole of PVI. In 2019, PVI was voted among the top 50 Vietnamese listed companies by Forbes Vietnam for the fourth time, valued at 35.9 million USD.

In terms of management, PVI continues to promote restructuring, perfecting the corporate governance model: establishing Internal Audit Committee (IAC) under the Board of Directors (BOD), and focusing on management and operation of IT systems... Board committees have assisted the Board of Directors in fulfilling its responsibilities in building, developing, and monitoring the implementation of a business plan; reviewing, modifying, and supplementing internal regulations such as representative regulation, investment regulation, financial management regulation, behavior regulation, and internal audit regulation...; reviewing the effectiveness of investment through funds, senior personnel... to help improve efficiency in the business management of PVI.

On behalf of PVI's Board of Management, I would like to thank all the staff at PVI for their contribution. Furthermore, I would like to extend sincere thanks to PVI's major shareholders, especially PVN and HDI for their management and support. Last but not least, I would like to thank our shareholders, partners, and customers for their support and trust.

### *Ladies and Gentlemen,*

In 2020, PVI has actively and positively prepared to overcome challenges and to achieve new success for its 25th anniversary of establishment. PVI will concentrate on these missions:

- Completing the business plan of 2020 assigned by the General Meeting of Shareholders.
- Continuing to restructure the Parent Company and Subsidiaries effectively to ensure sustainable development.
- Strengthening governance and supervision; promoting risk management and complying with the Internal Audit regulations; improving the effectiveness of the committees and functional departments of the Board of Directors.
- Creating an excellent and transparent working environment so that employees can develop and get a worthy salary according to productivity and efficiency. Additionally, training according to international standards is enhanced. Maintaining and developing PVI's business culture.
- Improving Information Technology applications in management, business operation to increase revenue and effectiveness, particularly in retail.

I strongly believe that PVI will continue to achieve various achievements in 2020. With a strong belief in our vision of PVI's major shareholders, together with determination, solidarity spirit, and capabilities, PVI would become a leading regional Finance and Insurance corporation in the future.

*Best regards!*

**Nguyen Xuan Hoa**  
*The Chairman of PVI Holdings*

## LETTER FROM CEO OF PVI

In 2019, PVI continued to implement business plans in a generally challenging situation. GDP of the whole economy grew 7.02% higher than the target set 6.8%. This was the second consecutive year that the growth of GDP was over 7% since 2011. Nevertheless, many segments consisting of non-life insurance and financial security fluctuated and was met with several challenges on the market, directly impacting on PVI's business operation.

However, through active managing and building in excellent strategic direction, well identification of opportunities and challenges, together with great effort, discipline, solidarity, and creativity of all staff, as well as effective governing of the Management team, has led to the outstanding results for the whole PVI, meeting all designated goals 2019 assigned by the General Meeting of Shareholders. In detail, the total consolidated revenue reached VND 11,089 billion, achieving 102% of the target placed in 2019; the profit before tax reached VND 874 billion, achieving 113% of the plans; the total revenue of the Parent Company reached VND 1,052 billion, achieving 125% while its profit before tax was VND 570 billion, achieving 113% of the placed goals. The expected dividend payment in 2019 was 22.5% higher than the plan of the General Meeting of Shareholders set at 20%.

Moreover, in 2019, these were the achievements of PVI in all industries:

**In the non-life insurance segment:** Although there were some challenges comprising of market penetration as well as non-technological competition, Management team and all staff at PVI vigorously restructured in business model and organizational structure so that PVI Insurance continues to dominate the petroleum market by its capability, prestige, quality, and price service; maintaining leading position in PVI system and always asserted its position as a No.1 non-life insurance enterprise in terms of business efficiency on the Vietnamese market. In 2019, the total revenue of PVI Insurance reached VND 9,013 billion, achieving 102% of the designated targets while the profit before tax reached VND 623 billion, achieving 110%.

**In the Reinsurance segment:** In 2019, PVI continued to develop reinsurance in the



**Bui Van Thuan**  
CEO of PVI Holdings

right direction and focused on improving business efficiency and domestic market expansion. With regards to that, PVI reinsurance met the goals regarding effectiveness: total revenue reached VND 1,903 billion, achieving 115% of the planning goals while the profit before tax reached VND 170 billion, achieving 105%; dividend payout ratio was 16%. This meant PVI reinsurance has been upgraded its credit to B++ (Good) according to A.M.Best's standards with a potentially sustainable upgrade. PVI has become a public corporation and completed depository procedures.

**In the Investment and Asset Management segment:** Investment and Asset Management of PVI had to face the unpredictable fluctuations of the stock market in 2019. However, thanks to flexibility and speed, as well as paying particular attention to financial services, fixed-income assets, and concentrating on completing real estate projects, Investment and Asset Management continued to play an essential role in generating the main profit source of the whole system.

Overcoming the obstacles of 2019 to obtain achievements, in addition to outstanding business indexes, the PVI's brand has been increasingly appreciated thanks to its transparent and effective corporate governance. In 2019, PVI was voted among the top 50 best Vietnamese listed companies by Forbes Vietnam for the fourth time, the PVI brand valued at USD 35.9 million by Forbes.

In 2020, PVI determines to continue to face new challenges including extensive restructuring in corporations/ general government corporations, and international economic integration through the implementation of international agreements. In particular, 2020 will be a pivotal year for marking at new development for PVI when the Vietnam Oil and Gas Group keeps its divestment at PVI, towards the 25th anniversary of the establishment of PVI in 2021. This would not only be one of the challenging factors but also an opportunity for PVI to transform and meet the development's demands with an appropriate governance model which will be suitable for new ownership structure. Then, PVI prepares for solid foundations, recognizing risks and challenges to seize a chance and maximize the advantages so that PVI will further develop in the future. To meet the goals of 2020, PVI will specifically implement solutions including:

- Closely cooperating with Vietnam Oil and Gas Group in the divestment process under the direction of the government and guidance of the corporation. Furthermore, the business will enhance the restructuring of the PVI system to meet effective goals and sustainable development.

- Fulfilling the governance model and organizational structure suitable with the new restructuring model.

- Improving the business efficiency in all segments; in specific, the insurance segment will continue to be a leader in developing the market scale, revenue, as well as business performance. Moreover, the Investment and Asset Management segment will go on to maintain the position in bringing the main profit, optimizing cash flow and profit for the whole system, contributing to increasing the efficiency and value for PVI.

- Continuing to build and maintain the brand professionally; the service quality of PVI on the domestic, regional, and global markets.

- Implementing an extensive management strategy, training and developing the human resources, as well as building an excellent, professional team to meet the responsibilities, then establishing a foundation for a new development stage.

- Reviewing and upgrading the information technological (IT) system, as well as investing and developing an IT system. This is considered as a core factor in enhancing its competitiveness, and it would be an integrated tool for developing business operation and management, promptly meeting new development requirements.

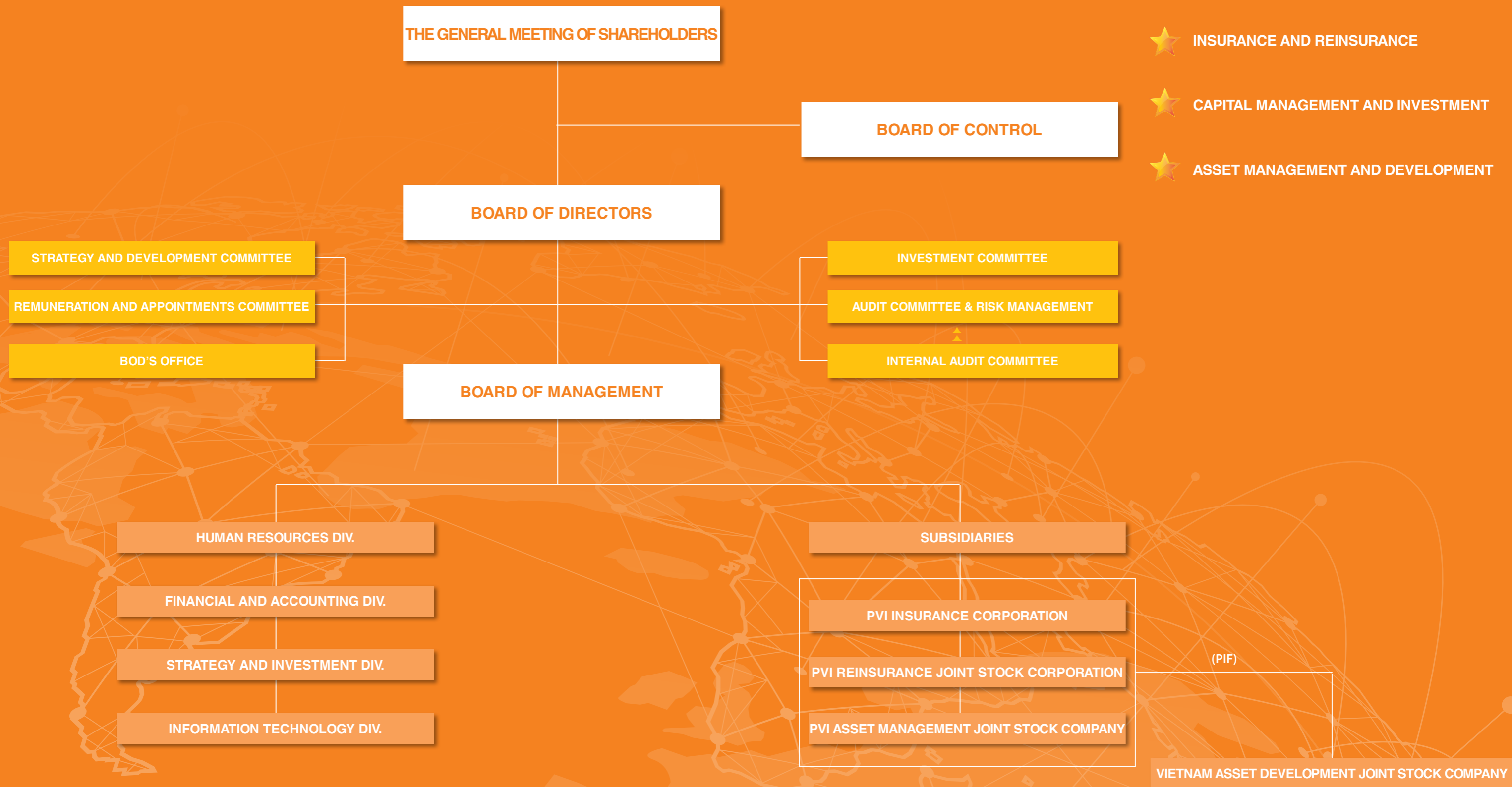
Finally, on behalf of PVI's Management, I would like to express our best wishes and sincere thanks to the Leaders of the Party, State, Government, Ministries, and Agencies, especially Vietnam Oil and Gas Group, our customers, domestic and foreign partners, and also to the PVI staff and investors for your support, trust and contribution to the persistent shining of PVI, "the flame of trust", PVI would be named among the leading Finance - Insurance corporations in Asia and the world.

**Best regards!**

**Bui Van Thuan**  
CEO of PVI Holdings

# OPERATING MODEL

# BUSINESS FIELDS



- ★ INSURANCE AND REINSURANCE
- ★ CAPITAL MANAGEMENT AND INVESTMENT
- ★ ASSET MANAGEMENT AND DEVELOPMENT

\* Vietnam Asset Development (VAD) JSC. was established by PVI and PVI's subsidiaries through PVI Infrastructure Investment Fund (PIF).

# BOARD OF DIRECTORS

TRANSPARENT CORPORATE GOVERNANCE

- BUSINESS EFFICIENCY - SUSTAINABLE DEVELOPMENT



MR. CLEMENS JUNGSTHÖFEL  
Member of BOD

MR. ULRICH HEINZ WOLLSCHLÄGER  
Member of BOD

MR. JENS HOLGER WOHLTHAT  
Member of BOD

MR. NGUYEN XUAN HOA  
Chairman

MR. BUI VAN THUAN  
CEO/ Member of BOD

MR. DUONG THANH DANH FRANÇOIS  
Vice Chairman

MR. NGUYEN ANH TUAN  
Member of BOD

MR. CHRISTIAN HINSCH  
Member of BOD

MS. BUI THI NGUYET  
Member of BOD

# BOARD OF MANAGEMENT

PERSONAL RESPONSIBILITY

- DISCIPLINARY SYSTEM – COLLECTIVE DEDICATION



MR. PHAM ANH DUC  
Deputy CEO

MR. PHUNG TUAN KIEN  
Deputy CEO

MR. TRUONG MINH DUC  
Deputy CEO

MR. BUI VAN THUAN  
CEO

MR. TRUONG QUOC LAM  
Deputy CEO

MR. ALEXANDER NICOLAI NEUMANN  
Deputy CEO

MR. VU VAN THANG  
Deputy CEO

MR. TRAN DUY CUONG  
Chief Accountant

# BOARD OF CONTROL



**MR. OLIVER MASSMAN**  
Member of BOC

**MS. HA LAN**  
Head of Board of Control

**MR. DARYL JOHN VELLA**  
Member of BOC

**MS. TRAN THU HA**  
Member of BOC

# OUTSTANDING ACHIEVEMENTS OF 2019

**01**

Exceeding the business targets in 2019 assigned by the Group/ the General Meeting of Shareholders. The dividend payout ratio was expected to be at least 20% according to the commitment with the General Meeting of Shareholders and even higher than the placed goals set by the Group (15%).

**02**

Continuing to excellently manage risk and provide insurance for all activities, assets, people in the petroleum industry, and others safely and effectively. Offering compensation quickly and promptly for damages of the petroleum industry and contributing to helping units be stable in their business operations.

**03**

The non-life insurance segment: Holding and maintaining the first position in industrial insurance and business efficiency. Risk management was ensured by applying vigorous solutions, poor products and inefficient business were cut, as well as retail system was also increased, the interest in 2019 was expected to increase to 125% compared with that of 2018, completing the designated goals, expected combination rate reached 92.04%.

**04**

The reinsurance segment: Reinsurance was developed in the right direction, reinsurance activities were implemented effectively in Vietnam's insurance industry. Reinsurance in the domestic market positively went up and also contributed much more to the business efficiency and scale of the reinsurance industry in general.

**05**

The investment segment: Investment was continually considered as the main profit source for the whole system, contributing to approximately 70% the consolidated profit before tax in 2019 and improving the general business performance as well as increasing PVI's assets.

**06**

Continuing to build transparent corporate governance, and strengthening compliance control and risk management in the whole system: The Internal Audit Committee was established under the PVI Board of Directors so that it can conduct an inspection and audit for the whole system as the direction of the Board of Directors. Continuing to finalize internal documents contributed to increase transparency and efficiency in corporate governance and management.

**07**

The PVI brand was continually appreciated; 2019 was the fourth consecutive year that PVI was voted among top 50 Vietnamese listed companies by Forbes Vietnam, valued at 35.9 million USD.

**08**

Continuing to promote the Party's role in coordinating with the Board of Directors/ Executive Board in directing and closely guiding the business activities of the whole system. Focusing on and developing the Trade Unions' role and activities, as well as positively implementing social security in accordance with the direction of the Group.

**09**

Maintaining the Management Strategy, training, and human resources development from 2016 to 2020 for the whole PVI system: Reviewing the organizational structure and human sources throughout the system and personnel arrangement towards lean.

**10**

Deploying the IT model in the Parent Company to ensure prompt support business for operation and management, preparing for the IFRS.

## SHAREHOLDER INFORMATION AND INVESTOR RELATIONS



### SHAREHOLDS

Content	As at 31/12/2019
Charter Capital (VND)	2,342,418,670,000
Total shares	234,241,867
Number of treasury shares	3,132,900
Number of outstanding voting shares	231,108,967
Number of preference shares/ other (if any)	0

### SHAREHOLDER'S HOLDINGS (AS AT 31 DECEMBER 2019)

Shareholder	Address	Industry	Number of shares	% of share capital
Vietnam Oil and Gas Group (Petrovietnam - PVN)	18 Lang Ha Street, Ha Noi	Oil and gas, Investment	81,978,740	35%
HDI - Global SE (Talanx)	Germany	Finance, Insurance	99,179,321	42.34%
Funderburk Lighthouse Ltd	Cayman Islands	Investment	27,117,895	11.58%
Others			26,168,161	11.08%

#### INVESTOR RELATIONS AND INVESTORS

In addition to building safe and effective business operations, increasing the value of shareholder benefits is one of the essential elements for sustainable development. In 2019, these were activities that PVI carried out to ensure full rights and legitimate interests of shareholders and investors:

- **PVI always complies with legal regulations on listed public joint stock companies and other regulation relating to corporate governance**

- PVI regularly reviews, updates, fully implements information disclosure documents in accordance with the Law on Enterprises, Securities Law and relevant law; regulations of management agencies such as the State Securities Commission, Hanoi Stock Exchange (HNX), Vietnam Securities Depository (VSD) Center on periodic issuance of Annual Report, Corporate Business Report, Financial Statements, and other information disclosure regarding business operations, corporate governance...

- PVI revised the PVI Charter on the basis of ensuring compliance with the provisions of Decree 71/2017/ND-CP and contemporaneously built internal regulations on corporate governance in terms of Decree. 71/2017/ND-CP and Circular 95/2017/TT-BTC to submit to the General Meeting of Shareholders for approval. Additionally, PVI frequently reviewed other internal regulations and regulations to modify and apply them to the provisions of law and the actual business operations.

- **PVI ensured shareholders and investors have a right to access the information and to be equally treated, information has been more and more public and transparent.**

PVI always actively proclaimed and updated the information regarding business performance, financial situation, governance and other information impacting on investors' interests... on the official website of the company as well as on the mass media so that shareholders are timely given accurate the information related to PVI's operations. The website [pvi.com.vn](http://pvi.com.vn) has also been redesigned with a new interface so that it is more convenient for searching shareholders' information.

- The Investor Relations Department positively supports businesses and individuals that request information and carries out procedures related to shareholders' rights.

- PVI fully and timely paid dividends, consistent with the business situation and ensured shareholders' rights.

- Prepared to publish the international financial statements IFRS in line with the general development trend of the market and the Vietnamese legal framework.

Recognizing the achievements PVI has gotten, local and global organizations continuously honored PVI as a transparent and excellent business.

## CORPORATE GOVERNANCE



### ACTIVITIES OF BOARD OF DIRECTORS (BOD)

In 2019, the Board of Directors supervised the activities of the Executive Board through attending briefings and periodic reports on the business performance and financial situation of the Board of Directors. Furthermore, the Board of Directors and the Board of Management suitably operated with the provisions of the law, PVI Charter and complied with the resolutions of the General Meeting of Shareholders and the Board of Directors. The activities were specifically identified as follow:

- The Board of Directors successfully organized the Annual General Meeting of Shareholders 2019 on March 29, 2019. In the meeting, in addition to presenting the annual periodic reports, the General Meeting of Shareholders approved some important issues: voting the Board of Control between 2019 and 2022, accepting the increase and additional election of members for the period 2017 - 2022, and modifying the business license to raise the ownership ratio of foreign shareholders to the maximum of 100%...
- In 2019, the Board of Directors conducted 6 meetings on March 8, 2019, and March 29, 2019 (at the Annual General Meeting of Shareholders to vote positions including the Chairman, the Vice-Chairman, and fulfill staff for the committees of the General Meeting of Shareholders), on June 4, 2019, August 16, 2019, October 16, 2019, and November 15, 2019. The BOD issued 55 Resolutions of the Board of Directors; specially, there were 18 hearings members of BOD's ideas in writing to perform the orientation and direction of the business' activities.
- The Board of Directors instructed PVI to exceed the main business goals such as revenue and profit. PVI had paid dividends in 2018 at the rate of 20%, 1.7 times higher than the committed targets with the General Meeting of Shareholders (12%) and the dividend payout ratio was expected to be higher than the committed goals with the General Meeting of Shareholders in 2019.
- The Board of Directors promoted to restructuring, perfecting the business model, and improving the effectiveness of the management and supervision system in the whole PVI, as well as concentrating on following main tasks:
  - Directing the establishment of the Internal Audit Committee (IAC) under the BOD and the management and operation of the IT system...
  - Strengthening the personnel of the Committees of the BOD as well as appointing two new deputy CEOs, a person in charge of business management, and senior staff for member companies.

- Continuing to build and complete the regulations and internal regulations such as amending representative regulation, investment regulation, financial management regulation, behavior regulation, and building internal audit regulation, and strategic management regulation...

### ACTIVITIES OF THE BOARD OF CONTROL (BOC)

The Board of Control conducted 4 periodic meetings on March 6, 2019, May 29, 2019; on August 13, 2019; and on November 12, 2019, and one meeting to vote the Head of BOC. These following contents were discussed:

- Reviewing the implementation of the BOC's recommendations in the previous quarter for the Board of Directors and the Board of Management;
- Discussing the business performance and financial situation of PVI for the Board of Directors, representatives of the Board of Management, and other relevant staff;
- Unifying the ideas and gave the recommendations to PVI;
- Building and modifying the plan of the Board of Control.

### Activities of inspection and supervision

The board of control periodically supervised and reviewed PVI through financial statements and other reports of departments, representative of PVI in subsidiaries, associated companies, as well as directly checked some relevant documents. The Board of Control, the Audit Committee Department, the Risk Management Department, the Strategy and Compliance Department, Finance and Accounting Department, together with the Audit Department cooperated to build a plan of inspection and conduct the supervision.

The contents of supervision included:

- Supervising the implementation of management and administration tasks of the Board of Directors, and the Board of Management.
  - Monitoring the performance of the Board of Directors; and evaluated the Board of Management's operational reports.
  - Supervising the revision and improvement of PVI's internal regulations and regulations.
  - Checking the PVI's representatives in implementing regulations in subsidiaries and associated companies.
  - Inspecting and evaluating the implementation of annual plans; appraising the financial statements; assessing and evaluating the quarterly financial targets in 2019.

During the monitoring process after every quarter, the Board of Control has comments, analysis, and recommendations on business operation and management of PVI to improve on the shortcomings so that PVI can achieve better business efficiency.

## HUMAN RESOURCES MANAGEMENT SYSTEMS

In 2019, PVI continually actively improve the corporate governance model after enterprise restructuring, specifically as follows:

### I. MANAGEMENT SYSTEM

#### PARENT COMPANY:

In 2019, the Parent Company continued to implement in-depth restructuring of international standards with a centralized control model, especially in risk management for the whole system, meeting development requirements, assigning tasks to each position to enhance the role of responsibility and efficiency task-handling. Along with that, continued to review and deploy the Strategic Management, train and develop the human resources in the period of 2016-2020, the vision of 2022 is to build a capable human resources enabling to handle tasks, be innovative, as well as to modify the strategy for the entire system.

#### SUBSIDIARIES AND ASSOCIATED COMPANIES:

In 2019, the subsidiaries had positive changes in corporate governance and business management. They not only changed the organizational structure, assigned the functional duties, rights, and responsibilities for each department but also evaluated, nominated, appointed, and rotated staff to meet the targets and business plans of the company.

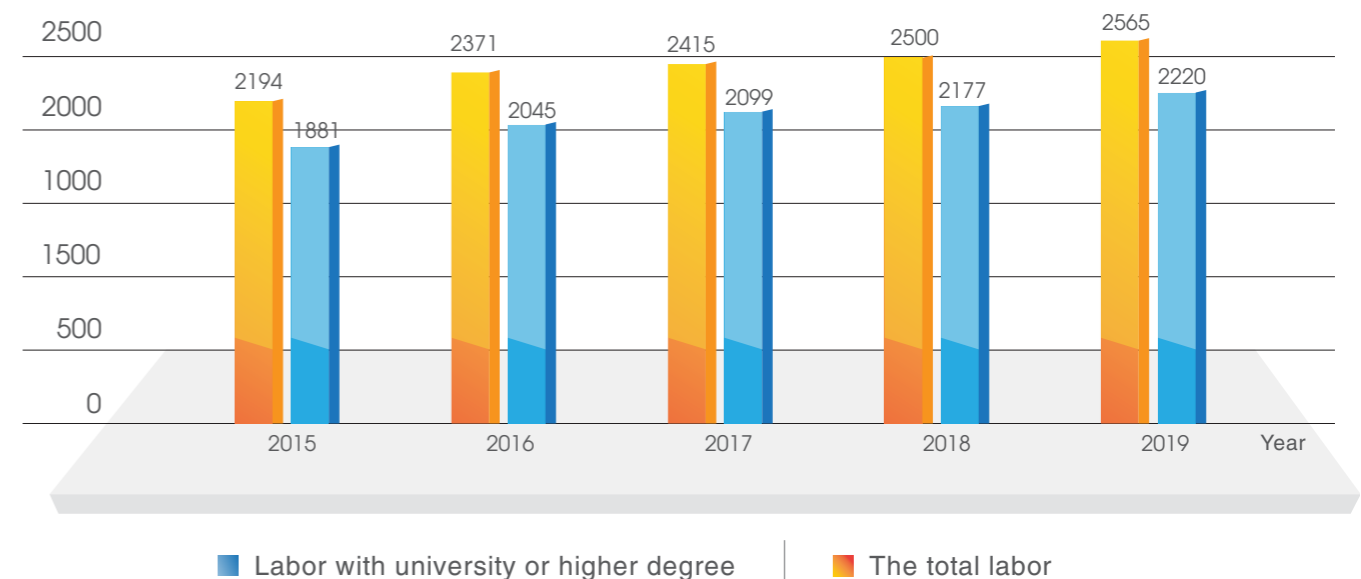
### II. HUMAN RESOURCES

Implementing the strategic management, training and human resources development in the period of 2016-2020 with a vision of 2021-2022, PVI always focused on developing the human resources. With the aim of building the ultimate remuneration policy for laborers, the business step-by-step increased the workers' income, helping to enhance the commitment and belief of staff with PVI. Moreover, the company constantly creates opportunities for staff to develop their capabilities, earn promotion, and procure legal benefits. The salary and bonus were always motivations for productivity, fairness, and competition. The laborers' potential, performance, and contribution were factors PVI's salary and bonus system evaluated. Moreover, PVI had in place a special salary, bonus, and commission for excellent and experienced staff in relevant fields to foster loyalty and attract potential workers. The annual evaluation was a foundation so that PVI modified salary, position, and offered bonus.

The social insurance, health insurance, and unemployment insurance for PVI's staff strictly complied with the provisions of law, ensuring the rights of employees. PVI fully paid social insurance and promptly solves problems related to retirement, pregnancy, sickness...for employees.

Besides the reasonable salary and bonus policy, PVI had pre-eminent welfare policies, increased benefits for employees, and created commitment such as voluntary pension insurance; High-level human insurance (PVI Care) for employees and relatives; annual vacation; uniforms; periodic health examinations; supporting and visiting workers when sickness, funeral, and wedding; giving gifts for employees and organizing meetings on holidays...

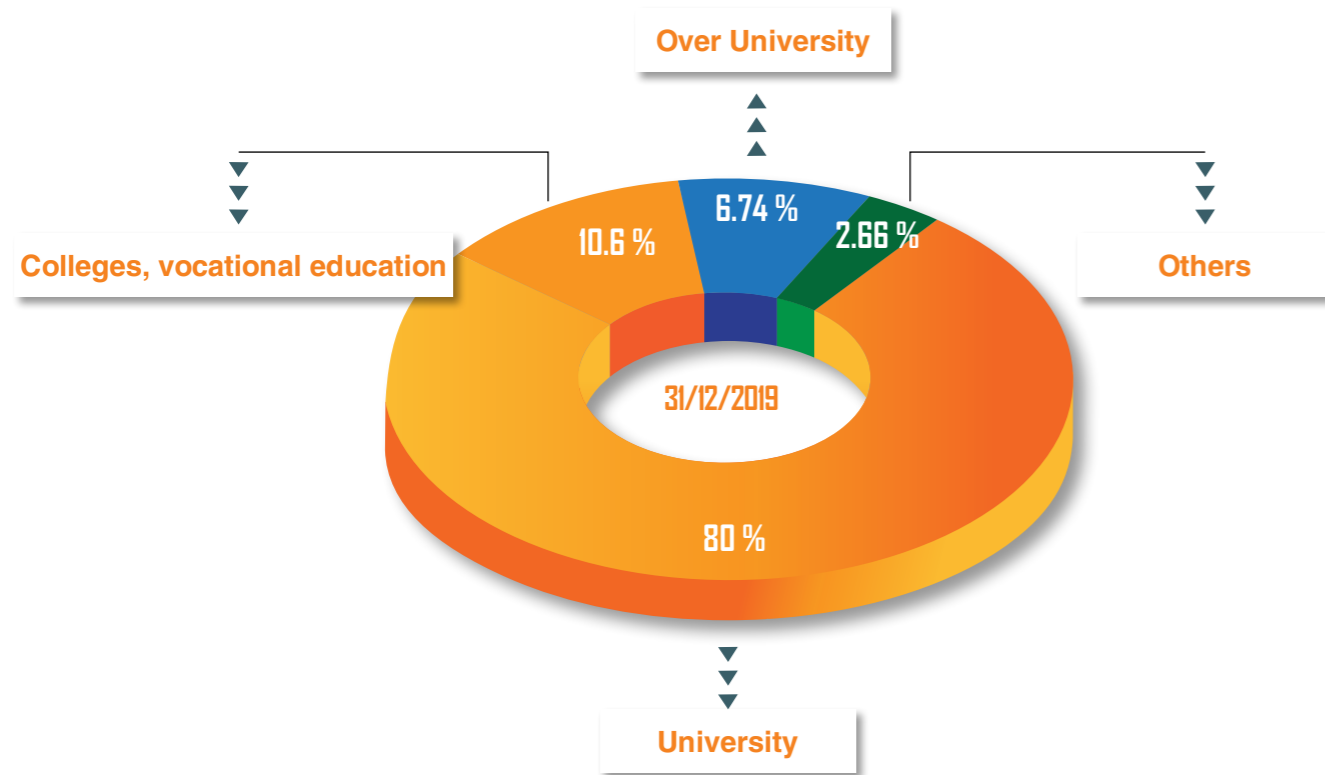
#### • THE PVI'S HUMAN RESOURCES CHART FROM 2015 TO 2019:



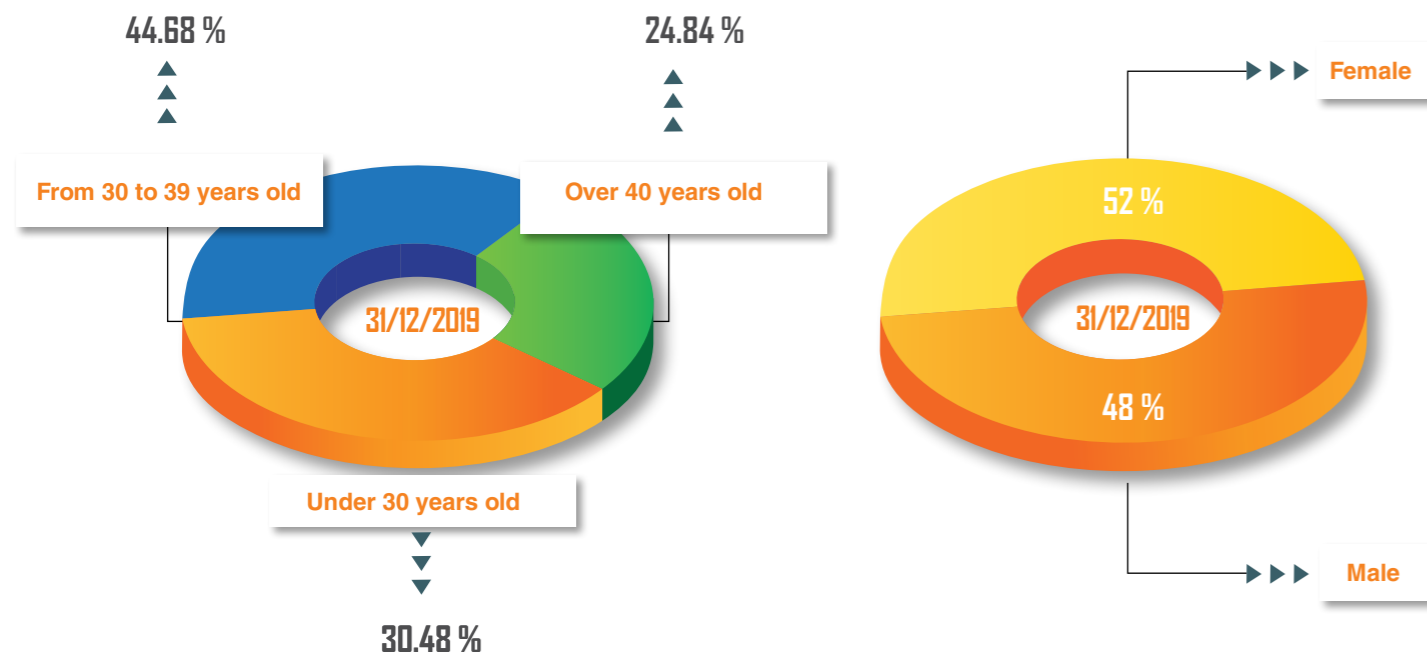
# HUMAN RESOURCES MANAGEMENT SYSTEM

(CONTINUED)

• EMPLOYMENT BASED ON EDUCATION - 2019



• EMPLOYMENT BASED ON AGE AND GENDER - 2019



# SUBSIDIARIES

## PVI INSURANCE CORPORATION



**BUSINESS PERFORMANCE AND FINANCIAL SITUATION IN 2019**

PVI Insurance continued to develop the spirit of “sustainable development based on an effective foundation”. In 2019, PVI Insurance earned achievements and important designated goals positively grew, especially revenue. The results were shown as following:

- **The total revenue reached VND 9,013 billion**, achieving 102% of the placed goal and increasing by over 7%. Of which, **revenue from original insurance after deducting and reducing fees was nearly VND 7,297 billion**, completing 101% the year plan and rising by 6.2% compared with the same period.
- The revenue from financial investments reached VND 484 billion, fulfilling 103.4% of the year plan and increasing by 3.4%.
- **The profit before tax successfully met the target, reaching VND 623 billion**, achieving 110% and the growth was more than 37% compared with that of 2018. Of which, the profit from insurance business was VND 234 billion, increasing 107%.
- **The combined cost ratio of 2019 was 92.6%** which was 0.2% lower than the placed plan and even 4% lower than the ratio of 2018. PVI Insurance continued to be the most profitable insurance business in the Vietnamese non-life insurance market.

In 2019, PVI not only well-managed insurance and risks for all domestic and foreign oil and gas exploration and production projects but also enhanced others major projects; the revenue from others, except for oil and gas industry, were over VND 5,200 billion, growing by 15%, and accounting for more than 70% of the premium revenue structure. The numerous highlight projects included property insurance for Nghi Son Refinery; Van Phong 1 Thermal Plant; Vinh Hao Solar Power Plant; Ham Kiem Solar Power Plant...; insurance for all aviation industries such as Vietnam Airlines, Vietjet Air, Bamboo Airways... It was shown that a number of customers and partners have completely believed in PVI Insurance in consulting and managing risks regarding their human and assets

## SUBSIDIARIES

(CONTINUED)

### PVI INSURANCE CORPORATION - CONTINUED



The highlights in 2019 were concentration on improving governance and management, detailed data management, reviewing each expense item to enhance business performance specifically. This significantly contributed to cost reduction, profit improvement for the business in 2019.

To increase utilities and the quality of customer services, PVI Insurance applied Information Technology to the e-commerce system and deployed to connect with cross-selling partners such as Vietnam Airlines, JPA, Asahi, Honda, Mobifone, and Viettel Post in 2019. Particularly, PVIMobile application was a success of PVI Insurance when it optimized customer services.

In 2020, PVI Insurance aims to both maintain the direction of business efficiency and increase the quality of customer services. In addition to maintaining the position of the No.1 industrial insurance in the market development in the retail network on the principle of efficiency, increasing capital and upgrading international financial credit according to A.M.Best standards were PVI Insurance goals. Furthermore, PVI Insurance continues to develop technological utilities, aiming at the best quality, quick, and accurate customer services. Finally, in terms of expanding the network, PVI Insurance would like to establish more 3 new member units in all three regions of North - Central - and South, and to be Vietnam's leading retail insurance company.

## SUBSIDIARIES

(CONTINUED)

### PVI REINSURANCE CORPORATION (PVI RE)



#### BUSINESS PERFORMANCE IN 2019

PVI Reinsurance Corporation (PVI Re) is a subsidiary of PVI Joint Stock Company (owning 73.11% capital), established under License No.66GP/KDBH dated July 20, 2011, and equitized under License No.86GP/KDBH dated October 1, 2013, of the Ministry of Finance.

As one of the two companies operating in the reinsurance sector in Vietnam, PVI Re strives to become the leading reinsurer and maintains fast and sustainable development. PVI Re has taken advantages of the available resources inherited from the tradition of 20-year continuous development to provide professional customer services; constantly improving the business process by optimizing the Information Technology development; motivating employees through training, empowerment, supporting in the working environment; and strengthening the financial capital of the company through professional activities to benefit the stakeholders.

During 8-year operation, the business developed and consistently achieved revenue and profit growth, with business performance the following year higher than the previous. In 2019, PVI Re was upgraded to an international financial credit to B++ by the A.M.Best, the annual dividend rate reaching 16%.

In 2019, with the close and drastic direction of the leadership and the determination and efforts of all official employees, PVI Re strictly implemented the planned strategies and continued to exceed the goals: the total revenue reached VND 1,902 billion (achieving 115.3% the designed plan); the profit before tax was VND 170.5 billion (reaching 105% of the plan).

#### MISSION IN 2020

- Completing the business plan for 2020. The total planned revenue is VND 1,759 billion, as 92.5% compared with that of 2019. The profit before tax is VND 160.4 billion.
- Successfully listing PVIRE stock on the stock exchange.
- The dividends in 2020 will reach 16%.
- Continuing the orientation of effective and sustainable development. Focusing on promoting retention fees. Increasing profit from the reinsurance business.
- Expanding and developing the domestic market. Concentrating on evaluating the efficiency of each mining contract, and increasing retention fees reasonably.
- Continuing to restructure foreign sources and renew effective services.
- Optimizing the efficiency of cash flow for financial investment.

## SUBSIDIARIES

(CONTINUED)

### PVI ASSET MANAGEMENT JOINT STOCK COMPANY (PVI AM)



#### BUSINESS PERFORMANCE IN 2019

PVI Asset Management Joint Stock Company (PVI AM) is a subsidiary of PVI Joint Stock Company (owning 65% capital), established under License No.55/GP-UBCK dated February 3, 2015, by the State Securities Commission. Although it is the youngest member of PVI Holdings, PVI AM is always one of the top 5 asset management companies with the largest trust and advisory value on the market.

In 2019, with the close and drastic direction of the management team and the determination and efforts of all official employees, PVI AM accurately followed the orientation of the planned strategies and achieved impressive results: the total revenue reached VND 43.3 billion (fulfilling 126% of the plan); the profit before tax was VND 10.1 billion (achieving 159% of the placed goal); completing the cash dividend payment of 2018 at rate 10% in March 2019 as well as advancing payment 10% cash dividend 2019 in December 2019.

In terms of the asset management, PVI Opportunity Investment Fund (POF) managed by PVI AM had a successful investment year with an income of 11.3% NAV at the beginning of the year, among the investment funds with the highest increase on the market. The profit of POF in 2019 reached VND 105.3 billion, completing 128% of the plan. The POF made an advanced payment 8.5% dividends in 2019, completing the dividend payment plan assigned by the general meeting of members. The profit of PVI Infrastructure Investment Fund (PIF) managed by PVI AM reached VND 113.5 billion in 2019, as 22% compared to NAV at the beginning of the year, fulfilling 101% of the plan. PIF made an advanced payment of 22% dividends in 2019, completing the dividend payment plan assigned by the general meeting of members.

#### MISSION IN 2020

- Cooperating with units in PVI's system to manage the cash flow of the whole system effectively, ensuring the completion of the plan assigned by The Board of Directors.
- Governing and managing POF and PIF safely and effectively, ensuring to complete the business plan assigned by the general meeting of members with dividend payout rates will be 9% and 9.5% respectively.
- Promoting the search for investment opportunities with a stable and safe income for funds and entrusted portfolio to minimize dependence on stock market volatility.
- Strengthening risk management in investment activities.
- Expanding the market in the South by establishing and recruiting personnel for the branch in Ho Chi Minh city. Raising laborers' income, and building appropriate remuneration to have a professional workforce to meet the requirements of the business development will be a priority in 2020.

## SUBSIDIARIES

(CONTINUED)

### VIETNAM ASSET DEVELOPMENT JOINT STOCK COMPANY (VAD)



#### BUSINESS PERFORMANCE IN 2019

• The estimated total revenue was VND 1,314.40 billion; estimated total cost of production and business was 1,128.42 billion; total profit before tax was estimated at VND 185.98 billion; the dividend payout ratio in 2019 for shareholders reached 24%, and the total amount of money paid for the State Budget in 2019 was recorded as VND 115.6 billion.

#### • Organization and personnel:

Organizing meetings of the BOD and the General Meeting of Shareholders following the provisions of the company and current laws; continuing to improve and streamline the system effectively.

#### • The status of the implementation of projects:

- The implementation of A1T1 low-rise housing: customers have made full responsibilities regarding the financial issue and received the house that has been granted a red book. Infrastructure construction has been completed. The project operation and management have been stable.

- The implementation of the project at 154 Nguyen Thai Hoc building: Until now, VAD completed the construction and renovation of 154 Nguyen Thai Hoc building and completed the leasing of a part of the 4th floor and all part of the 5th, 6th, and 7th floor at 154 Nguyen Thai Hoc building (reaching 45.7% of the leased area).

- Business consulting, asset management, and construction consultancy: Continuing to provide consultancy services in terms of leasing and renting PVI building to maintain the occupancy rate of the building always to be greater than or equal to 98%; supporting PVI Holdings in managing existing leases, consulting and solving problems as a lease agreement or when required by a tenant. Furthermore, the company has provided consulting for the PVI Insurance Corporation on investment and construction of offices upon requests from the Insurance Company.

#### MISSION IN 2020

- Organizing the business operation to ensure business performance in 2020 based on the new charter capital after capital reduction.
- Implementing the consultancy on leasing the office at PVI Tower and operating the lease of 154 Nguyen Thai Hoc building.
- Continuing to search and introduce real estate investment projects under the investment criteria set by PVI Holdings.

## COMMUNITY ACTIVITIES



The work of the Party and socio-political organizations of PVI has developed in “quality”, promptly responding to the corporate restructuring model. Activities of Party organizations, Trade Unions and Youth Unions at all levels always maintain the role, principles, and objectives of each organization, closely following the business tasks of each unit. The leadership role of the Party committee level, the Board of Directors has promoted the synergy, forming united solidarity from party members, union members, youth union members, and workers, significantly contributing to the overall success of PVI, as well as gradually improving the political quality, cultural, spiritual life, and business culture.

During the development process, PVI not only has strived to develop but also maintain and continue the tradition of solidarity. PVI has contributed to social security and helped the brand reputation to widely spread in society. In 2019, the social activities and charity PVI actively responded and organized included giving gifts to poor families on Tet Holiday in the Central provinces and the Northwest region; supporting funds for Thien Nhan and friends organization to have surgery for poor children with disabilities; supporting Ly Son district, Quang Ngai province in fixing and upgrading the seawater filtration plant into freshwater in An Binh commune... Moreover, PVI has regularly visited and supported the employees who are currently working in PVI; however, they, unfortunately, passed away, suffered from a serious illness, or poor conditions. It is a beauty of PVI's culture. In 2019, the total amount of money for supporting society and visiting PVI's employees was VND 3.6 billion.

## AUDITED SUMMARY SEPARATE FINANCIAL STATEMENTS

### STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PVI Holdings (the “Company”) presents this report together with the Company's summary separate financial statements for the year ended 31 December 2019.

### THE BOARDS OF DIRECTORS AND MANAGEMENT

The members of the Boards of Directors and Management of the Company who held office during the year and to the date of the audited separate financial statements are as follows:

#### Board of Directors

Mr. Jens Holger Wohlthat	Chairman (appointed on 16 January 2020) Member (resigned on 16 January 2020)
Mr. Nguyen Xuan Hoa	Vice Chairman (appointed on 16 January 2020) Chairman (appointed on 29 March 2019, resigned on 16 January 2020)
Mr. Nguyen Anh Tuan	Member (appointed on 29 March 2019) Chairman (resigned on 29 March 2019)
Mr. Duong Thanh Danh François	Member (appointed on 16 January 2020) Vice Chairman (appointed on 29 March 2019, resigned on 16 January 2020)
Mr. Ton Thien Viet	Vice Chairman (resigned on 29 March 2019)
Mr. Bui Van Thuan	Member
Mr. Ulrich Heinz Wollschlager	Member
Mr. Clemens Jungsthöfel	Member
Mr. Christian Hinsch	Member (appointed on 29 March 2019)
Ms. Bui Thi Nguyet	Member (appointed on 29 March 2019)
Mr. Nguyen Anh Tuan	Member (resigned on 29 March 2019)

#### Board of Management

Mr. Bui Van Thuan	Chief Executive Officer (CEO)
Mr. Truong Quoc Lam	Deputy CEO
Mr. Truong Minh Duc	Deputy CEO (appointed on 01 April 2019)
Mr. Alexander-Nicolai Neumann	Deputy CEO (appointed on 01 April 2019)
Mr. Phung Tuan Kien	Deputy CEO
Mr. Pham Anh Duc	Deputy CEO
Mr. Vu Van Thang	Deputy CEO

### BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for preparing the summary separate financial statements derived from the audited separate financial statements of the Company for the year ended 31 December 2019. The Board of Management confirms that the summary separate financial statements are consistent, in all material respects, with those audited separate financial statements.

For and on behalf of the Board of Management,

**Bui Van Thuan**  
Chief Executive Officer

Hanoi, 27 February 2020

No: 0548/VN1A-HN-BC

## REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY SEPARATE FINANCIAL STATEMENTS

To: **The Shareholders  
The Boards of Directors and Management of PVI Holdings**

The accompanying summary separate financial statements, prepared on 27 February 2020 as set out from page 4 to page 7, which comprise the summary balance sheet as at 31 December 2019, the summary income statement, the summary cash flow statement for the year then ended and related notes, are derived from the audited separate financial statements of PVI Holdings (the "Company") for the year ended 31 December 2019. We expressed an unmodified audit opinion on those separate financial statements in our report dated 13 February 2020. Those separate financial statements and summary separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary separate financial statements do not contain all disclosures required by the financial reporting framework applied in the preparation and presentation of the separate financial statements of the Company. Reading the summary separate financial statements, therefore, is not a substitute for reading the audited separate financial statements of the Company.

### Management's Responsibility for the Summary Separate Financial Statements

The Board of Management of the Company is responsible for the preparation and presentation of the summary separate financial statements on the basis described in Note 2 of the Notes to the summary separate financial statements.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary separate financial statements based on our procedures, which were conducted in accordance with Vietnamese Standard on Auditing No. 810 - "Engagements to Report on Summary Financial Statements".

### Opinion

In our opinion, the summary separate financial statements derived from the audited separate financial statements of the Company for the year ended 31 December 2019 are consistent, in all material respects, with those audited separate financial statements, on the basis described in Note 2 of the Notes to the summary separate financial statements.



**Khúc Thị Lan Anh**  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0036-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

27 February 2020  
Hanoi, S.R. Vietnam

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

## SUMMARY BALANCE SHEET As at 31 December 2019

Unit : VND

ASSETS	Codes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>	<b>1,433,895,452,311</b>	<b>1,826,918,209,551</b>
I. Cash	110	15,347,687,561	11,728,159,243
II. Short-term financial investments	120	1,165,000,000,000	1,529,882,365,744
III. Short-term receivables	130	180,755,027,252	206,927,100,211
IV. Inventories	140	630,777,657	934,432,728
V. Other short-term assets	150	72,161,959,841	77,446,151,625
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>	<b>5,499,058,443,216</b>	<b>5,073,363,139,625</b>
I. Long-term receivables	210	930,620,400	865,520,400
II. Fixed assets	220	104,691,057,878	124,839,037,190
III. Investment property	230	1,221,655,108,158	1,471,271,293,997
IV. Long-term financial investments	250	4,125,130,980,000	3,471,701,590,000
V. Other long-term assets	260	46,650,676,780	4,685,698,038
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>	<b>6,932,953,895,527</b>	<b>6,900,281,349,176</b>

ASSETS	Codes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>	<b>367,417,539,867</b>	<b>408,345,964,618</b>
I. Current liabilities	310	154,374,233,050	192,896,837,771
II. Long-term liabilities	330	213,043,306,817	215,449,126,847
<b>D. EQUITY</b>	<b>400</b>	<b>6,565,536,355,660</b>	<b>6,491,935,384,558</b>
I. Owners' equity	410	6,565,536,355,660	6,491,935,384,558
<b>TOTAL RESOURCES (440 = 300+400)</b>	<b>440</b>	<b>6,932,953,895,527</b>	<b>6,900,281,349,176</b>

**Dao Hai Yen**  
Preparer

27 February 2020

**Tran Duy Cuong**  
Chief Accountant



**Bui Van Thuan**  
Chief Executive Officer

The summary separate financial statements are derived from the audited separate financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting with an unmodified audit opinion.

**SUMMARY INCOME STATEMENT**

For the year ended 31 December 2019


Unit : VND

ASSETS	Codes	Closing balance	Opening balance
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>296,240,997,188</b>	<b>237,492,752,458</b>
<b>2. Net revenue from goods sold and services rendered (10 = 01)</b>	<b>10</b>	<b>296,240,997,188</b>	<b>237,492,752,458</b>
3. Cost of sales	11	357,668,443,001	170,199,344,259
<b>4. Gross (loss)/profit from goods sold and services rendered (20=10 - 11)</b>	<b>20</b>	<b>(61,427,445,813)</b>	<b>67,293,408,199</b>
5. Financial income	21	755,412,706,702	581,626,598,120
6. Financial expenses	22	18,394,482,627	6,099,985,195
7. General and administration expenses	26	105,959,867,992	121,652,845,653
<b>8. Operating profit {30 = 20 + (21 - 22) - 26}</b>	<b>30</b>	<b>569,630,910,270</b>	<b>521,167,175,471</b>
9. Other income	31	719,041,182	456,841,953
10. Other expenses	32	596,186,675	158,386,754
<b>11. Profit from other activities (40 = 31 - 32)</b>	<b>40</b>	<b>122,854,507</b>	<b>298,455,199</b>
<b>12. Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>	<b>569,753,764,777</b>	<b>521,465,630,670</b>
13. Current corporate income tax expense	51	24,414,407,508	11,257,020,162
14. Deferred corporate income tax (income)	52	(31,296,196,674)	-
<b>15. Net profit after corporate income tax (60 = 50 - 51 - 52)</b>	<b>60</b>	<b>576,635,553,943</b>	<b>510,208,610,508</b>



**Dao Hai Yen**  
Preparer

27 February 2020



**Tran Duy Cuong**  
Chief Accountant



**Bui Van Thuan**  
Chief Executive Officer

The summary separate financial statements are derived from the audited separate financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting with an unmodified audit opinion.

**SUMMARY CASH FLOW STATEMENT**

For the year ended 31 December 2019

Unit : VND

ASSETS	Codes	Closing balance	Opening balance
Net cash (used in)/generated by operating activities	20	(44,803,738,463)	15,935,354,748
Net cash generated by investing activities	30	510,641,160,781	277,880,107,152
Net cash (used in) financing activities	40	(462,217,894,000)	(305,960,357,370)
In which:			
- Capital withdrawals, buy-back of issued shares and proceeds from reissued shares	32	-	341,144,694,230
- Dividends and profits paid	36	(462,217,894,000)	(647,105,051,600)
<b>Net increase/(decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>3,619,528,318</b>	<b>(12,144,895,470)</b>
<b>Cash at the beginning of the year</b>	<b>60</b>	<b>11,728,159,243</b>	<b>23,873,054,713</b>
<b>Cash at the end of the year (70=50+60)</b>	<b>70</b>	<b>15,347,687,561</b>	<b>11,728,159,243</b>



**Dao Hai Yen**  
Preparer

27 February 2020



**Tran Duy Cuong**  
Chief Accountant



**Bui Van Thuan**  
Chief Executive Officer

The summary separate financial statements are derived from the audited separate financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting with an unmodified audit opinion.

## NOTES TO THE SUMMARY SEPARATE FINANCIAL STATEMENTS

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

### 1. GENERAL INFORMATION

#### Structure of ownership

PVI Holdings (the “Company”), formerly known as PetroVietnam Insurance Joint Stock Corporation, was established and operates under Licence No. 42 GP/KDBH dated 12 March 2007 issued by the Ministry of Finance.

PVI Holdings’ shares have been listed on the Hanoi Securities Trading Center (currently known as the Hanoi Stock Exchange) since 10 August 2007.

On 28 June 2011, the 12th amended Business Licence No. 0100151161 was granted to PetroVietnam Insurance Joint Stock Corporation by the Hanoi Authority for Planning and Investment, in which the Company’s name was changed to PVI Holdings and some other principal activities were revised and added.

The Company has officially operated under a parent-subsidary structure in accordance with the newly amended Business Licence since 01 August 2011.

The number of employees of the Company as at 31 December 2019 was 67 (as at 31 December 2018: 44).

#### Operating industry

The Company’s operating industry includes financial services and real estate business.

#### Principal activities

- Asset holdings;
- Financial services; and
- Real estate business.

#### Normal business cycle

The Company’s normal business cycle is carried out for a time period of 12 months or less

### 2. ACCOUNTING CONVENTION

#### Accounting convention

The accompanying summary separate financial statements are derived from the Company’s audited separate financial statements for the year ended 31 December 2019, which were issued on 13 February 2020. The audited separate financial statements for the year ended 31 December 2019 were published by the Company in accordance with relevant prevailing regulations.

The summary separate financial statements are derived from the audited separate financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting with an unmodified audit opinion.

## AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PVI Holdings (the “Company”) presents this report together with the Company’s summary consolidated financial statements for the year ended 31 December 2019.

### THE BOARDS OF DIRECTORS AND MANAGEMENT

The members of the Boards of Directors and Management of the Company who held office during the year and to the date of the audited consolidated financial statements are as follows:

#### Board of Directors

Mr. Jens Holger Wohlthat	Chairman (appointed on 16 January 2020) Member (resigned on 16 January 2020)
Mr. Nguyen Xuan Hoa	Vice Chairman (appointed on 16 January 2020) Chairman (appointed on 29 March 2019, resigned on 16 January 2020)
Mr. Nguyen Anh Tuan	Member (appointed on 29 March 2019) Chairman (resigned on 29 March 2019)
Mr. Duong Thanh Danh François	Member (appointed on 16 January 2020) Vice Chairman (appointed on 29 March 2019, resigned on 16 January 2020)
Mr. Ton Thien Viet	Vice Chairman (resigned on 29 March 2019)
Mr. Bui Van Thuan	Member
Mr. Ulrich Heinz Wollschlager	Member
Mr. Clemens Jungsthöfel	Member
Mr. Christian Hinsch	Member (appointed on 29 March 2019)
Ms. Bui Thi Nguyet	Member (appointed on 29 March 2019)
Mr. Nguyen Anh Tuan	Member (resigned on 29 March 2019)

#### Board of Management

Mr. Bui Van Thuan	Chief Executive Officer (CEO)
Mr. Truong Quoc Lam	Deputy CEO
Mr. Truong Minh Duc	Deputy CEO (appointed on 01 April 2019)
Mr. Alexander-Nicolai Neumann	Deputy CEO (appointed on 01 April 2019)
Mr. Phung Tuan Kien	Deputy CEO
Mr. Pham Anh Duc	Deputy CEO
Mr. Vu Van Thang	Deputy CEO

### BOARD OF MANAGEMENT’S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for preparing the summary consolidated financial statements derived from the audited consolidated financial statements of the Company for the year ended 31 December 2019. The Board of Management confirms that the summary consolidated financial statements are consistent, in all material respects, with those audited consolidated financial statements.

For and on behalf of the Board of Management,



**Bui Van Thuan**  
Chief Executive Officer

Hanoi, 27 February 2020



**SUMMARY CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2019

Unit : VND

ASSETS	Codes	Closing balance	Opening balance
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>10,314,799,787,735</b>	<b>9,590,414,185,106</b>
2. Deductions	02	4,403,328,976,804	3,905,610,438,414
<b>3. Net revenue from goods sold and services rendered (10 = 01-02)</b>	<b>10</b>	<b>5,911,470,810,931</b>	<b>5,684,803,746,692</b>
4. Cost of sales	11	5,161,703,596,787	4,917,921,453,491
<b>5. Gross profit from goods sold and services rendered (20 = 10 - 11)</b>	<b>20</b>	<b>749,767,214,144</b>	<b>766,882,293,201</b>
6. Financial income	21	769,684,122,596	740,008,489,208
7. Financial expenses	22	135,033,368,524	266,989,303,632
- In which: Interest expense	23	332,061,627	2,544,921,852
8. General and administration expenses	26	511,820,188,250	503,535,282,605
<b>9. Operating profit {30 = 20 + (21 - 22) - 26}</b>	<b>30</b>	<b>872,597,779,966</b>	<b>736,366,196,172</b>
10. Other income	31	4,738,298,156	9,921,476,973
11. Other expenses	32	3,695,893,595	978,640,577
<b>12. Profit from other activities (40 = 31 - 32)</b>	<b>40</b>	<b>1,042,404,561</b>	<b>8,942,836,396</b>
<b>13. Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>	<b>873,640,184,527</b>	<b>745,309,032,568</b>
14. Current corporate income tax expense	51	211,963,037,092	157,206,296,505
15. Deferred corporate tax (income)	52	(40,118,754,882)	-
<b>16. Net profit after corporate income tax (60 = 50 - 51 - 52)</b>	<b>60</b>	<b>701,795,902,317</b>	<b>588,102,736,063</b>
16.1. Profit after tax attributable to the Parent company	61	658,856,552,140	550,551,235,107
16.2. Profit after tax attributable to the non-controlling shareholders	62	42,939,350,177	37,551,500,956
<b>17. Basic earnings per share</b>	<b>70</b>	<b>2,523</b>	<b>2,213</b>


Lam Thi Lan Phuong  
Preparer

Tran Duy Cuong  
Chief AccountantBui Van Thuan  
Chief Executive Officer

27 February 2020

The summary consolidated financial statements are derived from the audited consolidated financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting with an unmodified audit opinion.

**SUMMARY CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2019

Unit : VND

ASSETS	Codes	Closing balance	Opening balance
Net cash generated by operating activities	20	300,599,802,657	373,296,127,947
Net cash generated by/(used in) investing activities	30	366,524,042,615	(481,753,992,594)
Net cash (used in) financing activities	40	(500,228,763,933)	(799,576,396,071)
In which:			
- Capital withdrawals, buy-back of issued shares and proceeds from reissued shares	32	-	341,144,694,230
- Proceeds from borrowings	33	12,637,349,859	16,864,330,571
- Repayment of borrowings	34	(16,864,330,571)	(476,109,953,752)
- Dividends and profits paid	36	(496,001,783,221)	(681,475,467,120)
<b>Net increase/(decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>166,895,081,339</b>	<b>(908,034,260,718)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>326,396,548,440</b>	<b>1,216,417,580,580</b>
Effects of changes in foreign exchange rates	61	(583,071,444)	18,013,228,578
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>492,708,558,335</b>	<b>326,396,548,440</b>


Lam Thi Lan Phuong  
Preparer

Tran Duy Cuong  
Chief AccountantBui Van Thuan  
Chief Executive Officer

27 February 2020

The summary consolidated financial statements are derived from the audited consolidated financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting with an unmodified audit opinion.

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

### 1. GENERAL INFORMATION

#### Structure of ownership

PVI Holdings (the “Company”), formerly known as PetroVietnam Insurance Joint Stock Corporation, was established and operates under Licence No. 42 GP/KDBH dated 12 March 2007 issued by the Ministry of Finance.

PVI Holdings’ shares have been listed on the Hanoi Securities Trading Center (currently known as the Hanoi Stock Exchange) since 10 August 2007.

On 28 June 2011, the 12th amended Business Licence No. 0100151161 was granted to PetroVietnam Insurance Joint Stock Corporation by the Hanoi Authority for Planning and Investment, in which the Company’s name was changed to PVI Holdings and some other principal activities were revised and added.

The Company has officially operated under a parent-subsidary structure in accordance with the newly amended Business Licence since 01 August 2011.

The number of employees of the Company and its subsidiaries as at 31 December 2019 was 2,592 (as at 31 December 2018: 2,532).

#### Operating industry

The Company’s operating industry includes financial services and real estate business.

#### Principal activities

The principal activities of the Company and its subsidiaries include:

- Asset holdings;
- Insurance and reinsurance activities;
- Financial services; and
- Real estate business.

#### Normal business cycle

The Company’s normal business cycle is carried out for a time period of 12 months or less.

### 2. ACCOUNTING CONVENTION

#### Accounting convention

The accompanying summary consolidated financial statements are derived from the Company’s audited consolidated financial statements for the year ended 31 December 2019, which were issued on 13 February 2020. The audited consolidated financial statements for the year ended 31 December 2019 were published by the Company in accordance with relevant prevailing regulations.

The summary consolidated financial statements are derived from the audited consolidated financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting with an unmodified audit opinion.

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, enterprises controlled by the Company and PVI Opportunity Investment Fund (“POF”) and PVI Infrastructure Investment Fund (“PIF”) (collectively referred to as “subsidiaries”) prepared for the year ended 31 December 2019. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests’ share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The summary consolidated financial statements are derived from the audited consolidated financial statements which are prepared in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting with an unmodified audit opinion.



## PVI HOLDINGS

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**Stock code: PVI, Hanoi Stock Exchange HNX**

**Headquarters:** No.1 Pham Van Bach Street - Cau Giay District - Hanoi

**Tel:** +84-24 3734 2299 / **Fax:** +84-24 3734 2929

**Email:** [contact@pvi.com.vn](mailto:contact@pvi.com.vn) / **Website:** [www.pvi.com.vn](http://www.pvi.com.vn)



## **PVI HOLDINGS**

**Headquarters:** No.1 Pham Van Bach Street - Cau Giay District - Hanoi

**Tel:** +84 - 24 3734 2299 / **Fax:** +84 - 24 3734 2929

**Email:** [contact@pvi.com.vn](mailto:contact@pvi.com.vn) / **Website:** [www.pvi.com.vn](http://www.pvi.com.vn)