

**POST AND TELECOMMUNICATION JOINT STOCK
INSURANCE CORPORATION**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2022



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POST AND TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

No. 95 Tran Thai Tong Street, Dich Vong Ward,
Cau Giay District, Hanoi City

STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of Post and Telecommunication Joint Stock Insurance Corporation (the "Corporation") presents this report together with the Corporation's separate financial statements for the year ended 31 December 2022.

THE BOARD OF DIRECTORS, SUPERVISORY BOARD AND EXECUTIVE BOARD

The members of the Board of Directors, Supervisory Board and Executive Board of the Corporation during the year and to the date of this report are as follows:

Board of Directors

Ms. Pham Minh Huong	Chairman (appointed on 10 March 2022)
	Member (appointed on 10 March 2022, to 10 March 2022)
Ms. Nguyen Ho Nga	Chairman (appointed on 19 January 2022, resigned on 10 March 2022)
	Member (resigned on 28 April 2022)
Mr. Nguyen Minh Duc	Chairman (resigned on 19 January 2022)
Mr. Kim Kang Wook	Vice Chairman
Mr. Vu Hoang Ha	Vice Chairman (appointed on 28 April 2022)
Mr. Ko Young Joo	Member
Mr. Mai Xuan Dung	Member
Ms. Tran Thi Minh	Member
Mr. Park Ki Huyn	Member (appointed on 28 April 2022)
Ms. Vu Nam Huong	Member (appointed on 10 March 2022)
Ms. Do Thanh Huong	Member (appointed on 10 March 2022)
Mr. Bui Xuan Thu	Member (resigned on 10 March 2022)
Mr. Do Ngoc Quynh	Member (resigned on 10 March 2022)
Mr. Ha Chan Ho	Member (resigned on 28 April 2022)

Supervisory Board

Ms. Nguyen Thi Ha Ninh	Head of the Supervisory Board (appointed on 07 February 2023)
	Member (to 07 February 2023)
Mr. Bui Van Toi	Head of the Supervisory Board (appointed on 28 April 2022, resigned on 07 February 2023)
Mr. Nguyen Huu Thang	Head of the Supervisory Board (resigned on 28 April 2022)
Ms. Bui Thanh Hien	Member
Mr. Park Han Woong	Member (appointed on 28 April 2022)
Mr. Lee Tae Hun	Member (appointed on 28 April 2022)
Mr. Bae Taeg Soo	Member (resigned on 28 April 2022)
Mr. Park Ki Huyn	Member (resigned on 28 April 2022)

STATEMENT OF THE EXECUTIVE BOARD (Continued)

Board of Executive Board

Mr. Nguyen Kim Lan	Chief Executive Officer (appointed on 24 October 2022) Deputy Chief Executive Officer (resigned on 05 October 2022)
Mr. Bui Xuan Thu	Chief Executive Officer (resigned on 24 October 2022)
Ms. Luu Phuong Lan	Executive Officer (appointed on 25 October 2022) Deputy Chief Executive Officer (resigned on 05 October 2022)
Mr. Dieu Ngoc Tuan	Executive Officer (appointed on 31 October 2022)
Mr. Do Quang Khanh	Deputy Chief Executive Officer (resigned on 05 October 2022)
Mr. Doan Kien	Deputy Chief Executive Officer (resigned on 05 October 2022)
Mr. Nghiem Xuan Thai	Deputy Chief Executive Officer (resigned on 05 October 2022)
Mr. Hoang Manh Huyen	Deputy Chief Executive Officer (appointed on 01 January 2022, resigned on 05 October 2022)
Mr. Do Phuc Hiep	Deputy Chief Executive Officer (appointed on 01 January 2022, resigned on 05 October 2022)
Mr. Vu Chi Huy	Deputy Chief Executive Officer (appointed on 21 April 2022, resigned on 05 October 2022)
Mr. Cao Ba Huy	Deputy Chief Executive Officer (appointed on 21 April 2022, resigned on 22 August 2022)

EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Corporation is responsible for preparing the separate financial statements, which give a true and fair view of the separate financial position of the Corporation as at 31 December 2022, and its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Executive Board 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 separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.


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

POST AND TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

No. 95 Tran Thai Tong Street, Dich Vong Ward,
Cau Giay District, Hanoi City

STATEMENT OF THE EXECUTIVE BOARD (Continued)

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

For and on behalf of the Executive Board, 



Nguyen Kim Lan
Chief Executive Officer

Hanoi, 27 March 2023

No.: ~~0761~~ /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders**
The Board of Directors, Supervisory Board and Executive Board
Post and Telecommunication Joint Stock Insurance Corporation

We have audited the accompanying separate financial statements of Post and Telecommunication Joint Stock Insurance Corporation (the "Corporation"), prepared on 27 March 2023 as set out from page 05 to page 49, which comprise the separate balance sheet as at 31 December 2022, the separate income statement and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Board's Responsibility for the Separate Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Corporation as at 31 December 2022, and its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting.



Khúc Thị Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

27 March 2023
Hanoi, S.R. Vietnam

Nguyen Khuong Duy
Auditor
Audit Practising Registration Certificate
No. 5063-2020-001-1

**POST AND TELECOMMUNICATION JOINT STOCK
INSURANCE CORPORATION**

No. 95 Tran Thai Tong Street, Dich Vong Ward,
Cau Giay District, Hanoi City

FORM B01-DNPNT

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

SEPARATE BALANCE SHEET

As at 31 December 2022

Unit: VND

	ASSETS	Codes	Notes	Closing balance	Opening balance
A.	CURRENT ASSETS	100		7,372,403,393,738	7,302,507,743,231
	(100=110+120+130+140+150+190)				
I.	Cash and cash equivalents	110	5	239,693,397,353	151,424,045,640
1.	Cash	111		139,693,397,353	151,424,045,640
2.	Cash equivalents	112		100,000,000,000	-
II.	Short-term financial investments	120	6	3,794,418,742,145	3,900,840,869,585
1.	Trading securities	121		-	14,236,657,070
2.	Held-to-maturity investments	123		3,794,418,742,145	3,886,630,907,515
3.	Provision for impairment of short-term investment	129		-	(26,695,000)
III.	Short-term receivables	130		942,787,957,074	876,020,440,187
1.	Trade accounts receivable	131		564,988,288,392	505,026,777,965
1.1.	Receivables of insurance contracts	131.1	7	564,988,288,392	505,026,777,965
2.	Advances to suppliers	132	8	175,319,757,286	156,411,002,969
3.	Other receivables	135	9	295,007,808,261	302,867,451,661
4.	Provision for short-term doubtful debts	139	10	(92,527,896,865)	(88,284,792,408)
IV.	Inventories	140		1,524,510,711	1,861,097,801
1.	Inventories	141		1,524,510,711	1,861,097,801
V.	Other current assets	150		739,580,282,597	671,493,412,538
1.	Short-term prepaid expenses	151	11	698,660,011,292	645,710,200,393
1.1.	Unallocated commission expenses	151.1		416,369,417,375	390,719,147,172
1.2.	Other short-term prepaid expenses	151.2		282,290,593,917	254,991,053,221
2.	VAT deductibles	152		18,140,526,298	25,081,341,829
3.	Taxes and other receivables from the State budget	154	16	22,779,745,007	701,870,316
VI.	Reinsurance assets	190	19	1,654,398,503,858	1,700,867,877,480
1.	Unearned premium reserve for outward reinsurance	191		1,012,892,798,778	1,065,833,353,023
2.	Claim reserve for outward reinsurance	192		641,505,705,080	635,034,524,457
B.	NON-CURRENT ASSETS	200		1,005,673,281,446	1,261,707,925,343
	(200=210+220+240+250+260)				
I.	Long-term receivables	210		16,383,554,269	18,079,886,286
1.	Other long-term receivables	218		16,383,554,269	18,079,886,286
1.1	Insurance deposit	218.1		8,000,000,000	8,000,000,000
1.2	Other long-term receivables	218.2		8,383,554,269	10,079,886,286
II.	Fixed assets	220		398,012,819,863	119,944,036,929
1.	Tangible fixed assets	221	12	365,217,892,772	85,177,014,058
	Cost	222		496,442,427,468	196,980,053,944
	Accumulated depreciation	223		(131,224,534,696)	(111,803,039,886)
2.	Intangible assets	227	13	24,186,704,551	24,959,539,311
	Cost	228		36,932,176,605	38,685,603,304
	Accumulated amortization	229		(12,745,472,054)	(13,726,063,993)
3.	Construction in progress	230		8,608,222,540	9,807,483,560
III.	Investment property	240	14	89,629,516,698	305,771,041,259
	Cost	241		109,069,879,642	327,110,252,494
	Accumulated amortization	242		(19,440,362,944)	(21,339,211,235)
IV.	Long-term financial investments	250	6	476,607,479,367	779,449,595,713
1.	Investments in subsidiaries	251		176,400,000,000	88,200,000,000
2.	Investments in associates	252		34,444,900,000	34,444,900,000
3.	Equity investments in other entities	253		30,129,400,000	30,129,400,000
4.	Provision for impairment of long-term financial investments	254		(38,366,820,633)	(38,050,915,615)
5.	Held-to-maturity investments	255		274,000,000,000	664,726,211,328
V.	Other non-current assets	260		25,039,911,249	38,463,365,156
1.	Long-term prepaid expenses	261	11	25,039,911,249	38,463,365,156
	TOTAL ASSETS (270=100+200)	270		8,378,076,675,184	8,564,215,668,574

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

**POST AND TELECOMMUNICATION JOINT STOCK
INSURANCE CORPORATION**

No. 95 Tran Thai Tong Street, Dich Vong Ward,
Cau Giay District, Hanoi City

FORM B01-DNPNT

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

SEPARATE BALANCE SHEET (Continued)

As at 31 December 2022

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
A. LIABILITIES (300=310+330)	300		6,559,553,271,405	6,380,627,904,934
I. Current liabilities	310		6,557,654,889,562	6,378,237,207,591
1. Trade accounts payable	312	15	513,806,169,050	538,684,318,279
1.1. Payables of insurance contracts	312.1		507,749,368,014	515,439,391,359
1.2. Other payables to suppliers	312.2		6,056,801,036	23,244,926,920
2. Advances from customers	313		8,029,027,569	6,899,172,213
3. Taxes and amounts payable to the State budget	314	16	32,509,112,804	74,444,964,952
4. Payables to employees	315		65,019,279,017	116,591,266,323
5. Accrued expenses	316		41,072,102,565	17,454,785,143
6. Short - term unearned revenue	318	17	214,929,260,307	133,432,368,564
7. Other current payables	319	18	105,667,034,955	106,886,853,247
8. Unearned commission income	319.1	18	297,994,436,198	345,133,359,458
9. Short-term provisions	320		-	136,800,000,000
10. Underwriting reserves	329	19	5,278,628,467,097	4,901,910,119,412
10.1 Unearned premium reserve for direct insurance and inward reinsurance	329.1		3,631,789,735,305	3,366,993,634,760
10.2 Claim reserve for direct insurance and inward reinsurance	329.2		1,515,268,210,444	1,450,296,486,631
10.3 Catastrophe reserve	329.3		131,570,521,348	84,619,998,021
II. Long-term liabilities	330		1,898,381,843	2,390,697,343
1. Other long-term payables	333		1,898,381,843	2,390,697,343
B. EQUITY (400=410)	400		1,818,523,403,779	2,183,587,763,640
I. Owners' equity	410	20	1,818,523,403,779	2,183,587,763,640
1. Owners' contributed capital	411		803,957,090,000	803,957,090,000
2. Share premium	412		827,943,052,804	827,943,052,804
3. Investment and development funds	417		28,642,118,155	26,019,645,665
4. Compulsory reserve fund	419		80,395,709,000	80,395,709,000
5. Retained earnings	421		77,585,433,820	445,272,266,171
- Retained earnings accumulated to the prior year end	421a		421,400,343,883	195,508,688,597
- (Loss)/Retained earnings of the current year	421b		(343,814,910,063)	249,763,577,574
TOTAL RESOURCES (440 = 300+ 400)	440		8,378,076,675,184	8,564,215,668,574

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

**POST AND TELECOMMUNICATION JOINT STOCK
INSURANCE CORPORATION**

No. 95 Tran Thai Tong Street, Dich Vong Ward,
Cau Giay District, Hanoi City

FORM B01-DNPNT

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

SEPARATE BALANCE SHEET (Continued)

As at 31 December 2022

OFF-BALANCE SHEET ITEMS

ITEMS	Unit	Closing balance	Opening balance
1. Direct insurance contract of which responsibility has not yet been incurred	VND	226,244,910,515	178,104,873,414
2. Foreign currencies			
- United States Dollar	USD	398,478.80	513,029.43
- Euro	EUR	2,583.70	119,430.93
- British Pound	GBP	308.33	314.93



Le Trong Hiep
Preparer



Le Xuan Bach
Chief Accountant



Nguyen Kim Lan
Chief Executive Officer

Hanoi, 27 March 2023

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

**POST AND TELECOMMUNICATION JOINT STOCK
INSURANCE CORPORATION**

No. 95 Tran Thai Tong Street, Dich Vong Ward,
Cau Giay District, Hanoi City

FORM B02-DNPNT

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

SEPARATE INCOME STATEMENT

For the year ended 31 December 2022

Unit: VND

PART I: GENERAL INCOME STATEMENT

ITEMS	Codes	Current year	Prior year (Restated)
1. Net revenue from insurance activities	10	5,152,967,384,633	4,963,702,478,265
2. Revenue from investment property business	11	9,125,910,370	39,664,063,873
3. Financial income	12	148,354,469,774	187,104,388,366
4. Other income	13	5,616,636,632	3,994,315,067
5. Total expenses for insurance activities	20	5,353,406,361,482	4,558,193,742,149
6. Cost of investment property	21	5,118,035,372	20,496,114,733
7. Financial expenses	22	49,331,298,802	37,193,882,921
8. General and administration expenses	23	243,363,507,630	244,878,922,760
9. Other expenses	24	4,787,746,779	463,443,630
10. Total accounting (loss)/profit before tax (50 = 10+11+12+13-20-21-22-23-24)	50	(339,942,548,656)	333,239,139,378
11. Current corporate income tax expense	51	3,872,361,407	70,991,890,393
12. Net (loss)/profit after corporate income tax (60 = 50-51)	60	(343,814,910,063)	262,247,248,985

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

SEPARATE INCOME STATEMENT (Continued)

For the year ended 31 December 2022

Unit: VND

PART II: INCOME STATEMENT BY ACTIVITY

ITEMS	Codes	Notes	Current year	Prior year (Restated)
1. Insurance premium (01 = 01.1 + 01.2 - 01.3)	01	21	6,105,621,475,455	5,704,229,551,151
- Direct insurance premium	01.1		6,265,961,552,698	5,836,199,674,337
- Inward reinsurance premium	01.2		104,456,023,302	108,719,404,440
- Increase in unearned premium reserves for direct insurance and inward reinsurance	01.3		264,796,100,545	240,689,527,626
2. Outward reinsurance premium (02=02.1-02.2)	02	22	1,728,305,797,560	1,562,274,134,038
- Total outward reinsurance premium	02.1		1,675,365,243,315	1,733,551,920,761
- (Decrease)/Increase in unearned premium reserve for outward reinsurance	02.2		(52,940,554,245)	171,277,786,723
3. Net insurance premium (03= 01 - 02)	03		4,377,315,677,895	4,141,955,417,113
4. Commission income from outward reinsurance and other income from insurance activities (04 = 04.1 + 04.2)	04		775,651,706,738	821,747,061,152
- Commission income from outward reinsurance	04.1		542,541,404,555	586,417,287,875
- Other income from insurance activities	04.2		233,110,302,183	235,329,773,277
5. Net revenue from insurance activities (10 = 03 + 04)	10		5,152,967,384,633	4,963,702,478,265
6. Claim settlement expenses (11= 11.1 - 11.2)	11	23	2,901,283,639,616	2,154,152,125,034
- Total claim settlement expenses	11.1		2,930,580,025,754	2,167,860,066,789
- Deductions (Receipt of claim form third party, receipt of 100% claim for goods)	11.2		29,296,386,138	13,707,941,755
7. Claims receipts from ceded policies	12	23	697,502,010,599	515,151,160,071
8. Increase in claim reserves for direct insurance and inward reinsurance	13	23	64,971,723,813	247,109,647,100
9. Increase in claim reserve for outward reinsurance	14	23	6,471,180,623	113,779,060,823
10. Total insurance claim settlement expenses (15 = 11 - 12 + 13 - 14)	15	23	2,262,282,172,207	1,772,331,551,240
11. Increase in catastrophe reserve	16		46,950,523,327	42,113,671,580
<i>In which: Claim settlement from catastrophe reserve</i>			-	-
12. Other expenses for insurance activities (17 = 17.1 + 17.2)	17	24	3,044,173,665,948	2,743,748,519,329
- Insurance commission expense	17.1		658,150,628,466	658,480,727,819
- Other expenses for insurance activities	17.2		2,386,023,037,482	2,085,267,791,510
13. Total expenses for insurance activities (18 = 15 + 16 + 17)	18		5,353,406,361,482	4,558,193,742,149
14. Gross (loss)/ profit from insurance activities (19 = 10 - 18)	19		(200,438,976,849)	405,508,736,116

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


SEPARATE INCOME STATEMENT (Continued)

For the year ended 31 December 2022

Unit: VND

PART II: INCOME STATEMENT BY ACTIVITY (Continued)

ITEMS	Codes	Notes	Current year	Prior year (Restated)
15. Revenue from investment properties	20	25	9,125,910,370	39,664,063,873
16. Cost of investment properties	21	26	5,118,035,372	20,496,114,733
17. Gross profit from investment properties (22 = 20 - 21)	22		4,007,874,998	19,167,949,140
18. Financial income	23	27	148,354,469,774	187,104,388,366
19. Financial expenses	24	28	49,331,298,802	37,193,882,921
20. Gross profit from financial activities (25 = 23 - 24)	25		99,023,170,972	149,910,505,445
21. General and administration expenses	26	29	243,363,507,630	244,878,922,760
22. Net (loss)/profit from operating activities (30 = 19 + 22 + 25 - 26)	30		(340,771,438,509)	329,708,267,941
23. Other income	31		5,616,636,632	3,994,315,067
24. Other expenses	32		4,787,746,779	463,443,630
25. Other profit (40 = 31 - 32)	40		828,889,853	3,530,871,437
26. Accounting (loss)/profit before tax (50 = 30 + 40)	50		(339,942,548,656)	333,239,139,378
27. Current corporate income tax expense	51	31	3,872,361,407	70,991,890,393
28. Net (loss)/profit after corporate income tax (60 = 50 - 51)	60		(343,814,910,063)	262,247,248,985


Le Trong Hiep
Preparer


Le Xuan Bach
Chief Accountant




Nguyen Kim Lan
Chief Executive Officer

Hanoi, 27 March 2023

SEPARATE CASH FLOW STATEMENT

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>(Loss)/Profit before tax</i>	01	<i>(339,942,548,656)</i>	<i>333,239,139,378</i>
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment properties	02	28,906,097,107	26,605,200,713
Provisions	03	290,920,035,782	279,919,900,551
Foreign exchange losses arising from translating foreign currency items	04	77,613,747	590,237,355
Gain from investing activities	05	(308,215,170,263)	(312,927,085,353)
Interest expense	06	9,847,289,553	8,743,826,504
3. <i>Operating (loss)/profit before movements in working capital</i>	08	<i>(318,406,682,730)</i>	<i>336,171,219,148</i>
Increases in receivables	09	(96,881,772,863)	(27,384,066,469)
Decreases in inventories	10	336,587,090	164,403,918
(Decrease)/increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(27,144,625,170)	53,731,912,279
Increases in prepaid expenses	12	(39,526,356,992)	(55,913,113,611)
Decrease/(increase) in trading securities	13	14,236,657,070	(8,463,442,212)
Interest paid	14	(9,847,289,553)	(8,743,826,504)
Corporate income tax paid	15	(57,474,844,751)	(59,640,179,255)
<i>Net cash (used in)/generated by operating activities</i>	20	<i>(534,708,327,899)</i>	<i>229,922,907,294</i>
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(91,133,884,976)	(72,654,820,535)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	(411,648,570)	11,537,866,199
3. Cash outflow for lending, buying debt instruments of other entities	23	(3,551,356,991,996)	(2,749,134,280,988)
4. Cash recovered from lending, selling debt instruments of other entities	24	4,034,295,368,694	2,218,941,831,892
5. Equity investments in other entities	25	(88,200,000,000)	-
6. Interest earned, dividends and profits received	27	320,560,654,831	296,266,980,364
<i>Net cash generated by/(used in) investing activities</i>	30	<i>623,753,497,983</i>	<i>(295,042,423,068)</i>

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

SEPARATE CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	492,100,000,000	266,637,910,506
2. Repayment of borrowings	34	(492,100,000,000)	(266,637,910,506)
3. Dividends and profits paid	36	(930,971,267)	(79,926,579,686)
<i>Net cash used in financing activities</i>	40	(930,971,267)	(79,926,579,686)
 Net increase/(decrease) in cash (50=20+30+40)	50	88,114,198,817	(145,046,095,460)
 Cash at the beginning of the year	60	151,424,045,640	297,060,378,455
 Effects of changes in foreign exchange rates	61	155,152,896	(590,237,355)
 Cash and cash equivalents at the end of the year (70=50+60+61)	70	239,693,397,353	151,424,045,640

Le Trong Hiep
Preparer

Le Xuan Bach
Chief Accountant



Nguyen Kim Lan
Chief Executive Officer

Hanoi, 27 March 2023

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

Post and Telecommunication Joint Stock Insurance Corporation (the "Corporation") was incorporated and has operated under Operating Licence No. 3633/GP-UB dated 01 August 1998 issued by Hanoi City People's Committee and the latest amended Operating Licence No. 41A/GPDC32/KDBH dated 05 January 2022.

The total number of employees of the Corporation as at 31 December 2022 was 2,603 (as at 31 December 2021: 2,535).

Business sector and principal activities

Business sector of the Corporation includes non-life insurance services and financial services.

The Corporation's principal activities include:

- Non-life insurance business;
- Re-insurance business;
- Financial investments;
- Other activities in accordance with the Operating Licence.

Normal business cycle

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

The characteristics of the business activities during the year which have impact on the separate financial statements

Increase capital in subsidiary

According to Resolution No. 27/NQ-PTI-HDQT dated 05 April 2022, the Corporation has completed the additional capital contribution of VND 88,200,000,000 to Postal Real Estate Joint Stock Company - subsidiary of the Corporation on 21 April 2022. Accordingly, the proportion of ownership interest and voting power held of the Corporation in Postal Real Estate Joint Stock Company increased from 95.32% to 97.60% from that day forward.

Vung Tam An

In 2022, the Corporation incurred expenses related to the "Vung Tam An" insurance program with a rounded amount of VND 353.2 billion, resulting in a sharp decline in business results compared to last year.

The Corporation's structure

As at 31 December 2022, the Corporation has a Head office located at No. 95 Tran Thai Tong, Dich Vong Ward, Cau Giay District, Hanoi; 03 representative offices for claim appraisal in Hanoi, Ho Chi Minh City, and Hai Phong City; 01 Southern representative office and 52 dependent companies.

The list of the Corporation's subsidiaries and associates as at 31 December 2022 are as follows:

	Head office	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
Subsidiary				
- Post Real Estate Joint Stock Company	Hanoi	97.60	97.60	Real estate investment; financial investments
Associates				
- Lanexang Assurance Public Company	Vientian, Lao	50	50	Insurance business
- Kasati Joint Stock Company	Ho Chi Minh	21.3	21.3	Telecom, informatics and electronic devices

Disclosure of information comparability in the separate financial statements

Comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2021.

During the year, the Executive Board decided to change the recognition of some expense items from administrative expenses to insurance business expenses to bring them in line with the business and cost management model of the Corporation. Accordingly, certain items on the separate income statement for the year ended 31 December 2021 have been reclassified to enhance their comparability with the current year's figures.

Details of the reclassified figures are presented as follows: -

Items	Codes	Prior year (Reported) VND	Adjustments VND	Prior year (Restated) VND
Separate income statement for the year ended 31 December 2021				
Other expenses for insurance activities	17.2	1,737,051,894,784	348,215,896,726	2,085,267,791,510
Financial expenses	24	47,743,805,628	(10,549,922,707)	37,193,882,921
General and administration expenses	26	582,544,896,779	(337,665,974,019)	244,878,922,760

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. LEGAL REGULATIONS NEWLY ISSUED IN THE YEAR BUT NOT EFFECTIVE

On 16 June 2022, the National Assembly promulgated the Law on Insurance Business No. 08/2022/QH15 ("Law No. 08") regulating the organization and operation of insurance business; rights and obligations of organizations and individuals participating in insurance; State management of insurance business activities. Law No. 08 takes effect from 01 January 2023, except for some cases specified in Clauses 2 and 3, Article 156 of this Law. Accordingly, some noteworthy transitional terms are as follows:

- Insurance policies signed before the effective date of Law 08 and still effective thereafter shall continue to follow the laws at the time of entering into insurance policies, except for the cases where the parties involved in. The insurance policies reach an agreement on the amendment and supplement to be consistent with this Law and to apply the provisions of this Law.
- Insurance agent certificates issued before the effective date of this Law shall remain valid until the end of 31 December 2025.
- Insurers shall cease paying into the Policyholder protection funds from 01 January 2023. Accordingly, the entire balance of the Policyholder protection funds shall be managed by the Ministry of Finance to serve for the purposes of protecting the interests of the insured in the event of insolvency or bankruptcy of the insurer. The Government shall stipulate detailed regulation on the management and use of the balance of the Policyholder protection funds.
- Insurers are not allowed to involve in real estate business from 01 January 2028 onwards.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of separate financial statements in conformity with Vietnamese accounting standards, accounting regime applicable to insurance enterprises and legal regulations relating to financial reporting requires the Executive Board 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 separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Executive Board'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.

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

The fair value of cash and cash equivalents is stated at the book value. The fair value of the receivables is measured at cost less provisions.

The fair value of the investments is determined as follows:

- The fair value of listed securities is determined according to the average trading price on the Hanoi Stock Exchange (HNX) or the closing price on the Ho Chi Minh Stock Exchange (HOSE) at the year-end date.
- The fair value of securities which have been registered for trading in the market of unlisted public company (UPCoM) is determined according to the average preference price of the latest 30 consecutive days before the year-end date. For the securities which are not traded in the latest 30 consecutive days before the year-end date, fair value is determined by the net asset value method based on the financial statements of the investees.
- The fair value of other long-term equity investments is determined by the net asset value method based on the financial statements of the investees.
- The fair value of short-term deposits is stated at the book value because of their short term.
- For other investments with insufficient information in the market to determine the fair value at the reporting date, the book value less provision for impairment of these items is shown instead of the fair value.

Financial liabilities

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

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

Subsequent measurement after initial recognition

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments not exceeding 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

a) *Trading securities*

Trading securities are those the Corporation holds for trading purpose. Trading securities are recognised from the date the Corporation obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent periods, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made when there has been evidence that their market prices are lower than their costs in accordance with the prevailing accounting regulations.

b) *Held-to-maturity investments*

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including bank term deposits, investments in bonds, and other held-to-maturity investments.

Held-to-maturity investments are recognized on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognized in the separate income statement on an accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with the prevailing accounting regulations.

c) Investments in subsidiaries, associates

Investments in subsidiaries

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in associates

An associate is an entity over which the Corporation 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.

Interests in subsidiary and associates are initially recognised at cost. The Corporation's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiary and associates are carried in the separate balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of those investments are made when there is reliable evidence for declining in value of these investments at the balance sheet date.

d) Equity investments in other entities

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

Equity investments in other entities are carried at cost less provision for impairment.

e) Provisions for impairment of investments

Provisions for impairment of investments in subsidiary, associates and other long-term investments are made in accordance with the prevailing accounting regulations if the investees operate a loss.

Provisions for impairment of long-term investments are recognized as operating expenses in the separate income statement. For investments in listed shares or where the fair value of the investment can be measured reliably, provision is made based on the market value of the shares (similar to provision for impairment of investments in trading securities).

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts. Provision for doubtful debts is made 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 therefore, may be unable to repay the debt.



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:

	<u>Number of years</u>
Buildings and structures	25 - 50
Motor vehicles	05 - 10
Office equipment	03 - 05

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the separate income statement.

Intangible assets and amortization

Land use rights

Intangible assets comprise land use rights granted for indefinite period. According to the current regulations, the Corporation does not amortize the land use rights granted for indefinite period.

Computer software

Computer software is amortized using the straight-line method over its estimated useful life from 03 to 04 years.

Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation. Investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives from 20 to 50 years.

Only in the following cases shall an owner-occupied property be transferred into an investment property or shall an investment property be transferred into an owner-occupied property:

- An investment property is transferred into an owner-occupied property when the owner starts to use the property;
- An owner-occupied property is transferred into an investment property when the owner ceases to use the property.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments include unallocated commission expenses, prepayments for operating expenses, and other prepayments.

Operating expenses relating to credit risk insurance and other insurances in the year are allocated on the same basis as the allocation of unearned premium reserve of this type of insurance.

The accounting policy for prepayment for insurance commission expenses is presented in the accounting policy section for some specific operations of insurance business activities, under the "Expenditure recognition" section.

Other prepayments comprise costs of tools, supplies issued for consumption, office rentals, agent development expenses, other prepaid service expenses which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayments, and are allocated to the separate income statement using the straight-line method in accordance with the prevailing accounting regulations.

Foreign currencies

Transactions arising in foreign currencies are translated at the exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Corporation usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognized in the separate income statement.

Payable provisions

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

Unearned revenue

Unearned revenue is recognized as amounts payable by the Corporation to the customers when the Corporation has received payments from the customers but has not yet provided services.

Underwriting reserves

Underwriting reserves are made in accordance with Circular No. 50/2017/TT-BTC issued by the Ministry of Finance dated 15 May 2017 ("Circular 50") and Approval Document No. 3281/BTC-QLBH dated 23 March 2018 of the Insurance Supervisory Authority – the Ministry of Finance. Details are as follows:

a) Non-life insurance lines

Unearned premium reserve

Unearned premium reserves are made by a factor of year of direct policies, in which:

- For direct insurance and reinsurance contracts with terms of less than 01 year, the reserves are determined by the percentage of total retained insurance premium. Details are as follows:
 - For cargo insurance: The unearned premium reserves are made at 25% of total retained insurance premium.
 - For other types of insurance: The reserves are made at 50% of total retained insurance premium.
- For direct insurance and reinsurance contracts with terms of more than 01 year, unearned premium reserves are made by a factor of the year of the insurance contract.

Claim reserve

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

For losses incurred but not reported ("IBNR") nor claimed, claim reserves are made based on statistic rate on claim in 3 consecutive years. The Executive Board believes IBNR reserve has been prudently evaluated and fully recorded.

Catastrophe reserve

Under Vietnamese Accounting Standard No. 19 on Insurance Contract, reserve for the possible claim under contracts that has neither arisen nor existed at the reporting date (including catastrophe reserve) is not required to be made. However, the Corporation follows the reserve policy in accordance with Circular 50, accordingly, catastrophe reserves for all types of insurance were consistently made at 1% of total retained premium in the year.

b) Health insurance lines

Mathematical reserve

For health insurance and reinsurance contract (insurance contract) with terms of more than 01 year, mathematical reserves are made on a daily basis according to the gross premium valuation.

Unearned premium reserve

For health insurance and reinsurance contract with terms of less than 01 year, the unearned premium reserve is made in accordance with the percentage of the insurance premium retained.

Claim reserve

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

For losses incurred but not reported ("IBNR"), claim reserves are made based on statistic rate on claim in 3 consecutive years. The Executive Board believes IBNR reserve has been prudently evaluated and fully recorded.

Equalization reserve

The Corporation's equalization reserves were consistently provided at 1% of the premium retained in the year and recorded in Catastrophe reserve in the separate balance sheet.

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

Insurance deposits

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

Enterprise funds

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

Revenue recognition

Direct insurance premium

Direct insurance premium is recognized under Circular 50. In particular, direct insurance premiums are recognized when the following conditions are met:

- (1) The contract has been signed by the insurer and the insured;
- (2) The insured has paid insurance fee or has agreed with the insurer on the payment of the premium (including the extension period) which is no more than 30 days from the effective date of the insurance policy (applicable to the first installment of insurance premium or one-time payment policy). The first installment of insurance premium (for periodical premium payment) or insurance premium for the one-time premium payment should be accounted for at the beginning of the insurance policy.

Inward reinsurance

a) Treaty inward reinsurance

Revenue and expenses related to reinsurance assumed under treaty arrangements are recognized when the periodical reconciliation is received from the cedants. As of the date of these separate financial statements, expenses related to treaty reinsurance transactions whose the periodical reconciliation has not been received from the cedants will be estimated based on the statistical and estimated figures of the cedants.

b) Facultative inward reinsurance

Inward reinsurance premium is recognized when the facultative reinsurance agreement has been signed and a statement of account (for each facultative reinsurance agreement) has been received from the cedant.

Outward reinsurance

Reinsurance premium ceded under treaty reinsurance is recognized when gross written premium in the scope of these agreements is recognized.

Facultative reinsurance premium ceded is recognized when facultative reinsurance agreement is signed and gross written premium in the scope of this agreement is recognized.

Claim receipts from ceded policies are recognized when there is substantial evidence for reinsurers' obligations.

Commission income from outward reinsurance is recognized when outward reinsurance premium is recognized.

Other revenues

Other revenues of the Corporation such as revenue from other services relating to insurance activities, revenue from selling investment properties, leasing houses, interest on bank deposits, securities, bonds and loans are recognized when incurred.

The allocation principles for assets, resources, revenue, general expenses related to Shareholders fund and Policyholders fund approved by the Ministry of Finance in Official Letter No. 7034/BTC-QLBH dated 14 June 2018 were applied to allocate revenue from investment activities using technical reserves for insurance operation. During the year, gain from investing activities from the use of technical reserves for insurance operations amounted to VND 168.18 billion (for the year ended 31 December 2021: VND 146.69 billion).

Expenditure recognition

Claim settlement expenses

Claim expense is recognized when the claim procedures are completed and approved by authorized persons. Any claim that has not been approved at the reporting date is considered as outstanding claim and included in claim reserve.

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

Claim receipts from ceded policies are recognized when incurred corresponding to the claim settlement expenses recorded in the year and the ceded ratios.

Commission expenses

Commission expenses are recognized corresponding to the percentage of direct premium in the separate income statement in the year. Commission of each type of products are calculated by respective percentage in accordance with Circular 50 guiding the implementation of Decision No. 73/2016/ND-CP dated 01 July 2016 of the Government regarding Insurance Business Law.

At the year end, the Corporation should determine unearned commission expenses for direct insurance and inward reinsurance which have not been recognized as expenses for the year corresponding to unearned direct premium and inward reinsurance premium so as to allocate such commission expenses to the subsequent accounting years in accordance with the above-mentioned method.

Other expenses

Other expenses are recognized when incurred.

Interest income

Interest income is recorded based on the accrual basis and actual interest rate in the year.

Dividends and profits received

Dividends and profits received are recorded where the Corporation has the right to receive dividends or shared profits. Dividends by shares are recorded by the increasing number of shares, not by the increasing value of the received shares.

Expenditures on investing activities

Expenditures on investing activities include directly incurred expenses relating to investment activities and allocated expenses from general expenditures.

Direct expenses include: salary expenses for investment department staff, investment portfolio management expenses, provisions for impairment of investments, losses from securities trading, securities transaction costs, expenses related to real estate activities.

General expenses for investing activities are allocated based on the proportion of financial income over total realized revenue in the year. This allocation principal was approved by the Ministry of Finance in Official Letter No. 7034/BTC-QLBH dated 14 June 2018. During the year, general expenses of VND 5.8 billion have been allocated to investing activities (for the year ended 31 December 2021: VND 7.7 billion).

Borrowing costs

Borrowing costs are recognised in the separate income statement in the year when incurred in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs".

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 profit before tax as reported in the separate 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 separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally 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.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized. 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 deferred tax is also dealt with in equity.

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

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

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

5. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	2,291,564,723	6,143,629,858
Bank demand deposits	115,561,658,877	144,815,915,782
Cash in transit	21,840,173,753	464,500,000
Cash equivalents (i)	100,000,000,000	-
	239,693,397,353	151,424,045,640

- (i) Cash equivalents represent deposits in VND at commercial banks with original term not exceeding 3 months with interest rate of 6% per annum.

6. FINANCIAL INVESTMENTS

	Cost	Fair value	Closing balance	Cost	Fair value	Opening balance
	VND	VND	Provision	VND	VND	Provision
						VND
a) Trading securities						
- Total trading securities	-	-	-	14,236,657,070	15,492,750,000	(26,695,000)
+ Lien Viet Post Joint Stock Commercial Bank (LPB)	-	-	-	14,236,657,070	15,492,750,000	(26,695,000)
+ Dong Phu Rubber Joint Stock Company (DPR)	-	-	-	5,384,064,000	5,575,000,000	-
+ Others	-	-	-	4,093,991,790	4,110,750,000	-
				4,758,601,280	5,807,000,000	(26,695,000)
b) Held-to-maturity investments						
b1) Short-term						
- Short-term deposits (i)	4,068,418,742,145	4,061,074,742,145	(7,344,000,000)	4,551,357,118,843	4,544,013,118,843	(7,344,000,000)
- Bonds (ii)	3,794,418,742,145	3,794,418,742,145	-	3,886,630,907,515	3,886,630,907,515	-
- Certificates of deposits (iii)	3,162,542,787,645	3,162,542,787,645	-	3,786,630,907,515	3,786,630,907,515	-
b2) Long-term						
- Long-term deposits (iv)	381,690,510,000	381,690,510,000	-	100,000,000,000	100,000,000,000	-
- Bonds (v)	250,185,444,500	250,185,444,500	-	-	-	-
- Investment in real estate project through Post Real Estate Joint Stock Company	274,000,000,000	266,656,000,000	(7,344,000,000)	664,726,211,328	657,382,211,328	(7,344,000,000)
	54,000,000,000	54,000,000,000	-	291,726,211,328	291,726,211,328	-
	212,000,000,000	212,000,000,000	-	365,000,000,000	365,000,000,000	-
	8,000,000,000	656,000,000	(7,344,000,000)	8,000,000,000	656,000,000	(7,344,000,000)
c) Equity investments in other entities						
- Investment in subsidiary	240,974,300,000	217,805,219,829	(31,022,820,633)	152,774,300,000	123,781,652,202	(30,706,915,615)
+ Post Real Estate Joint Stock Company	176,400,000,000	160,231,064,787	(16,168,935,213)	88,200,000,000	71,681,440,015	(16,518,559,985)
- Investments in associates	176,400,000,000	160,231,064,787	(16,168,935,213)	88,200,000,000	71,681,440,015	(16,518,559,985)
+ Lanexang Assurance Public Company	34,444,900,000	36,377,198,195	(1,003,431,805)	34,444,900,000	27,881,579,708	(6,563,320,292)
+ Kasati Joint Stock Company	20,152,200,000	19,148,768,195	(1,003,431,805)	20,152,200,000	13,588,879,708	(6,563,320,292)
- Investments in other entities	14,292,700,000	17,228,430,000	-	14,292,700,000	14,292,700,000	-
+ Ut Xi Aquatic Products Processing Corporation	30,129,400,000	21,196,956,847	(13,850,453,615)	30,129,400,000	24,218,632,479	(7,625,035,338)
+ Post and Telecommunications Tourism Joint Stock Company	15,000,000,000	1,149,546,385	(13,850,453,615)	15,000,000,000	7,374,964,662	(7,625,035,338)
+ Global Data Service Joint Stock Company	2,940,000,000	2,940,000,000	-	2,940,000,000	3,020,991,491	-
+ Huawei Vietnam Joint Stock Company	5,699,400,000	9,403,075,254	-	5,699,400,000	6,111,011,082	-
+ Phuong Nam Real Estate Investment Joint Stock Company	5,800,000,000	6,906,395,883	-	5,800,000,000	6,906,395,883	-
+ Technology and Media Investment Development Joint Stock Company	65,000,000	65,000,000	-	65,000,000	65,000,000	-
	625,000,000	732,939,324	-	625,000,000	740,269,361	-

- (i) Represent deposits at domestic joint stock commercial banks with the original term of more than 3 months and the remaining term of 12 months or less from the reporting date, with interest rates from 4.4% to 11.6% per annum.
- (ii) Represent investments in bonds with the remaining term of less than 12 months from the reporting date. Details are as follows:
 - 1,500,000 bonds of Thanh Thanh Cong - Bien Hoa Joint Stock Company, with par value of VND 150,000,000,000, maturity term of 03 years from 13 April 2021, and an interest rate of 10.22% per annum. These bonds shall be sold back to the partner in 2023 upon the signed agreement.
 - 950,000 bonds of Vinhomes Joint Stock Company, at par value of VND 95,000,000,000, with maturity term of 03 years from 30 May 2020, and an interest rate of 9% per annum.
 - 80 bonds of Thanh Thanh Cong Investment Joint Stock Company, at par value of VND 80,000,000,000, with maturity term of 02 years from 18 June 2021, and an interest rate of 10.5% per annum.
 - 540,000 bonds of Vinhomes Joint Stock Company at par value of VND 54,000,000,000, with maturity term of 03 years from 30 May 2020, and an interest rate of 9% per annum.
- (iii) Represent the certificates of deposits at Tien Phong Commercial Joint Stock Bank with the remaining term of 12 months or less from the reporting date and an interest rate of 4.4% per annum.
- (iv) Represent deposits at domestic joint stock commercial banks with the remaining term of more than 12 months from the reporting date and interest rates from 5.1% to 5.7% per annum.
- (v) Represent investments in bonds with the remaining term of more than 12 months from the reporting date. Details are as follows:
 - 250,000 bonds of Kinh Bac City Development Holding Corporation at par value of VND 25,000,000,000, with maturity term of 03 years from 11 November 2021 with floating interest rate according to the contract provisions.
 - 1,000 bonds of PC1 Group Joint Stock Company at par value of VND 100,000,000,000, with maturity term of 05 years from 19 May 2022 and floating interest rate according to the contract provisions.
 - 37 bonds of Joint Stock Commercial Bank for Investment and Development of Vietnam at par value of VND 37,000,000,000, with maturity term of 08 years from 20 July 2022 and interest rate of 6.48% per annum.
 - 50 bonds of Ho Chi Minh City Development Joint Stock Commercial Bank at par value of VND 50,000,000,000, with maturity term of 08 years from 20 May 2022 and interest rate of 7.325% per annum.

7. RECEIVABLES OF INSURANCE CONTRACTS

	Closing balance	Opening balance
	VND	VND
Receivables regarding direct insurance premium	299,791,764,878	330,775,955,361
<i>Including:</i>		
- Receivable from policyholders	165,449,125,430	175,402,149,576
- Receivable from insurance agencies	102,070,835,811	116,239,022,015
- Receivable from co-insurers	32,267,165,201	39,130,145,334
- Other receivables from direct insurance business	4,638,436	4,638,436
Receivables regarding inward reinsurance premium	40,241,446,669	46,490,743,163
Receivables regarding outward reinsurance premium	224,955,076,845	127,760,079,441
	564,988,288,392	505,026,777,965

8. ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Advances for claim regarding direct insurance	138,929,183,610	123,625,392,746
Other advances regarding direct insurance	1,107,372,514	2,145,266,420
Other advances to suppliers	35,283,201,162	30,640,343,803
	175,319,757,286	156,411,002,969

9. OTHER RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Interest, dividend receivables from financial activities	212,282,994,046	224,439,068,192
Commision advances for agencies	18,000,000,000	18,000,000,000
Other receivables	44,262,457,190	37,498,378,130
Advances for business activities	10,822,380,983	15,237,725,009
Short-term deposits and mortgages	9,639,976,042	7,692,280,330
	295,007,808,261	302,867,451,661

POST AND TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B09-DNPNT

10. PROVISIONS FOR SHORT-TERM DOUBTFUL DEBTS

	Closing balance			Opening balance		
	Cost	Recoverable amount	Provisions	Cost	Recoverable amount	Provisions
	VND	VND	VND	VND	VND	VND
- The total value of the receivables, loans past due or not past due but impaired:	251,317,531,107	158,789,634,242	92,527,896,865	321,494,409,449	233,209,617,041	88,284,792,408
+ Receivables regarding direct insurance	189,883,617,956	158,789,634,242	31,093,983,714	260,060,496,298	228,746,952,809	31,313,543,489
+ Receivables regarding reinsurance	5,121,738,717	-	5,121,738,717	2,706,938,219	-	2,706,938,219
+ Receivables regarding investment activities	33,345,894,661	-	33,345,894,661	32,465,894,661	4,462,664,232	28,003,230,429
+ Other receivables	22,966,279,773	-	22,966,279,773	26,261,080,271	-	26,261,080,271

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

11. PREPAID EXPENSES

	Closing balance	Opening balance
	VND	VND
a) Short-term		
- Unallocated commission expenses	416,369,417,375	390,719,147,172
- Unallocated operating expenses (i)	282,080,871,517	254,774,661,621
- Other short-term prepaid expenses	209,722,400	216,391,600
	698,660,011,292	645,710,200,393
b) Long-term		
- Cost of tools and supplies issued for consumption	8,151,230,608	5,615,637,228
- Office rental	4,035,683,247	5,895,718,621
- Expenses on agent development	1,270,709,515	1,260,582,489
- Other long-term prepaid expenses	11,582,287,879	25,691,426,818
	25,039,911,249	38,463,365,156

- (i) Represent unallocated operating expenses relating to Credit and financial risk insurance, and other insurance lines of business in the year. These expenses are recorded and allocated on the same basis as the allocation of unearned premium reserve of the corresponding line of insurance.

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND
COST				
Opening balance	21,995,579,410	125,661,209,670	49,323,264,864	196,980,053,944
New purchases	-	4,244,871,773	2,424,134,647	6,669,006,420
Transfer from construction in progress	80,283,115,773	2,436,666,969	-	82,719,782,742
Reclassification from investment properties	218,040,372,852	-	-	218,040,372,852
Disposals	-	(4,555,705,855)	(3,411,082,635)	(7,966,788,490)
Closing balance	320,319,068,035	127,787,042,557	48,336,316,876	496,442,427,468
ACCUMULATED DEPRECIATION				
Opening balance	4,709,784,094	74,257,643,884	32,835,611,908	111,803,039,886
Charge for the year	6,486,680,061	9,156,593,002	6,874,727,308	22,518,000,371
Reclassification from investment properties	4,758,817,657	-	-	4,758,817,657
Disposals	-	(4,555,705,855)	(3,299,617,363)	(7,855,323,218)
Closing balance	15,955,281,812	78,858,531,031	36,410,721,853	131,224,534,696
NET BOOK VALUE				
Opening balance	17,285,795,316	51,403,565,786	16,487,652,956	85,177,014,058
Closing balance	304,363,786,223	48,928,511,526	11,925,595,023	365,217,892,772

Tangible fixed assets from investment property during the year represent the value of the building at No. 95 Tran Thai Tong and other attached assets, which was transferred from the leased asset into to the Head Office of the Corporation from 01 January 2022.

The cost of the Corporation's tangible fixed assets includes VND 59,622,286,305 of tangible fixed assets which have been fully depreciated but are still in use as at 31 December 2022 (as at 31 December 2021: VND 54,780,019,737).

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software	Total
	VND	VND	VND
COST			
Opening balance	19,181,218,618	19,504,384,686	38,685,603,304
New purchases	-	2,944,356,834	2,944,356,834
Disposals	-	(4,697,783,533)	(4,697,783,533)
Closing balance	19,181,218,618	17,750,957,987	36,932,176,605
ACCUMULATED AMORTISATION			
Opening balance	-	13,726,063,993	13,726,063,993
Charge for the year	-	3,528,127,370	3,528,127,370
Disposals	-	(4,508,719,309)	(4,508,719,309)
Closing balance	-	12,745,472,054	12,745,472,054
NET BOOK VALUE			
Opening balance	19,181,218,618	5,778,320,693	24,959,539,311
Closing balance	19,181,218,618	5,005,485,933	24,186,704,551

The cost of the Corporation's intangible assets includes VND 7,325,449,153 of intangible assets which have been fully amortised but are still in use as at 31 December 2022 (as at 31 December 2021: VND 10,660,382,686).

14. INCREASE, DECREASE IN INVESTMENT PROPERTIES

	Land use rights and buildings, structures VND
COST	
Opening balance	327,110,252,494
Reclassification to tangible fixed assets	(218,040,372,852)
Closing balance	109,069,879,642
ACCUMULATED AMORTISATION	
Opening balance	21,339,211,235
Charge for the year	2,859,969,366
Reclassification to tangible fixed assets	(4,758,817,657)
Closing balance	19,440,362,944
NET BOOK VALUE	
Opening balance	305,771,041,259
Closing balance	89,629,516,698

According to VAS No. 05 - Investment Properties, fair value of investment property as at 31 December 2022 is required to be disclosed. However, the Corporation could not determine the fair value as at 31 December 2022, and therefore, no information about the fair value is disclosed in the notes to the separate financial statements. In order to determine the fair value, the Corporation would require an independent consultancy company to perform the valuation. At present, the Corporation has not found a suitable consultancy company yet.

15. TRADE ACCOUNTS PAYABLE

	Closing balance VND	Opening balance VND
Payables regarding direct insurance	170,105,102,804	172,946,212,173
- Payables to insured policy holders	67,282,300,068	54,349,619,247
- Payables for insurance commission and brokerage	94,963,134,880	112,710,325,251
- Other payables to insurance business	7,859,667,856	5,886,267,675
Payables regarding reinsurance	301,687,461,017	317,085,177,202
Payables to co-insurers	35,956,804,193	25,408,001,984
Payables to other suppliers	6,056,801,036	23,244,926,920
	513,806,169,050	538,684,318,279

16. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO THE STATE BUDGET

	Opening balance		Payable during the year	Paid during the year	Closing balance	
	Receivables	Payables			Receivables	Payables
	VND	VND	VND	VND	VND	VND
Value added taxes on goods and services sold domestically	-	30,776,883,277	223,797,317,460	230,652,263,991	126,281,157	24,048,217,903
Corporate income tax	-	31,867,284,111	3,872,361,407	57,474,844,751	21,735,199,233	-
Personal income tax	693,567,013	10,514,313,574	64,488,975,737	66,832,459,255	914,748,756	8,392,011,799
Other taxes and charges payable	8,303,303	1,286,483,990	1,590,060,869	2,802,874,315	3,515,861	68,883,102
	701,870,316	74,444,964,952	293,748,715,473	357,762,442,312	22,779,745,007	32,509,112,804

17. SHORT-TERM UNEARNED REVENUE

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Unearned revenue from direct insurance	214,929,260,307	133,411,668,563
Unearned revenue from investment properties	-	20,700,001
	<u>214,929,260,307</u>	<u>133,432,368,564</u>

18. OTHER CURRENT PAYABLES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
a) Unearned commission income		
Opening balance	345,133,359,458	353,365,193,200
Unearned commission income incurred in the year	495,402,481,295	578,185,454,133
Commission income allocated in the year	(542,541,404,555)	(586,417,287,875)
Closing balance	<u>297,994,436,198</u>	<u>345,133,359,458</u>

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
b) Other payables		
Social, health and unemployment insurances	259,090,908	249,894,318
Trade Union fees	15,842,245,143	6,652,763,191
Short-term deposits received	50,000,000	50,000,000
Payable dividends and profits	9,847,204,282	10,778,175,549
Withheld foreign contractor tax	357,677,118	185,610,396
Insurance fund contribution payables	12,293,701,572	17,982,670,765
Unreconciled insurance premium receipts	22,260,953,450	30,532,118,496
Other payables	44,756,162,482	40,455,620,532
	<u>105,667,034,955</u>	<u>106,886,853,247</u>

19. UNDERWRITING RESERVES

Claim reserve and unearned premium reserve:

Unit: VND

	Closing balance			Opening balance		
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net reserve
1. Unearned premium reserve	3,631,789,735,305	1,012,892,798,778	2,618,896,936,527	3,366,993,634,760	1,065,833,353,023	2,301,160,281,737
2. Claim reserve	1,515,268,210,444	641,505,705,080	873,762,505,364	1,450,296,486,631	635,034,524,457	815,261,962,174
Including:						
- Reserve for claims not yet settled	1,379,882,074,317	606,485,518,814	773,396,555,503	1,321,665,718,525	597,554,745,600	724,110,972,925
- Reserve for loss incurred but not reported (IBNR)	135,386,136,127	35,020,186,266	100,365,949,861	128,630,768,106	37,479,778,857	91,150,989,249
Total	5,147,057,945,749	1,654,398,503,858	3,492,659,441,891	4,817,290,121,391	1,700,867,877,480	3,116,422,243,911

Details are as follows:

	Current year			Prior year		
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net unearned premium reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net unearned premium reserve
1. Unearned premium reserve						
Opening balance	3,366,993,634,760	1,065,833,353,023	2,301,160,281,737	3,126,304,107,134	894,555,566,300	2,231,748,540,834
Provided/(Reversed) for in the year	264,796,100,545	(52,940,554,245)	317,736,654,790	240,689,527,626	171,277,786,723	69,411,740,903
Closing balance	3,631,789,735,305	1,012,892,798,778	2,618,896,936,527	3,366,993,634,760	1,065,833,353,023	2,301,160,281,737

POST AND TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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	Current year				Prior year	
	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net claim reserve	Direct insurance and inward reinsurance reserve	Outward reinsurance reserve	Net claim reserve
2. Claim reserve						
Opening balance	1,450,296,486,631	635,034,524,457	815,261,962,174	1,203,186,839,531	521,255,463,634	681,931,375,897
Provided for in the year	64,971,723,813	6,471,180,623	58,500,543,190	247,109,647,100	113,779,060,823	133,330,586,277
Closing balance	1,515,268,210,444	641,505,705,080	873,762,505,364	1,450,296,486,631	635,034,524,457	815,261,962,174

Catastrophe reserve:

	Current year	Prior year
	VND	VND
Opening balance	84,619,998,021	42,506,326,441
Provided for in the year	46,950,523,327	42,113,671,580
Closing balance	131,570,521,348	84,619,998,021



POST AND TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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20. OWNERS' EQUITY

	Owners' contributed capital	Share premium	Investment and development fund	Compulsory reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Prior year's opening balance	803,957,090,000	827,943,052,804	23,517,729,849	67,912,037,589	290,915,892,492	2,014,245,802,734
Profit for the year	-	-	-	-	262,247,248,985	262,247,248,985
Appropriation to funds	-	-	2,501,915,816	12,483,671,411	(14,985,587,227)	-
Appropriation of customer bonus fund	-	-	-	-	(5,003,831,631)	(5,003,831,631)
Remuneration and bonuses payment to Board of Directors and Supervisory Board	-	-	-	-	(2,501,915,817)	(2,501,915,817)
Executive officers' bonus fund	-	-	-	-	(5,003,831,631)	(5,003,831,631)
Dividend declared	-	-	-	-	(80,395,709,000)	(80,395,709,000)
Current year's opening balance	803,957,090,000	827,943,052,804	26,019,645,665	80,395,709,000	445,272,266,171	2,183,587,763,640
Loss for the year	-	-	-	-	(343,814,910,063)	(343,814,910,063)
Appropriation to funds (i)	-	-	2,622,472,490	-	(2,622,472,490)	-
Appropriation of customer bonus fund (i)	-	-	-	-	(5,244,944,980)	(5,244,944,980)
Remuneration and bonus payment to Board of Directors and Supervisory Board(i)	-	-	-	-	(5,334,834,939)	(5,334,834,939)
Executive officers' bonus fund (i)	-	-	-	-	(10,669,669,879)	(10,669,669,879)
Current year's closing balance	803,957,090,000	827,943,052,804	28,642,118,155	80,395,709,000	77,585,433,820	1,818,523,403,779

(i) The Corporation have allocated funds under Resolution of the General shareholders' meeting No. 44/NQ-PTI-DHDCD dated 28 April 2022.

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Shares

	<u>Closing balance</u>	<u>Opening balance</u>
a) Number of ordinary shares registered to be issued	80,400,000	80,400,000
b) Number of ordinary shares issued	80,395,709	80,395,709
c) Number of outstanding ordinary shares in circulation	80,395,709	80,395,709

Details of shareholders and their ownership proportion are as follows:

	<u>Closing balance</u>		<u>Opening balance</u>	
	Number of shares	Percentage (%)	Number of shares	Percentage (%)
Dongbu Insurance Company Limited	30,000,000	37.32	30,000,000	37.32
VNDirect Securities Joint Stock Company	13,216,055	16.44	13,216,055	16.44
Vu Thi Thu	7,950,000	9.89	7,950,000	9.89
Hoang Thi Minh Phuong	7,950,000	9.89	7,950,000	9.89
Other shareholders	21,279,654	26.46	21,279,654	26.46
	80,395,709	100	80,395,709	100

Dividend

	<u>Current year</u>	<u>Prior year</u>
Unpaid dividends at the beginning of the year	10,778,175,549	10,309,046,235
Dividend declared in the year	-	80,395,709,000
Dividend paid in the year	(930,971,267)	(79,926,579,686)
Dividend unpaid at the end of the year	9,847,204,282	10,778,175,549

21. INSURANCE PREMIUM

	Current year	Prior year
	VND	VND
Direct insurance premium	6,265,961,552,698	5,836,199,674,337
Motor vehicle insurance	2,759,330,559,290	2,498,303,672,747
Health and personal accident insurance	1,745,706,634,315	1,408,778,172,747
Property and business interruption insurance	623,021,192,708	648,205,278,078
Credit and financial risk insurance	423,913,700,381	654,070,207,620
Fire insurance	365,859,435,848	289,218,985,598
Cargo insurance	144,977,530,069	148,463,261,924
Hull and P&I insurance	107,610,643,822	115,196,197,599
General liability insurance	64,269,158,647	54,923,092,060
Aviation insurance	13,698,947,087	16,259,741,321
Business interruption insurance	17,187,573,454	2,622,670,712
Agriculture insurance	386,177,077	158,393,931
Inward reinsurance premium	104,456,023,302	108,719,404,440
Property and business interruption insurance	90,027,904,144	93,461,109,473
Cargo insurance	5,310,554,371	5,556,568,018
Motor vehicle insurance	1,846,102,543	1,425,447,131
Hull and P&I insurance	3,784,653,614	2,994,794,781
Health and personal accident insurance	786,986,094	1,715,761,384
General liability insurance	1,570,009,452	1,527,684,262
Fire insurance	1,045,097,711	1,928,543,500
Agriculture insurance	84,715,373	109,495,891
Increase in unearned premium reserves for direct insurance and inward reinsurance	(264,796,100,545)	(240,689,527,626)
	6,105,621,475,455	5,704,229,551,151

22. OUTWARD REINSURANCE PREMIUM

	Current year	Prior year
	VND	VND
Total outward reinsurance premium	1,675,365,243,315	1,733,551,920,761
Health and personal accident insurance	650,109,028,612	571,662,772,576
Property and business interruption insurance	411,641,310,045	434,677,727,556
Fire insurance	379,993,226,295	326,440,657,599
Credit and financial risk insurance	110,827,271,800	272,908,714,915
Hull and P&I insurance	39,181,702,189	48,863,903,699
Cargo insurance	59,652,315,172	57,883,984,469
General liability insurance	14,568,180,583	9,805,015,275
Aviation insurance	8,198,870,732	11,060,962,856
Motor vehicle insurance	547,251,710	248,181,816
Agriculture insurance	646,086,177	-
(Decrease)/increase in unearned premium reserve for outward reinsurance	52,940,554,245	(171,277,786,723)
	1,728,305,797,560	1,562,274,134,038

23. TOTAL CLAIM SETTLEMENT EXPENSES

	Current year	Prior year
	VND	VND
Total claim settlement expenses	2,930,580,025,754	2,167,860,066,789
Motor vehicle insurance	1,413,933,804,617	1,084,111,070,180
Health and personal accident insurance	1,049,175,304,774	723,042,989,054
Property and business interruption insurance	256,607,770,233	147,969,760,440
Cargo insurance	41,100,718,258	45,800,340,785
Hull and P&I insurance	60,879,716,422	95,285,067,787
Fire insurance	94,721,362,542	57,503,274,238
General liability insurance	14,161,348,908	4,821,412,030
Aviation insurance	-	9,326,152,275
Deductions from claim settlement expenses	(29,296,386,138)	(13,707,941,755)
Claims receipts from ceded policies	(697,502,010,599)	(515,151,160,071)
Increase in claim reserves for direct insurance and inward reinsurance	64,971,723,813	247,109,647,100
Increase in claim reserve for outward reinsurance	(6,471,180,623)	(113,779,060,823)
	<u>2,262,282,172,207</u>	<u>1,772,331,551,240</u>

24. OTHER EXPENSES FOR INSURANCE ACTIVITIES

	Current year	Prior year (Restated)
	VND	VND
Direct expenses of insurance development department	1,320,033,428,168	1,429,544,898,410
Commission expense	658,150,628,466	658,480,727,819
Agents management expense	589,731,489,870	531,407,665,840
Advertising and marketing expense	372,838,169,415	22,983,117,255
Expense for risk limitation	16,625,871,253	17,394,403,512
Contributions to insurance funds	6,420,322,300	8,017,982,373
Other expenses	80,373,756,476	75,919,724,120
	<u>3,044,173,665,948</u>	<u>2,743,748,519,329</u>

25. REVENUE FROM INVESTMENT PROPERTIES

	Current year	Prior year
	VND	VND
Revenues from leasing investment properties	9,125,910,370	27,630,617,327
Revenues from selling investment properties	-	12,033,446,546
	<u>9,125,910,370</u>	<u>39,664,063,873</u>

26. COST OF INVESTMENT PROPERTIES

	Current year	Prior year
	VND	VND
Cost of investment properties for lease	5,118,035,372	8,958,248,534
Cost of sold investment properties	-	11,537,866,199
	5,118,035,372	20,496,114,733

27. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Interest on term deposits	105,118,465,284	127,466,688,484
Interest on demand deposits	158,503,767	156,188,191
Gain on securities trading	3,669,957,461	19,155,864,197
Dividends and profits received	943,876,880	3,452,167,720
Realized foreign exchange gains	3,473,541,143	3,938,840,177
Gain on bonds trading, long-term investments	34,159,249,915	32,894,339,486
Other financial income	830,875,324	40,300,111
	148,354,469,774	187,104,388,366

28. FINANCIAL EXPENSES

	Current year	Prior year (Restated)
	VND	VND
Interest expenses	9,847,289,553	8,743,826,504
Foreign exchange losses	15,963,074,810	4,768,389,155
Loss on securities trading	22,399,253,731	21,867,090,166
Provision for impairment of short-term and long-term financial investments	289,210,018	1,752,824,221
Others	832,470,691	61,752,875
	49,331,298,802	37,193,882,921

29. GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year (Restated)
	VND	VND
Labour cost	139,672,330,216	139,304,465,607
Raw materials and consumables	1,735,899,163	7,804,353,072
Office equipment expense	2,247,280,497	1,360,401,685
Depreciation and amortisation of fixed assets	16,947,663,046	10,356,020,481
Taxes, fees and charges	2,938,777,248	2,645,024,114
Provision expenses	4,243,104,457	12,125,859,324
Out-sourced services	28,695,756,703	29,227,713,568
Other expenses	46,882,696,301	42,055,084,909
	243,363,507,630	244,878,922,760

30. OPERATION COST BY NATURE

	Current year	Prior year (Restated)
	VND	VND
Cost of insurance business activities	4,033,372,933,314	3,128,648,843,739
Labour cost	712,912,773,661	934,522,187,603
Office expenses	48,719,101,590	57,553,044,178
Depreciation and amortisation of fixed assets and investment properties	28,906,097,107	26,605,200,713
Taxes, fees and charges	52,789,834,293	54,022,125,844
Provision expenses	4,243,104,457	12,125,859,324
Out-sourced services	157,351,586,014	145,915,498,784
Other expenses	563,592,474,049	464,176,019,457
	5,601,887,904,484	4,823,568,779,642

31. CORPORATE INCOME TAX

	Current year	Prior year
	VND	VND
(Loss)/Profit before tax	(339,942,548,656)	333,239,139,378
Adjustments for taxable profit		
Add: Additional taxable profit	259,024,210	16,289,756,082
Less: Non-taxable profit	6,503,765,367	3,452,167,720
- Dividends, profits received	943,876,880	3,452,167,720
- Reversal of investment provision recognized as non deductible expenses in prior year	5,559,888,487	-
Add: Non-deductible expenses	365,549,096,844	8,882,724,228
- Depreciation charge of car that has historical cost more than VND 1.6 billion	1,146,729,987	1,060,364,378
- Other non-deductible expenses	364,402,366,857	7,822,359,850
Taxable profit	19,361,807,032	354,959,451,968
Normal tax rate	20%	20%
Total current corporate income tax expense	3,872,361,407	70,991,890,393

32. FINANCIAL INSTRUMENTS

Capital risk management

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

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

The minimum of credit-worthiness and solvency margin ratio of the Corporation are as follows:

	Credit-worthiness of Corporation	Minimum of credit-worthiness	Solvency margin ratio
As at 31 December 2022	1,372,391,964,854	1,173,763,083,171	117%
As at 31 December 2021	1,772,932,135,275	1,052,841,789,504	168%

Significant accounting policies

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

Categories of financial instruments

	Closing balance		Opening balance	
	Book value	Fair value	Book value	Fair value
	VND	VND	VND	VND
Financial assets				
Cash and cash equivalents	239,693,397,353	239,693,397,353	151,424,045,640	151,424,045,640
Trade and other receivables	765,029,373,074	765,029,373,074	714,451,598,495	714,451,598,495
Short-term investments	3,794,418,742,145	3,794,418,742,145	3,900,840,869,585	3,902,123,657,515
Long-term investments	282,934,946,385	287,852,956,847	679,886,575,990	681,600,843,807
Total	5,082,076,458,957	5,086,994,469,419	5,446,603,089,710	5,449,600,145,457
Financial liabilities				
Trade and other payables	581,110,914,504	581,110,914,504	608,136,395,521	608,136,395,521
Other financial liabilities	42,970,484,408	42,970,484,408	19,845,482,486	19,845,482,486
Total	624,081,398,912	624,081,398,912	627,981,878,007	627,981,878,007

The fair value of financial assets and financial liabilities is stated at the value of convertible financial instruments in a current transaction among the stakeholders, except where required to sell or liquidate. The Corporation uses the following methods and assumptions to estimate the fair value:

- The fair value of short-term items including cash and cash equivalents, trade receivables, other receivables, trade payables, accrued expenses, and other short-term amounts is equivalent to the book value of these items as their terms are short or unidentified.

- For financial assets and financial liabilities without sufficient information in the market to determine their fair values at the reporting date, the book value of these items is shown instead of the fair value.

Financial risk management objectives

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

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

Market risk

The Corporation's activities primarily expose it to the financial risks of changes in foreign currency exchange rates, interest rates, and prices. The Corporation does not hedge these risk exposures due to the lack of an active market for the trading activities of these financial instruments.

Foreign currency risk management

Foreign currency risk is the risk that fair value or cash flows in the future of financial instruments will change according to the fluctuations of foreign exchange rates.

The Corporation manages risks concerning fluctuations in exchange rates by optimizing the maturity of debts, forecasting foreign exchange rates, maintaining a reasonable structure of borrowings and liabilities between foreign currencies and VND, choosing to buy and pay items in foreign currencies at the time of low foreign exchange rate, utilizing available cash resources to balance between foreign exchange risk and liquidity risk.

The Executive Board assesses that the impact of fluctuations in foreign exchange rates on profit after tax and owners' equity of the Corporation is insignificant.

Interest rate risk management

The Corporation has significant interest rate risks arising from interest-bearing loans which have been arranged. The Corporation manages this risk by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Share price risk management

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits and diversifying the investment portfolio.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Corporation. The Corporation has an appropriate credit policy in place and the exposure to credit risk is monitored on an on-going basis. At the balance sheet date, the Corporation has a significant concentration of credit risk arising from trade receivables. The maximum exposure to credit risk is represented by as the book value of trade receivables for which provision for doubtful debts has been made.

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 year is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that year. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings, and adequate committed funding from its owners to meet its liquidity requirements in the short and longer terms.

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

	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Closing balance			
Cash and cash equivalents	239,693,397,353	-	239,693,397,353
Trade and other receivables	756,645,818,805	8,383,554,269	765,029,373,074
Short-term investments	3,794,418,742,145	-	3,794,418,742,145
Long-term investments	-	282,934,946,385	282,934,946,385
Total	4,790,757,958,303	291,318,500,654	5,082,076,458,957
Trade and other payables	581,110,914,504	-	581,110,914,504
Other financial liabilities	41,072,102,565	1,898,381,843	42,970,484,408
Total	622,183,017,069	1,898,381,843	624,081,398,912
Net liquidity gap	4,168,574,941,234	289,420,118,811	4,457,995,060,045
	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Opening balance			
Cash	151,424,045,640	-	151,424,045,640
Trade and other receivables	704,371,712,209	10,079,886,286	714,451,598,495
Short-term investments	3,900,840,869,585	-	3,900,840,869,585
Long-term investments	-	679,886,575,990	679,886,575,990
Total	4,756,636,627,434	689,966,462,276	5,446,603,089,710
Trade and other payables	608,136,395,521	-	608,136,395,521
Other financial liabilities	17,454,785,143	2,390,697,343	19,845,482,486
Total	625,591,180,664	2,390,697,343	627,981,878,007
Net liquidity gap	4,131,045,446,770	687,575,764,933	4,818,621,211,703

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

Insurance risk

A risk arising from any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the claim payments. As the nature of an insurance contract, this risk is random and therefore unpredictable.

To achieve the goal of managing insurance risk, the Corporation has established and applied a full range of risk assessment processes before accepting insurance, insurance risk transfer processes (reinsurance), damage assessment processes, and claim settlement processes.

For premium operations, the Corporation has diversified the types of insurance services, insurance products as well as geographical areas to minimize concentrations of insurance risk. Besides, the Corporation has also applied different criteria in risk selection, implemented various measures in risk assessment to build an appropriate premium level. The Corporation does not accept insurance risks that highly likely occur or are subject to self-interested profit-maximizing behaviours.

For insurance risks accepted for the year ended 31 December 2022, the Corporation redefined the premium rates applicable to each risk group based on historical loss statistics and forecast of the trend of risks, inflation, level of industry competition and related regulations.

- With regard to the risk groups having increasing rates of losses and premiums, the Corporation will only accept insurance risk if the insured accepts to increase the premium correspondingly or limit the insurance coverage and increase deductibles;
- With regard to the risk groups having loss rate increasing but still at an acceptable level and ensuring insurance profit, the Corporation has adopted a policy on increasing the proportion of acceptable insurance risk to have its market share risen, and also takes advantage of cash inflows from insurance premiums for the purpose of investments.

The Corporation has also conducted thorough and strict measures to transfer insurance risks to other insurance companies in order to minimize the risks which may occur but still ensure the effectiveness of insurance businesses through building a reasonable level of retained premium for each type of insurance products, as well as arranging reinsurance and co-insurance reasonably.

The Corporation has been undertaking the policy on the acceleration of the damage assessment and settlement of compensation to minimize the risks which may arise during the compensation assessment process, such as exchange rate risk, inflation risk, increased loss risk, ethical risk, etc. The damage assessment and compensation settlement are conducted by the Corporation at two different levels depending on the complexity and nature of damage:

- For large and complicated cases, the damage assessment and compensation settlement will be conducted at the Corporation's head office;
- For small cases where the Corporation's member companies have practical experience and sufficient resources to implement, the damage assessment and compensation settlement will be handled by the Corporation's member companies.

33. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances:

<u>Related parties</u>	<u>Relationship</u>
VNDirect Securities Joint Stock Company	Major shareholder
Dongbu Insurance Company Limited	Major shareholder
Post Real Estate Joint Stock Company	Subsidiary
Kasati Joint Stock Company	Associate
Lanexang Assurance Public Company	Associate

During the year, the Corporation entered into the significant transactions with its related parties as follows:

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Post Real Estate Joint Stock Company		
- Equity contribution	88,200,000,000	-
Lanexang Assurance Public Company		
Outward reinsurance		
- Outward reinsurance premium	13,910,198,109	34,010,476,373
- Commission income from outward reinsurance	14,233,777,744	23,811,634,776
- Other income from insurance activities	5,095,573,297	5,778,085,157
- Claim receipt from ceded policies	64,477,654	3,479,474,896
Inward reinsurance		
- Inward reinsurance premium	14,381,748,839	21,349,507,824
- Commission expenses for inward reinsurance	3,098,701,501	4,270,321,443
- Claim settlements for inward reinsurance	640,623,362	1,362,637,925
Kasati Joint Stock Company		
- Dividend receivables	786,126,880	1,084,753,000
Dongbu Insurance Company Limited		
- Outward reinsurance premium	19,966,752,233	15,540,650,522
- Commission income from outward reinsurance	6,444,482,480	4,855,964,521
- Claim receipt from ceded policies	2,507,527,203	2,604,200,364
- Prior year's dividend received	-	30,000,000,000
VNDirect Securities Joint Stock Company		
- Prior year's dividend received	-	13,216,055,000
	169,329,989,302	179,589,409,801

Significant related parties' balances at the balance sheet date were as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Long-term investment trust		
- Post Real Estate Joint Stock Company	8,000,000,000	8,000,000,000
	8,000,000,000	8,000,000,000
Reinsurance receivables		
- Dongbu Insurance Company Limited	1,517,658,296	574,529,544
- Lanexang Assurance Public Company	-	1,121,270,779
	1,517,658,296	1,695,800,323
Other short-term receivables		
- Post Real Estate Joint Stock Company	32,822,568,385	32,822,568,385
	32,822,568,385	32,822,568,385
Reinsurance payables		
- Dongbu Insurance Company Limited	10,063,614,655	2,291,450,573
- Lanexang Assurance Public Company	-	6,163,563,645
	10,063,614,655	8,455,014,218

Salary of the Executive Board and remuneration of the Board of Directors, Supervisory Board during the year were as follows:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Board of Executive Board's salary	18,145,813,629	20,806,627,302
Remuneration for Board of Directors and Supervisory Board	2,276,472,490	2,315,242,285
	20,422,286,119	23,121,869,587


Le Trong Hiep
Preparer


Le Xuan Bach
Chief Accountant




Nguyen Kim Lan
Chief Executive Officer

Hanoi, 27 March 2023