



ANNUAL REPORT 2012



PVI HOLDINGS

Stock Symbol: PVI

ANNUAL REPORT 2012



PVI HOLDINGS

Head Office: 154 Nguyen Thai Hoc, Ba Dinh District, Ha Noi
Tel: (84-4) 3734 2299 * Fax: (84-4) 3734 2929
Email: contact@pvi.com.vn * Website: www.pvi.com.vn

The flame of trust

SUSTAINABLE DEVELOPMENT IN DIVERSITY

VISION

PVI Holdings will become an internationally recognized Insurance - Finance Institution with the motto: Rapid and sustainable development founded on knowledge and the strength of the PetroVietnam Group for the mutual benefit of shareholders, customers and employees.

PVI HOLDINGS
Stock Symbol: PVI, Hanoi Stock Exchange (HNX)



Content

04	Commendation from Deputy Prime Minister Hoang Trung Hai	24	Associated Companies and Subsidiaries
05	Commendation from Chairman of PVN		WORLDWIDE COOPERATION - GLOBAL INTEGRATION
06	Message from Chairman	28	Corporate Governance
08	Letter from CEO	30	Risk Management
	UNWAVERING OBJECTIVES - SUSTAINABLE GROWTH		INTERNATIONAL CERTIFICATE – LEADING POSITION
10	Foundation and Development	32	Achievements Highlights
12	Business Operating Model	34	Standout 2012 Financial Highlights
13	Business Fields - Organizational Chart	36	Future Development Direction
14	Board of Directors	38	Social Responsibility
16	Board of Management		FINANCIAL STATEMENTS
18	Board of Control	42	Audited Financial Statements
20	Corporate Governance & Human Resources	72	Audited Consolidated Financial Statements
22	Shareholders' Information & Investor Relations		

COMMENDATION FROM MR HOANG TRUNG HAI

COMMISSIONER OF PARTY CENTRAL
DEPUTY PRIME MINISTER



HOANG TRUNG HAI
DEPUTY PRIME MINISTER

No: 104/LDCP

Hanoi, 15th April 2013

Respectfully addressed to: Leaders and staffs
PVI Holdings

I was informed that PVI Holdings, for the first time, has achieved revenue of more than VND 6,000 billion in 2012, exceeded the planned targets. Business indicators got the growth of 10% compared to 2011. Moreover, PVI Holdings has successfully increased its charter capital by issuing private shares to foreign investors.

In the context of the finance and insurance sector facing with a lot of difficulties, this was a great effort to be appreciated and whereby also reflected the confidence of foreign investors in PVI in particular and Vietnam finance and insurance sector in general.

I would like to congratulate on the establishment of PVI Sun Life Insurance Company Limited, the achievement of co-operation between PVI Holdings and Sun Life Financial, Canada.

In the upcoming time, I wish that PVI Holdings will continuously make great effort to get more and more achievements, to be deserving of the Labor Hero title honored by Party and Government and also a leading industrial insurer in Vietnam./.

Yours sincerely,

(Signed)

Hoang Trung Hai

COMMENDATION FROM MR PHUNG DINH THUC

PARTY COMMITTEE SECRETARY
CHAIRMAN OF PETROVIETNAM



VIET NAM NATIONAL PETROLEUM & GAS GROUP

No. 18 Lang Ha, Ba Dinh, Hanoi, Vietnam

Tel: (84-4) 3825 2526 * Fax: (84-4) 3826 5942

Website: www.petrovietnam.com.vn

CONGRATULATIONS LETTER

*Respectfully addressed to: Leaders, Party Members and Staffs
PVI Holdings*

The leaders of PetroVietnam are delighted with the results that leaders, party members and staffs of PVI Holdings achieved in 2012; PVI Holdings has exceeded the planned indicators, including revenue exceeded the plan, pre - tax profit up 7% of the plan, payment to the state budget exceeded 9% of the plan, the growth of all business indicators was over 11% in comparison with these of 2011.

Party Committee and the leaders of PetroVietnam recognized, warmly congratulated and praised the achievements that the leaders, party members and staffs of PVI Holdings obtained in 2012.

Performing 2013 plan while facing many difficulties ahead, but we believe that the Labor Hero honored PVI Holdings will fulfill "ahead of date" all targets and tasks planning for 2013 thanks to the experiences, self-motivation, creativity in production - business management, solidarity and the effort, tireless strive of the leaders, party members and staffs of PVI Holdings as well as maximum assistance from PetroVietnam.

On the occasion of the new year 2013 and upcoming traditional Lunar new year, for and on behalf of Party Committee and the leaders of PetroVietnam, I would like to send the leaders, party members and staffs of PVI Holdings the most sincere and warmly greetings, to wish you and your families health, happiness and fortune. I wish PVI Holdings success and higher socio-economic efficiency in 2013 to create momentum for the next years./.

Hanoi, 30th January 2013
**FOR AND ON BEHALF OF PARTY
COMMITTEE & BOARD OF MEMBERS
SECRETARY - CHAIRMAN**

(Signed and sealed)

Phung Dinh Thuc

MESSAGE FROM CHAIRMAN



“PVI Holdings has been preparing actively and positively to strive new success”.

Ladies and Gentlemen!

We have just said goodbye a turbulent and extremely difficult year 2012 for Vietnamese and global economies. There were the crisis of public debt in Europe, the sluggish growth in the United State and the high inflation in China. Despite continuous growth, even at low rate, Vietnamese economy showed systematic weaknesses due to inappropriate policies. The last year could be considered as the most difficult year of Vietnam since the renovation period beginning, impacting directly and negatively to enterprise community with more than 50,000 dissolved, bankrupt enterprises. In 2012, the total premium revenue was VND 40,858 billion, increase of only 11.7% over 2011 (lower than the target of 17% set by Ministry of Finance); of which, the premium revenue of non-life insurance was estimated VND 22,900 billion, a 11.5% increase.

In this context, PVI Holdings delights and is proud of excellently fulfilling all tasks and targets set by General Meeting of Shareholders in 2012. While many Vietnamese enterprises had special difficulty in raising capital in 2012, PVI Holdings successfully increased charter capital to VND 2,342 billion by the share subscription agreement with the foreign strategic shareholder, and thereby enhancing equity capital up to more than VND 6,000 billion, total assets of over VND 11,000 billion. At the present, the ownership of PVI share held by foreign investors reaches limited level by law 49%. Strategic shareholder Talanx Group holds 31.82% and Oman Investment Fund (OIF) holds 11.58%; PetroVietnam downed its ownership to 35.5%.

In non-life insurance sector, with the growth rate always higher than market average level, PVI Insurance continued striving strongly for the number 1 position with the market share of about 20.8%. And PVI Insurance was one among the few insurers getting profit from core insurance operations. In reinsurance sector, only a year from establishment date, PVI Reinsurance's revenue reached over VND 1,200 billion, profit reached approximate VND 31 billion, a persuasive proof of the efficient strategy. On 21 January 2013, PVI Holdings received the license for life insurance operations; thereby it has become the first and only enterprise in Vietnam operating in all three insurance sectors.

Stepping to the year 2013, the process of restructuring the domestic economy together with the development model adjustment have initial results - inflation was controlled at a low level, exchange rate was stable, the confidence in Government's policies was upgraded. However, difficulties are still ahead. On the international level, the world economy recovered slowly, financial crisis has been no sign of end, and commodity markets' movements were unpredictable. Internally, the inefficiency of public investment, bank loans and real estate inventory will continue to be the biggest challenges for the economy. Investment, consumption reduction will negatively impact revenue and profit of the business.

Always ready to face new challenges, PVI Holdings has been preparing actively and positively to strive new success. 2013 will be the first year that PVI Holdings operates in complete restructure model: the parent company - PVI Holdings (investment, capital and brand management), and 4 subsidiaries: PVI Insurance (non-life insurance), PVI Reinsurance (reinsurance), PVI Sun Life Insurance (life insurance) and PVI A.M (asset management). By this system, PVI will maximize all strengths of an Insurance - Finance Group. The stable cash flow from subsidiaries operating in the insurance sectors will be managed and utilized efficiently by a professional financial organization; thereby all assets of customers will be secured best, as well as every single share of shareholders will be developed most efficiently.

Being the pivotal year in the restructure plan, in 2013, PVI Holdings will focus on some major tasks:

1. Complete the overall development strategy, set a long-term vision for the entire PVI system. The first priority is to build human resources development strategy, information technology strategy, market and brand development strategy for whole system.
2. Continue to standardize corporate governance in accordance with international standards, to ensure PVI operation transparent, safe and efficient; maintain international rating by A.M Best.
3. Remain growth rate, keep solid position in traditional markets and penetrate new markets (both domestic and foreign), strengthen PVI brand.
4. Determine a different development orientation, especially to find market segments and core products for PVI Sun Life and PVI A.M, give favorable conditions to these companies to operate and develop stably in next coming years.
5. Equitize PVI Reinsurance, and consider the capital increase plan for PVI Holdings in line with the overall development strategy of PVI.

On behalf of the Board of Directors, I would like to thank valuable shareholders and partners, customers, especially PetroVietnam, strategic partner Talanx Group, OIF and Sun Life Financial, and PVI staffs for your great support, companion and faith. By belief and desire to name Vietnamese enterprise on the world economy map, we set determination to realize PVI's ambition to become a prestigious international brand name Insurance - Finance Group.

Regards!

Nguyen Anh Tuan
Chairman of PVI Holdings

LETTER FROM CEO



"In 2013, PVI focuses on maintaining its sustainable development, enhancing growth quality, competitiveness and network security".

Ladies and Gentlemen!

Global economic crisis has brought a very difficult 2012 to Vietnam, seriously impacting domestic enterprises, causing tens of thousands of bankrupt enterprises and hundreds of thousands of unemployed people. In this context, total premium revenue of the whole market reached VND 40,858 billion, which was 11.7% higher than that of 2011, but much lower than the average in 2005 - 2009 period (16.99%) and 2010 - 2011 period (18%), causing adverse effects to the performance of insurance enterprises. In addition, at the end of 2012, overall credit growth hit only 8.9% (the lowest since 2001), while bad debt was 8.6% (higher than ever before). During the year, the average borrowing interest rate in VND and lending interest rate dropped by 3 - 6% and 5 - 9% per year respectively, badly striking the profit of financial enterprises.

In spite of unfavorable business environment, PVI Holdings excellently fulfilled all tasks assigned by Board of Directors and General Meeting of Shareholders, with total revenue of more than VND 6,245 billion (equivalent to 100.03% of the target, up 10% from 2011), profit after tax of VND 389 billion (equivalent to 101% of the target, up 12%). To contribute to PVI's achievement, two PVI Holdings subsidiaries, PVI Insurance and PVI Reinsurance, have successfully performed their business missions in the new parent - subsidiary model. As the only one among 5 leading insurance enterprises reaching all targets, PVI Insurance has not only maintained its market share in oil and gas insurance field, but also taken advantage of market opportunities to provide significant insurance services to aviation, post and telecommunications, electricity, transportation... industries. In the first year of operation, PVI Reinsurance demonstrated its potential and brand in Vietnamese and international reinsurance market with revenue of more than VND 1,200 billion. In addition, PVI Holdings raised its capital to VND 2,342 billion, had dividend payout of 15% to shareholders and preserved international credit ratings of PVI Insurance and PVI Reinsurance in 2012.

As estimated, Vietnam's economic growth rate, inflation, premium revenue and average deposit interest rate in 2013 will be over 5.7%, over 8%, about 10% and 8% per year, respectively. In addition to common difficulties of the economy, PVI Holdings has also coped with new challenges in officially providing life insurance and asset management and finance service. But on the other hand, with the establishment of PVI Sun Life Insurance Company Limited (PVI Sun Life) and the planned establishment of PVI Assets Management JSC (PVI A.M), PVI will complete restructuring to an Insurance - Finance Group accordance with international standards and be ready for new growth.

In 2013, PVI Holdings focuses on maintaining its sustainable development, enhancing growth quality, competitiveness and network security by applying the following solutions:

- Enhancing the performance of corporate governance by standardizing professional procedures and risk management; developing an advanced IT system in the whole network of PVI; recruiting and providing training to employees as required by the development.
- Strengthening transparency and attraction of products (insurance and finance) by standardizing core products; designing and "tailoring" products to meet the needs of customers with the motto win - win between customers' and PVI's benefit; improving distribution methods and system.
- Building a close relationship to customers and partners, providing the best security for customer's assets; enhancing consultancy's quality and after-sale services; integrating in global service chain with strategic partners.
- Strengthening PVI brand by preserving international credit rating at B+ (Good) by A.M Best for insurance companies; enhancing social responsibility of PVI Holdings, actively participating in community activities.

Although Vietnamese and global economies are facing unpredictable changes and PVI Holdings has to deal with a lot of challenges from new business sectors and organization restructure, with outstanding vision and alternative thinking of the Leadership, knowledge and inspiration of staffs, belief and support of customers and partners, I do believe the PVI ship will stand on the ocean, mark PVI brand as a spotlight in global Insurance - Finance market.

Finally, for and on behalf of PVI Leadership, I would like to express our best wishes and sincere thanks to our valuable customers, domestic and foreign partners, staffs, shareholders and investors for your trust, cooperation and supports giving us throughout PVI's development.

Regards!

Bui Van Thuan
CEO of PVI Holdings

Foundation and DEVELOPMENT



► 1996

On 23 January 1996, **PetroVietnam Insurance Company** was established as a domestic insurance company for the oil and gas industry, managing all the industry's domestic and international risks and assets.



► 2005

On 05 July 2005, PVI was awarded Third class Labor Medal.



► 2006

Following the move to a market economy, **PVI was equitized** through a series of structural governance and strategic business changes and was renamed PetroVietnam Insurance Joint Stock Corporation. It can be said that the PVI road to success began here.

On 30 December, **PVI's successful public - listing** on the stock exchange, setting a new record for share subscription on IPO.



► 2009

On 19 June 2009, PVI was awarded Second class Labor Medal.



► 2010

On 21 September 2010, PVI was awarded First class Labor Medal.



PVI became the first Vietnamese insurance firm to receive a **financial strength rating of B+ (Good)** from the respected A.M. Best rating agency.



Becoming a strategic partner of **Oman Investment Fund (OIF)** in 2010 and participating in a series of projects, PVI confirmed its number one position in the Vietnamese insurance market, leading to **World Finance Magazine (U.K.)** naming PVI the **"Best Insurance Company in Vietnam"**.



► 2011

On 27 May 2011, PVI was honored by the State President with the title Labor Hero.



Together with our inherited foundation, **PVI successfully restructured** to operate on the Parent (PVI Holdings) Subsidiaries model with two subsidiaries operating across insurance sector (PVI Insurance Corporation) and re-insurance sector (PVI Reinsurance Company). With this solid "tripod" and receiving additional support from our **new strategic partner, Talanx Group** of Germany, PVI Holdings increasingly consolidated its position in Vietnam and gradually asserted its name on the international market.



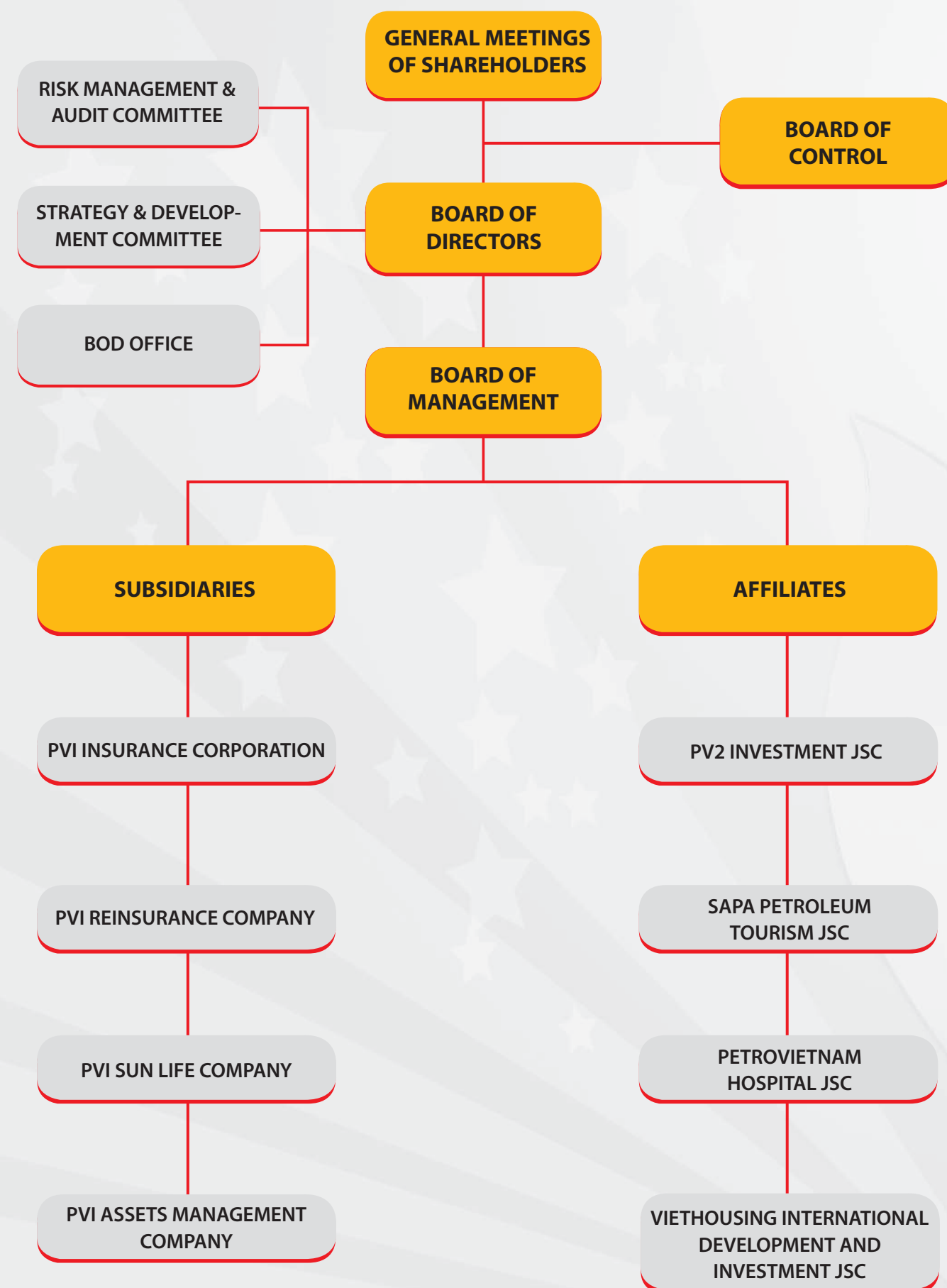
► 2012

Following restructure plan, PVI Holdings prepared actively to establish **PVI Sun Life Insurance Company Limited** and **PVI Assets Management Joint Stock Company**.

PVI Sun Life, of which PVI Holdings owns 51% and **Sun Life** the remaining 49%, aims to become a **leader in the life insurance market of Vietnam**.

In July 2012, PVI Holdings increased the charter capital to **VND 2,342 billion** thanks to the share subscription agreement with **Talanx Group**.

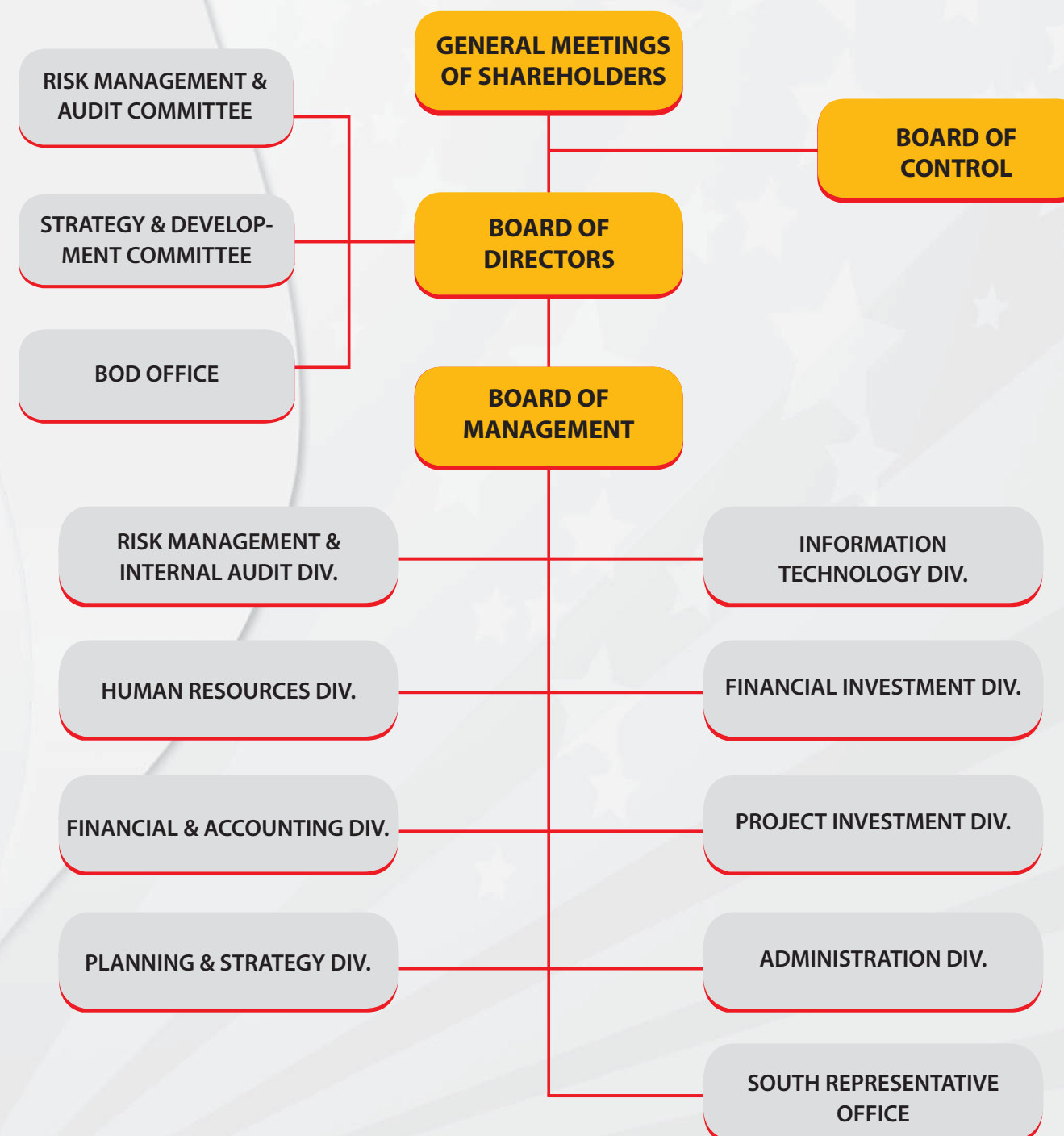
Business Operating MODEL



Business FIELDS

- ▶ **GENERAL INSURANCE, LIFE INSURANCE, RE-INSURANCE**
- ▶ **CAPITAL MANAGEMENT AND INVESTMENT**
- ▶ **ASSET DEVELOPMENT AND MANAGEMENT**

Organizational CHART



Board of **DIRECTORS**



MR. NGUYEN KHUYEN NGUON
Member of BOD

**MR. DUONG THANH DANH
FRANÇOIS**
Member of BOD

MR. BUI VAN THUAN
CEO/Member of BOD

MR. NGUYEN ANH TUAN
Chairman

MR. TON THIEN VIET
Vice Chairman

**MR. BADRI NARAYANAN
SANTHANA KRISHNAN**
Member of BOD

Board of MANAGEMENT



MR. TRAN VAN QUY
Deputy CEO

MR. PHAM ANH DUC
Deputy CEO

MR. TRUONG QUOC LAM
Deputy CEO

MR. NGUYEN NGOC MINH
Deputy CEO

MR. VU VAN THANG
Deputy CEO

MR. BUI VAN THUAN
Chief Executive Officer
Member of BOD

MR. PHAM KHAC DUNG
Permanent Deputy CEO

MR. NGUYEN HOANG TUAN
Deputy CEO

MR. PHUNG TUAN KIEN
Chief Accountant

Board of CONTROL



MR. GERARD AMAL WAHAB
Member of BOC

MR. OLIVER MASSMANN
Member of BOC

MS. HA LAN
Head of Board of Control

MR. JENS HOLGER WOHLTHAT
Member of BOC

MS. PHAN THI THU HUYEN
Member of BOC

Corporate Governance and HUMAN RESOURCES



After restructure in August 2011, PVI Holdings has officially been operating under the new model and continued to implement the restructure plan in order to become a complete Financial - Insurance Institution. In 2012, PVI Holdings has made changes to the organizational structure as follows:

I. ORGANIZATIONAL STRUCTURE:

1. THE PARENT COMPANY:

From 1 August 2011, new operation model has been applied in PVI Holdings. The governance structure of PVI was built in two levels, in which the parent company (PVI Holdings) is responsible for corporate governance, and its subsidiaries perform functions of business management. To continue to complete organizational model, enhance corporate governance functions and match with the main functions of capital investment in subsidiaries, associated companies, financial services business and other financial sectors, in 2012, the parent company focused on completing organizational structure, established the Office of the Board of Directors and two Functional Committees of the Board of Directors, including the Audit and Risk Management Committee and the Strategy and Development Committee. Besides, the functional boards were organized appropriately; Their

duties and tasks are very clear, not overlapped. Thereby, PVI Holdings has identified a clear governance structure, applied international standards into business management, defined responsibility of and the relationship between parent company and subsidiaries. The corporate governance is tight and efficient.

2. SUBSIDIARIES, ASSOCIATED COMPANIES:

- Subsidiaries:

+ PVI Insurance Corporation, operating as a Single member Co Ltd on 28 June 2011; Inheriting the complete rights, obligations and responsibilities previously held by PetroVietnam Insurance Joint Stock Corporation's non-life insurance business, be responsible for disputes arising in relation to capital and assets inherited from the parent company. At present, charter capital is VND 1,700 billion.

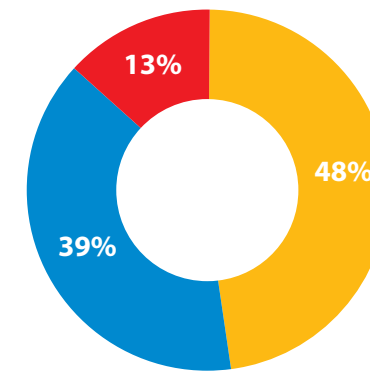
+ PVI Reinsurance Company, operating as a Single-member Co Ltd on 20 July 2011. At present, charter capital is VND 460 billion.

- Associated companies:

+ PV2 Investment Joint Stock Company: PVI Holdings holds 36.4% of the total charter capital;

+ Sapa Petroleum Tourism Joint Stock Company

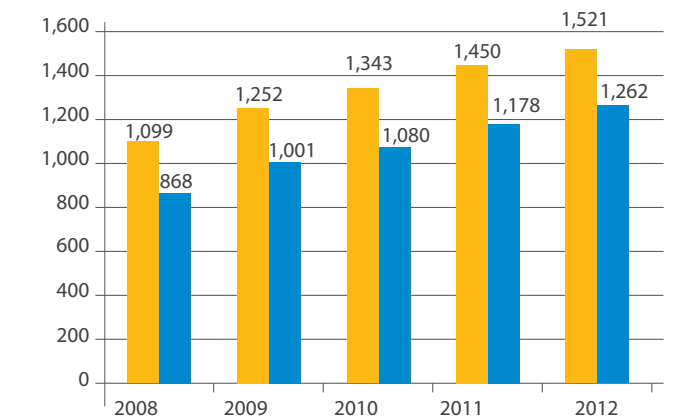
WORKING AGES:



2012

- Employees below 30
- Employees 30 - 39
- Employees 40 and above

PVI HR GROWTH CHART 2008 - 2012:



- Total Workforce
- Total number of employees with tertiary education or higher

(PVST): PVI Holdings holds 74.52% of the total charter capital;

+ PetroVietnam Hospital Joint Stock Company (PVH): PVI Holdings holds 60% of the total charter capital;

+ Viet Housing International Investment and Development Joint Stock Company (VietHousing): PVI Holdings holds 34% of the total charter capital.

3. PVI SUN LIFE INSURANCE'S AND PVI ASSETS MANAGEMENT'S ESTABLISHMENT:

- On 24 January 2013, the Ministry of Finance has officially issued the License No. 68 GP/KDBH for Life Insurance Operations to PVI Sun Life Company Limited. PVI Holdings holds 51% of its charter capital.

- PVI Holdings is co-operating with other partners to fulfill procedures for establishment PVI Assets Management Joint Stock Company. PVI Holdings holds 21% of its charter capital.

II. PERSONNEL:

1. AS OF 31 DECEMBER 2012, THE TOTAL NUMBER OF EMPLOYEES IN THE WHOLE PVI WAS 1,521 PEOPLE.

2011 the total number of employees in the whole PVI was 1,450 people, including:

- Parent company - PVI Holdings: 100 people
- PVI Insurance Corporation: 1,318 people
- PVI Reinsurance Company: 32 people

2012 the total number of employees in the whole PVI is 1,521 people, including:

- Parent company - PVI Holdings: 103 people
- PVI Insurance Corporation: 1,376 people
- PVI Reinsurance Company: 42 people

Shareholders' information and INVESTOR RELATIONS



Shareholders and investors are ones of the important objects in the corporate governance policy of any joint stock companies. PVI Holdings (PVI) always considers shareholders as the true owners of the enterprise. Relationship between PVI Holdings and its shareholders and investors has a special meaning in term of establishing and reinforcing stable and long-standing confidence between the parties. This will help PVI Holdings have more long term capital for development, and the real value of the PVI shares will be preserved by investors.

Core value of the PVI Holdings' shareholders relationship is to ensure all legitimate rights and interests of shareholders be fully performed as well as all shareholders be treated fairly. As a publicly listed company, PVI Holdings diligently complies with the disclosure requirements of the Hanoi Stock Exchange (HNX). The latest business activities news are constantly updated on the company website www.pvi.com.vn as well as on other mass media in both of Vietnamese and English. PVI Holdings always and actively announces accurately and timely information interested by investors. Besides the information about business results, financial data, potential projects... PVI Holdings also focuses on updat-

ing news on sustainable development plan and social responsibilities of the enterprise. PVI Holdings is willing to provide shareholders and investors multi-dimensional information enabling them to have a comprehensive view of the business.

Shareholder Relation Department of PVI Holdings has performed its function as an effective bridge between shareholders, investors and the enterprise. Not only at Annual General Meetings of Shareholders, PVI Holdings is always ready for having direct conversations with shareholders and interested investors. PVI Holdings' shareholders - either organizations or individuals, major shareholders or other shareholders are always treated sincerely, openly. PVI Holdings responds immediately to queries and comments from shareholders via telephone or email, as well as via meetings and discussions with investors, funds and financial institutions.

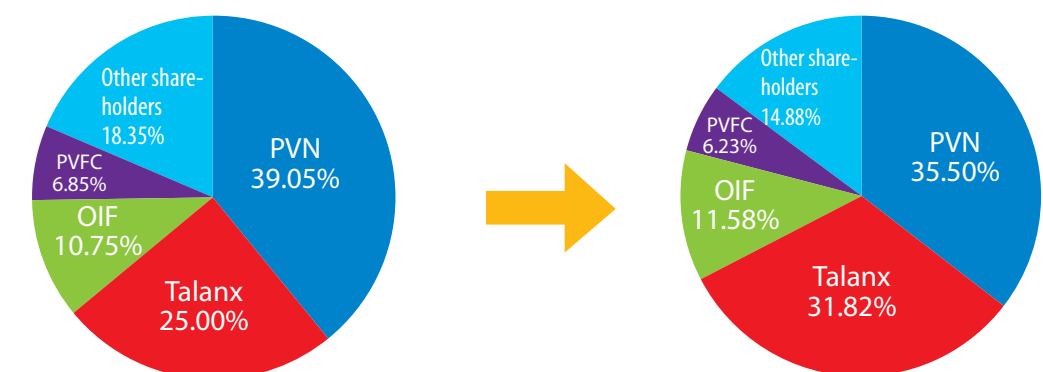
PVI Holdings has held many meetings between the Leadership and strategic investors to discuss on development plan and corporate governance situation in order to find out the best directions for PVI, ensuring the highest benefit for PVI Holdings' shareholders.

In 2012, the world and Vietnam's economies expe-

No.	SHAREHOLDER NAME	ADDRESS	BUSINESS	NUMBER OF SHARES OWNED BEFORE CAPITAL RAISING *	NUMBER OF SHARES OWNED AFTER CAPITAL RAISING
1	PETROVIETNAM GROUP (PVN)	18 Lang Ha, Hanoi	Oil and Gas, Investment	83,149,740	83,149,740
2	HDI-GERLING VERSICHERUNG AG (TALANX)	Germany	Insurance	53,236,788	74,531,503
3	FUNDERBURK LIGHTHOUSE LIMITED (OIF)	Oman	Investment Fund	22,889,900	27,117,841
4	PETROVIETNAM FINANCE COPORATION (PVFC)	22 Ngo Quyen, Hanoi	Finance	14,593,243	14,593,243
5	OTHER SHAREHOLDERS			39,077,481	34,849,540

* Before 03 July 2012

PERCENTAGE OWNERSHIP BEFORE AND AFTER CAPITAL RAISING



rienced an extremely difficult period, resulting huge losses for the community of enterprises, prompting many investors to withdraw capital from the stock market. Despite it, PVI Holdings' shareholders, especially major shareholders, remain the confidence and long-term commitment with the enterprise. Thanks to this, PVI Holdings has continued to successfully increase its capital through issuing private shares for the strategic shareholder Talanx Group. Ownership of foreign inves-

tors in the year is always at the maximum level limited by law. PVI Holdings' warm relationship with the investors significantly contributes to that positive result.

Associated companies AND SUBSIDIARIES



PVI INSURANCE - THE VALUE WAS AFFIRMATIVE

The company's goal is to conquer the landmark **VND 6,068 billion total revenue with profit of VND 455 billion in 2013.**

On 28 June 2011, the Ministry of Finance issued Establishment and Operating Certificate 63GP/KDBH to establish PVI Insurance Corporation. And from 01 August 2011, PVI Insurance Corporation began operating under a new business model, inheriting all rights, obligations and responsibilities for non-insurance business from PVI.

In 2012, PVI Insurance continued to affirm strong and solid growth, was the only one among 5 leading non-life insurers fulfilling beyond the business targets with **total revenue of approximate VND 5,459 billion (102.5% of the target)** and profit of VND 454 billion (116% of the target). PVI Insurance continued to maintain the No. 1 position in industrial insurance field with premium revenue of approximate VND 4,659 billion and enjoyed 21% market share of the non-life market.

In 2012, PVI succeeded in consultancy, risk management and assets assurance for clients in Gas and Oil - Energy fields via PVN and PVEP insurance packages. Moreover, PVI Insurance provided efficiently insurance services to other industries such as aviation insurance for Vietnam Airlines, the Navy, construction insurance for the Ministry of Transportation, Ministry of Agriculture & Rural Development. One of the major projects is the urban railway Ho Chi Minh City - Ben Thanh - Suoi Tien project with the total value insured up to USD 600 million...

Besides that, in 2012, PVI Insurance's distribution system developed in the right track; retail distribution operation initially made profit; revenue structure shifted according to the annual plan. The ratio of vehicle insurance claim and debt reduced significantly.

On the international market, PVI Insurance still af-

firmed its capacity, continued to maintain the financial strength rating of B+ (Good) by **A.M Best**. This is an enormous competitive advantage of PVI Insurance in the current market context.

On 28 December 2012, **PVI Insurance officially increased charter capital up to VND 1,700 billion** and became the largest capital scale non-life insurer in the market. And PVI Insurance planned to continuously increase charter capital in 2013. Thanks to new charter capital, PVI Insurance will have more business advantages in 2013 and the subsequent years. In addition, it is a good condition for PVI Insurance to maintain and upgrade the international financial strength rating from **A.M Best**. In such market context, professional investors and foreign partners will look for business partner who is recognized and certificated by international rating organizations.



PVI RE - CONFIRMING A PROFESSIONAL REINSURER BRAND

As a subsidiary of PVI Holdings, under PVN, PVI Re is the second reinsurance company licensed operating in Vietnam. PVI Re was established to be one of the core business activities of PVI Holdings, including: non-life insurance, life insurance, reinsurance, fund management, as well as to contribute to the common development of Vietnamese insurance market.

2012- PVI Re was a highlight in Vietnamese insurance market

After 8 months of operation, PVI Re has been rated a financial strength rating (FSR) at **B+** (Good) and the issuer credit rating (ICR) at **bbb-** by **A.M Best**. This event officially led PVI Re to be the first and only reinsurance company in Vietnam being rated of international financial capacity. This is an advantage for PVI Re on the way of reputation and prestige confirmation.

PVI Re reported the 2012 financial statement with overall turnover reached VND 1,250 billion, 101% of the plan, the profit was VND 31 billion, fulfilling 116% of its target. One of the important indicators influencing the financial capacity of an insurer is reserves. In 2012, additional reserve of VND 155 billion was made by PVI Re, making its total reserves be VND 173 billion by the end of the year.

2013 - PVI Re with desired plans

PVI has targeted for 2013 by the challenging business plan: total revenue of VND 1,430 billion, increasing 15% compared to 2012 with profit before tax of VND 90 billion. The retention reaches VND 225 billion.

The main target in 2013 of PVI Re is to increase charter capital to VND 600 billion by equitization; and PVI Re will continue to increase charter capital to VND 1,000 billion in the following years. This will facilitate the company to increase the retention and capacity of reinsurance as well as to remain the international credit rating.

Strengthen position in the local market, PVI Re has been continuously expanding insurance business to overseas markets such as Singapore, Korea, Middle East, and India; step by step seeking and expanding to new markets such as Myanmar, Indonesia, and South Africa. These are potential markets and expected to contribute 25% of total revenue of the company and will get rapid growth rate in the coming time.

PVI Re is strengthening improvement quality of products, customer care service, IT system and human resources aiming to become a professional, effective and internationally recognized reinsurer.

PVI SUN LIFE INSURANCE COMPANY LIMITED

The Ministry of Finance of Vietnam issued the Licence No. 68 GP/KDBH to PVI Sun Life for Life Insurance Operations on January 24, 2013. Headquartered in 20 - 22 Pham Ngoc Thach Street, Ward 6, District 3, Ho Chi Minh City, PVI Sun Life aims to help its customers achieve lifetime financial security by delivering a suite of innovative and affordable life insurance solutions to customers in Vietnam through multiple sales channels.

The company aims to become a leader in the life insurance sector by leveraging the strength of both partners - PVI Holding's excellent reputation and deep local knowledge and Sun Life Financial's global insurance and risk management expertise. This unique combination provides a strong foundation from which PVI Sun Life to deliver the best products and services to its customers.

The mission of PVI Sun Life is: to provide customers with advice and solutions to help them achieve their financial goals.



The core values are: **Customer focus** - providing sound financial solutions for customers and always work with their interests in mind; **Superior Quality** - being committed to the delivering the highest quality products and services to customers; **Expertise** - offering professional financial advice to help customers achieve their financial goals; **Value** - delivering value to customers and to the communities in which the company operates.

PV2 INVESTMENT JOINT STOCK COMPANY

PV2 Investment Joint Stock Company was established in June 2007, with the core businesses being real estate and financial investment.

As operating in real estate and finance business sectors, PV2 was heavily influenced by the economic difficulties. 2012 in particular, these were difficulties in investment projects, recovery of debts, litigation with insolvent customers... Risks arising from the year 2011 markedly influenced on 2012 business activities and results, most directly on management, real estate repo and financial investment. This forced PV2 to pay more



Associated companies AND SUBSIDIARIES (Continued)

attention to business operation, especially to financial services which used to be the activity utilizing short-term capital to make profits to PV2 in past time. In 2012, the company has halted implementation of financial investment activities and other business activities to focus on recovering bad debts and maintaining ongoing investment projects, aiming to overcome difficulties.

Towards to the long - term development goals and against to changes of the market, PV2 conducted corporate restructuring in 2012. The company structured reasonably the entire investment portfolio, financial investment portfolio, to focus on strategic investments. At the same time, PV2 also strengthened management structure, ensuring the organization to be compact, efficient in operation. The restructure aimed at ensuring the stability and development of PV2 in the future.

In 2012, PV2 continuously conducted investment projects in Dong Nai, Dung Quat, Hanoi... And PV2 pushed marketing activities, sought partners to transfer real estate projects aiming at realizing profits to mobilize capital to other investment activities. The Leadership focused on handling the tough contracts. PV2 was very careful in disbursement for the financial investment activities, mainly focused on realizing profits from stock investment portfolio and managing the businesses of subsidiaries, deposited in banks in order to preserve capital.

Stepping into 2013, PV2 will overcome the difficulties, be stable and develop thanks to Leadership and staffs' inspiration.

PETROVIETNAM HOSPITAL JOINT STOCK COMPANY

On 27 June 2011, at Van Tuong new urban zone, Binh Tri commune, Binh Son district, Quang Ngai province, PetroVietnam Hospital Joint Stock Company (PVH) officially launched its operation.

Since the operation, PVH has invested in launching new services at the Dung Quat PetroVietnam Hospital. Together with improving capacity for employees, PVH also paid special attention to marketing activities, communication as well as invested to purchase the machines and equipments such as: air 18-parameter biochemical machine, hemodialysis machine, 4D ultrasound machine with the total cost of over VND 11 billion.

Thus, through an operating year, PVH achieved some certain success. All the indicators of professional activities of PVH increased highly: held medical examination and treatment for about 65,698 turn of people, there were approximately 4,316 inpatient and 38,382 outpatient, reached 153.53% as planned and nearly 9,000 employees in the oil and gas industry participated in



periodic health examinations in PVH, about 194,879 testing times exceeded 314% the year plan, 12,867 ultrasound times reached 214.45% of the year plan. In particular the capacity of using hospital bed rose 168%, Dung Quat PetroVietnam Hospital was one of the hospitals having bed capacity increased in the province (from 2011 and earlier, the old Dung Quat Hospital having lowest capacity of bed using in the province). That was the remarkable points of PVH, contributing to the cause of health care for the people of the province as well as employees in the oil and gas industry, reducing the current overload of the hospitals in Quang Ngai province.

In addition to professional work, PVH is also concerned with the issue of medical ethics of doctors and nurses. Most of patients here are poor or in social policy, so the doctors and nurses always spend a sense of responsibility, whole-hearted care of patients, deserving of Uncle Ho's teachings "Herbalist as gentle mother". Additionally, the hospital regularly reminds the employees of service attitude. The mission of the team of the doctors and nurses is not only to provide the patients with clear explanation for illness, but also encourage their spirit and psychology to help them feel secure for treatment. Performing these criteria, the hospital has gained people's confidence when coming to see the doctor, leaved good feelings for the patients.

By the patient's beliefs and its own desire of growth along with the spirit of solidarity, efforts and determination, PVH will continue to innovate, fulfill the tasks planned in the year 2013 and subsequent years to become the leading health care for the community in Quang Ngai province. In order to make all desires come true, PVH will need the right direction and positive support from the shareholders, especially PVI Holdings, to early implement the project "General Medical Center" in Quang Ngai province. This will be a satellite increasing the sustainable revenue for the hospital and PVH in the future. In the coming time, PVH is expected to remain and to obtain further development, corresponding to the investment and the expectations of the Petro Vietnam and of the shareholders, especially PVI Holdings./.

SAPA PETROLEUM TOURISM JOINT STOCK COMPANY (PVST)

Sapa Petroleum Tourism Joint Stock Company (PVST) was established on 1 July 2008 with charter capital of VND 100 billion.

In 2013, in order to bring into play financial power of the founding shareholders, especially PVI Holdings, under PetroVietnam, PVST consolidated the personnel, strengthened key business lines: Tourism services; Restaurant - Hotel; San Lung specialty wine.

+ For Tourism Services: PVST has already been one of the leading tour operators of the province for many constant years and been one of the six local units that are allowed to transfer the Chinese tourist into Vietnam by Decision No. 849/2004/QĐ-BCA of Ministry of Public Security. To have further achievements in 2013, PVST will improve the quality of support services such as transportation, accommodation, catering, immigration, visa and passport... In addition, PVST has conducted survey and expanded several tour lines meeting travelling demands of tourists with professional style and the best service quality as PVST slogan: "Your smile - our happiness".

+ For the Restaurant and Hotel business: PVST has invested to build luxury hotels with the 4 - star standard entitled: U SaPa in the Centre of Sapa town, Sapa district, Lao Cai province - one of the most famous tourist destination in Vietnam. This hotel is expected to come into operation in quarter III of 2013 .

+ For San Lung Specialty wine: In addition to the 4 existing products: Nam No bottle with capacity of 500ml and 43 degrees; Nam No with capacity of 500ml and 33 degrees, dual round bottle with capacity of 400ml and the lady-shape bottle with the capacity of 400ml, PVST has created three new products: 3 - little jar of high quality fermented sticky rice wine, Nam No bottle of fermented sticky rice with capacity of 500ml and 40 degrees and popular bottle with capacity of 500ml and 33 degrees to diversify products to meet demand for consuming, gift



of customers in and out the province. San Lung wine will bring the customer the feeling of friendship and warm flavor of a highland area.

In addition to the major services mentioned above, PVST has made great efforts for seeking potential partners to expand business scale, empower the position, competitiveness on the export - import business, finance and real estate investment.



THE VIET HOUSE INTERNATIONAL INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY ("VIETHOUSING")

Headquartered in Ho Chi Minh City, The Viet House International Investment and Development Joint Stock Company ("VietHousing") is a fledgling member of PVI Holdings, specializing in real estate and financial investment.

Aware of difficulties and challenges ahead as well as great opportunities in its long - term development itinerary, the Leaders of the company has planned a sustainable business development strategy in order to ensure the long - term growth.

Although a new established business, but VietHousing achieved encouraging results. 2012 revenue is estimated to reach about VND 36 billion and profiting in the first year of operation.

With the aim of strengthening business activities in 2013, creating foundation for the development of the following years, VietHousing will focus on implementing ongoing projects in Ho Chi Minh City and continuing to seek for proper investment projects and new business opportunities in the current context of the market.

VietHousing set revenue target for 2013 reaching number of VND 79 billion, increasing approximately 120% in comparison with 2012 figures done. Along with deployment of sustainable business strategy, the risk management and prevention are always given the top priority by the company. Besides, VietHousing also pays special attention to business management, personnel quality enhancement to prepare for the sustainable development of the company.

With the initial achievements in 2012, the support of shareholders, especially of PVI Holdings, added with the clear - sight direction of the Leaders and great effort of all employees, VietHousing has enough confidence to step in 2013 and will try the best for the sustainable and continuous development of the company, to create VietHousing's core values: **P**OWER: **P**rofessional - **O**utstanding - **W**orthy - **E**ngaged - **R**eliable.

Corporate GOVERNANCE



PVI HOLDINGS 2012 CORPORATE GOVERNANCE HIGHLIGHTS

I. KEY PERSONNEL CHANGES

Pursuant to Resolution No. 08/NQ - PVI on 20 April 2012 of the Board of Directors: Mr. Tran Van Quy, former member of the Board of Directors was appointed as Deputy CEO (in charge of the southern operation) since 20 April 2012.

II. BOARD OF DIRECTORS (BOD) ACTIVITIES

In 2012, the PVI Holdings Board of Directors has performed the duties as prescribed by law and legalized rules of PVI Holdings. The Board of Directors held successfully Annual General Meetings of Shareholders on 20 April 2012 and the regular Board of Directors meetings. The Board of Directors has issued 25 resolutions to implement direction, monitor the activities of the Board of Executives; and coordinated actively with Board of Control strengthening risk management mechanism for the operation of the company.

In 2012, the PVI Holdings Board of Directors has implemented the following specific tasks:

1. Direct PVI Holdings to complete business plans of 2012
2. Direct PVI Holdings to continue to implement the restructuring master plan and establish subsidiaries in line with the business plan approved by General Meetings of Shareholders
 - Life Insurance Company: PVI Sun Life Insurance Company Limited.
 - Fund Management Company: PVI Assets Management Joint Stock Company.
3. Direct PVI Holdings to successfully increase charter capital, consolidate tight co-operation with strategic shareholder Talanx:

PVI increased the charter capital successfully from VND 2,129 billion to VND 2,342 billion through the issuance of separate shares to strategic partners, HDI-Gerling Industrie Versicherung AG, owned by Talanx Group. The total value of the transaction was up to VND 560 billion (equivalent of USD 27 million), according to which ownership of HGI at PVI has increased from 25 % to 31.82%.

The Board of Directors guided to increase charter capital of PVI Insurance aiming to upgrade its capacity of competitiveness and business efficiency. Thanks to new charter capital of VND 1,700 billion, PVI Insurance has become the insurer with the largest capital scale in the Vietnamese non-life insurance market.

4. Continue to improve the corporate governance model in accordance with international standards.

The Board of Directors has established the Office of the Board of Directors and 02 Functional Committees of the Board of Directors, including the Audit and Risk Management Committee and the Strategy and Development Committee. In 2012, the Committees have coordinated with the Board of Executives to propose specific comments to the Board of Directors regarding to the risk management as well as long-term strategic development directions.

5. Successfully maintain the credit rating by A.M Best for PVI Insurance and obtain initially the rating at B+ (Good) for PVI Reinsurance.

III. BOARD OF CONTROL (BOC) ACTIVITIES

The Board of Control elected by Annual General Meeting of Shareholders held on 20 April 2012, comprises 4 members: one full-time member as the Head and

three part-time members. The members of the Board of Control were assigned clear and specific responsibilities. Quarterly, the Board of Control held regular meetings covering: review implementation of the Board of Executives on the recommendations in the previous quarter; clarify the results of PVI Holdings operations and financial condition with representatives from the Board of Directors, Board of Executives, and officers involved; reach a consensus on evaluations and proposals for PVI Holdings to construct detailed plans for the forthcoming quarter. The Board of Control regularly conducted monitor PVI Holdings activities through reports from the functional boards, the representatives of PVI Holdings in subsidiaries, associated companies; and directly monitored several documents. Board of Control coordinated with the Audit and Risk Management Committee, the Internal Audit and Risk Management Board to construct the monitoring plan and implement monitoring.

Inspection and supervision tasks included:

- Monitor the work of the Board of Directors and Board of Executives.
- Monitor the implementation of the resolutions adopted by the General Meeting of Shareholders and Board of Directors as well as appraised the reports of the Board of Directors.
- Monitor the amendment to, and implementation of PVI Holdings internal regulations and rules.
- Monitor the implementation of the regulations of the PVI's representatives in subsidiaries and associated companies.
- Monitor and assess the implementation of annual business plan; Evaluate the financial statements; Review and analyse the quarterly financial indicators in 2012.

In the monitoring process and after each quarter, Board of Control provided its comments, and made recommendations for the handling of business and management activities with the aims of ensuring PVI Holdings achieve the utmost efficiency.

IV. COORDINATION BETWEEN THE BOARD OF DIRECTORS, BOARD OF CONTROL AND BOARD OF EXECUTIVES

PVI Holdings Board of Directors implemented monitor and supervision of activities of the Board of Executives to ensure compliance with the provisions of the law and PVI Holdings' charter. In addition, the Board of Directors also carried out other important tasks included: direct to continue implementing restructure plan in line with the resolutions of the Annual General Meeting of Shareholders focusing on establishment PVI Sun Life Insurance Company Limited and PVI Assets Management Joint Stock Company; direct the payment of 8% dividend of 2011 (2nd time) and advance payment of 7% dividend of 2012.

The Board of Executives managed the business operations and other tasks according to the decisions of the Board of Directors, ensuring corporate governance at PVI Holdings efficient.

In 2012, the Board of Control worked closely and got good co-operation from the Board of Directors and Board of Executives. The Board of Executives and the functional boards provided necessary information and documents for the supervision process of the Board of Control.

V. IMPROVING THE PVI HOLDINGS GOVERNANCE MODEL

In the coming time, PVI Holdings Leadership will keep abreast of with social and economic situation, development and business activities of the company in order to decide reasonable and proper policies to continue maintaining leading position in the Vietnamese non-life insurance market; to strengthen PVI brand in the international market thanks to cooperation with Talanx Group and Sun Life Financial. Besides, PVI Holdings will continuously implement the restructure plan, focus on risk management and improving financial capacity for subsidiaries, associated companies.

Risk MANAGEMENT

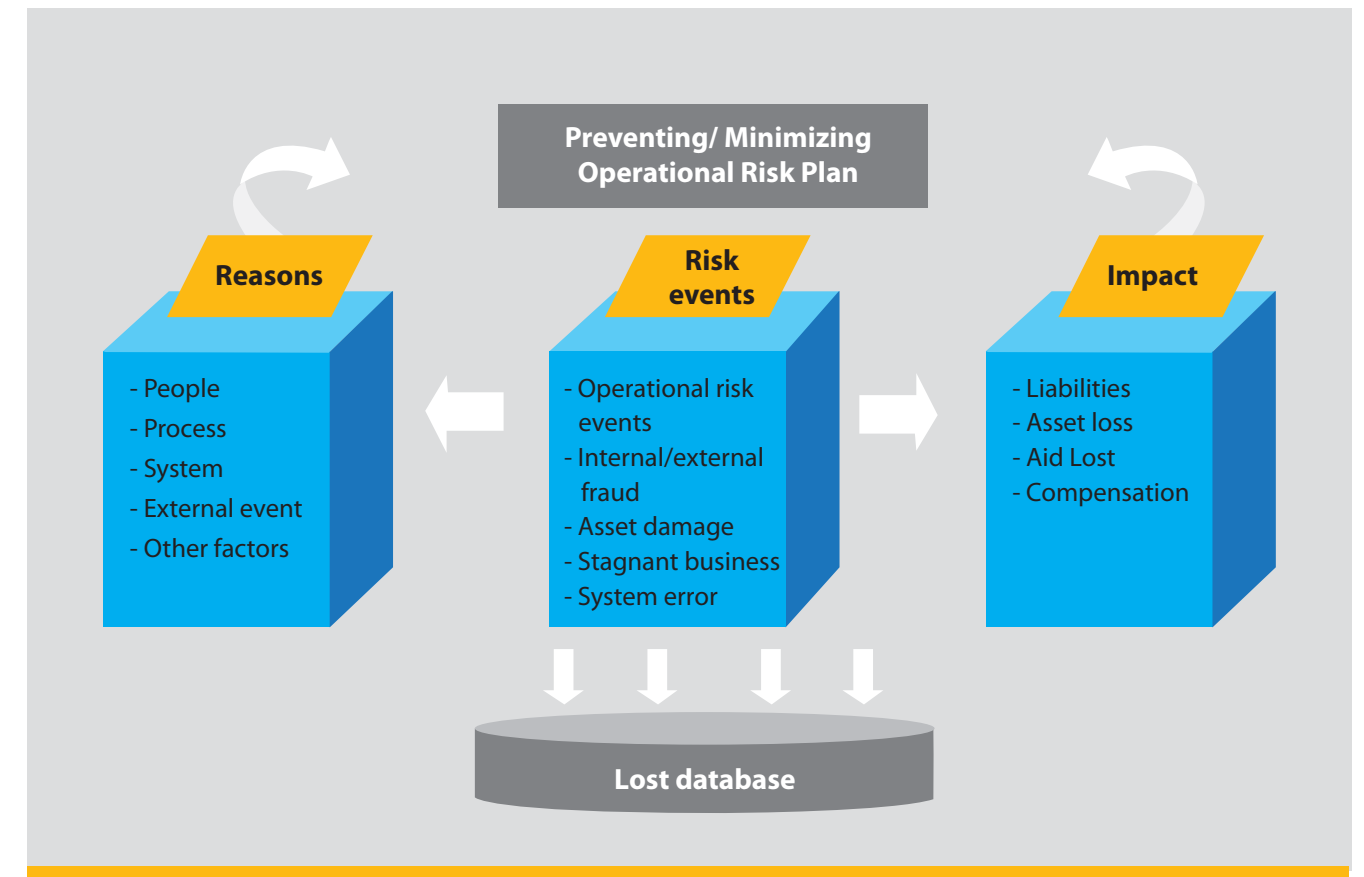


Operational risk is the risk existing in most of the activities of the enterprise, but it is the most unpredictable. In the past, many enterprises in Vietnam and around the world have suffered losses due to operational risks, which influenced significantly on the reputation and assets of the enterprises. In a context of competition and integration, more advanced technology applications and especially during the current financial crisis, enterprises must strongly renovate to strengthen operational risk management. Being aware of this, PVI Holdings has focused on constructing and applying modern methods for operational risk management.

The causes of the operational risk include human (employees' fraud, intentional fault, loss or lacking of key personnel); process (ineligible contracts, documents, lack of guidelines, weak compliance with internal and external regulations and rules, complex products or bad advice); system (unappropriate technology investment, error from system operating, system security vulner-

abilities) and external factors (criminal acts, inappropriate utilization of outside resources, disasters, poor public infrastructure). Operational risk can make huge losses for enterprises such as: the liabilities, damage or loss of property or reputation, reduction or loss of capital and reduction of profit...

Therefore, operational risk management in recent years has become an important activity for PVI Holdings. At PVI Holdings, all levels from the Board of Directors, Board of Management and all employees must be aware of the importance of operational risk management. PVI Holdings established Auditing and Risk Management Committee which separately belongs to the Board of Directors. The Committee operates independently, does not participate in the process of creating the risk, with the function of risk management and monitoring. The Committee is the division reviewing the efficiency of 'control points', proposing new control points to prevent the existing risks as well as new emerging risks.



Besides, PVI Holdings always focuses on building the awareness of risk management in the whole system and sets the control points for all activities. All PVI Holdings' employees are trained to understand and participate in risk definition in all products, activities, and process. The human resources management policies aim to build up a high - quality and righteous human resources; all process are regularly reviewed, upgraded to prevent from inflexibility and vulnerability. Information technology and operation systems are maintained and updated regularly.

In addition, PVI Holdings currently associates with consultant agency to build a system of key indicators measuring the risk KRIs (key risk indicators), combining qualitative indicators (self assessment and examination) and quantitative indicators and calculating the possibility of risks. From the quantification of risks as above, PVI Holdings applies the most appropriate plan to control risk, ensuring the high risky areas being

supervised with higher priority.

In the coming time, PVI Holdings will cooperate with the strategic shareholder Talanx to upgrade the software in order to construct the operational risk database. Thus, the analysis, evaluation and handling of operational risk will be easier and more efficient.

Therefore, effective risk management means risks occurring in the foreseen level and can be controlled. This plays the important role and contributes to the success of PVI Holdings since risk is forecasted, PVI Holdings could deploy the appropriate plan and ensure sustainable development.

Achievements HIGHLIGHTS

In March 2012, A.M Best announced financial strength rating of B+ (Good) for both PVI Insurance Corporation and PVI Reinsurance Company. To date, PVI is the only Vietnamese insurance and finance enterprise to be rated by A.M Best for both insurance and reinsurance sectors.



On 31 May 2012, PVI Holdings and Sun Life Financial signed the agreement to form a life insurer: PVI Sun Life Insurance Company Limited. PVI Sun Life establishment was in line with PVI's development strategy, and further expanded Sun Life footprint in Asia.



Under the share subscription agreement signed on 3 July 2012, HDI-Gerling Industrie Versicherung AG has agreed with PVI Holdings to increase its shareholding from 25% to 31.82%. Total amount of this transaction was VND 560 billion (roughly USD 27 million).

In December 2012, PVI Insurance's charter capital was raised to VND 1,700 billion. With the new charter capital, PVI Insurance has become an insurer with the largest capital scale in the Vietnam non-life insurance market.

By the end of 2012, total revenue of PVI crossed VND 6,000 billion (over VND 6,200 billion). PVI Insurance maintained the No. 1 position in industrial insurance field and enjoyed 21% market share of the non-life insurance market. PVI Re achieved profitable revenue of VND 1,250 billion in the first operation year.



On 24 January 2013, The Ministry of Finance of Vietnam issued the Licence No. 68 GP/KDBH for Life Insurance Operations to PVI Sun Life. PVI became the first and only enterprise in Vietnam to have the subsidiaries operating in all insurance sectors: General Insurance - Life Insurance - Reinsurance.

Standout 2012
FINANCIAL HIGHLIGHTS

THANKS TO FITTING DEVELOPMENT STRATEGY AND EFFECTIVE BUSINESS SOLUTIONS ALONG WITH VALUABLE SUPPORTS FROM STRATEGIC PARTNERS, PVI HAS OVERCOME CHALLENGES, SUCCESSFULLY EXCEEDED ALL THE PLANNED TARGETS IN 2012, MADE PAYOUT OF 15% DIVIDEND AS COMMITTED.

▶ **THE CONSOLIDATED BUSINESS RESULTS**

By the end of 2012, **TOTAL REVENUE OF PVI CROSSED VND 6,000 BILLION (OVER VND 6,200 BILLION)** with the **INSURANCE REVENUE VND 4,659 BILLION**, 10% increase over the corresponding period in 2011. **PROFIT BEFORE TAX was VND 549 BILLION**, over 17% increase. Contribution to **STATE BUDGET was VND 523 BILLION**, more than 13% increase.

▶ **THE PVI HOLDINGS' BUSINESS RESULTS**

The parent company - PVI Holdings had a successful 2012 and exceeded all planned targets with the **TOTAL REVENUE VND 809 BILLION**, exceed 137% of the plan, **the PROFIT BEFORE TAX VND 397 BILLION** and dividend **payout at 15%**. These are the standout results in the context of common difficulties, expressing the inspiration and efforts of the whole PVI.



Future development DIRECTION



OVERALL OBJECTIVES

PVI Holdings will become an internationally recognized Insurance - Finance Institution with the motto: Rapid and sustainable development founded on knowledge and the strength of the PetroVietnam Group for the mutual benefit of shareholders, customers and employees.

DEVELOPMENT ORIENTATIONS FOR 2013

- Continue improving the effectiveness of management system, enhancing risk management.

- Raise charter capital in order to continuously improve the finance and operation capacities.

- Maintain rating of B + (Good) for both PVI Insurance and PVI Reinsurance.

- Maintain growth rate of the core business - insurance operation higher than the average growth rate of the market.

TOTAL REVENUE REACHING OVER VND 7,000 BILLION

- With the PVI Sun Life Insurance Company Limited's and PVI Assets Management Joint Stock Company's establishment, PVI Holdings continuously restructures. At the present, PVI Holdings' pillars are insurance and finance. There are 3 subsidiaries operating in general insurance, life insurance, re-insurance and PVI A.M specializing in capital managements, enhancing the invest-

ment capacity of whole PVI system under the principle of efficient and careful investment.

- Build the brand name and enterprise culture.

- Continue to upgrade and develop infrastructure, IT systems, management software system, database to improve the effectiveness of common management performance overall PVI, corresponding to PVI's development.

- Focus on personnel and improve the quality of human resources through recruitment and training, strengthen cooperation with foreign partners to train on job employees.

- Expand relationships with shareholders and foreign partners.

Social RESPONSIBILITY



Being the representative's voice for PVI Holdings' employees, PVI Trade Union has completed well the implementation of regulations and policies related to the rights and obligations of employees. With the total staff of the parent company and its subsidiaries/associated companies of more than 1,700 people, PVI Holdings has determined the workforce as a crucial factor in enterprise development. It can say that the PVI employees' life is being more and more improved. In general, the employees have stable income, the standards of living are continuously improved. In 2012, the average income of employees in the whole PVI system reached VND 17.4 million/person/month. Employees are fully enjoyed the kinds of insurance: social insurance, health insurance, unemployment insurance as regulated by Vietnam Labor Law. In addition, PVI still remains human insurance with high responsibility (PVI Care) for 100% of PVI employees.

Working conditions of employees are paid special attention. The PVI Holdings' headquarters and the subsid-

iaries', branches' offices are always repaired, upgraded to ensure the best working conditions and facilities according to regulated standards. PVI Tower which is designed modernly, synchronously, and eco - friendly will be put into use as headquarter of the company. Thus, it will create the best working environment and conditions for PVI employees.

By activeness and enthusiasm of PVI Holdings' organizations in caring of employees' spirit, 2012 was the year of sportive and cultural activities in PVI system. PVI football tournaments in both North and South with the participation of more than 20 teams were the friendship bridges to bring PVI's staffs closer. PVI football team also joined the Ho Guom Cup tournament and was the champion of 2012 PVI Open tournament. The PVI staff's band practised regularly to be ready for PVI Holdings' events. Impressive and meticulous performance of PVI band, especially "PVI song" flash mob dance, were recognized and congratulated by whole PVI members.

Together with inherited foundation, PVI Holdings still focused on social activities in 2012. The social activities are ones of the essential activities of PVI Holdings. PVI employees actively participated in the social security activities such as Donation for Poors, Donation for Victims of Floods, Contribution to PetroVietnam Assistance Fund... In 2012, PVI Holdings contributed to social activities with the total amount of **VND 18 billion**.

Some social responsibility highlights:

1. Saving and house building assistance to former youth pioneers in Thanh Hoa province: VND 1.5 billion
2. Contribution to PetroVietnam Assistance Fund: VND 1.5 billion
3. Contribution to PetroVietnam Youth Development Fund: VND 1 billion
4. Assistance to victims of fired Central market in Quang Ngai: VND 500 million
5. Giving Nhan dan newspaper to people in highland and islands; Supporting students of the Law university to

On 28 December 2012, the first Delegates Congress of PVI Trade Union, term 2012 - 2017 was held successfully. The annual emulation targets for PVI Trade Union include:

+ **Strive for the title of strong fundamental Trade Union.**

+ **Strive for the emulation flag of Viet Nam General Confederation of Labor**

+ **Fundamental Trade Unions gets title of "Strong fundamental Trade Union" and "Excellent and Strong fundamental Trade Union".**

+ **20% individuals get the title "Typical excellent Trade Union Member".**

+ **80% female union member gets the title "Good at Social Work, Good at housework".**

The Congress also elected the Executives Board term I (2012-2017) including 15 members, led by Mr. Pham Khac Dung, PVI Holdings Deputy CEO as the role of President, and two other members Mr. Dang Tien Dung, and Ms Ho Thu Huong as the role of Vice President.

participate in International Law of Environment Forum in the United State.

PVI also participated in and sponsored for internal and external sport games with a total amount of VND 200 million.

It can be said that the activities of PVI organizations were paid attention in 2012. They have showed the strength and role, coordinated with the Board of Management and the whole employees to build a strong and united PVI. PVI organizations will continue to work closely with the Leadership to contribute success to the business.

FINANCIAL
STATEMENTS | 2012

AUDITED FINANCIAL STATEMENTS

Statement Of The Board Of General Directors	43
Auditors' Report	45
Balance Sheet	46
Income Statement	48
Cash Flow Statement	49
Notes To The Financial Statements	50

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Statement Of The Board Of General Directors	73
Auditors' Report	75
Consolidated Balance Sheet	76
Consolidated Income Statement	78
Consolidated Cash Flow Statement	79
Notes To The Consolidated Financial Statements	80



AUDITED
FINANCIAL STATEMENTS

STATEMENT OF THE BOARD OF GENERAL DIRECTIORS

The Board of General Directors of PVI Holdings (“the Company”) presents this report together with the Company’s financial statements for the year ended 31 December 2012.

THE BOARD OF MANAGEMENT AND GENERAL DIRECTORS

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

Board of Management

Mr. Nguyen Anh Tuan	Chairman
Mr. Ton Thien Viet	Vice Chairman
Mr. Bui Van Thuan	Member
Mr. Nguyen Khuyen Nguon	Member
Mr. Tran Van Quy	Member (resigned on 20 April 2012)
Mr. Patrick Claude Choffel	Member (resigned on 20 April 2012)
Mr. Thanh Danh François Duong	Member (appointed on 20 April 2012)
Mr. Santhana Krishnan Badri Narayanan	Member (appointed on 20 April 2012)

Board of General Directors

Mr. Bui van Thuan	General Director
Mr. Pham Khac Dung	Deputy General Director
Mr. Nguyen Hoang Tuan	Deputy General Director
Mr. Vu Van Thang	Deputy General Director
Mr. Nguyen Ngoc Minh	Deputy General Director
Mr. Truong Quoc Lam	Deputy General Director
Mr. Pham Anh Duc	Deputy General Director
Mr. Tran Van Quy	Deputy General Director (appointed on 20 April 2012)

BOARD OF GENERAL DIRECTIORS’ STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the financial statements, which gives a true and fair view of the financial position of the Company and of its results cash flows for the year. 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 confirms that the Company has complied with the above requirements in preparing these financial statements.

06 February 2013



INDEPENDENT AUDITORS' REPORT

To: The Shareholders, the Board of Management and General Directors of PVI Holdings

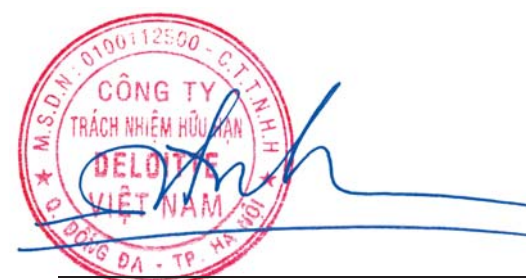
Respective Responsibilities of the Board of General Directors and Auditors

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, then financial position of the Company as at 31 December 2012 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.



For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

06 February 2013
Hanoi, S.R. Vietnam



Hoang Van Kien
Auditor
CPA Certificate No. 1130/KTV

BALANCE SHEET

As at 31 December 2012

FORM B 01-DN

Unit: VND

ASSETS	Codes	Notes	31/12/2012	31/12/2011
A. CURRENT ASSETS	100		3,865,084,728,356	2,419,615,837,352
(100=110+120+130+140+150)				
I. Cash and cash equivalents	110	5	139,416,874,186	88,394,874,149
1. Cash	111		24,416,874,186	13,394,874,149
2. Cash equivalents	112		115,000,000,000	75,000,000,000
II. Short-term financial investments	120	6	3,231,830,007,058	1,909,683,563,297
1. Short-term investments	121		3,312,403,269,249	2,019,244,806,144
2. Provision for diminution in value of short-term investments	129		(80,573,262,191)	(109,561,242,847)
III. Short-term receivables	130		403,605,486,219	418,001,594,057
1. Trade accounts receivable	131	7	303,573,591,138	353,628,322,035
2. Advances to suppliers	132	8	68,305,378,240	64,959,720,527
3. Other receivables	135	9	99,973,501,663	16,384,051,969
4. Provision for short-term doubtful debts	139	7	(68,246,984,822)	(16,970,500,474)
IV. Inventories	140		1,876,620,000	736,710,000
1. Inventories	141		1,876,620,000	736,710,000
V. Other short-term assets	150		88,355,740,893	2,799,095,849
1. Short-term prepayments	151		768,122,086	122,986,364
2. Value added tax deductibles	152	10	87,025,045,529	1,674,904,250
3. Other short-term assets	158		562,573,278	1,001,205,235
B. NON-CURRENT ASSETS	200		3,806,776,279,013	3,304,998,414,385
(200=220+250+260)				
I. Fixed assets	220		954,333,241,905	488,940,773,747
1. Tangible fixed assets	221	11	17,915,833,548	20,656,446,723
Cost	222		45,748,182,849	43,485,541,982
Accumulated depreciation	223		(27,832,349,301)	(22,829,095,259)
2. Intangible fixed assets	227	12	4,529,767,427	16,882,722,787
Cost	228		19,645,112,000	26,805,160,500
Accumulated amortization	229		(15,115,344,573)	(9,922,437,713)
3. Construction in progress	230	13	931,887,640,930	451,401,604,237
II. Long-term financial investments	250		2,740,363,630,573	2,681,729,709,901
1. Investments in subsidiaries	251	14	2,160,000,000,000	1,960,000,000,000
2. Investments in associates	252	15	396,528,754,965	406,240,196,880
3. Other long-term investments	258	16	326,394,840,680	397,622,050,450
4. Provision for diminution in value of long-term financial investments	259	17	(142,559,965,072)	(82,132,537,429)
III. Other long-term assets	260		112,079,406,535	134,327,930,737
1. Long-term prepayments	261	18	112,074,406,535	134,327,930,737
TOTAL ASSETS (270=100+200)	270		7,671,861,007,369	5,724,614,251,737

The notes set out on pages 50 to 71 are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2012

FORM B 01-DN

Unit: VND

RESOURCES	Codes	Notes	31/12/2012	12/31/2011
A. LIABILITIES (300=310+330)	300		1,671,968,998,055	327,355,877,073
I. Current liabilities	310		1,171,711,917,180	327,098,246,323
1. Trade accounts payable	312		106,232,860	23,015,774,535
2. Taxes and amounts payable to the State budget	314	19	6,418,054,834	4,486,778,131
3. Payables to employees	315		6,166,399,230	25,486,337,795
4. Accrued expenses	316		9,942,883,407	2,658,265,995
5. Other current payables	319	20	1,144,553,941,721	249,037,516,704
6. Bonus and welfare funds	323		4,524,405,128	22,413,573,163
II. Other liabilities	330		500,257,080,875	257,630,750
1. Long-term loans and liabilities	334	21	500,000,000,000	-
2. Long-term provisions	337		257,080,875	257,630,750
B. EQUITY (400=410)	400		5,999,892,009,314	5,397,258,374,664
I. Owners' equity	410	22	5,999,892,009,314	5,397,258,374,664
1. Charter capital	411		2,342,418,670,000	2,129,471,520,000
2. Share premium	412		3,323,062,514,020	2,974,771,778,198
3. Treasury shares	414		(138,219,350,615)	(124,322,427,350)
4. Foreign exchange reserve	416		-	(101,655,857)
5. Investment and development fund	417		179,211,820,775	179,211,820,775
6. Retained earnings	420		293,418,355,134	238,227,338,898
TOTAL RESOURCES (440=300+400)	440		7,671,861,007,369	5,724,614,251,737

OFF BALANCE SHEET ITEMS

ITEMS	Unit	31/12/2012	31/12/2011
1. Foreign currencies			
United States Dollar	USD	12,479.29	15,564.19
Euro	EUR	385.24	396.16

Nguyen Vuong Huynh
Preparer

06 February 2013

Phung Tuan Kien
Chief Accountant



Bui Van Thuan
General Director

The notes set out on pages 50 to 71 are an integral part of these financial statements

INCOME STATEMENT

For the year ended 31 December 2012

FORM B 02-DN

Unit: VND

ITEMS	Codes	Notes	2012	2011
1. Gross sales	01	23	69,805,794,621	3,293,514,649,050
2. Deductions	02	24	-	259,999,491,954
3. Net sales	10		69,805,794,621	3,033,515,157,096
(10 = 01 - 02)				
4. Cost of sales	11	25	63,479,789,607	2,235,128,662,539
5. Gross profit from sales	20		6,326,005,014	798,386,494,557
(20 = 10 - 11)				
6. Financial income	21	26	739,874,853,219	795,063,313,060
7. Financial expenses	22	27	201,193,570,849	582,081,689,153
8. Selling expenses	24		-	495,107,380,079
9. General and administration expenses	25		148,059,095,858	169,041,127,639
10. Operating profit	30		396,948,191,526	347,219,610,746
{30 = 20 + (21 - 22) - (24 + 25)}				
11. Other income	31		32,453,109	54,076,763,746
12. Other expenses	32		-	50,176,097
13. Profit from other activities (40 = 31 - 32)	40		32,453,109	54,026,587,649
14. Accounting profit before tax (50 = 30 + 40)	50		396,980,644,635	401,246,198,395
15. Current corporate income tax expense	51	28	20,760,341,775	73,943,862,379
16. Net profit after corporate income tax	60		376,220,302,860	327,302,336,016
(60 = 50 - 51)				

Nguyen Vuong Huynh
Preparer

06 February 2013

Phung Tuan Kien
Chief Accountant



Bui Van Thuan
General Director

CASH FLOW STATEMENT

(Direct method)

For the year ended 31 December 2012

FORM B 03-DN

Unit: VND

ITEMS	Codes	2012	2011
I. Cash flows from operating activities			
1. Receipt from sales, services and others	01	11,855,936,000	2,839,993,661,908
2. Payment to suppliers for goods and services	02	(198,167,191,788)	(2,017,766,638,979)
3. Payment to employees	03	(47,251,107,505)	(164,179,849,075)
4. Payment for corporate income tax and other amounts payable to the State budget	05	(27,304,994,767)	(295,904,283,044)
5. Other cash inflows	06	306,175,184,127	1,726,201,866,030
6. Other cash outflows	07	(301,162,552,576)	(1,465,984,854,465)
Net cash (used in)/from operating activities	20	(255,854,726,509)	622,359,902,375
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(508,892,479,857)	(193,829,302,628)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	190,486,794,223
3. Cash out flow for lending, buying debt instruments of other entities	23	(3,766,279,231,737)	(7,577,983,176,145)
4. Cash recovered from lending, selling debt instruments of other entities	24	3,082,979,007,748	4,775,365,202,153
5. Investments in other entities	25	(37,786,507,505)	(384,395,429,630)
6. Cash recovered from investments in other entities	26	55,184,089,604	30,688,028,700
7. Interest earned, dividends and profits received	27	742,536,828,833	412,214,177,891
Net cash (used in) investing activities	30	(432,258,292,914)	(2,747,453,705,436)
III. Cash flows from financing activities			
1. Proceeds from issuing stocks, receiving capital from owners	31	560,796,320,725	-
2. Buying treasury shares	32	(13,896,923,265)	(109,467,979,050)
3. Proceeds from borrowings	33	500,000,000,000	-
4. Dividends and profit paid	36	(307,764,378,000)	(155,052,636,000)
Net cash from financing activities	40	739,135,019,460	1,652,003,752,950
Net increase/(decrease) in cash	50	51,022,000,037	(473,090,050,111)
Cash and cash equivalents at the beginning of the year	60	88,394,874,149	561,484,924,260
Cash and cash equivalents at the end of the year	70	139,416,874,186	88,394,874,149

Nguyen Vuong Huynh
Preparer

06 February 2013

Phung Tuan Kien
Chief Accountant



Bui Van Thuan
General Director

NOTES TO THE FINANCIAL STATEMENTS

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

FORM B 09 - DN

1. GENERAL INFORMATION

Structure of ownership

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

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

The Company has officially operated based on the holding - subsidiary model under the latest business license since 01 August 2011.

Subsidiaries and associates

The Company owns 100% of capital of the 2 following subsidiaries:

- PVI Insurance Corporations (PVI Insurance)
- PVI Re-insurance Company (PVI Re-insurance)

The Company has 5 associates as follows:

- PV2 Investment Join Stock Company (PV2)
- Nangluongmoi Trading and Communication Joint Stock Company
- Sapa Petroleum Tourism Joint Stock Company (PVST)
- PetroVietnam Hospital Joint Stock Company (PVH)
- Viet Housing International Investment and Development Joint Stock Company (Viet Housing).

Principal activities

The Company's principal activities include:

- Asset holdings;
- Financial services;
- Real estate;
- Insurance business (until 01 August 2011).

The number of employees of the Company as at 31 December 2012 was 107 (31 December 2011: 100).

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

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 and prevailing relevant regulations in Vietnam.

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.

Financial year

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 24 October 2012, the Ministry of Finance issued Circular No.179/2012/TT-BTC ("Circular 179") providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises replacing Circular No. 201/2009/TT-BTC dated 15 October 2009 by the Ministry of Finance ("Circular 201"). Circular 179 came into effect from 10 December 2012 and is applied from financial year 2012. Guidance under Circular 179 on recognition, measurement and treatment of foreign exchange differences arising from revaluation of transactions and balances of monetary items denominated in foreign currencies are basically the same as those of VAS 10. The effect of the Company's adoption of Circular 179 on its financial statements for the year ended 31 December 2012 is immaterial.

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 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 financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. The financial assets of the Company comprise cash, cash equivalents, trade receivables, other receivables and investments (excluding investments in subsidiaries and associates).

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, other payables, accrued expenses, long-term loans and liabilities.

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.

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

	2012
	Year
Buildings and structures	25
Motor vehicles	6
Office equipment	3 - 5

Intangible fixed assets and amortization

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 software (collectively referred to as "computer software"). Computer software is amortized using the straight-line method over its estimated useful life of 3 years. Definite-term land use rights are amortized using the straight-line method over its useful life, indefinite-term land use rights are not amortized as per prevailing relevant regulations.

Difference from revaluation of state's net assets in equitisation

On 20 October 2009, the Ministry of Finance issued Circular No. 203/2009/TT-BTC guiding regime on management, use and depreciation of fixed assets for enterprises established and operating in Vietnam, of which "where a wholly State-owned enterprise undergoes enterprise valuation by the discounted cash flow (DCF) method for equitisation purposes and there is an increase in the actual value of the State portion compared to the value recorded in the books of accounts, such increase shall not be recorded as an intangible fixed asset and gradually allocated to production and business expenses during a period of not exceeding 10 years. The time for commencing the allocation to expenses shall be the time when the enterprise officially converts to a joint stock company (as per its business registration certificate)". Circular No. 203/2009/TT-BTC effective from 01 January 2010 was applied by the Company to record the difference of VND 213,785,395,213 between the actual value of the State portion as at 31 December 2005 (specific time of determining the value of enterprise equitisation) and the book value of State's net assets as long-term prepaid expenses. Such long-term prepayments are amortised over 8 years from 2009.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Company's investments in associates are initially measured at cost. The Company only recognizes in the income statement gains from accumulated net pfofit of the investee arising after the investment date. Other gains the Company receives out of these gains are considered recovery of investments and are recognized as deduction in investment principal.

Investments in associates are measured at cost less provisions for diminution in value of investments in associates in the balance sheet (if any). Provisions for diminution in value of investments in associates are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance guiding the appropriation and use of provisions for inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises and other prevailing accounting regulations.

Investments in securities

Investments in securities are recognized on the trade date basis and are initially measured at cost including directly attributable transaction costs.

For subsequent reporting periods, investments in securities are measured at cost, less provision for diminution in value of securities investments. Provisions for diminution in value of investments are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises and other prevailing accounting regulation.

For other long-term investments in securities, the Company makes provisions based on the investees' latest financial statements and the Board of General Directors believes that there is no significant change in their financial statements in comparison with their latest financial statements used by the Company for provision-making that has significant impacts on provisions made by the Company. The Company did not make provisions for diminution in value of the investments in the companies that are under construction and have planned losses as stipulated in Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance.

Investments in subsidiaries

Subsidiaries include companies which the Company has control. Control is achieved when the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in subsidiaries in the balance sheet are measured at cost less provision for diminution in value of investments in subsidiaries (if any). Such provision is made in compliance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises and other prevailing accounting regulation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the mount of revenue can be measured reliably;
- (b) it is probable that economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

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

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for more than 12 months as of 31 December 2008 with the allowance made for each year of service upto 31 December 2008 equaling to a half of an average monthly salary under the Labour Code, Social Insurance Code and relevant guiding documents. From 01 January 2009, the average monthly salary used for calculation of severance allowance shall be based on the average salary of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Foreign currencies

In the year, the Company prospectively adopted Circular 179 providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises and replacing Circular 201. Accordingly, transactions denominated in foreign currencies are translated at the exchange rate ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslates at the buying exchange rate announced on the same date by the commercial bank where the Company opens its bank account. Foreign exchange differences incurred and arising from revaluation of the balances of monetary assets denominated in foreign currencies are recognized in the income statement. Unrealized foreign exchange gains from revaluation of foreign currency balances at the balance sheet date are not treated as part of distributable profit to shareholders. Guidance under Circular 179 on recognition, measurement and treatment of foreign exchange differences for transactions and balances of monetary items denominated in foreign currencies are basically the same those of VAS 10.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

deducted from the cost of those assets.

All other borrowing costs are recognised in the income statement when incurred.

Provisions

Provisions are recognised when the Company has a present obligation as a result of 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.

Taxation

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

The tax currently payable is based on taxable profit for the year. 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 years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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 year, the Company did not recognise any deferred tax in these 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 tax 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.

Enterprise funds

All profits are used to pay dividends to shareholders, allocate to bonus and welfare funds, investment and development funds and bonus for the management. The allocation ratio shall be decided at the Shareholders' General Meeting as per the request of the Board of Management. However, according to the Company's Charter, the Board of Management is able to pay mid-year dividends if such payment is considered as appropriate with the Company's profitability.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

5. CASH AND CASH EQUIVALENTS

	31/12/2012	31/12/2011
	VND	VND
Cash on hand	173,708,496	444,168,423
Cash in bank	24,243,165,690	11,509,905,726
Cash in transit	-	1,440,800,000
Cash equivalents (*)	115,000,000,000	75,000,000,000
	139,416,874,186	88,394,874,149

(*) Cash equivalents represent term deposits at domestic credit institutions and short-term entrusted investments with terms within 3 months.

6. SHORT- TERM FINANCIAL INVESTMENTS

	31/12/2012	31/12/2011
	VND	VND
Short-term investments in securities	243,445,934,805	135,590,622,326
Securities repurchase agreements (i)	63,334,494,426	278,826,000,000
Term deposits at credit institutions (ii)	1,472,000,000,000	205,000,000,000
Short-term entrusted investments (iii)	547,372,089,700	100,000,000,000
Co-operation contract of investment in listed securities (iv)	142,165,750,318	339,828,183,818
Co-operation contract of investment in real estate (v)	844,085,000,000	910,000,000,000
Other short-term investments	-	50,000,000,000
Provision for diminution in value of short-term investments	(80,573,262,191)	(109,561,242,847)
	3,231,830,007,058	1,909,683,563,297

(i) Under the securities repurchase agreements, the Company gains fixed interest and is exposed to no risk regarding the securities. The Company is exposed to credit risk regarding the agreements which is guaranteed by the right of selling the securities.

(ii) Represent term deposits with terms from 3 months to 1 year at domestic credit institutions.

(iii) Under the short-term entrusted investment agreements, the Company gains fixed interest and is exposed to no risk in using the investments. The Company is exposed to credit risk regarding the agreement which is not guaranteed by collaterals.

(iv) Under co-operation contract of investment in listed securities, the Company contributes capital with other partners for purchasing listed securities, enjoys fixed interest and is not exposed to any risk from the investments. The Company has the right to blockade and sell securities to recover its capital, in case the market price decrease by 30% in comparison with the reference price stated in the investment co-operation contract. The contract has an effective duration of 01 year and can be early terminated. The Company made full provision for overdue contracts which are assessed to be difficult to be recovered.

(v) Under co-operation contract of investment in real estate, the Company contributes capital with other partners in real estate projects, enjoys fixed interest and is not exposed to any risk from the investments. The Company accepted collaterals that are real estates evaluated by valuation firms. In case partners failed to fulfil their obligations to the Company upon expiry of the contract, the Company has full right to sell the collaterals to recover the invested capital. The contract has an effective duration of 01 year and can be early terminated as agreed by both parties. As at 31 December 2012, some contracts have been renewed, the Board of General Directors accessed the partners' financial capacity based on best estimate as well as the value of the collaterals and believes that no significant provision should be made.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

7. TRADE ACCOUNTS RECEIVABLE

	31/12/2012	31/12/2011
	VND	VND
Trade accounts receivable	303,573,591,138	353,628,322,035
Receivables from financial activities	300,898,991,596	352,178,322,035
Other trade receivables	2,674,599,542	1,450,000,000
Provision for short-term doubtful debts	(68,246,984,822)	(16,970,500,474)
Provision for interest of long-term entrusted investments	(39,877,039,901)	-
Provision for other short-term financial investments	(28,369,944,921)	(16,970,500,474)

8. ADVANCES TO SUPPLIERS

	31/12/2012	31/12/2011
	VND	VND
Prepayment under apartment purchase contract	63,209,770,122	63,209,770,122
-Olalani project (Da Nang)	63,209,770,122	63,209,770,122
Other prepayments	5,095,608,118	1,749,950,405
	68,305,378,240	64,959,720,527

9. OTHER RECEIVABLES

	31/12/2012	31/12/2011
	VND	VND
Pre-operating advance (*)	51,000,000,000	-
PetroVietnam Hospital Joint Stock Company (**)	43,019,789,607	-
Others	5,953,712,056	16,384,051,969
	99,973,501,663	16,384,051,969

(*) Represents an advance of VND 51 billion for the pre-operating costs of PVI Sun Life Limited Company ("PVI Sun Life"). This amount will be recovered by PVI Sun Life after its official operation. Currently, all capital contributors completed legal procedures in Vietnam and Canada for PVI Sun Life to operate officially. On 24 January 2013, the Ministry of Finance issued Lincense No. 68 GP/KDBH to PVI Sun Life (see Note 33).

(**) Represents a receivable from PetroVietnam Hospital Joint Stock Company on the transfer of property in hospital under Transfer Contract No. 01/2011/PVI-PVH dated 01 June 2011 and Appendix No. PL01-01/2011/PVI-PVH dated 22 November 2012 between PetroVietnam Hospital Joint Stock Company and the Company. Such amount should be settled before 31 March 2013.

10. VALUE ADDED TAX DEDUCTIBLES

The balance as at 31 December 2012 of VND 87,025,045,529 mainly represents the input value added taxes for the construction of the Company's new head office (PVI Tower) in Yen Hoa ward, Cau Giay district, Hanoi. These value added tax refundable/deductibles depend on final decisions of the competent tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

11. TANGIBLE FIXED ASSETS

FORM B 09 - DN

	Buildings and structures	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND
COST				
As at 01/01/2012	19,825,224,463	8,917,929,132	14,742,388,387	43,485,541,982
Additions	-	1,232,481,819	1,030,159,048	2,262,640,867
- New purchase	-	1,232,481,819	1,030,159,048	2,262,640,867
As at 31/12/2012	19,825,224,463	10,150,410,951	15,772,547,435	45,748,182,849
ACCUMULATED DEPRECIATION				
As at 01/01/2012	9,141,549,847	3,577,873,399	10,109,672,013	22,829,095,259
Charge for the year	929,658,190	1,658,025,060	2,415,570,792	5,003,254,042
As at 31/12/2012	10,071,208,037	5,235,898,459	12,525,242,805	27,832,349,301
NET BOOK VALUE				
As at 31/12/2012	9,754,016,426	4,914,512,492	3,247,304,630	17,915,833,548
As at 31/12/2011	10,683,674,616	5,430,055,733	4,632,716,374	20,656,446,723

12. INTANGIBLE FIXED ASSETS

	Computer software	Land use rights	Total
	VND	VND	VND
COST			
As at 01/01/2012	19,085,112,000	7,720,048,500	26,805,160,500
Additions	560,000,000	-	560,000,000
- New purchase	560,000,000	-	560,000,000
Decrease	-	7,720,048,500	7,720,048,500
- Disposals	-	7,354,899,900	7,354,899,900
- Other decreases	-	365,148,600	365,148,600
As at 31/12/2012	19,645,112,000	-	19,645,112,000
ACCUMULATED AMORTISATION			
As at 01/01/2012	9,922,437,713	-	9,922,437,713
Charge for the year	5,192,906,860	-	5,192,906,860
As at 31/12/2012	15,115,344,573	-	15,115,344,573
NET BOOK VALUE			
As at 31/12/2012	4,529,767,427	-	4,529,767,427
As at 31/12/2011	9,162,674,287	7,720,048,500	16,882,722,787

13. CONTRUCTION IN PROGRESS

	31/12/2012	31/12/2011
	VND	VND
PVI Tower Building Project at Yen Hoa, Cau Giay, Hanoi (*)	930,681,882,930	445,753,639,776
Office Building Project at Bien Hoa, Dong Nai	-	5,645,100,100
Others	1,205,758,000	2,864,361
	931,887,640,930	451,401,604,237

(*) As decribed in Note 21, the Company used the property formed from the loan which is PVI Tower office building in Yen Hoa ward, Cau Giay district, Hanoi, to guarantee for the bank loan. Borrowing costs of VND 26,033,333,334 for the year were capitalized entirely to construction in progress.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

14. INVESTMENTS IN SUBSIDIARIES

FORM B 09 - DN

	31/12/2012	31/12/2011
	VND	VND
PVI Insurance Corporation	1,700,000,000,000	1,500,000,000,000
PVI Reinsurance Company	460,000,000,000	460,000,000,000
	2,160,000,000,000	1,960,000,000,000

Details of the Company's subsidiaries as at 31 December 2012 are as follows:

Name of subsidiaries	Place of incorporation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
PVI Insurance Corporation	Hanoi	100	100	Insurance
PVI Reinsurance Company	Hanoi	100	100	Reinsurance

15. INVESTMENTS IN ASSOCIATES

	31/12/2012	31/12/2011
	VND	VND
PV2 Investment Joint Stock Company	138,721,893,200	162,433,335,115
Viet Housing International Investment and Development Joint Stock Company	102,000,000,000	102,000,000,000
Nangluongmoi Trading and Communication Joint Stock Company	46,912,303,800	46,912,303,800
Sapa Petroleum Tourism Joint Stock Company	78,894,557,965	45,894,557,965
PetroVietnam Finance Fund Management Incorporation	-	24,000,000,000
PetroVietnam Hospital Joint Stock Company	30,000,000,000	25,000,000,000
	396,528,754,965	406,240,196,880

Details of the Company's associates as at 31 December 2012 are as follows:

Name of associates	Place of incorporation and operation	Proportion of ownership interest (per paid-in share capital) %	Proportion of voting power held %	Principal activities
PV2 Investment Joint Stock Company	Hanoi, Vietnam	36.4	36.4	Real-estate bussiness and finance investments
Viet Housing International Investment and Development Joint Stock Company	Hanoi, Vietnam	34.0	34.0	Real-estate bussiness
Nangluongmoi Trading and Communication Joint Stock Company	Hanoi, Vietnam	74.4	74.4	Communication development, multi-media marketing, event organisation
Sapa Petroleum Tourism Joint Stock Company	Laocai, Vietnam	74.5	74.5	Tourism, travelling, hotels, foods and beverage
PetroVietnam Hospital Joint Stock Company	Quang Ngai, Vietnam	60.0	60.0	Management of the operation of Dung Quat Petroleum Hospital

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

15. INVESTMENTS IN ASSOCIATES (Continued)

Provisions for investments in associates are made based on the latest financial statements of these associates. The management believes there is no significant change in such investees' financial statements in comparison with the latest financial statements used for provision-making purpose that has significant impacts on provision made by the Company.

As at 31 December 2012, the Company had investments in shares of Nangluongmoi Trading and Communication Joint Stock Company (formerly known as PetroVietnam Media Joint Stock Company), Sapa Petroleum Tourism Joint Stock Company and PetroVietnam Hospital Joint Stock Company at the ownership interest proportions of 74.4%, 74.5% and 60%, respectively. However, the Board of Management decided not to hold control of these companies in the long term. Therefore, the Company reclassified these investments as "investments in associates" instead of "investments in subsidiaries". The application of appropriate accounting methods for classification of these investments depends on the Company's plan to withdraw capital in the future.

On 17 August 2012, the Board of Management issued Resolution No. 21/NQ-PVI on approval for dissolution of Nangluongmoi Trading and Communication Joint Stock Company. Currently, the procedures for dissolution of Nangluongmoi Trading and Communication Joint Stock Company have not been completed; therefore, the Company has not classified such investment as short-term, and provision for impairment losses of the investment is fully made (Note 17).

16. OTHER LONG-TERM INVESTMENTS

	31/12/2012 VND	31/12/2011 VND
Shares	80,002,609,354	16,039,750,450
Bonds (*)	50,000,000,000	148,000,000,000
Entrusted investments (**)	196,392,231,326	233,582,300,000
	326,394,840,680	397,622,050,450

(*) Represents corporate bonds, which fall due from one to three years, coupon rates are in range from 17.5% to 17.9% p.a.

(**) Represents the balance of the purpose-nominated trusted loan granted via commercial banks. According to the entrusted loan agreements, the Company enjoys interest at the floating rate and is exposed to risk in using the entrusted funds. As at 31 December 2012, part of the loan principal and interest was overdue. The Board of General Directors made provision of VND 159,877,039,901 for the overdue past (of which VND 39,877,039,901 was made for the overdue interest and presented in the "Provision for the short-term doubtful debts" item - Note 7) based on best estimate of the entrustees' debt reparability and believes that the entrustees will fulfil their commitments to pay debt.

17. PROVISION FOR DIMINUTION IN VALUE OF LONG-TERM INVESTMENTS

	31/12/2012 VND	31/12/2011 VND
Provision for diminution in value of investments in associates	(16,777,442,899)	(11,352,680,369)
Provision for diminution in value of long-term entrusted investments	(120,000,000,000)	(65,777,247,706)
Others	(5,782,522,173)	(5,002,609,354)
	(142,559,965,072)	(82,132,537,429)

18. LONG-TERM PREPAYMENTS

	2012 VND	2011 VND
As at 01 January	134,327,930,737	164,081,910,726
Additions	6,192,169,789	2,136,823,695
Allocated to expenses during the year	(28,445,693,991)	(31,890,803,684)
As at 31 December	112,074,406,535	134,327,930,737

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

19. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

Unit: VND

	31/12/2011	Movement during the year		31/12/2012
		Payables	Paid	
Value added tax for domestic sales	46,804,013	971,645,034	218,650,909	799,798,138
Corporate income tax	1,451,456,612	21,168,625,108	18,425,082,418	4,194,998,302
Bussiness licence tax	-	3,000,000	3,000,000	-
Other taxes and charges payable	2,988,518,506	6,960,292,328	8,525,552,440	1,423,258,394
	4,486,778,131	29,103,562,470	27,172,285,767	6,418,054,834

20. OTHER CURRENT PAYABLES

	31/12/2012 VND	31/12/2011 VND
Vietnam Oil and Gas Group (*)	1,095,807,489,680	142,415,165,558
PVI Re-insurance Company	939,881,327	-
PetroVietnam Finance Joint Stock Corporation	-	50,021,250,002
PetroVietnam Hospital Joint Stock Company	38,399,229,371	45,227,388,888
Others	9,407,341,343	11,373,712,256
	1,144,553,941,721	249,037,516,704

(*) Includes (i) entrusted principal an interest payable to Vietnam Oil and Gas Group under the entrusted investment Agreement No.1847/HD-DKVN of VND 850 billion dated 12 March 2012 with the entrusted term under 12 months, the interest rate is adjusted every 3 months and based on 12-month-term deposit interest rate from Joint Stock Commercial Bank for Foreign Trade of Vietnam. The entrusted investment agreement expired on 31 December 2012. The Company has been working with Vietnam Oil and Gas Group to complete procedures for liquidation and settlement of payables; (ii) dividends; and (iii) other payables.

21. LONG-TERM LOANS AND LIABILITIES

On 21 August 2012, the Company entered into a long-term loan agreement with Vietnam Export Import Bank (Exim-bank), Long Bien Branch with the amount of VND 500 billion. The principal will be repaid in 8 installments commencing on 21 February 2014 to 21 August 2017. The loan bears a fixed interest rate of 14.2% p.a. for the first six months, then will be adjusted quarterly. The interest rate is adjusted every 3 months, equal to the VND deposit interest rate for 13-month term with term-end interest payment announced by Eximbank plus margin of 3.5%/p.a, and is paid monthly.

The Company used the property formed from the loan, which is PVI Tower office building in Yen Hoa ward, Cau Giay, Hanoi to guarantee for this loan (see Note 13).

Schedule of principal repayment is below:

	31/12/2012 VND
Less than 1 year	-
In the second year	125,000,000,000
From the third to the fifth year inclusive	375,000,000,000
After 5 years	-
	500,000,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

22. OWNERS' EQUITY

FORM B 09 - DN

Unit: VND

	Charter capital	Share premium	Treasury shares	Foreign exchange reserve	Investment and development funds	Retained earnings	Total
As at 01/01/2012	2,129,471,520,000	2,974,771,778,198	(124,322,427,350)	(101,655,857)	179,211,820,775	238,227,338,898	5,397,258,374,664
Capital contributions (a)	212,947,150,000	347,849,170,725	-	-	-	-	560,796,320,725
Purchase of treasury shares (b)	-	-	(13,896,923,265)	-	-	-	(13,896,923,265)
Profit for the year	-	-	-	-	-	376,220,302,860	376,220,302,860
Allocated to bonus and welfare funds (c)	-	-	-	-	-	(20,000,000,000)	(20,000,000,000)
Dividends payable (c)	-	-	-	-	-	(307,764,378,000)	(307,764,378,000)
Adjustment under the State Audit's report (d)	-	-	-	-	-	6,735,061,376	6,735,061,376
Disbursement from funds	-	(630,000,000)	-	-	-	-	(630,000,000)
Other additions	-	1,071,565,097	-	101,655,857	-	30,000	1,173,250,954
As at 31/12/2012	2,342,418,670,000	3,323,062,514,020	(138,219,350,615)	-	179,211,820,775	293,418,355,134	5,999,892,009,314

(a) Capital increased under Resolution of the 2012 Annual General Shareholders' Meeting No. 01/2012/NQ-DHDCD dated 20 April 2012. Accordingly, the Company issued 21,294,715 shares (equivalent to 9.09% of charter capital after the increase) to HDI Gerling Industrie Versicherung AG, and earned the proceeds corresponding to the charter capital addition of VND 212,947,150,000 and the share premium increase of VND 347,849,170,725.

(b) During the year, the Company purchased 639,800 treasury shares according to the Resolution of the Board of Management.

(c) Allocation to bonus and welfare funds and dividends payable to shareholders (2nd dividends of 2011 of 8% and 1st dividend of 2012 of 7%) are made no more than the maximum amount under Resolution of the Annual General Shareholders' Meeting No. 01/2012/NQ-DHDCD dated 20 April 2012. The distribution of the remaining profit for the year 2012 is under the authority of the Shareholders and will be determined in the 2013 Annual General Shareholders' Meeting.

(d) Adjustment under the State Audit's Official Letter No. 250/KTNH-TH dated 10 October 2012 on the results of the audit of the Company's 2011 consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

22. OWNERS' EQUITY (Continued)

Details of charter capital are as follows:

	Capital contribution as at 31/12/2012	Ratio	Capital contribution as at 31/12/2011	Ratio
	VND	%	VND	%
Vietnam Oil and Gas Group	831,497,400,000	35.50%	831,497,400,000	39.05%
HDI-Gerling Industrie Versicherung AG (under Talanx Group)	745,315,030,000	31.82%	532,367,880,000	25.00%
Funderburk Lighthouse Limited	271,178,410,000	11.58%	220,925,000,000	10.37%
PetroVietnam Finance Joint Stock Corporation	145,932,430,000	6.23%	162,500,430,000	7.63%
Other shareholders	348,495,400,000	14.88%	382,180,810,000	17.95%
2,342,418,670,000	100%		2,129,471,520,000	100%

Shares

The number of outstanding shares of the Company as at 31 December 2012 was as follows:

	31/12/2012	31/12/2011
	Shares	Shares
Number of shares registered	234,241,867	212,947,152
Common shares	234,241,867	212,947,152
Number of shares issued	234,241,867	212,947,152
Common shares	234,241,867	212,947,152
Number of treasury shares	7,770,900	7,131,100
Common shares	7,770,900	7,131,100
Number of outstanding shares	226,470,967	205,816,052
Common shares	226,470,967	205,816,052

Par value of outstanding shares: VND 10,000/share.

23. REVENUE

Sales from insurance activities

Premium from direct insurance

Premium from reinsurance inward

Commission from reinsurance outward

Other income from insurance activities

Sales from other services

	2012	2011
	VND	VND
-	-	3,291,464,649,050
-	-	2,864,586,901,123
-	-	293,223,938,610
-	-	126,791,123,151
-	-	6,862,686,166
69,805,794,621	69,805,794,621	2,050,000,000
69,805,794,621	69,805,794,621	3,293,514,649,050

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

24. DEDUCTIONS

	2012 VND	2011 VND
Returned premium	-	62,964,750,523
Increase in unearned premium reserve	-	195,240,863,973
Other deductions	-	1,793,877,458
	-	259,999,491,954

25. COST OF SALES

	2012 VND	2011 VND
Cost of sales from insurance activities	-	2,233,313,662,539
Reinsurance outward premium	-	1,667,053,307,353
Claim settlements of direct policies	-	464,662,473,943
Claim settlements of assumed policies	-	84,384,485,940
Deduction to expenses:	-	(146,114,820,232)
- Claims receipt from ceded policies	-	(140,921,124,556)
- Receipt of claims from third parties	-	(39,160,600)
- Receipt of 100% claim from goods	-	(5,154,535,076)
Claim payment from catastrophe provision	-	(28,115,039,247)
Increase in claim reserve	-	4,780,770,024
Increase in catastrophe reserve	-	42,833,783,456
Other expenses for insurance activities	-	143,828,701,302
- Other expenses for direct insurance services	-	38,276,858,975
- Other expenses for reinsurance inward	-	86,323,079,435
- Other expenses for reinsurance outward	-	19,228,762,892
Cost of sales from non-insurance activities	63,479,789,607	1,815,000,000
	63,479,789,607	2,235,128,662,539

26. FINANCIAL INCOME

	2012 VND	2011 VND
Deposit, loan interests	140,549,545,182	242,835,385,644
Gain from investment in bonds	15,311,982,057	43,722,547,182
Gain from stock trading	6,402,646,204	5,505,863,959
Gain from entrusted investments	44,672,212,958	25,777,069,443
Dividends, profits received	330,433,942,245	105,869,649,667
Foreign exchange gain	-	27,073,534,273
Income from repo activities	38,159,576,402	55,739,065,227
Sales of investment property	-	190,374,703,314
Other financial income	164,344,948,171	98,165,494,351
	739,874,853,219	795,063,313,060

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

27. FINANCIAL EXPENSES

	2012 VND	2011 VND
Expenses for stock trading	10,013,855,688	1,928,890,465
Foreign exchange loss	181,901,123	43,053,899,314
Provision for diminution in value in investments	82,715,931,335	192,816,597,122
Cost of investment property	-	176,800,000,000
Other financial expenses	108,281,882,703	167,482,302,252
	201,193,570,849	582,081,689,153

28. CORPORATE INCOME TAX

	2012 VND	2011 VND
Profit before tax	396,980,644,635	401,246,198,395
Adjustments for taxable income		
Less: non-assessable income	(330,433,942,245)	(105,869,649,667)
- Dividends and profits received	(330,433,942,245)	(105,869,649,667)
Add back: non-deductible expenses	16,494,664,709	398,900,790
- Loss from revaluation of year-end foreign exchange balances	101,655,857	-
- Remuneration of the Board of Management	79,000,000	132,000,000
- Depreciation of car costed over VND1.6 billion	104,905,023	206,900,790
- Non-deductible transaction expenses	16,209,103,829	-
- Other non-deductible expenses	-	60,000,000
Assessable income	83,041,367,099	295,775,449,518
Tax rate	25%	25%
Corporate income tax	20,760,341,775	73,943,862,379

29. CONTINGENT LIABILITIES

In the State Auditors' report dated 12 March 2012 issued by the State Audit on management and use of the enterprise reorganization support fund at Vietnam Oil and Gas Group ("the Group"), the late payment interest regarding the proceeds from equitization in 2007 which should be paid by Company to the Group's enterprise reorganization support fund was temporarily determined at VND 134,402,904,325.

However, at the time the Company completed its equitization process, the State's document, which is Decision No. 76/2003/QD-BTC on management and use of the enterprise reorganization support fund and equitization of State-owned enterprises, does not regulate interest reference rate to calculate late payment interest, the Group determined the late payment interest payable of VND 44,294,438,126 by the Company as per Resolution No.872/NQ-DKVN dated 04 February 2008 by the Group's Board of Management before the effective date (06 March 2008) of Decision No. 09/2008/QD-BTC on management and use of the enterprise reorganization support fund at groups, State-owned corporations, holding companies as a substitute for Decision No. 76/2003/QD-BTC above), and the Company transferred the late payment interest rate of VND 44,294,438,126 to the Group in June 2008.

Currently, the Company has been working with Vietnam Oil and Gas Group, the Ministry of Finance and the State Auditors to reach an agreement on such difference amount of VND 90,108,466,199 (between VND 134,402,904,325 and VND 44,294,438,126). Therefore, the amount of VND 90,108,466,199 has not yet been recognized in the 2012 financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

30. COMMITMENTS FOR CAPITAL EXPENDITURE

As at 31 December 2012, the Company had several following significant commitments as follows:

- A contract of office construction in Yen Hoa Ward, Cau Giay District, Hanoi with the total estimated value of USD 54,954,000. The percentage of completion is approximately 80% of the contract value.
- A commitment for purchasing apartments at Olalani resort at Son Tra - Dien Ngoc Street, Khue My Ward, Ngu Hanh Son District, Da Nang with the total value of USD 5,058,460. The cost incurred relating to this commitment is approximately 60%.
- On 15 June 2012, the Company's Board of Management approved Resolution No. 15/NQ-PVI on the capital contribution to establish PVI Sun Life Insurance Company Limited ("PVI Sun Life") with charter capital of VND 1,000,000,000,000, in which the Company will contribute VND 510,000,000,000 corresponding to 51% of the charter capital and Sun Life Assurance Company of Canada will contribute VND 490,000,000,000 corresponding to 49%. As at 31 December 2012, the Company transferred VND 51 billion to the joint account to make payment for the pre-operating costs of PVI Sun Life (see Note 9). In addition, as at 17 January 2013, the Company contributed VND 510 billion in full and has been fulfilling finalization procedures to recover the advance for the pre-operating costs of PVI Sun Life.
- On 28 November 2012, the Company's Board of Management approved Resolution No. 24/NQ-PVI on the capital contribution to establish PVI Asset Management Joint Stock Company ("PVI Asset Management - PVI AM") with charter capital of VND 200,000,000,000, in which the Company will contribute VND 42,000,000,000, corresponding to 21% of the charter capital.

31. 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 (borrowings as disclosed in Note 21) offset by cash and cash equivalent) and equity (comprising capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	31/12/2012 VND
Borrowings	500,000,000,000
Less: cash and cash equivalents	139,416,874,186
Net debt	360,583,125,814
Equity	5,999,892,009,314
Net debt to equity ratio	6%

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, end the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

31. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments

	Carrying amount	
	31/12/ 2012 VND	31/12 2011 VND
Financial Assets		
Cash and cash equivalents	139,416,874,186	88,394,874,149
Trade and other receivables	335,300,107,979	353,041,873,530
Short-term investments	3,231,830,007,058	1,909,683,563,297
Long-term investments	200,612,318,507	326,543,304,137
Total	3,907,200,107,730	2,677,663,615,113
Financial Liabilities		
Trade and other payables	1,144,660,174,581	272,053,291,239
Accruals	9,942,883,407	2,658,265,995
Long-term loans and liabilities	500,000,000,000	-
Total	1,654,603,057,988	274,711,557,234

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 No. 210/209/TT-BTC issued by the Ministry of Finance on 06 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial asset and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and disclosures of financial instruments, it did not adopt the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

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

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency rates, exchange rates and prices. 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 carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets (VND Equivalent)		Liabilities (VND Equivalent)	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
United States Dollar (USD)	259,756,421	324,170,849	-	19,474,180,000
Euro (EUR)	10,544,385	10,713,913	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar.

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. For a 10% increase/decrease in the United States Dollar against Vietnam Dong, the profit/(loss) before tax in the year would increase/decrease by 25,975,642 VND.

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analyzing market competition to enjoy favorable interest rates from appropriate lenders.

Interest rate sensitivity

Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2012 would have been unchanged (due to borrowing costs for the year are capitalized entirely to construction in progress), and the item "Construction in progress" would have decreased/increased by about VND 10 billion (2011: VND 0).

Share price risk management

Shares held by the Company are affected by market risks arising from the uncertainty about future prices of such shares. The Company manages this risk exposure by setting up investment limits. The Company's Board of Management also assesses and approves decisions on share investments such as operating industry, investees, etc. If the invested share prices had been 10% lower and all other variables were held constant, the Company's profit before tax would have decreased by VND about 5,7 billion.

The Company is also exposed to equity price risks arising from investments in subsidiaries and associates. The Company's Board of Management assesses and approves decisions on investments in subsidiaries and associates such as operating industry, investees, etc. Investments in subsidiaries and associates are held for long-term strategic investments rather than trading purposes. The Company does not have intention to trade these investments in the foreseeable future.

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 on-going basis. As at the balance sheet date there is a significant concentration of credit risk arising on the entrusted investment and cooperation investment contracts. Credit risk is evaluated prudently by the Board of General Directors as presented in Note 6 and Note 16.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

31. FINANCIAL INSTRUMENTS (Continued)

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 shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets, if any and 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. 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.

	Less than 1 year VND	From 1-5 years VND	Total VND
31/12/2012			
Cash and cash equivalents	140,933,518,022	-	140,933,518,022
Trade and other receivables	335,300,107,979	-	335,300,107,979
Short-term investments	3,410,879,037,558	-	3,410,879,037,558
Long-term investments	8,750,000,000	208,754,679,618	217,504,679,618
Total	3,895,862,663,559	208,754,679,618	4,104,617,343,177
31/12/2012			
Trade and other payables	1,144,660,174,581	-	1,144,660,174,581
Accruals	9,942,883,407	-	9,942,883,407
Long-term loans and liabilities	71,000,000,000	595,209,027,778	666,209,027,778
Total	1,225,603,057,988	595,209,027,778	1,820,812,085,766
	Less than 1 year VND	From 1-5 year VND	Total VND
31/12/2011			
Cash and cash equivalents	88,394,874,149	-	88,394,874,149
Trade and other receivables	353,041,873,530	-	353,041,873,530
Short-term investments	1,909,683,563,297	-	1,909,683,563,297
Long-term investments	3,600,000,000	322,943,304,137	326,543,304,137
Total	2,354,720,310,976	322,943,304,137	2,677,663,615,113
31/12/2011			
Trade and other payables	272,053,291,239	-	272,053,291,239
Accruals	2,658,265,995	-	2,658,265,995
Long-term loans and liabilities	-	-	-
Total	274,711,557,234	-	274,711,557,234

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

32. RELATED PARTY TRANSACTION AND BALANCES

Related party transactions and balances are presented in the Company's consolidated financial statements for the year ended 31 December 2012.

33. SUBSEQUENT EVENTS

On 24 January 2013, the Ministry of Financial issued Licence No. 68 GP/KDBH to PVI Sun Life.

34. COMPARATIVE FIGURES

From 01 August 2011, the Company no longer directly performed insurance business activities due to its re-structuring and transferred such activities to PVI Insurance Corporation. Therefore, revenue and expenses related to insurance business activities in the Company's income statement were only incurred for the period from 01 January 2011 to 31 July 2011. Accordingly, comparative figures are presented for reference purpose only.

Certain reclassifications have been made to the prior year's figures to enhance their comparability with the current year's presentation and to correct several errors in presentation of the cash flow statement for the year ended 31 December 2011. Details are as follows:

Balance sheet:

	Reported figures VND	Reclassification VND	After reclassification VND
Long-term provisions	-	257,630,750	257,630,750
Provision for severance allowance	257,630,750	(257,630,750)	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN

Cash flow statement:

	Reported figures VND	Reclassification VND	After reclassification VND
Other cash outflows	(1,575,452,833,515)	109,467,979,050	(1,465,984,854,465)
Net cash (used in)/from operating activities	512,891,923,325	109,467,979,050	622,359,902,375
Buying treasury shares	-	(109,467,979,050)	(109,467,979,050)
Net cash from/(used in) financing activities	1,761,471,732,000	(109,467,979,050)	1,652,003,752,950



Nguyen Vuong Huynh
Preparer

06 February 2013



Phung Tuan Kien
Chief Accountant



Bui Van Thuan
General Director



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of PVI Holdings ("the Company") presents this report together with the Company's consolidated financial statements for the year ended 31 December 2012.

THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS

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

Board of Management

Mr. Nguyen Anh Tuan	Chairman
Mr. Ton Thien Viet	Vice Chairman
Mr. Bui Van Thuan	Member
Mr. Nguyen Khuyen Nguon	Member
Mr. Tran Van Quy	Member (resigned on 20 April 2012)
Mr. Patrick Claude Choffel	Member (resigned on 20 April 2012)
Mr. Thanh Danh François Duong	Member (appointed on 20 April 2012)
Mr. Santhana Krishnan Badri Narayanan	Member (appointed on 20 April 2012)

Board of General Directors

Mr. Bui Van Thuan	General Director
Mr. Pham Khac Dung	Deputy General Director
Mr. Nguyen Hoang Tuan	Deputy General Director
Mr. Vu Van Thang	Deputy General Director
Mr. Nguyen Ngoc Minh	Deputy General Director
Mr. Truong Quoc Lam	Deputy General Director
Mr. Pham Anh Duc	Deputy General Director
Mr. Tran Van Quy	Deputy General Director (appointed on 20 April 2012)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the consolidated financial statements, which gives a true and fair view of the financial position of the Company and of its results and cash flows for the year. In preparing these consolidated 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 consolidated financial statements;
- Prepare the consolidated 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 consolidated financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)

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 consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System 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 consolidated financial statements.

For and on behalf of the Board of General Directors,



Bui Van Thuan
General Director
06 February 2013

Deloitte.

INDEPENDENT AUDITORS' REPORT

No.: 458 /Deloitte-AUDHN-RE

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

We have audited the accompanying consolidated balance sheet of PVI Holdings ("the Company") as at 31 December 2012, the related consolidated statements of income and cash flows for the year then ended and the notes thereto (collectively referred to as "the consolidated financial statements"), prepared on 06 February 2013, as set out from page 76 to page 106. 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 General Directors on page 73 and page 74, these consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2012 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.



Khuc Thi Lan Anh
Deputy General Director
CPA Certificate No. D.0036/KTV

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
06 February 2013
Hanoi, S.R. Vietnam



Hoang Van Kien
Auditor
CPA Certificate No. 1130/KTV

CONSOLIDATED BALANCE SHEET

As at 31 December 2012

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2012	31/12/2011
A. CURRENT ASSETS	100		8,389,906,062,676	6,060,882,350,961
(100=110+120+130+140+150)				
I. Cash and cash equivalents	110	5	1,773,518,264,884	686,565,126,049
1. Cash	111		1,007,638,264,884	272,565,126,049
2. Cash equivalents	112		765,880,000,000	414,000,000,000
II. Short-term financial investments	120	6	5,275,830,007,058	4,182,683,563,297
1. Short-term investments	121		5,356,403,269,249	4,292,244,806,144
2. Provision for diminution in value of short-term investments	129		(80,573,262,191)	(109,561,242,847)
III. Short-term receivables	130		1,173,648,940,979	1,111,821,008,652
1. Trade accounts receivable	131	7	1,124,067,119,187	1,034,158,831,183
2. Advances to suppliers	132	8	68,305,378,240	67,559,720,527
3. Other receivables	135	9	152,113,621,922	55,774,538,400
4. Provision for short-term doubtful debts	139	7	(170,837,178,370)	(45,672,081,458)
IV. Inventories	140		1,989,702,670	1,023,689,350
1. Inventories	141		1,989,702,670	1,023,689,350
V. Other short-term assets	150		164,919,147,085	78,788,963,613
1. Short-term prepayments	151		10,773,744,766	7,548,820,316
2. Value added tax deductibles	152	10	90,089,890,454	5,464,493,851
3. Other short-term assets	158	11	64,055,511,865	65,775,649,446
B. NON-CURRENT ASSETS	200		2,381,298,366,116	2,133,987,828,873
(200=220+250+260)				
I. Fixed assets	220		1,031,461,314,679	540,205,128,532
1. Tangible fixed assets	221	12	57,066,158,279	47,541,099,023
Cost	222		145,610,883,373	123,855,970,314
Accumulated depreciation	223		(88,544,725,094)	(76,314,871,291)
2. Intangible fixed assets	227	13	42,507,515,470	41,262,425,272
Cost	228		65,947,176,822	56,520,325,422
Accumulated amortization	229		(23,439,661,352)	(15,257,900,150)
3. Construction in progress	230	14	931,887,640,930	451,401,604,237
II. Long-term financial investments	250		1,218,758,136,997	1,443,645,584,415
1. Investments in associates	252	15	410,428,986,379	421,007,557,671
2. Other long-term investments	258	16	984,682,218,956	1,145,091,899,026
3. Provision for diminution in value of long-term financial investments	259	17	(176,353,068,338)	(122,453,872,282)
III. Other long-term assets	260		131,078,914,440	150,137,115,926
1. Long-term prepayments	261	18	114,687,513,742	135,345,435,486
2. Other long-term assets	268		16,391,400,698	14,791,680,440
TOTAL ASSETS (270=100+200)	270		10,771,204,428,792	8,194,870,179,834

The notes set out on page 80 to page 106 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (Continued)

For the year ended 31 December 2012

FORM B 01 - DN/HN

Unit: VND

RESOURCES	Codes	Notes	31/12/2012	31/12/2011
A. LIABILITIES (300=310+330)	300		4,687,926,552,028	2,733,521,213,907
I. Current liabilities	310		4,185,637,098,830	2,731,262,122,357
1. Trade accounts payable	312	19	1,108,156,127,879	945,537,876,105
2. Advances from customers	313		6,288,647,510	20,540,927,887
3. Taxes and amounts payable to the State budget	314	20	68,211,080,677	44,006,838,543
4. Payables to employees	315		54,871,056,492	46,533,322,682
5. Accrued expenses	316		11,114,628,440	2,689,572,627
6. Other current payables	319	21	1,166,029,434,723	260,685,723,360
7. Short-term provisions	320	22	1,757,807,812,454	1,383,570,860,048
8. Bonus and welfare funds	323		13,158,310,655	27,697,001,105
II. Long-term liabilities	330		502,289,453,198	2,259,091,550
1. Other long-term payables	333		56,751,207	13,000,000
2. Long-term loans and liabilities	334	23	500,000,000,000	-
3. Long-term provisions	336		2,232,701,991	2,246,091,550
B. EQUITY (400=410)	400		6,083,277,876,764	5,461,348,965,927
I. Owners' equity	410	24	6,083,277,876,764	5,461,348,965,927
1. Owners' contributed capital	411		2,342,418,670,000	2,129,471,520,000
2. Share premium	412		3,323,062,514,020	2,974,771,778,198
3. Treasury shares	414		(138,219,350,615)	(124,322,427,350)
4. Foreign exchange reserve	416		-	(3,470,275,408)
5. Investment and development fund	417		179,211,820,775	179,211,820,775
6. Other owners' funds	419		69,119,766,469	51,638,058,907
7. Retained earnings	420		307,684,456,115	254,048,490,805
TOTAL RESOURCES (440=300+400)	440		10,771,204,428,792	8,194,870,179,834

OFF BALANCE SHEET ITEMS

ITEMS	Unit	31/12/2012	31/12/2011
1. Direct insurance contract of which liabilities not yet incurred	VND	989,097,581,167	1,214,226,405,393
2. Claims receivable from third parties	VND	41,976,447,838	34,886,486,635
3. Foreign currencies:			
United States Dollar	USD	19,208,971.63	10,484,305.37
Euro	EUR	347,395.05	42,426.50


 Nguyen Vuong Huynh
 Preparer

06 February 2013


 Phung Tuan Kien
 Chief Accountant


 Bui Van Thuan
 General Director

The notes set out on page 80 to page 106 are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

FORM B 02 - DN/HN

Unit: VND

Items	Codes	Notes	2012	2011
1. Gross sales	01	25	5,596,670,456,724	4,898,550,688,346
2. Deductions	02	26	189,979,640,027	147,407,622,625
3. Net sales (10 = 01 - 02)	10		5,406,690,816,697	4,751,143,065,721
4. Cost of sales	11	27	4,194,305,082,763	3,586,942,307,393
5. Gross profit from sales (20 = 10 - 11)	20		1,212,385,733,934	1,164,200,758,328
6. Financial income	21	28	789,344,643,472	849,742,957,109
7. Financial expenses	22	29	216,134,078,410	580,178,717,971
8. Selling expenses	24		792,433,417,611	787,068,015,209
9. General and administration expenses	25		433,365,090,370	237,867,695,525
10. Operating profit	30		559,797,791,015	408,829,286,732
{30 = 20 + (21 - 22) - (24 + 25)}				
11. Other income	31		787,032,164	54,451,327,371
12. Other expenses	32		55,489,958	50,190,644
13. Profit from other activities (40 = 31 - 32)	40		731,542,206	54,401,136,727
14. Share of associates' net (loss)/profit	45		(11,067,129,377)	4,767,360,791
15. Accounting profit before tax	50		549,462,203,844	467,997,784,250
(50 = 30 + 40 + 45)				
16. Current corporate income tax expense	51	30	160,413,142,714	120,370,549,130
17. Net profit after corporate income tax	60		389,049,061,130	347,627,235,120
(60 = 50 - 51)				
18. Basic earnings per share	70	31	1,813	2,066

Nguyen Vuong Huynh

Preparer

06 February 2013

Phung Tuan Kien

Chief Accountant

Bui Van Thuan

General Director



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2012

(Direct method)

FORM B 03-DN/HN

Unit: VND

Items	Codes	2012	2011
I. Cash flows from operating activities			
1. Receipt from sales, services and others	01	5,316,987,592,358	4,358,771,035,654
2. Payment to suppliers for goods and services	02	(4,279,999,393,549)	(3,421,005,856,505)
3. Payment to employees	03	(272,241,186,432)	(207,394,780,342)
4. Payment to interest	04	(18,151,445,834)	-
5. Payment for corporate income tax and other amount payables to the State budget	05	(499,118,522,252)	(421,113,147,007)
6. Other cash inflows	06	559,784,995,951	2,081,978,627,084
7. Other cash outflows	07	(612,187,814,151)	(1,819,895,990,616)
Net cash from operating activities	20	195,074,226,091	571,339,888,268
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(548,224,762,862)	(203,057,932,799)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	17,772,727	190,487,430,587
3. Cash out flow for lending, buying debt instruments of other entities	23	(7,735,359,231,737)	(9,429,927,095,804)
4. Cash recovered from lending, selling debt instruments of other entities	24	7,705,461,478,048	7,281,665,202,153
5. Investments in other entities	25	(59,206,507,505)	(384,395,429,630)
6. Cash recovered from investments in other entities	26	31,184,089,604	30,688,028,700
7. Interest earned, dividends and profits received	27	758,871,055,009	416,276,357,364
Net cash from/(used in) investing activities	30	152,743,893,284	(2,098,263,439,429)
III. Cash flows from financing activities			
1. Proceeds from issuing stocks, receiving capital from shareholders	31	560,796,320,725	1,916,524,368,000
2. Buying treasury shares	32	(13,896,923,265)	(109,467,979,050)
3. Proceeds from borrowings	33	500,000,000,000	-
4. Dividends, profits paid	36	(307,764,378,000)	(155,052,636,000)
Net cash from financing activities	40	739,135,019,460	1,652,003,752,950
Net increase in cash	50	1,086,953,138,835	125,080,201,789
Cash and cash equivalents at the beginning of the year	60	686,565,126,049	561,484,924,260
Cash and cash equivalents at the end of the year	70	1,773,518,264,884	686,565,126,049

Nguyen Vuong Huynh

Preparer

06 February 2013

Phung Tuan Kien

Chief Accountant

Bui Van Thuan

General Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

FORM B 09 - DN/HN

1. GENERAL INFORMATION

Structure of ownership

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

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

The Company has officially operated based on the Holding-Subsidiary model under the latest business license since 01 August 2011.

Subsidiaries and associates

The Company owns 100% of the capital of 2 following subsidiaries:

- PVI Insurance Corporation (PVI Insurance)
- PVI Reinsurance Company (PVI Reinsurance)

Details of subsidiaries:

Subsidiaries	Address	Business segment	Charter Capital (VND)	Ownership Ratio
PVI Insurance Corporation	154 Nguyen Thai Hoc, Ba Dinh District, Hanoi	Insurance business	1,700,000,000,000	100%
PVI Reinsurance Company	154 Nguyen Thai Hoc, Ba Dinh District, Hanoi	Reinsurance business	460,000,000,000	100%

The Company has 6 associates as follows:

- PV2 Investment Joint Stock Company (PV2)
- Nangluongmoi Trading and Communication Joint Stock Company
- Sapa Petroleum Tourism Joint Stock Company (PVST)
- PetroVietnam Hospital Joint Stock Company (PVH)
- Viet Housing International Investment and Development Joint Stock Company (Viet Housing)
- V-CAR Services Joint Stock Company (formerly known as PetroVietnam Insurance Service Joint Stock Company).

Principal activities

The Company and subsidiaries' principal businesses include:

- Assets holdings;
- Insurance and reinsurance businesses;
- Financial services;
- Real estate business.

The number of employees of the Company and its subsidiaries as at 31 December 2012 was 1,524 (as at 31 December 2011: 1,450).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 30 July 2012, the Ministry of Finance issued Circular No. 125/2012/TT-BTC ("Circular 125") guiding financial regime applicable to Insurer, reinsurance business, Insurance Brokerage and Branches of foreign non-life Insurer; replacing Circular No. 156/2007/TT-BTC had been issued by Ministry of Finance on 20 December 2007 ("Circular 156"). Circular 125 was effective from 01 October 2012. Financial regime stipulated in Circular 125 including capital, underwriting reserves, financial investment, revenue - expenses, Reporting and management information, is basically the same as that in Circular 156.

On 24 October 2012, the Ministry of Finance issued Circular No. 179/2012/TT-BTC ("Circular 179") providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises replacing Circular No. 201/2009/TT-BTC dated 15 October 2009 by the Ministry of Finance ("Circular 201"). Circular 179 came into effect from 10 December 2012 and was applied from financial year 2012. The guidance under Circular 179 on recognition, measurement and treatment of foreign exchange differences arising from transactions and balances of monetary items denominated in foreign currencies arising from 01 January 2012 are basically the same as those under VAS 10.

The effect of the Company's adoption of Circular 125 and Circular 179 on its consolidated financial statements for the year ended 31 December 2012 is immaterial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of consolidated financial statement in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System 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 consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these accounting estimates are based on the management's best knowledge, actual results could differ from those estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries). 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.

All inter-company transactions and balances between group enterprises are eliminated on consolidation.

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 issue of the financial assets.

Financial assets comprise cash, cash equivalents, trade receivables, other receivables, investments (excluding investments in associates) and other financial assets.

Financial liabilities:

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

Financial liabilities comprise trade payables, other payables, accrual expenses, claim reserve, loans and other financial liabilities.

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.

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase price 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:

	2012 Years
Buildings, structures	25
Motor vehicles	6
Office equipment	3 - 5

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 software (collectively referred to as “computer software”). Computer software is amortized using the straight-line method over their estimated useful lives of 3 years. Definite-term land use rights are amortized using the straight-line method over its useful life, indefinite-term land use rights are not amortized as per prevailing relevant regulations.

Diffrence from revaluation of state’s net assets in equitisation

On 20 October 2009, the Ministry of Finance issued Circular No. 203/2009/TT-BTC guiding regime on management, use and depreciation of fixed assets for enterprises established and operating in Vietnam, of which “where a wholly State-owned enterprise undergoes enterprise valuation by the discounted cash flow (DCF) method for equitisation purposes and there is an increase in the actual value of the State portion compared to the value recorded in the books of accounts. Such increase shall not be recorded as an intangible fixed asset and gradually allocated to production and business expenses during a period of not exceeding 10 years. The time for commencing the allocation to expenses shall be the time when the enterprise officially converts to a joint stock company (as per its business registration certificate)”. Circular No. 203/2009/TT-BTC effective from 01 January 2010 was applied by the Company to record the difference of VND 213,785,395,213 between the actual value of the State portion as at 31 December 2005 (the date of determining the value of enterprise for equitization) and the book value of State’s net assets as long-term prepaid expenses. Such long-term prepayments are amortised over 8 years from 2009.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company’s accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

Investments in securities

Investments in securities are recognised on the trade date basis and are initially measured at cost including directly attributable transaction costs.

For subsequent reporting periods, investments in securities are measured at cost, less provision for diminution in value of investments in securities. Provisions for diminution in value of investments in securities are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises and other prevailing accounting regulations.

For the other long-term investments, the Company makes provisions based on the investees' latest financial statements. The Board of General Directors believes that there is no significant change in the financial statements in comparison with their latest financial statements used by the company for provision-making that has significant impacts on provisions made by the Company. The Company did not make provisions for diminution in value of the investments in the companies that are under construction and have planned losses as stipulated in Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for more than 12 months as of 31 December 2008 with the allowance made for each year of service up to 31 December 2008 equaling to a half of an average monthly salary under Social Insurance Code. From 01 January 2009, the average monthly salary used for calculation of severance allowance shall be based on the average salary of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Foreign currencies

In the year, the Company prospectively adopted Circular 179 providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises and replacing Circular 201. Accordingly, transactions denominated in foreign currencies are translated at the exchange rate ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslates at the buying exchange rate announced on the same date by the Joint Stock Commercial Bank for Foreign Trade of Vietnam. Foreign exchange differences incurred and arising from revaluation of the balances of monetary assets denominated in foreign currencies are recognized in the income statement. Unrealized foreign exchange gains from revaluation of foreign currency balances at the balance sheet date are not treated as part of distributable profit to shareholders. The guidances under Circular 179 on recognition, measurement and treatment of foreign exchange differences arising from transactions and balances of monetary items denominated in foreign currencies arising from 01 January 2012 are basically the same those under VAS 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised in the consolidated income statement when incurred.

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 year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the consolidated 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 year, the Company did not recognise any deferred tax in these consolidated financial statements.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the 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 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 consolidated balance sheet date.

Enterprise funds

All profits are used to pay dividends to shareholders, allocate to bonus and welfare funds, investment and development funds and bonus fund for the management. The allocation ratio shall be decided at the Shareholders' General Meeting as per the request of the Board of Management. However, according to the Company's Charter, the Board of Management is able to pay mid-year dividends if such payment is considered as appropriate with the Company's profitability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the consolidated balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Company's right to receive payment has been established.

Significant accounting policies related to insurance business

Underwriting reserves

The Company makes underwriting reserves as regulated in Article 96 of the Law on Insurance Business, Decree No. 46/2007/ND-CP dated 27 March 2007, Circular No. 124/2012/TT-BTC and Circular No. 125/2012/TT-BTC issued by the Ministry of Finance on the same date of 30 July 2012, accordingly:

Unearned premium reserve: Unearned premium reserve is provided for in line with 1/24 method, particularly for cargo insurance products, the Company uses unearned premium reserve rate of 1/6 as cargo insurance policies have average period of 3 months.

Claim reserve: The Company provides reserve against losses that incurred and reproted, using the statistics of retention liabilities for each estimated loss for both of direct policies and reinsurance policies. Claim reserves for losses incurred but not reported (IBNR) have been evaluated based on statistical of historical data.

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 consolidated 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 year.

Revenue recognition

Direct insurance premium

Direct insurance premium of the Company is recognized when the issued policy comes into effect or divided into collectible terms for long-period policies.

Re-insurance premium

Premium from re-insurance 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 year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies related to insurance business (Continued)

Expenses

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 reinsures sent to the Company and the claim is accepted by the Company.

Claim recoverable from the reinsures is recognized based on the receivable amount incurred corresponding with the claim settlement expenses recorded in the year and the ceded ratios.

Commission from direct insurance activities and other expenses are recognized when incurred.

5. CASH AND CASH EQUIVALENTS

	31/12/2012 VND	31/12/2011 VND
Cash on hand	1,867,280,662	1,535,213,278
Cash in bank	1,005,758,984,222	269,564,764,371
Cash in transit	12,000,000	1,465,148,400
Cash equivalents (*)	765,880,000,000	414,000,000,000
	1,773,518,264,884	686,565,126,049

(*) Cash equivalents represent term deposits within three months at domestic credit institutions.

6. SHORT- TERM FINANCIAL INVESTMENTS

	31/12/2012 VND	31/12/2011 VND
Short-term investments in securities	243,445,934,805	135,590,622,326
Securities repurchase agreements (i)	63,334,494,426	278,826,000,000
Term deposits at credit institutions (ii)	3,516,000,000,000	2,478,000,000,000
Short-term entrusted investments (iii)	547,372,089,700	100,000,000,000
Co-operation contract of investment in listed securities (iv)	142,165,750,318	339,828,183,818
Co-operation contract of investment in real estate (v)	844,085,000,000	910,000,000,000
Other short-term investments	-	50,000,000,000
Provision for diminution in value of short-term investments	(80,573,262,191)	(109,561,242,847)
	5,275,830,007,058	4,182,683,563,297

(i) Under the repurchase agreements, the Company gains fixed interest and bears no risk relating to securities. The Company is exposed to credit risk regarding the agreements which are guaranteed by the right of selling the securities.

(ii) Represent term deposits at domestic credit institutions which will fall due from 3 months to 1 year .

(iii) Under the short-term entrusted investment agreements, the Company gains fixed interest and bears no risk in using the investments. The Company is exposed to credit risk regarding the agreement which is not guaranteed by collaterals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

6. SHORT-TERM FINANCIAL INVESTMENTS (Continued)

- (iv) Under co-operation contract of investments in listed securities, the Company contributes capital with other partners for purchasing listed securities, enjoys fixed interest and does not bear any risk from the investments. The Company has the right to blockade and sell securities to recover its capital, in case the market price decreases by 30% in comparison with the reference price stated in the investment co-operation contract. The contract has an effective duration of 1 year and can be early terminated. The Company fully made provision for overdue contracts which are assessed to be difficult to be recovered.
- (v) Under co-operation contract on investments in real estates, the Company contributes capital with other partners in real estate projects, enjoys fixed interest and does not bear any risk from the investments. The Company accepted collaterals that are real estates that are evaluated by evaluation firms. In case partners failed to fulfill their obligations to the Company upon expiry of the contract, the Company has full right to sell the collaterals to recover the invested capital. The contract has an effective duration of 1 year and can be early terminated as agreed by both parties. As at 31 December 2012, some contracts have been renewed, the Board of General Directors accessed the partners' financial capacity based on best estimate as well as the value of the collaterals and believes that no significant provision should be made.

7. TRADE ACCOUNTS RECEIVABLE

	31/12/2012 VND	31/12/2011 VND
Trade accounts receivable	1,124,067,119,187	1,034,158,831,183
Receivables from direct insurance premium	350,939,666,334	245,238,501,137
Receivables from reinsurance - inward	159,395,838,448	115,612,810,391
Receivables from reinsurance - outward	238,979,093,295	282,059,831,517
Receivables from insurance brokerage	25,257,784	-
Receivables from financial investments	369,869,934,400	388,409,380,959
Receivables from non-insurance business	2,674,599,542	-
Other trade receivables	2,182,729,384	2,838,307,179
Provision for short-term doubtful debts	(170,837,178,370)	(45,672,081,458)
Provision for premium fee	(96,192,971,326)	(28,701,580,984)
Provision for interest of long-term entrusted investments	(39,877,039,901)	-
Provision for accrued interest of bond	(17,796,666,669)	-
Provision for other short-term doubtful debts	(16,970,500,474)	(16,970,500,474)

8. ADVANCES TO SUPPLIERS

	31/12/2012 VND	31/12/2011 VND
Advances under apartment purchase contract	63,209,770,122	63,209,770,122
- Olalani project (Da Nang)	63,209,770,122	63,209,770,122
Other advances	5,095,608,118	4,349,950,405
	68,305,378,240	67,559,720,527

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

9. OTHER RECEIVABLES

	31/12/2012 VND	31/12/2011 VND
Capital advanced to establish PVI Sun Life (*)	51,000,000,000	-
Receivables from PetroVietnam Hospital Joint Stock Company on transferring of hospital (**)	43,019,789,607	-
Advances to direct claims	35,473,759,635	26,786,968,842
Others	22,620,072,680	28,987,569,558
	152,113,621,922	55,774,538,400

(*) Represents an advance of VND 51 billion for the pre-operating costs of PVI Sun Life Insurance Limited Company ("PVI Sun Life"). This amount will be recovered by PVI Sun Life after its official operation. Currently, all capital contributors completed legal procedures in Vietnam and Canada for PVI Sun Life to operate officially. On 24 January 2013, the Ministry of Finance issued Licence No. 68 GP/KDBH to PVI Sun Life (see Note 37).

(**) Represents a receivable from PetroVietnam Hospital Joint Stock Company on the transfer of property in hospital under Transfer Contract No. 01/2011/PVI-PVH dated 01 June 2011 and Appendix No. PL01-01/2011/PVI-PVH dated 22 November 2012 between PetroVietnam Hospital Joint Stock Company and the Company. Such amount should be settled before 31 March 2013.

10. VALUE ADDED TAX DEDUCTIBLES

The balance as at 31 December 2012 (VND 90,089,890,454) mainly presents the input value added taxes for the construction of the Company's new head office (PVI Tower) located in Yen Hoa ward, Cau Giay district, Hanoi. These value added tax refundables/deductibles depend on final decisions of the competent tax authorities.

11. OTHER SHORT-TERM ASSETS

	31/12/2012 VND	31/12/2011 VND
Advances to employees	21,486,383,088	23,280,512,426
Short-term deposits and mortgages	42,569,128,777	42,495,137,020
	64,055,511,865	65,775,649,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

12. TANGIBLE FIXED ASSETS

	Buildings, structures VND	Motor vehicles VND	Office equipment VND	Total VND
COST				
As at 01/01/2012	28,559,715,265	38,068,066,538	57,228,188,511	123,855,970,314
Additions	5,659,710,100	14,555,500,004	5,027,710,958	25,242,921,062
Other decreases	-	32,613,635	3,455,394,368	3,488,008,003
As at 31/12/2012	34,219,425,365	52,590,952,907	58,800,505,101	145,610,883,373
ACCUMULATED DEPRECIATION				
As at 01/01/2012	11,305,575,078	21,062,458,361	43,946,837,852	76,314,871,291
Charge for the year	1,293,073,364	6,360,998,897	7,985,658,558	15,639,730,819
Other decreases	-	-	3,409,877,016	3,409,877,016
As at 31/12/2012	12,598,648,442	27,423,457,258	48,522,619,394	88,544,725,094
NET BOOK VALUE				
As at 31/12/2012	21,620,776,923	25,167,495,649	10,277,885,707	57,066,158,279
As at 31/12/2011	17,254,140,187	17,005,608,177	13,281,350,659	47,541,099,023

13. INTANGIBLE FIXED ASSETS

	Computer software VND	Land use rights VND	Total VND
COST			
As at 01/01/2012	28,573,311,482	27,947,013,940	56,520,325,422
Additions	9,792,000,000	-	9,792,000,000
Decreases	-	365,148,600	365,148,600
As at 31/12/2012	38,365,311,482	27,581,865,340	65,947,176,822
ACCUMULATED AMORTISATION			
As at 01/01/2012	15,257,900,150	-	15,257,900,150
Charge for the year	8,181,761,202	-	8,181,761,202
As at 31/12/2012	23,439,661,352	-	23,439,661,352
NET BOOK VALUE			
As at 31/12/2012	14,925,650,130	27,581,865,340	42,507,515,470
As at 31/12/2011	13,315,411,332	27,947,013,940	41,262,425,272

14. CONSTRUCTION IN PROGRESS

	31/12/2012 VND	31/12/2011 VND
PVI Tower Office Building Project at Yen Hoa, Cau Giay, Hanoi (*)	930,681,882,930	445,753,639,776
Office Building Project at Bien Hoa, Dong Nai	-	5,645,100,100
Others	1,205,758,000	2,864,361
	931,887,640,930	451,401,604,237

(*) As described in Note 23, the Company used the property formed from the loan which is PVI Tower office building in Yen Hoa ward, Cau Giay district, Hanoi, to guarantee for the bank loan. Borrowing costs of VND 26,033,333,334 for the year were capitalized entirely to construction in progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements) ắt kèm theo)

FORM B 09 - DN/HN

15. INVESTMENTS IN ASSOCIATES

	31/12/2012 VND	31/12/2011 VND
PV2 Investment Joint Stock Company	138,721,893,200	162,433,335,115
Nangluongmoi Trading and Communication Joint Stock Company	46,912,303,800	46,912,303,800
Sapa Petroleum Tourism Joint Stock Company	78,894,557,965	
PetroVietnam Finance Fund Management Inc.	-	45,894,557,965
PetroVietnam Hospital Joint Stock Company	30,000,000,000	24,000,000,000
Viet Housing International Investment and Development Joint Stock Company	102,000,000,000	25,000,000,000
V-CAR Services Joint Stock Company	20,200,000,000	10,000,000,000
Cost of investments in associates	416,728,754,965	416,240,196,880
Company's share of associates' net (loss)/profit	(6,299,768,586)	4,767,360,791
	410,428,986,379	421,007,557,671

Details of the Company's associates as at 31 December 2012 are as follows:

Name of associates	Place of incorporation and operation	Proportion of ownership interest (per paid-in share capital) %	Proportion of voting power held %	Principal activities
PV2 Investment Joint Stock Company	Hanoi, Vietnam	36.4	36.4	Real-estate bussiness and finance investments
Nangluongmoi Trading and Communication Joint Stock Company (*)	Hanoi, Vietnam	74.4	74.4	Communication development, multi-media marketing, event organisation
Sapa Petroleum Tourism Joint Stock Company (*)	Laocai, Vietnam	74.5	74.5	Tourism, travellings, hotels, foods and beverages
PetroVietnam Hospital Joint Stock Company (*)	Quang Ngai, Vietnam	60.0	60.0	Management of the operation of Dung Quat Petroleum Hospital
Viet Housing International Investment and Development Joint Stock Company	Hanoi, Vietnam	34.0	34.0	Real-estate bussiness
V-CAR Services Joint Stock Company (**)	Hanoi, Vietnam	48.2	48.2	Repair, maintenance, auto-salvage services

(*) As at 31 December 2012, the Company had investments in Nangluongmoi Trading and Communication Joint Stock Company (formerly known as PetroVietnam Media Joint Stock Company), Sapa Petroleum Tourism Joint Stock Company and Petro Vietnam Hospital Joint Stock Company with the ownership interest proportions of 74.4%, 74.5% and 60% respectively. However, the Board of Management decided not to hold control of these companies in the long term. Therefore, the Company reclassified these investments as "investments in associates" instead of "investments in subsidiaries". The application of appropriate accounting methods for classification of these investments depends on the Company's plan to withdraw capital in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

15. INVESTMENT INS ASSOCIATES (Continued)

On 17 August 2012, the Board of Management issued Resolution No. 21/NQ-PVI on approval for dissolution of Nangluongmoi Trading and Communication Joint Stock Company. Currently, the procedures for dissolution of Nangluongmoi Trading and Communication Joint Stock Company have not been completed; therefore, the Company has not classified such investment as short-term.

(**) V-CAR Services Joint Stock Company was changed from PetroVietnam Insurance Services Joint Stock Company under the 3rd Amendment Business License dated 22 February 2012 issued by Hanoi Department of Planning and Investment.

Summarised financial information in respect of the Company's associates is as follows:

	2012 VND	2011 VND
Opening balance	421,007,557,671	249,116,194,200
Change in investments in associates	488,558,085	167,124,002,680
Share of (loss)/profit of associates	(6,447,964,304)	4,767,360,791
Impacts from changes in ownership ratio at associates	(4,619,165,073)	-
Closing balance	410,428,986,379	421,007,557,671

16. OTHER LONG-TERM INVESTMENTS

	31/12/2012 VND	31/12/2011 VND
Shares (*)	428,289,987,630	453,509,599,026
Bonds (**)	360,000,000,000	458,000,000,000
Entrusted investments (***)	196,392,231,326	233,582,300,000
	984,682,218,956	1,145,091,899,026

(*) Represents capital contribution to other companies with the holding period of more than one year.

(**) Include Government and Corporate Bonds, which fall due from one year to seven years, coupon rates are in range from 9.4% to 17.9%.

The balance as at 31 December 2012 includes a corporate bond valued at VND 200 billion which falls due in October 2013. Accrued interest as at 31 December 2012 is VND 35,593,333,336 (as at 31 December 2011: VND 35,593,333,336). The Company stopped recording accrued interest from 01 January 2012, simultaneously made provision of VND 17,796,666,669 as at 31 December 2012 for the interest receivables that are overdue for 1 year or more (see Note 7) and provision of VND 10,6 billion for the principal of the bond based on the diminution in value of collateral.

The balance as at 31 December 2012 includes a bond valued at VND 60 billion which fell due on 10 December 2012. The overdue principal of the bond is less than 6 months and were assessed to the recoverable by the Board of General Directors, it is believed that no provision for doubtful debts for the overdue principal of the bond as at 31 December 2012 is consistent with the actual situation and in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance.

(***) Represents the balance of the purpose-nominated trusted loan granted via commercial banks. According to the entrusted loan agreements, the Company enjoys interest at the floating rate and is exposed to risk in using the entrusted funds. As at 31 December 2012, part of the loan principal and interest was overdue. The Board of General Directors has made provision of VND 159,877,039,901 for the overdue past (of which VND 120,000,000,000 was made for the overdue principal as described in Note 17 and VND 39,877,039,901 was made for the overdue interest as described in Note 7) on best estimate of the trustees' debt repayability and believes that the trustees will fulfill their commitments to repay the debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

17. PROVISION FOR DIMINUTION IN VALUE OF LONG-TERM INVESTMENTS

	31/12/2012 VND	31/12/2011 VND
Provision for diminution in value of long-term entrusted investments	(120,000,000,000)	(65,777,247,706)
Other provisions	(56,353,068,338)	(56,676,624,576)
	(176,353,068,338)	(122,453,872,282)

18. LONG-TERM PREPAYMENTS

	2012 VND	2011 VND
As at 01 January	135,345,435,486	164,081,910,726
Additions	12,587,284,834	3,555,595,804
Allocated to expenses	(33,245,206,578)	(32,292,071,044)
As at 31 December	114,687,513,742	135,345,435,486

19. TRADE ACCOUNTS PAYABLE

	31/12/2012 VND	31/12/2011 VND
Payables for direct insurance activities	142,733,475,711	146,959,350,050
Payables for returned insurance premium	11,895,512,405	19,086,945,135
Payables for reinsurance premium - inward	46,608,868,379	40,791,367,596
Payables for reinsurance premium - outward	756,433,032,443	614,506,058,454
Other trade accounts payable	150,485,238,941	124,194,154,870
	1,108,156,127,879	945,537,876,105

20. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	31/12/2011	Movement during the year		31/12/2012
		Payables	Paid	
Value Added Tax for domestic sales	2,449,431,516	325,992,279,828	315,824,405,512	12,617,305,832
Corporate Income Tax	33,635,104,194	163,536,525,583	150,275,302,370	46,896,327,407
Business licence tax	-	42,800,000	42,800,000	-
Other taxes and charges payable	7,922,302,833	33,739,992,530	32,964,847,925	8,697,447,438
	44,006,838,543	523,311,597,941	499,107,355,807	68,211,080,677

Unit: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

21. OTHER CURRENT PAYABLES

	31/12/2012 VND	31/12/2011 VND
Vietnam Oil and Gas Group (*)	1,095,807,489,680	142,415,165,558
PetroVietnam Finance Joint Stock Corporation	-	50,021,250,002
PetroVietnam Hospital Joint Stock Company	38,399,229,371	45,227,388,888
Others	31,822,715,672	23,021,918,912
	1,166,029,434,723	260,685,723,360

(*) Includes (i) entrusted principal an interest payable to Vietnam Oil and Gas Group under Entrusted Investment Agreement No.1847/HD-DKVN of VND 850 billion dated 12 March 2012 with the entrusted term under 12 months, the interest rate is adjusted every 3 months and based on 12-month-term deposit interest rate from Joint Stock Commercial Bank for Foreign Trade of Vietnam. The entrusted investment agreement expired on 31 December 2012. The Company has been working with Vietnam Oil and Gas Group to complete procedures for liquidation and settlement of payables; (ii) dividends; and (iii) other payables.

22. SHORT-TERM PROVISIONS

	31/12/2012 VND	31/12/2011 VND
Unearned premium reserve	929,629,476,258	871,955,163,527
Claim reserve	718,323,426,065	437,815,784,062
Catastrophe reserve	109,854,910,131	73,799,912,459
	1,757,807,812,454	1,383,570,860,048

23. LONG-TERM LOANS AND LIABILITIES

On 21 August 2012, the Company entered into a long-term loan agreement with Vietnam Export Import Bank (Eximbank), Long Bien Branch with the amount of VND 500 billion. The principal will be repaid in 8 installments commencing on 21 February 2014 to 21 August 2017. The loan bears a fixed interest rate of 14.2% p.a. for the first six months, then will be adjusted quarterly. The interest rate is adjusted every 3 months, equal to the VND deposit interest rate for 13-month term with term-end interest payment announced by Eximbank plus margin of 3.5%/p.a, and is paid monthly.

The Company used the property formed from the loan, which is PVI Tower office building in Yen Hoa Ward, Cau Giay District, Hanoi to guarantee for this loan (see Note 14).

Schedule of principal repayment is below:

	31/12/2012 VND
Less than 1 year	-
In the second year	125,000,000,000
From the third to the fifth year inclusive	375,000,000,000
After 5 years	-
	500,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

24. OWNERS' EQUITY

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Foreign exchange reserve VND	Investment and development funds VND	Other owner's funds VND	Retained earnings VND	Total VND
As at 01/01/2012	2,129,471,520,000	2,974,771,778,198	(124,322,427,350)	(3,470,275,408)	179,211,820,775	51,638,058,907	254,048,490,805	5,461,348,965,927
Capital contributions (a)	212,947,150,000	347,849,170,725	-	-	-	-	-	560,796,320,725
Purchase of treasury shares (b)	-	-	(13,896,923,265)	-	-	-	-	(13,896,923,265)
Profit for the year	-	-	-	-	-	17,481,707,562	389,049,061,130	389,049,061,130
Allocated to compulsory reserve fund (c)	-	-	-	-	-	(17,481,707,562)	(17,481,707,562)	-
Allocated to bonus and welfare funds (d)	-	-	-	-	-	(20,000,000,000)	(20,000,000,000)	(20,000,000,000)
Other disbursement	-	(630,000,000)	-	-	-	-	-	(630,000,000)
Dividends payable (d)	-	-	-	-	-	-	(307,764,378,000)	(307,764,378,000)
Foreign exchange differences	-	-	-	3,470,275,408	-	-	-	3,470,275,408
Adjustment under the State Audit's report (e)	-	-	-	-	-	-	7,025,072,501	7,025,072,501
Others	-	1,071,565,097	-	-	-	-	2,807,917,241	3,879,482,338
As at 31/12/2012	2,342,418,670,000	3,323,062,514,020	(138,219,350,615)	-	179,211,820,775	69,119,766,469	307,684,456,115	6,083,277,876,764

(a) Capital increased under Resolution of the 2012 Annual General Shareholders' Meeting No. 01/2012/NQ-DHDCD dated 20 April 2012. Accordingly, the Company issued 21,294,715 shares (equivalent to 9.09% of charter capital after the increase) to HDI Gerling Industrie Versicherung AG, and earned the proceeds corresponding to the charter capital addition of VND 212,947,150,000 and the share premium increase of VND 347,849,170,725.

(b) During the year, the Company purchased 639,800 treasury shares according to Resolution of the Board of Management.

(c) 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/NĐ-CP dated 27 March 2007.

(d) Allocation to bonus and welfare funds and dividends payable to shareholders (2nd dividend of 2011 of 8% and 1st dividend of 2012 of 7%) are made no more than the maximum amount under Resolution of the Annual General Shareholders' Meeting No. 01/2012/NQ-DHDCD dated 20 April 2012. The distribution of the remaining profit for the year 2012 is under the authority of the Shareholders and will be determined in the 2013 Annual General Shareholders' Meeting.

(e) Adjustment under the State Audit's Official Letter No. 250/KTNH-TH dated 10 October 2012 on the results of the audit of the Company's 2011 consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

24. OWNERS' EQUITY (Continued)

Details of charter capital are as follows:

	Capital contribution as at 31/12/2012	Ratio	Capital contribution as at 31/12/2011	Ratio
	VND	%	VND	%
Vietnam Oil and Gas Group	831,497,400,000	35.50%	831,497,400,000	39.05%
HDI-Gerling Industrie Versicherung AG (under Talanx Group)	745,315,030,000	31.82%	532,367,880,000	25.00%
Funderburk Lighthouse Limited	271,178,410,000	11.58%	220,925,000,000	10.37%
PetroVietnam Finance Joint Stock Cporation	145,932,430,000	6.23%	162,500,430,000	7.63%
Other shareholders	348,495,400,000	14.88%	382,180,810,000	17.95%
	2,342,418,670,000	100%	2,129,471,520,000	100%

Shares

As at 31 December 2012, the number of outstanding shares of the Company was as follows:

	31/12/2012	31/12/2011
	Shares	Shares
Number of shares registered	234,241,867	212,947,152
Common shares	234,241,867	212,947,152
Number of shares issued	234,241,867	212,947,152
Common shares	234,241,867	212,947,152
Number of treasury shares	7,770,900	7,131,100
Common shares	7,770,900	7,131,100
Number of outstanding shares	226,470,967	205,816,052
Common shares	226,470,967	205,816,052

Par value of outstanding shares: VND 10,000.

25. GROSS SALES

	2012 VND	2011 VND
Premium from direct insurance	4,658,979,488,362	4,241,055,565,014
Premium from reinsurance inward	613,212,751,480	458,471,062,388
Commission from reinsurance outward	253,307,040,953	187,836,205,283
Other income from insurance activities	28,151,386,322	11,187,855,661
Income from non-insurance business	43,019,789,607	-
	5,596,670,456,724	4,898,550,688,346

26. DEDUCTIONS

	2012 VND	2011 VND
Increase in unearned premium reserve	47,864,109,288	15,855,839,647
Returned premium	136,311,389,095	128,767,980,951
Other deductions	5,804,141,644	2,783,802,027
	189,979,640,027	147,407,622,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

27. COST OF SALES

	2012 VND	2011 VND
Reinsurance outward premium	2,941,555,616,095	2,477,918,984,337
Claim settlements of direct policies	1,128,447,176,752	934,811,139,762
Claim settlements of assumed policies	136,594,757,220	118,036,642,103
Deduction to expenses	(591,580,139,246)	(342,315,241,185)
- Claims receipt from ceded policies	(584,551,759,201)	(335,807,220,583)
- Receipt of claim from third parties	(1,654,979,415)	(39,160,600)
- Receipt of 100% of claim from goods	(5,373,400,630)	(6,468,860,002)
Claim payment from catastrophe provision	(30,089,845,888)	(57,017,903,718)
Increase in claim reserve	283,082,170,919	174,709,933,176
Increase in catastrophe reserve	65,829,757,040	62,786,107,563
Other expenses for insurance activities	217,445,800,264	218,012,645,355
- Other expenses for direct insurance services	53,254,914,034	63,124,414,340
- Other expenses for reinsurance inward	120,703,767,991	113,646,864,835
- Other expenses for reinsurance outward	43,487,118,239	41,241,366,180
Cost of non-insurance business	43,019,789,607	-
	4,194,305,082,763	3,586,942,307,393

28. FINANCIAL INCOME

	2012 VND	2011 VND
Deposit, loan interests	494,094,346,771	363,039,929,189
Gain from investment in bonds	29,051,982,052	62,445,380,516
Gain from stock trading	6,402,646,204	5,505,863,959
Gain from entrusted investments	44,672,212,958	25,777,069,443
Dividends, profits received	313,859,832	20,588,452,937
Foreign exchange gain	10,515,792,090	29,644,907,691
Income from repo activities	38,159,576,402	55,739,065,227
Sale from investment property	-	190,374,703,314
Other financial income	166,134,227,163	96,627,584,833
	789,344,643,472	849,742,957,109

29. FINANCIAL EXPENSES

	2012 VND	2011 VND
Expenses for stock trading	10,013,855,688	1,928,890,465
Expenses for trading of bond and commercial paper	6,397,222,222	-
Foreign exchange loss	15,611,850,553	53,462,700,692
Charge for provision for diminution in value of investments	76,187,699,748	180,703,755,753
Cost of investment property	-	176,800,000,000
Other financial expenses	107,923,450,199	167,283,371,061
	216,134,078,410	580,178,717,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

30. CORPORATE INCOME TAX

	2012 VND	2011 VND
Profit before tax	549,462,203,844	467,997,784,250
Adjustments for taxable income		
Less: non-assessable income	(13,850,240,890)	(36,409,604,844)
- Share of associates' net profit (*)	-	(11,053,791,117)
- Dividends and profits received	(11,770,487,031)	(25,355,813,727)
- Foreign exchange gain from revaluation of year-end balances	(2,079,753,859)	-
Add back:	106,040,607,900	49,894,017,115
- Adjustment of dividends and profits received	11,456,627,199	-
- Foreign exchange loss from revaluation of year-end balances	4,989,296,957	-
- Share of associates' net loss (*)	1,555,050,926	-
- Remuneration to the Board of Management	199,000,000	167,000,000
- Depreciation of car valued at over VND1.6 billion	354,210,173	250,755,708
- Additional tax payable after tax audit	304,086,733	542,132,328
- Non-deductible transaction expenses	79,593,757,756	48,874,129,079
- Other non-deductible expenses	7,588,578,156	60,000,000
Assessable income	641,652,570,854	481,482,196,521
Normal tax rate	25%	25%
Corporate income tax	160,413,142,714	120,370,549,130

(*) Represents the share of associates' net profit/loss as at the date of the consolidated financial statements which generated a deferred tax. However as the deferred tax is evaluated to be immaterial, it was not recorded by the Company.

31. BASIC EARNINGS PER SHARE

	Unit	2012	2011
Accounting profit after tax	VND	389,049,061,130	347,627,235,120
Average number of outstanding ordinary shares	Shares	214,549,110	168,226,651
Basic earnings per share	VND	1,813	2,066

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

32. CONTINGENT LIABILITIES

In the State Auditors' report dated 12 March 2012 issued by the State Audit on management and use of the enterprise reorganization support fund at Vietnam Oil and Gas Group ("the Group"), the late payment interest regarding the proceeds from equitization in 2007 which should be paid by the Company to the Group's enterprise reorganization support fund was temporarily determined at VND 134,402,904,325.

However, at the time the Company completed its equitization process, the State's document, which is Decision No. 76/2003/QD-BTC on management and use of the enterprise reorganization support fund and equitization of State-owned enterprises, does not regulate reference interest rate to calculate late payment interest, the Group determined the late payment interest payable of VND 44,294,438,126 by the Company as per Resolution No. 872/NQ-DKVN dated 04 February 2008 by the Group's Board of Management before the effective date (06 March 2008) of Decision No. 09/2008/QD-BTC on management and use of the enterprise reorganization support fund at groups, State-owned corporations, holding companies (as a substitute for Decision No. 76/2003/QD-BTC above), and the Company transferred the late payment interest of VND 44,294,438,126 to the Group in June 2008.

Currently, the Company has been working with Vietnam Oil and Gas Group, the Ministry of Finance and the State Auditors to reach an agreement on the difference amount of VND 90,108,466,199 (between VND 134,402,904,325 and VND 44,294,438,126). Therefore, the amount of VND 90,108,466,199 has not yet been recognized in the 2012 consolidated financial statements.

33. COMMITMENTS

As at 31 December 2012, the Company had several following significant commitments:

- A contract of office construction in Yen Hoa Ward, Cau Giay District, Hanoi with the total estimated value of USD 54,954,000. The percentage of completion is approximately 80% of the contract value.
- A commitment for purchasing apartments at Olalani resort at Son Tra - Dien Ngoc Street, Khue My Ward, Ngu Hanh Son District, Da Nang with the total value of USD 5,058,460. The cost incurred relating to this commitment is approximately 60% of the contract value.
- On 15 June 2012, the Company's Board of Management approved Resolution No. 15/NQ-PVI on the capital contribution to establish PVI Sun Life Insurance Company Limited ("PVI Sun Life") with charter capital of VND 1,000,000,000,000, in which the Company will contribute VND 510,000,000,000 corresponding to 51% of the charter capital and Sun Life Assurance Company of Canada will contribute VND 490,000,000,000 corresponding to 49%. As at 31 December 2012, the Company transferred VND 51 billion to the joint account to make payment for the pre-operating costs of PVI Sun Life (see Note 9). In addition, as at 17 January 2013, the Company contributed VND 510 billion in full and has been fulfilling finalization procedures to recover the advance for the pre-operating costs of PVI Sun Life.
- On 28 November 2012, the Company's Board of Management approved Resolution No. 24/NQ-PVI on the capital contribution to establish PVI Asset Management Joint Stock Company ("PVI Asset Management - PVI AM") with charter capital of VND 200,000,000,000, in which the Company will contribute VND 4,000,000,000, corresponding to 21% of the charter capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

34. 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 shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 23 offset by cash and cash equivalents) and equity (comprising capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	31/12/2012
	VND
Borrowings	500,000,000,000
Less: cash and cash equivalents	1,773,518,264,884
Net debt	-
Equity	6,083,277,876,764
Net debt to equity ratio	0%

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 and financial liability are disclosed in Note 4.

Categories of financial instruments

	Carrying amounts	
	31/12/2012	31/12/2011
	VND	VND
Financial assets		
Cash and cash equivalents	1,773,518,264,884	686,565,126,049
Trade and other receivables	1,105,343,562,739	1,044,261,288,125
Short-term investments	5,275,830,007,058	4,182,683,563,297
Long-term investments	808,329,150,618	1,024,231,762,239
Other financial assets	46,960,529,475	45,286,817,460
Total	9,009,981,514,774	6,983,028,557,170
Financial liabilities		
Trade and other payables	2,274,242,313,809	1,206,236,599,465
Claim reserve and accruals	729,438,054,505	440,474,050,057
Long-term loans and liabilities	500,000,000,000	-
Other financial liabilities	-	31,306,632
Total	3,503,608,368,314	1,646,741,956,154

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 No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial asset and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives

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

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. 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 carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

Currency name	Codes	Assets (VND Equivalent)		Liabilities (VND Equivalent)	
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
United States Dollar	USD	888,039,342,884	663,776,952,864	654,951,525,972	681,904,807,877
South Korea Won	KRW	40,889,913,444	12,246,372,662	11,509,112,144	320,979,282
Euro	EUR	26,153,855,770	9,490,110,642	8,537,652,821	1,841,977,998
Ringgit Malaysia	MYR	2,819,552,576	7,635,580,729	3,888,612,833	4,728,744,382
Russian Ruble	RUB	315,830,423	-	3,902,540,862	3,464,093,916
Others		6,025,543,615	1,121,843,667	2,661,199,262	1,269,077,892

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar.

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. For a 10% increase/decrease in the United States Dollar against Vietnam Dong, the profit/(loss) before tax in the year would increase/decrease by 23,308,781,691 VND.

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analyzing market competition to enjoy favorable interest rates from appropriate lenders.

Interest rate sensitivity

Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2012 would have been unchanged (due to borrowing costs for the year are capitalized entirely to construction in progress), and the item "Construction in progress" would have decreased/increased by VND 10 billion (2011: VND 0)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

34. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives (Continued)

Price risk management

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Share price risk management

Shares held by the Company are affected by market risks arising from the uncertainty about future prices of such shares. The Company manages this risk exposure by setting up investment limits. The Company's Board of Management also assesses and approves decisions on share investments such as operating industry, investees, etc. If the invested share prices had been 10% lower and all other variables were held constant, the Company's profit before tax would have decreased by VND 5,7 billion.

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. As at the balance sheet date there is a significant concentration of credit risk arising on the entrusted investment and co-operation investment contracts. Credit risk is evaluated prudently by the Board of General Directors as presented in Note 6 and Note 16.

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 shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets, if any and 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. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

34. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

	Less than 1 year	From 1-5 years	More than 5 years	Total
	VND	VND	VND	VND
31/12/2012				
Cash and cash equivalents	1,777,680,603,164	-	-	1,777,680,603,164
Trade and other receivables	1,105,343,562,739	-	-	1,105,343,562,739
Short-term investments	5,610,234,613,008	-	-	5,610,234,613,008
Long-term investments	388,255,498,773	448,754,679,618	10,000,000,000	847,010,178,391
Other financial assets	42,528,328,777	4,386,400,698	-	46,914,729,475
Total	8,924,042,606,461	453,141,080,316	10,000,000,000	9,387,183,686,777
31/12/2012				
Trade and other payables	2,274,242,313,810	-	-	2,274,242,313,810
Claim reserve and accruals	729,438,054,505	-	-	729,438,054,505
Long-term loans and liabilities	71,000,000,000	595,209,027,778	-	666,209,027,778
Total	3,074,680,368,315	595,209,027,778	-	3,669,889,396,093

	Less than 1 year	From 1-5 years	More than 5 years	Total
	VND	VND	VND	VND
31/12/2011				
Cash and cash equivalents	686,565,126,049	-	-	686,565,126,049
Trade and other receivables	1,044,261,288,125	-	-	1,044,261,288,125
Short-term investments	4,182,683,563,297	-	-	4,182,683,563,297
Long-term investments	93,600,000,000	562,943,304,137	367,688,458,102	1,024,231,762,239
Other financial assets	42,495,137,020	2,791,680,440	-	45,286,817,460
Total	6,049,605,114,491	565,734,984,577	367,688,458,102	6,983,028,557,170
31/12/2011				
Trade and other payables	1,206,236,599,465	-	-	1,206,236,599,465
Claim reserve and accruals	440,474,050,057	-	-	440,474,050,057
Long-term loans and liabilities	31,306,632	-	-	31,306,632
Total	1,646,741,956,154	-	-	1,646,741,956,154

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

35. RELATED PARTY TRANSACTIONS AND BALANCES

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

	2012 VND	2011 VND
Vietnam Oil and Gas Group		
Dividends payable	124,724,610,000	124,724,610,000
Dividends paid	124,724,610,000	43,114,680,000
Receipt of entrusted capital	850,000,000,000	840,000,000,000
Payment for entrusted capital	-	840,000,000,000
Interest expense for entrusted capital	73,761,111,112	109,713,333,335
Management fee	4,350,354,276	1,247,460,582
Receipt of shares transferred	-	24,000,000,000
Receipt of PetroVietnam Hospital's assets transferred	43,019,789,607	-
PV2 Investment Joint Stock Company		
(Adjustment)/Dividends declared	(2,782,080,000)	2,782,080,000
Entrusted investments	100,000,000,000	150,000,000,000
Principal of entrusted investment recovered	134,000,000,000	125,000,000,000
Interest income from entrusted investments	10,911,627,780	23,482,624,998
Revenue/(Adjustment of revenue) from office leasing	(217,567,350)	1,133,914,350
Viet Housing International Investment and Development Joint Stock Company		
Entrusted investments	432,372,089,700	-
Interest income from entrusted investments	21,743,918,512	-
Sale from investment property	-	190,374,703,314
Cost of investment property	-	176,800,000,000
Shares transferred	5,937,141,096	-
Service fees	1,516,000,000	-
PetroVietnam Hospital Joint Stock Company		
Sale from transfer of property	43,019,789,607	-
Cost of transfer of property	43,019,789,607	-
Service fees	4,785,069,444	-
Interest income from entrusted investments	33,549,248	21,250,002
Nangluongmoi Trading and Communication Joint Stock Company		
Services fees	21,840,000	4,415,120,989
Sapa Petroleum Tourism Joint Stock Company		
Dividends declared	-	440,871,626

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

FORM B 09 - DN/HN

35. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Related party balances at the balance sheet date were as follows:

	31/12/2012 VND	31/12/2011 VND
Capital contribution		
PV2 Investment Joint Stock Company	138,721,893,200	162,433,335,115
Viet Housing International Investment and Development Joint Stock Company	102,000,000,000	102,000,000,000
Nangluongmoi Trading and Communication Joint Stock Company	46,912,303,800	46,912,303,800
Sapa Petroleum Tourism Joint Stock Company	78,894,557,965	45,894,557,965
V-CAR Services Joint Stock Company	20,200,000,000	10,000,000,000
PetroVietnam Finance Fund Management Inc.	-	24,000,000,000
PetroVietnam Hospital Joint Stock Company	30,000,000,000	25,000,000,000
Principal of entrusted investments		
PV2 Investment Joint Stock Company	41,000,000,000	75,000,000,000
Viet Housing International Development and Investment Joint Stock Company	432,372,089,700	-
Other short-term investments		
PetroVietnam Hospital Joint Stock Company	-	50,021,250,002
Receivables		
PV2 Investment Joint Stock Company	9,653,981,700	24,305,531,826
Viet Housing International Investment and Development Joint Stock Company	22,047,118,512	-
PetroVietnam Hospital Joint Stock Company	43,019,789,607	-
Payables		
Vietnam Oil and Gas Group	1,095,807,489,680	142,415,165,558
PetroVietnam Finance Fund Management Inc.	-	50,021,250,002
PetroVietnam Hospital Joint Stock Company	38,399,229,371	45,227,388,888

Remuneration of the Board of General Directors

Remuneration paid to the Board of General Directors of the Company and its subsidiaries during the year was VND 19,781,516,306 (2011: VND 7,429,154,334).

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

36. BUSINESS SEGMENTS

37. SUBSEQUENT EVENTS

38. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's figures to enhance their comparability with the current year's presentation, details are as follows:

Balance sheet:	Reported figures	Reclassification	After reclassification
	VND	VND	VND
Long-term provisions	-	2,246,091,550	2,246,091,550
Provision for severance allowance	2,246,091,550	(2,246,091,550)	-

Urup



Số đăng ký kế hoạch xuất bản: **204 - 2013/CXB/ 16/01 - 18/VHTT**

