

COMBINED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

**POST-TELECOMMUNICATION
JOINT STOCK INSURANCE
CORPORATION**

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REPORT OF THE MANAGEMENT BOARD

The Management Board of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation") presents this report together with the combined financial statements for the fiscal year ended 31 December 2019.

Business highlights

Post-Telecommunication Joint Stock Insurance Corporation has been operating in accordance with the Business License No. 3633/GP-UB dated 1 August 1998 granted by Hanoi People Committee with the operation duration of 25 years.

During the operation course, the Corporation has been 24 times granted by the Ministry of Finance with the Amended Licenses regarding the increase of charter capital and the additional establishment of affiliates, in which the 24th amended License No. 41A/GPDC24/KDBH dated 11 July 2019 regarding the supplement of business operations.

Head office

- Address : Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi
- Telephone : 0243 772 4466
- Fax : 0243 772 4460
- Tax code : 0 1 0 0 7 7 4 6 3 1

The Corporation has affiliates as follows:

Name	Address
1 Ho Chi Minh Post-Telecommunication Insurance Company	Floor 11, Viettel Tower, No. 285 Cach Mang Thang Tam, Ward 12, District 10, Ho Chi Minh City
2 Da Nang Post-Telecommunication Insurance Company	Floor 5, Da Nang Post Office Building, 271 Pham Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City
3 Hai Phong Post-Telecommunication Insurance Company	Building No. 2, Lot 28A Le Hong Phong, Ngo Quyen District, Hai Phong City
4 Can Tho Post-Telecommunication Insurance Company	No. 40, Vo Van Kiet Road, An Hoa Ward, Ninh Kieu District, Can Tho City
5 Northern Midland Post-Telecommunication Insurance Company	No. 16 Nguyen Thi Minh Khai, Vinh City, Nghe An Province
6 Northern Post-Telecommunication Insurance Company	Nguyen Tat Thanh Road, Trung Vuong, Viet Tri City, Phu Tho Province
7 Dong Nai Post-Telecommunication Insurance Company	No. R64, R65 Vo Thi Sau prolonged, Thong Nhat Ward, Bien Hoa City, Dong Nai Province
8 Highland Post-Telecommunication Insurance Company	27 Tran Khanh Du, Tan Loi Ward, Buon Ma Thuot City, Dak Lak Province
9 Southern Midland Post-Telecommunication Insurance Company	No. 2 Le Thanh Phuong Road, Nha Trang City, Khanh Hoa Province
10 Ca Mau Post-Telecommunication Insurance Company	No. 3 Luu Tan Tai, Ward 5, Ca Mau City
11 Binh Dinh Post-Telecommunication Insurance Company	Floor 4, No. 2 Tran Thi Ky, Quy Nhon City, Binh Dinh Province
12 Binh Duong Post-Telecommunication Insurance Company	No. 150 Ngo Gia Tu Road, Chanh Nghia Ward, Thu Dau Mot City, Binh Duong Province

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

REPORT OF THE MANAGEMENT BOARD (cont.)

Name	Address
13 Quang Ninh Post-Telecommunication Insurance Company	No. 164 Le Thanh Tong, Bach Dang Ward, Ha Long City, Quang Ninh Province
14 Thanh Hoa Post-Telecommunication Insurance Company	Floor 5, No. 11 Hac Thanh, Dien Bien Phu Ward, Thanh Hoa City
15 Thua Thien Hue Post-Telecommunication Insurance Company	Floor 2, Building No. 51 Hai Ba Trung, Hue City, Thua Thien Hue Province
16 Thang Long Post-Telecommunication Insurance Company	Hoa Dang Building, No. 290 Nguyen Trai, Trung Van Ward, Nam Tu Liem District, Hanoi
17 An Giang Post-Telecommunication Insurance Company	No. 5/2 Ton Duc Thang Road, My Binh Ward, Long Xuyen City, An Giang Province
18 Long An Post-Telecommunication Insurance Company	No. 37-39 Road 5, Ward 6, Tan An City, Long An Province
19 Vinh Phuc Post-Telecommunication Insurance Company	No. 2, Ngo Quyen Road, Vinh Yen Town, Vinh Phuc Province
20 Sai Gon Post-Telecommunication Insurance Company	Room 2-3, Floor 3, Dali Tower, 24 Phan Dang Luu, Ward 6, Binh Thanh District, Ho Chi Minh City
21 Bac Ninh Post-Telecommunication Insurance Company	Lot B94, Kinh Duong Vuong Road, Vu Ninh Ward, Bac Ninh City, Bac Ninh Province
22 Lao Cai Post-Telecommunication Insurance Company	No. 121 Thanh Nien Road, Duyen Hai Ward, Lao Cai City, Lao Cai Province
23 Southern Red River Post-Telecommunication Insurance Company	No. 8, Le Dai Hanh Road, Thanh Binh Ward, Ninh Binh City, Ninh Binh Province
24 Ben Thanh Post-Telecommunication Insurance Company	No. 253 Dien Bien Phu, Ward 7, District 3, Ho Chi Minh City
25 Hanoi Post-Telecommunication Insurance Company	Floor 2, Natural Resources and Environment Newspapers Building, Lot E2 Cau Giay New Urban Area, Yen Hoa, Cau Giay, Hanoi
26 Hai Hung Post-Telecommunication Insurance Company	No. 106 Hong Quang, Quang Trung Ward, Hai Duong City, Hai Duong Province
27 Tien Giang Post-Telecommunication Insurance Company	No. 59, 30/4 Road, District 1, My Tho City, Tien Giang Province
28 Capital Post-Telecommunication Insurance Company	Floor 56, Building 95B, Thinh Hao Labor Quarter, O Cho Dua Ward, Dong Da District, Hanoi
29 Binh Tri Thien Area Post-Telecommunication Insurance Company	No. 146, Ly Thuong Kiet Road, Dong Hoi City, Quang Binh Province
30 Southern Representative Office	Floor 2, Thuy Loi 4 Building, No. 205 Nguyen Xi, Binh Thanh District, Ho Chi Minh City
31 Thong Nhat Post-Telecommunication Insurance Company	Floor 3, No. 170 Bui Thi Xuan, Pham Ngu Lao Ward, District 1, Ho Chi Minh City
32 Phu My Hung Post-Telecommunication Insurance Company	Floor 7, Loyal Building, No. 151-151 Bis Vo Thi Sau, Ward 6, District 3, Ho Chi Minh City
33 Vung Tau Post-Telecommunication Insurance Company	No. 408 Le Hong Phong, Vung Tau City, Ba Ria – Vung Tau Province
34 Thai Nguyen Post-Telecommunication Insurance Company	Floor 2, 9-floor Building, To Ngoc Van Street, Phan Dinh Phung Road, Group 11, Dong Quang Ward, Thai Nguyen City, Thai Nguyen Province

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**REPORT OF THE MANAGEMENT BOARD (cont.)**

Name	Address
35 Gia Lai Post-Telecommunication Insurance Company	No. 69 Hung Vuong, Tay Son Ward, Pleiku City, Gia Lai Province
36 Ha Thanh Post-Telecommunication Insurance Company	Floor 5, Lac Hong Building, No. 85 Le Van Luong, Thanh Xuan, Hanoi
37 Nam Dinh Post-Telecommunication Insurance Company	Floor 3 ACB Building – Nam Dinh Branch, No. 67 Le Hong Phong, Nguyen Du Ward, Nam Dinh City
38 Hai Dang Post-Telecommunication Insurance Company	Floor 2 Thanh Dat 1 Building, No. 3 Le Thanh Tong Road, May To Ward, Ngo Quyen District, Hai Phong City
39 Trang An Post-Telecommunication Insurance Company	Floor 6, Building 434 Tran Khat Chan, Pho Hue Ward, Hai Ba Trung District, Hanoi City
40 Northwest Post-Telecommunication Insurance Company	Northern Tran Hung Dao Post Office, Hamlet 12, Su Ngoi Commune, Hoa Binh City, Hoa Binh
41 Au Lac Post-Telecommunication Insurance Company	Apartment No. 2, N7B Trung Hoa – Nhan Chinh Urban area, Nhan Chinh Ward, Thanh Xuan District, Hanoi
42 Soc Trang Post-Telecommunication Insurance Company	No. 1, Tran Hung Dao Road, Soc Trang City, Soc Trang Province
43 Thai Binh Post-Telecommunication Insurance Company	Floor 5, No. 355 Ly Bon, De Tham Ward, Thai Binh City, Thai Binh Province
44 PTI Representative Office for Claim Appraisal in Hanoi	Floor 2, Link Building No. 2, High Apartment Building at Land Lot CT3, Trung Van New Urban Area, Trung Van Ward, Nam Tu Liem District, Hanoi City
45 PTI Representative Office for Claim Appraisal in Ho Chi Minh City	No. 205 Nguyen Xi, Binh Thanh District, Ho Chi Minh City
46 Ha Tuyen Post-Telecommunication Insurance Company	Group 6, Hung Thanh Ward, Tuyen Quang City, Tuyen Quang Province
47 Tay Nam Post-Telecommunication Insurance Company	Quarter 7, Ward 3, Tay Ninh City, Tay Ninh Province
48 Digital Post-Telecommunication Insurance Company (Digital PTI)	Floor 3, Comatce Tower, No. 61 Nguy Nhu Kon Tum, Nhan Chinh Ward, Thanh Xuan District, Hanoi City
49 Gia Dinh Post-Telecommunication Insurance Company	Floor 3, Sun Village Building, No. 31-33 Nguyen Van Dau, Ward 6, Binh Thanh District, Ho Chi Minh City

Operating field: providing non-life insurance.

Allowable transactions:

- Providing written insurance:
 - Health and human accident insurance;
 - Property insurance and damage insurance;
 - Insurance of cargo transported by road, seaway, waterway, railway and airway;
 - Joint liability insurance;
 - Motor vehicle insurance;
 - Fire and explosion insurance;
 - Business damage insurance.
- Providing reinsurance: Assuming and ceding reinsurance relating to transactions of non-life insurance.
- Carrying out investment activities in accordance with the legal regulations.
- Assessing losses.
- Being agency for damage survey, compensation settlement, subrogation recovery.
- Other activities in accordance with the legal regulations.

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
REPORT OF THE MANAGEMENT BOARD (cont.)

Board of Management and Executive officers

The Board of Management and the Executive officers of the Corporation during the year and as of the date of this report include:

The Board of Management

Full names	Position	Appointing date /Re-appointing date/ Resigning date
Mr. Nguyen Minh Duc	Chairman	Appointed on 14 April 2016
Mr. Kim Kang Wook	Vice Chairman	Appointed on 22 April 2015
Mr. Mai Xuan Dung	Member	Re-appointed on 22 April 2015
Ms. Pham Minh Huong	Member	Re-appointed on 22 April 2015
Ms. Tran Thi Minh	Member	Re-appointed on 22 April 2015
Mr. Bui Xuan Thu	Member	Appointed on 22 April 2015
Mr. Ko Young Joo	Member	Appointed on 23 April 2019
Mr. Park Je Kwang	Member	Resigned on 23 April 2019
Mr. Park Suk Gon	Member	Appointed on 12 April 2018

The Control Board

Full names	Position	Appointing date /Re-appointing date
Mr. Nguyen Huu Thang	Manager	Appointed on 14 April 2016
Ms. Bui Thanh Hien	Member	Appointed on 22 April 2015
Mr. Park Ki Hyun	Member	Appointed on 22 April 2015
Mr. Bae Taeg Soo	Member	Appointed on 22 April 2015
Ms. Nguyen Thi Ha Ninh	Member	Re-appointed on 22 April 2015

The General Directors

Full names	Position	Re-appointing date
Mr. Bui Xuan Thu	General Director	Re-appointed on 20 April 2018
Mr. Cao Ba Huy	Deputy General Director	Re-appointed on 4 April 2018
Mr. Do Quang Khanh	Deputy General Director	Re-appointed on 20 April 2018
Mr. Nghiem Xuan Thai	Deputy General Director	Re-appointed on 1 August 2017
Ms. Luu Phuong Lan	Deputy General Director	Re-appointed on 1 August 2017
Mr. Nguyen Kim Lan	Deputy General Director	Re-appointed on 21 July 2019
Ms. Doan Kien	Deputy General Director	Re-appointed on 22 July 2019

Legal representative

The legal representative of the Corporation during the year and as of the date of this report is Mr. Bui Xuan Thu – General Director.

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the combined financial statements for the fiscal year ended 31 December 2019 of the Corporation.

Responsibilities of the Management Board

The Management Board is responsible for the preparation of the combined financial statements to give a true and fair view on the financial position, the business results and the cash flows of the Corporation during the year. In order to prepare these combined financial statements, the Management Board must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION
REPORT OF THE MANAGEMENT BOARD (cont.)

- point out whether the accounting standards applied to the Corporation have been complied or not and all material errors in comparison with these standards have been presented and explained in the combined financial statements;
- prepare the financial statements of the Corporation on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate.
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the combined financial statements are free from material misstatements due to frauds or errors.

The Management Board hereby ensures that all the accounting books of the Corporation have been fully recorded and can fairly reflect the financial position of the Corporation at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Management Board is also responsible for managing the Corporation's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Management Board hereby ensures that all the requirements above have been followed when the combined financial statements are prepared.

Approval to the financial statements

The Management Board has approved the attached combined financial statements. The combined financial statements give a true and fair view of the financial position as of 31 December 2019, the business results and the cash flows for the fiscal year then ended of the Corporation in conformity with the Vietnamese Accounting Standards, the Insurance Business Accounting Standards and System issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014 and other legal regulations related to the preparation and presentation of combined financial statements.

For and on behalf of the Management Board,

General Director



Bui Xuan Thu

18 March 2020

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No. 1.0469/20/TC-AC

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE GENERAL DIRECTORS POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

We have audited the accompanying combined financial statements of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation"), which were prepared on 18 March 2020, from page 9 to page 59, including the combined balance sheet as of 31 December 2019, the combined income statement, the combined cash flow statement for the fiscal year then ended and the notes to the combined financial statements.

The General Directors' Responsibility

The Corporation's General Directors are responsible for the preparation, true and fair presentation of these combined financial statements of the Corporation in accordance with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014 and other legal regulations related to the preparation and presentation of combined financial statements and responsible for such internal control as the General Directors determine is necessary to enable the preparation and presentation of the combined financial statements to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the combined 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 standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements of the Corporation are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and true and fair presentation of the combined 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 Corporation's General Directors, as well as evaluating the overall presentation of the combined financial statements.

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

Auditor's Opinion

In our opinion, the combined financial statements give a true and fair view, in all material respects, of the financial position of Post-Telecommunication Joint Stock Insurance Corporation as of 31 December 2019, its financial performance and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014 and other legal regulations related to the preparation and presentation of combined financial statements.

A&C Auditing and Consulting Co., Ltd.



Nguyen Hoang Duc – Deputy General Director
Audit Practice Registration Certificate:
No. 0368-2018-008-1

Ho Chi Minh City, 18 March 2020

A blue ink signature, likely belonging to Le Trong Toan, written in a cursive style.

Le Trong Toan – Auditor
Audit Practice Registration Certificate:
No. 0963-2020-008-1

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

COMBINED BALANCE SHEET

As of 31 December 2019

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS (100=110+120+130+140+150+190)	100		6,593,326,480,620	5,031,364,159,280
I. Cash and cash equivalents	110	V.1	117,595,429,206	122,447,618,654
1. Cash	111		117,595,429,206	122,447,618,654
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		3,149,216,833,594	2,763,903,711,798
1. Trading securities	121	V.2a	514,695,503,218	599,508,668,818
2. Provision for devaluation of trading securities	122	V.2a	(137,506,487,068)	(76,375,920,784)
3. Investments held to maturity date	123	V.2b	2,772,027,817,444	2,240,770,963,764
III. Short-term accounts receivable	130		930,074,093,763	812,574,066,806
1. Short-term receivable from customers	131	V.3	608,316,325,735	540,132,640,419
1.1 Receivable on insurance policies	131.1		608,316,325,735	540,132,640,419
1.2 Other receivable from customers	131.2		-	-
2. Short-term prepayments to suppliers	132	V.4	86,119,412,655	132,845,628,635
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Receivable on short-term loans	135		-	-
6. Other short-term receivable	136	V.5a	280,850,485,344	197,672,464,560
7. Provision for short-term bad debts	137	V.6	(45,212,129,971)	(58,076,666,808)
8. Deficient assets to be treated	139		-	-
IV. Inventories	140		14,675,443,109	2,950,659,956
1. Inventories	141	V.7	14,675,443,109	2,950,659,956
2. Provision for devaluation of inventories	149		-	-
V. Other current assets	150		398,369,819,948	249,584,522,742
1. Short-term prepaid expenses	151	V.8a	392,546,075,678	233,818,982,495
1.1 Unappropriated commission expenses	151.1		392,345,860,078	233,777,609,509
1.2 Other short-term prepaid expenses	151.2		200,215,600	41,372,986
2. VAT deductible	152		5,360,569,105	4,267,605,535
3. Taxes and accounts receivable from the State	153	V.9	463,175,165	11,497,934,712
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-
VIII. Reinsurance assets	190	V.23b	1,983,394,861,000	1,079,903,579,324
1. Reinsurance premium ceded reserve	191		1,373,748,583,697	732,477,619,828
2. Claim reserve for reinsurance ceded	192		609,646,277,303	347,425,959,496

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Combined balance sheet (cont.)

ASSETS		Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS		200		943,266,793,833	1,016,416,752,906
I. Long-term accounts receivable		210		22,348,255,844	18,781,477,023
1. Long-term accounts receivable from customers		211		-	-
2. Long-term prepayments to suppliers		212		-	-
3. Working capital in subsidiaries		213		-	-
4. Long-term inter-company receivable		214		-	-
5. Receivable on long-term loans		215		-	-
6. Other long-term receivable		216	V.5b	22,348,255,844	18,781,477,023
6.1 Insurance deposit		216.1		10,280,000,000	10,280,000,000
6.2 Other long-term receivable		216.2		12,068,255,844	8,501,477,023
7. Provision for long-term bad debts		219		-	-
II. Fixed assets		220		79,202,700,302	79,772,791,835
1. Tangible fixed assets		221	V.10	70,878,065,174	71,200,256,723
Historical costs		222		160,348,955,093	149,336,289,198
Accumulated depreciation		223		(89,470,889,919)	(78,136,032,475)
2. Financial leasehold assets		224		-	-
Historical costs		225		-	-
Accumulated depreciation		226		-	-
3. Intangible fixed assets		227	V.11	8,324,635,128	8,572,535,112
Historical costs		228		18,510,592,486	16,515,092,486
Accumulated depreciation		229		(10,185,957,358)	(7,942,557,374)
III. Investment property		230	V.12	134,269,251,437	114,494,403,529
Historical costs		231		145,709,389,296	122,642,128,702
Accumulated depreciation		232		(11,440,137,859)	(8,147,725,173)
IV. Long-term assets in progress		240		10,956,459,398	8,327,322,000
1. Long-term operating expenses in progress		241		-	-
2. Construction in progress		242	V.13	10,956,459,398	8,327,322,000
V. Long-term financial investments		250		664,206,971,811	759,994,764,850
1. Investments in subsidiaries		251	V.2c	119,700,000,000	31,500,000,000
2. Investments in associates and joint ventures		252	V.2c	34,444,900,000	122,644,900,000
3. Investments, capital contribution in other entities		253	V.2c	96,373,299,985	155,759,412,685
4. Provision for devaluation of long-term financial investments		254	V.2d	(49,148,780,635)	(86,649,020,878)
5. Investments held to maturity date		255	V.2b	462,837,552,461	536,739,473,043
VI. Other long-term assets		260		32,283,155,041	35,045,993,669
1. Long-term prepaid expenses		261	V.8b	32,283,155,041	35,045,993,669
2. Deferred income tax assets		262		-	-
3. Long-term equipment, materials, spare parts		263		-	-
4. Other long-term assets		268		-	-
TOTAL ASSETS		270		7,536,593,274,453	6,047,780,912,186

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Combined balance sheet (cont.)

CAPITAL SOURCES	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		5,687,729,188,318	4,243,486,345,251
I. Current liabilities	310		5,686,408,522,732	4,241,984,902,865
1. Short-term payable to suppliers	311	V.14	526,856,363,235	502,351,802,968
1.1 Payable on insurance policies	311.1		500,572,000,572	495,355,369,813
1.2 Other payable to suppliers	311.2		26,284,362,663	6,996,433,155
2. Short-term prepayments from customers	312	V.15	6,605,563,922	10,264,056,614
3. Taxes and other obligations to the State budget	313	V.16	49,831,648,649	28,309,392,070
4. Payable to employees	314		60,778,961,612	6,416,542,676
5. Short-term accrued expenses	315	V.17	13,249,275,558	4,161,366,528
6. Short-term inter-company payable	316		-	-
7. Short-term unrealized revenue	318.1	V.18	118,777,075,565	102,451,079,528
8. Short-term unearned commission	318.2	V.19	293,161,262,536	155,855,656,519
9. Other short-term payable	319	V.20a	96,269,273,512	101,645,833,066
10. Short-term loans and financial lease debts	320	V.21	-	120,860,329,602
11. Provision for current liabilities	321	V.22	95,000,000,000	70,000,000,000
12. Bonus and welfare funds	322		-	-
13. Price stabilization fund	323		-	-
14. Transaction of repurchasing the Government's bonds	324		-	-
15. Technical reserve	329		4,425,879,098,143	3,139,668,843,294
15.1 Written premium and reinsurance assumed reserve	329.1	V.23a	3,160,260,976,999	2,144,592,205,609
15.2 Claim reserve for written insurance and reinsurance assumed	329.2	V.23a	1,161,842,936,713	896,915,750,913
15.3 Catastrophe reserve	329.3	V.23c	103,775,184,431	98,160,886,772
II. Long-term liabilities	330		1,320,665,586	1,501,442,386
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term prepayments from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payable on working capital	334		-	-
5. Long-term inter-company payable	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payable	337	V.20b	1,320,665,586	1,501,442,386
8. Long-term loans and financial lease debts	338		-	-
9. Transferable bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax payable	341		-	-
12. Provision for long-term liabilities	342		-	-
13. Scientific and technological development fund	343		-	-

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Combined balance sheet (cont.)

CAPITAL SOURCES	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		1,848,864,086,135	1,804,294,566,935
I. Owner's equity	410	V.24	1,848,864,086,135	1,804,294,566,935
1. Owner's contribution capital	411		803,957,090,000	803,957,090,000
- Common shares with voting right	411a		803,957,090,000	803,957,090,000
- Preferred shares	411b		-	-
2. Share premiums	412		827,943,052,804	827,943,052,804
3. Option on converting shares	413		-	-
4. Owner's other capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange rate differences	417		-	-
8. Business promotion fund	418		22,414,190,857	22,230,714,262
9. Compulsory reserved fund	419		55,402,458,511	49,884,763,553
10. Other funds	420		-	-
11. Retained profit after tax	421		139,147,293,963	100,278,946,316
- Retained profit after tax accumulated to the end of previous period	421a		34,311,089,759	100,278,946,316
- Retained profit after tax of the current period	421b		104,836,204,204	-
12. Capital sources for construction	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL CAPITAL SOURCES	440		7,536,593,274,453	6,047,780,912,186

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Combined balance sheet (cont.)

OFF-COMBINED BALANCE SHEET ITEMS

ITEMS	Note	Ending balance	Beginning balance
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Bad debts already treated		-	-
4. Written insurance policies for which no obligations have arisen		207,619,235,541	213,376,854,353
5. Foreign currencies			
US Dollar (USD)		347,266.52	10,715.45
Euro (EUR)		28,156.27	28,167.19
Pound Sterling (£)		328.03	334.63

Prepared on 18 March 2020

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

COMBINED INCOME STATEMENT

For the fiscal year ended 31 December 2019

PART I: COMBINED INCOME STATEMENT

Unit: VND

	ITEMS	Code	Note	Current year	Previous year
1.	Net sales of insurance operation	10.1		4,310,237,987,970	3,377,065,124,664
1.2	Net sales of selling goods and providing other services	10.2		-	-
2.	Sales of trading investment property	11	VI.5	30,856,584,213	6,957,098,394
3.	Financial income	12	VI.7	188,707,907,282	175,732,951,411
4.	Other income	13		2,664,187,726	2,990,969,699
5.	Total expenses for insurance operation	20.1		3,635,150,320,660	2,785,765,875,316
5.2	Costs of providing other goods, services	20.2		-	-
6.	Costs of investment property	21	VI.6	14,090,977,378	3,662,574,903
7.	Financial expenses	22	VI.8	131,625,050,421	161,049,000,865
8.1	Selling expenses	23.1		-	-
8.	Administrative overheads	23.2	VI.9	616,047,665,382	585,685,326,149
9.	Other expenses	24		1,941,029,717	2,294,938,512
10.	Total profit before corporate income tax (50=10.1+10.2+11+12+13-20.1-20.2-21-22-23.1-23.2-24)	50.2		133,611,623,633	24,288,428,423
11.	Current corporate income tax	51	V.16	23,257,724,471	5,940,768,888
12.	Deferred corporate income tax	52		-	-
13.	Profit after corporate income tax	60		<u>110,353,899,162</u>	<u>18,347,659,535</u>
14.	Basic earnings per share	70	VI.10	-	-
15.	Declined interest per share	70	VI.10	-	-

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Combined income statement (cont.)**PART II: INCOME STATEMENT PER OPERATION**

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Gross written premium (01 = 01.1 + 01.2 - 01.3)	01	VI.1	4,785,978,449,323	3,789,121,844,195
In which				
- Written premium	01.1		5,692,726,345,390	4,159,480,240,770
- Reinsurance premium assumed	01.2		108,920,975,323	126,354,440,693
- Increase (decrease) in reserve for written premium and reinsurance assumed	01.3		1,015,668,871,390	496,712,837,268
2. Reinsurance premium ceded (02 = 02.1 - 02.2)	02	VI.2	1,598,946,590,984	1,208,055,461,740
In which				
- Reinsurance premium ceded	02.1		2,240,217,554,853	1,414,550,062,963
- Increase (decrease) in reserve for reinsurance premium ceded	02.2		641,270,963,869	206,494,601,223
3. Net sales of insurance premium (03 = 01 - 02)	03		3,187,031,858,339	2,581,066,382,455
4. Commission of reinsurance ceded and other income from insurance operation (04 = 04.1 + 04.2)	04		1,123,206,129,631	795,998,742,209
In which				
- Commission on reinsurance ceded	04.1		381,272,476,367	288,629,661,402
- Other income from insurance operation	04.2		741,933,653,264	507,369,080,807
5.1 Net sales of insurance operation (10 = 03 + 04)	10.1		4,310,237,987,970	3,377,065,124,664
5.2 Net sales of selling goods and providing other services	10.2		-	-
6. Claim expenses (11 = 11.1 - 11.2)	11	VI.3	2,038,496,004,596	1,702,802,760,540
In which				
- Total claim expenses	11.1		2,058,402,239,394	1,714,283,076,028
- Deductions (Subrogation recovery, receipt from disposal of loss paid 100%)	11.2		19,906,234,798	11,480,315,488
7. Recovery from reinsurance ceded	12	VI.3	589,960,692,386	422,479,385,543
8. Increase/decrease in claim reserve for written premium and reinsurance assumed	13	VI.3	264,927,185,800	90,787,511,067
9. Increase (decrease) in claim reserve for reinsurance ceded	14	VI.3	262,220,317,806	43,684,603,141
10. Total claim expenses (15 = 11 - 12 + 13 - 14)	15	VI.3	1,451,242,180,204	1,327,426,282,923
11. Increase/decrease in catastrophe reserve	16		35,614,297,659	28,712,846,185
12. Other operating expenses (17 = 17.1 + 17.2)	17	VI.4	2,148,293,842,797	1,429,626,746,208
In which:				
- Commission	17.1		514,028,551,706	400,384,268,787
- Others	17.2		1,634,265,291,091	1,029,242,477,421

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Combined income statement (cont.)

ITEMS	Code	Note	Current year	Previous year
13. Total insurance operating expenses (18.1 = 15 + 16 + 17)	18.1		3,635,150,320,660	2,785,765,875,316
13.2 Costs of providing other goods, services	18.2		-	-
14. Gross profit of insurance operation (19.1 = 10.1 - 18.1)	19.1		675,087,667,310	591,299,249,348
14.2 Gross profit of providing other goods, services (19.2 = 10.2 - 18.2)	19.2		-	-
15. Sales of investment property	20	VI.5	30,856,584,213	6,957,098,394
16. Costs of property investment	21	VI.6	14,090,977,378	3,662,574,903
17. Profit from property investment (22 = 20 - 21)	22		16,765,606,835	3,294,523,491
18. Financial income	23	VI.7	188,707,907,282	175,732,951,411
19. Financial expenses	24	VI.8	131,625,050,421	161,049,000,865
20. Gross profit of financial activities (25 = 23 - 24)	25		57,082,856,861	14,683,950,546
21.1 Selling expenses	26.1		-	-
21.2 Administrative overheads	26.2	VI.9	616,047,665,382	585,685,326,149
22. Net operating income (30 = 19.1 + 19.1 + 22 + 25 - 26.1 - 26.2)	30		132,888,465,624	23,592,397,236
23. Other income	31		2,664,187,726	2,990,969,699
24. Other expenses	32		1,941,029,717	2,294,938,512
25.1 Other profit (40 = 31 - 32)	40		723,158,009	696,031,187
26. Total profit before corporate income tax (50 = 30 + 40 + 41)	50		133,611,623,633	24,288,428,423
27. Current corporate income tax	51	V.16	23,257,724,471	5,940,768,888
28. Deferred corporate income tax	52		-	-
29. Profit after corporate income tax	60		110,353,899,162	18,347,659,535
30. Basic earnings per share	70	VI.10	-	-
31. Declined interest per share	70	VI.10	-	-

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 18 March 2020

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

COMBINED CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended 31 December 2019

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		133,611,623,633	24,288,428,423
2. Adjustments				
- Depreciation of fixed assets and investment property	02		19,021,601,274	17,295,604,188
- Reserves	03		418,484,762,377	513,098,499,235
- Gain/loss from foreign exchange rate differences due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/loss from investing activities	05		(274,610,368,321)	(124,397,528,918)
- Loan interest expenses	06	VI.6	8,233,306,808	8,832,258,512
- Adjustments	07		-	-
3. Operating profit/loss before changes of working capital	08		304,740,925,771	439,117,261,441
- Increase/decrease of accounts receivable	09		5,016,009,671	(89,418,620,582)
- Increase/decrease of inventories	10		(11,724,783,153)	677,510,049
- Increase/decrease of accounts payable	11		230,333,654,968	183,305,282,853
- Increase/decrease of prepaid expenses	12		(155,964,254,555)	(64,450,473,818)
- Increase/decrease of trading securities	13		84,813,165,600	(312,124,468,847)
- Loan interests already paid	14		(8,233,306,808)	(8,832,258,512)
- Corporate income tax already paid	15	V.16	(137,189,549)	(29,798,952,594)
- Other gains	16		-	-
- Other disbursements	17		-	-
Net cash flows from operating activities	20		448,844,221,945	118,475,279,990
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(56,872,295,892)	(28,811,007,123)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		16,737,188,363	-
3. Loans given and purchases of debt instruments of other entities	23		(2,140,235,821,477)	(1,693,679,273,303)
4. Recovery of loans given and disposals of debt instruments of other entities	24		1,651,815,835,742	1,584,056,487,305
5. Investments into other entities	25		-	(49,968,600,000)
6. Withdrawals of investments in other entities	26		63,890,777,700	139,638,980,595
7. Receipts of loan interests, dividends and profit shared	27		197,173,885,805	126,038,052,578
Net cash flows from investing activities	30		(267,490,429,759)	77,274,640,052

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Combined cash flow statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financial activities				
1. Gains from stock issuance and capital contributions from shareholders	31		-	-
2. Repayment for capital contributors and re-purchase of stocks already issued	32		-	-
3. Receipts from loans	33	V.21	341,067,517,531	638,085,197,941
4. Loan principal amounts repaid	34	V.21	(461,927,847,133)	(714,369,323,339)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36	V.24c	(65,345,652,032)	(96,619,785,749)
<i>Net cash flows from financial activities</i>	40		<u>(186,205,981,634)</u>	<u>(172,903,911,147)</u>
Net cash flows during the year	50		(4,852,189,448)	22,846,008,894
Beginning cash and cash equivalents	60	V.1	122,447,618,654	99,601,609,760
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	<u>117,595,429,206</u>	<u>122,447,618,654</u>

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 18 March 2020

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

I. OPERATION FEATURES**1. Business ownership form**

Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation") is a joint stock company.

2. Operating field

The Corporation's operating field includes: non-life insurance.

3. Business operations

The Corporation's main operations include: Trading non-life insurance, reinsurance, financial investment and other activities in accordance with the legal regulations.

4. Ordinary cycle of business

The Corporation's ordinary cycle of business does not exceed 12 months.

5. Structure of the Corporation*Subsidiaries*

<i>Name of companies</i>	<i>Address of head office</i>	<i>Main operations</i>	<i>Rate of contribution capital</i>	<i>Rate of interest</i>	<i>Rate of voting right</i>
Vietnam Petrol Commercial Corporation (VinaPetro)	No. 26 Lang Ha Road, Lang Ha Ward, Dong Da District, Hanoi	Selling petrol	93.63%	93.63%	93.63%
VN-IBS., JSC.	No. 26 Lang Ha Road, Lang Ha Ward, Dong Da District, Hanoi	Leasing real estate and providing informatics and communication equipment	99%	99%	99%
Post Real Estate JSC. (PostRE)	Floor 5, Lot 18 Dinh Cong Urban Area, Dinh Cong Ward, Hoang Mai District, Hanoi City	Activity of specialized construction	95.32%	95.32%	95.32%

Associates

<i>Names</i>	<i>Address</i>	<i>Rate of ownership as committed</i>	<i>Rate of interest</i>
Kasati JSC.	270A Ly Thuong Kiet, Ward 14, District 10, Ho Chi Minh City	21.30%	21.30%
Lanexang Assurance Public Insurance JSC. (LAP)	No. 13, Suphanuvong Road, Viangchan City, Lao People's Democratic Republic	50.00%	50.00%

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the combined financial statements (cont.)

Affiliates with no legal status and dependently recording

The Corporation's head office is located at Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City. As of 31 December 2019, the Corporation had 1 head office, 2 representative offices for Claim Appraisal in Hanoi and Ho Chi Minh City, 1 representative office in the South and 46 affiliates nationwide.

6. Statement on comparison of information in the combined financial statements

The corresponding figures in the previous year can be compared with those in the current year.

7. Personnel

As of the balance sheet date, the Corporation had 2,255 employees (at the end of the previous year, the Corporation had 2,057 employees).

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year of the Corporation is from 1 January to 31 December annually.

2. Standard currency unit

The standard currency unit used in accounting is Vietnam Dong (VND).

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting standards and system

The Corporation has been applying the Insurance Business Accounting System issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012 of the Ministry of Finance, the Circular No. 200/2014/TT-BTC dated 22 December 2014 on guidelines for accounting policies for enterprises as well as the Circulars giving guidance for the implementation of accounting standards and system of the Ministry of Finance in the preparation and presentation of the combined financial statements.

2. Statement on the compliance with the accounting standards and system

The General Directors ensure to follow all the requirements of the Vietnamese Accounting Standards, the Insurance Business Accounting System issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014 on guidelines for accounting policies for enterprises as well as the legal regulations related to the preparation and presentation of these combined financial statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the financial statements are prepared on the basis of accrued accounting (except for information related to cash flows).

2. Transactions in foreign currencies

Transactions in foreign currencies are converted at the actual exchange rates as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rate as of the balance sheet date.

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the combined financial statements (cont.)

Foreign exchange rate differences arising during the period from transactions in foreign currencies are included in financial income or financial expenses. Foreign exchange rate differences due to revaluation of monetary items in foreign currencies as of the balance sheet date after offsetting increase differences and decrease differences are recorded into financial income or financial expenses.

Exchange rate used to translate transactions occurred in foreign currencies is the actual exchange rate at the time of transaction. The actual exchange rate is approximate to the average transfer buying and selling exchange rate of the commercial banks where the Corporation often has transactions. The approximate exchange rate does not exceed plus/less 1% in comparison with the average transfer buying and selling exchange rate which is daily determined based on the arithmetic mean between the daily transfer buying exchange rate and the selling exchange rate of the commercial banks where the Corporation often has transactions.

Foreign exchange rate used to revalue ending balances of monetary items in foreign currencies is the average transfer exchange rate of the commercial bank where the Corporation often has transactions.

3. Cash and cash equivalents

Cash includes cash on hand, demand deposits in bank and cash in transit.

4. Financial investments

Trading securities

Investments are classified as the trading securities when they are held for the purpose of trading for benefits.

Trading securities are recorded in the ledger in accordance with historical prices. The historical prices of trading securities shall be determined in accordance with fair value of payments at the time when the transaction arises plus costs related to transaction of purchasing trading securities.

The date of recognition of trading securities is the date when the Corporation has ownership right. Details are as follows:

- Listed securities are recorded at the time of matching (T+0).
- Unlisted securities are recorded at the time when the ownership is acquired as prescribed in regulations of law.

Interests, dividends and profits of the periods before the trading securities are purchased are recorded to decrease the value of those trading securities. Interests, dividends and profits of the periods after the trading securities are purchased are recognized into the revenue. Dividends received by shares are only followed as additional number of shares, not recognized with the value of the shares received.

Provision for devaluation of trading securities is made for each kind of securities traded on the market and has fair value lower than their historical costs. The fair value of trading securities is determined as follows:

- For securities listed on the stock market: it is the closing price at the latest date of transaction to the balance sheet date.
- For shares registered for transactions on the transaction market of the unlisted public companies and the state-owned enterprises equitized under the form of selling stocks to the public (UPCom): it is the average reference price in the latest 30 transaction days before the balance sheet date disclosed by the Stock Exchange.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the combined financial statements (cont.)

- For shares listed on the stock market or shares of joint stock companies registered for trading on UPCOM market which have no transaction within 30 days prior to the date of provision appropriation, listed shares which have been delisted, suspended or stopped from trading: provision is made based on the loss of the invested company equal to the difference between the actual investment capital of the owners and the owner's equity as of the balance sheet date multiplied by the Corporation's ownership ratio of charter capital to the total charter capital actually contributed.

Increases/decreases in provision for devaluation of trading securities which need appropriating as of the balance sheet date are recognized into financial expenses.

Gain from or loss on transfer of trading securities is recognized into financial income or financial expenses. Costs are determined in accordance with the mobile weighted average method.

Investments held to maturity date

Investments are classified as investments held to maturity date that the Corporation intends and is able to hold to maturity. Investments held to maturity date include termed deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to repurchases at a certain date in the future and held-to-maturity loans for the purpose of receiving periodical interest as well as other investments held to maturity date.

Investments held to maturity date are initially recognized at historical costs including purchasing price and costs related to purchasing transaction of investments. After initial recognition, these investments are recorded at recoverable value. Interest from these investments held to maturity date after acquisition date is recognized in the income statement on the basis of estimated receipt. Interests arising prior to the Corporation's acquisition of investment held to maturity date are recorded as a decrease in the costs at the acquisition time.

When there are reliable evidences proving that a part or whole of the investment may be unrecoverable and the losses can be measured reliably, the losses are recognized as financial expenses during the year while the investment value is derecognized.

Increases/decreases in provision for loss of investments held to maturity dates which need appropriating as of the balance sheet date are recognized into financial expenses.

Investments in subsidiaries, associates

Subsidiaries

A subsidiary is an entity that is controlled by the Corporation. Control is the Corporation's power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Associates

An associate is an enterprise in which the Corporation has significant influence but not control over the financial policies and activities. Significant influence is the right to participate in making decisions about financial policies and business operations of the investee but not control those policies.

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the combined financial statements (cont.)

Initial recognition

Investments in subsidiaries, associates are initially recognized at historical cost, including purchasing price or contribution capital plus related costs to investments. In case investment by non-monetary assets, investment cost is recognized at the fair value of those non-monetary assets at the date of arising.

Dividends and profit of the periods before investments are bought are recorded to reduce with the value of those investments. Dividends and profit of the periods after investments are bought are recognized into revenue. Dividends received by shares are followed by the increasing number of shares but not recognized with the value of shares received.

Provision for loss of investments in subsidiaries, associates

Provision for loss of investments in subsidiaries, associates is appropriated when subsidiaries, associates suffer losses at the rate equivalent to the difference between the actual contribution capital of the parties in these subsidiaries, associates and the actual owner's equity multiplying (x) the rate of capital contribution of the Corporation in comparison with total actual contribution capital of the parties in these subsidiaries, associates. If subsidiaries, associates are the subject of the consolidated financial statements, the basis of determination of provision for loss is the consolidated financial statements.

Increases/decreases in provision for loss of investments in subsidiaries, associates which need appropriating as of the balance sheet date are recognized into financial expenses.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Corporation to have the control, joint control or significant influence on the investees.

Investments in equity instruments of other entities are initially recognized at historical costs, including the cost of purchase plus other directly attributable transaction costs. Dividends and profits arising in the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit arising in the periods after the purchase of investments are recorded into the Corporation's revenue. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provision for loss of investments in equity instruments of other entities is made as follows:

- For investments in listed shares or fair value of investments is reliably measured, provision is made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital contributed by parties in other entities and the actual owner's equity multiplying (x) by the Corporation's rate of capital contribution over the total actual capital contributed by parties in other entities.

Increases/decreases in provision for loss of investments in equity instruments of other entities which need appropriating as of the balance sheet date are recognized into financial expenses.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the combined financial statements (cont.)

5. Trade receivable and other receivable

Others receivable are presented in accordance with book values less provisions for bad debts.

The classification of accounts receivable into receivables from customers and other receivables is done as follows:

- Receivables from customers reflect commercial receivables generating from purchase-sale related transactions between the Corporation and buyers which are independent units against the Corporation.
- Other receivables reflect non-commercial or non-trading receivables, unrelated to purchase-sale transactions.

Provision for bad debts is made for each bad debt after being offset with payable liabilities (if any). The appropriation rate is based on the overdue debt age of debts or the estimated loss. Details are as follows:

- As for overdue debts:
 - 30% of the value for debts overdue from over 6 months to under 1 year.
 - 50% of the value for debts overdue from 1 year to under 2 years.
 - 70% of the value for debts overdue from 2 years to under 3 years.
 - 100% of the value for debts overdue from 3 years and over.
- As for doubtful debts but not overdue: provision is made basing on the estimated loss.

Increases/decreases of balance of provision for bad debts which need appropriating as of the balance sheet date are recorded into administrative overheads.

6. Inventories

Inventories are recorded in accordance with the lower value between the historical costs and the net realizable values.

Historical costs of inventories include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Ex warehouse prices are determined in accordance with the specific identification method and recorded in line with the perpetual recording method.

Net realizable values are the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses on product consumption.

Provision for devaluation of inventories is made for each item of inventories which has historical costs higher than net realizable values. Increases/decreases in balances of provision for devaluation of inventories which need appropriating as of the balance sheet date are recognized into costs of goods sold.

7. Prepaid expenses

Prepaid expenses include expenses actually incurred but they are related to operation output of many accounting periods. Prepaid expenses of the Corporation mainly include unappropriated commission, office rental and expenses for tools, instruments. These prepaid expenses are allocated in the prepayment term or the term in which corresponding economic benefit is derived from these expenses.

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Unappropriated commission

Commission expenses are determined in accordance with the specified percentage on revenue of insurance operation and retained on account of unappropriated commission equivalent to rate of unearned premium reserve.

Expenses for agency development

Expenses for agency development is allocated into expenses during the period in accordance with the straight-line method in 3 years.

Office rental

Office rental is allocated in line with the leasing period as in the leasing contracts.

Expenses for tools, instruments

Expenses for tools, instruments being put into use with the value of VND 5 million and over are allocated in 2 years. Those with the value under VND 5 million are allocated in 1 year.

8. **Tangible fixed assets**

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the Corporation to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of tangible fixed assets are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	35
Machinery and equipment	5 – 6
Vehicles	5 – 12
Office equipment	3 – 10

9. **Intangible fixed assets**

Intangible fixed assets are determined by their historical costs less accumulated depreciation.

Historical costs of intangible fixed assets include all the expenses of the Corporation to have these fixed assets as of the dates they are ready to be put into use. Costs related to intangible fixed assets, which are incurred after initial recognition, are recognized as operating costs in the year unless these costs are associated with a specific intangible fixed asset and increase economic benefits from these assets.

When an intangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the year.

Intangible fixed assets of the Corporation include:

Land use right

Land use right includes all the actual expenses paid by the Corporation related to the land being used such as expenses to obtain the land use right, expenses for compensation and land clearance, ground leveling, registration fees, etc. For the land use right which is permanent, no amortization is done.

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Computer software

Purchasing price of computer software which is not an integrated part of the related hardware is capitalized. Historical cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is depreciated in accordance with the straight-line method within 3 – 4 years.

10. Investment property

Investment property is the use right on land, a building, a part of building or infrastructure owned by the Corporation or by the financial leasehold in order to earn rental or for capital appreciation. Investment property is determined by its historical costs less accumulated depreciation. Historical cost of investment property includes all the expenses paid by the Corporation or the fair value of other consideration given to acquire the investment property at the time of its acquisition or construction.

Subsequent expenses relating to an investment property are recorded into expenses unless these expenses probably make the investment property bring future economic benefits in excess of the originally assessed standard of performance, in that case, they will be recorded to increase the historical costs.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen are posted into income or expenses during the year.

Investment property for lease is depreciated in accordance with the straight-line method over its estimated useful life. The depreciation years of investment property are as follows:

<u>Fixed assets</u>	<u>Year</u>
Infrastructure	20 - 50

Since 1 January 2015, investment properties held for capital appreciation are not depreciated. When there is strong evidence showing that investment properties held for capital appreciation are devalued compared to the market value and the devaluation can be determined reliably, investment properties held for capital appreciation are reduced in costs and losses are recognized in costs of goods sold.

11. Construction in progress

Construction in progress reflects costs directly related (including related loan interest expenses in accordance with the Corporation's accounting policies) to assets in progress of construction and machinery, equipment in progress of installation to serve the purpose of production, lease and management as well as costs related to repair of fixed assets in progress. These assets are recognized in accordance with their historical costs and not depreciated.

12. Liabilities payable and accrued expenses

Liabilities payable and accrued expenses are recognized for the amount payable in the future related to goods and services already received. Accrued expenses are recognized based on reasonable estimates on the amount payable.

The classification of accounts payable into payables to suppliers, accrued expenses and other payables is done as follows:

- Payables to suppliers reflect trade payables occurred from purchase-sale transaction of goods, services, assets and the suppliers are independent units against the Corporation.
- Accrued expenses reflect payables for goods and services already received from suppliers or provided to customers but for which the payment has not been made due to lack of invoices or

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accounting documents and payables for employees on leave pay, appropriated operating costs.

- Other payables reflect non-trade payables or payables unrelated to purchase-sale transactions, provision of goods and services.

Liabilities payable and accrued expenses are classified into short-term and long-term ones on the combined balance sheet based on the remaining terms as of the balance sheet date.

13. Technical reserves

The Corporation has appropriated technical reserves as stipulated in the Circular No. 50/2017/TT-BTC of the Ministry of Finance dated 15 May 2017 giving guidance on the implementation of the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government regulating the financial regime for insurance companies and insurance brokerage companies.

Unearned premium reserve

Unearned premium reserve for insurance policies and reinsurance agreements, with the term of 1 year and less is appropriated in accordance with the percentage of the insurance premium retained, details are as follows:

- For line of insurance of cargo, unearned premium reserve is appropriated by 25% on total premium retained in the fiscal year of above line of insurance.
- For other lines of insurance, unearned premium reserve is appropriated by 50% on total premium retained in the fiscal year of above lines of insurance.

Unearned premium reserve for insurance policies and reinsurance agreements with the term over 1 year is appropriated in accordance with the coefficient method, details are as follows:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premium retained} \times \text{Number of unexpired days of insurance policy or reinsurance agreement}}{\text{Total days of insurance policy or reinsurance agreement}}$$

Claims reserve

Claims reserve for covered losses that have incurred but have not been resolved at the end of the fiscal year is appropriated for each line of insurance according to estimates of indemnities for single covered loss have been reported or claimed to the Corporation but not yet resolved at the end of the fiscal year.

Claims reserve for covered losses that have incurred but have not been reported or claimed (IBNR) is appropriated according to the following formula:

Claims reserve for covered losses that have incurred but have not been reported or claimed (IBNR) of the current fiscal year	=	$\frac{\text{Total indemnities for losses that have incurred but have not been reported or claimed of last three consecutive fiscal years}}{\text{Total indemnities of last three consecutive fiscal years}} \times \frac{\text{Indemnity of current fiscal year}}{\text{Net revenue earned from insurance business of current fiscal year}} \times \frac{\text{Average deferred time of claims of current fiscal year}}{\text{Average deferred time of claims of last fiscal year}}$
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Catastrophe reserve

Catastrophe reserve is appropriated annually until such reserve reaches 100% of the net written premium of the fiscal year. The appropriation rate during the year was 1% of the net written premium.

On 28 December 2005, the Ministry of Finance issued the Decision No. 100/2005/QĐ-BTC regarding the issuance and publication of four Vietnamese Accounting Standards including the Accounting Standard No. 19 - Insurance Policy. Accordingly, commencing from 1 January 2006, the appropriation of catastrophe reserve is no longer required since it represents "possible claims that are not in existence at the reporting date". However, the Ministry of Finance has not given the guidance on implementing the Accounting Standard No. 19 and according to the Decree No. 73/2016/ND-CP dated 1 July 2016 on details of implementation of the Law on insurance business and the Law on amendments to certain articles of the Law on insurance business, therefore, the Corporation is still appropriating catastrophe reserve.

14. Sources of capital

Owner's contribution capital

Owner's contribution capital is recognized in line with the amount actually contributed by the shareholders.

Share premiums

Share premiums are recorded in accordance with the difference between issuance price and face value of shares in the first issuance, additional issuance or the difference between reissuance price and book value of treasury stocks. Direct expenses related to the additional issuance of shares and reissuance of treasury stocks are recorded to decrease share premiums.

15. Profit distribution

Profit after corporate income tax is distributed to the shareholders after appropriation of funds in accordance with the Corporation's Charter as well as legal regulations and being approved by the General Meeting of Shareholders.

The profit distribution to the shareholders considers non-monetary items in retained profit after tax which can have impacts on cash flows and possibility of profit payment such as gains from revaluation of assets for capital contribution, revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities payable upon the approval of the General Meeting of Shareholders.

Compulsory reserve

Compulsory reserve is used to supplement the Corporation's charter capital and ensure its liquidity. Compulsory reserve is appropriated annually at the rate of 5% of annual profit after tax. The maximum of compulsory reserve is 10% of the Corporation's charter capital as stipulated in the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government.

Other funds

Other funds are appropriated and used in accordance with the Charter and Resolutions of General Meeting of Shareholders.

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16. Recognition of sales and expenses

16.1. Activity of trading written premium

Gross written premium

Gross written premium is recorded in accordance with the regulations in the Circular No. 50/2017/TT-BTC dated 15 May 2017 of the Ministry of Finance giving guidance on the implementation of the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government regulating the financial regime for insurance companies and insurance brokerage companies. Details are as follows:

- (1) When the insurance policy has been entered into by the insurer and the insured and the insured fully paid insurance premium;
- (2) There are evidences the insurance policy has been entered into by the insurer and the insured and the insured fully paid insurance premium;
- (3) The insurance policy has been entered into and the insurer has an agreement with the insured about payment term of insurance premium (including extension period).

In case there is an agreement between the insurer and the insured about periodical payment of premium, premium revenue of the first premium payment period is recognized upon the commencement of the insurance term under the insurance policy and the insurance revenue of the following periods shall be recognized only after the insurance premium has been fully paid as agreed upon in the insurance policy.

Claim expense

Claim expense is recognized at the point of time when the claim documents are completed and approved by authorized persons. In case of having no conclusion about the final claim but the Corporation is sure of loss of the insurers' responsibility, a part of claim is paid to the customers. Any claim that is not yet approved by authorized persons is considered as outstanding claim and included in claim reserve.

Commission

Commission expenses are calculated according to the percentage on revenue of gross written premium actually received and recorded into the income statement during the year. Commission of each product is calculated at separate rates in accordance with the Circular No. 50/2017/TT-BTC dated 15 May 2017 of the Ministry of Finance giving guidance on implementation of the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government on the Law on insurance business.

16.2. Activity of reinsurance assumed

Under treaty 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 preparing the financial statements, revenue and expenses related to transactions in the scope of treaty reinsurance but the periodical reconciliation has not been received from the cedants will be estimated based on the statistical and estimated figures of the cedants.

Under facultative reinsurance

Reinsurance premium assumed 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.

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Claim expenses for reinsurance assumed are recognized when having claim obligations as committed and the statement of account has been received from the cedants.

Commission on reinsurance assumed is recognized when accepting reinsurance agreement and the statement account has been received from the cedants.

16.3. Activity of reinsurance ceded

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 has been signed and gross written premium in the scope of this agreement is recognized.

Receiving indemnity of reinsurance ceded is recognized when having existing evidences of reinsurers' obligations.

Commission on reinsurance ceded is recognized when reinsurance premium ceded is recognized.

16.4. Activity of investment

Interests

Interests are recorded based on the term and the interest rates applied for each period.

Dividends and profit shared

Dividends and profit shared are recognized when the Corporation has the right to receive dividends or profit from the capital contribution. Particularly, dividends received by shares are not recognized into income but only followed with the increasing number.

Investment costs

Investment costs include arising costs directly related to the investment and commonly used expenses allocated.

Direct costs include salary for the Investment Section, expenses for investment portfolio management, provision for devaluation of investments, loss on securities dealing, expenses for dealing securities, expenses related to real estate activity.

Commonly used expenses allocated for the Investment Section at the rate of financial income on total realized revenue during the year.

17. Borrowing costs

Borrowing costs include loan interest and other costs directly related to borrowings. Borrowing costs are recognized into expenses when arising.

18. Corporate income tax

Corporate income tax includes current income tax which is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses, losses transferred.

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19. Related parties

A party is considered a related party in case that party is able to control the Corporation or to cause material effects on the financial decisions as well as the operations of the Corporation. A party is also considered a related party in case of together being controlled or affected significantly.

In the consideration of relations among related parties, the nature of relations is paid more attention than the legal form.

20. Segment reporting

A business segment is a distinguishable component that is engaged in providing products or services and that is subject to risks and returns different from those of other business segments.

A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policy applied for the preparation and presentation of the Corporation's combined financial statements.

21. Financial instruments

Financial assets

The classification of financial assets depends on the nature and the purpose of them and is determined at the date of initial recognition. Financial assets of the Corporation include cash and cash equivalents, accounts receivable from customers, other receivable, listed and unlisted financial instruments.

At the date of initial recognition, financial assets are initially recognized at historical cost plus other costs directly related to those financial assets.

Financial liabilities

The classification of financial liabilities depends on the natures and purposes of the financial liabilities and is determined at the date of initial recognition. Financial liabilities of the Corporation include accounts payable to suppliers and other payable.

At the date of initial recognition, financial liabilities are initially recognized at historical cost less other costs directly related to those financial liabilities.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.

Offsetting financial instruments against each other

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the balance sheet when, and only when, the Corporation:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liabilities simultaneously.

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Notes to the combined financial statements (cont.)**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED BALANCE SHEET****1. Cash and cash equivalents**

	Ending balance	Beginning balance
Cash on hand	7,032,887,325	10,502,923,575
Demand deposits at banks	107,306,961,881	83,910,937,079
Cash in transit	3,255,580,000	28,033,758,000
Total	117,595,429,206	122,447,618,654

2. Financial investments

The Corporation's financial investments include trading securities, investments held to maturity dates and capital contribution investments in other entities. Information on the Corporation's financial investments is as follows:

2a. Trading securities

	Ending balance			Beginning balance		
	Historical costs	Fair value	Provision	Historical costs	Fair value	Provision
Listed securities	354,701,122,868	222,571,116,000	(137,506,487,068)	599,508,668,818	526,280,959,800	(76,375,920,784)
LPB	176,384,114,856	126,722,400,000	(57,671,626,556)	169,720,152,006	141,714,625,500	(28,005,526,506)
OIL	121,619,935,754	56,570,010,000	(62,416,494,254)	150,318,761,359	130,957,460,000	(19,361,301,359)
HUT	33,347,829,873	20,256,720,000	(13,091,109,873)	27,761,617,500	15,546,883,000	(12,214,734,500)
TDM	-	-	-	81,329,371,070	81,726,600,000	-
MBB	-	-	-	38,086,520,159	31,161,623,000	(6,924,897,159)
Others	23,349,242,385	19,021,986,000	(4,327,256,385)	132,292,246,724	125,173,768,300	(9,869,461,260)
Unlisted securities	159,994,380,350	-	-	-	-	-
ALS	60,000,000,000	-	-	-	-	-
OCB	99,994,380,350	-	-	-	-	-
Total	514,695,503,218	222,571,116,000	(137,506,487,068)	599,508,668,818	526,280,959,800	(76,375,920,784)

Situation of fluctuation in provision for devaluation of trading securities is as follows:

	Current year	Previous year
Beginning balance	76,375,920,784	5,688,220,092
Additional appropriation of provision	77,924,924,703	72,211,922,861
Refund of provision	(16,794,358,419)	(1,524,222,169)
Ending balance	137,506,487,068	76,375,920,784

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	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Short-term	2,772,027,817,444	-	2,240,770,963,764	-
Termed deposits	2,667,193,517,444	-	2,131,736,663,764	-
Investments in bonds	100,000,000,000	-	100,000,000,000	-
Short-term investment trust	4,834,300,000	-	9,034,300,000	-
Long-term	462,837,552,461	(7,344,000,000)	536,739,473,043	(35,577,056,197)
Termed deposits	341,924,109,589	-	304,011,666,667	-
Investments in bonds	100,000,000,000	-	100,000,000,000	-
Investment portfolio management trust	20,913,442,872	(7,344,000,000)	132,727,806,376	(35,577,056,197)
Total	3,234,865,369,905	(7,344,000,000)	2,777,510,436,807	(35,577,056,197)

2c. Capital contribution in other entities

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Investments in subsidiaries	119,700,000,000	(1,406,209,451)	31,500,000,000	(2,558,702,507)
VinaPetro ⁽ⁱ⁾	11,700,000,000	(1,406,209,451)	11,700,000,000	(2,558,702,507)
VN-IBS., JSC. ⁽ⁱⁱ⁾	19,800,000,000	-	19,800,000,000	-
PostRE ⁽ⁱⁱⁱ⁾	88,200,000,000	-	-	-
Investments in associates	34,444,900,000	-	122,644,900,000	(467,061,841)
PostRE ⁽ⁱⁱⁱ⁾	-	-	88,200,000,000	(467,061,841)
LAP ^(iv)	20,152,200,000	-	20,152,200,000	-
Kasati JSC. ^(v)	14,292,700,000	-	14,292,700,000	-
Capital contribution investments in other entities	96,373,299,985	(40,398,571,184)	155,759,412,685	(48,046,200,333)
UTXI Aquatic Products Processing Corporation	15,000,000,000	(4,469,439,932)	15,000,000,000	(8,880,000,000)
Post and Telecommunications Tourism JSC.	2,940,000,000	-	2,940,000,000	-
Global Data Service JSC.	17,080,000,000	-	17,080,000,000	-
Huawei Vietnam JSC.	5,800,000,000	-	5,800,000,000	-
Phuong Nam Real Estate Investment JSC.	65,000,000	-	65,000,000	-
Communication Technology Development Investment JSC.	625,000,000	-	625,000,000	-
36 JSC.	54,863,299,985	(35,929,131,252)	64,280,812,685	(39,166,200,333)
OCB	-	-	49,968,600,000	-
Total	250,518,199,985	(41,804,780,635)	309,904,312,685	(51,071,964,681)

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- (i) According to the 4th amended Business Registration Certificate No. 0500600975 dated 16 October 2015 granted by Hanoi Authority for Planning and Investment, the Corporation would invest in VinaPetro with the amount of VND 17,185,000,000 equivalent to 95.47% of charter capital. As of 31 December 2019, the actual contributed capital of the Corporation was VND 11,700,000,000 equivalent to 93.63% of the actual charter capital of the subsidiary, did not change compared with that at the beginning of the year. On 10 December 2019, the Corporation's BOM issued the Resolution No. 56/NQ-PTI-HDQT on approving the Corporation's divestment in VinaPetro. Accordingly, the Corporation has offered to sell all 1,198,000 shares equivalent to 93.63% of charter capital actually contributed with the starting price of VND 9,800/share.
- (ii) According to the 9th amended Business Registration Certificate No. 0102720783 dated 22 October 2014 granted by Hanoi Authority for Planning and Investment, the Corporation would invest in VN-IBS., JSC. with the amount of VND 19,800,000,000 equivalent to 99% of charter capital. As of 31 December 2019, the Corporation had fully invested the capital as registered. On 13 March 2020, the Corporation's BOM issued the Resolution No. 18/NQ-PTI-HDQT on approving the Corporation's divestment in VN-IBS., JSC. Accordingly, the Corporation has offered to sell all 1,980,000 shares equivalent to 99% of charter capital actually contributed, the starting price is based on the Valuation Certificate issued by the Valuation Company and approved by the Board of Management.
- (iii) According to the Business Registration Certificate No. 0103027478 dated 21 October 2008 granted by Hanoi Authority for Planning and Investment, the Corporation would invest in PostRE with the amount of VND 88,200,000,000 equivalent to 49% of charter capital. Currently, the remaining shareholders have not contributed enough capital into PostRE as committed. Therefore, the rate of the Corporation's actual contribution capital accounts for 95.32% of PostRE's actual contribution capital as of 31 December 2019.
- (iv) According to the amended Investment Certificate No. 347/BKH-DTRNN-DC3 dated 30 September 2014 granted by the Ministry of Planning and Investment, the Corporation would invest in LAP with the amount of USD 1,000,000 equivalent to 50% of charter capital. As of 31 December 2019, the Corporation had fully invested the capital as registered with the amount of USD 1,000,000 equivalent to VND 20,152,200,000.
- (v) The Corporation purchased 638,090 shares of Kasati JSC. equivalent to 21.3 % of charter capital with the purchasing price of VND 14,292,700,000. As of 31 December 2019, the Corporation held 638,090 shares, accounting for 21.3% of capital of Kasati JSC.

Fair value

As for investments with listed prices, the fair value is determined based on listed prices as of the balance sheet date. The Corporation has not determined the fair value of investments without listed prices due to having no detailed guidelines on determination of fair value.

Operation of subsidiaries and associates

The subsidiaries and associates are in the process of normal operation, having no large changes compared with the previous year.

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Notes to the combined financial statements (cont.)*Transactions with subsidiaries and associates*

Material transactions between the Corporation and its subsidiaries, associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
VN-IBS., JSC.		
Dividends shared	3,594,000,000	3,827,671,233
PostRE		
Sales of real estate business cooperation	15,824,689,500	8,917,953,600
Recovery of business cooperation money	4,330,000,000	200,000,000
Receipt of business cooperation interest during the period	3,849,142,061	1,429,411,765
Dividends shared	500,000,000	-
VinaPetro		
Transferring business cooperation money	-	5,000,000,000
Recovery of business cooperation money	2,200,000,000	5,800,000,000
Business cooperation interest	208,331,852	472,044,444
LAP		
<i>Reinsurance ceded</i>		
Reinsurance premium ceded	329,569,299,169	84,489,268,626
Receiving commission on reinsurance ceded	143,333,868,530	25,806,778,806
Receiving indemnity of reinsurance ceded	151,944,907,741	49,221,151,592
Other income from activity of reinsurance ceded	27,637,834,780	5,083,355,297
<i>Reinsurance assumed</i>		
Reinsurance premium assumed	8,466,548,558	4,796,145,965
Commission expenses for reinsurance assumed	2,129,067,251	1,156,822,446
Claim expenses for reinsurance assumed	2,677,453,481	384,031,155
<i>Dividends</i>		
Dividends shared	985,308,960	990,773,316
Kasati JSC.		
Dividends shared	957,135,000	1,020,944,000

2d. Provision for devaluation of long-term financial investments

	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for investments held to maturity date	7,344,000,000	35,577,056,197
Provision for capital contribution in other entities	41,804,780,635	51,071,964,681
Total	49,148,780,635	86,649,020,878

Situation of fluctuations in provision for devaluation of long-term financial investments is as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	86,649,020,878	74,466,948,396
Additional appropriation of provision	-	13,436,191,275
Use of provision	(25,176,375,649)	-
Refund of provision	(12,323,864,594)	(1,254,118,793)
Ending balance	49,148,780,635	86,649,020,878

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3. Receivable on insurance policies

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable on written premium	340,234,806,699	286,910,937,615
Receivable on reinsurance	268,081,519,036	253,221,702,804
Total	608,316,325,735	540,132,640,419

4. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Prepayment of claim for written premium	69,265,768,884	127,204,172,652
Other prepayments of written premium activity	1,030,789,360	1,586,567,036
Prepayments to other suppliers	15,822,854,411	4,054,888,947
Total	86,119,412,655	132,845,628,635

5. Other short-term/long-term receivable**5a. Short-term receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Estimated interest receivable from financial incomes	205,708,692,454	133,497,262,456
Advance of agency commission	18,000,000,000	-
Receivable on claim paid to Khai Thanh Production and Trading Co., Ltd. (due to the decision of the Court in which PTI does not have to pay claim)	5,614,181,754	5,614,181,754
Advances	13,179,655,700	14,693,637,271
Short-term deposits and mortgages	1,454,728,872	4,812,714,788
Others	36,893,226,564	39,054,668,291
Total	280,850,485,344	197,672,464,560

5b. Other long-term receivable

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits and mortgages	10,280,000,000	10,280,000,000
Others	12,068,255,844	8,501,477,023
Total	22,348,255,844	18,781,477,023

6. Provision for short-term bad debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for overdue debts under 1 year	754,492,530	515,733,302
Provision for overdue debts from 1 year to under 2 years	1,033,166,692	2,475,484,365
Provision for overdue debts from 2 years to under 3 years	1,319,264,949	2,553,004,479
Provision for overdue debts over 3 years	42,105,205,800	52,532,444,662
Total	45,212,129,971	58,076,666,808

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Situation of fluctuations in provision for bad debts is as follows:

	Current year	Previous year
Beginning balance	58,076,666,808	63,881,930,903
Use of provision	(11,146,059,438)	-
Refund of provision	(1,718,477,399)	(5,805,264,095)
Ending balance	45,212,129,971	58,076,666,808

7. Inventories

	Ending balance	Beginning balance
Materials, supplies	4,166,119,926	2,915,033,565
Tools, instruments	446,455,942	35,626,391
Properties held for sale	10,062,867,241	-
Total	14,675,443,109	2,950,659,956

8. Short-term/Long-term prepaid expenses**8a. Short-term prepaid expenses**

	Ending balance	Beginning balance
Unappropriated commission expenses (*)	392,345,860,078	233,777,609,509
Others	200,215,600	41,372,986
Total	392,546,075,678	233,818,982,495

(*) Fluctuations in increases, decreases in unappropriated commission expenses during the year are as follows:

	Current year	Previous year
Beginning balance	233,777,609,509	176,030,723,016
Increase during the year	672,596,802,275	458,131,155,280
Amount already allocated into expenses during the year	(514,028,551,706)	(400,384,268,787)
Ending balance	392,345,860,078	233,777,609,509

8b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools, instruments	6,219,685,369	6,881,136,004
Housing rental	4,293,023,339	4,208,801,190
Expenses for agency development	397,927,853	632,444,803
Others	21,372,518,480	23,323,611,672
Total	32,283,155,041	35,045,993,669

9. Taxes and accounts receivable from the State

	Ending balance	Beginning balance
VAT on local sales	801,988	161,883,886
Corporate income tax	-	10,157,186,363
Personal income tax	384,274,774	1,106,410,496
Other taxes	78,098,403	72,453,967
Total	463,175,165	11,497,934,712

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Notes to the combined financial statements (cont.)**10. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	15,536,736,730	170,730,000	104,626,411,452	29,002,411,016	149,336,289,198
Purchase during the year	-	66,540,000	7,163,885,000	6,614,048,408	13,844,473,408
Liquidation and disposal	-	-	(2,302,122,045)	(529,685,468)	(2,831,807,513)
Ending balance	15,536,736,730	237,270,000	109,488,174,407	35,086,773,956	160,348,955,093
<i>In which:</i>					
Fully depreciated but being still in use	-	33,850,000	20,331,134,663	15,928,613,482	36,293,598,145
To be liquidated	-	-	-	-	-
Depreciation					
Beginning balance	2,879,402,592	91,462,580	55,189,660,019	19,975,507,284	78,136,032,475
Depreciation during the year	512,677,882	31,663,960	8,441,837,938	4,064,624,517	13,050,804,297
Liquidation and disposal	-	-	(1,186,261,385)	(529,685,468)	(1,715,946,853)
Ending balance	3,392,080,474	123,126,540	62,445,236,572	23,510,446,333	89,470,889,919
Net book value					
Beginning balance	12,657,334,138	79,267,420	49,436,751,433	9,026,903,732	71,200,256,723
Ending balance	12,144,656,256	114,143,460	47,042,937,835	11,576,327,623	70,878,065,174
<i>In which:</i>					
Temporarily unused					
To be liquidated					

11. Intangible fixed assets

	Land use right	Computer software	Total
Historical costs			
Beginning balance	5,096,806,800	11,418,285,686	16,515,092,486
Purchase during the year	-	1,995,500,000	1,995,500,000
Ending balance	5,096,806,800	13,413,785,686	18,510,592,486
<i>In which:</i>			
Fully amortized but being still in use	-	5,892,228,567	5,892,228,567
Amortization			
Beginning balance	-	7,942,557,374	7,942,557,374
Amortization during year	-	2,243,399,984	2,243,399,984
Ending balance	-	10,185,957,358	10,185,957,358
Net book value			
Beginning balance	5,096,806,800	3,475,728,312	8,572,535,112
Ending balance	5,096,806,800	3,227,828,328	8,324,635,128
<i>In which:</i>			
Temporarily unused			
To be liquidated			

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Notes to the combined financial statements (cont.)**12. Investment property**

	Land use right	Buildings & Structures	Total
Historical costs			
Beginning balance	6,994,763,527	115,647,365,175	122,642,128,702
Purchasing during the year	-	38,403,185,086	38,403,185,086
Liquidation and disposal	(6,994,763,527)	(8,341,160,965)	(15,335,924,492)
Ending balance	-	145,709,389,296	145,709,389,296
<i>In which:</i>			
Fully depreciated but being still for lease			
Depreciation			
Beginning balance	-	8,147,725,173	8,147,725,173
Depreciation during the year	-	3,727,396,993	3,727,396,993
Liquidation and disposal	-	(434,984,307)	(434,984,307)
Ending balance	-	11,440,137,859	11,440,137,859
Net book value			
Beginning balance	6,994,763,527	107,499,640,002	114,494,403,529
Ending balance	-	134,269,251,437	134,269,251,437

According to the regulations in the Circular No. 232/2012/TT-BTC dated 28 December 2015, the fair value of investment property as of the balance sheet date should be presented. However, the Corporation has not been able to determine the fair value of investment properties.

List of investment properties as of the balance sheet date is as follows:

	Historical costs	Accumulated depreciation	Net book value
Commercial floor at Thuy Loi 4 Apartment Building	86,512,743,262	7,467,850,830	79,044,892,432
FLC Quy Nhon	22,557,136,380	3,392,603,959	19,164,532,421
Tasco Project	36,639,509,654	579,683,070	36,059,826,584
Total	145,709,389,296	11,440,137,859	134,269,251,437

Income from and expenses for leasing properties during the year are VND 14,119,395,850 and VND 5,058,473,323 respectively.

13. Construction in progress

Beginning balance	8,327,322,000
Increase during the year	26,536,478,047
Transfer to fixed assets during the year	(13,844,473,408)
Transfer to properties held for sale	(10,062,867,241)
Ending balance (*)	10,956,459,398

(*) Including the expenses for purchasing house and land use right at Northern Midland PTI Office.

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Notes to the combined financial statements (cont.)**14. Short-term payable to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Payable on written premium	144,799,167,468	129,967,457,348
Payable on reinsurance activity	338,244,791,629	355,579,546,491
Payable for co-insurer	17,528,041,475	9,808,365,974
Payable to other suppliers	26,284,362,663	6,996,433,155
Total	<u>526,856,363,235</u>	<u>502,351,802,968</u>

15. Short-term prepayments from customers

Including the prepayments from customers for written premium.

16. Taxes and other obligations to the State budget

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT on local sales	24,857,032,783	19,105,140,881
Corporate income tax	13,148,830,932	-
Personal income tax	11,531,469,779	8,912,570,930
Other taxes	294,315,155	291,680,259
Total	<u>49,831,648,649</u>	<u>28,309,392,070</u>

Situation of fulfilling obligations to the State budget is as follows:

	<u>Beginning balance</u>		<u>Increase during the year</u>		<u>Ending balance</u>	
	<u>Payable</u>	<u>Receivable</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Payable</u>	<u>Receivable</u>
VAT on local sales	19,105,140,881	161,883,886	184,252,627,104	(178,339,653,304)	24,857,032,783	801,988
Corporate income tax (*)	-	10,157,186,363	23,443,206,844	(137,189,549)	13,148,830,932	-
Personal income tax	8,912,570,930	1,106,410,496	46,402,221,201	(43,061,186,630)	11,531,469,779	384,274,774
Other taxes	291,680,259	72,453,967	1,493,743,419	(1,496,752,959)	294,315,155	78,098,403
Fees, legal fees and other duties	-	-	423,100,000	(423,100,000)	-	-
Total	<u>28,309,392,070</u>	<u>11,497,934,712</u>	<u>256,014,898,568</u>	<u>223,457,882,442</u>	<u>49,831,648,649</u>	<u>463,175,165</u>

(*) Payable corporate income tax included into the Company's expenses	23,257,724,471
Payable corporate income tax recovered from individuals	185,482,373
Total	<u>23,443,206,844</u>

Value added tax (VAT)

The Corporation has to pay VAT in accordance with the deduction method at the rate of 10%.

Corporate income tax

The Corporation has to pay corporate income tax for taxable income at the rate of 20%.

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Corporate income tax payable during the year is estimated as follows:

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	133,611,623,633	24,288,428,423
Increase/decrease adjustments of accounting profit to determine profit subject to corporate income tax:	2,378,641,558	2,292,326,709
- Increase adjustments	2,496,010,282	2,292,326,709
- Decrease adjustments	(117,368,724)	-
Income subject to tax	135,990,265,191	26,580,755,132
Income exempted from tax	(19,701,642,838)	(17,099,413,633)
Taxable income	116,288,622,353	9,481,341,499
Corporate income tax rate	20%	20%
Corporate income tax payable	23,257,724,471	1,896,268,300
Adjustment of corporate income tax payable of previous years	-	4,044,500,588
Total corporate income tax payable	23,257,724,471	5,940,768,888

The determination of corporate income tax payable of the Corporation is based on the prevailing regulations on taxes. However, these regulations change for each period and the regulations on taxes for various transactions can be explained in various ways. Therefore, the tax amount presented in the combined financial statements could change when being examined by the Tax Office.

Other taxes

The Corporation has declared and paid these taxes in line with the prevailing regulations.

17. Short-term accrued expenses

Including office management costs.

18. Short-term unrealized revenue

Including written premium received in advance for the following periods.

19. Unearned commission

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	155,855,656,519	137,118,307,828
Commission on reinsurance ceded arising during the year	518,578,082,384	307,367,010,093
Allocation of commission on reinsurance ceded during the year in sales	(381,272,476,367)	(288,629,661,402)
Ending balance	293,161,262,536	155,855,656,519

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Notes to the combined financial statements (cont.)**20. Other short-term/long-term payable****20a. Other short-term payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's expenditure	4,725,341,220	3,131,107,988
Social insurance, health insurance, unemployment insurance	580,138,788	672,133,724
Dividends payable	9,657,149,161	10,686,233,993
Foreign Contractor Withholding tax temporarily retained	2,474,729,464	2,502,323,894
Contribution to insurance fund	18,181,965,051	16,471,009,447
Premium collected from VNPost not collated yet	19,528,905,584	14,531,744,438
Customer bonus fund	2,623,473,949	1,954,669,995
Short-term deposits and mortgages assumed	855,136,400	3,956,266,342
Advance received for selling securities	6,663,249,226	21,634,875,493
Others	30,979,184,669	26,105,467,752
Total	96,269,273,512	101,645,833,066

20b. Other long-term payable

Including long-term deposits and mortgages.

21. Short-term loans

	<u>Ending balance</u>	<u>Beginning balance</u>
Shinhan Bank Vietnam ^(*)	-	69,722,900,000
BIDV – Thanh Xuan Branch ^(**)	-	39,992,100,000
Vietcombank – Thang Long Branch ^(***)	-	11,145,329,602
Total	-	120,860,329,602

^(*) This is the loan from Shinhan Bank Vietnam for the purpose of supplementing working capital, with the interest rate of 3-month libor plus margin of 0.8%. This loan is secured by the termed deposits at the credit institutions.

^(**) This is the loan from BIDV - Thanh Xuan Branch in accordance with the Overdraft agreement No. 01/2018/2340004/HDTC dated 12 February 2018 to compensate temporary payment deficit (short-term loan capital) of the Corporation due to unbalanced cash flow for payment or due to seasonal business operations and requirements; the overdraft period is within the effective period of the overdraft limit (12 months commencing from the contract signing date to 9 February 2019); the interest rate of 7%/year is fixed within the effective period of the overdraft limit.

^(***) This is the loan from Vietcombank – Thang Long Branch for the purpose of supplementing working capital with the interest rate of 5%/year for the loan arising in 2017 and 5.5%/year for the loan arising in 2018, the maximum loan term of 6 months commencing from the disbursement date of the Bank. This loan is secured by mortgaging the deposits at the credit institutions.

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Notes to the combined financial statements (cont.)

Details of increases/decreases in the short-term loans during the year are as follows:

	Beginning balance	Increase during the year	Amount already paid during the year	Ending balance
Shinhan Bank Vietnam	69,722,900,000	280,060,000,000	(349,782,900,000)	-
BIDV – Thanh Xuan Branch	39,992,100,000	30,001,500,000	(69,993,600,000)	-
Vietcombank – Thang Long Branch	11,145,329,602	31,006,017,531	(42,151,347,133)	-
Total	120,860,329,602	341,067,517,531	(461,927,847,133)	-

22. Provision for current liabilities

Including provision for salary fund to be paid in 2020, which has been approved by the Corporation's Salary Council Chairman, the Corporation's General Director.

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23. Technical reserve

23a. Claim and unearned premium reserve	Current year			Previous year		
	Written premium and reinsurance assumed reserve (1)	Reinsurance ceded reserve (2)	Net written premium and reinsurance assumed reserve (3) = (1) - (2)	Written premium and reinsurance assumed reserve (4)	Reinsurance ceded reserve (5)	Net written premium and reinsurance assumed reserve (6) = (4) - (5)
1. Claim reserve⁽ⁱ⁾	1,161,842,936,713	609,646,277,303	552,196,659,410	896,915,750,913	347,425,959,496	549,489,791,417
Claim reserve for outstanding claims	1,018,867,697,213	519,422,155,045	499,445,542,168	866,192,644,248	338,817,689,001	527,374,955,247
Claim reserve for IBNR	142,975,239,500	90,224,122,258	52,751,117,242	30,723,106,665	8,608,270,495	22,114,836,170
2. Unearned premium reserve⁽ⁱⁱ⁾	3,160,260,976,999	1,373,748,583,697	1,786,512,393,302	2,144,592,205,609	732,477,619,828	1,412,114,585,781
Total	4,322,103,913,712	1,983,394,861,000	2,338,709,052,712	3,041,507,956,522	1,079,903,579,324	1,961,604,377,198
In which:						
⁽ⁱ⁾ Claim reserve						
Beginning balance	896,915,750,913	347,425,959,496	549,489,791,417	797,519,969,351	295,133,085,860	502,386,883,491
Appropriation during the year	264,927,185,800	262,220,317,807	2,706,867,993	99,395,781,562	52,292,873,636	47,102,907,926
Refund during the year	-	-	-	-	-	-
Ending balance	1,161,842,936,713	609,646,277,303	552,196,659,410	896,915,750,913	347,425,959,496	549,489,791,417
⁽ⁱⁱ⁾ Unearned premium reserve						
Beginning balance	2,144,592,205,609	732,477,619,828	1,412,114,585,781	1,647,879,368,341	525,983,018,605	1,121,896,349,736
Appropriation during the year	1,015,668,771,390	641,270,963,869	374,397,807,521	496,712,837,268	206,494,601,223	290,218,236,045
Refund during the year	-	-	-	-	-	-
Ending balance	3,160,260,976,999	1,373,748,583,697	1,786,512,393,302	2,144,592,205,609	732,477,619,828	1,412,114,585,781

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

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Notes to the combined financial statements (cont.)**23b. Reinsurance assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Claim reserve for reinsurance ceded</i>	<i>609,646,277,303</i>	<i>347,425,959,496</i>
Claim reserve for outstanding claims	519,422,155,045	338,817,689,001
Claim reserve for IBNR	90,224,122,258	8,608,270,495
<i>Reserve for reinsurance ceded premium</i>	<i>1,373,748,583,697</i>	<i>732,477,619,828</i>
Total	<u>1,983,394,861,000</u>	<u>1,079,903,579,324</u>

23c. Catastrophe reserve

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	98,160,886,772	69,448,040,587
Additional appropriation during the year	35,614,297,659	28,712,846,185
Disbursement during the year	(30,000,000,000)	-
Ending balance	<u>103,775,184,431</u>	<u>98,160,886,772</u>

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24. Owner's equity

24a. Statement of fluctuations in owner's equity

	Owner's investment capital	Share premiums	Business promotion fund	Compulsory reserve fund	Retained profit after tax	Total
Beginning balance of the previous year	803,957,090,000	827,943,052,804	20,745,386,903	48,967,380,576	186,007,493,678	1,887,620,403,961
Profit in the previous year	-	-	-	-	18,347,659,535	18,347,659,535
Appropriation of funds during the year	-	-	1,485,327,359	917,382,977	(2,402,710,336)	-
Share of dividends in the previous year	-	-	-	-	(96,474,850,800)	(96,474,850,800)
Appropriation of customer bonus fund	-	-	-	-	(1,485,327,359)	(1,485,327,359)
Payment of allowances and bonus to the BOM, the Control Board	-	-	-	-	(1,485,327,359)	(1,485,327,359)
Executive officers' bonus fund	-	-	-	-	(2,227,991,043)	(2,227,991,043)
Ending balance of the previous year	803,957,090,000	827,943,052,804	22,230,714,262	49,884,763,553	100,278,946,316	1,804,294,566,935
Beginning balance of the current year	803,957,090,000	827,943,052,804	22,230,714,262	49,884,763,553	100,278,946,316	1,804,294,566,935
Profit in the current year	-	-	-	-	110,353,899,162	110,353,899,162
Appropriation of funds	-	-	183,476,595	5,517,694,958	(5,701,171,553)	-
Share of dividends	-	-	-	-	(64,316,567,200)	(64,316,567,200)
Appropriation of customer bonus fund	-	-	-	-	(183,476,595)	(183,476,595)
Payment of allowances and bonus to the BOM, the Control Board	-	-	-	-	(917,382,977)	(917,382,977)
Executive officers' bonus fund	-	-	-	-	(366,953,190)	(366,953,190)
Ending balance of the current year	803,957,090,000	827,943,052,804	22,414,190,857	55,402,458,511	139,147,293,963	1,848,864,086,135

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	<u>Ending balance</u>	<u>Beginning balance</u>
Contribution capital of shareholders	803,957,090,000	803,957,090,000
State's investment capital	182,256,480,000	182,256,480,000
Contribution capital of other shareholders	621,700,610,000	621,700,610,000
Share premiums	827,943,052,804	827,943,052,804
Total	<u>1,631,900,142,804</u>	<u>1,631,900,142,804</u>

24c. Dividends

	<u>Current year</u>	<u>Previous year</u>
Dividends unpaid at the beginning of year	10,686,233,993	10,831,168,942
Share of dividends from profit of the previous year	64,316,567,200	96,474,850,800
Dividends already paid during the year	(65,345,652,032)	(96,619,785,749)
Dividends unpaid at the end of the year	<u>9,657,149,161</u>	<u>10,686,233,993</u>

24d. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of common shares registered to be issued	80,400,000	80,400,000
Number of common shares already issued	80,395,709	80,395,709
Number of common shares repurchased	-	-
Number of outstanding common shares	80,395,709	80,395,709

Face value per outstanding share: VND 10,000.

24e. Profit distribution

During the year, the Corporation distributed the profit in accordance with the Resolution of the 2019 Annual General Meeting of Shareholders No. 28/NQ-PTI-DHDCD dated 23 April 2019 as follows:

	<u>VND</u>
• Share of dividends to shareholders	: 64,316,567,200
• Appropriation of business promotion fund	: 183,476,595
• Appropriation of customer bonus fund	: 183,476,595
• Payment of allowances and bonus to the BOM, the Control Board	: 917,382,977
• Executive officers' bonus fund	: 366,953,190

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Notes to the combined financial statements (cont.)**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED INCOME STATEMENT****1. Sales of insurance premium**

	<u>Current year</u>	<u>Previous year</u>
Written premium	5,692,726,345,390	4,159,480,240,770
<i>Health insurance and human accident insurance</i>	2,225,234,652,476	1,335,273,324,185
<i>Property and damage insurance</i>	366,525,340,171	353,624,769,099
<i>Cargo insurance</i>	138,426,064,910	142,868,254,543
<i>Aviation insurance</i>	35,029,804,567	11,823,685,897
<i>Motor vehicle insurance</i>	2,478,432,623,712	2,001,733,622,284
<i>Fire and explosion insurance</i>	326,439,265,780	192,342,611,576
<i>Hull and civil liability of ship owner insurance</i>	71,611,994,098	84,364,091,016
<i>Joint liability insurance</i>	43,649,079,531	37,145,056,917
<i>Business damage insurance</i>	6,606,980,602	-
<i>Agricultural insurance</i>	770,539,543	304,825,253
Reinsurance premium assumed	108,920,975,323	126,354,440,693
Increase/decrease in reserve for written premium and reinsurance assumed	(1,015,668,871,390)	(496,712,837,268)
Sales of insurance premium	<u>4,785,978,449,323</u>	<u>3,789,121,844,195</u>

2. Reinsurance premium ceded

	<u>Current year</u>	<u>Previous year</u>
Reinsurance premium ceded	2,240,217,554,853	1,414,550,062,963
<i>Health insurance and human accident insurance</i>	1,342,336,009,441	775,254,764,813
<i>Property and damage insurance</i>	313,852,473,152	281,177,407,677
<i>Cargo insurance</i>	43,217,191,876	31,025,028,980
<i>Aviation insurance</i>	18,858,583,399	-
<i>Motor vehicle insurance</i>	276,452,482,639	174,734,097,270
<i>Fire and explosion insurance</i>	190,298,044,175	89,856,489,621
<i>Hull and civil liability of ship owner insurance</i>	43,162,422,467	45,424,238,034
<i>Joint liability insurance</i>	11,874,568,872	16,825,574,340
<i>Agricultural insurance</i>	165,778,832	252,462,228
Increase/decrease in reserve for reinsurance premium ceded	(641,270,963,869)	(206,494,601,223)
Reinsurance premium ceded	<u>1,598,946,590,984</u>	<u>1,208,055,461,740</u>

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	Current year	Previous year
Total claim expenses	2,038,496,004,596	1,702,802,760,540
<i>Health insurance and accident insurance</i>	543,955,371,932	419,586,613,165
<i>Property and damage insurance</i>	140,185,338,703	119,591,293,977
<i>Cargo insurance</i>	66,775,747,977	75,089,193,095
<i>Aviation insurance</i>	-	-
<i>Motor vehicle insurance</i>	1,107,784,850,674	966,381,852,150
<i>Fire and explosion insurance</i>	64,052,917,010	63,025,139,645
<i>Hull and civil liability of ship owner insurance</i>	131,131,225,688	33,729,663,305
<i>Joint liability insurance</i>	14,599,257,687	25,399,005,203
<i>Agricultural insurance</i>	11,294,925	-
<i>Disbursement of catastrophe reserve</i>	(30,000,000,000)	-
Receiving indemnity of reinsurance ceded	(589,960,692,386)	(422,479,385,543)
Increase/decrease in claim reserve for written premium and reinsurance assumed	264,927,185,800	90,787,511,067
Increase/decrease in indemnity reserve for reinsurance ceded	(262,220,317,806)	(43,684,603,141)
Total claim expenses	1,451,242,180,204	1,327,426,282,923

4. Other expenses for insurance operation

	Current year	Previous year
Insurance commission	514,028,551,706	400,384,268,787
Insurance agency management	494,872,249,974	311,250,656,722
Damage limit provision	21,742,060,944	22,081,973,622
Insurance funds	18,427,965,051	10,807,755,220
Others	1,099,223,015,122	685,102,091,857
Total	2,148,293,842,797	1,429,626,746,208

5. Sales of trading investment property

	Current year	Previous year
Leasing investment property	14,119,395,850	6,957,098,394
Selling investment property	16,737,188,363	-
Total	30,856,584,213	6,957,098,394

6. Costs of investment property

	Current year	Previous year
Leasing investment property	5,058,473,323	3,662,574,903
Selling investment property	9,032,504,055	-
Total	14,090,977,378	3,662,574,903

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Notes to the combined financial statements (cont.)**7. Financial income**

	Current year	Previous year
Termed deposit interest	120,219,220,232	108,952,107,742
Demand deposit interest	386,242,817	241,451,630
Long-term investment interest	24,823,430,422	1,533,479,793
Gain on trading securities	21,044,283,702	52,134,466,696
Dividends and profit shared	19,701,642,838	7,097,808,479
Gain on realized exchange rate differences	2,532,181,714	4,201,227,639
Others	905,556	1,572,409,434
Total	188,707,907,282	175,732,951,411

8. Financial expenses

	Current year	Previous year
Loan interest expenses	8,233,306,808	8,832,258,512
Loss from realized exchange rate difference	3,593,641,538	8,642,768,303
Loss from trading securities	48,672,124,529	36,273,755,894
Appropriation of provision for devaluation of trading securities and financial investments	48,806,701,690	82,869,773,174
Others	22,319,275,856	24,430,444,982
Total	131,625,050,421	161,049,000,865

9. Administrative overheads

	Current year	Previous year
Expenses for staff	302,544,993,898	290,137,206,782
Expenses for materials, supplies	23,030,613,138	22,532,370,507
Expenses for managing tools	10,459,874,443	9,445,687,876
Depreciation of fixed assets	15,294,204,281	14,402,276,361
Taxes, fees and duties	25,299,920,908	23,740,905,711
Contingent expenses	(1,718,477,399)	(5,805,264,095)
External services hired	94,204,519,682	90,313,050,655
Other expenses in cash	146,932,016,431	140,919,092,352
Total	616,047,665,382	585,685,326,149

10. Earnings per share

According to the regulations of Vietnamese Accounting Standard No. 30 – “Basic earnings per share”, the Corporation has not presented this item in the separate financial statements but presented information on basic earnings per share in the consolidated financial statements.

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Notes to the combined financial statements (cont.)**VII. OTHER INFORMATION****1. Transactions and balances with related parties**

Related parties of the Corporation include: the key managers, related individuals with the key managers and other related parties.

Income of the key managers is as follows:

	<u>Current year</u>	<u>Previous year</u>
Salary of the Executive Officers	12,264,433,350	10,486,968,920
Allowances and bonus of the BOM and the Control Board	767,382,976	1,384,827,359
Total	13,031,816,326	11,871,796,279

Transactions with other related parties

Other related parties of the Corporation include:

Other related parties	Relationship
Vietnam Post Corporation (VNPost)	Capital contributor
DB Insurance Co., Ltd.	Capital contributor
VNDirect Securities JSC.	Capital contributor
Vietnam Petrol Commercial Corporation (VinaPetro)	Subsidiary
VN-IBS., JSC.	Subsidiary
Post Real Estate Joint Stock Company (PostRe)	Subsidiary
Kasati JSC.	Associate
Lanexang Assurance Public Insurance JSC. (LAP)	Associate
IPAF	The Company has the same key managers

Apart from transactions with subsidiaries and associates as presented in Note V.2c, the Corporation has also had other transactions with other related parties as follows:

	<u>Current year</u>	<u>Previous year</u>
DB Insurance Co., Ltd.		
Reinsurance premium ceded	10,445,927,652	6,889,637,398
Receiving commission on reinsurance ceded	3,415,580,103	2,408,405,245
Receiving indemnity of reinsurance ceded	730,587,676	584,750,330
Share of dividends	24,000,000,000	36,000,000,000
VNPost		
Share of dividends	14,580,518,400	21,870,777,600
VNDirect Securities JSC.		
Share of dividends	10,572,844,000	18,019,266,000
IPAF		
Transfer of investment trust	-	17,913,442,872
Recovery from investment trust	5,000,000,000	-

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As of the balance sheet date, the liabilities with other related parties were as follows:

	Ending balance	Beginning balance
LAP – receivable on dividends	-	990,773,316
PostRE – receivable on long-term investment trust	8,000,000,000	42,910,347,222
PostRE – receivable on trust interest	-	2,900,000,000
PostRE – receivable on dividends	2,292,000,000	2,792,000,000
Vietnam Petrol Commercial Corporation – receivable on short-term investment trust	-	2,200,000,000
VN-IBS., JSC. – receivable on dividends	8,398,333,000	6,427,999,657
IPAF – investment portfolio management trust	12,913,442,872	17,913,442,872
Total accounts receivable	31,903,775,872	76,434,563,067
DB Insurance Co., Ltd. – payable on reinsurance premium	1,690,262,049	1,325,806,770
LAP – payable on reinsurance premium	3,701,292,292	1,038,201,296
Total accounts payable	5,391,554,341	2,364,008,066

The prices of goods and services provided to related parties are the market prices. The purchase of goods and services from related parties is implemented in accordance with the market prices.

Accounts receivable are unsecured and will be paid in cash. No provision for bad debts has been prepared for accounts receivable from related parties.

2. Segment information

The Corporation only operates in one business segment of providing non-life insurance and one geographical segment of Vietnamese territory. Therefore, the Corporation has not presented the segment reporting in accordance with the business segments and geographical segments.

3. Financial risk management

Operations of the Corporation include the following financial risks: credit risk, liquidity risk and market risk. The Management Board is responsible for designing policies and controls to minimize financial risks as well as supervising the application of those policies and controls.

3a. Credit risk

Credit risk is the risk that a contractual party cannot perform its responsibilities, leading to a financial loss to the Corporation.

The Corporation has had credit risks mainly from accounts receivable from customers and cash in bank.

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Notes to the combined financial statements (cont.)*Receivable from customers*

Receivables from customers subject to credit risk include receivables from insurance, reinsurance and other receivables. The Corporation manages customer credit risks through the Corporation's policies, procedures and control process related to customer credit risk management.

The most significant item of the receivables from reinsurance is the claim receivable from the reinsurance companies. To minimize this risk, the Corporation has established a number of business and financial principles in accepting reinsurance companies, using the classification results of large credit rating organizations, and at the same time taking into account of more information on the market. The Corporation also regularly reviews the financial stability of reinsurance companies from the mass media as well as other sources and the trend of paying the payables of reinsurance companies.

Cash in bank

Termed and demand deposits of the Group are deposited in local banks. The Management Board does not realize any material credit risk in those deposits.

Maximum level of credit risk for financial assets is the net book value of the financial assets (See Note VII.4 regarding net book value of financial assets).

Analysis of overdue time and devaluation of financial assets is as follows:

	Not yet overdue or devalued	Already overdue and/or devalued	Total
Ending balance			
Cash and cash equivalents	117,595,429,206	-	117,595,429,206
Trading securities	159,994,380,350	354,701,122,868	514,695,503,218
Investments held to maturity date	3,213,951,927,033	8,000,000,000	3,221,951,927,033
Receivable from customers	572,067,091,655	36,249,234,081	608,316,325,735
Other receivable	275,197,072,004	14,822,013,484	290,019,085,488
Capital contribution in other entities	39,423,442,872	69,863,299,985	109,286,742,857
Total	4,378,229,343,120	483,635,670,418	4,861,865,013,537
Beginning balance			
Cash and cash equivalents	122,447,618,654	-	122,447,618,654
Trading securities	118,845,790,186	480,662,878,632	599,508,668,818
Investments held to maturity date	2,679,692,977,653	39,904,016,282	2,719,596,993,935
Receivable from customers	540,132,640,419	-	540,132,640,419
Other receivable	181,996,255,324	19,764,048,988	201,760,304,312
Capital contribution in other entities	173,672,855,557	40,000,000,000	213,672,855,557
Total	3,816,788,137,793	580,330,943,902	4,397,119,081,695

3a. Liquidity risk

Liquidity risk is the risk that the Corporation will have difficulties in paying its financial liabilities due to lack of cash.

The Corporation's liquidity risk is mainly from financial assets and financial liabilities with different maturity dates.

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The Corporation has managed the liquidity risk by frequently following current and forecasted payment requests to maintain a suitable amount of cash as well as loans at a reasonable level, supervising cash flow actually arising in comparison with estimation to minimize the effects of cash flow fluctuations

The payment term of non-derivative financial liabilities (including interest payable) is based on estimated payments according to the contracts but not discounted yet as follows:

	Under 1 year	From 1 year to 5 years	Over 5 years	Total
Ending balance				
Payable to suppliers	526,856,363,235	-	-	526,856,363,235
Loans and debts	-	-	-	-
Other payable	84,684,163,478	1,320,665,586	-	86,004,829,064
Total	611,540,526,713	1,320,665,586	-	612,861,192,299
Beginning balance				
Payable to suppliers	502,351,802,968	-	-	502,351,802,968
Loans and debts	120,860,329,602	-	-	120,860,329,602
Other payable	102,003,957,882	1,501,442,386	-	103,505,400,268
Total	725,216,090,452	1,501,442,386	-	726,717,532,838

The Management Board realizes that risk level for debt payment is low. The Corporation has liquidity of due debts by cash flows from business operations and receipts from due financial assets. The Corporation is able to access capital sources and loans on due within 12 months can be extended by present lenders.

3b. Market risk

Market risk is the risk that fair value or cash flows in the future of financial instruments will change according to changes of market prices.

The market risk related to operation of the Corporation includes foreign currency risk, interest rate risk and risk related to price of securities.

The analyses of sensitivity and evaluations hereafter are related to the financial position of the Corporation as of 31 December 2019 and 1 January 2019 and are based on the value of net liabilities. Changes in foreign exchange rates, interest rates, price of securities used in the analyses of sensitivity are based on the evaluation of ability to occur within the next one year under observable circumstances of the market at present.

Foreign currency risk

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 maturity of debts, forecasting foreign exchange rates, maintaining reasonably structure of borrowing and loans between foreign currencies and VND, choosing time of buying and paying of 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 Management Board realizes the impact level due to fluctuations in foreign exchange rates to profit after tax and owner's equity of the Corporation is not material.

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Interest rate risk

Interest rate risk is the risk that fair value or cash flows in the future of financial instrument will change according to changes of market interest rates.

Interest rate risk of the Corporation is mainly related to termed deposits and loans at floating interest rate.

The Corporation has managed the interest rate risk by analyzing the market situation to make reasonable decisions in choosing time of loans with suitable terms as to gain the most profitable interest rates as well as maintaining the suitable structure of loans at floating rates and fixed rates.

Financial instruments with floating interest rates of the Corporation are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Investments held to maturity dates	3,213,951,927,033	2,679,692,977,653
Loans and debts	-	(120,860,329,602)
Net assets/(liabilities payable)	3,213,951,927,033	2,558,832,648,051

As of the balance sheet date, with the assumption of other unchangeable variables, if the interest rate of loans in VND with floating rate increased/decreased by 2%, profit after tax and owner's equity of the Corporation in the current year would increase/decrease by VND 51,423,230,833 VND (in the previous year, they had increased/decreased by VND 40,941,322,369). The sensitivity level to fluctuations of interest rates of the current year increase/decrease in comparison with that of the previous year due to the increase/decrease in loans at floating interest rates.

Risk related to price of securities

Securities held by the Corporation can be affected by risks related to future values of investment securities. The Corporation manages the risk related to price of securities by setting up investment limit and diversifying investment portfolio.

As of the balance sheet date, with the assumption of other unchangeable variables, if prices of listed securities invested by the Corporation increased/decreased by 2%, profit after tax and owner's equity of the Corporation in the current year would increase/decrease by VND 8,235,128,051 (in the previous year, they had increased/decreased by VND 9,592,138,701) due to decrease/increase in provisions. The sensitivity level to fluctuations in prices of securities in the current year decreases in comparison with that of the previous year as the Corporation has decreased the investment in listed trading securities

3c. Collaterals

The Corporation has had no financial assets used as collaterals to other entities as well as collaterals received from other entities as of 31 December 2019 and as of 31 December 2018.

4. Financial assets and liabilities

Financial assets

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Historical costs</u>	<u>Provision</u>	<u>Historical costs</u>	<u>Provision</u>
Cash and cash equivalents	117,595,429,206	-	122,447,618,654	-
Trading securities	514,695,503,218	(137,506,487,068)	599,508,668,818	(76,375,920,784)
Investments held to maturity date	3,221,951,927,033	(7,344,000,000)	2,719,596,993,935	(32,520,375,649)
Receivable from customers	608,316,325,735	(30,390,116,487)	540,132,640,419	(38,312,617,820)
Other receivable	290,019,085,488	(14,822,013,484)	201,760,304,312	(19,764,048,988)
Capital contribution in other entities	109,286,742,857	(40,398,571,184)	213,672,855,557	(51,102,880,881)
Total	4,861,865,013,537	(230,461,188,223)	4,397,119,081,695	(218,075,844,122)

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Net book value of financial liabilities is as follows:

	Ending balance	Beginning balance
Payable to suppliers	526,856,363,235	502,351,802,968
Loans and debts	-	120,860,329,602
Other payable	86,004,829,064	103,505,400,268
Total	612,861,192,299	726,717,532,838

Fair value

The Corporation has not determined the fair values of financial assets and liabilities in accordance as the Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance as well as the prevailing regulations have not given out any detailed guidance.

5. Several figures to assess overall financial position and business results

Items	Unit	Current year	Previous year
Structures of assets and capital sources			
<i>Structure of assets</i>			
Current assets/Total assets	%	87.48	83.19
Long-term assets/Total assets	%	12.52	16.81
<i>Capital sources</i>			
Liabilities/Total capital sources	%	75.47	70.17
Owner's equity/Total capital sources	%	24.53	29.83
Solvency			
Current solvency	Time	1.33	1.43
Short-term liabilities solvency	Time	1.16	1.19
Quick solvency	Time	0.02	0.03
Long-term liabilities solvency	Time	714.24	676.96
Profit ratio			
<i>Profit to Revenue ratio</i>			
Profit before tax to Net revenue ratio	%	3.10	0.72
Profit after tax to Net revenue ratio	%	2.56	0.54
<i>Profit to Total assets ratio</i>			
Profit before tax to Total assets ratio	%	1.77	0.40
Profit after tax to Total assets ratio	%	1.46	0.30
<i>Profit after tax to Owner's equity ratio</i>	%	5.97	1.02

6. Insurance risk

The first objective of the Corporation in capital management is to maintain sufficient capital to support its business growth and meet its legal capital requirements. The Corporation is aware of the impacts on the shareholders' profit, the level of capital contribution and learn how to maintain a prudent balance.

The legal capital requirements arise from the Corporation's operations and require the Corporation

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to maintain sufficient capital to settle its debts and meet the requirements on solvency margin in Vietnam. The solvency requirement applicable to the Corporation is stipulated in the Circular No. 50/2017/TT-BTC dated 15 May 2017 of the Ministry of Finance guiding the implementation of Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government on the Law on Insurance Business.

The attached appendix (pages 58 - 59) presents the minimum solvency margin and solvency margin of the Corporation. Policy makers are concerned about the protection of the insured's benefits and keep tracking to ensure that insurance companies are operating effectively for the insured's benefits. They are also concerned about the assurance that insurance companies are able to maintain adequate solvency to respond to unexpected insurance obligations due to economic recession or natural disasters.

7. Subsequent events

On 13 March 2020, the Corporation's BOM issued the Resolution No. 18/NQ-PTI-HDQT on approving the Corporation's divestment in VN-IBS., JSC. Accordingly, the Corporation has offered to sell all 1,980,000 shares equivalent to 99% of charter capital actually contributed, the starting price is based on the Valuation Certificate issued by the Valuation Company and approved by the Board of Management.

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 18 March 2020

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

APPENDIX

Address: Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

SOLVENCY STATEMENT

Unit: VND

	Current year	Previous year
I. Difference between asset value and liabilities payable	1,848,864,086,135	1,804,294,566,935
1. Total assets	7,536,593,274,453	6,047,780,912,186
2. Liabilities payable	5,687,729,188,318	4,243,486,345,251
II. Asset value excluded	422,024,444,808	413,945,128,414
I. Assets of which accounting values are fully excluded:	66,380,625,606	71,027,348,703
1.1 Capital contribution to establish other insurance companies from the owner's equity of insurance company	20,152,200,000	20,152,200,000
1.2 Assets equivalent to bonus and welfare funds	-	-
1.3 Bad debts as regulated less relevant provision for bad debts	-	-
1.4 Intangible fixed assets except for computer software and land use right	-	-
1.5 Prepaid expenses, loans without guarantee, advances, office equipment and stationery, inter-company receivable	45,663,026,341	49,781,003,926
1.6 Receivable on insurance premium and reinsurance premium assumed overdue 2 years less relevant provision for bad debts as regulated	565,399,265	1,094,144,777
1.7 Loans, re-investment to shareholders or related objects as regulated in Article 4 of the Business Law except for the case of bank deposits	-	-
2. Assets of which accounting values are partly excluded:	355,643,819,202	342,917,779,711
2.1 Investment assets:	127,891,739,133	145,450,640,447
a) Secured bonds: excluding 1% of accounting value;	-	-
b) Unsecured bonds: excluding 3% of accounting value;	6,000,000,000	6,000,000,000
c) Listed shares: excluding 15% of accounting value;	35,419,320,680	89,732,394,058
d) Unlisted shares: excluding 20% of accounting value;	39,406,988,084	6,526,000,000
d) Direct investments in property used by the company itself: excluding 8% of accounting value;	407,744,544	967,325,626
e) Direct investments in property for lease, secured trading loans: excluding 15% of accounting value;	20,140,387,716	16,124,946,000
g) Contribution capital to other entities except for insurance companies: excluding 20% of accounting value.	26,517,298,110	26,099,974,762
2.2 Accounts receivable	1,044,728,116	1,598,755,493
a) Receivable on insurance premium and reinsurance premium assumed overdue from 180 days to under 1 year less relevant provision for bad debts as regulated: excluding 30%;	528,144,770	361,013,311
b) Receivable on insurance premium and reinsurance premium assumed overdue from 1 year to under 2 years less relevant provision for bad debts as regulated: excluding 50%;	516,583,346	1,237,742,183

2.3	Tangible fixed assets, intangible fixed assets which are computer software and inventories: excluding 25% of accounting value;	22,195,334,153	19,406,661,248
2.4	Other assets: excluding 15% of accounting value.	204,512,017,800	176,461,722,524
III.	Solvency margin (I-II)	1,426,839,641,327	1,390,349,438,521
IV.	Minimum solvency margin		
	25% total retained premium	890,357,441,465	717,821,154,625
Comparison of solvency margin and minimum solvency margin (III and IV)			
	Absolute figure difference	536,482,199,862	672,528,283,896
	Percentage (%) difference	160%	194%

Prepared on 18 March 2020

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

General Director



Bui Xuan Thu

